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Universal health coverage roadmap

Private sector engagement to improve healthcare access

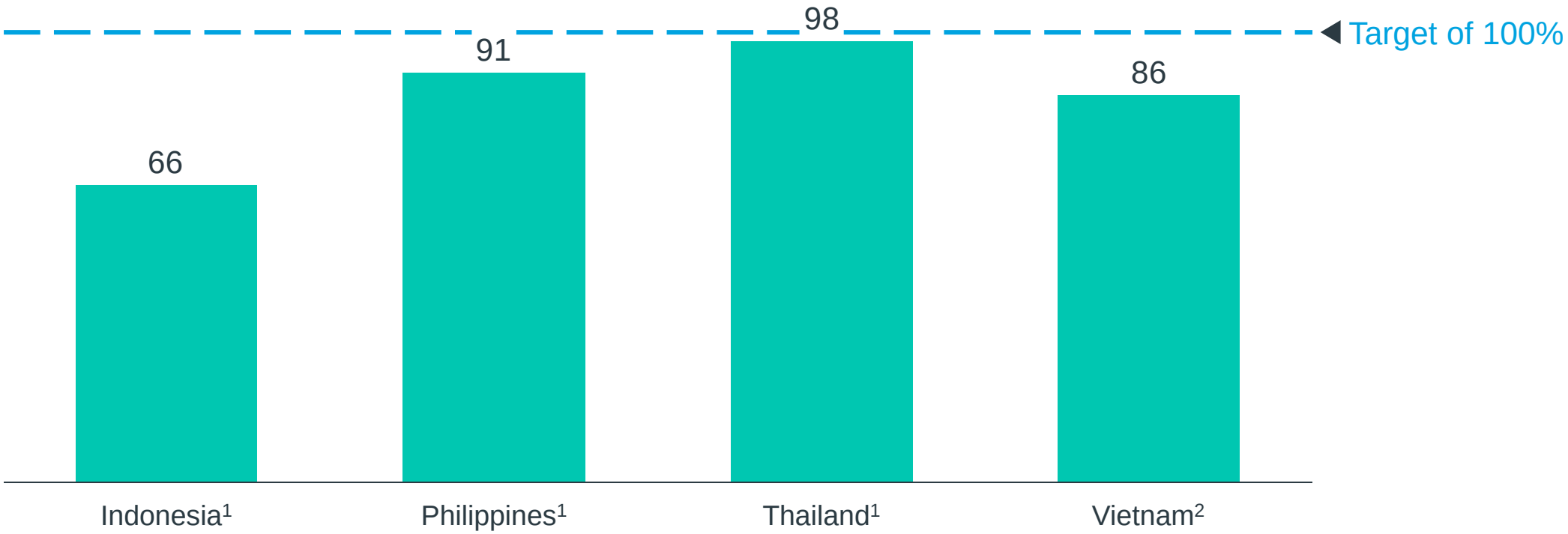
Prepared for the World Bank

February 2018

National health coverage has expanded to cover the majority of populations in Indonesia, Philippines, Thailand and Vietnam

National health coverage

% of population covered, 2016/17



1. 2016
2. 2017

Sources: Universal health coverage in Indonesia: Informality, fiscal risks and fiscal space for financing UHC; Lancet (2016) Fair choices in universal health coverage in Thailand (http://www.thelancet.com/journals/lancet/article/PIIS0140-6736(16)31608-7/fulltext); PhilHealth 2016 Stats & Charts (https://www.philhealth.gov.ph/about_us/statsncharts/snc2016.pdf); VSS: Social insurance coverage on the rise (http://english.vov.vn/society/vss-social-insurance-coverage-on-the-rise-365485.vov)

Countries vary in the scope and depth of coverage, as well as mechanisms for reimbursement

