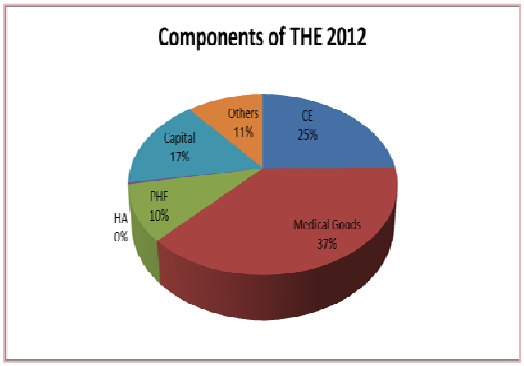
National Health Accounts

Myanmar (2012-2013)



MOH: WHO 2014-2015 Work Plan

SEMMR1408298, SYSSER 2014-2015

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Executive Summary

Conceptual Framework

Health care financing is an internationally recognized area of great policy importance especially for low and middle income countries. National Health Accounts (NHA) is said to be a practical and useful approach for understanding health care financing issues in developing countries. NHA is a method for gathering national health financing and expenditure data not only from the public but also from private health sub-sectors, including consumers. NHA can track expenditure flows across a health system and link the sources of fund to service providers and to ultimate uses of the funds.

The development and the methodology of NHA in different parts of the world vary greatly. In Asia, some countries have adopted the OECD System of Health Account (SHA) framework, while some African counties use the Harvard framework for NHA.

The conceptual framework of Myanmar National Health Accounts consists of concept and definition of health expenditures, and classification of entities involved in the health accounts. The framework is based on the producers' guide published by the World Health Organization, *"Guide to producing national health accounts with special applications for low-income and middle-income countries"*. Classification of entities was made as relevant to the country context and every possible attempt had been made to provide crosswalk for international comparison.

Definition of National Health Expenditures

National health expenditure encompasses all expenditures for activities whose primary purpose is to restore, improve and maintain health for the nation and for individuals during a defined period of time, regardless of the type of the institution or entity providing or paying for the activity. As such expenditures made for provision of promotive, preventive, curative and rehabilitative health care for individuals as well as groups of individuals or populations are included in the definition.

Activities such as medical education and health-related professional training, health research, and health related nutritional or environmental programmes are integral parts of Myanmar health system and are thus included in the aggregate measure.

National health expenditure includes expenditures for personal health services, public health services, health administration, capital formation for the health care providers and other elements of health-related expenditures.

Classification of Functions

Functions were classified according to OECD's International Classification for Health Accounts functional classification of health care (ICHA-HC) as described in the Producers' Guide, and modification made as relevant to the country situation. Extension into sub-categories was made as relevant to the country specific situation.

Period of Estimation

The national health accounts estimation covered the period 2012 to 2013. Estimates are made on calendar year basis although government expenditures are

made on the basis of financial year starting from April of a particular year to March of subsequent year. Thus the year 2012 covers expenditures made during April of 2012 to March of 2013. The same is true for the year 2013 which functionally covers expenditure made during April of 2013 to March of 2014.

Accounting Basis

Estimates were made on cash basis. Although estimating expenditures on accrual basis may be desirable, government expenditures are traditionally reported on cash basis. Therefore, data available for estimating household expenditures were also measured on a cash basis.

Methodology and Data Sources

Estimation of Public Expenditures

Public expenditures include expenditures by the ministry of health, other ministries providing health care to their employees (including Ministry of Defense of Yangon, Mandalay and Nay Pyi Taw City Development Committees) and the social security scheme.

Ministry of Health Expenditures

Various departments under the ministry of health providing health care or health related services keep expenditure records according to the financial rules and procedures. Expenditures were made and recorded according to defined budget headings. Expenditures by headings for the period under consideration were obtained from these departments. Dis-aggregation into provider and functions were made on the basis of budget headings and also in consultation with representatives from these departments.

Other Ministries

In previous NHA reports, total expenditures made by Ministry of Health and other ministries with health expenditure were available from the planning department. But for NHA 2013-2013, those data could not be available from planning department so the team invited the representatives from relevant ministries and city development committees for data collection.

Social Security

Expenditures on social security scheme were available directly from the responsible department from social security office.

Estimation of Private Expenditure

Private expenditures mainly include out of pocket expenditure for health care made by the households, which is added by expenditures by employers and non-profit institutions. Estimation of private household out of pocket expenditures includes two parts. The first is those made in hospitals under the ministry of health. Data for these were available from the medical care division of the department of health. The second and larger component is the household health expenditure in general, estimation for total figure of which was based on GDP, private sector contribution in the GDP, national annual consumption, share of household expenditure in the private consumption and share of medical care expenditure in total household expenditure.

External Assistance

Data were available from the International Health Division of the Ministry of Health covering UN agencies like WHO, UNICEF, UNDP and UNFPA and International NGOs working in the country.

Total Expenditures on Health

Total expenditures on health at current prices were estimated to be 1197.024 billion kyats for the year 2012 and 1351.869 billion kyats for 2013.

Per capita total health expenditures at current prices for the year 2012 were estimated at 23019.7 kyats and as for 2013 were 25997.5 kyats.

Health Expenditures by Financing Sources

Out of three financing sources namely public, private and external, private sector was still the major source of health finance accounting for over 60 % of total health expenditures for each year. Public expenditures at current market prices grew from 408.608 billion kyats in 2012 to 542.766 billion kyats in 2013. Government expenditures come mainly from government general revenue while private financing is almost exclusively from household out of pocket spending (87% and 90% of private financing in 2012 and 2013 respectively).

Health Expenditures by Financing Agents

Main financing agents were found to be private households accounting for more than 60% of total health expenditure throughout the period while it accounts for more than 75% in previous years. Expenditures by the Ministry of Health as a financing agent constituted about one third of total health expenditures in 2012-2013.

Health Expenditures by Providers

Hospitals accounted as major providers for 56% of health spending throughout the period of estimation followed by providers of ambulatory health care accounted for more than 13%. Retail sale and medical goods accounted for around 17% while provision and administration of public health programs also accounted for around 2%. General Health Administration and Health Insurance accounted for just 0.3% of total spending where health related spending was 3% and rest of the world spending was 8% respectively in the year 2012 and more or less the same expenditure pattern was found in the year 2013.

Health Expenditures by Functions

The major functional classification for which substantial health spending in total had been devoted was medical goods dispensed to patients accounting around 40 % of total health expenditures while curative and rehabilitative services took the share of around 25 %. Public health spending was estimated to be about 8-10% % of total health spending.

Some NHA Estimates

Estimates on health spending by entities in both public and private sector were made. As spending by ministry of health as a financing agent constitutes the major share in the public spending on health and also taken into account the availability of data, estimates on public expenditure on health by financing entities were based solely on spending by the ministry.

Public Expenditures on Health

The proportions of public expenditure were 34% and 40% of total health expenditure in 2012 and 2013 respectively.

It was observed that by type of provider hospitals accounted for one third of total spending with public health programs for 4-6% and health related services for less than 10% while expenditures on medical goods accounted for nearly half of the total spending.

By functions curative and rehabilitative accounted for around 60 to 75% followed by 20% to 30% of spending that were devoted to public health where the remainders went to the expenditures on health Administration & health Insurance.

Private Expenditures on Health

The proportions of public expenditure were 66% and 60% of total health expenditure in 2012 and 2013 respectively.

Over 77% of private health spending was made by the hospitals, about 20% on ambulatory care and just 3-4% was for dispensing medical goods. Functionally, curative and rehabilitative expenditures accounted for about 37-43% of total private spending and about 50-53% of private health expenditures went to medical goods.

Trend of Total Health Expenditures

Following the initiation of National Health Accounts estimation exercise in the country, attempts have been made to estimate total health expenditures covering the period 1998 through 2013. It was clear that total health expenditure was found to be increasing annually throughout the period from 1998 to 2013.

Although it was observed that all components namely public, private and external sources are accountable for the rise in total health spending, higher spending was largely noted in external and private components. Private health spending constitutes the major share of total health spending and at the same time growing share by external sources was well noted in recent years.

Chapter 1

Health Systems and National Health Accounts

Improving health is critical to human welfare and essential to sustained economic and social development. To achieve universal health coverage, countries need financing systems that enable people to use all types of health services-promotion, prevention, treatment and rehabilitation without incurring financial hardship. National Health Accounts constitute a systematic, comprehensive and consistent monitoring of resource flows in a country's health system for a given period and reflect the main functions of healthcare financing: resource mobilization and allocation, pooling and insurance, purchasing of care and the distribution of benefits.

