

# network asean forum | 2013

A STRATEGY FOR ASEAN

22<sup>nd</sup> to 23<sup>rd</sup> August, 2013

Shangri La Hotel

Singapore

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**Mr. Kenneth Mays**

**Senior Director of Marketing**

**Bumrungrad International Hospitals**

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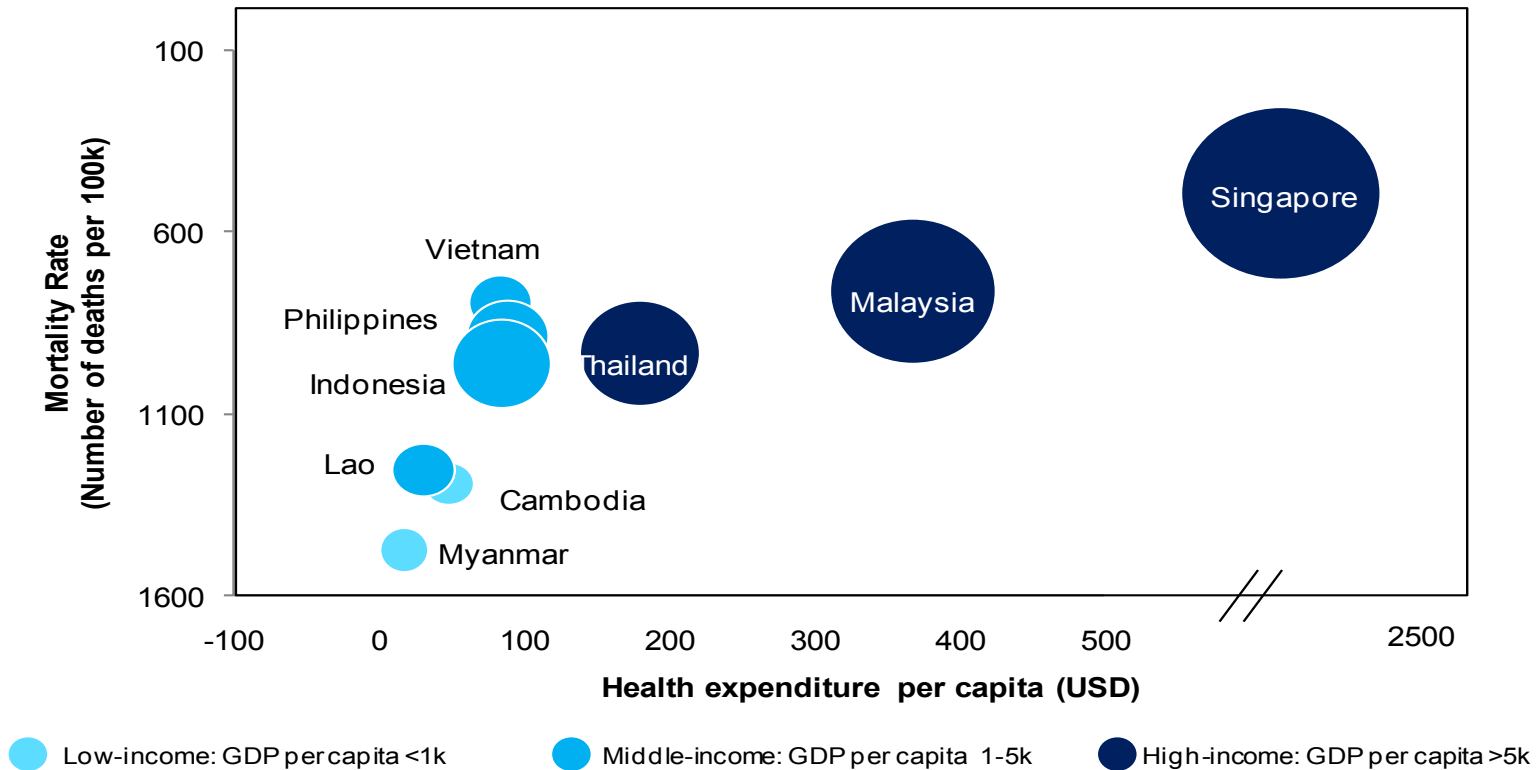


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# FIRST SECTION – ASEAN COUNTRIES OVERVIEW

**Figure 1.**  
**Healthcare Spending and Health Profiles of ASEAN countries**



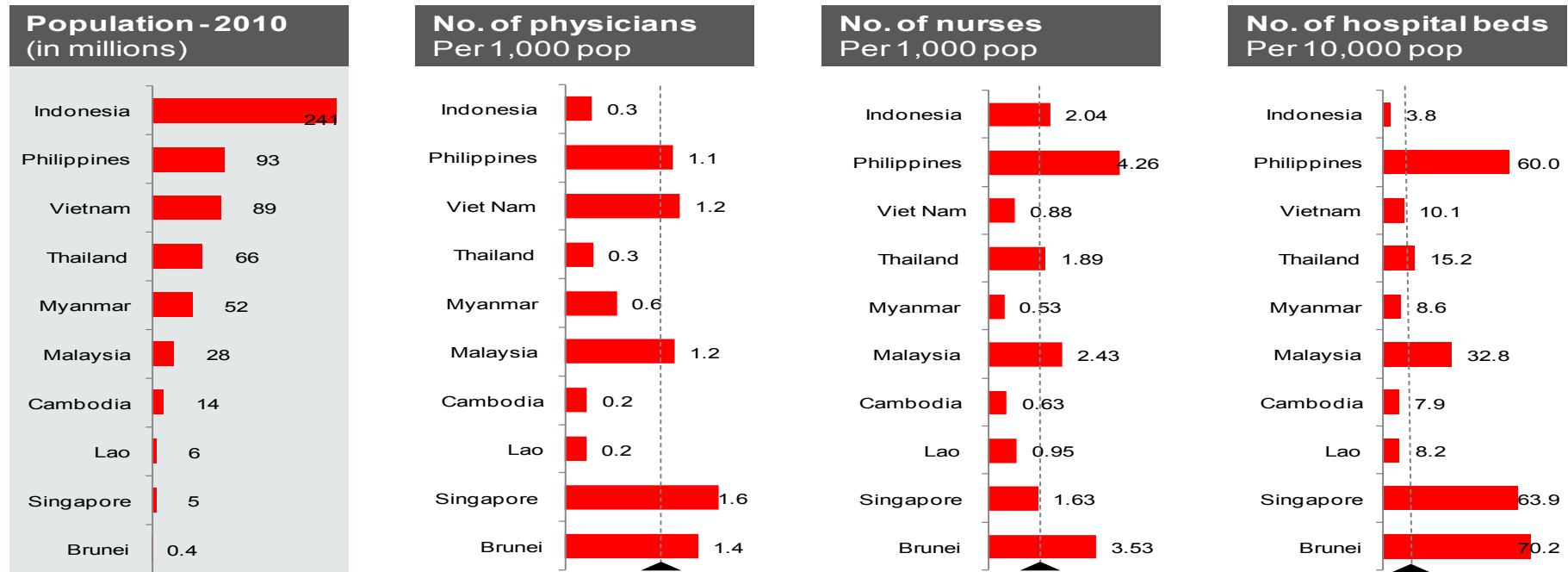
Source: International Monetary Fund (IMF), World Economic Outlook Database April 2013; World Health Organization (WHO), World Health Statistics 2013

# FIRST SECTION – ASEAN COUNTRIES OVERVIEW

## THE HAVES VS. THE HAVE-NOTS

- Not surprisingly, higher-income countries are well-ahead of the lower-income ones in terms of resource availability for health, healthcare coverage and quality of care (see Figure 2).

