



Political Economy of Health Financing Reform Following Crisis: Case of Thailand

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Thailand's health financing reform for UHC

- Thailand has achieved health financing reform to reach universal health coverage in 2002 which happened in the wake of the Asian financial crisis.
- Following the reform, the Universal Coverage Scheme (UCS) has been newly established.
 - A tax-funded scheme with comprehensive benefit package
 - Primary care is gate keeper of the system.
 - UCS beneficiaries (approximately 75% of the total population) are:
 - Beneficiaries from merging the two existing schemes: Medical Welfare Scheme (MWS) for the poor and vulnerable population and Voluntary Health Card Scheme (VHCS) for the informal sector.
 - The uninsured population
- While the Civil Servant Medical Benefit Scheme (CSMBS) for civil servants and the Social Security Scheme (SSS) for private employees remain separate.

Pre-requisites for reform effectiveness

- The extensive geographical coverage of healthcare facilities owned by the MOPH and staffed with sufficient and skilled health workers (including in rural areas due to the mandatory rural service).
- The well-developed nation-wide district health system
- The strong research capacity which meant that country-specific evidence was available to inform UCS design and implementation.
- A computerized civil registration system
- The experience of prepayment mechanisms via gradual expansion of health insurance coverage since 1970s: Medical Welfare Scheme (MWS) for low-income and vulnerable populations (1975), Civil Servant Medical Benefit Scheme (CSMBS) for the civil servants and their dependants(1980), Voluntary Health Card Scheme (VHCS) for the informal sector (1983), Social Security Scheme (SSS) for private sector employees (1990).

Contextual factors as the backdrop of health financing reform

- Thailand has alternated periods of democracy to others of military rule. The democratic transition happened in 1980s.
- 1997 Thai constitution brought change to the political system and the engagement of civil society organizations.
 - Right to public participation
 - Right to access to health care provided by the state
 - Build attachment between the political parties and voters
 - Increase stability and power of the elected government
- Due to the crisis, in 2000, GDP US\$ per capita was dropped to 2008. This increased demand for extending social protection to those who suffered from the crisis.

Crisis as a catalyst for reform

- 1997 Asian financial crisis accelerated an adoption of 1997 Thai constitution, which in turn brought a political window of opportunity for health financing reform:
 - The crisis did not delay, but increased demand for changes and reforms in a Thai society, including the health sector.
 - The Universal Coverage Scheme (UCS) or “30 baht treats all diseases” has been placed as an electoral campaign of Thai Rak Thai (TRT) party led by Thaksin Shinawatra, a new political leader.
- 2001 TRT party won the national election with majority votes. The UCS became the government policy with rapid implementation nationwide to maintain its popularity.
- Thus, crisis is considered as the catalyst for health financing reform in Thailand.

Change team and other key stakeholders

- The change team or the reformist group played a key role throughout the reform process, starting from agenda setting to implementation of the UCS.
- The change team consisted of progressive bureaucrats occupied executive positions in the Ministry of Public Health and other health public organizations (e.g., Health System). They experienced of working in the rural areas and shared commitment of helping the poor.
- The change team reached TRT party to offer the UCS proposal with evidence of feasibility in terms of financial and implementation. Later on, the UCS became the political campaign and policy priority.
- In the context of increased relevance for popular participation, the change team developed strong ties with NGOs and civil society organisations, and in turn, civil society played a key role in raising awareness among the public and securing Parliament's commitment to UHC.

Strategies used by change team

Stakeholders	Strategies
Political leadership	Informally persuade political candidates or elected officials by using evidence, political incentives and enhancement of policy legitimacy
Beneficiaries	Mobilise and enhance participation of supporters prior and after the reform
Bureaucratic	Persuade opponents to weaken their position, by adding desired goals or mechanisms to the policy
Budget bureau	Change decision-making processes, in order to prevent some opponents from participating
External actors	Strengthen links based on similar ideals and personal connections with non-mobilised, to obtain their support and counterbalance opposition
Opponent/ interest groups	Rapid pace of reform to prevent opposition consolidating