

SOCIAL EXPENDITURE: ESTIMATION OF NATIONAL HEALTH AND HIV ACCOUNTS IN CARIBBEAN COUNTRIES

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WHO, 2003

‘ONE CANNOT MANAGE....

WHAT ONE CANNOT MEASURE’

DATABASES ON HEALTH SPENDING ESTIMATES

- **Several agencies routinely provide estimates of health spending in relation to GDP for Caribbean (and other) countries.**
- **BUT some notable differences in:-**
 - **coverage of countries;**
 - **methodologies;**
 - > purpose of estimates**
 - > level of details.**

Country National Accounts	World Bank (WB)
Pan American Health Organisation (PAHO)	World Health Organisation (WHO)
Economic Commission for Latin America and the Caribbean (ECLAC)	

FOCUS OF 2013/4 HEU/USAID HEALTH ACCOUNTS RESEARCH (1)

A) GENERAL NATIONAL HEALTH ACCOUNTS (NHA) QUERIES:-

- i) Health spending in relation to recommended public share of 6% GDP**
- ii) Significance of direct out of pocket spending—no more than 20% THE**
- iii) Significance of mandatory social security as sources and managers of funds**
- iv) Significance of spending on overseas care**
- v) Alignment of health spending with national priorities**

FOCUS OF 2013/4 HEU/USAID HEALTH ACCOUNTS RESEARCH (2)

B) SPECIFIC HIV-AIDS ACCOUNTS QUERIES:-

- i) Total spending on and sources of funds for HIV-AIDS**
- ii) Level of dependence on external funds (given declining access)**
- iii) Percentage of funds going to/managed by NGOs**
- iv) Composition of HIV-AIDS spending i.e. curative vs preventive (given shifting priorities).**

Pattern of Health Services Provision & Financing in the Caribbean

Services	Provision/Agencies	Financing
Public health and Regulations	Public agencies eg. Min of Health	Taxes
Ambulatory care (GPs, Specialists)	Private & Public Clinics	Out of Pocket; Taxes; Private Insurance; NGOs
Inpatient Care	Public & Private Hospitals	Taxes; Out of Pocket; Private Insurance; Donors
Drugs & Diagnostics	Private & Public Centres	Out of Pocket; Private Insurance; Taxes
Overseas care	Private & Public Hospitals	Private Insurance; Out of Pocket, Taxes; Donors
Training & Research	Public & Private Centres	Taxes; Out of Pocket; Donors

History and Background

➤ System of Health Accounts (SHA) 1.0 (OECD, 2000)

** To track health funds from origin (sources) to providers and beneficiaries (uses)*

➤ Guide for NHA (WHO, 2003) –

- extended SHA 1.0, adapted for developing country context*



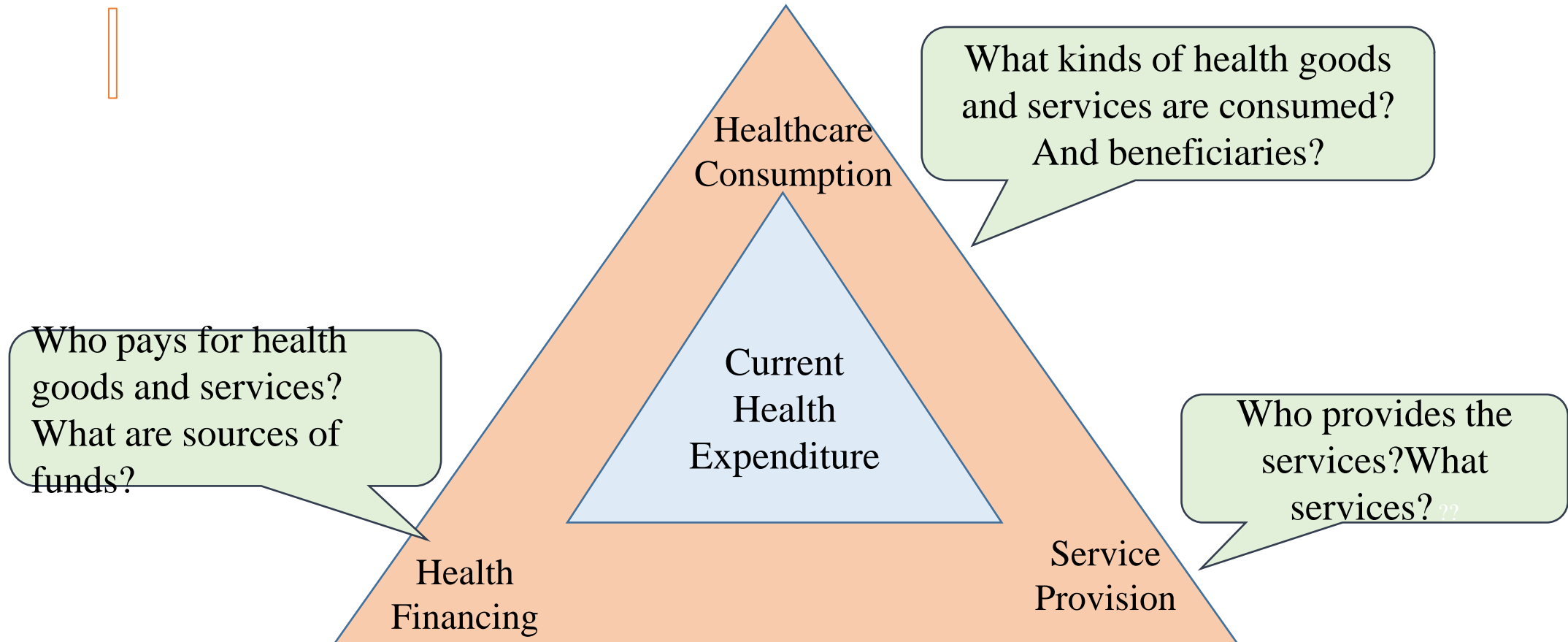
➤ SHA 2011 (OECD, WHO, EUROSTAT, 2011)

