

# MEASURING SUB NATIONAL HEALTH SECTOR PERFORMANCE & PROJECTING FISCAL SPACE

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# Presentation Structure

- MEASURING SUB NATIONAL LEVEL PERFORMANCE
- THE CONCEPT OF FISCAL SPACE



# The WHO Health System Framework

## System Building Blocks

SERVICE DELIVERY

HEALTH WORKFORCE

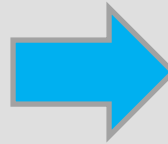
INFORMATION

MEDICAL PRODUCTS,  
VACCINES & TECHNOLOGIES

FINANCING

LEADERSHIP/GOVERNANCE

ACCESS  
COVERAGE



QUALITY  
SAFETY

## Overall Goals / Outcomes

IMPROVED HEALTH  
(level and equity)

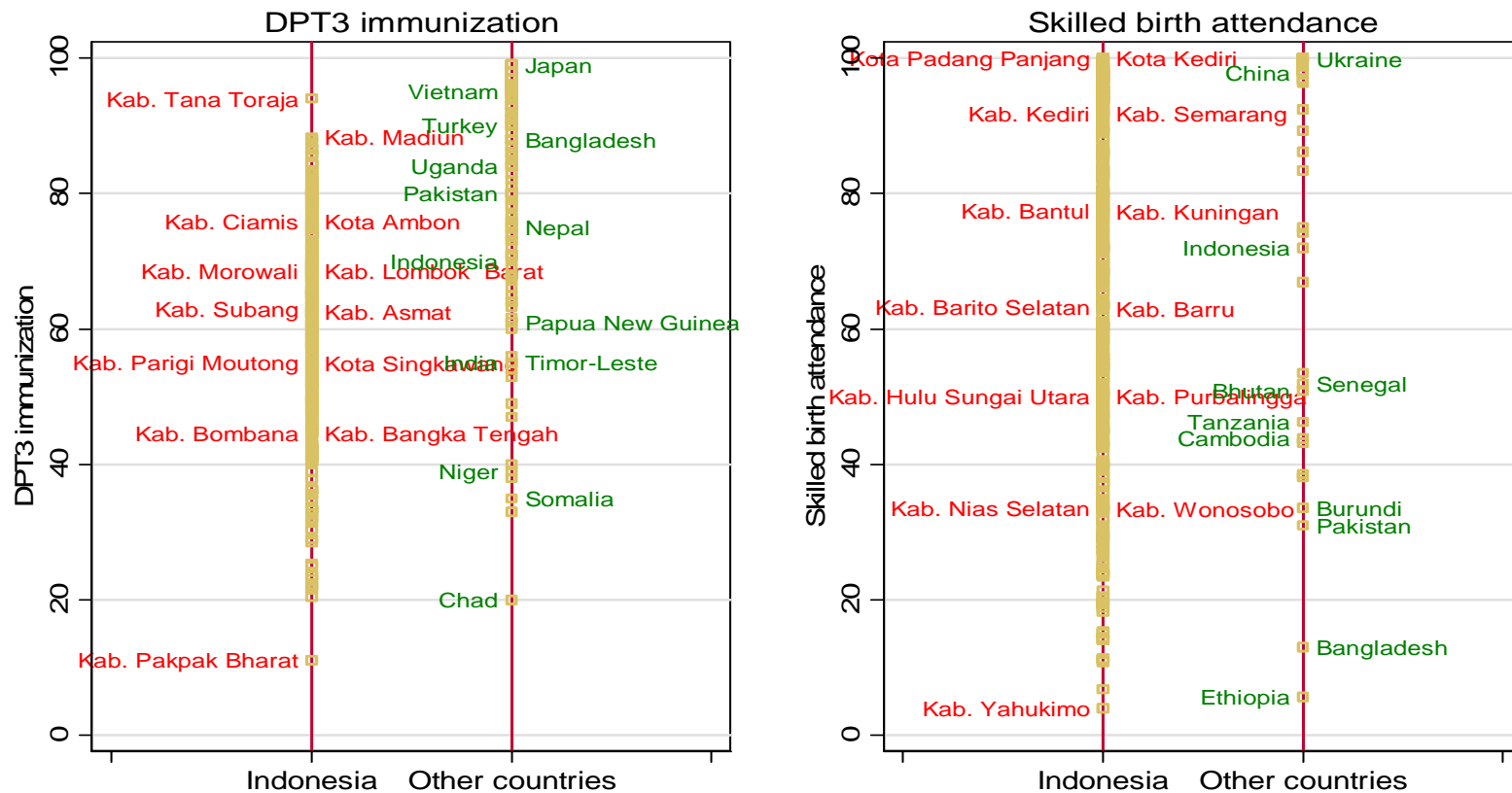
RESPONSIVENESS

SOCIAL & FINANCIAL RISK  
PROTECTION

IMPROVED EFFICIENCY

# Health System Performance

Global comparison of Indonesian districts, 2005

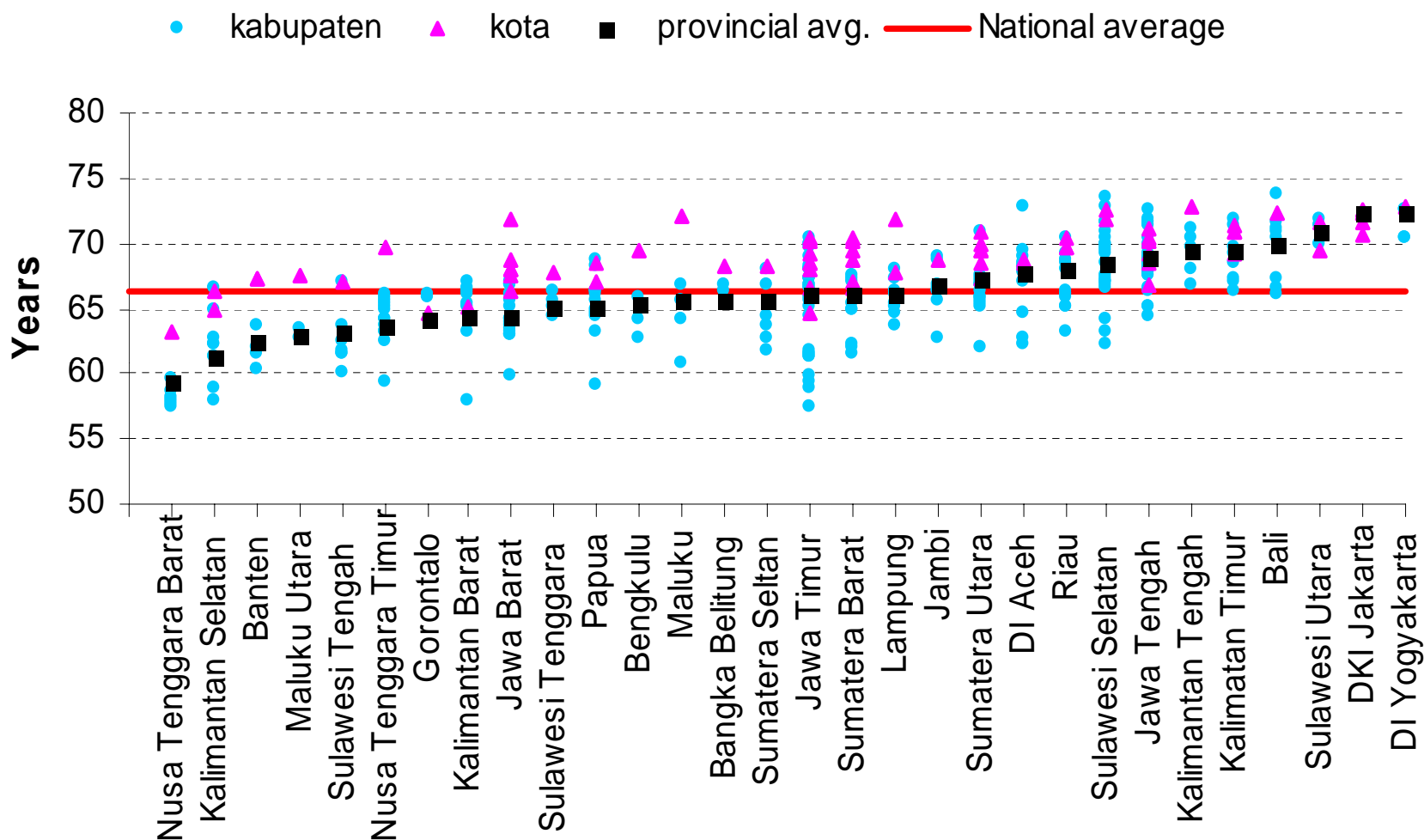


Source: SUSENAS & WDI

Often evidence of large differences in outcomes and outputs within countries. At least some of the differences are often due to differences in efficiency.

