



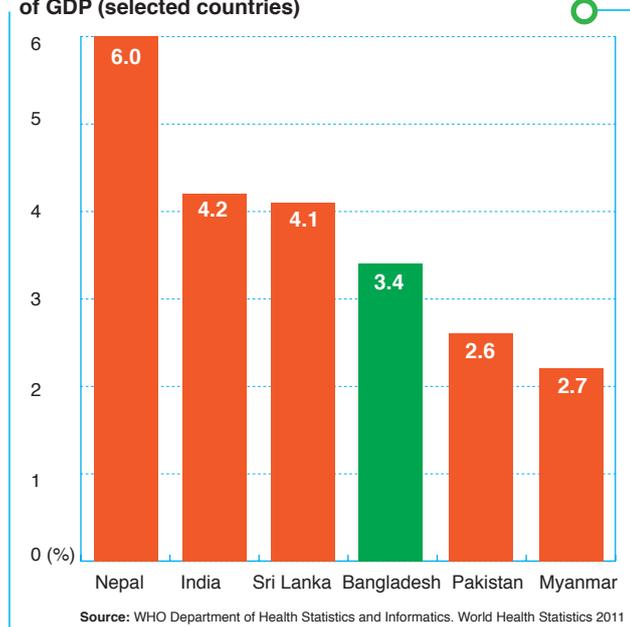
EXPANDING SOCIAL PROTECTION FOR HEALTH

HEALTH CARE FINANCING STRATEGY 2012-2032

BACKGROUND

The health sector of Bangladesh has achieved significant progress in recent years. But still large numbers of households are being pushed into poverty, or those already impoverished are further burdened, both by ill-health and by excessive out-of-pocket (OOP) payments for health care. Out-of-pocket expenditures are still high i.e. 64% of total health expenditure (THE), whereas the government is spending around 26%. Bangladesh spends 3.4 % of GDP on health and less than 1% of the population are covered by an insurance scheme. Furthermore, due to demographic and epidemiological transition non-communicable diseases are also becoming a major disease burden as an addendum to the common infectious diseases. This strategy is designed to address these challenges and move towards the long-term objective of universal health coverage.

Figure 1. Total health expenditure as percentage of GDP (selected countries)



THE STRATEGY

The Health Care Financing Strategy 2012-2032 provides a framework for developing and advancing health financing in Bangladesh. The framework and its direction are aimed at increasing the level of funding for health, ensuring an equitable distribution of the health financing burden, improving access to essential health services, reducing the incidence of impoverishment due to catastrophic health care expenditures and improving quality and efficiency of service delivery.

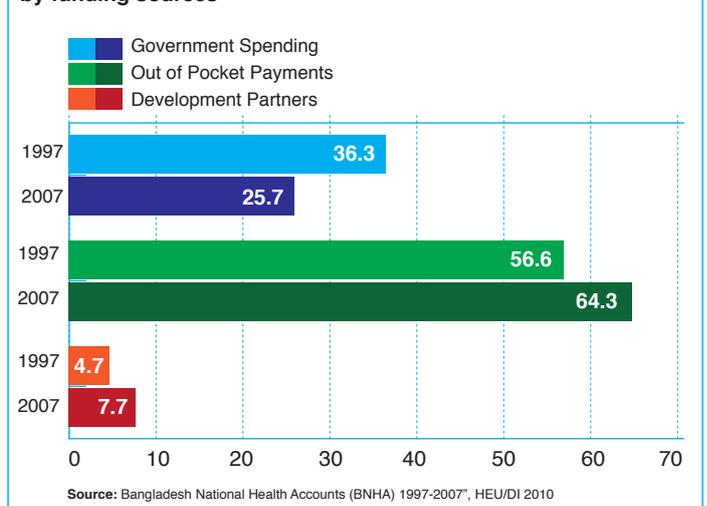
THE CHALLENGES

The challenges posed by health financing in Bangladesh can be summarized under three broad categories. These are:

- inadequate health financing;
- inequity in health financing and utilization; and
- inefficient use of existing resources.

Figure 2

Percentage of Total Health Expenditure in Bangladesh by funding sources





At the same time the strategy outlines actionable mechanisms to capture private spending and channel it efficiently in prepayment and pooling arrangements. It puts emphasis on extending financial protection to all segments of the population.

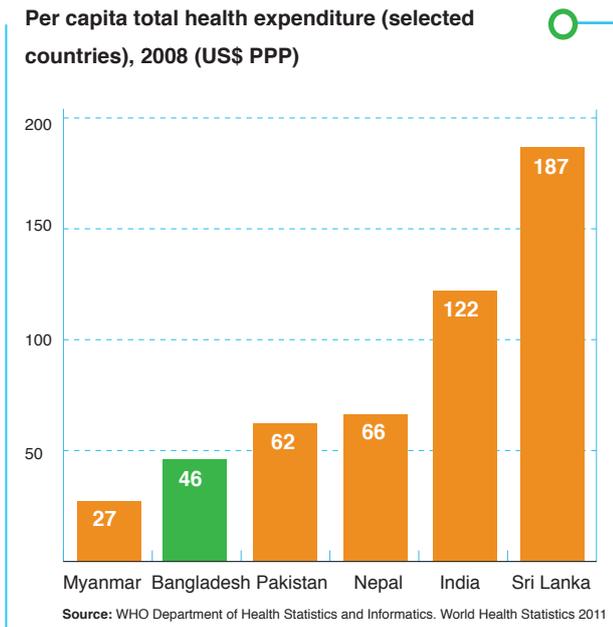
STRATEGIC OBJECTIVES

To cope with the challenges and increase financial protection for the entire population and decrease out-of-pocket payments at point of service, the following three strategic objectives are proposed:

