

2022 ASIA & THE PACIFIC HEALTH FINANCING FORUM

EAP and SAR: A Helicopter View of Two Dynamic Regions

Financing Primary Health Care:
Opportunities at the Boundaries

September 15-16, 2022
Bangkok, Thailand

Co-hosted by:



Supported by:



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2022 ASIA & THE PACIFIC HEALTH FINANCING FORUM

Health Financing and Service Delivery in East Asia and the Pacific

Financing Primary Health Care:
Opportunities at the Boundaries

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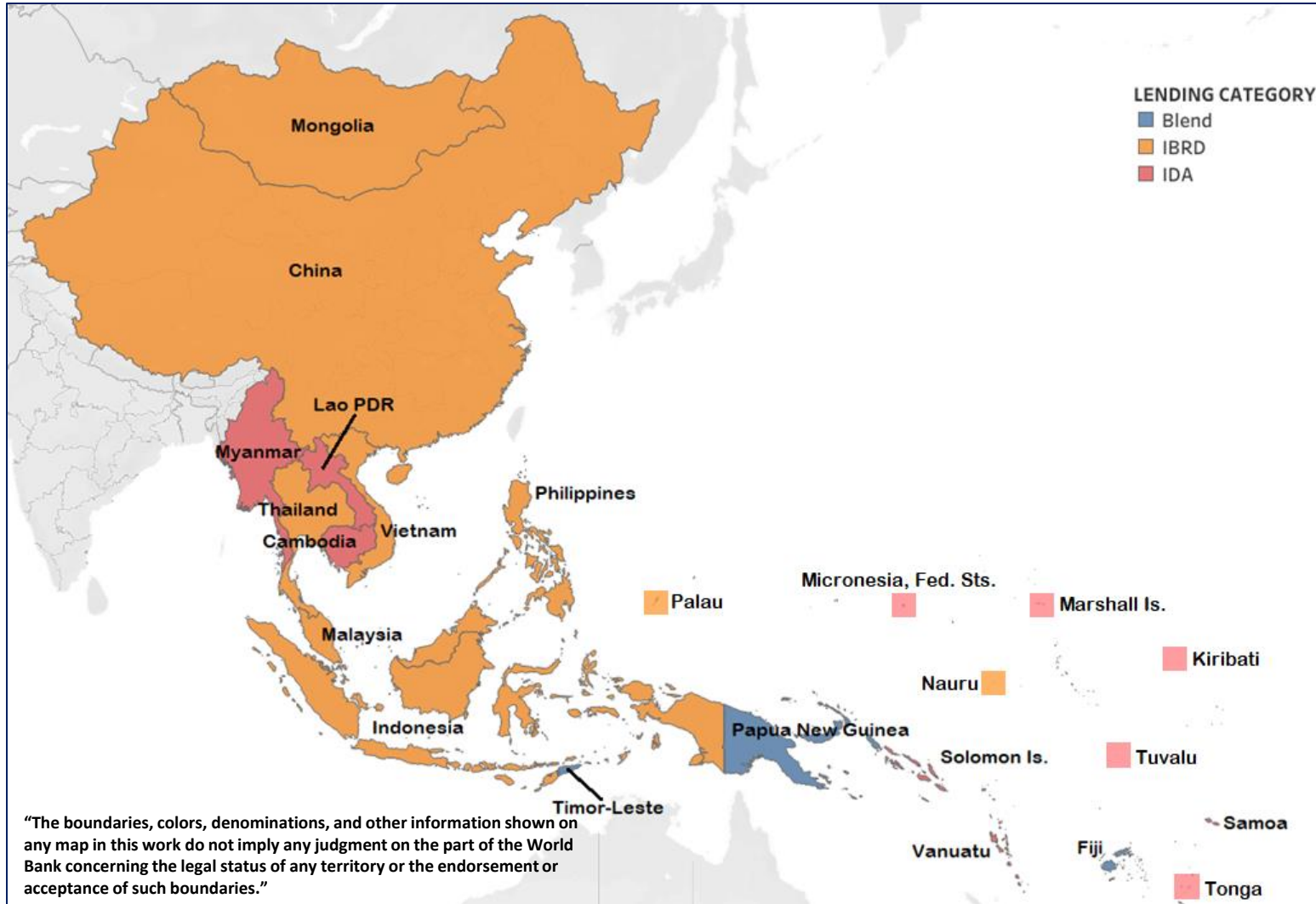


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A diverse, dynamic region vulnerable to climate change

Countries in the EAP Region



Diverse:

- 30% of World's population;
- 25% of Earth's surface

Rapid development:

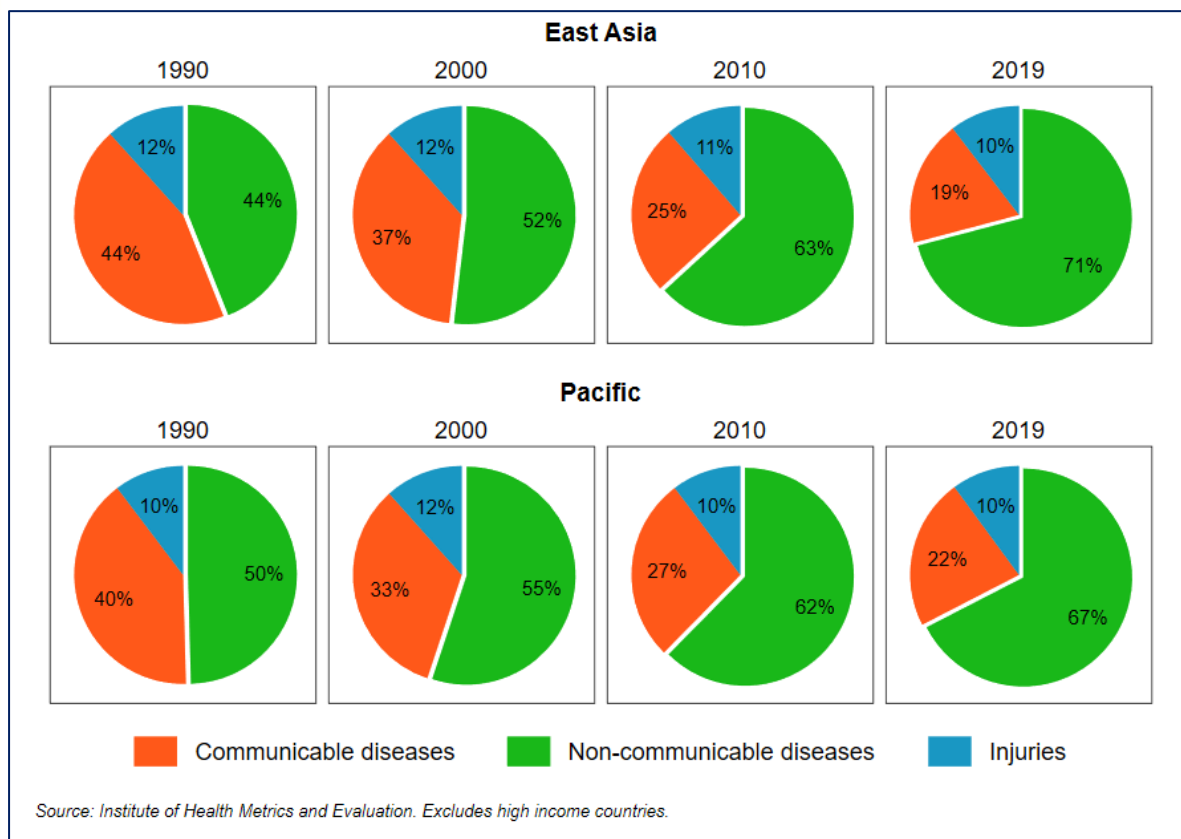
- 1.1B people lifted out of poverty between 1990 and 2019

Disaster-prone and threatened by climate change:

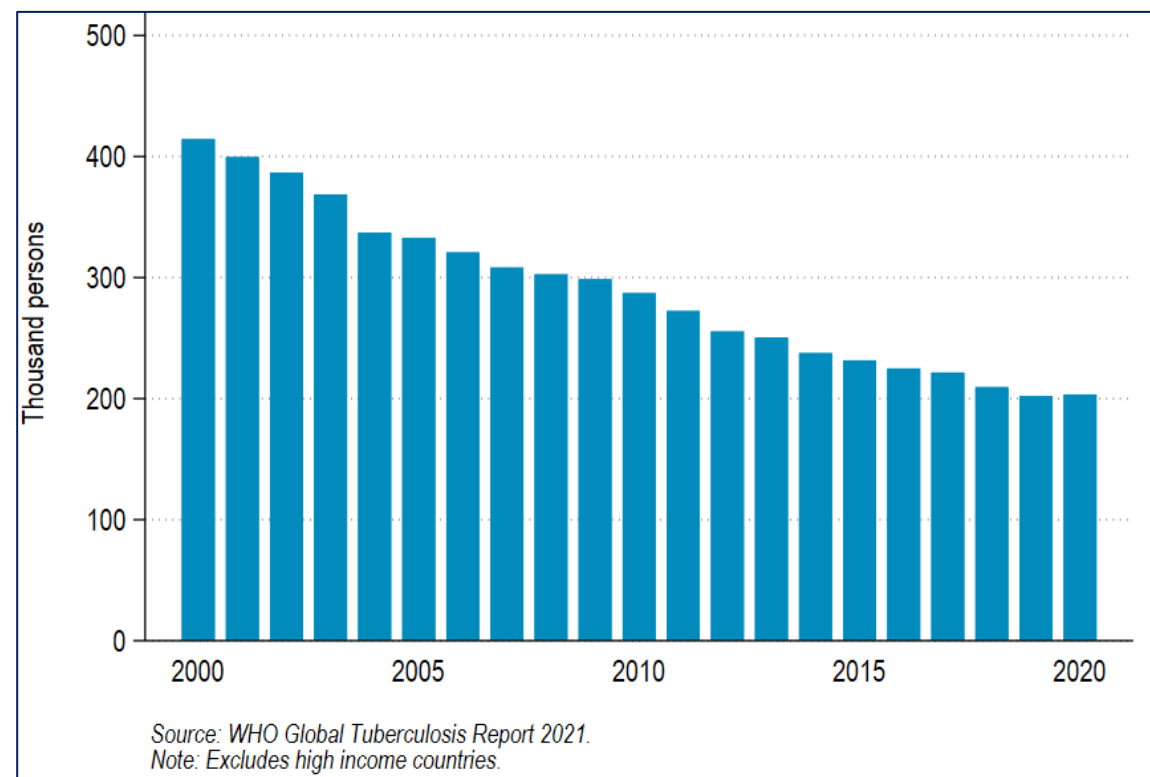
- 70% of the world's natural disasters, affecting >1.6 bn since 2000

Epidemiological transition is underway, yet first generation challenges remain

Disease burden in EAP, 1990-2019 (% DALYs):

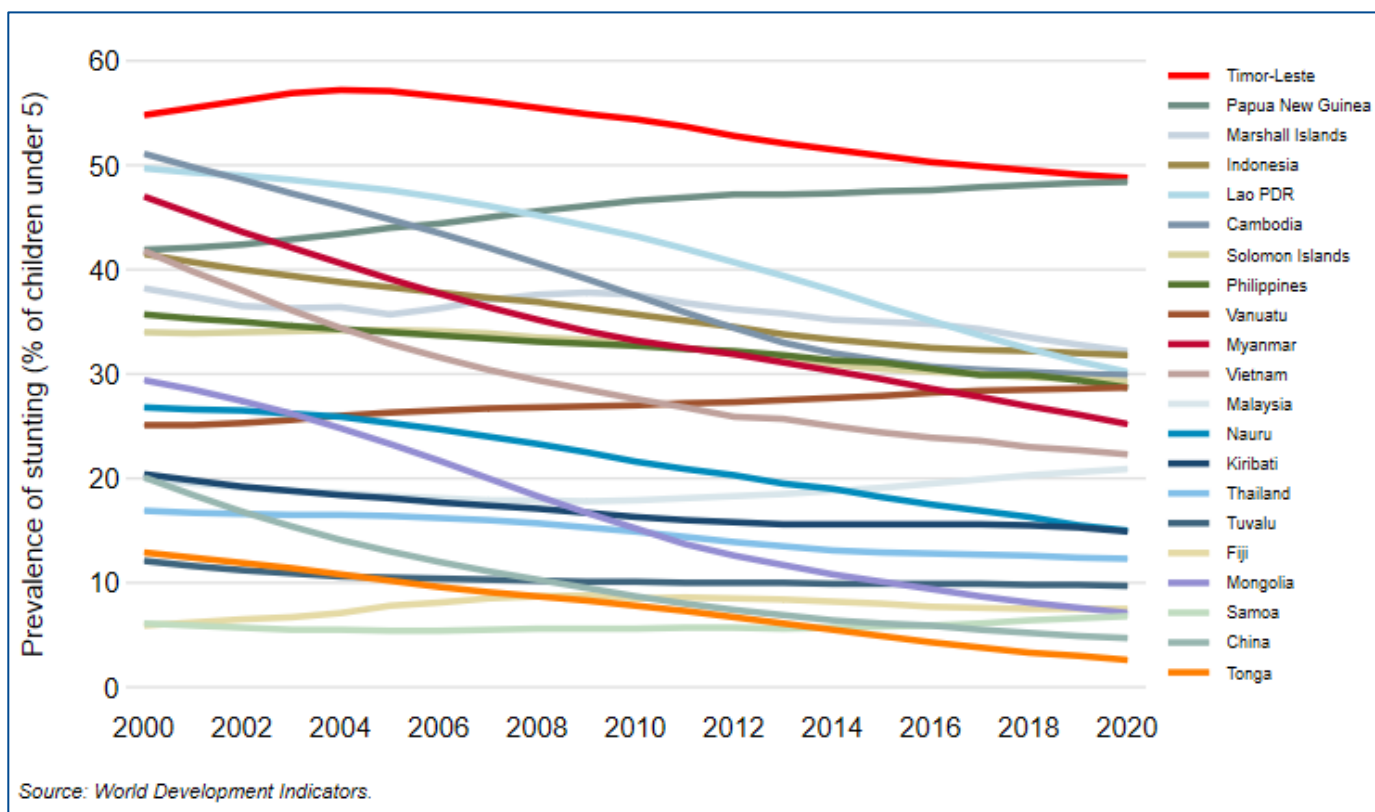


Estimated number of deaths from TB (all forms, excluding HIV), Developing EAP



Unequal progress on stunting despite strong economic growth

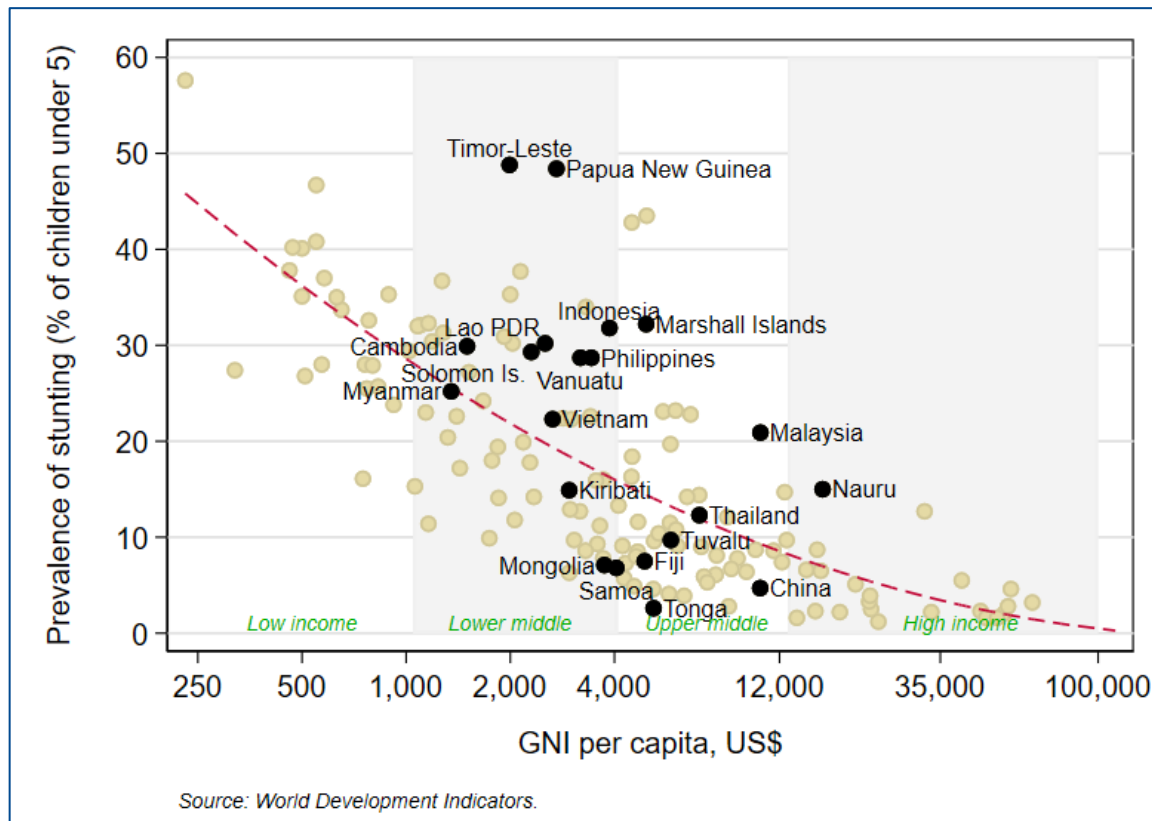
Prevalence of stunting (% of children under 5)



