

Managing Costs and Improving Quality of Health Care in ASEAN

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Outline

- Why ASEAN?
- ASEAN healthcare profile: Finance & Quality
- Thailand, Malaysia, Singapore, Indonesia, Vietnam

Why ASEAN?

- Bangkok declaration: 8 August 1967.
Currently, 10 member states.



Source: <http://evbn.org/asean-info/>

- Comparative profile

	ASEAN	EU	China	India
GDP, \$ bn	2,756	18,160	11,628	2,515
Population, m	630	510	1,360	1,270
GDP per cap, \$	4,370	35,620	8,550	1,980

Source: The Economist (2015)

- Increasing affluence
 - From 2006 to 2012, grew from 14% to 23% of global total healthcare spending
- Increasing aging population
 - From 2015 to 2050, total dependency ratio will grow from 10% to 23%
- Increasing health risk
 - Both communicable and non-communicable diseases

Source: CARI 2013

- ASEAN healthcare finance
 - 1998-2010: health expenditure had increased 2.5 times
 - Over \$68 billion
 - Most countries employed a mix of healthcare financial schemes to achieve universal or near-universal coverage

Source: CARI 2013

ASEAN healthcare profile

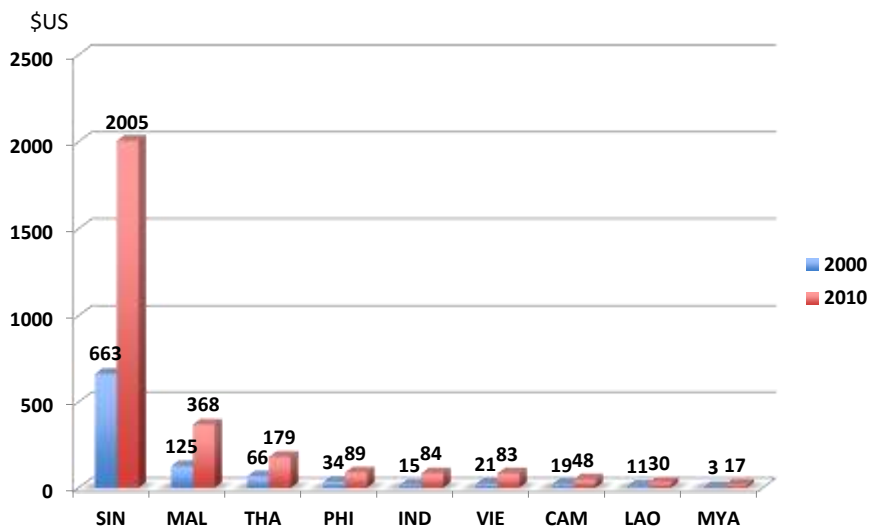
- Financial profile
 - Financing schemes
 - Health expenditure as per capita & % of GDP
 - Distribution of funding
- Quality profile
 - Number of physicians, nurses, hospital beds

Financial profile

ASEAN healthcare financing scheme

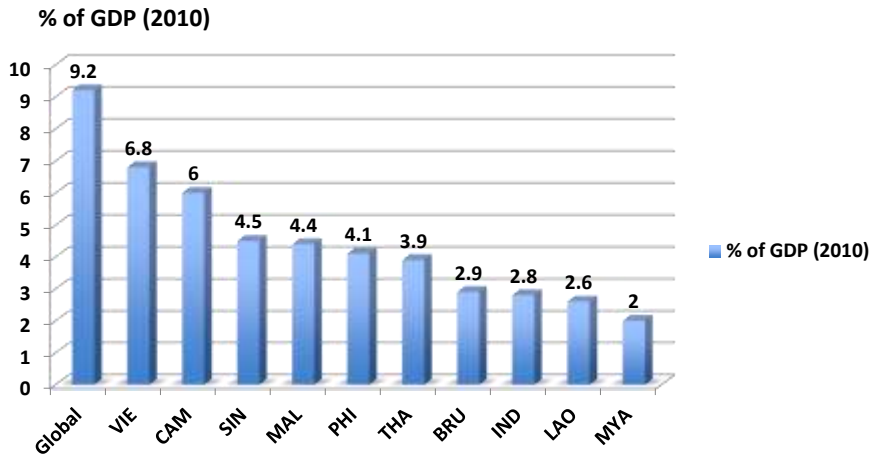
Country	Schemes
IND	ASKES, Jamsostek, CBHI
LAO	CCS, SSO, CBHI
PHI	PhiHealth
SIN	Medisave, Medishield, Medifund
THA	SSC, CSMBS, UC
VIE	VSS, HCFP

