

NATIONAL HEALTH ACCOUNTS

Global Status

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MALAYSIA NATIONAL HEALTH ACCOUNTS SEMINAR 2017

March 13, 2017

Putrajaya

Outline

- Global developments
- How are countries progressing?
- What about quality?

Global developments

- The road so far

Fifty years of NHA development

Major trends

1. Increasing efforts to use NHA systems to track national health spending on routine basis
2. Growing efforts to harmonize how expenditures are reported and how numbers are produced
3. Convergence and divergence in theory and practice between developed and developing countries

Origins

1960s–70s

USA, Japan, Europe

- Purely national efforts to track and report spending in developed countries
- Initial efforts to cost by disease

WHO, World Bank

- Ad-hoc comparative studies (Brian Abel-Smith 1963, 1965)
- Efforts to track spending to beneficiaries (Malaysia 1970s)

1970s – 90s

OECD

- Push to collect comparable data across countries to address common problems
- Increasing awareness of lack of comparability

Current era

Pre-2000

No global framework

- Ad-hoc national standards & international frameworks
- Lack of comparability in international estimates

2000

OECD System of Health Accounts (SHA)

- First international standard, but officially intended for only OECD use
- Recommended by WHO for international reporting

2011

System of Health Accounts 2011

- Updated SHA
- Official product of OECD, Eurostat, WHO

A “System of Health Accounts” OECD (SHA)



Developed by OECD:

- To provide standard reporting tables for international comparison
- To provide an internationally harmonised boundary for health care activities
- To provide a consistent framework for analysing health systems
- To provide a rigid framework for building NHA to permit consistent reporting over time

SHA 1.0 to SHA 2011



Emerging challenges

Methods

- Continuing lack of comparability in country estimates owing to diverse production methods
- Extending NHA to new questions

