INNOVATIONS FOR SUCCESSFUL SOCIETIES

Planning and Budgeting for Health in Vietnam

In 2005, Vietnam's legislature voted to develop a new health insurance system that would reduce most citizens' out-of-pocket healthcare costs and instructed the health ministry to take steps to make care more accessible, more affordable, and more effective---especially for those who lived in remote, mountainous regions. One of the challenges was how to manage scarce resources to constrain soaring costs. Another was how to coordinate with provinces and local governments (districts and communes)---which controlled much of the country's health spending---in order to achieve national priorities, such as improved preventive care. During the next several years, the health ministry's Department of Planning and Finance worked with those subnational units to improve the financial information system, hone strategies and plans, and align activities. By 2014, Vietnam's government had more than tripled its per-capita health-care spending---to US$48.82 in 2014 from US$15.52 per capita in 2005, in current U.S. dollars---a rate of growth that outpaced the average in both low-income and lower-middle- income countries. The share of out-of-pocket spending on healthcare fell to 45% in 2015 from 67% in 2005.

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Minister of Health Nguyen Thi Kim Tien visits the Tan Thanh Ward health centre in HCM City's Tan Phu District, where the family medicine model is being implemented.
Photo from www.medinet.hochiminh.gov.vn.

Featured Interview

Linking priorities to the budget process poses many challenges, especially with respect to healthcare. **Dr. Craig Househam**, former head of the health department for Western Cape, South Africa, speaks about how his team successfully addressed these.

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