Health Sector and Trade Liberalization

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## Health Indicators

### Health Indicators, 2002

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Healthy life expectancy at birth (year)</td>
<td>52 - 57</td>
</tr>
<tr>
<td>Maternal Mortality ratio (100 000)</td>
<td>437</td>
</tr>
<tr>
<td>Child mortality (probability of dying under age of 5 years) (per 1000)</td>
<td>149 - 124</td>
</tr>
<tr>
<td>Adult mortality (probability of dying between 15 and 59) per (1000)</td>
<td>400 - 298</td>
</tr>
<tr>
<td>Total expenditure on health as % of GDP</td>
<td>1563</td>
</tr>
<tr>
<td>Total expenditure on health as % of GDP</td>
<td>11.8</td>
</tr>
<tr>
<td>Per capital expenditure on health, 2001</td>
<td>30</td>
</tr>
<tr>
<td>Per capital government expenditure on health, 2001</td>
<td>4</td>
</tr>
</tbody>
</table>

Source: World Health Organization

## Health System in Cambodia

- **Private Sector**
- **Public Sector**
- **NGOs**
Health Care Financing

- In 2001, total expenditure on health accounts for 11.8% of GDP
- In 2002, total expense per capita was US$32.9, of which $2.9 is financed by the state, $6 by NGOs and donors, and the remaining $24 (72%) by individual
- MoH introduced the user fees in the public health facility in 1996
- Health insurance is almost nonexistent

Health Professionals

<table>
<thead>
<tr>
<th>Field</th>
<th>UMS Graduates (Until 2001)</th>
<th>MOH Employees (at 2001)</th>
<th>Potential full time private Providers</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Specialists</td>
<td>91</td>
<td>75</td>
<td>16</td>
</tr>
<tr>
<td>Doctors</td>
<td>2989</td>
<td>1935</td>
<td>1054</td>
</tr>
<tr>
<td>Pharmacists</td>
<td>619</td>
<td>400</td>
<td>219</td>
</tr>
<tr>
<td>Medical Assistants</td>
<td>2507</td>
<td>1404</td>
<td>1103</td>
</tr>
<tr>
<td>Pharmacy Assistants</td>
<td>217</td>
<td>203</td>
<td>14</td>
</tr>
<tr>
<td>Dentists</td>
<td>334</td>
<td>198</td>
<td>136</td>
</tr>
<tr>
<td>Total</td>
<td>6757</td>
<td>4215</td>
<td>2542</td>
</tr>
</tbody>
</table>

Source: Ministry of Health
## Ministry of Health Workforce

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of health personnel</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doctors</td>
<td>1406</td>
<td>1680</td>
<td>1764</td>
<td>1878</td>
<td>1866</td>
<td>2083</td>
</tr>
<tr>
<td>Pharmacists</td>
<td>325</td>
<td>391</td>
<td>381</td>
<td>362</td>
<td>362</td>
<td>397</td>
</tr>
<tr>
<td>Dentists</td>
<td>58</td>
<td>70</td>
<td>69</td>
<td>85</td>
<td>85</td>
<td>120</td>
</tr>
<tr>
<td>Nurses</td>
<td>8461</td>
<td>8801</td>
<td>8312</td>
<td>6855</td>
<td>6860</td>
<td>7662</td>
</tr>
<tr>
<td>Other</td>
<td>8127</td>
<td>8133</td>
<td>8068</td>
<td>8780</td>
<td>8696</td>
<td>6319</td>
</tr>
</tbody>
</table>

Source: Ministry of Public Health, and Fund staff estimates

## Number of Medical Beds

<table>
<thead>
<tr>
<th>Year</th>
<th>1997</th>
<th>1998</th>
<th>1999</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Number of medical beds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Phnom Penh</td>
<td>1900</td>
<td>1900</td>
<td>1900</td>
<td>1900</td>
<td>1700</td>
<td>1700</td>
</tr>
<tr>
<td>Other</td>
<td>9200</td>
<td>9100</td>
<td>8500</td>
<td>9000</td>
<td>8100</td>
<td>8100</td>
</tr>
</tbody>
</table>

Source: Ministry of Public Health, and Fund staff estimates
Regulatory Environment

- MoH plays a crucial role in ensuring the function and regulations of the health system: registration and licensing of private providers, pharmacy and pharmaceutical manufacturer, quality control, border control. MoH has three offices who deal with the legislative:
  - The legislative office: co-ordination of legislative review
  - Regulation and ethics office: regulation of hospital services
  - Drug regulation office: regulation of pharmaceutical trade

