

Financing and Funding Models from the Health Sector and Application for Road Safety

Dr. Eduardo P. Banzon
Director - Health

Human and Social Development Sector Office
Asian Development Bank

10 September 2025
ADB Headquarters, Manila,

BRIDGING TRANSPORT AND HEALTH

Prevention in the Transport Sector (e.g., safer roads, vehicles, and speed management, prevention of impaired driving from alcohol and related products)

Response in the Health Sector (e.g., emergency response and post-crash care)

- A reduction in pre-hospital response time from 25 minutes to 15 minutes can cut deaths by 33%
- 🚑 Support emergency medical services, ambulance fleets and strengthened referral systems
- Invest in post-crash and trauma care as part of universal health coverage
- 🏠 Improve rehabilitation services and disability-inclusive health systems

PREVENTION



AT THE SCENE



Community health literacy and basic first-aid training for the general public are essential for first aid management. Photo credit: ADB.

POST-CRASH CARE



HEALTH FINANCING FUNCTIONS

- **Revenue Raising** (sources of funds, including government budgets, compulsory or voluntary prepaid insurance schemes, direct out-of-pocket payments by users, and external aid)
- **Pooling of Funds** (the accumulation of prepaid funds on behalf of some or all of the population)
- **Purchasing of Services** (the payment or allocation of resources to health service providers)

REVENUE RAISING

- **Health taxes and “earmarking” them for health**
 - Earmarking part of “VAT”, airplane tickets, Zakat, and other taxes/funding sources for health
- **Compulsory pre-payments/premiums to national health insurance systems** (for specific populations)
- **Grants from external partners** (local and international philanthropies, global funds, development agencies of developed countries)

ELEMENTS FOR EARMARKING OF HEALTH/OTHER TAXES/FUNDING SOURCES

- Link of the taxes on the products/activities and the health value – decreased use will lead to improved health outcomes
- Presence of a separate fund to receive the health taxes
- Extent of earmarking is context-specific – **“Hard or Soft Earmarks”**

DEVELOPING MEMBER COUNTRIES (DMCS): EXAMPLES

Excise taxes on tobacco, alcohol, and sugar-sweetened drinks are “earmarked” for UHC spending or health promotion.

ThaiHealth (2001) is an **autonomous health promotion agency** funded by an earmarked 2% surcharge on alcohol and tobacco excise taxes (100\$ million annually).



Funding supports road safety awareness campaigns, especially around drink-driving prevention and helmet use.

Philippines Sin Tax Reform (2012): Raised taxes on tobacco and alcohol; part of the revenue was earmarked for the Universal Health Care as well as funding **PhilHealth (National Health Insurance)**.

GLOBAL FUNDS AND PHILANTHROPIES

Driven by Millennium Development Goals and now – Sustainable Development Goals (SDGs)

- **The Global Fund:** Provides grants to fight HIV/AIDS, tuberculosis, and malaria.
- **GAVI (the Vaccine Alliance):** Finances vaccine procurement and immunisation programs.

Philanthropies

POOLING OF FUNDS

National Health Insurance (separate from the general fund)

- Mongolia, People's Republic of China
- India, Maldives, Nepal
- Indonesia, Philippines, Viet Nam, Thailand, Lao PDR
- Pakistan, Armenia, Georgia, Uzbekistan

Other types of health insurance

- Explore 3rd party liability insurance to pay for emergency care

Health Public-Private Partnerships (harnessing private financing)


PURCHASING OF SERVICES

Results-based or Performance-based Financing

Funding disbursement is tied to specific health outcomes (e.g., vaccination rates, reduced maternal mortality).

India's National Health Mission (NHM) 2013 is one of the largest government performance-based incentive in the world.

- States received additional funding for achieving health and nutrition goals (e.g., immunisation, family planning).
- Strengthen monitoring and reporting systems.

 **Application to Road Safety:** Incentivise local governments for improvements in safety metrics, including enforcement of traffic laws and public awareness campaigns.

PURCHASING OF SERVICES

- The Dana Alokasi Khusus or known as “**Indonesia’s DAK**” (Special Allocation Fund) – transfers to local governments to use for health
- **National Health Insurance payments for government health services** (primary care and/or hospital care)

PURCHASING OF SERVICES

Deploy Health Technology Assessment and Health Economics Tool

Using cost-effectiveness to prioritise public health spending, especially for determining health benefit packages in Indonesia, the Philippines, and Thailand.

 **Application:** cost-effective analysis for high-impact, low-cost road safety interventions