

Issues and challenges confronting NHA in the Asia- Pacific region

Dr. Ravi P. Rannan-Eliya
Institute for Health Policy, Sri Lanka

Conference on National Health Expenditure
National Health Research Institutes
Taipei

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Outline

- Evolution from NHE to NHA & Developments in the OECD area
- Developments in Asia-Pacific
- Emerging issues & Agenda
- Challenges

Evolution of NHE to NHA

1940-60s: Academic studies in a few countries

Costing of UK NHS (Abel-Smith and Titmuss, 1956)

1960: USA Medicare

Establishment of US National Health Accounts

1963 - 67: First cross-country studies

WHO (Abel-Smith, 1963-67)

1970s: OECD mandate

OECD co-operation to control health spending ⇒ OECD Health Data ⇒
Comparative analysis of determinants of health spending

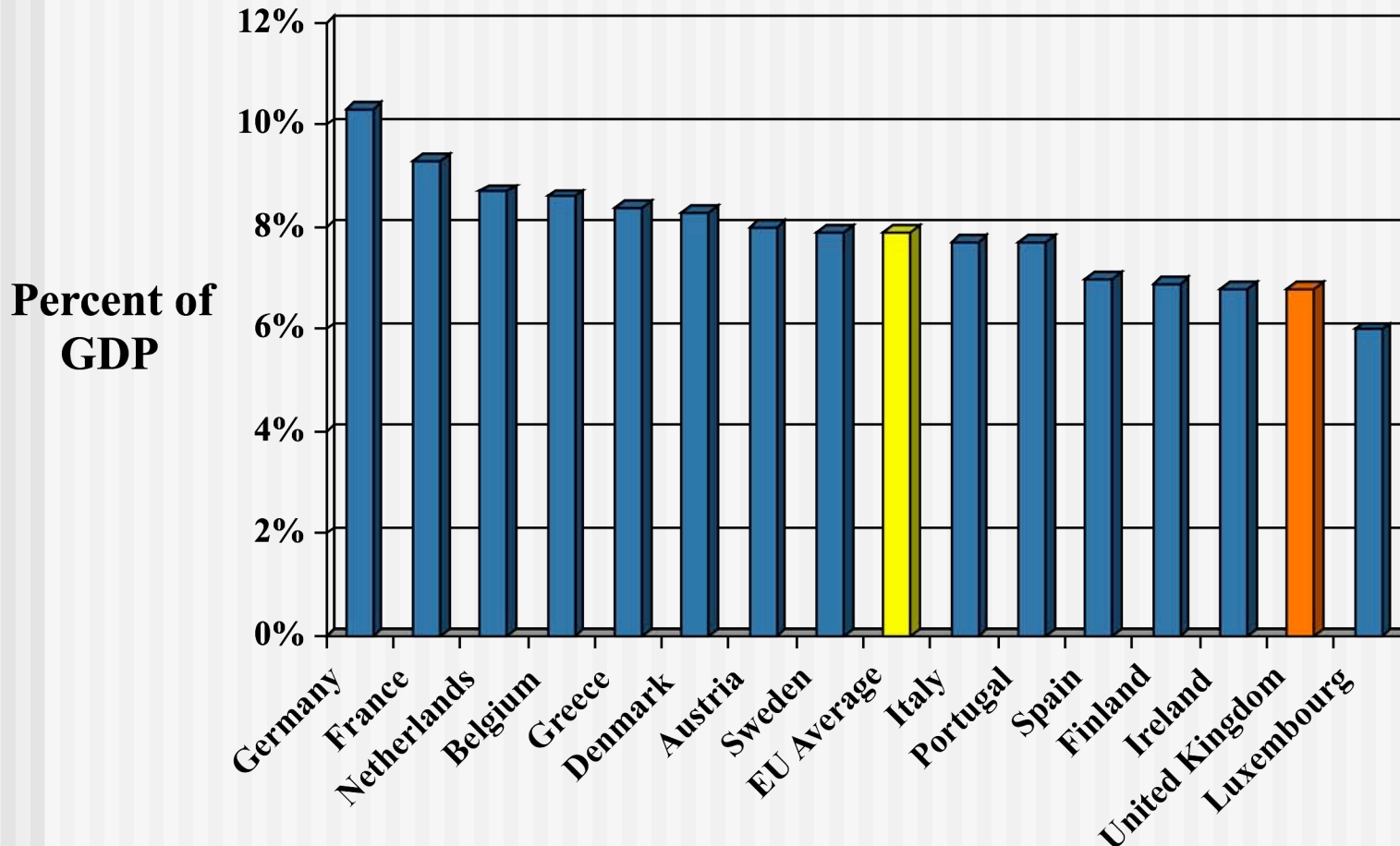
1990s: Shift from NHE to NHA

Extension of NHA outside OECD region

China, Philippines, Thailand, Egypt, Russia, Hong Kong, Sri Lanka . . .

OECD Experience: International Comparisons

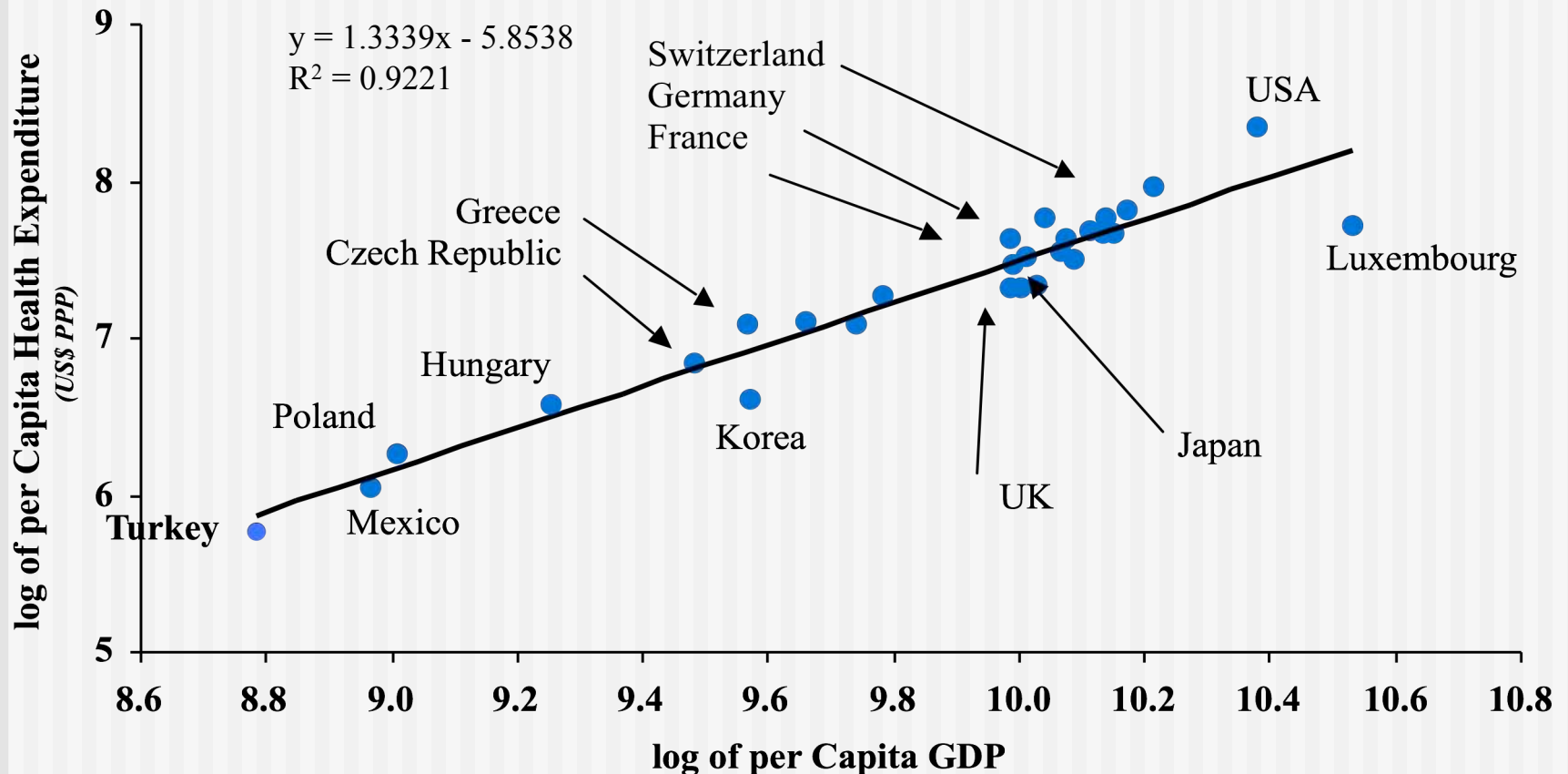
Health Expenditure as a Share of GDP in European Union Countries, 1998



