Postgraduate Certificate in Health Financing and Budgeting

Healthcare Policy And Finance

Adverse Selection – Related terms: risk pooling, moral hazard.
A market condition where individuals with higher health risks are more likely to enroll in insurance, while healthier individuals opt out, leading to an imbalanced risk pool.
Example: In a voluntary health insurance scheme, chronic-ill patients disproportionately enroll, raising average costs.
Practical application: Designing mandatory enrollment or community rating to mitigate adverse selection.
Challenges: Political resistance to compulsory participation; administrative costs of enforcement.

Annual Budget Cycle – Related terms: budget formulation, budget execution.
The systematic process through which health ministries plan, approve, allocate, and monitor financial resources over a fiscal year.
Example: A Ministry of Health prepares a three-year rolling budget, revises allocations mid-year based on expenditure reports.
Practical application: Aligning budget cycles with program timelines to ensure funding continuity.
Challenges: Delays in approval, mismatched timing between program delivery and fund release.

Benefit Package – Related terms: essential health services, coverage scope.
A defined set of health interventions, services, and medicines that a financing scheme guarantees to its beneficiaries.
Example: A national health insurance scheme includes outpatient visits, maternal care, and a list of 200 essential medicines.
Practical application: Using cost-effectiveness analysis to prioritize services within the package.
Challenges: Balancing comprehensiveness with fiscal sustainability; updating the package as technology evolves.

Capitation Payment – Related terms: provider payment, per-capita financing.
A fixed amount paid to a health provider per enrolled individual for a defined period, regardless of actual services delivered.
Example: A primary-care clinic receives $30 per adult per month to manage preventive and curative care.
Practical application: Incentivizing providers to focus on preventive services and efficient resource use.
Challenges: Risk of under-service; need for robust monitoring of quality and outcomes.

Cost-Effectiveness Analysis (CEA) – Related terms: incremental cost-effectiveness ratio, health technology assessment.
A methodological approach that compares the relative costs and health outcomes of two or more interventions to determine the most efficient use of resources.

Example: Comparing a new vaccine's cost per DALY averted with that of an existing vaccine.
Practical application: Informing inclusion decisions in benefit packages.
Challenges: Data limitations, valuation of health outcomes, ethical considerations of equity.

Cost-Utility Analysis (CUA) – Related terms: quality-adjusted life year, utility weights.
A form of economic evaluation that measures health outcomes in terms of both quantity and quality of life, typically using QALYs.
Example: Assessing a surgical procedure's cost per QALY gained versus a less invasive alternative.
Practical application: Guiding reimbursement decisions for high-cost technologies.
Challenges: Assigning utility values across cultures; handling uncertainty in long-term outcomes.

Cross-Subsidization – Related terms: progressive financing, risk redistribution.
The practice of using revenues from higher-income or lower-risk groups to subsidize services for lower-income or higher-risk populations.
Example: Payroll taxes from formal sector workers fund services for informal sector beneficiaries.
Practical application: Designing tax brackets or contribution rates that achieve equity.
Challenges: Ensuring transparency; avoiding disincentives for high-income contributors.

Decentralization – Related terms: fiscal devolution, health governance.
The transfer of authority, responsibility, and resources for health service delivery from central to sub-national entities.
Example: Provincial health departments receive direct budget allocations to manage local hospitals.
Practical application: Tailoring services to regional health needs and improving accountability.
Challenges: Variable capacity across regions; risk of fragmentation and duplication.

Demand-Side Financing – Related terms: voucher schemes, health insurance subsidies.
Mechanisms that provide financial resources directly to households or patients, enabling them to purchase health services from providers of choice.
Example: A maternal health voucher program that reimburses women for antenatal visits.
Practical application: Empowering patients, stimulating competition among providers.
Challenges: Ensuring provider quality; preventing fraud and misuse of funds.

Economic Evaluation – Related terms: cost-benefit analysis, health impact assessment.
Systematic appraisal of the costs and outcomes of health interventions to inform resource allocation decisions.
Example: Evaluating the net monetary benefit of a national immunization program.
Practical application: Prioritizing interventions under limited budgets.
Challenges: Selecting appropriate discount rates; capturing non-monetary benefits.

Eligibility Criteria – Related terms: beneficiary definition, enrolment rules.
The set of conditions that determine who may access a particular health financing scheme or service.

