Mongolia Health Sector
Achievements and Challenges: Where Next?

February 2009
Outline

- Health Outcomes
- Sector:
  - Financing
  - Allocation
    - Efficiency and Equity
    - Health Insurance
- Reforms of 2006
- Remaining Challenges?
- The Current Crisis/Where Next for Health?
Outcomes Good Relative to Level of Economic Development

- Vietnam
- Turkey
- South Africa
- Russian Federation
- Mongolia
- Malaysia
- Kazakhstan
- India
- Georgia
- Colombia
- China
- Cambodia
- Brazil
- Bangladesh
- Azerbaijan
- Armenia

GDP p.c. (constant international US$)

Infant mortality

Under-five mortality rate
Success in Delivery System

Graphs showing the relationship between GDP per capita (PPP) and the percentage of children ages 12-23 months immunized for measles and DPT (2004). The countries include Mongolia, Uzbekistan, Vietnam, Kyrgyz Republic, Kazakhstan, Cambodia, and Azerbaijan.
Maternal Mortality and Child Delivery

![Graph showing maternal mortality ratio vs. GDP p.c. (international US$)](image1)

![Graph showing % of total births attended by skilled health staff (2000-04) vs. GDP pc (PPP)](image2)
But... Variations in Mortality (by Income and Geography)

Source: Data on infant mortality rates (IMR) and under-five mortality rates (U5MR) from 2005 Middle Income Countries.
Changing Disease Profile
(NCDs & need for primary/secondary prevention)

Source: WHO Global Database
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Total Health Expenditure and GDP

Source: Data from World Development Indicators (2006) and WHO Statistical Information System (2006).
Composition of Public Funding

- Health Insurance small and payroll contributions come from only 20% of members
- Has it added more funding to the health sector?
- How will declining economy and declining employment change this?
- How does it link to Health Insurance protection?
Decline of Health Insurance Coverage Continue?

Source: MOWSL
Resource Allocation

Composition of MOH budget allocation, 2006

Secondary and tertiary hospitals: 51%
Primary providers and pharmacies: 28%
Public health institutions and agencies: 9%
Administration: 3%
Sport-related expenditures: 3%
Other: 6%

Source: MOH. Secondary and tertiary hospitals include clinical hospitals, district hospitals, aimag and city hospitals, and other referral hospitals. Primary providers and pharmacies include soum and inter-soum hospitals, family group practices, and pharmacies (reimbursed by HIF). The largest component of ‘Other’ is the government subsidized health insurance contribution for some households.
Variations across Geographic Areas (Aimag)

2006 MOH allocation to aimags p.c.

Source: MOH and Regional GDP data from 2006 Statistical Yearbook.
Too Many Beds and Hospitals

Source: Data from 2006 World Health Report (WHO)
Too Many Physicians

Source: Data from 2006 World Health Report (WHO)
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2006 Health Reforms

1. Full budgetary financing for primary care (FGPs and soum hospitals)

2. Move to financing line items to package of services
   - From budgetary financing for fixed costs and health insurance financing for variable costs for secondary and tertiary hospitals, towards a model where the financing split is determined by type (or ‘package’) of service
   - Will need to pool funds to make this work

3. Capitation payment
   - (payment per ‘covered’ individual) for FGPs and introduction of capitation-based financing for variable costs of soum hospitals

4. Hospitals case-based payment (“DRGs”)
   - (fixed payment rate for different types of ‘cases’) for most services provided by secondary and tertiary hospitals

5. Hospital Autonomization
   - provisions for state-owned health facilities to use financial surpluses for the improvement of working environment and social protection of their health personnel.
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Outcomes
Maternal Mortality Rate by Province, 2006

- Bayan-Olgii: >161
- Uvs: 80-120
- Zavkhan: <39
- Arkhangai: 80-120
- Bulgan: <39
- Ovorkhangai: 80-120
- Dundgobi: >161
- Khentii: >161
- Sukhbaatar: <39
- Tov: <39
- Dundgobi: >161
- Omnogobi: <39
- Dornogobi: >161
- Dornod: >161
- Gobi-Altai: >161
- Bayankhongor: >161
- Khovsgol: >161
- Töv: >161
Demand Side:
OOPs and Informal Payments: How High?

Share of Informal Payments Among Users in Health Services (%)

- Cambodia (2000): 55%
- China (2001): 74%
- Indonesia (2001): 43%
- Thailand (2000): 2%
- Vietnam (1992): 81%
Supply Side

- **Governance of SHI and the Pooling of Funds**
  - Changes in the current fragmentation of funding and purchasing of services. This includes full pooling of public funds across sources of revenues such as general budget and health insurance revenues, and development of a real single payer for services.

- **Basic Benefits Package by the new single payer, the Health Insurance Fund (HI Fund)**
  - New package was developed in 2005 but not fully implemented.

- **Refinement of new Provider Payment systems**
  - New capitation model for FGPs and the case-mix payment per admission system for hospitals.

- **Rationalization and Modernization of Hospital Sector**
  - Collaboration and an eventual consensus across multiple actors in the hospital sector in the capital city. There are several sub-sectors including the city (9 district hospitals), the MOH (MOH facilities), “parallel system” hospitals (e.g., Defense, Railroads and other large state-financed organizations), and the private sector (an estimated 10% of all admissions).
  - A hospital facility strategy to identify end-results of hospital optimization and selection of a model for implementing this process to achieve end-results. Different implementation models exist including the network model (Estonia), administrative fiat model (Kazakhstan, Moldova), and public-private partnerships (Armenia).

- **Civil Service Reforms across all sectors including Health**
  - And/or improved autonomization of hospital facilities creating flexibility of inputs and improving accountability mechanisms.
Impact of New Economic Crisis

- Insurance Coverage Decline?
- Increased Utilization Rates?
- Increased OOPs?
- Need for More Government Revenues for Health sector?
- Issues across geographic areas?
- What Else? What Have We Missed?
  - ...
  - ...
  - ...
  - ...
  - ...