

CHAPTER 6

SUMMARY AND CONCLUSION

6.1 Summary and Conclusion

Foreign patients cross the border between Thai and Lao PDR for many purposes such as trades, works and also for health care services. Most of them leave financial burden to Nan health facilities. The objective of this study is to estimate cost recovery of health care service for foreign patients in public and private health facilities. The scope of this study is health facilities that provide services for foreign patients. These facilities are Nan general hospital, three community hospital and five health centers which are located along the borderline.

In fiscal year 2001, there were 3,233 foreign patients visits, the result while estimated based on public health facilities shows that the revenues from user fee which foreign patients pay for their services uncovered the costs. For out patient services, Pua Crown Prince has the highest cost recovery about 1, Tungchang hospital with 0.68, Songkwaee hospital with 0.64 and Nan general hospital has the lowest about 0.18 respectively. Relatively, Pua Crown Prince hospital had fewer numbers of foreign patient visits and can manage revenue to cover the production cost.

For in-patient services, all hospital suffers loss in health care provision for foreign patients while revenues uncovered the costs. The average cost recovery is 0.16 while Tungchang hospital has the highest about 0.28, Songkwaee hospital about 0.13 and Nan general hospital has the lowest cost recovery ratio about 0.08. As for Pua Crown Prince hospital there are none in-patient admitted. In addition, for health centers, average cost recovery is 0.30. Pon health center has the highest cost recovery ratio about 0.75 while Chondan health center about 0.36, Ngob health center about 0.35, Numripattana health center about 0.20 and Hauysatang health center has the lowest about 0.11 respectively.

When public health facilities are assumed to operate as private health facilities in situation of perfect competitive market. These results represent the real market price of

production cost in hospitals and health centers. The average production costs in hospitals increase 32.2%, while average production cost in health centers increase 6.8%.

Considering to the cost recovery, for outpatient services, the average cost recovery ratio decrease from 0.54 to 0.42 (decrease 22.2%). Pua Crown Prince has the highest cost recovery about 0.80, Tungchang hospital with 0.52, Songkwaie hospital with 0.49 and Nan general hospital has the lowest about 0.14 respectively. For in-patient department, cost recovery decrease from 0.16 to 0.12 (decrease 25.0%). Tungchang hospital has the highest about 0.22 while Songkwaie hospital about 0.10 and Nan general hospital has the lowest cost recovery ratio about 0.06. In addition, cost recovery in health center also decrease 6.7% (average cost recovery ratio 0.28). Pon health center has the highest cost recovery ratio about 0.69 while Chondan health center about 0.34, Ngob health center about 0.33, Numripattana health center about 0.19 and Hauysatang health center has the lowest about 0.10 respectively

In concluding from the cost recovery analysis, Nan health facilities suffer losses in providing services for foreign patients. Especially if public health facilities operate as private health facilities by estimated the real market prices they even suffer more loss than public. It should be taken into concern and recommended that health facilities ought to beware of ability to pay of patients in able to sustain the cost. The health facilities should reduce production cost and increase revenue by cooperation from Lao PDR government and contribution from international organization. The result of this study could be some useful information for decision-maker to decide the appropriate service option but also not to look over that health services are merit good and for humanity purpose.

The analysis presented in this study uses secondary data and depends on availability of data at the health facilities. Some of these data are provisional with gaps and inconsistencies, from the problems of incompleteness in recording the secondary data which reflects to the weakness of information system. For example, the data of material and capital cost especially in durable equipment is lower than what we expected in reality. In addition, because of unawareness of medical recorders and staffs, the data of foreign patients are under register, under report and financial cost estimation are incompleting.

6.2 Recommendation

The result of this study shows that health facilities suffer loss in health care provision for foreign patients, the average cost recovery ratio of public hospitals is 0.54 for outpatient services and decreases to 0.42 when the estimation is based on market wage. For in-patient services, the hospitals suffer a big loss. The average cost recovery ratio of in-patient services is 0.16 and decrease to 0.12 when the estimation is based on market wage. In addition, health centers also suffer loss. The average cost recovery ratio of health centers is 0.30 and decrease to 0.28 when the estimation is based on market wage. To increase the cost recovery ratio, cost should be reduced while revenue from health care provision for foreign patients has to be increase as well

1) Measures to Decrease Cost

(1) Cooperative of Laos's Health Facilities Improvement

Particularly there should be improvement of Laos's health facilities such as health care management, health manpower development, health promotion, prevention and diseases control and research and development (R&D) by seeking from international support and technology transfer such as medical equipment.

Consequently, improvement of Laos's health facilities can reduce foreign patients to Nan health facilities. If neighboring health provider can provide services for their inhabitant efficiently the number of foreign patients should reduce and that it will improve the cost recovery.

(2) Efficiency Increase and Cost Reduction of Health Facilities

The health facility should increase the efficiency of services by resource management. When an organization allocates and utilizes resource equally and efficiently that it can reduce production cost. Considering for the quality of services, it should remain at the same level or higher. Health facilities can implement and apply financial information during planning the resource

allocation, specially on production costs such as unit cost and total cost can provide health manpower with a valuable tool for understanding how well health facilities is performing. Every decision a manager makes has financial implications for organization. It is important that managers learn to use financial information to manage their operations effectively and achieve the strategic goals of the organization. However, this information can not represent the quality of their health facilities services. Hence, the organization should be aware of the need for assessing whether these informations are based on complete, correct and valid data. In addition, quality control such as Total Quality Management (TQM) and Hospital Accreditation (HA) method should be considered in organization management. These can reduce production cost as well.

On the other hand, It should reduce cost by making rationale for services option such as medicine treatment, kinds of operation and nursing care procedure which these service effectiveness and efficiency. However, health care services are merit good and for humanity that health facilities should not deny the services.

2) Measures to Increase Revenue

(1) Foreign Aid and Subsidy for Health Care Provision

Lao PDR government and Thailand government by Ministry of Public Health should have cooperation in health care services. Including with international organization such as World Health Organization (WHO) and World Bank Organization (WBO) should establish the policy in health care financial to subsidize health facilities in providing services for foreign patients. The methods of subsidy can be reimburse for medical treatment, maternal and child health services and referral systems. The reimbursement should subsidize per unit (case). The reimbursement method can be by reimbursed per capitation for outpatient services (outpatient service and dental health services) or by DRGs (Diagnosis Related Groups) for in-patient services.

Due to the communicable diseases, especially in epidemic diseases which spread along the borderline, WHO should sponsor cooperation among countries to promote the project in health care promotion, prevention and diseases control that can reduce cost for illness and burden of diseases.

(2) User Fee Estimation for Foreign Patients

In the long run, user fee should be applied to the foreign patient who have ability to pay but also humanity should be taken into consideration if the foreign patients are poorer. The user fee can be possibly set at the same level as market price which is higher than production cost, or is set only just to cover the cost of production.

6.3 Further Studies

This study was carried out for one year of the cost recovery that means only short-term effects can be determined. Hence, for more information of border health strategy in the long run period, the following issues should be conducted in further studies are as follows:

- (1) Cost-benefit on health care services for foreign patients.
- (2) Economics burden of foreign patients.
- (3) Cost-effectiveness on health at the border.
- (4) User charge on services for foreign patients