FINANCING

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Symposium on “A Review on Health Systems in Transition in Myanmar” DMR (LM), 7th January 2015
Chapter 3: Financing

- Health Expenditure
- Sources of Revenue and Financial Flows
- Statutory Financing System
- Out-of-pocket Payments
- Other Financing
- Payment Mechanisms
Health Expenditures

• Low investment in health sector since decades
• Lowest among countries of SEA and WP Regions
  - THE as % of GDP
  - GGHE as % of GGE
  - GGHE as % of GDP
## Government Health Expenditure

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital (Kyat million)</th>
<th>Current (Kyat million)</th>
<th>Total (Kyat million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000-01</td>
<td>2624.2</td>
<td>5064</td>
<td>7688.2</td>
</tr>
<tr>
<td>2005-06</td>
<td>8037.1</td>
<td>15051.7</td>
<td>23088.8</td>
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<tr>
<td>2006-07</td>
<td>10717.6</td>
<td>36497.3</td>
<td>47214.9</td>
</tr>
<tr>
<td>2007-08</td>
<td>10379.2</td>
<td>38368.1</td>
<td>48747.3</td>
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<tr>
<td>2008-09</td>
<td>10080.7</td>
<td>41362.7</td>
<td>51443.4</td>
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<tr>
<td>2009-10</td>
<td>16521</td>
<td>47275</td>
<td>63796</td>
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<tr>
<td>2010-11</td>
<td>24743.7</td>
<td>60601.02</td>
<td>85344.72</td>
</tr>
<tr>
<td>2011-12</td>
<td>27764.3</td>
<td>73060.34</td>
<td>100824.6</td>
</tr>
<tr>
<td>2012-13</td>
<td>189855.8</td>
<td>178805.7</td>
<td>368661.5</td>
</tr>
<tr>
<td>2013-14</td>
<td>220536.6</td>
<td>308037.3</td>
<td>528573.9</td>
</tr>
<tr>
<td>2014-15</td>
<td>270466.9</td>
<td>382277.7</td>
<td>652744.6</td>
</tr>
</tbody>
</table>
**Myanmar: Health Sector Investment**

General Government Health Expenditure (GGHE) as percentage of General Government Expenditure (GGE) and Gross Domestic Product (GDP)

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>GGHE as % of GGE</th>
<th>GGHE as % of GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010-2011</td>
<td>1.03</td>
<td>0.20</td>
</tr>
<tr>
<td>2011-2012</td>
<td>1.05</td>
<td>0.21</td>
</tr>
<tr>
<td>2012-2013</td>
<td>2.82</td>
<td>0.76</td>
</tr>
<tr>
<td>2013-2014</td>
<td>3.15</td>
<td>0.89</td>
</tr>
<tr>
<td>2014-2015</td>
<td>3.38</td>
<td>0.99</td>
</tr>
</tbody>
</table>
Government expenditure on health, 2007 *
(share of the total government expenditure, %)

* Based on data updated in March 2010.

The boundaries and names shown and the designations used on this map do not imply the expression of any opinion whatsoever on the part of the World Health Organization concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries. Dotted lines on maps represent approximate border lines for which there may not yet be full agreement.

Data Source: National Health Accounts series, World Health Organization
Map Production: Public Health Information and Geographic Information Systems (GIS) World Health Organization

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Sources of Revenue and Financial Flow

• Sources:
  - Government
  - Employer/Employee
  - Community
  - External

• Financial Flow
Donors, DPs

Grant

MOF

Budget Allocations

Other ministries

SSB

MOH

Budget & health services thru’ Health facility or direct provision to pt.

Other ministries

Budget allocations for curative, public health services

Tax

Population

Grant

employer/ employee contributions

Donation to the Hosp Trust Fund

Service provisions

OOP / FFS

Tertiary Hosp.

S/R Hospitals

Tsp Health System (RHC/ UHC, SC, MCH)

Private Hosp

Private clinics
Statutory Financing

- Very limited
- Only (1) % of population is covered by SSB (SSB Expenditure was 1.3 % of GGHE)
- Social Security Law 2012
- UHC Strategies
Out-of-pocket payments

- 2009 onwards, OOP as share of THE - decline
- But still significant and high – over 75%
- Private sector - dominant source of health financing
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Ministry of Health</td>
<td>11.31</td>
<td>7.77</td>
<td>10.65</td>
<td>10.08</td>
<td>10.28</td>
<td>11.40</td>
<td>11.67</td>
</tr>
<tr>
<td>Other Ministries</td>
<td>0.80</td>
<td>1.06</td>
<td>0.93</td>
<td>0.84</td>
<td>0.94</td>
<td>3.68</td>
<td>3.78</td>
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<tr>
<td>Social Security Scheme</td>
<td>0.39</td>
<td>0.18</td>
<td>0.19</td>
<td>0.15</td>
<td>0.15</td>
<td>0.51</td>
<td>0.48</td>
</tr>
<tr>
<td>Private Household OOP</td>
<td>87.46</td>
<td>90.65</td>
<td>84.33</td>
<td>85.12</td>
<td>82.16</td>
<td>76.60</td>
<td>78.79</td>
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<tr>
<td>The Non-profit Institutions Serving Households (INGOs)</td>
<td>0.04</td>
<td>0.34</td>
<td>3.90</td>
<td>3.81</td>
<td>6.47</td>
<td>7.81</td>
<td>5.28</td>
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<tr>
<td>THE</td>
<td>73729</td>
<td>259491</td>
<td>453670</td>
<td>594241</td>
<td>715182</td>
<td>765167</td>
<td>810318</td>
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</tbody>
</table>
Direct Payment and its poverty impact
Other Financing

• Parallel health systems
• External sources of funds
• Other sources of financing
Main Investments Required to Achieve UHC

Current Situation

- Total Health Expenditure
- Reduce OOP
- Scale-up PHC
- Cover vulnerable
- Public Expenditure on Health
- CBOs/Donors
- SSB
- Breadth: population cover
- Height: Cost sharing
- Depth & Quality
- Service cover

UHC: Universal Health Coverage
Payment Mechanisms

• Paying for health services

• Paying for health workers
## Provider payment mechanisms

<table>
<thead>
<tr>
<th>Provider</th>
<th>MOH</th>
<th>Other Ministries</th>
<th>SSB</th>
<th>Direct Payment</th>
</tr>
</thead>
<tbody>
<tr>
<td>GPs</td>
<td>NA</td>
<td>NA</td>
<td>NA</td>
<td>FFS</td>
</tr>
<tr>
<td>Hospital OPD and In-pt care</td>
<td>Salary</td>
<td>Salary</td>
<td>Salary</td>
<td>FFS</td>
</tr>
<tr>
<td>Hospital dispensary</td>
<td>Salary</td>
<td>Salary</td>
<td>Salary</td>
<td>FFS</td>
</tr>
<tr>
<td>Pharmacies</td>
<td>Salary</td>
<td>Salary</td>
<td>Salary</td>
<td>FFS</td>
</tr>
<tr>
<td>Dentist</td>
<td>Salary</td>
<td>Salary</td>
<td>Salary</td>
<td>FFS</td>
</tr>
<tr>
<td>Public Health Services</td>
<td>Salary</td>
<td>Salary</td>
<td>Salary</td>
<td>No</td>
</tr>
</tbody>
</table>
Thank you for your kind attention