Benefit Incidence of Government Healthcare Spending in Asia-Pacific Countries:

Provisional Results from Equitap 2

Ravi Rannan-Eliya, Chamara Anuranga

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Equitap

Equity in Asia-Pacific Health Systems

Why pro-poor concern in public health spending?

- Key rationale for public spending or intervention in financing is to ensure a more equitable access to and use of services
- Pro-poor targeting of government health spending sometimes intended to mitigate income inequalities
- Validity of such objectives depends on whether public spending reaches the poor
- Prior to Equitap 1, dominant consensus that government spending on health was almost universally pro-rich. Equitap 1 showed that several developing economies were able to achieve equal or pro-poor targeting of government health spending

Outline

- Scope of study
- Methods
- Project status
- Results by country
- Provisional conclusions
- Next steps

Scope of study

- Analysis of distribution of government health spending by living standards (consumption per adult equivalent)
- By service:
  - Hospital inpatient
  - Hospital outpatient
  - Non-hospital outpatient
  - & MNCH where feasible
- Is government health spending
  - Pro-poor?
  - Inequality reducing
- Impact on benefit distribution of levels of supply, user charges, etc.

Methods

- Use Equitap Guidelines V.2 and not WB book
- Data from national health/socioeconomic surveys: variables for healthcare use + living standards
- Rank individuals by HH consumption/adult equivalent
- Obtain data on aggregate government health spending by major type of service and by region, net of user fees. Should differentiate by facility type.
- Distribute government spending across individuals according reported healthcare use
- Report results using BIA Results Template
  - Hospital inpatient, Hospital outpatient, Non-hospital outpatient
  - Distribution by decile, Concentration index
- Sub-analysis by MNCH care, where feasible

Limitations

- Non-separation of inpatient vs outpatient in several territories:
  - Bangladesh, Maldives, Nepal, Pakistan
- Difficulties in accessing public expenditure data
  - Cambodia
- Problems in adjusting for user fee payments
- Small sample sizes in some surveys mean that results for inpatient use subject to large sampling errors

Status of results by team

Close to final results	Incomplete results	No results
Cambodia*	Laos	Bangladesh
Gansu (China)		Cambodia
Heilongjiang (China)		Japan
Hong Kong SAR		Maldives
India		Mongolia
Indonesia		Pakistan
Nepal		Philippines
Sri Lanka		Solomon Islands
Tianjin (China)		
Viet Nam		

