

5. Health Care Financing

5.1 Thailand's National Health Expenditure

During the past decades, Thailand's national health spending has risen considerably from 3.82% of gross domestic product (GDP) in 1980 to 6.1% in 2002, more rapidly than the GDP growth. The average health spending increased 7.95% per annum in real terms, while the average annual GDP growth was 5.66%.

The national health expenditure has climbed from 25,315 million baht in 1980 to 333,798 million baht in 2002. The per capita health spending has jumped 13.2-fold from 545 baht in 1980 to 5,336 baht in 2002 or 9.8-fold in current prices (Tables 6.48, 6.49 and 6.50). Most of the national health expenditure is used for curative, and 30% or one-third of which was spent on drugs (Table 6.50).

5.2 Sources of Health Care Expenditure

5.2.1 Public Financing. The largest public financial source is the MoPH, which is the central agency. During 1980-1989, the proportion of public financing dropped from 29.9% in 1980 to 19.7% in 1989. After that, the proportion steadily rose to 37.8% in 1997 as a result of the rapid economic growth of the country and the government's policies on human development and health for all. But during the economic crisis, the government had to adjust the national budget downwards, according to the requirements of the International Monetary Fund (IMF); the proportion dropped to 32.9% in 2001, but rose again to 34.1% in 2002 to support the government's policy on universal coverage of healthcare. Overall, the MoPH budget as a percentage of the total national budget has risen from 6.7% in 2001 to 6.9% and 7.6% in 2002 and 2004, respectively (Tables 6.48 and 6.49, and Figure 6.37).

5.2.2 Private Sector Financing. With regard to private health spending, the household is the largest source as the government health insurance scheme did not cover all the population; 30% of whom were uninsured and they had to buy their own healthcards. Thus, household spending played a significant role in the health service system, the proportion being more than 60% (Tables 6.48 and 6.49, and Figure 6.35). In 1980, the proportion of household health spending was 68.6% and peaked at 80.1% in 1989 due a decrease in the government budget and the households had to bear a greater share of overall health expenditure. Between 1989 and 1997 (the year of economic crisis), the proportion of household spending declined steadily to 62.2%, while that of public spending rose to 67.03% in 2000. However, after the 1997 economic crisis, the government budget dropped again. In the future, if the economy continues to grow, the public health budget will be rising consistent with the policies on universal healthcare scheme and healthcare quality improvement. And there has been a tendency for the people to use health services at health facilities and a drop in drug purchases for self-medication, resulting in a decline in household spending.

5.2.3 International Financial Assistance. The trends in international financial support declined from 1.44% in 1980 to 0.15 in 1990 and continued declining to 0.06 in 2001. However, since 2002, such international support has risen to 0.11% in 2002, and Thailand has a tendency to become one of the donor countries providing assistance to other countries particularly those in Indochina.

Table 6.48 Health Expenditure at Current Prices, 1980-2002 (Million baht)

Year	Public sector										Private sector			International financial aid		Total health expenditure		
	MoPH	Other ministries	Civil servant benefit scheme	State enterprise benefit scheme	Workers, compensation fund	Social security	Total	Per cent	Private health insurance	House-holds & employers	Total	Percent	Total	Percent	Amount	Per capita	As percentage of GDP	
																		Total
1980	4,495	2,210	660	111	100	-	7,576	29.93	224	17,150	17,374	68.63	365	1.44	25,315	544.94	3.82	
1981	5,572	2,535	995	167	149	-	9,418	29.66	284	21,229	21,513	67.75	824	2.59	31,755	668.70	4.18	
1982	6,652	2,838	1,219	204	153	-	11,066	31.73	318	23,109	23,427	67.18	380	1.09	34,873	719.16	4.14	
1983	7,902	3,134	1,482	248	205	-	12,971	31.50	350	27,469	27,819	67.55	391	0.95	41,181	832.63	4.47	
1984	8,618	3,467	1,791	300	250	-	14,426	27.61	469	36,951	37,420	71.63	395	0.76	52,241	1,036.61	5.29	
1985	9,044	3,716	2,157	362	236	-	15,515	26.18	547	42,751	43,298	73.06	452	0.76	59,265	1,146.75	5.61	
1986	9,275	3,965	2,594	435	221	-	16,490	24.96	630	48,432	49,062	74.27	508	0.77	66,060	1,254.78	5.83	
1987	9,525	4,082	2,828	474	274	-	17,183	22.70	756	57,258	58,014	76.63	507	0.67	75,704	1,439.10	5.82	
1988	10,373	4,338	3,156	529	347	-	18,743	20.83	951	69,955	70,906	78.81	319	0.35	89,968	1,649.70	5.77	
1989	11,733	4,448	3,521	590	397	-	20,689	19.69	1,162	82,988	84,150	80.07	252	0.24	105,091	1,895.31	5.66	
1990	16,225	4,558	4,316	723	443	-	26,265	20.96	1,403	97,450	98,853	78.89	184	0.15	125,302	2,224.04	5.74	
1991	20,569	4,699	5,127	859	624	778	32,656	23.52	1,544	104,348	105,892	76.28	270	0.19	138,818	2,449.93	5.54	
1992	24,604	4,840	5,854	981	753	2,057	39,089	24.75	1,775	116,745	118,520	75.03	356	0.23	157,965	2,753.20	5.58	
1993	32,898	4,928	7,906	1,291	927	2,473	50,423	27.39	2,061	131,297	133,358	72.45	281	0.15	184,062	3,141.85	5.81	
1994	39,319	5,558	9,954	1,668	1,169	3,773	61,441	30.73	2,307	136,047	138,354	69.19	154	0.08	199,949	3,405.40	5.51	
1995	45,833	6,677	11,156	1,869	1,370	3,991	70,896	31.17	4,984	151,508	156,492	68.79	89	0.04	227,477	3,837.50	5.43	
1996	55,861	7,768	13,587	2,418	1,610	6,239	87,483	33.97	6,296	163,693	169,989	66.01	35	0.01	257,507	4,307.00	5.58	
1997	68,934	7,182	15,503	2,756	1,987	10,245	106,607	37.80	7,518	167,780	175,298	62.16	96	0.03	282,001	4,663.80	5.96	
1998	65,065	5,740	16,440	2,817	1,630	7,637	99,329	35.98	7,803	168,876	176,679	63.99	82	0.03	276,090	4,514.50	5.97	
1999	62,787	6,087	15,174	2,539	1,404	7,676	95,667	33.66	8,171	180,356	188,527	66.33	41	0.01	284,235	4,615.90	6.13	
2000	63,001	6,195	17,062	1,622	1,257	9,623	98,760	32.95	7,291	193,634	200,925	67.03	72	0.02	299,757	4,852.80	6.09	
2001	61,563	7,134	19,180	3,013	1,277	13,543	105,710	32.91	8,400	206,942	215,342	67.03	187	0.06	321,239	5,173.40	6.26	
2002	70,923	6,884	20,475	3,081	1,220	11,223	113,806	34.09	9,734	209,886	219,620	65.80	372	0.11	333,798	5,336.10	6.12	

