

ELDERLY HEALTH WELFARE IN THAILAND



Mrs. RATANAPORN WISESSANG

A Thesis Submitted in Partial Fulfillment of the Requirements
for the Degree of Master of Science in Health Economics

Department of Economics

Graduate School

Chulalongkorn University

Academic Year 1999

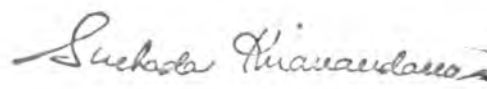
ISBN: 974 – 333 – 015 - 1

Copyright of Chulalongkorn University

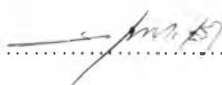
✓ I 189 164.09

Thesis Title : ELDERLY HEALTH WELFARE IN THAILAND
By : Ratanaporn Wisessang
Program : Health Economics
Thesis Advisor : Assoc. Prof. Pongsa Pornchaiwiseskul, Ph.D.
Thesis Co-advisor : Prof. Pirom Kamol-Ratanakul, M.D.


Accepted by the Graduate School, Chulalongkorn University in Partial
Fulfillment of the Requirements for the Master's Degree


..... Dean of Graduate School
(Assoc. Prof. Suchada Kiranandana, Ph.D.)

Thesis Committee:


..... Chairman
(Asst. Prof. Narong Phetprasert, Ph.D.)


..... Thesis Advisor
(Assoc. Prof. Pongsa Pornchaiwiseskul, Ph.D.)


..... Thesis Co-advisor
(Prof. Pirom Kamol-Ratanakul, M.D.)


..... Member
(Assoc. Prof. Waranya Patarasuk)

4185856129 : MAJOR HEALTH ECONOMICS

KEY WORD:

ELDERLY / ELDERLY HEALTH / ELDERLY WELFARE / HEALTH WELFARE / EQUITY / THAILAND

RATANAPORN WISESSANG : ELDERLY HEALTH WELFARE IN THAILAND. THESIS ADVISOR: ASSOC.

PROF.PONGSA PORNCHAIWESKUL, Ph.D. 99 pp. ISBN 974-333-015-1

The objectives of this study are to analyze health expenditure and the utilization by the Thai elderly of health services provided under the Public Assistance Scheme and to develop an optimal elderly health welfare policy. The study analyzed data on elderly health expenditure and utilization in terms of equity by using Lorenz curve, the Gini coefficient and correlation coefficient based on data for 1997-1998 fiscal years from the Office of Health Insurance, MOPH. In addition, the experience of health welfare for the elderly in Singapore, Japan, and the United States were compared to Thailand's own situation to help determine possible policy options for health welfare for the Thai elderly.

The results of the study show that the distribution of elderly health expenditure and utilization under the Public Assistance Scheme is slightly associated with the incidence of poverty across provinces. The correlation between the incidence of poverty and elderly health expenditure in 1997 is positive but the true coefficient is not significantly different from zero. The correlation become negative in 1998 but again the true coefficient is not significantly different from zero. The Gini coefficients of expenditure and utilization show that there is more inequality in the distribution of health expenditure than in utilization. The Lorenz curve is not far from the line of perfect equality for both expenditure and utilization. In summary, this study has found that distribution of elderly health expenditure and utilization is not based on incidence of poverty. This implies that the provinces with greater health needs do not receive a greater share of the expenditure from this Public Assistance Scheme.

The review of health welfare policy indicates that the older population has been increasing rapidly in all countries. Aging does not affect a country's overall health care expenditures but the elderly do claim a growing share of overall resources. The United States and Japan are searching for cost-saving measures while Singapore has achieved a balanced through savings orientation. The recommendations for policy options are: 1) modernize and reform health welfare for the elderly under the Public Assistance Scheme, the budget allocation should be associated with poverty that varies across provinces, 2) establish a Health and Medical Service Law for the elderly and unify all of the elderly from various schemes into this program, introduce Medical savings accounts with the aim of promoting individual responsibility for maintaining good health and help people build up financial resources to create the means to pay for medical care during illnesses including explicit link to any pro poor elements.

ภาควิชา.....Economics.....

สาขาวิชา.....Health Economics.....

ปีการศึกษา.....1998.....

ลายมือชื่อนิติ.....Ratanaporn Wisessang.....

ลายมือชื่ออาจารย์ที่ปรึกษา.....Pongsa Pornchaiweskul.....

ลายมือชื่ออาจารย์ที่ปรึกษาร่วม.....P. Kim G. S......

ACKNOWLEDGMENTS

I would like to express the major debt of thanks to my thesis advisor, Assoc. Prof. Dr. Pongsa Pronchaiwiseskul, and my thesis co-advisor, Prof. Pirom Kamol-Ratanakul, who gave me very specific guidance, warm advice and tireless encouragement.

I would like to express my gratitude to Asst. Prof. Dr. Narong Phetprasert, Chairman, and Assoc. Prof. Waranya Patarasuk, member of the Thesis Committee, for their invaluable suggestions and comments.

I am very grateful to Dr. Amnouy Gageena for providing me with real examples of challenges in the management of a health system. I am also very grateful to Dr. Supasit Pannasrunothai and Assoc. Prof. Sutthichai Jitapunkul who kindly responded to my questions and gave me invaluable advice.

My study would not have been possible without a grant and special support from the Ministry of Public Health. I am indebted to Dr. Sanguan Nitayaramphong, Dr. Samrit Srithamrongsawas, Dr. Pongpisut Jongudomsuk, Khun Patchanee Thumvanna and to all my colleges at the Office of Health Insurance.

