

ADB



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Social Health Protection – Sri Lanka

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Outline

- Health System in Sri Lanka
- Health Financing
 - Sri Lankan context on Health Financing
- Strengths of the existing health system
- Challenges
- Health Financing - Challenges and Responses
- Measures taken for Vulnerable Population

Health System in Sri Lanka

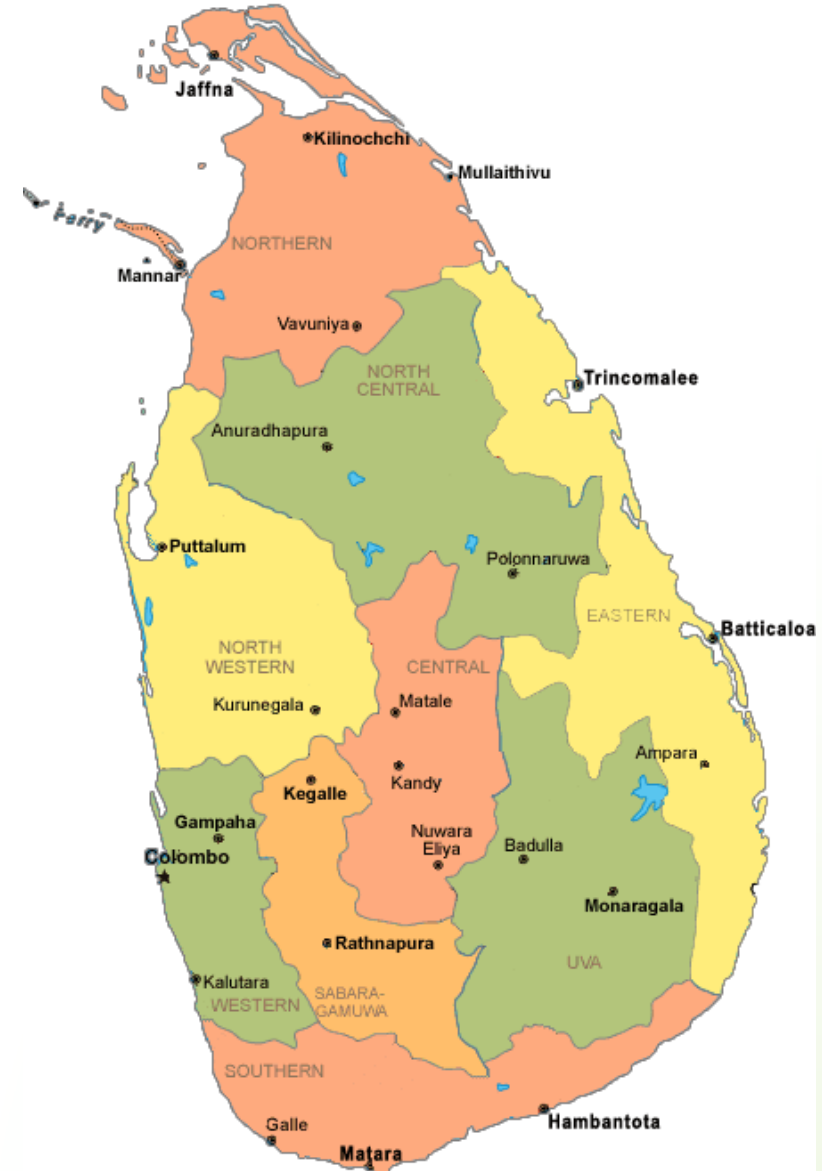
Sri Lanka holds a unique position in South Asia as one of the first of the less developed nations to provide universal health, free health education, strong gender equality