Sources: 1. NESDB, Thailand's National Income, 1951-2002.

2. Viroj Tangcharoensathien. Sufferings and Causes in Health System, 1996.

3. Charles Myers. Financing Health Services and Medical Care in Thailand, 1985.

Notes: Methods of estimating health expenditure

1. MoPH-real figures from the Bureau of Policy and Strategy, Office of the Permanent Secretary.
2. Workers' Compensation Fund and Social Security—real figures from the Social Security Office.
3. Civil servants welfare—real figures from the Comptroller—General's Department, Ministry of Finance.
4. Health spending of households and employers—figures were derived from NESDB's National Income Reports; since 1994, such figures have been adjusted to include only fees for curative care, medication, and medical supplies/equipment; while the spending on emergency care has been shifted to "other service item", resulting in a drop in this category.
5. Other ministries
 - 5.1 1980-1983—from Financing Health Services and Medical Care in Thailand, Charles Myers, 1985.
 - 5.2 1984-1992 (odd number years)—from the Viroj's Sufferings and Causes Study.
 - 5.3 1984-1992 (even number years)—by averaging the figures in the previous and following years.
 - 5.4 1994-2000—from the Bureau of the Budget.
 - 5.5 2001-2002—figures were derived from actual expenditure or spending as reported by the Comptroller—General's Department, Ministry of Finance, computed by NESDB.
6. State enterprise welfare
 - Estimates based on a constant proportion in relation to the civil servants welfare, i.e. = civil servants welfare x $\frac{1,668}{9,954}$ (based on national health account figures for 1994)
 - 1996-2002—real numbers from the State Enterprise Office, Bureau of the Budget.
7. Private health insurance

Data for 1980-1986, derived by Charles Myers from the Insurance Department.

Data for 1994, from Viroj Tangcharoensathien.

 - 7.1 1980-1983—from Charles Myer's report.
 - 7.2 1984-1994—using the ratio of private insurance to total private health expenditure, i.e. ~1.26 for 1983 and ~1.62 for 1994, and average increasing ratios during the period.
 - 7.3 1995-2002—real numbers from the Insurance Department, Ministry of Commerce.
8. Foreign aid
 - 8.1 1980-1983—from Charles Myer's report.
 - 8.2 1984-1992 (even number years)—from Viroj's Sufferings and Causes Study.
 - 8.3 1984-1993 (odd number years)—by averaging the figures in the previous and following years.
 - 8.4 1994-2001—data were derived from Viroj Tangcharoensathien et al. Report on National Health Accounts, 1994-2001.
 - 8.5 2002, data were derived from the World Health Organization, the Department of Technical and Economic Cooperation, and all MoPH's departments.
9. Drug consumption figures for 2002 were derived from Chapter 6 (Table 6.39).