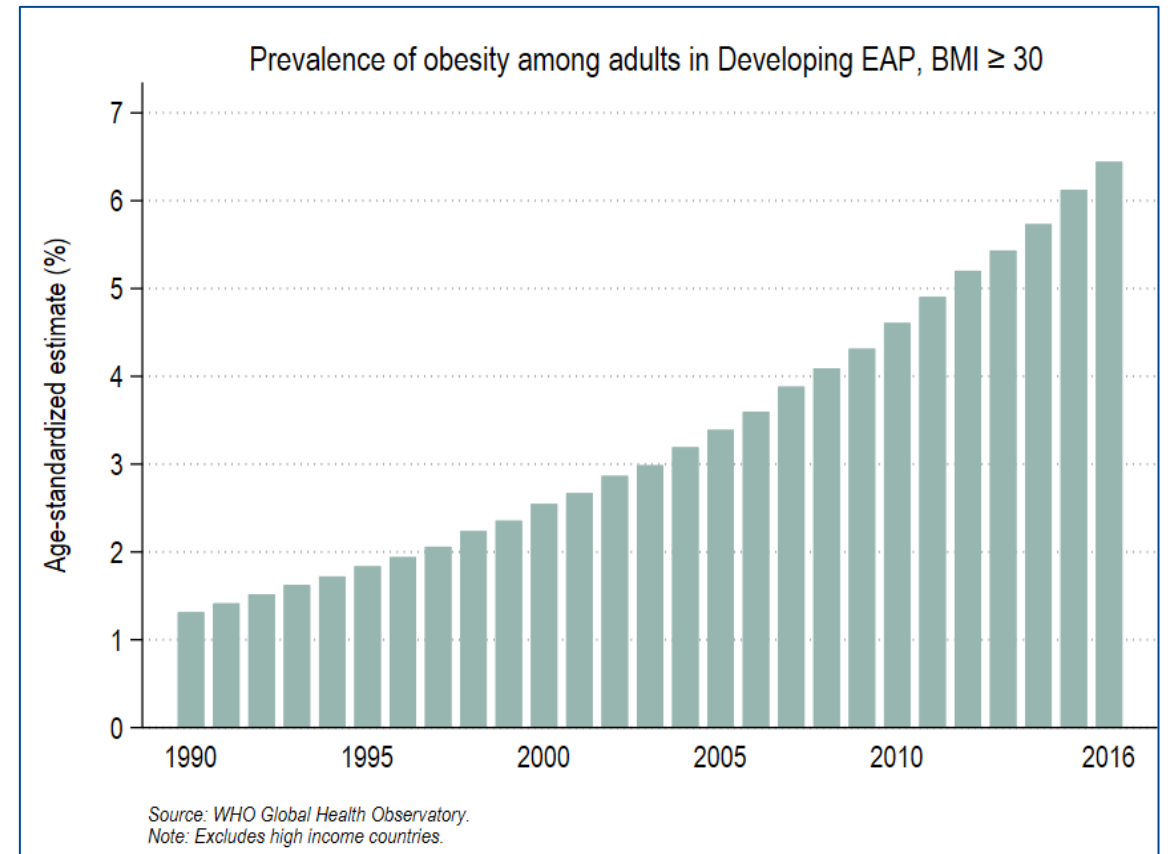
Child in front of height chart, Indonesia, 2019

Rising incidence of the double burden of malnutrition

Higher than expected stunting prevalence relative to income



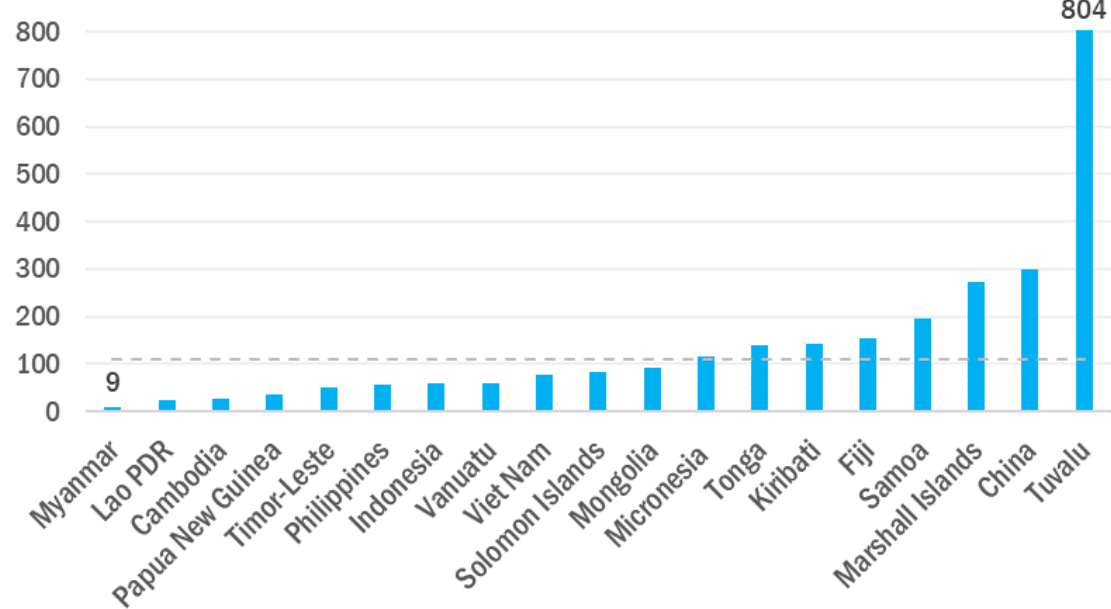
Obesity – growing risk factor for NCDs



UHC service coverage targets are not met in most of EAP

Most countries spent less than what it would cost to finance a minimum package of essential UHC services – valued at US\$110 per capita in low- and middle-income countries....

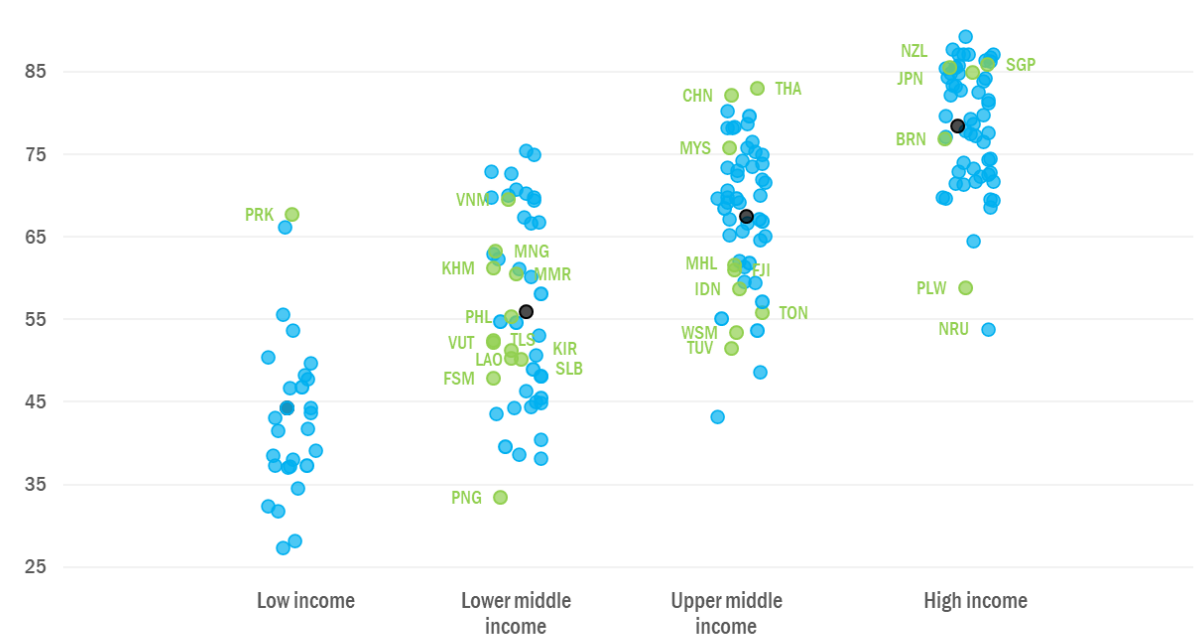
Government health expenditure per capita (US\$ constant), 2019.



Source: WHO Global Health Expenditure Database (2022).

...wide variation in performance on the UHC service coverage index across EAP

UHC service coverage index (2019), average per income group in black, East Asia and Pacific countries in green

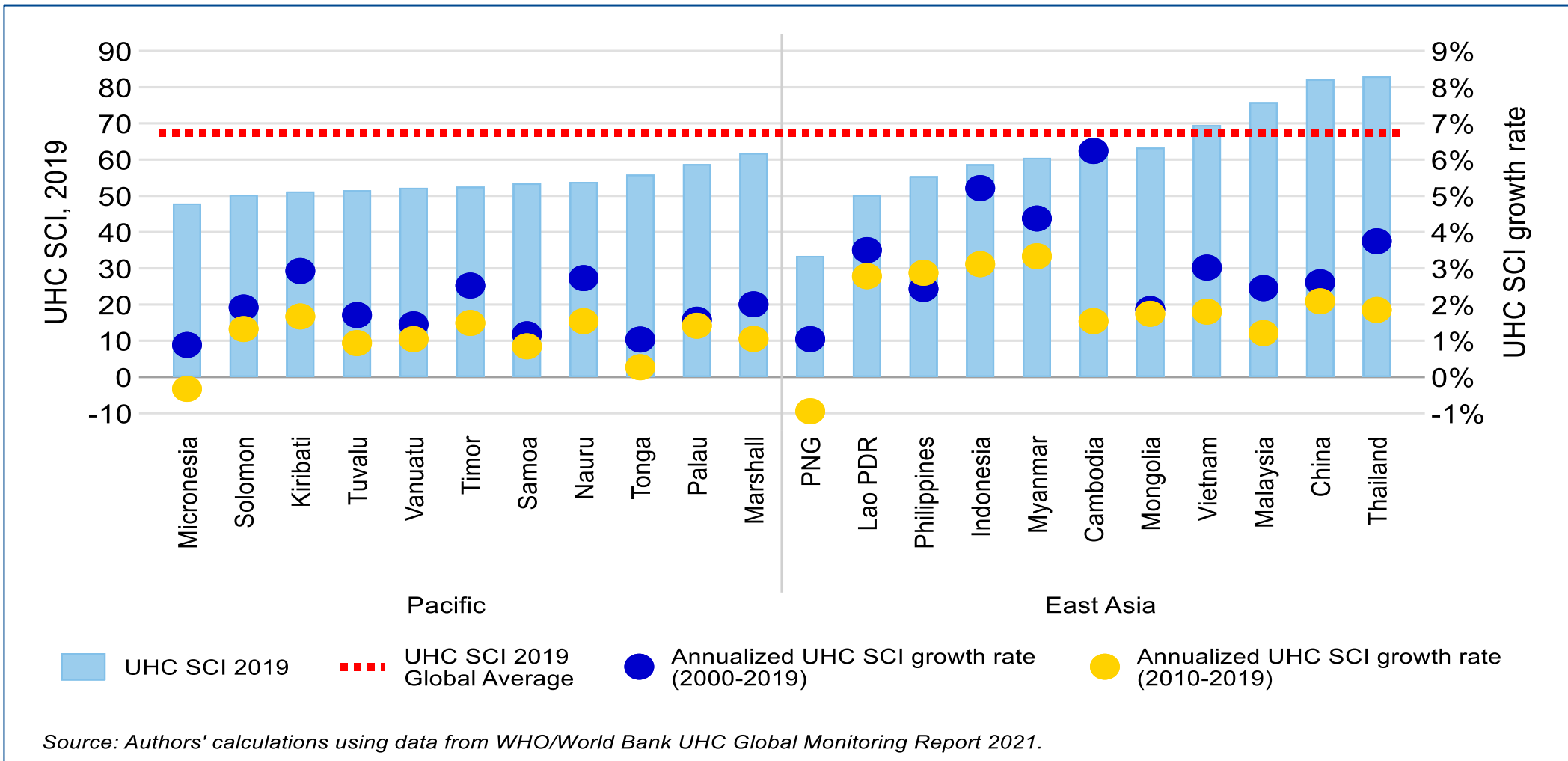


Source: World Health Organization, Global Monitoring Report, 2022.

Note: The UHC service coverage index represents the average coverage of 14 tracer indicators in four essential health service areas: reproductive, maternal, newborn and child health, infectious diseases, noncommunicable diseases and service capacity and access. Because it is an index, reported values do not directly translate to the percentage of the population covered by UHC services, but they can be viewed as performance scores.

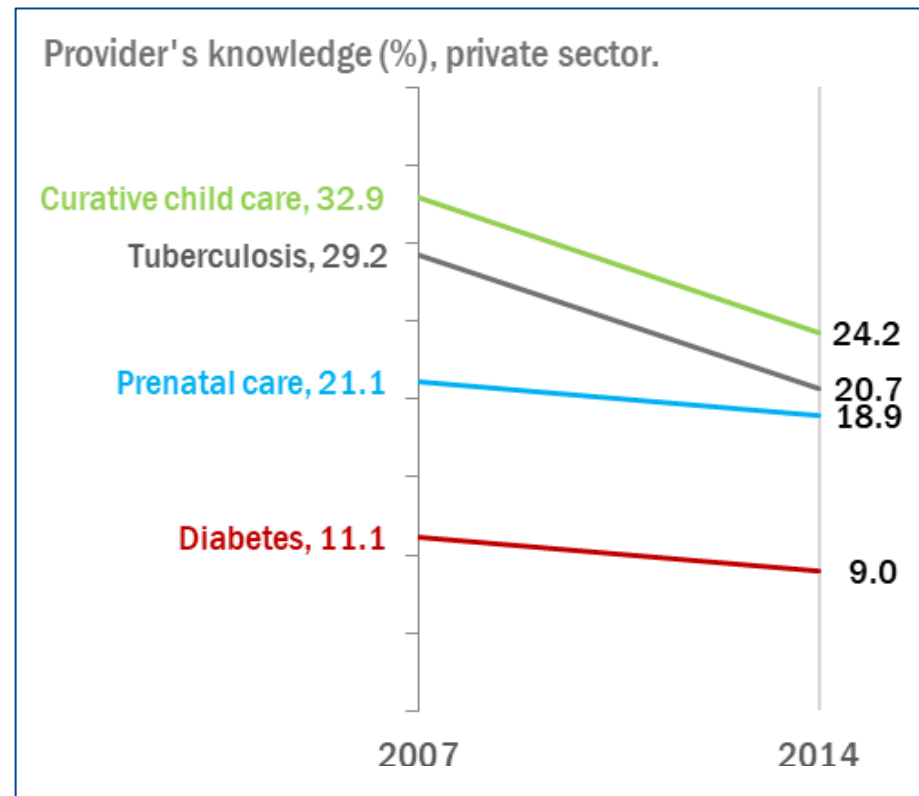
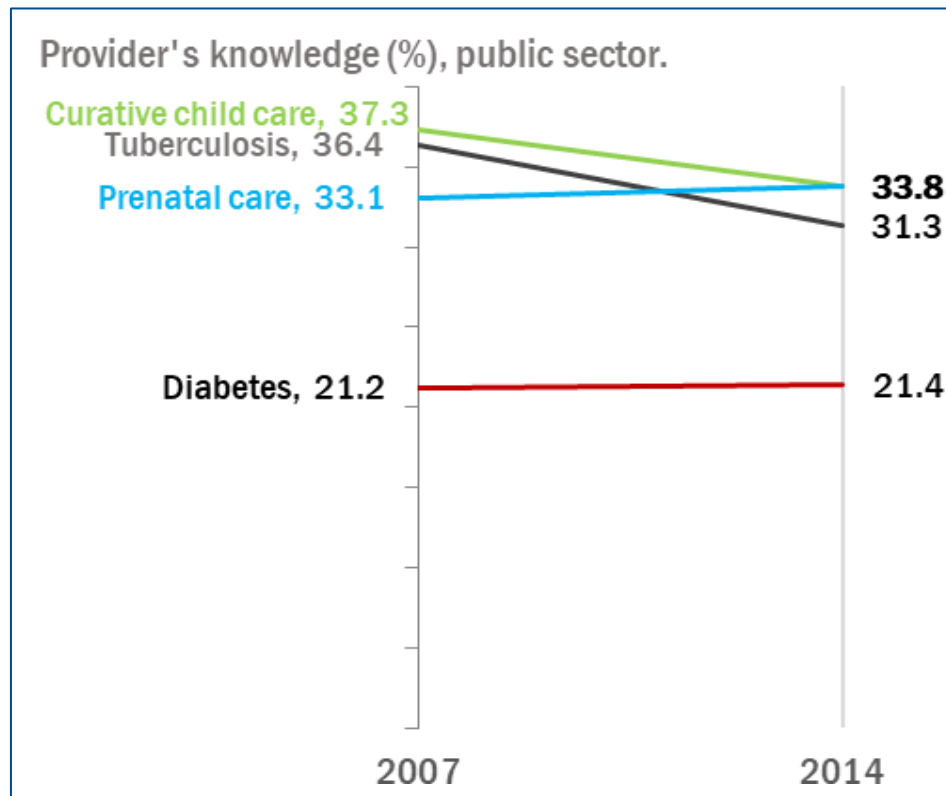
Pre-COVID rates of improvement in service coverage had slowed down

UHC Service Coverage Index, levels (2019) and growth rates (2000-2019)



Quality of care remains a challenge

Doctor's Knowledge of Basic Health Conditions Is Low and Decreasing in Indonesia.

