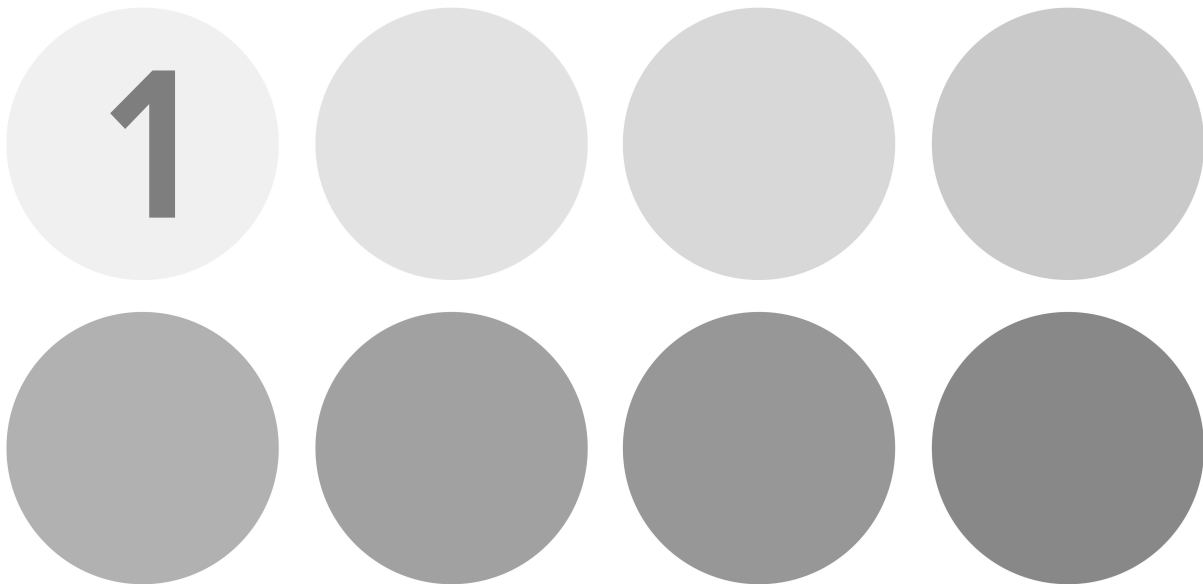# A Guide to Health Reform

## Eight Practical Steps

**Step One:**
## Deciding to Start a Health Reform Process

**1**

**HARVARD T.H. CHAN** | **SCHOOL OF PUBLIC HEALTH**
Department of Global Health and Population

By Michael R. Reich,
Paola Abril Campos,
Anuska Kalita,
Anya Levy Guyer,
and Winnie Yip

## Step One: Deciding to Start a Health Reform Process

A core principle of *GHRR* and this Guide is that health reform requires combining technical analysis with ethical and political analyses. Viewing health reform solely as a technical process is a recipe for failure. Doing health reform better requires paying equal attention to all three dimensions: technical, ethical, and political. This principle has significant implications for each of the eight steps of this Guide, including the first step: Do you really want to engage in health reform?

The decision to do health reform for any entity (whether a nation, a state, a municipality, or an organization, public or private) is not trivial. Health reform requires being willing and able to negotiate and compromise, with both allies and opponents, to achieve a viable health reform. Regardless of the scope of your health reform, the process requires significant resources of various kinds—budgetary commitment, political capital, human resources, and the time and attention of key people, often including top leaders.

Bigger reforms require more resources, as addressing bigger problems typically involves influencing multiple aspects of the system and confronting multiple challenges. Health reforms often end up requiring more resources than initially anticipated due to unexpected events, controversies, and obstacles—even when plans are made for the unexpected.

So how do you reach a decision to do health reform? We encourage you to take the decision to start the health reform process carefully and with reflection on all three aspects: the technical objectives of improved performance, the political risks (and opportunities), and the ethical values of the society. Here are four key actions that can help you make the decision:

**Key actions in Step One:**

| | |
|---|---|
| ☑ | Top political leadership reflects on core values that shape social expectations of the health sector, especially the role of market and state in their society, in consultation with a small circle of key advisors, allies, and experts |
| ☑ | Identify ethical principles for health system performance (related to consequences, rights, and community virtues) that provide reasons for selecting certain problems as the basis for starting a reform process |
| ☑ | Examine the benefits and risks of engaging in health reform and the political opportunities to achieve reform, in order to decide whether to move forward |
| ☑ | Decide to start a health reform process, in consultation with a small circle of key advisors, allies, and experts |

