

[Thailand]

Impact of Economic Crisis on Thai Health System

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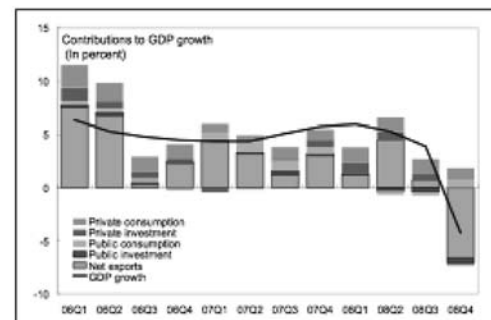
Overview

- Economic Recession
- Thai Health Insurance System
- Major Health Issues
 - Increase healthcare expenditures
 - Drug use and access
 - Shortage of healthcare resources
 - Medical tourism

Economic Recession

- US Subprime mortgage crisis in 2007
- Thailand's political turmoil in 2008-2009

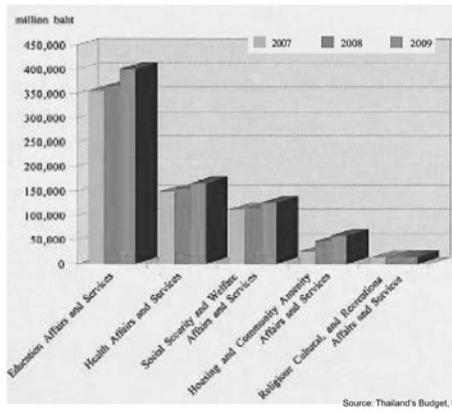
Thailand GDP: 2006-2008



Source: IMF Country Report, No 09/2601, August 2009

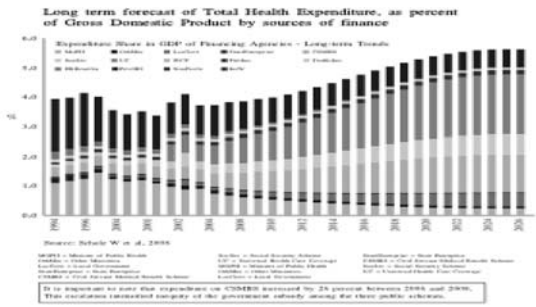
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Appropriation for Community and Social Services



Source: Thailand's Budget, Bureau of Budget, 2009.

Total Health Expenditures, as % of GDP

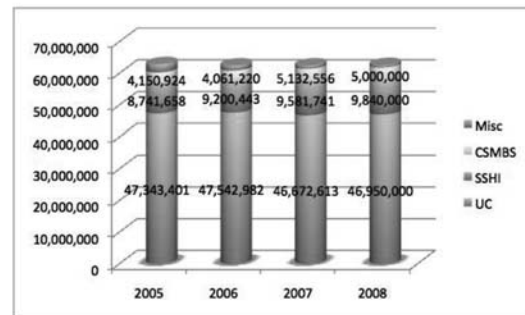


Source: Nohara W et al., 2008.

Thai Health Insurance System

- Universal Coverage (UC)
- Social Security Health Insurance (SSHI)
- Civil Servants Medical Benefit Scheme (CSMBS)
- Private Health Insurance (PHI)
- Motor Vehicle Traffic Accident Insurance

Health Insurance Beneficiaries



Source: Annual Report of National Health Security Office, 2008.

Universal Coverage (UC)

- First established in 2002 after National Health Security Act
- '30-Baht Scheme' or 'Golden Card Scheme'
- Coverage: 47 millions Thai
- Budgets (Year 2009):
 - Capitation payment: 103 billion baht (3 billion USD)
 - 2,202 baht (66 USD) per capita
 - HIV/AIDS services: 3 billion baht (89 million USD)
 - Renal failure services: 1.5 billion baht (45 million USD)

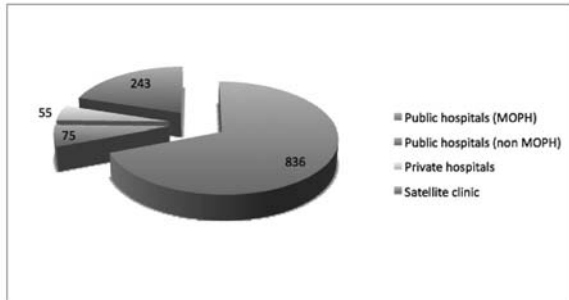
Source: Budget Management, National Health Security Office, 2007.

