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Health System Research Institute

Health Care Reform:

28 November 2012

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- **Why** does the health care system need reform?
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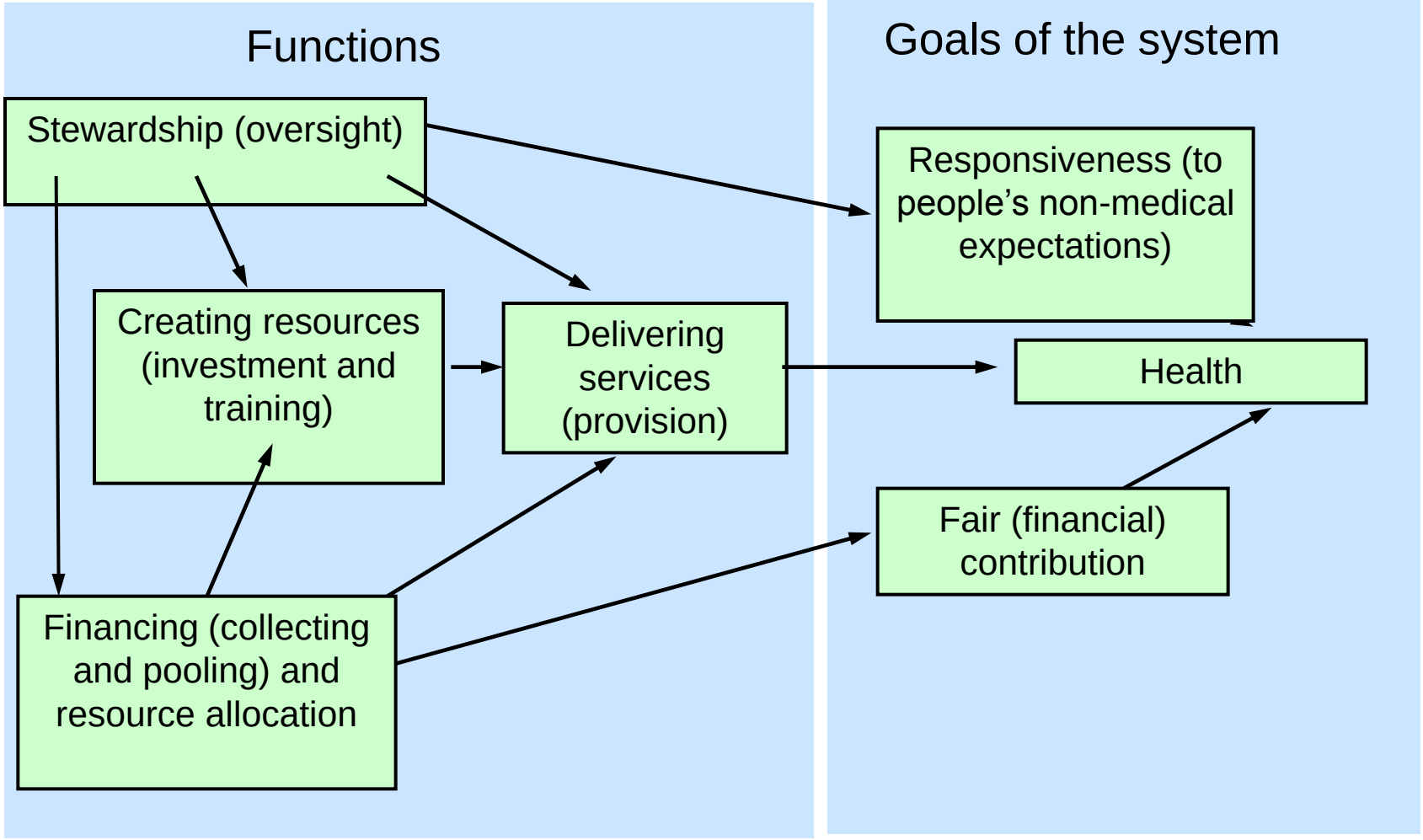
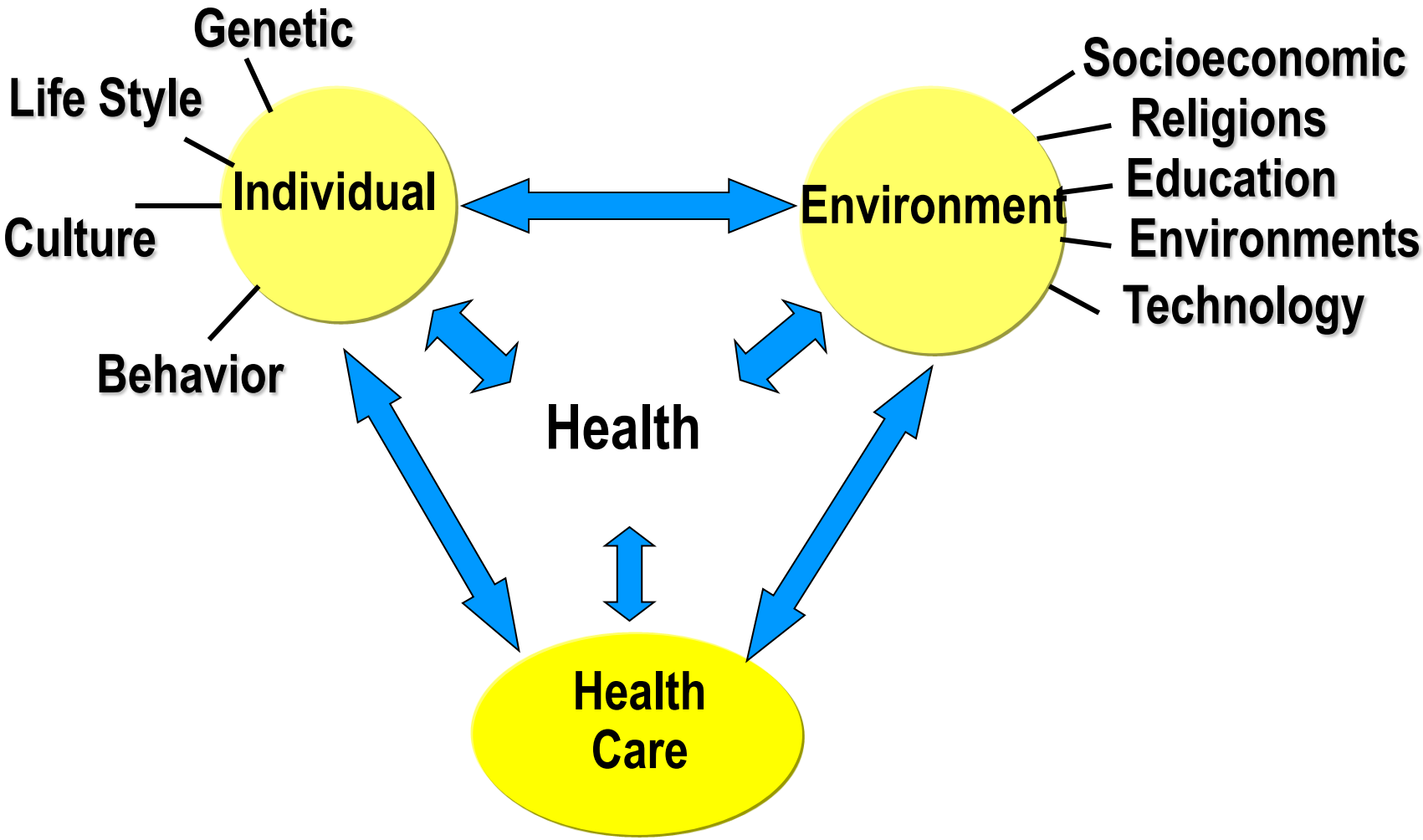
Health System



Source: Adapted from WHO 2000, p. 25.

