

Financing reform for Catastrophic Healthcare

RoundTable 2: Health Financing UM 7 Aug2019

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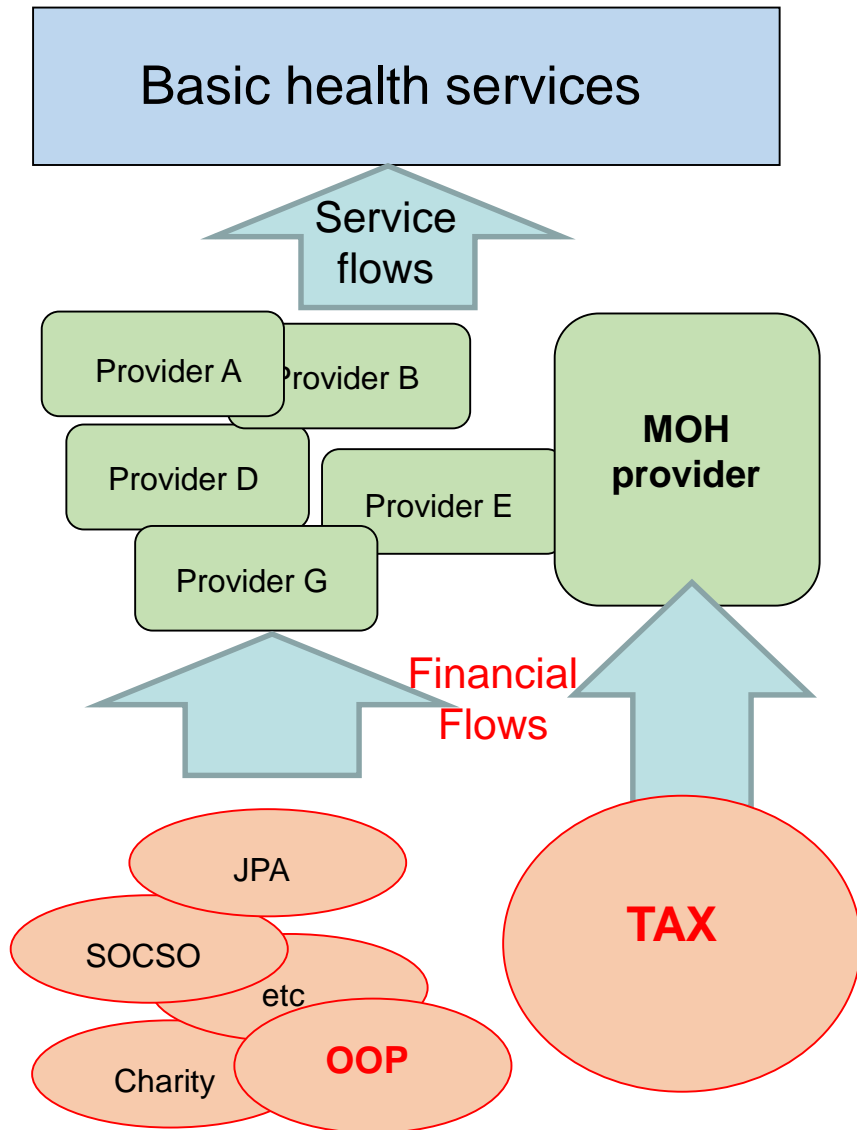
Together Against Cancer

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Contents

- Current health system for basic care
- Access to catastrophic healthcare & Financial drivers of access
- Financing reform, is it possible?

Our current multi-risk pools multi-provider health system for basic care



- 97% of children vaccinated
- 98% mom get antenatal care
- 99% of births by skilled health personnel
- 3.5 consults /person-year
- 119 discharges/1000 pop
- Access to prescription meds
- Access to basic surgeries (eg acute abdo, cataract)
- etc

And all these and more at modest cost of USD 1,805 per head, a mere 4% of M'sia's GDP

Current health system works reasonably well for basic care



But it is a tiered, socially segregated system



Highly differentiated healthcare market

- To each segment according to his income
- Though presumably everyone gets to the same “destination” on time, only at varying comfort

SAFETY NET



Healthcare basics

Healthcare can be categorized by its cost:

