



Fiscal Challenges of Health Care

A case of Thailand

14 December 2012



Agenda



Current Thai Health Care System



Top Three Key Challenges



How to Overcome Shortfalls ?

Current Thai Health Care System :

Three main scheme characteristics



	Universal Coverage Scheme	Social Security Scheme	Civil Servant Medical Benefit scheme
Population	The rest of population who are not covered by SSS and CSMBS 48.445 Million (~75%)	Formal-sector private employees, establishments/ firms of more than one worker since 2002 10 Million (~15 %)	Government employees, pensioners and their dependants (parents, spouse, children under 20) 6.236 Million (~10%) - Government employees, pensioners ~ 1.908 Million - their dependants (parents, spouse, children under 20) ~ 4.326 Million
Management organization	National Health Security Office (NHSO) under MOPH	Social Security Office under Ministry of Labor and Welfare	Comptroller General Department under Ministry of Finance
Beneficiaries	Comprehensive, but some exclusions (similar to SSS, except no cash benefit)	Comprehensive, but some exclusions (infertility, long-term hospitalization, cosmetic surgery, etc); includes sickness benefits	Comprehensive but no preventive care

Current Thai Health Care System :

Three main scheme characteristics

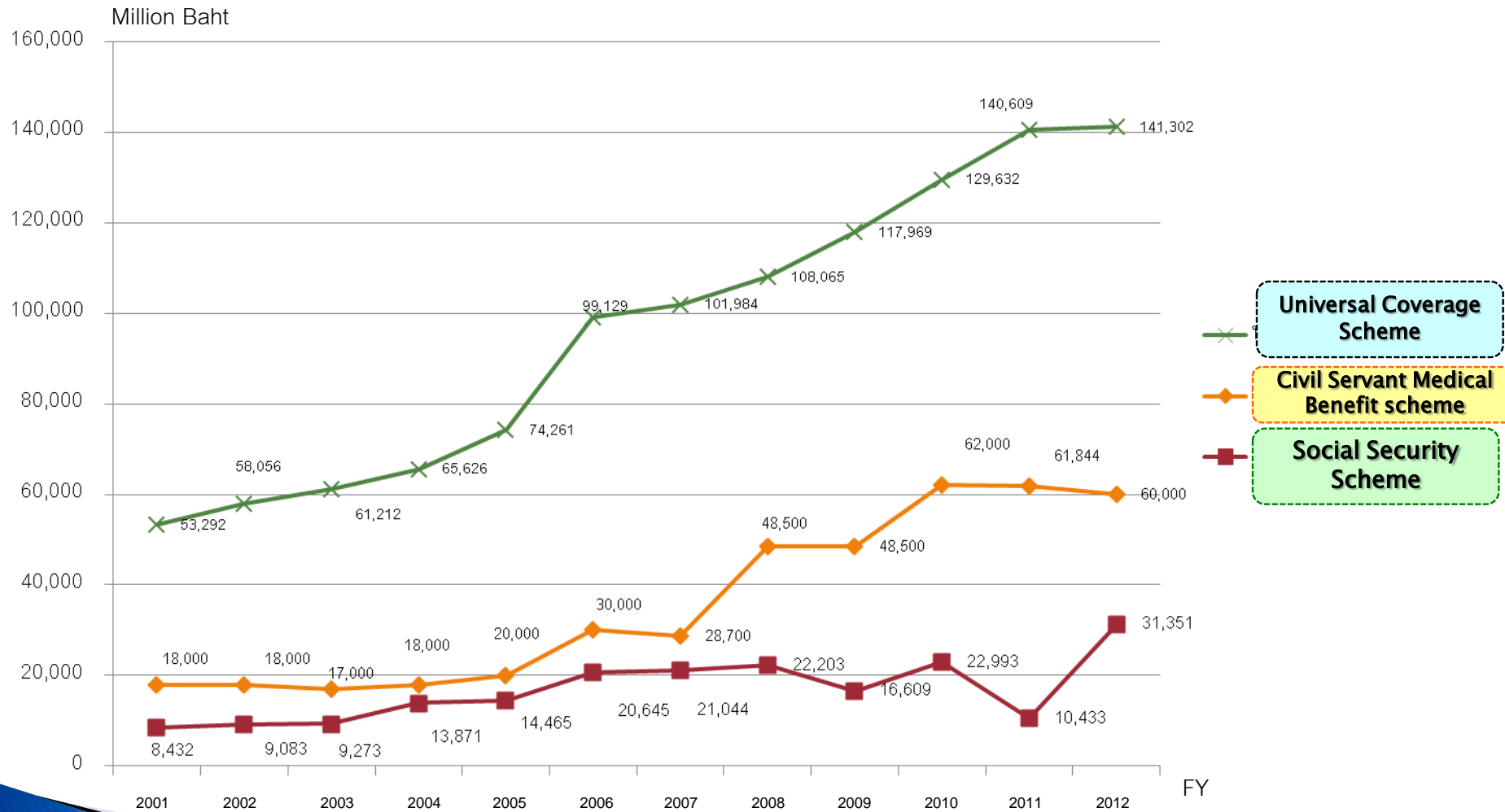


	Universal Coverage Scheme	Social Security Scheme	Civil Servant Medical Benefit scheme
Providers	Public and private contracting unit for primary care (CUP)	Public and private hospital more than 100 beds (50% private)	Public provider only, Private in emergency, selected disease (2011)
Choice of provider	Primary care contractor services, plus referral	Contracted hospital and its network	Free choice public
Source of finance	General tax (100 % government fund)	Tripartite from employer, employee, government (21.56 * % government fund)	General tax (100 % government fund)
Budget allocation	FY 2011 4,686.98 M. US \$ FY 2012 4,717.99 M. US \$	FY 2011 347.77 M. US \$ FY 2012 1,450.03 M. US \$	FY 2011 2,028.13 M. US \$ FY 2012 2,000.00 M. US \$
Unit cost	FY 2011 91.85 US \$ FY 2012 91.85 US \$ + ARV drug, Renal replacement therapy, 2 nd prevention for DM/HT and Psychotic drug	FY 2011 79.43 US \$ + additional exp. FY 2012 82.56 US \$ + additional exp.	FY 2011 325.23 US \$ FY 2012 320.72 US \$
Payment method	OP: capitation, P&P capitation, IP: DRGs + disease management programs	Inclusive capitation Additional payments for utilization rate, chronic conditions, fee schedule for high cost services, and fixed amount for AE, dental care,	OP : fee-for-services IP: DRGs

* Calculate from government 2.75 % employee 5 % employer 5 % of employee's income $(2.75 / 12.75) \times 100 = 21.56 \%$



Current Thai Health Care System : Three main scheme budget amount





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- Current Thai Health Care System
- Top Three Key Challenges
- How to Overcome Shortfalls ?

Top Three Key Challenges:



- **Fragmentation of Financing**
 - Wide range of funds to financing health services
 - Variation in reporting and monitoring
 - Duplication of administrative systems
- **Disparities across Three Schemes**
 - Differences in objectives
 - Differences in utilization and spending
- **Cost Pressures**
 - Demographic transition and aging society
 - Chronic diseases
 - Technology advances
 - Rising expectations of patients





Agenda



Current Thai Health Care System



Top Three Key Challenges



How to Overcome Shortfalls ?



How to Overcome Shortfalls ?



- Harmonization of Health Insurance Schemes
- Consolidation Health Insurance Budget
- Promotion of Coordination among Schemes
- Closed-End Health Expenditure



Thank you

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