National health accounts (NHA) are designed to answer precise questions about a country's health system. They provide a systematic compilation and display of health expenditure. They can trace how much is being spent, where it is being spent, what it is being spent on and for whom, how that has changed over time, and how that compares to spending in countries facing similar conditions. They are essential part of assessing the success of a health system and of identifying opportunities for improvement. In the long term, a country can institutionalize the health accounts process and produce a time series of standardized tables, permitting a more thorough assessment of the progress being made toward national goals for the health system.

Technological advances, demographic transitions, rapidly changing patterns of morbidity and mortality, and the emergence of public health problems

all call for a more efficient use of resources, and in many cases more resources. In a wide range of countries, health care is provided by a complex and shifting combination of government and private sector entities (both for profit and non-profit). In such an environment, policy-makers need reliable national information on the sources and uses of funds for health preferably comparable across countries, in order to enhance health system performance.

National health accounts help provide that information. They depict the current use of resources in the health system. If implemented on a regular basis, NHA can track health expenditure trends, an essential element in health care monitoring and evaluation. NHA methodology can also be used to make financial projections of a country's health system requirements.

National health accounts constitute a systematic, comprehensive, and consistent monitoring of resource flows in a country's health system. They are a tool specifically designed to inform the health policy process, including policy design and implementation, policy dialogue, and the monitoring and evaluation of health care interventions. They provide the evidence to help policy makers, nongovernmental stakeholders, and managers to make better decisions in their efforts to improve health system performance. Because the principal goal for developing health accounts is to support health system governance and decision making, it is useful to start by clarifying why the NHA are being developed and how they can help to achieve health system goals.

All nations have health systems, which have been described as "all the activities whose primary purpose is to promote, restore or maintain health". Whether arrived at by conscious creation or by evolution, health systems exist to produce some benefit for societies and their citizens. A health system mobilizes and channels resources into institutions and uses them for individual or social consumption. This consumption of goods and services produces a flow of benefits to the population, which results in some new level or stock of health.

The performance of a health system reflects a number of facets of its operation. There is the effect of the system on the health of population. There is the extent to which financing and risk pooling mechanisms afford financial protection from the economic burden of illness and prevent impoverishment resulting from catastrophic expenses for health care.

The attraction of NHA as a tool for policy analysis is that the approach is independent of the structure of a country's health care financing system. Health accounts work equally well in single-payer models and in multi-payer systems, in systems with mainly public providers as well as in those with a mix of public and private providers, in systems undergoing rapid change as well as in those in a steady state, and in systems facing the challenge of epidemic disease as well as in those challenged by ageing of the population.

Chapter 2

Brief Description of Myanmar Health Care System

Myanmar health care system evolves with changing political and administrative structure and relative roles played by the key health providers are also changing although the Ministry of Health remains the major provider of comprehensive health care. It has a pluralistic mix of public and private component both in the financing and provision. Health care is organized and provided by public and private providers.

In the public sector, Ministry of Health is the main organization providing comprehensive health care while some ministries are also providing health care, mainly curative, for their employees and their families. In addition to service provision the ministry of health with various medical, dental, nursing and related universities and institutes under it, trained and produced all categories of health professionals and workers although there are some organizational restructuring and reengineering processes took place in early 2015 as a result of administrative reform process. (Annex I) Included among the ministries providing health care to their employees and dependents are Ministries of Defense, Railways, Mines, Industry I, Industry II, Energy, Home and Transport. Social security board under Ministry of Labour, Employment and Social Security has set up three social security hospitals and more than one hundred social security clinics to render services to those entitled under the social security scheme.

One unique and important feature of Myanmar health system is the existence of traditional medicine along with allopathic medicine. There are a total of 14 traditional hospitals run by the State in the country. Traditional medical practitioners had been trained at Traditional Medicine School and more competent practitioners can now be trained and utilized with the establishment of a University of Traditional Medicine conferring a bachelor degree in the country.

The private, for profit, sector is mainly providing ambulatory care though some providing institutional care has been developed in Yangon, Mandalay and major cities throughout the country in recent years. Funding and provision of care is fragmented. As in the practice of allopathic medicine there are a number of private traditional practitioners who are licensed and regulated in accordance with the provisions under related laws.

Non-profit organizations are also taking some share of service provision and their roles are also becoming important as the needs of collaborative actions for health become more prominent. Sectoral collaboration and community participation is strong in Myanmar health system thanks to the establishment of the National Health Committee in 1989 which was restructured in 2013.

Major sources of financial contributions for health are from the government, households, social security system, community contributions and external aid. Government has increased health spending yearly both on current and capital.

The National Health Committee, a high level inter-ministerial and policy-making body concerning health matters was formed in 1989 as part of policy reforms. The Committee is composed of union ministers and deputy ministers from health and related ministries chaired by vice president 1 of the country. The committee leads and guides in implementing the health programs systematically

and effectively. It is instrumental in providing the mechanism for inter-sectoral collaboration and coordination.

Under the guidance of the National Health Committee the National Health Policy was formulated in 1993. It has stated Health for All goal as a prime objective using primary health care approach. The policy covers issues relating to human resources for health, legal environment for health, partnership for health, financing health, health research, equitable coverage of health services, emerging health problems and international collaboration for health.

Chapter 3

Conceptual Framework

The conceptual framework of Myanmar National Health Accounts consists of concept and definition of health expenditures, and classification of entities involved in the health accounts. Time period for which expenditures were measured was also specified. The framework is based on the producers' guide published by the World Health Organization, *"Guide to producing national health accounts with special applications for low-income and middle-income countries"* (Producers' Guide). Classification of entities was made as relevant to the country context and every possible attempt had been made to provide crosswalk for international comparison.

3.1 Definition of National Health Expenditures

National health expenditure encompasses all expenditures for activities whose primary purpose is to restore, improve and maintain health for the nation and for individuals during a defined period of time, regardless of the type of the institution or entity providing or paying for the activity. As such expenditures made for provision of promotive, preventive, curative and rehabilitative health care for individuals as well as groups of individuals or populations are included in the definition.

Activities such as medical education and health-related professional training, health research, and health related nutritional or environmental

programmes are integral parts of Myanmar health system and are thus included in the aggregate measure.

National health expenditure includes expenditures for personal health services, public health services, health administration, capital formation for the health care providers and other elements of health-related expenditures.

3.2 Classification of Functions

Functions were classified according to OECD's International Classification for Health Accounts functional classification of health care (ICHA-HC) as described in the Producers' Guide, and modification made as relevant to the country situation. Functions were classified into: services of curative and rehabilitative care, services of long term nursing care, ancillary services to medical care, medical goods dispensed to patients, prevention and public health services, health administrative and health insurance and health related functions. Aggregate measure of the health accounts includes expenditures for all these functions.

Extension into sub-categories was made as relevant to the country specific situation.

3.3 Period of Estimation

The national health accounts estimation covered the period 2012 to 2013. Estimates are made on calendar year basis although government expenditures are made on the basis of financial year starting from April of a particular year to March of subsequent year. Thus the year 2012 covers expenditures made during April of 2012 to March of 2013 and the same is true for the year 2013.

3.4 Accounting Basis

Estimates were made on cash basis. Although estimating expenditures on accrual basis may be desirable government expenditures are generally reported on cash basis. Data available for estimating household expenditures were also measured on a cash basis.

3.5 Classification of Entities

Expenditures were measured, estimated and organized on the basis of the entities making the expenditures and those using the expenditures. Entities are defined as economic agents, which are capable of owning assets, incurring liabilities, and engaging in economic activities or transactions with other entities. Three sets of entities were classified: financing sources, financing agents and providers. Classification scheme was done in such a way that all categories in the scheme were mutually exclusive and totally exhaustive.

3.5.1 Financing Sources

Financing sources are institutions or entities that provide the funds to be pooled and used in the system by financing agents. Financing sources were classified as proposed in the Producers' Guide and grouped into three main groups public, private and external (rest of the world).

3.5.2 Financing Agents

Financing agents include institutions that pool health resources collected from different sources, as well as entities (such as households and firms) that pay directly for health care from their own resources. Financing agents were also classified into three main groups, general government, private and external (rest

of the world), based on OECD's International Classification for Health Accounts classification scheme for financing agents (ICHA-HF) incorporating some extensions as advocated in the Providers' Guide and taking into accounts country specific situations such as structure of government and data availability.

