

HEALTH POLICY AND HEALTH FINANCE KNOWLEDGE HUB

Annual Report – 2011



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List of Acronyms

ALA	Australian Leadership Awards
ANHSS	Asian Network for Capacity Building in Health Systems Strengthening
ASCON	Annual Scientific Conference
AusAID	Australian Agency for International Development
CBHI	Community-based Health Insurance
CBM	Christian Blind Mission
CHIPSR	Centre for Health Information, Policy and Systems Research
DSF	Demand-Side Financing
DWU	Divine Word University
GFC	Global Financial Crisis
GST	Goods and Services Tax
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HCM	Ho Chi Minh
HEF	Health Equity Funds
HPHF	Health Policy and Health Finance
HSPI	Health Strategy and Policy Institute
HSRA	Health Systems Reform Asia
ICDDR,B	International Centre for Diarrhoeal Disease Research, Bangladesh
iHEA	International Health Economics Association
Lao PDR	Lao People's Democratic Republic
LMICs	Low and Middle Income Countries
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MNH	Maternal and Neonatal Health
MoF	Ministry of Finance
MoH	Ministry of Health
MPAs	Medical Professional Associations
NCDs	Non-communicable Diseases
NFP	Not-For-Profit
NGO	Non Government Organisation
NHAs	National Health Accounts
NZAID	New Zealand Aid Programme
OECD	Organisation for Economic Cooperation and Development
OOP	Out Of Pocket
PHC	Primary healthcare
PhD	Doctor of Philosophy
PMPK	Centre for Health Service Management
PNG	Papua New Guinea
PSHON	Pacific Senior Health Officer Network
SHP	Social Health Protection
SPC	Secretariat of the Pacific
SWAps	Sector-Wide Approaches
UGM	Universitas Gadjah Mada
UN	United Nations
UNESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNICEF	United Nations International Children's Emergency Fund
WHO	World Health Organization
WHO/ADB	World Health Organisation / Asian Development Bank
WP	Working Paper
WPRO	Western Pacific Regional Office (of WHO)
WPRO-SEARO	Western Pacific Regional Office (of WHO) - South-East Asia Regional Office (of WHO)

1. Introduction

This is the fourth Annual Report of the Health Policy and Health Finance Knowledge Hub (the Hub) and reports on activities conducted during the calendar year January to December 2011.

The Hub commenced operation in April 2008, and has progressively built internal capacity through recruitment of additional staff, which now totals 6 full time staff and 2 part-time staff. It has continued to engage with experts and practitioners in Australian and regional organisations, as well as with country partners.

The report is structured around the three ‘products’ or specific areas of work of the Hub, and the four objectives and aims of the Knowledge Hubs for Health Initiative. Section 5 summarises the contribution of each of the products to the objectives and aims.

This report includes additional activities, referred to as ‘complementary activities’, which have been undertaken by the Nossal Institute for Global Health as host of the HPHF Knowledge Hub, but that were not funded directly with AusAID funds, particularly where these activities have contributed to or linked with HPHF Knowledge Hub activities under each objective. An example is the Australian Leadership Award Fellowship for policy-makers and researchers from Bangladesh, Cambodia and Laos to study Community-based Health Insurance with staff from the HPHF Knowledge Hub.

2. Highlights for 2011

1. Health System Reform in Asia Conference, Dec 2011, Hong Kong

During December 10-12, 2011, a large delegation from the Nossal Institute and regional research collaborators from Cambodia, Vietnam, Indonesia and India, disseminated findings of recent joint health systems research at the Health System Reform in Asia conference in Hong Kong, attended by about 400 delegates from governments, research institutes and development agencies active in the region.

The Conference was organised by the leading international journal, *Social Science & Medicine*, which will publish a special issue containing many of the papers presented at the conference. The Conference aimed to revive these gatherings, which in earlier years had been a regular feature for the Journal. The conference focussed on the health system reforms Asian countries have adopted, or are considering, during rapid economic, social, demographic and epidemiologic change in the region.

The Nossal team organised, chaired and presented two group sessions at the conference, both well attended by international partners and colleagues. The various presentations were well received and led to a stimulating discussion of key issues on health financing and health system regulation.

First was a group session on Mixed Health Systems covering common supply-side and demand-side health financing and service delivery issues in Papua New Guinea (PNG), Mongolia, Cambodia and Laos. This session was very well attended by country representatives and donor partners active in these areas of work, provided an excellent opportunity for peer review and stimulated valuable discussion on universal coverage and the challenges of mixed health systems.