Example: Residents aged 65 and above qualify for a subsidized chronic disease management program.
Practical application: Targeting resources to intended populations while minimizing leakage.
Challenges: Administrative burden of verification; potential exclusion errors.

Externalities – Related terms: positive spillover, public health impact.
Indirect effects of health interventions that affect third parties not directly involved in the transaction.
Example: Vaccinating children reduces disease transmission to the broader community.
Practical application: Justifying public investment in preventive measures.
Challenges: Quantifying external benefits; integrating them into cost-effectiveness calculations.

Fiscal Space – Related terms: budgetary headroom, revenue mobilization.
The capacity of a government to allocate additional resources for health without jeopardizing fiscal sustainability.
Example: A country expands its fiscal space by improving tax collection efficiency and reallocating existing budget lines.
Practical application: Planning long-term health investments and scaling up programs.
Challenges: Competing priorities, macro-economic volatility, debt constraints.

Financing Gap – Related terms: resource deficit, funding shortfall.
The difference between the financial resources required to achieve health objectives and the resources actually available.
Example: An HIV program estimates a $200 million gap to meet 2025 targets.
Practical application: Mobilizing additional domestic or external funding, redesigning cost structures.
Challenges: Accurate gap estimation; donor dependency risk.

Fiscal Decentralization – Related terms: sub-national budgeting, intergovernmental transfers.
The allocation of fiscal responsibilities and revenue-raising powers to lower levels of government.
Example: Municipalities receive a share of national health taxes to fund local clinics.
Practical application: Aligning revenue sources with expenditure responsibilities.
Challenges: Ensuring equitable distribution; preventing fiscal imbalances.

Fixed-Rate Reimbursement – Related terms: tariff schedule, standard pricing.
A predetermined payment amount for a specific service, regardless of the actual cost incurred by the provider.
Example: A flat fee of $150 for a standard cesarean delivery.
Practical application: Simplifying billing and containing costs.
Challenges: May not reflect regional cost variations; potential under-compensation.

Health Impact Assessment (HIA) – Related terms: policy appraisal, cross-sectoral analysis.
A systematic process that evaluates the potential health effects of a policy, program, or project in non-health sectors.

Example: Assessing the health implications of a new urban transport plan.
Practical application: Integrating health considerations into all-of-government decision-making.
Challenges: Data availability; inter-agency coordination.

Health Insurance – Related terms: risk pooling, premium collection.
A contractual arrangement where individuals or groups pay regular contributions (premiums) to obtain coverage for a defined set of health services.
Example: A national compulsory health insurance scheme funded through payroll taxes.
Practical application: Spreading financial risk and improving access to care.
Challenges: Adverse selection, ensuring affordability, managing moral hazard.

Health Technology Assessment (HTA) – Related terms: evidence-based reimbursement, cost-effectiveness.
A multidisciplinary evaluation of the clinical effectiveness, cost-effectiveness, and broader impact of health technologies.
Example: An HTA determines whether a new oncology drug should be listed on the national formulary.
Practical application: Informing coverage decisions and price negotiations.
Challenges: Limited local data; time-intensive appraisal processes.

Insurance Premium – Related terms: contribution rate, actuarial valuation.
The amount paid by an individual or employer to maintain health insurance coverage over a specified period.
Example: Employees contribute 5 % of their monthly salary to the national health insurance fund.
Practical application: Calculating sustainable contribution levels based on demographic risk profiles.
Challenges: Balancing affordability with financial adequacy; adjusting for inflation.

Intergovernmental Fiscal Transfers – Related terms: grant allocation, fiscal equalization.
Monetary flows from higher to lower levels of government intended to support the provision of public services, including health.
Example: Central government allocates a health grant to provinces based on per-capita need.
Practical application: Reducing regional disparities in health financing.
Challenges: Conditionality, monitoring usage, political negotiations over formulas.

Key Performance Indicators (KPIs) – Related terms: monitoring framework, outcome metrics.
Quantitative measures used to assess the efficiency, effectiveness, and impact of health financing and service delivery.
Example: Percentage of health facilities receiving timely budget disbursements.
Practical application: Guiding performance-based financing and accountability mechanisms.
Challenges: Selecting relevant indicators; data quality and timeliness.

