

Chapter 1

Introduction



According to the aspects of the health development plans under the 8th National Economic and Social Development Plan (1997-2001), the quality and efficiency of health services are likely to become better due to the competition in prices and quality of health services with a greater ability to pay of the people, whereas trend of health expenditure is increasing rapidly and the utilization of health resources and expensive medical equipment are wasteful and uneconomical in certain circumstances. In addition, the health insurance system without effective cost-containment is the cause of high medical care costs. These factors affect the hospitals, especially in the public sector in order to achieve the objectives of the health development plan which is to ensure that the people are entitled to health insurance and have access to integrated health services with efficiency, equity, and quality.

1.1 Problem and Its Significance

The aspects of problem and its significance are discussed in four areas as follows:

1.1.1 Public Private Mix in the Thai Health Care System

The relative roles of the public and private sectors in the Thai health care system have changed considerably overtime. The system has been actively promoting users' fees in all hospitals and the provision of private beds in district, provincial, regional, and national level hospitals. However, there has been arguments about appropriate ways to introduce a public and private mix in the Thai health system.

In addition, the changing of Public-Private Mix has progressed very rapidly in the health care systems without any control mechanisms, well-planned and appropriate management to achieve an efficient health service systems, quality of services, and an affordable prices.

1.1.2 Health Care Financing in Thailand

Health care systems in Thailand are financed by many sources, public and private. These funds are managed by public and private organizations and spent on health care services which are provided by both public and private. Public sources are derived through taxes and managed by government (MOPH and others Ministries) or quasi-governmental agencies such as Social Security Office: SSO.

1.1.3 Service Provision

Health care services in Thailand are delivered by three parties: the Ministry of Public health (MOPH), other ministries and public agencies and the private sector. The characteristics of health facilities are similar with respect to their objectives and responsibilities. MOPH hospitals are typically hierarchical and equally distributed across the country. The Ministry of University Affairs (MOUA) has established large teaching hospitals in Bangkok and a few regional cities, whereas hospitals under the Ministry of Interior (MOI) oversees local administrative authorities including municipal activities. Health facilities in the private sector play an important role only in Bangkok and industrialized areas.

The Health Statistic Division of MOPH carries out an annual health resources survey based on the framework provided by the Medical Registration Division. The latest survey has revealed that health insurance schemes cover only about 30% of the target groups in Bangkok Metropolis

due to the problems of data reliability. It is remarkable that most of the public facilities are located in rural areas while the private facilities are largely clustered in urban areas, particularly Bangkok.

Unfortunately, the rapid growth of private hospitals in Bangkok has affected the public facilities in rural areas due to the movement of the human resources from public hospitals in rural areas to private hospitals in Bangkok.

Table 1.1 shows that the changes in expenses on medical care at the period above are associated with the changes in households' monthly income in the same direction. The changing in utilization on medical care in both public and private sector are also significantly related with this figure.

Table 1.1 Changes in household monthly income, expenditure, and expenses on medical care

Unit: Baht

Expenditure	1981	1986	1988	1990	1992
Monthly income	3,378	3,631	4,106	5,621	6,924
Monthly expense	3,374	3,783	4,161	5,521	7,038
Medical care	113	132	143	185	250
Type of Medical Care					
Drugs(%)	36(31.8)	35(26.5)	31(21.7)	35(18.9)	40(16)
Medical services	77	97	112	150	210
- private facilities (%)	-	39(40.2)	51(45.5)	73(48.7)	-
- public facilities (%)	-	48(49.5)	52(46.4)	62(41.3)	-
- others (%)	-	10(10.3)	9(8.0)	15(10)	-

Note: Household income, expenditure, and expense on medical care in current price.

Sources: National Statistical Office, Household Socioeconomic Survey (1981, 1986, 1988, 1990 and preliminary report of 1992).

1.1.4 Evening Clinics in Public Hospitals

An evening clinic or the after-hours Outpatient Department in public hospitals is one type of the private practices in public facilities. It is an innovative financial intervention of the public sector initiated by MOPH, then widely adopted other public hospitals of other ministries.

