

FINANCING HEALTHCARE

Financing development program of DGHS in Fiscal 2011-2012

Financing of the development program of the Directorate General of Health Services (DGHS) came from the Health, Population and Nutrition Sector Development Program (HPNSDP 2011-2016). In fiscal 2011-2012, there was a total allocation of Tk 138,669.96 lakh in the revised annual development program (RADP) for the operational plans of the DGHS (Figure 21.1).

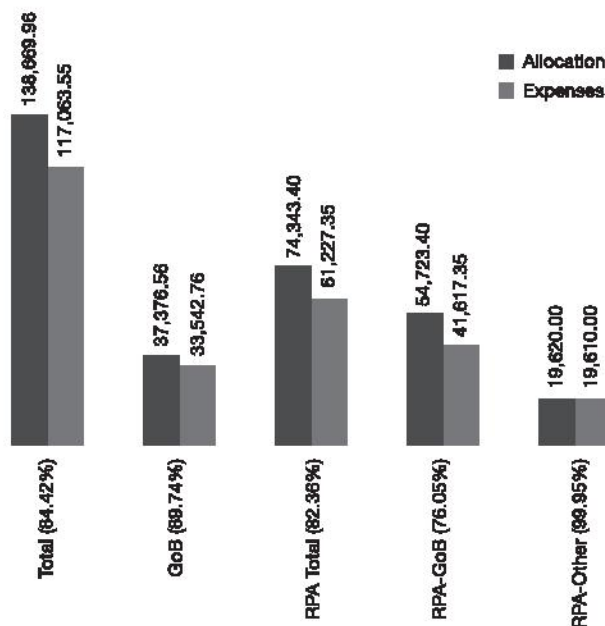


Figure 21.1. Allocation and expenditure in lakh Taka against the operational plans of DGHS in fiscal 2011-2012 under HPNSDP (Figures in parentheses show fund utilization rate)

As of June 2012, the total expenditure was Tk 117,063.55 lakh, the utilization rate being 84.42%. Of the total RADP allocation, GoB fund was Tk 37,376.56 lakh. The utilization rate of GoB fund was 89.74% (Tk 33,542.76 lakh), and that of

RPA fund (GoB plus others) was 82.36% (Tk 61,227.35 lakh out of Tk 74,343.40 lakh).

There were 13 investment projects of the DGHS under HPNSDP in fiscal 2011-2012. The total allocation in revised annual development program (RADP) was Tk 63,579.81 lakh (Figure 21.2). The total expenditure was Tk 56,437.73 lakh. The utilization rate was 87.77%. Of the total allocation,

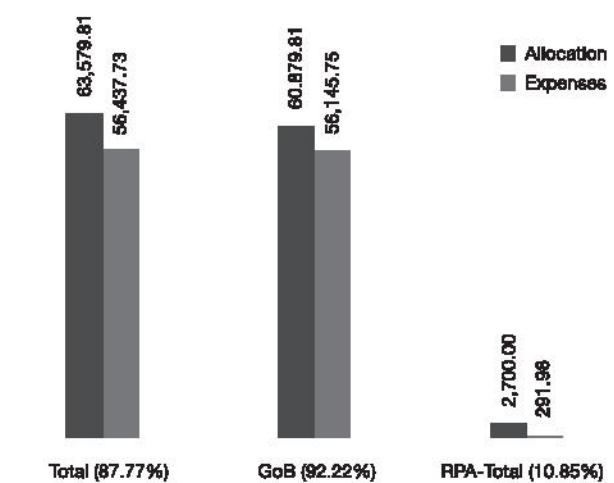


Figure 21.2. Allocation and expenditure for 13 investment projects of DGHS under HPNSDP in fiscal 2011-2012 (Figures in parentheses show utilization rate)

GoB contribution was Tk 60,879.81 lakh, and RPA contribution was Tk 2,700.00 lakh. The utilization rate of the GoB fund was 92.22% (Tk 56,145.75 lakh). The utilization rate of RPA fund was 10.85% (Tk 291.98 lakh).

Table 21.1 shows the allocation, expenditure, and utilization rate of the HNPSP development fund of DGHS for fiscal 2011-2012 by operational plan.

