Save the Children
UK

BRIEFING

Killer bills

Make Child Poverty History – abolish user fees

Across the world, every day, millions of children who get ill cannot get even the most basic healthcare. As a result, many die. In Africa, chronic lack of investment in health systems has meant that services have virtually collapsed in many countries. Unless the G8 group of rich countries commits more money and stops supporting the idea that poor people should pay when they visit a clinic or hospital, there is no chance that the international community's Millennium Development Goals (MDGs) for reducing child and maternal deaths will be met.

Research summarised in this briefing shows the unbearable cost of health services for many children and their families. It shows that **abolishing user fees and covering the relatively small cost of abolition would immediately save nearly a quarter of a million children under five**. Now is the time for the G8 to demonstrate that the MDGs are not just empty rhetoric, and make 2005 a breakthrough year for **making child poverty history**.

Children pay the price

More than one in six children in sub-Saharan Africa die before their fifth birthday, compared with one in 150 in developed countries.[1] Nearly two thirds of these children die unnecessarily of diseases that can be prevented or treated easily: diarrhoea with oral rehydration salts, pneumonia with antibiotics, malaria with anti-malarials, and measles with a one shot vaccine. Today in sub-Saharan Africa less than 45 per cent of children are fully immunised by their first birthday compared with 70 per cent in 1991 – a drop of more than 25 per cent in just over a decade.[2] These startling statistics exist even though the international community has committed to achieving MDG 4, which aspires to reduce by two-thirds the under-five mortality rate by 2015.

Charges for basic healthcare, known as user fees, are one of the major barriers to children and their mothers receiving treatment across the world. In Africa the problem is more urgent. Save the Children's research shows that **the lives of nearly a quarter of a million children under five could be saved each year by abolishing user fees for healthcare in 20 African countries alone**. These lives could be saved almost immediately just by the increased use of immunisations and simple treatments. **Many millions more could be saved if governments in poor countries were adequately supported to invest in their health systems**.

Too poor to be sick

Studies from many countries in Africa have shown the huge detrimental impact of having to pay for healthcare, especially for the poorest families.[3] Fees mean that families do not seek care for their children on the basis of what they need but on the basis of what it costs. Families wait, often until it is too late, to go to the

doctor. If they finally seek treatment, the charges levied mean that precious resources are spent on payments, plunging many families into destitution. In 2004, the World Health Organization (WHO) estimated that each year 178 million people would suffer destitution as a direct result of paying for healthcare and a further 104 million would be forced into poverty.[4] Providing health services that are free of charge is a vital step towards reducing poverty and achieving the MDGs.

Save the Children research has shown that:

- In Ethiopia, most people did not go to a health worker when ill. Of those who did, two-thirds deepened their poverty by selling assets, borrowing money or mortgaging their crops.[5]
- Over 50 per cent of people surveyed in Tanzania did not seek healthcare when they were chronically ill, and three quarters gave cost as the reason.[6]

Sometimes payment policies include exemption for poor families or for children. Our research shows that these policies don't work because of confusion at local level, and because health workers often don't promote them because they can personally benefit from the fees. Our research in Tanzania's Lindi rural district indicates that, although exemptions officially exist, only 20 per cent of children under five were actually exempted from admissions costs.[7]

For healthcare workers it is a daily struggle to deliver services. They do a remarkable job, despite lack of equipment, scarce drugs, and poor infrastructure such as roads. Some welcome the small amount that user fees brings in, as it provides money at a local level that enables them to buy more drugs or replace broken equipment. Some health workers may provide free services to the poorest families, but the system is patchy and may be open to discrimination. In the vast majority of cases, health workers recognise that fees prevent those who are poorest from getting care and would welcome fees being removed – if that came hand in hand with more equipment, drugs and better working conditions.

> *"We need more equipment, we want our clinic to have more tools.* [But if we had all those things] *…I think it would be a good thing if healthcare was free because those without the ability to pay would get more services."*
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> Amina, Nursing attendant, Mingoyo Village, Tanzania. Amina is one of five staff that serve a catchment area of 10,000 people.

Poorest benefit most from abolishing fees

When user fees are abolished the results are dramatic. In Uganda in 2001, as a result of pressure from public opinion, all public health services were made free of charge, in turn triggering substantial reforms to the health system which resulted in increased public spending on health. As a result, outpatient attendance rose by 117 per cent and the uptake of immunisation services doubled.[8] These increases are well above the World Bank prediction that Uganda would see only a 2.3 per cent increase in utilisation by poor families if they abolished fees. Today, even the World Bank review concludes that the poorest benefit most from this policy change,[9] with an amazing 70 per cent increase in utilisation by children.[10]

G8: broken promises, dangerous policies

At current rates of progress in sub-Saharan Africa it will take 150 years to achieve the reductions in child mortality aimed for in the MDGs. Rich countries are largely responsible for this dramatic failure.[13]

Broken promises

The world's richest countries have not kept their promise to spend 0.7 per cent of their gross national income on aid. The Sach's report estimates an extra US$18 billion per year is

Tanzania – fees make poor even poorer

Tanzania is one of the poorest countries in the world. Over the last decade, despite good economic performance, there has been an increase in the number of people living below the poverty line. On average, a poor family would survive on an income of between US 22 and 56 cents a day.