Source: OECD Health Data 2001

OECD Experience: Determinants

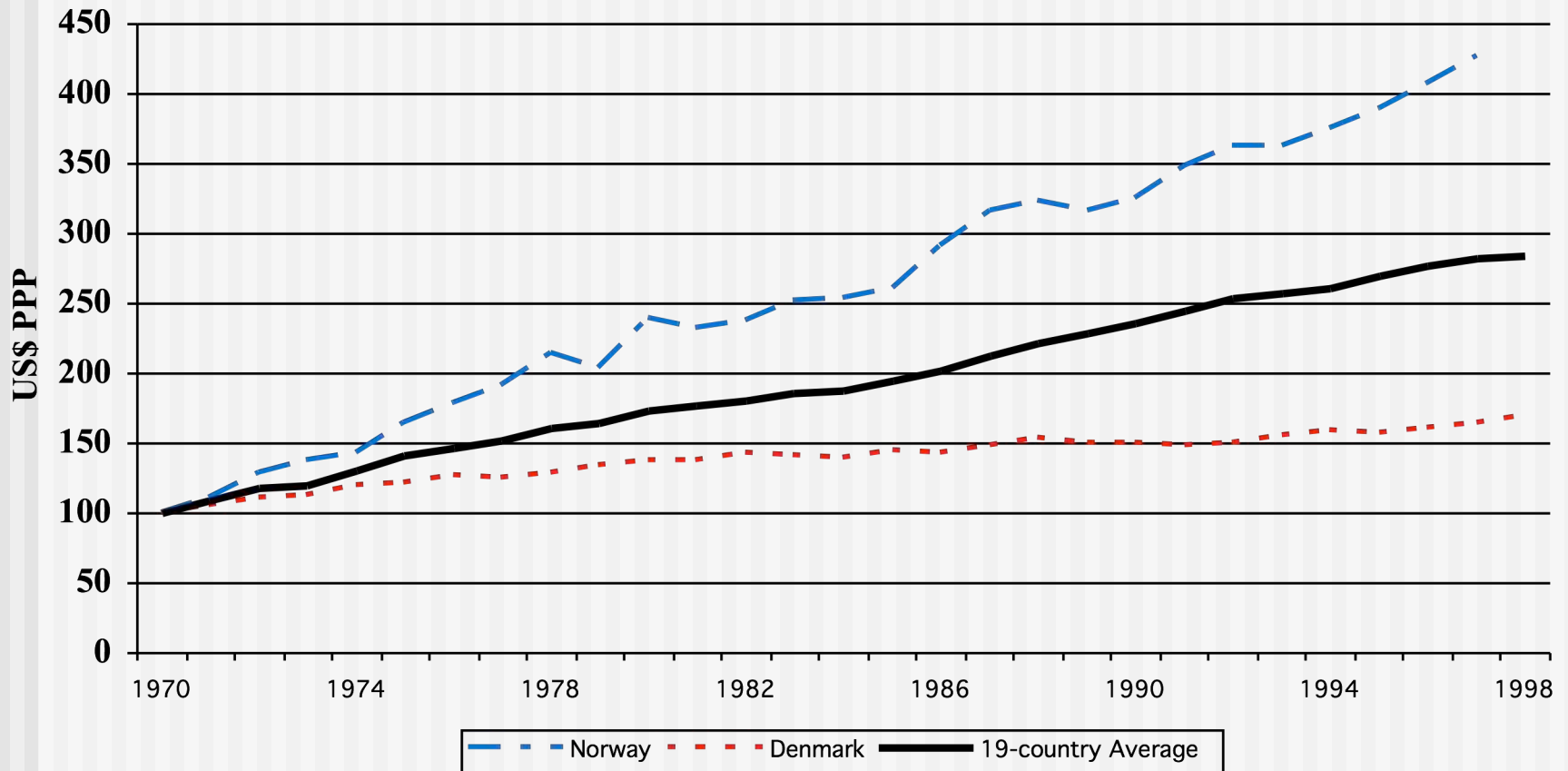
Close Association Between Wealth and Health, 1998



Source: OECD Health Data 2001

OECD Experience: Controlling health costs

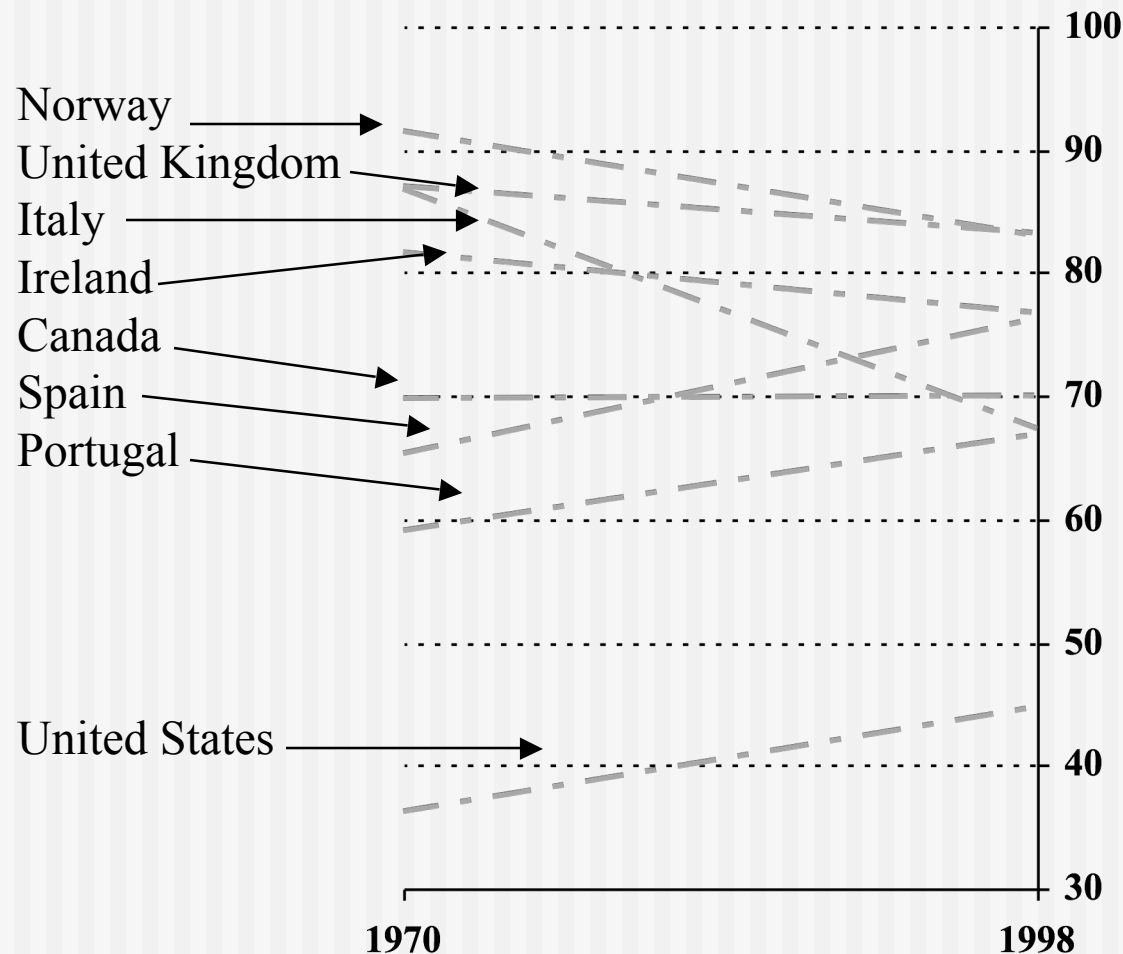
Increase in Real Health Expenditure per Capita, 1970-98



