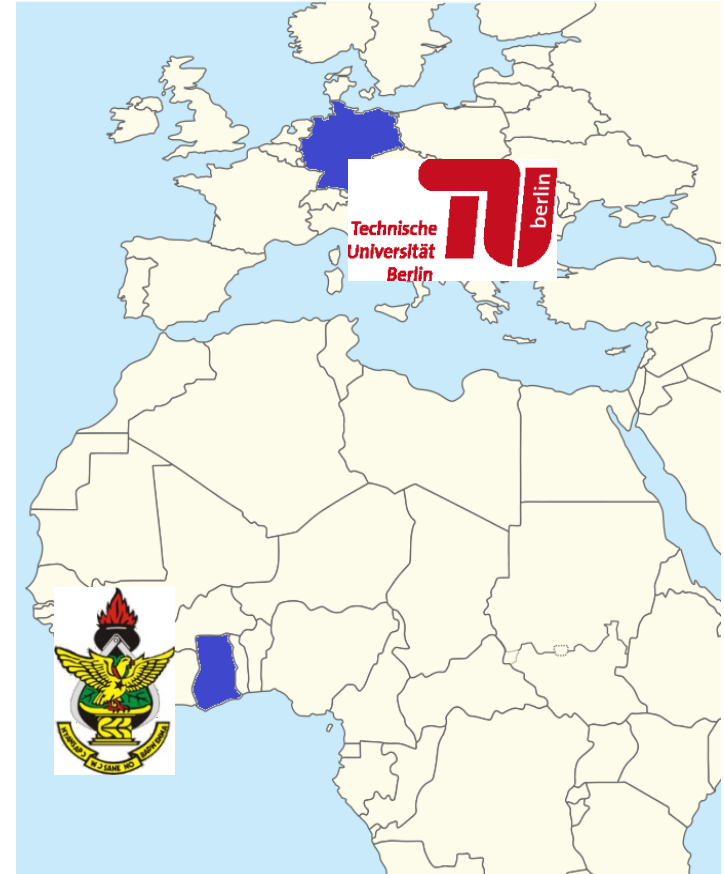


## Group work: SHI versus tax-funded systems

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# Group work



- 5 groups of 5 participants each
- 55 minutes group work
  - Discuss advantages and disadvantages of SHI systems versus tax-funded systems
- 30 minutes presentation/discussion of results (5 minutes per group)
- 5 min summary/wrap-up



# Group task



1. Please discuss the content of the morning lectures: What are the advantages and disadvantages of SHI systems versus tax-funded systems?
2. Please discuss whether SHI systems or tax-funded systems are more likely to be successful at achieving universal health coverage in low- and middle-income countries?
3. Please take a group decision about whether Ghana should focus on (a) increased tax-funding, (b) strengthening SHI, or (c) a combination of both.
4. Please prepare a presentation where you explain your decision under (3.) based on the arguments collected under (1. and 2).



# Beveridge vs. Bismarck?



	<b>Tax</b>	<b>SHI</b>
<b>Entitlement</b>	citizenship	contributions
<b>Levied on</b>	income	wages
<b>Benefits</b>	comprehensive (implicit rationing)	defined (explicit rationing)
<b>Choice</b>	insurer: not usually provider: some	insurer: usually provider: some
<b>Purchasing</b>	integrated → split	collective contracting
<b>Control</b>	government	independent funds

**But in reality increasingly mixed/ similar**



## Main advantages

- legal entitlement to benefits
- more choice
  - of payer
  - of provider
- free access: “every patient is a private patient”
- financing more transparent?
- less political interference?

## Main disadvantages

- difficult to implement with large informal sector
- contributions levied on wages not income
- coverage limited to curative services?
- tax revenues still important – up to 40%!
- administrative complexity



## Main advantages

- automatic population coverage
- broad revenue base
- equity of financing?
- enables trade-offs between spending priorities
- tight cost control
- responsibility for population health in the hands of gov't
- democratic accountability

## Main disadvantages

- funding depends on fiscal space
- funding depends on political priorities
- regional inequity in case of decentralized revenue generation/pooling/purchasing
- often weak purchasing arrangements
- still less choice
- political decision-making