

# What do we know about health financing trends in Asia



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# Outline

- What data do we have?
- Financing and spending patterns
  - Levels
  - By sources, By uses
- Financing trends
- Why out-of-pocket spending matters
- Do the poor benefit from government spending
- Key messages

# What we know is limited ...

## ■ Health expenditures

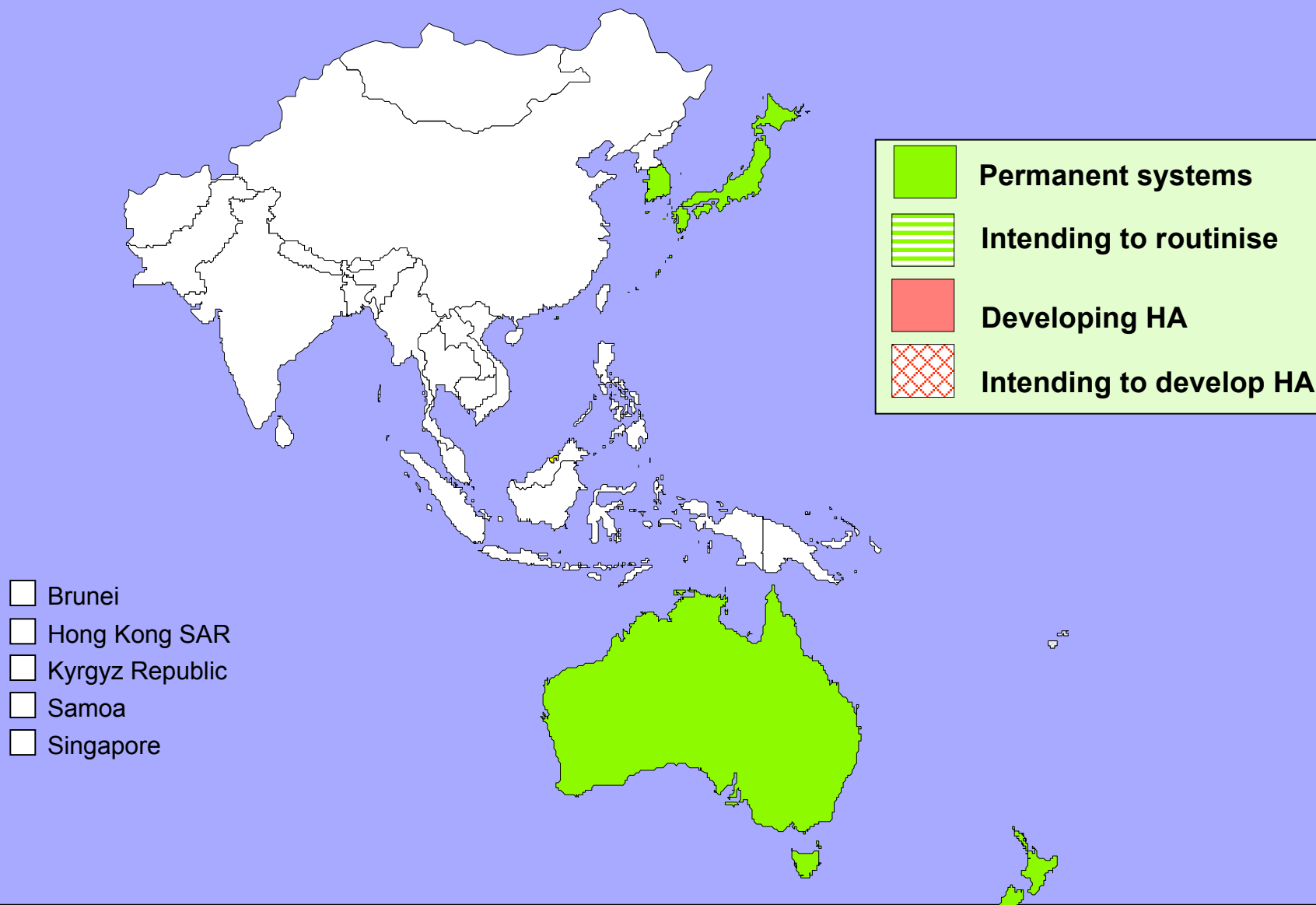
- Lack reliable, comparable data for most countries
- What is being counted is not the same, e.g., to include sanitation or training?
- How it's measured is not uniform, e.g., household spending methods vary greatly
- How it's used often not analyzed, e.g. how much is preventive?
- Situation worst in poorer Asian countries, with important exceptions, e.g, Bangladesh
- Difficult to access what data are available owing to lack of effective coordination
- WHO NHA database has poor representation of available data and high percentage of imputations

