Chapter 4
The Healthcare Financing and Health Outcomes in Zambia

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ABSTRACT

This chapter aims to find out the sources of healthcare financing in Zambia to provide health facilities for protecting the people's right to receive healthcare and to know the health outcomes. The study revealed that significant progress is made in addressing the MDGs of health. But the achievement is less than the targets. The total health expenditure and the per capita health expenditure is less than other middle-income countries and the global average. The percent of government expenditure on healthcare to total government expenditure is also less than the target. The donor financing and out-of-pocket health expenditure are higher than the limit suggested by WHO. The private medical insurance and social insurance schemes are still in the initial stages of development. There is regional inequality in the healthcare facilities.

INTRODUCTION

The Sustainable Development Goals provide the first comprehensive blueprint for human development, within which population health plays a central role as a precondition, outcome and indicator of sustainable development (U.N., 2015). Promoting and protecting health is essential to human welfare and sustained economic

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and social development. This was recognized more than 30 years ago by the Alma-Ata Declaration signatories, who noted that Health for All would contribute both to a better quality of life and also to global peace and security (WHO, 2010). In most countries people rate health one of their highest priorities behind only economic concerns, such as unemployment, low wages and a high cost of living (Kaiser, 2007). In 2005, the member states of World Health Organization (WHO) committed to develop their health financing systems so that all people have access to services and do not suffer financial hardship paying for them (WHO, 2005). This goal was defined as universal coverage or universal health coverage. To achieve this goal, there is need to find out the ways of financing health systems, protecting people from the financial consequences of ill-health and paying for health services and full utilization of resources. The World Health Assembly resolution 58.33 from 2005 says everyone should be able to access health services and not be subject to financial hardship in doing so (WHO, 2010). But this objective has not yet been achieved. There prevails difference in access to health services with regard to the proportion of births attended by a skilled health worker, maternal mortality, infant mortality, etc. In some countries, up to 11 percent of the population suffers financial hardship each year and up to 5 percent is forced into poverty. Globally, about 150 million people suffer financial catastrophe annually while 100 million are pushed below the poverty line. Only one in five people in the world has broad-based social security protection that also includes cover for lost wages in the event of illness and more than half the world's population lacks any type of formal social protection. Only 5-10 percent of people are covered in sub-Saharan Africa and southern Asia, while in middle-income countries, coverage rates range from 20 percent to 60 percent (WHO, 2010). Health financing is an important part of broader efforts to ensure social protection in health. WHO is joint leading agency with the International Labor Organization (ILO) in the United Nations initiative to help countries develop a comprehensive social protection which includes the type of financial risk protection and social support in the event of illness (ILO, 2010)? For achieving the universal health coverage, there is need for availability of resources, non-reliance on direct payments at the time people need care and efficient and equitable use of resources. Brazil, Chile, China, Mexico, Rwanda and Thailand made great strides on these lines. Gabon has introduced innovative ways to raise funds for health, including a levy on mobile phone use; Cambodia has introduced a health equity fund that covers the health costs of the poor and Lebanon has improved the efficiency and quality of its primary care network (WHO, 2010).

There are three broad ways to raise more money for health domestically, besides increasing Official Development Assistance (ODA). Firstly, increasing the efficiency of revenue collection, which will increase the funds that can be used to provide services, including health services. Secondly, giving priority to health sector in