

## FINANCING OF HEALTH CARE FROM HOUSEHOLDS' OUT-OF-POCKET PAYMENTS, VOLUNTARY PAYMENT SCHEMES AND EXTERNAL RESOURCES

On average, the share of health spending paid out-of-pocket has fallen by around 2 percentage points to 21.4% and 25.6% in high- and upper-middle income Asia-Pacific countries since 2010, whereas it has increased from 47.1% to 48.2% in low and lower-middle income Asia-Pacific countries (Figure 6.8). The trend is quite diverse across the countries and the territories in the study. However, more than two thirds of the Asia-Pacific countries and territories reported a decrease, including between 7 and 10 percentage points for Papua New Guinea, Singapore and Indonesia, while Mongolia and Lao PDR reported a growth of around 10 percentage points in the same period. For each dollar spent on health, more than 60 centimes were “out-of-pocket” in Nepal, Bangladesh, Pakistan, India and Myanmar in 2015.

Figure 6.9 shows that health expenditure by voluntary payment schemes represented – on average – less than 10% of current expenditure on health in all country income groups in Asia-Pacific. This share increased in high-income countries, whereas it decreased in low and middle-income Asia-Pacific countries from 2010-15. Less than 3% of current health expenditure was from voluntary payment schemes in Bangladesh and Myanmar in 2015, while it was 14.5% or more in Singapore, Cambodia and the Philippines in the same year.

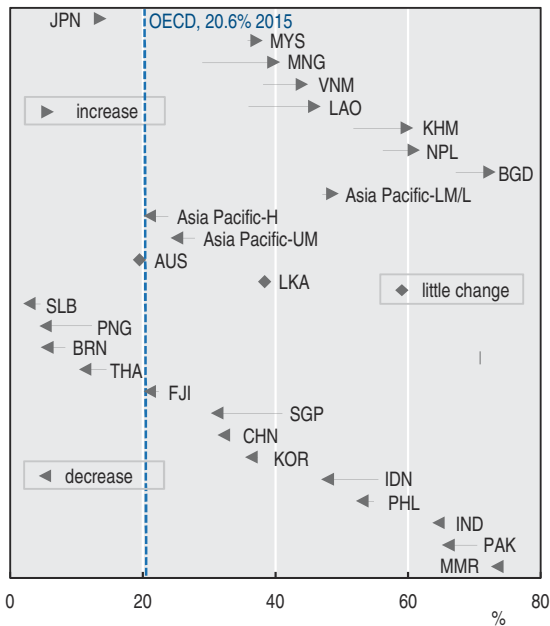
External funding for health care is quite relevant in many developing countries and territories in Asia-Pacific. In Solomon Islands more than one third of funds spent on health were from external resources in 2015 (Figure 6.10), whereas external resources accounted for between 15 and 25% of total health expenditure in Lao PDR, Cambodia and Papua New Guinea.

### Definition and comparability

The financing classification used in the System of Health Accounts provides a complete breakdown of health expenditure into public and private units incurring expenditure on health. Private sector comprises pre-paid and risk pooling plans, household out-of-pocket expenditure and non-profit institutions serving households and corporations. Out-of-pocket payments are expenditures borne directly by the patient. They include cost-sharing and, in certain countries, estimations of informal payments to health care providers. Voluntary health care payments schemes include voluntary health insurance, NPISH and enterprises financing schemes.

External funding for health is measured as Official Development Assistance disbursements for health from all donors. Disbursements represent the actual international transfer of financial resources. Disbursements for health are identified by using the classification of sector of destination codes 121 (health, general except 12181, medical education/training and 12182, medical research), 122 (basic health) and 130 (population policies/programmes and reproductive health except 13010 Population policy and administrative management), and 510 (general budget support) ([www.oecd.org/dac/stats/aidtohealth.htm](http://www.oecd.org/dac/stats/aidtohealth.htm)). General budget support to health is estimated by applying the share of government expenditure on health over total general government expenditures to the value reported in ODA. Given that disbursement money is spent over several years by countries, funds disbursed at year t are compared to total health expenditure in year t+1.