**Figure 2.**  
**Population and healthcare resource comparison across ASEAN**



Source: United Nations, Department of Economic and Social Affairs, Population Division (2013). World Population Prospects: The 2012 Revision, CD-ROM Edition.; OECD Health Data 2012; WHO Global Health Observatory Data Repository, national data sources; WHO World Health Statistics 2013

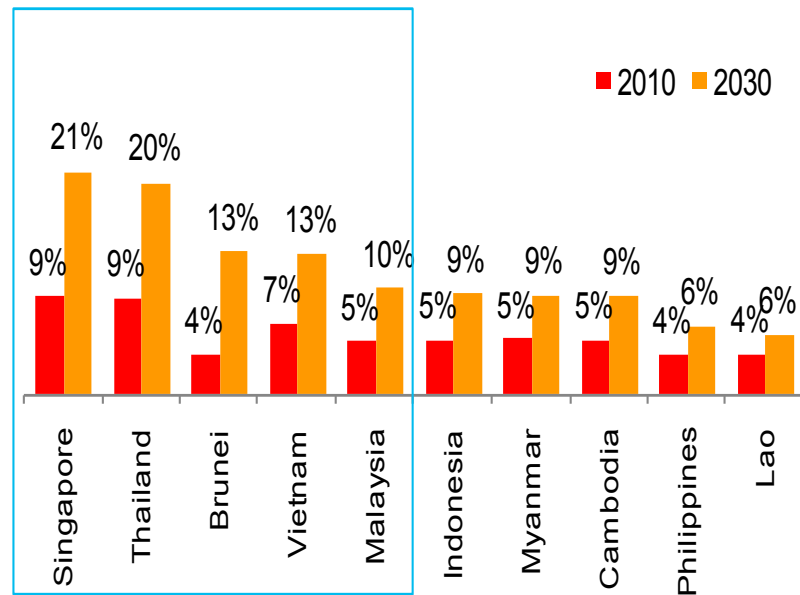
Note: Figures for number of physicians, nurses and hospital beds reflect latest data available

# FIRST SECTION – ASEAN COUNTRIES OVERVIEW

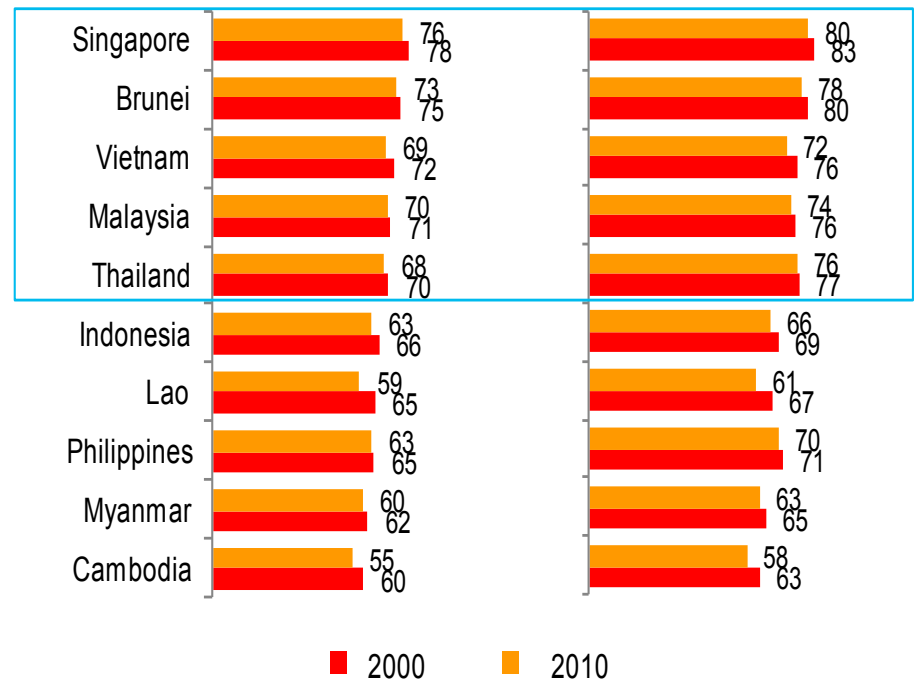
## THE EVOLVING HEALTHCARE LANDSCAPE IN THE REGION

**Figure 3.**  
**Percentage of population over 65 years old and life expectancy across ASEAN**

**Percentage of Population over 65 years old**



**Life expectancy at birth (Male and Female)**

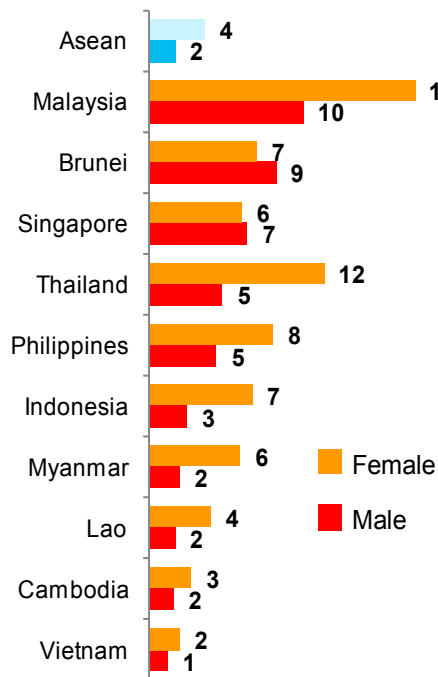


Source: United Nations, Department of Economic and Social Affairs, Population Division (2013). World Population Prospects: The 2012 Revision, CD-ROM Edition; WHO World Health Statistics 2013

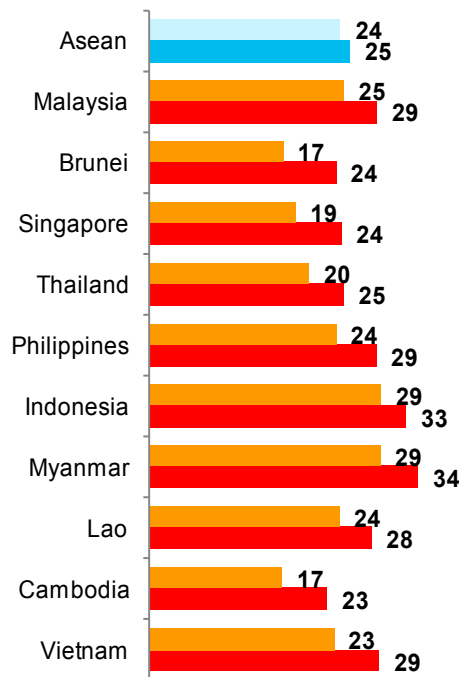
## THE EVOLVING HEALTHCARE LANDSCAPE IN THE REGION

**Figure 4.**  
**Indicators of lifestyle-related risk levels to health in ASEAN**

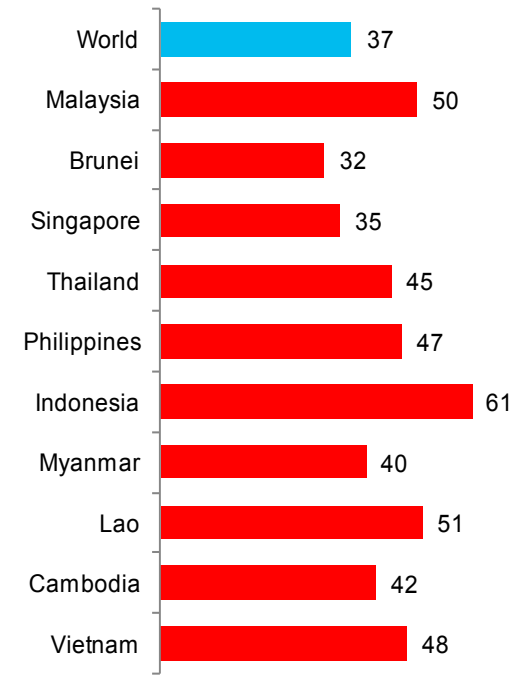
Adults aged ≥20 years who are obese (%)



