

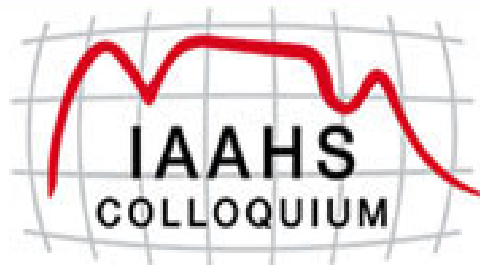


International Actuarial Association Health Section
2007 Colloquium

13th - 16th May 2007 Cape Town, South Africa

Health Systems in Developing Countries
IAA Health Section Colloquium

Lisa Beichl
International Health Consultant

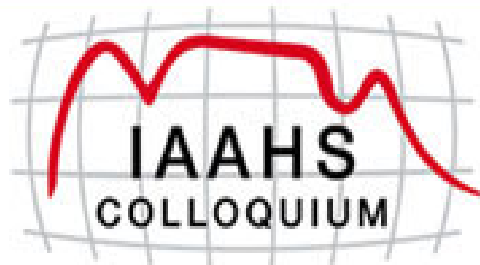


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Health Systems in Developing Countries

- Facets of health systems
- Stakeholder Behavior
- Malaria, Medical Tourism
- Moving forward

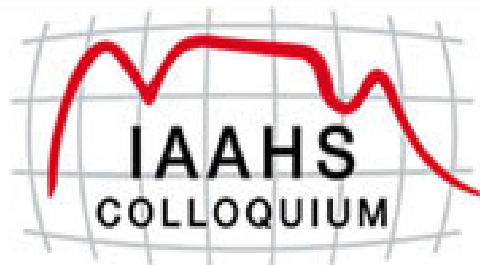


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Considerations about health systems in developing countries

Country	Public expenditure on health as a % of total expenditure on health (2003 WHO)	Private expenditure on health as a % of total expenditure on health (2003 WHO)	Total expenditure on health as a % of GDP (2003 WHO)
Botswana	3.3%	2.3%	5.6%
Mexico	2.9%	3.3%	6.2%
Peru	2.1%	2.3%	4.4%
Turkey	5.4%	2.2%	7.6%
Denmark	7.5%	1.5%	9%
U.K.	6.9%	1.1%	8%

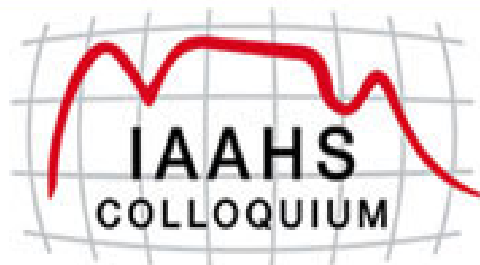


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Access issues in developing countries

Country	# of doctors/1000 (WHO 2003)	# of nurses/1000 (WHO 2003)
Botswana	0.4	2.65
Mexico	1.98	0.9
Peru	1.17	0.67
Turkey	1.35	1.7
Denmark	2.93	10.96
U.K.	2.3	12.12

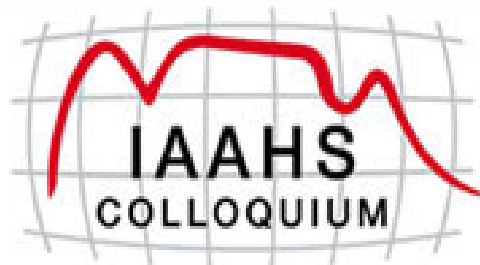


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Burden of Disease, HIV/AIDS

Country	Years of life lost to communicable diseases (WHO 2002)	% of population living below poverty (WHO 2002)	HIV prevalence adults 15-49 % (WHO 2003)
Botswana	93.1%	30.7%	37.3%
Mexico	26.9%	9.9%	0.3%
Peru	43.1%	18.1%	0.5%
Turkey	31.1%	N/A	N/A
Denmark	3.8%	N/A	0.2%
U.K.	9.5%	N/A	0.2%

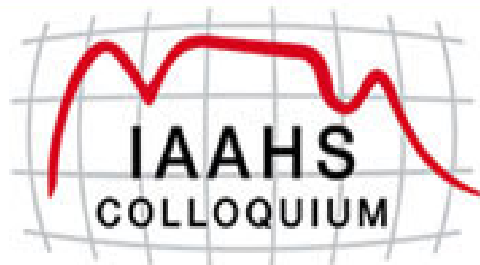


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Quality?