This intervention has been influenced by the following changing socioeconomic factors: 1) time limitation of conventional outpatient services provided by the public sector that allows service destiny only in official hours; 2) the proportion of population in the industrialized sector has been increasing according to the socioeconomic changes in Thailand and affects health seeking behavior of those people; routines in the inconvenience of patients to seek health service during official hours; 3) the rapidly increasing competition between the private and public sectors, especially in the urban areas due to the expansion of the Social Security Scheme which has introduced more private sector movement in the health care systems; and 4) the problem of 'brain drain' that human resources are transferred from the public to private sectors according to the rapid growth of private hospitals in Bangkok, urban areas around Bangkok and other urban areas.

The evening clinic has been set up since 1993 by MOPH in order to convert these disadvantages by improving performance of health services provided by public hospitals in response to patients' demand. It was early started in some provincial/regional hospitals in 1993 as a pilot project then expanded to over 90% of provincial/regional hospitals.

The general objective of evening clinics in provincial/regional hospitals is to increase accessibility of the population without time limitation. Besides, the specific objectives are: 1) to encourage provincial/regional hospitals which can allocate resources in terms of manpower, equipment to

operate during after-hours service of general practitioners (GP) in the evening (5-8 p.m) on official work days and in the morning (8-12 a.m) on holidays; 2) to increase accessibility to health services of the people without time limitation; 3) to improve the after-hours clinics for the Social Security Scheme and expand it to the general public; 4) to maintain the proportion of Social Security insured persons who select public hospitals of MOPH as their main contractor; 5) to promote and ensure medical benefits for government officials under the Civil Servant's Medical Benefits Scheme (CSMBS); and 6) to increase efficiency in the utilization of health resources in public hospitals.

The implementation guidelines provided by the Division of Provincial Hospitals state that public hospitals should be managed as follows: 1) the hospital administrative committee has to make a decision with the following principles whether to operate an evening clinic or not by considering criteria about its average number of cases in day-time clinic about 200 cases per day, staff's incentive to work for the evening clinic, especially, physicians, nurses and clerks' and personnel in other special clinics such as dental, internal medicine, pediatrics, etc.; 2) job assignment should be clearly identified and separated between clinic and routine emergency care units; 3) remuneration for personnel should follow the regulation and rules of the Ministry of Finance as shown in Table 1.2; 4) the expected outcomes of services provided should be achieved the high quality care, clients' satisfaction in terms of waiting time, attractive reception, receipt of sufficient information, personnel impression, and convenient infrastructure, the same as provided by the private sector; and 5) pricing policies can be adjusted by each hospital allowing prices of service to be higher than the day-time clinic services, including a user charge of 50 Baht per visit with an exemption for

clients who are covered by the Social Security Scheme and the Health Card Scheme. These guidelines also recommend that the revenue generated from the evening clinics should cover the operating costs.

Table 1.2 Remuneration rates for personnel in public facilities (MOPH)

Unit: Baht

Types of personnel	Rate per session ¹	Remark
1) Physicians/dentist	400	- Only a physician and a dentist has an additional remuneration of 30 Baht per case if his / her workload is more than 20 cases per session.
2) Pharmacist	330	
3) Scientist/technician	320	
4) Nurse practitioner/registered nurse	300	
5) Technical nurse/technical personnel	220	
6) Practical nurse/health official/technical official/pharmacy assistant/dental assistant	180	

Note: ¹ 1 session = 4 hours

Source: Division of Provincial Hospitals, MOPH

Khon Kaen Hospital has been also implementing an evening clinic since 1994, and provided outpatient services for several socioeconomic groups including the Health Welfare Scheme (for the elderly, children aged 0-12, low income people, the disabled, etc.). The characteristics of the clients of the evening clinics at Khon Kaen Hospital in terms of health insurance coverage in 1997 provided by the Policy and Planning Office in Khon Kaen Hospital are as follows: 1) the number of outpatient visit at the clinics had increased from 1996 to 1997 by nearly 45%, but the proportion of the clients with an ability to pay decreased by 5%; 2) the total remuneration for physicians, nurses, others working at the clinics in 1997 was 313,200 Baht, an increase of 10% from last year; 3) the revenue gained from patients' out-of-pocket payment was 2,074,518 Baht, but none reported from other sources of finance, i.e., Health Card Scheme, Social Security Scheme and Health Welfare Scheme; and 4) the estimated total cost of drugs about 1,014,654 Baht per month (data collected for 3 months) while the actual revenue from out of pocket payment was only 20-24%.