# But is getting better ...

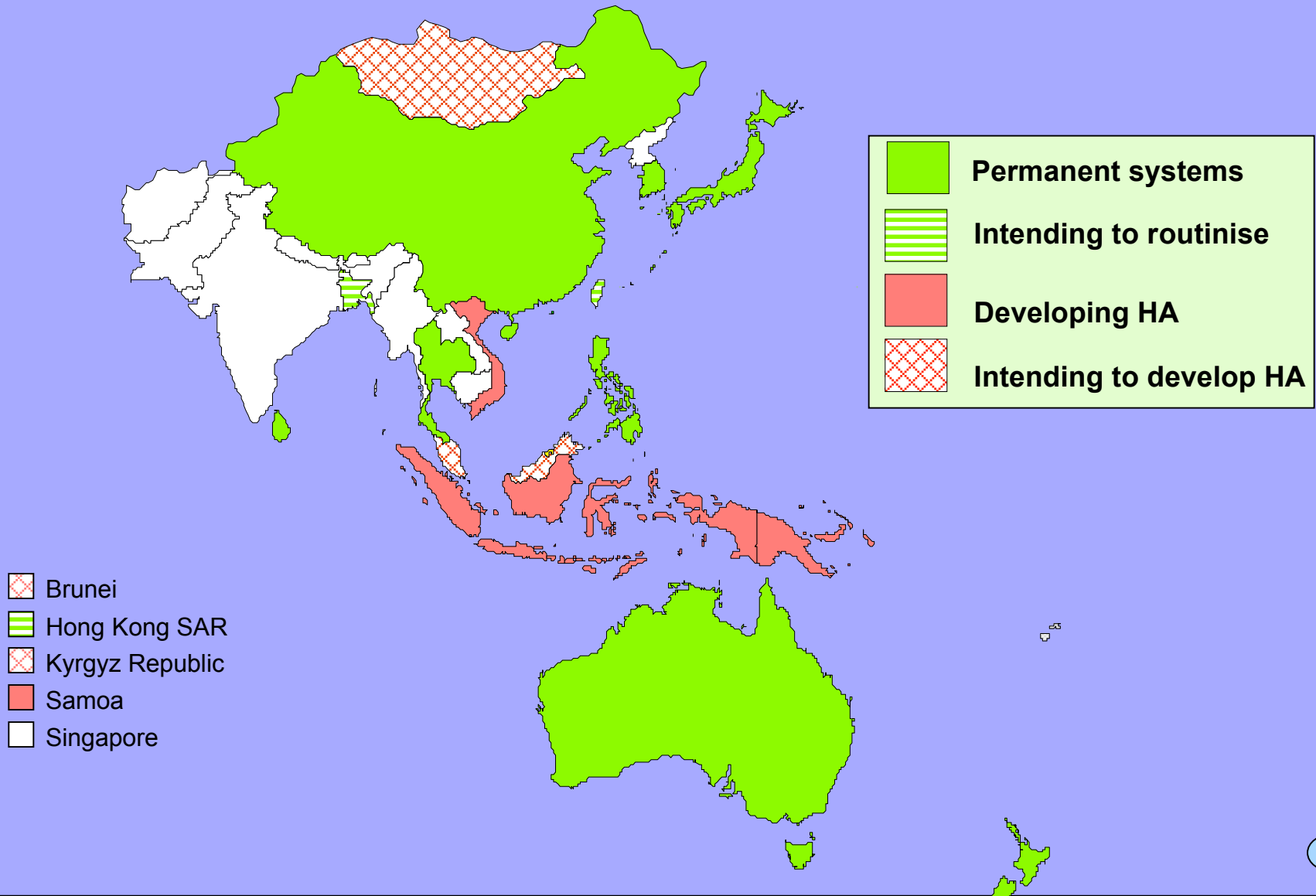
## ■ Recent developments

- Introduction of an international standard for measuring health expenditures: **OECD System of Health Accounts** (SHA 2000)
- SHA provides for standardized definitions of health spending, and requires analysis by use and purpose of spending
- Widespread adoption of SHA standard in Asian region by developing countries since 2000 - Unique amongst developing regions
- WHO NHA Producers guide provides advise on implementing SHA
- Increasing collaboration between regional experts -> improving quality and availability of data