FACTORS


Genetic
Life Style
Culture
Behavior
Individual
Environment
Socioeconomic
Religions
Education
Environments
Technology
Health
Health
Care

What is the Health Care Reform?

Health Care Reform

- Continuous process to improve the performance of health systems for better living standards and welfare

Why does the health care system need reform?

Let's See
This Video Clip

Failure to Meet Main Objectives of Health Policy

- Accessibility
- Quality, Efficiency and Effectiveness
- Responsiveness
- Sustainability
- Equity

How to reform the health care system

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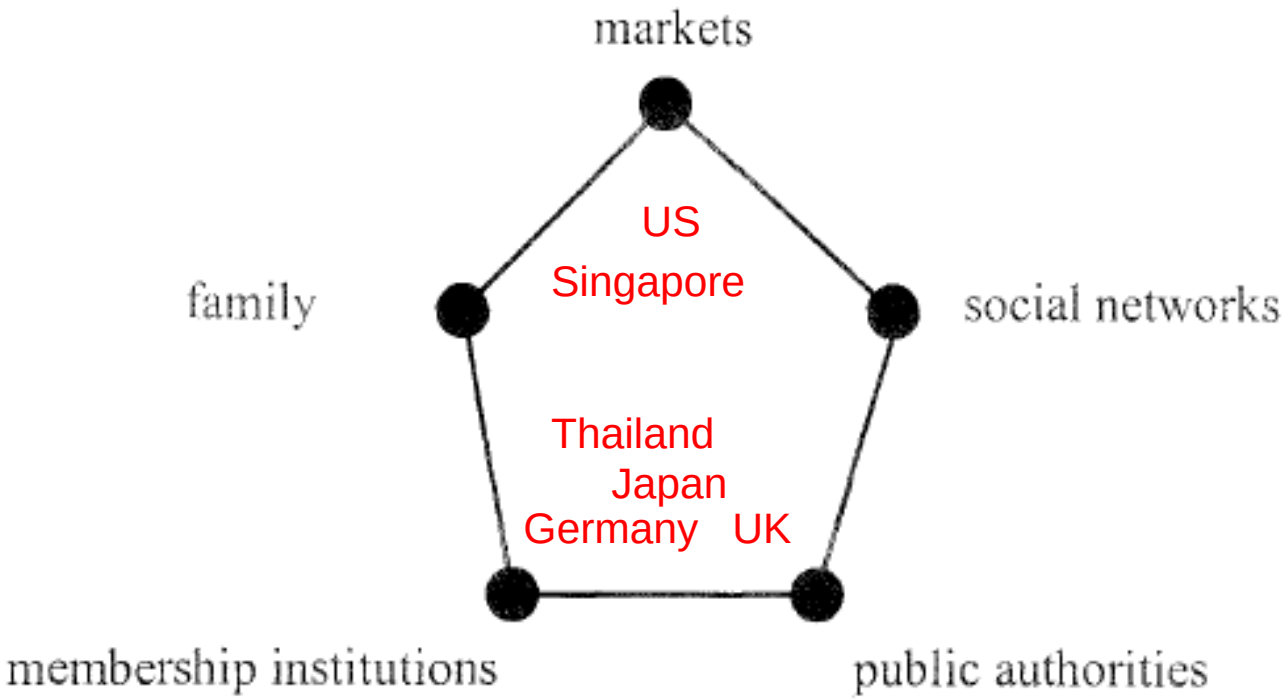
Health Care Reform

- Technical issues may be similar
- However, Health Care Reform is context specific for each country
  - Socio-economic aspect
  - Culture and norm
  - Capability and infrastructure

Social Justice:
A Factor Behind the Scene

Libertarianism VS Egalitarianism

The Welfare Pentagon



Source: Adapted from Neubourg (2001)

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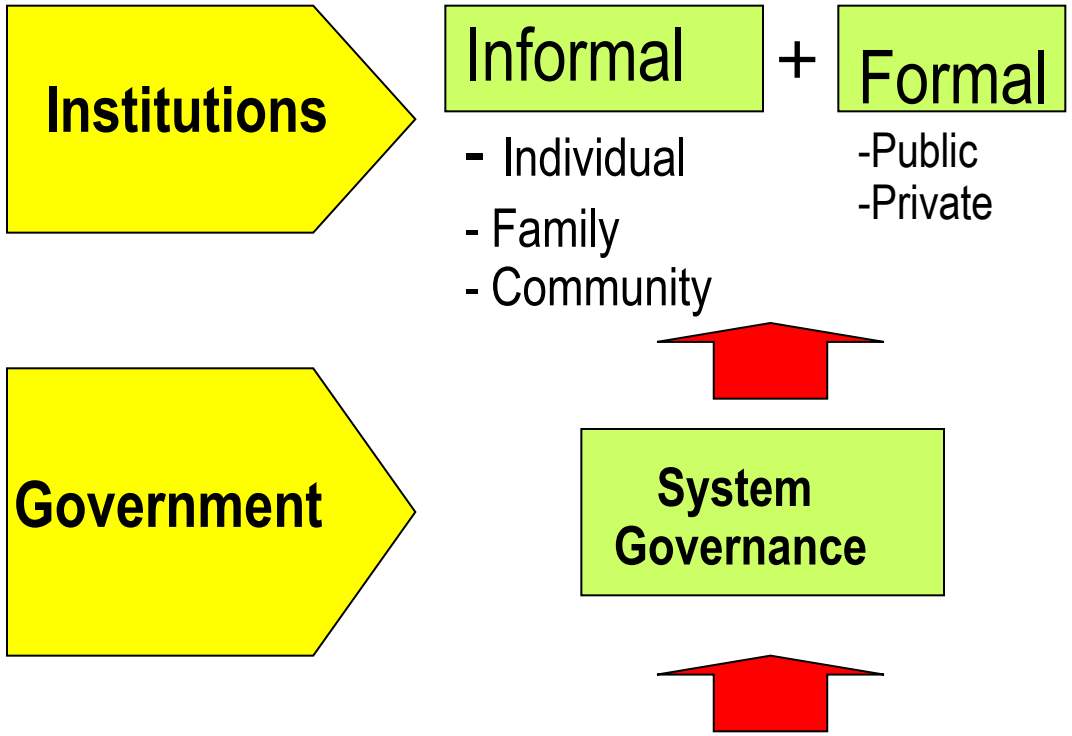
Depth of Reform

- Social Objectives
- Governance Structure
- Law & Regulation
- Culture
- Norm



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Singapore

- Libertarianism
- Health care financing delivered through an integrated state-managed system –
  - **M**edisave: Medical saving account
  - **M**edishield: High deductible managed (private) health insurance
  - **M**edifund: Social assistance
  - Heavy subsidy of Government on Supply side e.g. insurance premium, price schedule of OP and IP services

Japan

- Egalitarianism
- Health care financing delivered through thousands of well organised public and not-for-profit insurers
  - Society-managed health insurance
  - Government-managed health insurance
  - National Health Insurance
- National standard fee schedule

