The Role of Health Systems In Social Protection and the Views of the Poor In Asia: Findings of the Equitap Project

Social Protection in Asia: A Regional Research Initiative

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Outline

- The Equitap Project
- The Research
- Findings
- Dissemination & Impacts
- Future Agenda

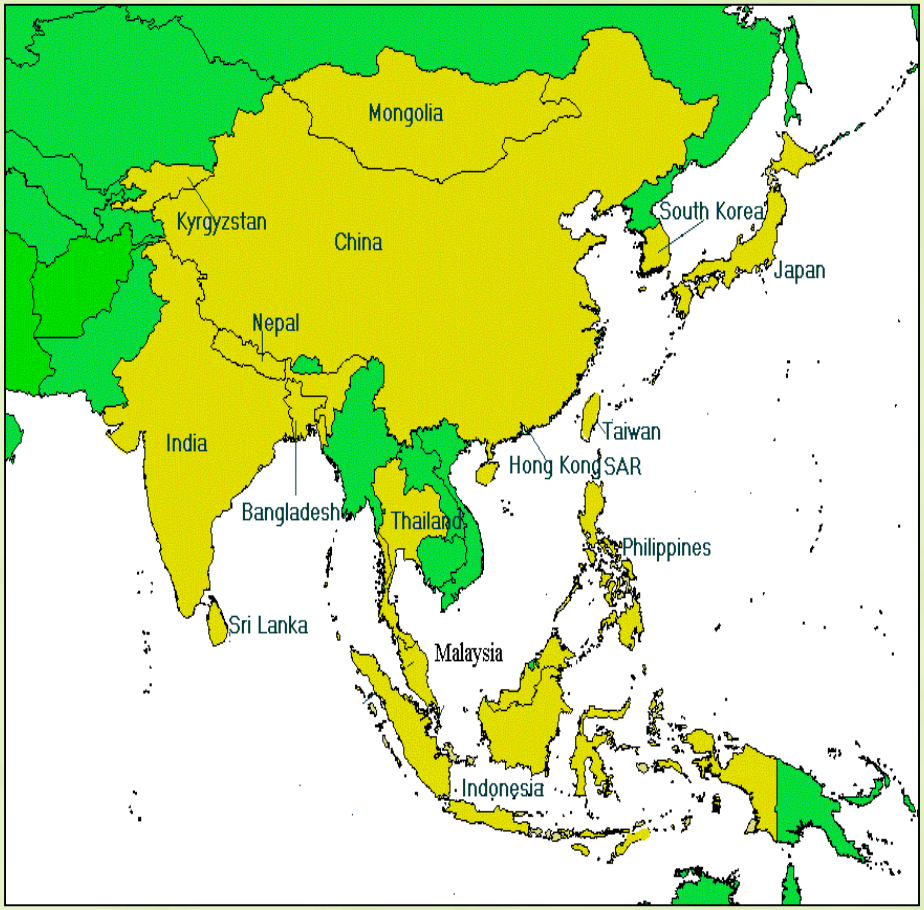
The Equitap Project

Equitap: Background

- Asia-Pacific National Health Accounts Network (APNHAN)
  - Established in 1997 by experts from 8 Asia-Pacific territories (22 in 2006) as a South-South/North network
  - Fostering regional technical capacity and collaboration
  - Representing regional perspective in dialogue with international agencies (OECD, WHO, World Bank),
  - Regional reporting of HA statistics (w/ OECD RCHSP)
  - First core funding from Rockefeller Foundation (2000-2004)
  - Joint projects
- Equity in Asia-Pacific Health Systems (EQUITAP)
  - Regional collaboration joining health accounts work with micro-data analysis, inspired by European ECuity Project

Equitap: Consortium

- Collaborative project conceived by APNHAN in 2001 with foundation money
- Comparative study of equity in health care systems in 15 Asia-Pacific territories
- Bangladesh, Nepal, India, Sri Lanka, Thailand, Philippines, Indonesia, Malaysia, China, Kyrgyz, Mongolia, Taiwan, Hong Kong SAR, Korea, Japan
- European partners: Erasmus University (Netherlands), LSE (UK)



Equitap: Funding

European Commission
·INCO-DEV Grant ICA4-CT-2001-10015
Rockefeller Foundation
·WHO Millennium Grant to Asia-Pacific NHA Network
Ford Foundation
·"Social Protection in Asia" grant to partners
World Bank
·Support to van Doorslaer and O'Donnell for development of technical guidelines
·Gates Foundation "Reaching the Poor " grant to Ministry of Health, Kyrgyz Republic
·Grant to Ministry of Health, Mongolia for development of national health accounts
Health, Welfare and Food Bureau, Government of Hong Kong SAR
·Grants to Hong Kong University
Department of Health, Taiwan
·Grants to Chang Gung University, DOH91-PL-1001, DOH92-PL-1001, DOH93-PL-1001
National Health Research Institute, Taiwan
·International Collaborative Network for Health System Policy Research grant to CG University
Korea Institute of Health and Social Affairs, South Korea
·Support of EQUITAP research team
Ministry of Health, Malaysia
·Support of MoH research team
WHO South-East Asia Regional Office (SEARO)
·Support for Equitap workshops in Bangkok (2001), Kandalama (2005)
WHO Western-Pacific Regional Office (WPRO)
·Support for Equitap workshops in Hong Kong (2003), Kandalama (2005)