- Data available from hospital perspective (fragmented).
- Difficult to define quality, readmission rates, length of stay?
- Absence of standard protocols, evidence based medicine?

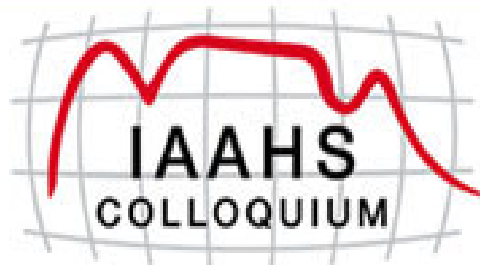


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Reforms focused on ensuring access to care

- Tend to see extension of the scope of social protection in case of illness and improvements in institutional efficiency.
- Often see a increased privatization when economic conditions allow.

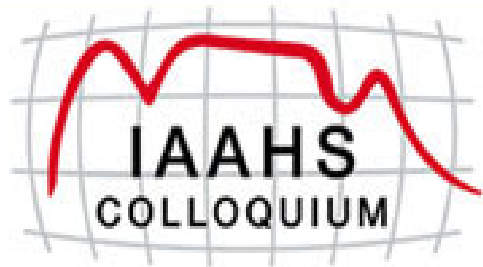


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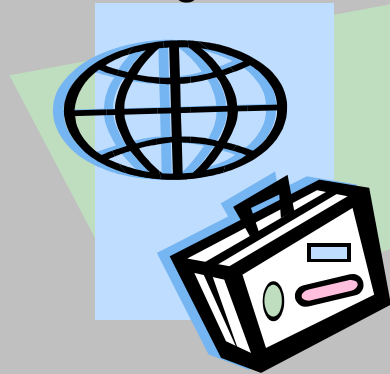
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Providers



Public Sector
Agencies



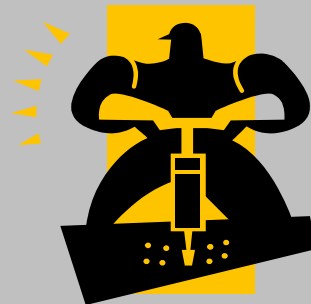
Government



Insurer/
Reinsurer



Individual

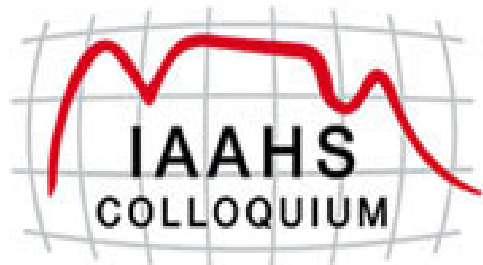


Agent/Broker



Employer





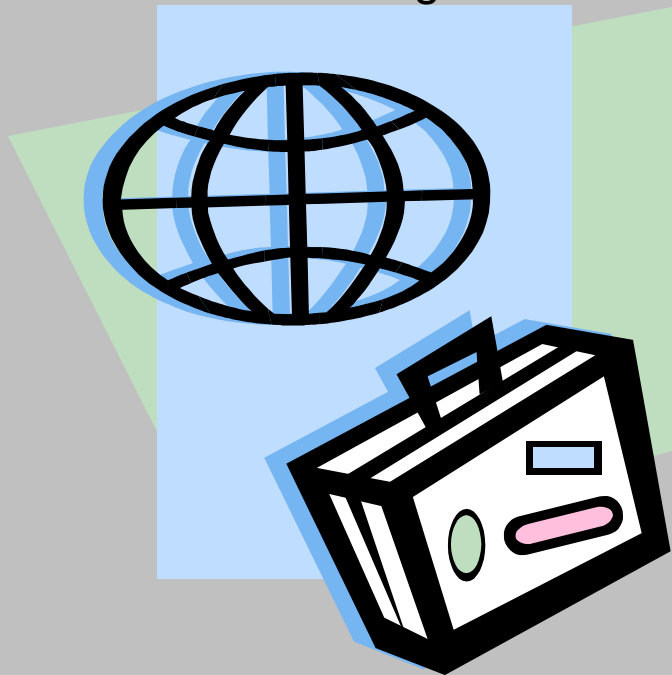
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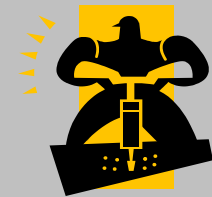
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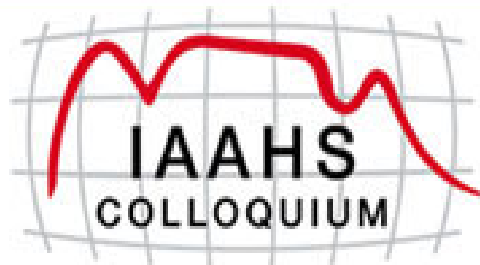