Table 21.1. Summary of allocation, expenditure, and utilization of HNPSF fund against major operational plans of DGHS in fiscal 2011-2012 (amounts in lakh Taka)

Program	Fund allocation according to RADP					Expenditure					Progress (%)
	Total	GoB	RPA		Other than RPA	Total	GoB	RPA		Other than RPA	
			GoB	Other				GoB	Other		
Essential Service Delivery	2,200	1,000	1,200	0	0	848.35	669.2			0	38.56
Maternal, Neonatal Child and Adolescent Healthcare	51,700	5,200	10,910	19,610	15,980	44,333.44	4,949.85	7,212	19,610	12,561.59	85.75
Community-based Healthcare	3,300.96	21.56	3,279.4	0	0	2,481.2	0	2,481.2	0	0	75.17
TB and Leprosy Control	6,650	500	1,450	0	4700	5,264.85	432.17	132.68	0	4,700	79.17
National AIDS/STD Program	3,000	200	2,500	0	300	1,223	163	760	0	300	40.77
Communicable Disease Control	9,600	1,600	3,000	0	5,000	8,457.25	1,537.23	2,593.49	0	4,326.53	88.10
Non-Communicable Disease Control	8,220	3,500	4,500	0	220	7,515	3,210	4305	0	0	91.42
National Eye Care (NEC)	280	173	97	10	0	224.65	159.17	65.48	0	0	80.23
Hospital Services Management	20,150	8,650	11,000	0	500	18,811.41	7,691.6	10,899.03	0	220.78	93.36
Alternative Medical Care	1,050	1000	50	0	0	1,026.23	976.23	50	0	0	97.74
In-service Training	4,200	800	3,400	0	0	2,444.84	535.91	1,908.93	0	0	58.21
Pre-service Education	11,472	6,472	5,000	0	0	10,902.32	6,246.16	4,656.16	0	0	95.03
Planning, Monitoring and Research	700	150	500	0	50	510.82	103.75	403.07	0	4	72.97
Health Information Systems and eHealth	4,729	2,617	2,012	0	100	4,500.39	2,407.9	2,011.95	0	80.54	95.17
Health Education and Promotion	1,175	475	600	0	100	1,126.14	445.18	580.96	0	100	95.84
Procurement, Logistics and supplies Management	3,743	3,518	225	0	0	3,340.3	3,162.1	178.2	0	0	89.24

Table 21.1 Continued

Program	RADP allocation (2011-2012)					Expenditure					Progress (%)
	Total	GoB	RPA		Other than RPA	Total	GoB	RPA		Other than RPA	
			GoB	Other				GoB	Other		
National Nutrition Services (NNS)	6,500	1,500	5,000	0	0	4,053.36	853.31	3,200.05	0	0	62.36
Total	138,670	37,376.56	54,723.4	19,620	26,950	117,063.6	33,542.76	41,617.35	19,610	22,293.44	84.42

Table 21.2 shows the allocation, expenditure, and utilization rate of the HPNSDP development fund of DGHS for fiscal 2011-2012 by investment project plan

Table 21.2. Summary of allocation, expenditure and utilization of HPNSDP fund against 13 investment projects of DGHS in fiscal 2011-2012 (amounts in lakh Taka)

