Increasing equity in health service access and financing: Health strategy, policy achievements and new challenges

Policy Note

Cambodia Health Systems in Transition



Asia Pacific Observatory on Health Systems and Policies

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### What are the challenges?



#### Economic and demographic change

With gross domestic product currently growing at more than 7% per annum, Cambodia is about to achieve lower-middle income status, and the health of its population has improved significantly. Since the 1990s, progress has been made in rebuilding the health system through an extended process of health reform. With improved conditions, the challenge is now to ensure the benefits of progress are shared equally by all parts of the population.

Cambodia has a young but ageing population. One third of the population is below 15 years of age, while falling fertility rates and increasing life expectancy mean the population structure is slowly ageing. A process of urbanization is under way, and the population of the capital, Phnom Penh, has more than doubled in the past 15 years.

### A mixed public-private health system

The health system includes a mix of public and private providers. The use of private providers is much greater among the wealthy, while the use of informal-sector health providers is greater among the poor. Due to these circumstances there is considerable scope to establish appropriate public-private cooperation and to reinforce the regulatory mandate of the Ministry of Health (MOH).

Private practitioners and clinics are particularly frequented for curative care, while health prevention activities (such as immunization and tuberculosis, malaria and HIV/AIDS control) are the domain of the public sector. Only 23% of ill or injured patients seeking care first go to public sector providers; 64% use private and 13% use self-care, traditional healers and other providers.<sup>1</sup>

Managing both public and private health services to meet health needs – including the needs of the poor – is central to health strategy and planning in the coming years. The remaining challenges include lifting the quality of health services (both public and private) and overcoming remaining health inequalities.

<sup>&</sup>lt;sup>1</sup> Cambodia Socio-Economic Survey, 2014

### What do we know?



## Health status has improved, and the pattern of disease has changed

Cambodia is on track to achieve its Millennium Development Goal targets: life expectancy at birth reached 71.4 years in 2012; the maternal mortality ratio decreased to 170 deaths per 100 000 live births in 2014;<sup>2</sup> and infant and under-five mortality rates decreased to 28 deaths and 35 deaths per 1000 live births respectively in 2014.<sup>3</sup> Due to demographic and economic change, noncommunicable diseases now account for as many deaths as infectious diseases.

## Achieving equity has been a central health goal

Over the past five years, the national budget for health has almost doubled in real terms, and there has been impressive progress in providing financial risk protection for the poor. There is ongoing discussion about the long-term vision of establishing a broad national social security system. The MOH will play an important role in this process, especially in strengthening social health protection, not only for the poor but also for other vulnerable populations. In recent years, the expansion of Health Equity Fund (HEF) schemes has been rapid. District-based HEFs now cover most public health facilities nationally. Studies suggest that HEFs have led to a significant reduction in out-of-pocket (OOP) health expenditure among the poor. A recent analysis of data from the Cambodia Socio-Economic Survey for the period 2004–2009 revealed that HEFs and vouchers both acted to reduce household health spending.<sup>4</sup>

Nonetheless, patient OOP payments still make up more than 60% of total health expenditure.<sup>5</sup> With the new Health Strategic Plan for 2016–2020 setting a direction towards the goal of universal health coverage, an opportunity exists to reduce the high burden of OOP heath expenditure on households by giving greater attention to sound investment in a sustainable social health protection system for all.

A number of other demand-side financing schemes also provide some degree of social health protection, including voucher schemes and voluntary community-based health insurance. Consolidating these public schemes together with the HEFs, as well as the National Social Security Fund (NSSF) and the NSSF for Civil Servants (NSSF-CS), and expanding the coverage to include



<sup>&</sup>lt;sup>2</sup> Cambodia Demographic and Health Survey, 2014 <sup>3</sup> ibid

<sup>&</sup>lt;sup>4</sup> Chhim Chhun et al., Working Paper Series No. 106, September 2015, CDRI and the ReBUILD consortium <sup>5</sup> Cambodia National Health Accounts. 2012

the so-called "missing middle", or non-poor informal sector, will be another step towards universal coverage. This step is key to policy development in the next period.

#### Despite progress, inequalities remain

Overall, access to health services has improved, as indicated by the following Socio-Economic Survey data:<sup>6</sup>

- The proportion of ill individuals seeking care from health-care providers has increased, with a greater increase among the lowest two income quintiles.
- Use of reproductive and maternal and child health services has increased.
- Capacity to pay has increased, while catastrophic health expenditure across all income quintiles has declined.
- Levels of OOP spending, catastrophic expenditure and health-related indebtedness among HEF beneficiaries have decreased.

While catastrophic expenditure and health spending as a proportion of income have both declined, OOP payments for health care are the largest part of household non-food expenditure, and are among the highest in the Asia Pacific region. Furthermore, poor Cambodians make less use of public- and private-sector services and outpatient treatments than the rich.

<sup>6</sup> Cambodia Socio-Economic Survey, 2009 (analysis report); also Cambodia Demographic and Health Survey, 2011 Health outcomes still exhibit an urban-rural and rich-poor differential. Maternal and child health outcomes vary according to socioeconomic status and geographic location: the fertility rate for women in the poorest quintile is twice that for the richest quintile; children in the poorest quintile have a more-than-threefold risk of death before their fifth birthday than those in the richest quintile; stunting is more than twice as common among children in the poorest quintile than those in the richest.

## Rising demand requires better quality of care

Since the 1990s, health infrastructure has improved through the Health Coverage Plan. HEFs were established in 2000, and have since grown to national coverage. The successful expansion of health facilities, increased demand from HEF beneficiaries and others, and relatively low levels of utilization of public facilities all draw attention to the need to improve quality of care and remove the barriers that remain in accessing health services.

In the public sector, this means giving increased attention to funding, management processes and staff incentives. In the private sector, it poses the immediate need for extended regulation, accreditation and enforcement.



The MOH responded to this concern by establishing a Quality Assurance Office in 2007 (following adoption of the National Policy for Quality in Health in 2005) and commencing facility-based quality assessment processes: level 1 assessment in 2007; level 2 assessment in 2014. Improvements have been made, especially in the delivery of maternal and child health care following implementation of the Fast Track Initiative Road Map for Reducing Maternal and Newborn Mortality, which provided increased coverage of skilled birth attendance and other safe motherhood services. However, the quality of public health care is often limited by the poor condition of facilities, low numbers of staff and lack of staff motivation. Recent health reforms have focused further attention on strengthening the MOH's capacity to manage health service delivery. In support of the Government's broader public administrative reform, the major areas of reform include expanding the coverage of basic health services, providing improved financial access in the public sector, and improving the efficiency of health service management at district level. Special Operating Agencies were introduced in 2009, using an internal contracting mechanism between MOH units, to provide greater management flexibility, increased staff incentives and more efficient service delivery. Evaluating the impact of these Special Operating Agencies is a priority.



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