Healthcare coverage and provider reimbursement

	Indonesia	Philippines	Thailand	Vietnam
Benefits package	• JKN[1] offers a comprehensive basic benefit package, covering outpatient and inpatient care from primary care to tertiary hospital levels • Several types of equipment are included in the benefits package but with upper limits on value or quantity • JKN does not cover: (i) services that are not in accordance with protocols; (ii) materials, tools or procedures for cosmetic purposes; (iii) general check-ups; (iv) prosthetic dental care; (v) alternative therapy (vi) in vitro fertilization and infertility programs	• PhilHealth[2] covers inpatient care, outpatient care (day surgery, radiotherapy, hemodialysis, blood transfusion, primary care) • Type Z benefit packages provide financial protection for treatment of catastrophic illnesses that are complex and expensive to treat, including cancers and end-stage renal disease • The No Balance Billing policy stipulates that no additional expenses should be charged to patients beyond the fixed case package rates in government facilities, although there are issues with compliance among providers	• Health coverage is provided through three public schemes – Universal Coverage Scheme (UCS), Civil Servants Medical Benefits Scheme (CSMBS) and Social Security Scheme (SSS) – which have considerable differences in their benefit packages • CSMBS beneficiaries are entitled to the most comprehensive healthcare packages, with no specific exclusions, while UCS enrollees have access to the most limited range of benefits, with restrictions in the number of medical conditions covered	• Benefits under the SHI[3] scheme are comprehensive, including most outpatient and inpatient care, rehabilitation, screening for some diseases and transportation costs in certain cases • Patient co-payments exist for benefits covered by the scheme • Drugs obtained from retail pharmacies are not covered by health insurance, and the absence of an outpatient drug benefit scheme contributes to high levels of patient spend on medicine • Additional payments may be required for new technologies not included on the benefits list
Provider reimbursement	• Payments to primary care providers are through capitation • Payments to hospital providers are based on a variation of the diagnosis-related group (DRG) model (INA-CBG, the Indonesia Case-Based Groups system)	• In 2011, PhilHealth shifted from a fee-for-service model to a case-based payment system, whereby a fixed, predetermined amount is paid for a particular medical condition or procedure	• Payments for outpatient care are through capitation in UCS and SSS • Payments for inpatient care are through the DRG system • Additional payments for A&E, dental, maternity care etc are based on a fixed schedule	• Direct subsidies for public hospitals are being replaced gradually by cost-based fees • Capitation payments are currently used at district hospital level, and a case mix approach is also being piloted

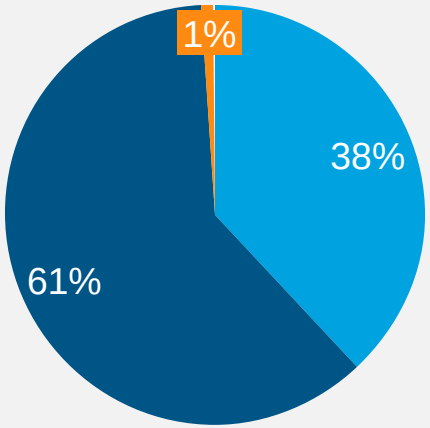
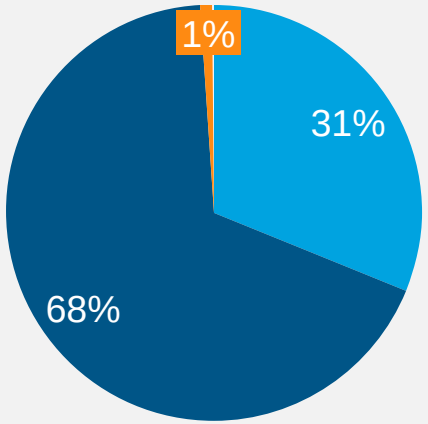
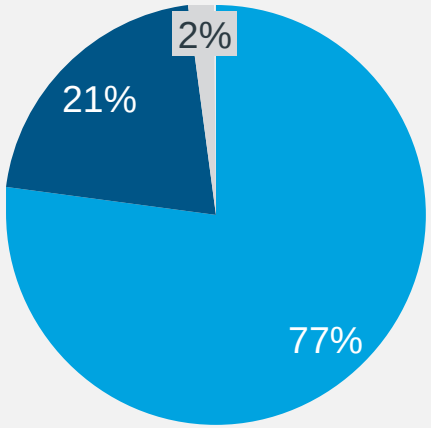
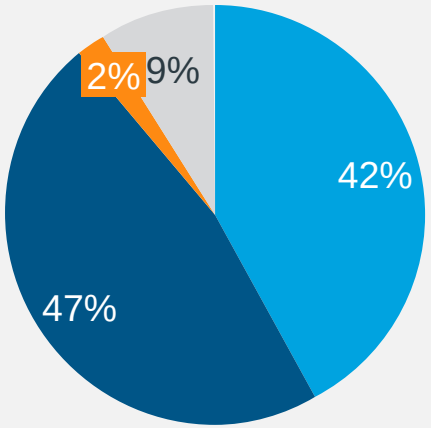
1. Jaminan Kesehatan Nasional, Indonesia's social health insurance scheme; 2. Philippine Health Insurance Corporation, which implements the National Health Insurance Program; 3. Social health insurance