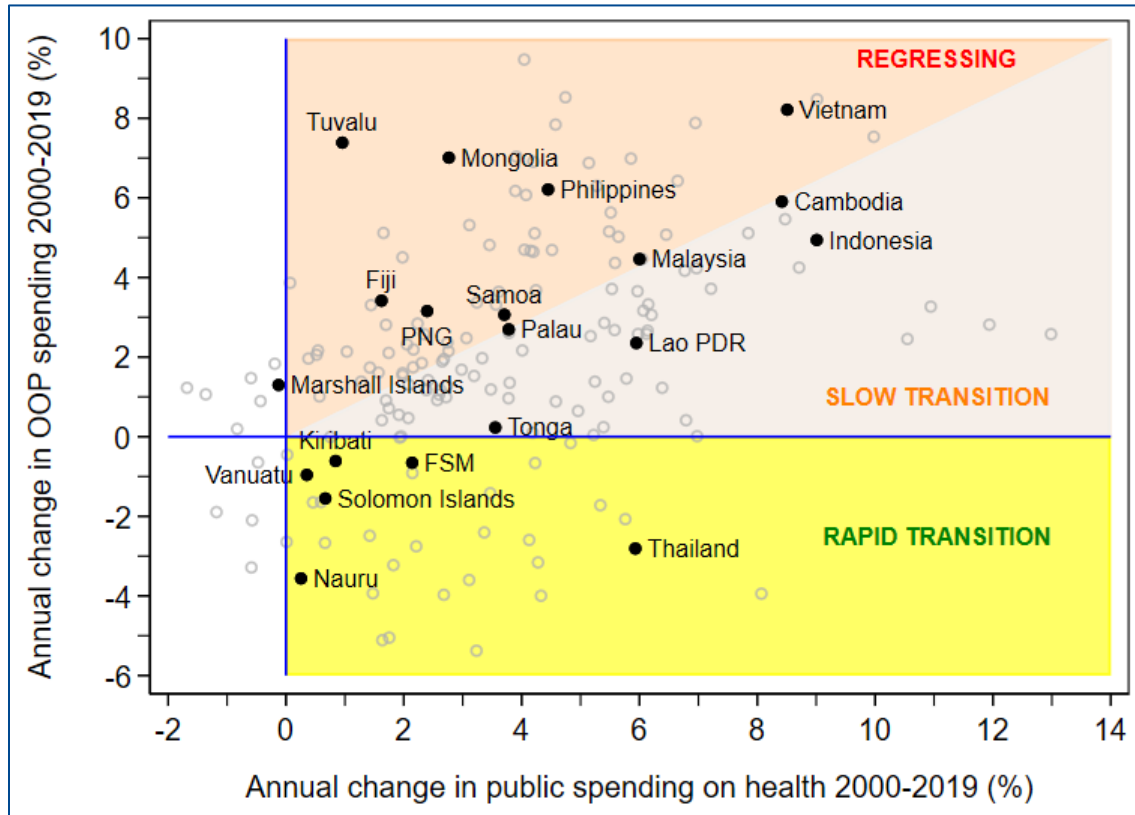


Source: Indonesia Family Life Survey 2007 and 2014.

Note: Provider knowledge is measured as the percentage of medical history questions asked, laboratory tests/exams recommended, and treatment suggested by the provider most likely to treat the tracer condition based on a list of items deemed essential for responding to each clinical vignette scenario.

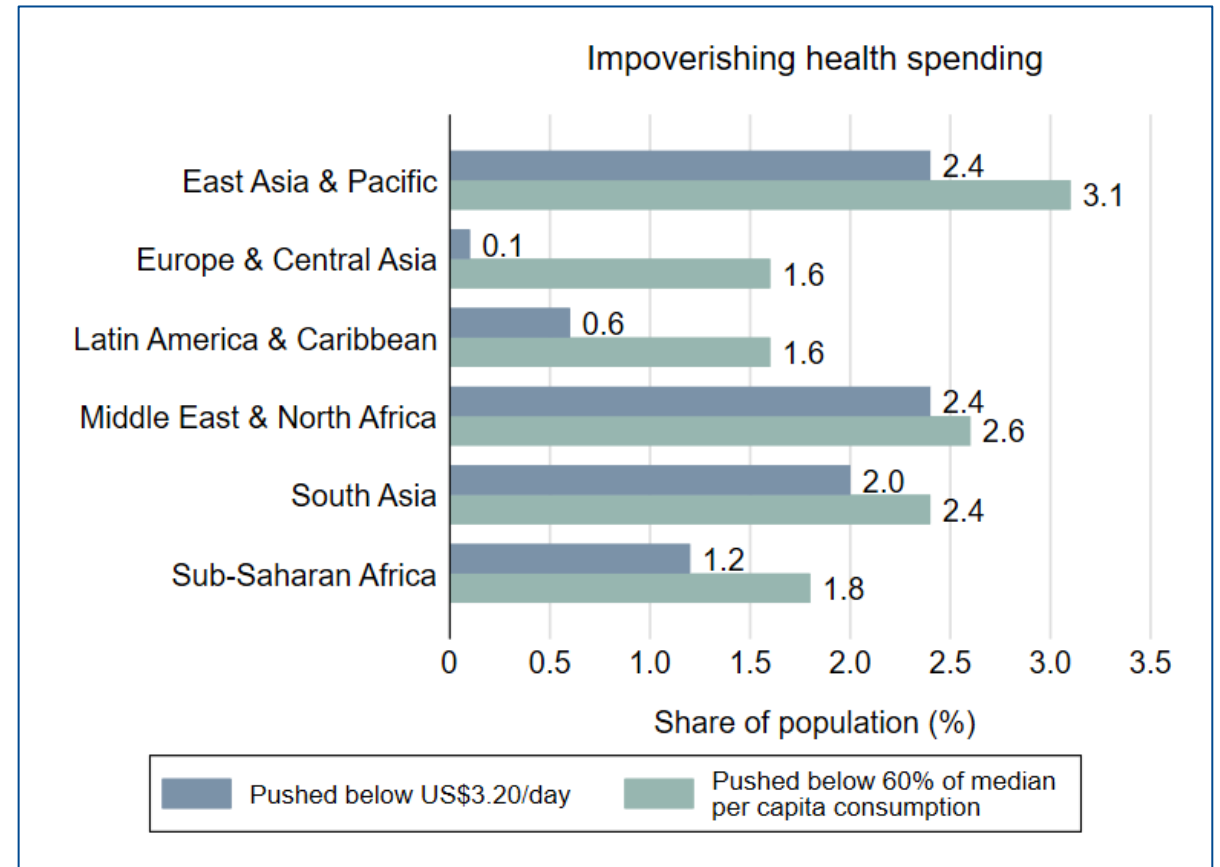
Weak financial protection remains a major risk to UHC

High level of OOP among Asian countries



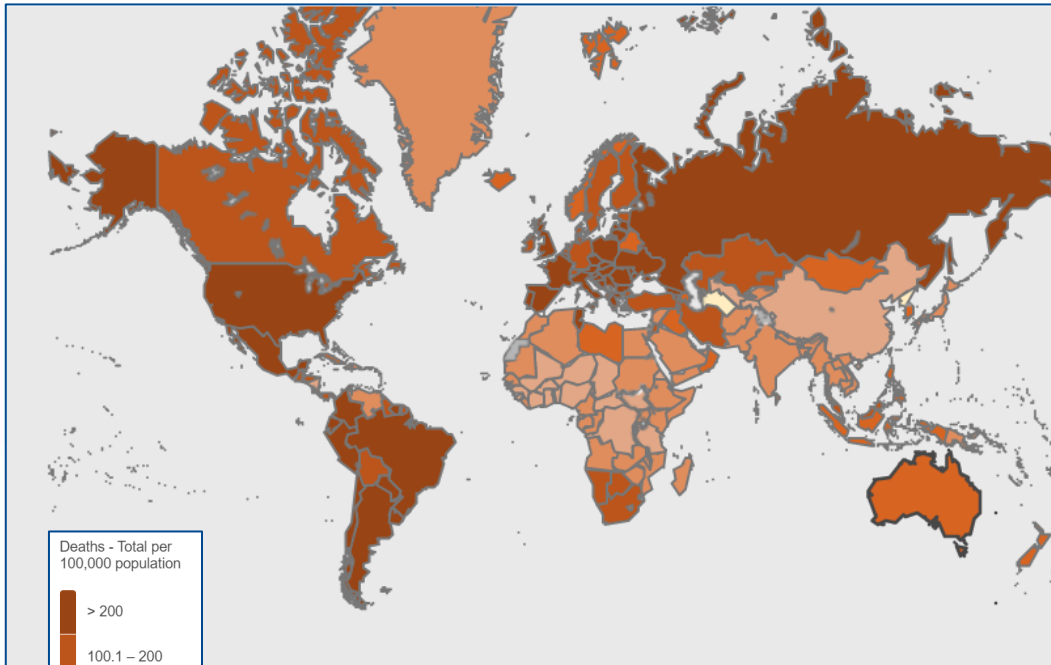
Note: OOP is less of an issue in Pacific countries. Even when increases can be observed, they come from a low base.

Cross-region comparison of impoverishing OOP spending



COVID-19: EAP impacted early, responded quickly

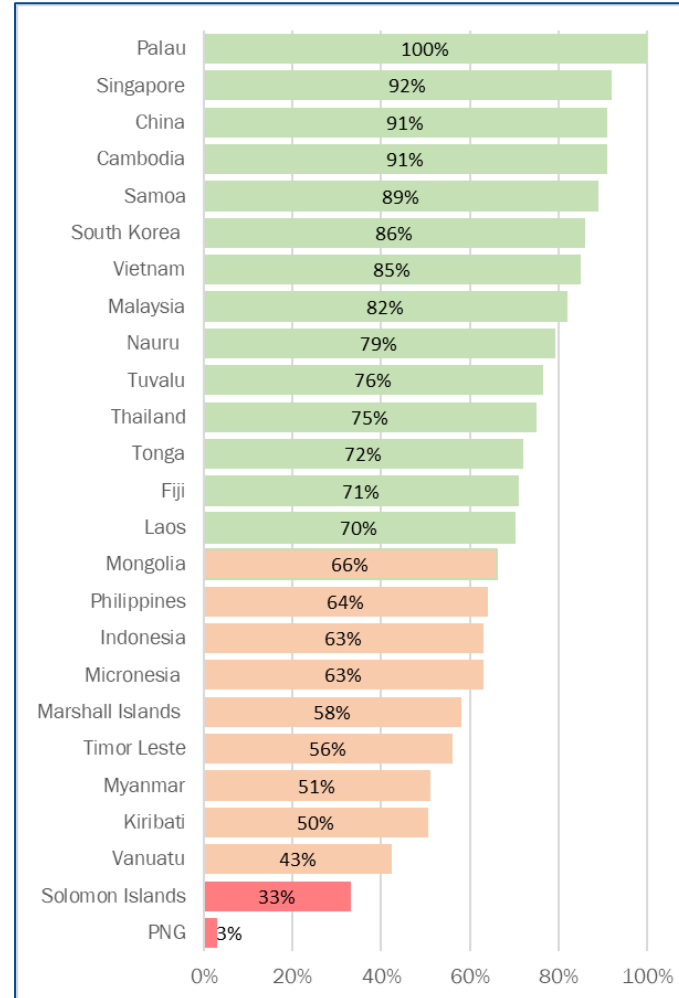
COVID-19 deaths per 100,000 population



Source: WHO, 2022

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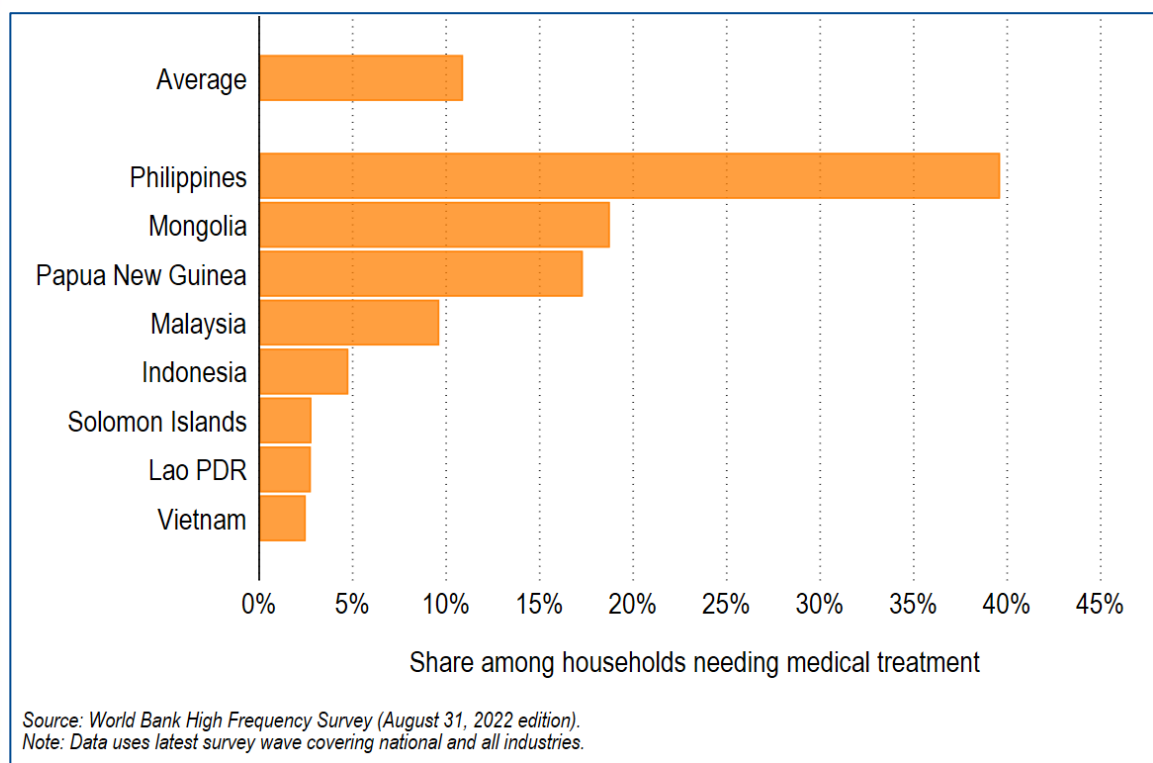
Total population coverage with primary series, 09-2022



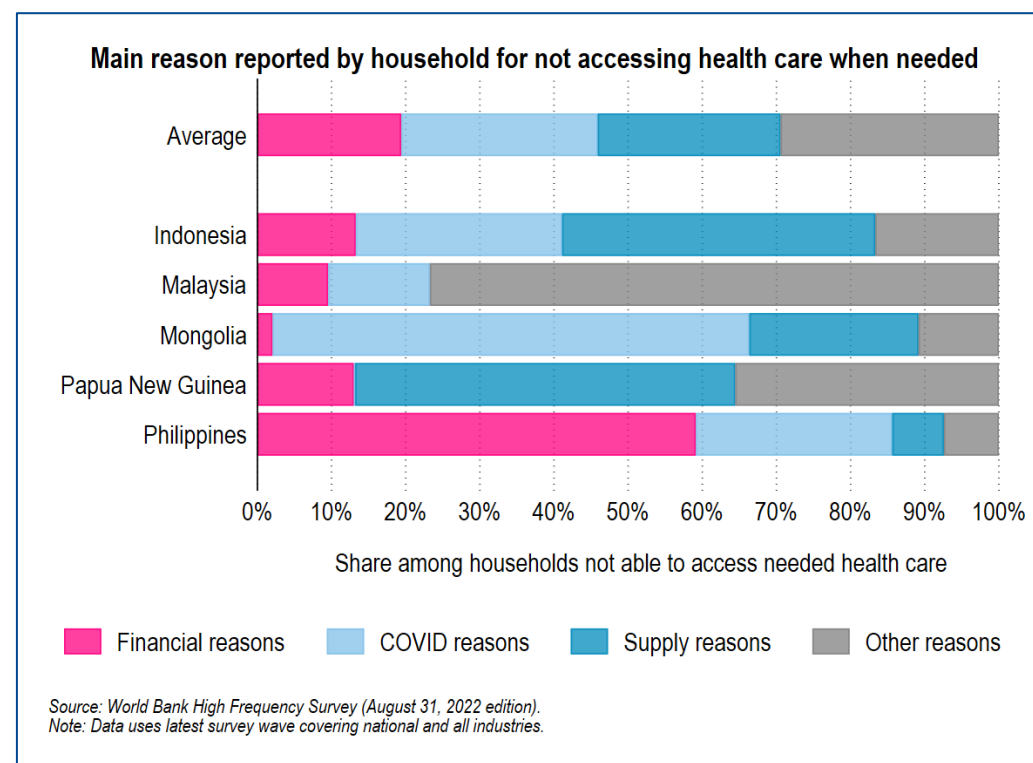
Vaccination campaign underway in Mongolia, 2021