Life-Cycle Costing – Related terms: total cost of ownership, cost-benefit analysis.
An approach that captures all costs associated with a health intervention over its entire lifespan, from

acquisition to disposal.
Example: Calculating the total cost of a medical imaging equipment, including purchase, maintenance, training, and decommissioning.
Practical application: Supporting procurement decisions and budgeting for capital assets.
Challenges: Forecasting future costs; incorporating uncertainty.

Macro-Fiscal Policy – Related terms: public finance, fiscal consolidation.
Government strategies concerning revenue generation, public expenditure, and debt management that affect overall economic stability and health sector funding.
Example: A fiscal consolidation plan reduces health spending as a share of GDP, prompting advocacy for protection of essential services.
Practical application: Aligning health financing with broader economic goals.
Challenges: Balancing austerity with health equity; political pressures.

Marginal Cost Pricing – Related terms: cost-plus pricing, price discrimination.
Setting the price of a health service equal to the additional cost incurred by providing one more unit of that service.
Example: Charging patients the marginal cost of an additional laboratory test.
Practical application: Encouraging efficient use of scarce resources.
Challenges: Determining accurate marginal costs; potential price volatility.

Medical Savings Account (MSA) – Related terms: individual health account, tax-advantaged savings.
A personal account into which individuals can deposit pre-tax income to pay for qualified medical expenses.
Example: An employee contributes $2,000 annually to an MSA used for out-of-pocket drug purchases.
Practical application: Promoting consumer responsibility and cost awareness.
Challenges: Risk of under-utilization of needed care; inequitable savings capacity.

Mix-of-Funding – Related terms: pluralistic financing, blended financing.
The combination of multiple financing sources—such as taxes, social health insurance, private insurance, and out-of-pocket payments—to fund health services.
Example: A health system relies 40 % on general taxation, 30 % on payroll contributions, 20 % on private insurance, and 10 % on out-of-pocket.
Practical application: Diversifying revenue streams to enhance resilience.
Challenges: Coordination among sources; avoiding duplication and gaps.

Out-of-Pocket (OOP) Expenditure – Related terms: direct payment, financial hardship.
Payments made directly by households to health providers at the point of service, not reimbursed by any third-party payer.
Example: A patient pays $50 for a clinic visit without insurance coverage.
Practical application: Monitoring OOP levels to assess progress toward universal health coverage.
Challenges: Catastrophic spending, inequitable access, discouraging care-seeking.

Performance-Based Financing (PBF) – Related terms: results-based funding, incentive payments.
A financing mechanism that links disbursements to the achievement of predefined performance targets.
Example: A district receives additional funds if immunization coverage exceeds 90 %.
Practical application: Motivating providers to improve quality and efficiency.
Challenges: Designing reliable verification systems; risk of data manipulation.

Population-Based Financing – Related terms: capitation, per-capita allocation.
Financing health services based on the size of the population served rather than on services rendered.
Example: A regional health authority receives $200 per resident annually to fund primary care.
Practical application: Encouraging preventive care and cost control.
Challenges: Adjusting for demographic variations; preventing under-service.

Progressive Taxation – Related terms: equity financing, ability-to-pay principle.
A tax structure in which the tax rate increases as the taxable base (e.g., income) rises, resulting in a larger share of revenue from higher-income groups.
Example: Income tax rates of 10 % for low earners, 30 % for high earners.
Practical application: Generating resources for health while reducing inequality.
Challenges: Tax avoidance, political opposition, administrative complexity.

Public-Private Partnership (PPP) – Related terms: contractual financing, joint venture.
A collaborative arrangement between government and private sector entities to design, finance, build, and/or operate health facilities or services.
Example: A private firm constructs a hospital and operates it under a 20-year lease with the government.
Practical application: Leveraging private capital and expertise to expand infrastructure.
Challenges: Risk allocation, ensuring affordable tariffs, maintaining public accountability.

Risk Adjustment – Related terms: risk equalization, actuarial weighting.
A statistical method used to modify payments to health insurers or providers based on the health risk profile of their enrolled populations.
Example: Insurers with a higher proportion of chronic disease patients receive additional funds.
Practical application: Reducing incentives for risk selection and promoting equity.
Challenges: Accurate risk modeling; data privacy concerns.

Risk Pooling – Related terms: insurance scheme, collective financing.
The aggregation of financial contributions from many individuals to spread the financial risk of health expenditures across the pool.
Example: A national health insurance fund pools payroll contributions from all formal workers.
Practical application: Protecting individuals from catastrophic health costs.
Challenges: Maintaining solvency; ensuring contributions reflect risk diversity.