The second group session presented Nossal Institute work in the area of non-state providers and regulation within the context of mixed, public-private health systems, reporting on Hub research activities in Indonesia and Vietnam and associated activities carried out by the Public Health Foundation of India. The session provided an excellent platform for advancing the discussion of regulation of mixed health systems (a new area of concern) and raised a number of new issues and alternate approaches to regulation and stewardship.

2. Indonesian Medical Professional Association study visit, October 2011, Nossal Institute for Global Health

A study visit by a group of leaders from Indonesian Medical Professional Associations (including the Indonesian Doctors Association and other specialist associations), the Medical Council of Indonesia, and the workforce sections of the Ministry of Health, resulted in new commitments to collaborate between government and professional agencies in addressing key public policy issues such as the lack of specialist doctors in rural and remote areas of Indonesia.

Sharing their experience with Australian counterparts, including the Australian Medical Association, the Medical Board of Australia, Rural Doctors Association, Specialist Colleges and the Federal Health Department stimulated new thinking and new enthusiasm. The opportunity for these Indonesian policy leaders to spend time together focused on policy issues also contributed to improved understanding and collaboration.

Much of the preparatory work in introducing evidence on the policy issues, particularly around medical workforce distribution, and engaging with the professional associations was undertaken by our Indonesian partner, the Centre for Health Service Management at the University of Gadjah Mada. They will continue to follow up and support the associations and the MoH in implementation of agreed action plans after the visit.

3. Training of Trainers for Pacific Flagship Course

Following on from the first adaptation of the World Bank Institute Flagship course for the Pacific region in Fiji in June 2010, a Training-of-Trainers course was held at the Nossal Institute in August 2011, with over 20 health and economics professionals from the Asia and Pacific regions, including Ministry of Health officials.

The course provided an opportunity for international experts from the World Bank Institute, regional trainers from the Asian Network for Health System Strengthening, and Pacific policy-makers to review the relevance of the Flagship course for the Pacific, and to identify how the course could address key policy-making challenges in the Pacific.

Several Pacific case studies were proposed as a result of this course. The Pacific group agreed that it would be helpful to re-convene before the next Flagship course to review case studies and for course resource persons to practise delivery of lectures and facilitation of cases. The next Flagship Course for the Pacific region will be held in the final quarter of 2012, and will be convened by the Hub, together with the Centre for Health Information, Policy and Systems Research (CHIPSr) at the Fiji National University.

3. Setting the scene: Global and regional policy priorities

Financing for health systems continues to be high on the global development agenda. The ongoing Global Financial Crisis (GFC) continues to create new challenges for health system managers in low and middle income countries (LMICs), and for development partners. The GFC has reduced the capacity of traditional Organisation for Economic Cooperation and Development (OECD) donor countries to maintain their development assistance budgets. This has resulted in reductions in bilateral aid programs, and also in allocations to multilateral and global health initiatives. For example, the third replenishment of the Global Fund did not reach its targets due to low levels and delayed deliveries of donor pledges. This has created significant problems for country partners who now face reduced Global Fund support as well as their own deteriorating economies.

The reduction in capacity of traditional donors has brought new focus on the activities of emerging donors in Asia and Latin America, whose economies have suffered less from the GFC, but who also have different priorities and objectives for their development assistance. Australia, as one of the few traditional donors maintaining and increasing budget allocations to development assistance, confronts new pressures on this assistance as other donors withdraw and new demands arise.

However, it's notable that some development goals continue to attract donor support, notably maternal and child health, with the Partnership for Maternal and Neonatal Health reporting continuing pledges to support MNH programs.

The UN High Level meeting on non-communicable diseases (NCDs) in September increased global awareness of the importance of addressing the rising burden of illness and death due to NCDs, even if the meeting did not result in clear targets or significant new resources. A key issue with the rise in NCDs is the impact treatment costs of these conditions will have on health system finances, an issue the quintilateral group of donors identifies as a major concern for the Pacific.

These developments have increased the demand for evidence on effective health financing strategies for health systems, as well as development assistance. Multilateral agencies have responded to these demands by increasing their focus on key health financing issues. The World Bank's new Health, Nutrition and Population Strategy will focus more on universal coverage, shifting from providing loans to providing technical support and engaging in policy dialogue as low-income Asian countries graduate to middle-income countries. The World Health Organization (WHO) in the Western Pacific is also enhancing its role as an intermediary in providing technical support to national health system planners.