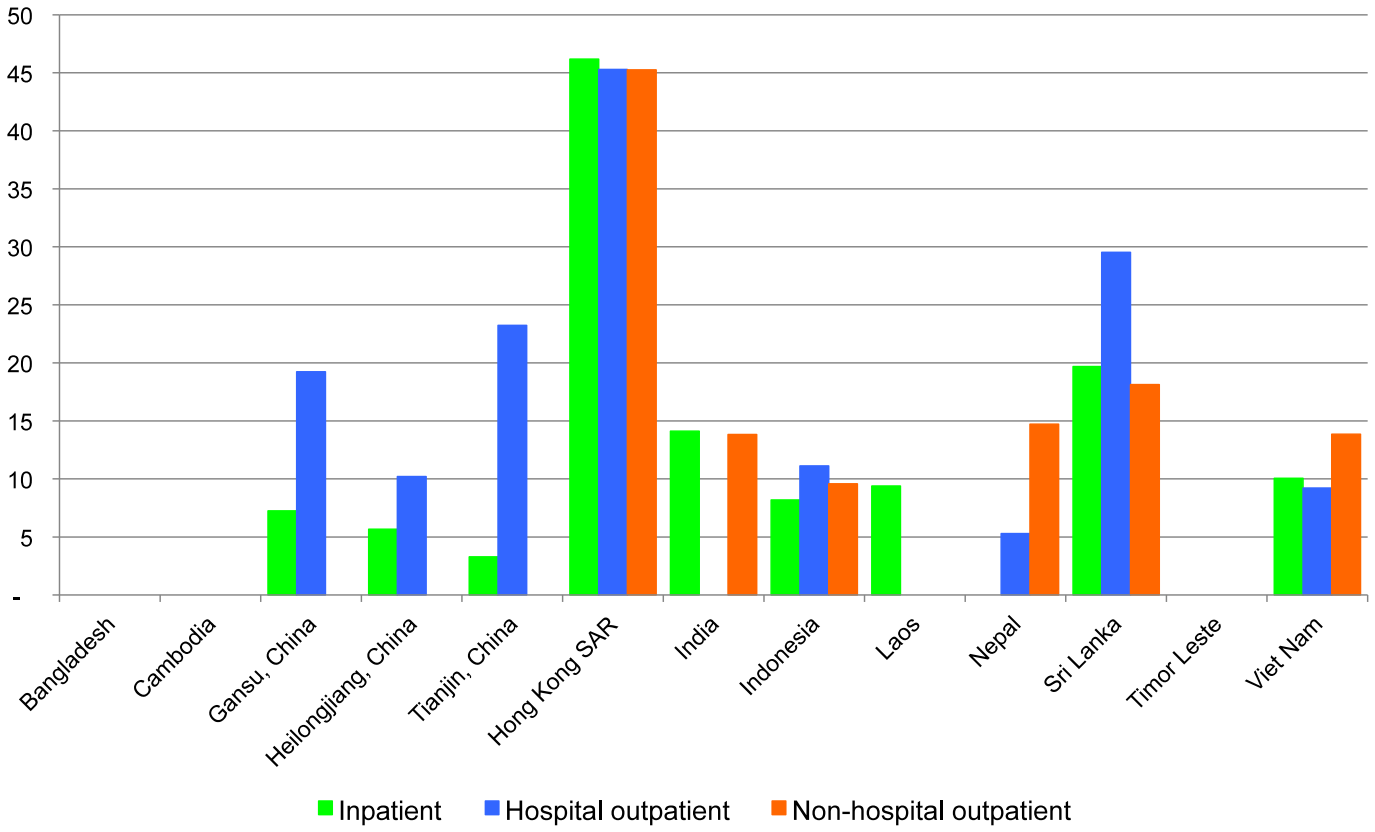
Coverage by services

Territory	Year	Inpatient	Outpatient	Combined	Other
Bangladesh	2005			■	
Cambodia	2007	■	■		
China	2008	■	■		
Hong Kong	2005/06	■	■		
India	2004	■	■		
Indonesia	2007	■	■		
Korea	2005	■	■		
Laos	2002/03	■	■		
Maldives	2004			■	■
Mongolia		■	■		
Nepal	2003/04			■	
Pakistan	2004/05			■	■
Philippines	2007/08	■	■		
Solomon Islands	2006	■	■		
Sri Lanka	2003/04	■	■		
Thailand					
Timor Leste	2006	■	■		
Viet Nam	2006	■	■		