Universal Coverage (UC): Benefits

- Outpatient/Inpatient
- Promotion/Prevention
- High cost services
- Accident/Emergency
- Disease Management
 - Leukemia/lymphoma
 - Hemophilia
 - Cardiac surgery
 - Cataract/Cleft lip & palate surgery
 - Stroke/Coronary heart disease
 - Bone Marrow Transplantation
- Rehabilitation
- Traditional Thai Medicine

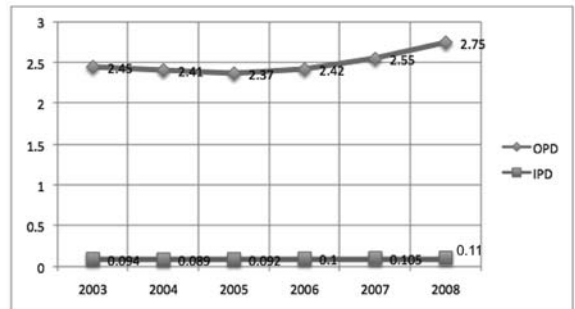
Source: Budget Management, National Health Security Office, 2007.

Universal Coverage (UC): Providers



Source: Annual Report, National Health Security Office, 2008.

Health Utilization per Capita



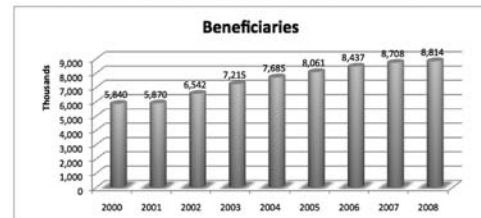
Source: Annual Report, National Health Security Office, 2008.

Impact on Healthcare Providers

- Provider payments
 - Outpatient: Point system w/ceiling
 - Inpatient: DRG w/global budget
 - 10,300 baht/RW (300 USD/RW)
 - Additional payments on certain high cost services

Social Security Health Insurance (SSHI)

- After Social Security Act enacted in 1990
- Total Beneficiaries: 8.8 millions

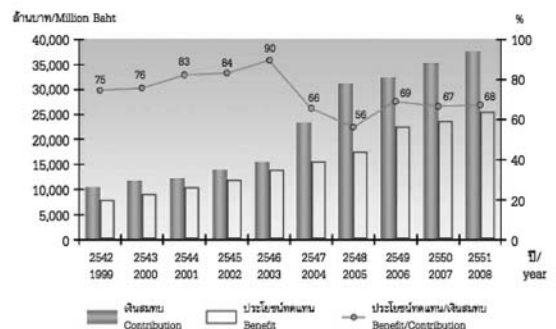


Source: <http://www.sso.go.th>

Social Security Health Insurance (SSHI)

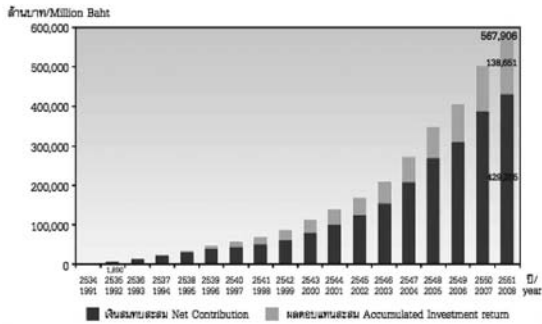
- Payment:
 - Capitation (2,156 baht (64 USD) per capita)
- Benefit coverage
 - Medical care (non-work related)
 - Maternity
 - Disable
 - Death
 - Pension
 - Children allowance
 - Unemployed

SSHI Fund: Contribution vs Benefits



Source: Annual Report, Social Security Office 2008.

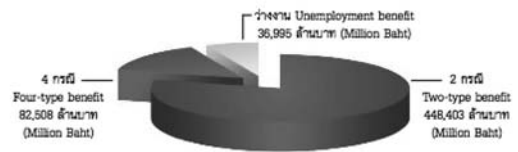
SSHI Fund: 1991-2008



Source: Annual Report, Social Security Office 2008.