The health policy and health financing sector remains a complex and contested environment. The number and diversity of organisations, networks and structures engaged in health policy continues to grow, creating further complexity. The Asia Pacific Health Systems Observatory has commenced operation, with health system reports proposed for Indonesia, Laos, and Tonga in the coming year. The Asian Network for Health Systems Strengthening (ANHSS) is now well established, while the Asia Pacific Human Resources Network, as well as various Pacific Island specific networks, continues to grow. The region will also host a number of important health system related conferences, including the Alliance of Health System and Policy Research conference in Beijing in 2012, and the International Health Economics Association (iHEA) conference in Sydney in 2013.

There is also complexity in terms of the policy issues and policy options being explored, and the range of stakeholders and views involved. There are a range of approaches being taken to progress towards universal coverage, and a range of tools being developed to support health system planning and budgeting, such as the Millennium Development Goals (MDG) 4 and 5 Investment Case, as well as the WHO One Health approach.

A key issue with these approaches is the differences between the Asian and Pacific Island contexts. While development assistance funding has become less important in Asian countries, where governments are experiencing growing political and economic strength, development assistance remains crucial to Pacific Island countries. The policy issues and potential policy levers are also quite different between these two regions.

The Hub work program has responded to this environment by focusing on the key policy issues and areas where the Hub can make a contribution, while maintaining and building engagement with key stakeholders at national and regional levels to communicate and disseminate the results of our work.

4. Reporting against Products

4.1 Product One: Health finance strategies to address key policy issues of universal coverage, equity of access, and non-communicable diseases

Product 1 work in 2011 built on and amalgamated work conducted in 2009 and 2010 on Methodologies and Evidence for identifying effective health financing strategies, and improving equity through health financing. This product aimed to examine how health financing strategies can contribute to achieving key health system goals in three key areas of health policy: universal coverage, non communicable diseases, and equity of access.

1. Universal coverage

Over the last decade, both Cambodia and Laos have piloted a number of different demand-side health financing schemes (community-based health insurance, health equity funds, voucher schemes, conditional cash transfers) and to some extent planned or introduced social health insurance for the formal sector. Now, both countries are moving to establish national agencies to implement and administer these schemes. Research through the Hub identified both the constraints on moving forward and policy options for further development, which in both countries played an important role in policy discussions with the governments and development partners. Complementary activities were also undertaken, involving a sharing of ideas and approaches between these countries and government-NGO representatives from Bangladesh.

2. Non-communicable diseases (NCDs)

Health systems are facing new challenges with the rapid increase in non-communicable diseases, and this provides a number of policy challenges for ministries of health and donor partners. Combining primary prevention activities with secondary prevention and care has only just begun in many countries. Hub activities have been directed at, first, developing a framework for analysis of country preparedness to confront these challenges and, in 2011, pilot testing the framework with a study in Bangladesh.

3. Policies and strategies to improve equity of access

Disabled people face a range of barriers in accessing health services, though little information is available on the particular nature of these challenges. Working in collaboration with CBM, the Hub has completed research activities in Cambodia to identify these barriers and provide policy options to address them, including strong stakeholder participation in the study and a number of dissemination activities.

4.1.1 Universal coverage

Analytic Activities undertaken in 2011

A. Cambodia

The Cambodian Government and donor partners have indicated an aspiration to move to greater integration in financing schemes to provide health coverage of the poor and the informal sector workers. The possibility now exists to establish a national agency for health equity funds (HEF) and community-based health insurance (CBHI) as a step towards universal coverage. This would constitute one of the country's major social reforms of the past two decades.

In 2011, we conducted a policy analysis, *Institutional strengthening for universal coverage in Cambodia: opportunities, barriers and policy options*. In this research, we collected and analysed the opinions of various key health financing policy-makers and program implementers about the policy and operational barriers to creating a National HEF-CBHI Agency and explored policy options to assist the advancement towards universal coverage. The report was prepared at the invitation of the MoH as one part of the Mid-Term Review of the National Strategic Plan for health and was shared with the MoH and donor partners for comment and finalisation. Its recommendations are likely to form part of the development of future policy approaches.

B. The Lao PDR

In the Lao PDR, the four separate Social Health Protection (SHP) schemes are constrained by fragmentation of financing pools, segmentation of health financing systems and a slow implementation process. The basic benefit package offered by the different schemes and the population coverage achieved by each vary widely.