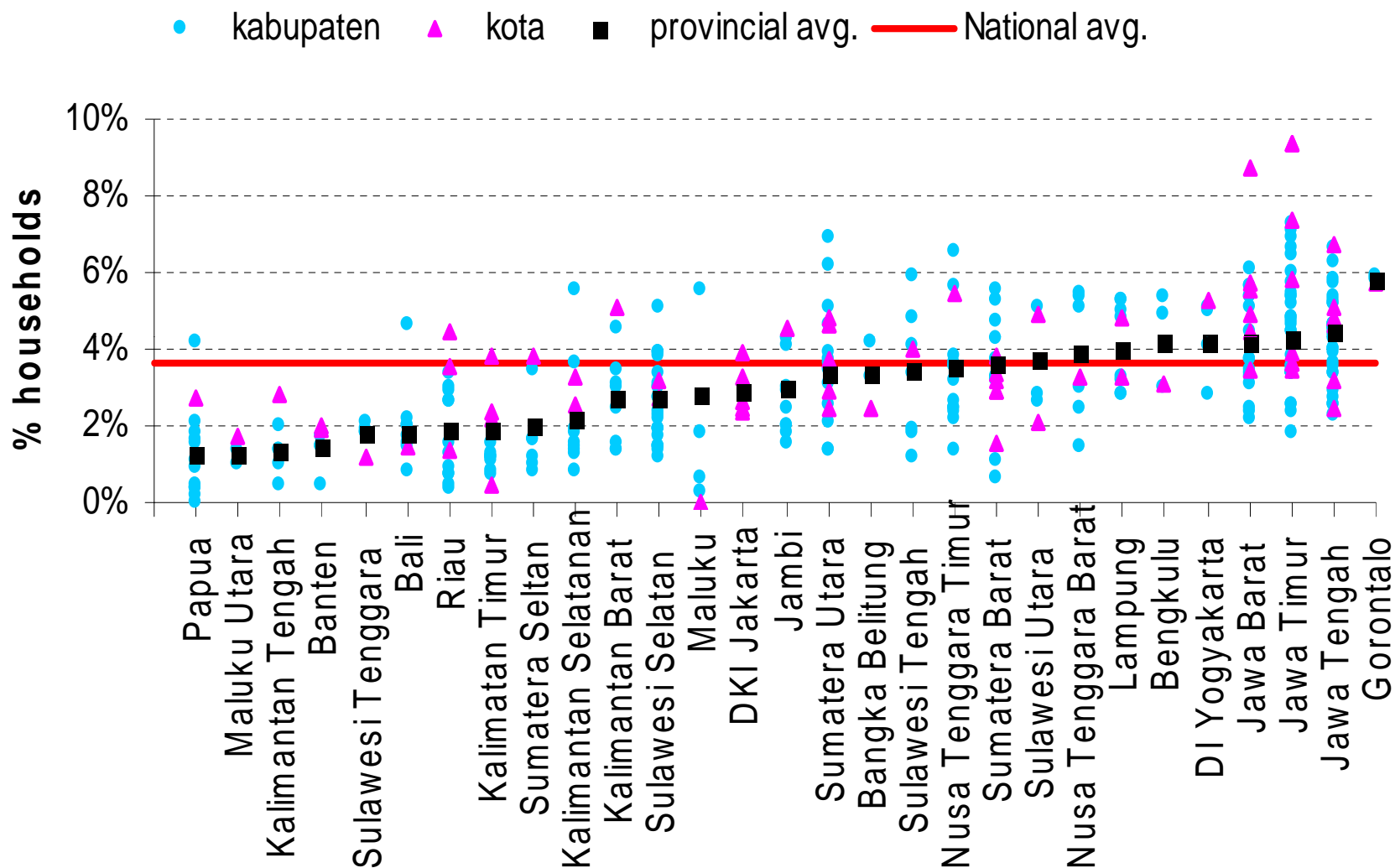


## DISTRICT VARIATION OF LIFE EXPECTANCY WITHIN PROVINCE



There are significant differences in average life expectancy across provinces; 8 provinces exceed the Healthy Indonesia 2010 target of life expectancy of 67.9

