

New strides towards fair processes for financing universal health coverage

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Key messages

- Fair processes in health financing decisions should not be undervalued or perceived as secondary to the goals of universal health coverage. By integrating fair-process principles and criteria into health financing decisions, countries can achieve more equitable outcomes, strengthen the legitimacy of the decision-making process, build trust in public institutions and promote long-term sustainability of reforms.
- Procedural fairness requires a comprehensive approach, which consists of three core principles of equality, impartiality and consistency over time. To translate these principles into real-world health financing decisions, countries can apply seven criteria, organized into three domains of information, voice and oversight.
- Countries across income levels with different political systems and health financing arrangements have promising practices and experiments promoting procedural fairness. The report ‘Open and inclusive: fair processes for financing universal health coverage’ builds on insights from a wide range of fields and settings to highlight some of the key policy instruments to support countries in this journey.

Fairness is at the heart of the vision for universal health coverage (UHC): that all people can obtain the quality health services they need without suffering financial hardship (World Health Organization, 2010). However, inequities abound on the path to UHC (World Health Organization, 2014; World Bank, 2018) (Box 1). To date, with a few exceptions (Baltussen *et al.*, 2017; Rumbold *et al.*, 2017; Marshall *et al.*, 2021), much of the literature on inequity on the path to

UHC has focused on ‘substantive fairness’: how rights, duties, benefits and burdens are and should be allocated (World Health Organization, 2014). An example is the distribution of financial hardship caused by out-of-pocket health payments (Tangcharoensathien *et al.*, 2020; Wagstaff and Neelsen, 2020; Gabani *et al.*, 2022). A new joint report by the Norwegian Institute of Public Health (NIPH), the World Bank and Bergen Centre for Ethics and Priority Setting (BCEPS)—‘Open and inclusive: fair processes for financing universal health coverage’—complements this body of work by exploring ‘procedural’ fairness in decision-making: what it means and how it can be pursued in health financing decisions across the three functions of revenue mobilization, pooling and purchasing (World Bank, 2023).

Health financing decisions are taken within a broader context of macroeconomic and fiscal constraints and made more acute since the COVID-19 pandemic and the war in Ukraine (Kurowski *et al.*, 2022). Difficult decisions must be made on the balance of funding health compared with other sectors, all of which would improve social welfare. Within health, difficult choices also abound. For example, when new funds are available, what weight should be given to reducing out-of-pocket payments for existing services compared with increasing the range of services available? Both objectives are desirable but cannot be reached immediately. Health financing policymakers face many such trade-offs, but two key gaps in guidance have made it difficult for them to navigate their choices to improve equity.

The first, pertaining to substantive fairness, has been a lack of a clear description of what types of health financing decisions most affect equity and what type of trade-offs would be unacceptable on equity grounds. To support policymakers in making these choices, in 2014, the WHO Consultative Group on Equity and Universal Health Coverage broke new ground by describing key trade-offs that are ethically unacceptable, particularly relating to choices between

Box 1. Equity and Fairness

A large body of work has explored the meaning of equity and fairness in health financing and fiscal policy outcomes (Wagstaff and van Doorslaer, 2000; Evans *et al.*, 2001; Murray *et al.*, 2003; Xu *et al.*, 2007; O'Donnell *et al.*, 2008; van Doorslaer and O'Donnell, 2011; Ottersen and Norheim, 2014; Clements *et al.*, 2015; Mulenga and Ataguba, 2017; Woo *et al.*, 2017). While many agree on the core tenets of 'equity' and 'fairness', there is no consensus about the exact boundaries and content of these terms and whether and how they are different. So, following the World Health Organization (WHO) Consultative Group (World Health Organization, 2014), the terms are used interchangeably in this commentary and in the World Bank—BCEPS—NIPH report (World Bank, 2023).

different mixes of health services when expanding population coverage (World Health Organization, 2014; Norheim, 2015). Building on this, the third Annual UHC Financing Forum hosted by the World Bank and the US Agency for International Development (USAID) in 2018 broadened the focus to consider fairness and equity in all health financing functions, from resource mobilization to pooling and purchasing (World Bank, 2018). It also proposed an additional set of trade-offs deemed unacceptable because they would increase existing inequities.

Both pieces of work drew attention to the second gap: the lack of clear guidance on how to ensure procedural fairness in health financing decisions across the three functions. The motivation was that even with guiding criteria for addressing trade-offs related to substantive fairness, complete agreement on what constitutes an equitable policy choice is difficult to reach since competing values and interests shape people's perceptions of fair outcomes (Rumbold and Wilson, 2016; Daniels and Sabin, 2008; World Bank, 2018).

The new report on 'Open and inclusive: fair processes for financing universal health coverage' addresses both gaps (World Bank, 2023). First, it extends earlier work by describing the key types of revenue mobilization, pooling and purchasing decisions with important equity implications. Second, it establishes a comprehensive set of principles and criteria for designing and assessing health financing processes and making them fairer. It highlights how countries across income levels with different political systems and health financing arrangements have promising practices and experiments promoting procedural fairness. To do this, the report draws upon many studies focused on benefit design decisions, using the Accountability for Reasonableness Framework (Daniels and Sabin, 1997; Daniels, 2008; Byskov *et al.*, 2014). Additionally, it incorporates insights on procedural fairness from various fields beyond health financing, including deliberative democracy, social psychology, environmental management and public finance (Dale *et al.*, 2023). The report's proposed criteria are also informed by deliberations of an international expert advisory group. To ensure diverse perspectives, the advisory group was composed of experts with varying technical backgrounds such as philosophy, health financing, law and public health. It also included health financing policymakers from countries with different income levels and political systems.