Prevalence of raised blood pressure among adults aged ≥ 25 years (%)



Smoking prevalence among males (%)



Source: WHO World Health Statistics 2013

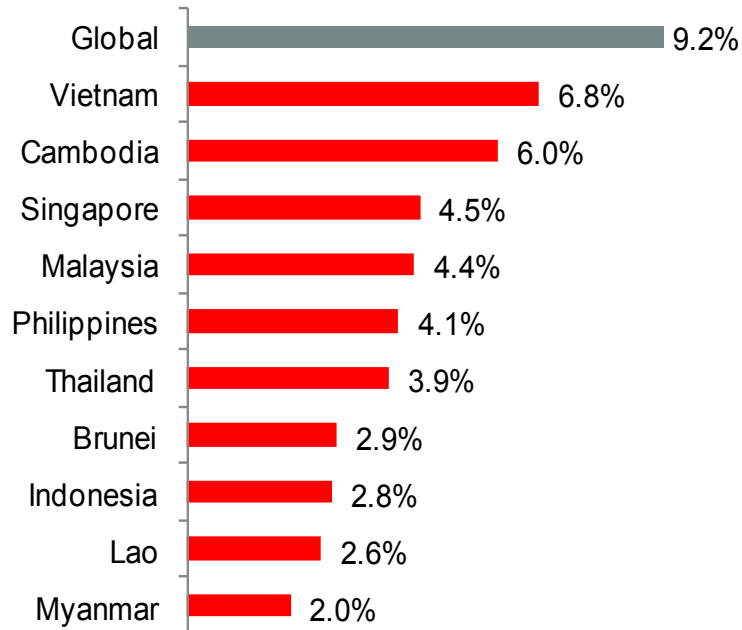


# FIRST SECTION – ASEAN COUNTRIES OVERVIEW

## CAN ASEAN RESPOND TO THE CALL OF INCREASED HEALTHCARE DEMAND?

**Figure 5.**  
**Population and healthcare resource comparison across ASEAN**

### Healthcare Expenditure as a % of GDP (2010)



Country	Per capita expenditure on health at average exchange rate (US\$)	
	2000	2010
Singapore	663	2005
Malaysia	125	368
Thailand	66	179
Philippines	34	89
Indonesia	15	84
Vietnam	21	83
Cambodia	19	48
Lao	11	30
Myanmar	3	17
US	4703	8233
UK	1765	3495


## CAN ASEAN RESPOND TO THE CALL OF INCREASED HEALTHCARE DEMAND?

- **Most countries in ASEAN employ a mix of healthcare financing scheme.**

Thailand, Vietnam, Philippines	Lao PDR and Cambodia	Malaysia and Singapore
<ul style="list-style-type: none"><li>• Employed risk pooling through social health insurance schemes</li><li>• Coverage remains low</li></ul>	<ul style="list-style-type: none"><li>• Resource poor countries</li><li>• Relied mostly on donor-supported health equity funds</li></ul>	<ul style="list-style-type: none"><li>• Use a mix of financing schemes</li><li>• Involves saving schemes and provident funds</li></ul>

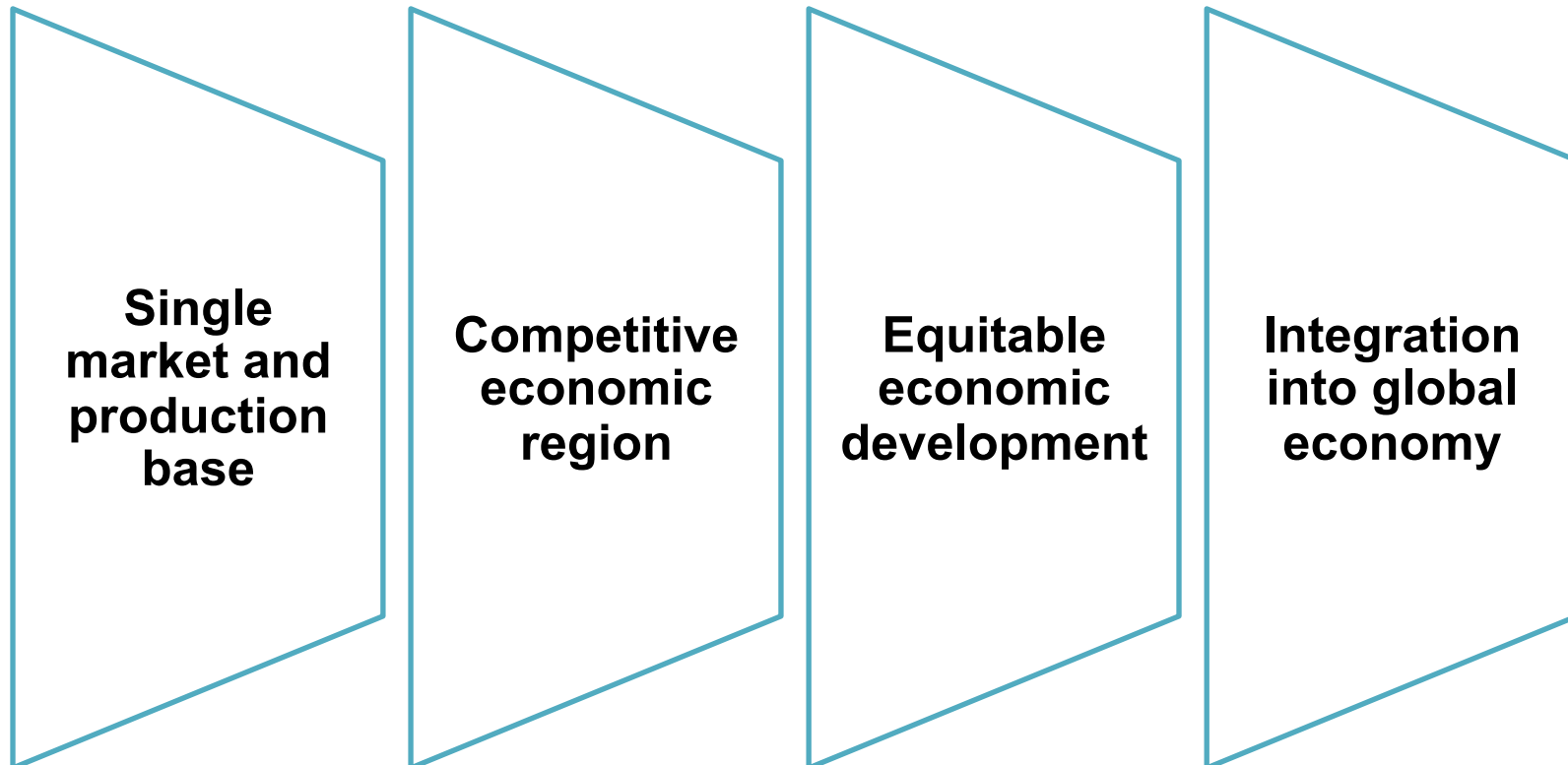
## MEMBER STATE INITIATIVES TO IMPROVE NATIONAL HEALTH

- Individually, the member states have made progress in a number of specific areas to improve their healthcare industries in their respective jurisdictions.