- Update of NHA (2003) based on experiences and health system trends with focus on analysis of expenditures on health goods/services.*

- Health expenditure is money spent with specific purpose to improve, maintain or prevent deterioration of health status (individual and community) and mitigate consequences of ill health.*

- Other previous and current NHA Studies and capacity-building in 1990's and 2000's spearheaded by PAHO (Satellite Health Accounts approach within System of National Accounts).*

Tri-axial Accounting of Health Expenditures



Tri-axial Identity:

Total Value Consumed = Total Value Provided = Total Value Financed

SHA 2011 Dimensions & Classifications

Health Revenues (FS)

- WHERE did the health funds come from? Eg. subsidies; health contributions

Financing Schemes (HF)

- What types of financing arrangements were used to generate funds? Eg. Out of pocket; voluntary insurance

Financing Agents (FA)

- WHO pooled, managed and allocated the funds to health providers? Eg. Insurers; Ministries of Health

Health Providers (HP)

- Who received funds for providing health goods/services ? Eg. Hospitals; pharmacies

Health Functions (HC)

- What were the funds used? (e.g. inpatient and outpatient care; rehabilitative services; disease surveillance

Factors of Provision(FP)

- What inputs were used to provide health goods/services? Eg. Wages; cost of materials

Beneficiaries

- Who benefited or were end-users eg. By disease groups, location; age; gender; income levels

PROCESS FOR CONDUCTING HEALTH ACCOUNTS

- **Design of Data Collection Instruments (survey questionnaires)**
- **In-country Ethical and Institutional Approvals**
- **Training Local Research Team & Set-up Local Steering Committee**
- **Data Collection:—**
 - **secondary published sources;**
 - **primary sources**
 - # **institutions (gov't; insurers; business; NGO's; donors)**
 - # **household health spending surveys (or proxy data from household expenditure and/or poverty assessment studies)**
- **Data Analysis and Validation**
- **Dissemination**

Key Health Spending Indicators in Four (4) Countries

Indicator	Barbados	St Kitts- Nevis (2011)	Dominica (2010/11)	St Vincent (2012)	Caribbean Average
1. THE per capita (USD\$)	1,260	856	403	367	722
2. THE % GDP	8.5	6.0	6.1	5.3	6.4
3. Government health spending (GHE) % THE	56.0	40.0	62.0	73.0	57.8 (3.7)
4. OOP Spending % THE	39.0	55.0	34.0	14.0	35.5
5. Social Sec. Spending % THE	< 1.0	<1.0	1.0	< 1.0	1.0
6. Overseas Care Spending % THE	1.0	8.0	1.2	20.0	7.6
7. Priorities—preventive and primary care % THE	32.0	28.0	40.0	26.0	31.5

Assessment—General NHA Queries

QUERIES	RESULTS
1. Public Share should be about 6% of GDP	Average of 3.7% even though Total Spending averaged 6.4% GDP
2. Out of Pocket Spending should be no more than 20% THE	Average of 35.5%..So risk of catastrophic and impoverishing health spending by households
3. Mandatory social insurance for prepaid health plans	Insignificant—less than 1%
4. Significance of overseas care	Average 7.6% of health spending..But most due to private insurance payments
5. Alignment with priorities for primary and preventive care	Average 31.5% but issues with equitable access and quality of care

Key HIV-AIDS Spending Indicators in Four (4) Countries

Indicator	Barbados	St Kitts-Nevis (2011)	Dominica (2010/11)	St Vincent	Caribbean Average
1. Total HIV Spending % THE	3.0	1.0	2.0	3.0	2.3
2. Gov't HIV Spending % Total HIV Spending	87.0	64.0	56.0	64.0	67.8
3. OOP HIV Spending % Total HIV Spending	1.0	4.0	< 1.0	1.0	1.8
4. Donor HIV Spending % Total HIV Spending	13.0	32.0	44.0	35.0	31.0
5. % Total HIV Funds Managed by NGOs	24.0	26.0	28.0	28.0	26.5
6. % HIV Funds Spent on Prevention, Education, Testing Services	22.0	66.0	66.0	36.0	47.5

Assessment—Specific HIV-AIDS Queries

QUERIES	RESULTS
1. Sources and Share of HIV Spending in Total Health Spending	HIV-AIDS receive 2.3% of total health sector funds. Gov't is largest source (68%); Donors (31%); Out of Pocket (1%)
2. Dependence on external donors for funds	Average 31%....but sustainability concerns with threatened reduction of funds since Caribbean countries have 'graduated'
3. Share of HIV funds managed by NGOs/CSOs	Average 26.5%...so significant role for social partners
4. Share of HIV funds for prevention; education; early detection	Average 47.5%..but sustainability concerns as majority of these funds from donors are threatened by reduction.

Limitations with Health Accounts in the Caribbean

- **Lack of disaggregated government data.**
- **Relatively Limited Private Sector Data**
- **.Timeliness of data return from institutions**
- **Recall of health spending by households**

Institutionalization of Health Accounts

- **Official mandate and incorporated in budgets.**
- **Proper in-country team capacity.**
- **Stakeholder engagement for systematic data collection and validation.**
- **Reporting of results in various user-friendly formats.**