

CHAPTER 1 INTRODUCTION



1.1 Problem and Its Significance-

Thailand is a constitutional monarchy, located in continental Southeast Asia with a total population of 60,816,227 in 1997 (National Statistical Office, 1998). About 95 percent of the citizens are Thais and the remainder are primarily Chinese and Indians, with a number of ethnic minorities. Most of the Thai people (95.2 percent) are Buddhists, 4.1 percent are Muslims, and the rest are Christians or of other religions (Ministry of Public Health, Bureau of Health Policy and Plan, 1997).

In the past few decades, the attention of national societies and the world community has been drawn to the social, economic, political and scientific questions raised by the phenomenon of aging on a massive scale. The number of older people in Asia and the Pacific is expected to rise dramatically and Thailand is among the countries with a relatively faster growth in terms of an aging population.

According to the National Statistical Office and the Human Resources Planning Division, Thailand, the elderly population increased from 1.21 million in 1960 to 4.02 million in 1990 and will reach 10.78 million in 2020. The most important factor in demographic change in Thailand is a decrease in the total fertility rate. This change is mainly due to the success of family planning programs in the country. The other important factor is fall in the death rate due to the improvements in nutrition and basic health care, and the control of many infectious diseases. This combination of factors has resulted in an increasing number and proportion of persons surviving into the advanced stages of life. From 1964 to 1996, the life expectancy of Thai people at birth increased from 55.9 to 69.97 years in males and from 62.0 to 74.99 years in females as shown in Table 1.1 (Jitapunkul and Bunnag, 1998; Ministry of Public Health, Bureau of Health Policy and Plan, 1997).

Table 1.1 Life Expectancy (Years) at Birth of Thai People, 1964 -2020

Year	Male	Female
1964 - 1965	55.9	62.0
1974 - 1976	58.0	63.8
1985 - 1986	63.8	68.9
1991	67.7	72.4
1995 - 1996	69.9	74.9
2000	67.4	71.7
2010	68.9	73.0
2020	70.1	74.1

Sources: 1) National Statistical Office, Office of the Prime Minister
2) Human Resources Planning Division,
National Economic and Social Development Board
(NESDB)

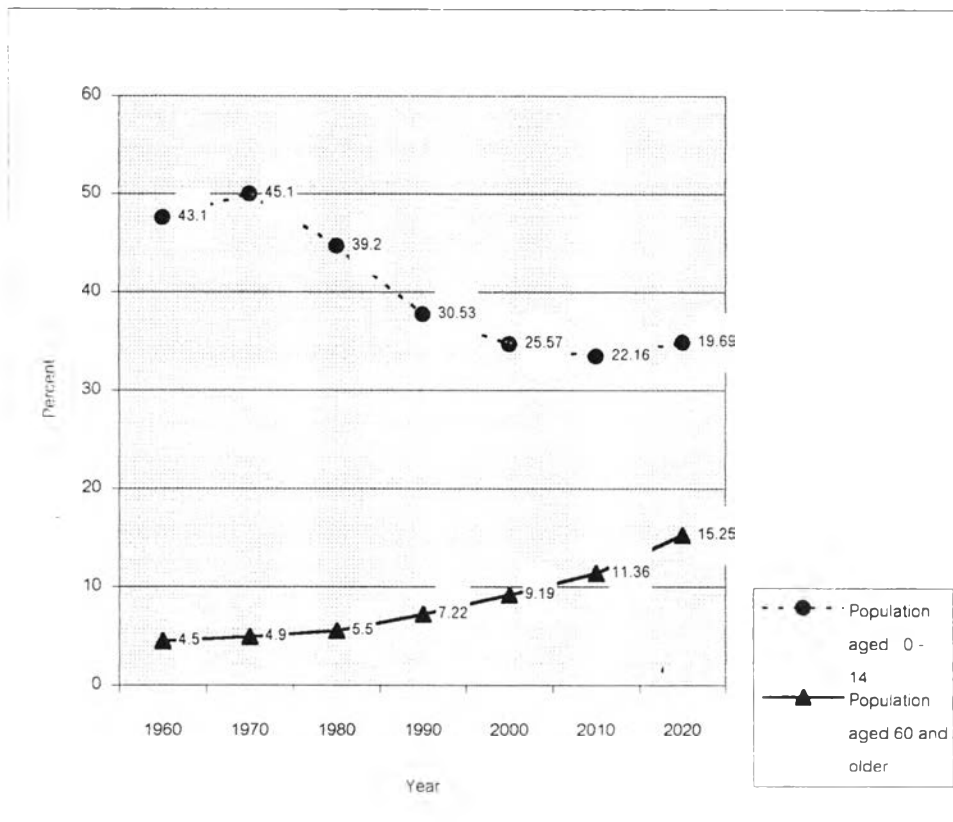
With the continuation of a decline in fertility and an increase in life expectancy, the population aged 0-14 tends to drop while the proportion of elderly tends to rise (Figure 1.1). The decline in fertility means that there will be fewer children for aged parents to live with and fewer children to assume the social, economic and emotional responsibility of caring for the old.