## District Variation in Catastrophic Health Payment within Province

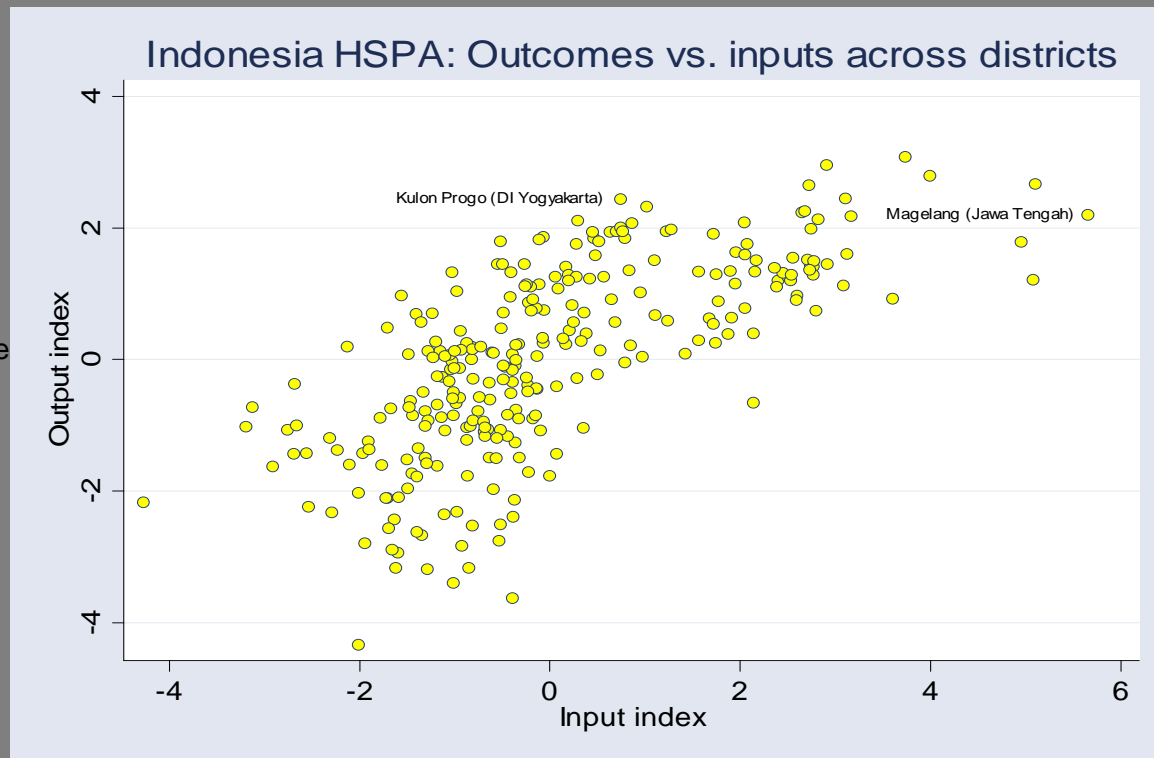


# Inputs vs. Outcomes: Measuring Efficiency

## Very Preliminary Findings

### INPUT INDEX

- Permanent Income
- Female Education
- Nurses per 100,000
- Out-of-pocket expenditure
- Access to health facilities