3.5.3 Providers

They are entities that receive money in exchange for or in anticipation of producing the goods, services or activities inside the health accounts boundary. Providers were classified in to nine groups: hospitals, nursing and residential care facilities, provider of ambulatory health care, retail sale and providers of medical goods, provision and administration of public health programs, general health administration and insurance, all other industries, institutions providing health related services and rest of the world using an extension of OECD's International Classification for Health Accounts classification scheme for providers (ICHA-HP) as suggested in the Producers' Guide. Subcategories were made as relevant to the country situation. The second category, nursing and residential care facilities though not existing at present, were included in anticipation for future use.

Chapter 4

Methodology and Data Sources

4.1 Estimation of Public Expenditures

Public expenditures include expenditures by the ministry of health, other ministries providing health care to their employees and the social security scheme.

4.1.1 Ministry of Health Expenditures

Various departments under the ministry of health providing health care or health related services keep expenditure records according to the financial rules and procedures. Expenditures were made and recorded according to defined budget headings. Expenditures by headings for the period under consideration were obtained from these departments. Dis-aggregation into provider and functions were made on the basis of budget headings and also in consultation with representatives from these departments.

4.1.2 Other Ministries

In previous NHA reports, total expenditures made by Ministry of Health and other ministries with health expenditure were available from the planning department. But for NHA 2012-2013, those data could not be available from planning department so the team invited the representatives from relevant ministries and city development committees for data collection.

4.1.3 Social Security

Expenditures on social security scheme were available directly from the responsible department from social security office.

4.2 Estimation of Private Expenditure

Private expenditures mainly include out of pocket expenditure for health care made by the households, which is added by expenditures by employers and non-profit institutions. Estimation of private household out of pocket expenditures includes two parts. The first is those made in hospitals under the ministry of health. Data for these were available from the medical care division of the department of health. The second and larger component is the household health expenditure in general, estimation for total figure of which was based on GDP, private sector contribution in the GDP, national annual consumption, share of household expenditure in the private consumption and share of medical care expenditure in total household expenditure.

4.3 External Assistance

Data were available from the International Health Division of the Ministry of Health covering UN agencies like WHO, UNICEF, UNDP and UNFPA and International NGOs working in the country.

4.4 Follow up Activities

Present estimates are for the continuation phase of institutionalizing national health accounts in the country following the estimates made for the years 1998 to 2001, 2002 to 2005, 2006 to 2007, 2008 to 2009 and 2010 to 2011. As such interpretation and international comparison need to be made with caution. Attempt has been made to obtain as much and complete data to construct the tables. Most of the public contribution can be estimated directly as data available from relevant ministries and city development committees are complete to some extent and reliable. Besides, the way expenditures are categorized and recorded in various departments under the ministry of health and their collaboration made estimation of expenditures by the ministry less burdensome and problematic.

Current National Health Accounts estimates could only provide information on national health expenditures in terms of aggregate measure, per-capita expenditure, proportion of GDP and trend. National health expenditures at constant consumers' prices were not calculated since health specific deflator does not exist. Along with aggregate measures, disaggregating by functions and by important entities such as source, agents and providers could be estimated. Further classification by regions, beneficiaries and disease categories though desirable are still to be attempted. With growing experiences, more availability of

data and better estimation methods Myanmar National Health Accounts will be further improved in terms of validity, reliability, completeness and timeliness.

Chapter 5

Health Expenditures

Results from the estimates are reported as total expenditures both at nominal and real terms. Per-capita expenditures and proportion to GDP are also estimated. Disaggregate measures in terms of sources, providers and functions are also estimated.

5.1 Total Expenditures on Health

Total expenditures on health at current prices were estimated to be 1197.024 billion kyats for the year 2012 and 1351.869 billion kyats for 2013.

Per capita total health expenditures at current prices for the year 2012 were estimated at 23019.7 kyats and as for 2013 were 25997.5 kyats.

Table 5.1: Total Expenditures on Health at Current Prices (2012-2013)

Kyat in Million

Indicator	2012	2013
Total Health Expenditures (THE)	1197024	1351869
Gross Domestic Product (GDP)	51060279.2	56680145.3
THE as % of GDP	2.34%	2.39%

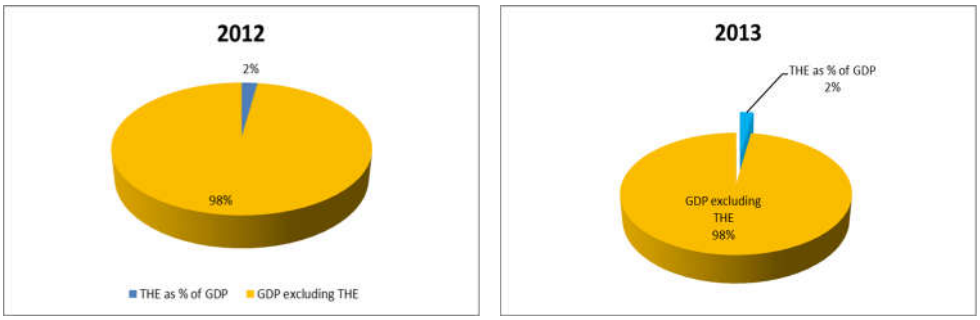


Figure 1. Total Expenditures on Health as a percentage of GDP

Table 5.2: Per-capita Health Expenditures at Current Prices (2012-2013)

Kyat

Indicator	2012	2013
Per-capita Health Expenditure	23019.7	25997.5
Per-capita Gross Domestic Product	1001181.95	1111375.4
As % of per capita GDP	2.30%	2.34%

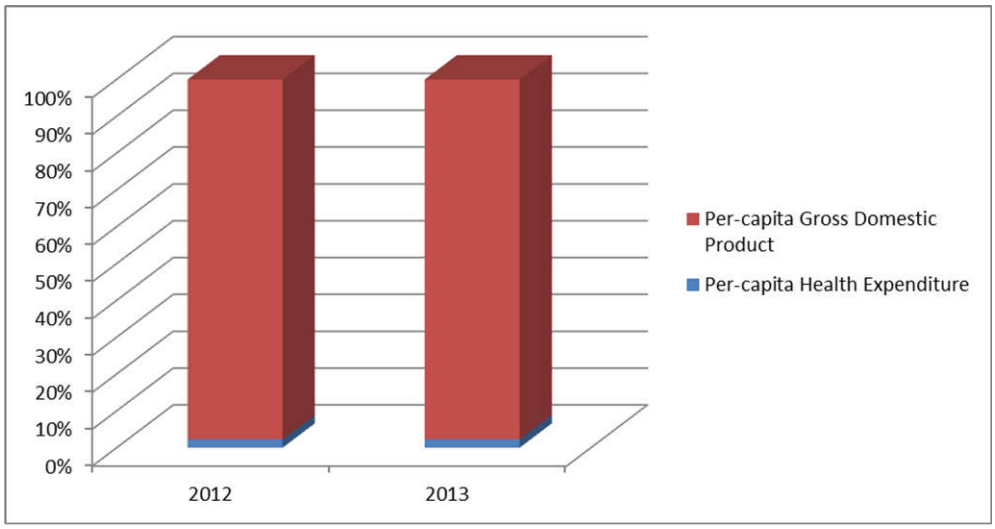


Figure 2. Per-capita Health Expenditures at Current Prices (2012-2013)

5.2 Health Expenditures by Financing Entities

Total health expenditures in 2012 and 2013 were analyzed according to financing entity wise, namely by sources, agents and providers. The results were as follows;

5.2.1 Health Expenditures by Financing Sources

Out of three financing sources namely public, private and external, private sector was still the major source of health finance accounting for nearly 60 % of total health expenditures for each year. (Table 5.3)

Public expenditures come mainly from government general revenue contributed from 32 to 38% of share of total spending and the remainders came from the external financing sources which accounted for less than 10%.

Private financing is almost exclusively from household out of pocket spending which is the same pattern as observed in previous years.