- OECD RCHSP-APNHAN Meeting, Seoul, 5-6 Dec to discuss establishment of joint regional health expenditure reporting mechanism,

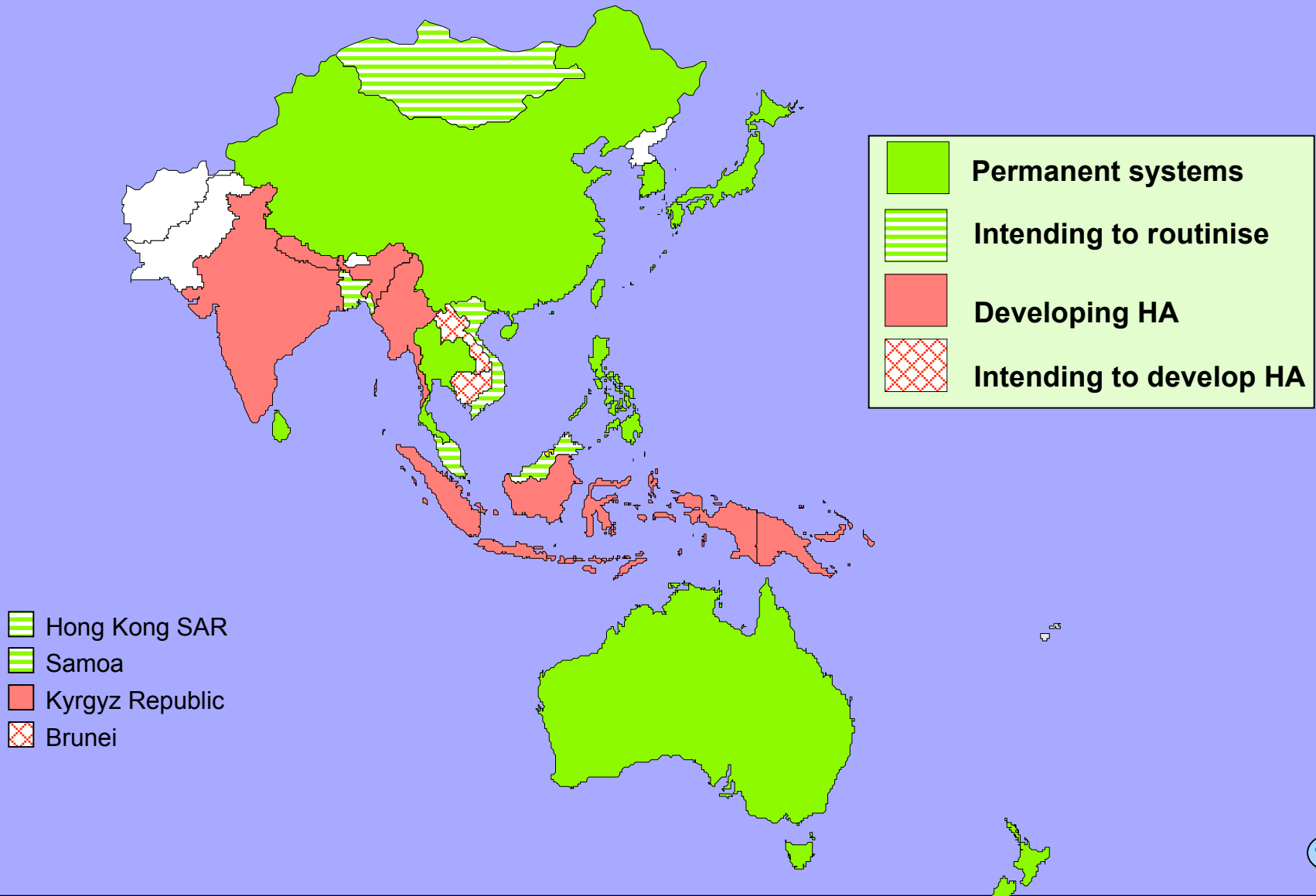
# Health Accounts Status in Asia-Pacific 1990



# Health Accounts Status in Asia-Pacific 2001



# Health Accounts Status in Asia-Pacific 2005



# Acknowledgments

- National health expenditure data
  - Collected by members of Asia-Pacific NHA Network

[www.apnhan.org](http://www.apnhan.org)
- Equity results
  - Sourced from Equitap project - a EU-funded regional collaboration examining health systems equity in 16 Asian countries

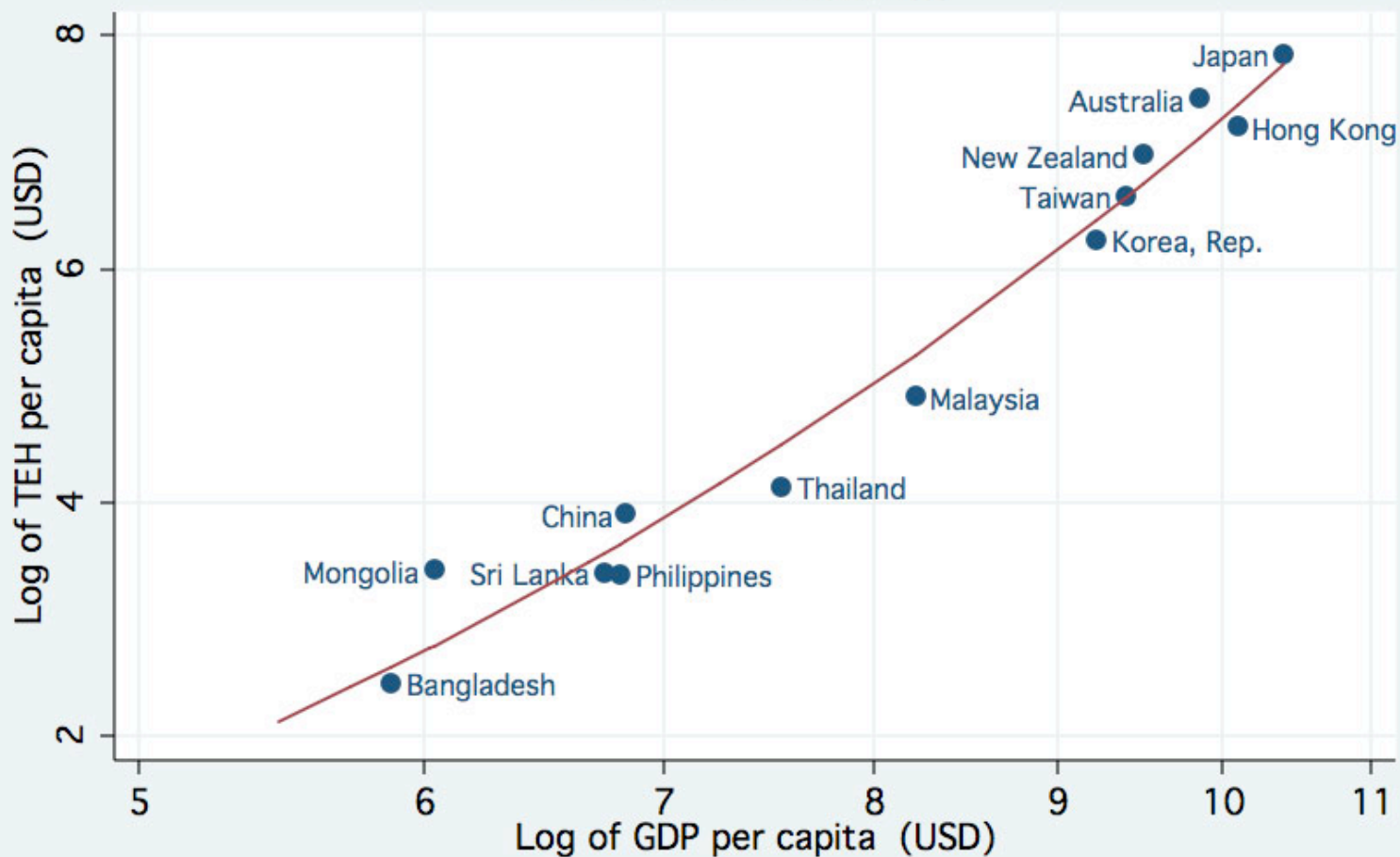
[www.equitap.org](http://www.equitap.org)



