

THE SEARCH FOR EQUITY IN ACCESS TO HEALTH SERVICES: THEODORE THROUGH THE YEARS

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OUTLINE

- ◉ Equity and Efficiency
- ◉ Equity and Development
- ◉ Role of State
- ◉ Health Financing and Equity

VERTICAL EQUITY

- ◉ **Public Finance**
- ◉ **Theodore made his debut into health research on a dual equity platform grounded in principle of vertical equity, Back to Musgrave and Musgrave (1966):**
 - 1. Mixed Financing;
 - 2. Solidarity based-financing: role for N/SHI; Central Gov't
 - Mixed Financing of Health Services in Trinidad and Tobago: A Case for National Health Insurance. A report commissioned by the Pan American Health Organization (PAHO) for the Government of Trinidad and Tobago - 1986.

EQUITY AND EFFICIENCY: TWO SIDES OF THE SAME COIN

- ◉ Mobilization of resources > From each according to his/her ability (vertical)
- ◉ Distribution of care > To each according to need (horizontal equity)
- ◉ Efficiency as a facilitator of equity
- ◉ In the context of resource constraints the attainment of higher-order equitable outcomes would necessitate efficiency. Requirement that meet with the no-waste guideline in combination of factors of production.

EQUITY AND EFFICIENCY: TWO SIDES OF THE SAME COIN

- ⦿ According to Theodore, one implication of this is that *equity in health* and *efficiency in health* are two sides of the same coin. We would be hard pressed to achieve the former without the latter.
- ⦿ He also argues that by the same token, there can be no equitable distribution of health services that does not deliver services just where they are needed.

EQUITY AND DEVELOPMENT

- ◉ Theodore has consistently advocated the relationship between equity and the attainment of development objectives in the Caribbean.
- ◉ His research in the area grounded on the twin platforms of Arthur Lewis and Dudley Seers.
- ◉ Lewis (1948) “Good economics begins with a concern for the conditions under which people live.”

EQUITY AND DEVELOPMENT

- ◉ Dudley Seers pointed to chronic unemployment, poverty and the maldistribution of income as the three main targets of development for countries like ours. Although the maldistribution of income is obviously an equity objective, it can be argued that both poverty and unemployment are also manifestations of social inequity, making the Seers targets an **equity triangle** for development. (Seers 1969, the Meaning of Development)

ROLE OF THE STATE

- ◉ The economic system is a vehicle with an apparent natural tendency towards inequitable distribution.
- ◉ The importance of health as a capability-enhancing asset would therefore suggest a role for the state in facilitating a ‘superior’ outcome

HEALTH FINANCING AND EQUITY

- ◉ Since the context of the health system in the Caribbean is a socioeconomic environment where inequity tends to prevail, it is important that the health financing system incorporates enough countervailing elements if equity is to be a feature of the system of health care.
- ◉ This will require constructing a financing system where the main pillars are themselves equity-oriented. The four main pillars of the health financing system are :
 - General Revenues
 - Social Insurance
 - Private Health Insurance (PHI)
 - Out-of-pocket expenses (OOP)

HEALTH FINANCING AND EQUITY

- ◉ Since the last two pillars - PHI and OOP -are directly linked to the distribution of income in the society, it would make sense to limit the contribution of these pillars.
- ◉ This means that any national health policy which gives preeminence to equity, as UHC does, will rely mainly on General Revenues and Social Insurance. If the function of the health financing system is to get the health system to work better in providing services for all, the pooling arrangements inherent in the General Revenues and Social Insurance pillars have a potential for guaranteeing services that the other pillars cannot possibly have.

HEALTH FINANCING AND EQUITY

- ◉ WHO has repeatedly made the point that health systems will perform much better if out-of-pocket payments are abolished, and Theodore's conclusion is that private health insurance will make positive contributions to population health if the distribution of income in the society is itself tending to equity.

EQUITABLE OUTCOMES IN THE HEALTH SECTOR

- ⊙ Efficiency not a curse word in context of equity
- ⊙ Health as wealth >>> Equity in sector important target of development planners
- ⊙ Natural tendency of market mechanism in inequitable outcomes (recall principle of horizontal equity) >>> Role for State role for bias towards Solidarity based-financing