Name of Project	Project cost	RADP allocation (2011-2012)				Expenditure (2011-2012)				Progress against allocation %
		Total	GoB	RPA		Total	GoB	RPA		
				GoB	Other			GoB	Other	
Establishment of 250-bedded National Institute of Ophthalmology and Hospital (Revised) (2003-2012)	13,287	2,161	161	0	2,000	202.12	159.29	0	42.83	9.35
Upgradation of 50-bedded National Cancer Research Institute and Hospital to 300-bed—First Phase 150 (2003-2013)	29,552	1,255	555	0	700	685.37	436.22	0	249.15	54.61
Establishment of National Institute of Neuroscience (2003-2011) (Revised)	23,171.63	7,495.24	7,495.24	0	0	6,897.67	6,897.67	0	0	92.03
Establishment of 150-bedded Modernized Sarkari Karmochari Hospital, Dhaka (2003-2011)	4,776.43	2,053.57	2,053.57	0	0	2,053.57	2,053.57	0	0	100.00
Establishment of National Institute of ENT (First Phase) in Dhaka	5,647	1,600	1,600	0	0	1,448.44	1,448.44	0	0	90.53
Expansion and Modernization of Dhaka Medical College Hospital	6,000	600	600	0	0	0	0	0	0	0.00
Establishment of Sheikh Fazilatunnessa Mujib Eye Hospital and Training Institute, Gopalganj (2010-2013)	14,131.44	7,254	7,254	0	0	6,746.37	6,746.37	0	0	93.00
Establishment of National Institute of Laboratory Medicine and Referral Centre (2010-1203)	13,814	656	656	0	0	654.55	654.55	0	0	99.78

Table 21.2 Continued

Name of Project	Project cost	RADP allocation (2011-2012)				Expenditure (2011-2012)				Progress against allocation %
		Total	GoB	RPA		Total	GoB	RPA		
				GoB	Other			GoB	Other	
Establishment of ENT and Head-Neck Cancer Hospital and Institute	2,494	400	400	0	0	210.04	210.04	0	0	52.51
Revitalization of Community Healthcare Initiatives in Bangladesh (2009-2014)	267,749	35,005	35,005	0	0	33,751.79	33,751.79	0	0	96.42
Center of Excellence, Bangbandhu Sheikh Mujib Medical University (BSMMU)	48,531	4,700	4,700	0	0	3,146.65	3,146.65	0	0	66.95
Expansion of Dhaka Shishu Hospital (2010-2013)	2,375	400	400	0	0	150	150	0	0	37.50
Establishment of Essential Drug Company Ltd. Gopalganj (2011-2013)	31,495	491	491	0	0	491.16	491.16	0	0	100.03
Total	463,023.5	63,579.81	60879.81	0	2,700	56,437.73	56,145.75	0	291.98	88.77

Bangladesh National Health Accounts (NHA) 1997-2007

The Bangladesh National Health Accounts 1997-2007 was officially published in 2010 by the Health Economics Unit (HEU) of the Ministry of Health and Family Welfare. The work was done by a consulting firm (Data International Limited), with financial and technical assistance from German Technical

Corporation (gtz). Mr. Ravi P. Rannan-Eliya from the Institute for Health Policy, Sri Lanka, was the editor of the report. Although selected portions of that report were published in the previous Health Bulletins, we are covering those in this bulletin too.

Table 21.3 shows the total health expenditure and annual growth rates from 1997 to 2007.

Table 21.3. Total health expenditure, current and constant 2007 prices, and annual growth rates, 1997-2007

Fiscal year	Amount (Taka in million)		Growth rate over previous year (%)	
	Current	Constant (a)	Current	Constant
1996-1997	48,699	74,392		
1997-1998	53,602	78,966	10.1	6.1
1997-1999	59,433	84,554	10.9	7.1
1999-2000	65,497	91,796	10.2	8.6
2000-2001	74,193	103,256	13.3	12.5
2001-2002	82,978	111,652	11.8	8.1
2002-2003	89,709	115,867	8.1	3.8
2003-2004	102,229	126,624	14.0	9.3
2004-2005	117,085	136,075	14.5	7.5
2005-2006	138,955	152,588	18.7	12.1
2006-2007	160,899	160,899	15.8	5.4

Figure 21.3 shows the total health expenditure each year as percentage of GDP of Bangladesh from 1997 to 2007. As the figure reveals, the total health expenditure increased at a very negligible rate of only 0.1% each year from 2003-2004 to 2006-2007.

Table 21.4 shows the total health expenditure and

GDP of Bangladesh from 1997 to 2007.

Figure 21.4 shows the gap between per-capita GDP and per-capita total health expenditure from 1997 to 2007. The figure clearly reveals that the gap has been widened over the period from 2002-2003 to 2006-2007.