Table 5.3: Expenditures on Health by Sources (2012-2013)

Kyat in Million

Sources	2012	2013
Public	386384.96	520885.03
Private	693290.15	737516.09
External	117348.71	93467.48
Total	**1197023.82**	**1351868.6**

Sources (%)	2012	2013
Public	32.28%	38.53%
Private	57.92%	54.56%
External	9.80%	6.91%

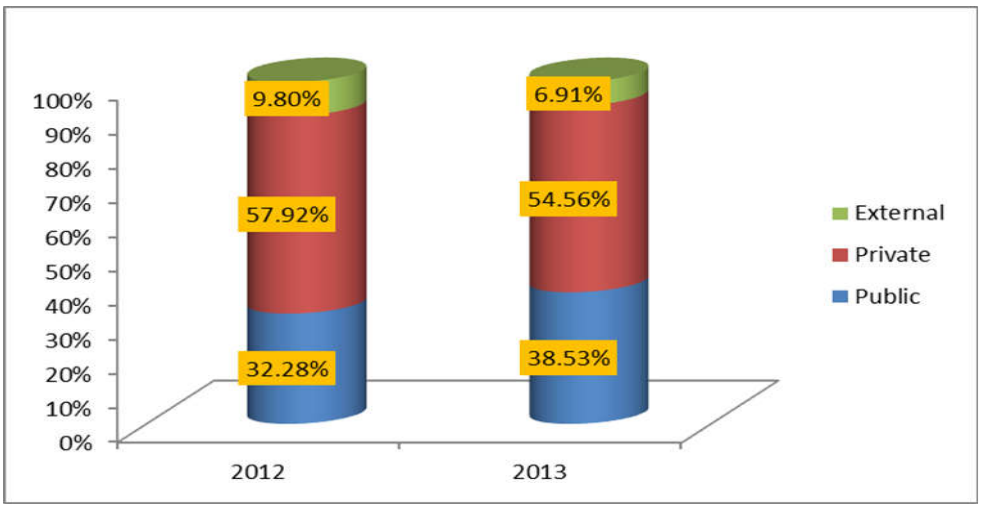


Figure.3 Expenditures on Health by Sources (2012-2013)

5.2.2 Health Expenditures by Financing Agents

Main financing agents were found to be private households accounting for nearly 60% of total health expenditure throughout the period. Expenditures by the Ministry of Health as a financing agent constituted around 30-40% of total health expenditures where expenditures by not for profit organizations were around 5-8%. (Table 5.4)

Table 5.4: Health Expenditure by Financing Agents (2012-2013)

Kyat in Million

Financing Agents	2012	2013
Ministry of Health	359614.29	494254.03
Other Ministries	46261.35	44976.99
Social Security Scheme	2732.80	3535.04
Private Household Out of Pocket	690628.52	734022.00
Non-profit Institutions Serving Households (INGOs)	97786.86	75080.54
Total Health Expenditure	1197023.82	1351868.60

Percentage

Financing Agents	2012	2013
Ministry of Health	30.0%	36.6%
Other Ministries	3.9%	3.3%
Social Security Scheme	0.2%	0.3%
Private Household Out of Pocket	57.7%	54.3%

Non-profit Institutions Serving Households (INGOs)	8.2%	5.6%
Total Health Expenditure	100.0%	100.0%

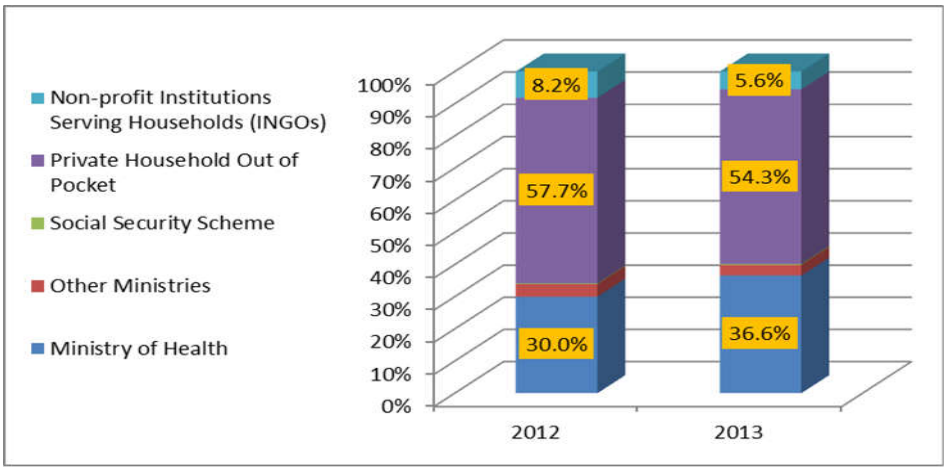


Figure.4 Health Expenditure by Financing Agents (2012-2013)

5.2.3 Health Expenditures by Providers

Hospitals accounted as major providers for around 55% of health spending throughout the period of estimation followed by providers of ambulatory health care with around 14%. Retail sale and medical goods accounted for around 16-20% while provision and administration of public health programs accounted for 2%. (Table 5.5)

General Health Administration and Health Insurance accounted for less than 1 % of total spending. Taking into account the meager size of health insurance in the country, it is expected that proportion of spending will increase with introduction of health insurance in the country.

Health related spending was found to be around 3 % during 2012 and 2013.

Table 5.5: Health Expenditures by Providers (2012-2013)

Kyat in Million

Providers	2012	2013
Hospitals	675827.617	733572.271
Ambulatory health care	159502.999	192901.16
Retail sale and medical goods	199136.32	279235.587
Provision and Administration of Public health programs	23335.738	20553.537

General health administration	3830.092	8457.715
Health related services	37604.193	42067.78
Rest of the world	97786.86	75080.54
Total Health Expenditure	**1197023.819**	**1351868.59**

Percentage

Providers	**2012**	**2013**
Hospitals	56.5%	54.3%
Ambulatory health care	13.3%	14.3%
Retail sale and medical goods	16.6%	20.7%
Provision and Administration of Public health programs	1.9%	1.5%
General health administration	0.3%	0.6%
Health related services	3.1%	3.1%
Rest of the world	8.2%	5.6%
Total Health Expenditure	**100.0%**	**100.0%**

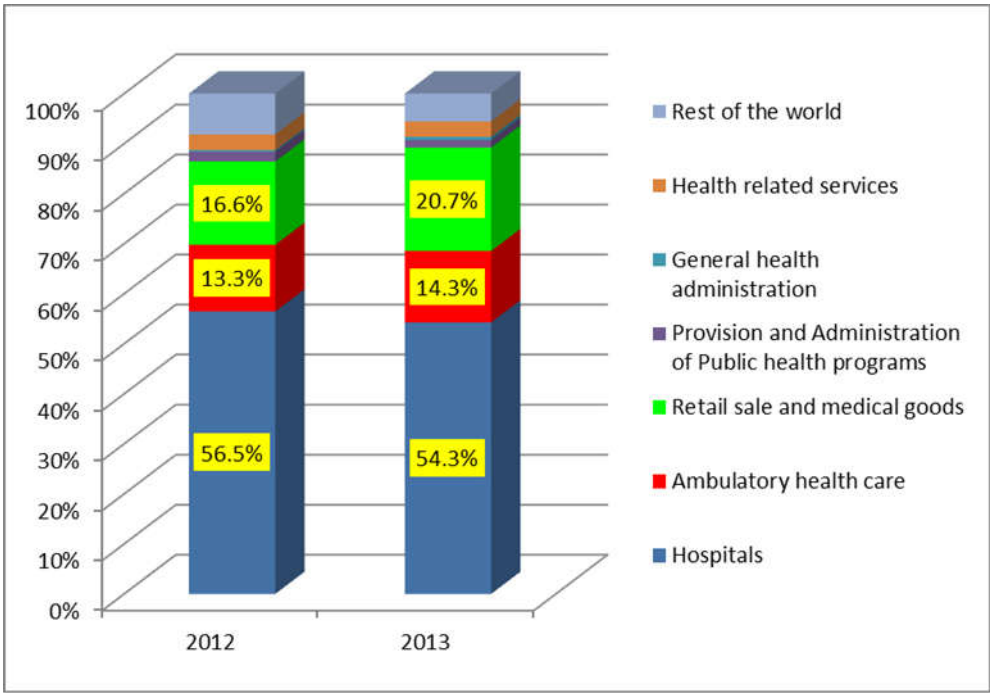


Figure.5 Health Expenditures by Providers (2012-2013)

5.3 Health Expenditures by Functions

The major functional classification for which substantial health spending in total had been devoted was medical goods dispensed to patients accounting for around 40 % of total health expenditures while curative and rehabilitative services took the share of around 25%. Public health spending was 10 % of total health spending in 2012 and 8 % in 2013 respectively. (Table 5.6)

Table 5.6: Health Expenditures by Functions (2012-2013)