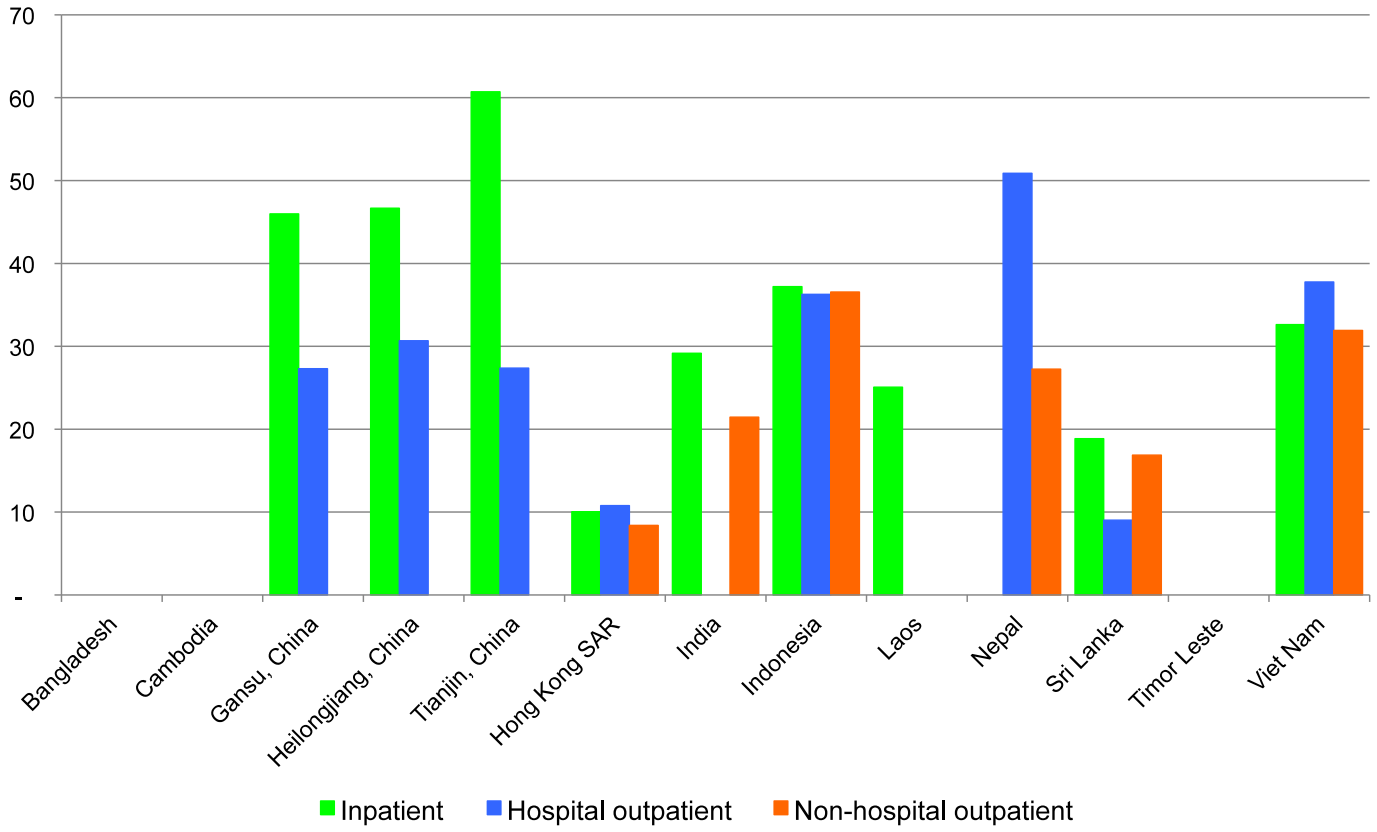
Evaluation of distribution of spending

- Implies choice of an objective.
- Is subsidy pro-poor?
  - Compare subsidy shares with population shares
  - Summarise by concentration index; positive if pro-rich, negative if pro-poor.
- Does the subsidy reduce inequality?
  - Compare subsidy shares with income shares
  - Summarise by Kakwani index; positive if inequality-increasing, negative if inequality reducing