Source: OECD Health Data 2001

OECD Experience: Financing mix

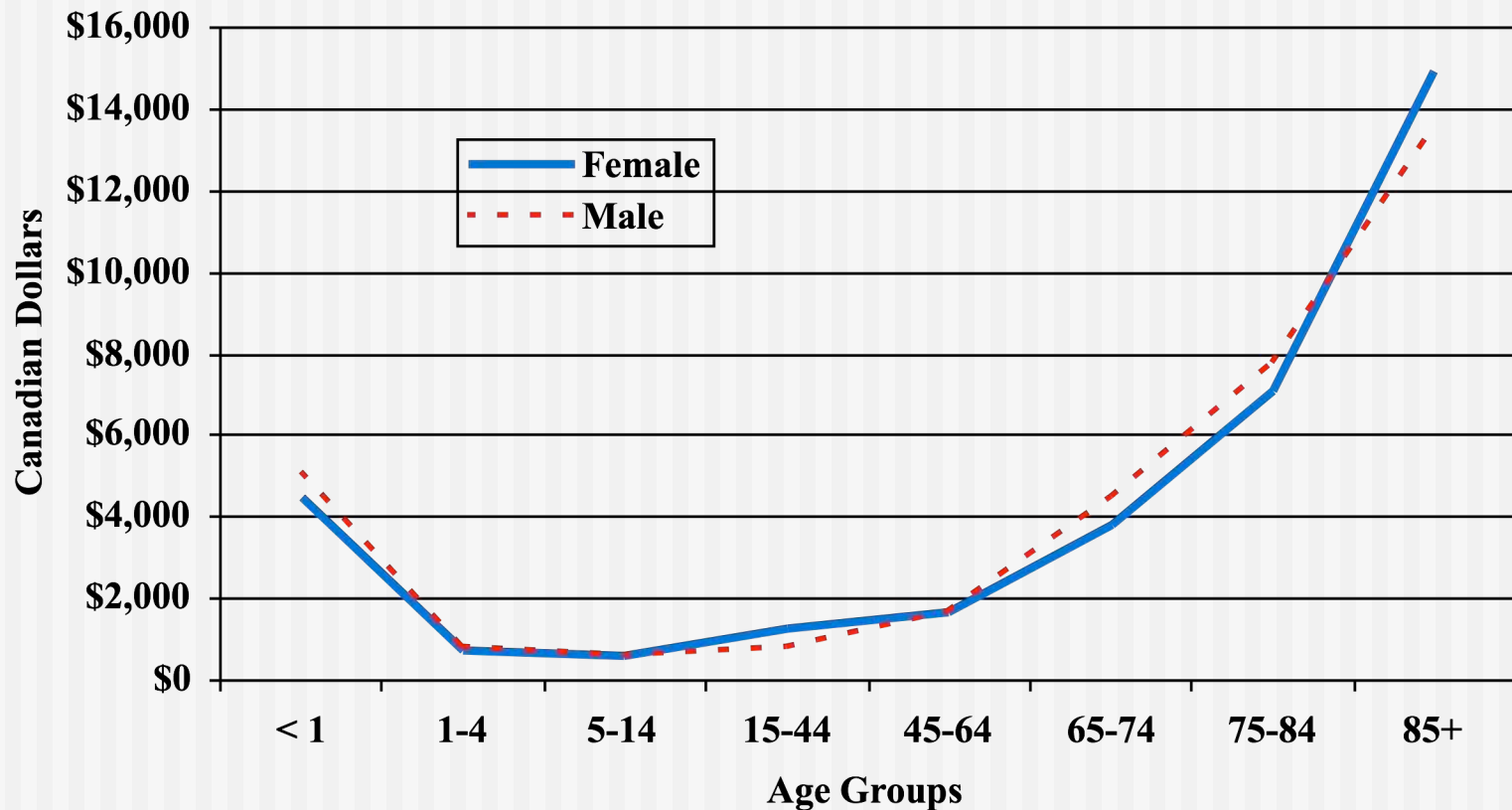
Convergence in the Public Share of Health Expenditure, 1970-1998



Source: OECD Health Data 2001

OECD Experience: Impact of ageing

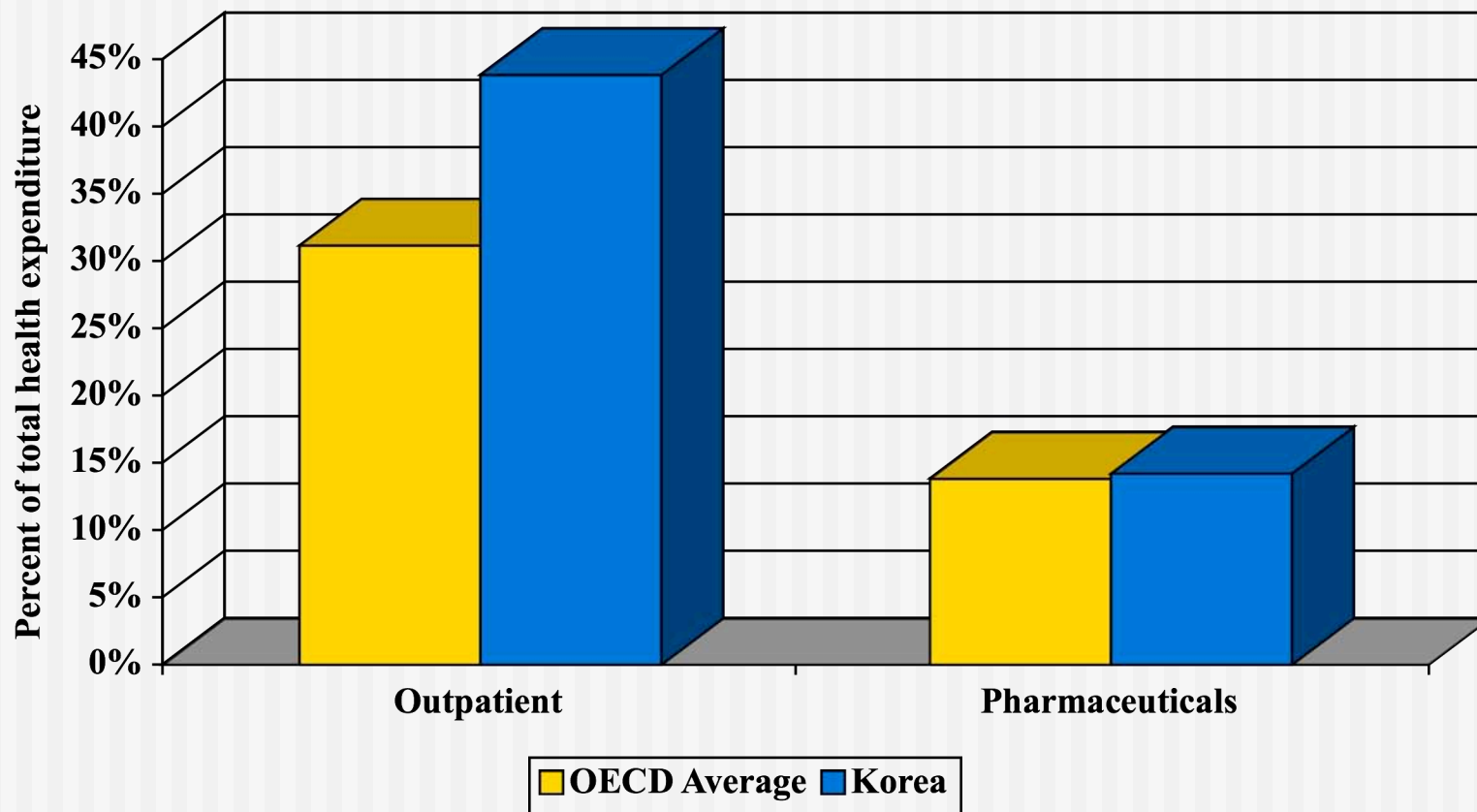
Canada: Provincial Government Per Capita Health Expenditure, by Age and Sex, 1998



Source: National Health Expenditure Trends, 1975-2000 (Canadian Institute for Health Information, 2000)