				
SingaporeMedicine: collaborative effort to promote the SG brand overseas	MHTC: set up to develop and promote the healthcare travel industry	Signed MOUs with SG and Thailand on healthcare training and services	Preparing to implement universal health coverage	Moving towards universal health coverage with NHIP

### THE ASEAN ECONOMIC COMMUNITY

- The ASEAN Economic Community (AEC) aims to achieve economic integration through four pillars:



### AEC'S PROGRESS IN HEALTH CARE

- **Relatively more progress has been made in lowering trade barriers for healthcare in the region.**
- **ASEAN has also identified non-trade barriers.**
- **Mutual Recognition Agreements (MRA) – that would benefit consumers and economic growth:**
  - **MRA on Good Manufacturing Practice was signed by all the ASEAN countries in 2009**
  - **ASEAN Common Technical Dossier was also implemented in 2009**
  - **The MRA on the Post-Marketing Alert System (PMA) for pharmaceuticals has been set up and the system has been used initially by Brunei, Indonesia, Malaysia, Singapore and Thailand**

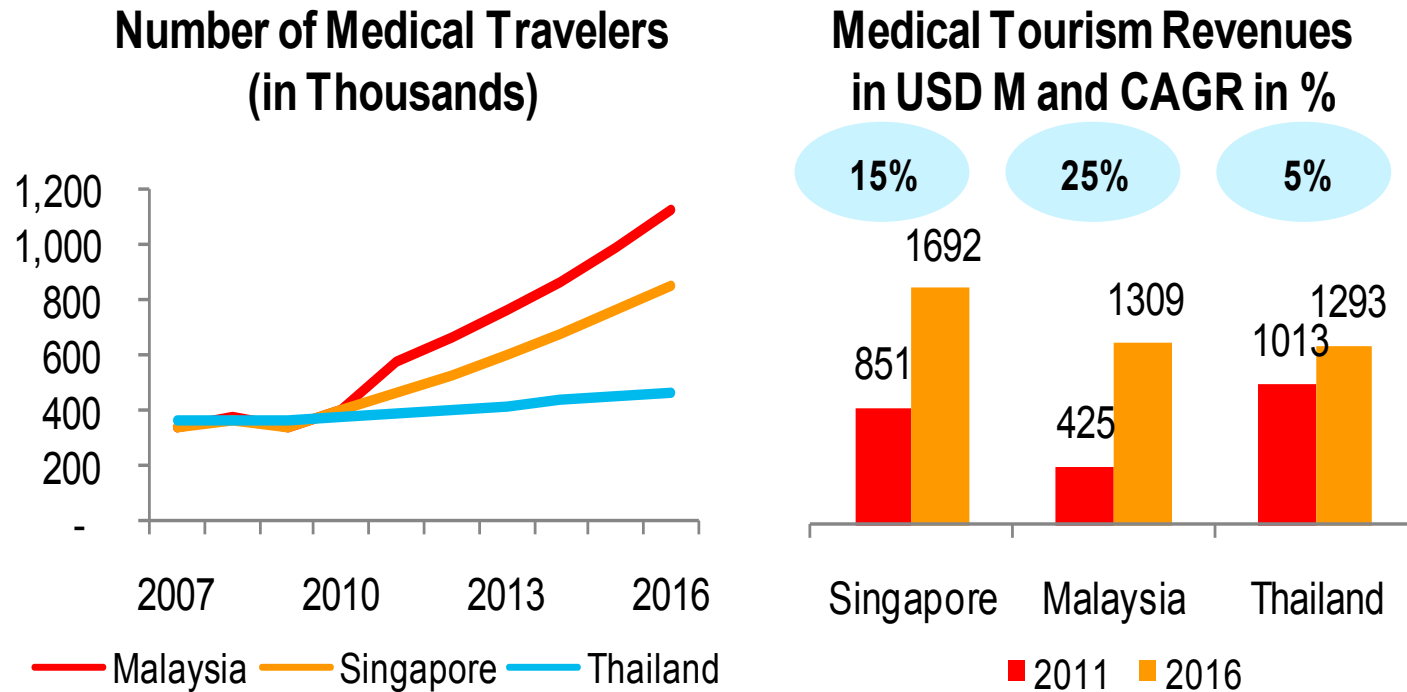
## SECOND SECTION – INTEGRATION EFFORTS

### AEC'S PROGRESS IN HEALTH CARE

- **The ASEAN Medical Device Directive (AMDD) came out in 2012, and implementation is expected by December 2014.**
- **The ASEAN Harmonized Cosmetic Regulatory Scheme was signed in 2003.**
- **The development of an ASEAN Regulatory Framework on Traditional Medicines and Health Supplements and transposition of the ASEAN Regulatory Framework into national laws of ASEAN Member States.**
- **The ASEAN Open Skies agreement**

## AEC'S PROGRESS IN HEALTH CARE

**Figure 7.**  
Trends in medical tourism in Singapore, Malaysia and Thailand



Source: Frost and Sullivan, "Independent Market Research on the Global Healthcare Services (HCS) Industry", 2012

### UNIDIRECTIONAL ACCESS TO HEALTH MIGRATION

#### **Thailand, Singapore & Malaysia**

- ASEAN's leading exporters of healthcare services
- Developed competitive edge

#### **Singapore, Malaysia, Brunei & Thailand**

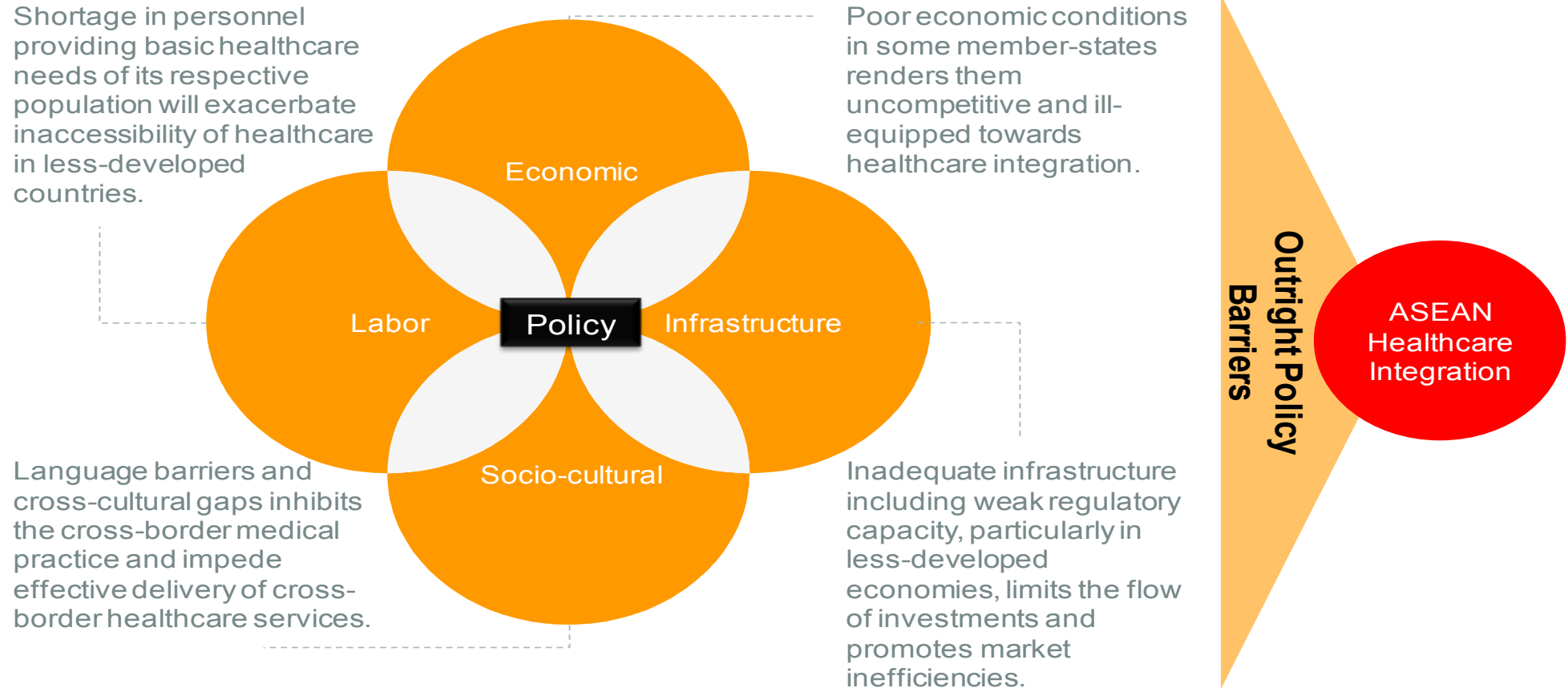
- Benefit from migration patterns and are net labor recipients
- Exacerbating mobility of healthcare professionals