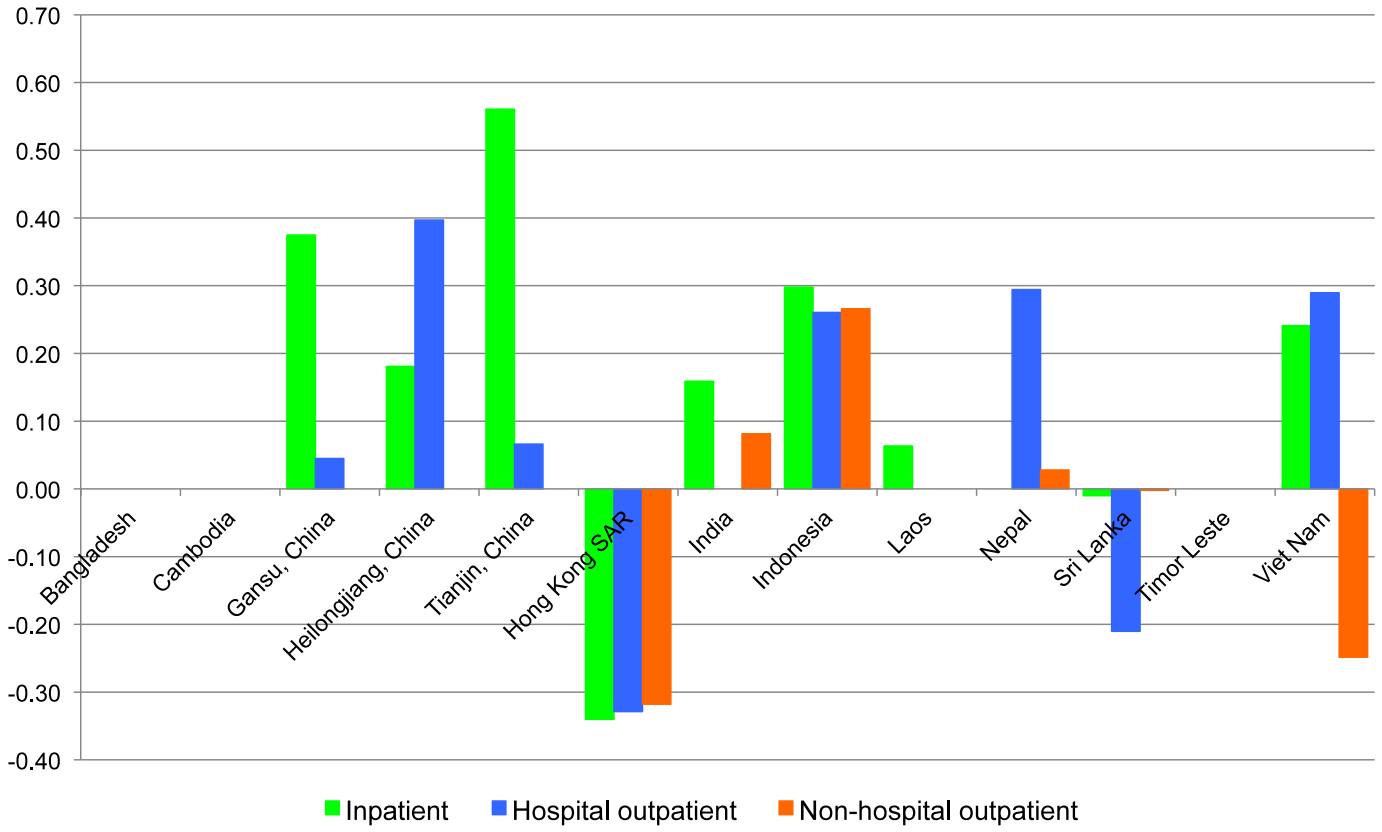
Poorest quintiles share of government spending (%)



