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**Commentary**

# Policymakers' perspective on the importance of procedural fairness to implement and sustain health financing reforms

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## Abstract

Fair process is instrumental to implementing and sustaining health financing reforms. Ensuring a fair process during the design and adoption phases can garner political capital and secure a sense of citizens' ownership. This will prove useful when reforms are contested before benefits are yet to be fully materialized. Since many well devised health financing reforms are vulnerable to being dismantled after a few years of being launched, fair process should play a more strategic role in the implementation and evaluation phases when policies get challenged and reformulated to reflect the changing political and socioeconomic landscapes and to better manage early evidence on performance.

**Keywords:** Health financing, universal health coverage, accountability, fairness, equity, policy, decision-making

**Key messages**

- Ensuring a fair process during the design and adoption phases of health financing reforms can garner political capital and secure a sense of citizens' ownership. This will prove useful when reforms are contested before benefits are yet to be fully materialized.
- Many well devised health financing reforms are vulnerable to being dismantled after a few years of being launched. Fair process should play a more strategic role in the implementation and evaluation phases when policies get challenged and reformulated to reflect the changing political and socioeconomic landscapes and to better manage early evidence on performance.

Making sure health financing reforms are fair is not only the right thing to do; it also helps gain the public support needed to get reforms implemented and to keep them in place for the long term. We, as six current and former government officials and a national parliament member with experience from health financing reforms in our respective countries, make this case using the policy cycle to frame our arguments (Roberts *et al.*, 2008). The objective is to use our experience to highlight some of the reasons why the process of making decisions matters. Too often, the focus is on getting right the technical content of the reform or pushing reforms quickly while aspects such as inclusiveness, participation, transparency, and reason-giving are overlooked or are viewed as secondary (Byskov *et al.*, 2014; Brendbekken *et al.*, 2022; Binyaruka *et al.*, 2023; Dzhygyr *et al.*, 2023).

## Fair process during the early phases of policy design, adoption and implementation

Introducing health financing reforms to support equitable universal health coverage (UHC) is a high-risk political process where governments are subject to ideas being publicly contested, pressured by expectations of improved access and exposed to criticism from implementation challenges (McKee *et al.*, 2013; Ho *et al.*, 2022; Dzhygyr *et al.*, 2023). Health reforms also require a long-term vision and commitment because reform strategies need to endure long enough to show results. Benefits from the reform process, such as reduced out-of-pocket payments and better quality of care, will take years to be realized while costs in terms of income losses for certain managers and health professionals are immediate.

A case in point is the UHC reform process in pre-war Ukraine. In 2015 the government initiated health financing

and service delivery reforms aimed at increasing spending efficiency by hospital right-sizing and network rationalization (Bredenkamp *et al.*, 2022). In the first phase, reforms were driven by a relatively small group of experts without sufficient engagement with hospital managers, health care professionals and the population, resulting in growing resentment among these groups, as expressed through mass media and various social media platforms (Dzhygyr *et al.*, 2023). Based on this experience and taking into account lessons learned from designing and implementing reforms in other countries experiencing backlash from health workers who were side-lined during the reform process (Atun, 2015), Ukraine is now initiating a more open and inclusive reform process guided by citizen engagement and participatory planning during health system recovery and transformation (WHO Regional Office for Europe, 2022). Despite the challenges of the war, extensive consultations are held on the reform choices. A process that is more open and inclusive can be more effective as evidence from the literature on trust and compliance with taxation or Coronavirus Disease (COVID-19) measures shows (Murphy, 2005; Matasick, 2017; Norheim *et al.*, 2021).