Social Health Insurance (SHI) – Related terms: mandatory contribution, payroll tax.

A scheme where workers and employers contribute a fixed percentage of wages to a health insurance fund that provides universal coverage.
Example: Germany's statutory health insurance system funded by a 14.6 % contribution split between employee and employer.
Practical application: Achieving near-universal coverage through employment-linked financing.
Challenges: Covering informal sector workers; managing cost inflation.

Source-Based Budgeting – Related terms: revenue-oriented allocation, line-item budgeting.
Budgeting approach that allocates funds according to the origin of financing (e.g., tax, donor, insurance) rather than by programmatic need.
Example: Separate budget lines for donor-funded HIV programs and tax-funded maternal health services.
Practical application: Facilitating donor reporting and compliance.
Challenges: Fragmentation, reduced flexibility for cross-cutting initiatives.

Strategic Purchasing – Related terms: provider selection, value-based payment.
The process of actively deciding which health services to buy, from whom, and at what price, based on evidence of effectiveness and efficiency.
Example: An agency contracts private labs only if they meet turnaround-time standards and cost thresholds.
Practical application: Aligning incentives with health system goals.
Challenges: Data requirements, negotiating power imbalances, monitoring compliance.

Supply-Side Financing – Related terms: infrastructure investment, capital budgeting.
Funding mechanisms aimed at enhancing the capacity, quality, and availability of health service providers and facilities.
Example: Government allocates capital grants to upgrade rural health centers with solar power.
Practical application: Reducing geographic disparities and improving service readiness.
Challenges: Long implementation timelines, maintenance sustainability.

Tax-Financed Health System – Related terms: general revenue, universal coverage.
A health financing model where public funds collected through general taxation are used to provide health services to the entire population, often at no point-of-service charge.
Example: The United Kingdom's National Health Service (NHS) is primarily funded through income and value-added taxes.
Practical application: Ensuring equity and simplifying administration.
Challenges: Vulnerability to fiscal shocks; political pressure on tax rates.

Targeted Subsidy – Related terms: means-testing, voucher program.
Financial assistance provided to specific population groups based on income, geography, or health status to improve access to services.
Example: Low-income families receive vouchers covering 80 % of transportation costs to health facilities.
Practical application: Reducing financial barriers for vulnerable groups.

Challenges: Identifying eligible beneficiaries; risk of exclusion errors.

Triple-Aim Framework – Related terms: population health, patient experience, cost reduction.
A strategic approach that simultaneously seeks to improve health outcomes, enhance patient experience, and reduce per-capita health expenditures.
Example: A health system implements integrated care pathways to lower readmission rates while boosting satisfaction scores.
Practical application: Guiding policy reforms and performance measurement.
Challenges: Balancing competing objectives; data integration across domains.

Universal Health Coverage (UHC) – Related terms: financial protection, essential services.
The commitment that all individuals receive the health services they need without suffering financial hardship.
Example: A country adopts a UHC law guaranteeing a basic benefits package financed through a mix of taxes and insurance.
Practical application: Setting national health financing targets (e.g., coverage of 80 % of the population).
Challenges: Mobilizing sufficient resources; ensuring equitable service quality.

Value-Based Insurance Design (VBID) – Related terms: cost-sharing, incentive alignment.
An insurance benefit structure that sets patient cost-sharing levels based on the clinical value of services, encouraging use of high-value care and discouraging low-value interventions.
Example: No copayment for statins for patients with cardiovascular risk, higher copayment for non-essential supplements.
Practical application: Improving health outcomes while controlling costs.
Challenges: Defining “value” across diverse conditions; administrative complexity.

Vertical Integration – Related terms: provider network, integrated delivery system.
The consolidation of multiple levels of health care (e.g., primary, secondary, tertiary) under a single organizational or financial entity.
Example: A health authority owns both community clinics and a regional hospital, sharing budgets and data systems.
Practical application: Facilitating coordinated care pathways and resource sharing.
Challenges: Potential monopoly power; regulatory oversight.

Voucher Scheme – Related terms: demand-side financing, conditional cash transfer.
A program that issues vouchers to eligible individuals, allowing them to obtain specific health services from accredited providers, with the provider reimbursed by the scheme administrator.
Example: A maternal health voucher covering antenatal visits, delivery, and post-natal care.
Practical application: Expanding access while preserving patient choice.
Challenges: Monitoring provider compliance; preventing voucher fraud.