Table 6.49 Proportion of Overall Health Expenditure Sources in Thailand, 1980-2002 (1988 prices)

Source of spending	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
1. Public sector																							
Ministry of Public Health	17.76	17.55	19.07	19.19	16.50	15.26	14.04	12.58	11.53	11.16	12.95	14.82	15.58	17.87	19.67	20.15	21.69	24.44	23.57	22.10	21.02	19.16	21.25
Other ministries	8.73	7.98	8.14	7.61	6.64	6.27	6.00	5.39	4.82	4.23	3.64	3.39	3.06	2.68	2.78	2.94	3.02	2.55	2.08	2.14	2.07	2.22	2.06
Civil servants benefit scheme	2.61	3.13	3.50	3.60	3.43	3.64	3.93	3.74	3.51	3.35	3.44	3.69	3.71	4.30	4.98	4.91	5.28	5.50	5.95	5.34	5.69	5.97	6.13
State enterprise benefit scheme	0.44	0.53	0.58	0.60	0.57	0.61	0.66	0.63	0.59	0.56	0.58	0.62	0.62	0.70	0.83	0.82	0.94	0.98	1.02	0.89	0.54	0.94	0.92
Workers' compensation fund	0.40	0.47	0.44	0.50	0.48	0.40	0.33	0.36	0.39	0.38	0.35	0.45	0.48	0.50	0.58	0.60	0.62	0.70	0.59	0.49	0.42	0.40	0.37
Social security	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.56	1.30	1.34	1.89	1.75	2.42	3.63	2.77	2.70	3.21	4.22	3.36
Total	29.93	29.66	31.73	31.50	27.61	26.18	24.96	22.70	20.83	19.69	20.96	23.52	24.75	27.39	30.73	31.17	33.97	37.80	35.98	33.66	32.95	32.91	34.09
2. Private sector																							
Private health insurance	0.88	0.89	0.91	0.85	0.90	0.92	0.95	1.00	1.06	1.11	1.12	1.11	1.12	1.12	1.15	2.19	2.44	2.66	2.82	2.88	2.43	2.61	2.92
Households and employers	67.75	66.85	66.27	66.7	70.73	72.14	73.32	75.63	77.76	78.97	77.77	75.17	73.91	71.33	68.04	66.6	63.57	59.5	61.17	63.45	64.6	64.42	62.88
Total	68.63	67.75	67.18	67.55	71.63	73.06	74.27	76.63	78.81	80.07	78.89	76.28	75.03	72.45	69.19	68.79	66.01	62.16	63.99	66.33	67.03	67.03	65.80
3. Others																							
International financial aid	1.44	2.59	1.09	0.95	0.76	0.76	0.77	0.67	0.35	0.24	0.15	0.19	0.23	0.15	0.08	0.04	0.01	0.03	0.03	0.01	0.02	0.06	0.11
Total (%)	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Overall health expenditure (million baht)	34,916	40,415	42,246	48,131	60,187	66,824	73,275	80,184	89,968	99,033	111,635	116,955	127,368	143,634	149,962	161,255	172,438	178,935	162,025	166,284	172,671	182,108	187,949
Increase rate (%)	-	15.75	4.53	13.93	25.05	11.03	9.65	9.43	12.20	10.08	12.72	4.77	8.90	12.77	4.41	7.53	6.93	3.77	-9.45	2.63	3.84	5.47	3.21
As percentage of GDP	3.82	4.18	4.14	4.47	5.29	5.61	5.83	5.82	5.77	5.66	5.74	5.54	5.58	5.81	5.51	5.43	5.58	5.96	5.97	6.13	6.09	6.26	6.12
Population (million)	46.45	47.49	48.49	49.46	50.40	51.68	52.65	52.61	54.54	55.45	56.34	56.66	57.37	58.58	58.72	59.28	59.79	60.46	61.15	61.58	61.77	62.09	62.55
Per capita expenditure (baht)	752	851	871	973	1,194	1,293	1,392	1,524	1,650	1,786	1,981	2,064	2,220	2,452	2,554	2,720	2,884	2,959	2,649	2,700	2,795	2,933	3,005
Increase (%)	-	13.21	2.37	11.70	22.72	8.28	7.63	9.51	8.23	8.27	10.94	4.17	7.56	10.44	4.16	6.50	6.03	2.60	-10.48	1.93	3.52	4.94	2.45