UK

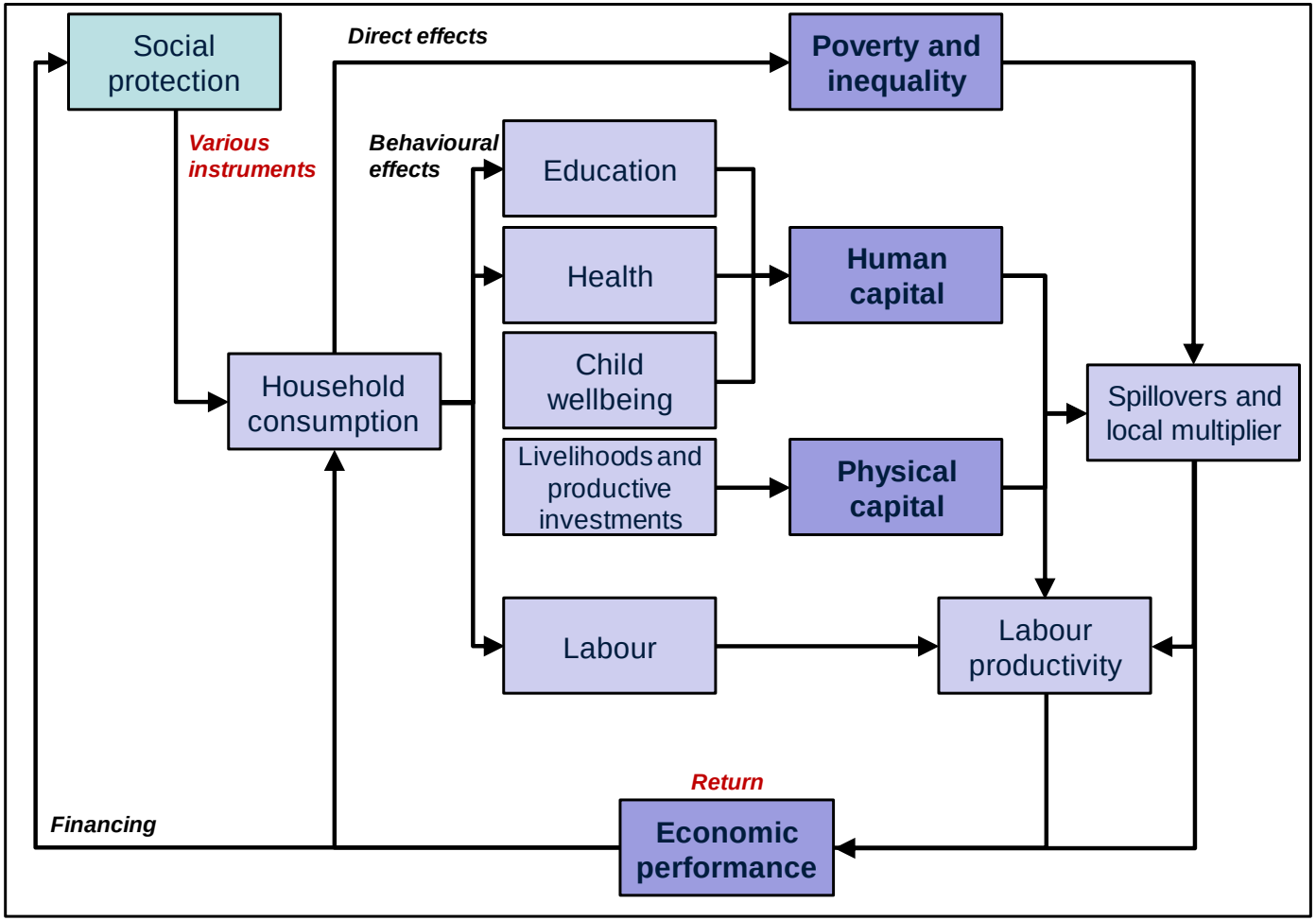
- Egalitarianism
- Health care financing delivered through a central government National Health Services (NHS) for each country- England, Scotland, Wales, Northern Ireland
- Purchaser and Provider split
- Primary care: private providers
- Hospitals: public trust or foundation

Thailand (Egalitarianism)

Social health protection schemes have covered all Thai citizen since 2002

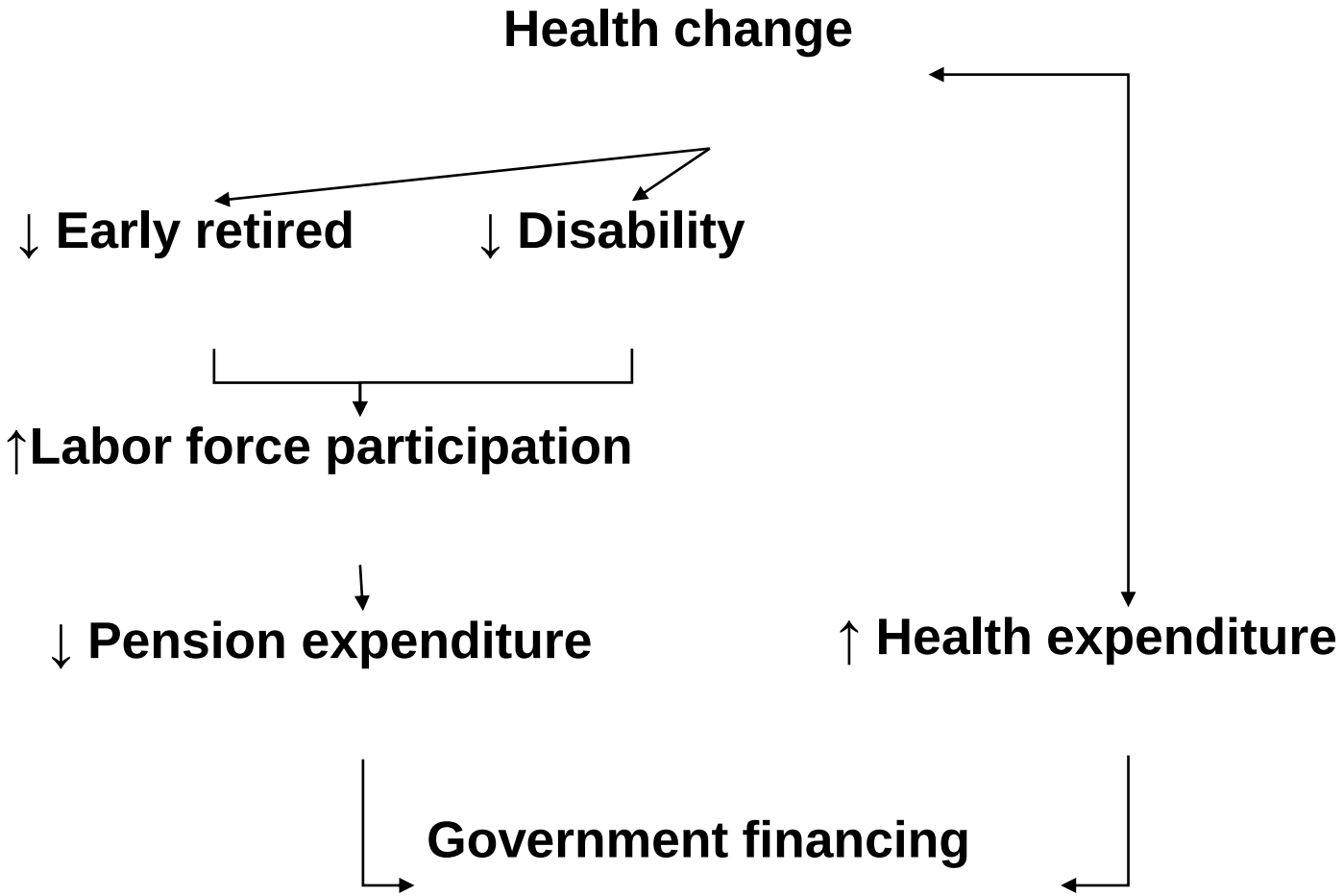
Major Schemes	Civil Servant Medical Benefit Scheme (CSMBS)	Social Security Scheme (SSS)	Universal Coverage (UCS)
Introduced in	1960s Royal decree	1990s Act	2002 Act
Target beneficiaries	Govt employees & dependents, retirees	Private sector employees:	To whom which not covered by CSMBS nor SHI,
Pop Coverage	7%	13%	80%
Funding	Govt budget	Payroll contribution, Tripartite	Govt budget
Payment to health facilities	Fee-for-service for OP, and DRG for IP	Capitation + DRG for high cost IP	Capitation + DRG

How does Health Protection impact to economy?