OECD Experience: Monitoring Health Reform

Korea: Share of Expenditure on Outpatient Services & Pharmaceutical Goods, 1999



Source: OECD Health Data 2001

Issues emerging in late 1990s

- Increasing demand for cross-national comparison
- Lack of comparability in published NHE estimates for most OECD countries
- Tendency for estimates to be changed every year
 - Development of OECD Standard for NHA reporting
- Lack of standardization and compilation of data outside OECD
 - Establishment of WHO NHA Unit, 1998
 - Annual WHO NHA reporting

A “System of Health Accounts” OECD (2000)



Developed by OECD:

- To provide standard reporting tables for international comparison
- To provide an internationally harmonized boundary for health care activities
- To provide a consistent framework for analyzing health systems
- To provide a rigid framework for building NHA to permit consistent reporting over time

Features of OECD SHA



- Provides explicit and comprehensive boundary of health and health-related production
- Analyzes health expenditures in three dimensions: sources, providers and functions
- Detailed sets of classifications for the uses of spending: providers and functions
- Linkages with other international classifications, including SNA
- Basis for adaptation to meet specific national requirements

ICHA Classification of Functions

HC.1 Services of curative care

HC.1.1 Inpatient care

HC.1.2 Day cases of curative care

HC1.3 Outpatient care

HC1.4 Home care

HC.2 Services of rehabilitative care

HC.3 Services of long-term nursing care

HC.4 Ancillary services to health care

HC.5 Medical goods dispensed to out-patients

HC.6 Prevention and public health services

HC.7 Health administration and health insurance

Reporting National Spending

HC.1 Services of curative care
HC.2 Services of rehabilitative care
HC.3 Services of long-term nursing care
HC.4 Ancillary services to health care
HC.5 Medical goods dispensed to out-patients
HC.6 Prevention and public health services
HC.7 Health administration and health insurance

HC.R.1 Capital formation

HC.R.2 Education and training
HC.R.3 Research and development
HC.R.4 Food, hygiene and drinking water control
HC.R.5 Environmental health
HC.R.6 Social services in-kind
HC.R.7 Health-related cash-benefits

**Total
Current
Expenditure
on Health**

**Total
Expenditure
on Health
(TEH)**

**General
Expenditure
on Health
(GEH)**

OECD Developments

- 2000-2004
 - Release of OECD SHA Vers 1.0 and launch of pilot implementations
 - Release of first 17 country reports
- 2004-2005
 - Adoption of SHA as reporting standard for OECD and Eurostat, & SHA mandatory for all EU accession candidates
- 2005
 - Health expenditure work ranked highest priority by OECD ministers
 - Joint OECD-Eurostat-WHO NHA Data Reporting agreement
 - Establishment of OECD/Korea RCHSP
- 2007-2008
 - Work on SHA Version 2.0 revision

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Asia-Pacific Developments

- Gradual increase in countries with HAs
- Asia-Pacific NHA Network established, 1998
- OECD SHA released in 2000
- Regional Expert Meetings - Cebu (2001), Bangkok (2002), Manila (2003) Hong Kong (2003), Colombo (2005), Seoul (2005)
- Consultation between OECD/Paris and regional countries on development of OECD SHA, 1998-
- OECD Korea RCHSP 2005

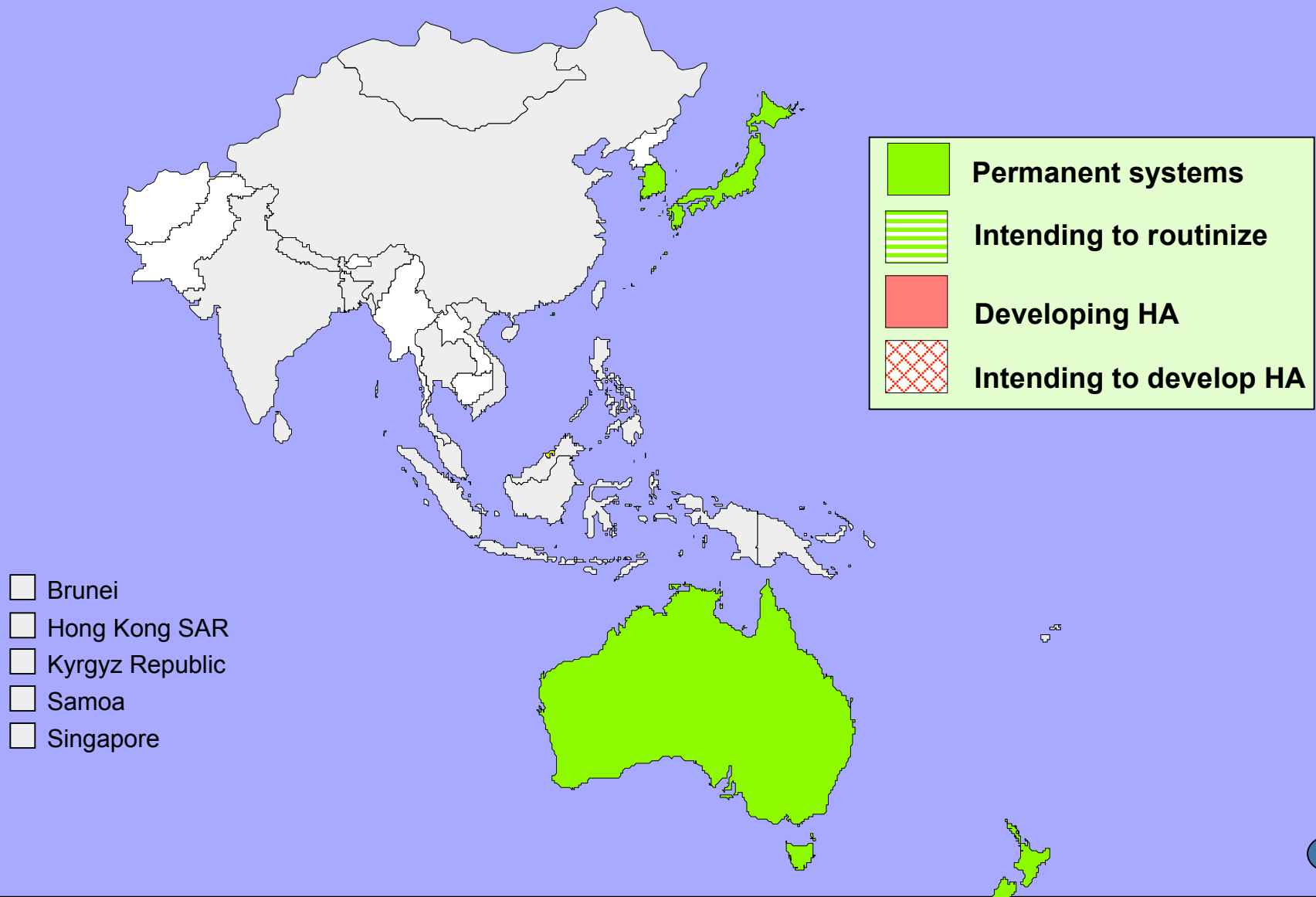
Situation in 2000

- Routine annual health expenditure estimates
 - Mostly OECD economies
 - 3-4 developing countries in Asia
- Not comparable
 - Varying concepts, definitions, methods
- Not accessible
 - Only available compilation from OECD