Source: Table 6.48

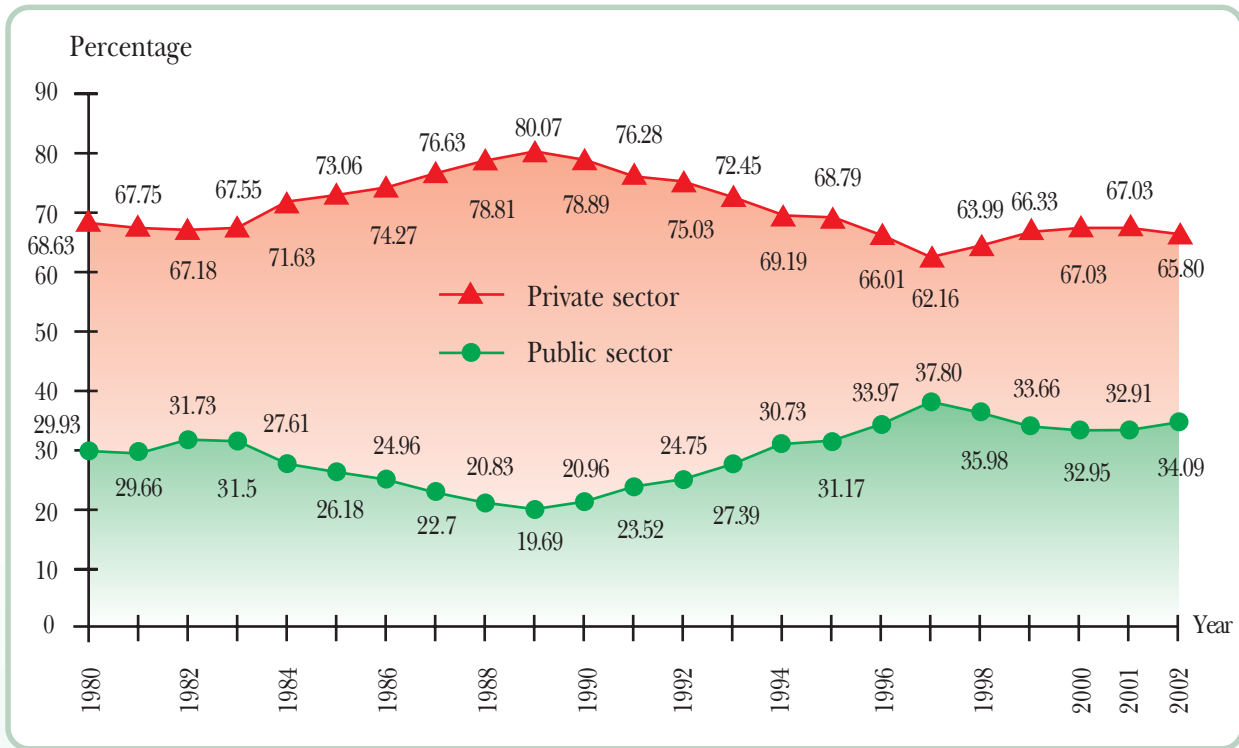
Table 6.50 Expenditures on Drugs and Health in Relation to GDP, 1980-2002 (Million baht)

Year	GDP			Health expenditure			Drug expenditure					
	Actual Values	Values in 1988 prices	Increase (percent)	Actual values	Values in 1988 prices	Increase (percent)	Percentage of GDP	Actual values	Values in 1988 prices	Increase (percent)	As percentage of GDP	As percentage of health expenditure
1980	662,482	913,733	4.61	25,315	34,916	-	3.82	-	-	-	-	-
1981	760,356	967,706	5.91	31,755	40,415	15.75	4.18	-	-	-	-	-
1982	841,569	1,019,501	5.35	34,873	42,246	4.53	4.14	-	-	-	-	-
1983	920,989	1,076,432	5.58	41,181	48,131	13.93	4.47	16,686	19,502	-	1.81	40.52
1984	988,070	1,138,353	5.75	52,241	60,187	25.05	5.29	20,629	23,767	21.87	2.09	39.49
1985	1,056,496	1,191,255	4.65	59,265	66,824	11.03	5.61	26,317	29,674	24.85	2.49	44.41
1986	1,133,397	1,257,177	5.53	66,060	73,275	9.65	5.83	18,669	20,708	-30.21	1.65	28.26
1987	1,299,913	1,376,847	9.52	75,704	80,184	9.43	5.82	21,352	22,616	9.21	1.67	28.73
1988	1,559,804	1,559,804	13.29	89,968	89,968	12.20	5.77	26,674	26,674	17.94	1.71	29.65
1989	1,856,992	1,749,952	12.19	105,091	99,033	10.08	5.66	33,763	31,817	19.28	1.82	32.13
1990	2,183,545	1,945,372	11.23	125,302	111,635	12.72	5.74	35,369	31,511	-0.96	1.62	28.23
1991	2,506,635	2,111,862	8.56	138,818	116,955	4.77	5.54	39,464	33,249	5.51	1.57	28.43
1992	2,830,914	2,282,572	8.08	157,965	127,368	8.90	5.58	42,770	34,486	3.72	1.51	27.08
1993	3,170,258	2,473,937	8.38	184,062	143,634	12.77	5.81	42,364	33,059	-4.14	1.34	23.02
1994	3,629,341	2,722,006	10.03	199,949	149,962	4.41	5.51	52,823	39,617	19.83	1.45	26.41
1995	4,186,212	2,967,542	9.02	227,477	161,255	7.53	5.43	68,437	48,514	22.46	1.63	30.08
1996	4,611,041	3,087,751	4.05	257,507	172,438	6.93	5.58	81,440	54,536	12.41	1.77	31.63
1997	4,732,610	3,002,925	-2.75	282,001	178,935	3.77	5.96	92,728	58,838	7.89	1.98	32.88
1998	4,626,447	2,715,051	-9.59	276,090	162,025	-9.45	5.97	82,888	48,643	-17.33	1.82	30.02
1999	4,637,079	2,712,800	-0.08	284,235	166,284	2.63	6.13	91,208	53,359	9.70	1.98	32.09
2000	4,923,263	2,835,981	4.54	299,757	172,671	3.84	6.09	102,400	58,986	10.55	2.08	34.16
2001	5,133,836	2,910,338	2.62	321,239	182,108	5.47	6.26	116,767	66,194	12.22	2.27	36.35
2002	5,451,854	3,069,738	5.48	333,798	187,949	3.21	6.12	120,290	67,731	2.32	2.21	36.04
		Average	5.66			7.95				6.77		

Sources: Table 6.48 and Table 6.49

Note: Since 1994, NESDB has adjusted the GDP figures.