Source: Gassmann et al (2012)

How does Health Protection impact to economy?



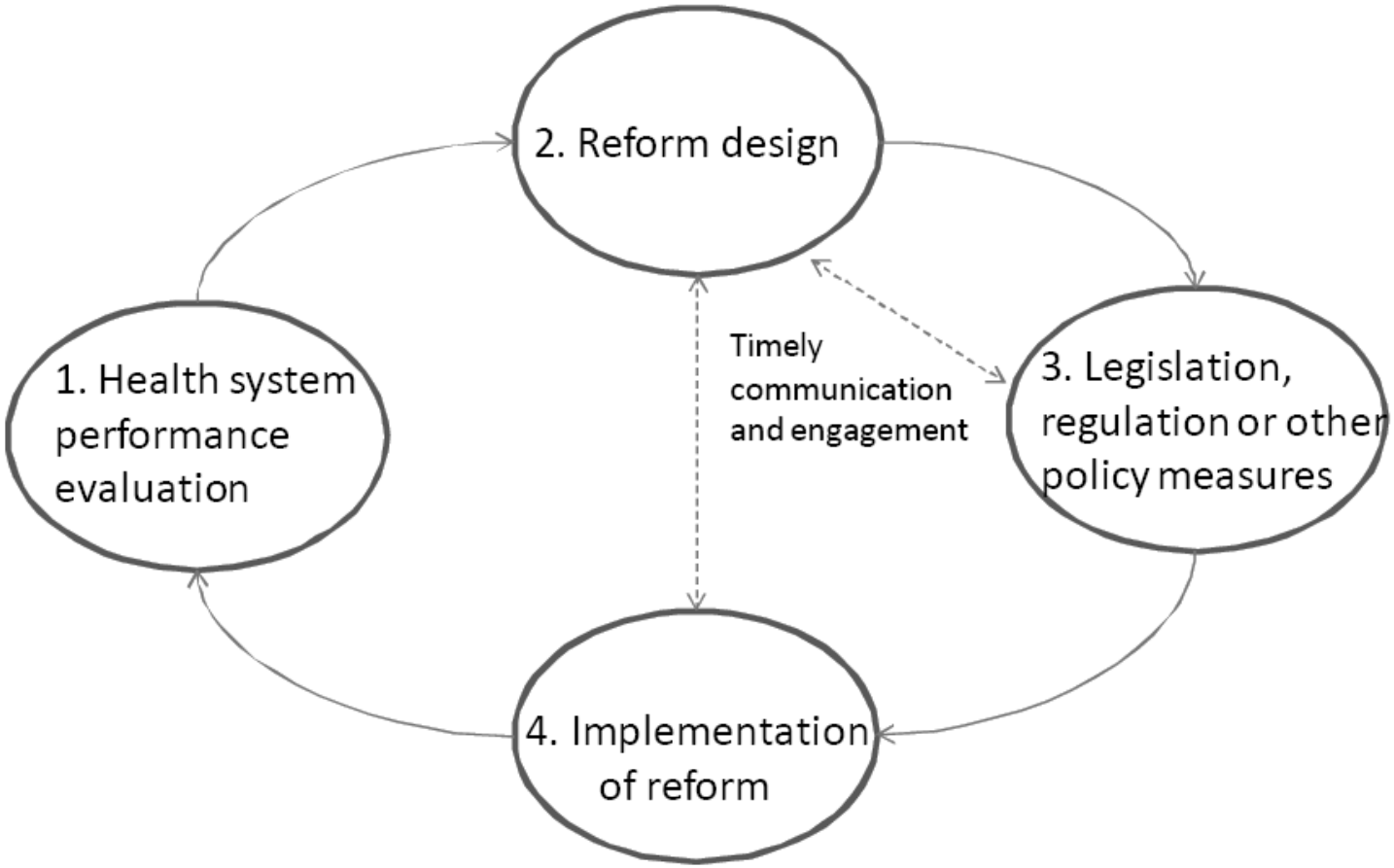
Source: Pellikaan, Westerhout (2004)

Determinant of Success or Failure in Health Care Reform

- The availability of information, evidence and analysis
- Political leadership and political possibilities
- The use of incentives and disincentives
- The availability of resources

Source: OECD Health Working papers No. 51 (2010)

Technical perspective



Source: OECD Health Working papers No. 51 (2010)

Why is reform difficult?

- Health system is very comprehensive
- Different goals in different sub-system
- Conflict of interest and power play
- Limitation of economic system, and administrative capability

A lot of Key Actors

- Health care purchasers
  - –Governments, Industries
- Health care providers
- Third party payers
- Consumers
- Interest groups, civil society
- ? International institutions

Different Arenas to Play

- Fairly structured space which actors interact with its own role of game that favor some interests or strategies over others
  - Regulations arena
  - Subgovernmental arena
  - General arena

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Health Care Reform in Thailand

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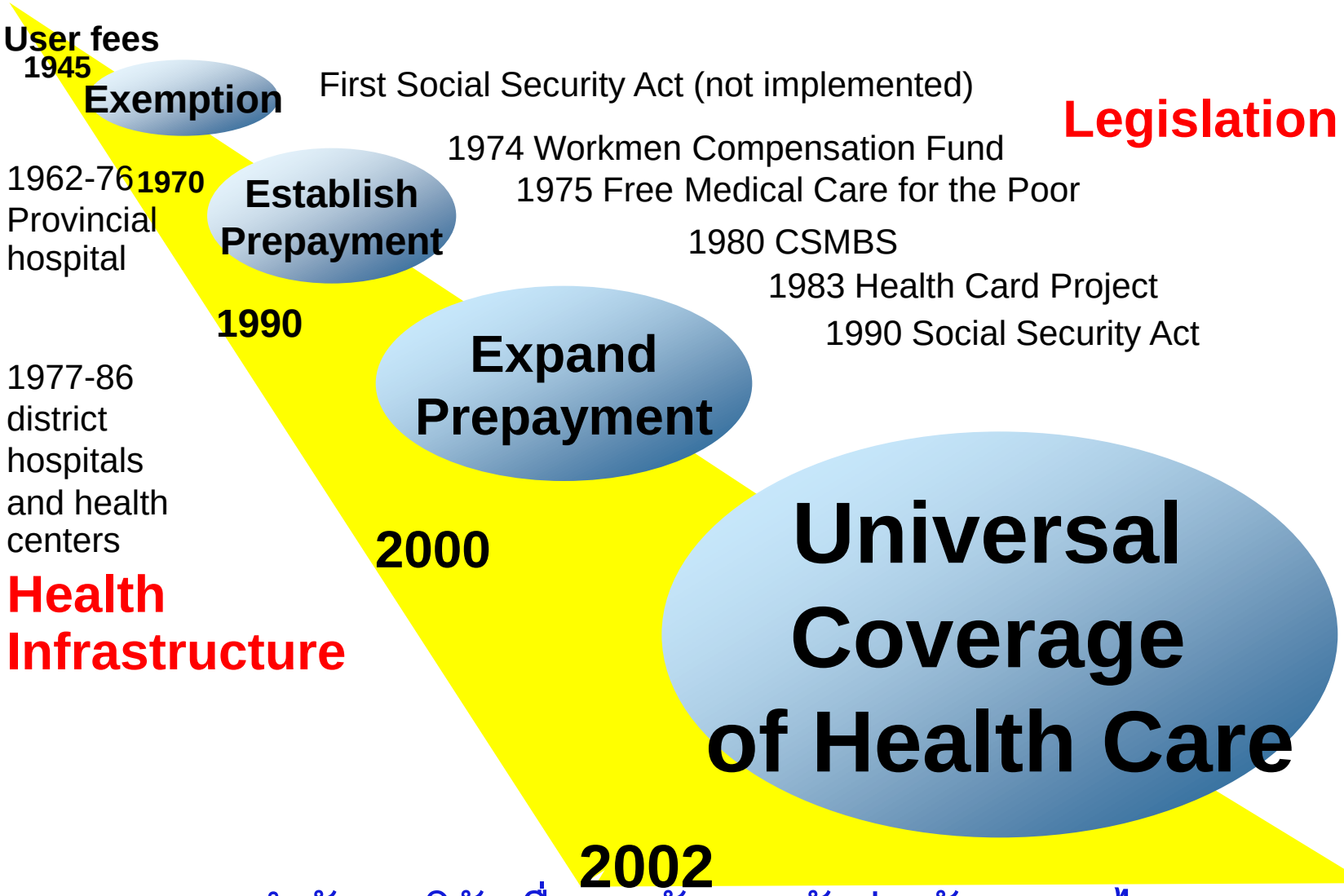
Thailand:



