Countries flagship programs from The Region: Selected programs from Thailand: UCS, 500 Baht Elderly Allowance

Experts meeting in Indonesia on social security and social protection floor – Learning from regional experiences

12 December 2011

Dr. Thaworn Sakunphanit
Dr. Worawet Suwanrada
# Social Protection in Thailand

<table>
<thead>
<tr>
<th>Income Security</th>
<th>Civil Servants</th>
<th>State-enterprise, Gov employee</th>
<th>Private employee</th>
<th>Self-employed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Child allowance</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>Education</td>
<td>Green</td>
<td>Green</td>
<td>Green</td>
<td>Red</td>
</tr>
<tr>
<td>Health Care</td>
<td>Green</td>
<td>Green</td>
<td>Green</td>
<td>Red</td>
</tr>
<tr>
<td>Sickness</td>
<td>Green</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>Disability</td>
<td>Green</td>
<td>Green</td>
<td>Green</td>
<td>Red</td>
</tr>
<tr>
<td>Employment policy/ Unemployment</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
</tr>
<tr>
<td>Pension</td>
<td>Green</td>
<td>Yellow</td>
<td>Yellow</td>
<td>Red</td>
</tr>
</tbody>
</table>

- **Green**: Fair
- **Yellow**: Should improve
- **Red**: Bad

สำนักงานวิจัยเพื่อการพัฒนาหลักประกันสุขภาพไทย
Universal Coverage Scheme
Thailand (Egalitarianism)

Social health protection schemes have covered all Thai citizens since FY 2002

<table>
<thead>
<tr>
<th>Major Schemes</th>
<th>Civil Servant Medical Benefit Scheme (CSMBS)</th>
<th>Social Security Scheme (SSS)</th>
<th>Universal Coverage (UCS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Introduced in</td>
<td>1960s Royal decree</td>
<td>1990s Act</td>
<td>2002 Act</td>
</tr>
<tr>
<td>Target beneficiaries</td>
<td>Govt employees &amp; dependents, retirees</td>
<td>Private sector employees:</td>
<td>To whom which not covered by CSMBS nor SHI,</td>
</tr>
<tr>
<td>Pop Coverage</td>
<td>7%</td>
<td>13%</td>
<td>80%</td>
</tr>
<tr>
<td>Funding</td>
<td>Tax</td>
<td>Social Health Insurance</td>
<td>Tax</td>
</tr>
<tr>
<td>Payment to health facilities</td>
<td>Fee-for-service for OP, and DRG for IP</td>
<td>Capitation (use DRG in risk adjusted part)</td>
<td>Capitation + DRG</td>
</tr>
</tbody>
</table>
Step by Step Approach

<table>
<thead>
<tr>
<th>National Economic and Social Development Plan</th>
<th>Year</th>
<th>Public Health Facilities</th>
<th>Research &amp; Policy Development</th>
<th>Private formal sector employee</th>
<th>Government employee</th>
<th>Population covered by Universal Coverage Scheme (UCS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1974</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES1-ES2 1961-1971</td>
<td>54.90%</td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>ES3</td>
<td>1974</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES4</td>
<td>1978</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES5</td>
<td>1981</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES6</td>
<td>1990</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES7</td>
<td>1993</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES8</td>
<td>1999</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES9</td>
<td>Oct. 2000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES9</td>
<td>Apr. 2001</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ES9</td>
<td>Apr. 2002</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Hospitals 70% (SE3), 85% (SE5)
- Health Research & UC idea
- UC workshop
- UC Policy
- Decade of health centres 1992-2001
- Workmen Compensation Fund
- Social Security Scheme
- Civil Servant Medical Benefit Scheme
- Low Income Scheme
- Fee Exemption System
- Health Card Scheme
- Poor
- Near poor/Uninsured
Triangle that moves mountain

Accumulation of Knowledge

Health Reform

Social Movement

Political Linkage

Source: Dr. Prewase Wasi
Services cover under National Health Security Act

- Promotive and preventive cares;
- Diagnosis;
- Ante-natal care;
- Curative care;
- Medicine, medical supplies, organ substitutes, and medical equipments;
- Delivery;
- Boarding expense within health care unit;
- Newborn and child care;
- Ambulance or transportation for patient;
- Transportation for disability person;
- Physical and mental rehabilitation;
- Other expenses necessary as prescribed by the Board.
Impacts of Universal Coverage

Decrease Poverty from Health Care Spending

2000
280,000 Households

2008
88,000 Households

Source: Limwattananon (2010): analysis of Socioeconomic Survey (various years)

Distribution of Patients by Treatment Outcome


Improve Health Outcome

No diag No treatment Uncontrol Control


สำนักงานวิจัยเพื่อการพัฒนาหลักประกันสุขภาพไทย
Survival Analysis

Acute MI

Stoke

CA Breast

CA cervix

Source: HISRO (2010; Analysis of Inpatient Database of CSMBS, and UCS).