In less than thirty years, Thailand has been transformed from a subsistence agrarian society into a rapidly industrializing free-market country. Farming is no longer the most attractive way of earning a living. With more job opportunities in the big city, many of the young move to Bangkok to find work as unskilled laborers. As migration has increased, many adult children no longer stay with or near to the older people, which often results in an erosion of traditional family support patterns.

In general, older people become ill more frequently than younger people. Incidence and prevalence rates of illness increase dramatically in the elderly population and this brings many challenges; this is even more true when the number of elderly people is increasing rapidly. The prolongation of life expectancy lead to increase the need and the demand for health care. Elderly people face more risks, chronic conditions, multiple problems, and at the same time have more limited resources. The rapid aging of the Thai population will place increasing strain on the health care system and its financing.

"An individual's health care costs rise with age because physical and mental health deteriorates as people grow older. The kind of medical care required for old people often involves more expensive technology, hospitalization, and long term nursing care than does medical care for younger people. Countries have to spend more on health care as their population aging. So, future demand for health services and old age pensions should be expected and planned for as a predictable consequence of the demographic transition." (World Bank, 1994).

Figure 1.1 Percentage of Population , 1960 - 2020



- Sources :**
- 1) For 1960, 1970, 1980 and 1990, from Census Statistics, National Statistical Office
 - 2) For 1995, 2010 and 2020, from the Population Estimates of the Human Resources Planning Division, NESDB

The United Nations has consistently promoted the fullest possible participation of older persons in their societies and the recognition of their needs and concerns. The General Assembly endorsed "The International Plan of Action on Aging", held at Vienna in 1982. Subsequently, the General Assembly adopted the "United Nations Principles for Older Persons" in 1991 and designated the year 1999 as the "International Year of Older Persons". The proclamation urges the international community to facilitate collaboration across sectors and nations, and to reach out to the development community, the media, the private sector and younger generations in an effort to create a society for all ages. "The International Plan of Action on Aging", para 13, has indicated that:

"Countries should recognize and take into account their demographic trends and changes in the structure of their population in order to optimize their development". As a consequence, employment, social security, social welfare, education and health care, as well as investment, consumption and savings patterns, need adjustment. (United Nations, Division for Social Policy and Development, 1998a).

The vast majority of older persons continue to be a vital resource for their families and lead healthy and productive lives but the risk of dependency grows with increasing age. In the absence of adequate home and family care for older persons, community and public social welfare services become important. Most developed countries have reported the availability of social welfare services for older persons.

At the same time, faced with an increase in spending for public pensions and health care due to population aging, many industrialized countries are searching for cost saving measures and have already made or contemplated cut-backs in their public welfare systems. One of the prevailing trends is to shift responsibility from public support policies back to the families. Moreover, how to provide for the health care of an aging population is a major concern in many countries.

In Thailand, an explicit policy of providing free medical care for the elderly was announced in the Ministry of Public Health regulations in 1992. Since then, older persons have been entitled to receive free-of-charge services at health centers and government hospitals. Free medical care program for the elderly is stated by public assistance. The budget was allocated in the Public Assistance Scheme in order to guarantee that the elderly can have access to medical care without financial barriers (Sangsingkeo et al., 1988; Donaldson, Pannarunothai and Tangcharoensathien, 1998).

Health expenditure for the elderly group in this Public Assistance Scheme was higher than other groups in this scheme. The trend of expenditure has been rising as shown in Table 1.2. Furthermore, the economic crisis in Thailand, which began in 1997, has affected both the level and allocation of health expenditure. As a consequence, the aging problems will become more pressing in health care financing in the future. State resources are too limited to permit broad financial support programs. Appropriate policies urgently need to provide the resources to enable aging members of society, their families and local communities to be the best possible levels of well-being.