Weighted Capitation – Related terms: risk-adjusted payment, per-capita financing.
A capitation model where payment amounts are adjusted for demographic and health-status characteristics of the enrolled population.
Example: Higher per-person rates for districts with a larger elderly population.
Practical application: Aligning funding with expected service utilization.
Challenges: Accurate risk data; potential incentives for "cream-skimming."

Zero-Based Budgeting (ZBB) – Related terms: expenditure review, incremental budgeting.
A budgeting approach that starts from a "zero base" each cycle, requiring justification for every line item rather than adjusting previous budgets.
Example: Health ministries must submit detailed cost justifications for each program, even if unchanged.
Practical application: Identifying inefficiencies and reallocating resources to high-impact areas.
Challenges: Time-intensive preparation; resistance from entrenched departments.

Accrual Accounting – Related terms: cash flow, financial reporting.
An accounting method that records revenues when earned and expenses when incurred, regardless of cash movement.
Example: Recognizing a government health grant as revenue when the commitment is signed, not when funds are transferred.
Practical application: Providing a more accurate picture of financial obligations and resource availability.
Challenges: Complexity of implementation; need for robust information systems.

Allocation Formula – Related terms: resource distribution, equity weighting.
A mathematical model used to determine the share of funds each jurisdiction receives based on criteria such as population size, poverty level, and disease burden.
Example: A health grant formula that gives a base amount per 1,000 residents plus an additional weight for high-mortality districts.
Practical application: Promoting transparent and equitable financing across regions.
Challenges: Data reliability; political negotiations over weightings.

Auditing – Related terms: financial oversight, compliance review.
Systematic examination of financial records and operations to ensure accuracy, legality, and efficiency of health spending.
Example: An external audit of a national health insurance fund identifies misallocated procurement funds.
Practical application: Detecting fraud, enhancing accountability, and informing corrective actions.
Challenges: Capacity constraints; potential resistance from audited entities.

Benefit-Incidence Analysis (BIA) – Related terms: distributional impact, equity assessment.
A technique that evaluates how the benefits of public spending are distributed across different income groups.
Example: BIA shows that 70 % of a maternal health program's benefits accrue to the top quintile, indicating

pro-rich bias.
Practical application: Guiding policy adjustments to improve progressivity.
Challenges: Data on household consumption; methodological complexity.

Cash-Based Budgeting – Related terms: expenditure tracking, cash flow management.
Budgeting that records only cash inflows and outflows, ignoring accruals and non-cash transactions.
Example: A health department records the disbursement of donor cash grants without recognizing future obligations.
Practical application: Simpler cash management for short-term operations.
Challenges: May underestimate true financial commitments; limited insight for long-term planning.

Co-Payment – Related terms: cost-sharing, patient contribution.
A fixed amount paid by the patient at the point of service, in addition to the amount covered by the insurer or government.
Example: A $10 co-payment for each outpatient visit under a national insurance scheme.
Practical application: Discouraging unnecessary utilization and generating revenue.
Challenges: Potential barrier for low-income patients; risk of delayed care.

Cost-Recovery Pricing – Related terms: tariff setting, break-even analysis.
Setting fees for services such that total revenues equal the cost of providing those services, without profit margin.
Example: A public hospital charges patients the exact cost of a surgical procedure, calculated annually.
Practical application: Ensuring financial sustainability of fee-based services.
Challenges: Accurate cost data; may not cover capital investment needs.

Cost-Sharing – Related terms: co-payment, deductibles.
Any arrangement where the patient bears a portion of the cost of health services, typically through co-payments, deductibles, or coinsurance.
Example: An insurance plan requires a 20% coinsurance for specialist visits.
Practical application: Reducing moral hazard and generating additional revenue.
Challenges: Equity concerns; potential to deter needed care.

Deductible – Related terms: cost-sharing, out-of-pocket threshold.
The amount a patient must pay out-of-pocket before an insurer begins to cover subsequent expenses.
Example: A health plan has a $500 annual deductible for inpatient services.
Practical application: Sharing risk and limiting insurer exposure to low-cost claims.
Challenges: Financial burden for low-income households; may delay care seeking.

