

TAKE ACTION:

Meet with your local MP to discuss the recent announcement that the UK government will offer support to developing countries to remove user fees for basic health services. Ask them to call on Douglas Alexander, the Secretary of State for International Development, to make this a central plank of the UK's position at the World Bank annual meetings in Istanbul in October.

Introduction

In early August a Guardian article announced that the government is offering help to developing countries to remove user fees for health services and that Britain will make free healthcare in the developing world a key campaigning issue in the run-up to the G20 summit in Pittsburgh in September. It is an exciting development to see the government taking a pro-active stance on removing user fees, but there is still more to be done.

What does charging user fees mean?

A system that charges user fees is one in which patients at government health facilities have to pay at least some of the cost of their treatment up-front out of their own pockets. The income raised through user fees contributes to the funding of the public health system.

Why are user fees applied?

Health systems in the developing world are chronically under-funded. In response to this problem donors and international financial institutions such as the World Bank began in the 1980s to recommend 'cost sharing' – raising additional expenditure for health systems directly from patients through user fees. The rationale for applying user fees was that they would raise substantial additional revenue for the health sector; improve targeting of resources by reducing frivolous demand; and improve efficiency by encouraging people to use low cost primary health care services instead of more expensive hospital services.

What's wrong with user fees?

Firstly, the three benefits that user fees were designed to deliver have not occurred. User fees generally bring in a very small amount of money in comparison to the overall health budget (on average no more than 5%). In fact, in some countries such as Zambia it has cost more to administer user fees than they raise. There has also been little evidence of user fees improving efficiency by encouraging people to use primary health care rather than hospitals services, because for many even the fees applied to primary health care are prohibitively high and therefore aren't seen as a low-cost preventative alternative to hospital admission.

Most importantly, fees have prevented the poor from accessing crucial health services. Rather than weighing whether to seek medical care or whether it is needed, poor families are forced (even by small fees) to base the decision on whether health-care can be afforded. This often means that the poor wait until it is too late to seek medical care. The most likely to miss out on healthcare in these situations are those who are most marginalised: women, girls and the disabled.

Medical expenses frequently push poor families further into a spiral of poverty and debt. Research in Ethiopia carried out by Save the Children found that most people did not go to a health worker when ill, and of those who did, two-thirds deepened their poverty by selling assets, borrowing money or mortgaging their crops. In 2004, the World Health Organization estimated that each year 178 million people would suffer destitution as a direct result of paying for healthcare and a further 104 million would be forced into poverty.

Exemptions for the poor

Some systems that apply user fees include exemptions for the poorest patients, which are designed to ensure that no one misses out on health care because they can't afford it. However in practice these systems do not work. A recent paper in the International Journal for Equity in Health found that in Kenya 'a waiving policy to protect the poor was put in place, and children below five years were exempted from all charges, but in reality waiving and exemption mechanisms hardly existed.' In most developing countries effective systems for administering and monitoring the implementation of exemption systems do not exist, leaving the systems open to abuse and discrimination. Exemption criteria are generally not well understood, so even where they do exist few of the poor realise that they are eligible for exemptions.

What happens when user fees are removed?

Over the past decade several countries have removed user fees from their health systems. The results have been astounding. In Uganda, outpatient attendance at health clinics showed a dramatic leap in the month in which fees were abolished (March 2001), followed by a

sustained increase in the use of health services which has continued until the present day. Between 2001 and 2006 outpatient attendances increased by 155%. The percentage of children receiving full immunisation against Diphtheria, Pertussis (Whooping Cough) and Tetanus jumped from 48% to 89%. Scrapping user fees was particularly beneficial for the poor – a World Bank study in Uganda a few years after the removal of user fees found that the increase in use of health services was biggest among the poorest sector of society, and health spending by the poorest was significantly lower after the policy change than before.

It is now widely accepted that removing user fees leads to better utilisation of health services by the poor. Using a simulation model, Save the Children analysed how many child deaths might be prevented if user fees were removed in 20 African countries. They calculated that elimination of user fees could have an immediate and substantial impact on child mortality, preventing an estimated 233,000 deaths annually in children aged under 5 – an impressive 6.3% of such deaths in these countries. Most of these lives would be saved by increased use of simple curative interventions, such as antimalarials and antibiotics combating dysentery and pneumonia – hardly sophisticated medicine, but currently out of the reach of the poorest families.

What do countries need to do to make removing user fees successful?

While user fees are a very obvious and important barrier to poor people's ability to access health services, removing fees alone will not solve the issue of access to healthcare for the poor. Transport costs, availability and cost of medicines, poor quality of care (and perceptions that quality of care is poor) and opportunity costs are also key barriers. Transport costs can account for 17%–50% of total direct costs involved in accessing healthcare. Therefore supply-side issues such as distances to health facilities, sufficient pay for healthcare workers, staffing levels etc must be considered at the same time as the removal of user fees.

The process of removing user fees must go along with wider reforms in the health system to ensure that the increases in usage associated with dropping user fees are manageable and do not lead to a decrease in quality. Careful planning is needed in order to realise the full potential of removing user fees.

Key elements for successful removal of user fees include:

- Political leadership – ideally from the head of state to ensure that all Ministries get behind the policy

- Additional resources – to manage increased use of health services and ensure high quality services
- Good communication with all stakeholders, including patients and health workers
- Careful planning, for example creating flexible procurement systems for drugs that can respond to rapidly increasing or fluctuating demand.

The role of donors

Removing user fees is a crucial step towards providing affordable healthcare for the poor, which can catalyse other pro-poor reforms in the health system. It requires careful planning and increased resources to manage an increase in demand for health services. Therefore there is a big role for donors in enabling countries to take this policy leap. **In the announcement in August, DFID committed to providing technical assistance, drugs, and ensuring that doctors and nurses receive a fair pay deal. They should now follow through on this promise, communicating their policy on user fees to partner countries and proactively offering support.**

International donors have dragged their heels on this issue for too long. After decades of delay the World Bank announced in 2004 the World Bank announced that they now have 'no blanket policy on user fees', acknowledging that user fees have in many cases led to the exclusion of the poor. The Bank now say that they are willing to support countries that want to remove user fees from public health services, provided that alternative sustainable financing is available. However, progress on actually doing this has been maddeningly slow, partly because the 'no blanket policy' is a very unclear statement of their attitude to user fees. At the country level, where Bank staff interact directly with country ministries, there has been little or no support offered and few alternative funding options available to countries who want to provide free healthcare.

The World Bank should clarify that they will support countries to remove user fees now, as well as helping them to identify alternative sources of finance for managing the process. Bank staff must stop prescribing user fees in unofficial advice at country level.

At the World Bank Annual Meetings in October the UK government has a historic opportunity to push for the Bank to adopt a clear policy against user fees along the lines of DFID's own policy. The UK must make the removal of user fees a central plank in its agenda at the Meetings.