A research and experience sharing seminar was conducted by Pakistan Health Economics Network (PHEN) on November 16th 2011 in the Conference Hall of the Health Services Academy. In total, 55 members from across Pakistan and abroad participated to discuss probable sustainable solutions for Pakistan’s health sector, with the imperative of theoretical underpinning of health economics and health care finance.

After being blessed by the Holy Quran recitation, PHEN seminar was inaugurated by the Executive Director of the Health Services Academy, Dr. Assad Hafeez, who delivered the welcome note. He highlighted the importance of economic and financing aspects as factors to improve health outcomes in the country and how Health Services Academy, as the host institution, has always provided active support for the Network activities. He stressed the need for rigorous research in areas of health care finance, health economics and economic evaluation. Dr. Shafqat Shahzad highlighted PHEN activities over the years and explained specific objectives of the research sharing seminar and proposed activities for the next year. The seminar started with keynote on Health Economics delivered by Professor Peter C. Coyte from the University of Toronto about value for money in health care and the determination of the cost effectiveness thresholds. It was pointed out that threshold for value for money depends on the objective to be maximized by health care decision makers. Decision makers are faced with the budget constraints for health expenditures and intend to maximize health outcomes and social welfare. Economic theory guides to allocate more resources when the incremental cost effectiveness ratio is less than the resource allocation threshold. To maximize social welfare, resource allocation thresholds turn out to be different for different sub population. Professor Abdul Majid Rajput, Frontier Medical College Abbottabad, provided evidence from Pakistan that endorsed health economic theory for resource allocation decisions. He discussed resource intensity of hospitals that consumes about seventy percent of the health budget in Pakistan. Dr. Rajput is a prominent figure and health sector decision maker himself. He shared how Pakistan’s health reform strategy needs interventions such as decentralization, managerial efficiency, and broadening of health care financing options for Pakistan. Mr. Muhammad Yahya, as Director Financial Accounting and Budgeting (PIFRA) shared with the audience a New Accounting Model (NAM) now implemented in Pakistan at par with the international standards and new automated system for payments and financial reporting. He informed that three main organizations, i.e. Auditor General Department, Finance Division/Provincial Finance Departments and Controller General of Accounts are jointly engaged in maintaining a complete, reliable and transparent decision support system. He explained how PIFRA can play a significant role in improving the financial management of the health sector through capacity building and collaboration in research activities of the Health Services Academy. Dr. Sania Nishtar, through her video recorded message, appreciated WHO-EMRO support for PHEN initiative and shared a success story of Heartfile that has initiated a health fund for the very poor people in Pakistan. The Fund has proven itself as an efficient and fast track solution to serving health care needs of the very poor people.
Mr. Bernd Struck from Giz provided an overview of system of health accounts 2011 and provided a complimentary copy of the book for reference. He explained how system of health accounts provides a systematic description of the financial flows related to the consumption of health care goods and services. System of health accounts adopts an expenditure perspective and provides reliable data comparable both across countries and over time. System of health accounts provides answer to health spending and its measurement in ways that are standardized and comparable across countries. Mr. Struck informed the audience that Pakistan has so far used "Producers Guide" which is the first edition of SHA. Dr. M. Khalid and Mr. Ihsan-ul Haq from Giz and the Federal Bureau of Statistics further discussed aspects of private health care provider survey that covers Census of Big Hospitals, Out of Pocket Health Expenditure Survey, Census of Autonomous Bodies and NGO/Philanthropic Organizations.

Dr. Adnan A Khan from RDS discussed costs of family planning services in the Public sector of Pakistan. He provided estimates of costs of family planning that turned out to be Rs. 14,490 (US$ 242) by the MOPW and Rs. 1,392 (US$ 23) by the MoH per woman served. The differences in costs reflect huge differences in cost per woman served across two ministries as compared to regional averages of USD 3-4. He explained how in the post devolution era, health and population departments will have to introduce reforms to reduce costs. Mr. Muhammad Sabir from SPDC investigated progressivity in public spending through a gender lens. He carried out benefit incidence analysis to analyze progressivity of public spending and found that shares accruing to the poorest quintiles across provinces were more than 20% and the pattern of government spending in three provinces was relatively progressive meaning that the poor receive a larger share of public expenditure on health. Dr. Shehla Zaidi from Aga Khan University provided an overview of the Health Care Financing Works Report in Pakistan. This Report was carried out for the first time in Pakistan and in total 66 pieces of works got documented from across Pakistan. The Report has covered four thematic areas including health allocations and expenditures, health financing mechanisms, economic evaluation and costs of illnesses, and inequities and safety nets. The report has also been carried out by the PHEN members and with the support of the WHO-EMRO. Dr. Sadia Malik and Mr. Yasin Janjua from CREST shared initial results of a study entitled “An analysis of equity issues in public spending on MNCH in Pakistan”. She shared the methodology of the study that will be based on the data sets of PSLM, MICS and NHA.

Dr. Shafqat Shehzad from Health Services Academy shared her ongoing research for probable strategies from improving universal health care coverage in Pakistan by looking at the fiscal space that can be created by undertaking such economic and fiscal decisions as resource reallocation within and across sectors, improved budgeting and economic policy decisions that minimize waste, improving on fiscal indicators, better tax administration, tax reforms that broaden the tax base and increase revenue generating capacity of the government. She also analyzed estimates of government expenditure on health vis a vis other sectors of the economy in terms of (i) size and (ii) composition at the federal and provincial levels during the fiscal year 2010-2011 and found that public spending was highly skewed for general public services dominated by debt repayments, spending on defense, economic affairs and very little is spent on health and education sectors.

The discussion was followed by a number of recommendations by the audience. It was recommended that PHEN should be organizing more activities and various other institutions should be made part of it. It was recommended that PHEN should have access to more funds and the activities must be supported so that is extended for the benefit of the health sector of the country.

Posters on various issues on health care finance were also presented in PHEN seminar. The work was discussed and appreciated by the participants and the audience. The poster presentations included (i) Social Protection Strategies: An Overview of Pakistan’s Bait-ul-Mal by Dr. Maryum Sarfaraz (ii) Experience of Health Reforms by Developing Countries: Lessons to be Learned for Pakistan by GulRukh Mehboob (iii) Community Based Health Financing in Other Countries and Pakistan’s Options by Iffat Rabab (iv) Pakistan’s Social Health Insurance: An Overview by Adnan Khan (v) External Assistance as a Funding Source for Pakistan’s and Health Care Out of Pocket Expenditure for Delivery Services in a Poly Clinic Hospital, Islamabad by Nusrat Daud (vii) An Overview of Private Health Insurance in Pakistan by Asmat Gill and (viii) Pakistan’s Health Care Financing Indicators: WHO Evidence by Dr. Shafqat Shehzad. The meeting ended with a vote of thanks for WHO-EMRO, HSA and all participants.