Figure 6.35 Proportions of Health Expenditure in the Public and Private Sectors, 1980-2002



Sources: 1. National Economic and Social Development Board. Thailand National Income, 1951-2002.
 2. Viroj Tangcharoensathien. Sufferings and Causes in the Health System, 1996.
 3. Charles Myers. Financing Health Services and Medical Care in Thailand, 1985.

In comparison with other Asian countries (Table 6.51), the Thai government has not given a high priority to health care as the people still bear a larger share in health spending for self-care.

Table 6.51 Comparison of Health Expenditures among Some Asian Countries

Country	Health expenditure		Proportion, Govt.: household
	Per capita (USD)	As percentage of GDP	
Indonesia	77	2.4	25.1 : 74.9
The Philippines	169	3.3	45.2 : 54.8
Sri Lanka	122	3.6	48.9 : 51.1
Malaysia	345	3.8	53.7 : 46.3
Thailand (2002)	124	6.1	34.1 : 65.8
Singapore	993	3.9	33.5 : 66.5
South Korea	948	6.0	44.4 : 55.6

Source: The World Health Report, 2004 (data for 2001).

Note: For 2002, the exchange rate of 43.1 baht to a US dollar is used.

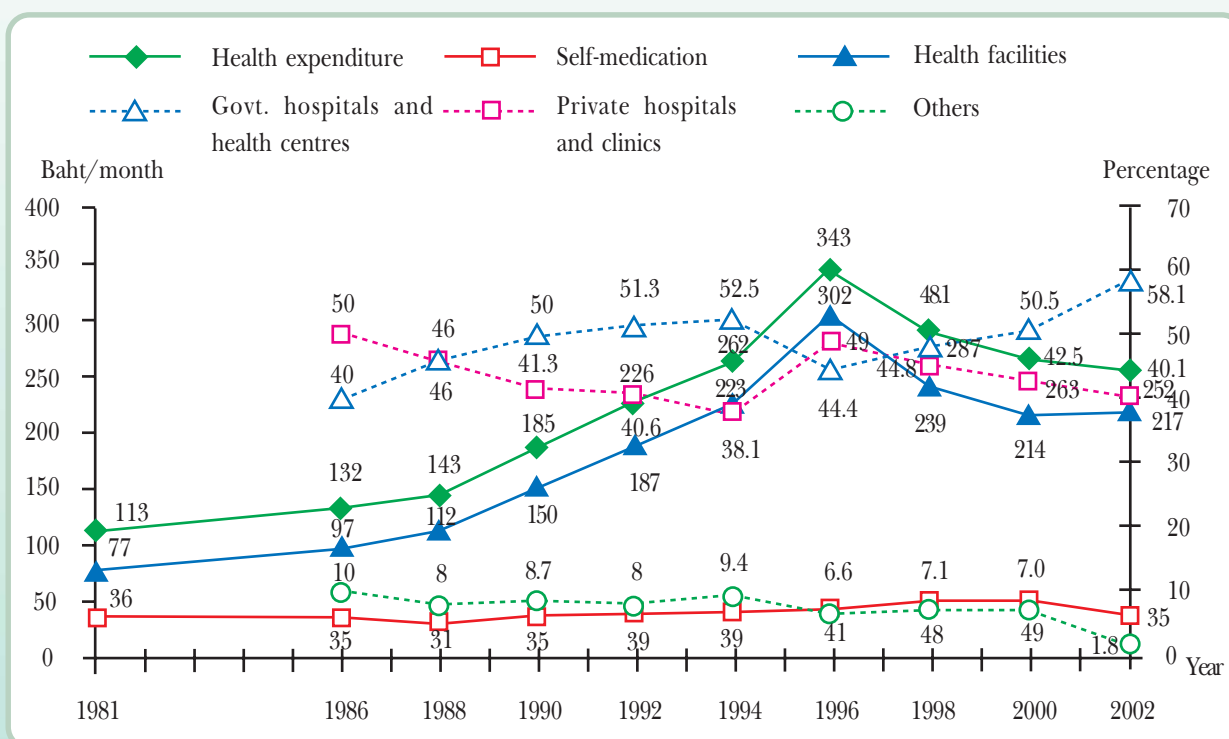
5.3 Health Expenditure in the Household

The National Statistical Office conducted a series of household income and expenditure surveys every five years in 1976, 1981 and 1986, and every two years between 1988 to 2002. The household health spending as shown in Table 6.52 between 1981 and 2002 was rather stable, ranging from 3.6% to 3.9%, between 1981 and 1996, but declining to 3.2% during the economic crisis and to 2.6% in 2002. The average household size has become smaller, declining from 4.5 to 3.5 members during the period. The monthly household spending on consumer goods is as noted below.