These constraints complicate the stewardship function of the government, produce inefficiencies in implementation and prevent a rapid increase in population coverage. Therefore, a change in institutional arrangements and improved organisational capacities are needed to achieve universal coverage.

The Lao PDR Government is considering creating a national health insurance authority by integrating the four different SHP schemes. It is expected that a unified institutional system will lead towards universal coverage by 2020.

In this research, we gathered and analysed the views of various key health financing policy-makers and program implementers about the barriers associated with creation of a national health insurance authority and looked at policy options for advancing universal coverage. The research report was presented, at the invitation of the MoH, to a High Level Health Financing Leadership Seminar in December 2012 organised by the MoH with donor-partner participation and chaired by the Minister for Health.

C. Bangladesh

Hub researchers drew on their previous research work to prepare a policy brief on the ways in which demand-side financing (DSF) mechanisms for maternal health (particularly vouchers) can improve equitable access to health care for the poor, and the lessons learned.

The policy brief drew on two analytical studies previously conducted using community-based data collected: a pro-poor demand-side financing (DSF) mechanism and the role of the public and private providers. There are many DSF mechanisms in place or planned in developing countries. Although many have implemented DSF, very few have documented evidence on their real scope and challenges. The Ministry of Health and Family Welfare is implementing a DSF Maternal Health Voucher Scheme in 46 sub-districts of Bangladesh.

D. Comparative policy analysis of community-based health insurance in three countries (Bangladesh, Cambodia and the Lao PDR)

Using funding provided through an Australian Leadership Awards grant, Hub staff brought partners from ministries of health and non-government agencies in Bangladesh, Cambodia and Laos to share experiences and plans for community-based health insurance (CBHI). Bangladesh delegates, who are planning the introduction of such schemes at district level, gained from experiences and evidence in Cambodia and Laos to develop a policy and plan for introduction of appropriate pilot projects in social health protection. The activity drew on the work of the Hub in these countries.

Participating policy-makers from these countries gained a regional perspective of health financing by documenting and comparing the experiences of the three countries. Key policy challenges in design and implementation of CBHI and microfinance health programs were identified, shared and discussed. The ALA Fellows designed action plans and proposals for further research and evidence gathering in their respective countries. Fellows also identified successful models and finalised country action plans based on feedback during plenary presentations.

Context and policy relevance

Achieving universal coverage (universal access to quality health services and universal protection from financial risk) remains a key global and regional health policy objective. Both Cambodia and Laos have indicated their support for the recommendations of two key WHO reports – the World Health Report 2010: *Health Systems Financing: The Path to Universal Coverage*, and the WPRO-SEARO *Health Financing Strategy for the Asia Pacific Region (2010-2015)*.

A key strategy of the respective Ministries of Health for achieving universal coverage is strengthening SHP mechanisms. As of yet, however, these schemes have not had a major impact on reducing out of pocket (OOP) spending, a key indicator of financial risk protection. Successful SHP schemes are inextricably linked to specific institutional characteristics and organisational capacity. In both countries, Ministries of Health and health financing stakeholders advocate for the institutionalisation and scale up of these SHP mechanisms.

The study topics of the case studies (Cambodia and Laos) were selected and finalised in consultation with the Ministries of Health and development partners, international NGOs and program managers working in health financing.

Hub researchers worked very closely with stakeholders in both countries to develop case studies on the implementation of universal health coverage. This was useful for addressing country contexts and issues of policy relevance. The findings of the studies will be used in further policy development for social health protection by the ministries of health in both countries.

Communication and dissemination

Background, concept ideas, country contexts, policy relevance and findings were discussed and disseminated at various national, regional and international forums.

No.	Conference / Meetings	Location	Date	Topic discussed / disseminated
National Workshops / Meetings				
1	Health Donor Partner Meeting	Phnom Penh, Cambodia	Nov 2011	Cambodia Universal Coverage case study
2	Health Planning and Financing Technical working Group Meeting, MoH, the Lao PDR	Vientiane, the Lao PDR	Dec 2011	Lao PDR Universal Coverage case study
3	High Level Health Financing Leadership Seminar organised by the MoH	Vientiane, the Lao PDR	Dec 2011	
Regional / International seminars / conferences				
4	Annual Scientific Conference of ICDDR,B (ASCON)	Dhaka, Bangladesh	Mar 2011	Maternal health voucher schemes Healthcare financing arrangement in selected countries
5	International Health Economics Association (iHEA) Conference	Toronto, Canada	Jul 2011	Demand-side financing mechanism HEF and CBHI cooperation in Cambodia and Laos
6	Universal coverage can we guarantee health for all? (Regional symposium)	Kuala Lumpur, Malaysia	Oct 2011	Experience in health financing and social health insurance of countries in the region and the lessons learned. Hub works on universal coverage were shared and discussed.
7	Health System Reform in Asia conference	Hong Kong	Dec 2011	Mixed Health Systems covering different supply-side and demand-side issues