Source: IQVIA Market Prognosis 2017-2021 Indonesia, Philippines, Thailand, Vietnam; WHO (2017) The Republic of Indonesia Health System Review (http://apps.who.int/iris/bitstream/10665/254716/1/9789290225164-eng.pdf)

Private spend continues to account for a high proportion of health expenditure in all countries

Health expenditure

2015

	Indonesia	Philippines	Thailand	Vietnam
Health expenditure by source (%)				
Health expenditure per capita (USD)	112	127	217	117
Health expenditure as share of GDP (%)	3.3	4.4	3.8	5.7

1. Government sources stem from taxes or mandatory insurance contributions
2. Private sources include voluntary prepayment or direct out of pocket payments
3. External sources include donor funding and other non-domestic sources of funding

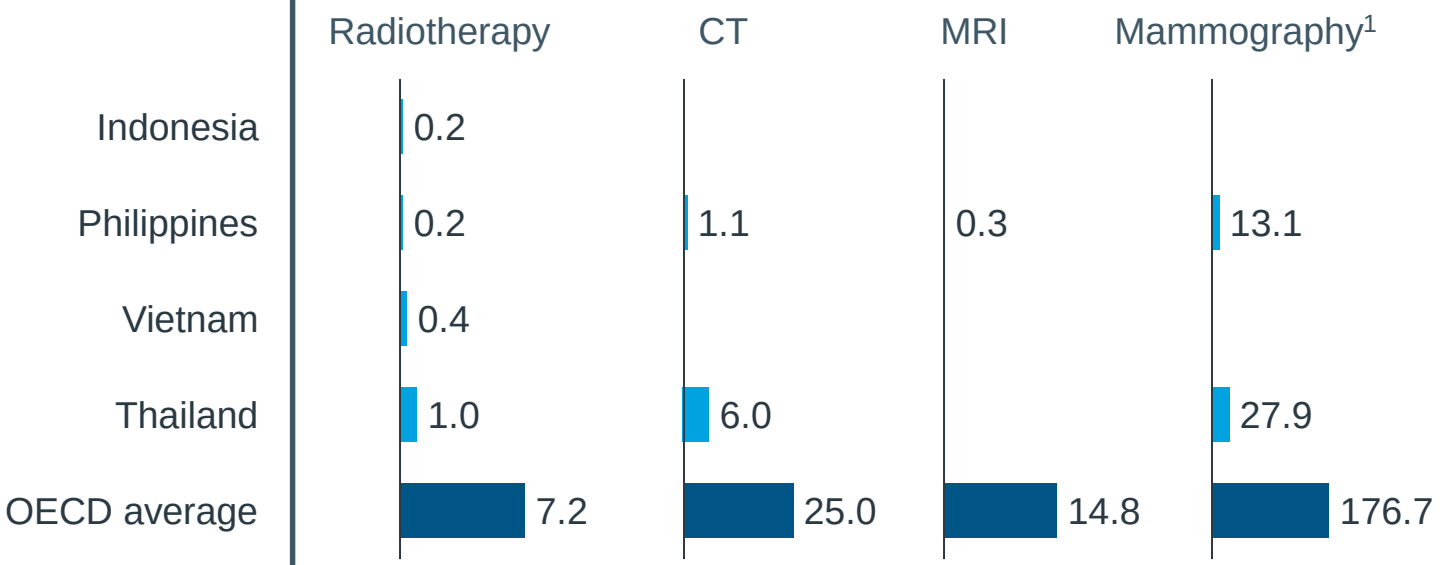
Source: WHO Global Health Expenditure Database (http://apps.who.int/nha/database/Select/Indicators/en)