# THIRD SECTION – IDENTIFICATION OF BARRIERS & RECOMMENDATIONS

## BARRIERS TO INTEGRATION

**Figure 8.**  
**Barriers to establishing an integrated healthcare sector in ASEAN**



## POLICY BARRIERS

- **Foreign equity restrictions.**
- **Other legal barriers.**
- **Regulatory gaps.**

# THIRD SECTION – IDENTIFICATION OF BARRIERS & RECOMMENDATIONS

## ECONOMIC BARRIERS

**Figure 9.**  
**Financing schemes and coverage (% of Population) in ASEAN**

Country	General Policy	Financing Type	Coverage
Indonesia	ASKES	insurance scheme for civil servants	20% of population
	Jamsostek (C)	commercial insurance scheme (employer borne)	
	CBHI (V)	social safety net program	
Lao	CCS (C)	insurance scheme for civil servants	5% of population
	SSO (C)	social insurance scheme (coverage limited to pilot cities)	
	CBHI (V)	community-based insurance scheme	
Philippines	PhilHealth (C) (G)	social insurance scheme	75% of population*
Singapore	Medisave (C)	individual savings scheme	Universal
	Medishield (O)	insurance scheme	
	Medifund (G)	social safety net program( endowment fund)	
Thailand	SSS (C)	social insurance scheme	13%
	CSMBS	insurance scheme for civil servants	11%
	30 bahts Scheme	social safety net program	76%
Vietnam	VSS (C)	social insurance scheme	30% of population
	VSS (V)	social insurance scheme for informal sector	
	HCFP (scheme for the poor) (G)	social safety net program	

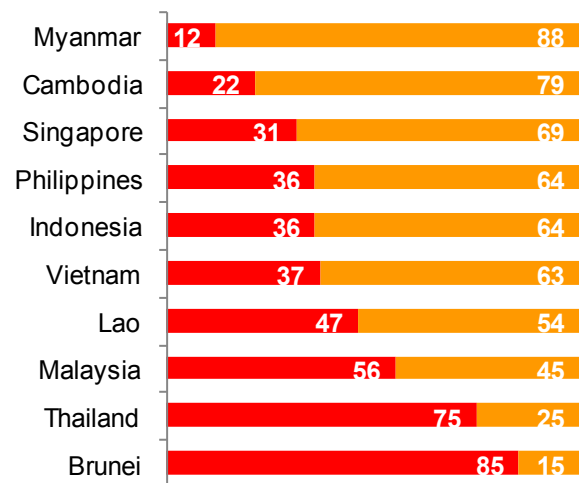
Source: World Health Organization, “Social Health Insurance: Selected Case Studies from Asia and the Pacific, 2005” and “Regional Overview of Social Health Insurance in South-East Asia”, July 2004

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## ECONOMIC BARRIERS

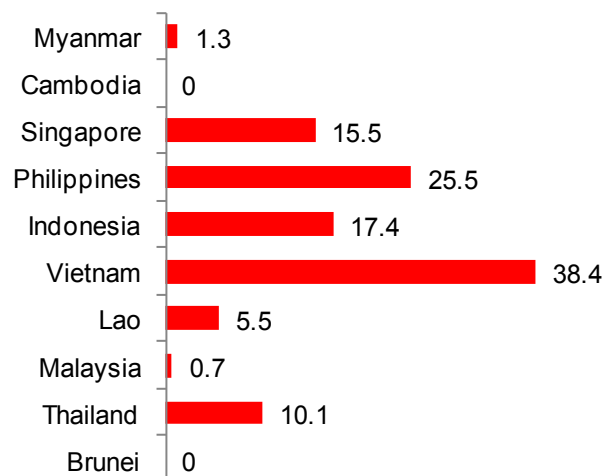
**Figure 10.**  
**Distribution of healthcare funding in ASEAN**

Share in Funding of Health Coverage in Asean (in %)

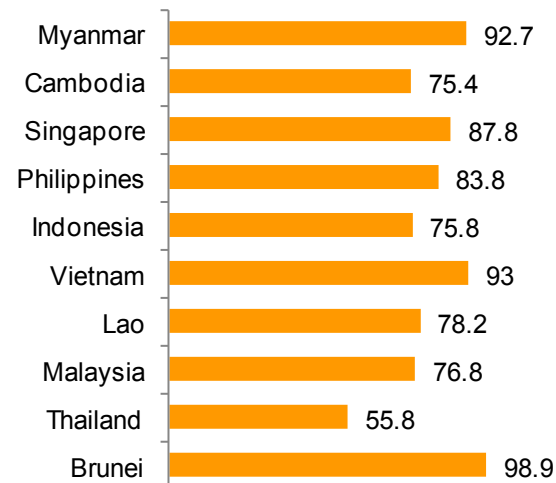


■ Government ■ Private

Social security expenditure on health as % of general government expenditure on health



Out-of-pocket expenditure as % of private expenditure on health



## ECONOMIC BARRIERS

- **Even with liberalized markets, costs of healthcare in these countries will continue to be a burden**
- **Higher costs due to transportation and follow-up treatments**
- **Increasing economic competitiveness**