Population: 19.8 million

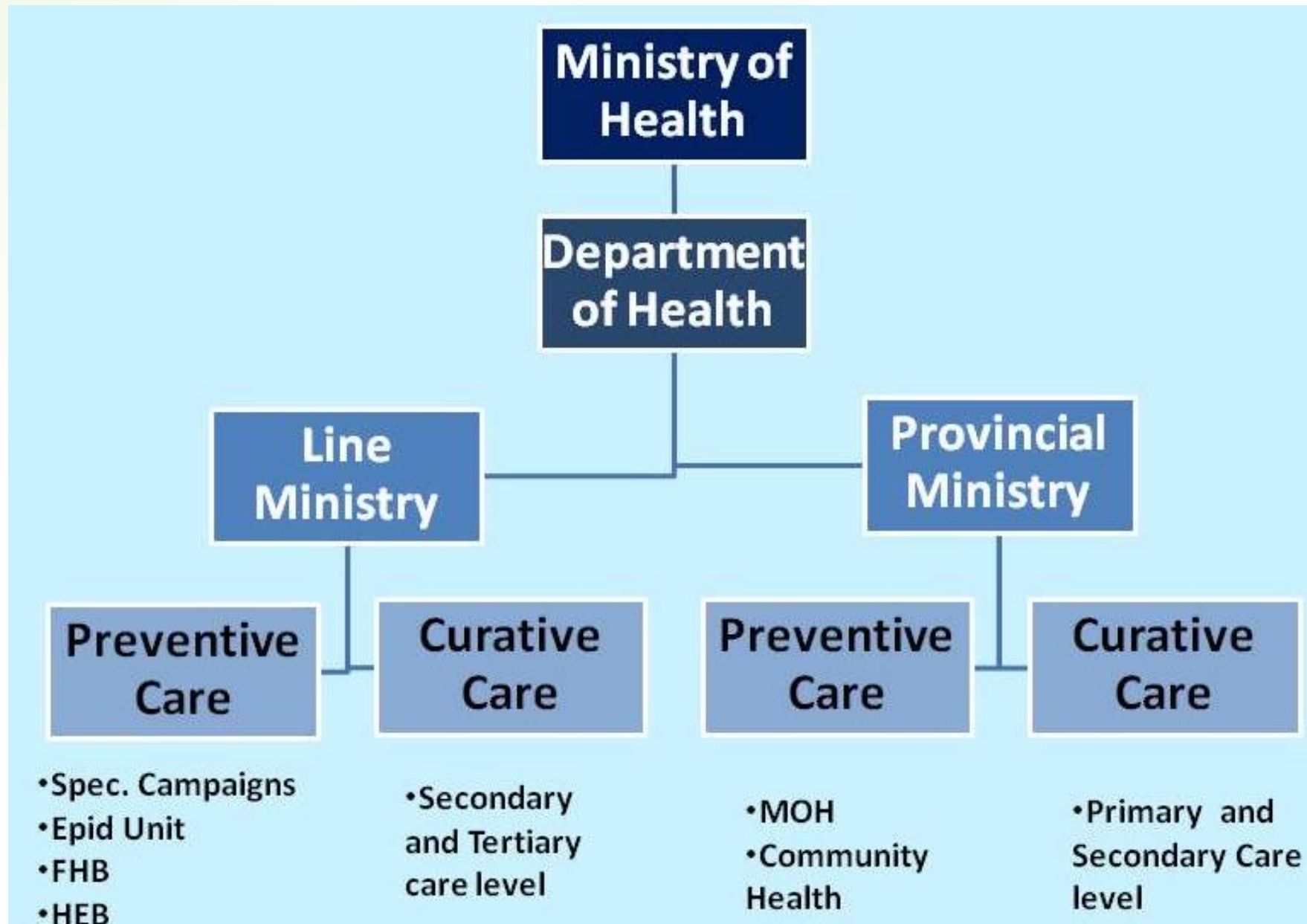
9 Provinces

9 Devolved Health Regions with 26 RDHS

Main Health indicators	
Life Expectancy at Birth	Male – 72 Female - 76
Adult Literacy Rate %	91.5
Infant Mortality Rate	11.1
Human Development Index	0.743



Health System in Sri Lanka.....cont



Distribution of different types of hospitals in the line ministry and provincial ministries.