5.3.1 Household healthcare spending on self-prescribed drugs dropped from 31.9% in 1981 to 11.9% in 1996. On the other hand, healthcare spending at health facilities (including drug expenses) at private clinics/hospitals and public hospitals rose from 68.1% in 1981 to 88.0% in 1996.

Such trends have been apparent since the 1997 economic crisis; more people tend to spend more on self-medication and less on institutional care, particularly higher at private facilities. It is noteworthy that the spending on healthcare were rising particularly at private health facilities, but after the economic recovery in 2002, the proportion of self-medication has dropped to 13.9% (Figure 6.36 and Table 6.52).

Figure 6.36 Household Health Expenditure, 1981–2002



Sources: Reports on Household Socio-Economic Surveys. National Statistical Office.

Table 6.52 Health Expenditure Patterns of Households (baht/month), 1981-2002

Health expenditure pattern	1981	1986	1988	1990	1992	1994	1996	1998	1999	2000	2001	2002
	Baht %	Baht %	Baht %	Baht %	Baht %	Baht %	Baht %	Baht %	Baht %	Baht %	Baht %	Baht %
Household size(persons)	4.5	4.3	4.0	4.1	3.9	3.8	3.7	3.7	3.7	3.6	3.6	3.5
Total expenses	3,374	3,783	4,161	5,437	6,529	7,567	9,190	10,389	10,238	9,848	10,025	10,889
Consumption expenses	3,151	3,486	3,804	4,942	5,892	6,787	8,072	8,966	8,903	8,558	8,758	9,601
Health expenditure	113	132	143	185	226	262	343	287	273	263	264	252
Self-medication	36	31.9	31	35	39	39	41	48	42	49	46	35
Spending at health facilities	77	68.1	112	150	187	223	302	239	231	214	218	217
- Public hospitals and health centres	-	48	52	62	76	85	148	107	94	91	98	87
- Private hospitals/clinics	-	39	40	75	96	117	134	115	122	108	110	126
- Others	-	10	9	13	15	21	20	17	15	15	10	4
				8.7	8.0	9.4	6.6	7.1	6.5	7.0	4.6	1.8

Sources: Reports on Household Socio-Economic Surveys. National Statistical Office.

5.3.2 The proportion of healthcare spending at private facilities has been rising while that at public facilities has been declining (Table 6.52). Household health spending at private health facilities had risen from 40% in 1986 to 52.5% in 1994; on the contrary, the spending at government health facilities had fallen from 50% to 38.1% during the same period. After the economic crisis, more people tend to use health services at public hospitals and health centres, and a smaller number of people attend private health facilities. Spending on other health-related services, such as dental and eyesight care, ranges from 8% to 10% of the overall household health expenses. It is noteworthy that since 2002 (with economic recovery), household health spending at private hospitals/clinics has been rising.

The household health expenditure is generally for an individual transaction of health care between a recipient and a provider. In the medical care market, a consumer will normally never have any bargaining power with the doctor due to the unilateral information possession of the doctor. Thus, the doctor can determine both the type and quantity of consumers demand (a supplier-dictated demand), resulting in an imperfect market and a highly inefficient health system.