- A. **Basic care**: Routine every day healthcare such as vaccinations, common prescription medicines (eg for Diabetes, Hypertension, Asthma), out-patient visits and in-patient acute care incld surgeries & trauma.
- B. **Catastrophic care**: Care which incurs catastrophic health spending [*WHO: cost of care more than X% of median annual household income (M'sia RM60k)*]

But Malaysians need more than just basic care

Top 10 Causes of YLLs, Malaysia 2010

#	Disease (require catastrophic care)	YLLs '000s	% total
1	Cardio & circulatory (IHD, Stroke, etc)	887	24.1
2	Infections (LRTI, HIV/AIDS, Typhoid, TB, Dengue)	597	16.2
3	Injuries (Road, Other transport, Drowning, Falls, Violence)	427	11.7
4	Cancers (Lung, Breast, CR, Liver & Leukemia)	248	6.8
5	Neonatal & childhood conditions	166	4.5
6	COPD & Asthma	134	3.6
7	Diabetes	94	2.6
8	Chronic kidney disease	62	1.7
9	Chronic liver disease (cirrhosis)	42	1.1
	TOTAL	3671	100%

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Access to **CANCER** care

#	Disease	Treatment	Year	# need Rx	%Access
	Cancers				
1.	Chronic Myeloid Leukemia	Imatinib	2012	973	96
2.	Resistant CML	Nilotinib	2012	300	97
3.	B-cell NHL & CLL	Rituximab	2012	1137	75
4.	Myeloma	Bortezomib	2012	209	45
5.	Stage III/IV EGFR+ NSCLC	EGFR TKI	2012	938	24
6.	Stage T1c to III HER2+ BC	Trastuzumab, Lapatinib	2012	1508	21
7.	Stage IV Renal cancer	Sunitinib, Pazopanib	2012	278	16
8.	Stage III/ IV Ovarian CA	Bevacizumab	2012	295	13
9.	Stage IV Colorectal CA	Bevacizumab	2012	1294	10
10.	Stage III/IV ALK+ NSCLC	ALK TKI Crizotinib	2014	147	7

Ref: The elephant in the room- Universal coverage for Costly treatments in an upper middle income country. *BioAriv pre-print*