		Hospital List - 2023		
#	Hospital Type	No.of Hospitals		
		Line Ministry	Provincial	Total
1	National Hospital	2	0	2
2	Teaching Hospital	12	0	12
3	Specialized Teaching Hospital	6	0	6
4	Other specialized Hospitals	9	4	13
5	Provincial General Hospital	0	0	0
6	District General Hospital	13	7	20
7	Base Hospital - A	6	29	35
8	Base Hospital - B	1	44	45
9	Divisional Hosptial - A	1	66	67
10	Divisional Hosptial - B	1	146	147
11	Divisional Hosptial - C	1	269	270
12	Primary Medical Care Unit	8	536	544
	Total	60	1101	1161

Health Financing

Health financing is a **core function of health systems** that can enable **progress towards universal health coverage** by improving **effective service coverage** and **financial protection**.

WHO's approach to health financing focuses on core functions:

- 1) Revenue raising (sources of funds, including government budgets, compulsory or voluntary prepaid insurance schemes, direct out-of-pocket payments by users, and external aid)
- 2) Pooling of funds (the accumulation of prepaid funds on behalf of some or all of the population)
- 3) Purchasing of services (the payment or allocation of resources to health service providers)

Sri Lankan context on Health Financing

Achieve UNIVERSAL HEALTH COVERAGE

- Population coverage
- Service coverage
- Financial risk protection

**Maintain
Healthcare FREE
at the point of
delivery**

**Reduce
persistently high
out-of-pocket
expenditure**



**Re-orient health
services to face
current and future
health challenges**

**Maintain Quality
of Care**

SDG indicators

**3.8.1: Coverage of essential health
services**

3.8.2: Catastrophic health spending

Six Strategic Directions

1. Promote aid effectiveness, efficiency and equity of public spending, and eliminate waste
- 2: Revenue Collection
- 3: Effective Pooling
- 4: Strategic Purchasing
- 5: Reduce financial risks and barriers to health access for the poor
- 6: Support resource tracking mechanisms

Strengths of the existing health system

1. Explicit health policies and plans
2. Well-organized and well-structured network of curative & preventive health institutions including vertical programs.
3. Established infrastructure /Norms with good geographical distribution
4. Technically competent and skilled, high-quality Human resources for Health and well-organized training mechanism
5. Public acceptance and reputation
6. Low-cost model with high health gains

Strengths of the existing health system.....Cont

7. Direct accessibility for and availability of healthcare free of charge at the point of delivery
8. Good collaboration with the private sector
9. Self-funding of the private sector- most resilient
10. Active professional colleges and academia
11. Organized financing system
12. Support from external/ domestic donors - Technical and financial

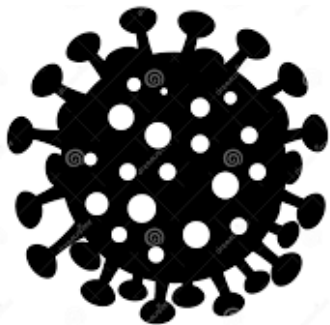
Challenges



Debt



Devaluation



Diseases

Current Economic Context of Sri Lanka

Sri Lanka is currently facing the worst economic crisis since independence caused by the excessive public debt burden, devaluation of the local currency, and negative economic impact of the COVID-19 pandemic.