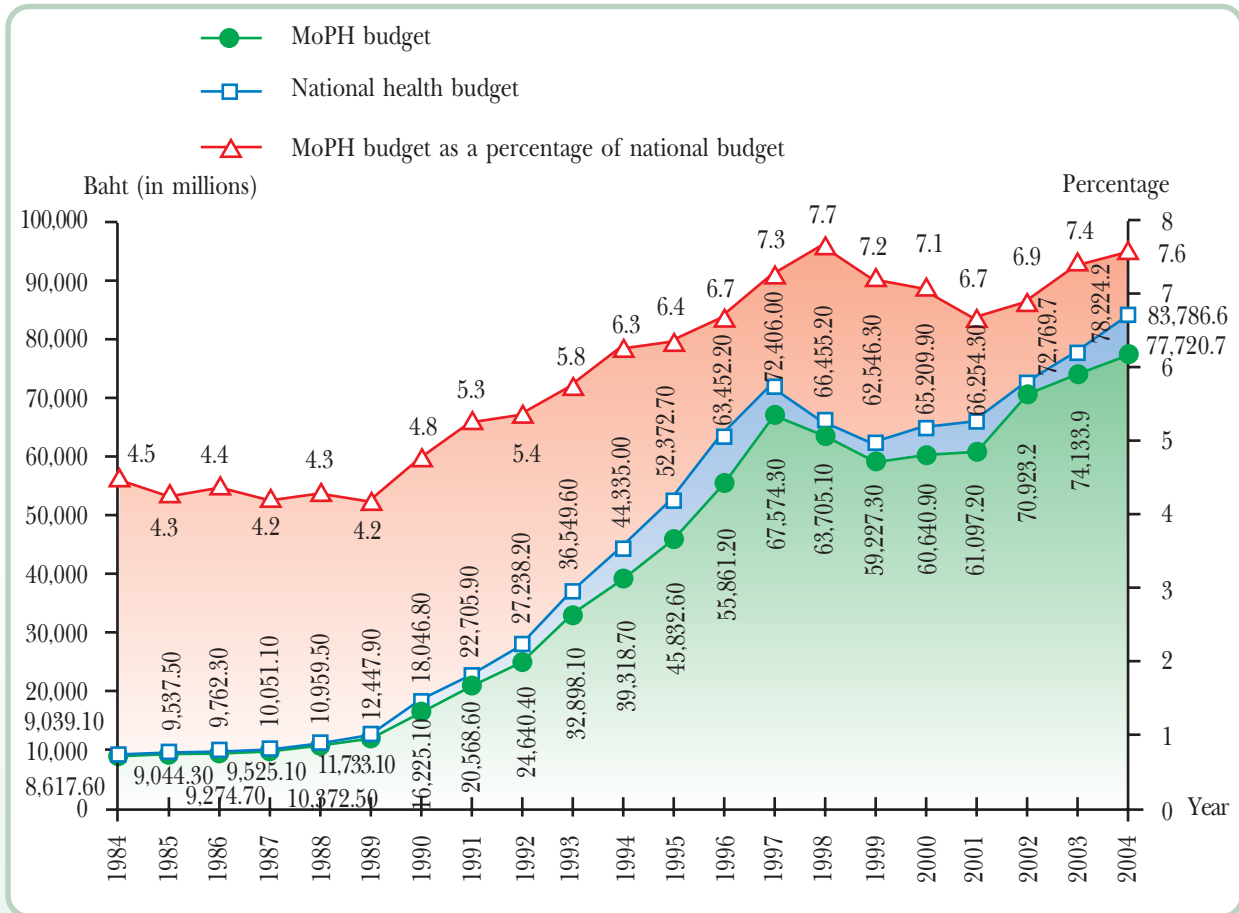
As the proportion of household health spending is over two-thirds of the national health spending, reflecting inefficiency at the macro level, the healthcare financing, therefore, becomes a prime goal of health system reform by establishing the universal health insurance scheme with a collective financing mechanism, strengthening the system for payment to health facilities by a third party, and shifting households scattered payment without specific control by the government to a large collective fund, so as to improve the healthcare quality and to make the system more efficient.

5.4 Government Expenditure on Health Care

5.4.1 Trends of Government Health Budget

The public sector health budget rose rapidly before the economic crisis from the period of the 6th plan to the beginning of the 8th plan, the consistent economic expansion period. The MoPH budget as a percentage of the national budget also rose remarkably, by over 5% of budget expenditure since 1991 (Figure 6.37). However, the Thai health budget expenditure compared to the other developed countries is rather low at about 13-15% of the overall budget, but higher than those in many other Asian countries.

Figure 6.37 The National Health Budget and the MoPH Budget, 1984-2004



Source: Bureau of the Budget.

Note: For 1995-2004, the MoPH budget includes the health insurance revolving funds (previously known as health card revolving funds).

5.4.2 Allocation of National Health Budget

The allocation of the government health budget has been closely related to hospital-based services (Table 6.53). It is notable that approximately 60 - 66% of the budget is allocated for curative care in hospitals though there are some, but minimal, health promotion and disease prevention services. Approximately 20 - 24% of the budget is allocated for health promotion and disease prevention services at the subdistrict health centre level. During the economic crisis, the budget for hospital services decreased considerably due to cuts in construction budget, resulting in a greater proportion of the health centres budget.

Table 6.53 Allocation of Government Health Budget by Service Category, 1993-2004

Health budget	1993		1994		1995		1996		1997		1998		1999		2000		2001		2002		2003		2004		
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	
1. Hospitals	22,955.5	66.1	26,958.0	63.8	31,006.1	62.7	37,443.0	62.6	44,881.2	65.9	39,181.2	63.7	37,795.1	62.8	38,230.0	60.2	38,949.0	60.0	35,546.9	48.8	38,554.2	49.3	41,252.5	49.2	
2. Outpatient services (at health centres)	7,154.8	20.6	10,244.4	24.2	11,173.2	22.6	13,630.4	22.8	13,898.3	20.4	13,239.6	21.5	14,044.5	23.3	15,122.1	23.8	14,943.4	23.0	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
3. Public health services	2,083.1	6.1	1,721.3	4.1	2,033.1	4.1	2,571.3	4.3	2,335.7	3.4	2,395.2	3.9	2,187.2	3.6	2,494.5	3.9	2,765.7	4.3	5,072.8	7.0	2,875.9	3.7	1,949.1	2.3	
4. Health research	288.4	0.8	371.2	0.9	476.0	0.9	537.6	0.9	1,022.3	1.5	975.9	1.6	809.3	1.3	858.2	1.4	718.9	1.1	2,037.1	2.8	2,113.2	2.7	3,172.3	3.8	
5. Other health activities	220.5	0.6	2,951.0	7.0	4,785.7	9.7	5,628.1	9.4	5,987.3	8.8	5,716.3	9.3	5,343.6	9.0	6,796.4	10.7	7,550.5	11.6	30,112.9	41.4	34,680.9	44.3	37,412.7	44.7	
Total	32,702.3	100	42,245.9	100	49,474.1	100	59,810.4	100	68,124.8	100	61,508.2	100	60,179.7	100	63,501.2	100	64,927.5	100	72,769.7	100	78,224.2	100	83,786.6	100	

Source: Bureau of the Budget.