ASEAN health expenditure per capita



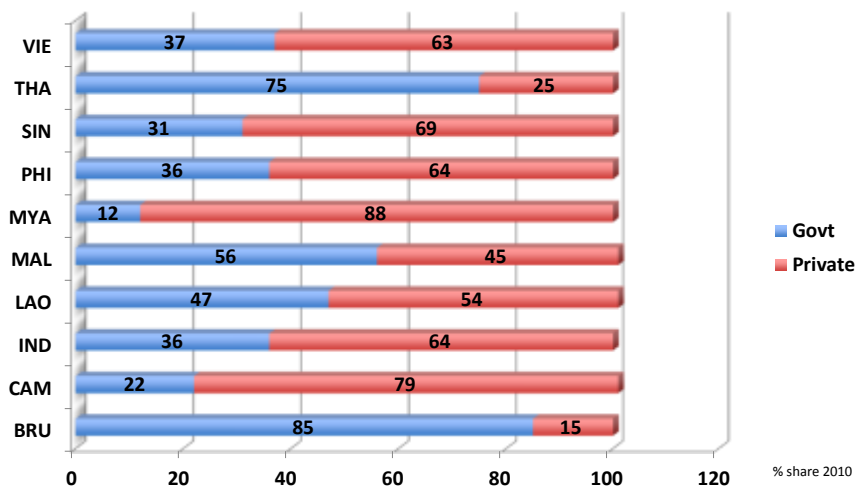
Source: WHO World Health Statistics 2013

ASEAN healthcare expenditure as % of GDP



Source: WHO World Health Statistics 2013

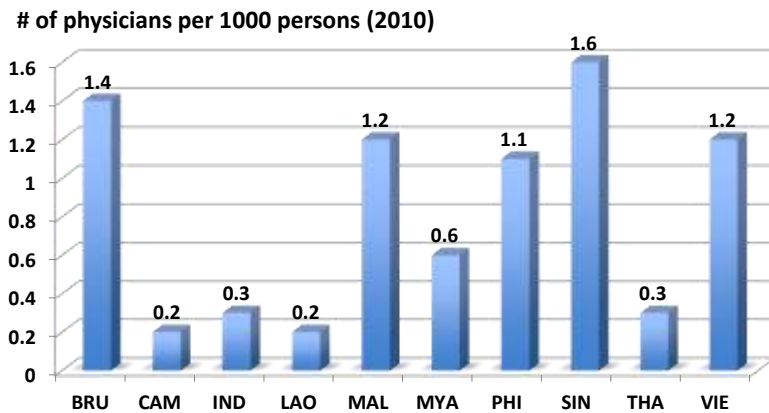
Share in healthcare funding



Source: WHO World Health Statistics 2013

Quality profile

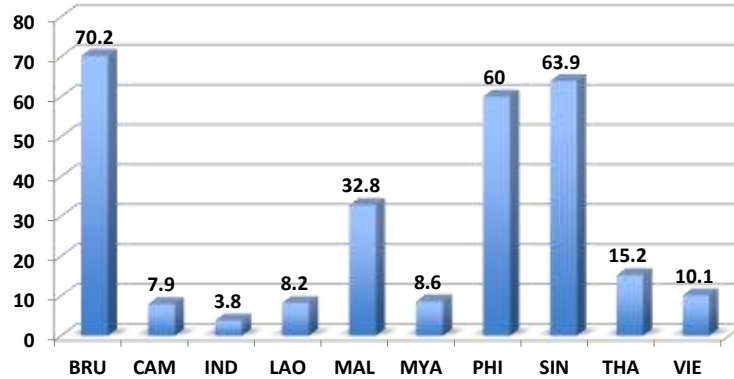
Number of physicians



Source: WHO World Health Statistics 2013

Number of hospital beds

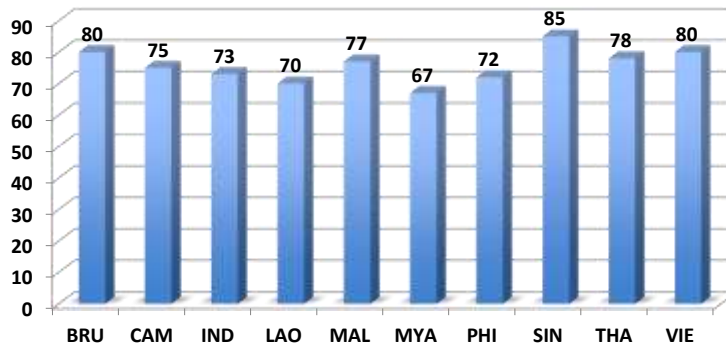
of hospital beds per 1,000 persons (2010)