In EAP, service coverage reduced but large differences between countries

% of households not able to access health care when needed

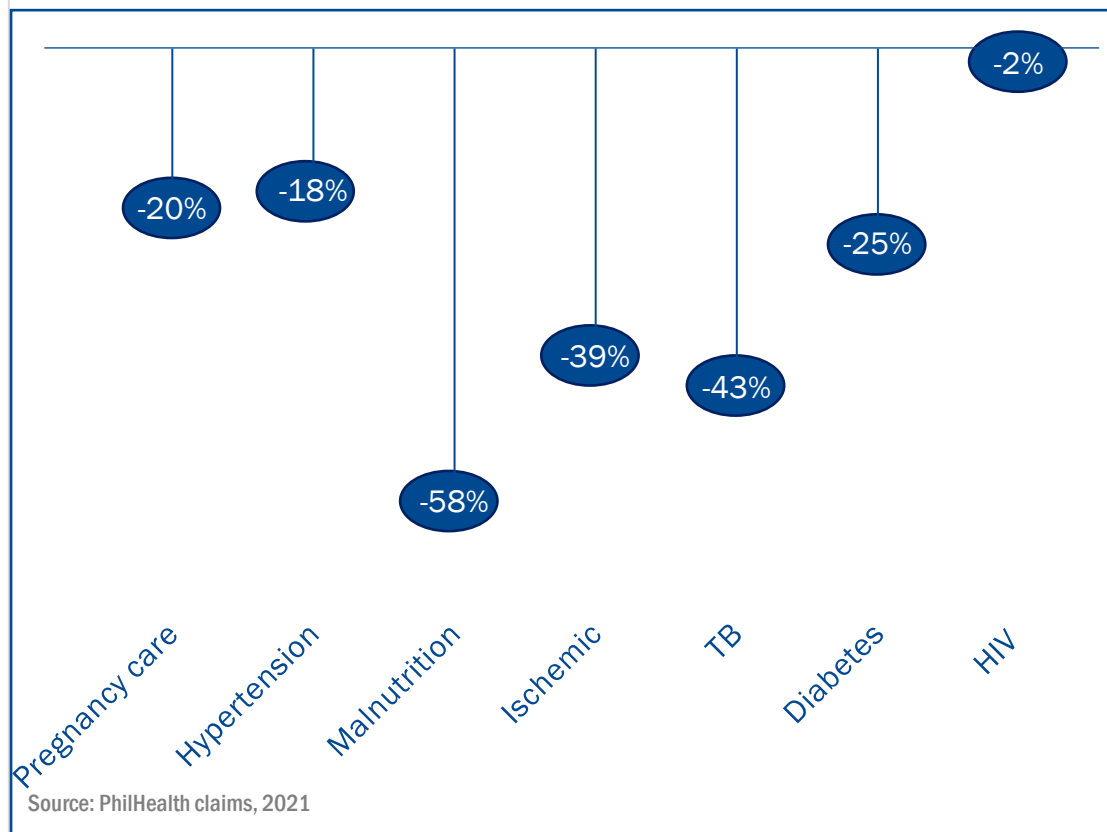


Main reason reported by household for not accessing health care when needed

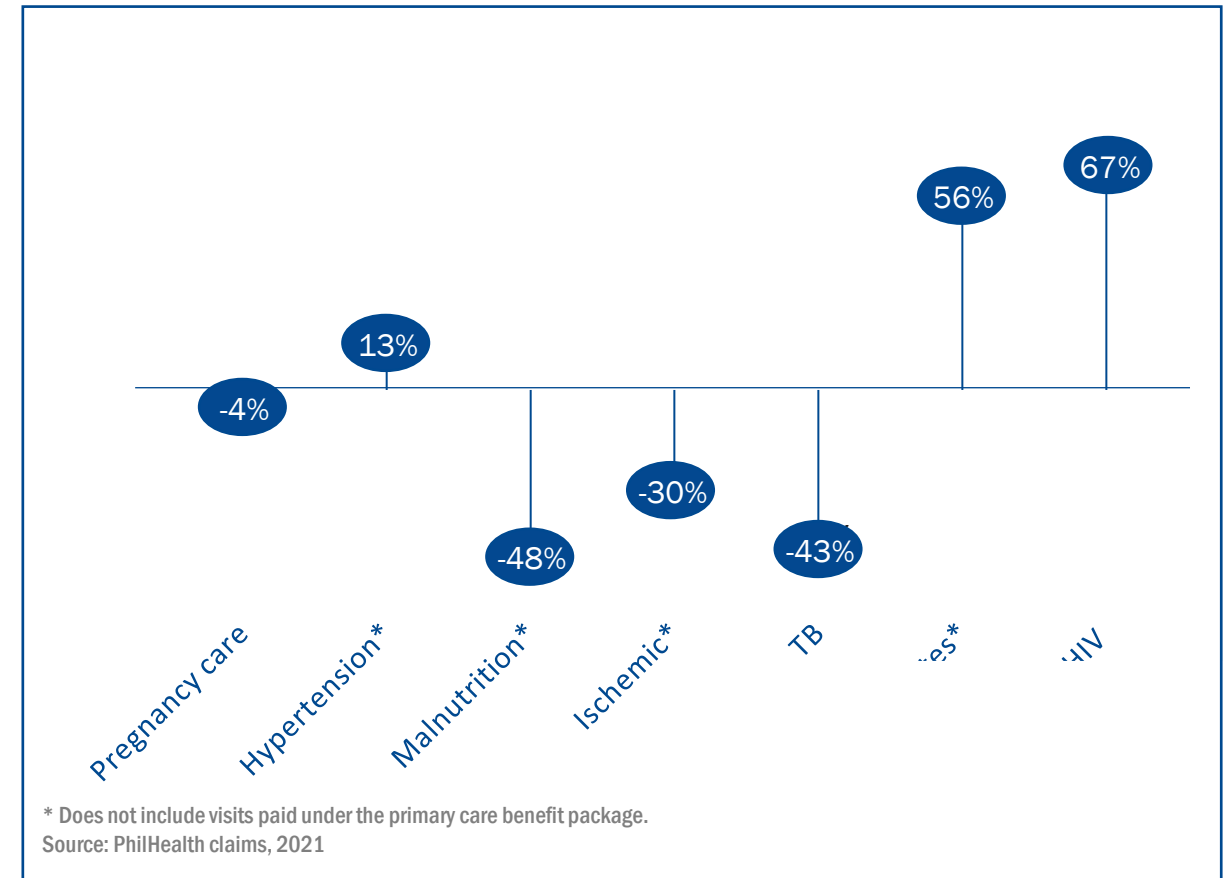


For instance, health service use in the Philippines declined

% change between pre-COVID (2018-2019 average) and post-COVID (2020) hospital admissions

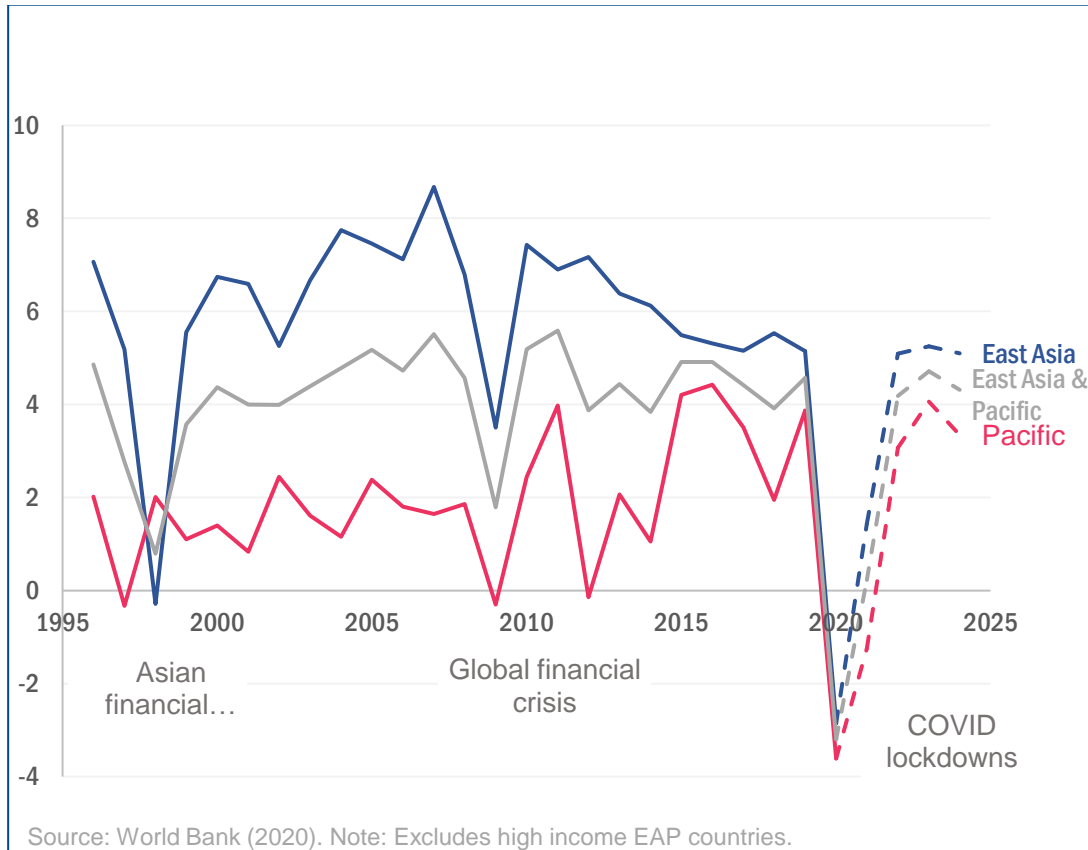


% change between pre-COVID (2018-2019 average) and post-COVID (2020) visits at the primary care level

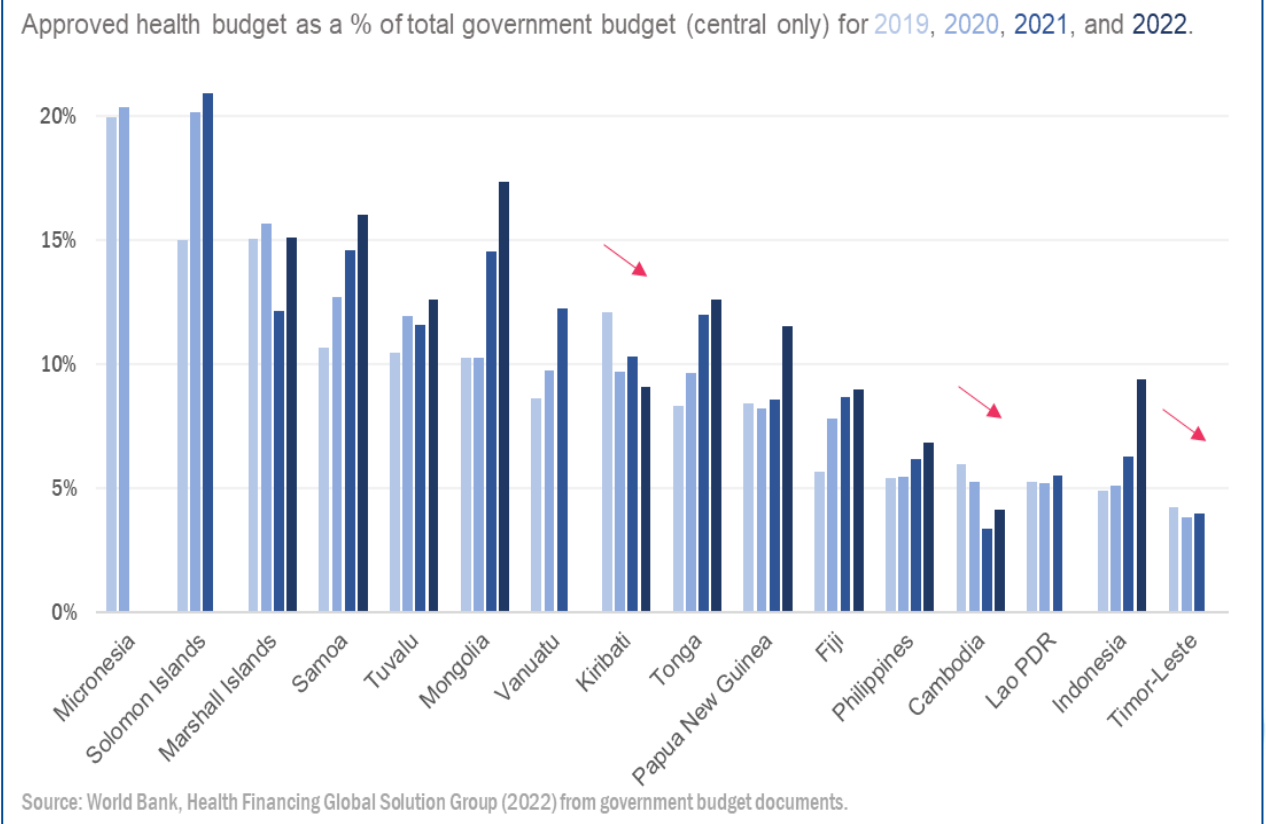


Governments prioritized COVID-19 expenses, but financing for non-COVID services at risk

Per capita GDP growth (%), 1996-2024. Projections from 2021.

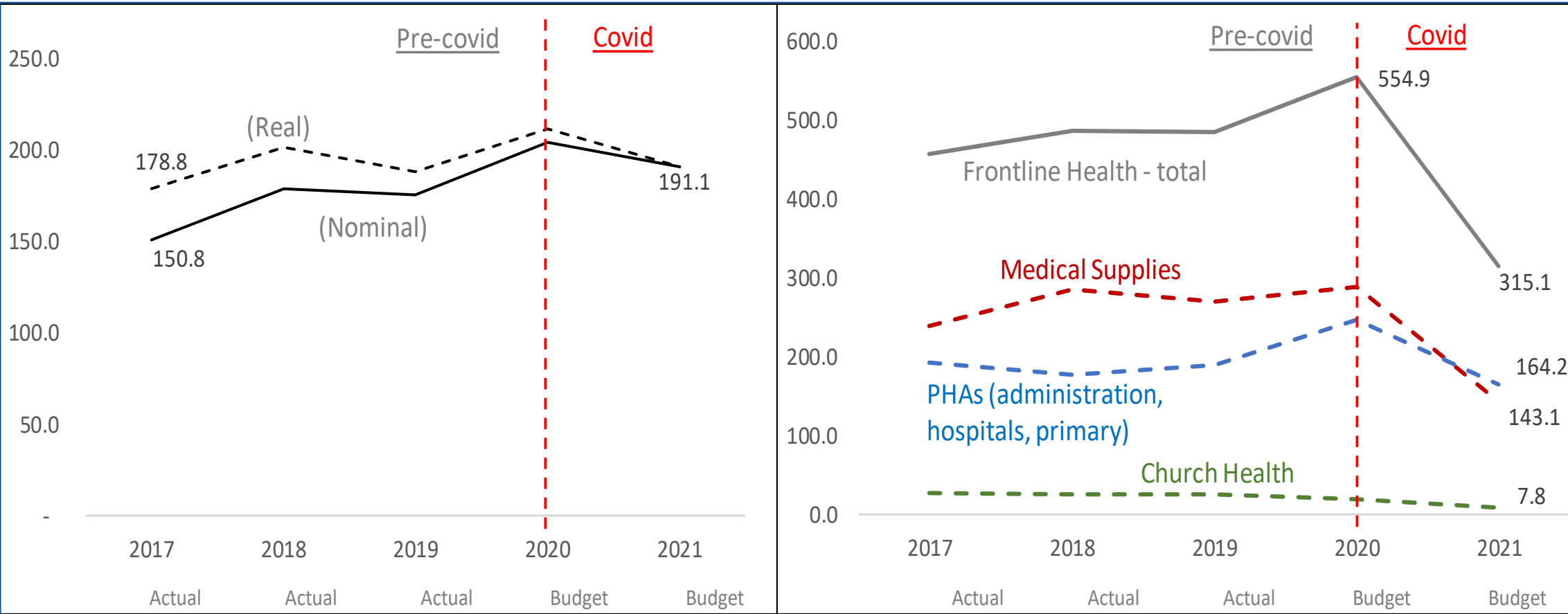


Most countries in EAP prioritized health in government budgets; only **3 countries** lowered the share of health spending



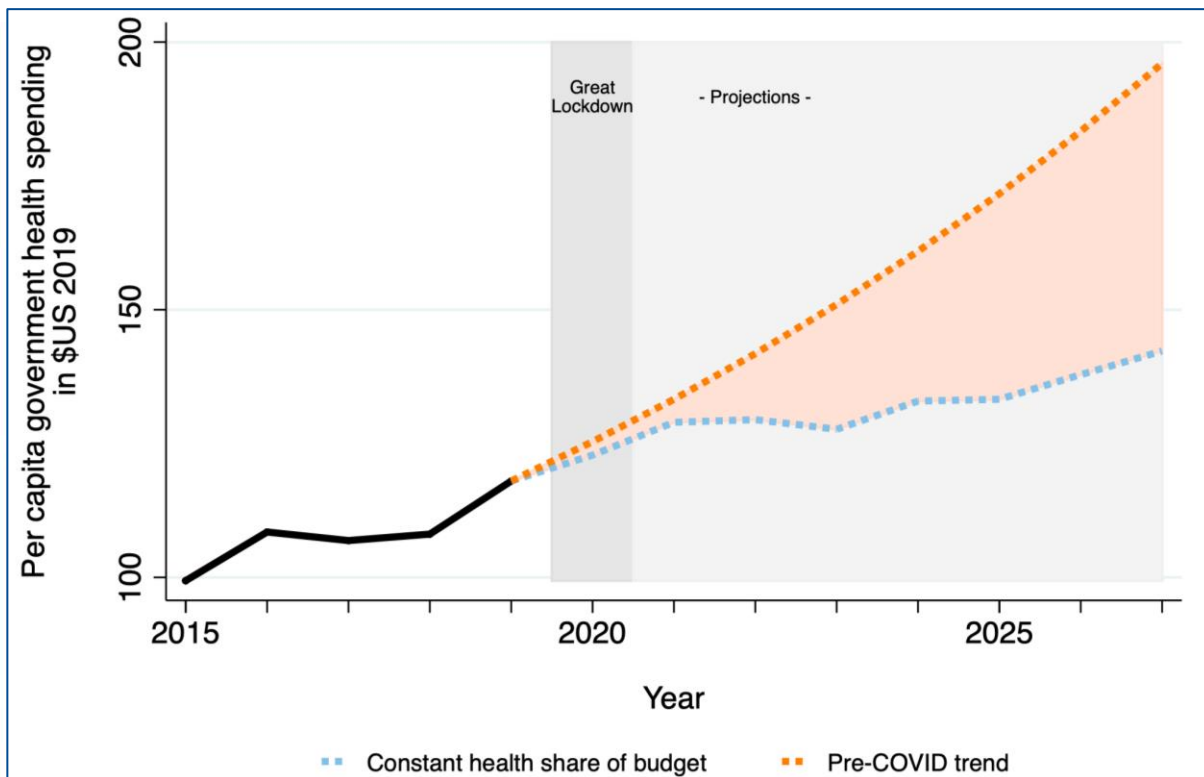
For instance, spending on frontline services in PNG declined