Another example comes from Ghana, where insufficient reason-giving, transparency and inclusiveness have undermined an otherwise good policy of shifting towards capitated payments in primary care (Abiiro *et al.*, 2021). Ghana's National Health Insurance Scheme (NHIS) has experimented with various provider payment methods to address the cost escalation, which threatened sustainability of the entire scheme. Based on sound actuarial modelling and following international best practices a capitation pilot was introduced for primary care. However, the choice of the pilot region was not well explained and was perceived to be driven by political rather than technical reasons, given the region's political allegiances (Abiiro *et al.*, 2021). Insufficient procedural transparency with poor engagement of those affected by the new policy, such as professional associations and NHIS clients, also added to reform resentment (Abiiro *et al.*, 2021; Amporfu and Arthur, 2022). As a result, the reform became overly politicized and support for the pilot waned. With a general election on the horizon, the reform process was rolled back in 2017 (Amporfu and Arthur, 2022). The experience demonstrated that a technically sound reform can be undermined by inadequate attention to the quality and transparency of the communication process.

A more consultative approach in Kerala, India facilitated alignment of the state's primary health care reform (Aardram) objectives with the interests of local governments, who then led the reform and promoted it to their constituencies (Arogya Keralam, 2023). Since 2017, the Kerala state government has initiated a service delivery and financing reform to strengthen primary health centres (Krishnan and Nair, 2021). Informed by early pilots, the reform was initiated by a group of bureaucrats and technocrats during a window of opportunity created by change of government. To gain wider support, inclusive deliberation with representatives from various ministerial staff, health services unions, local governments, and non-governmental organizations followed, allowing for some adjustments to the original concept (Varma *et al.*, 2022). Consultations led to aligning the reform objectives with the political utility of the local governments, who then led on the reform and promoted it to their constituencies. Political ownership at the next level was ensured by selecting primary health centres for initial implementation from each of the 140 constituencies of the legislative assembly, irrespective of whether the political party of the concerned constituency was in power or not. The political ownership at both levels led to popular acceptance of a concept initially championed by a small group.

## Fair process to sustain policy through evaluation and reformulation

Policy makers tend to focus more on how to get UHC health financing reforms approved and implemented; much less attention is paid to how to keep them in place long enough to demonstrate their merits, including adapting to performance shortfalls and a changing political landscape to foster the support from power holding opponents (Ho *et al.*, 2022). It should then not come as a surprise that some health financing reforms are short lived. The inability to meet one or several of the criteria for fair process can help us understand their shortcomings.

Once a reform is adopted and implemented, both political and technical concerns need to be fed into a continuous evaluation and redesign phase (Roberts *et al.*, 2008) and procedural fairness should guide the process (Kiendrébéogo *et al.*, 2020). Revisability—one of the core criteria of procedural fairness—plays a key role (Daniels and Sabin, 1997; Dale *et al.*, 2023; World Bank, 2023). Open and accurate sharing of interim evaluations, inclusive deliberation about new findings and willingness to revisit original conclusions are crucial elements of procedural fairness and essential for continued support for health policies.

Mexico's move to repeal Seguro Popular demonstrates how a reformulation not based on principles of a fair process can result in changes which instead of addressing existing gaps only undermine the system further (Gómez-Dantés and Frenk, 2022). Capitalizing on a generalized sentiment against corruption and social inequities, President Lopez Obrador won an overwhelming majority and control of both houses of the Mexican Congress in 2018. Massive political changes followed, among them the repeal in January 2020 of Seguro Popular, a landmark health financing reform that over 16 years had delivered significant progress towards UHC (Reich, 2020). Rather than tackling the root causes of corruption or out-of-pocket payments on private health services, the legal reform was launched without an operational blueprint on how to replace Seguro Popular. After a dismal performance during the pandemic, the health system has fallen into disarray, reversing hard-won health and financial protection gains (Agren, 2020; Gómez-Dantés and Frenk, 2022). The Seguro Popular counter-reform was not based on accurate and broad-based evidence, and it was argued that 'the government has not published technical analyses to justify its policy choices' (Reich, 2020), thereby failing to meet key procedural criteria like reason-giving, transparency and accuracy of information (Gutmann and Thompson, 2004; World Bank, 2023).