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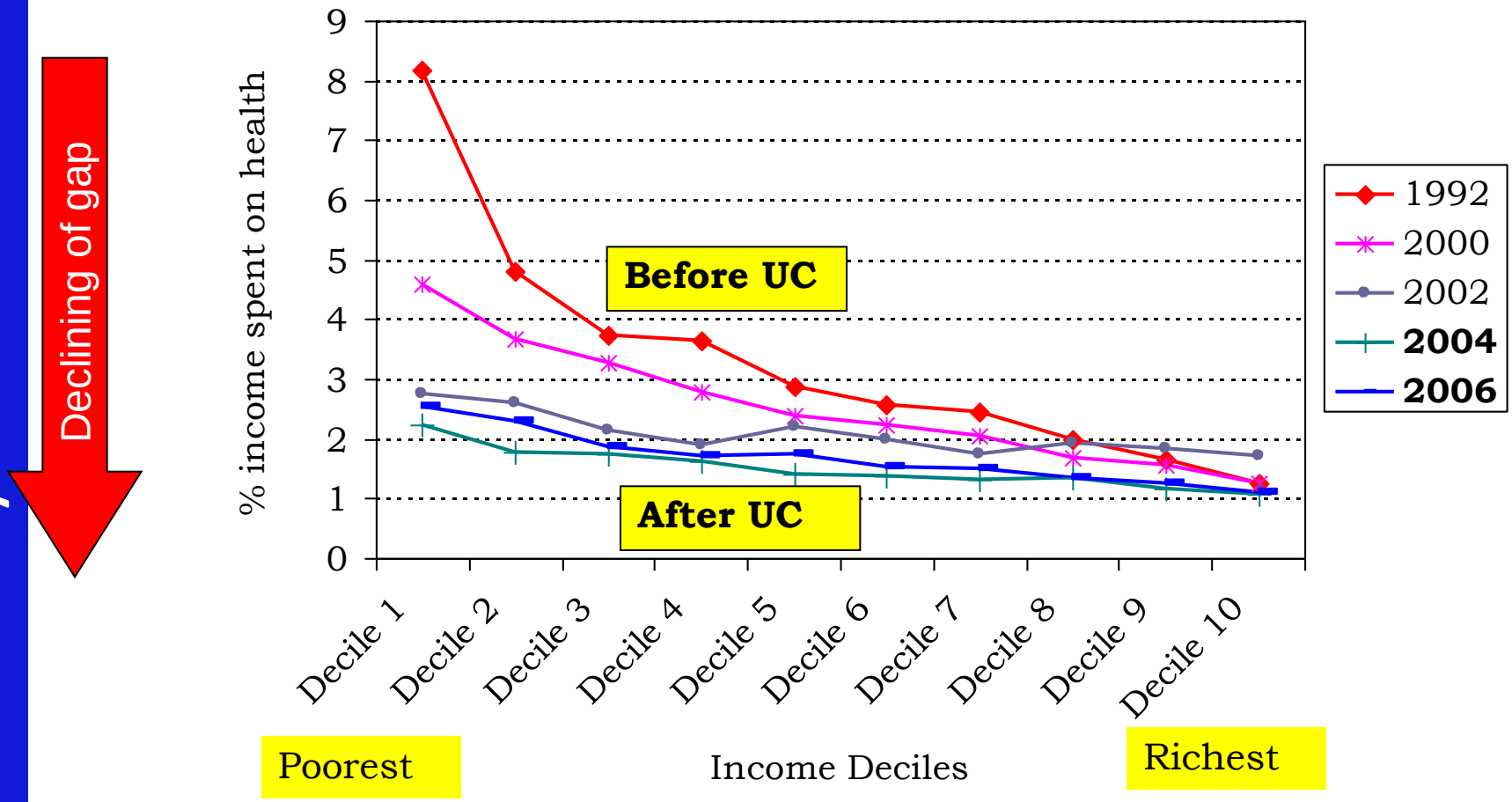
Constitution B.E.2550 (2007)

- **Section 51**.
  - Equal right to receive appropriate and standard public health service
  - Indigent shall have the right to receive free medical treatment
- **Section 80**. The State shall carry out the Policy Directive
  - Promote, support, and develop the health system that emphasizes the health promotion
  - Provide and promote the standardized public health service to people universally and efficiently
  - Encourage private sector and community to participate in the health development and provision of public health services.

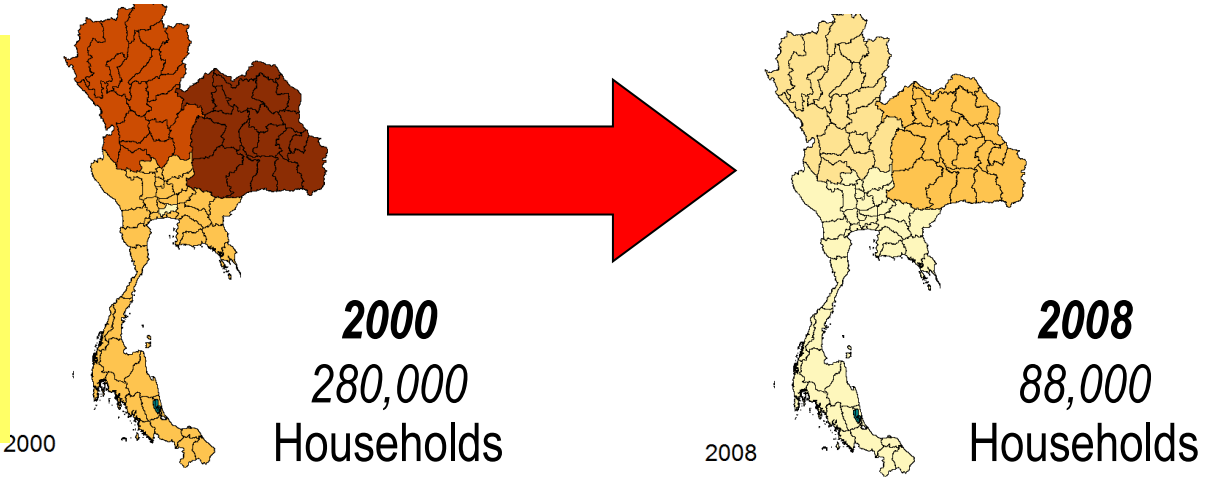
EQUITY:
Income Spending on Health by Income Groups