Overall Health Spending and Frontline Health Spending (2017-2021)

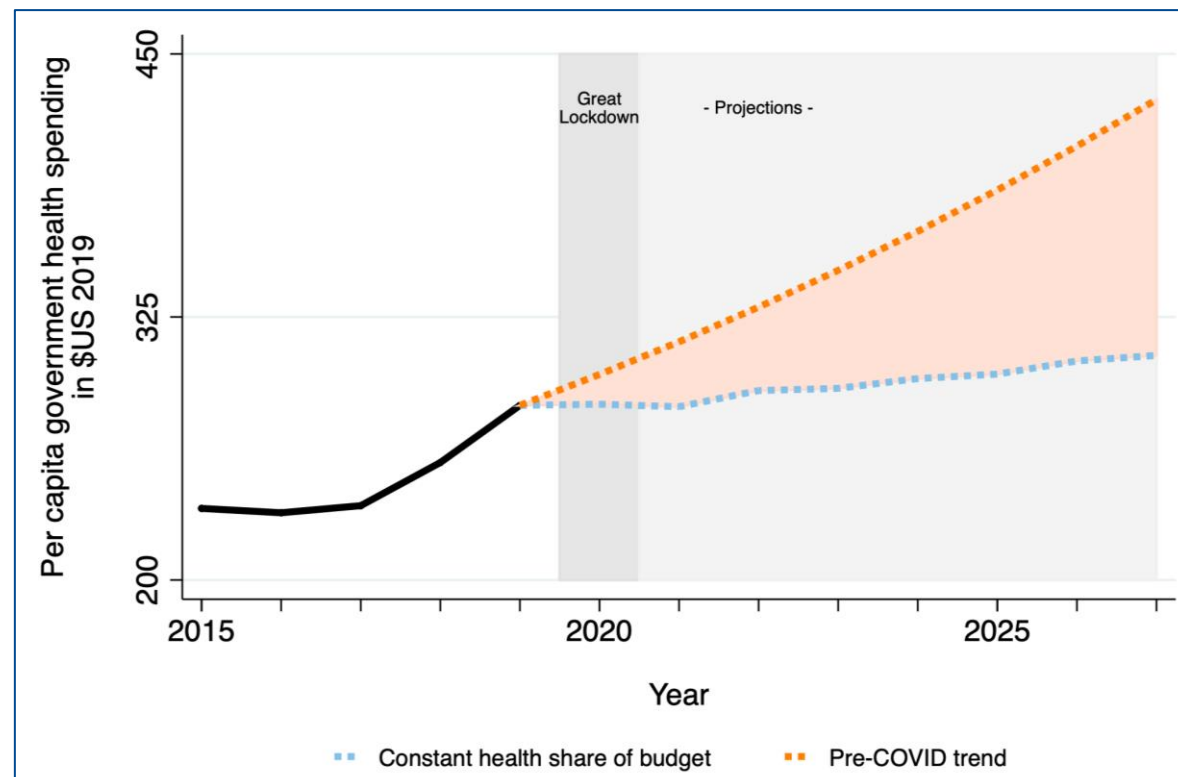


Past gains in UHC risk being lost without greater prioritization of health in budgets in the coming years

Per capita spending on health in Developing East Asia



Per capita spending on health in Developing Pacific



To summarize...

- **EAP countries made significant progress towards UHC**
 - In particular, in expanding entitlements to coverage
- **Still many challenges prior to COVID:**
 - Improvements in essential service coverage beginning to slow down
 - Continued high reliance on out-of-pocket payments undermined financial protection
 - Deficiencies in quality of care
- **Fast, relatively effectively response to COVID and vaccines, but with adverse impacts on financing and delivery of essential health services.**
- **Looking ahead: attention to health spending needed or valuable UHC gains are at risk.**



Thank you!



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Context, health and health financing profile in South Asia

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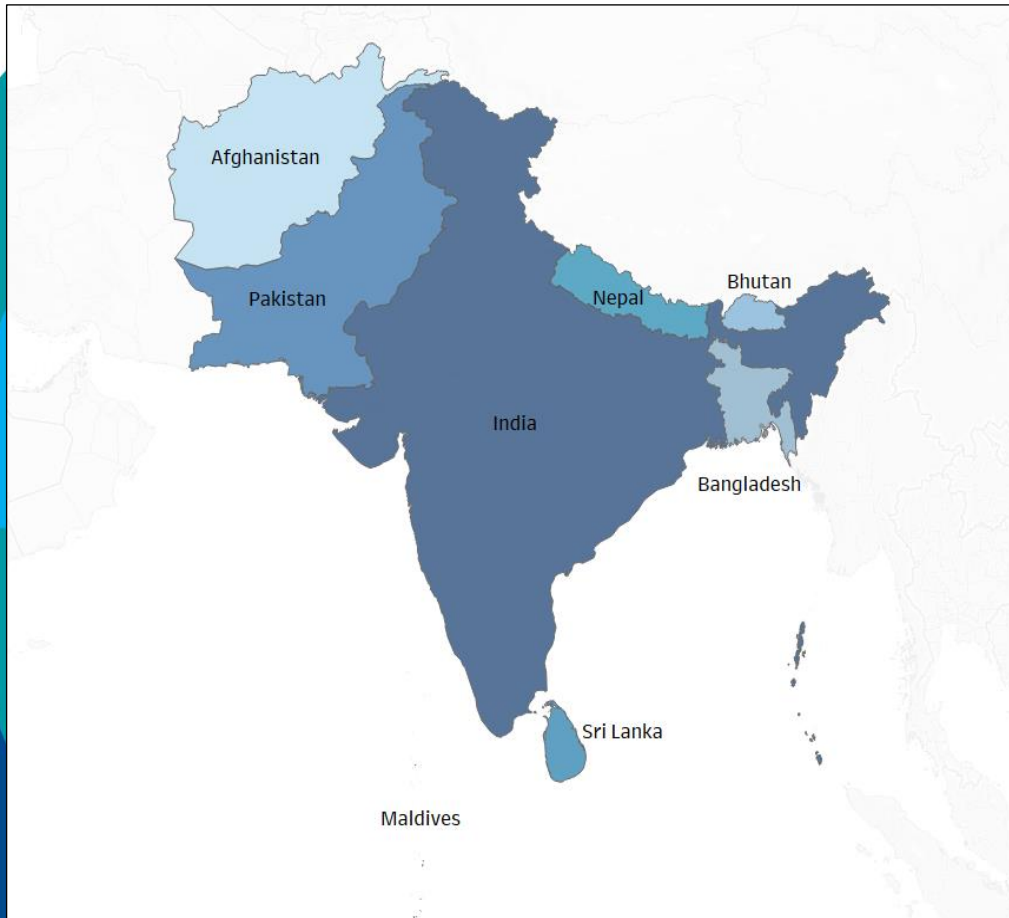
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South Asia regional context



India is the only IBRD country in the region; Pakistan and Sri Lanka are 'blend'; the remainder are IDA.

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Background:

- 8 countries; Conflict in Afghanistan; One-fourth of world's population (~1.8 billion) – globally most densely populated geographical region
- Powerhouse of economic growth and poverty reduction –300 million people lifted out of poverty between 1990 and 2014.

Migration : Substantial demographic phenomenon in SAR

- Temporary international labor migration is prominent in the region
- Rural-urban migration is leading cause of higher urbanization as a result of which South Asia is home to some of the largest megacities in the world.

Climate-disasters:

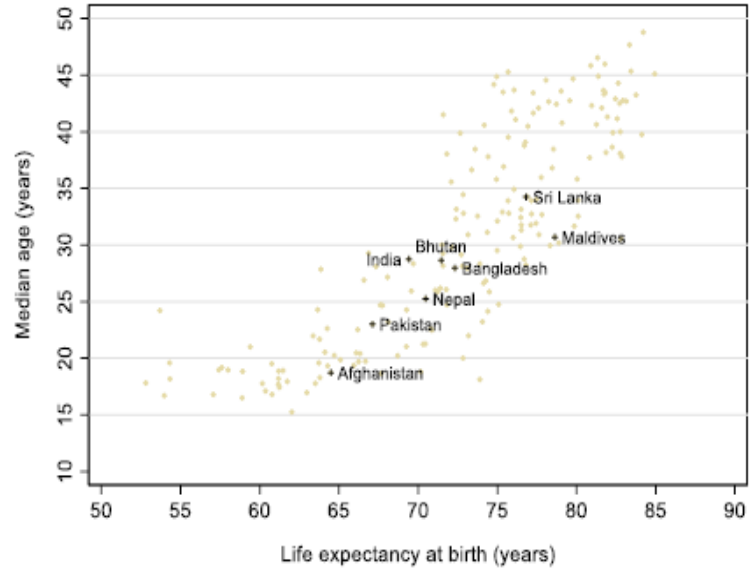
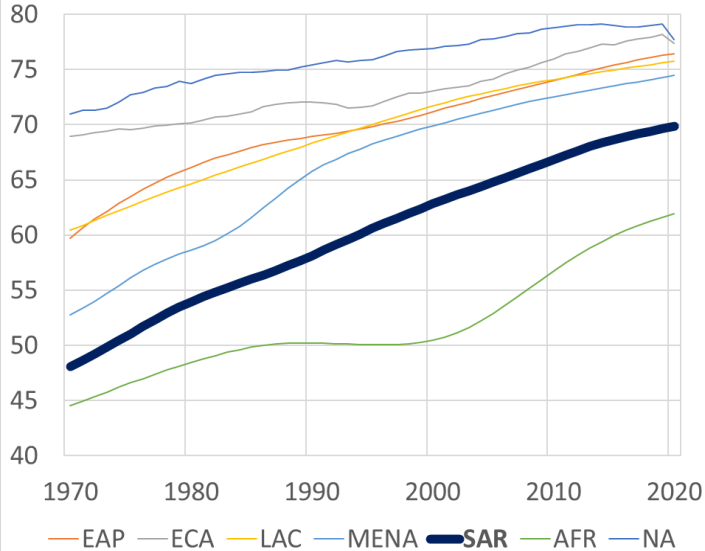
- More than half of all South Asians(~ 750 million people) affected by climate-related disasters in last two decades. By 2050, SAR will be one of the world's most climate-impacted regions
- Projected losses from climate change in GDP per capita for SAR is higher than the global average of ~7% in 2100.

Increased poverty due to COVID-19:

- COVID-19 has set back poverty reduction, hitting the poor, vulnerable and informally employed the hardest
- India - Increase in poverty (9.5% in 2019 to 15.3-18.2% in 2020)

Demographic profile in South Asia

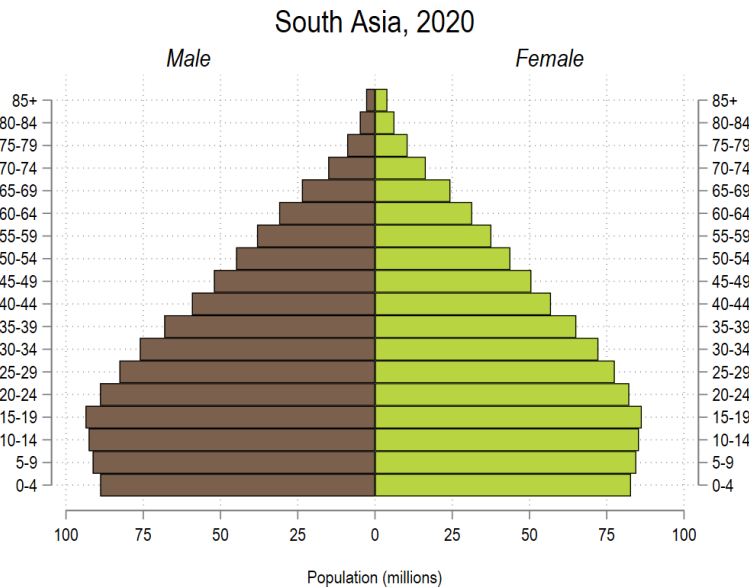
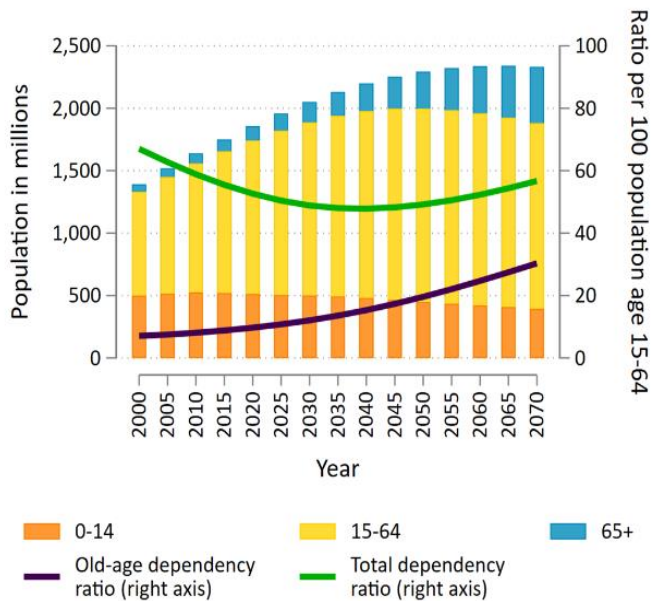
Life Expectancy at Birth



Improved Life Expectancy (LE)

- A South Asian child born today can expect to live for 22 years longer compared to that in 1970—fastest rate of improvement in LE globally.
- Substantial variation across countries (Afghanistan vs. Sri Lanka)

SAR is young, dynamic, and undergoing demographic transition.

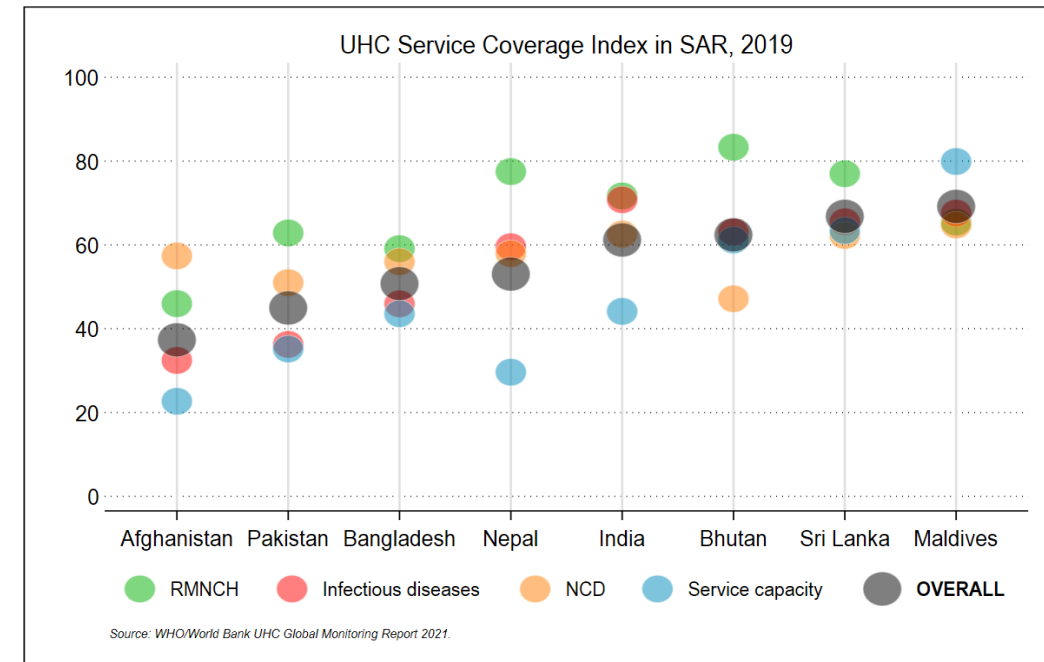
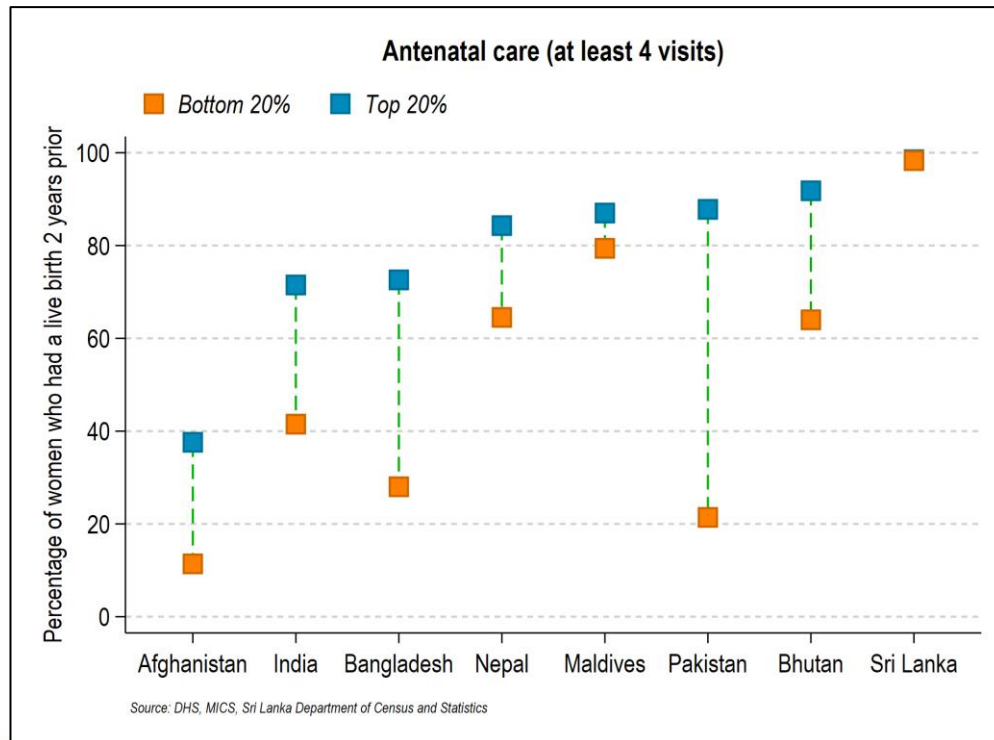