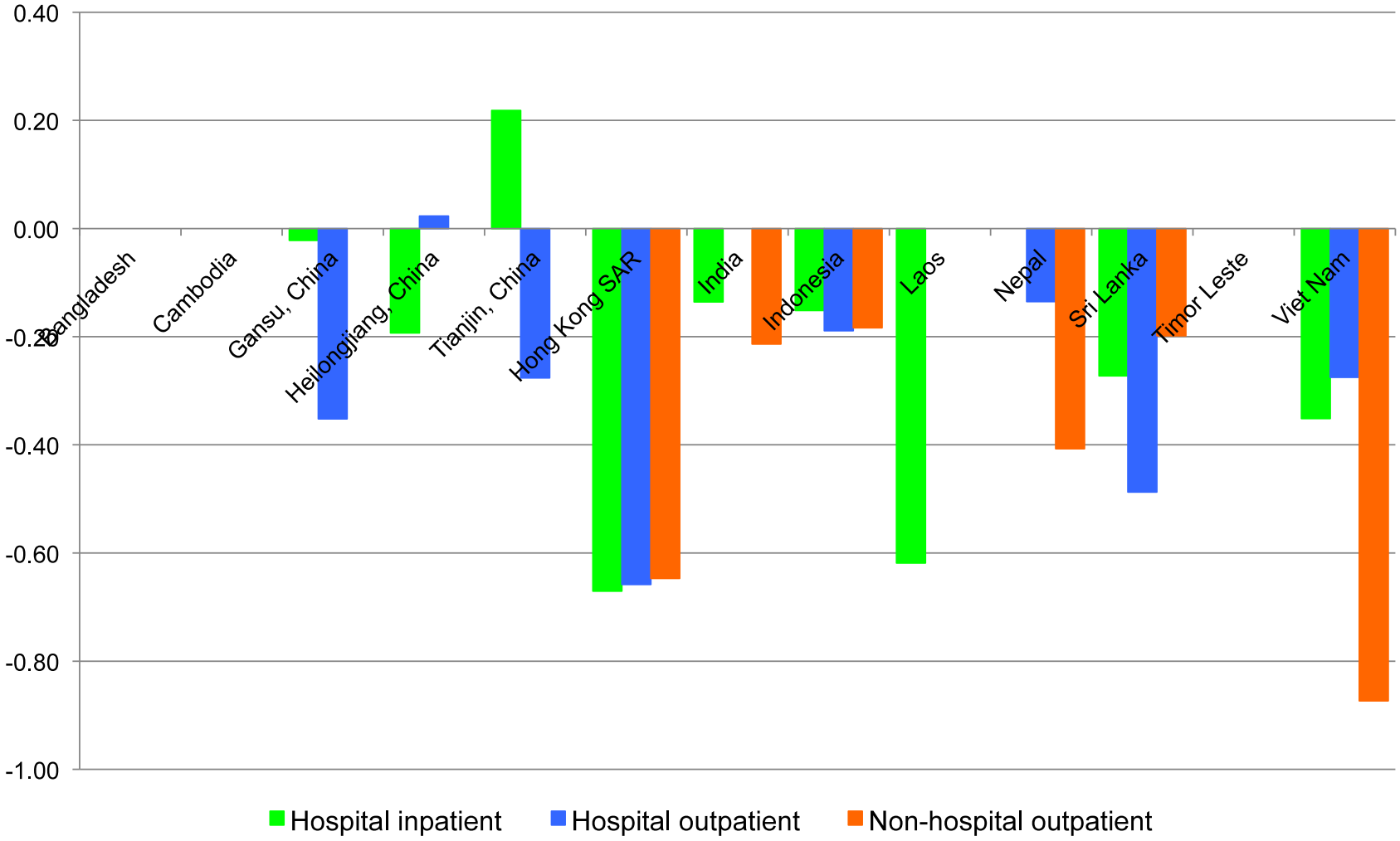
Richest quintiles share of government spending (%)



Concentration indices for government spending on health



Kakwani indices for government health spending



Preliminary conclusions

- Subsidies consistently pro-poor only in Hong Kong SAR
  - Universal system with minimal user charges
  - Opting out of non-poor into private sector
  - Clear segmentation in dual market
- Subsidies neutral in Sri Lanka
  - Universal system with zero user charges
  - Opting out of non-poor into private sector
  - Segmentation not as clear as in Hong Kong
- Pro-rich bias in spending in all other countries
- Subsidy typically not pro-poor but is inequality-reducing, except Tianjin, China
- Subsidy narrows relative differences in living standards b/w rich and poor

Next steps

- Completion of results templates
  - Need to fill in all cells
- Preparation of publications
  - Equitap Working Papers
  - Journal papers
- Analysis of BIA in insurance systems