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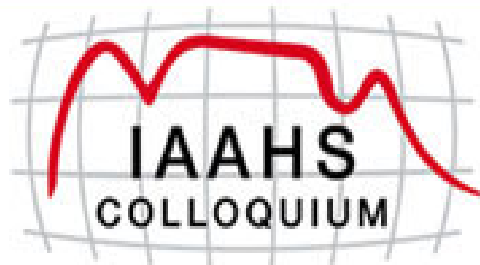


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Government needs to take the lead

- Sees the big picture
- Understands the complexity of the various stakeholders
- Is guiding an overall direction
- But is also limited by itself

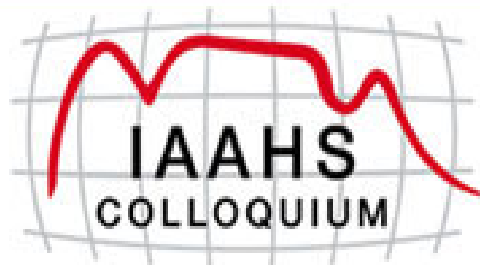


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Governments and Public Aid Groups take the lead, but that brings challenges

Country	Corruption Perception Index (5 is the threshold)	Index of Freedom (Heritage Foundation, 2006)
Botswana	5.6	2.29
Mexico	3.3	2.83
Peru	2.6	2.86
Turkey	3.8	3.11
Denmark	9.5	1.78
U.K.	8.6	1.74

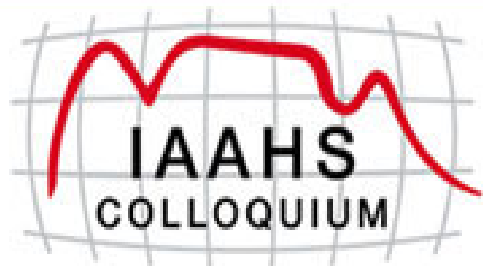


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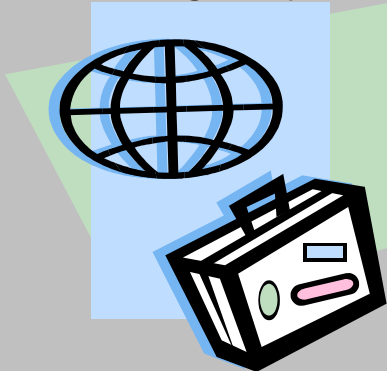
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All Stakeholders have an interest in managing malaria

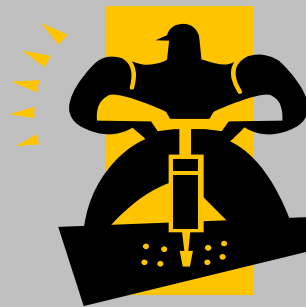
Government



Public Sector Agency

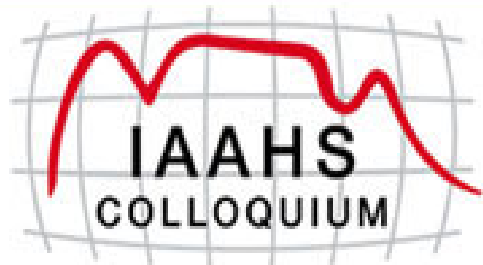


Individual



Change in outcomes?