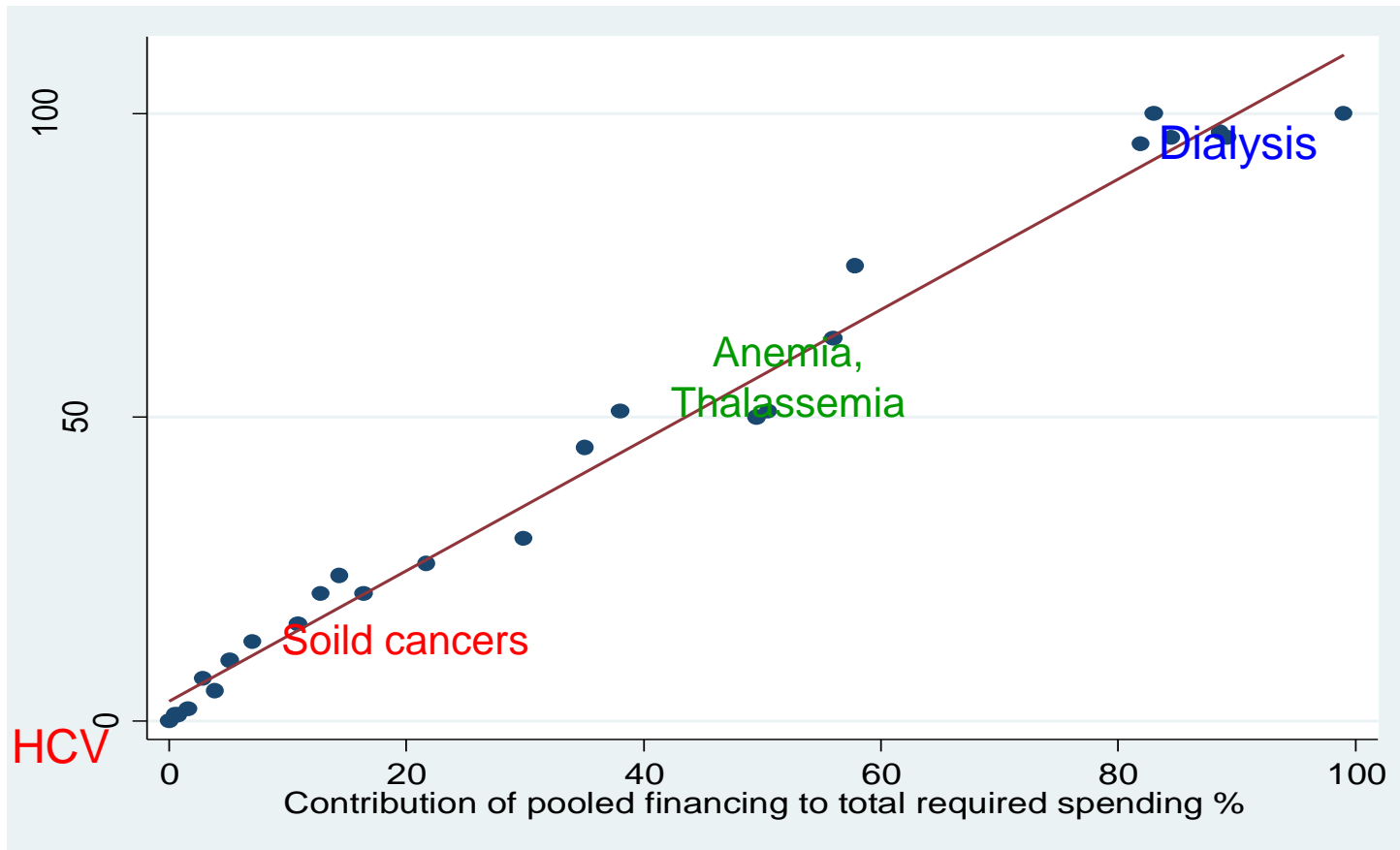
Access to **NON-CANCER** care

#	Disease	Treatment	Year	# need Rx	%Access
1.	Transplant for organ failure	MMF, CsA, Tacro. Abs.	2012	2832	100
2.	Incident ESRD	Dialysis	2012	6635	96
3.	Bilateral Cataract with VA<6/60	Cataract surgery+ IOL	2014	15000	95
4.	Anemia in prevalent ESRD	Epoetin Hb>10	2012	26381	63
5.	Coronary heart disease	PCI and CABG	2015	37000	51
6.	HIV CD4 <350 cells/mm ³	Anti-Retrovirals	2014	42408	51
7.	Transfusion dependent Thalassemia	Iron chelators (DFP, DFX),	2012	5700	50
8.	Hemophilia A and B age<18	Prophylactic Factor VIII/IX replacement	2013	1053	30
9.	Moderate/Highly active RA	Anti-TNF	2012	1200	26
10.	End stage Knee OA	Knee replacement	2015	34000	21
11.	Severe Psoriasis	Anti-TNF	2012	696	5
12.	Ischemic Stroke	Alteplase	2012	46000	1
13.	Chronic HCV	Interferon alfa	2012	44000	2
14.	Refractory childhood epilepsy	Epilepsy surgery	2014	945	1
15.	Chronic HCV	Sofosbuvir	2015	45000	0

POOLED FINANCING (Health insurance)