Reporting

OECD

- Increasingly robust comparative data reporting and collection

WHO

- Common reporting but lack of comparative detail

Routinization

How to sustain increasingly complex statistical production

- OECD
- Outside OECD

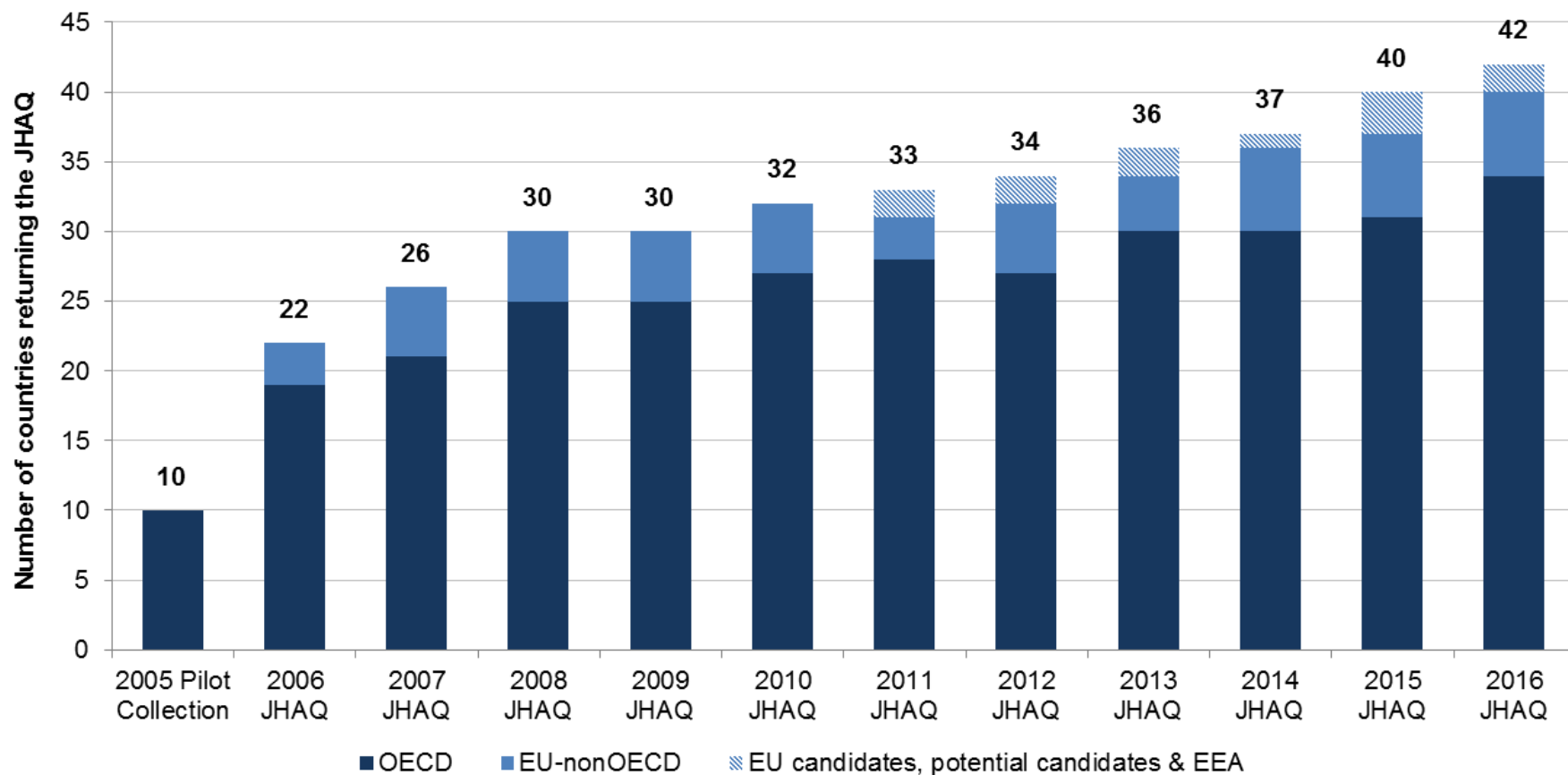
Country progress

- Production and reporting of standards based NHA

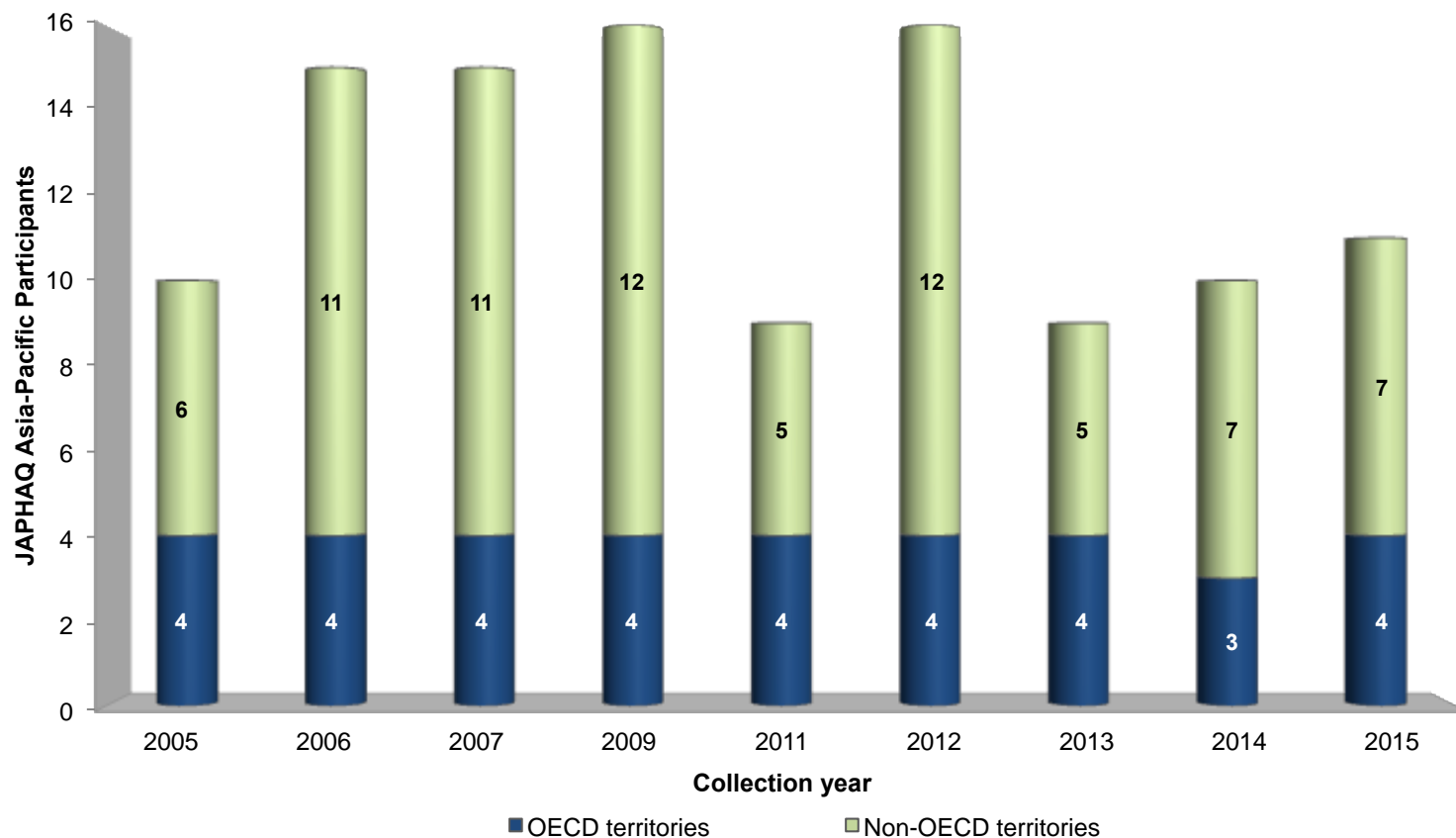
Convergence and divergence

1. Rapid global acceptance in past decade that countries should report NHA using international standards
 - But divergence on role of national standards
2. Almost universal adoption of SHA as the common standard
 - But divergence in content and quality
3. Deepening use of local, customized methods in OECD versus adoption of common production tools from WHO

Reporting of SHA-based NHA estimates – OECD, EU



Reporting of SHA-based NHA estimates – Asia-Pacific region



Quality versus content

Content of NHA in OECD, EU

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Quality versus content

Disease estimates

- **OECD, EU**
 - Only 5-7 countries routinely produce disease expenditure estimates
 - Only 15-20 have ever produced any disease estimates
 - Most do not produce every year
- **Developing countries**
 - 40-50 report disease expenditure estimates
 - Many report these annually or with every NHA update

Divergence

OECD/EU

- Shift to continuous annual production and reporting
- Shift to production in technical/statistical agencies
- Explicit compromises between quality and coverage
- Concern to maintain time trends

Developing countries

- Predominance of projectized, cyclical reporting often in response to external pressure
- Lack of delegation in production
- Pressure to produce everything regardless of quality