National workshops/Meeting:

1. Presented and discussed the outcomes of Hub research on institutional strengthening for universal coverage in Cambodia. The meeting was attended by senior MoH officials and donor partners.
2. Attended the Health Planning and Financing Task Force meeting organised by the MoH as an invited speaker, presenting the Hub working paper on institutional strengthening for social health protection in Laos. The paper was warmly received. The meeting was attended by the Deputy Minister for Health, the head of the Department of Planning, our colleagues from the MoH, donor partners (incl. WPRO-Chris James and WHO-Vientiane) and members of the Ministry of Labour and the Ministry of Finance. The meeting endorsed plans for continuing progress towards universal coverage in Laos.
3. The seminar was attended by the Deputy Prime Minister and the Minister of Health, along with deputy governors, the WHO country representative and other leading donor partners. Chris James addressed the meeting as the representative of WPRO. This meeting also endorsed plans for continuing progress towards universal coverage.

Regional/International seminars/conferences:

These forums (4, 5, 6 and 7) provided an opportunity to disseminate and share results, experience, and lessons learned from universal coverage research. Participants included policy-makers, health professionals, scientists, program managers and community organisers from the Asia-Pacific region. The discussions revealed similarities between the Hub work and international dialogue on universal coverage.

Key Results

The study findings generated policy options for consideration by national and international health financing policy-makers. The findings and recommendations of the Hub studies in Cambodia and the Lao PDR are being used by government and donor policy makers in further activities and the development of policy for the creation of national agencies for achieving universal coverage. The work in 2011 has also paved the way for further operational research – carried out in conjunction with ministries of health and WHO – that will provide answers to and options for the complicated policy questions that must be confronted in the creation of national agencies. The findings are expected to strengthen governmental stewardship of the health sector and institutional capacities for advancing universal health coverage. Ultimately, up to three million people in Cambodia and one million in Laos, including the poor and the near poor, will benefit from the policy settings supported by the Hub research.

A **key recommendation** emerging from this work is the need to establish national institutional governance structures for oversight and monitoring of the different sub-national SHP funds and mechanisms, and gradual amalgamation, in both Cambodia and Laos. While pooling these different funds may be the ultimate aim, the process must be undertaken progressively over a considerable period due to their different structures, funding and payment mechanisms. A national governance mechanism will support the management and operation of the funds, while progressively enabling amalgamation and pooling.

4.1.2 Non-communicable diseases

Analytic studies undertaken

The Hub examined the situation regarding NCDs in Bangladesh in terms of preparedness status, barriers to prevention, management and the equity of NCD services. The definition of NCDs was that used by The Lancet and WHO, namely the four key diseases linked by the four common risk factors: cardiovascular disease, cancers, diabetes and chronic respiratory diseases linked to tobacco use, unhealthy diet, physical inactivity and the harmful use of alcohol. The framework developed by the Hub in working paper 13, *Non-communicable diseases and health systems reform in low and middle income countries*, was used as the analytic framework for the assessment. The study was undertaken in collaboration with the International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B), drawing on official government and donor documentation, previous studies by ICDDR,B and other researchers, national level health and service-delivery data, as well as information from existing and secondary sources.

The study emphasises a need for increased awareness amongst health planners and development partners on public policy issues relating to NCDs at a national level.

Context and policy relevance

There is growing evidence that NCDs are a major health and socio-economic issue in LMICs. This is certainly true of Bangladesh, which has a high disease burden due to chronic NCDs, as well as a heavily constrained health system. While Bangladesh has made significant progress in achieving certain MDGs, it has not yet been able to mobilise resources to address the burden of NCDs and its consequences. However, there is increasing recognition among policy-makers and researchers of the need to re-examine priorities for resource allocation to address the problem of NCDs. This study provided policy-makers with a summary of progress in policy development needed to tackle NCDs, and indicates areas of policy requiring attention.

Communication and dissemination

Initial findings were presented at the Hub technical review meeting in Melbourne in October 2011. Following finalisation of the study findings, in-country dissemination is proposed for 2012.