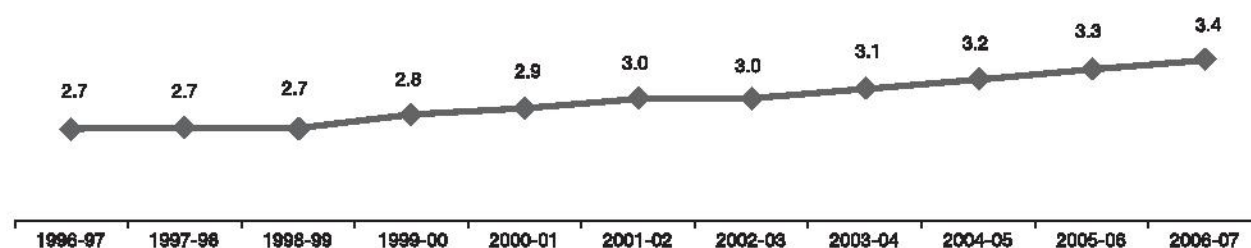


Figure 21.3. Ratio of total health expenditure each year as percentage of GDP (1997-2007)

Table 21.4. Total health expenditure and GDP from 1997 to 2007 in Bangladesh

Fiscal year	Total health expenditure				GDP		
	Current Taka	Constant Taka*	Current US\$	Real growth rate (%)	Current Taka	Constant Taka*	Current US\$
1996-1997	393	600	\$9.2		14,571	22,258	\$341
1997-1998	426	627	\$9.4	4.5	15,901	23,425	\$350
1997-1999	466	662	\$9.7	5.6	17,209	24,483	\$358
1999-2000	506	709	\$10.1	7.1	18,313	25,666	\$364
2000-2001	571	794	\$10.6	12.0	19,499	27,137	\$361
2001-2002	624	840	\$10.9	5.8	20,557	27,661	\$358
2002-2003	665	860	\$11.5	2.3	22,298	28,800	\$385
2003-2004	742	920	\$12.6	7.0	24,181	29,951	\$410
2004-2005	845	982	\$13.8	6.8	26,747	31,085	\$436
2005-2006	988	1,085	\$14.7	10.5	29,568	32,469	\$441
2006-2007	1,118	1,118	\$16.2	3.0	32,831	32,831	\$476

*Constant price of health expenditure and GDP were expressed in terms of 2007 prices



Figure 21.4. Gap between per-capita GDP and per-capita total health expenditure from 1997 to 2007

Figure 21.5 shows the per-capita purchasing power parity (PPP)-adjusted total health expenditure in Bangladesh from 1997 to 2007. The per-capita expenditure has increased slowly over the years. However, a question remains whether it was what we expected or similar to that in other countries? One should find answer to this question before making a contention.

Table 21.5 shows the contribution of total health expenditure from different sources during 1997 to 2007. Household (out-of-pocket) contribution continues to be two-thirds of the total health expenditure which was 57% in 1996-1997 and became 64% in 2006-2007.

Figure 21.6 shows that the Ministry of Health

and Family Welfare is the largest contributor of the public-sector expenditure for health. In fiscal 2006-2007, the Ministry contributed 97.1%, followed by the Ministry of Local Government, Rural Development and Cooperatives (1.0%) and the Ministry of Home Affairs (0.6%). The rest of the ministries of the Government of Bangladesh together contributed 1.3%.

Figure 21.7 shows the contribution of different development partners as percentage of total donor funds to health expenditure in fiscal 2006-2007.

Figure 21.8 shows the distribution of total health expenditure by type of healthcare provider in fiscal 2006-2007.