Source: Socio-Economic Survey 1992 - 2006 conducted by NSO

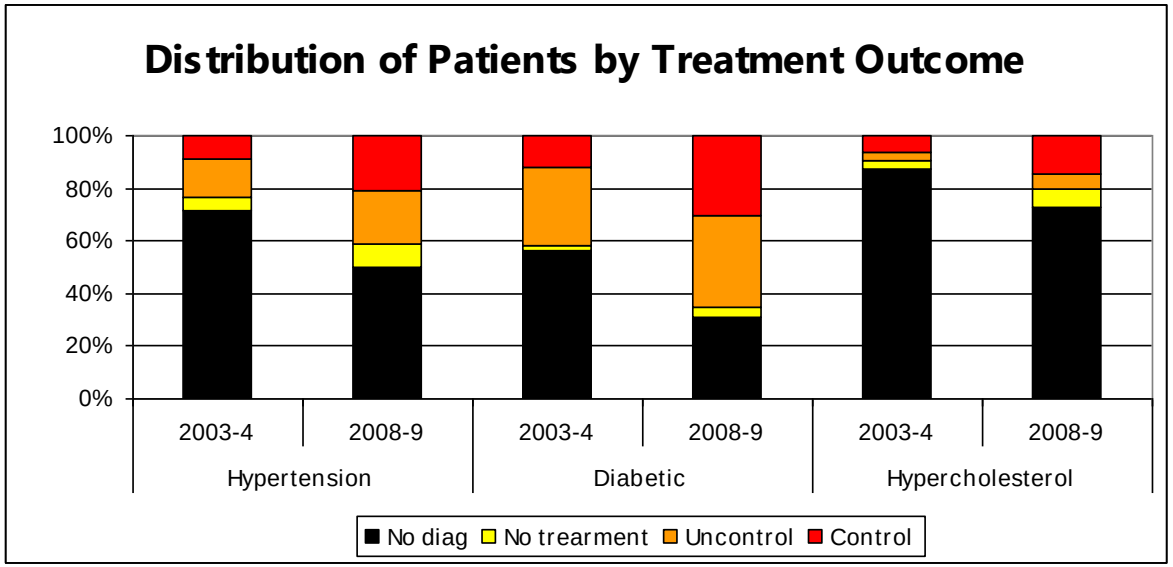
Impacts of Universal Coverage

Decrease Poverty from Health Care Spending



Source: Limwattananon (2010): analysis of Socioeconomic Survey (various years)

Improve Health Outcome



Source: National Health Examination Survey 2003-2004 and 2008-2009

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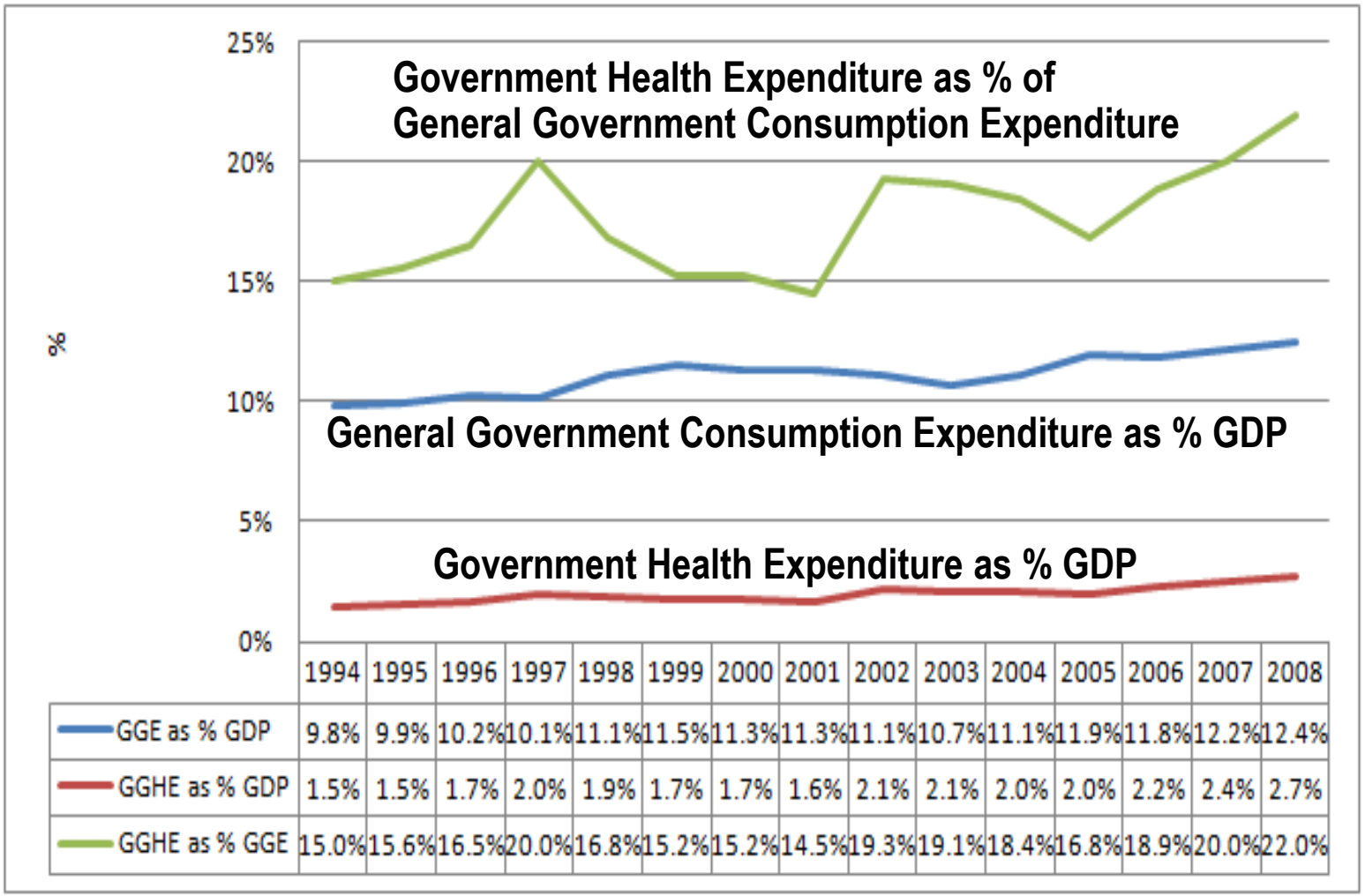
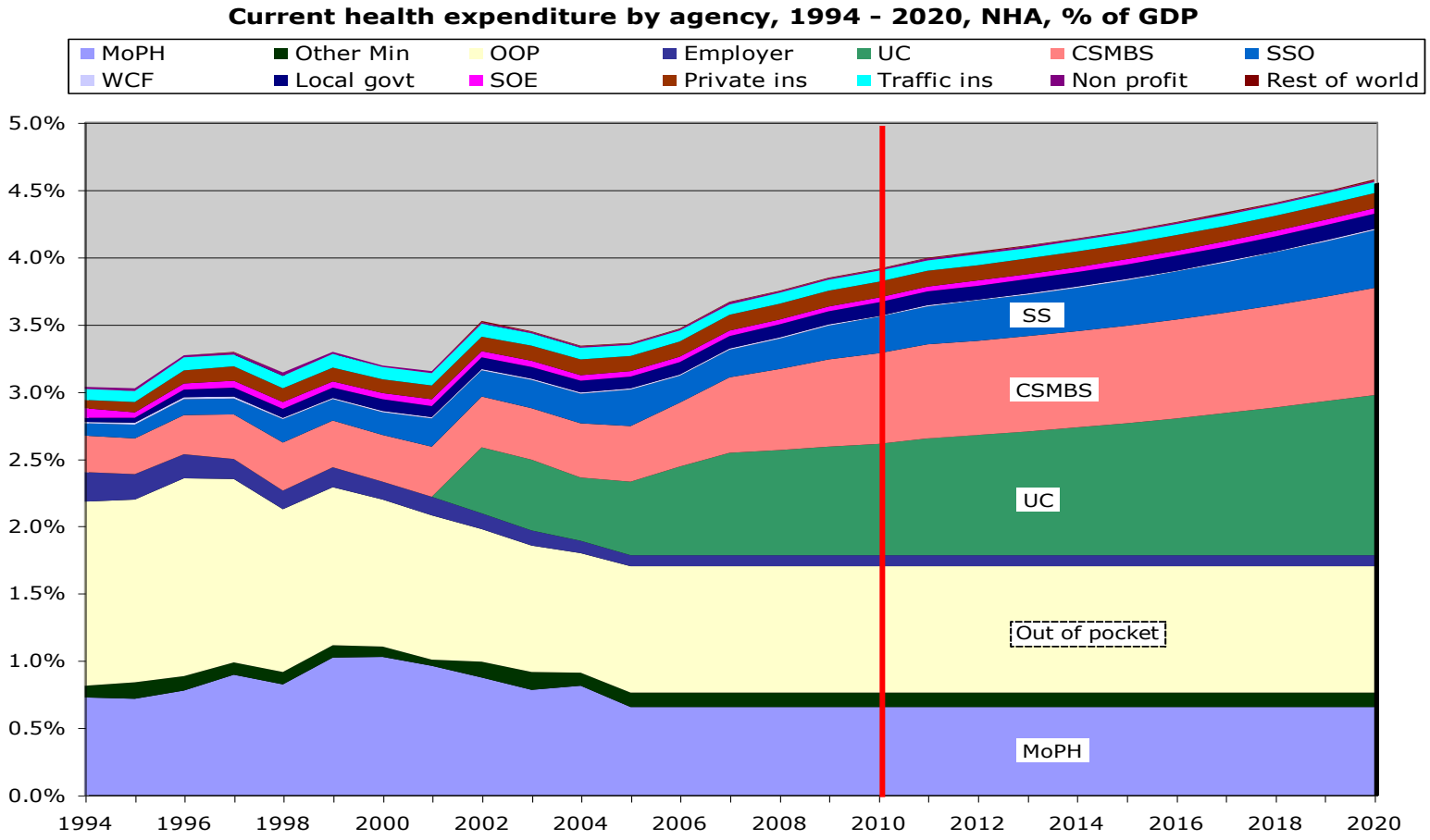
Financial Sustainability