Note: Since 2002, the Bureau of the Budget has included the outpatient service budget (at health centres) in the "Other health activities" category; thus, such budget amounts cannot be calculated.

5.4.3 Pattern of Health Budget Spending

According to the 1997 study on health budget spending during the 5th-7th Health Development Plans (1982-1996) conducted by Viroj Tangcharoensathien and colleagues, most of the budget was allocated for curative care at the central level. But the proportion for municipalities rose from 22.9% to 37.5% due to increases in municipalities' budget, resulting in a drop in the budget for sanitary districts and outside during the past 15 years. By type of expenditure, the proportion for operating expenses had been declining, whereas the investment budget in the 6th Plan dropped, but increased two-fold in the 7th Plan.

Like other Plans, the health budget in the 8th Plan was mostly allocated for curative care, but lesser for health promotion and disease prevention services, while the higher proportion was allocated for addictive substance control, rehabilitative care, manpower production and capacity development, and consumer protection. By type of expenditure, the budget allocation proportion declined by almost half. After the economic crisis, as a result of the reduction of construction budget, the higher budget proportion was given to operation, salary and wages items (Table 6.54). Although there was no adequate information on the regional or provincial budget allocation, Table 6.54 shows that the health budget was mostly allocated for central level agencies.

Nonetheless, more health budget is allocated for health promotion programmes because of strong health system reform movement that drives for the adoption of healthcare financing with the health promotion and disease prevention emphasis. Also, according to the shifted determination of national health system reform, the intent is principally placed on health promotion rather than health restoration. This includes the development of budget allocation pattern focusing on performance-based or results-based budgeting system. The 30-baht healthcare policy has applied the capitation payment mechanism, which covers salaries and operationing costs. This kind of budget allocation will result in a radical reform of public healthcare facilities management in the near future.

Table 6.54 Allocation of Health Budget by Major Activity, Administrative Area and Expenditure Item, in the 5th-8th Plans

Category	5th Plan		6th Plan		7th Plan		8th Plan	
	Million baht	%	Million baht	%	Million baht	%	Million baht	%
By type of expenditure	44,508.97	100	74,253.70	100	233,792.39	100	330,930.46	100
1. Administration	2,958.9	6.65	5,431.37	7.31	12,301.07	5.5	16,859.68	5.09
2. Curative care	26,053.77	58.54	42,996.71	57.91	124,262.44	55.52	182,394.81	55.12
3. Health promotion	7,678.67	17.25	11,978.34	16.13	43,161.80	19.29	54,618.37	16.50
4. Disease prevention	4,502.25	10.12	8,143.44	10.97	26,311.92	11.75	36,612.44	11.06
5. Addictive substance control	233.15	0.52	395.50	0.53	1,337.51	0.6	3,924.44	1.19
6. Rehabilitative care	105.27	0.24	196.18	0.26	732.72	0.33	4,915.74	1.49
7. Manpower production	1,609.87	3.62	2,172.51	2.93	6,627.11	2.96	18,824.87	5.69
8. Manpower capacity development	513.42	1.15	833.83	1.12	1,206.25	0.54	2,362.14	0.71
9. Primary health care *	353.42	0.79	1,260.47	1.70	4,995.48	2.23	4,160.32	1.26
10. Consumer protection	397.33	0.89	643.52	0.87	2,117.66	0.95	4,337.09	1.31
11. Research and development	102.92	0.23	201.83	0.27	738.43	0.33	1,920.56	0.58
By administrative area								
1. Central agencies	26,766.58	60.14	41,023.08	55.25	112,696.09	50.36	} n.a. }	} n.a. }
2. Municipalities	10,203.97	22.93	23,644.55	31.84	84,088.57	37.57		
3. Sanitary districts	4,206.76	9.45	5,315.10	7.16	14,420.312	6.44		
4. Outside sanitary districts	3,331.66	7.48	4,270.97	5.75	12,587.39	5.62		
By items								
1. Operations	16,913.41	38.0	25,988.79	35.0	71,613.59	32.0	128,070.09	38.7
2. Investment	7,566.52	17.0	10,395.52	14.0	62,661.83	28.0	61,553.06	18.6
3. Salaries & wages	20,029.04	45.0	37,869.39	51.0	89,516.97	40.0	141,307.31	42.7

Source: The Budget figures for the 5th-7th National Health Development Plans were derived from Viroj Tangcharoensathien et al., 1997.

- Notes:**
- * Includes only community primary health care activities (i.e. training of VHVs and community leaders).
 - The health budgets figures for the 8th Plan by activity were obtained from the Bureau of Policy and Strategy. The MoPH health budget numbers are actual numbers, but estimated numbers for MoPH agencies, based on the average numbers for the 5th-7th Plans.