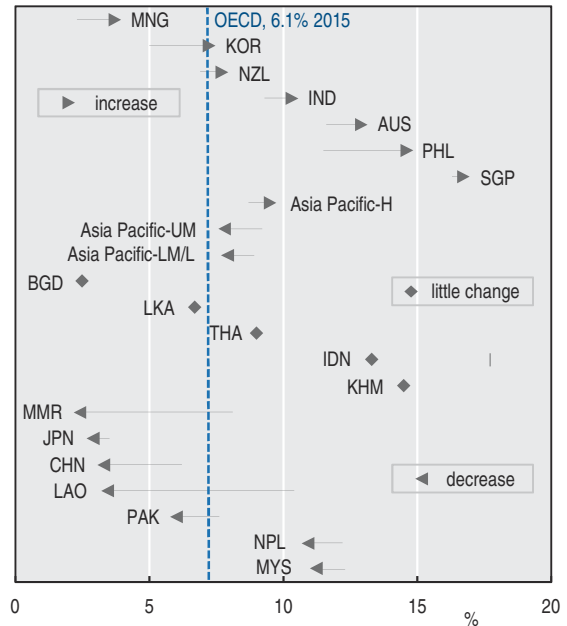
### 6.8. Change in health expenditure by households' out-of-pocket as a share of health expenditure, 2010 to 2015



Source: WHO Global Health Expenditure Database (2018f); OECD Health Statistics (2018).

StatLink <http://dx.doi.org/10.1787/888933868937>

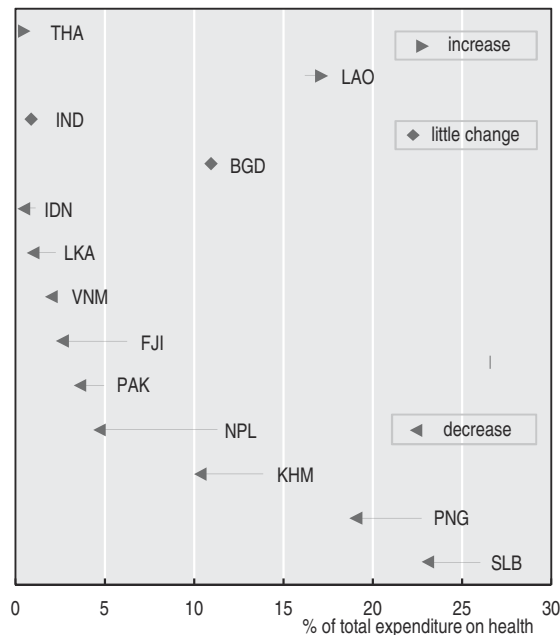
### 6.9. Change in health expenditure by voluntary health care payment schemes as a share of health expenditure, 2010 to 2015



Source: WHO Global Health Expenditure Database (2018f); OECD Health Statistics (2018).

StatLink <http://dx.doi.org/10.1787/888933868956>

### 6.10. Change in external resources as a share of health expenditure, 2010 to 2015



Source: WHO Global Health Expenditure Database (2018f); OECD Health Statistics (2018).

StatLink <http://dx.doi.org/10.1787/888933868747>



**From:**

## **Health at a Glance: Asia/Pacific 2018**

### Measuring Progress towards Universal Health Coverage

**Access the complete publication at:**

[https://doi.org/10.1787/health\\_glance\\_ap-2018-en](https://doi.org/10.1787/health_glance_ap-2018-en)

#### **Please cite this chapter as:**

OECD/World Health Organization (2018), "Financing of health care from households' out-of-pocket payments, voluntary payment schemes and external resources", in *Health at a Glance: Asia/Pacific 2018: Measuring Progress towards Universal Health Coverage*, OECD Publishing, Paris.

DOI: [https://doi.org/10.1787/health\\_glance\\_ap-2018-39-en](https://doi.org/10.1787/health_glance_ap-2018-39-en)

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).