# Expenditures versus income

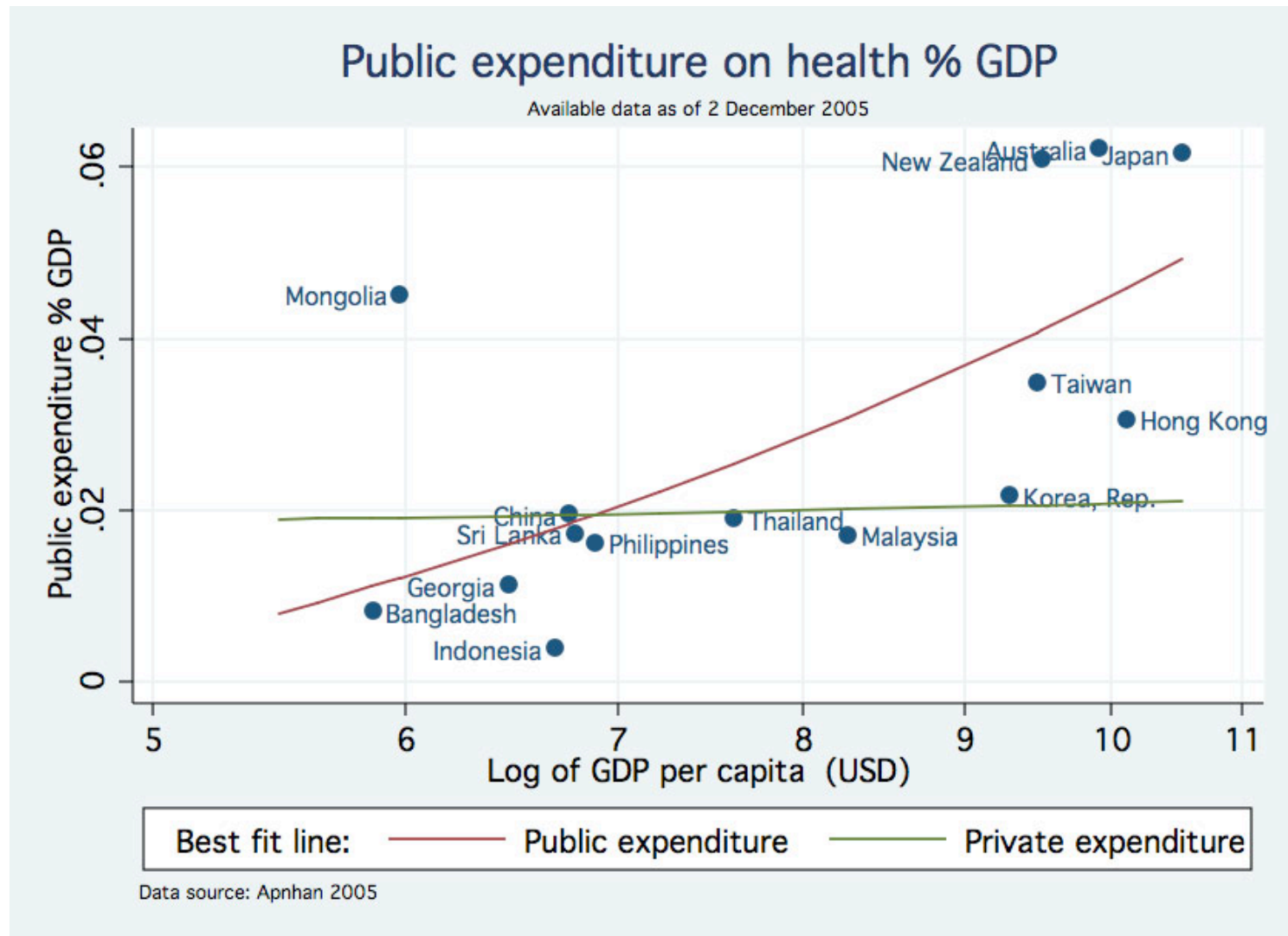
## Total health expenditure vs. GNP per capita