The Research

Components

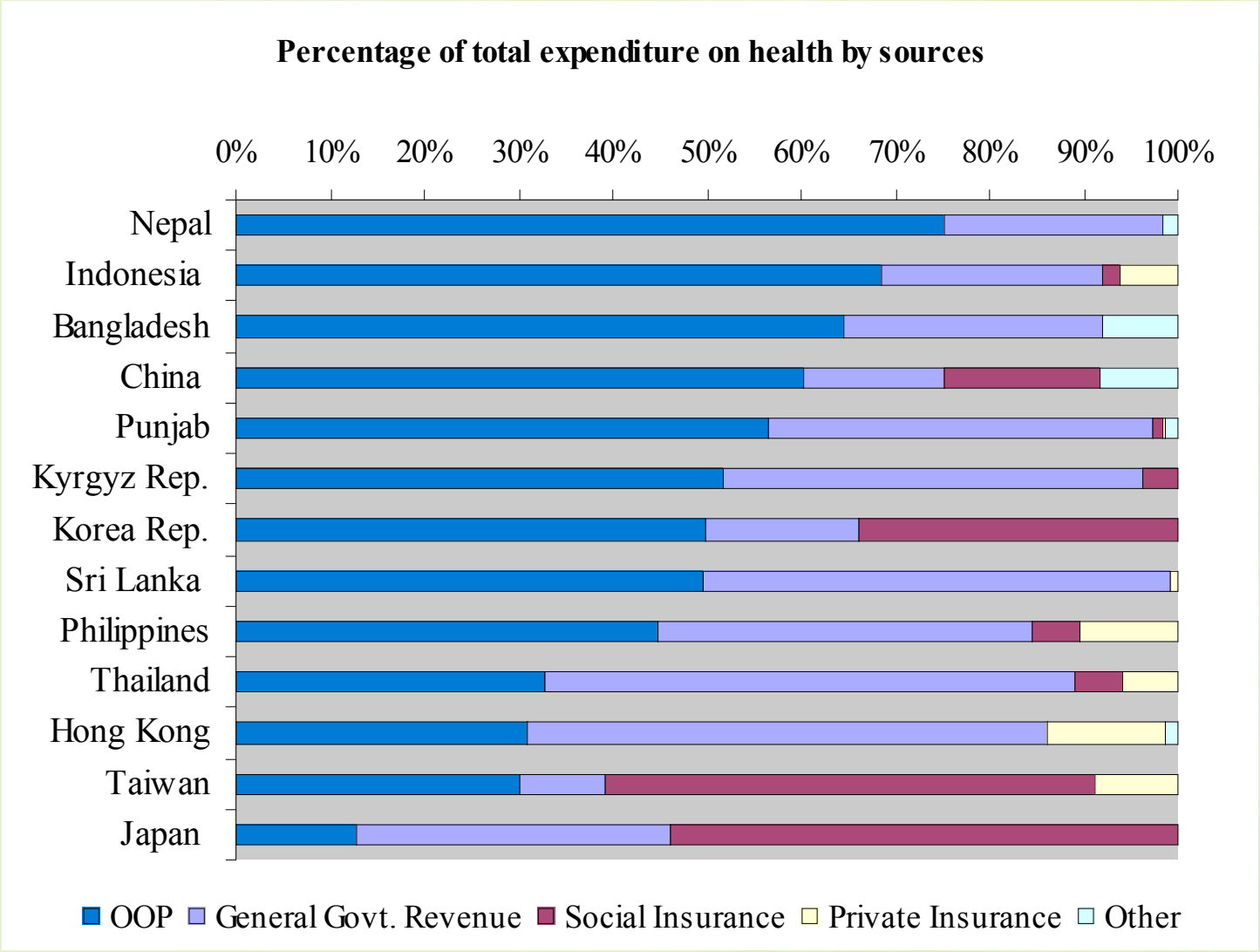
- Profile of health financing
  - Health accounts (OECD SHA)
- Distribution of payments for health care
  - Progressivity of taxes, insurance, out-of-pocket
  - Welfare ranking using consumption
- Targeting of government health spending
  - Benefit incidence
- Incidence of catastrophic health spending
- Voices of the poor: Public opinion surveys
- Policy frames
  - Content analysis, surveys of policy makers
- Equal treatment for equal need (ETEN)
- Health outcomes
- Comparative case studies
  - Tax systems, Extension of social insurance

Dimensions of Equity

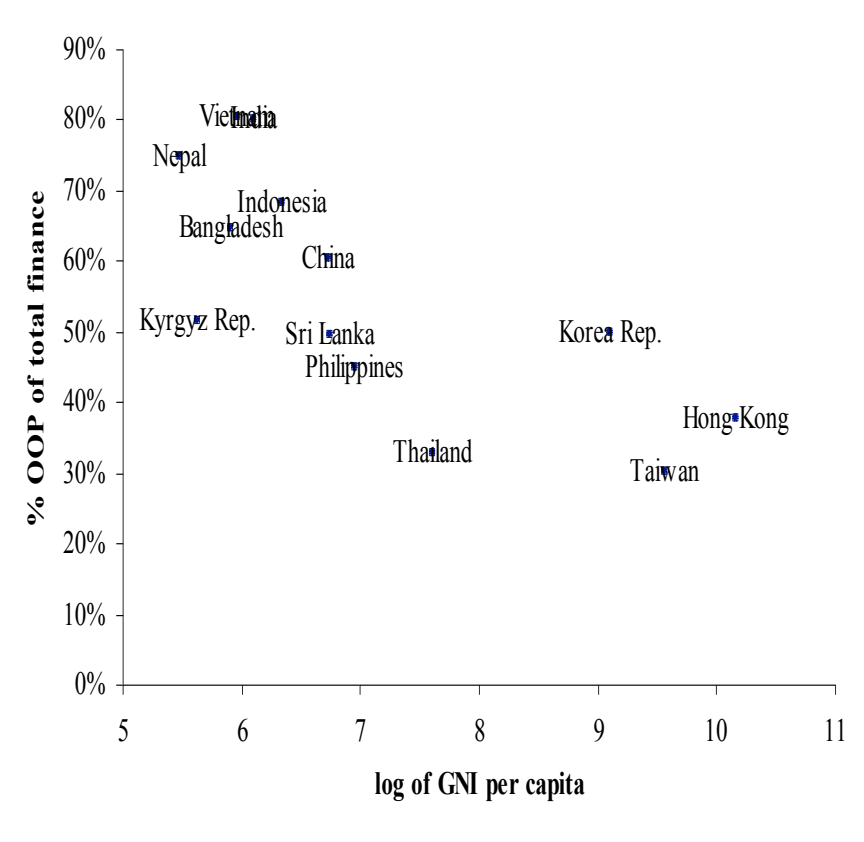
- Relevance to Social Protection Agenda
  - Health outcomes
  - Access/use of services
  - Benefit of government spending
  - Protection against catastrophic expenses
  - National determinants of good performance / reaching the poor