This study could not have been completed without the help of the staff of the Master of Science in Health Economics programme. My sincere thanks go to Ms. Kingthong Gonganoi and Ms. Ngamsiri Tongwanapitakkul.

My final thanks are reserved for my family who always gave me love, encouragement and understanding.

Ratanaporn Wisessang

September, 1999

TABLE OF CONTENTS

	Page
Abstract.....	iii
Acknowledgements.....	iv
Table of Contents.....	v
List of Tables.....	vii
List of Figures.....	viii
Abbreviations.....	ix
 Chapter	
1. INTRODUCTION.....	1
1.1 Problem and Its Significance.....	1
1.2 Research Questions.....	8
1.3 Research Objectives.....	8
1.4 Scope of the Study.....	9
1.5 Expected Benefits.....	9
 2. LITERATURE REVIEW.....	 10
2.1 Old Age and Health Welfare.....	10
2.2 Health Care Financing	12
2.3 Concept of Equity	13
2.4 A Review of Health Welfare Programs for the Elderly in Thailand and Other Countries.....	 16
2.4.1 The Thailand Experience.....	16
2.4.2 The Singapore Experience.....	23
2.4.3 The Japan Experience	32
2.4.4 The United States Experience.....	39

	Page
3 RESEARCH METHODOLOGY.....	48
3.1 Operational Definitions.....	48
3.2 Conceptual Framework.....	49
3.3 Methods Used	52
3.3.1 Equity in Health Expenditure and Utilization by the Elderly under the Public Assistance Scheme	52
3.3.2 Correlation between the Incidence of Poverty and Elderly Health Expenditure and Utilization under the Public Assistance Scheme	56
3.3.3 International Comparison of Strengths and Weaknesses of Health Welfare Programs for the Elderly	57
4. ANALYSIS AND RESULTS.....	58
4.1 Equity in Health Expenditure on the Elderly under the Public Assistance Scheme.....	58
4.2 Equity in Utilization by the Elderly under the Public Assistance Scheme	62
4.3 Correlation between the Incidence of Poverty and Elderly Health Expenditure and Utilization under the Public Assistance Scheme...	70
4.4 International Comparison of Health Welfare Programs for the Elderly	71
5. CONCLUSION AND RECOMMENDATIONS	82
5.1 Conclusion	82
5.2 Recommendations	88
5.3 Recommendations for Further Research	90
REFERENCES.....	91
BIOGRAPHY.....	99

LIST OF TABLES

Table	page
1.1 Life Expectancy at Birth of Thai People, 1964 - 2020	2
1.2 Provision and Charge for Free Care of All Public Facilities in Thailand, 1995 –1997.....	7
4.1 Elderly Health Expenditure under the Public Assistance Scheme, MOPH., Thailand, 1997- 1998	59
4.2 Gini Coefficient of Inpatient and Outpatient Elderly Health Expenditure 1997 – 1998, Ranked by the Lowest to the Highest Elderly Health Expenditure per Capita.....	64
4.3 Elderly Utilization under the Public Assistance Scheme, MOPH, Thailand, 1997-1998.....	65
4.4 Gini Coefficient of Inpatient and Outpatient Elderly Utilization, 1997 – 1998 , Ranked by the Lowest to the Highest Elderly Utilization per Capita.....	69
4.5 Correlation Coefficient between the Incidence of Poverty in each Province and Elderly Health Expenditure (OPD and IPD) under the Public Assistance Scheme, MOPH., Thailand, 1997 – 1998	72
4.6 Correlation Coefficient between the Incidence of Poverty in each Province and Elderly Utilization (OPD and IPD) under the Public Assistance Scheme. MOPH., Thailand, 1997 – 1998.....	72
4.7 Comparison of Demographic Indicators among Countries, 1998 and 2010	73
4.8 Summary of the Strengths and Weaknesses of Health Welfare Programs for the Elderly.....	74

LIST OF FIGURES

Figure	Page
1.1 Percentage of Population, 1960 – 2020.....	4
3.1 Conceptual Framework.....	51
3.2 The Lorenz Curve	53
4.1 Lorenz Curves of Inequality of Elderly Health Expenditure (OPD and IPD) under the Public Assistance Scheme, MOPH., 1997 – 1998, Ranked by the Lowest to the Highest Elderly Health Expenditure Per Capita	63
4.2 Lorenz Curves of Inequality of Elderly Utilization (OPD and IPD) under the Public Assistance Scheme, MOPH., 1997 – 1998, Ranked by the Lowest to the Highest Elderly Utilization Per Capita	68

ABBREVIATIONS

3Ms	=	Medisave, Medishild and Medifun
BBA	=	Balanced Budget Act
CPF	=	Central Provident Fund
CSMBS	=	Civil Servant Medical Benefits Scheme
DRGs	=	Diagnosis Related Groups
FPL	=	Federal Poverty Level
GDP	=	Gross Domestic Product
GNP	=	Gross National Product
HCFA	=	Health care Financing Administration
HI	=	Hospital Insurance
IPD	=	Inpatient Department
MDS	=	Minimal Data Set
MOF	=	Ministry of Finance
MOPH	=	Ministry of Public Health
MSAs	=	Medical Savings Accounts
NESDB	=	National Economic and Social Development Board
NHI	=	National Health Insurance
OPD	=	Outpatient Department
PHC	=	Primary Health Care
QMBs	=	Qualifies Medicare Beneficiaries
RAPS	=	Resident Assessment Protocols
SES	=	Socioeconomic Status
SLMBs	=	Specified Low-Income Medicare Beneficiaries
SMI	=	Supplementary Medical Insurance
U.S.	=	the United States
UN	=	United Nations
WHO	=	World Health Organization