Available data as of 2 December 2005

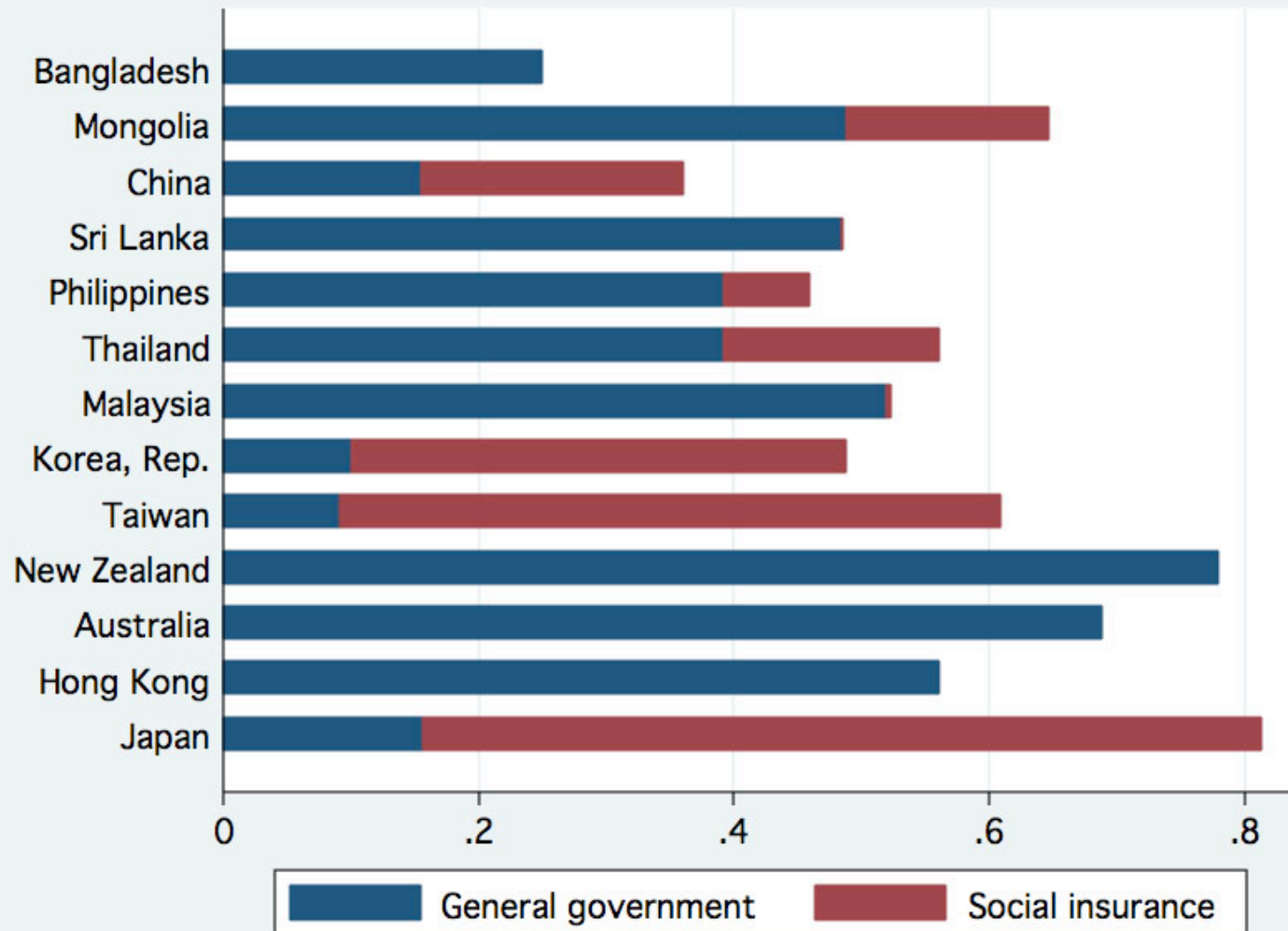


Data source: Aphnan 2005

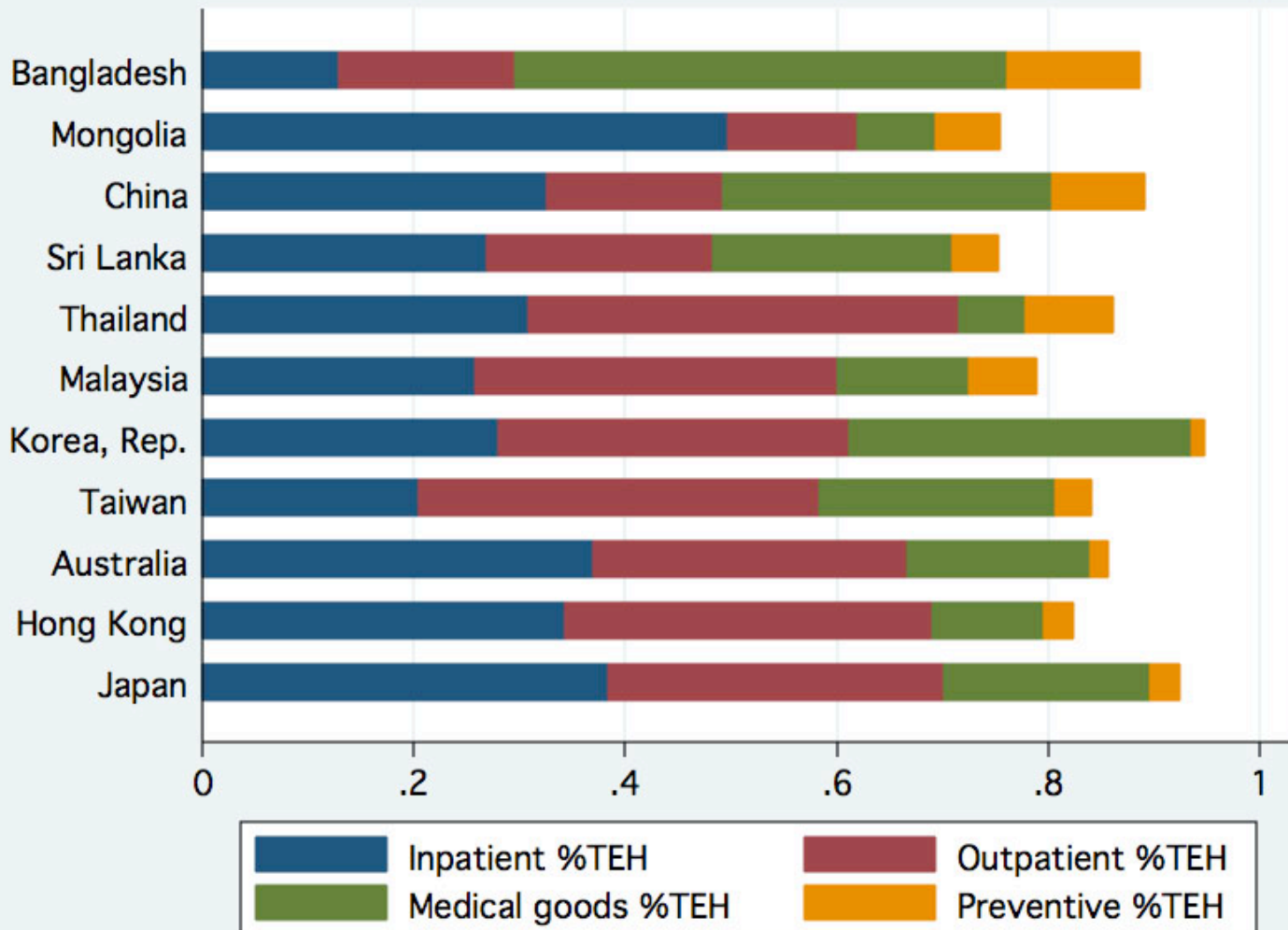
# Income trends in public-private mix



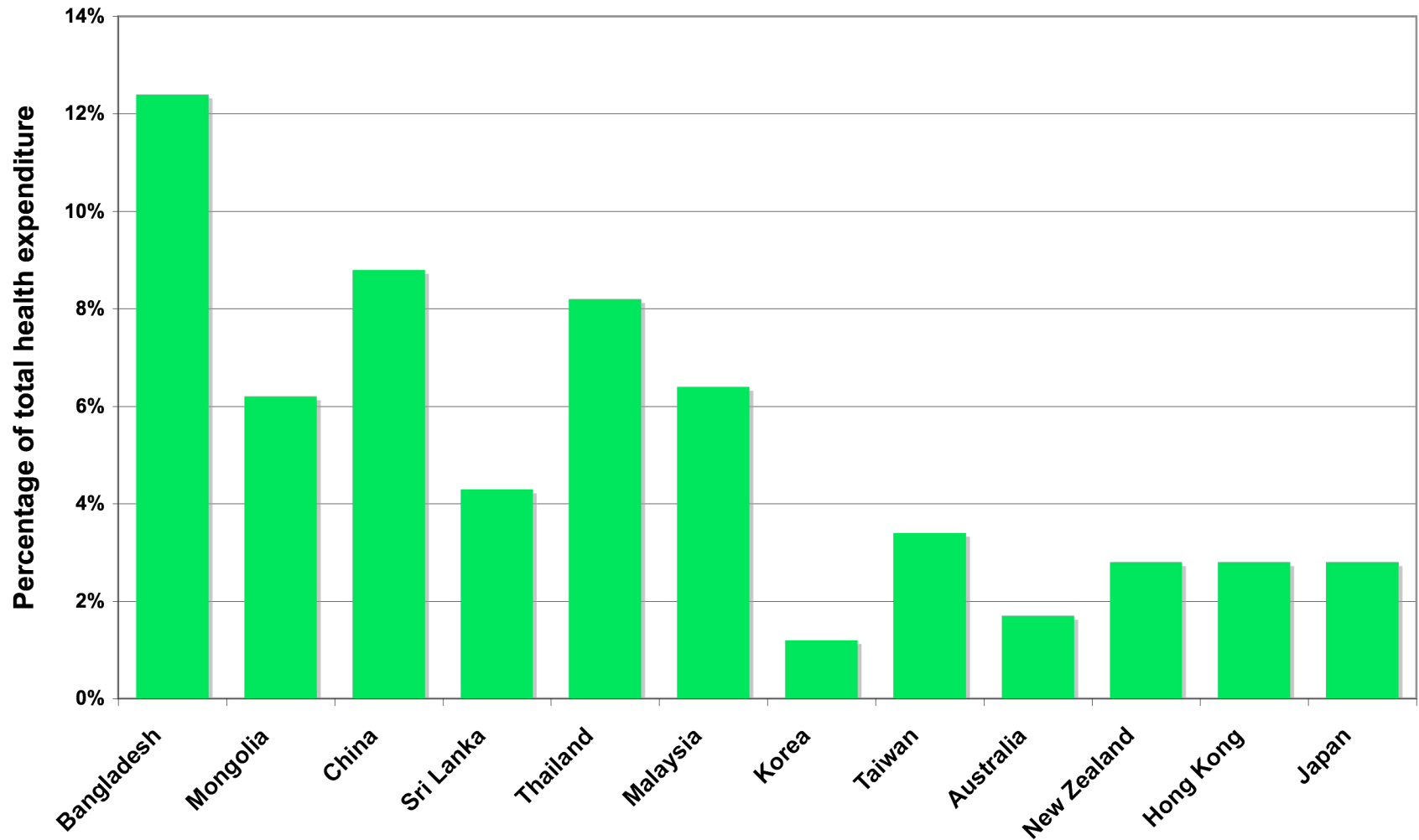
# Source of public financing



# Composition of spending

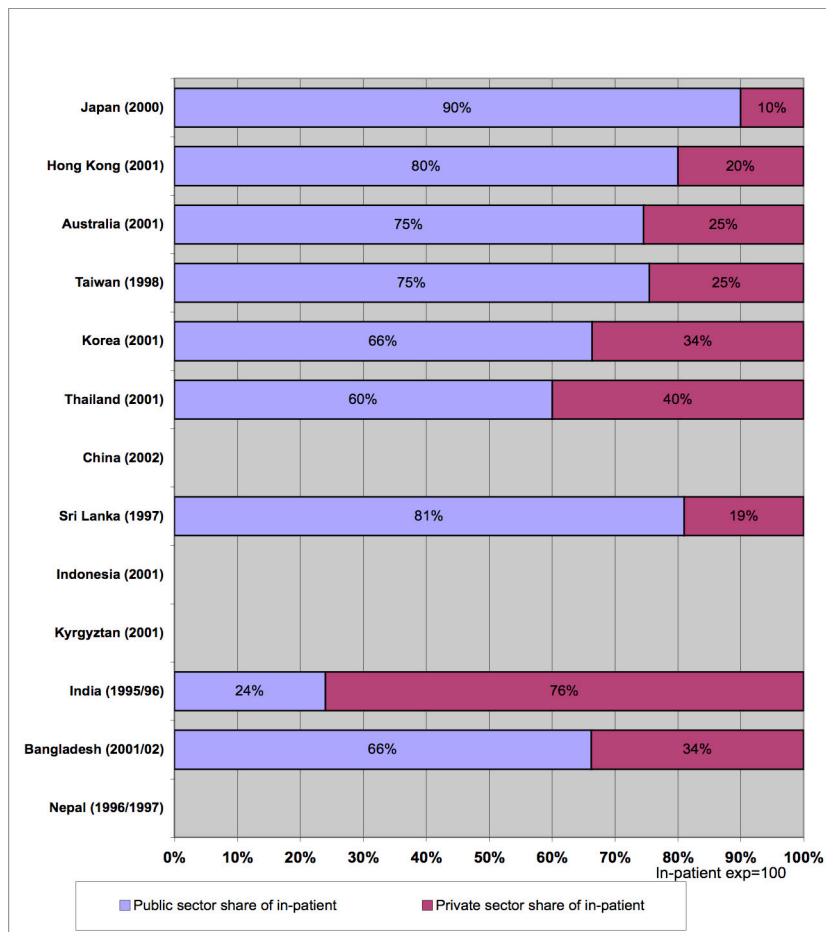


# Is preventive health too low?

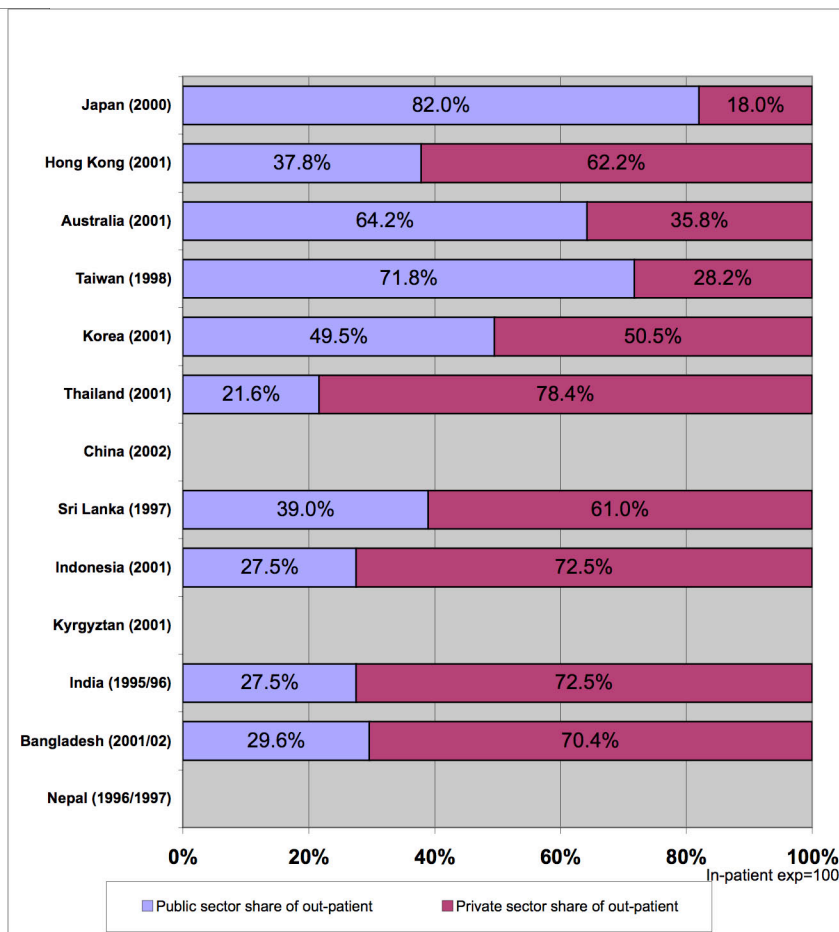


# Financing of patient services

## Financing of Inpatient/Outpatient care by source of financing



Inpatient care