Donor Dependency – Related terms: aid reliance, external financing.
A situation where a health system's budget heavily relies on foreign aid, making it vulnerable to donor policy changes and funding fluctuations.

Example: 45 % of a country's immunization budget comes from bilateral donors.
Practical application: Planning for transition strategies and increasing domestic revenue.
Challenges: Maintaining program continuity; negotiating donor exit.

Economic Growth – Related terms: GDP expansion, fiscal capacity.
The increase in a country's production of goods and services, which can expand the fiscal space available for health financing.
Example: A 4 % annual GDP growth enables a 2 % increase in health budget allocations.
Practical application: Linking health financing reforms to macro-economic planning.
Challenges: Growth may be uneven; health spending may not automatically rise with GDP.

Economic Evaluation – Related terms: cost-effectiveness, cost-utility.
A systematic approach that compares the costs and outcomes of alternative health interventions to inform resource allocation.
Example: Evaluating the net monetary benefit of scaling up antiretroviral therapy.
Practical application: Prioritizing interventions under constrained budgets.
Challenges: Data gaps; translating results into policy decisions.

Eligibility Threshold – Related terms: means-testing, enrolment criteria.
A quantitative or qualitative benchmark that determines who qualifies for a health financing benefit.
Example: Households earning less than $2 per day are eligible for a free primary-care card.
Practical application: Targeting subsidies to those most in need.
Challenges: Accurate income verification; risk of exclusion errors.

Exchange Rate Risk – Related terms: foreign currency exposure, donor funding volatility.
The potential for changes in currency values to affect the real purchasing power of health budgets, especially when financing is sourced internationally.
Example: A devaluation of the local currency reduces the value of a US-dollar-denominated vaccine grant.
Practical application: Hedging strategies or converting funds to local currency promptly.
Challenges: Limited financial instruments; forecasting accuracy.

External Debt Service – Related terms: debt repayment, fiscal pressure.
Payments made to service foreign-origin debt, which can limit the amount of fiscal space available for health spending.
Example: A country allocates 1.5 % of GDP to external debt service, reducing resources for the health sector.
Practical application: Debt restructuring to free up funds for health investments.
Challenges: Negotiating with creditors; maintaining creditworthiness.

Fiscal Decentralization – Related terms: sub-national budgeting, intergovernmental transfers.
The process of assigning revenue-raising and expenditure responsibilities to lower levels of government.
Example: Provinces gain authority to levy property taxes to fund local health clinics.

Practical application: Aligning financing with service delivery responsibilities.
Challenges: Capacity disparities; ensuring equitable resource distribution.

Fiscal Policy – Related terms: taxation, public spending.
Government actions related to revenue generation and expenditure that influence macro-economic conditions and the resources available for health.
Example: A tax increase on sugary drinks earmarked for nutrition programs.
Practical application: Using fiscal tools to promote public health objectives.
Challenges: Balancing economic growth with health priorities; political feasibility.

Fiscal Sustainability – Related terms: budget balance, debt-to-GDP ratio.
The ability of a government to maintain its current level of health spending without compromising future fiscal stability.
Example: A health budget that grows at a rate no higher than the projected increase in tax revenues.
Practical application: Setting long-term financing targets and monitoring debt levels.
Challenges: Unexpected economic shocks; competing budgetary demands.

Fixed-Rate Reimbursement – Related terms: tariff schedule, price ceiling.
A payment system where providers receive a predetermined amount for a specific service, irrespective of the actual cost incurred.
Example: A standard fee of $120 for an uncomplicated hysterectomy.
Practical application: Controlling provider incentives for over-utilization.
Challenges: May not reflect regional cost variations; potential under-payment.

Foreign Direct Investment (FDI) – Related terms: private sector financing, health infrastructure.
Investment made by foreign entities in domestic health-related projects, such as building hospitals or supplying medical equipment.
Example: A multinational firm invests $50 million in a private diagnostic center.
Practical application: Expanding service capacity and technology transfer.
Challenges: Regulatory oversight; ensuring alignment with national health goals.

General Revenue – Related terms: tax base, non-earmarked funds.
Government income derived from broad-based taxes (e.g., income, VAT) that is not earmarked for specific sectors.
Example: 60 % of a country's health budget comes from general revenue.
Practical application: Providing flexibility for cross-cutting health initiatives.
Challenges: Vulnerability to macro-economic fluctuations; competition with other sectors for allocation.