- Less concern with comparable time trends

What has Malaysia done?

- **Standards**
 - Early adopter of international standards (SHA)
 - Pragmatic delay in adopting SHA 2011
 - Continued use of both national and international frameworks for reporting NHA results
- **Production and reporting**
 - Successful efforts to routinize production
 - Attention to consistency of time trends
 - Pragmatism in expanding reporting content
 - Challenges in expanding content?

Quality challenges

- The barrier to comparability
- How well does Malaysia do?

Major quality challenges

1. Consistent NHA tables
2. Private spending
3. Activity or functional breakdown of what government spends
4. Ensuring consistent time trends when data and methods change

1. Consistency of estimates between NHA tables

Challenges

- Many developing countries have been unable to ensure consistency of annual estimates – E.g., breakdowns of spending by activity don't equal breakdowns of spending by provider
- Common reason is failure to adopt robust database platform to compile NHA

Malaysian experience

- MNHA has been based from day one on robust database concept
- MNHA Unit has been able to report consistent tables as well as both SHA and MNHA standards based results

2. Private expenditure

Challenges

- Largest source of lack of comparability between national estimates
- Most private spending does not produce documentation or reporting
- Household surveys not that good at quantifying household spending, but many countries still rely on them
- Need for triangulating estimates from diverse and often unreliable data sources

Malaysian experience

- Methods matter ! Past problems with consistency and reliability of private spending estimates and trends
- But Malaysia can and does produce good estimates