- 1/3 of population is below 15 years of age
- Today 5% of SAR's population is 65+ years of age
- **Most countries are set to double or triple their share of the elderly in the next 30 years:**
- If harnessed well, this could yield significant demographic dividends

Inequality in Access to Services and Overall Poor Quality

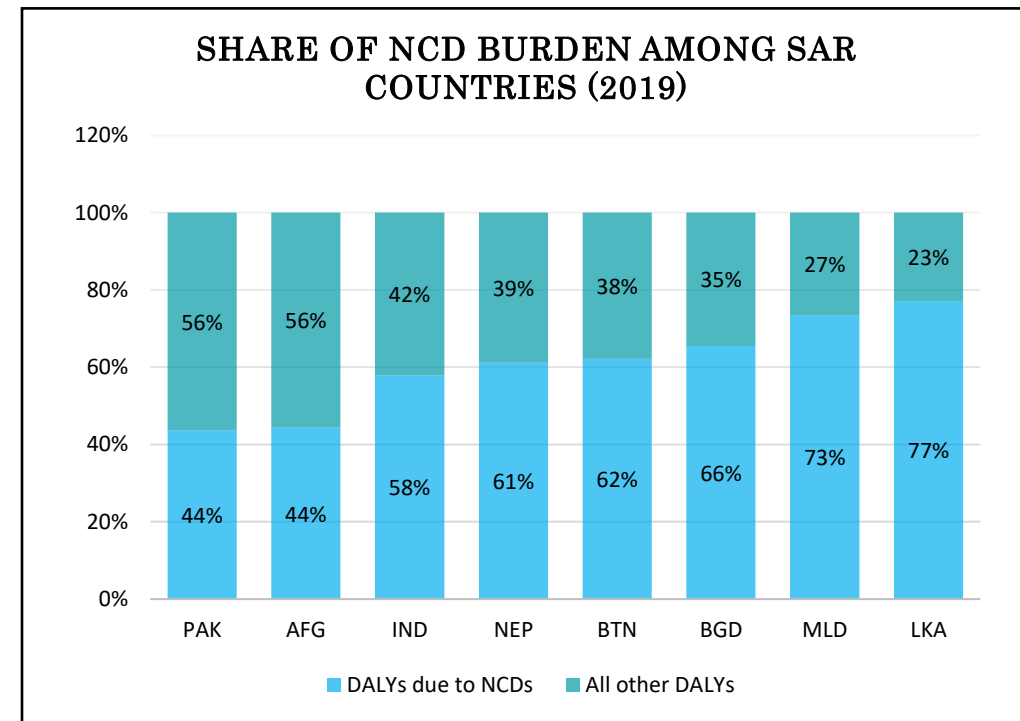
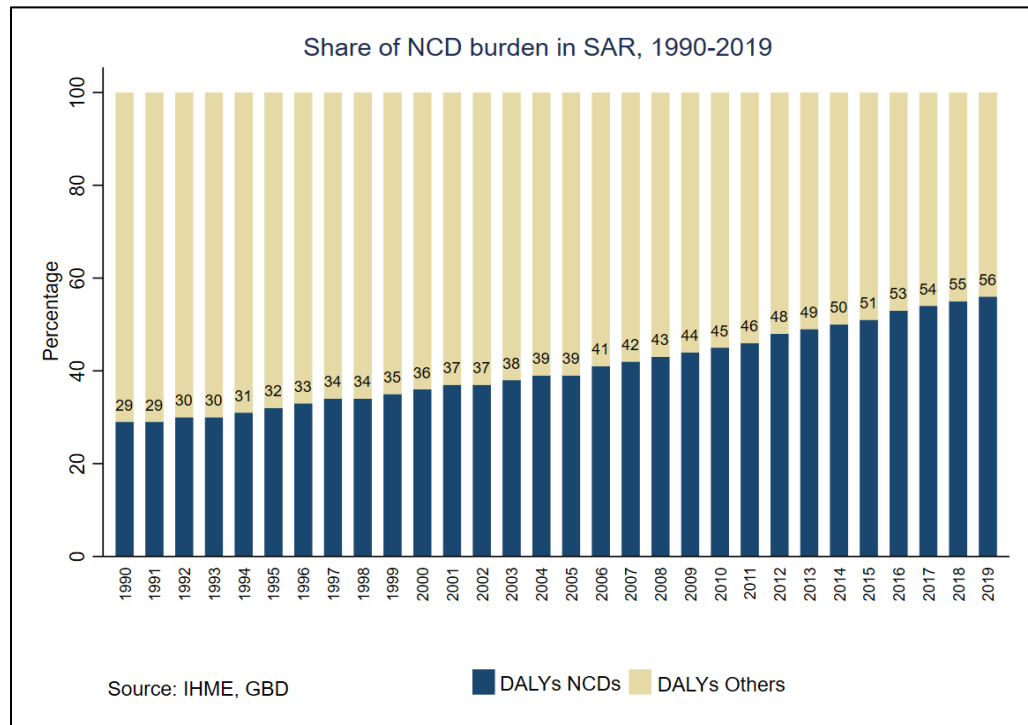
Economic growth has not been evenly shared. Inequality along different dimensions remains high and is worsening in India, Pakistan, and Afghanistan.

Services lack quality even when coverage is good. Social protection benefits are often small and fragmented. SAR fares poorly on both health and education quality.



- Across regions UHC service coverage index *second lowest index value in SAR* (58); above SSA (45).
- Within SAR, SCI vary significantly across countries: *lowest in Afghanistan* (37) and *highest in Maldives* (69).

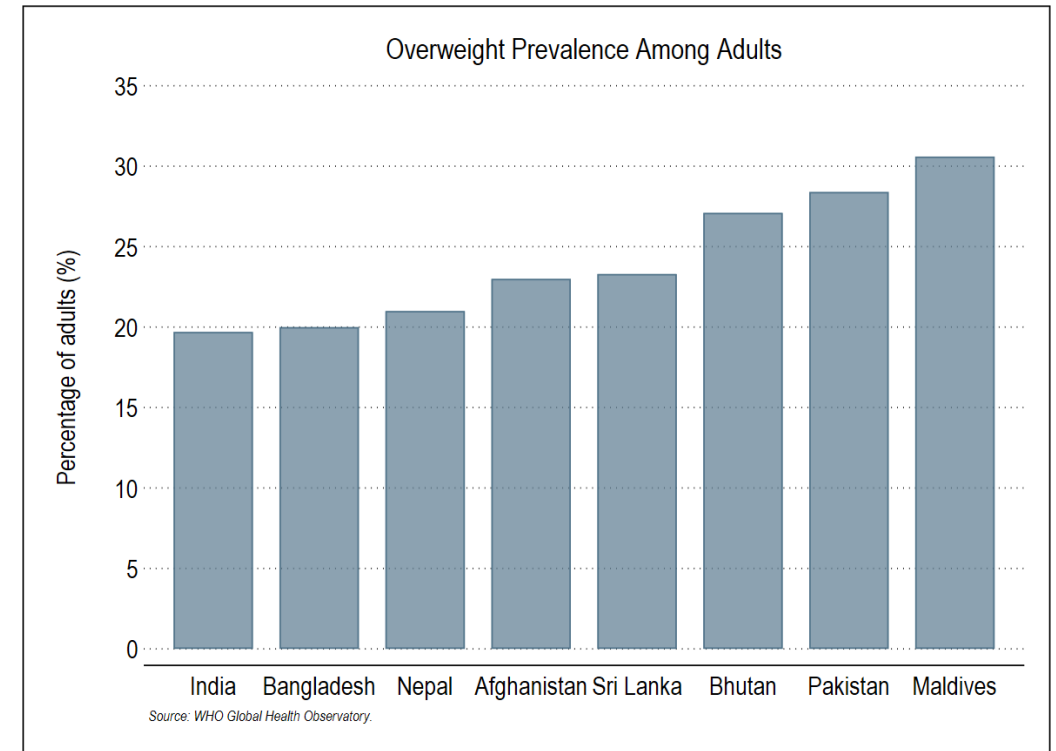
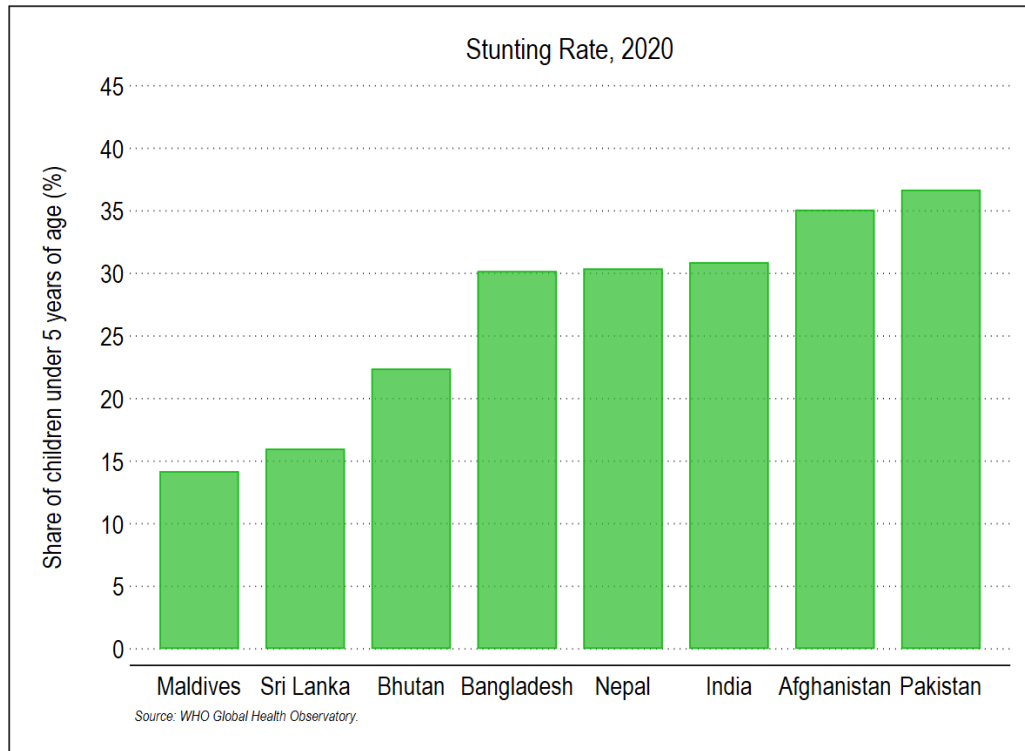
Changing disease pattern towards Non-communicable diseases



- **Most countries in SAR are experiencing epidemiological transition.** NCDs are the biggest health challenge facing SAR: Accounts for **56% of the overall burden of disease.**
- Cardiovascular diseases, cancer, chronic respiratory conditions, and diabetes are the most common NCDs in the region.

- Similar patterns reflected across countries in SAR: Other than Afghanistan and Pakistan, NCDs now account for more than half of the burden of disease in all other countries.
- Prominent risk factors for NCDs are largely behavioral and preventable and include smoking, alcohol consumption, physical inactivity, as well as consumption of fatty foods, salt, and sugar.

Double burden of malnutrition



- Despite having a prolonged history of undernutrition, South Asia is confronting a challenge of overnutrition.
- Within SAR, burden of malnutrition is the highest in Pakistan, followed by Afghanistan and India.
- Wide variation in overweight prevalence especially among children across countries in South Asia while among adults it hovers between 20-25%.

Emerging challenges in health: Climate Vulnerability

South Asia region's vulnerability to climate-related shocks is high and growing

- Himalayan Glaciers
- Exposures
- Extreme heat
- Sea Level Rise
- Variable precipitation
- Air Pollution

Ambient particulate matter pollution among leading risk factor for DALY in SAR: Highest in India, followed by Pakistan & Nepal

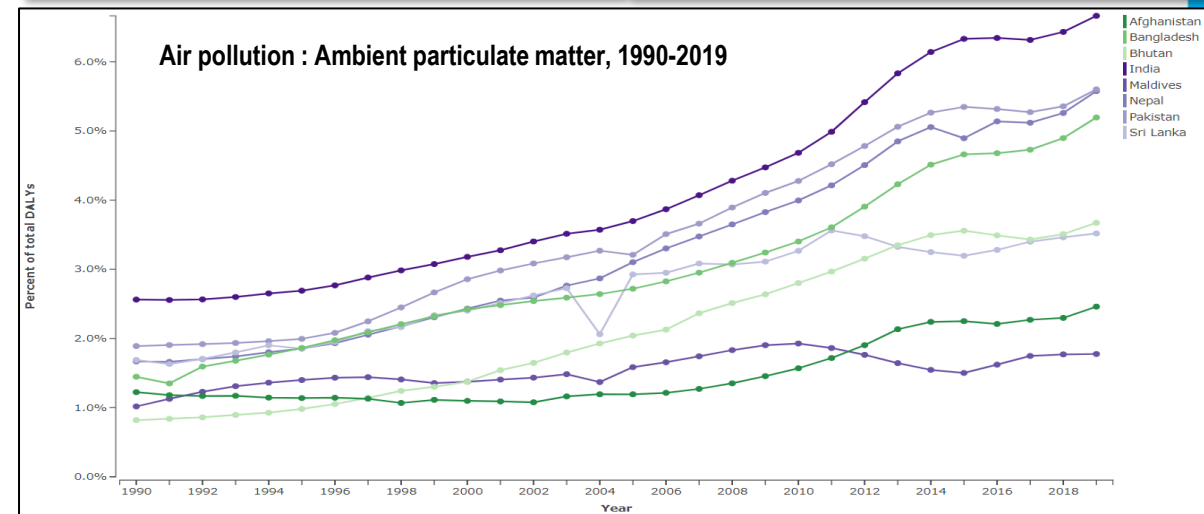
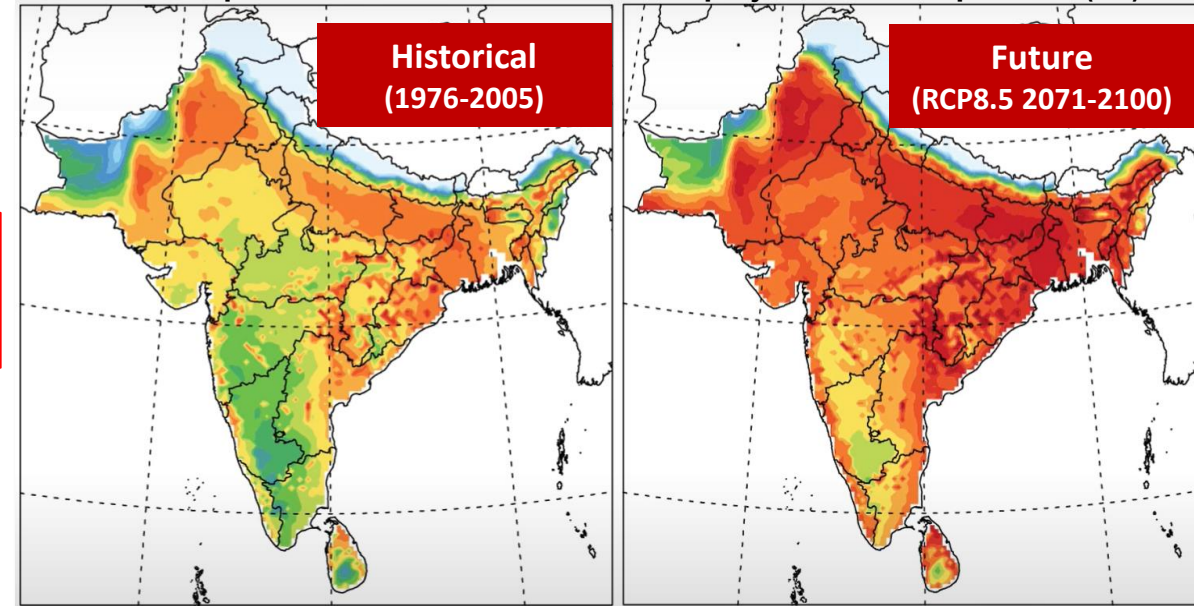
Health risks

- Heat-related: NCDs and occupational health
- VBDs, WBDs
- Floods related burden
- Malnutrition including stunting
- Mental health

