

I. Health in Asia and the Pacific: In Brief

Universal Health Coverage in ADB DMCs

Universal Health Coverage (UHC) means that all citizens have access to a specified package of high quality services without causing undue financial hardship. UHC thus brings the hope of better health and protection from poverty, especially those in the most vulnerable situations. UHC has been recently adopted as one of the 17 Sustainable Development Goals (SDGs).

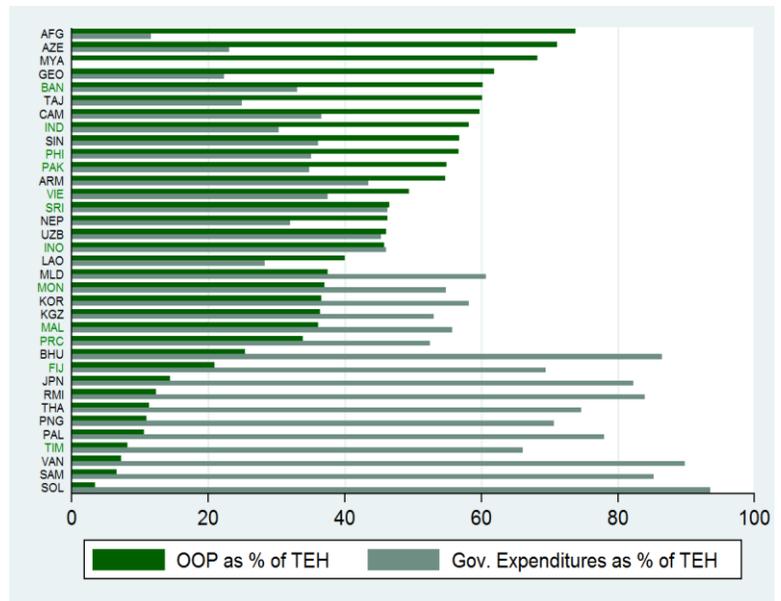
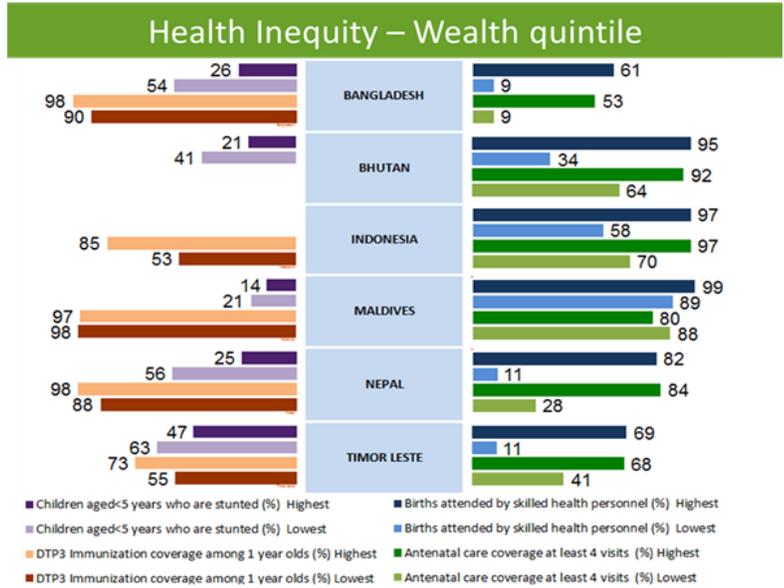
- **Poor Health Outcomes and Inequity.**

73 is the average life expectancy in Asia. But a child born in Myanmar or Papua New Guinea can only expect to live an average of less than or equal to 65 years of life. Maternal mortality averages around six deaths per 100,000 live births in OECD countries, while in Asian countries, it is almost 15 times greater. In 2013, Asia accounts for over 60% of the 5.1 million deaths worldwide caused by diabetes, with half of them undiagnosed.

- **Ageing.** The share of the population aged over 65 years in Asia is expected to nearly quadruple in the next four decades to reach 26% in 2050, surpassing the OECD countries.