In Norway, the National System for Managed Introduction of New Health Technologies within the specialist health services has recently been evaluated (PROBA, 2021). Established in 2013 to secure evidence-informed, transparent and predictable processes for introducing new health technologies, prioritization are guided by three criteria approved by parliament: severity, utility, and cost-effectiveness (Norwegian Ministry of Health and Care Services, 2017). The evaluation,

which involved broad stakeholder engagement, showed that openness about the reasoning behind the decisions and transparency about the processes have been too weak (PROBA, 2021). Seen as major ingredients for creating a decision-making system that is trusted and accepted by the population, a more inclusive process is under way. Key areas include strengthening stakeholder involvement and public justification for decisions, while being cognizant about people's expectations of faster access to novel therapies.

Colombia provides a successful example of the importance of continuous re-evaluation of evidence with robust mechanisms for revisions and appeal to adapt and sustain health financing reforms. The health system had struggled for more than 20 years to achieve universal access to a unified health benefits package. While access to the health benefit package improved, policymakers kept evaluating and documenting pro-poor results deemed indispensable to maintain public support. For instance, health was included as part of the well-known multidimensional poverty index to show the successful impact of health financing reforms (Oxford Poverty and Human Development Initiative, 2022). In addition, as part of an intensive and continuous stakeholder participation process, the Constitutional court—widely regarded as a driving force to promote equality and non-discrimination—and guided by the principle of consistency ruled towards the unification and expansion of the health benefit packages (Arrieta-Gómez, 2018).

In Tanzania, the government has been committed to addressing fragmentation in health financing arrangements through an inclusive and participatory process based on strong evidence. When the country embarked on developing a health financing strategy, a number of option papers were developed by local researchers in collaboration with international experts. A thorough analysis was coupled with significant consultations at various levels. Given the commitment to ensure a wide and open process, the strategy went through many iterations with universal health insurance remaining as the ultimate long-term goal. In the meantime, the government together with international and local partners has transformed the community-based health insurance funds to achieve higher level of pooling and more harmonized provider payment methods across pools (Binyaruka *et al.*, 2023). This approach, referred to as *iliyoboreshwa* (or iCHF) was rolled out in late 2019 and is based on local experience (Mtei and Mulligan, 2007; Macha *et al.*, 2014) and international evidence in support of pooling (McIntyre *et al.*, 2008). Tanzania's experience with developing its health financing strategy and introducing iCHF shows how some policy reformulation or consideration of intermediate reforms may be needed and can be done as a country makes effort to have an inclusive and participatory process.

## Concluding remarks

Fair process has an intrinsic value, but it is also instrumental to implement and sustain health financing reform. The long interval between roll out of reforms and perceiving their impact creates an opportunity for the opponents of the reform to dismantle them. As health financing reforms get tested and challenged in the early stages of deployment and before UHC benefits materialize, policy makers may only have the public trust and political support gained through an open and inclusive decision-making process to defend them against sceptics and critics. In addition, a more open and constructive dialogue will improve the quality and soundness of policy proposals and create political allies by making incidence of benefits more transparent. Increased public trust reduces resistance and expedites the implementation and reformulation process. Legitimacy of decisions, especially over hard choices and tradeoffs made will lower or delay political opposition. Moving forward, the explicit alignment with a generally agreed set of principles and criteria for fair process should become an integral part of textbook health financing reform processes to reach UHC.

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## Author contributions

E.G.-P. led the conception and design of the work. E.G.-P., I.C.B., D.I.C.G., N.K., M.R., R.S., L.D.-S. contributed to drafting the article, critical revision of the article, and final approval of the version to be submitted.

## Reflexivity statement

We have aimed for a well-balanced perspective on policy making. Authors include three females and four males with extensive professional experience in one high income country (Norway), two upper middle income countries (Colombia, Mexico) and four lower middle income countries (Ghana, India, Tanzania and Ukraine). All authors share in common having had direct responsibility of leading and managing health systems and have devised, driven and/or actively participated in the implementation of landmark health financing reforms in their respective countries. Authors come from varied professional backgrounds highly relevant to effective health system reform processes, including economists (EGP, ICG), lawmaker (MR), nurse (ICB), clinicians (NK, LDS) and current and former government officials, policymakers and health system managers (all).

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