Source: WHO World Health Statistics 2013

Life expectancy

Years (2013)

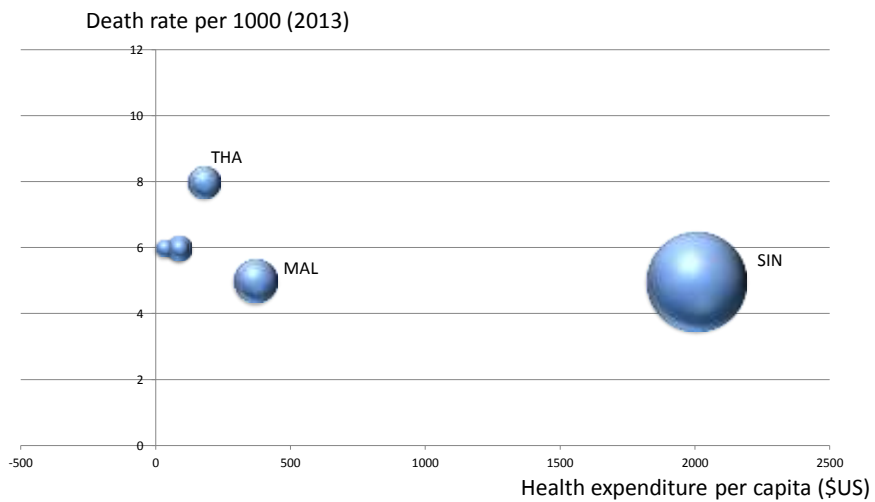


Source: World Bank 2015

Summary

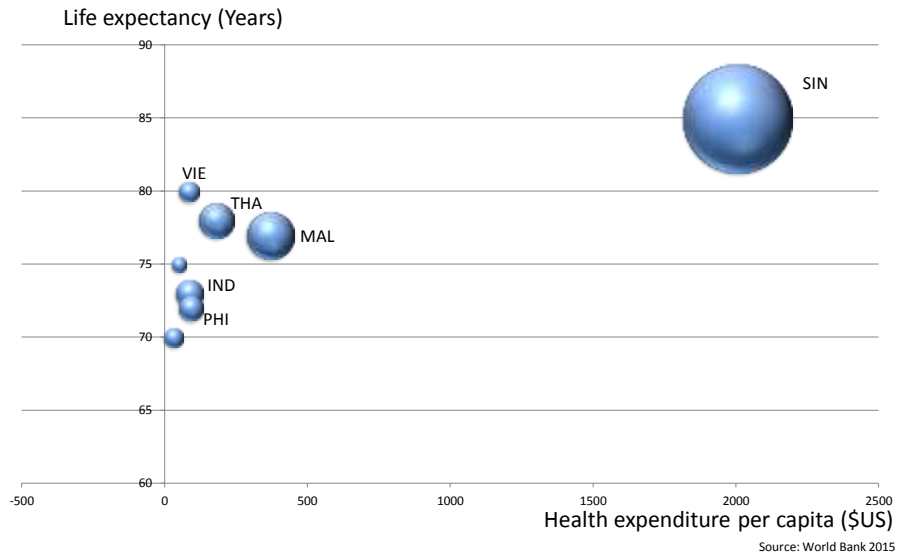
Source: Lock (2013)