- **Low Public Investments in Health.** Asian economies spend just over \$730 per person per year on health, against \$3510 in OECD countries. This amounts to over 4.6% of GDP, on average, in the Asian region, compared to over 9.3% in OECD countries. The share of public spending in total health spending is much lower in Asia compared to OECD countries: 48.1% versus 72.7% respectively.

- **High Out-of-Pocket Spending.** Out-of-pocket (OOP) payments for health can cause households to incur catastrophic expenditures, which in turn can push them into poverty. The need to pay out-of-pocket can also mean that households do not seek care when they need it. Out-of-pocket health spending – a predictor of impoverishment – should ideally be less than 30% of total health spending. This is true for only 11 out of 44 ADB DMCs.



- **Public Spending and Out-of-Pocket Spending.** OOP tends to increase as governments fail to provide significant coverage (depth) for health expenditure.

Social Health Insurance Schemes (SHI)

- SHI schemes or programs have increasingly been seen as a key financing mechanism or lever to achieve UHC, with many countries in Asia and the Pacific either drastically expanding the scope, consolidating or creating an SHI program.
- Out of the 44 DMCs, **more than 50% already have some forms of SHI** and this is expected to increase given the recent trends in health reforms.

Country Examples

- **Viet Nam.** Over 20 years, four key policy documents on health insurance were in effect, the latest revision was passed in 2014. In 2013, the government published its roadmap to achieve universal health insurance (UHI) coverage levels of 70% by 2015 and 80% by 2020.
- **Philippines.** The Aquino Health Agenda – Universal Health Care or Kalusugan Pangkalahatan took effect in July 2010. To attain UHC, three strategic thrusts were pursued namely: i) Financial risk protection through expansion in enrollment and benefit delivery of the National Health Insurance Program (NHIP); ii) Improved access to quality hospitals and health care facilities; and iii) Attainment of health-related Millennium Development Goals (MDGs).
- **Indonesia.** On 1 January 2014, Indonesia took a large step forward in its attempt to achieve UHC by unifying various public insurance schemes under a single social security agency—the Social Security Management Agency for the Health Sector (BPJS Kesehatan), tasked with the implementation of the National Health Insurance Programme (JKN). The JKN was conceived to provide better health coverage for all Indonesians, by extending insurance to the entire population, including large swathes of the population previously not covered by any public insurance schemes.

ADB's Role in a Country's Quest Towards UHC

- Offer new and innovative ways to strengthen existing programs and implement new ones through tools such as performance-based payments, public-private partnerships, and ICT;
- Help DMCs advance domestic financing through loans to finance their UHC goals.
- Breaks silos through a health systems approach;
- Ensure health care quality, efficiency, and cost-effectiveness through performance based financing; and
- Foster collaboration with DMCs, development partners, and centers of excellence to build responsive health systems that create the foundation for UHC to offer up-to-date knowledge and evidence for planning and decision making.



II. ADB's New Vision for the Health Sector 2015–2020

Key messages:

- ADB is committed to increase its health operations from 1 to 3–5% by 2020. This is about \$1 billion in annual approvals of health sector projects by 2020.
- ADB developed a new Operational Plan for Health (OPH) 2015–2020, which is aligned with the Universal Health Coverage (UHC) Agenda and the health-related Sustainable Development Goal (SDG), “Ensure healthy lives and promote well-being for all at all ages”.
- The overall aim of the OPH is to support countries to achieve UHC.
- The Plan also strengthens ADB's health outcomes from infrastructure projects (especially Water and Sanitation, and Road Safety) and emphasizes ADB's role in promoting regional public goods.
- The Plan gives specific focus to areas such as human resources, regulation and licensing, and social health insurance—all underpinned by tools such as information and computer technology (ICT) and public–private partnerships (PPPs).
- The OPH aims to increase ADB's private health sector investments and explore innovative financing mechanisms such as financing for leasing and guarantees and credit enhancement with concessional financing.
- The Plan also emphasizes the need to foster strong partnerships with technical partners such as World Health Organization (WHO), networks such as the Social Protection Network (P4H), and with Centers of Excellence, since ADB has a small health sector team and needs to leverage other agencies' expertise.
- The OPH's implementation is progressing well with ADB's health team being expanded, ADB's health sector skills being developed, and innovative products being cultivated.
- ADB needs support to expand the health team and to mobilize more funding into the Health Financing Partnership Facility.