**Table 1.2 Provision and Charge for Free Care of All Public Facilities
in Thailand, 1995-1997**

Year	Out-patient		In-patient			Total charges (Baht)
	Visits	Charges (Baht)	Cases	Days	Charges	
<i>Fiscal year 1995</i>						
Low Income Card	9,739,660	690,250,674	506,632	2,216,169	1,260,097,793	1,950,348,467
Children 0-12 years	16,758,997	742,619,880	614,467	2,567,239	679,199,758	1,421,819,638
Elderly	10,584,077	941,703,336	530,963	2,964,378	1,232,583,265	2,174,286,601
Disabled	323,501	24,526,656	14,732	115,419	31,020,182	55,546,838
Veterans	273,535	35,625,522	10,538	49,101	22,521,468	58,146,990
Monks	547,301	60,986,980	37,098	222,525	88,823,654	149,810,633
Sum of 6 groups	38,227,071	2,495,713,048	1,714,430	8,134,831	3,314,246,120	5,809,959,167
<i>Fiscal year 1996</i>						
Low Income Card	9,215,475	754,110,444	394,050	1,809,436	986,521,593	1,740,632,037
Children 0-12 years	18,263,741	896,260,069	606,654	2,649,490	923,242,843	1,819,502,912
Elderly	10,293,842	1,078,469,953	509,164	2,924,919	1,646,623,168	2,725,093,121
Disabled	332,371	39,262,479	23,148	234,414	51,221,912	90,484,391
Veterans	281,574	44,402,999	11,756	56,003	30,142,071	74,545,070
Monks	644,323	84,495,399	44,596	279,773	147,200,654	231,696,054
Sum of 6 groups	39,031,326	2,897,001,343	1,589,368	7,954,035	3,784,952,241	6,681,953,585
<i>Fiscal year 1997</i>						
Low Income Card	8,515,205	785,532,601	352,855	1,732,485	1,063,962,556	1,849,495,157
Children 0-12 years	19,145,039	1,044,963,692	693,254	2,735,441	1,235,815,590	2,280,779,282
Elderly	11,139,161	1,283,456,558	562,973	3,206,745	2,016,795,498	3,300,252,055
Disabled	361,772	46,115,113	26,755	426,093	77,589,255	123,704,367
Veterans	280,171	47,751,807	10,961	52,979	37,255,020	85,006,827
Monks	677,045	98,682,835	44,969	278,368	164,307,437	262,990,272
Sum of 6 groups	40,118,393	3,306,502,605	1,691,768	8,432,111	4,595,725,355	7,902,227,960

Source: The Office of Health Insurance , Ministry of Public Health (MOPH)

1.2 Research Questions

1. Is health expenditure and the utilization of Thai elderly people under the Public Assistance Scheme of the Ministry of Public Health equitable?
2. What are the strengths and weaknesses of the policy and the health welfare program for the elderly in Thailand and other countries ?
3. What are the possible health welfare policy options for the elderly in Thailand?

1.3 Research Objectives

1.3.1 General Objective

The general objective of the study is to propose some possible policy option(s) for elderly health welfare within the Public Assistance Scheme in Thailand under the equity consideration.

1.3.2 Specific Objectives

1. To review the policy and health welfare program for the elderly in Thailand.
2. To compare the policy and health welfare program for the elderly among different countries.
3. To analyze equity in health expenditure and the utilization of Thai elderly people within the Public Assistance Scheme of the Ministry of Public Health.
4. To analyze the possible policy options and to develop an optimal elderly health welfare policy within the Public Assistance Scheme in Thailand.

1.4 Scope of the Study

The study reviews the experiences of the health welfare system for older people in Singapore, Japan and the United States, in order to consider the lessons of these countries for Thailand. The review focuses on 3 items, 1) demographic trends, 2) policies and legislation on the social and health welfare for the elderly, 3) health care financing

The study of equity in health expenditure and the utilization of the elderly focuses on the health welfare program under the Public Assistance Scheme, MOPH.; data on elderly health expenditure and utilization from a definite period of fiscal years 1997-1998, the Office of Health Insurance, MOPH.; data on the incidence of poverty from the Development Evaluation Division, NESDB.; and data on elderly population from the Human Resources Planning Division, NESDB.

1.5 Expected Benefits

This study is expected to feedback information to modify and adjust how to finance health welfare for the elderly group. It may also lead to provide alternative policy options and to help develop an optimal health welfare program for the elderly in Thailand. However, although the study does not cover all aspects of the economic evaluation, this study may be further applied more widely and to provide more detail in this area.