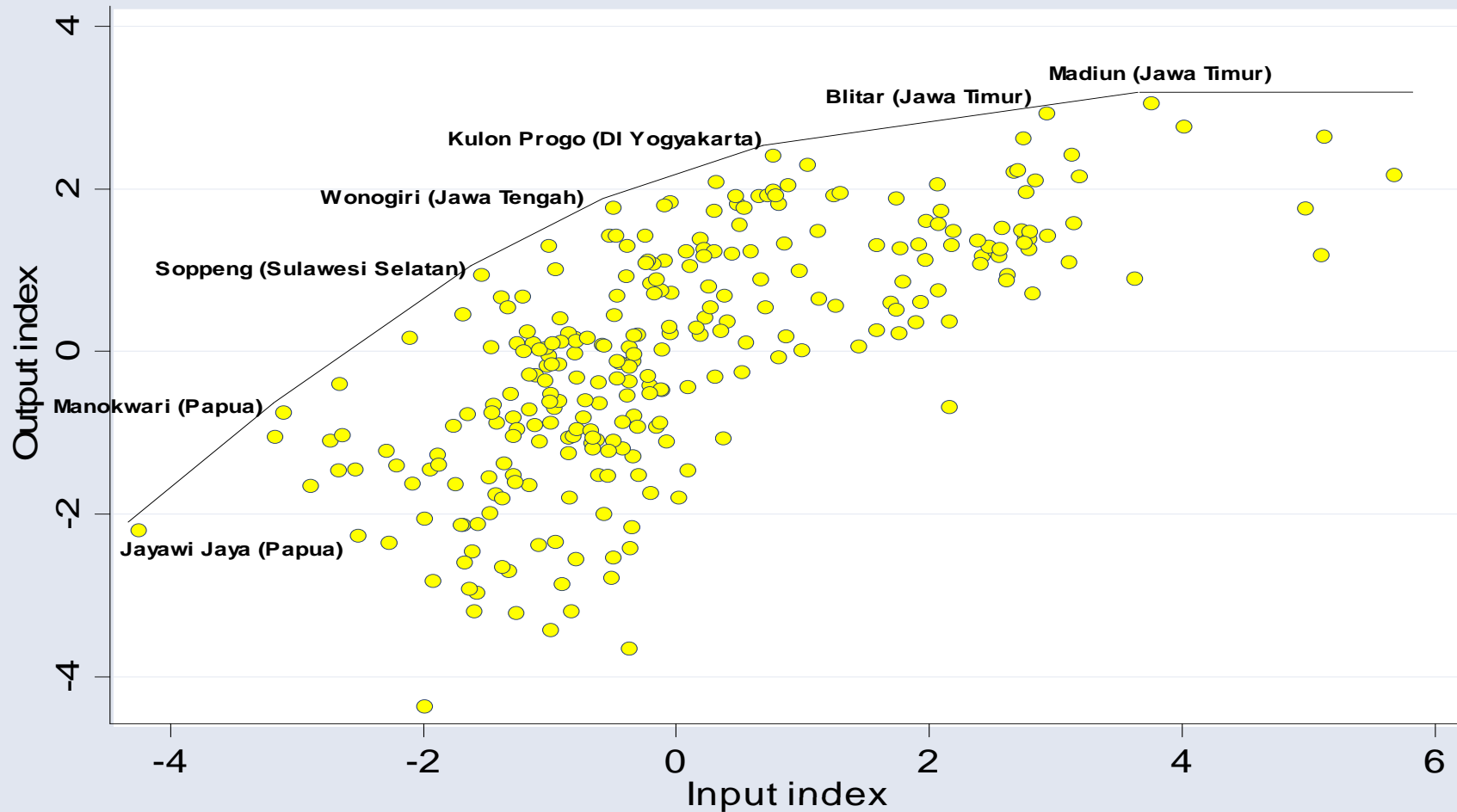
### OUTPUT INDEX

- Complete Immunization
- Skilled Birth Attendance
- Iodized Salt Content
- Catastrophic Expenditure
- Life Expectancy

Indonesia HSPA: Relating outcomes to inputs across districts. Some districts have achieved relatively high health system outcomes even with relatively low input levels. Useful for benchmarking.