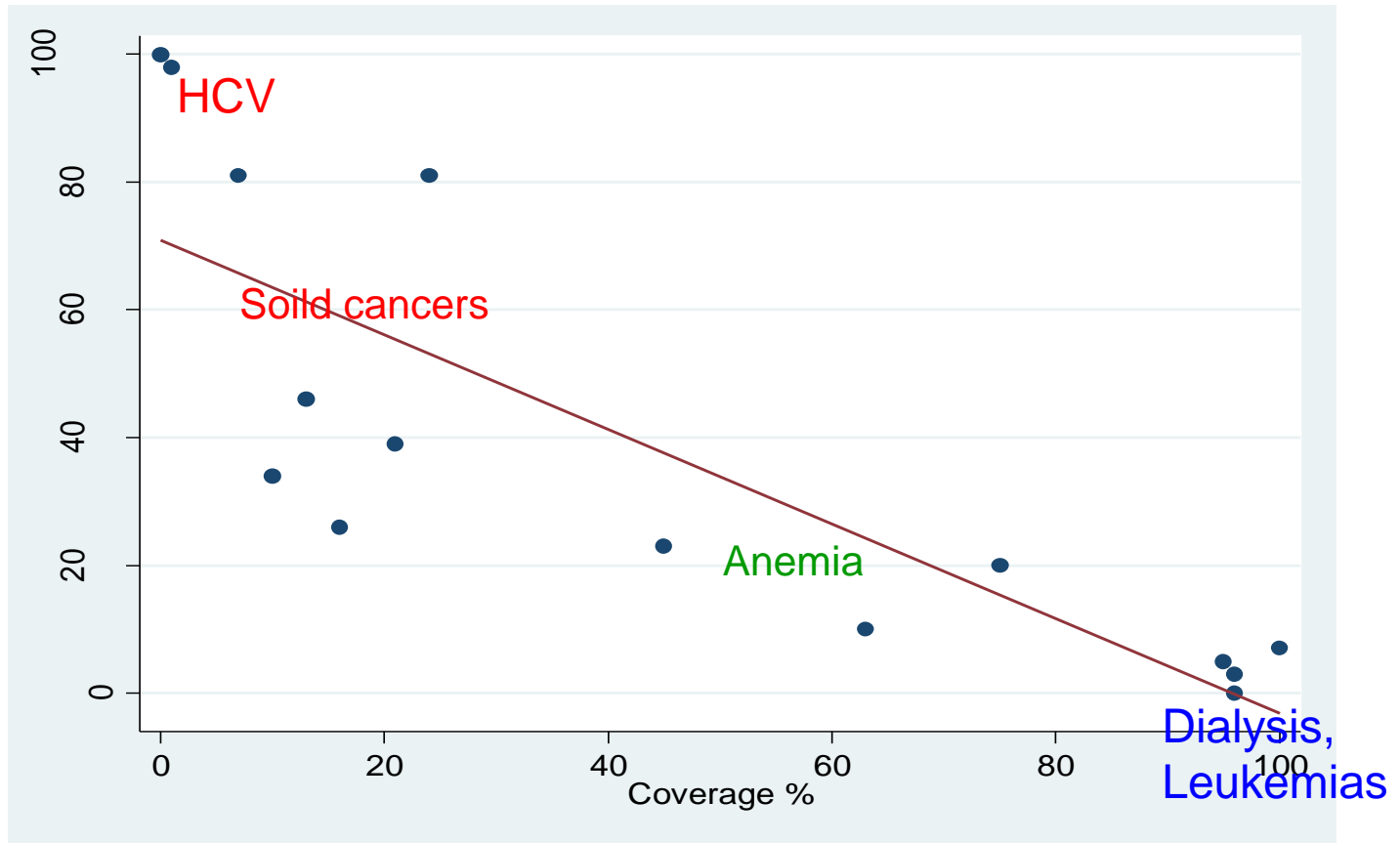
Just this factor accounts for 99% of the wide variation in
Access to care

