HOW FINANCING AND PAYMENT MECHANISM INFLUENCE DRUG USE

Khunjira Udomaksorn, Ph.D.
Prince of Songkla University

Writer team of Drug System Book: Chapter 5
# THAILAND HEALTH INSURANCE SCHEMES

<table>
<thead>
<tr>
<th></th>
<th>Civil Servant Medical Benefit Scheme (CSMBS)</th>
<th>Social Security Scheme (SSS)</th>
<th>Universal Coverage Scheme (UC)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beneficiary (N)</strong></td>
<td>Government officers and dependents (5.1 m)</td>
<td>Employees in private organizations (12.2 m)</td>
<td>All Thai population beyond 2 schemes (47.8 m)</td>
</tr>
<tr>
<td><strong>Responsible agency</strong></td>
<td>Comptroller General’s Department (CGD)</td>
<td>Social Security Office (SSO)</td>
<td>National Health Security Office (NHSO)</td>
</tr>
<tr>
<td><strong>Source of fund</strong></td>
<td>Government budget from taxation</td>
<td>Trpartite contribution</td>
<td>Government budget from taxation</td>
</tr>
</tbody>
</table>
| **Drug benefit package**|  - ED (NLEM)  
  - NED                                        |  - ED (NLEM)                       |  - ED (NLEM)                       |
| **Payment method**     |  - OP: Fee-for-service  
  - IP: DRGs                                             |  - OP: Capitation                  |  - OP: Capitation +  
  - IP: Capitation + Tcp up if RW ≥ 2 |
DRUG EXPENDITURE TRENDS: BIG PICTURE

* Top 6 Highest Expenditure ATC Groups
CLOSE – ENDED PAYMENT

**PROS**
- Effectively promote use of ED
- Cost containment

**CONS**
- Under treatment
- Provider has no incentive to use high-cost ED
- No mechanism to investigate drug use
EFFORT to RATIONALIZE DRUG USE:
CLOSE-ENDED PAYMENT

UC
- Special access programs: NLEM-E2 group, Antidote, Antiplatelet, etc.
- Anticancer reimbursement: protocol as condition
- P4P: top up based on KPI

SSS
- Top up: high burden disease with global budget
- E2, ARV: reimburse by products
- Pay to the beneficiary instead of provider
- Hospital’s KPI
OPEN – ENDED PAYMENT

**PROS**
- Promote accessibility
- Able to use NED
- Drug use review can be done using claim data

**CONS**
- Over utilization
- Difficult to contain expenditure
EFFORTS to RATIONALIZE DRUG USE:
OPEN-ENDED PAYMENT

- Auditing system
- Declare a reason to prescribe NED
- Prior authorization program: OCPA, RDPA, DDPA
- Unlisted NED: Pay OOP first and case-by-case reimburse
CHALLENGINGS

- Strengthen the information system for monitoring drug utilization
- Affordable pricing and patient access system for high cost drugs
- Cost containment for open-ended payment scheme
- Strengthening domestic drug industry
Purchasing Budget of E(2) Category During Fiscal Year 2010 - 2018

- Purchasing Budget of E(2) Category (thousand million)
- Percentage of E(2) Purchasing Budget from Capitation Rate