Health expenditure VS Death rate



Source: World Bank 2015

Health expenditure VS Life expectancy

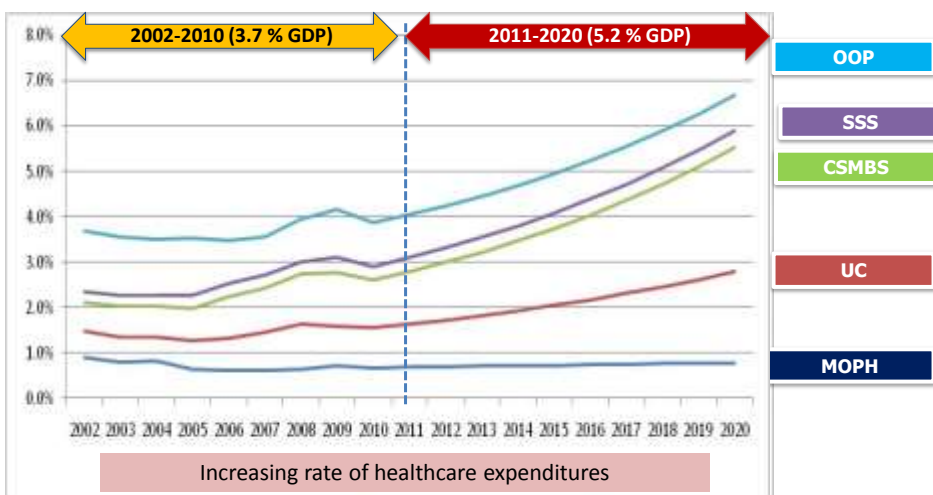


- **Singapore**:- high spending, advanced healthcare
- **Brunei, Malaysia, Thailand**:- good healthcare with focus on high quality
- **Indonesia, Philippines, Vietnam**:- basic healthcare
- **Cambodia, Laos, Myanmar**:- poor healthcare

Source: Lock (2013)

Thailand

Thailand context



Source: Sangsupun 2013

Public sector

Managing costs

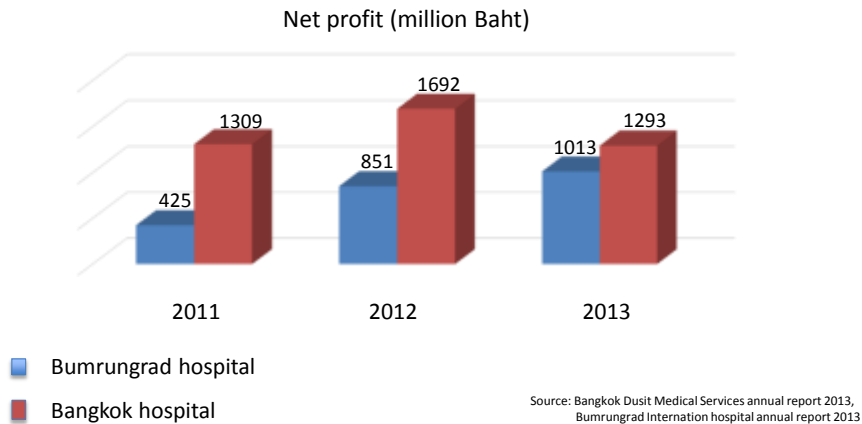
- CSMBS: Aggressive controlling healthcare expenditures
- UC: Optimizing increasing rate of capitation
- HTA

Improving quality

- CSMBS: No major concern about quality
- UC: Supplementing high-cost drugs & services
- Medical audit, Hospital accreditation, National clearing house

Private sector

- Rapidly grow



Managing costs

- Taking over/merging
- Lowering costs when possible e.g. generic drugs
- 36 private hospitals partnering with NHSO
- High charges

Improving quality

- Branding for service quality
- Meet international standard
- Filling needs/gaps of public sector e.g. waiting time, convenience

Connecting to ASEAN

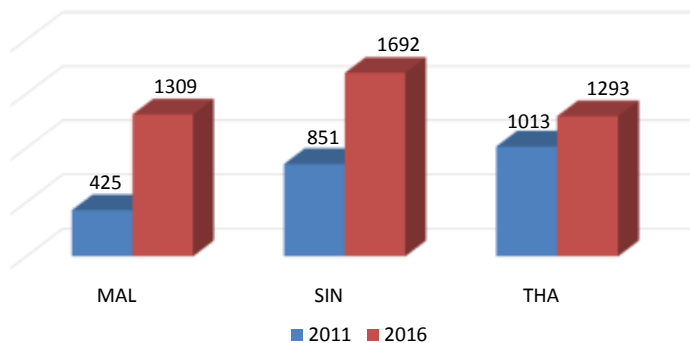
Public

- Healthcare Services Sectorial Working Group (HSSWG)
 - Harmonize regulations
- NHSO: “A learning hub of universal health coverage”
- HITAP: Building HTA capacity

Private

- Building networks with medical businesses in neighboring countries
- e.g. Bangkok Dusit Medical Services own 29 hospitals in Thailand, 2 in Cambodia

- Medical tourism revenue (\$US million)



Source: Frost and Sullivan (2012)

Challenges for Thailand

- Ageing population: 14% (2015), 20% (2025), and 30% (2050)
- Disease control e.g. meningococcus, measles, plague
- A shortage of doctors, especially public hospitals in rural areas
- Language barriers
- Payer VS provider
- Cost containment VS patient access

Conclusions: Challenges for ASEAN

- Foreign ownership and equity limitations e.g. 30%, 40%, 49%, 80%, 90% for MAL, PHI, THA, IND, and MYA, respectively
- Regulatory requirements for medical practice
- Labor shortage
- Differences in quality of care
- Language and cultural barriers
- Transportation costs for treatment and follow-up

Source: CARI 2013