Access to care remains limited and unevenly distributed

Access to care

Health infrastructure

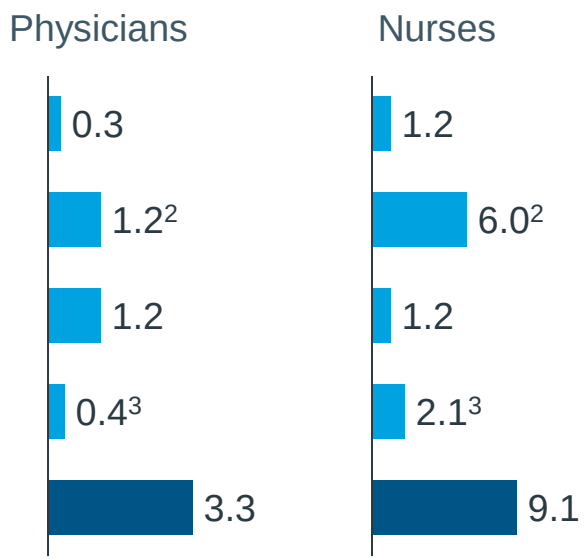
Density of medical technology units per million population, 2013



- Access to care is limited in Indonesia, the Philippines, Vietnam and Thailand
- For instance, in Thailand ~25% of CT, MRI, and mammography machines are located in Bangkok, with ~35% of machines in the private sector and thus inaccessible to the population covered under the Universal Coverage Scheme

Health workforce

Personnel per thousand population, 2013



- Numbers of health workers are relatively low, with uneven geographic distribution
- For instance, while the Philippines is a major exporter of health workers, some rural and poor areas face critical workforce shortages

1. For mammography, figures are per million women aged 50-69; 2. 2004 data for Philippines included due to unavailability of more recent data
Source: OECD (2016) Health at a glance: Asia Pacific (http://www.oecd-ilibrary.org/social-issues-migration-health/health-at-a-glance-asia-pacific_23054964)

To alleviate the burden on public sector services, governments are increasingly considering partnerships with the private sector

Country example: Vietnam

With SHI[1] enrolment set to rise, opportunities for private hospitals to play a role in the treatment of public patients will emerge

Hospital overcrowding

- Overcrowding remains acute
- For example, Ho Chi Minh's main oncology hospital in Binh Thanh District had ~1,600 registered inpatients in 2015 – almost three-times higher than its bed capacity, which stands at 600

Public-private partnerships

- The government is keen to develop public-private partnerships (PPPs) to ease pressure on the public sector and raise standards of care
- Public sector facilities are permitted to enter into joint ventures with private investors, and such ventures may operate as commercial businesses
- Key targets for public/private sector collaboration include areas such as supply co-operation for high-tech medicine; professional consulting and support; the transfer of patients from state to private hospitals during periods of overcrowding; and participation by private hospitals in satellite hospital networks

Increasing hospital capacity

20%

- The government's 2020 roadmap for the healthcare system aims to increase hospital bed capacity by 20%
- MOH[2] has estimated that US$7.5 bn is required in 2016-2020 to fund the upgrading of 60 facilities and construction of 8 new hospitals at central level
- At regional level, 200 provincial and 700 district facilities have been identified for upgrades

