Closing the digital divide: More and better funding for the digital transformation of health

WHERE WE ARE TODAY

95% of the world’s population is connected to the internet. Yet 2.9 billion people are still offline. Less than 5% of health coverage occurs in low- and middle-income countries, while 95% is concentrated in high-income countries. In 2019, about 80% of health spending came from domestic private sources, whereas only 20% came from government sources, whereas 20% came from government sources.

Global health spending doubled faster than health spending in low-income countries, from US$ 130 billion in 2000 to US$ 280 billion in 2019. This was also the case in high-income countries, where health spending increased from US$ 1.5 to US$ 5.1 trillion. Yet, despite this increase, health spending was unequally distributed, with high-income countries spending approximately 80%.

The digital transformation of health offers the potential to improve the quality, coverage, affordability and accessibility of health services, to help accelerate progress towards Universal Health Coverage. Increased and coordinated investments that are aligned to national priorities are a critical component on the path towards an equitable, inclusive and sustainable digital transformation.

Fragmentation of Investments

Short-term investments, focused on stand-alone solutions for specific health challenges, that fail to deliver the long-term sustainable changes needed.

Unclear funding landscape

Lack of information and transparency about the overall need and demand for digitally enabled health services, fail to prioritize and channel investments effectively.

Mislaidment of stakeholders

When this information is not easily available, investors may not be aware of who else is investing in this sector, thus hindering fruitful collaborations to advance economies of scale.

Misalignment of stakeholders

None of the existing global health financing instruments have the mandate and capacity to channel large-scale investments in support of digital health.

No dedicated funding mechanism

No dedicated funding mechanism, lack of information and transparency about the overall need and demand for digitally enabled health services.

GLOBAL CHALLENGES

THE ROAD TO TRANSFORMATION

Recommendation 1: More investment from domestic and international sources

Governments and international donors should provide ongoing funding to support the national mission to digitalize health systems in low- and middle-income countries, in particular to cover the costs of connectivity. When this information is not easily available, investors may not be aware of who else is investing in this sector, thus hindering fruitful collaborations to advance economies of scale.

Recommendation 2: Better coordinated and aligned investments

International donor and private sector investments should be better aligned to national priorities and coordinated across governments and other stakeholders, including the private sector. The need to realign systems and services is an opportunity for greater efficiency.

Recommendation 3: A robust regulatory framework and policy environment

National governments must prioritize establishing a regulatory framework to lay the legal foundations for health data use, privacy, digital literacy and the policies for what kind of technology-enabled health services are needed for ensuring universal health coverage.

Recommendation 4: Improved digital connectivity

Closing the divide in digital access is a prerequisite for measurable success in technology-enabled health services. This means improving coverage gaps, affordability and digital literacy.

Read the full report: bit.ly/digital-health-funding