Kyat in Million

Functions	2012	2013
Curative and Rehabilitative	298499.505	352612.107
Ancillary services	108039.194	114731.424
Medical goods dispensed	445155.388	535504.721
Prevention & Public Health	119657.51	111251.907
Health Administration & Health Insurance	3830.089	8457.717
Health related functions	221842.118	229310.72
Total Health Expenditure	**1197023.804**	**1351868.596**

Percentage

Functions	2012	2013
Curative and Rehabilitative	24.9%	26.1%
Ancillary services	9.0%	8.5%
Medical goods dispensed	37.2%	39.6%

Prevention & Public Health	10.0%	8.2%
Health Administration & Health Insurance	0.3%	0.6%
Health related functions	18.5%	17.0%
Total Health Expenditure	**100.0%**	**100.0%**

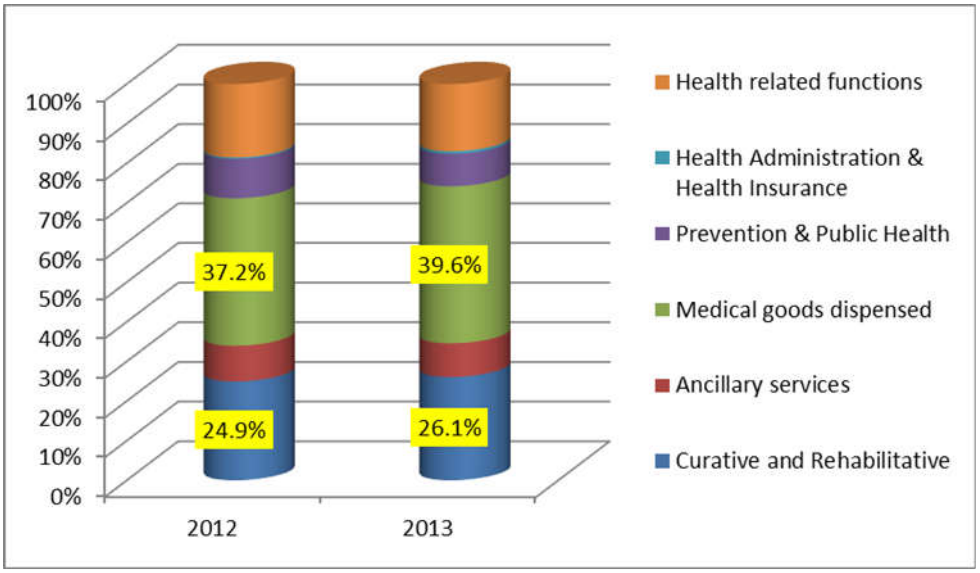


Figure 6: Health Expenditures by Functions (2012-2013)

Chapter 6

Some NHA Estimates

Estimates on health spending by entities in both public and private sector were made. As spending by ministry of health as a financing agent constitutes the major share in the public spending on health and also taken into account the availability of data, estimates on public expenditure on health by financing entities were based solely on spending by the ministry.

6.1 Public Expenditures on Health

It was observed that by type of provider hospitals accounted for 25 % of total spending with public health programs for 4 % to 6 % and health related services for less than 10% where spending on medical goods accounted for nearly half of the total spending in each year. (Table 6.1)

By functions curative and rehabilitative accounted for around 18% followed by more or less half of the spending that were devoted to health related functions including capital formation to health care provider institutions. Prevention and public health accounted for less than 10% and Health Administration & Health Insurance accounted around 1%.(Table 6.2)

Table 6.1: Ministry of Health Expenditures by Provider Type

Kyat in Million

Provider	2012	2013
Hospitals	98170.24	123160.93
Ambulatory health care	26251.4	51293.33
Retail sale and medical goods	170832.636	249155.507
Provision and Administration of Public health programs	23263	20508.9
General health administration	3552.53	8104.3
Health related services	37544.48	42031.06
Total	**359614.286**	**494254.027**

Percentage

Provider	2012	2013
Hospitals	27.3%	24.9%
Ambulatory health care	7.3%	10.4%
Retail sale and medical goods	47.5%	50.4%
Provision and Administration of Public health programs	6.5%	4.1%
General health administration	1.0%	1.6%
Health related services	10.4%	8.5%
Total	**100.0%**	**100.0%**

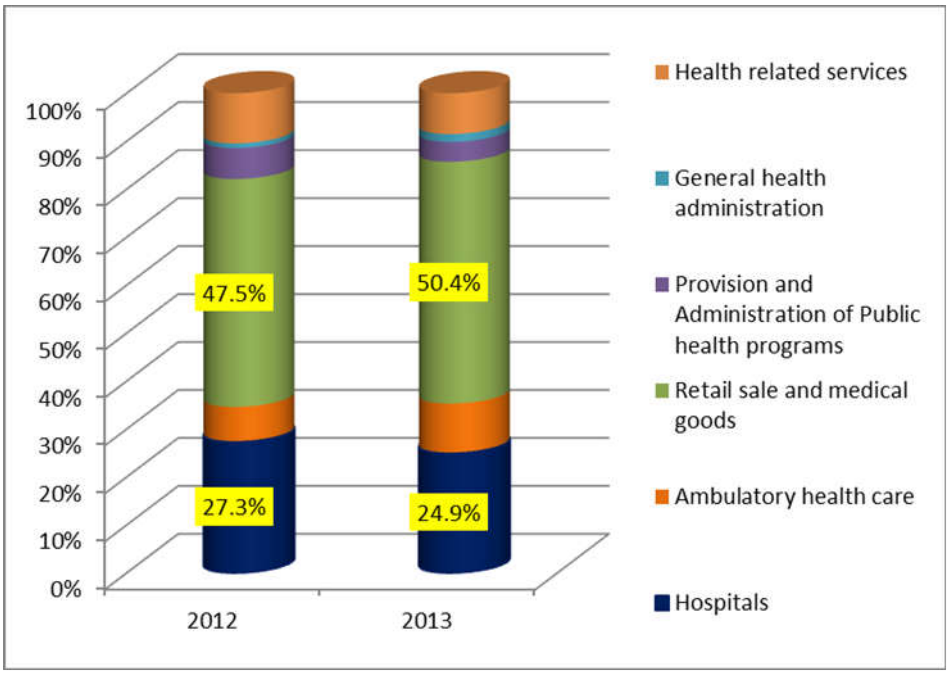


Figure 7: Ministry of Health expenditures by providers

Table 6.2: Ministry of Health Expenditures by Functions

Kyat in Million

Functions	2012	2013
Curative and Rehabilitative	53614.306	91154.135
Ancillary services	231.594	368.844
Medical goods dispensed	74467.228	141389.151
Prevention & Public Health	29751.44	44019.34
Health Administration & Health Insurance	3552.529	8104.302
Health related services	197997.19	209218.26
Total	**359614.287**	**494254.032**

Percentage

Functions	2012	2013
Curative and Rehabilitative	14.9%	18.4%
Ancillary services	0.1%	0.1%
Medical goods dispensed	20.7%	28.6%
Prevention & Public Health	8.3%	8.9%
Health Administration & Health Insurance	1.0%	1.6%
Health related services	55.1%	42.3%
Total	**100.0%**	**100.0%**

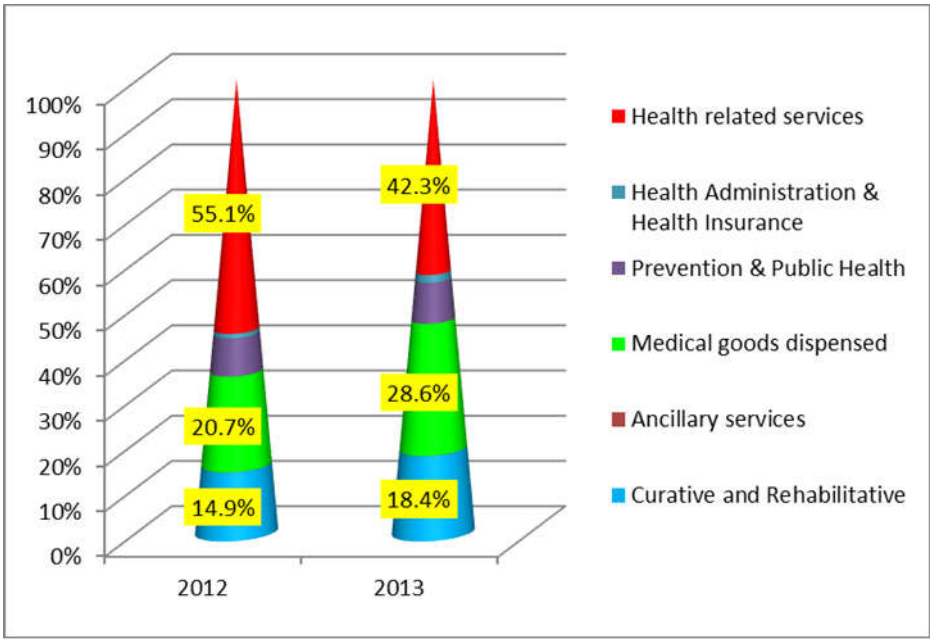


Figure 8: Ministry of Health expenditures by functions

6.2 Private Expenditures on Health

Over 3/4th of private health spending was made by the hospitals and remainders were for ambulatory health care and dispensing medical goods. (Table 6.3 and 6.4)