- Legislative framework
- Health professional associations

Laws and Regulations

- Decree on the management of pharmaceutical on June 17, 1996: governing all pharmaceutical in Cambodia such as production, importation, exportation, trade etc
- Decree on abortion on November 12, 1997: determining the procedures and conditions for abortion
- Decree on management of private medical, paramedical, and medical aid practice, on 16 October, 2000: defining procedures and conditions of functioning for management of private medical, pharmaceutical, medical aide practices
**National Health Priority**

- Provision of basic health services to all people;
- Encourage community participation;
- Decentralization of financial and administrative functions;
- Human resource development;
- Introduction of competition among the public and private sectors based on technology and professional ethics;
- Promotion of people's awareness of health care providers' qualifications and healthy lifestyle;
- Promotion of health legislation;
- Special attention to control and prevention of communicable diseases, woman and child health, and taking into account priorities such as elderly and disabled people, mental health, eye care and oral health; and
- Strengthen the health information system.

**Private Health Service**

- Private hospital and clinic was booming for the last few year, but only in the city
- Private providers cannot answer the demand
- All health service provider must have a license of MoH. Most of the owners private hospital are young graduated students from school and Chinese doctors
- There are a great concerns about the current practices of private providers
- Ministry has adopted one law which don’t allow to have pharmacy in the private hospital.
Employment in Private Clinics

Source: Survey of PATH (Program for Appropriate Technology in Health)

Private Providers

<table>
<thead>
<tr>
<th>Provider Category</th>
<th>Estimate Number in Cambodia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Pharmacy/Depot</td>
<td>896</td>
</tr>
<tr>
<td>Legal Clinic/Cabinet</td>
<td>500</td>
</tr>
<tr>
<td>Unofficial Pharmacy/Depot</td>
<td>2591</td>
</tr>
<tr>
<td>Unofficial Clinic/Cabinet</td>
<td>1700</td>
</tr>
<tr>
<td>Village Drug Sellers</td>
<td>13000</td>
</tr>
<tr>
<td></td>
<td>18687</td>
</tr>
</tbody>
</table>

Source: Ministry of Health
Procedures and Conditions for Foreign Providers

- Foreign medic, medical assistant, medical aide may be authorized to practice his or her profession in Cambodia:
  - Private dental or oral treatment office
  - Private movement treatment office
  - Private health care office
  - Private aesthetic office
  - Private laboratory office
  - Private maternity or polyclinic

Procedures and Conditions for Foreign Providers (Cont.)

- Foreigner who works in private provider, cannot stop the current job without the permission of MoH
- Foreigner owner of private provider must inform to the MoH if he is absence more than 10 days
- Foreigner have obligation in transfer skill and knowledge to local staff.
Procedures and Conditions for Foreign Providers (Cont.)

Allow foreign medic, medical assistant, medical aide to practice their profession, except for private consultation and treatment office:

- From the country who is WHO member
- Licensed from the MoH
- Foreigner who work in public hospital, NGO cannot practice in private sector
- The procedure and condition for a creation, change in form, termination of and technical characteristics of a private medical, paramedical and medical aide service should be determined by Prakas of MoH

Investment

- The investment in the international clinic or polyclinics must follow the law on investment and other relatives laws of Cambodia (No discrimination between local and foreigner investor except land, article 8 of Amendment of law on investment, February 3, 2003)

- Investor is allowed to hire foreign medic, medical assistant, medical aide
Commitment Under GATS

- Cambodia made commitment to liberalize only one sub sector: Ownership and management of private hospitals and clinics. This will be liberalized in AFAS
- Mode 1: None
- Mode 2: None
- Mode 3: None, except at least one director for technical matters must be Cambodian
- Mode 4: Unbound, except indicate in the horizontal commitment

Pros and Cons of Trade in Health Services

- Competition among private sector and public sector will drive down the price, increase the quality of health care
- Private sector could provide complementary services which is not available in public services
- Private sector will reduce the work overload of public sector
- The health care will be improved through technology and skill transfer
- But, liberalization and privatization can undermine the ability of public health in achieving the national health priority due to the brain drain issue, private sector uncontrolled
Concluding Remarks

- Private health sector was booming to answer the excess of health care demand. Nevertheless Private, public sector and NGOs have little impacts on improving the overall health indicators.
- Liberalization health service may help to reduce the cost of seeking treatment abroad and complement to the existing health care service, technology and skill transfer but there is little benefit for the poor.
- While the private sector is uncontrolled and unregulated, GATS may comes to improve the current practice.
- There is a urgent need to guide the private and public sector, NGOs to be focused on achieving national health priorities. This require strong regulations and its efficient enforcement to link the liberalization and the poor.

Thank you for your attention!