

Addressing the Systemic Challenges of Underinvestment in Prevention

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Key takeaways

- ▶ **Structural barriers** hinder adequate prevention funding
- ▶ In the long term, addressing **structural reform** is essential to deliver lasting impact
- ▶ Effective prevention financing combines approaches that **protect, grow and, diversify** funding sources
- ▶ Tailoring financing approaches to **local contexts** requires considering the barriers tackled and the implementation challenges of each mechanism

The problem: the root cause of underinvestment in prevention

Despite overwhelming evidence of its positive return on investment, prevention remains chronically underfunded. Without dedicated investment in prevention, population health, healthcare capacity, and the long-term sustainability of health systems are at risk.



Prioritising treatment

Within the health budget, funding for prevention is crowded out by acute care and chronic disease management or other objectives.



Focus on short-term impacts

Political and budgetary cycles prioritise immediate results, while prevention delivers benefits in the long-term.



Budget silos and misaligned incentives

Benefits can accrue across different sectors of the economy. Therefore, the benefits from prevention often do not fall on those who pay for the prevention.



Visibility and attribution

Success in prevention is often invisible and can be hard to attribute to a specific intervention.

The solution: approaches for financing prevention

Our analysis identifies nine potential funding mechanisms for financing prevention outside typical healthcare budgets categorised into three buckets: **protecting, growing** and **diversifying** funding.

- ▶ **Protecting** existing prevention budgets is essential to ensure resources are not reallocated and to establish the foundation for long-term investment.
- ▶ At the same time, prevention budgets must be **grown**, either by expanding existing public allocations....
- ▶ ...or by identifying new streams of capital through **diversification**.

These approaches are **not sequential but are complementary**, and a comprehensive funding strategy should employ elements of each simultaneously.

Although a range of funding models exist that could help to overcome the barriers stated above, they are rarely implemented effectively leading to persisting underinvestment in prevention.

	Prioritising treatment	Focus on short-term impacts	Misaligned incentives	Visibility and attribution
Ring fenced funds	Does not overcome the barrier	Does not overcome the barrier	Does not overcome the barrier	Does not overcome the barrier
Prevention investment standard	Does not overcome the barrier	Does not overcome the barrier	Does not overcome the barrier	Does not overcome the barrier
Hypothecated taxation	Would require ring-fencing to overcome the barrier	Does not overcome the barrier	Fully overcomes barrier	Does not overcome the barrier
Sovereign wealth funds	Would require ring-fencing to overcome the barrier	Fully overcomes barrier	Fully overcomes barrier	Does not overcome the barrier
Blended finance funds	Fully overcomes barrier	Fully overcomes barrier	Fully overcomes barrier	Fully overcomes barrier
Impact bonds	Fully overcomes barrier	Fully overcomes barrier	Fully overcomes barrier	Fully overcomes barrier
Corporate social responsibility initiatives	Fully overcomes barrier	Fully overcomes barrier	Fully overcomes barrier	Does not overcome the barrier
Workplace initiatives	Fully overcomes barrier	Fully overcomes barrier	Does not overcome the barrier	Fully overcomes barrier
Healthy behaviour insurance	Fully overcomes barrier	Fully overcomes barrier	Fully overcomes barrier	Fully overcomes barrier

Does not overcome the barrier
 Would require ring-fencing to overcome the barrier
 Fully overcomes barrier

- ▶ Simpler tools like ring-fencing and investment standards are easier to implement but address a narrow set of barriers.
- ▶ Blended finance funds (BFFs) and social impact bonds (SIBs), have the potential to overcome multiple barriers to funding prevention but are the most operationally demanding, limiting their feasibility in many settings.

Even when deployed effectively, innovative financing models do not resolve the underlying structural causes of underinvestment. Long-term progress depends on structural reform and shifts in political and public attitudes towards prevention.

Recommendations for policymakers



Match mechanisms to local context: Identify the most prominent barriers and select a combination of mechanisms most appropriate for these



Protect and grow mechanisms as a foundation: They are simpler to adopt, can be embedded in existing budgetary processes, and reduce the risk of future funding displacement.



Diversify where needed: Consider mechanisms such as SIBs and BFFs to address barriers that simpler tools cannot. These are operationally demanding and resource intensive, and require enablers in place to ensure success.



Take a whole-system view to prevention: Every context needs an overarching, long-term commitment to owning prevention funding, and where that is not possible, shorter-term models should be used to build the evidence base and stakeholder buy-in in the meantime.