## Engage political leaders in articulating core values

The decision to engage in a major national health reform often involves the Minister of Health or a top national leader (such as the President or Prime Minister (PM)). There are many examples in recent history, such as when Mexico's Minister of Health Julio Frenk initiated and led that country's health reform efforts in the early 2000s, producing the landmark (but ultimately short-lived) *Seguro Popular* (Gomez-Dantes et al., 2015). Another example is Turkey's Minister of Health Recep Akdağ, who led that nation's Health Transformation Program efforts for a decade,

from 2002 to 2012 (Akdağ, 2015). The United States serves as a case in which the top political leader, President Barack Obama, became deeply and personally involved in pushing for health reform, such that, when it was achieved in 2010, it was informally called Obamacare (Oberlander, 2020). India's experience is similar: in 2018, Prime Minister Narendra Modi and his administration became the main proponents for health reform. While that effort is officially called Ayushman Bharat, it is popularly known as Modicare. As Richard Horton, editor of the *Lancet*, wrote, "Modi is the first Indian Prime Minister to prioritize universal health coverage as part of his political platform" (Horton, 2018). In these—and many other—instances, the top political leadership (of either the nation or the health sector) seized responsibility for pushing health reform. They took on the role of the key "policy entrepreneur," to use John Kingdon's perceptive term (Kingdon, 1984).

We do not mean to suggest that health reform *must* be driven by a top political leader. Cases exist where other factors precipitated or drove health reform. In Taiwan in the late 1980s the government planning commission initiated the design of national health reforms (Hsiao, 2019). And in Ghana in 2003, electoral competition between political parties drove the launch of its National Health Insurance Scheme (Novignon et al., 2021). But often, the high stakes of health reform mean that high-ranking political leaders must be involved in order to address risks, shape who benefits, assess political timing, and take final decisions. Advocacy for health reform may come from outside of government, such as from civil society, public health experts, or private companies. Ultimately, however, major reforms must involve the top political leaders to achieve success.

## Identify performance problems

This Guide follows *GHRR* in arguing that the reform process starts with identifying some specific *problems* in health system performance. The final decision about which "problems" to focus on requires a systematic assessment of performance, based on available data and newly collected data and thorough analysis, as described in Step Three below. But advocates for reform and political leaders considering reform typically begin with a strong intuitive sense of "the problem." At this early point, the intuitive sense of performance problems provides a starting point for deliberation, especially regarding the ethical dimensions of health system reform. Deciding on "the problem" to be addressed through reform requires deliberate considerations of ethics and social values.

*Ethical theory and health system performance*

The key point in this section is: understanding the principles of moral philosophy can be helpful in making difficult decisions about health reform. Coming to agreement on the ethical and moral principles that underpin health reform goals helps policymakers and policy analysts be more effective in their work (*GHRR*, p. 20). Chapter 3 of *GHRR* focuses in detail on using ethical theory to judge health system performance. As in the book, we start with the "deep conviction that judging health-sector performance requires ethical analysis" (*GHRR*, p. 40).

The book explores three forms of moral philosophy: *utilitarianism,* which focuses on well-being and consequences; *liberalism*, which focus on rights, both positive and negative; and *communitarianism*, which focuses on virtues embodied in communities. We will not repeat the details of that discussion here, except to note that a basic understanding of ethics provides the

foundation for critically important discussions and decisions about which health inequities and problems are important to your society. There is an infinite set of questions that can only be answered if you have clarity about the underlying ethical values. For example: Should your reform focus on the health problems facing rural or urban residents? On people with social security or those without? On people requiring treatments for infrequent but high-cost illnesses or on treatments for common low-cost illnesses? On vaccines for which illnesses and which populations?

Ethical theory also provides a foundation for defining the roles of markets and the state in shaping the health sector in your society. For example: Should the state deliver services at no cost to the population? Where? Where should the market be allowed to sell services with limited government intervention? Which parts of the health sector should be regulated by the government? Where should both the state and the market provide similar services with different quality and cost to patients?

One example that demonstrates the important relationship between ethical principles and health reform priority-setting is China, whose national approach to health reform has shifted multiple times since 1978 when it began to liberalize its economy (Yip and Hsiao, 2015). For two decades, China left markets to offer health care with limited government intervention; however, this approach led to rising costs and low quality health care. In the early 2000s, when government priorities had shifted to promoting equity and a "socialist harmonious society," top leaders then initiated a major reform to introduce social health insurance, eventually covering more than 95% of the population. Subsequent reforms have since reintroduced a more "pro-market" approach to health resource allocation—even as it continues to explore how to cope with increasing rates of non-communicable diseases and expanding financial risk protection (Li et al., 2023).

Neither this Guide nor the book argue that all health reforms should take a particular ethical position. We do suggest, however, that people who are considering health reform, as a serious journey, should begin by clarifying their values in relation to health system performance.

