

COMPARATIVE FUNDING AND STRUCTURE POSSIBILITIES

- A HPF INDABA ORGNISED BY:
SOUL CITY INSTITUTE AND THE NATIONAL
COUNCIL AGAINST SMOKING,
JOHANNESBURG -SOUTH AFRICA.
9-10 NOVEMBER 2011

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Presentation Outline

- Why Health Promotion Foundation
- What Health Promotion Foundation
- How the Health Promotion can be funded
- Structure Possibilities
- Concluding remarks



Why health promotion foundations?

A range of structures exists accross the world for promoting health. While each has its own geo-political features and genesis, a transferable organisational and financing model, has been adopted in many countries. HPF already in existence concentrate on two major objectives, namely:

- ❑ Identifying and building capacity within existing infrastructures accross government and community sectors
- ❑ Developing ring-fenced funds for achieving long-term sustainability of policies and programmes

Why health promotion foundations?

Health promotion foundations have been created to:

- tackle the health challenges of the 21st century
- innovate in ways not possible within the formal health system
- work in partnership across different sectors
- a sustainable source of funding for health
- avoid competition with resources for cure and care



What do health promotion foundations do?

- Fund health promotion initiatives to promote health and prevent disease;
- Build a health promotion evidence base;
- Work collaboratively across sectors;
- Advocate for health promoting policies;
- Address equity issues; and
- Trial innovative programs in sensitive areas (drugs, STIs, etc.) that may expose governments to political criticism.



How are health promotion funded?

- Health Promotion Foundations can be funded through a variety of methods (better: financing mechanisms?):
- An earmarked tax on tobacco (e.g. VicHealth and Healthway pre 1996)
- A combination of earmarked taxes on tobacco and alcohol (e.g. ThaiHealth and Malaysia)
- A levy on health insurance (e.g. Health Promotion Switzerland)
- An appropriation from Treasury budgets (e.g. Fonds Gesundes Osterreich - Austria)
- Non-government organisation funding (e.g. Health 21 Hungary)



Comparative Funding

HP Foundations in:	Legislation	Year	Yearly funds 2003 in USD (<u>per person</u>)
1. Austria	Health Promotion Act	1998	8,900,000 (<u>1.1</u>)
2. Switzerland	Health Insurance Act	1994	12,000,000 (<u>1.90</u>)
3. Thailand	Health Promotion Act	2001	<u>35,000,000</u> (<u>0.50</u>) 100,000,000
4. Victoria (Australia)	Tobacco Act	1987	22,334,000 (<u>4.60</u>) 36,400,000
5. New Zealand	- Smoke free Envi. Act & - Alcohol Advisory Council Act	1990	4,500,000
		1976	8,000,000 12,500,000
6. Western Australia	Tobacco Control Act	1990	11,400,000 (<u>5.50</u>)
7. Capital Territory	Health Promotion Act	1995	2,000,000 (<u>6.20</u>)

WHO, World Bank &

HPF Funding Mechanism

Dedicated tobacco taxes for health promotion or Health Promotion Foundations have now been established in:

Australia, Canada, Ecuador, Finland, French Polynesia, Guam, Iceland, Korea, Mauritius, Nepal, New Zealand, Peru, Portugal, USA and Western Samoa.



HPF Funding mechanisms.. cont.

It may be necessary to find alternatives or adjuncts to tobacco and/or alcohol tax to finance health promotion.

Most of these mechanisms have far reaching consequences for developing countries and are in most cases problematic. They include:

Sponsorship, Bridging finance, Recurrent health funding, Government Aid Organisations, Private Trusts and Foundations, The WHO & World Bank, International Unions, Organisations and Centres, National and international health NGOs, Service Clubs (e.g. Rotary and Lions International) etc.

Starting a HP Foundation

Considerations that apply to any country:

- **context:**
political climate, timing, content of Act;
- **evidence:**
strong evidence base for health promotion action, ramifications of legislation, expert information;
- **support:**
bipartisan, economic, community;
- **campaigns** for establishing foundations



HPF Structure Possibilities-

How are HPF organized?

- established according to some form of legislation such as an Act of Parliament, which provides a long-term and recurrent budget
- governed by an independent Board of Governance that comprises stakeholder representation
- exercises a high level of autonomous decision making
- is not aligned with any one political group
- promotes health by working with and across many sectors and levels of society



HPF Structure Possibilities-

Possible location for a HPF

- A coordinating body for health promotion at a national, regional or local level can be located:

1. Within a Health Department
2. In the Non-Government Sector
3. Or in some combination of the two such as a Statutory Authority

- There are advantages and disadvantages to each.

- Wherever a Health Promotion Foundation is located, it needs to be structured so that it has the capacity and flexibility to undertake a number of essential roles in developing and promoting health



Within a Health Department

Advantages:

- Closely linked to the government's public health and primary health care strategies
- Would have direct line access to the government through Departmental Head and its Minister

Disadvantages:

- Potential competition for resources with other units within the Department (especially the interest of the curative care systems)
- A limited capacity to work intersectorally



In the Non-Government Sector (Charity or Trust)

Advantages:

- ❖ Keeping health promotion clearly independent of Government
- ❖ Capacity to secure resources for health promotion outside of Government

Disadvantages:

- ❖ Difficulties with co-ordination if the organisation has no statutory authority;
- ❖ Difficulties in securing sufficient long-term funding;
- ❖ A potential lack of mechanisms for public accountability;
- ❖ Difficulties for non-governmental organisations in obtaining local, provincial, state or national coverage.