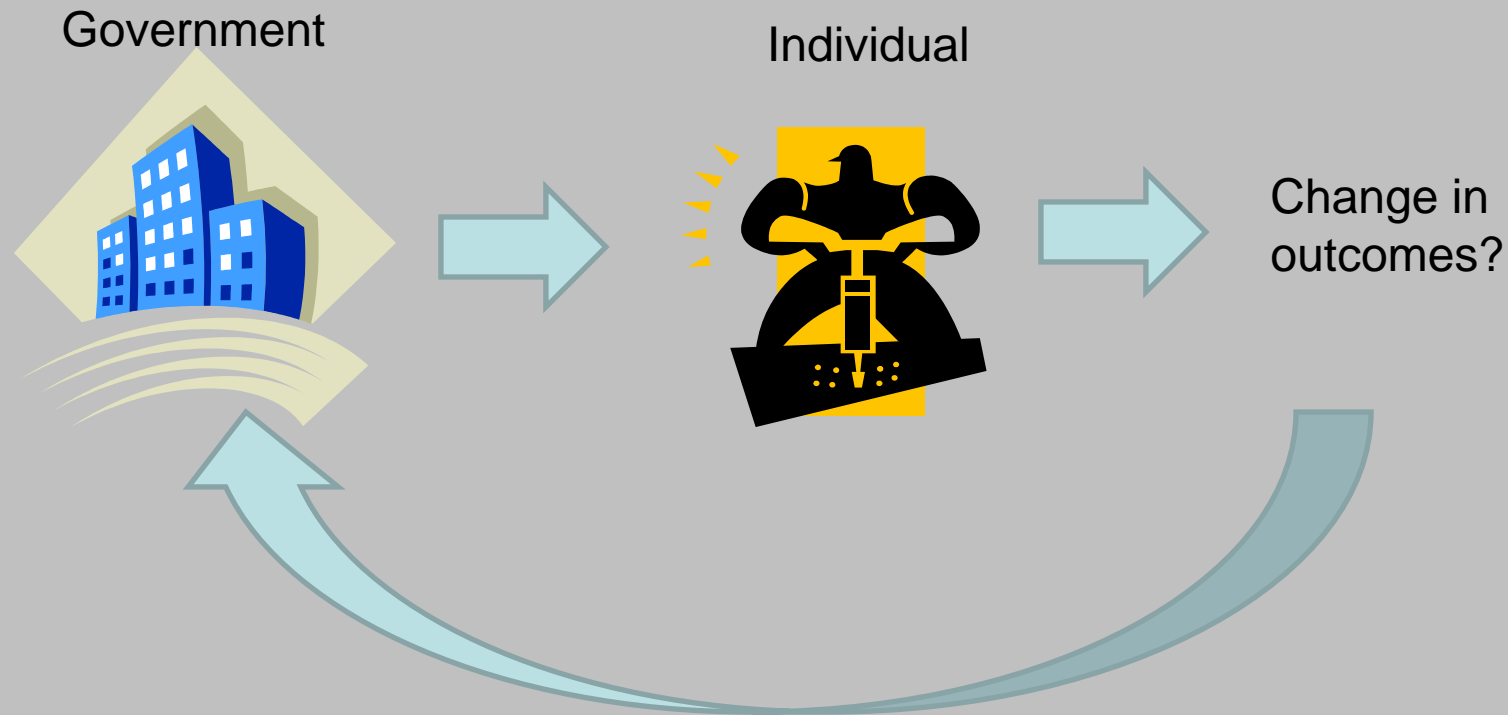


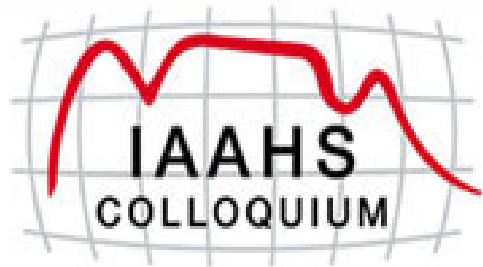


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Ensuring sustainable change is difficult when it's not the core focus of a government





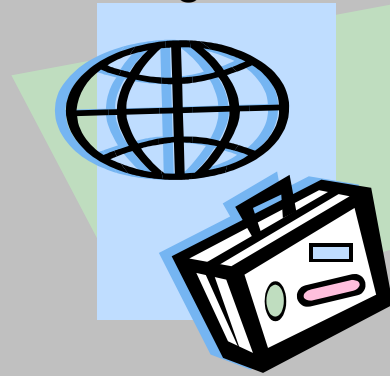
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Public Sector
Agencies



Government



Insurer/
Reinsurer



Individual



Agent/Broker



Employer



<http://medicaltourism.com/pricing.php>

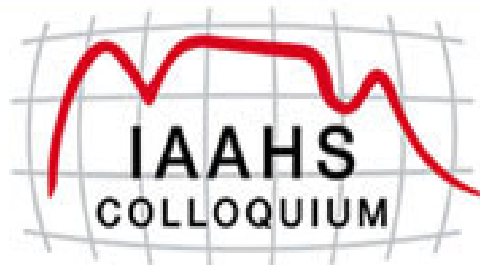
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Medical Tourism, friend or foe?