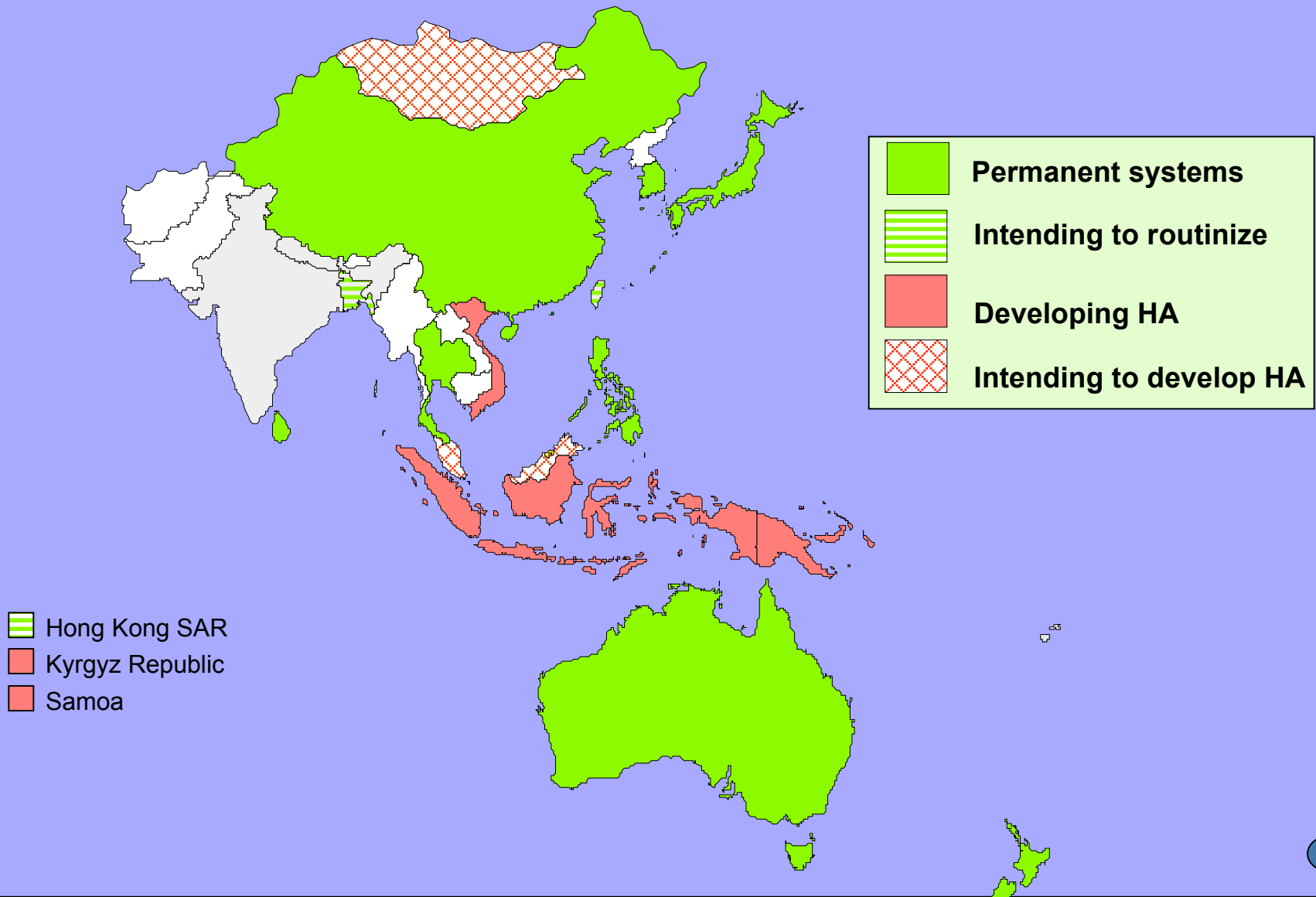
Key Developments 2001-2005

- Widespread adoption of OECD SHA as statistical standard in Asia-Pacific region
 - Korea, Sri Lanka, Australia, Japan, Samoa, Thailand
 - Bangladesh, China, Malaysia, Mongolia, Nepal, etc
- Use of OECD SHA for international reporting
 - Main health accounts based on national frameworks with mapping to OECD SHA
- Increasing awareness of problems
 - Move towards harmonization in methods, definitions
 - But lack of regional mechanism for reporting data
- OECD RCHSP-APNHAN Meeting, Seoul 5-6 December 2005

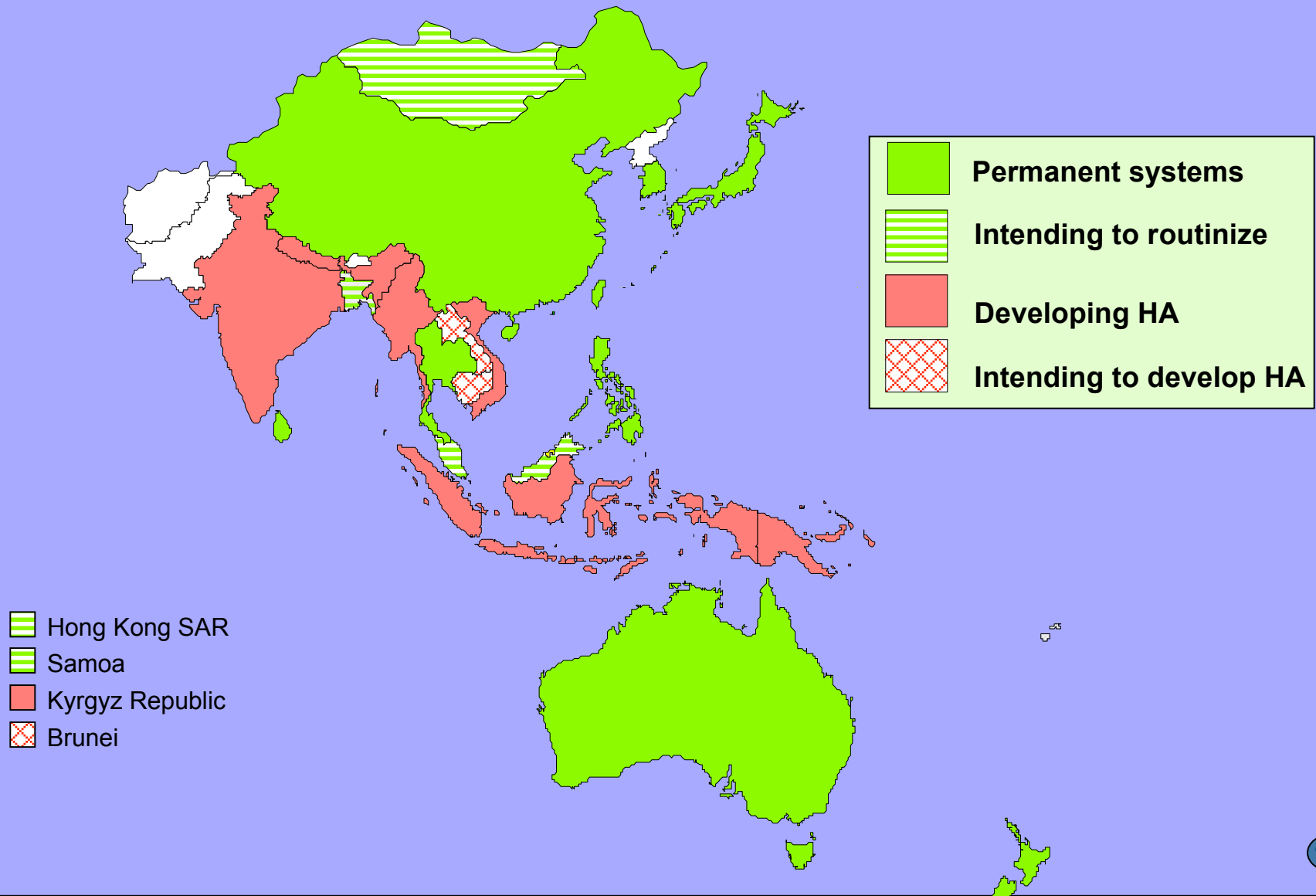
Health Accounts Status in Asia-Pacific 1990



Health Accounts Status in Asia-Pacific 2001



Health Accounts Status in Asia-Pacific 2005



Status Summary

- Permanent systems with continuous updates (10)
 - OECD states: [Australia](#), [Korea](#), [Japan](#), New Zealand
 - Others: [China](#), [Hong Kong SAR](#), Philippines, [Sri Lanka](#), Taiwan, [Thailand](#)
- HA systems with intent to routinize (7)
 - [Bangladesh](#), [India](#), [Malaysia](#), [Mongolia](#), Papua New Guinea, [Samoa](#)
- Developing HA systems
 - Release by end-2006?: [Nepal](#)
 - Others: Indonesia, Kyrgyz Republic, Myanmar, Tonga
- Considering development of NHA systems
 - Brunei, Cambodia, Laos, Viet Nam

