

Report on PHR-sponsored Meeting to Discuss APHEN/Asia-Pacific NHA Network

Dr. Ravi P. Rannan-Eliya
Associate Fellow
Institute of Policy Studies

April 12, 1998

Contents

BACKGROUND	4
Summary of discussions at Asia-Pacific Health Economics Forum	5
Estimated funding requirements	6
DRAFT PROPOSAL FOR THE ESTABLISHMENT OF AN ASIA-PACIFIC HEALTH ECONOMICS NETWORK NHA GROUP	7
Background	7
Form of collaboration	7
Participants in APHEN NHA Network (proposed initial membership)	8
Objectives	9
Initial activities	9
Funding needs	12
Linkages	13

Background

Partnerships for Health Reform sponsored the organization of a meeting of regional experts to discuss formation of an Asia-Pacific National Health Accounts (NHA) Network at the Inaugural Asia-Pacific Health Economics Forum held in Bangkok, Thailand, during March 19-21, 1998. The consultant, Dr. Rannan-Eliya, carried out a presentation of the concept of a NHA network at the Bangkok meeting, convened a special session to discuss NHA collaboration, and organized the attendance of several PHR-supported participants. Subsequent to the meeting, Dr. Rannan-Eliya developed in consultation with several of the meeting participants a draft proposal to establish an Asia-Pacific NHA Network.

USAID has identified National Health Accounts as a critical methodology and tool essential for basic health sector analysis and an important component in developing health sector reform. Given previous US involvement in developing NHA methodologies, and USAID support for several important NHA efforts in developing countries, USAID has further identified NHA as a tool, whose development it will support because of its potential for establishing USAID's Global Leadership in the technical fields of the health and population sectors.

Previously, as part of a review of different approaches to national health expenditure measurement carried out by PHR, the critical needs in the development of NHA methodologies were identified as the establishment of regional and international standards for NHA, as well as documentation of different country approaches and experiences, particularly in the area of institutionalization. Development of international standards was expected to be most likely to proceed through regional collaboration and consensus building exercises, which would feed into development of acceptable international standards and best practices.

The Asia-Pacific region (which falls under the responsibility of the ANE Bureau) covers a wide diversity of national health systems and economies. Levels of economic development range from Cambodia and Laos to Australia and Japan. It includes several priority USAID countries, including Bangladesh, India and Cambodia, as well as countries which are co-members with the USA in the Organisation of Economic Cooperation and Development (OECD) – Australia, Japan, Korea and New Zealand. With the influence and leadership of US agencies and technical experts, primarily from the Health Care Financing Agency (HCFA) of the US Department of Health and Welfare, the OECD secretariat has carried out considerable work in the past two decades in developing international norms for health expenditure estimation and reporting. Although this has not meant development of an international standard for NHA as of yet, it has provided much of the basis for any future attempts. OECD interest in national health expenditures estimations is linked to efforts in Japan, Korea, Australia and New Zealand to establish and maintain ongoing efforts to track health expenditures. Previous USAID projects have also supported the establishment in the late 1980s of the first NHA in the Philippines, and more recent efforts in Nepal. Other countries in the region, many of

which are not eligible for or are not priority recipients for USAID assistance, have developed or are developing NHA with technical input from US NHA experts or US agencies such as HCFA or USAID projects such as DDM/HSPH and SARA Project. The list of these countries includes China, Thailand, Bangladesh, Sri Lanka, Taiwan and Hong Kong. The existence of such a large number of countries in the region who are already committed to developing and using NHA, and who are already open to US technical expertise, provides the potential for building a significant regional collaboration in NHA standards development and dissemination., and thus contributing to USAID Global Leadership objectives.

Summary of discussions at Asia-Pacific Health Economics Forum

This meeting was held in Bangkok from March 19-21, 1998. It was organized by the Center for Health Economics of Chulalongkorn University and the WHO South-East Asia Regional Office in Delhi. Support was also provided by the International Health Economics Network, to which the proposed Asia-Pacific Health Economics Network will be affiliated.

In collaboration with the organizer, Dr. Kaemthong Indaratna of Chulalongkorn University, Dr. Rannan-Eliya invited several regional NHA experts to attend the Asia-Pacific Health Economics Forum, and to discuss the possibilities of setting up a regional NHA network. Some NHA representatives were intending to attend the Bangkok meeting anyway, but PHR support enabled several representatives to participate who not have otherwise been able to. Representatives of thirteen countries with NHA or interested in developing NHA attended the NHA sessions: Bangladesh, China, Hong Kong, India, Indonesia, Korea, Malaysia, Maldives, Nepal, The Philippines, Singapore, Sri Lanka and Thailand. Representatives from Australia and Taiwan did not attend, but sent messages indicating their support and desire to participate in any network established. Officials from the International Health Economics Association, WHO, World Bank and ILO also participated in the discussions or indicated their interest in being kept informed as to developments.