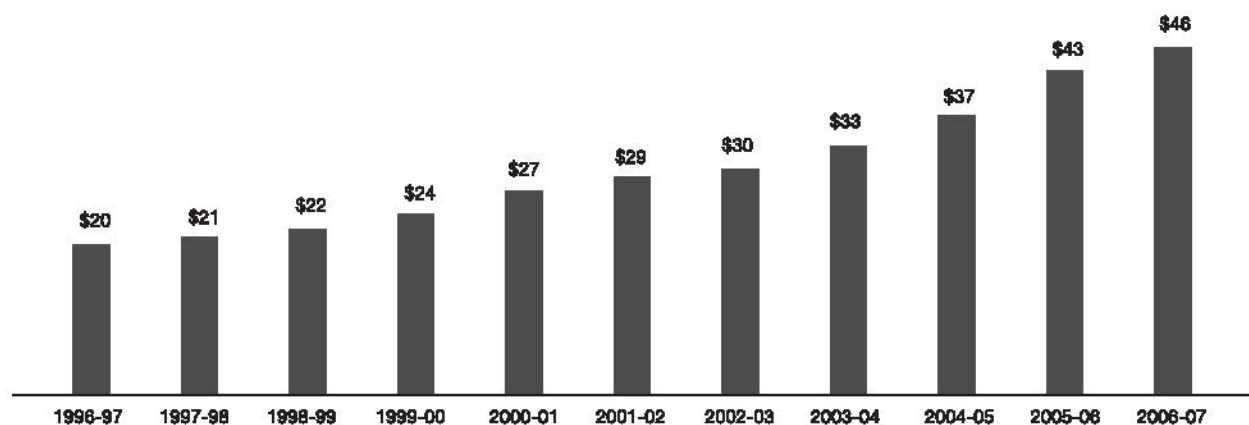


Figure 21.5. Per-capita purchasing power parity (ppp)-adjusted total health expenditure nominal from 1997 to 2007 in Bangladesh

Table 21.5. Contribution of total health expenditure (THE) from different sources during 1997 to 2007

Fiscal year	Public sector		Household		Private		Insurance		NGO		Development partners		Total THE
	Million Taka	% of THE	Million Taka	% of THE	Million Taka	% of THE	Million Taka	% of THE	Million Taka	% of THE	Million Taka	% of THE	Million Taka
1996-1997	17,682	36%	27,573	57%	562	1%	35	0%	548	1%	2,300	5%	48,699
1997-1998	18,341	34%	31,055	58%	605	1%	41	0%	685	1%	2,875	5%	53,602
1997-1999	19,292	32%	35,071	59%	487	1%	47	0%	849	1%	3,688	6%	59,433
1999-2000	20,217	31%	38,719	59%	910	1%	54	0%	1,019	2%	4,578	7%	65,497
2000-2001	23,128	31%	43,456	59%	594	1%	97	0%	1,260	2%	5,659	8%	74,193
2001-2002	25,223	30%	48,944	59%	657	1%	117	0%	1,265	2%	6,772	8%	82,978
2002-2003	24,810	28%	54,461	61%	871	1%	142	0%	1,422	2%	8,004	9%	89,709
2003-2004	29,316	29%	61,078	60%	854	1%	167	0%	1,579	2%	9,235	9%	102,229
2004-2005	29,918	26%	74,506	64%	937	1%	224	0%	1,765	2%	9,734	8%	117,085
2005-2006	38,696	28%	86,419	62%	1,100	1%	256	0%	1,954	1%	10,530	8%	138,955
2006-2007	41,318	26%	103,459	64%	1,325	1%	314	0%	2,092	1%	12,391	8%	160,899

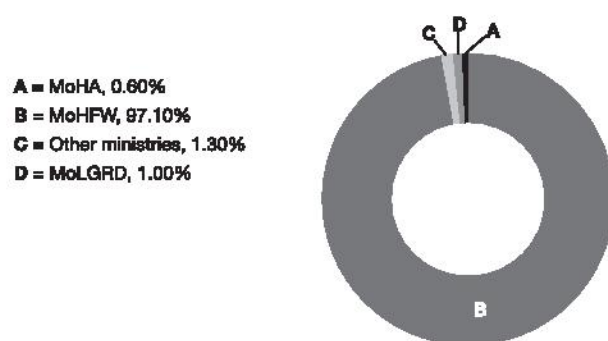


Figure 21.6. Share of different ministries to public sector fund for total health expenditure in FY 2006-2001

