Lao officials gain vital health finance skills at targeted Hub training course

The progress of the Lao People’s Democratic Republic towards equitable national health care financing took another step forward in March, when the Health Policy and Health Finance (HPHF) Hub presented a five-day training course (March 2013) for government officials in critical health financing concepts.

The course in *Improving knowledge and applying health financing concepts for the Lao PDR* was held in rural Vangvieng from March 18th to 22nd, and was attended by 22 Ministry of Health staff who manage health financing and services at the national, provincial and district levels.

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The training course, run in collaboration with the Department of Planning at the Ministry of Health, covered a number of key topics, including: health financing systems and functions; cost analysis; social health protection planning; equity and efficiency in health financing; institutional and organisational arrangements for establishing UHC mechanisms; issues in moving towards UHC in the Lao PDR; and lessons learned from other developing countries.

Drs. Bouaphat Phonvisay and Chansaly Phommavong from the Lao Ministry of Health and Drs. Peter Annear, Shakil Ahmed and Nami Kurimoto from the Nossal Institute and the HPHF Hub presented and facilitated 17 sessions over the five days, including lectures, case studies, and group and panel discussions.

As well as promoting a stronger understanding of relevant health financing systems and functions, the course delivered practical lessons on the use of cost analysis in pricing health services for remuneration, the prioritising of key challenges in the poor and informal sectors, and the identification of appropriate financing mechanisms and systematic steps for the design, planning and implementation of financing systems for the Lao context.

The presentations inspired lively and informative discussions, with the participants regularly drawing on their own experiences to interpret the course content and improve their own learning.

Group discussions identified three core capacity challenges facing the management of the Lao health system – limited human resources, insufficient health budgets, and poor reporting and monitoring systems – as well as the need to transfer the administration of social health protection from district to central levels through uniform national guidelines.

Comparisons of current social health protection and health services with those in other countries raised similar concerns, including: delayed payments to health providers; limited incentives for providers, despite growing numbers of patients joining health insurance schemes; insured patients’ dissatisfaction with poor quality health services; and enduring limitations in the capacities of local health facilities.

At the end of their discussions, the participants drew up a ‘wish-list’ of strategies to address the major bottlenecks facing the Lao health system. Their recommendations included:

1. **Enhance health financing capacity:**
   - Strengthen human resources in health financing.
   - Develop and implement a national health insurance policy.
   - Improve cost analysis and budgeting.

2. **Strengthen institutional arrangements:**
   - Establish a strong national health insurance agency.
   - Improve reporting and monitoring systems.
   - Increase transparency and accountability.

3. **Address equity and efficiency:**
   - Implement a universal health coverage (UHC) strategy.
   - Prioritise investments in primary care.
   - Strengthen primary health care infrastructure.

4. **Promote social health protection schemes:**
   - Integrate health insurance schemes into a single national health insurance agency.
   - Improve the accessibility and affordability of health services.
   - Enhance patient satisfaction and satisfaction with health services.

5. **Implement systematic steps:**
   - Develop a comprehensive national health financing strategy.
   - Establish a robust UHC mechanism.
   - Implement a systematic approach to health financing.

The Lao PDR Government has recently launched a challenging program of health financing reform, proposing to unite its four social health protection schemes – targeting different segments of the population – under a single national health insurance agency.
• Establishing a compulsory health insurance scheme for the informal sector;
• Increasing health revenue from the government through, for example, higher taxation rates for higher income earners;
• Unifying existing social health protection schemes under a single national health insurance program – in line with current Government policy;
• Improving the quality of health services, through e.g. more effective and consistent training of health care providers, and better referral and transportation systems; and
• Raising awareness about the concepts of health insurance – especially among the non-insured.

In order to promote both tax collection and health planning, the participants also emphasised the need for more reliable national statistical information on the Lao PDR’s health and population. This includes demographic and income data on households within the country’s extensive informal sector – without which it is far more difficult to design and deliver targeted social health protection.

At the end of the course, the participants commended the training for helping them identify practical solutions and for delivering relevant knowledge and skills that will assist them in their health finance planning and activities. As one participant noted: “I did my Master of Health Economics overseas – and I learned more from this course than my Master’s program!”