	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
GGE as % GDP	9.8%	9.9%	10.2%	10.1%	11.1%	11.5%	11.3%	11.3%	11.1%	10.7%	11.1%	11.9%	11.8%	12.2%	12.4%
GGHE as % GDP	1.5%	1.5%	1.7%	2.0%	1.9%	1.7%	1.7%	1.6%	2.1%	2.1%	2.0%	2.0%	2.2%	2.4%	2.7%
GGHE as % GGE	15.0%	15.6%	16.5%	20.0%	16.8%	15.2%	15.2%	14.5%	19.3%	19.1%	18.4%	16.8%	18.9%	20.0%	22.0%

Financial Sustainability Analysis:



Source: Health Care Reform Project (2008)

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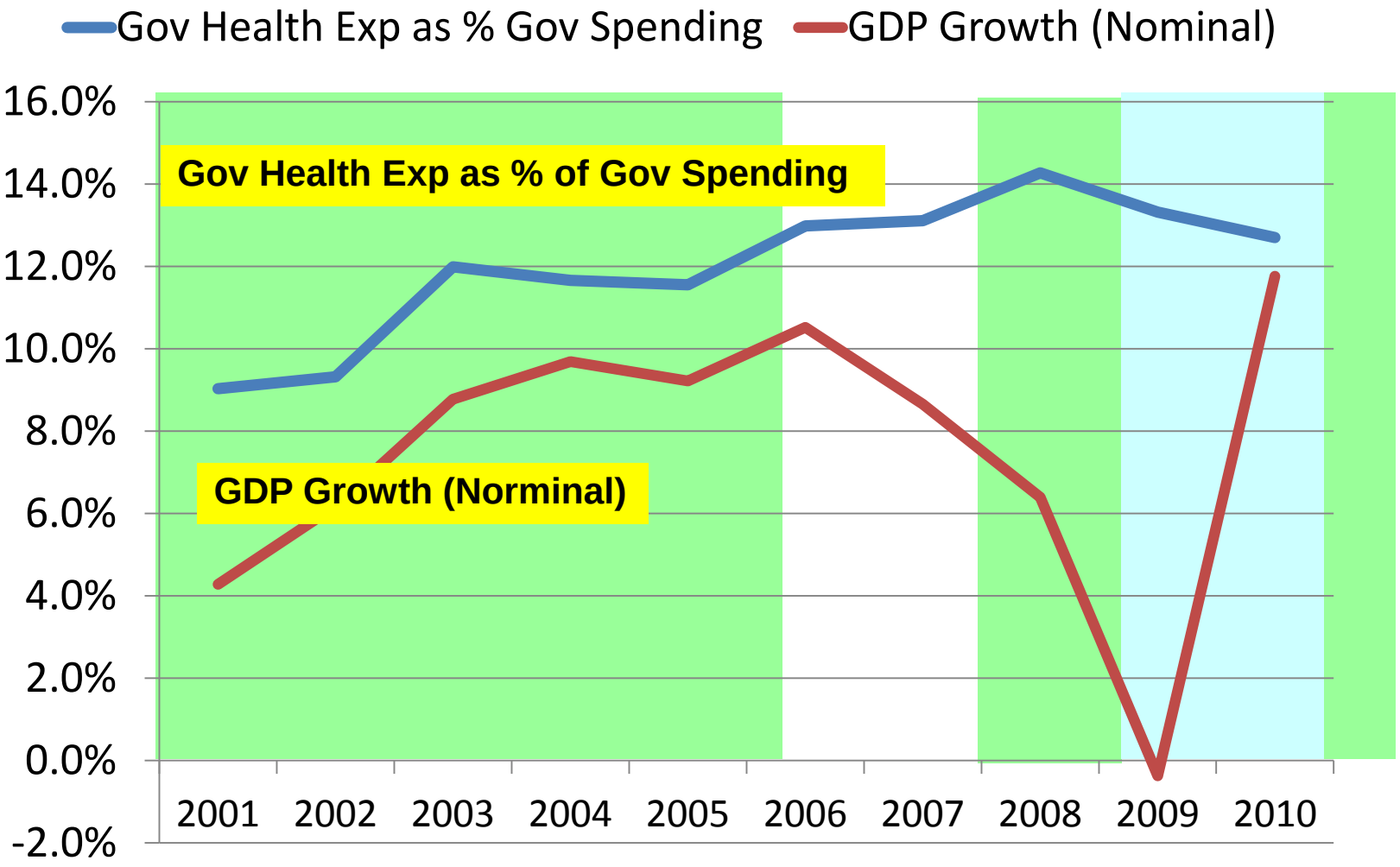
Other Challenges

- Fiscal sustainability
- Quality and efficiency improvement e.g. Practical “Primary Care” and referral system
- Workload and “Brain drain” from public health facilities to private ones
- Elderly society