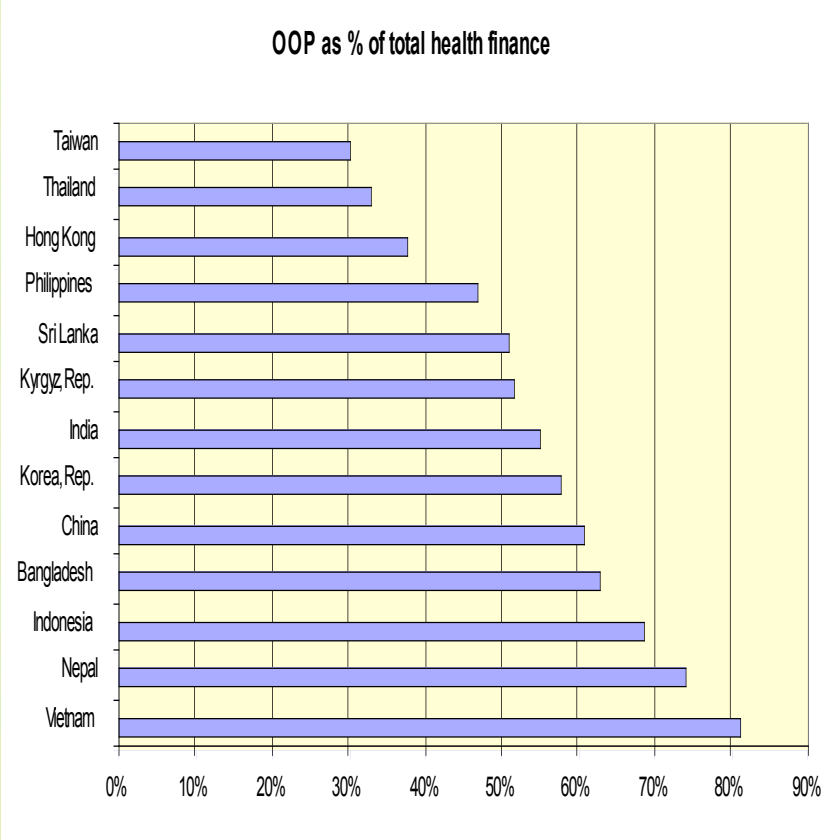
The Findings

Health financing mix

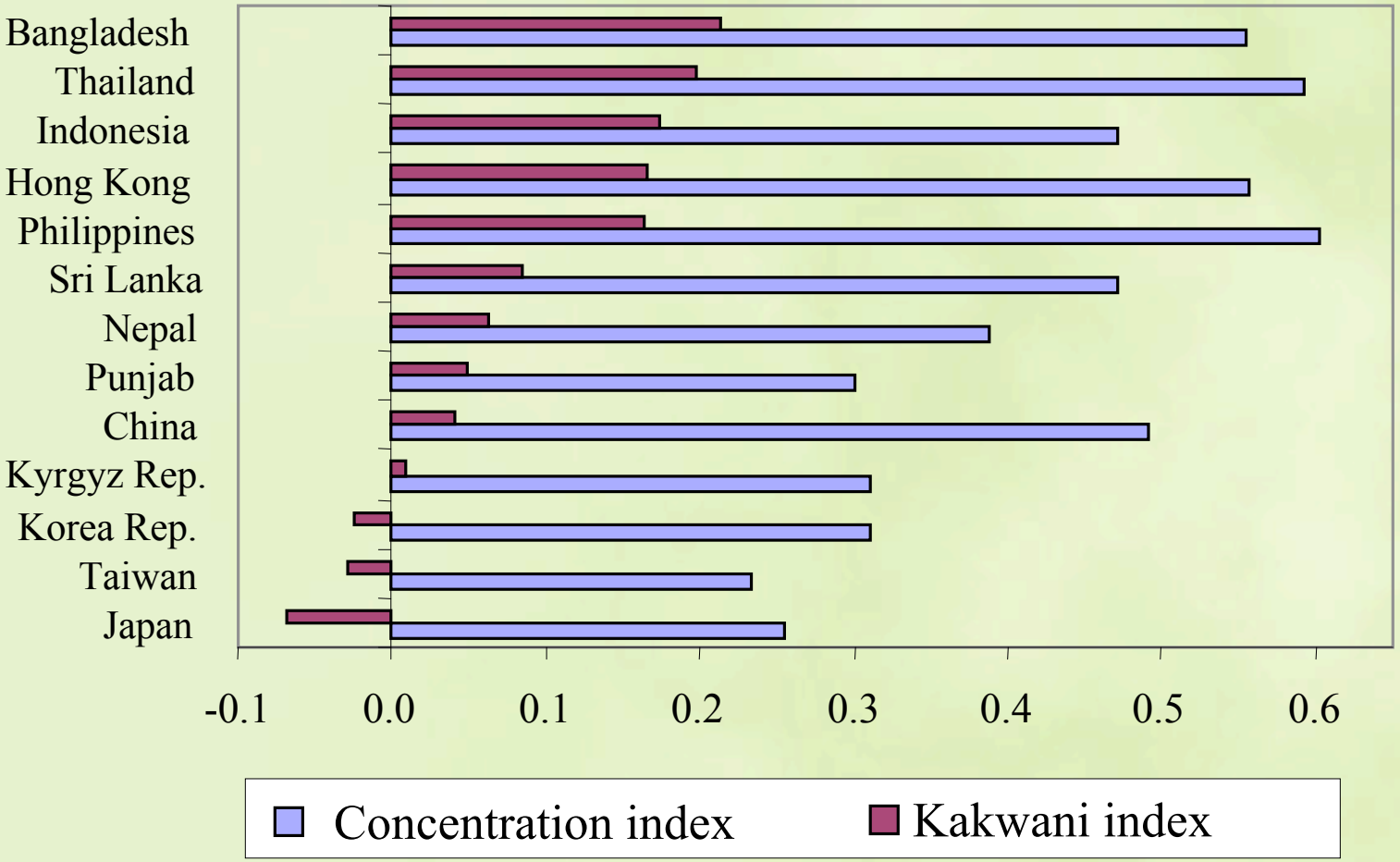


Out-of-pocket payments





