Financial protection in Vietnam: Measurement, trend and policies

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Outlines

- Background
- Measurement of financial protection in Vietnam
- Trends of financial protection in Vietnam
- Policies to improve financial protection in Vietnam
Background

- Vietnam is a South East Asia country
- Area: 332,600 km²
- GDP per capita = 2,700 US$ (2019)
- GDP growth rate: 7.02% (2019)
- Poverty rate: 5.7%
- LEB: 73.2 years
- IMR: 14.2/1000 life births
- U5MR: 21.4/1000 life births
- MMR: 46/100,000 life births
Vietnam health system snapshot

- Healthcare financing (2017):
  - Total health expenditures per capita: 146 USD
  - THE as % of GDP: 6.3%
  - Public financing: 47%
  - Household expenditures: 45.1% (OOP: 41.7%)
  - Coverage of SHI: 89% (2019)

- Health service delivery:
  - Mixed public-private:
  - Dominated by public healthcare providers: 4 levels of care: commune, district, province and central level
HEALTH SERVICE SYSTEM IN VIETNAM

Public

(276,064 beds, 95.2%) (10,690 beds, 4.8%)

Central level

44 Cen hos

63 Provinces

376 Prov hosp.
60 Special clinics

708 districts

626 Dist hosp.
689 Poly-clinics
37 Maternity homes

11,161 Communes

11,743 CHCs
105,952 VHWs

- 170 hospitals
- 35,000 clinics
- 39,000 phar, drug outlets

Private
Composition of health financing
Measurement of financial protection

Coverage of financial protection:

- Catastrophic expenditure: Proportion of the population with large household expenditure on health as a share of total household consumption expenditure or income (10% and 25%)
- Impoverishment: Changes in the poverty headcount ratio due to health care payments: proportion of the population below the poverty line.

Source of data:

- Household survey: Vietnam Household Living Standard Survey every 2 year
OOP as shares of total household expenditure (EXP) in Vietnam during 1992-2014

<table>
<thead>
<tr>
<th>Year</th>
<th>Share</th>
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<tbody>
<tr>
<td>1992</td>
<td>6.3%</td>
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<tr>
<td>1998</td>
<td>5.5%</td>
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<td>2002</td>
<td>5.1%</td>
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<td>2004</td>
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<td>2008</td>
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<td>2012</td>
<td>3.9%</td>
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<td>2014</td>
<td>4.0%</td>
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Trend of indicators on financial protection (2002-2010)
What is OOP spending for?

- Mainly for curative care
- Spending at public and private hospitals, drug retails
- People having health insurance still have to pay OOP
  - In-patient: 30% of total exp.
  - Out-patient: 15.3% of total exp.
  - Higher OOP at higher level of care
Higher OOP at higher level of care

District hospital: 12.40%
Provincial hospital: 30%
Central hospital: 40%

OOP as % of total exp.
Main causes of high OOP in Vietnam

- High price of medicines
- Bypassing primarycare level
- Unneccessary services delivered
- 10% of population not having SHI
- SHI members still have to pay OOP
Key policies to improving financial protection in Vietnam

- Expanding coverage of SHI: 95% by 2025
- Improving benefit package of SHI
- Strengthening healthcare at grassroot level
- Reducing price of medicines at public hospitals:
Composition of HI members in 2018

Source: VSS, 2018
Increase of government budget for health care

Source: Vietnam Health Financing towards to UHC, 2017
Benefit package

- Inclusive list of health services: wide range of services covered by SHI from basic to advances ones (RRT, organ transplantation, invasive cardiovascular treatment, MRI...)
  - List of excluded services: services paid by govt.budget, rehabilitation, home care, suicide, drug addiction, health planning, teeth, glasses, hearing aids, occupational diseases...
- List of reimbursed medicines: last updated in 2008 with 1,143 active ingredients and 20,000 medicines
- Co-payment:
  - 3 exempted groups: high ranking officers, metorious people, children under 6
  - Regular: 5-20% by groups of membership
  - By pass: 30-50-70% by level of hospitals
  - High cost services: 100% when cost beyond 40 months of minimal salary
  - Cancer medicines out of the reimbused list: 50%
Registration of primary care by type of providers

86% registration at commune and district level
Services delivered by level of care

- Out-patient: 73.2% at commune and district level
- In-patient: 90% at district and province level
Reducing price of medicines at public hospitals

• Centrally procurement of medicines at central level: since 2017- now:
  • Medicines reduced price at average of 43.35% in 2017, 43.85% in 2018

• Price negotiation of brand medicines: since 2018
  • Medicines reduced price at average of 18% in 2018
Thank you!