




ARTICLE

# Fair processes for financing universal health coverage?

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## Abstract

Although the fair financing report, ‘Open and Inclusive: Fair Processes for Financing Universal Health Coverage’, has many sage things to say about democratic deliberative processes, its title belies its content: the report does not offer any assessment of processes for financing universal health coverage. What it does instead is scrutinise processes for deciding how to finance universal health coverage without any linkage to substantive questions concerning financing, and, moreover, the discussion is not narrowly focused on fairness.

**Keywords:** fairness; procedural fairness; health care funding; universal health care

Although the fair financing report, ‘Open and Inclusive: Fair Processes for Financing Universal Health Coverage’ (World Bank, 2023), has many sage things to say about democratic deliberative processes, its title belies its content: the report does not offer any assessment of processes for financing universal health coverage. What it does instead is scrutinise processes for deciding how to finance universal health coverage without any linkage to substantive questions concerning financing, and, moreover, the discussion is not narrowly focused on fairness. What matters is health care and how to fund it; procedures for determining how to fund it are important if accepted moral principles do not determine how to raise the funds that are needed.

In this brief comment, I plan to do two things. First, I criticise the report for avoiding substantive questions concerning how universal health care should be funded and for not linking its procedural discussions to the substantive questions. As the report states, ‘The point for now is not to debate the substantive fairness of specific policy options, but to set the scene for the subsequent analysis of how fair process criteria can inform health financing decisions’ (World Bank, 2023: 17). Rather than attempting to answer the question of how to fund universal health care, this report offers conditions that should be met by procedures that are employed to answer the question. Second, I shall suggest that, although the report claims to be concerned with whether policies are fairly financed, it appears to be at least as concerned with whether policies will be regarded as fair and legitimate.

## 1. Procedure and substance

I find it strange to focus exclusively on procedures for assessing funding policies, with virtually no mention of what determines whether the funding is fair. Shouldn’t the discussion of how to decide on funding universal health care be linked to the question of how to fund universal health care? If universal health care in some country is funded fairly, does the fairness of the procedure that determined that funding matter? The assessment of procedures for evaluating funding

policies becomes important only *after* having subjected funding policies to scrutiny and finding oneself unable to make further principled evaluations of the alternatives. Questions concerning how to choose fairly among policies to fund and purchase universal health care should arise from an appreciation of the merits and limits of the substantive principles that are invoked to determine whether health care funding is fair.

To be more specific, consider some questions about the funding of health care such as the following four:

- Should individuals pay some portion of their health care costs out of pocket?
- Should universal health insurance be funded by health insurance premiums (with subsidies for those who cannot pay) or should it be funded by taxation?
- If health care is funded by taxation, should the tax revenue come from income taxes, payroll taxes, a VAT, or some other form of taxation?
- If health care is funded by insurance premiums, should those who are more likely to make claims (because older or who have pre-existing conditions) have to pay higher premiums?

This document, despite its title, does not address any of these questions. In Chapter 2, there are examples of funding policies to illustrate what the outputs of fair procedures might be, but no attempt is made to defend or criticise those policies or to consider in what circumstances they are especially appropriate or problematic. The authors insist that, ‘Fair process contributes to fairer outcomes, strengthens legitimacy, builds trust, and promotes the sustainability of health financing policies on the path to UHC [universal health care]’ (World Bank, 2023: 11), and they point out that different nations and circumstances require different methods of funding health care. But that fact does not rule out a substantive discussion of how the funding of health care should depend on relevant social circumstances.

Unlike Norman Daniels and James Sabin’s earlier work on procedural methods to assess health care policies (2008), the authors do not defend their exclusively procedural focus by arguing that our moral principles are not up to the job of answering questions such as the four above. This strikes me as a missed opportunity. Our moral principles are in fact not detailed and comprehensive enough to answer all the hard questions concerning how to fund universal health care. However (again following Daniels and Sabin), the fact that our moral reflections cannot get us all the way to precise prescriptions for funding health care does not imply that moral reflection on substantive principles governing the funding of health care can take us no distance at all. Surely it is possible to lay down some general principles governing, for example, what individual contributions to funding health care should depend on.

In response to these concerns, the authors of this report might claim that I am criticising an orange for not being an apple and ignoring the possibility that there might be a fruitful division of labour between those concerned with substantive principles governing the funding of universal health care and those concerned with procedural matters. I concede that there is room for reflection on what sort of procedures should govern the choice among funding arrangements. However, I suggest that reflection on procedures for deciding on how to fund universal health care should be integrated into an enquiry into the virtues and vices of specific funding arrangements. Even though it could be that the principles governing procedures for deciding on funding are the same as the principles governing a fair procedure for making any other policy decision, it seems sensible to think about what procedures are needed when one reaches a substantive impasse with respect specifically to determining how to fund universal health care. In contrast, one finds virtually nothing concerning what funding arrangements are fair, apart from a few off-hand remarks such as, ‘Covering expensive high-technology services for a small group of the population while the majority lacks access to basic health services is recognized as extremely inequitable’ (World Bank, 2023: 20).