Concentration and Kakwani indices for total health financing



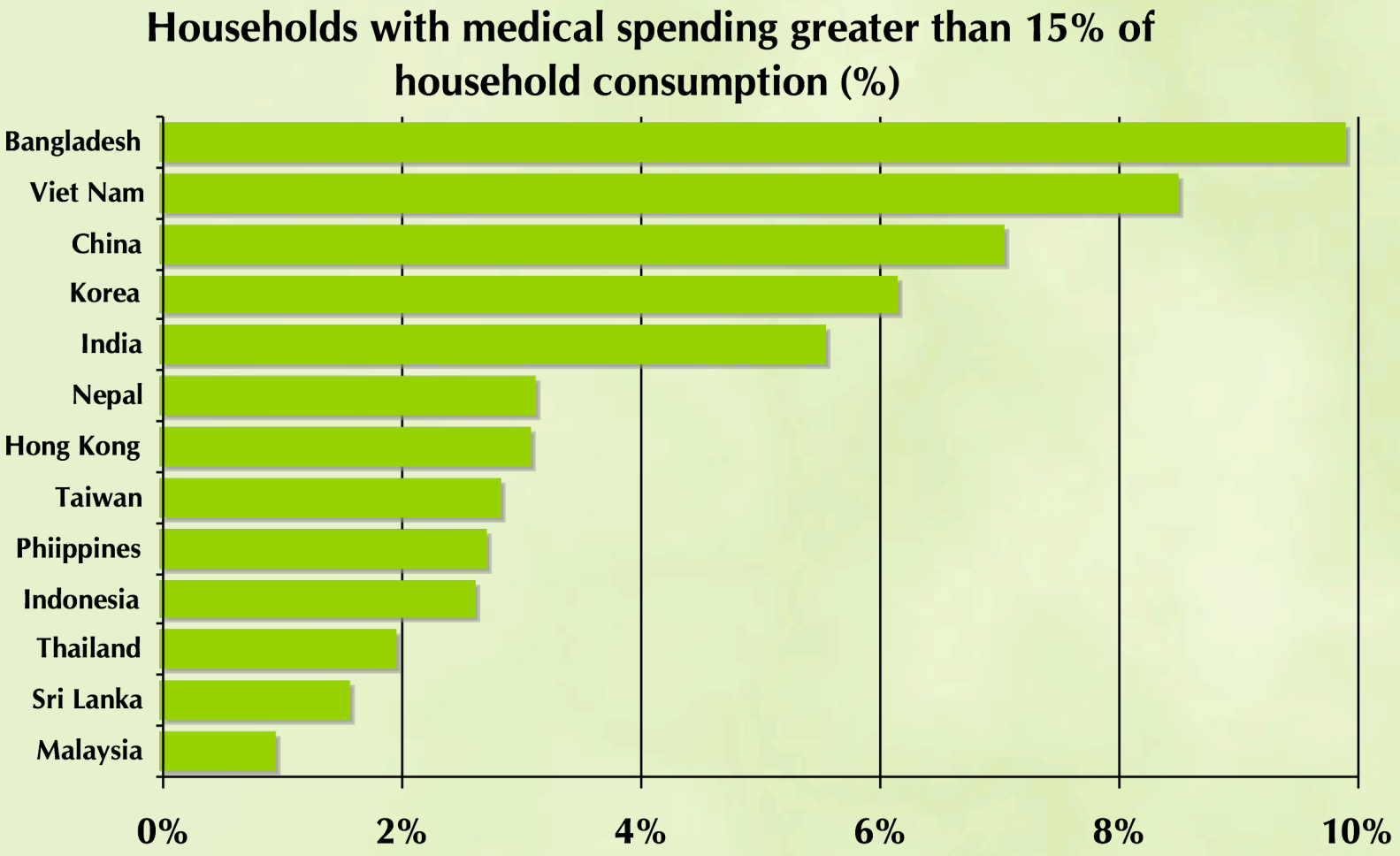
Who pays for health care?