Adaptive Capacity

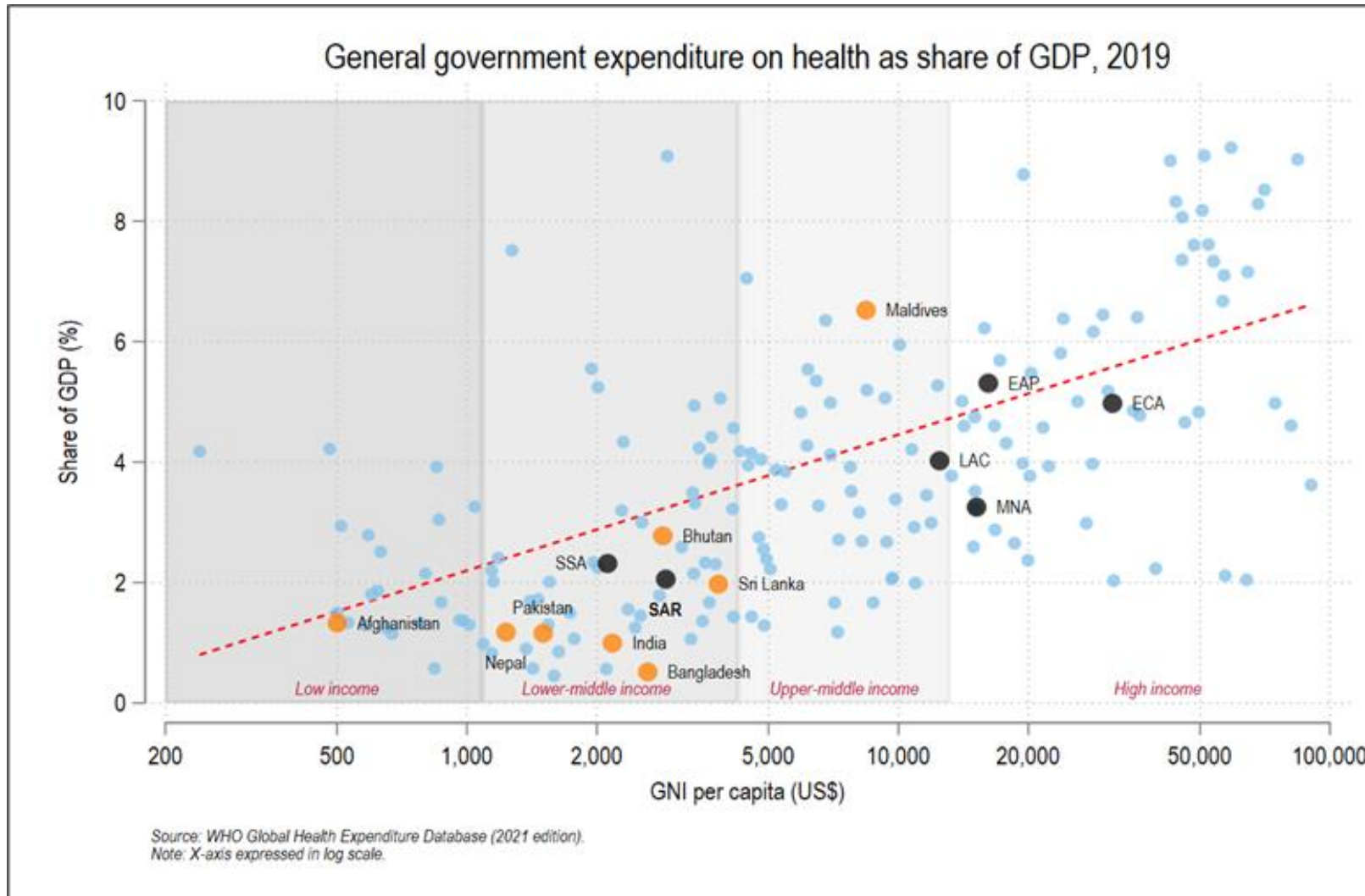
- Low adaptive capacity to deal with climate-related health risks

Maps show measure of current and projected heat exposures (°C)¹



1. Deadly heat waves projected in the densely populated agricultural regions of South Asia, Eun-Soon et al. Science Advances, 2 Aug 2017. Vol 3, Issue 8 DOI: 10.1126/sciadv.1603322

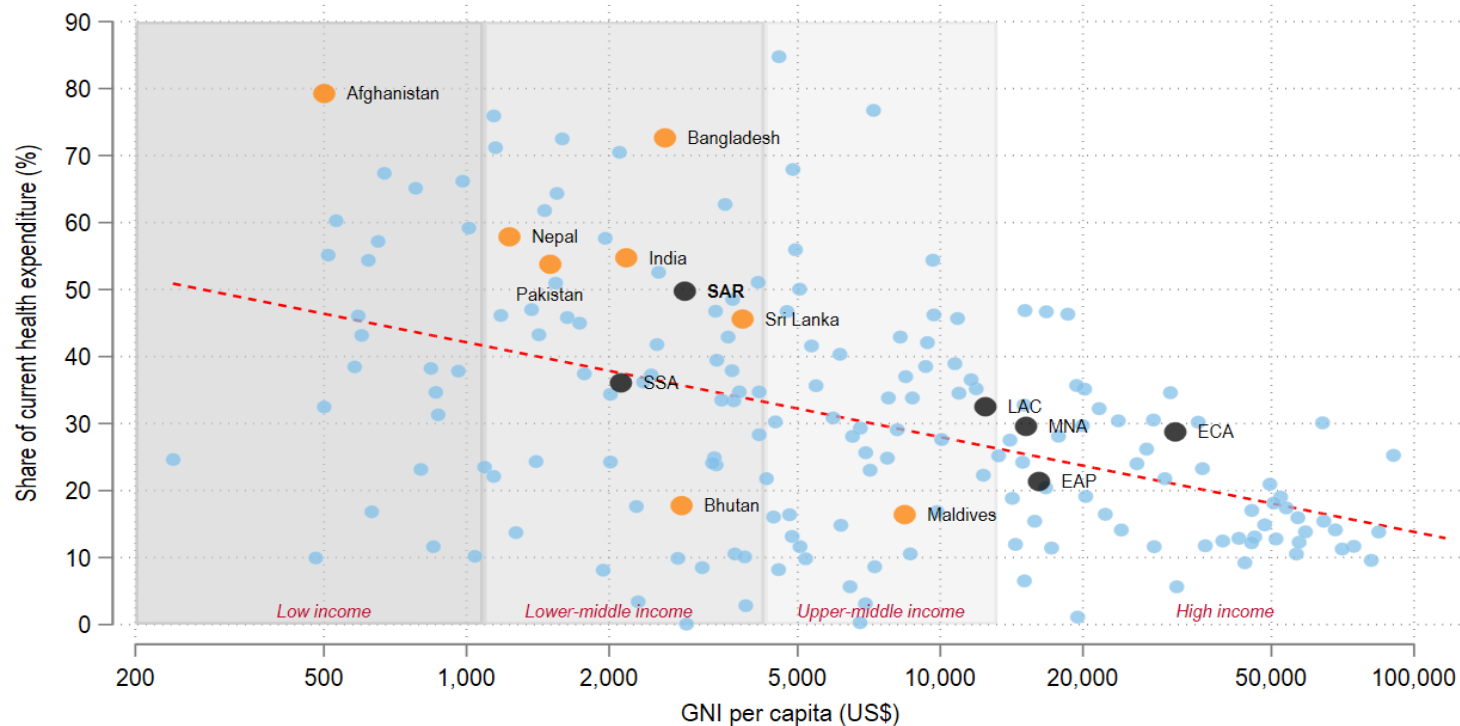
Health financing and expenditure



Despite strong economic growth, *SAR has the lowest levels of public spending on health* as a share of GDP relative to all other regions.

Out-of-pocket spending on health

OOP as share of CHE, 2019



Source: WHO Global Health Expenditure Database (2021 edition).
Note: X-axis expressed in log scale.

- Low government revenues/expenditures and low priority for health has implied low levels of public financing for health. Consequently, *high burden of OOP spending among all regions – highest for SAR*
- Within SAR, burden of *OOP spending is highest for Afghanistan & Bangladesh*; least for Bhutan and Maldives. Hence, highest proportion of population in these countries experience catastrophic health spending.
- Within SAR, *in India & Afghanistan about one-fifth of population is pushed or further pushed below poverty* due to spending on health, i.e., about 261 million people in India & ~ 7.4 million in Afghanistan.

Key Messages

Diverse topography in region - high mountains in northern/western parts, long coastlines in subcontinent, low lying land & islands in Bangladesh and the Maldives - make the region vulnerable to climate-related shocks. Limited integration of climate change aspect into health policies.

Share of communicable diseases has significantly declined, but high incidence of some infectious diseases remains a concern juxtaposed with region's high susceptibility to infectious disease outbreaks.

Public financing for health in South Asia region is abysmally low resulting in extremely high OOP financing for health.

Many SAR countries and their health systems are ill-equipped to respond to the rapid rise of the NCD challenge in the region.

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Health financing and service delivery in times of COVID-19 in South Asia

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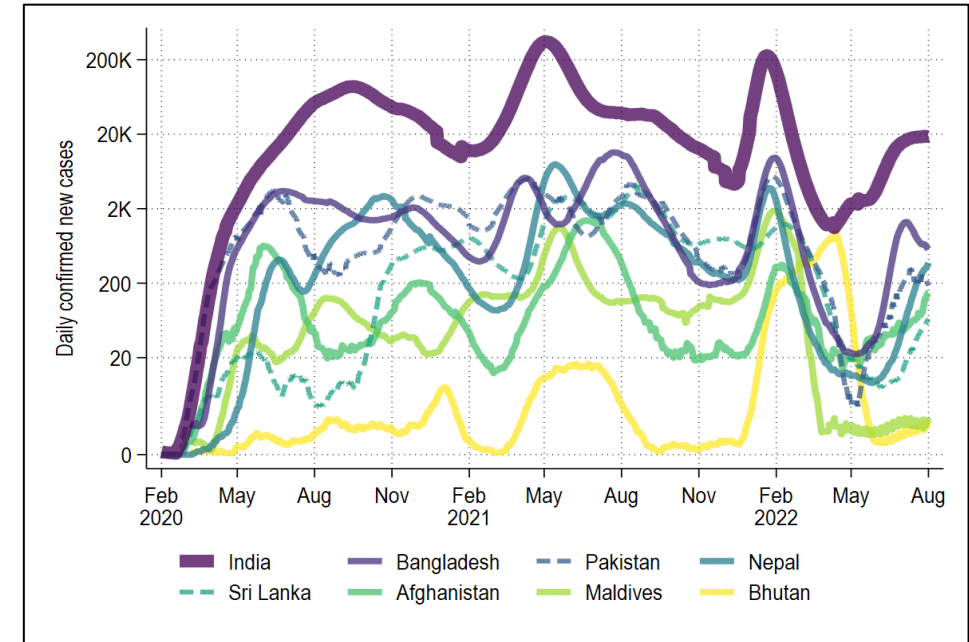
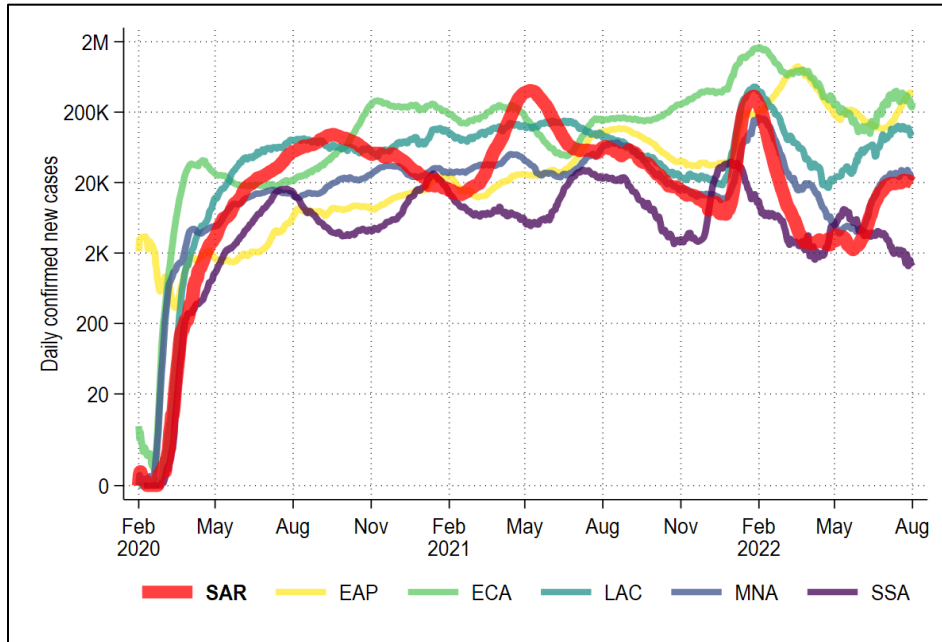
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COVID-19 in South Asia

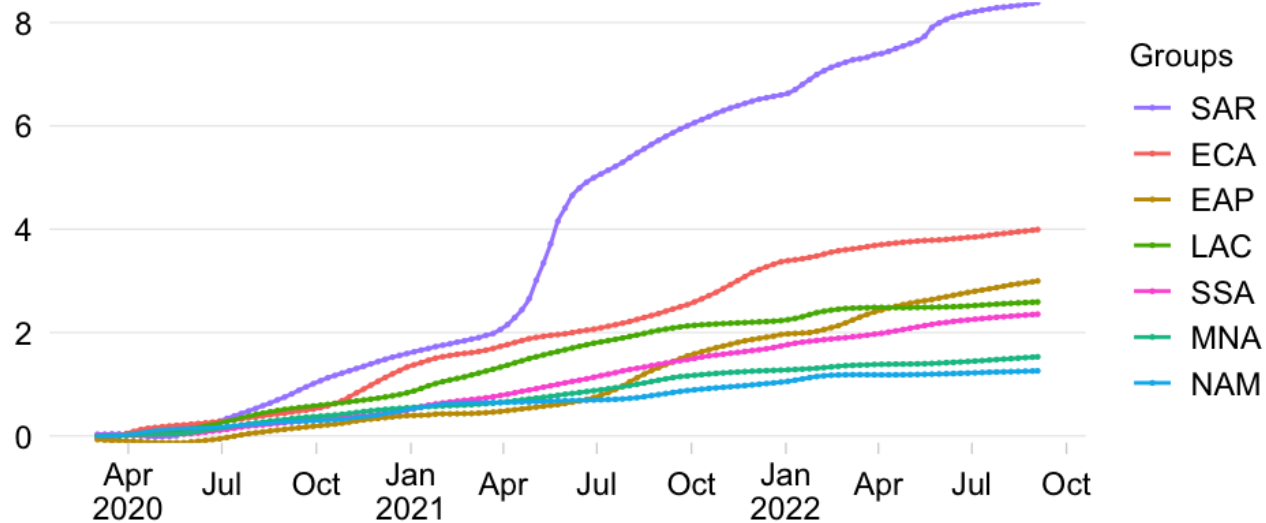


- SAR registered highest daily confirmed new cases between Aug-Nov 2020 and April-May 2021
- Pandemic has evolved differently across SAR showing wide variation across countries.
 - Cases per million highest in Maldives followed by Bhutan; least in Afghanistan
 - Deaths per million are highest in Sri Lanka followed by Maldives; least in Bhutan.
- In absolute terms, India has seen the highest number of deaths per million in the region, and Bhutan the lowest.

South Asia has suffered the highest death toll in COVID-19 pandemic

Cumulative estimated excess deaths

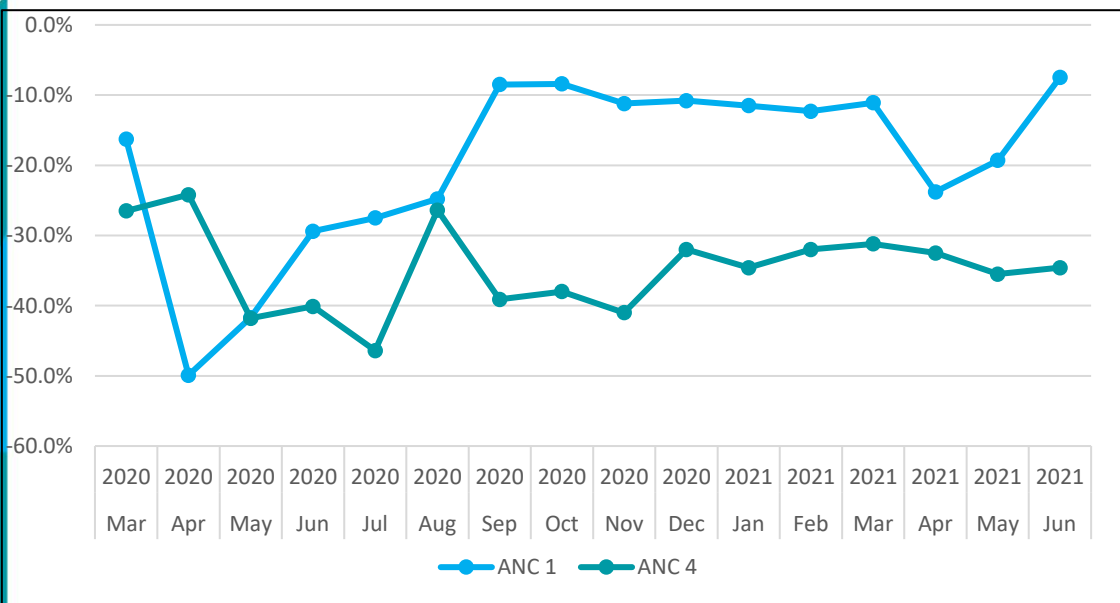
Since start of the pandemic (millions)



Source: Schellekens (2022); The Economist; WPP. Updated: 2022-09-05. Latest: pandem-ic.com.
Note: Aggregation: World Bank regions. Acronyms: EAP: East Asia & Pacific; ECA: Europe & Central Asia; LAC: Latin America & Caribbean; MNA: Middle East & North Africa; NAM: North America; SAR: South Asia; SSA: Sub-Saharan Africa. Estimates derived with the excess death model of The Economist (a machine-learning algorithm that fills data gaps by learning from official excess mortality data, where available, and over 100 other statistical indicators). Values shown are weekly mid-point estimates (dots) connected by X-spline.