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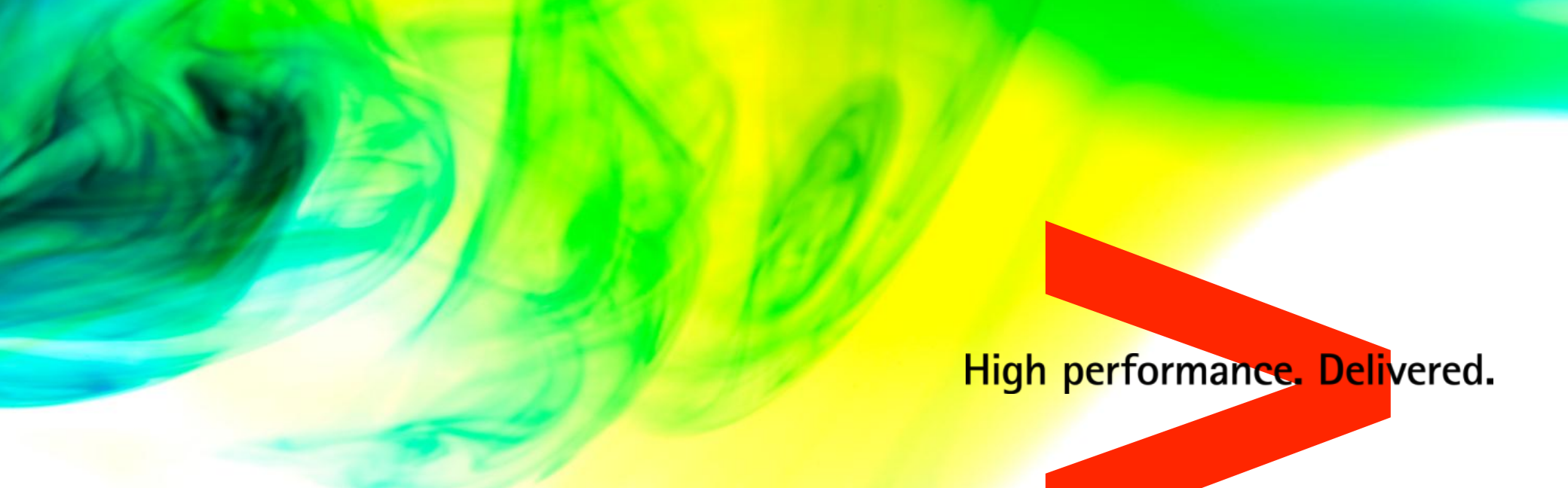
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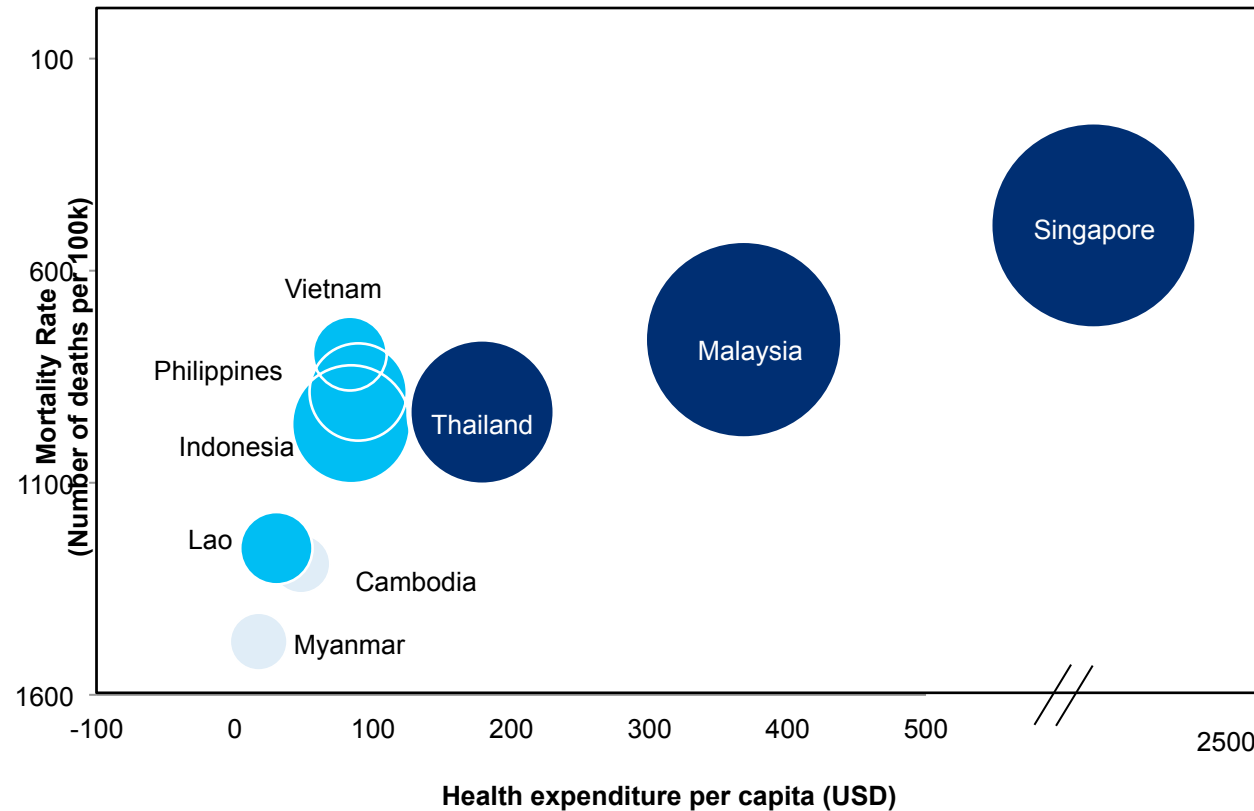


consulting | technology | outsourcing



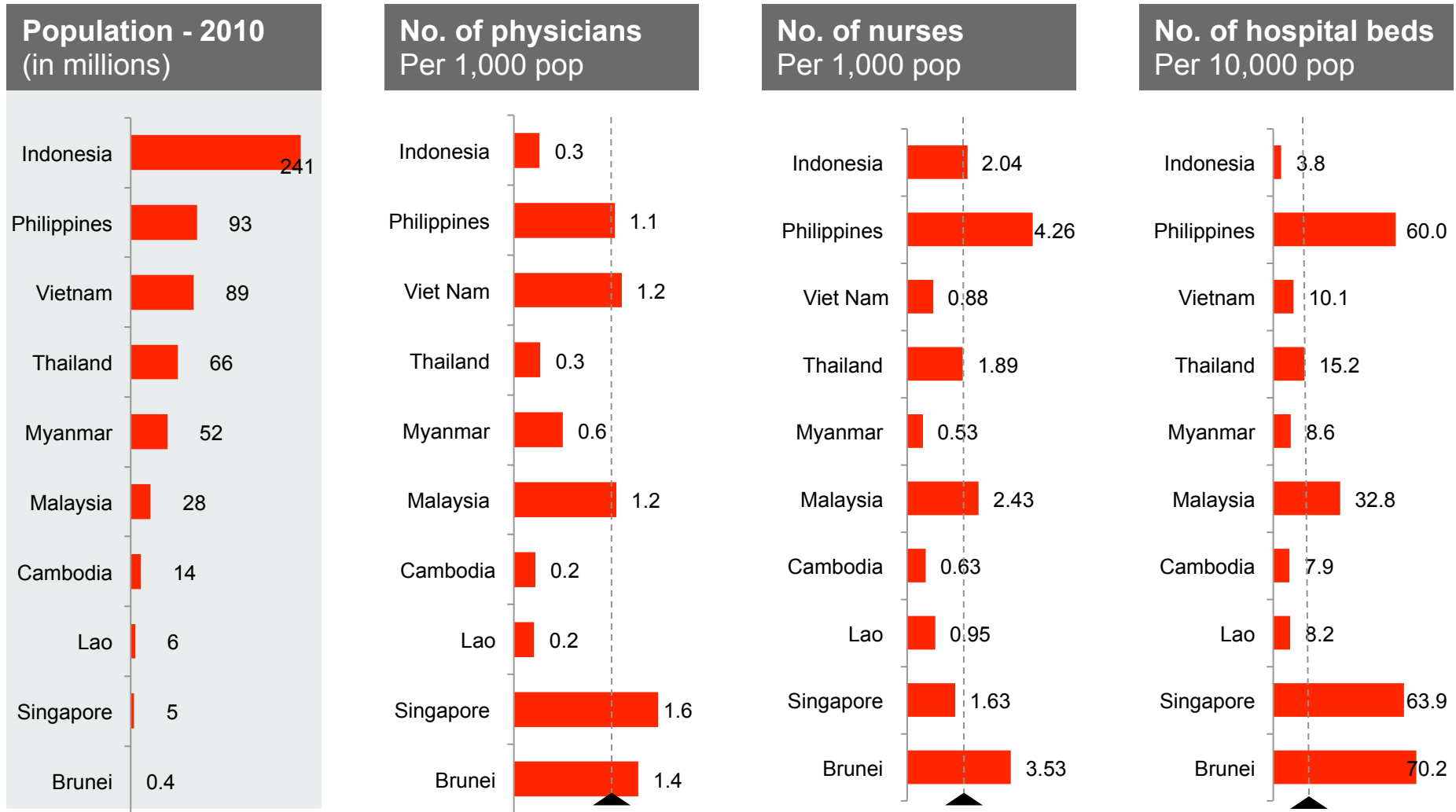
# Figure 1. Healthcare Spending and Health Profiles of ASEAN countries

## Healthcare Spending and Health Profiles of Asean Countries



● Low-income: GDP per capita <1k      ● Middle-income: GDP per capita 1-5k      ● High-income: GDP per capita >5k