Tanzania introduced fees for hospital care in 1994 under pressure from international donors. The aim was to bring in more funds and drive up standards while encouraging more use of primary healthcare. Today health centres in most districts charge some form of fees. In Lindi district in southern Tanzania, one of the poorest districts in the country, charges range from the equivalent of US 45 cents for registration on each visit at dispensaries and health centres, and rise substantially for hospital treatment and chronic illness.

Recent research by Save the Children in Tanzania[11] has shown the enormous impact that fees and health costs have, particularly on poor families who simply cannot afford to pay. Donors pushed a scheme that was never going to work and which is making the poor even poorer. Charges mean that families ration their healthcare and often choose not to go to the doctor. In particular, poorer families coping with chronic illnesses like HIV/AIDS and tuberculosis face a cycle of despair with escalating healthcare costs starting at at least $4 to $5 for each bout of illness. This spirals up to $15 if admission to hospital is required. These fees would easily wipe out an entire family's disposable income for a whole year, leaving them without any resources to cope with other necessary expenditure. Fee exemption schemes for poor families, children under five and pregnant women don't work. Research found that:

- User fees pay for only 1.65 per cent of the recurrent running costs of the healthcare system.[12]
- User fees and overall health costs push people deeper into poverty. Families are forced to adopt all kinds of coping practices to survive – borrowing money, selling all their assets, and withdrawing their children from school. This is the final straw for many families and can mean the difference between poverty and destitution.
- 30 – 40 per cent of the population cannot cover the costs of minimum healthcare needs, even in a good year.
- Health workers reported a fall in the use of nearly all healthcare facilities after fees were introduced.
- In maternity wards, it is reported that women leave hospital prematurely after 24 hours to avoid paying costs because, although the first 24 hours of labour are free, anything after that is charged for.

needed immediately to meet the health MDGs globally.[14] The Commission for Africa calls for an extra $7 billion investment in health systems for Africa.[15] Currently the G8 spend only $1.8 billion per year on health (see Table 1).

This means there are huge disparities between rich and poor countries' investment in health. In 2002, the UK Government spent $1,801 per capita on health (15.8 per cent of the national budget) and the US Government spent even more at $2,368 per capita.[16] At the other end of the spectrum, Tanzania spends 11 per cent of its budget on health,[17] which amounts to $7.42 per capita.[18]

Dangerous policies

As well as failing to invest in health systems, the G8 have actively supported user fee policies in poor countries. In the 1990s, fees for services were widely introduced as a result of reduced aid flows, rising debt repayments and reduced national social spending. The World Bank (on whose board G7 members have 40 per cent of the vote), was promoting user fees and 'structural adjustment' programmes requiring the most low-income countries to cut back on social spending, and encouraged countries to charge payments for healthcare. For many years, charging user fees was a condition for IMF and World Bank loans.[19] It suited both donors and national governments to shift some

responsibility for healthcare to ordinary people through 'cost sharing'.

Fees are now charged in all sub-Saharan African countries, with the exception only of Uganda, South Africa and Kenya (where fees have been abolished or reduced recently), and countries where fees have been suspended due to crises – notably Liberia, Angola and southern Sudan. This means some of the poorest countries in the world now charge people for even the most basic healthcare, including basic health consultations with doctors and nurses, maternity care and basic treatments, such as antibiotics, de-worming medicine and eye ointment.

In addition to fees, many countries are now considering social health insurance, which means people would have to pay in advance for healthcare to spread the cost. In addition to many practical problems and the lack of evidence that these schemes can work in poor African countries, like user fees they exclude the poor who cannot afford to pay at all – in advance or at the time of treatment.

Essential healthcare – which includes treatment for life-threatening diseases like HIV/AIDS delivered through public health systems – should be free at the point of access. This can be achieved by tax systems that directly make healthcare available to the poorest members of society or mixed systems that include social health insurance and tax-based financial protection for the poor. Such systems urgently need to be tested and invested in, so that locally appropriate solutions can be found.

