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National Health Accounts

*Report of Bi-Regional Workshop on
National Health Accounts
New Delhi, 28 November – 1 December 2006*



**World Health
Organization**

**Regional Office for South-East Asia
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1. Introduction

A Bi-Regional Workshop on National Health Accounts (NHA) was held in New Delhi from 28 November to 1 December 2006. This was a multi-country Activity (MCA) for the countries of the SEA Region; the initiative for which was taken by India with support from the Regional Offices. The overall objective of the Workshop was to strengthen national financial management in health. The specific objectives of the meeting were to:

- Provide technical training in NHA data collection, processing and policy links.
- Learn from countries that have advanced in NHA on improving the process, including using NHA for policy review.

A total of 26 participants from eight SEA Region countries and three countries of the Western Pacific Region participated in the workshop. (The complete list of participants is at Annex 1).

2. Inaugural session

Dr Than Sein, Director, Non-Communicable Diseases, WHO/SEARO, opened the workshop on behalf of Dr Samlee Plianbangchang, Regional Director for WHO SEA Region. Dr Than Sein also read Dr Samlee's address on his behalf. In his remarks, the Regional Director pointed out that countries have recognized the importance of systematically reviewing health expenditure to improve the effectiveness in the use of available resources and their equitable distribution as well as in identifying gaps in financing. NHA helps track sources and uses of health financing. The Regional Director identified NHA as an important tool to assess public spending on priority public health needs and primary health care. It also allows exploring the reallocation of both public and private resources towards priority areas and options to mobilize additional financing for health.

NHA are being produced for all Member countries of the Region. However, for the majority of the countries this is not being executed by the ministries of health. The Regional Director emphasized that in order to make effective use of the important and in-depth information provided by NHA, the process needed to be moved beyond outsourced routine accounting to an institutionalized tool for evidence-based policy formulation and resource-tracking. The Regional Director also suggested that the workshop could assist in institutionalizing National Health Accounts in countries that do not have functional units dealing with the same and having close Ministry of Health and policy links. For countries more advanced at the national level, the workshop provided an opportunity for training representatives from sub-national levels in NHAs. Also, by adapting a global course to regional specifications and making use of resource persons from within the Region, the Workshop could also serve as an important opportunity to develop a curriculum and a core set of trainers for future capacity building and follow-up activities at the regional and country levels.

3. Technical sessions

3.1 National Health Accounts: A tool for understanding health system financing and equity

In Part I of his presentation Professor Peter Berman, (*Lead Economist* with the *World Bank, New Delhi*) placed NHA in the context health systems and health financing. He explained that NHA captured a descriptive accounting of all spending for health in a country during a year, regardless of the origin, destination, or object of the expenditure. He identified some key questions that NHA could help answer, such as:

- How large is the health system and its components in the economy?
- Who pays and how much?
- How is health care financed and paid for?
- How are resources allocated across providers and types of services?

- How is the financial value of benefits distributed?
- How do we compare with other countries?

This makes NHA especially valuable when countries are considering significant health financing reform, as baseline, planning tool, and monitoring tool. Importantly, the process is feasible at modest cost, and sustainable over time. However, while NHA is a tried and tested tool for analyzing health expenditures, with a wide range of useful applications, Professor Berman underlined that the challenge remains of making better use of the better evidence it offers.

In the second part of his presentation, Professor Berman first gave an overview of the main technical elements of NHA, including the expenditure boundary and aggregate measures of health expenditure flow of financing approach relevant to health financing and policy; classification schemes; and, other classification dimensions.

The presentation then turned to issues of process, especially of locating the NHA team and sustaining NHA. Professor Berman pointed out that there was no single answer or uniquely successful experience with locating NHA. Issues that needed to be kept in mind were objectivity and insulation from political pressures, transparency, sound analysis and judgment which are acceptable to key stakeholders. Experiences include placing NHA within a health planning agency in the MoH or a health financing agency in the Ministry of Planning or Finance. The Important of the need for participation by key health stakeholders – government, academia and the non-public sector (private and NGO/CSO) – was stressed.