In addition, the report also shows the utilization of the evening clinic in Table 1.3. by the clients who are covered by the Health Welfare Scheme (the elderly, children aged 0-12, low income people, etc.) and Health Card Scheme. The trends for such groups trend are sharply increasing, compared with those covered by the CSMBS and the uninsured groups.

Table 1.3 Utilization of the Evening Clinic by type of health insurance coverage at Khon Kaen Hospital

Health insurance coverage	1996	1997	% increased
1. Uninsured and CSMBS	3,360 visit	7,637 visit	36.8
2. Social Security Scheme	515 visit	1,469 visit	8.2
3. Health Card (MOPH)	791 visit	3,142 visit	20.2
4. Health Welfare Scheme	2,438 visit	6,489 visit	34.8
Total	7,104	18,737	100

Source: Policy and Planning Office of Khon Kaen Hospital (1998).

The hospital administrative committee was concerned that whether the revenue gained from this intervention could cover its costs incurred or not and requested that activities be assessed with respect to their financial sustainability of the evening clinic in order to improve strategies and financial management of the intervention.

1.2 Research Questions

The primary questions of the study are: 1) whether the financial situation of the evening clinic at Khon Kaen Hospital will be sustainable; 2) who are the clients of the evening clinic in terms of age, sex, occupation, residence, disease profile, and health insurance coverage and how much do these characteristics affect their utilization; 3) whether the clients are satisfied with services provided by the evening clinic compared to those at day-time clinics.

1.3 Research Objectives

This study tries to explore the following:

1. To assess financial sustainability of the evening clinic at Khon Kaen Hospital.
2. To examine the utilization of the clients that affects the financial situation of the evening clinic at Khon Kaen Hospital.
3. To compare the clients' satisfaction at the evening clinic and that at day-time clinics of Khon Kaen Hospital.
4. To assess equity of service provision of the clients whom covered by different health insurance coverage related to diagnostics of evening clinic in Khon Kaen hospital.

1.4 Scope of the Study

The study analyzed the financial data of Khon Kaen Hospital for a definite period of fiscal year 1997. All financial data of the evening clinic in Khon Kaen Hospital were collected to calculate the costs incurred and revenues gained in order to examine its financial sustainability. Some of these data were selected and examined to find out its financial situation affected by the utilization of clients. The financial situation of the evening clinic and its sustainability will be illustrated in various scenarios by trend of the clients utilization and the changes in their costs and revenues.

The study of costs analysis is defined as a study of total direct cost that is related to the evening clinic, not the full cost of the evening clinic due to insufficiency of data and time constraint.

Some of the results may be affected by any confounding factor that is related to the utilization of the evening clinic. Such factors include the effects of the highest sales of the Health Card Scheme in Thailand in the year 1996, the changes in the socioeconomic conditions, transport and communication, information, and education, etc. Some of the characteristics of the clients relative to occupation, insurance coverage, age, sex, residence, and disease profile were retrieved from the individual records of the evening clinic for analysis as mentioned above. Besides, the study has also interviewed some of the clients who attended with the evening clinic and day-time clinics during a definite period to compare their satisfaction of services received.

1.5 Expected Benefits

The study is expected to provide feedback information to determine the implementation strategies of the evening clinic in Khon Kaen Hospital in order to improve its financial management. This may also lead to a modification or readjustment so as to improve services management of the evening clinic.

The results of this study may be further applied as a method for monitoring and evaluation of the evening clinics in the others hospitals of the MOPH.

Finally, although the study did not cover all aspects of the economic evaluation, the simulation of financial sustainability under various situations of the evening clinic may provide more complete documents to purpose the policy recommendation guidelines for introducing other interventions in public hospitals.