Table 6.3: Household Out of Pocket Health Expenditures by Provider Type

Kyat in Million

Provider	2012	2013
Hospitals	529756.86	563218.85
Ambulatory health care	132568.4	140724.07
Retail sale and medical goods	28303.26	30079.08
Total	**690628.52**	**734022**

Percentage

Provider	2012	2013
Hospitals	76.7%	76.7%
Ambulatory health care	19.2%	19.2%
Retail sale and medical goods	4.1%	4.1%
Total	**100.0%**	**100.0%**

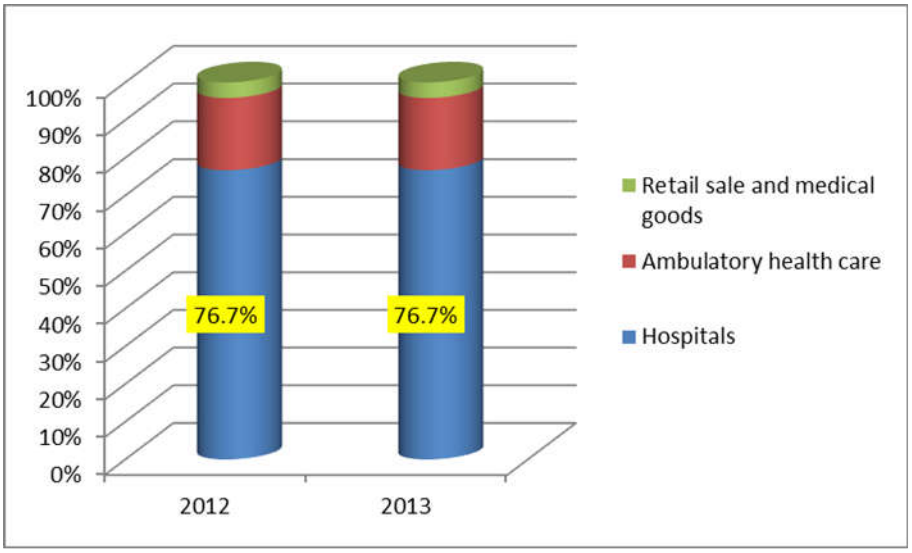


Figure 9: Household out of pocket health expenditure by providers

Table 6.4: Household Out of Pocket Health Expenditures by Function

Kyat in Million

Functions	2012	2013
Curative and Rehabilitative	212133.17	225544.85
Ancillary services	107807.6	114362.58
Medical goods dispensed	370687.75	394114.57
Total	**690628.52**	**734022**

Percentage

Functions	2012	2013
Curative and Rehabilitative	30.7%	30.7%
Ancillary services	15.6%	15.6%
Medical goods dispensed	53.7%	53.7%
Total	**100.0%**	**100.0%**

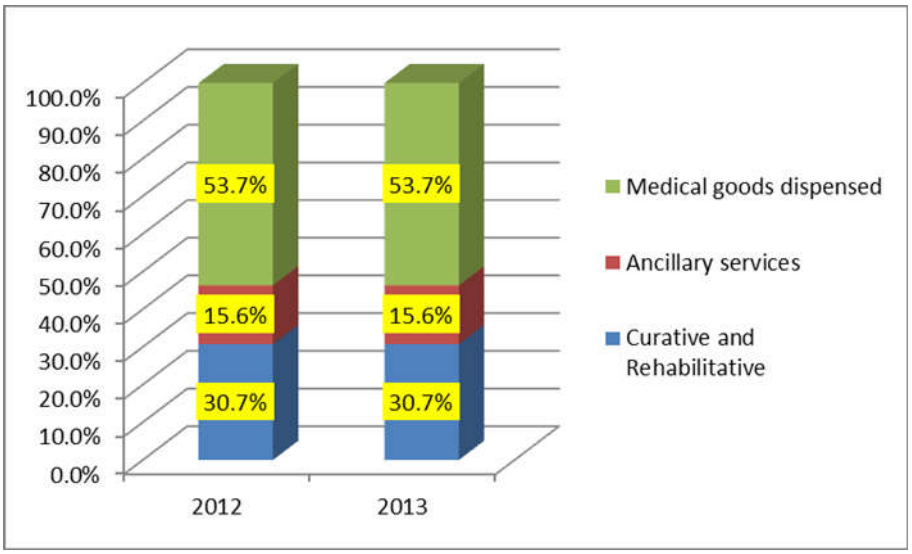


Figure 10: Household out of pocket health expenditure by functions

By functions, majority of household health spending went to medical goods (more than 50%) followed by curative expenditures (20%) and expenditures for ancillary services.

6.3 Trend of Total Health Expenditures

Following the initiation of National Health Accounts estimation exercise in the country, attempts have been made to estimate total health expenditures covering the period 1998 through 2013. It was clear that total health expenditure was found to be increasing annually throughout the period from 1998 to 2013. Although it was observed that all components namely public, private and external sources are accountable for the rise in total health spending, higher spending was largely noted in external and private components. Private health spending still constitutes the major share of total health spending but share of public health

spending progressively increased and at the same time growing share by external sources was well noted in recent years.

Figure 11: Main Components of Total Health Expenditures by Time Series (1998 to 2013)

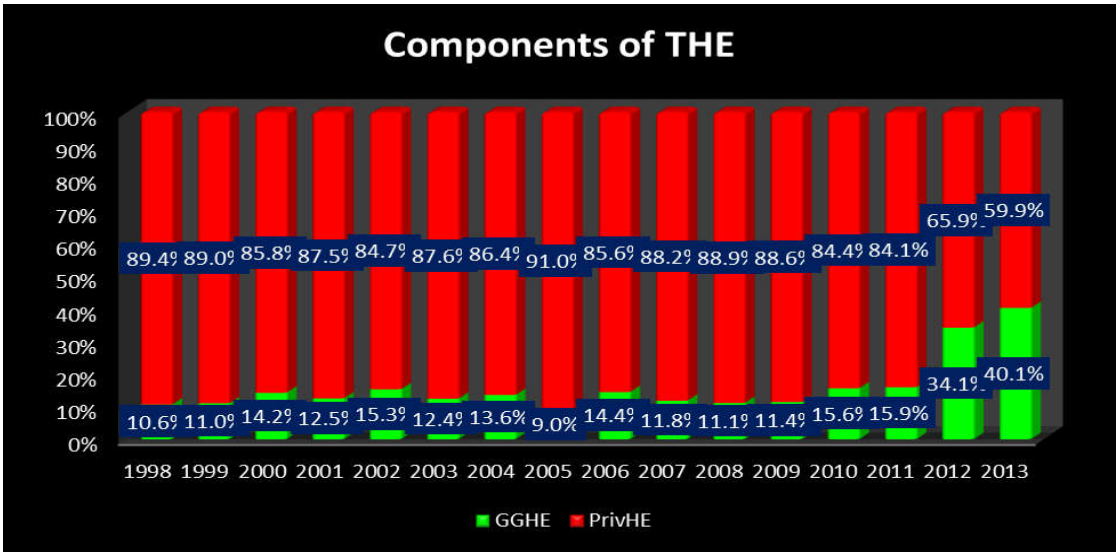


Figure 12: Health expenditure trends (1998-2013)