On sustainability, Professor Berman underlined that NHA development should be based on collaboration between planners, decision-makers, and analysts; adding that it should provide answers to current questions; and, that practice improves the quality of accounts and enables more and more reliable results over time.

Professor Berman concluded by enumerating the “four best practices” guidelines. These are:

- NHA usually require specific details on uses which may not be available from the generic framework alone.
- It is best to identify priority policy questions in advance and build into analysis.

- It is best to establish close collaboration with policy-makers and policy issues before and during NHA development.
- Adoption of more standardized frameworks will permit wider policy evaluations.

3.2 National Health Accounts: Estimating expenditure

This session was divided into five presentations, each of which covered a key area of health expenditure:

- (1) Estimating public health expenditures.
- (2) Estimating out-of-pocket expenditures.
- (3) Understanding health insurance in the NHA framework.
- (4) Estimating private expenditure :
 - (a) Capturing expenditure by firms in the NHA
 - (b) Other private expenditure with special focus on NGOs serving households
- (5) Estimating external flow data for health.

Each presentation was organized into three sections to cover the main learning objectives of:

- (1) Understanding the importance of each type of expenditure in the context of overall country spending on health.
- (2) Understanding how estimates for each type of spending are to developed:
 - (a) Defining expenditures.
 - (b) Identifying relevant components of expenditures.
 - (c) Data sources for collection of expenditure information.
 - (d) Estimation methods for developing the NHA table.
 - (e) Understand technical (including data) and well as institutional challenges in estimating expenditures.

All modules used country examples to illustrate the NHA process and, as far as possible, these were from the SEA and WPR Regions.

3.3 NHA and data requirement issue

This session involved with on data requirement issues of NHA, with the following learning objectives:

- (1) Recommended steps for organizing the data collection process, including the data plan.
- (2) Basic tips for strengthening the accuracy and relevance of collected data.
- (3) Familiarity with different secondary sources of data, including their strengths and weaknesses.
- (4) Understanding when to resort to primary data collection and what to consider when designing certain survey instruments.

3.4 NHA: Boundaries and classification of health expenditure

This session was aimed at providing and understanding the boundaries and classification of health expenditure in the NHA process. Accordingly, the learning objectives were:

- (1) Familiarity with the space and time boundaries for health expenditures.
- (2) Familiarity with the International Classification for Health Accounts and its numerical coding system.
- (3) Understanding the NHA approach to classification that allows the introduction of nationally relevant categories within the broader ones identified by ICHA.

3.5 Susmania case study

A case study based on data from a fictional country 'Susmania' was conducted in order to:

- (1) Gain practical experience in filling NHA tables.
- (2) Be able to select relevant information from NHA questionnaires.

Participants were first introduced to the country through a situational analysis that focused on health and health financing issues. The practical NHA exercise was in three parts and participants worked in groups assisted by resource persons. Time was set aside for more elaborate discussions on completion of each agreement.

4. Country presentations

This session was organised to exchange experiences in setting up the NHA process in countries. A framework was suggested for country presentation on:

- (1) Planning the NHA process
- (2) Institutionalising the process

In their presentations, most countries indicated these two issues to be a continuing challenge and requested guidance from countries that are at a more advanced stage in the process; such as India and Thailand.

Following are some lessons learnt with respect to planning and institutionalising that were shared by India and Thailand:

- (1) *Create demand from policy-makers:*
 - (a) Producing NHA alone is not an evidence-based policy-decisions. Decision-makers need to see the clear links and benefits from NHA for policy before they invest time and money in the process.
 - (b) NHA must therefore respond to the policy environment in its contents as well, including linking with the timeline of the country's decision-making process.
 - (c) NHA must be presented in a way that is easily understood by key policy-makers.
- (2) *Locating NHA:*
 - (a) A policy-relevant location is important for advocacy.
 - (b) Locate NHA where the team and policy-makers alike have easy access to each other.
 - (c) Multi-sector, multi-institutional and sub-national interaction is also important.

- (3) *Data collection:*
 - (a) Establish standards for data collection and analysis; consistency is very important.
 - (b) Institute data requirement, especially for the private sector.