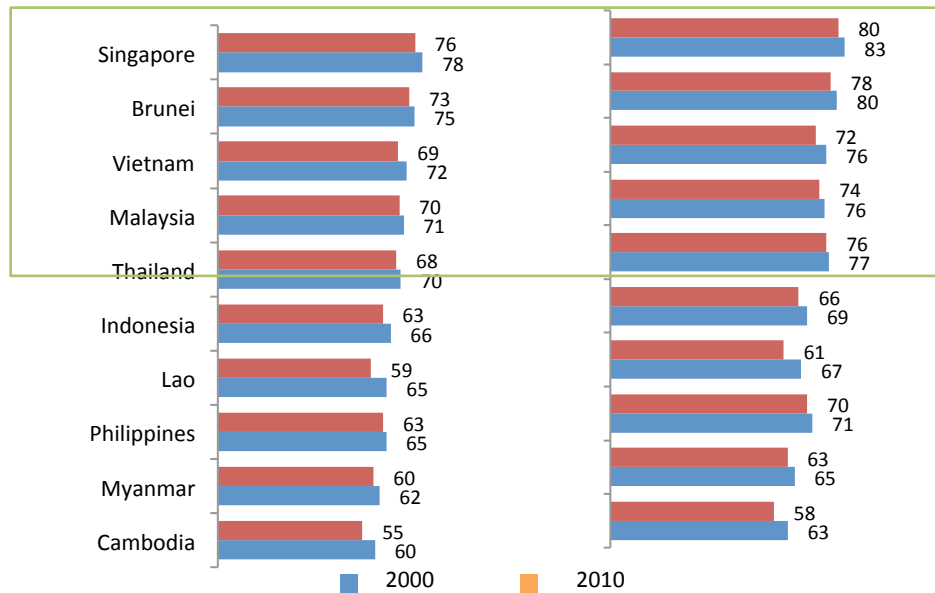
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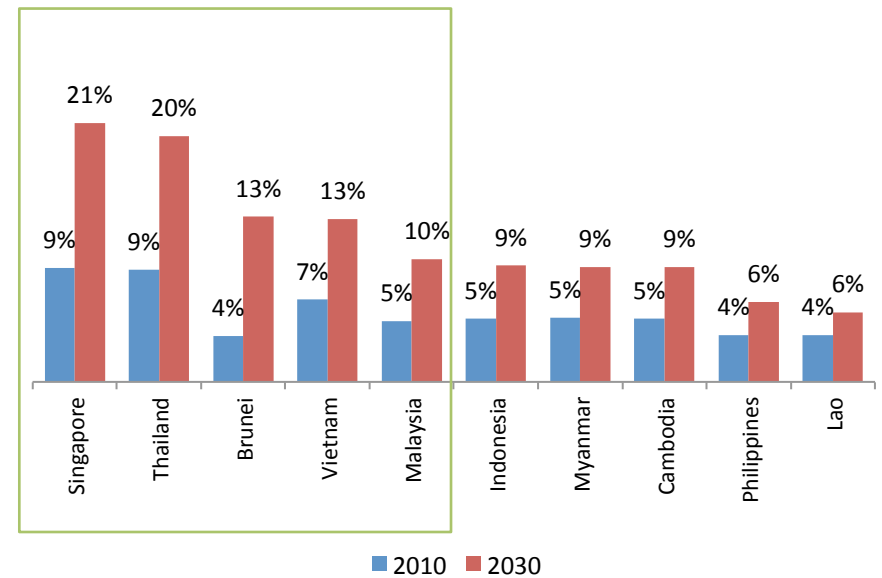
Source: United Nations, Department of Economic and Social Affairs, Population Division (2013). World Population Prospects: The 2012 Revision, CD-ROM Edition.; OECD Health Data 2012; WHO Global Health Observatory Data Repository, national data sources; WHO World Health Statistics 2013  
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# Figure 3. Percentage of population over 65 years old and life expectancy across ASEAN

### Life expectancy at birth (Male and Female)

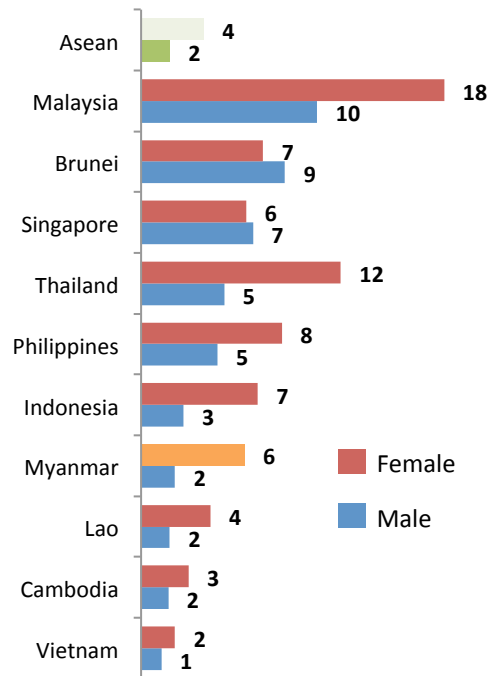


### Percentage of Population over 65 years old

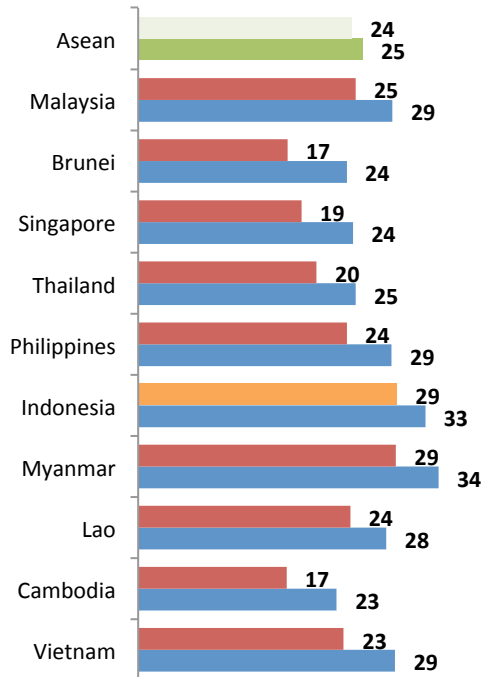


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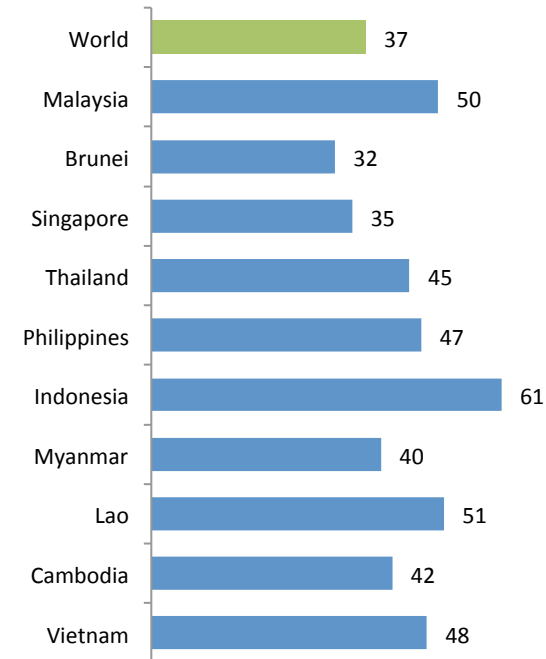
### Adults aged ≥20 years who are obese (%)