Initiatives in Ho Chi Minh City

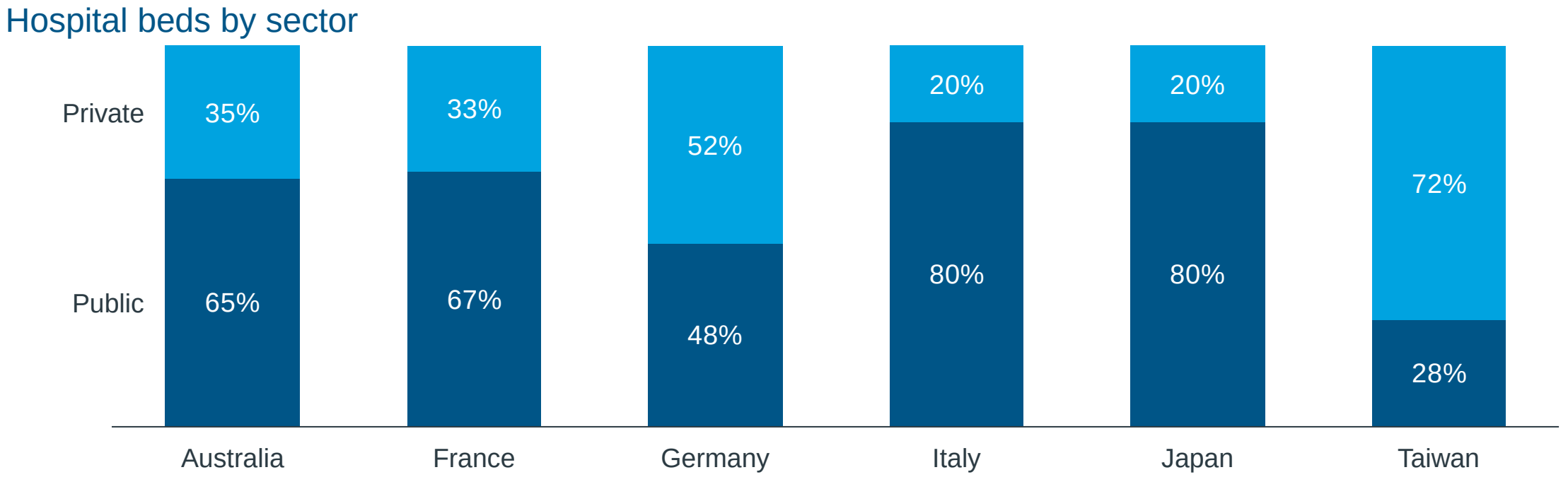
- Public hospitals are scheduled to achieve full financial and managerial autonomy in HCMC as a move designed to improve efficiency and cut costs
- The city is spearheading the establishment of co-operation contracts with private providers, which involve exchanges of both doctors and patients

1. Social health insurance; 2. Ministry of Health

Source: IQVIA Market Prognosis 2017-2021 Vietnam

Developed health systems that have achieved universal health coverage often consist of large private sectors

Public/private split of healthcare delivery



- Healthcare systems around the world have achieved universal health coverage with relatively large private sectors
- Governments may contract private healthcare providers to deliver services to public sector patients
- Primary care providers in particular are often in the private sector

Source: Commonwealth Fund (2017) International profiles of health care systems (http://www.commonwealthfund.org/mwg-internal/de5fs23hu73ds/progress?id=61IE3cs7KeNS7TUP1Mi7AQ2Fb4iyF5oKOj02v1iPVQY,&dl)

IQVIA proposes the design of private sector engagement models to support governments to expand access to care

Review of health systems

1

- We will review international examples of private sector engagement models to identify best practice
- We will consider a range of models and categorize these into key archetypes

Initial design of engagement models

2

- We will synthesize findings to develop potential models of engagement with key stakeholders groups within the private sector:
  - Pharmaceutical manufacturers
  - Wholesalers/distributors
  - Hospitals/clinics
  - Retail pharmacies
  - Laboratories