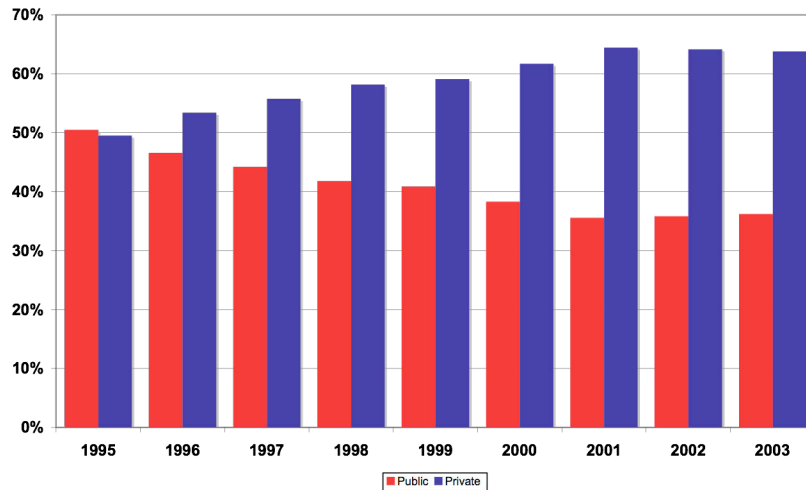


Outpatient care

# Trends in financing in past decade

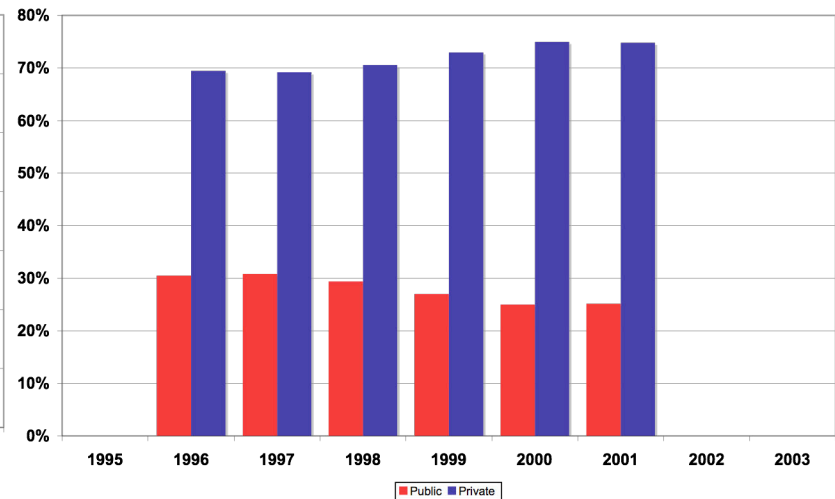
- Increase share of public financing with increased public expenditure from taxation (% GDP)
  - **Hong Kong, Malaysia, Indonesia**
- Increase share of public financing with increased public expenditure from social insurance (% GDP)
  - **Taiwan, Thailand, Mongolia**
- ... with little change in
  - **Nepal, Sri Lanka, Philippines, Japan, Australia, New Zealand**

