ROUND TABLE DISCUSSION ON HEALTH FINANCING
BRIEFING NOTES FOR RESOURCE SPEAKER

19 February 2014 (Wednesday), CIRDAP Auditorium
Dhaka, Bangladesh

Venue / Time: **CIRDAP Auditorium, Chameli House, 17 Topkhana Road**
Wednesday, 19th February 2014
9:00AM -2:00 PM

Chair: **Secretary, MOHFW**

Moderator: **Dr. Michael Adelhardt, P4H CD**

Documenters: Key Issue 1- Md. Hafizur Rahman, HEU
Key Issue 2 - Dr. M Sabbir Haider, HEU
Key Issue 3 - Dr. Aminul Hasan, HEU
Key Issue 4 - Mr. Khan Suleman, HEU
Consolidation – Mr. Jaidev Singh, GIZ

Format: After the input presentation from HEU on Health Care Financing Strategy and background of key financing issues, the Moderator will open the floor for discussion of the key issues beginning with key issue 1 until key issue 4.

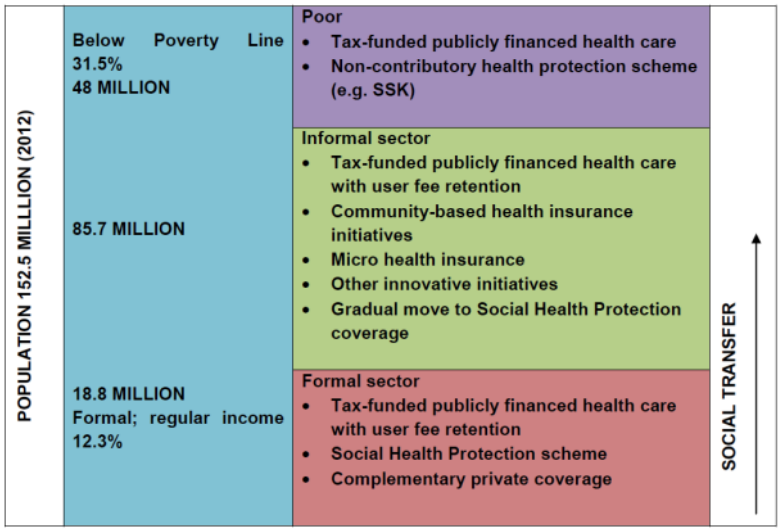
5 minutes: Local Expert Input
5 minutes: International Expert Input
25 minutes: Plenary Discussion
5 minutes: Summary recommendations

Please refer to attached background presentation on HF in Bangladesh.

Key Issue 1: What steps need to be taken to mobilize the necessary resources to attain the proposed coverage in the HCF Strategy and increase budgetary allocation for health?

One of the key challenges in the Bangladesh health system is inadequate resources in the health sector. As of 2010 NHA data preliminary results, total health expenditure is 3.5% of GDP. Household out of pocket spending at 64% of total health expenditure continues to be the predominant source of financing, resulting to catastrophic spending and impoverishment. The HCFS envisions providing social health protection coverage for the poor, informal and formal sector in a phased-in approach and funded as follows:

Coverage and Mechanisms



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Proposed Funding Sources for Social Health Protection

- Compulsory Payroll Contributions for the formal sector
- Self-payments for the informal sector (above poverty line)
- Subsidies for the poor
- **Government subsidies from:**
  - ✓ **General budget**
  - ✓ **Earmarked allocations from sin taxes, vehicle taxes, VAT**
  - ✓ **Earmarked allocations for fees on remittance from overseas workers and other fees**
- Co-Payments
- Donations/Grants (domestic and external resources)

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Local Expert Input: Representative, MOF

- Comment on the proposed coverage and funding mechanism, particularly on the sources of government subsidies in Bangladesh
- Recommendations on sources of financing and how to increase resources for health given the fiscal constraints in Bangladesh

International Expert Input: Rob Yates, WHO

- Comment on the proposed coverage and funding mechanism based on international experience and best practice
- Recommendations on increasing resources for health in Bangladesh

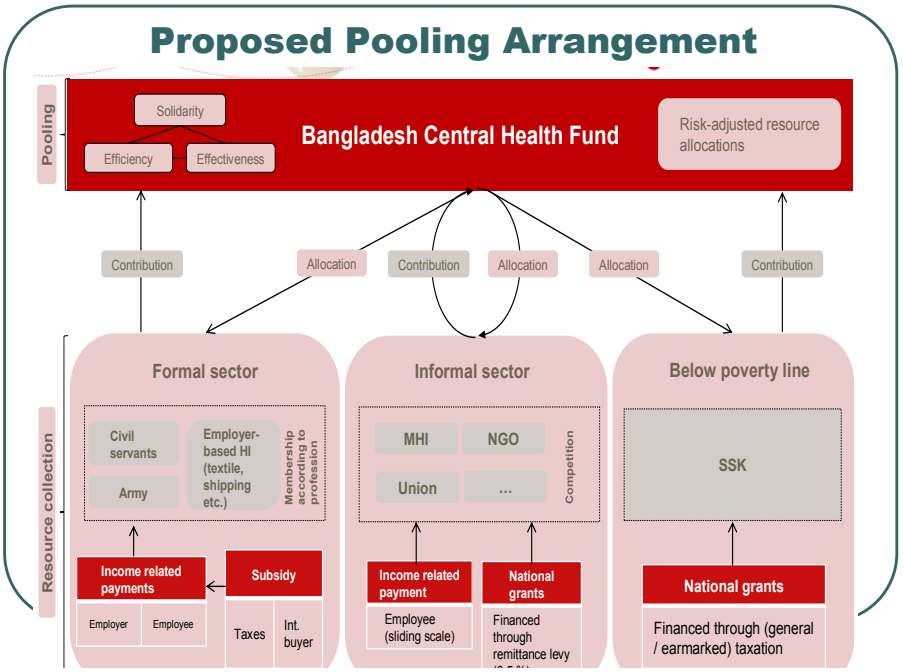
Key Issue 2: Based on the proposed pooling mechanism, how can we further improve equity and efficiency? Who shall manage the single health protection fund?