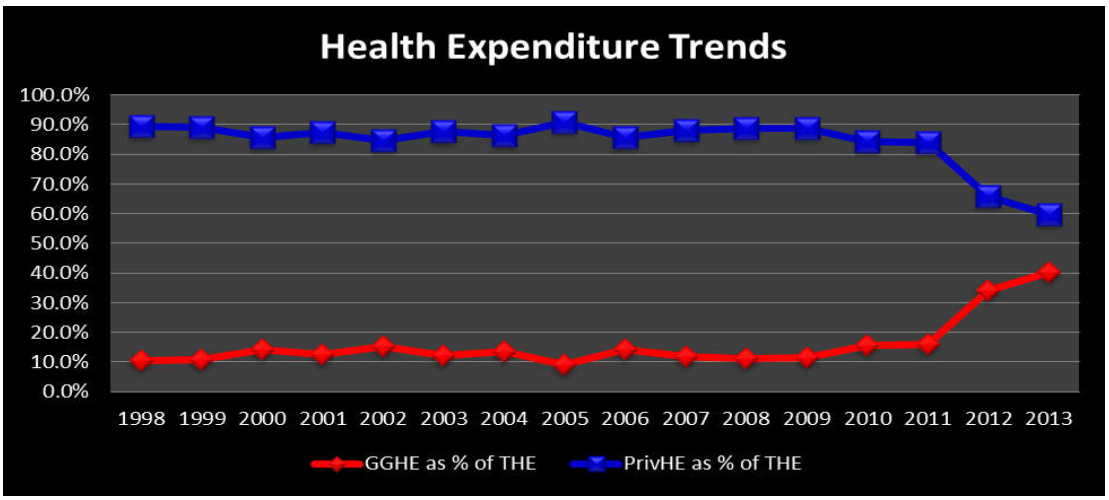
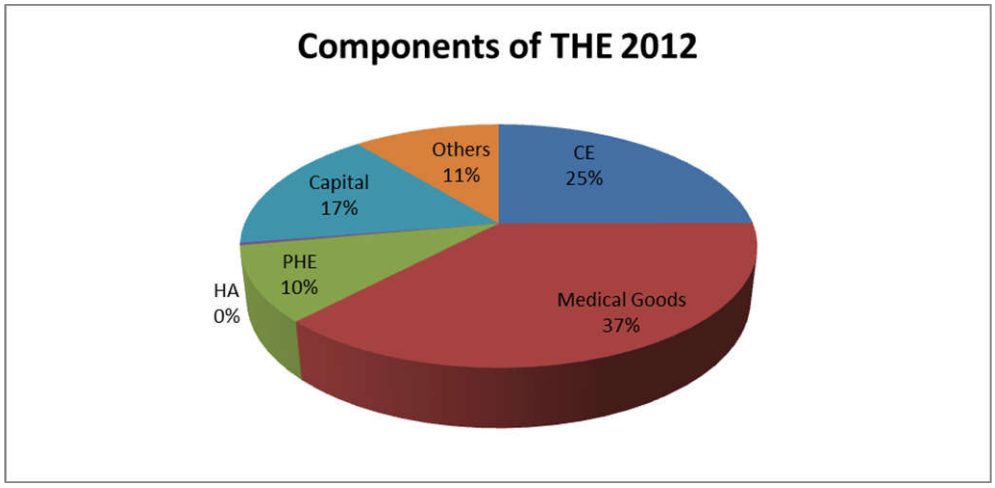


Figure 13: Sub components of total health expenditure by function



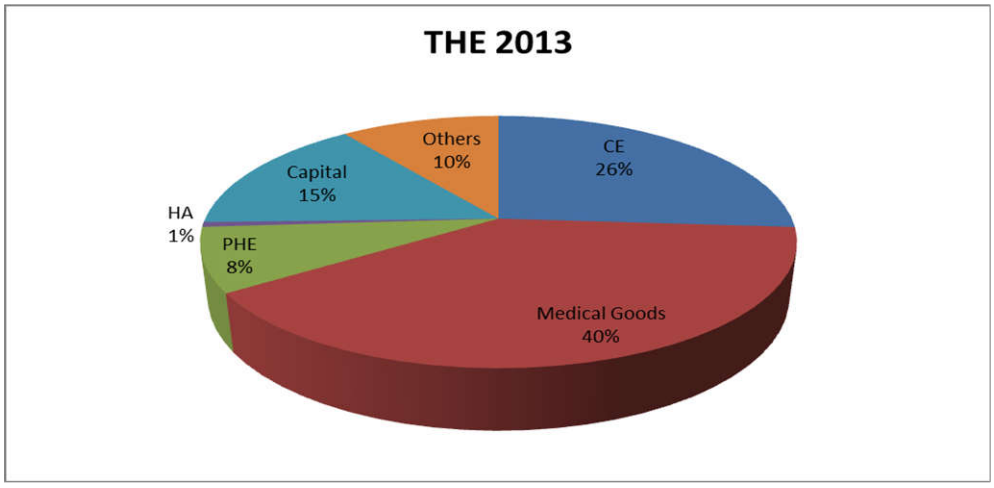
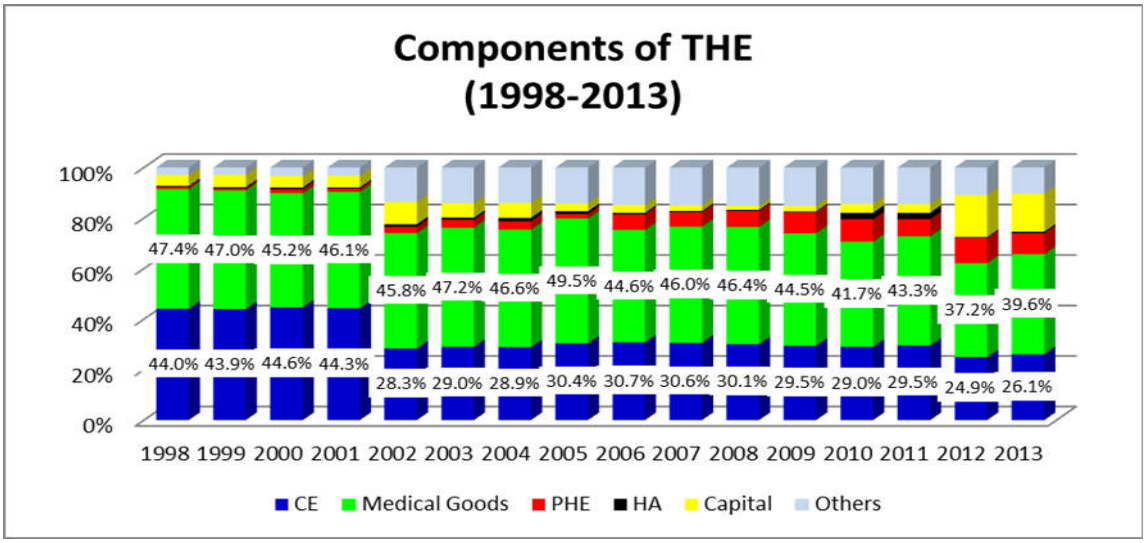


Figure 14: Functional components of total health expenditure trend (1998-2013)



Annex I

Profile of Health Subsystem
MYANMAR

Services/Functions	Principal financing sources	Provider payer relationship	Population covered	Size of operation
Ministry of Health				
Provide comprehensive public health services, promotive, preventive, curative and rehabilitative care Administration Production of human resources for health Health Research Health Research	Ministry of Finance Households External Sources	Runs hospitals, health centres disease control programs, training institutes and research institutes where staff are paid on salary	Entire population	- (988) Hospitals including central and teaching hospitals, specialist hospitals, regional and peripheral hospitals - Nay Pyi Taw Union Territory and (14) States / Regions, (74) District Health Departments and (330) Township Health Department undertaking public health and disease control activities under which the followings centres/ teams are functioning: - (348) maternal and child health Centres

Services/Functions	Principal financing sources	Provider payer relationship	Population covered	Size of operation
Ministry of Health				
				- (80) school health teams - (87) urban health centres - (1684) rural health centres and (6736) sub RHCs - (16)Traditional Medicine Hospitals and (243)Traditional Medicine Clinics for traditional medical care - (60)learning institutes for training and producing human resources for health including doctors and nurses - (1)Traditional Medicine University and (1) Traditional Medicine Institute for training and producing traditional medical practitioners - (3) research Institutes - National Health Laboratory - Food and Drug Administration for food and drug safety