สานักงานวิจัยเพื่อการพัฒนาหลักประกันสุขภาพไทย
EQUITY:
Income Spending on Health by Income Groups

Source: Socio-Economic Survey 1992 - 2006 conducted by NSO.
Financial Sustainability Analysis: Preliminary result from Actuarial Model

Current health expenditure by agency, 1994 - 2020, NHA, % of GDP

Source: Health Care Reform Project (2008)
Challenges

• Practical “Primary Care” and referral system (Quality and efficiency improvement)
• Workload and “Brain drain” from public health facilities to private ones
• Elderly society
• Current policy debate on harmonization
  – Are member of Social Security Scheme have to pay contribution? -> Equity issue
  – Single or Multiple purchaser systems?
  – Choice
500 Baht Social Pension in Thailand

Worawet Suwanrada
Faculty of Economics and College of Population Studies,
Chulalongkorn University
**Historical Background: Step by Step Approach**

<table>
<thead>
<tr>
<th>Year</th>
<th>Eligibility of Beneficiaries</th>
<th>Targeting Mechanism</th>
<th>Pension Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>A. Living in the villages, where the Village Social Assistance Center was located</td>
<td>Village Social Assistance Committee (VSAC) nominates the name of beneficiaries according to assigned quota.</td>
<td>200 B</td>
</tr>
<tr>
<td></td>
<td>B. (i) abandoned (ii) without caregivers (iii) poor or (iv) cannot work</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1993 National</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>C. Elderly, with more characteristics above and cannot access to public services or live in remote area, are prioritized.</td>
<td>Local Committee: Members are more diversified. Regional and local officials, civil society, elderly, etc.</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>B</td>
<td>VSAC and/or Local Authorities selected beneficiaries and made an ordered list</td>
<td>300 B</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>B, C. elderly, with more characteristics above and cannot access to public services or live in remote area, are prioritized.</td>
<td>Community Council (Prachakom)</td>
<td>300 B</td>
</tr>
<tr>
<td>2005</td>
<td>B, C.</td>
<td></td>
<td>300 B</td>
</tr>
<tr>
<td>2006</td>
<td>C</td>
<td></td>
<td>500 B</td>
</tr>
<tr>
<td>2009</td>
<td><strong>Changed to Universal Coverage</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Historical Background: *Step by Step Approach*

The Number of Old-Age Allowance Recipients after 1995

Source: Figure 2-1 in Suwanrada and Kamwachirapithak (2007) and Ministry of Social Development and Human Security
## Current Situation: before and after

<table>
<thead>
<tr>
<th></th>
<th>Before (FY 2008)</th>
<th>After (FY 2010)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of Beneficiaries</td>
<td>1,761,054</td>
<td>5,698,414</td>
</tr>
<tr>
<td>Coverage (% of Beneficiaries on Total Elderly Population)</td>
<td>25.51%</td>
<td>75.18%</td>
</tr>
<tr>
<td>Government Budget</td>
<td>10,566 MB</td>
<td>34,190 MB</td>
</tr>
<tr>
<td>Share of Budget (% on Government Total Budget)</td>
<td>0.64%</td>
<td>1.65%</td>
</tr>
</tbody>
</table>
Before 2009: Means-Tested System

Conditions for the beneficiaries to fulfill and Model of Means Testing

- Order of Ministry of Interior on the Payment of Old-Age Allowance for the Elderly by Local Authorities
  1. Thai nationality, 60 years old up
  2. Registering residency in relevant local authorities

**POINT**

3. (i) abandoned (ii) without caregivers (iii) poor or (iv) cannot work

4. elderly, with many characteristics above and cannot access to public services or live in remote area, are prioritized.

- Model of Means Testing – Community (Council)
Before 2009: Means-Tested System

Problems of Targeting Process (Source: S and K (2008))

- Unclear Conditions of beneficiaries x Non-well determined Definition of Community x Level of Strictness
  - Targeting Inefficiency, Fraud, Abuse, Favouritism, Conflicts within between Villages or Local Authorities
  - Horizontal Inequality

- Definitions of community (council) were different among local authorities
  - All members in the village
  - All of the elderly in the village
  - All Representative from the household in the village
  - Assigned Committee

- The level of strictness of targeting process was different among local authorities
  - Deliver benefits to all elderly
  - Ranking by age
  - Two-tier committee and cross-check system
Before 2009: Means-Tested System

Problems of Targeting Process

• According to the Monitoring and Evaluation Project of the National Elderly Plan conducted by the College of Population Studies, Chulalongkorn University.

• More than 50 per cent of underprivileged elderly did not receive the old-age allowance.
Policy Change in 2009: Universal System

- **Legal Basis** - the Order of Ministry of Interior on the Payment of Old-Age Allowance by Local Authorities B.E. 2552 (2009)
- **Qualifications of Beneficiaries**
  - (1) Thai nationality
  - (2) Registering residency in relevant local authorities
  - (3) Being 60 years or older and registering and applying for old-age allowance to the local authorities
  - (4) Must not be receiving a pension or equivalent benefits from national governmental organizations, public enterprises or local authorities
- **Amount of Pension** - 500 baht per month or **any other amount approved by the cabinet**
- **Termination of Payment**
  - (1) the beneficiaries die, or,
  - (2) the beneficiaries receive a pension or equivalent benefits from national governmental organizations, public enterprises or local authorities, or,
  - (3) the beneficiaries waive the claim to the allowance.
Challenges

- Level of Pension
- Strengthening the administrative capacity, especially personnel issue of local authorities and IT issue for the prevention of fraud or corruption
- Old Age Allowance + Extra Activity
- Directions of the scheme expansion (increasing pensions across the board or adjusting pension for only the needy basing on top of basic level, in-cash or services, for example care services)
- Financing issue for sustainable benefits delivery
Tarima Kasih

Thank You

Source: BangkokPost  13 Nov 2011