Dr. Kaemthong arranged for one of the main sessions at the Forum to be devoted to presentation of developments in NHA and the need for a regional network. The schedule for this session and the overheads presented are attached in the Annex. Following the presentation by Dr. Rannan-Eliya, there was an active panel discussion of NHA experience and the need for a regional network by those present. Representatives from Bangladesh, The Philippines and Hong Kong made short prepared presentations and comments, followed by two lengthy contributions from the floor by representatives from China and Singapore. There was a positive reaction to the network proposal throughout, and participants from WHO, IHEA and World Bank made several indications of support and goodwill.

One evening session was also held after the closure of the conference proceedings on the second day in order to allow NHA representatives to discuss options and next steps for a

NHA network. Many useful discussions between participants were also held on the edge of the conference.

At the evening session, it was not possible to achieve agreement or conclusion on the details of any network, although there was considerable unanimity and convergence as to overall objectives and approaches.

Since time was limited, participants at session agreed that four participants (Dr. Rannan-Eliya, Bangladesh Health Economics Unit, Prof. Alejandro Herrin of the Philippines, Dr. Viroj of the Thai Ministry of Public Health) would take the lead in preparing and circulating a proposal for a network activity. This proposal would also be circulated to donors and funding agencies for their support. The draft version of this proposal is attached to this report.

In later discussions between Dr. Kaemthong and Dr. Rannan-Eliya, Dr. Kaemthong suggested that if USAID/PHR was to be involved in supporting an NHA network under APHEN, it would be desirable and appropriate to appoint a USAID/PHR representative to the APHEN Board.

Estimated funding requirements

Attached is a draft budget estimate of the cost of a PHR-supported APHEN NHA Network. It assumes that WHO/SEARO office will support participation by Nepal, Maldives and at least one other country in the SEARO region, and that participants from Hong Kong, Singapore, Australia, Taiwan and China will be self-funded.

Three two-day workshops are assumed, each taking place in a different location within the region. It is assumed that for reasons of economy and convenience that such meetings be held at the same time as other regional health economics meetings, thus making it more likely that the non-funded participants will be able to attend, and reducing per diem costs slightly.

Draft Proposal for the establishment of an Asia-Pacific Health Economics Network NHA Group

Draft dated April 12, 1998

Background

At the Inaugural Asia-Pacific Health Economics Forum held in Bangkok on March 19-21, 1998, it was proposed to establish an Asia-Pacific Health Economics Network (APHEN) consisting of individuals in the region working in the area of health economics. APHEN would be linked to other existing Health Economics networks, principally the International Health Economics Association (iHEA).

At the Forum, participants involved in the National Health Accounts (NHA) activities in their respective countries and territories agreed on the need to collaborate more closely at the regional level in further development of regional capacity and standards in NHA approaches, and to share the available technical expertise and experience. The following is a draft proposal for such a collaboration.

Form of collaboration

The collaboration will take the form of a group or subnetwork under the aegis of APHEN. The group would consist of both national and international participants. Participants would consist of:

1. Individuals and institutions officially involved in establishing, developing or maintaining NHA activities in countries and territories in the Asia-Pacific region.
2. International and regional agencies involved in supporting development of NHA activities and capacities in the Asia-Pacific region and in collaboration with APHEN.
3. International NHA technical experts involved in the development of NHA capacity and standards in the Asia-Pacific region.

For the purposes of the NHA activity, the region would be defined as consisting of all territories in the Asian and Oceanic regions. As there is an existing Latin American NHA network, Latin American countries would not be expected to participate.

Initially, responsibility for proposing and organizing activities of the APHEN NHA Network will belong to a coordinating committee consisting of Dr. Ravi Rannan-Eliya (Institute of Policy Studies, Sri Lanka), Dr. Viroj Tangcharoensathien (MOPH,

Thailand), Prof. Alejandro Herrin (University of the Philippines, The Philippines) and Prof. James Killingsworth (Health Economics Unit, Bangladesh). The committee will develop a program of activities and circulate it to other network members for further comment and discussion. The committee will also take responsibility for maintaining contact with international agencies and sponsors with a view to coordinating with other international NHA efforts, and obtaining funding support.

A national representative will be identified for each participating territory to act as an official point of contact between NHA activities in that territory and the NHA network.

At least one member of the APHEN Board will also participate in the decisions and activities of the NHA network in order to ensure coordination of the NHA activities with those of APHEN generally. Initially this will be the responsibility of Dr. Kaemthong Indaratna.