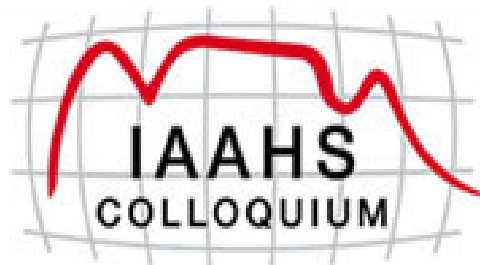
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All Stakeholders have an interest in Medical Tourism

Procedure	US Cost	India Cost	Thailand Cost
Heart Bypass	\$130,000	\$10,000	\$11,000
Hip Replacement	\$43,000	\$9,000	\$12,000

Source: www.medicaltourism.com/pricing.php



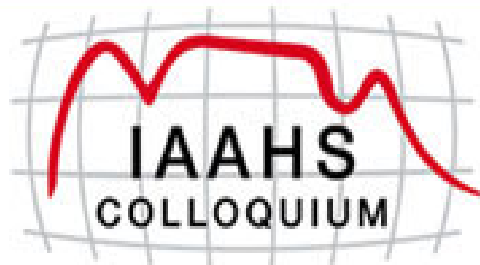
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All Stakeholders have an interest in Medical Tourism

Medical Tourism, friend or foe?

- 2005, the Bumrungrad Hospital in Thailand served more than 50,000 American patients, up 30% from the previous year. Seventy five percent of the patients flew in directly from the U.S. and 83% of them had non-cosmetic surgery. As most of the procedures performed are high intensity, they are important revenue sources.



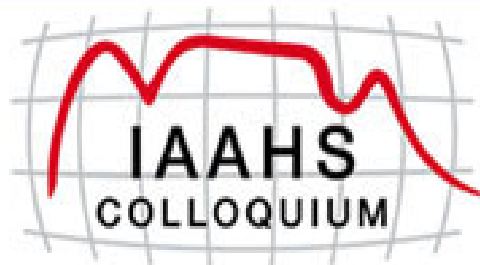
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All Stakeholders have an interest in Medical Tourism

Medical Tourism, friend or foe?

- Turkey and India, provider supply concerns, brain drain concerns.
- Medical Tourism can help?
- Medical Tourism can drive a wedge into the society and access for all?
- Either extreme won't work (ensure all stakeholders fairly reflected in regulation decisions).



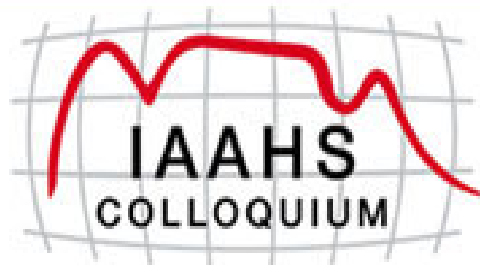
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All Stakeholders have an interest in Medical Tourism

Medical Tourism, friend or foe?

- Quality, JCAHO, Australian Accreditation, Evidence Based Medicine.....

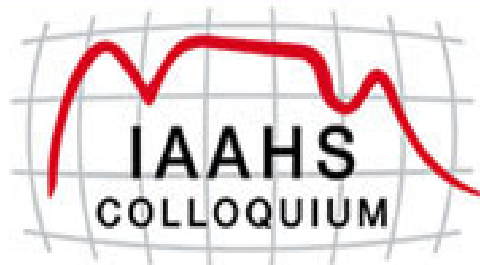


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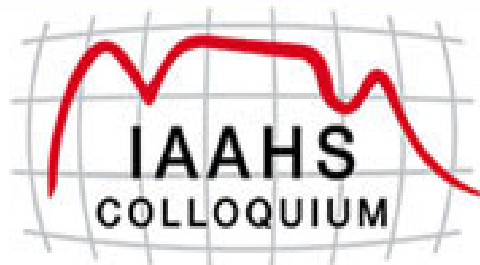


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Developing markets are dealing with the same things

- Access to care
- Efficiency/cost of care
- Quality of care
- Changing market dynamics, needs, trends (SARS, polio, etc.)

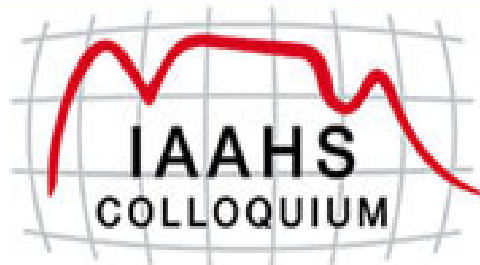


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Challenge is to ensure effective influence of the different stakeholders

- Access to care: **Ensure effective incentives to practice medicine, to run clinics, to address rural areas**
- Efficiency/cost of care: **Standardize coding and data capture (both public and private sector), fair UCR, reduced demand to cost-shift**
- Quality of care: **Evidence based medicine, Continuing Medical Education, local accreditation standards**
- Changing market dynamics, needs, trends (SARS, polio, etc.): **Change is the only constant**



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