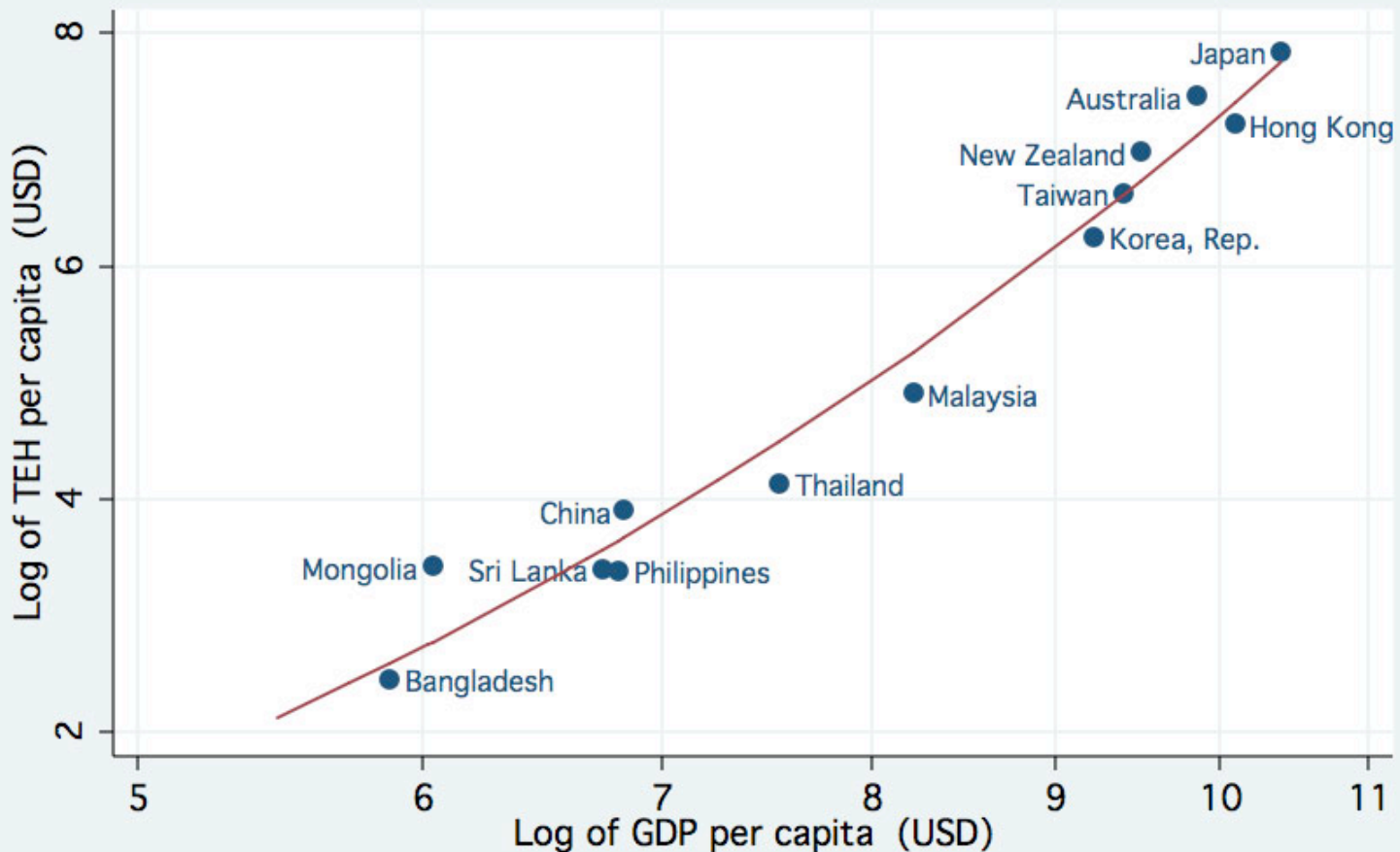
Current situation

- Increasing number of countries reporting some statistics
- Trend towards standardization of concepts using OECD SHA
- Beginning of possibilities for regional comparison and with OECD

Expenditures versus income

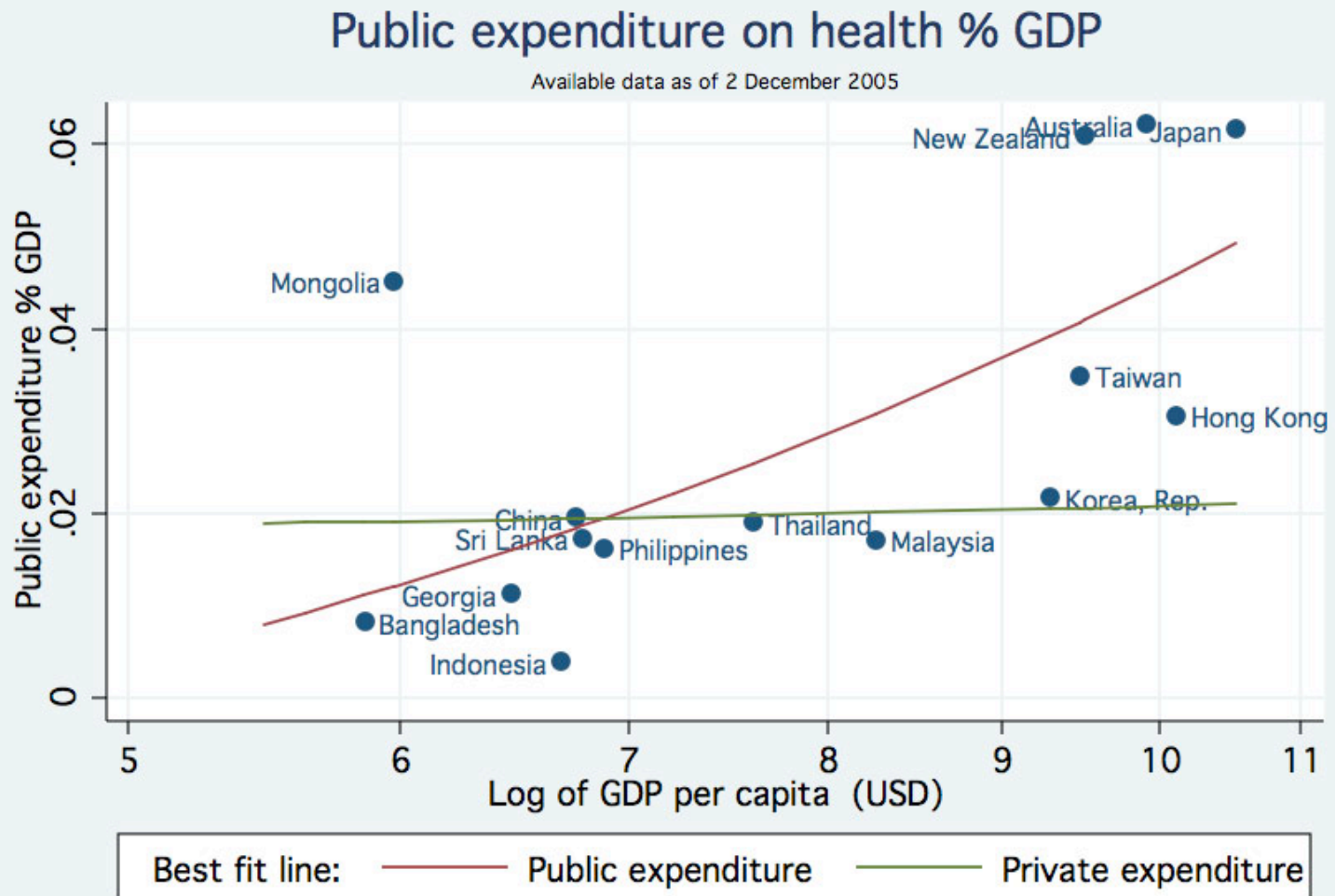
Total health expenditure vs. GNP per capita