5. Overview of NHA sub-accounts

The purpose of this section of the workshop was to provide an introduction to advancements in the use of NHA. It was explained that sub-accounts use the NHA framework to track 'disaggregated' expenditures on health for specific diseases such as HIV/AIDS or malaria; for intervention clusters or programmes such as reproductive health; for a specific age group as with children 0-5 years old or for a specific sub- national/geopolitical region. It was, however underlined that sub-accounts are an essential as part of the general NHA exercise and not "stand alone" estimates.

The purpose of the sub-accounts is to (a) be more policy relevant, particularly with respect to priorities like equity, national disease programmes and decentralisation; (b) measure results linking health expenditure data for specific patient characteristics or geopolitical entities to health outputs; (c) managing resources for specific interventions (monitoring and evaluation); and, (d) creating a standardised tool for comparison.

The National AIDS Spending Assessment (NASA) from Thailand was presented as a illustration of NHA sub-accounts.

6. Taking the NHA agenda forward in countries of the SEA Region

WHO SEARO is committed to pushing the NHA agenda forward in the South East Asia Region. The workshop was an important step in this direction and contributed to the development of a critical mass for NHA development and advocacy in countries. The workshop also provided the opportunity to pilot and adapted global curriculum at the Regional level and, also, to identify a set of core Regional resource persons for further activities, particularly at the country level.

Importantly, was not regarded as an end of capacity-building but, rather, the initiation of an exercise which is to be followed-up by country support in institutionalising NHA and, critically, to link evidence to policy.

7. Concluding remarks

Dr Anton Fric made the closing remarks by reiterating the fact that the NHA is an important policy tool for health systems development and expressed the hope that participants are convinced that NHA is possible and that they would take the initiative to advocate for it in their countries. He also assured participants of assistance from the Regional Office and support to countries that would carry forward this crucial agenda. He thanked the participants for their active participation and dynamic involvement throughout the workshop.

Annex 1

List of participants

Bangladesh

Mr Ahmed Mustafa
Senior Assistant Chief (NHA)
Health Economics Unit (HEU)
Ministry of Health and Family Welfare

Bhutan

Mr Nado Dukpa
Dy. Secretary
Administration and Finance
Ministry of Health

Mr Kinlay Dorji
Planning Officer
Ministry of Health

India

Dr Anit Lal Das
Ministry of Health & Family Welfare
New Delhi

Dr Rakesh Kumar Maurya
Ministry of Health & Family Welfare
New Delhi

Ms Pratheeja J
Ministry of Health & Family Welfare
New Delhi

Indonesia

Dr Prastuti Soewondo
Researcher/Health Economist
Center for Health Research
University of Indonesia

Dr Nugroho Soeharno
Researcher/Health Economist
Center for Health Research
University of Indonesia

Dr Mardiaty Najib
Researcher/ Health Economist
Center for Health Research
University of Indonesia

Dr Dirk J.A. Matahelumual
Staff Center for Health Financing and Health
Insurance
Ministry of Health

Mr Indra Rizon
Staff Center for Health Financing and Health
Insurance
Ministry of Health

Myanmar

Ms Daw Htay Htay Win
Staff Officer
Department of Health Planning
Ministry of Health

Ms Daw Htwe Htwe Myint
Staff Officer
Department of Health Planning
Ministry of Health

Nepal

Mr Arjun Bahadur Singh
Chief, Policy, Planning & International
Coordination Division
Ministry of Health & Population

Mr Yogendra Sherchan
Under-secretary Finance
Ministry of Health & Population

Sri Lanka

Mr Pathiratna
Director, Finance (Planning)
Ministry of Health Care and Nutrition

Mr Jayasekera
Director Finance (Book Keeping)
Ministry of Health Care and Nutrition

Thailand

Ms Hathaichanok Sumalee
Researcher, NHA, IHPP, MOPH

Ms Artidaya Tiampraiwan,
Researcher, NHA, IHPP, MOPH

Ms Taweesri Greetong
Senior Policy Analyst
National Health Security Office

Timor Leste

Mr Domingos da Cruz
Head of Finance Department
Ministry of Health

Ms Catherine Denis Keane
Finance Management Advisor to the
Ministry of Health

WPR

Ms Janelle Montu
Economist/Ministry of Health
Nabua, Fiji

Ms Penina Grikiyasawa
Principal Health Planning Officer/
Ministry of Health
Suva, Fiji