Participants in APHEN NHA Network (proposed initial membership)

Contact person (s)	Organization	Territory
Dr. John Goss	Australian Institute of Health and Welfare	Australia
Ms. Tahmina Begum	Health Economics Unit, MOHFW	Bangladesh
Dr. Zhang Zhengzhong	National Institute of Health Economics	China
Mrs. Vicki Kwok	Health and Welfare Bureau	Hong Kong SAR, China
Dr. Charu Garg	Institute for Applied Economic Research	India
Dr. Stephanus Indradjaya	Bureau of Planning, MOH	Indonesia
Prof. Bong-min Yang	Seoul National University	Korea
Dr. Rozita Hussein	Institut Kesihatan Umum	Malaysia
Mr. Abdul Bari Abdulla	Ministry of Health	Maldives
*Dr. Shambhu Acharya	WHO/SEARO	Nepal
Prof. Alejandro Herrin	University of the Philippines	The Philippines
Dr. Phua Kai Hong	National University of Singapore	Singapore
Dr. Ravi Rannan-Eliya	Institute of Policy Studies	Sri Lanka
Dr. Rachel Lu	Chong-gong University	Taiwan, China
Dr. Viroj Tangcharoensathien	HSRI/MOPH	Thailand
<i>Agency representatives</i>		

Dr. Shambhu Acharya	WHO/SEARO	Delhi
Dr. Jean-Jacques Frere	USAID/PHR	Washington, DC
Dr. Alex Preker	World Bank/HDD	Washington, DC
Mr. David Dror	ILO	Geneva
Dr. Kaemthong Indaratna	APHEN Board	

* Until further notice

Objectives

The overall goal of the network will be to build capacity and sustainability in region for national health accounting through dialogue, sharing of expertise and experience, and advocacy for the use and application of NHA.

The following will be the immediate objectives of the NHA network in achieving this goal:

1. Documentation of technical approaches, methodologies, frameworks and definitions used by NHA groups in region.
2. Documentation of experiences in institutionalizing NHA activities and disseminating use of NHA data.
3. Collaboration in standardization at the regional level of definitions, categorizations, and frameworks.
4. Sharing and facilitating access to technical expertise available in the region.
5. Dialoguing with OECD and other international agencies on development and revision of international standards in National Health Accounting.
6. Development of a regional database of standardized health expenditures and services statistics similar to that produced by OECD for OECD economies

As expressed by country participants in the Bangkok meeting, the emphasis in the network's activity should be on consensus and collaboration, with involvement of all national groups in a mutually respectful manner, while taking account of variations in the level of development of NHA capacity in different countries. Stress should be placed on the importance of local consumption and use of NHA data, and the development of regional consensus.

Initial activities

At this stage, it is only possible to propose activities. Practically, anything more than networking through email will require commitment of some resources by participants and other agencies. Given the differing resource bases and funding status of NHA activities and groups in countries, some external or regional assistance will be necessary to allow all network members to participate fully and equally. Actual meetings of network members will also require some funding. The following is a draft set of options for activities meeting each of the above objectives to be carried out during the next 18 months (June 1998 - December 1999).

(1) Documentation of NHA technical approaches in region

This would serve to produce a standardized description of (i) NHA conceptual frameworks, and (ii) methodologies and techniques used in compiling NHA estimates for each country and territory. This would contribute both to sharing of technical expertise and experience, as well as provide a basis for developing regional standards.

This activity would proceed in two stages. In stage 1 (2 months), a small technical group would develop a standardized format for collecting and compiling comparable details on the different approaches used by countries. In stage 2, each participating country would prepare a standardized description of their NHA approach and methods in accordance with the agreed format (3 months), to be followed by a review of the differences in each approach at a regional meeting/workshop. If there is interest, the network would prepare a summary of approaches as a formal publication for further dissemination. Stage 1 could be carried out by email discussion. Stage 2 would be carried out independently by each NHA team; although the involvement of one or more experts to coordinate preparation of reports might assist in ensuring comparability of country reports. If agency funding is available, the participation of international and out-of-region experts in the review meeting would be desirable.

(2) Documentation of experiences in institutionalizing NHA activities and disseminating use of NHA data

This would serve to share different experiences in establishing and institutionalizing use of NHA data. Different countries might benefit from this in different ways. Those initiating NHA development may be able to learn lessons from the experiences of the others who have more established systems. Others would be able to identify new options for institutionalization. The timing and approach to this activity would be similar to activity 1.

(3) Collaboration in standardization at the regional level of definitions, categorizations, and frameworks.

This activity would seek to develop a regional consensus standard for national health accounting, or if that is not possible consensus on elements which can be standardized. Given that documentation of existing national approaches is limited, this activity should follow the completion of activity (1).