Step One, therefore, is engaging political leaders and policy makers in a process of ethical reflection, before deciding to move forward with health reform. The process of reflection can help identify ethical goals to serve as the foundation of the health reform, and can propose performance problems that go against some of the defined ethical principles (*GHRR*, Chapter 3; Roberts and Reich, 2002). Worksheet 1-1 presents an overview of the types of questions that can be used in deliberations about the ethical principles for health reform.

There is no single formula or strategy for ethical reflection. The process needs to be adapted to the society and culture, the leaders and their advisors, and the experts on social values of each specific environment. Even when there is no dedicated process, key ethical principles for reforms may be found in party platforms, speeches by political leaders, and government planning documents. Some countries have appointed Steering Committees that collectively establish a set of explicit principles (these committees may also continue monitoring the reform). The committee members should be drawn from a range of social sectors and backgrounds, but it helps to have ethicists or other people with experience in applied ethical analysis to guide the discussions.

The identification of ethical principles and associated performance problems helps provide the justification for starting a health reform process. It also shapes the specific government interventions adopted to improve performance. Revisiting your ethical principles and analysis periodically when moving through the reform process can help keep the effort focused on its core purpose.

*Risk assessment for health reform*

The process of ethical reflection may also help you identify potential risks of undertaking health reform. Similarly, you should also quickly review the other steps described in this Guide to estimate the various resources (time, money, effort, political commitment, etc.) that undertaking the process will require. As you do this, consider the potential risks of pushing for health reform. These, again, will vary depending on the context, as well as the specific focus, scope and timing of your proposed reform. Regardless of the details of your reform, there are three categories of risks to consider:

> 1) What are the risks of pushing for health reform?
>
> 2) What risks do you anticipate if the reform effort succeeds?
>
> 3) What risks do you anticipate if you pursue the reform but fail to achieve it?

For example, a successful reform effort can trigger new social problems, while unsuccessful reform efforts risk losing various types of resources. These may be material resources (such as the money invested in the health reform effort) and less tangible resources (such as political power, social capital, and authority, as well as your job).

Worksheet 1-2 provides a list of questions to guide you through an informal risk analysis. In this situation, and at this stage of thinking about health reform, risk analysis is not a scientific or exact process—it is an assessment based on objective data and subjective judgments. Identifying the potential risks and benefits allows you to assess whether you think the benefits outweigh the risks, and whether to start the reform process. If you decide to move forward, you can now include risk mitigation strategies to lessen the risks you have anticipated. You can also reevaluate the risks periodically as the situation evolves.

## Decide to start the reform process

Step One concludes with the decision of whether to start the reform process (or not). As we have discussed, there are several related factors to consider. The commitment of a top political leader is especially critical in Step One, because the leader will play essential roles in: communicating the health reform plan and the reasons for reform; negotiating with key stakeholders both inside and outside the government at different steps; and, deciding on how to address opposition to the reform as it arises. In some cases, the top leader may become the public face of the reform as well. In addition to the ethical and risk analyses, we also recommend reviewing all the steps described in this Guide and estimating the different resources required at each step (and then include more).

Once you decide to start a health reform journey, your next challenge is Step Two: creating the Health Reform Team. This group will be responsible for constructing and implementing plans for

the technical, ethical and political analyses and actions, collecting, doing and interpreting empirical studies, indicators, and analysis, and proposing interventions to improve performance problems.

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## Worksheet 1-1: Guiding questions for defining ethical principles for health reform

*GHRR* states: "This book is based on [a] deep conviction that judging health-sector performance requires ethical analysis." (p. 40)

It is important to define the ethical values underpinning a health reform at the beginning of the process. Clear ethical principles can serve as a guide to the Health Reform Team, political leaders, and other stakeholders as they make many complex decisions.

However, agreeing on shared ethical principles is easier said than done. How your team goes about this complex undertaking can vary widely. Some health reformers use ethics case studies as a basis for collaborative deliberations, while others consult with experts (such as philosophers) to define the principles. Your process must be determined by what is appropriate and effective in your specific political and social context.

Regardless of which process you use, the goal is to reach agreement on a few clearly-stated ethical principles for the overall health reform effort. The Health Reform Team (or process facilitator) should work with the people involved in the consultation to prepare a memo or other written document that details the ethical principles articulated through the process. This document can then be referred to throughout the rest of the health reform effort.