- Generate more resources for effective health services
- Improve equity and increase health care access especially for the poor and vulnerable
- Enhance efficiency in resource allocation and utilization

The heavy reliance on OOP payments, which are inequitable and inefficient, has the most impact on the poor. Therefore, the over arching target of the strategy is to halve OOP expenditures for health at the point of service from the current level of 64% of total health expenditure to 32% by 2032.

Figure 3
Per capita total health expenditure (selected countries), 2008 (US\$ PPP)



STRATEGIC INTERVENTIONS

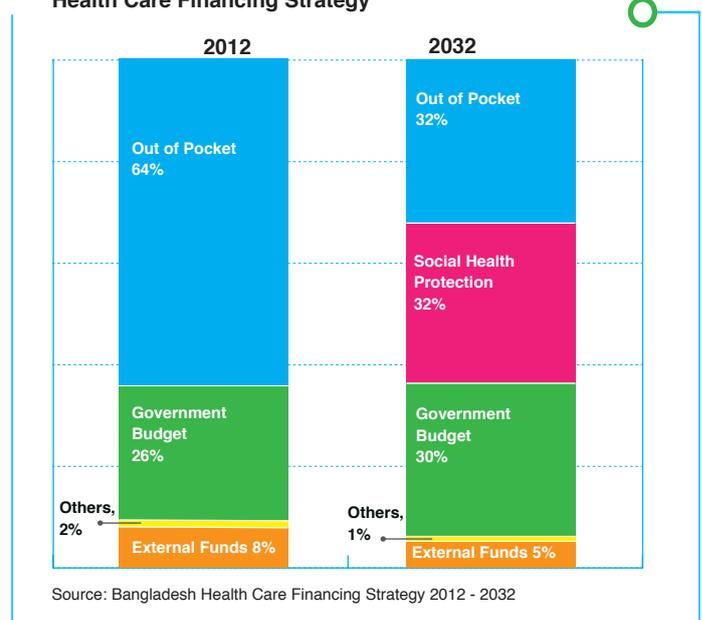
1. Design & implement Social Health Protection Scheme

This intervention will help to achieve all three strategic objectives. The Social Health Protection Scheme would be a national program with one pool, and one benefit package, first targeting the below poverty line (BPL) populations and formal sector with the possibility for the informal sector to join the contributory scheme in a voluntary basis, in a first stage. In a later stage partial subsidy to those in the informal sector and near the poverty line could be introduced. The Health Equity Fund/ National Health Security (NHSO) Office would be the pooling and purchasing mechanism of the Scheme.

2. Strengthen financing and provision of public health care services

In order to increase access, tax funded primary and preventive care and services will remain free and must be strengthened by further improving efficiency and effectiveness.

Figure 4
Proposed Evolution of Financing Mechanisms of the Health Care Financing Strategy





3. Strengthen national capacity

National capacity refers to both individual and institutional capacity in public, private and NGO sectors. Strengthening of national capacity along with a strong stewardship role of the government will be crucial for the successful implementation of this strategy. It considers service provisions and scopes of the health care providers and also explores the mechanism to increase the capacity of the health care financing experts as a necessary condition in terms of number and excellence.

The medium term (2016 to 2021) will be implemented when the activities launched during the preceding phase (SSK, NHSO and social health protection programs) will be appropriately scaled up.

In the long term (2021 to 2032) Bangladesh would move ahead to achieving universal health coverage building upon the achievements of the short and medium terms of sequenced implementation of the strategic interventions proposed.

This health care financing strategy includes a logical framework which covers all aspects of health financing; resources mobilization, pooling, and purchasing (allocation). Using this framework the government and the sector stakeholders will be able to assess the interventions in light of the objectives of improving financial protection for health.

IMPLEMENTATION PLAN

The strategy will be implemented in three phases, i.e. short, medium and long term. The short term one will be up to the end of the current sector programme - HPNSDP in 2016; in that phase the Shasthyo Shuroksha Karmasuchi (SSK) pilot rolls out, and NHSO and other key elements of the social health protection scheme will be designed.