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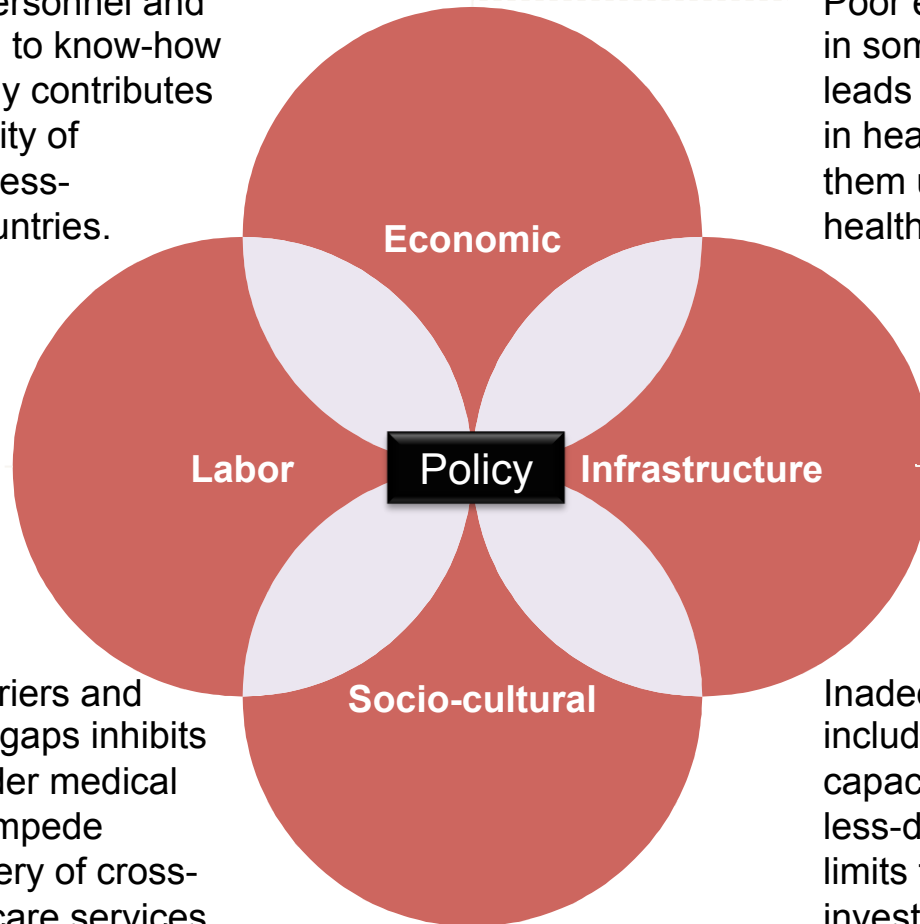
### Smoking prevalence among males (%)



# Figure 5. Barriers to establishing an integrated healthcare sector in ASEAN

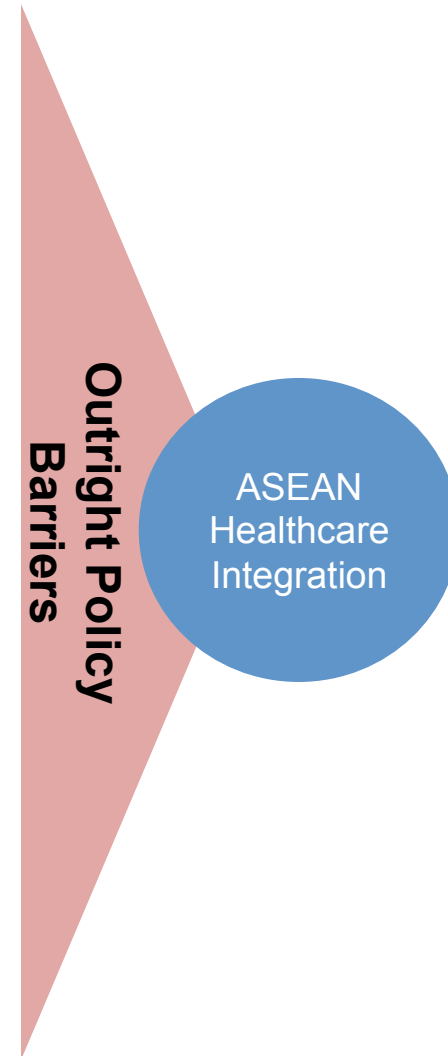
Shortage in personnel and limited access to know-how and technology contributes to inaccessibility of healthcare in less-developed countries.

Poor economic conditions in some member-states leads to funding challenges in healthcare and renders them uncompetitive for healthcare integration.



Language barriers and cross-cultural gaps inhibits the cross-border medical practice and impede effective delivery of cross-border healthcare services.

Inadequate infrastructure including weak regulatory capacity, particularly in less-developed economies, limits the flow of investments and promotes market inefficiencies.

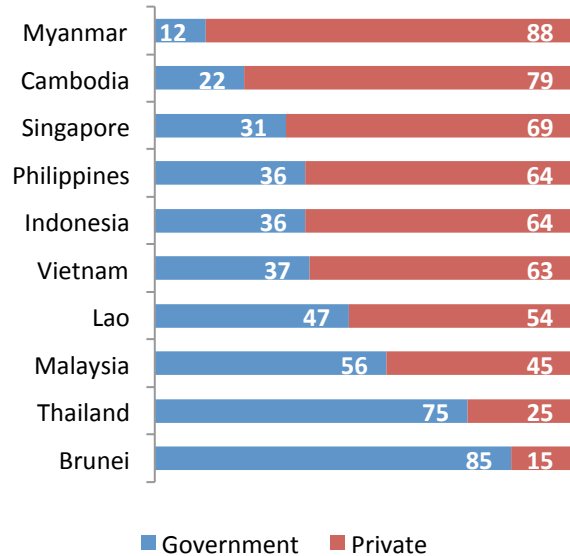


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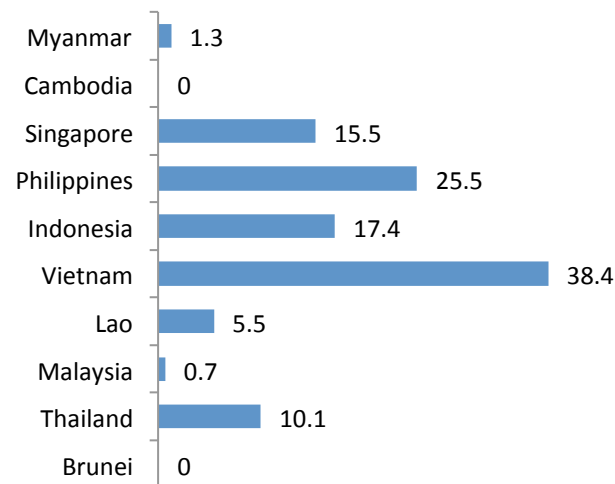
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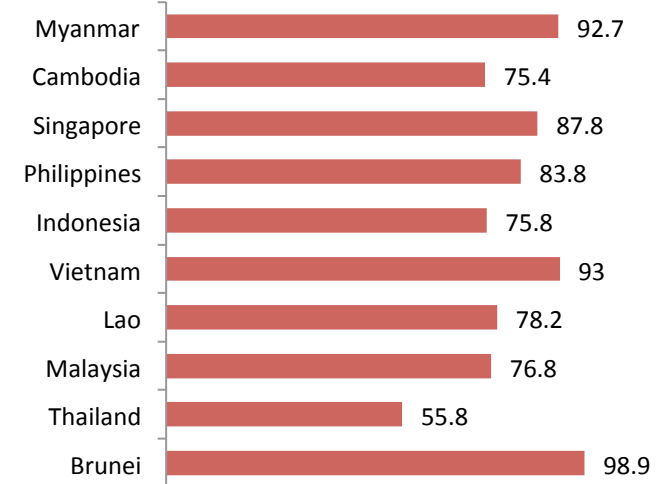
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## Social security expenditure on health as % of general government expenditure on health



## Out-of-pocket expenditure as % of private expenditure on health



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