An off-hand remark, such as this one only highlights the absence of a more concrete discussion. What other principles should one invoke? What if covering such costly services is in practice a

necessary step towards bringing down the costs and making these ‘high-technology services’ generally available (Deaton, 2013)? Is this a case where efficiency trumps fairness or a criticism of a myopic view of fairness? Readers will search the report in vain for discussion of such conundra.

## 2. Is the report concerned about fairness or legitimacy?

A further feature of the focus on process, which concerns me, is that it is unclear whether the fairness of the procedures to decide on health care funding is what is at issue, or whether, instead, the value of the procedures lies in their contribution to the populace’s perception of fairness. Is the concern with fairness or instead with legitimacy and public support for funding policies? Consider remarks such as these:

People’s perceptions of fairness in the decision-making process is [sic] as important as their perceptions of the outcomes (World Bank, 2023: 14).

Sudden and poorly explained changes [in decision-making processes] can be perceived as unfair (World Bank, 2023: 24).

Not all health financing decisions demand the same level of public participation to yield a process that most citizens will accept as fair (World Bank, 2023: 28).

In cases where more limited public participation is deemed justified, the criteria of the information domain – reason-giving, transparency, and accuracy of information – become key drivers of people’s perceptions of procedural fairness (World Bank, 2023: 30).

In these quotations, it sounds as if what matters is determining which ways of deciding on funding policies will be regarded as fair, rather than (or in addition to) which assessments of policies are in fact fair.

According to the report, a procedure is fair if and only if satisfies three general core or foundational criteria: (1) it is impartial; (2) it is consistent over time; and (3) it treats individuals as equals. Although there is no attempt to define fairness in general, this account of fair procedures for social decision-making is subtle and worth more careful philosophical scrutiny than I can provide in this brief comment.

Are impartiality, consistency over time, and equality of treatment individually necessary and jointly sufficient for fairness? The answer depends upon precisely how one unpacks these three conditions. But one can nevertheless say a few things:

- Impartiality seems clearly to be necessary. The clearest examples of unfairness involve partiality, such as inconsistent application of the laws or allowing some individuals a lesser voice on irrelevant grounds.
- Whether treatment as an equal is necessary is much trickier, because what it is to treat individuals as equals is such a complicated and contested matter. Is a procedure to determine health care funding unfair if it gives lesser voice to recent immigrants than to long-standing citizens? Is it unfair to place less weight on the views of teenagers than adults or to place less weight on the views of those who are single rather than married? I am not sure that insisting that processes treat people as equals answers these questions.
- The suggestion that consistency over time of decision processes (*not* of their outcomes!) is a requirement of fairness is intriguing, but questionable. It is surely unfair if processes change because of the influence of powerful interests, for those changes would violate impartiality and possibly the requirement to treat people as equals. But are even rapid and large changes in decision processes in themselves unfair, regardless of their sources?

Some stability seems required in order not to disappoint people's legitimate expectations, which would be unfair. Stability is also needed to provide stakeholders with a reliable set of expectations about how decisions will be arrived at. But it does not strike me as unfair if individuals are generally unable to form reliable expectations. Ad hoc changes in decision processes are unfair because they will likely involve the violation of the maxim of 'treating like cases alike', but changes over time need not be ad hoc. I am inclined to doubt both that consistency over time is a necessary condition on fair processes and that impartiality, time consistency, and treating individuals as equals are jointly sufficient for procedural fairness.

In any case, it seems to me as if the report is concerned to specify what characterises processes that will output sensible solutions to the substantive questions concerning how to fund universal health care and whose appearance of fairness will enhance legitimacy. Such processes should be effective, reasonable, and transparent, and they should be regarded as fair and their output as legitimate. But what matters, I think, is the overall performance of procedures, not narrowly questions about their fairness. Most of the seven more detailed criteria the report defends: reasoning, transparency, accuracy of information, participation, representation, revisability, and enforcement, strike me as having little connection to fairness, but a great deal to do with wise and legitimate decision-making and the appearance of fairness.

### 3. Conclusion

I suspect that the concerns I have raised matter less to those who are charged with implementing and modifying health care funding than to this philosopher in his armchair. They are much more concerned with whether this report will help them to fund health care adequately and sustainably and in a way that will meet with public approval than in the appraisal of the report's claims about fair processes. What matters is whether this report will help these readers to come up with sufficient, sustainable, and equitable ways of funding health care, not the curmudgeonly complaints of this comment. But the separation of the procedural issues discussed in this report from substantive discussion of fair funding may seriously limit what this report can accomplish, and I remain disappointed that this report says so little about how to fund universal health care fairly.

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