Mr Idrish Khan
Senior Accountant
Ministry of Health, Fiji

Mr Marcus Samo
Assistant Secretary for Health
Department of Health, Education and
Social Affairs
Palikir, FSM

Mr Len Tarivonda
Director of Public Health
Ministry of Health
Vila, Vanuatu

Mr Jameson Mokoro
Manager, Finance and Accounts
Ministry of Health
Vila, Vanuatu

Ms Jerolyn Tagaro
Senior Human Resource Officer
Northern Health Care Group
Ministry of Health
Vila, Vanuatu

Resource persons

Dr Peter Berman
Leading international NHA expert

Harvard University
(Currently, Lead Economist, World Bank,
New Delhi)

Dr C.K. George
Director
The Institute of Health System
Hyderabad, India

Mr Somil Nagpal
Directorate General of Health Services
New Delhi, India

Ms Kanjana Tisayaticom
Senior Researcher
PI NHA, IHPP, MOPH, Thailand

Mr Harin Chokchaichan
Researcher
NHA, IHPP, MOPH Thailand

Mr Sunil Nandraj
Cluster Leader, HSD
WRO, India

Dr Charu Garg
Technical Officer, NHA
EIP/WHO, Geneva

WHO Secretariat

Dr Sultana Khanum
Director
Department of Health Systems Development

Dr Anton Fric,
Regional Adviser
Evidence and Health Information

Dr Alaka Singh
Short-term Professional
Health Care Financing

Mr Sunil Nandaraj
National Professional Officer
WRO, India

Dr Padma Shetty
Short-Term Professional
WRO, India

Ms Anagha Khot
Short-Term Professional
WRO, India

Ms Prateebha
National Health Accounts Cell
Ministry of Health & Family Welfare

Annex 2

Inaugural address by Dr Samlee Plianbangchang, Regional Director, WHO South-East Asia Region

*(Read by Dr Than Sein, Director, Non-Communicable Diseases,
SEA Regional Office)*

Distinguished representatives from Member States of WHO South-East Asia and Western Pacific Regions, development partners, colleagues, ladies and gentlemen,

I would like to extend a warm welcome to all of you to this important workshop on National Health Accounts (NHAs). Capacity building in the area of health financing has been identified by Member Countries as a priority area in their programmes of work for the biennium 2006-2007. This workshop is a first response from the WHO South-East Asia Regional Office related to the countries' request for assistance in their NHA efforts during this biennium.

Ladies and gentlemen,

There is considerable work to be done if we are to meet our commitment to the Millennium Development Goals of this Region. If the current trend continues, number of countries of the Region would not be able to achieve their target of reduction of maternal and under-five mortality by 2015. A similar situation has been observed in trends related to the MDG targets in reduction of communicable; diseases including HIV/AIDS.

We now have less than a decade to scaleup services and for concerted efforts by all countries and partners in health in addressing all issues related to the health system including health financing which are crucial towards the achievement of the Millennium Development Goals by 2015.

Ladies and gentlemen,

A major constraint to scaling up interventions in the countries of the Region is health financing. There are critical issues of inadequate, inefficient

and inequitable health spending. Less than half of the Member countries of the SEA Region are at the WHO recommended benchmark of allocating at least 5% of their GDP to health. Moreover, countries display a wide range of outcomes per unit of health investment. The most important impact of health financing is that its inequity is a leading cause of inequity in overall health systems. There are two main root sources of inequities in financing. First, upto 70% of health financing in the South-East Asia Region is a direct out-of-pocket expenditure by households. Estimates also suggest that catastrophic costs impact a significant number of households, pushing them into poverty. Experience indicates that out-of-pocket payment is, in fact, the most regressive health financing mechanism. Second, inequities arise due to financial structure and management, especially the neglect of priority public health areas, between levels of care, and sub-national distribution of resources.