% Coverage related to % contribution by Pooled financing, $r=0.99$



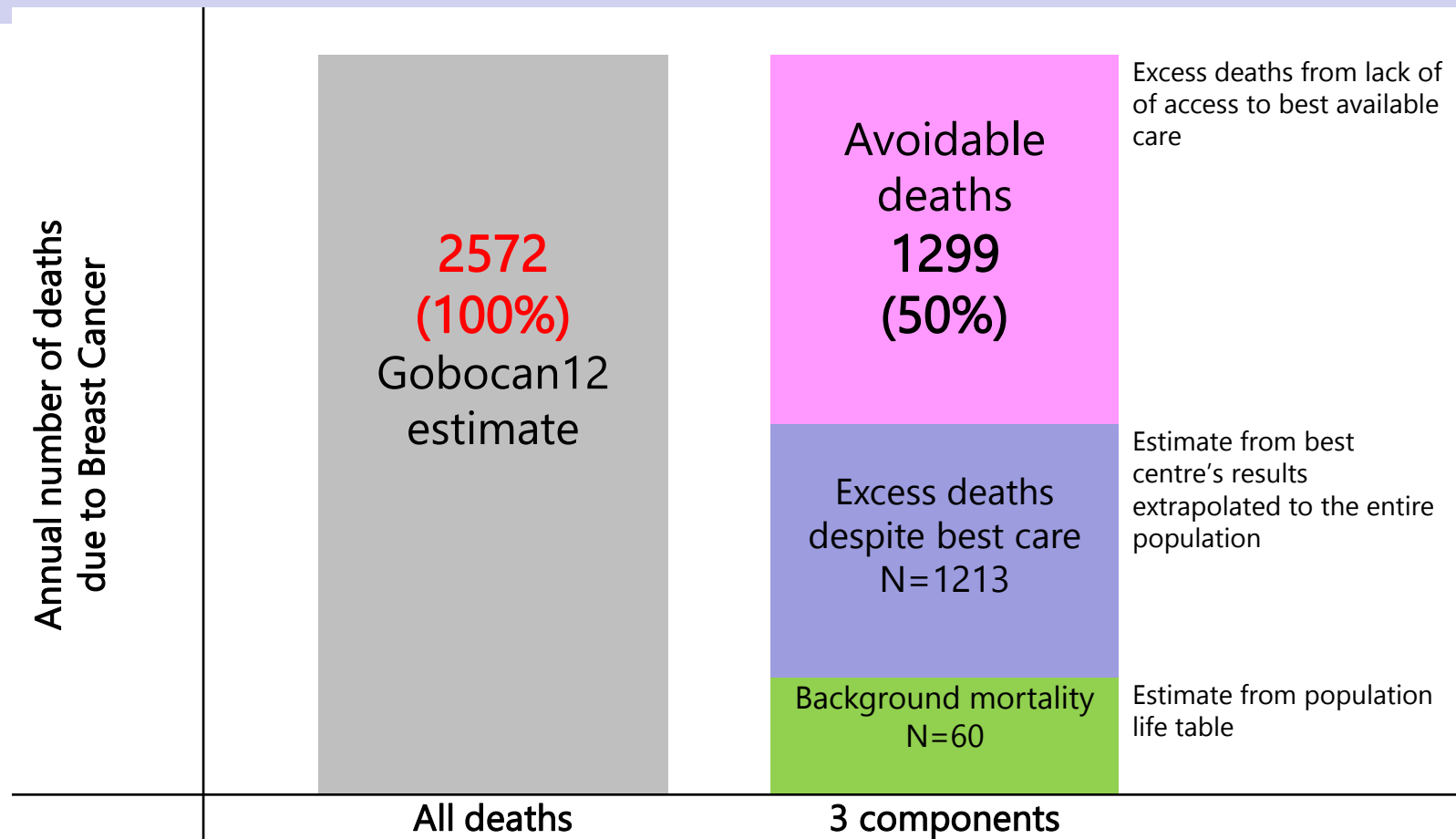
And access matters very much to your health

% Health Benefits forgone related to % Coverage



Breast Cancer Deaths in Malaysia (2012)

50 to 80% are avoidable



Source: Ho GF et al. What if all cancer patients in Malaysia have access to the best available care: How many deaths are avoidable? *Global J Health Science* 2017;9:32-39

Financial consequences of Cancer

ACTION study results for Malaysia

Out-of-pocket spending is pushing 51% of the households of surviving patients (at 12 months) in Malaysia into economic hardship (EH):

1 year following diagnosis and treatment



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What is to be done?

