Who benefits from public health care in Asia?

Preliminary findings from the EQUITAP study

EQUITAP team

EQUITAP

- Comparative study of equity in health care in 15 territories in the Asia-Pacific region.
- Collaborative effort involving national researchers, Erasmus University & LSE
- Funding: EU, WHO, WB, Governments of Hong Kong SAR & Japan, Rockefeller Foundation

Equitap territories

- Public health financing and delivery in study countries
- Methods
- Key findings
- What have we learnt about targeting public subsidies?

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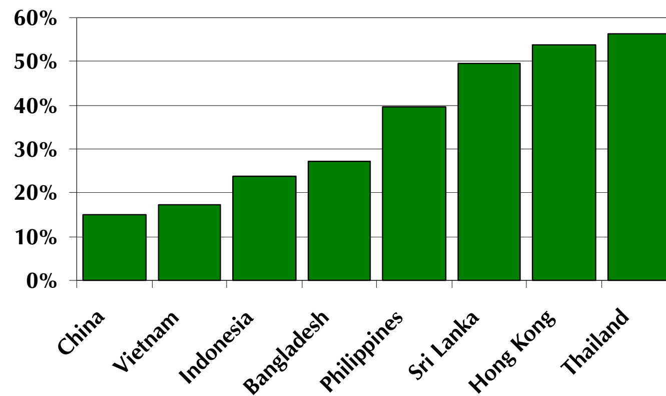
Share of total health expenditures from general government revenues



Delivery of government services

Universal access to all government medical services				Explicit targeting, especially of primary care services
Sri Lanka	Hong Kong	Thailand	Bangladesh Philippines	China Indonesia Vietnam
No formal user fees				User fees on most medical services. Exemptions for the poor, implemented with varying degrees of effectiveness. Informal charges

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Benefit incidence analysis

- Step 1: Rank individuals by household expenditure per equivalent adult
- Step 2: Estimate distribution of utilisation of public health service w.r.t SES
- Step 3: Weight utilisation by value of subsidy and aggregate
- Step 4: Compare the distribution of subsidies with some target distribution

Subsidy estimation

- Value service to allow for variation in subsidy across individuals and services
- Subsidy received by *i* using q_{ki} of service *k* and paying f_{ki}:

$$S_{kij} = q_{kij}c_{kj} - f_{ki}$$

$$c_{kj} = TRE_{kj} / \sum q_{ki}w_i$$

where

TRE_{kj} = Total recurrent expenditures on k in region j

w_i = weight

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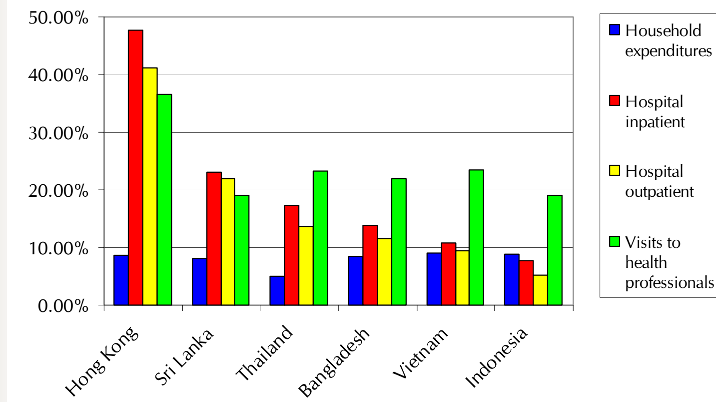
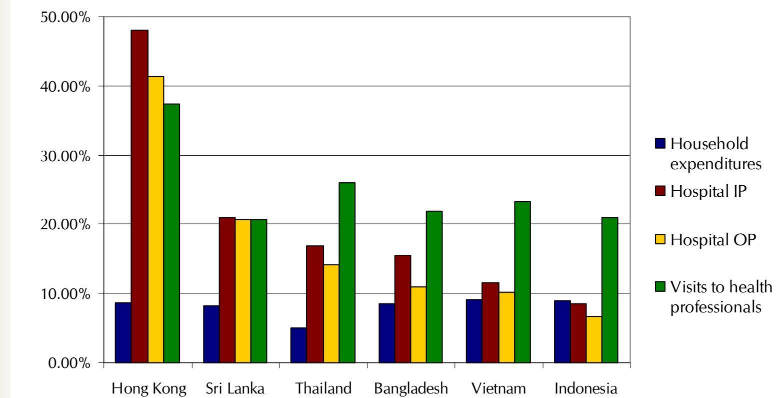
Poorest quintile share of household expenditures and utilisation