Health Accounting – Related terms: financial reporting, cost classification.
Systematic recording, classification, and analysis of financial transactions related to health services and programs.

Example: Implementing a health accounts framework that tracks expenditures by function (e.g., curative, preventive).
Practical application: Enhancing transparency, facilitating budgeting, and supporting audits.
Challenges: Data integration across ministries; capacity for detailed cost tracking.

Health Expenditure – Related terms: total health spending, out-of-pocket share.
All monetary resources spent on health services, public health functions, and health system administration.
Example: National health expenditure reached 7 % of GDP in 2022.
Practical application: Benchmarking against international standards and tracking trends.
Challenges: Disaggregating data by source and function; addressing informal payments.

Health Financing Transition – Related terms: donor exit, domestic resource mobilization.
The shift from external aid dependence to greater reliance on domestic revenue streams for health system funding.
Example: A country plans to replace a donor-funded HIV program with a national insurance contribution.
Practical application: Developing sustainable financing policies and capacity building.
Challenges: Ensuring continuity of services; political commitment.

Health Insurance Premium Subsidy – Related terms: premium assistance, sliding-scale contribution.
Financial support provided by the government to lower the cost of health insurance premiums for low-income households.
Example: A 50 % subsidy on monthly premiums for families below the poverty line.
Practical application: Expanding coverage while maintaining affordability.
Challenges: Targeting accuracy; fiscal impact on government budgets.

Health Impact Assessment (HIA) – Related terms: policy analysis, cross-sectoral evaluation.
A structured process that predicts the health effects of a proposed policy, program, or project in non-health sectors.
Example: Conducting an HIA for a new industrial zone to assess potential respiratory disease risks.
Practical application: Informing decision-makers and mitigating adverse health outcomes.
Challenges: Limited inter-agency data sharing; integrating findings into final decisions.

Health Outcome Indicator – Related terms: mortality rate, DALY.
A measurable variable that reflects the health status of a population or the effectiveness of a health intervention.
Example: Under-5 mortality rate per 1,000 live births.
Practical application: Monitoring progress toward health targets and evaluating programs.
Challenges: Data reliability; timeliness of reporting.

Health System Efficiency – Related terms: technical efficiency, allocative efficiency.
The extent to which health resources are used to maximize health outcomes without waste.

Example: Reducing average length of stay in hospitals while maintaining quality of care.
Practical application: Implementing performance-based financing and process improvements.
Challenges: Measuring efficiency accurately; resistance to change.

Health Technology Assessment (HTA) – Related terms: evidence-based reimbursement, cost-effectiveness.
A multidisciplinary evaluation of the clinical, economic, ethical, and social implications of health technologies.
Example: HTA of a novel gene-editing therapy informs price negotiations.
Practical application: Guiding coverage decisions and pricing strategies.
Challenges: Limited local data; long appraisal timelines.

Health Workforce Financing – Related terms: salary budget, training subsidies.
Allocation of financial resources to recruit, train, and retain health personnel.
Example: A government earmarks 15 % of the health budget for nursing scholarships.
Practical application: Addressing shortages and improving service quality.
Challenges: Balancing remuneration with fiscal constraints; brain drain.

Health-in-All-Policies (HiAP) – Related terms: intersectoral governance, policy coherence.
An approach that integrates health considerations into policymaking across all sectors to improve population health and health equity.
Example: Including health impact criteria in urban planning decisions.
Practical application: Coordinated budgeting and joint implementation mechanisms.
Challenges: Institutional silos; measuring health co-benefits.

Household Survey – Related terms: data collection, health expenditure questionnaire.
A research instrument that gathers information from households about health service utilization, financing, and outcomes.
Example: A Demographic and Health Survey captures out-of-pocket spending on childbirth.
Practical application: Informing policy design and monitoring financial protection.
Challenges: Recall bias; sampling representativeness.

Income-Based Contribution – Related terms: progressive financing, payroll tax.
A financing mechanism where contributions are proportionate to an individual’s earnings.
Example: Employees contribute 3 % of their monthly salary to the national health insurance fund.
Practical application: Aligning financing with ability-to-pay principles.
Challenges: Capturing informal sector earnings; enforcement.

Inflation Adjustment – Related terms: real terms, price index.
Modifying monetary values to reflect changes in the price level over time, ensuring comparability of financial data.
Example: Adjusting a five-year health