TWO things need to happen

1. REFORM: More & Better pooled financing

2. LOWER treatment cost, which has 2 components

(a) Cost of goods (medicines, devices etc)

(b) Cost of health services

Market Failure in Pharmaceuticals

Much of it self inflicted

Efficient differentiated Market



Market failure

This costs
RM500k a year

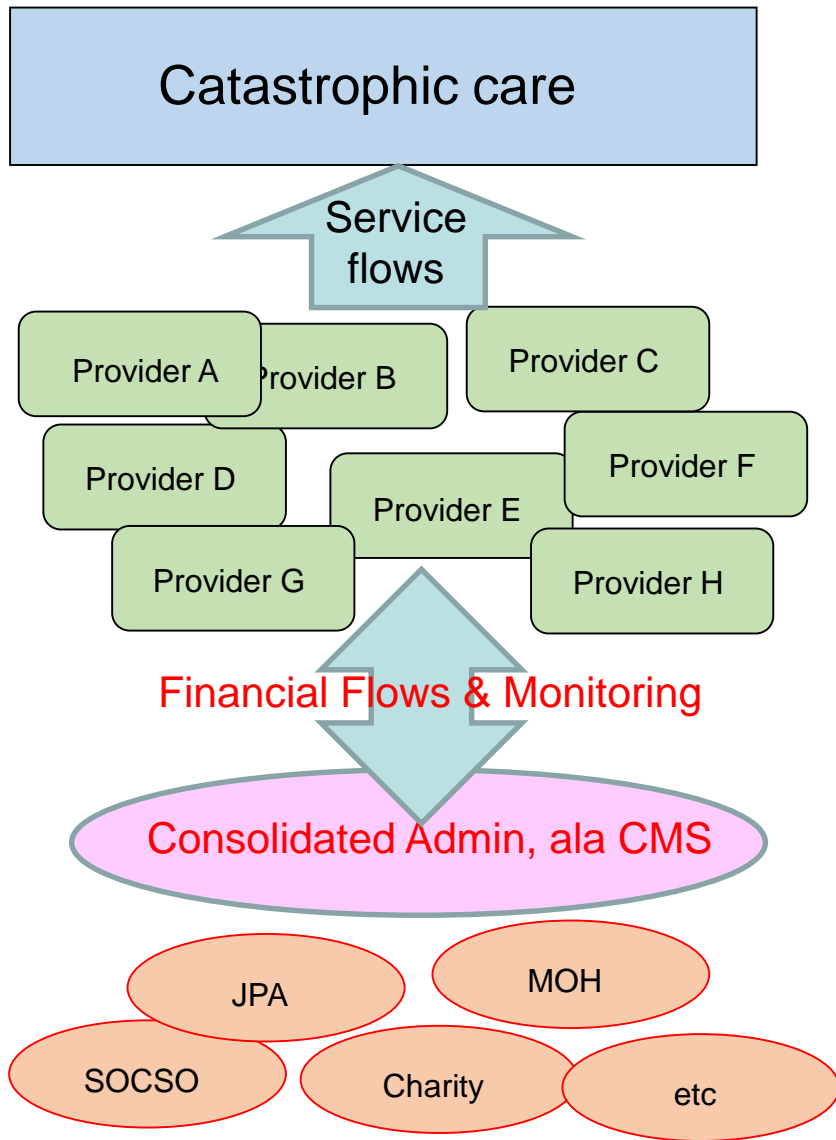


This is
NOT
allowed
in M'sia;
**Either
you pay
or you
die**

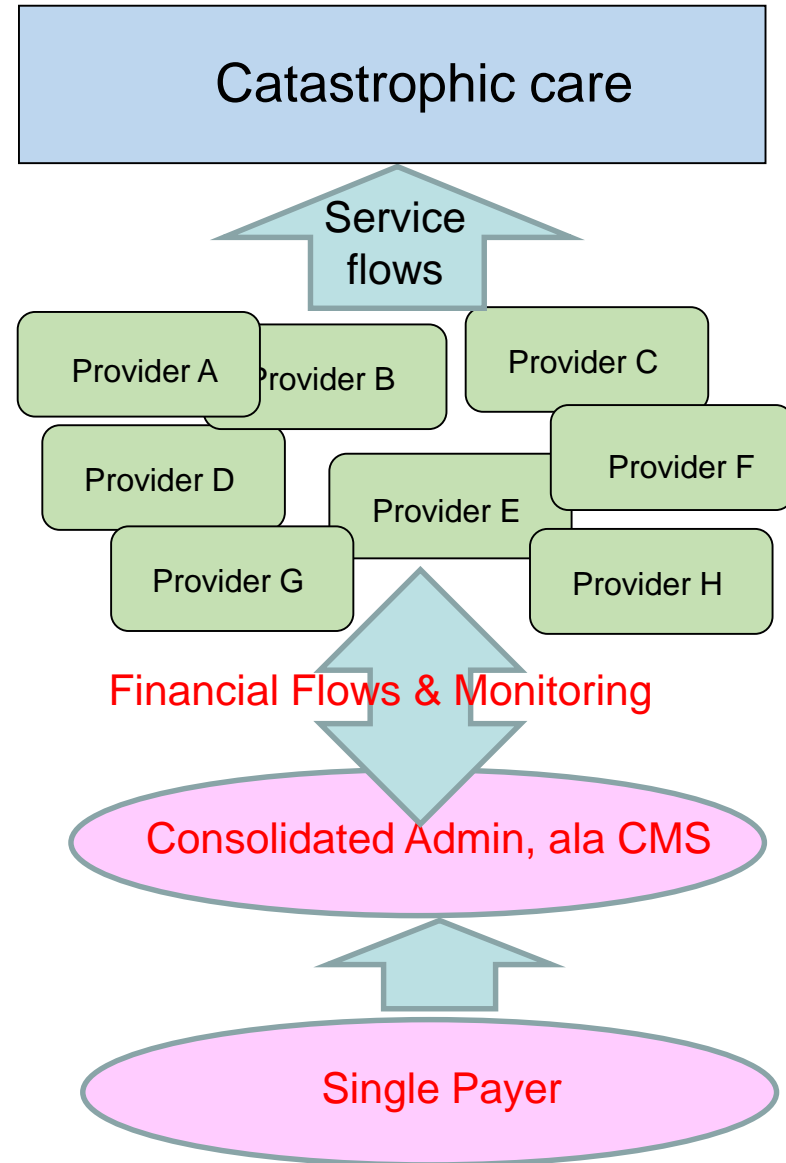