# Two exceptions



## ■ China

- Continuing decline in public share of financing

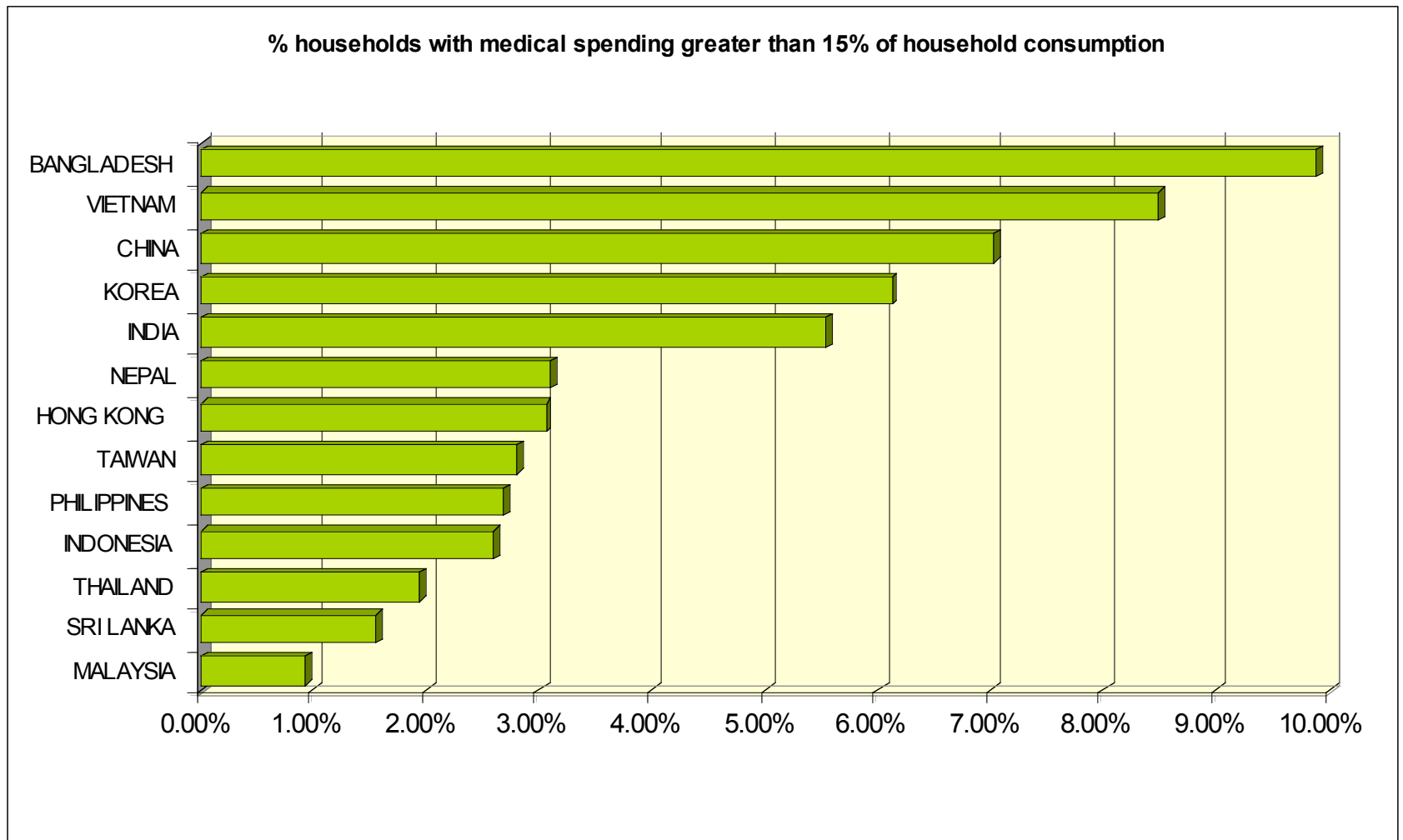


## ■ Bangladesh

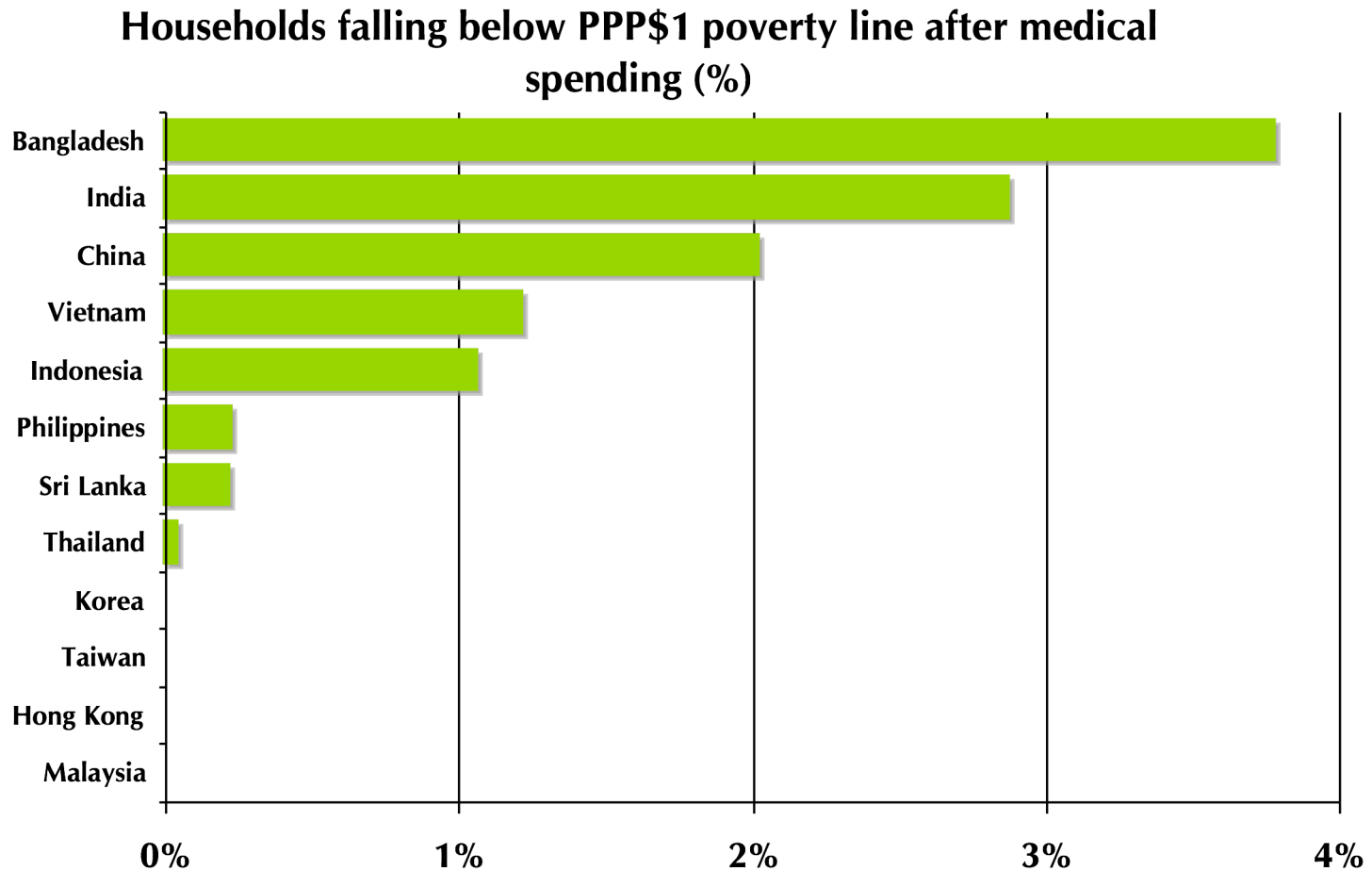
- Decline in public spending (inclusive of donors) despite major health sector project



# Catastrophic impact of out-of-pocket spending



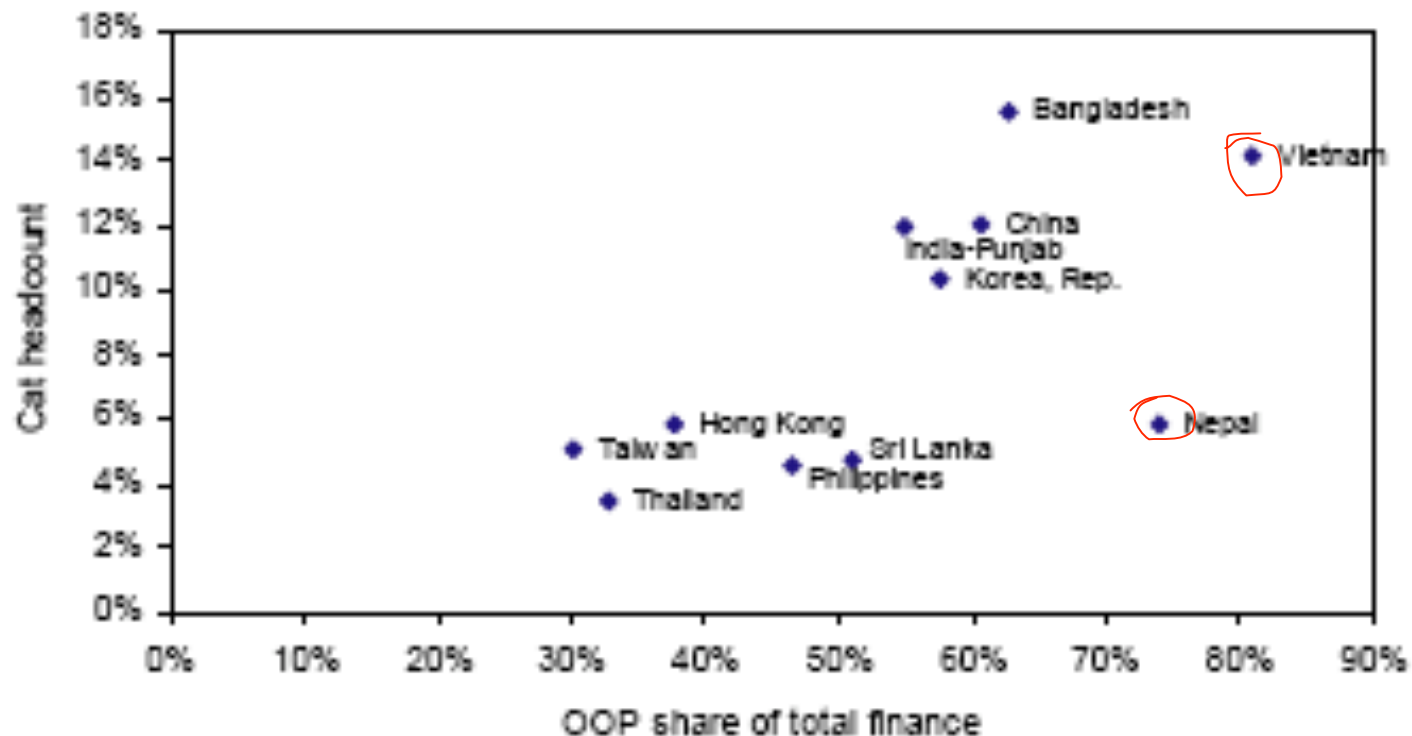
# Poverty impact of out-of-pocket spending