Poorest quintile share of household expenditures and public subsidy



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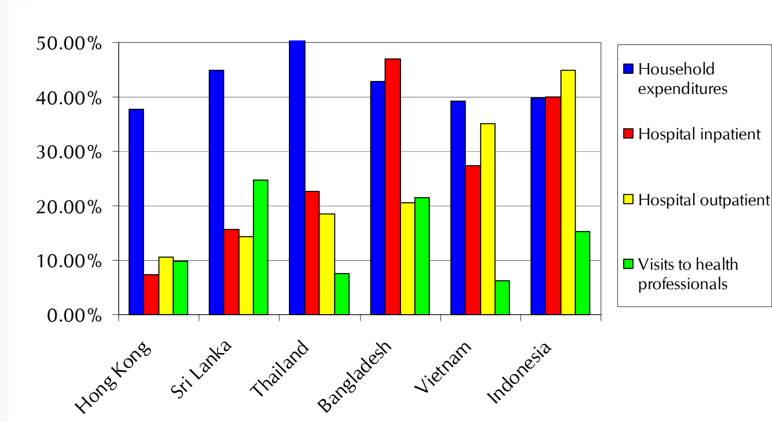

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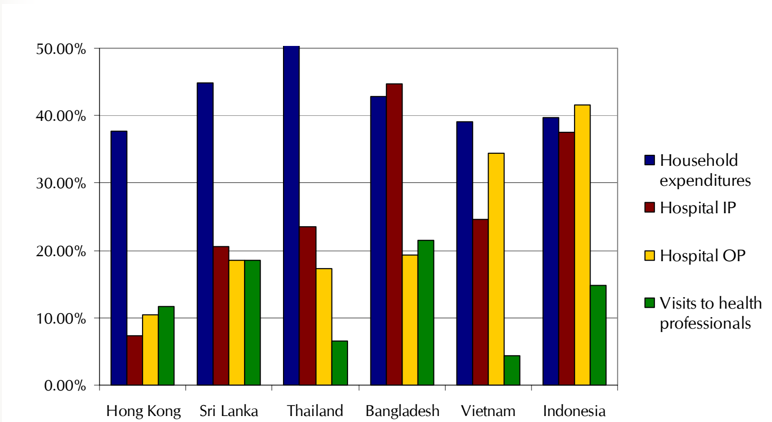
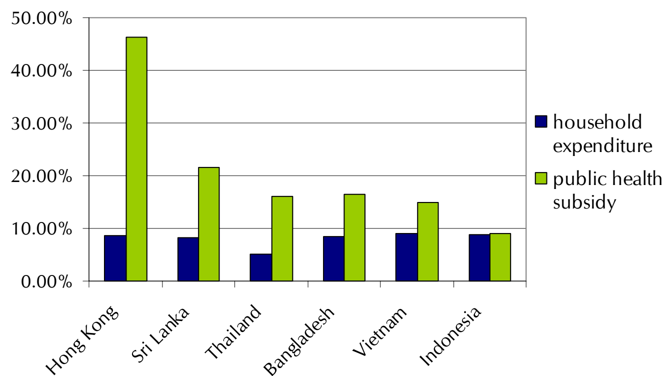


Poorest quintile share of household expenditures and total public health subsidy



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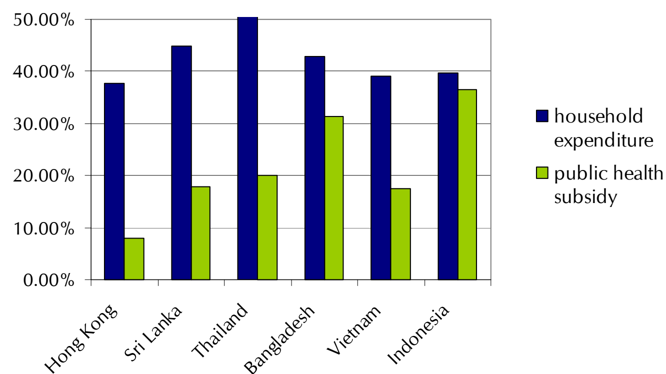

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Summary of findings

- Public subsidies for health are
  - strongly pro-poor in Hong Kong
  - moderately pro-poor in Sri Lanka and Thailand
  - pro-rich in Bangladesh, Indonesia and Vietnam
- Hong Kong, Sri Lanka and Thailand: pro-poor subsidies + higher share of total spending from government sources
- Subsidies for non-hospital ambulatory care tend to be the most pro-poor.
- Exceptions: Hong Kong & Sri Lanka where hospital inpatient care subsides are more pro-poor than other types of subsidies.

Universal access or explicit targeting?

- Policy of universal access performs better than explicit targeting? Features of Hong Kong, Sri Lanka worth noting
  - Universal access to tax financed govt health services; no targeting.
  - Longer waiting times, fewer amenities in the public sector → better off opt-out to private sector, but still pay taxes.
  - High levels of access maintained through wide distribution of public health facilities; reasonable levels of technical quality in public sector
- Little or no official user fees → harder to introduce informal user fees → fewer fees to inhibit access to public health services
- Higher share of government spending on health → greater pooling