Stakeholder interviews

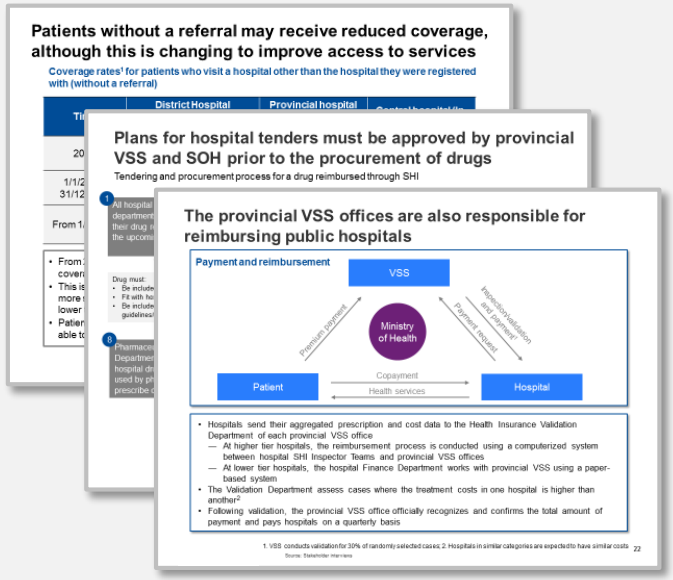
3

- We will conduct interviews with experts in health policy, financing and delivery, to validate and revise the proposed models, focusing on:
  - Potential mechanisms for extending engagement with the private sector
  - Possible benefits to population health outcomes
  - Likely costs and risks
  - Relevant partners

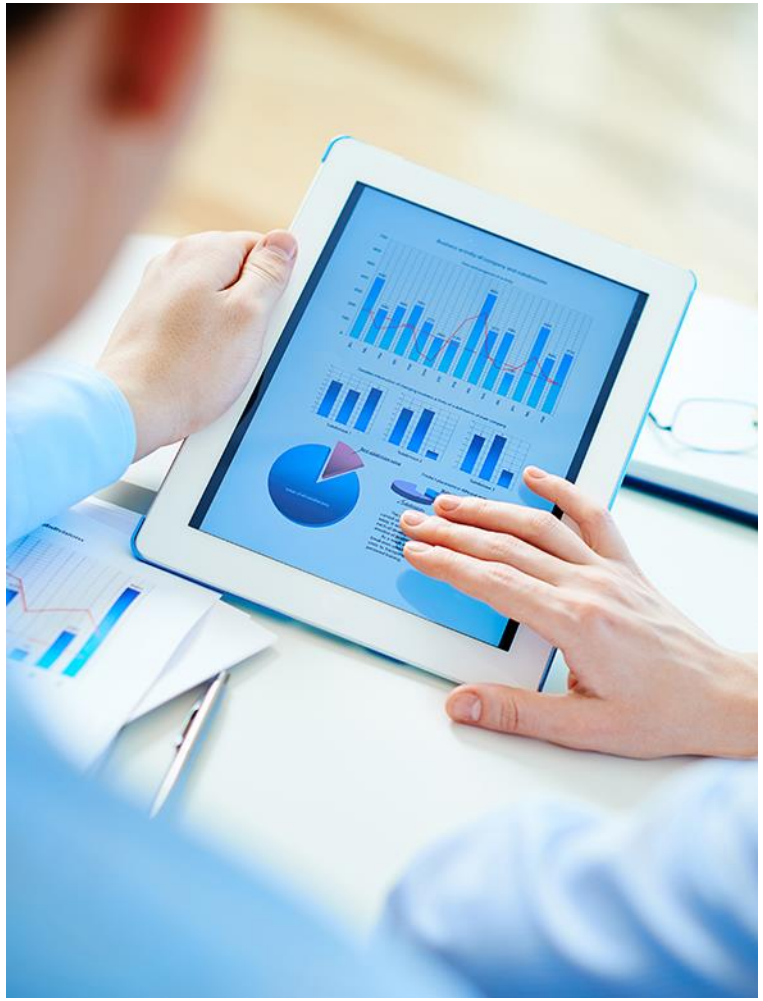
Finalized business models

4

- The full set of insights will support the development of business models for expanding private sector engagement in service of universal health coverage
  - The model will be tailored to the selected local context, and clearly demonstrate the private sector opportunity



Please contact us for more information



Steven Harsono
Head of Public Health, Asia Pacific

Steven.Harsono@iqvia.com
+65 9026 3953

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