Key insights of the report**Fair processes promote fairer and more legitimate decisions with increased trust and sustainability**

Four potential benefits—more equitable outcomes, legitimacy, trust and the long-term sustainability of reforms—call for greater attention to fair processes in health financing. First, fair processes can promote more equitable outcomes by addressing common sources of unfairness. One key source is power differences among stakeholders, which carries the risk that voices and interests of poor and marginalized groups are not heard and receive less weight than those representing wealthy and elite interests (Beauvais, 2018). Moreover, ethically unacceptable policies are more likely to be exposed, and then reformulated, when the process of decision-making involves providing justification and is transparent and open to challenge. Second, fair processes strengthen legitimacy when decision-making occurs through accepted laws, institutions and procedures and when citizens can access the evidence and underlying core rationale for the proposed solutions (OECD, 2020). Third, trust is fostered by treating people affected by decisions with respect and ensuring that no one's interests are misrepresented or neglected (OECD, 2017). Finally, sustainability is advanced by creating space for input from all constituencies, including those whose preferred solutions are not ultimately adopted (Leventhal *et al.*, 1980).

Principles and criteria can translate procedural fairness from an abstract concept to practical value

This report proposes principles and criteria for guiding fairer processes in financing UHC. Three principles—equality, impartiality and consistency over time—form the foundations of a fair process. Equality calls for equal access to information, equal capacity to express one's views and equal opportunity to influence decisions and mutual respect between those participating in a decision-making process (Gutmann and Thompson, 1995; Bachtiger *et al.*, 2018). Impartiality implies that vested interests—including corporate power—should not unduly influence the outcomes, and prior beliefs should not prevent different views from being considered (Leventhal *et al.*, 1980; Mansbridge *et al.*, 2010). Consistency over time requires decision-making processes to be stable and predictable (Leventhal *et al.*, 1980).

Guided by these principles, seven criteria organized into three domains are proposed to help design and assess decision-making processes in health financing. The first domain, information, is focused on the quality, breadth and reliability of the information underpinning decisions, as well as the transparency and justification for the reasoning underlying the decisions. The second domain, voice, is centred around creating opportunities for the public and affected stakeholders to express diverse opinions and ensuring that all relevant voices are heard and considered. Lastly, the third domain on oversight encompasses revisability and enforcement. Revisability implies that mechanisms are in place to revisit and revise decisions, if necessary, for example in light of new evidence. Enforcement requires the presence of mechanisms to ensure that the principles and criteria for procedural fairness are upheld. Without enforcement, none of the principles and criteria can be expected to achieve their stated intentions, ultimately undermining the fairness of the process.

Country experiences demonstrate promising practices and opportunities

The report provides practical insights into the range of instruments that can be used to improve procedural fairness drawing on the actions taken by various countries across the health financing functions. These instruments, frequently used in combination, cover legislation and regulation, organizational arrangements, financing and capacity strengthening and information management and monitoring. Two examples are provided here.

In South Africa, parliament's approval of a tax on sugar-sweetened beverages involved robust processes for securing the accuracy of information, transparency and reason-giving (the information domain), made possible by a strong legal framework and high capacity in key public institutions such as the National Treasury (Kruger *et al.*, 2023). Another example relates to promoting voice. Legislative provisions and investments in strengthening the capacity of national and sub-national institutions have made participation and inclusiveness integral to monitoring and improving the performance of Thailand's Universal Coverage Scheme (Kantamaturapoj *et al.*, 2020a; 2020b; Marshall *et al.*, 2021).

Conclusions

The realization of UHC requires fair processes for health financing. Fairer processes can contribute to fairer outcomes, strengthen the legitimacy of the process, build trust in society and promote the long-term sustainability of policies once they are implemented. The new 'Open and inclusive' report provides stakeholders with what they so far have lacked: integrated guidance on why and how to build fairer processes for health financing. The report builds on insights from a wide range of fields and settings and goes all the way from basic principles, via criteria for assessing and designing processes to the menu of policy instruments that can make this work.

The report can be used by governments, civil society, international partners and basically anyone seeking to turn principles of fairness into fairness in practice. We hope this will enable new strides towards fair processes, while we continue to share lessons as we move ahead.

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Author contributions

C.K. and O.F.N. have led the conception of the work. D.E. and C.K. have contributed to the drafting of the commentary with inputs from all authors. T.O., E.D. and U.G. have contributed to the critical revision of the article. All named authors approved the paper prior to submission.

Reflexivity statement

The authors of this commentary led the joint World Bank—BCEPS—NIPH report on 'Open and inclusive: fair processes

for financing universal health coverage'. The lead author has a vast practical experience in advising governments at all stages of development in the design and implementation of health financing and health system reforms. The authors also include lead scientists with research interests on theories of distributive justice, inequality in health and how they apply to priority setting in health systems. The authors include a female from a lower-middle-income country (Elina Dale is from Kyrgyzstan, a lower-middle-income country, residing in Norway due to employment in the Norwegian Institute of Public Health since April 2021).

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