Annex II

Classification of Functions

Code code	Description	ICHA-HC
MmHC 1	Services of curative and rehabilitative care	HC 1/HC2
MmHC 1.1	Inpatient curative care	
MmHC 1.1.1	Government Hospital	
MmHC 1.1.2	Private Hospital	
MmHC 1.3	Outpatient curative care	
MmHC 1.3.1	Secondary Clinic /MCH/RHC	
MmHC 1.3.1.1	Basic medical and diagnostic services	
MmHC 1.3.1.2	All other outpatient curative care	
MmHC 1.3.1.3	Outpatient dental care	
MmHC 1.3.2	Private Clinic	
MmHC 1.3.2.1	Basic medical and diagnostic services	
MmHC 1.3.2.2	All other outpatient curative care	
MmHC 3	Services of long term nursing care	HC 3
MmHC 4	Ancillary services to medical care	HC 4
MmHC 4.1	Clinical laboratory	
MmHC 4.1.1	Government Hospital	
MmHC 4.1.2	Private Hospital	
MmHC 4.2	Diagnostic imaging	
MmHC 4.2.1	Government Hospital	
MmHC 4.2.2	Private Hospital	
MmHC 4.3	Other investigative procedure	
MmHC 4.9	All other miscellaneous ancillary services	
MmHC 4.9.1	Room charges	
MmHC 4.9.1.1	Government Hospital	
MmHC 4.9.1.2	Private Hospital	
MmHC 4.9.2	Renal dialysis	
MmHC 5	Medical goods dispensed to patients	HC 5
MmHC 5.1	Pharmaceuticals and other medical durables	

MmHC 5.1.1	Government Hospital	
MmHC 5.1.2	Private Hospital	
MmHC 5.2	Therapeutic appliances and other medical durables	
MmHC 5.2.1	Glasses and other vision products	
MmHC 5.2.9	All other miscellaneous medical goods	
MmHC 6	Prevention and public health services	HC 6
MmHC 6.1	Maternal and child health	HC 6.1
MmHC 6.2	School health services	HC 6.2
MmHC 6.3	Prevention of communicable diseases	HC 6.3
MmHC 6.5	Occupational health care	HC 6.5
MmHC 6.6	Rural health services	
MmHC 6.7	Health education	
MmHC 6.8	Public health management	
MmHC 6.9	All other miscellaneous public health services	
MmHC 7	Health administration and health insurance	HC 7
MmHC 7.1	General government administration of health	HC 7.1
MmHC 7.2	Administration, operation and support of Social Security funds	HC 7.2
MmHC nsk	Expenditures otherwise not classified by kind	
MmHCR 1-6	Health related functions	HCR 1-5
MmHCR 1	Capital formation for health care provider institutions	HCR 1
MmHCR 2	Education and training of health personnel	HCR 2
MmHCR 3	Research and development in health	HCR 3
MmHCR 4	Nutrition promotion and education	
MmHCR 5	Food and Drug Control	HCR 4
MmHCR 6	Environmental health	HCR 5
MmHCR nsk		

Annex III

Classification of Financing Sources

Code		Description
FS 1		Public funds
	FS1.1	General government revenue
	FS 1.2	Interest from trust funds
FS 2		Private funds
	FS 2.1	Employer funds
	FS 2.2	Household funds
	FS 2.3	Non-profit institutions
FS 3		Rest of the world

Annex IV

Classification of Financing Agents

Code	Description	ICHA Scheme
MmFA 1	General Government	HF.1
MmFA 1.1.1	Central Government	HF 1.1.1
MmFA 1.1.1.1	Ministry of health	
MmFA 1.1.1.2	Other ministries	
MmFA 1.2	Social security scheme	
MmFA 2	Private sector	HF.2
MmFA 2.1	Private households out of pocket payment	HF 2.3
MmFA 2.2	Non-profit institutions serving households	HF 2.4
MmFA 2.3	Private firms	
MmFA 3	Rest of the world	HF 3

Annex V

Classification of Providers

Code scheme	Description	ICHA
MmP1	Hospitals	HP1
MmP1.1	Teaching/General Hospitals	HP1.1
MmP1.1.1	Central and Teaching Hospitals	
MmP1.1.2	General Hospitals	
MmP1.1.2.1	Government	
MmP1.1.2.1.1	Regional hospitals	
MmP1.1.2.1.2	Township/station hospitals	
MmP1.1.2.1.3	Hospitals under other ministries	
MmP1.1.2.1.4	Social Security	
MmP1.1.2.2	Private for profit	
MmP1.1.2.3	Private for Non-profit	
MmP1.2	Mental Hospitals	HP1.2
MmP1.3	Specialist Hospitals	HP1.3
MmP1.4	Traditional Medicine Hospitals	HP1.4
MmP2	Nursing and Residential Care Facilities	HP2
MmP3	Providers of Ambulatory Care	HP3
MmP3.1	Offices of physicians and dentists	HP 3.1/3.2
MmP3.2	Traditional medicine practitioners	HP 3.3
MmP3.3	Outpatient care providers	HP3.4
MmP3.3.1	Part of hospital services	
MmP3.3.2	Secondary clinics/MCH/RHC	
MmP3.3.3	Social security clinics	
MmP3.3.4	Traditional medicine clinics	HP 3.9.3
MmP3.3.5	Private for Profit	
MmP3.3.6	Private for Non Profit	
MmP3.4	Medical and diagnostic laboratory	HP 3.5
MmP4	Retail sale and other providers of medical goods	HP4

Mm P5	Provision and administration of public health programmes	HP 5
MmP5.1	Public health programmes	
MmP5.2	Disease control	
MmP6	General health administration/insurance	HP6
MmP6.1	General administration of health	HP 6.1
MmP6.2	Social security funds	HP 6.2
MmP7	All other industries	HP 7
MmP8	Institutions providing health related services	HP8
MmP8.1	Research institutions	HP 8.1
MmP8.2	Education/training	HP 8.2
MmP8.3	Other institutions providing health related services	HP 8.3
MmP 8.3.1	Nutrition	
MmP 8.3.2	Environmental health	
MmP 8.3.3	Food and drug administration	
MmP9	Rest of the world	HP 9

Annex VIII

Table (3) National Health Expenditure by Type of Financing Source and Financing Agent (FSxFA)

Provisional for the year 2012-2013

Kyats in Million

Financing Agents	Financing Source						Total
	FS 1 Public funds		FS 2 Private funds			FS 3 Rest of the world	
	FS 1.1 General government revenue	FS 1.2 Interest from trust funds	FS 2.1 Employer funds	FS 2.2 Household funds	FS 2.3 Non profit institutions		
MmFA 1 General government	**385482.92**	**902.04**	**1676.83**	**984.80**		**19561.85**	**408608.44**
MmFA 1.1 Ministry of health	339150.40	902.04				19561.85	359614.29
MmFA 1.2 Other Ministries	46261.35						46261.35
MmFA 1.3 Social security scheme	71.17		1676.83	984.80			2732.80
MmFA 2 Private sector				**690628.52**		**97786.86**	**788415.38**
MmFA 2.1 Private household out of pocket payment				690628.52			690628.52
MmFA 2.2 Non-profit institutions serving households						97786.86	97786.86
MmFA 2.3 Private Firms							
MmFA 3 Rest of the world							
National health expenditure	**385482.92**	**902.04**	**1676.83**	**691613.32**		**117348.71**	**1197023.82**

Annex VIII

Table (3) National Health Expenditure by Type of Financing Source and Financing Agent (FSxFA)

Provisional for the year 2013-2014

Kyat in Million

Financing Agents	Financing Source						Total
	FS 1 Public funds		FS 2 Private funds			FS 3 Rest of the world	
	FS 1.1 General government revenue	FS 1.2 Interest from trust funds	FS 2.1 Employer funds	FS 2.2 Household funds	FS 2.3 Non profit institutions		
MmFA 1 General government	**519960.87**	**924.16**	**2201.27**	**1292.82**		**18386.94**	**542766.06**
MmFA 1.1 Ministry of health	474942.93	924.16				18386.94	494254.03
MmFA 1.2 Other Ministries	44976.99						44976.99
MmFA 1.3 Social security scheme	40.95		2201.27	1292.82			3535.04
MmFA 2 Private sector				**734022.00**		**75080.54**	**809102.54**
MmFA 2.1 Private household out of pocket payment				734022.00			734022.00
MmFA 2.2 Non-profit institutions serving households						75080.54	75080.54
MmFA 2.3 Private Firms							
MmFA 3 Rest of the world							
National health expenditure	**519960.87**	**924.16**	**2201.27**	**735314.82**		**93467.48**	**1351868.60**

Annex IX

NHA Unit

NHA Unit is composed of the following persons from the Department of Health Planning.

Dr. Thant Sin Htoo	Dy. Director (Planning)
Daw Htay Htay Win	Dy. Director (Planning)
Daw Kyawt Kay Khine	Assistant Director
Dr. Myo Min Tun	Planning Officer
Dr. Soe May Tun	Planning Officer
Dr. Phyu Win Thant	Planning Officer