Thailand

Universal Health Coverage

March 2014

Completing the first guarantee of a national social protection floor

Thailand reached near-universal health coverage in 2002, shortly after the launch of the Universal Coverage Scheme (UCS). That year, the newly elected Thai government passed the National Health Security Act, one of the nine priorities for reform highlighted during the campaign and a response that was long demanded by civil society. The Thai experience is remarkable:

- Within a few years’ time, Thailand succeeded in extending social health protection to all while experiencing economic recession.
- Embedding the reform process in the law, Thailand developed what is now a comprehensive social health protection system articulating schemes for all employment statuses.
- The country was able to finance the UCS or “30-Baht scheme” through reallocation of spending (mainly defence, transport and communication and social services) and fiscal space extension (increased VAT and taxes on luxury goods, alcohol and tobacco products).

Towards Universal Health Coverage (1990-2007)

Though there is still room for improvement of the system, Thailand demonstrated that economic growth was not a condition for investing in human capital but, rather, that it could be a simultaneous process.

The goal of the UCS is “to equally entitle all Thai citizens to quality health care according to their needs, regardless of their socioeconomic status”, which underlines the fact that a universalistic approach was chosen rather than a targeted one. A new autonomous institution was created to manage the UCS, the National Health Security Office (NHSO), and the country chose to implement a purchaser - provider split.

Key Indicators

- 1 in 2 workers is in informal employment
- Maternal mortality ratio is 48 per 100,000 live births
- Thai people disburse 13.7% of total health care expenditure from their own pocket
- The government allocates 4.1% of GDP, representing 14.5% of its budget, on health
- The government spends 93.1 USD per person per year on health
- 99.4% of births are attended by skilled health staff

Moving towards higher levels of protection

The UCS provides a comprehensive benefit package, free at the point of service (a 30-Baht fee was put in place, abolished and re-established). Since its launch, the benefit package has evolved so as to progressively be aligned with the two other health insurance schemes, the Civil Servant Medical Benefit Scheme and the Compulsory Social Security Scheme. The progressive alignment of benefit packages and network of providers as well as the constitution of a central database facilitate both the homogenisation of the quality of health care across schemes and the adaptation of the social health protection system to labour market evolutions (i.e. the changing employment status of beneficiaries).

The UCS improved access to health care for its members, unmet health care needs in the country decreased and the incidence of catastrophic health care expenditure decreased, especially for the poorest quintile. Evidence shows that both UCS affiliates and health care providers have high satisfaction rates. These figures indicate that the strategy implemented in 2001 succeeded in reaching the poorest households.
Social health protection system: Overview of schemes

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Date created</th>
<th>Target population</th>
<th>Enrolment</th>
<th>Coverage rate (2008)</th>
<th>Benefit package</th>
<th>Funding sources</th>
<th>Financing method</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil Servant Medical Benefit Scheme (CSMBS)</td>
<td>1963</td>
<td>Civil servants, retired civil servants, and their dependants.</td>
<td>Through employer.</td>
<td>16%</td>
<td>Comprehensive package with little exclusion (some organ transplants, plastic surgery, infertility treatments).</td>
<td>Non-contributory. General taxes.</td>
<td>Fee for service for outpatient services, DRG payments for inpatient services.</td>
<td>Roughly 440 USD /capita /year (2011).</td>
</tr>
<tr>
<td>Compulsory Social Security Scheme (SSS)</td>
<td>1990</td>
<td>Formal private sector workers and their dependants.</td>
<td>Through employer.</td>
<td>7%</td>
<td>Near-identical packages and unity of service providers for the three schemes. (Though SSS beneficiaries can access some non-empowered health care structures.)</td>
<td>Contributory. Payroll tax, tripartite contributions.</td>
<td>Risk adjusted capitation for inpatient and outpatient services (where Adjusted Relative Weight of Diagnosis-related group (DRG) is &lt;2. DRG for inpatient services when Adjusted Relative Weight is ≥2).</td>
<td>Roughly 69 USD /capita /year (2011).</td>
</tr>
<tr>
<td>Universal Coverage Scheme (UCS)</td>
<td>2001</td>
<td>Rest of the population.</td>
<td>Register with a contracting unit (CUP) and receive a card for care in home area. (When first implemented, potential beneficiaries were identified by health volunteers and medical personnel, as well as through mass communications and media campaigns.)</td>
<td>75%</td>
<td></td>
<td>Non-contributory. General taxes.</td>
<td>Capitation for outpatient care and prevention. Global budget for inpatient care. There is a 30-Baht co-payment for services, though this can be waived by the director of the facility where care is received.</td>
<td>Roughly 88 USD /capita /year (2011).</td>
</tr>
</tbody>
</table>

Social health protection system: Overview of the architecture

Key resources

NHSS website [www.nhso.go.th](http://www.nhso.go.th)

Health Insurance System Research Office (HISRO) website [www.hisro.or.th](http://www.hisro.or.th)


Prepared by Lou Tessier - tessier@ilo.org

The editor of this series is Isabel Ortiz, Director, Social Protection Department, International Labour Office, 4 route des Morillons - 1211 Geneva 22 - Switzerland - Tel: +41 22 799 6226 - ortizi@ilo.org

Visit the Social Protection knowledge management platform [www.social-protection.org](http://www.social-protection.org)