Enabling Factors

Commitment of Political Parties



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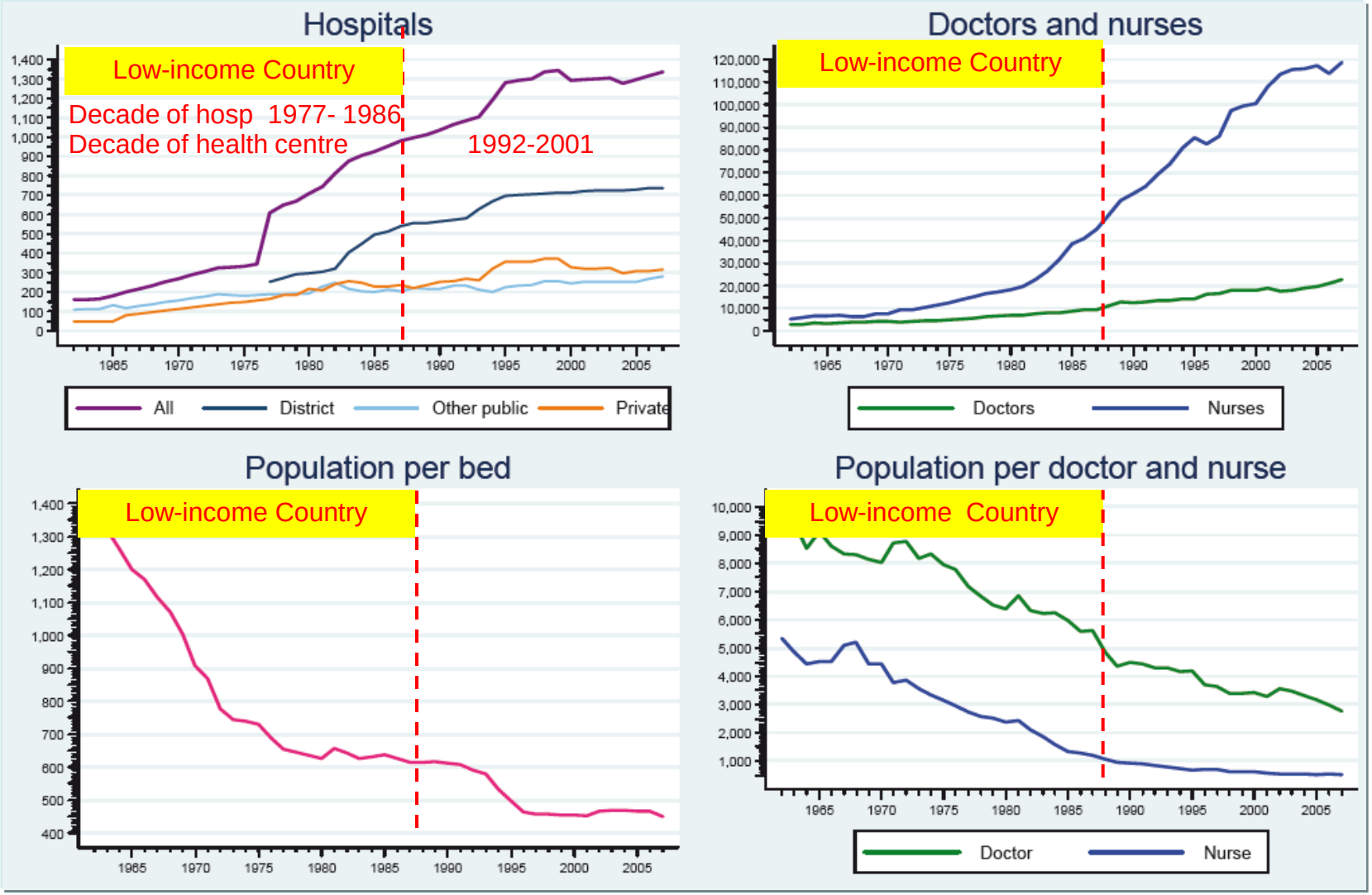
Centralized (Public) health care coverage



Source: Patcharanarumol W et al (2011). Why and how did Thailand achieve good health at low cost?10

Planning and utilization of human resource

- Compulsory Service for Government
  - Start in 1968: Medical students have to work for government for three years. Finally, it applied to dentist, pharmacist, nurse, and other paramedical personnel
- Increase number of new-comers
- Non-financial incentive & Moral Motivation
- Financial Incentive
  - Hardship allowances for working in rural area, no-private practice allowances, Pay for performance

Sustainability: What does it mean?

Financial Sustainability

Political Sustainability

Social sustainability

ที่มา: Saltman et al (2004). *Social health insurance systems in western Europe*. European Observatory on Health Systems and Policies Series

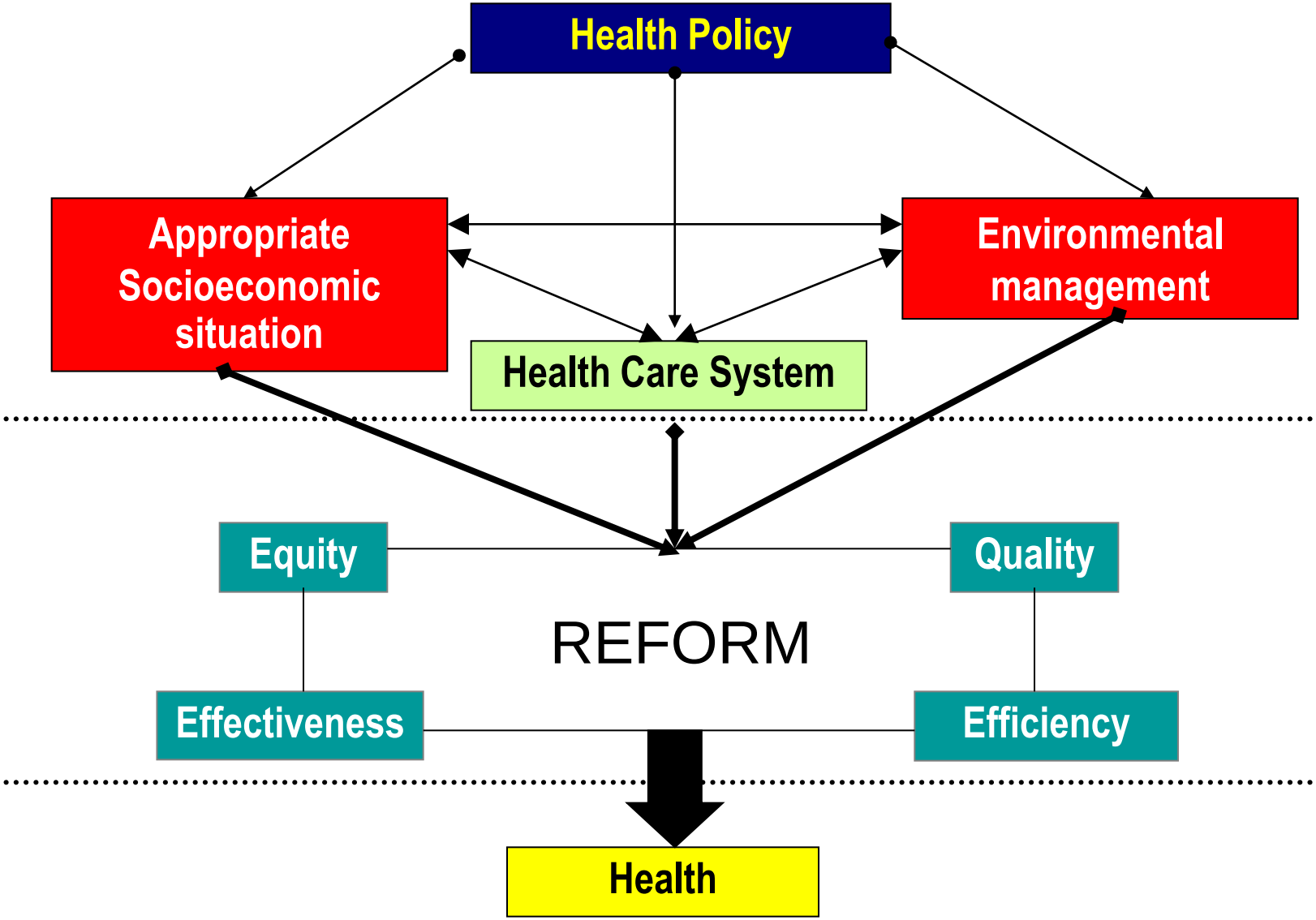
Conclusion from Thai Experiences: Triangle that moves mountain

Accumulation of Knowledge

Social Movement

Political Linkage

Source: Dr. Prewase Wasi


Health Policy
Appropriate Socioeconomic situation
Environmental management
Health Care System
Equity
Quality
REFORM
Effectiveness
Efficiency
Health

Thank You

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