Figure 5

Sequencing the implementation of the Social Health Protection Scheme

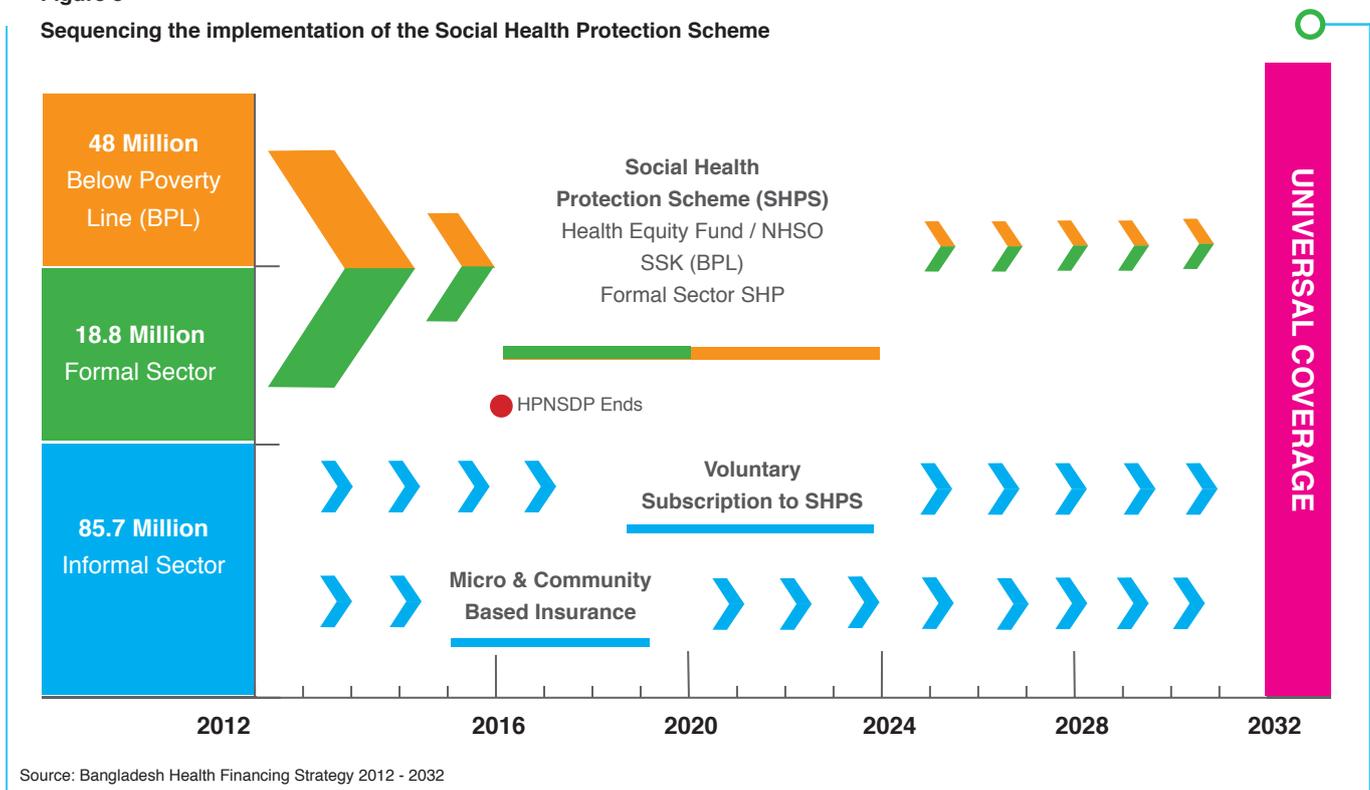


Table 1

Health Financing Indicators

INDICATOR	DEFINITION	TARGET	
		CURRENT	2032
OOP as % of THE	Out of pocket expenditures as percentage of total health expenditures	64% (2007)	32%
% of prepaid THE by the new health protection schemes	% of new prepayment funds by new schemes & strategies	0%	68%
% of household facing catastrophic health expenditures	> than 10% of total household expenditures or > 25% of non – food expenditures	15% (2007)	0%
Utilization of services from formal health providers by poor and disadvantaged		TBD	100%
Health budget as % of national budget		5%	15%
% of unspent budget per year	As percentage of revenue & investment	4%	0.5%
% of population covered by prepayment schemes		TBD	100%

Source: Bangladesh Health Financing Strategy 2012 - 2032

More information at: <http://www.heu.gov.bd/>



THE WAY FORWARD

Development of the health care financing strategy is the beginning of the journey towards achieving the ultimate goal – universal coverage. Developing a realistic, timebound, and measurable implementation plan is the crucial next step. This plan will be incorporated in the sector plan.

The goal is to attain Universal Coverage by 2032 by extending financial risk protection and ensuring access to quality service. This requires significant political commitment and support from the policy makers, development partners, implementers and the general public for its successful implementation.

It is noted that health care financing is one of the six building blocks of health systems. The full impact of this strategy will partially depend on actions that fall under the other building blocks: human resource development and management, quality of health care services, disbursement of budgetary allocations, information technology, governance and stewardship. However, effective and efficient health care financing is predominantly important in ensuring accessibility and equity in health care.

Universal coverage is a direction, not a destination. What is important is to begin and take active steps to protect ALL Bangladeshis from the financial risk of seeking or obtaining care.

Source: Expanding Social Protection for Health: Towards Universal Coverage
Health Care Financing Strategy 2012-2032

Health Economics Unit (HEU) Ministry of Health & Family Welfare
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