- Excess deaths are the highest in the South Asia Region followed by ECA & LAC.
- Within SAR, India had the most excess deaths during COVID-19 pandemic – 5 million. Most of India's excess deaths likely occurred during the country's debilitating second COVID-19 outbreak, as its vaccination drive had just taken off.
- Similar levels of excess deaths per 100,000 population in SAR, LAC & ECA

Disruption in service delivery: Impact of COVID on Human Capital

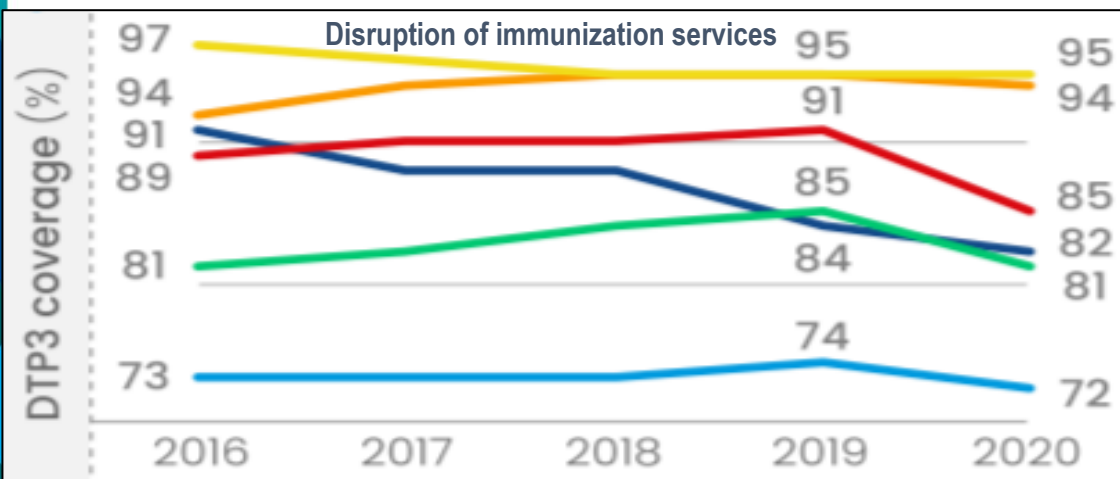


Disruptions in ANC Services

- Decrease in Antenatal care visits 1 and 4 during COVID-19
- **Antenatal care is time-sensitive and cannot be recovered-** In first six months of pandemic, fewer women initiated antenatal care. Implying increased risk of adverse birth outcomes of newborn (like birthweight) and thus may generate long-term issues for child development, schooling attainment, and even earnings.

Disruptions in Immunization

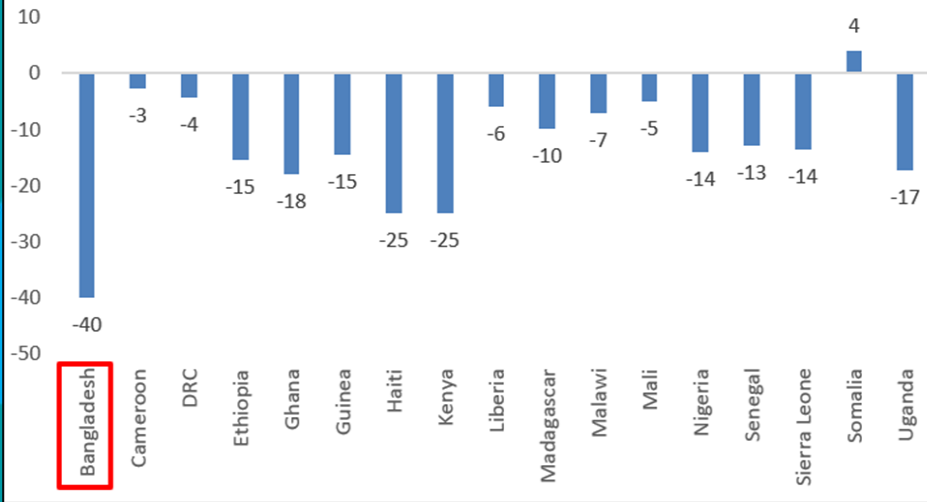
- **Vaccine coverage affected unevenly between regions** - Southeast Asian and Eastern Mediterranean Regions' were most affected.
- Easing of pandemic has allowed some primary health services to resume. But to a large extent the damage was done.
- Major outbreaks of measles and other diseases have been reported in the region, putting un- and under-vaccinated children at risk of life-threatening diseases (UNICEF,2021)



● AFR ● AMR ● EMR ● EUR ● SEAR ● WPR

Forgone health care

Cumulative % change in outpatient volumes
(March 2020 - June 2021)



Utilization of priority health services – like treatment of TB, inpatient and outpatient care – severely hit due to pandemic

People treated for TB

Change, 2019-2020

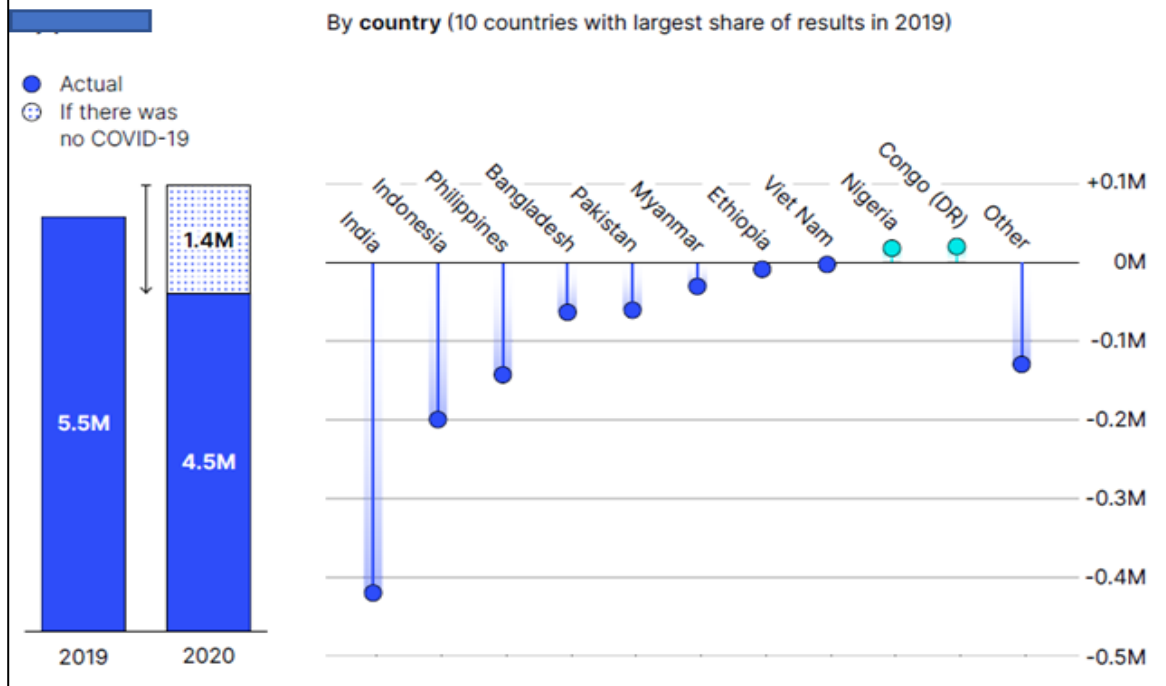
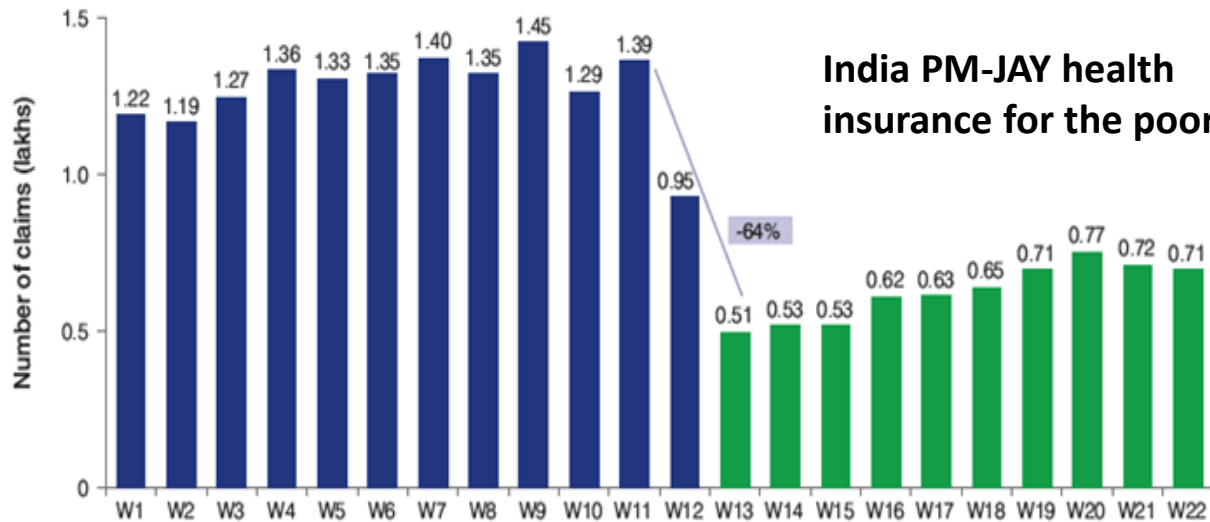
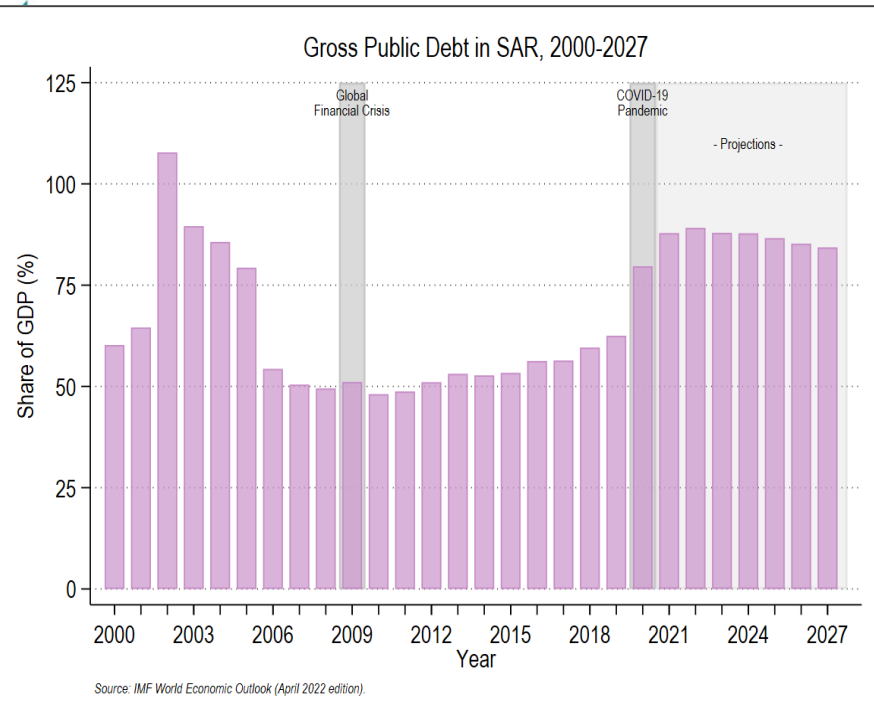


Figure 2: Claim volumes fell by 64 percent in the early lockdown phase



Sources: Global Fund Results Report 2021 (TB treatment), Ahmed et al 2021 (outpatient visits), Smith et al. 2020 (claim volumes).

Public debt has been high over years—worsened with COVID-19



Country	Revenue share of GDP (%)		Expenditure share of GDP (%)		Net interest payments as share of expenditure (%)	
	2021	2022	2021	2022	2021	2022
Afghanistan	26.0	26.9	28.5	28.4	0.1	0.2
Bangladesh	10.9	11.0	15.1	17.1	15.4	14.3
Bhutan	33.8	28.7	40.1	38.8	2.6	3.5
India	19.7	18.9	30.1	28.8	17.2	18.6
Maldives	27.2	27.6	42.2	41.0	6.2	9.8
Nepal	24.2	25.3	28.5	31.0	2.8	2.5
Pakistan	12.5	12.6	18.6	18.4	26.7	26.0
Sri Lanka	8.9	10.8	21.5	20.1	29.8	32.9
SAR average	20.4	20.2	28.1	28.0	12.6	13.5
LMIC average	25.3	25.5	30.7	30.6	8.5	8.6

- In SAR, public debt share is nearly 90% of GDP. Most countries have dramatically raised borrowing—largely to finance emergency pandemic response.
- In Maldives and Sri Lanka from already elevated pre-crisis levels – public debt exceeded 100% of GDP post-pandemic.
- Higher public debt levels = higher debt servicing in future and the potential for continued fiscal tightening, at least in the medium-term.

Double Shock from COVID-19

COVID-19 has resulted in both a **health shock** as well as an **economic shock**



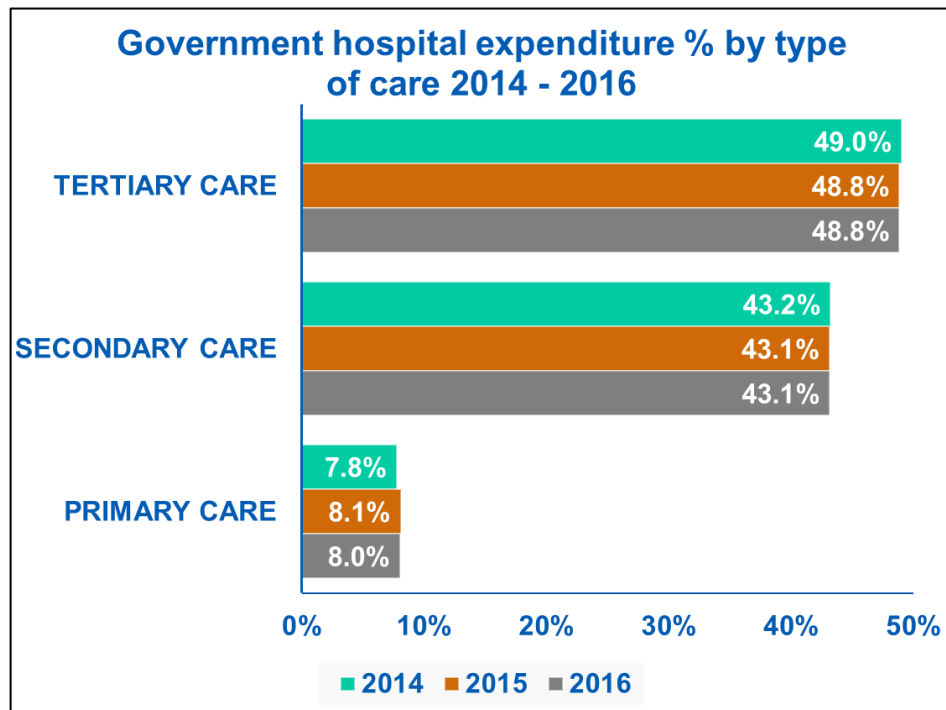
- Globally, **~605 million cases**; **~6.5 million deaths**.
- Morbidity and mortality highest among those with **hypertension**, **diabetes**, other co-morbidities.
- **Long-term**, lingering effects from infection leading to chronic conditions among some.
- **Spillover** impact on demand and supply of **routine health interventions** and services as well as on **risk factors**.



- Globally, **massive economic contraction**; lingering effect on levels of economic activity.
- Economic impact **severe even in countries with low/no infections**.
- Rising **poverty**, inequality; change in **public financing landscape**.

Primary health care is under-financed


Sri Lanka




- Tertiary hospitals absorb the largest share of hospital resources
→ Primary hospitals utilize less than 10% of the hospital resources
- The pattern has remained fairly stable over years
- Shifting resources to lower levels could improve efficiency

Lessons learned from the COVID-19 pandemic

Increased focus on PHCs:

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- Strong focus on strengthening primary healthcare, that is trusted, is the first line of defense in offering affordable access to care and promotion of preventative measures (ex hygiene and sanitation)
 - Vulnerable groups are adversely impacted during COVID-19 leading to greater inequities (ex. high out-of-pocket, forgone care, GBV)

Forward planning and prevention:

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- Need for health systems strengthening : Greater investments in building-up health security system and lab capacity to test and diagnose as well as in data management systems to be able to adequately monitor disease transmission and epidemiological progress.
 - Protocols needed for maintaining essential and other health service during outbreaks and expanded human workforce
 - Prevention agenda critical to minimize introduction of zoonotic diseases etc – importance of one health and good early warning and monitoring systems
 - Strong political will & commitment :To deliver the levels of health spending necessary to solve the health crisis, health and finance officials must work together on a **three-pronged** agenda, coordinating across levels of government: **increasing government funding for health**, expanding overall **fiscal space by adopting innovative means of raising public revenue (such as health taxes)**, and improving the **equity, efficiency, and quality** of health spending.

Key messages

COVID-19 not just a health 'shock', it has also adversely impacted economic activity, poverty rates have risen, unemployment is up, remittances are down; vaccines also economic stimulus intervention

Public revenues declined but public expenditures increased to finance emergency response/vaccines, and public debt has risen; tightening of fiscal space will likely continue for several years

Even in difficult macro-fiscal environment, important to recognize the importance of prioritizing public financing for health, particularly PHC, even beyond the emergency COVID-19 response: getting over the economic crisis will depend on getting over the health crisis

Important to consider macro-fiscal implications for health financing: how can spending on health be protected, made more efficient, equitable, and contribute to economic recovery?

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