

finances are vastly more important than what outsiders bring through development aid.

The papers in the accompanying Series in *The Lancet* investigate the evidence for universal health coverage. Rodrigo Moreno-Serra and Peter Smith⁹ explore the effects of progress towards universal health coverage on population health, while William Savedoff and colleagues¹⁰ delve into the political and economic dimensions of the story. A third paper, by Gina Lagomarsino and colleagues,¹¹ examines the structure and progress of some health insurance reforms in low-income and lower-middle-income countries. Finally, in an accompanying Viewpoint,¹² Jeffrey Sachs calls for continued progress and argues for a large role for the public sector.

Among the many important messages are these two. First, since so many countries are moving so strongly towards universal health coverage, attention should now focus not on whether but on how to make the most of this transition. Second, universal health coverage is an opportunity but not a guarantee for progress: getting things right now can have big payoffs later, but letting things go wrong initially can be highly problematic and costly. The precise contours of what will emerge in the decades ahead in each country undertaking reform is not entirely clear, but, as this Series and many country examples suggest, we are getting closer to a time when this third transition will be achieved and families will no longer be at risk of having the cost of sickness ruin their lives.

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Universal health coverage: good health, good economics

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Underpinning the trends examined in *The Lancet's* Series on universal health coverage are several points that deserve deeper appreciation. Call them EPIC—a fitting acronym, in view of the epic transition now underway as the world moves towards universal coverage.

The E in EPIC is for economics. Good health is not only a consequence of economic development, but also a driver of it, since healthier people can do more (greater productivity, more entrepreneurialism, improved educational performance, and reduced poverty). Good health systems not only enhance these benefits by improving health but also yield additional economic benefits. In particular, improved financial protection for families against large medical bills reduces their risk of financial

ruin and makes assets and savings more secure, enabling them to save more; when many families benefit, their increased economic activity can stimulate improved economic development. The 1993 World Development Report, *Investing in Health*,¹ emphasised this idea of health as an investment rather than an expenditure. The 2001 report of the Commission on Macroeconomics and Health² took this idea further, showing that a 10% improvement in life expectancy at birth is associated with annual economic growth increases of 0.3–0.4%.

P is for policies and politics. The importance of good policies and good management of the political challenges is compellingly evident from the huge differences in health achievements between countries with similar

per head incomes. The success stories are especially illuminating. Thailand, for example, which introduced universal coverage in 2002, has seen exceptional improvements in mortality for children younger than 5 years. Extensive investment in health infrastructure, successful integration of vertical programmes into the primary health-care system, robust training institutions paired with policies mandating rural service by health workers, and health financing reforms to ensure equitable access to care have enabled Thailand to make great strides in improving health at a fairly low cost.³

Mexico, too, has benefited from paying close attention to policies and politics. Its achievement, announced this year, of universal coverage, after initiating reforms in 2003, means that 50 million Mexicans who formerly were among the poorest and most excluded now have access to care.^{4,5} Catastrophic expenditures have decreased substantially and use of necessary health services has increased.^{6,7} Rigorous assessment from the very beginning has had a major role in showing the benefits of reform in Mexico, helping to solidify political support.⁸

The I is for institutions. Economics, policies, and politics enable change, but institutions have to deliver. Both public and private institutions have crucial roles, and good health system performance needs an optimum mix of functions between them. Stewardship (including deployment of equitable policies) and fair financing are essential public responsibilities, whereas delivery of services is best served through a pluralistic mix that includes the private sector and civil society.⁹ Institution-building requires long-term investment that is difficult to secure in the short-term world of politics. Strong leadership is essential, with the strategic vision, technical knowledge, political skills, and ethical orientation necessary to manoeuvre through the complex process of policy design and implementation.

C is for costs. Economics, policy, politics, and institutions can go far, but if the costs of improved health cannot be met in a sustainable and equitable manner, all is lost. Countries that have planned how to cover health-care costs reasonably well (by collecting enough revenue fairly and deploying it efficiently) thrive; those that have not struggle.

The cost of inaction is also important,¹⁰ and pointing this out can be helpful for reformers. People without coverage impose hidden costs on their country. Such



Mothers wait to have their children vaccinated at the Mae Tao Clinic in Thailand

costs are the flip side of the economic argument for health. Inadequately treated health problems result in diminished productivity, higher costs in the future, and disrupted families and communities (which can lead to underinvestment in the next generation, thereby imposing even greater future costs). Inadequate prevention results in higher treatment costs. A life saved and given the chance to be more fruitful not only imposes less cost on society but also brings more benefit to it. Furthermore, a good health system promotes human rights and enables every individual to realise his or her full potential. This outcome is the ultimate measure of success.

Implicit in our argument is the further point that universal health coverage has to be driven by forces from within a country, not from outside. Aid is not the answer. Government expenditures for health from countries' own sources reached US\$410 billion in the developing world in 2009, which is 16 times larger than the total development assistance for health. Even in the African region, external sources represent only 11% of the funds spent on health.¹¹ Drawing on knowledge-related global public goods, domestically led change makes adaptation to local circumstances possible, thus building popular and political support.

Universal health coverage sits at the intersection of social and economic policy. Introduction of reforms that promote universal coverage is not only the right thing to do on ethical grounds; it is also the smart thing to do to achieve economic prosperity. The paradox of health care

is that it is one of the most powerful ways of fighting poverty, yet can itself become an impoverishing factor for families when societies do not ensure effective coverage with financial protection for all. Universal health coverage therefore holds great promise: the focus on increased access to high-quality health services with financial protection integrates social and economic policy in a way that, if done well, can benefit societies the world over.

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Universal health coverage is a development issue



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The recent Rio+20 United Nations Conference on Sustainable Development, in Rio de Janeiro, Brazil, took place 20 years after the first global conference on the environment and development and 10 years after the World Summit on Sustainable Development. Although much of the discussion focused on the environment, poverty reduction, and sustaining economic growth, the resultant resolution contained an important paragraph for the global health community:

"We also recognize the importance of universal health coverage to enhancing health, social cohesion and sustainable human and economic development. We pledge to strengthen health systems towards the provision of equitable universal coverage. We call for the involvement of all relevant actors for coordinated multi-sectoral action to address urgently the health needs of the world's population."¹

This statement recognises that, although social and environmental factors affect health, maintaining and improving health is both a component and determinant of sustainable development. People value good health, so health improvements contribute directly to human development—as is recognised in the Human Development Index.² Improved health also contributes to economic growth, something that the WHO Commission

on Macroeconomics and Health documented more than 10 years ago.^{3,4} People who are ill and unable to work can be pushed into, or deeper into, poverty. Conversely, the ability to work and earn lifts people out of poverty. Children who are healthy are better able to learn, and adults better able to earn and contribute positively to their societies.⁵

Good quality health delivery systems with universal access protect individuals from illness, stimulate economic growth, and fight poverty by keeping people healthy. They also contribute to social harmony by providing assurance to the population that services are available in the event of illness. Yet more than a billion people cannot use the health services they need because they are either unavailable or they cannot afford to use them.⁶ Universal health coverage requires that everyone can use the health services that they need. Equally important is what happens when people use them. Direct out-of-pocket payments (eg, user fees) levied at the time when people need services not only inhibit the poor and disadvantaged from seeking health care, but are also a major cause of impoverishment for many who obtain it.⁷

Every year some 150 million people face severe financial hardship and 100 million are pushed below

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