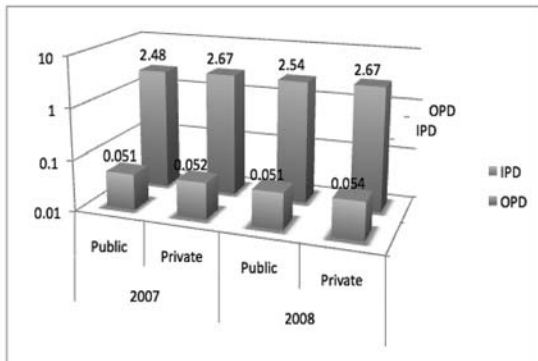
SSHI Fund: 2009

- Total fund 609 billion baht (18 billion USD)



Source: Annual Report, Social Security Office 2008.

SSHI: Health Utilization

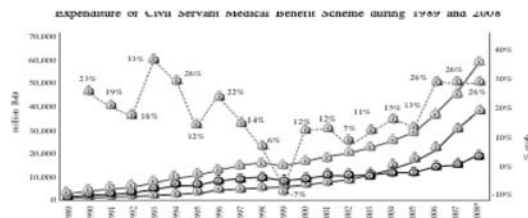


Source: Annual Report, Social Security Office 2008.

Civil Servants Medical Benefit Scheme (CSMBS)

- Total Beneficiaries: 6.4 millions (2008)
- Payment: 5,800 baht (170 USD)/person
- Outpatient: Fee for service with ceiling
- Inpatient: DRG plus

CSMBS Expenditures



Source: Comptroller General's Department, MOF

Major Health Issues

- Increase healthcare expenditures
- Drug use and access
- Shortage of healthcare resources
- Medical tourism

Major Health Issues

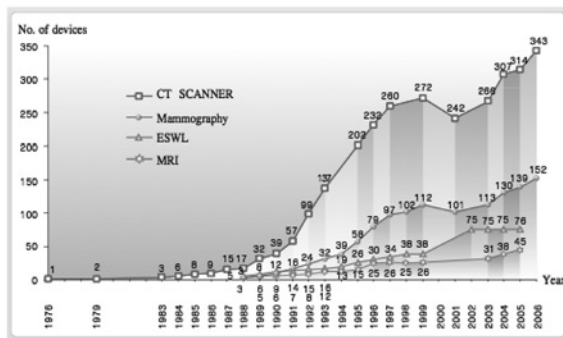
- Increase healthcare expenditures
 - Epidemic spread of infectious diseases
 - Reemerging HIV/AIDS
 - Chronic diseases
 - Road traffic accidents
 - Overutilization:
 - Moral hazard problem
 - High-cost medical technologies

Ratio of High-cost Medical Technologies: 2006

Region	Ratio of medical devices per 1 million population			
	ESWL (2005)	CT	MRI (2005)	Mammogram
Bangkok Metropolis	3.9	20.5	5.4	14.3
Provincial areas	1.0	4.0	0.3	1.3
Central	1.0	7.4	0.2	2.4
North	0.9	4.0	0.3	0.9
Northeast	0.8	2.2	0.2	0.7
South	1.2	2.9	0.5	1.3
Nationwide	1.2	5.5	0.7	2.4

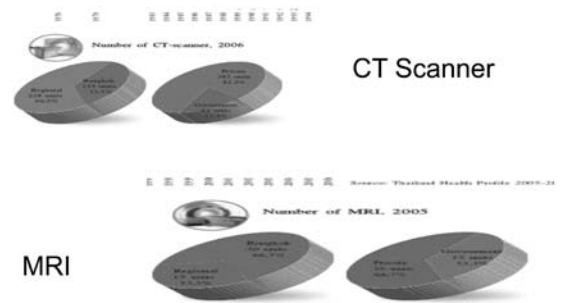
Source: Thailand Health Report Profile, 2005-2007.

Number of High-cost Medical Technologies, 1976-2006



Source: Thailand Health Report Profile, 2005-2007.

CT Scanner & MRI



Source: Thailand Health Report Profile, 2005-2007.