Countries have recognized the importance of systematically reviewing health expenditure to improve the effectiveness in the use of available resources and their equitable distribution as well as in identifying financing gaps. National Health Accounts help track sources and uses of health financing. It is an important tool to assess public spending on the basis of priority public health needs and primary health care. It also allows exploring the reallocation of both public and private resources towards priority areas and options to mobilize additional financing for health. National Health Accounts are being produced for all countries of the Region. However in the case of a majority of the countries, this is not being executed by the ministries of health.

Ladies and gentlemen,

In order to make effective use of the important and in-depth information provided by National Health Accounts, we need to move the process beyond outsourced routine accounting to an institutionalized tool for evidence-based policy formulation and resource tracking. This capacity-building workshop is a continuation of the efforts in institutionalizing National Health Accounts in countries that do not have functional national units with close Ministry of Health and policy links. For countries more advanced at the national level, the workshop provides an opportunity for training representatives from sub-national levels in NHAs. Also, by adapting a global course to regional specifications and making use of resource persons from within the Region, the workshop serves as an important opportunity to develop a curriculum and core set of trainers for future capacity-building and follow-up activities at the regional and country levels.

With this, I declare the meeting open and once again express my appreciation for your participation and contribution to strengthening the National Health Accounts and health financing agenda in the Region. I look forward to the outcome of this workshop and subsequent follow-up at the country level.

Thank you.

Annex 3

Agenda

Tuesday; 28 November 2006

- | | |
|-------------|--|
| 8:45–9:15 | Registration |
| 9:15–10:00 | Opening remarks |
| 10:00–10:15 | Objectives of the workshop |
| 10:15–10:45 | Introduction of participants |
| 11:30–12:30 | National Health Accounts: A tool for understanding Health System Financing and Equity- I
<i>Professor Peter Berman</i> |
| 1:30–3:30 | National Health Accounts: A tool for understanding Health System Financing and Equity- II
<i>Professor Peter Berman</i> |
| 4:00–5:30 | Estimating public health expenditures
<i>Ms Kanjana Tisayaticom</i> |
| 5:30–7:00 | High tea hosted by Director, HSD, SEARO |

Wednesday; 29 November 2006

- | | |
|-------------|--|
| 9:00–10:00 | Estimating private health expenditures (OOPs)
<i>Dr Charu Garg</i> |
| 10:00–11:00 | Estimating private health expenditures (OOPs)
<i>Dr Charu Garg</i> |
| 11:30–12:30 | Estimating expenditure on insurance
<i>Dr Somil Nagpal</i> |
| 1:30–2:00 | Estimating external assistance |
| 2:00–3:00 | NHA and data requirements/issues
<i>Mr Harin Chokchaichan</i> |
| 3:30–5:00 | NHA boundaries and classification of health expenditure
<i>Dr C.K. George</i> |

Thursday; 30 November 2006

- | | |
|--|---|
| | Developing NHA tables and matrices – Group work |
|--|---|

Using the 'Susmania' case study to:

- Examining the data
- Identifying expenditure type
- Classifying data
- Discussing issues like data conflict, duplication, double counting
- Developing matrices

Facilitators:

Mr Harin Chokchaichan

Dr Charu Garg

Dr CK George

Dr Somil Nagpal

Dr. Alaka Singh

Ms Kanjana Tisayaticom

Friday 1 December 2006

9:00–11:00	Country presentations
11:30–12:30	Country presentations (continued)
1:30–2:30	Overview of NHA sub-accounts <i>Dr Charu Garg</i>
2:30–3:30	Taking the NHA agenda forward in the SEA Region <i>Dr Alaka Singh</i>
4:00–4:30	Concluding remarks

Annex 4

List of background papers

- (1) Guide to producing NHA (2003). WB/WHO/USAID. WHO, Geneva.
- (2) NHA Trainer Manual (2004). PHRplus/USAID. http://www.phrplus.org/Pubs/Tool002_fin.pdf
- (3) NHA Participants Manual (2004). PHRplus/USAID. http://www.phrplus.org/Pubs/Tool002Par_fin.pdf