Available data as of 2 December 2005



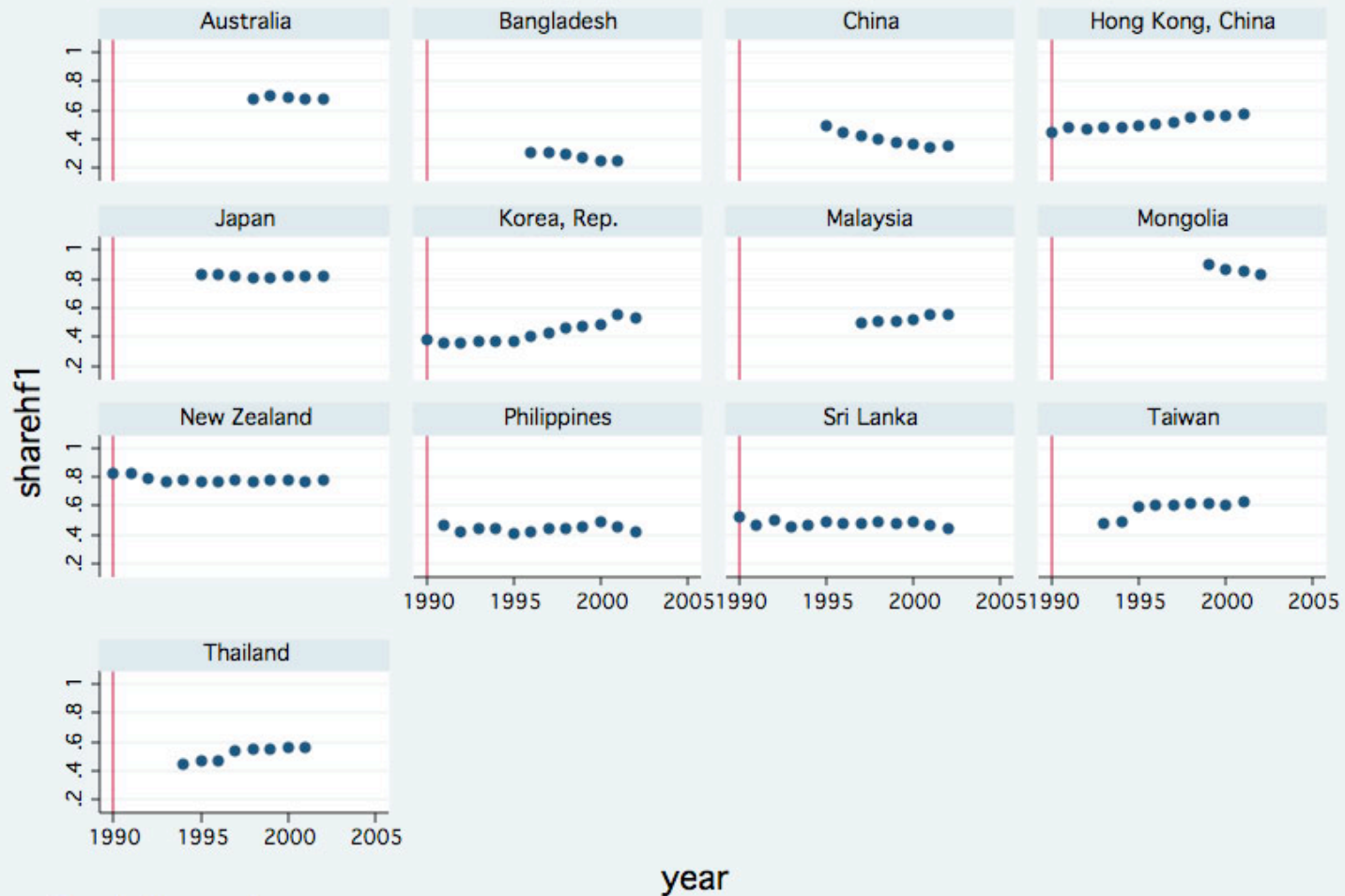
Data source: Apnhan 2005

Income trends in public-private mix



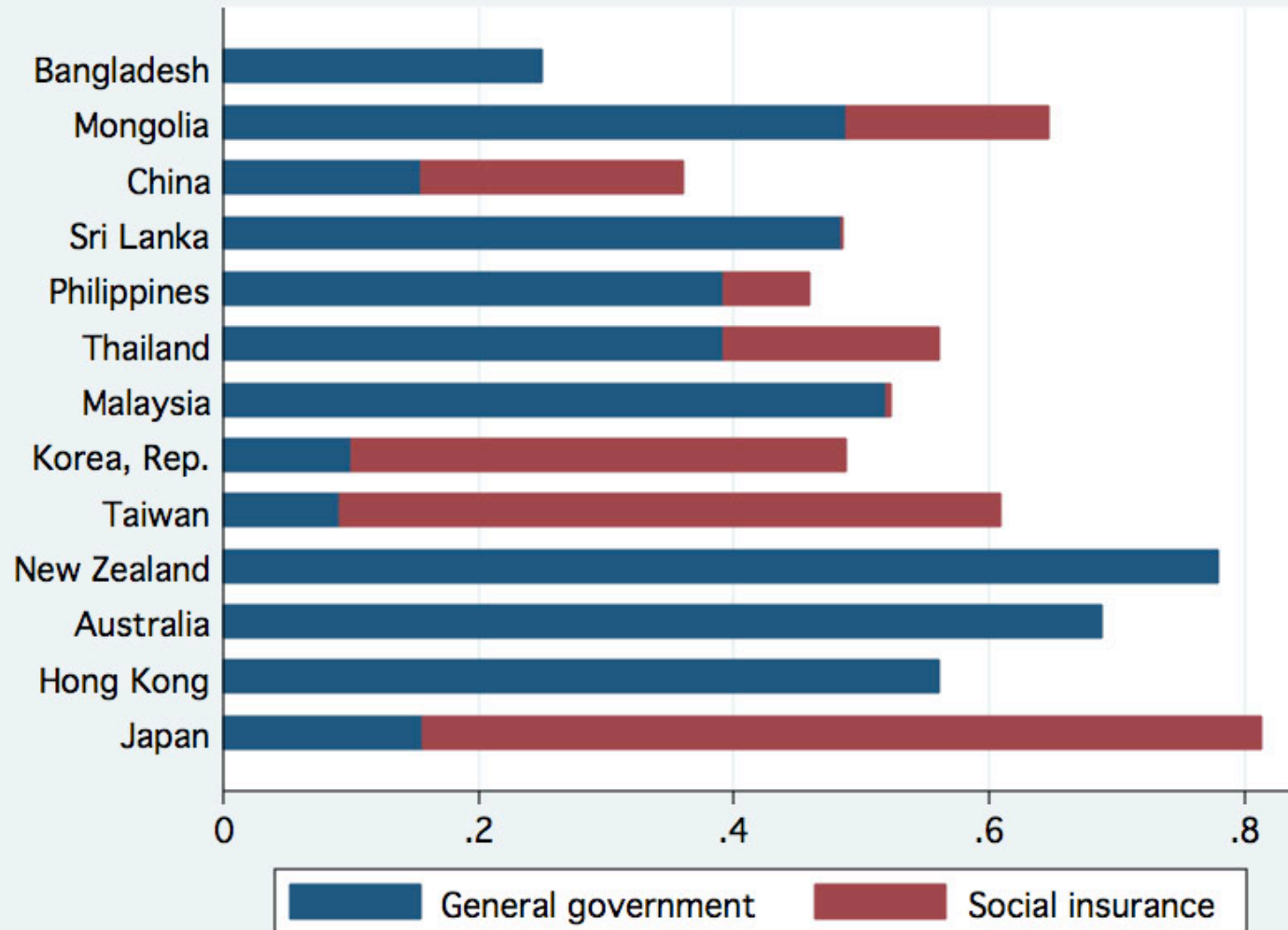
Data source: Afnhan 2005

Trends in public spending (HF1)