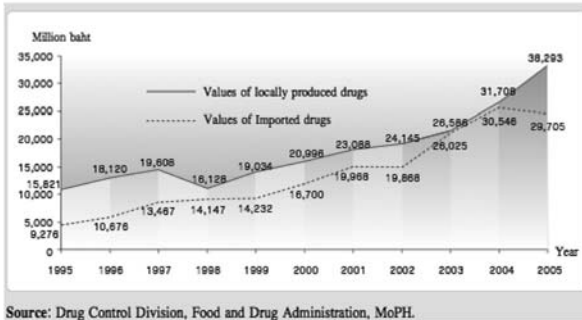
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Major Health Issues

- Drug use and access
 - Generic-drug utilization policy
 - Compulsory licensing

Values of Generic vs Brand-name Drugs



Compulsory Licensing

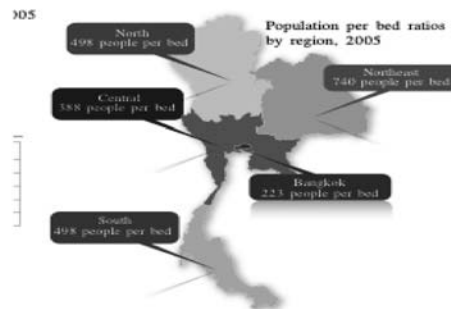
government issued CL

Name	Price (USD)			
	Price of patented drugs before CL policy	Patented drugs after CL policy	Generic version	Difference (time)
Efavirenz	58 per month	24 per month	10 per month	5.8
Lopinavir / Ritonavir	1,800 per year	1,000 per year	780 per year	3
Clopidogrel	3	1.3	0.04	75
Letrozole	7	2.2	0.1	70
Docetaxel	900	450	37	24.3

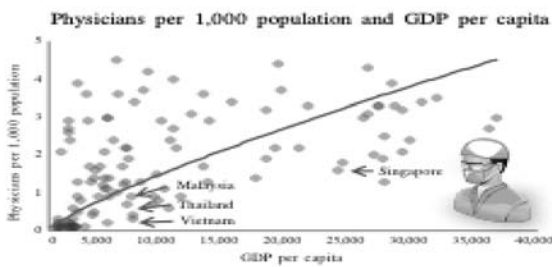
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Health Resources: Population per hospital bed



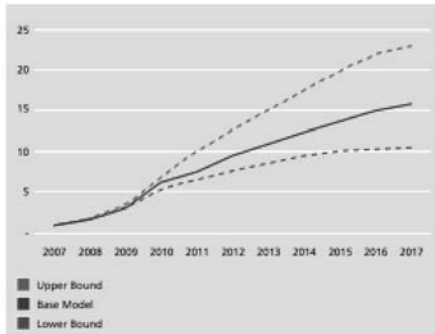
Physician per 1,000 population and GDP per capita



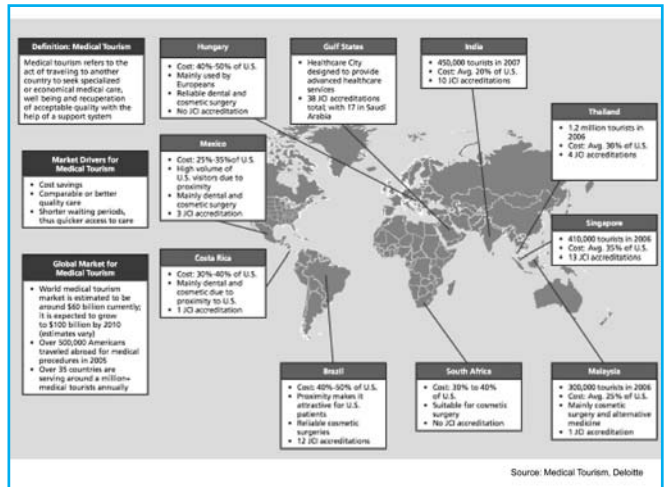
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US Outbound Patient Flow, 10-Year Projections (Millions)



Source: Medical Tourism, Deloitte



Source: Medical Tourism, Deloitte

Medical Tourism: Effects on Domestic Health

- Advantages
 - Subsidizing local economy
 - Increase standard of care
- Disadvantages
 - Diversion of healthcare resources
 - Brain-drain of physicians and nurses from public to private/ rural to urban facilities
 - Prolonged waiting lists for complex medical cares

• Thank You