The goal of pooling is to ensure solidarity-based financing and to maximize financial protection. The achievement of this goal will depend on the composition of risk pools, extent of fragmentation and how the risk pools are managed. Current funding arrangement in the country is shown below:

Pooling in Bangladesh

- Not pooled – 64% OOP
- Government – 26% and External -8%
- Allocation of public resources from central to local level is not based on actual needs but on a static input based formula (bed, staff)- on-going development of Needs based RAF
- 14/44 insurance companies offer health insurance, mostly for private formal;13/36 MHIs offer health insurance but small membership

In Bangladesh, there is a general consensus among government and stakeholders that a **single national fund pool** composed of non-contributory scheme for the poor, mandatory scheme for formal sector workers, and contributory scheme (with possible partial government subsidies) for the non-poor informal sector, is the desirable design. This fund will be administered by an autonomous body with multi-sectoral representation.



The government intends to immediately to implement the SSK pilot as soon as possible. Recently, the MOF recognizes the need to generate additional resources to cross-subsidize the poor, and suggested covering the formal sector as well. This will be done in a phased-in manner, beginning with the Civil Servants (public salaried) and the Ready Made Garments (private salaried). All these schemes will follow the same design principles, generate lessons and will cease to exist under the NHIF which will be established by law. The schemes are meant as starting point for coverage, testing the feasibility and building up the capacity for health insurance management.

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Local Expert Input: MOF Representative/ Tahmina Begum, Consultant

- Comment on the proposed pooling structure and collection mechanism. Based on Bangladesh experience, how can this arrangement be further improved for equity and efficiency?
- What type of organization will manage the single health fund? Government, semi-autonomous government body, private?

International Expert Input: Priyanka Saksena, WHO

- Comment on the proposed pooling arrangement based on international experience and best practice
- Recommendations on possible steps for Bangladesh to maximize the benefits of its pooling arrangement.

Key Issue 3: What considerations and principles in benefit package development do we need to consider based on Bangladesh context? Who shall pay for what services?

Bangladesh has been implementing Essential Service Delivery in its public health facilities. This is the priority package that the government has defined to provide to its entire citizen for free. It is composed of the following components: support services and coordination, limited curative care, urban health services, medical waste management, mental health and tribal health. However, high out of pocket spending remains high and utilization of health services is low due to many contributing factors.

In this regard, the HEU MOHFW would like to spearhead the development of an affordable and sustainable benefit package within the capacity of the system to deliver.

Local Expert Input: Dr. SAJM Musa, MOHFW DGHS

- Share some considerations in benefit package development based on the local context to make the package responsive, effective, affordable and sustainable.

- Propose for services that should be funded by the general budget, health insurance or supplemental insurance

International Expert Input: Roland Panea, GIZ

- Share some principles and best practices in benefit package development that is relevant to the country context
- Recommendations on possible roadmap for benefit package development for Bangladesh

Key Issue 4: What steps need to be taken to address service delivery challenges particularly the issue of inadequate health workforce and governance?

Based on the rapid health system assessment conducted by HEU/WHO in 2013, the main issues in service delivery include shortage of health workers in general and governance issues.

The HR issue was proposed to be addressed by Lancet series through the following:

- Invest in developing non-physician healthcare workers (Midwives, nurses, paramedics)
- Redefine task and responsibilities of nurses and community health workers with emphasis on health promotion and prevention
- Use incentives to rectify workforce shortages and to take services to hard to reach areas and disadvantaged populations eg, link postgraduate admission with service in rural areas, setup training facilities in poorly served areas, encourage high quality private sector provisions

Likewise, hiring of HR at local level, minimizing the political influence, Involvement of local representatives for monitoring and evaluation process, strict adherence to rules and policies, minimizing geographical differences, etc.

HPNSDP (2011) pointed out few challenges in governance of the health sector, which are

- Too many Operational Plans are diluting and duplicating program priorities and activities.
- Insufficient coordination between various sub-sectors in health, population and nutrition may lead to wastage
- Parallel and non-pool development partner harmonization is yet to be achieved.

Efficiency in health spending could be enhanced by improving governance

Local Expert Input: Dr Md Jamal Uddin Chowdhury, Secretary General, Bangladesh Private Medical Practitioners Association, Member Bangladesh Medical Association

- Based on your experience in health service delivery and the various strategies suggested on human resource management, what are priority steps to address the needs for HR as the country progress towards UHC?

- Recommendation on steps to be taken in the short and long term to improve governance and capacity in the health sector

International Expert Input: Dr. Lars Chr. Kyburg, KfW/GFA

- Share some principles and best practices to address the service coverage, HR and governance issues of Bangladesh
- Recommendations on steps to be taken in the short and long term to service coverage, HR adequacy and over-all governance of the system