- The better off pay more (absolutely and relatively)
- In general, as GDP↑ share paid by better off falls and financing becomes more proportional, but progressivity also means better access for rich
- Effect of economic development:
  - OOP→SI; indirect taxes → direct taxes
  - Direct taxes and OOP less progressive at higher levels of GDP
- Progressivity of payment mechanisms:

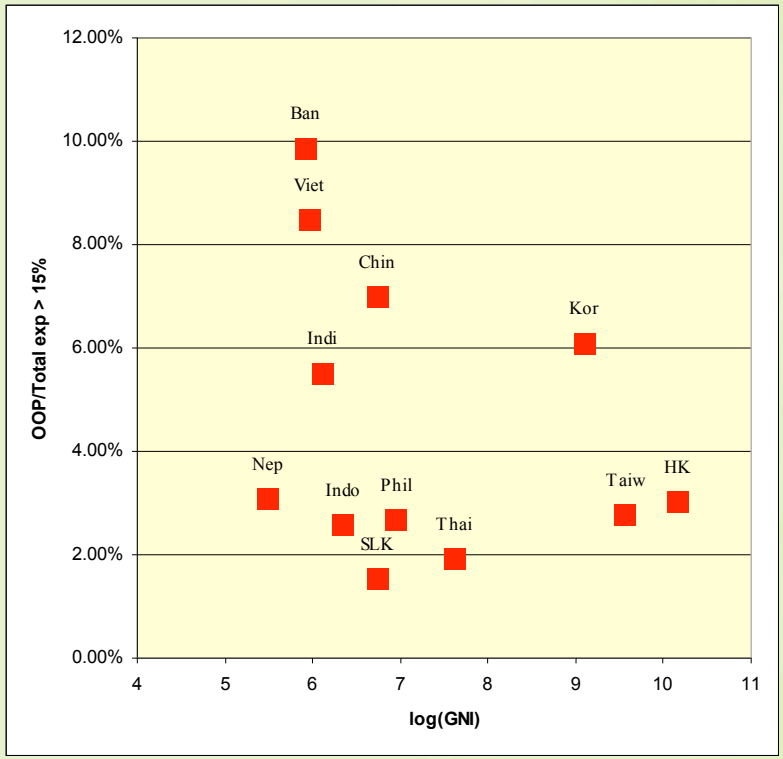
Direct Taxes > Indirect Taxes > Social Insurance