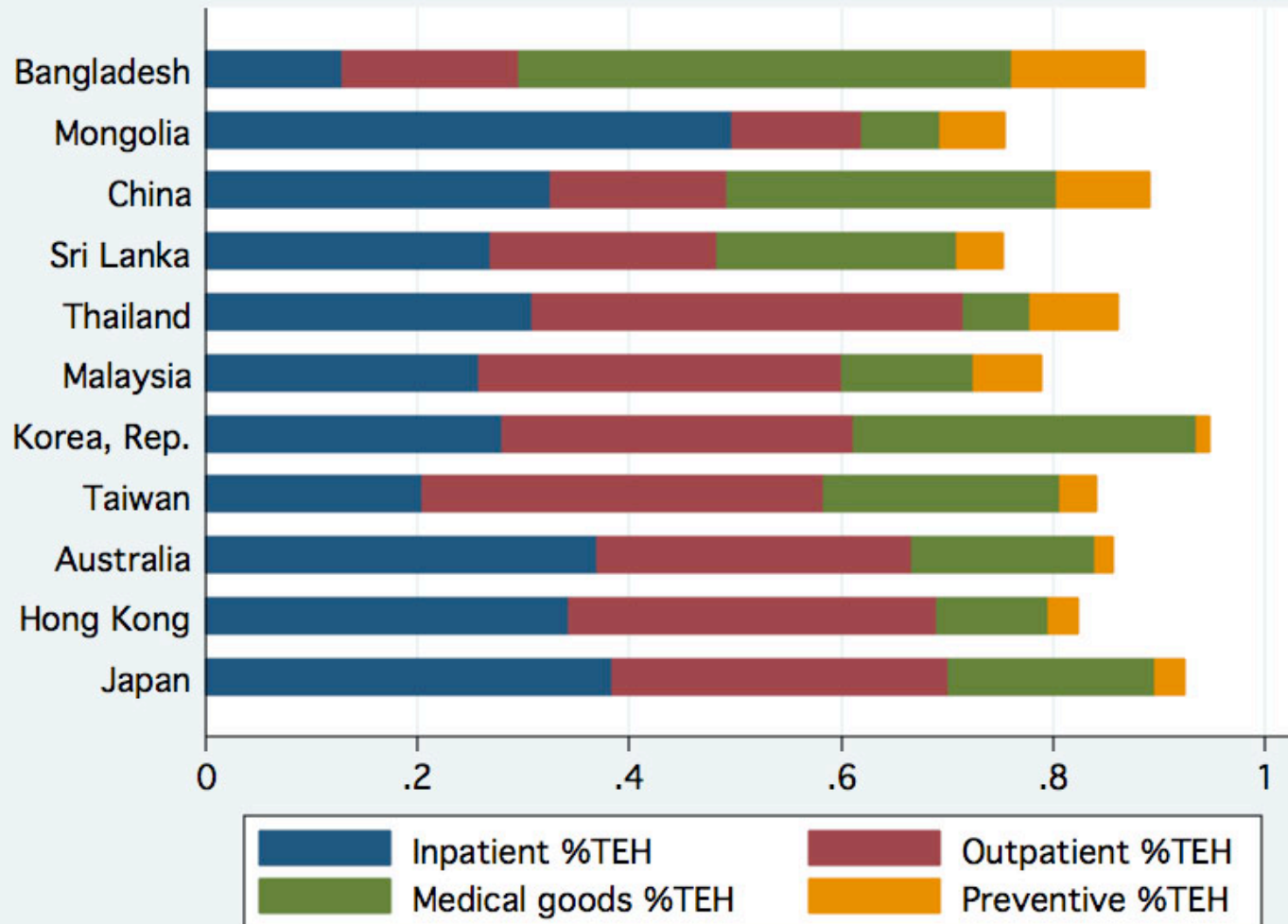


Graphs by countryname

Source of public financing (ICHA-HF)



Composition of spending



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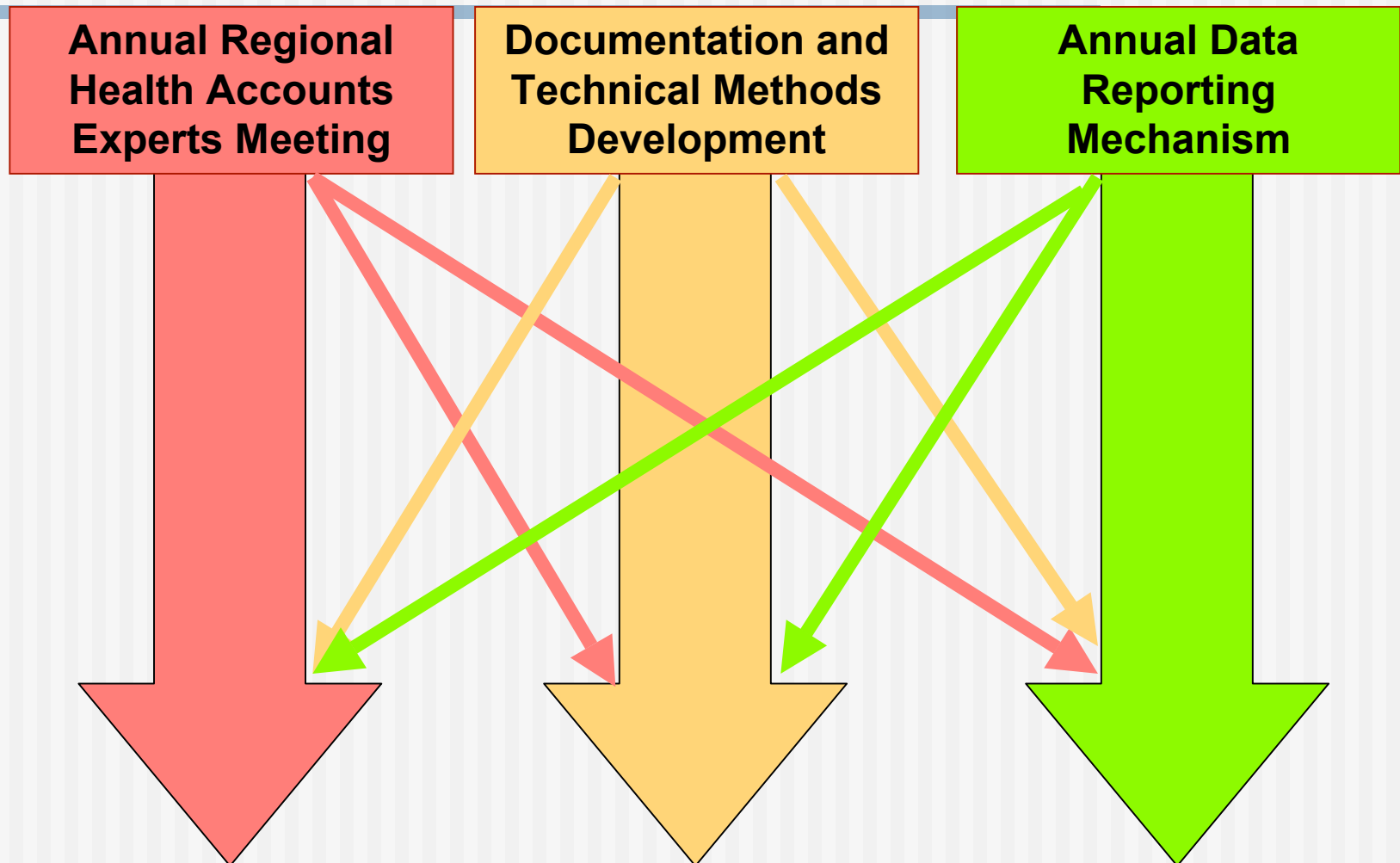
Emerging Issues

- Same concepts but differing estimation methods complicate comparisons
 - E.g., Out-of-pocket spending methods differ between China, Hong Kong, Taiwan, Korea, Japan
- Lack of documentation of systems
- Lack of regional reporting mechanism

A Regional Agenda

- 1) Establish a multi-partner joint HA data reporting mechanism
- 2) Annual regional meeting of health accountants
- 3) Documentation of health accounts implementations
- 4) Research to improve quality of estimates
- 5) Support for building of national capacity

A Way Forward



Current Status

■ OECD

- Interest through RCHSP to support establishment of regional health data system linked to OECD Health Data
- Open to participation by Hong Kong and Taiwan
- Pilot projects to document SHAs and collate SHA data

■ WHO

- Resistance to full collaboration with region, but commitment to 2006 pilot data collection

■ Regional Experts Meeting

- First Annual Meeting scheduled for July 2006

Challenges

- How to bridge WHO's interests and mandate with wider regional objectives and coverage?
- How to support Seoul agenda - Limited Korean funding/Lack of WHO support
- How to handle reality of two groups of reporting countries based on SHA capacity
- Where to house regional HA database?

Thank You