The following questions can help you prepare for, conduct, and document the results of the deliberation process:

**Considerations for creating a process to define the ethical principles of your health reform**

- **Who facilitates the process?** The process facilitator should have expertise and skills in both ethical analysis and in leading difficult discussions. It might be important to use an external facilitator, such as an expert facilitator from another country, to guide the process, as someone seen by all participants as "objective" can be helpful. On the other hand, the facilitator must also have sufficient local standing to authenticate the process.
- **Who is involved in the process?** Consider including a wide range of stakeholders who are affected by and involved in the health system (including people from diverse socioeconomic backgrounds and with relevant experience in ethical analysis).
- **What process is used?** It is important to create time and space for meaningful deliberation, but the process also needs to be goal-oriented and time-limited.
- **Do the deliberators have a shared vocabulary for the discussions?** Ensuring that they do may require presentations on ethical perspectives (such as the three highlighted in *GHRR:* utilitarianism, liberalism, and communitarianism) and other relevant issues (such as measurements of population health and individual health).

**Sample topics for deliberation**

- How should we measure healthiness and well-being? How do we compare the importance of short-term and long-term impact? Which aspects of health and well-being will this reform prioritize?

- Whose well-being does this health reform aim to improve? Do we invest in the health of all people equally or scale investments based on people's actual needs? What is the population this reform targets?
- Which civil and human rights pertain to health? Which aspects of health care are the responsibility of the government and which are the individual's? How will this reform contribute to meeting the government's obligations to promote human rights?

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## Worksheet 1-2: Guiding questions for an informal risk assessment

The questions in this table provide starting points for doing a basic analysis of the possible risks and benefits of doing health reform.

As you identify possible risks and harms, assign each two ratings (of low, medium or high). One rating is the likelihood of this risk occurring; the other is for the magnitude of the possible harms that would result.

Once you have identified the most concerning risks (either because they are highly likely to occur or because they would create significant harm if they occur), you can prioritize developing risk management and mitigation strategies for them.

| Guiding questions | Your Notes | Likelihood (low, medium, high) | Magnitude of harm (low, medium, high) |
|---|---|---|---|
| **Ethical considerations** | | | |
| What ethical values would be advanced if the health reform is enacted? | | | |
| Who opposes these values? | | | |
| What harms could occur if opponents mobilize against the reform? | | | |
| What ethical values would be undermined if the health reform is enacted? | | | |
| Who opposes these values? | | | |
| What harms could occur if supporters mobilize against the reform? | | | |
| **Political considerations** | | | |
| Which stakeholder groups would be affected by the health reform? | | | |

| Guiding questions | Your Notes | Likelihood (low, medium, high) | Magnitude of harm (low, medium, high) |
|---|---|---|---|
| Which groups would gain and which would lose? | | | |
| What harms could occur if the "losing" stakeholders mobilize against the reform? | | | |
| What harms could occur if the "winning" stakeholders are strengthened by the reform? | | | |
| Which political leaders/parties would benefit if the reform is approved? What would they gain? (power, influence, achievement of campaign promises, institutional authority, access to resources, etc.) | | | |
| What harms could occur if these political leaders/parties accrue gains? | | | |
| Which political leaders/parties will be harmed if the reform is approved? What would they lose? (power, influence, achievement of campaign promises, institutional authority, access to resources, etc.) | | | |
| What harms could occur if these political leaders/parties incur losses? | | | |
| What would be the political ramifications if you undertake the reform and it fails to be enacted? | | | |
| What political harms would occur if the reform fails? | | | |

| Guiding questions | Your Notes | Likelihood (low, medium, high) | Magnitude of harm (low, medium, high) |
|---|---|---|---|
| Technical considerations | | | |
| What are the possible repercussions if the effort health reform package you select is enacted—but fails to improve health system performance? | | | |
| What harms could the failure of the health reform package create for the population? (health status, confidence in the state and the health system, financial risk, etc) | | | |
| What harms could the failure of the health reform package create for health care providers? | | | |
| What recurring costs would be generated if the health reform succeeds? Where will the resources come from? What endeavors would be defunded? | | | |
| What harms could come from allocating the required resources toward the reform? | | | |
| What harms could occur if the reform is enacted and then later repealed? | | | |
| Other considerations | | | |
| What resources are required to go through the process of designing, passing and implementing health reform? Where will they come from? | | | |
| What harms could occur by allocating resources to pursuing health reform? | | | |

| Guiding questions | Your Notes | Likelihood (low, medium, high) | Magnitude of harm (low, medium, high) |
|---|---|---|---|
| What harms could occur to you and other proponents of the reform if it is fails to be enacted? | | | |
| What harms could occur to you and other proponents of the reform if it is enacted but fails to create improvements? | | | |

What are the three most likely risks? What strategies could be implemented to manage or mitigate these risks?

1.

2.

3.

What are the three most potentially harmful risks? What strategies could be implemented to manage or mitigate these risks?

1.

2.

3.