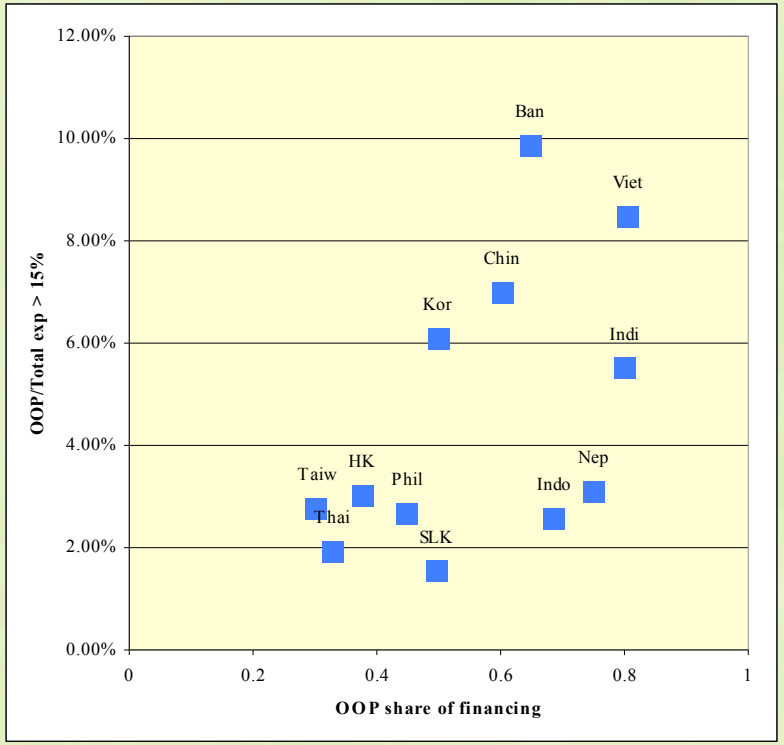
<---------- OOP ---------->

Catastrophic impacts

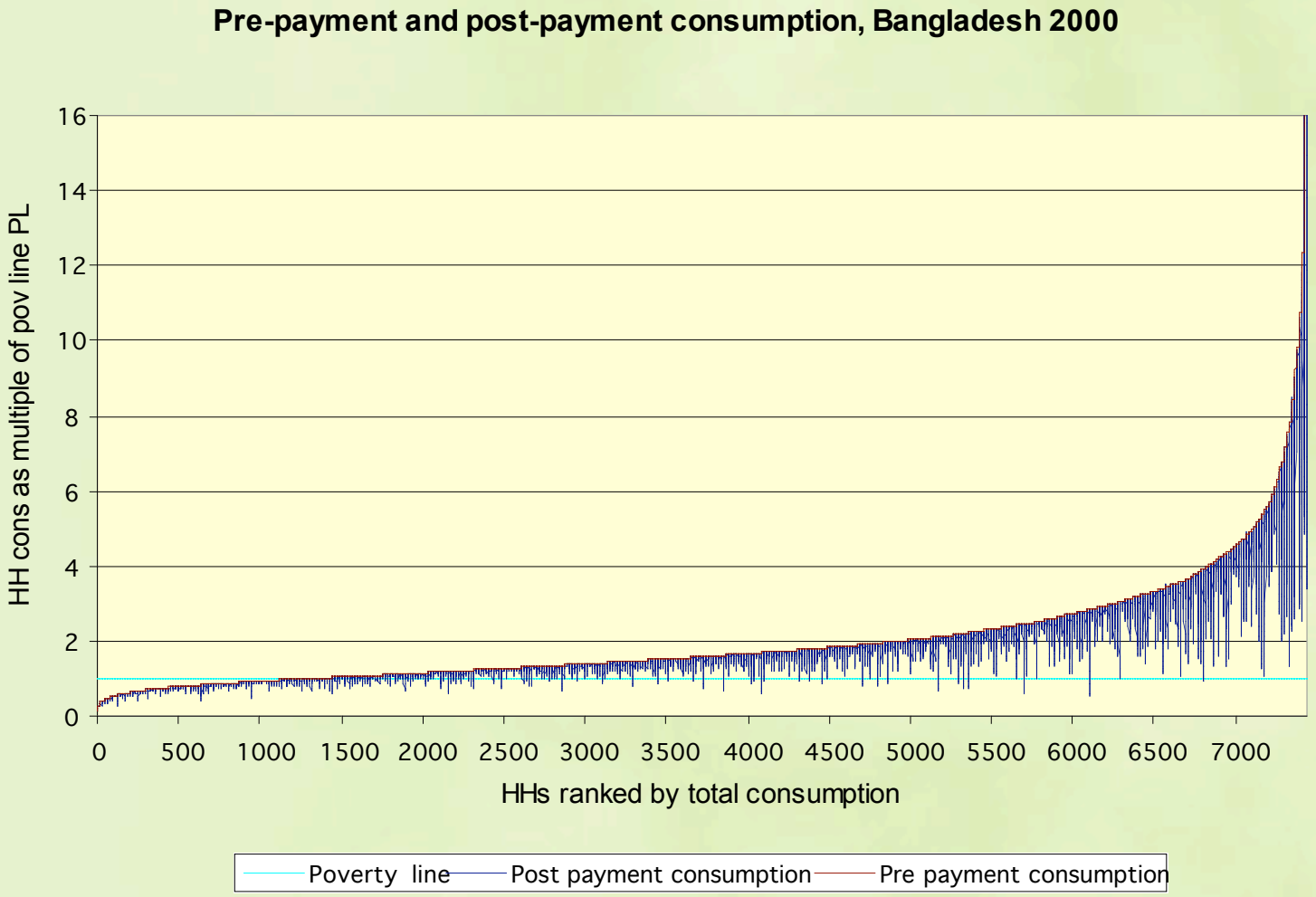


Correlates of financial catastrophe

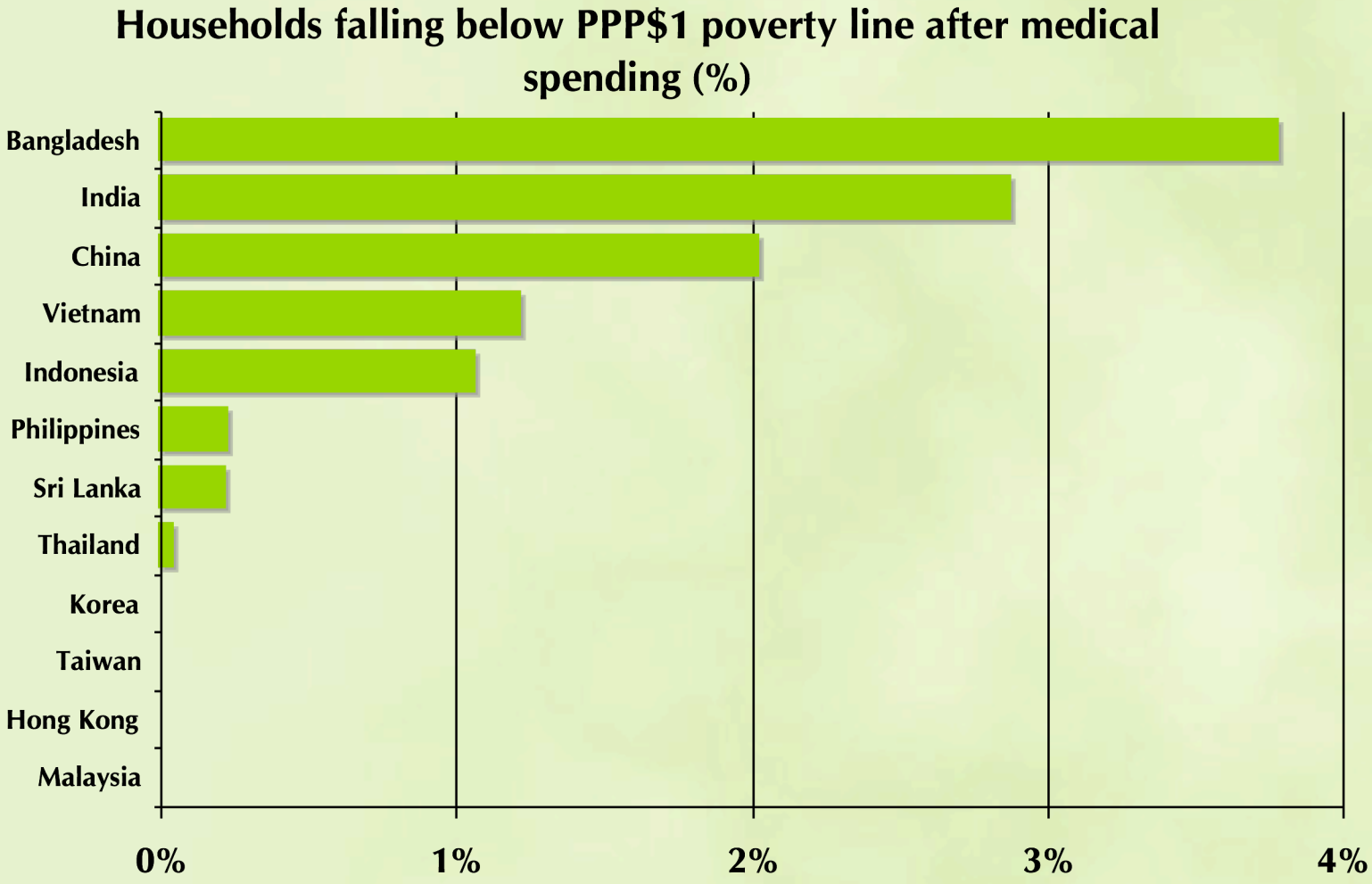




Poverty impact of health OOPs on Pen Parade in Bangladesh (US$1.08 pov line)