As a Statutory Authority

Advantages:

- ❖ The Foundation is at arm's length from government but still has the necessary legislative authority;
- ❖ It is supported by official resources;
- ❖ It's Board can help mobilise public support for health promotion;
- ❖ It has flexibility than a large bureaucracy to be innovative and responsive to health promotion issues.

Disadvantages:

- ❖ The Health Department may want to control the foundation's resources when its revenue base is under threat.



HPF Structure Possibilities- Characteristics and culture

A HPF which may influence its capacity to fulfil its mandate includes its:

- Organisational structure
- Board and committee structure
- Governance issues
- Leadership styles
- Communication styles
- Portfolio mix
- Skill mix
- Community and intersectoral linkages



Example: VicHealth

Governance

- VicHealth represents the Crown (Tobacco Act 1987, Section 16(3))
- It is a body corporate consisting of 11 members (The 'Board') appointed by the Minister for Health.
- Three members who are also elected members of the Victorian Parliament.
- The Minister for Health is accountable to the Cabinet and the Parliament for the performance of VicHealth.
- The Minister is also required to consult with the Minister administering the Sport and Recreation Act 1972
- VicHealth is subject to the scrutiny of the Parliament and is required to present an Annual Report to the Parliament



Critical: The Legal Base

- 1987: Victorian Health Promotion Foundation – VicHealth
VicHealth was established under the Victorian Tobacco Act 1987.
- 1991: Western Australian Health Promotion Foundation – Healthway
Healthway was established in 1991 under Section 15 of the Tobacco Control Act.
- 1995: Korea – National Health Promotion Fund
The Korean government enacted the National Health Promotion Act in 1995.
- 1996: Health Promotion Switzerland
Article 19 of the Law on Sickness Insurance enacted in 1996 requires insurers and cantons to provide health-promoting activities.
- 1998: The Austrian Health Promotion Foundation Fonds "Gesundes Osterreich"
In 1998, the Austrian Federal law enacted the Fund Healthy Austria.
- 2001: Thai Health Promotion Foundation – ThaiHealth
ThaiHealth was established by the Health Promotion Foundation Act B.E. 2544 2001.



Critical: evidence and quality

Example: Best practice'- framework
Health Promotion Switzerland

International
Network of
Health
Promotion
Foundations

Underlying
assumptions

Values, ethical
basis, principals

Swiss
context

Scientific
knowledge

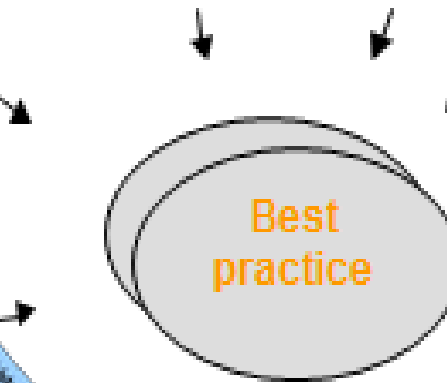
Theory/ concepts

Scientific
knowledge

Empirical -/ obser-
vational studies

Quality assur. (PM)

Evaluation



Political
context

Legislation
(Foundation's
legal mandate)

e.g.
EU legislation/
regulations

Political context
(Europe, world-wide)

International
context



The use of and creation of "evidence" is an integral part of the foundation's best practice framework plan.

Critical: Partnerships for Health

Health Promotion Foundations

- work across many sectors to broaden the benefit of health promotion strategies
- involve key stakeholders in their governance

Examples:

- Organisations such as Associations, councils, foundations Drug and alcohol use prevention groups, Public Health and Medical associations/councils
- Lobby groups
- Government leader and ministers, opposition leader and shadow ministers
- Media – radio, newspapers and television
- Organisations such as sporting groups, trade unions, church groups, and environmental groups
- Business organizations

CRITICAL:



International
Network of
Health
Promotion
Foundations



Make health everybody's business ...
National Walking Day



Structure Possibilities for SA

- **Name:** SA Health or HPSA (Health Promotion South Africa)
- **Legal Status:** Autonomous public organisation
- **Funding:** Percentage of tobacco and alcohol taxes
- **Accountability:**
 - ✓ Independent Evaluation Board established by the Executive Cabinet;
 - ✓ Parliament and the Executive Cabinet;
 - ✓ Office of the Auditor General, and the Internal Audit;
 - ✓ SA Health contracting external evaluators;
 - ✓ Working partners who may scrutinize through the participatory process make the strongest accountability mechanism
- **Functions:** Main responsibilities and chain of command for the Boards, Commission, Committee, Managers, Provincial Units etc. will be determined by a special committee to be appointed by Government.

Concluding remarks

- Good initiatives and programmes do not just happen. They result from placing a high value to health, courageous leadership at all levels, a commitment to learning and change, a commitment to finances and human resources and a capacity to develop common purpose among a broad constituency of players.
- South Africa is characterised by persistent socio-economic inequities coupled with high levels of poverty, and consequent high levels of poor health. Given that preventive interventions are inherently more equitable and effective in promoting health than treatment, I believe that the creation of a foundation to promote health will play a pivotal role in contributing to improving the health of South Africans.



THE END

THANK YOU