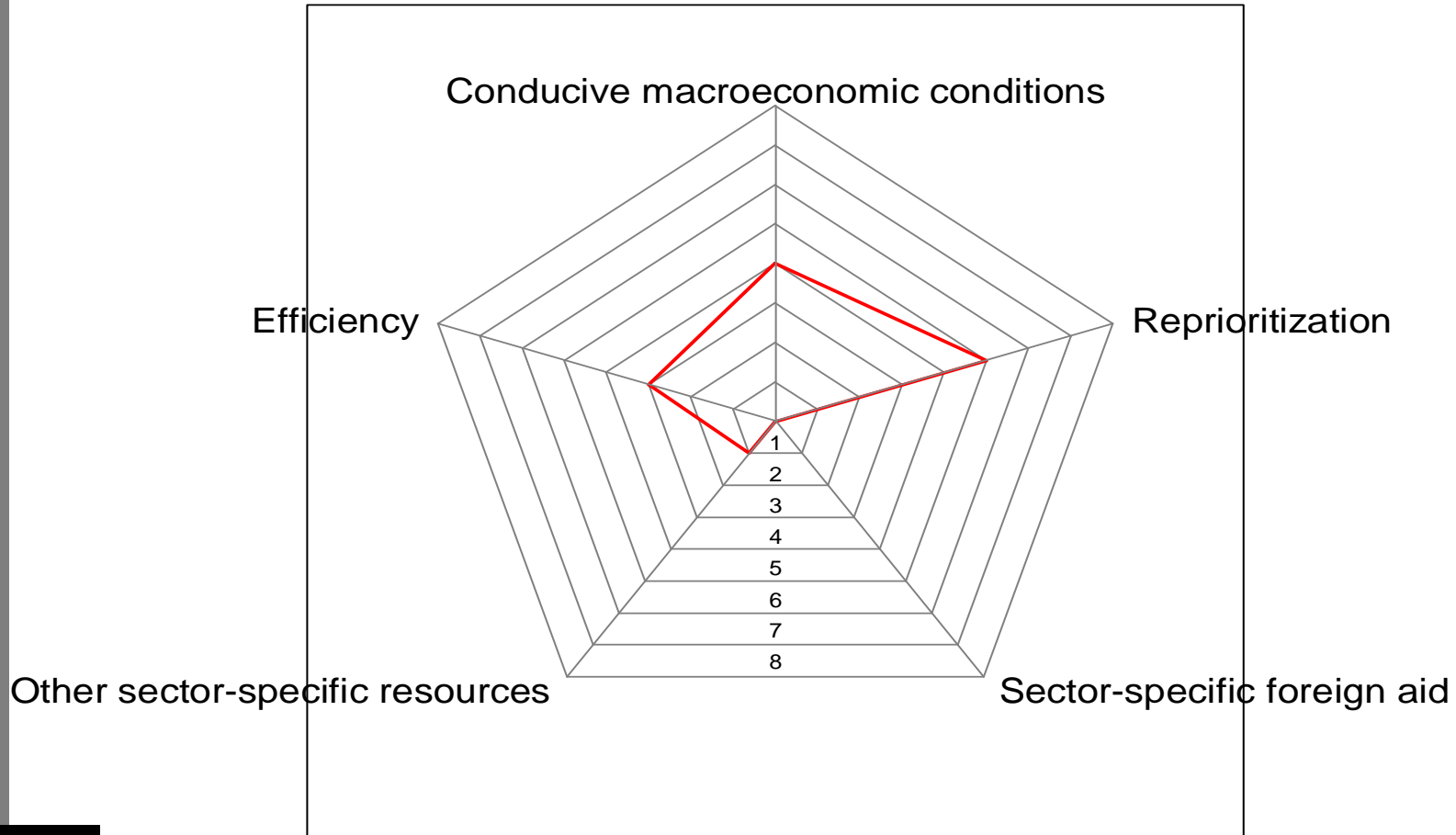
# EFFICIENCY ANALYSIS

Indonesia district-level efficiency analysis



# Fiscal Space for Health

Fiscal space for health  
(increase as % of government health spending)



# Sources of Fiscal Space for Health

- **Earmarked taxes**

- Increasing currently low cigarette tax (37% of sales price) has potential to increase government revenues. A 10% increase could lower consumption by 3.5 – 6.1 %, and increase revenues up to 9 %.
- Other countries: Thailand has employed “sin taxes” to fund health promotion

- **Mandating social health insurance**

- The Government has committed to develop mandatory insurance to achieve universal coverage
- The challenge is with the large informal sector, two thirds of the workforce.



# Fiscal Space for Health in Indonesia

- Taking into account **Indonesia's context**
  - Demographic and epidemiological changes projected to increase demand for health care
  - Universal coverage through mandatory health insurance
  - Positive prognosis in economic growth
- **Options** to increase fiscal space for health in Indonesia:
  - Use some proportion of resources raised from premium can be used to subsidize health care for the poor,
  - Earmarked taxation, especially from cigarettes
  - Reduction in fuel and energy subsidies
- Decentralization poses specific challenges such as; absorptive capacity constraints, capacity to raise local revenue, can hinder the actualization of fiscal space