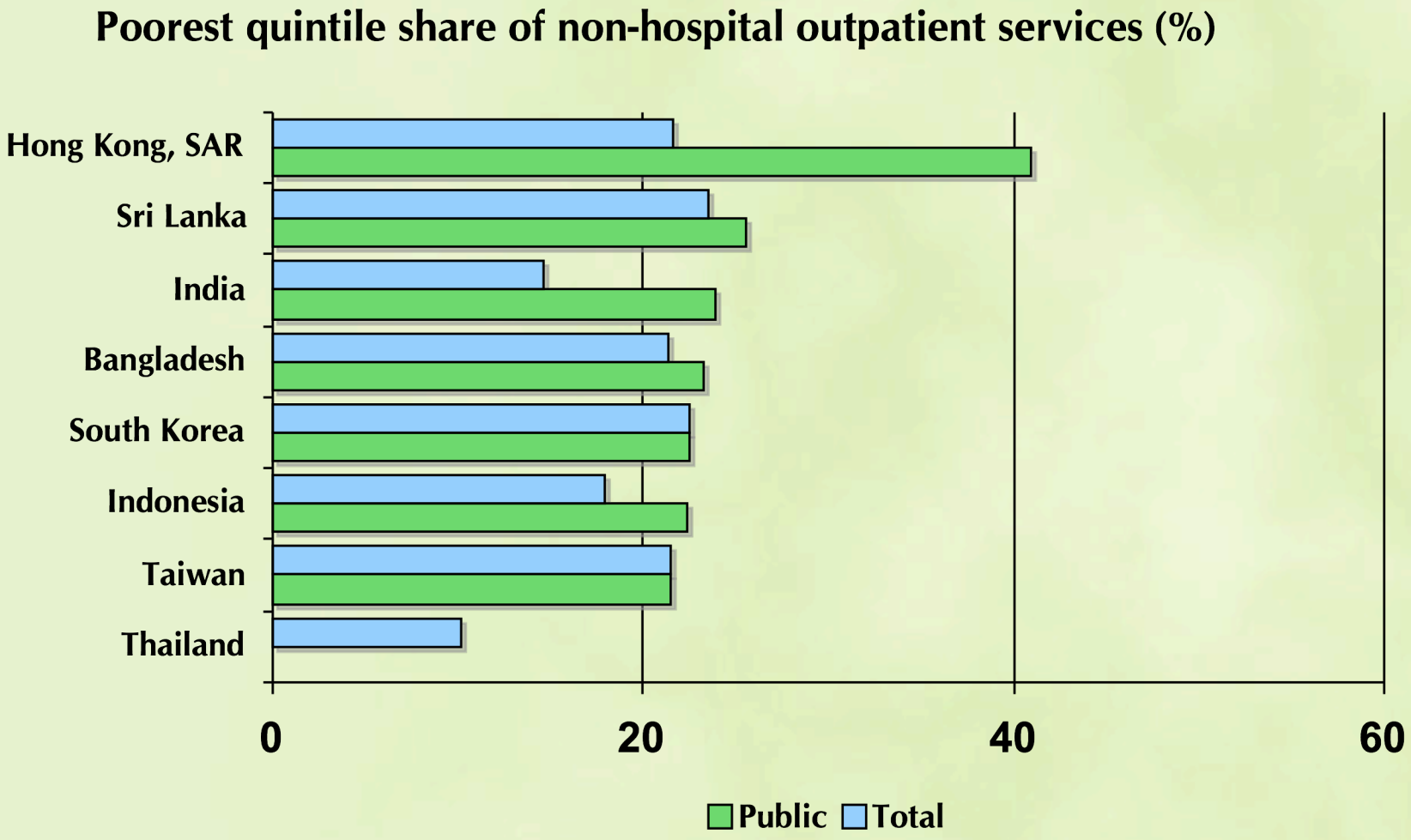
Poverty impacts



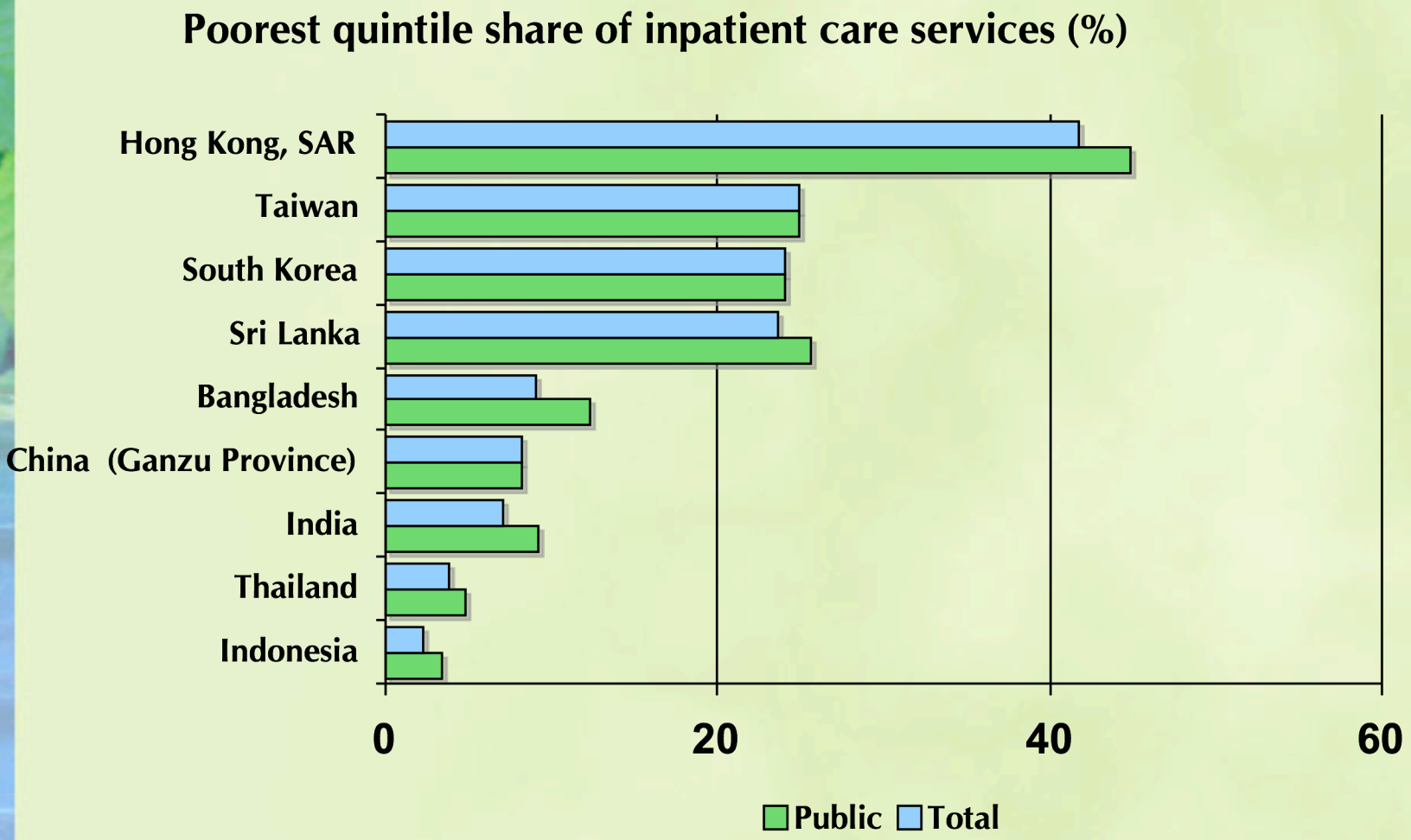
Catastrophic and poverty impacts

- Cross-country differences in the level and distribution of financial catastrophe:
  - More than 10% of households spend over a quarter of all non-food in Bangladesh, China, India, Nepal and Vietnam
  - High-income: more equally distributed cat payments
  - Low-income: mostly better-off
- Despite pro-rich concentration of oops, still substantial poverty impact
- Relationship between OOPs share of health financing and poverty impact not straightforward:
  - High OOP and high impact in Bangladesh, China, India and Vietnam
  - High OOP but lower impact in Indonesia, Nepal and Philippines
  - Given income level, Thailand and Sri Lanka have fairly low OOP shares and lower catastrophic rates, some even lower than high-income countries (Hong Kong, Taiwan, Korea)
- Does not inform on:
  - Impact of OOPs on utilisation
  - Extent to which public provision and financing of health care protects households

Targeting & use disparities



Targeting & use disparities



Who benefits from public subsidies?

- Public subsidies for health are
  - strongly pro-poor in Hong Kong
  - moderately pro-poor in Malaysia, Sri Lanka and Thailand
  - pro-rich in Bangladesh, Indonesia and Vietnam
- Pro-rich bias stronger for inpatient than outpatient hospital care; non-hospital care is usually pro-poor.
- … but greatest share of subsidy goes to hospital care and this dominates distribution of total subsidy.
- Subsidies typically not pro-poor but are inequality-reducing in all countries except in Nepal:
- Health subsidies narrow relative differences in living standards b/w rich and poor.

Performance of health systems

Universalistic, tax-funded systems: No/minimal user fees, no explicit targeting/voluntary self-selection by rich of private sector, emphasis in spending towards hospitals/inpatient care, high density of supply.	Sri Lanka Malaysia Hong Kong 
Non-universalistic, tax-funded systems: User fees, means testing, diverse ineffective experimentation in "reaching the poor" projects, emphasis in spending towards non-hospital care, low density of supply.	Bangladesh Indonesia India Nepal 
National health insurance systems: Universal social health insurance, large tax-subsidy for insurance, emphasis in spending towards hospitals/inpatient care	Japan Korea Taiwan (Mongolia/Thailand) 