Relevant background information:

- Good health is essential for individual wellbeing. It helps ensure learning, productivity, income, and happiness, and is at the core of sustainable development, as well as national and regional prosperity.
- Almost all countries in Asia and the Pacific, regardless of their level of development, have embraced UHC—quality health services for all without undue financial hardship—as vital to social and economic success.
- ADB launched on 5 June 2015, its new OPH to help achieve the goal of bringing UHC to developing Asia. Here are a few highlights:

What are the main challenges for UHC in Asia and the Pacific?

- All countries face challenges in providing and financing health care for their people. And while the region's developing countries have made efforts and shown political commitment toward achieving UHC, critical issues remain. Aging societies, changing lifestyles, population mobility, urbanization, climate change, and natural disasters are health sector challenges. Complicating matters are widening economic inequities, constrained resources (grant providers such as The



Global Fund to Fight AIDS, Tuberculosis and Malaria, and Gavi, the Vaccine Alliance are exiting the region), escalating health care costs, and a more prosperous citizenry, which expects better health services.

- The region needs to provide more health services under sustainable financing conditions. ADB is committed to providing sustainable health financing solutions for quality health care and support DMCs in mobilizing domestic budget for the health sector.

What is ADB's new strategy for improving health care in the region?

- ADB supports our DMCs in meeting the United Nations post-2015 goal of expanding public and private health services, and providing health care access for all, especially the vulnerable groups.
- The Midterm Review (MTR) of ADB Strategy 2020 called for more action to increase health sector investments.
- After studying the needs of developing Asia, investments in health infrastructure, health governance including regional public goods, and health financing were recommended.
- Specific focus was given to areas such as human resources, regulation and licensing, and social health insurance—all underpinned by tools such as ICT and PPPs.

Following MTR recommendations, ADB's new Operational Plan for Health supports three focus areas to address key challenges:

- i. **Health Infrastructure.** Optimize health outcomes and increase the reach of health care from infrastructure projects such as health facilities and hospitals, and water and sanitation investments. Promote infrastructure investments designed to deliver on concepts such as healthy cities, healthy islands, etc., and ensure that infrastructure is integrated into health systems (financing the care continuum of demand and supply), managed and staffed efficiently, and properly operated with sustainable financing.
 - ii. **Health Governance.** Advance health care through good governance and regional public goods by strengthening institutions, planning, financial management, and health information and regulatory systems.
 - iii. **Health Financing.** Expand health care through innovative financing that promotes allocation and technical efficiency and equips governments to purchase health services from the public and private sector.
- To fund health care efforts over the next 5 years, ADB will increase health sector investments from 1% to 2% of total portfolio in 2014 to 3% to 5% (or an annual approval of \$1 billion in health projects) by 2020.

What is ADB's plan of action for improving health care in the region?

The ADB Operational Plan for Health:

- offers new and innovative ways to strengthen existing programs and implement new ones through tools such as PPP and ICT;
- aims to break silos through a health systems approach;
- ensures health care quality, efficiency and cost-effectiveness through performance based financing; and



- fosters collaboration with developing member countries, development partners, and centers of excellence to build responsive health systems that create the foundation for UHC.

Taking a new direction, the Plan will:

- steer the region toward outcome and performance-driven practices and away from output-based business as usual;
- support innovative, evidence-based approaches—underpinned by ICT—for building and managing health services;
- foster investments in integrated and cost-effective programs that expand the supply of public and private health services and offer financing to create health-services demand;
- promote PPPs that lead to larger lending amounts and reduced transaction costs;
- cultivate co-financing and grant-blended loans to develop new business and innovative activities; and
- mainstream gender to take advantage of the role women play as a health care driver and ensure their health status increases in both rural and urban areas.

How will ADB roll out its new Operational Plan for Health?

To achieve national and regional UHC goals, ADB will partner with governments and the private sector along four business lines to deliver:

- i. infrastructure for integrated health services delivery;
- ii. elderly health care for an aging region;
- iii. ICT for accountability and decision-making; and
- iv. health financing, and public and private insurance to help governments move from input-based health budgets to output-based payment.