"In Tanzania I met a young AIDS victim, only 32 years old. Crippled by AIDS, already in his last weeks, unable to find a hospital bed, with no chance of any treatments or even simple painkillers to ease his suffering. He could not visit a doctor because he could not afford the doctors fees."

Rt Hon Chancellor of the Exchequer
Gordon Brown, St John's Church, Isleworth,
24 April 2005

Has the UK Government taken action on killer bills?

In the past few years, the UK Government's position on user fees for healthcare has been far from clear. While Gordon Brown, buoyed up from his trip to Africa, talked about the need for free healthcare, the Department for International Development (DFID) position remained confusing. Tony Blair's Commission for Africa also pulled a punch by failing to call for free universal access to healthcare with the same strength as they did for education.

Following considerable pressure from non-governmental organisations, a commitment to free basic healthcare was put in the Labour election manifesto in 2005. Subsequently DFID has been developing a stronger position, but this is still not published. The UK Government cannot demonstrate leadership on the issue when its own position remains unclear.

Table 1: G7 contributions to health ($US millions, 2003)

	Total overseas development aid for health	
	Total	**% of GNI**
Canada	161	0.02
France	186	0.01
Germany	142	0.01
Italy	65	0.01
Japan	297	0.01
United Kingdom	324	0.02
United States	698	0.01
G7	**1,873**	**0.01**
All Donors	**3,369**	–

Source: OECD-DAC database (www.oecd.org/dac/stats/idsonline), with special thanks to Ann Zimmerman

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Sherifa and Rehema's story

Sherifa and Rehema live in Lindi district in southern Tanzania. Their community survives largely from farming and fishing. Sherifa's husband died last year and she now looks after her seven daughters on her own. Poverty combined with charges for healthcare has meant that she cannot afford for her 14-year-old daughter, Rehema, to go to school because she can't afford to buy her uniform.

Sherifa

"When I don't have money, I have to go and really plead with my friends and neighbours to give me some money to take my daughter to hospital. If no one can help me, I have no other way to get to the doctor. People go when they don't have money and they just get turned away.

"If I didn't have to pay for healthcare, I'd use the money for the normal needs of the family – food, things for school, just the basic needs of life. My daughter used to go to school but because I can't afford the uniform, she had to stop. We don't pay fees but you have to buy books, uniform, things like that. Because of everything else I can't afford them."

Rehema

"I used to go to school not too long ago. It's not that I have left school, I just can't go because I don't have a uniform. It's just a skirt and a shirt. I'm not very happy about it."

The G8 summit provides the best opportunity for the UK Government to publish its position and put its good words into action. Only three weeks ago, all World Health Assembly member states agreed to the adoption of a new World Health Assembly Resolution.[20] This calls for a move from user fees to pre-payment mechanisms and pooling systems in order to achieve the goal of universal access, so there is definitely support among the other world leaders that can be built upon.

It is crucial that the UK leads the G8 to reaffirm this agreement and turn these words into action. The right of children to essential health care in the world's poorest countries must not be used as a bargaining chip in the negotiations with other G8 leaders. In the absence of major resource commitments any G8 commitments on abolishing user fees for health will be empty promises.

User fee abolition: a quick win

Jeffrey Sachs' UN report called the abolition of user fees a 'quick win' in speeding up progress towards the health MDGs.[21] And Tony Blair's Commission for Africa called on donors to make long-term aid commitments to fill finance gaps when African governments remove fees for healthcare.[22] Save the Children's research shows that to abolish user fees in 20 African countries, and save the lives of 250,000 children each year, would cost less than 6 per cent of the $18 billion investment needed to meet the health MDGs. This investment would cover the current revenue from fees and the increased value of user fees that would result when utilisation rates increase. According to the World Health Organization's criteria, this makes the abolition of user fees very cost effective.

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A quarter of a million children's lives could be saved every year. It is time for Tony Blair to pull out all the stops and make abolition of user fees and investment in health systems of the poorest countries a priority.

Recommendations

- The G8 must increase their aid commitments for the health MDGs to have any hope of them being achieved. This commitment must be coupled with increasing investment in health systems, in the long term.
- The G8 must take active measures to stop making user fees a condition (implicit or explicit) for their support to health in poor countries and instead allow governments to judge for themselves whether user fees are an appropriate health financing mechanism and plan their health services accordingly.
- The UK Government should take a lead by clarifying its own position on user fees and using its presidencies of the G8 and EU to influence other rich governments.

Notes

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20 World Health Assembly Resolution 58.31, 2005, Agenda item 13.2, Working towards universal coverage of maternal, newborn and child health interventions. WHO Geneva.

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Save the Children UK
1 St John's Lane
London EC1M 4AR
UK

Tel +44 (0)20 7012 6400

www.savethechildren.org.uk

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