# Health Systems Analysis: Equitap

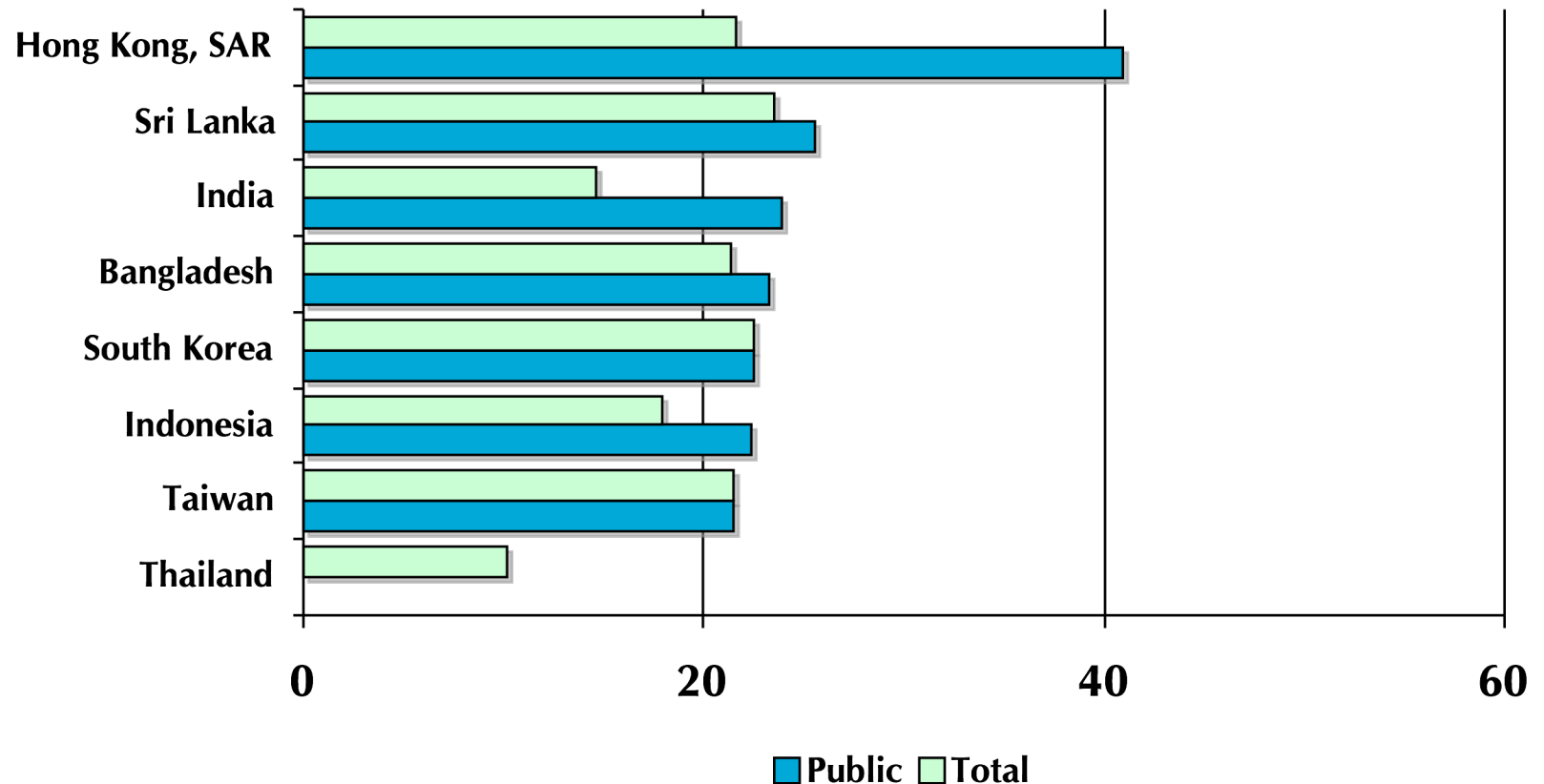
Distributional analysis of expenditure and catastrophic impacts

Fig 3a: Catastrophic impact of OOPs  
(OOP > 10% of tot consumption)



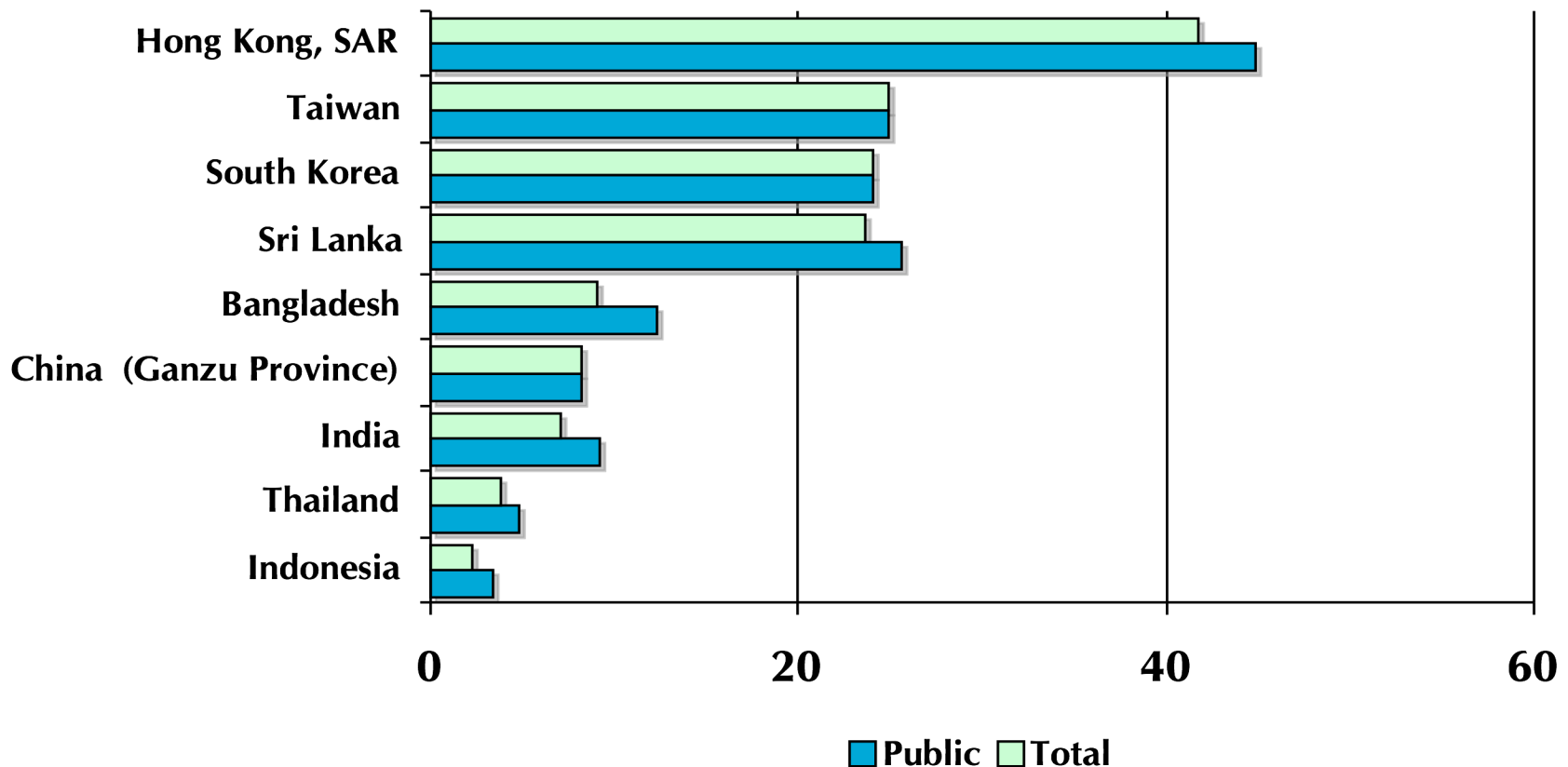
# Who benefits from public expenditures?

Poorest quintile share of non-hospital outpatient services (%)



# Who benefits from public expenditures?

Poorest quintile share of inpatient care services (%)



# Key Messages

- The trend in most Asian countries is towards increased reliance on public financing - in line with history and European experience
- Some backsliders - China, Bangladesh
- Out of pocket needs to be reduced because of its big impact on poverty and barriers to access of the poor

Thank You