Transition systems: Restricted social health insurance, minimal tax-subsidy for insurance, user charges major mechanism of financing	China Viet Nam 

Findings of Comparative Analyses

- Tax funded systems
  - Conventional wisdom that tax systems fail the poor empirically wrong
  - The best targeted systems in Asia are tax-funded, integrated provision (Hong Kong, Malaysia, Sri Lanka)
  - Well targeted systems characterized by:
    - Universalistic approach - no means testing, no explicit targeting
    - Depend on voluntary sorting of richer patients into private sector - consumer differentials
    - Minimal access barriers to poor using public services, including high physical availability of supply
    - Concentration of spending on hospitals/inpatient care
- Social insurance systems
  - Generally only reach poor if universal in nature
  - Not attainable in poorest countries (exception Mongolia)
  - Equity requires substantial tax financing contribution to pay premiums for unemployed, informal sector, etc - Social Insurance is no substitute for taxation capacity
  - Equity worse if schemes are not integrated

Dissemination

Dissemination & Impact

- Dissemination
  - Working Papers/Website (www.equitap.org)
  - Methods guidelines, protocols
    - World Bank
  - Conference/seminar presentations
    - World Bank, UK DFID, iHEA, WHO
  - Scientific journal articles (>10)
  - *Equitap Book - Funding??*
- Impact
  - UK DFID policy change on user fees
  - Influencing policy - Donors, Govts

Future Agenda

Research

- Updating and extending analyses
  - Mongolia, Viet Nam (ADB)
  - Palestine?
- Why do some tax funded systems reach the poor?
- Extending analysis to broader social protection issues
- Health inequalities

Regional Collaboration

- Sharing partnership lessons
  - Importance of funding South-South networks
  - New approaches to capacity building - Balanced South-North partnerships
- Asia-Pacific Health Systems Observatory
  - Platform for continued regional collaboration in policy research with learning across sub-regions and across income levels
  - Provisional agreement
  - Need to fill funding gap

EQUITAP

For more information about the Equitap including working papers, please visit:

www.equitap.org

www.apnhan.org