3. Activity breakdown of government spending

Challenges

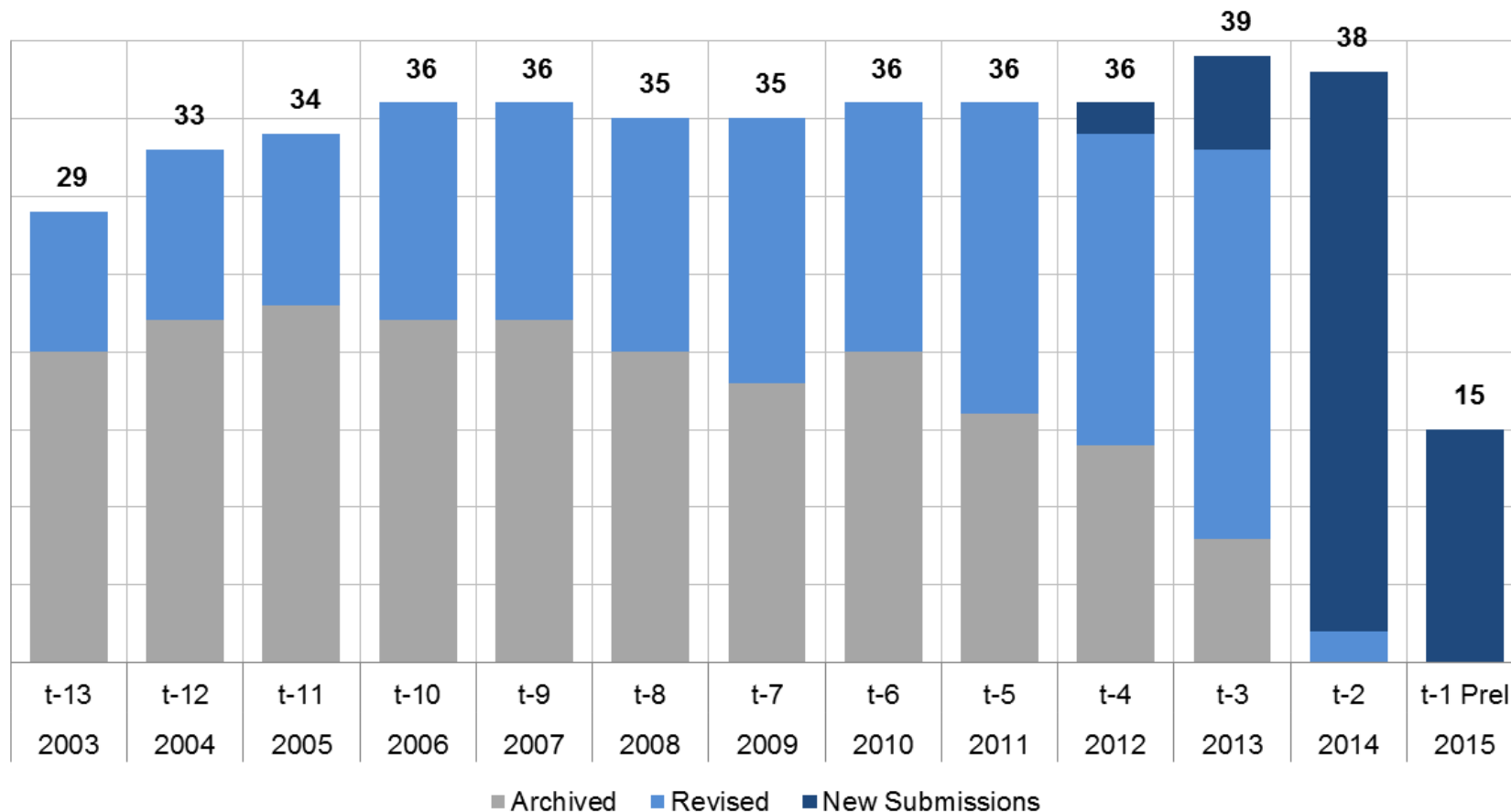
- In budget financed systems, money is assigned to inputs or providers, not activities or outputs. Different to insurance based systems.
- Cannot use accounting systems to allocate spending to activities, e.g., inpatient versus outpatient care in hospitals
- Requires costing studies or system to produce costing estimates

Malaysian experience

- Costing studies are feasible and have been done
- But not regularly, and on sufficient scale

Updating of older NHA estimates

- Not common practice outside OECD, EU



4. Consistency of time trends when data and methods change

Challenges

- Changing data and methods can result in spurious changes in spending from one year to next
- Consistency requires going back and updating/re-doing earlier estimates every time methods change
- Updating older estimates not common practice in developing countries

Malaysian experience

- Updating of older estimates has been done with increasing regularity
- Quality and length of comparable time series unusual in region

General assessment of quality in MNHA

- Malaysia has made reasonable judgments about what to report and when
- Quality of most MNHA estimates is good by international standards
 - Country can produce SHA compliant estimates
 - Robust database approach used to compile estimates
 - Private expenditures are based on best practice methods
 - Government expenditures are closely linked to audited data
 - Older estimates are regularly updated, and time trends are credible

Areas for improvement

- Database design may need updating to handle emerging challenges and complexities
- Costing of public activities
- Coverage of second tier items, such as LTC, preventive health, etc