

Human Rights Principles for Financing Health Care

Ten Financing Principles for Health Care Reform

The goal of a healthy society is embedded in human rights principles and shared by health care reformers in the United States. Yet most reform plans assume that we can realize this goal as a by-product of fragmented, market-based health care services. As a market good, however, health care is by definition exclusionary, sold only to those who can pay, and readily exhaustible, depleted by private interests that literally “take their cut” from available resources through profit, leaving less for the public at large.

A society disposed to protect both bodily and financial health requires that health care be treated as a public good and provided collectively, rather than as a commodity sold in a marketplace dominated by private interests. The following ten principles for financing health care emerge from human rights standards recognized in the United States and around the world. They are intended to guide the design of a sustainable, cost-effective system that secures comprehensive health care for all.

1

Focused on health	Health care financing must be completely aligned with the central purpose of a health system: protecting people’s health.
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The goal of a healthy society must take precedence over factors such as market imperatives, profit motives, and the vagaries of policy and budget cycles. A health care system should be financed in a way that guarantees and secures comprehensive health care for everyone, consisting of all preventive care, screening, information, treatments, therapies, and drugs needed to protect people’s health, including mental health, dental and vision care, and reproductive services.

2

Universal and unified	Health care financing must secure automatic access to care for everyone and avoid separating people into different tiers.
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How health care is financed must not lead to differences in how people receive health care, either with regard to access, quality, or outcomes. Everyone must be included and get automatic access to equal high quality health care, guaranteed throughout their lives and appropriate to their needs. Financing mechanisms should produce a unified health care system and not give rise to different tiers of access or coverage. When everyone is part of the same system, and can access and use it in the same way, the system itself is stronger and more sustainable since everyone benefits from supporting it.

3

Public	Health care is a public good that should be publicly financed and administered.
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Health care is a public good that belongs to all of us, and burdens and benefits must be shared equitably by all. The government has a duty to guarantee everyone equal and easy access to public goods. It can best meet this obligation through public financing and administration of health care, as this minimizes the disincentives to providing care that characterize the business model of private insurers. Steps toward a public system may include expanding public programs such as Medicaid and Medicare, establishing a strong public insurance plan option, and effectively regulating the private insurance sector.

4

Free	At the point of access, health care services must be provided without charges or fees.
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When visiting a doctor, clinic or hospital, patients should not have to pay. Health care funds should be collected independent of the actual use of care, to avoid creating a barrier to care. Services must be provided based on clinical need, not payment, regardless of the financing mechanism used.

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Equitable

Health care financing must be equitable and non-discriminatory.

Finances for health care provision must be raised and spent in an equitable way. General progressive taxation constitutes the most equitable mechanism, followed by sliding scale social insurance contributions. Whichever model the government adopts, financial contributions from individuals must be according to ability to pay, in order to be affordable for all (e.g. on a sliding scale starting at zero). They must be assessed in a non-discriminatory way, i.e. they cannot differ on grounds of health status, gender, age, employment or any other status except income. In a similar fashion, corporations should be required to contribute to the costs of the health care system.

6

Centered on care

Care should be financed as directly as possible, without intermediaries. Insurance coverage, if used as a vehicle for financing care, works only if based on the principle of risk and income solidarity.

The key function of a health care system is to provide care, not coverage. If insurance coverage is used as a vehicle for financing care, this can only benefit all if those who happen to enjoy better health or higher incomes contribute at a level that helps support the whole system, including those in poorer health or with low incomes. This grounds the system in the principles of risk and income solidarity and means that insurance must include everyone (guaranteed issue), spread costs and risk across society as a whole (community ratings, large pool), guarantee comprehensive benefits to all, and collect contributions based on ability to pay.

7

Responsive to needs

Resources must be allocated equitably, guided by health needs.

Health care spending must be guided by health needs and rectify existing disparities in resource allocation and infrastructure development. Resources must be used equitably for the benefit of all, while recognizing that some communities and individuals may need more care and different services than others. Communities should be involved in determining how their needs are met, and their participation should be fully funded.

8

Rewarding quality

Financing mechanisms must reward the provision of quality, appropriate care and the improvement of health outcomes.

Health care spending must reward quality, appropriate care, and improved health outcomes, rather than profit-seeking, marketing, unnecessary medical procedures, poor coordination, or other interests or effects not linked to protecting health. If care is financed through private insurance, regulation must ensure (through measures such as medical loss ratios) that resources are not diverted away from quality care. Similarly, we should reward providers who focus on quality and outcomes rather than volume, deliver primary care, provide medical homes, and serve communities and areas in need.

9

Cost-effective

Resources must be used effectively and sustainably to protect the health of all.

Financial resources in the health care system must be used for the benefit of the whole society, leaving no one behind and investing in communities whose health has not kept up with that of the rest of the population. Wasteful or uncontrolled spending in some areas restricts opportunities for protecting health in others, so the cost-effectiveness of interventions should be taken into account (e.g. through needs assessments, global budgets for hospitals, control of capital expansion and technology projects, etc.).

10

Accountable

Financing mechanisms and procedures must be accountable to the people.

Whether public or private, all financing mechanisms and procedures must be transparent and accountable to the people for whose benefit they exist. The people have a right to participate in the oversight of financing structures, and the government has a duty to ensure that financing decisions are based on the human rights principle of universal, equitable health protection. Monitoring and evaluation systems, as well as appropriate public and private remedies, must be put in place to enable the public to measure and oversee progress toward meeting human rights standards.