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The Thai Universal Health Care: A Personal View

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Ladies and Gentlemen

It is a pleasure for me to be addressing this distinguished assembly of surgeons. I am somewhat relieved that I shall be addressing standing up at this podium, and not lying down on the operating table.

Throughout the last one hundred years, the medical sciences have made great strides in making people's lives longer and, I say this with some reservations, better. As practitioners in a great sub-branch of Medicine, you have no doubt witnessed the changes that have taken place, and no doubt, some of you may have contributed significantly to the progresses that have taken place. Increasingly I have observed as a layman, that Asian surgeons have pioneered new surgical procedures which have improved and saved lives. It is a record for which you can collectively take a great deal of professional pride and personal satisfaction.

But as the science part of your practice has advanced, its economics has become progressively imbalanced. For the earlier gains that were made last century were the conquest of diseases that take away the lives of young and very young people. In retrospect, these gains now look relatively "simple and easy", although to the pioneers, it might not have looked that way at that time. Once the innovation was made,

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replicating it and making it available to the general public could be done quickly and inexpensively. Thus the antibiotics contributed enormously to the saving of the lives of millions of children, in both poor and rich countries, and yet its use costs relatively little. But it is not only the antibiotics that have contributed to the decline in infectious diseases in children. Preventive medicine as well as better public health and sanitation also contributed. But in all these, rapid strides can be made at relatively low cost. It is in this sense that I claim that these gains were "easy".

The conquest of the major infectious diseases, and particularly those affecting the very young, is now substantially complete in the developed countries, and in most of the emerging countries in Asia, with the sole, albeit important exception of HIV/AIDS. But unlike the other infectious diseases that were tackled in the first half of the last century, the prevention and treatment of HIV/AIDS is certainly not one of the "easy" tasks for the medical sciences.

Indeed, it is now generally recognized that HIV/AIDS poses a real threat to peace and security. And unless billions and billions of US dollars which are needed to combat this particular disease are forthcoming, it is quite possible or quite likely that the devastating effect brought about by this HIV/AIDS could erupt into a most explosive situation in many parts of Africa and even in certain parts of Asia. In addition to HIV/AIDS, one also has to recognize the potential disastrous effect that could be brought about by such infectious diseases known as SARS or even avian flu. These are new developments which need to be tackled not only nationally but definitely internationally.

As people survive to older ages, Asia's health problems have gone through a great change. Degenerative afflictions, such as cardiovascular diseases, cancer, and chronic illnesses of the elderly such as diabetes and kidney failure, once considered the "luxuries" of the rich countries, are now major causes of deaths in many Asian countries. Not only do such diseases take a heavy toll on the lives of people, they also take a heavy toll on the wallets of the people suffering from such diseases. An increasing share of every country's health bill is being used to pay for the expensive treatment and management of these diseases.

If health care was to be paid for entirely by the patients themselves, as has been the conventional practice in the past, then there will be a large number of people who cannot afford treatments which are too expensive for them. At the same time the richer individuals can afford to bid away the scarce doctors' time and the attendant medical resources from the relatively poor. In such a regime, the market mechanism has silently performed the function of what you doctors called "triage": it will determine who will die, mostly the poor because they cannot afford treatment, and who will get medical attention and survive because they can afford it.

But people, rich and poor, do value their own lives and those of their loved ones. Sometimes they value them sufficiently to be willing to pay for the costs of health care and indeed cause financial ruin. Prior to the introduction of the health insurance system in Thailand many poor people and sometimes even the not so poor sank into deep poverty on the account of the health problems of their family members. Research has shown that the introduction of universal health care by allowing the poor access to the free health care has been responsible for a reduction of poverty in Thailand by 15% or by 1 million people, making it the most effective anti-poverty program ever in the history of this country.

The introduction of universal health care coverage in the year 2001 was thus a major step forward for the government of Thailand. It has been a great success, for it addresses a clear need on the part of the population. Indeed, of all the so-called populist policies of this government, this has been by far the most effective. At the same time, the program has been unpopular with the physicians within this country.

They do have just cause for their dissatisfaction, and I shall return to address their concerns later in the talk.

At the moment, I wish to address the issue as to why there should be a universal health care coverage financed by taxation, which is the route taken by this government. Would not a program targeted only at the poor be the most effective, so that the benefits should be confined only to the poor and not "leak out" to the non-poor who should pay for their own health care? Thailand did have such a targeted program prior to the introduction of universal coverage 5 years ago, but the poor are not that easy to identify in a country where the bulk of the income earners are self-employed. Consequently, the amount of "leakage", (that is, the non-poor also receive the benefit) was significant.

But the main point of having a tax-financed universal health care is surely to ensure that everyone in the country, both poor and non-poor, is given enough purchasing power through the public treasury to bid for the same quality health care services on a roughly equal basis, so that a market-mediated triage whereby the rich can bid away the health care services from the poor is minimized.

Unfortunately, the system as it exists in Thailand does not preclude such triage. For it to disappear or to be substantially reduced, the share of privately financed health care should be minimized. But currently in Thailand, paying patients and not the government still provide a large fraction of the total finances of the curative health care system. The bidding away of the medical resources by the well-off still occurs. This is compounded by the current government's policy of attracting foreign patients to Thailand's medical facilities.

Indeed, even though the government has, as I mentioned earlier, shown great vision in introducing the current scheme, but its implementation, in particular its finances leaves a great deal to be desired. As it turns out, the scheme is grossly underfinanced. The introduction of the scheme has enormously increased people's demand for health care services, as was to be expected and should be welcomed, but the government only marginally increased the resources for the system. As a result, the public hospitals which provided most of the services under the scheme, continually ran down their financial reserves. Aside from the strained finances, the human resources of the system were also put under severe strains as there arose a considerable mismatch between the new pattern of demand and the existing distribution of resources. The availability of free health care increased rural demand considerably whereas historically the resources were concentrated in the urban areas. Little was done to redistribute the resources to reestablish balance between the demand and supply in the two areas.

The introduction of universal coverage in 2001 was a radical move. It involved a total overhaul of the financing of the health care system in Thailand. As such, its introduction has to be planned with great care and attention to details. As it was, the government hurriedly implemented the program within one year. Its cost estimation was extremely shaky, and in the end, it turns out to be a gross underestimate, with the result that the program was underfinanced. As no attempt was made to improve the quality of the data, the inadequacy of the finance continued to the present day. The strain on the public hospitals finances and staff has been enormous. Doctors in most rural hospitals which are mostly public are putting in extremely long hours to meet the heavy demand, with little hope that the situation will be eased by expanding funding from the government. Increasing numbers of them could no longer tolerate the situation, and are leaving public services, putting an ever increasing strain on those that remain.

All this is very sad. This government has shown great vision in introducing the system which, if managed well, could have been the pride of this government. But the management of the scheme has been poorly planned and implemented. Let me stress that we need not have arrived at this impasse. Thailand can easily

afford a properly functioning universal health care scheme. At least it can afford it more easily than any number of populist policies launched by the present government, not to mention the misguided and hugely expensive fuel subsidy program which have been going on for the past 2 years and fortunately is now coming to a stop. A very generous estimate of what is needed to fill in the financing gap of the health care scheme would be an additional 30 billion Baht per year. Compare this to the 100 billion Baht that was spent on the fuel subsidy, and you will get the picture of misplaced national priorities.

What is needed now is an overhaul of the system, beginning with better finances, more flexible allocation of resources and better information system, all of which were badly neglected during the last 5 years as the entire system has been allowed to run down.

It would indeed be a lost opportunity if the program were to fade away by default. Let's hope not.