More & better Pooled Financing

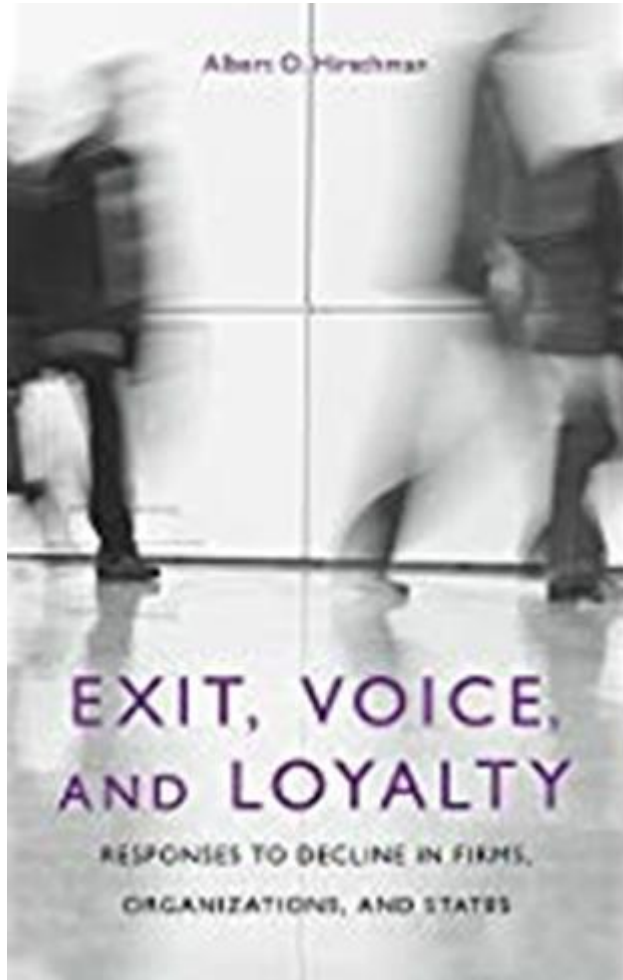
Model A: Consolidate Admin



Model B: Single payer



Mission possible?



Regardless of financing model, more funds needed in the pool

- Is there political will?
Hello, who is complaining? Just throw them some BRIM crumbs
- Does the social consensus exist? *Those who must contribute most to the pool has long exited*

Thank You

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