Earlier discussion recognized that there are a number of different technical areas in which consensus would have to be established, and that small working groups focusing on each of these would be the appropriate way to proceed. Formation of these task forces or working groups should ideally done after discussion and consideration by the full network. The most appropriate timing would be at the regional meeting to discuss findings of activity 1. Once the groups are formed, they would be given 6 months to review their specific areas and to make recommendations to the full network as to options for regional standardization. An interim meeting of the work groups may be desirable, as well as final meeting of the whole network to review their findings and recommendations.

(4) Sharing and facilitating access to technical expertise available in the region

This activity would contribute directly to regional capacity building and sustainability. Three areas of technical sharing are possible:

- i) Sharing through documentation as proposed in activities (1) and (2) of national approaches and experiences.
- ii) Creation of a mechanism to allow groups to consult other network members on particular technical issues and problems. This might be done through maintenance of an electronic clearing house for requests and questions.
- iii) Preparation of a regional panel of technical experts who are available to assist or advise countries establishing NHA systems. This panel or listing would be available to individual countries or funding agencies who are supporting NHA activities in individual countries.

5. Dialoguing with OECD and other international agencies on development and revision of international standards in National Health Accounting

If a regional consensus can be established on NHA approaches, it is evidently in the region's interest that any international standards that are being developed reflect or incorporate experiences and perspectives of the region's members. The NHA network would act to coordinate approaches to and discussions with agencies such as the OECD, WHO and World Bank on technical developments. If there is interest by agencies, participation by their representatives at network meetings/discussions would be a desirable option. This activity would be carried out in the second six month period of the initial work-plan.

OECD has prepared a draft proposal for an international standard for national health accounting. This proposal was made available to network members by the OECD Secretariat, as it is interested in discussing possible cooperation in improving the proposal. As this proposal is already in existence, the network may wish to organize a regional discussion of its contents and then discuss network reactions with OECD.

6. Development of a regional database of standardized health expenditures and services statistics similar to that produced by OECD for OECD economies

Development of standardized and comparable data on health expenditures by Asia-Pacific countries requires first that standardized definitions be agreed. If substantial progress is being made in activity (3), then work on this activity might be able to start. Otherwise, initiation of this activity should await completion of activity (3). If a core set of expenditure definitions and statistics can be agreed, then countries would work on producing statistics for joint dissemination. International agencies might be willing to support formal publication of such statistics. In the longer run, sustainability probably requires that such publication be done on a regular annual basis. Efforts in this type of activity should probably be delayed until the last six months of the initial work-plan.

Funding needs

Most of the above activities can probably be carried out as part of the regular efforts by network participants. However, holding of meetings by network members, and some of the administrative effort in coordinating activities would require sponsorship. Although some members have access to their own travel budgets, not all do. At least two funding agencies (USAID/PHR and WHO/SEARO) have expressed support for the network, and have indicated willingness to consider funding support.

The following is a summary of the items which would need funding during the first 18 months for the activities proposed above.

1. Coordination of communications and network logistics
2. Administrative and support expenses for preparation of national reviews
3. Holding of three regional meetings/workshops by the network - travel and conference costs.
4. Publication of materials based on review of national approaches, and regional statistics
5. Participation by other international experts in network meetings

USAID/PHR may be able to assist with items 1, 2, 4 and 5, plus participant costs at meeting for some countries. WHO/SEARO has indicated interest in supporting participation by Nepal and Maldives, and possibly other SEARO members in the

network. The World Bank and ADB may choose to support individual NHA activities in countries, but are not in a position to offer direct material support to a regional network.

Linkages

As the network will be seeking to establish consensus on technical standards, it will be important to maintain close contact with other interested agencies. The key ones are WHO, USAID/PHR (who are supporting several other regional NHA efforts), World Bank, and OECD. OECD Secretariat is aware of possible plans to establish a regional network, and have already indicated interested in talking to such a regional grouping about technical matters of mutual interest. ILO has not recently been involved in these technical areas, but the ILO representative at the Bangkok meeting expressed his desire to remain in contact with any subsequent activities, as ILO is considering expanding its own activities in the field of international health statistics and analysis.

Prof. Getzen and Dr. van der Gaag of IHEA discussed with APHEN participants at the Bangkok meeting their plans for the IHEA conference to be held in Rotterdam in 1999. They are hoping to organize a session or several sessions to present work from the Asian region, and have requested APHEN to assist in coordinating efforts for this. In addition, Dr. van der Gaag will be organizing a session on using NHA to assess the equity of national health care systems in developing countries. If work on this theme is done in Asian countries by early 1999, he indicated his interest in including presentations of such work in the Rotterdam sessions. The NHA network may wish to coordinate with this effort, and others by WHO/SEARO in this area.