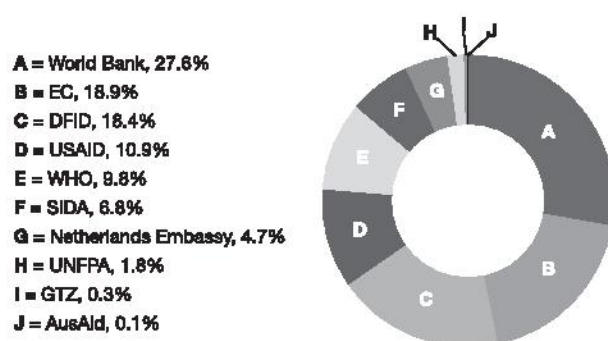


Figure 21.7. Contribution of development partners to the external funds for health (FY 2006-2007)

Table 21.6 shows the distribution of health expenditure for different types of healthcare providers in fiscal 2006-2007. Of the hospital

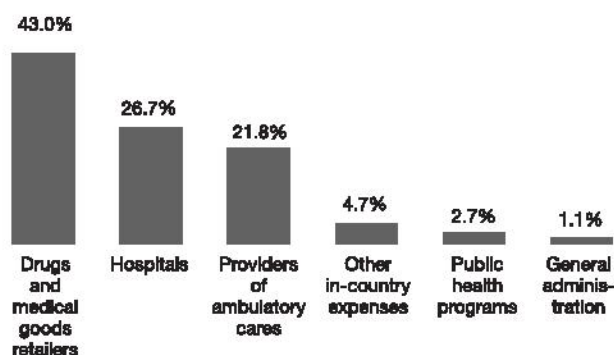


Figure 21.8. Distribution of total health expenditures by type of health care providers in 2006-07

expenditure, more than half (54.5%) went to the private/NGO hospitals. Of the ambulatory healthcare expenditure, majority (32.5%) went to family planning centers, followed by general physicians (27.0%), and medical and diagnostic centers (18.4%). Other outpatient health centers got 12.1% of the share. The home-care providers got 3.5%.

Figure 21.9 shows the distribution of public-sector health expenditure by function of health services in fiscal 2006-2007. Curative care used 33%. Another 14% was spent for medicines and medical goods. Preventive care used 27%.

Table 21.7 shows the comparison of health expenditure between Bangladesh and some neighboring countries in fiscal 2005-2006 and 2006-2007.

Table 21.6. Share of healthcare costs received from patients by type of health facility in fiscal 2006-2007

Share of hospital costs		Share of ambulatory healthcare costs	
Type of healthcare provider	Percentage	Type of healthcare provider	Percentage
Private/NGO hospitals	54.5	General physicians	27.0
Hospitals at upazila level and below	24.1	Dentists	0.9
District/General hospitals	8.7	Homeopaths	3.2
Medical college hospitals	5.2	Ayurvedic/Unani	2.4
Specialized hospitals	3.4	Family planning centers	32.5
Hospitals under other ministries	3.1	All other outpatient health centers	12.1
University hospital and PG institute hospitals	0.8	Medical and diagnostic centers	18.4
Government mental hospitals	0.2	Home healthcare providers	3.5

A = Capital investment, 18%
B = Medical education & training, 4%
C = Curative care, 33%
D = Medicines & medical goods, 14%
E = Preventive services, 27%
F = Health administration, 4%

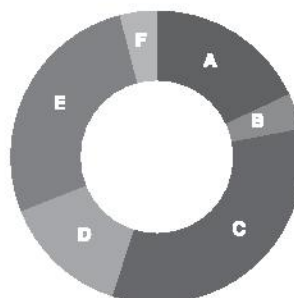


Figure 21.9. Distribution of public-sector health expenditure by function of health services in 2006-2007

Table 22.7. Comparison of health expenditure between Bangladesh and neighboring countries

Country	Year	Per-capita health expenditure (US\$)	Total health expenditure as % of GDP	Public expenditure as % of total health expenditure	Public expenditure as % of GDP
Bangladesh	2006-2007	16	3.6	26	0.9
Bangladesh	2005-2006	14	3.3	27	0.9
India	2005-2006	29	3.6	25	0.9
Nepal	2005-2006	17	5.1	30	1.6
Pakistan	2005-2006	19	2.6	32	0.8
Sri Lanka	2005-2006	57	4.2	49	2.1