Across these four business lines, ADB will launch flagship programs that build on our existing health projects and decades of successful health sector operations. Rolled out in two phases in 8–12 countries, these programs will provide lessons learned, support analytical work and knowledge sharing, and achieve concrete results. These flagship programs will become examples of good practice for further replication and adaptation.

Phase 1 (2015–2018) will build on proven areas within our current health sector portfolio. Flagship programs will include:

- integrated hospital care in East Asia.
- urban health in South Asia; and
- regional health security in Southeast Asia;

Phase 2 (2018–2020) will broaden the range of ADB health sector projects even further. Flagship programs will include:

- elderly care in East Asia;
- E-Health in Asia Pacific;
- health financing through social health insurance in Asia Pacific;
- integrated hospital care in the Pacific; and



- private sector financing for health services.

How will ADB promote partnerships and collaboration?

Operational success will depend on maintaining strategic partnerships and alliances and establishing a strong health sector team. The ADB health sector group will:

- collaborate with the WHO to develop monitoring frameworks with performance indicators that measure achievements toward UHC and the SDGs;
- develop and deepen alliances with:
 - multilateral and bilateral partners to strengthen programs,
 - funds and foundations to identify co-financing, and
 - centers of excellence and technical agencies to improve the health capacity of ADB in developing Asia;
- reach out to other operational sectors within ADB to identify and monitor the contributions of non-health sectors to health outcomes, and create important health-related synergies; and supplement the ADB Health Sector Group with additional staff who have health sector skills.

What kind of health sector-related trust funds does ADB manage?

- ADB established the Health Financing Partnership Facility in 2013, under which the Regional Malaria and other Communicable Diseases Threats Trust Fund (RMTF) was established.
- The Partnership facility also hosts the Health Equity Fund, managed by the fund manager, Orbimed. This is a commercial equity fund.
- The RMTF is a multi-donor trust fund where: (i) Department of Foreign Affairs and Trade, Australia (DFAT) provides, on an untied basis, an initial contribution AUD18,000,000; (ii) Department for International Development, United Kingdom (DfID) committed, on an untied basis, an initial contribution of GBP11,800,000, of which GBP7,800,000 has been transferred; and (iii) Department of Foreign Affairs, Trade, and Development, Canada (DFTAD)¹ transferred \$531,916 in April 2015.
- The Trust Fund focuses on five changes to the ‘business-as-usual’ approach: (i) a higher level of sustainable financing; (ii) cooperation to ensure supplies of affordable and effective malaria drugs and commodities; (iii) improved data for evidence-based decision-making; (iv) stronger national malaria programs; and (v) expansion of leadership that looks beyond the health sector.
- Through the RMTF, ADB is also acting as both a catalyst and financing body for innovations, bringing together Centers of Excellence such as Harvard School of Public Health, Oxford University, Mahidol-Oxford Tropical Medicine Research Unit and the University of Tokyo to help GMS counties better manage their malaria and dengue surveillance and response planning. Innovative projects based on call data record (CDR) and geographical information system (GIS) applications, will be invaluable to improve surveillance of mobile populations.
- The benefits of the Trust Fund stretch beyond malaria and will feed into broader health systems strengthening and regional health security. Another partnership under the Trust Fund

¹ Formerly Canadian International Development Agency (CIDA)



that will have far reaching benefits for health systems strengthening is with Center of Regulatory Excellence (CORE) in Singapore. Together with other partners ADB and CORE are working on improving regulatory convergence of pharmaceuticals to improve availability of high quality communicable disease and anti-malaria pharmaceuticals and commodities. In turn this will strengthen the broader application of regulatory science in Asia and the Pacific.

- For ADB, malaria elimination is an obvious public-health best-buy, not just because of the reduction in human suffering that it offers, but also because it has the potential for substantial economic gains: annual growth of per capita GDP in malaria-endemic countries is 0.25–1.3% lower than growth in countries without the disease. Investments in malaria now will yield savings in the longer term, through reduced health care costs, the creation of more robust and sustainable health systems, increased worker productivity, improved educational outcomes and a more vibrant tourism sector. Success depends on countries, agencies and sectors working together, being as innovative as possible, and putting DMCs in the driving seat.

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<http://www.adb.org/documents/adb-operational-plan-for-health-2015-2020>