Challenges.....Cont

- Insufficient resources for health services
- Inefficiencies – allocative and technical
- Inequities – by economic, social and geographical factors
- Need to further reduce catastrophic as well as impoverishing health expenditures, i.e., Out-Of-Pocket by individuals & households
- Public Financial Management issues
- HRH issues
- Need for greater synergies between private and public actors on health and leveraging of private financing & provision towards the public policy goal of UHC

Health Financing - Challenges and Responses

At Policy level

Challenge	Response/ Solution
1. No global blueprint for health financing	Developing a home-grown solution to cater to the performance issues in the country's health system with the support of international and local experts, lessons learned from other countries, inputs of stakeholders as well as careful analysis of the Sri Lankan context.
2. No health financing policy for Sri Lanka	Developing a health financing policy for Sri Lanka [Currently being done]
3. Knowledge asymmetry regarding health financing functions, principles, options and models among policymakers and the general public	Advocacy and creating awareness among policymakers and the general public through programs and mass media campaigns
4. Long-standing welfare culture and welfare mentality that prevent innovative thinking and challenging the status quo	Transforming a culture is hard and time-consuming. However, gradual and stepwise implementation of interventions and awareness creation can help minimize resistance.

Health Financing - Challenges and Responses

At National level

Challenge	Response/ Solution
1. Absence of explicit health financing strategies for Sri Lanka to guide decision making	Developing sustainable health financing strategies for Sri Lanka. [Currently being done]
2. Knowledge asymmetry and misconceptions regarding health financing functions, principles, options and models among health officials	Consultation and involvement of all important stakeholders and health economists in developing health financing strategies and health financing policy [Currently being done]
3. Need for intersectoral support to develop innovative financing options. i.e. Treasury, Insurance industry, NATA, Sri Lanka Customs, Private health sector, Chamber of pharmaceuticals etc.	Consultation and involvement of important stakeholders from other sectors and health economists in developing health financing strategies and health financing policy [Currently being done]
4. Lack of aggregated timely data to support decision making i.e. National Health Accounts	Short-term: Outsourcing preparation of NHA Long-term: Strengthen with adequate trained human resource

Health Financing - Challenges and Responses

At National level.....Cont

Challenge	Response/ Solution
5. Lack of human resources in the Health Economic Cell of the Ministry of Health	Recruit permanent staff for the Health Economic Cell and mechanisms to retain human resource
6. Not practicing managerial accounting at the Ministry of Health and all health institutions	Introducing managerial accounting to the Ministry of Health and all health institutions. Include in Medical Admin PG Training
7. Widening the financing gap making it difficult to fund innovative financing interventions with long-term benefits. i.e. development and installation of digital information systems, staff training, logistic support	Obtain support from external development partners to close the financing gap

Health Financing - Challenges and Responses

At Sub National level

Challenge	Response/ Solution
1. Knowledge asymmetry and misconceptions regarding health financing functions, principles, options and models among health workforce	Consultation and involvement of important stakeholders at provincial, regional and institutional level in developing health financing strategies and health financing policy [Currently being done]
2. Trade union resistance at the institutional level hindering implementation of innovative financing options.	Conduct advocacy and awareness programs in a systematic manner among health workforce and trade union leaders
3. Lack of data at the sub-national and institutional level for data-driven decision-making and implementation. i.e. per case/per surgery cost data, performance data of individuals, care teams and institutions	Development of digitalized information systems and conducting costing studies.

Health Financing - Challenges and Responses

At Sub National level.....Cont

Challenge	Response/ Solution
4. Lack of proper performance appraisal mechanism	Introduce a systematic performance appraisal mechanism linked with incentives
5. Historical budgeting and practice of passive purchasing which is not linked to the performance of institutions (hospital funding is not linked to performance)	Introducing strategic purchasing which is linked to performance (services and quality) of the institutions. (hospital funding is linked to performance)

Measures taken for Vulnerable Population

Health System Enhancement Project – ADB (US\$ 183 mn)

Objective: to improve the efficiency, equity, and responsiveness of the primary health care system in 4 much lagging behind provinces (North Central, Central, Uva and Sabaragamuwa provinces).

Primary Healthcare System Strengthening Project – WB (US\$ 200 mn)

Objective : to increase the utilization and quality of primary health care services, with an emphasis on de tection and management of non-communicable diseases in high-risk population groups, in selected areas of the country and to provide immediate and effective response to an Eligible Crisis or Health Emergency.

Thank you