Key Results

The research identifies several policy and health system issues to address in tackling the emerging NCD burden in Bangladesh, including:

- building political will and addressing health systems constraints
- developing public policies in health promotion and diseases prevention
- creating new service delivery models
- ensuring equity in access and payments.

Adapting the Bangladeshi health system so it can effectively respond to the challenge of NCDs requires policy changes and substantial financial resources.

4.1.3 Policies and strategies to improve equity of access

Analytic activities undertaken in 2011

An exploratory study was undertaken in Cambodia to identify the barriers and facilitators people with disabilities face accessing health services. This study identified the local legislation within the global context, as well as the policies and services which affect the access of people with disabilities to health services in Cambodia.

Analysing available literature and conducting key informant interviews with a diverse group of disability and health service stakeholders in Cambodia enabled a mapping of the barriers that impede access to health services and facilitators which support access. The paper makes specific recommendations to identified stakeholder groups in the disability and health sectors.

Context and policy relevance

Accessing appropriate and affordable health services is a challenge for many people in developing countries, but for people with disabilities this challenge is even more acute.

Access to health services remains integral to an individual's health and wellbeing and a fundamental human right and yet barriers to healthcare occur at each level – the individual, service-point and systemic levels. As such, the key to removing these barriers and effecting improvement lies with a diverse set of stakeholders.

The barriers preventing people with disabilities from accessing health services were identified in a recent report of a survey of research needs for establishing a global evidence base on disability and health. The need to understand these barriers and facilitators in nation states such as Cambodia is equally urgent for supporting the development of appropriate policies, health and disability systems, and related services.

This study aims to contribute to the evidence base from which the Australian and Cambodian governments, as well as disability and health stakeholders, can make informed decisions about appropriate interventions for meeting the health needs of people with disabilities in Cambodia.

Communication and dissemination

The findings and policy recommendations were presented at a workshop in Phnom Penh in November 2011, which was well attended by non-government organisation (NGO) program managers and donor partners active in the areas of disability, and stimulated considerable discussion. Further dissemination is planned for 2012.

Key results

As in many other developing country contexts where data is insufficient and resources stretched, there is no simple solution to ensure better access to health services. Systemic barriers linked to structural and resourcing weaknesses in the health and disability sectors and are compounded by the poverty, low levels of education and social status experienced by people with disabilities. This creates a vicious cycle in which those most in need of health services are most disadvantaged by barriers to accessing health services. Consequently, it is most likely that people with disability in Cambodia have greater unmet health needs than others.

4.1.4 Product One – 2011 outputs

- Working paper: Non-communicable diseases and health systems in low-and middle-income countries
- Case study report: Non-communicable diseases in Bangladesh (draft)
- Working paper: Barriers and facilitators to health services for people with disabilities in Cambodia (final draft)
- Journal article: Is demand side financing equity enhancing? Lessons from a maternal health voucher scheme in Bangladesh *Social Science and Medicine*, 2011, 72, 1704-1710
- Working paper: Institutional strengthening for universal coverage in the Lao PDR: barriers and policy options (final draft)
- Working paper: Policy and operational barriers to the institutional strengthening for universal coverage in Cambodia (final draft)
- Policy brief: Demand-side financing for maternal health care: the current state of knowledge on design and impact (finalised, with publisher)
- Policy brief: Institutional strengthening for universal coverage in the Lao PDR: barriers and policy options (under preparation)
- Policy brief: Health insurance for all? Policy barriers and institutional challenges in achieving universal health coverage in the Lao PDR (under preparation)

4.1.5 Product One - Next steps

The Hub will continue work on universal coverage and NCDs in 2012-13.

In Cambodia, the Hub will support preparation and planning for a feasibility study to establish a national agency for HEF and CBHI carried out with AusAID and donor partner support through the MoH. The activities are linked to previous work by the Hub in Cambodia and are expected to strengthen institutional arrangements for universal coverage.

In the Lao PDR, key health financing stakeholders indicated an overlap in health financing arrangements for maternal health services and requested a review to reduce fragmentation. This will build on the work conducted in 2011. The Hub will work together with WHO and the MoH to review selected financing mechanisms for maternal health services and provide subsequent policy options and recommendations.

Based on the findings of the NCD case study, the activity will focus on identifying health systems strengthening issues (particularly in health information systems, health resourcing and health care financing) to meet burgeoning demand of NCD related services in Bangladesh.

As per discussions during the Technical Review Committee, the Hub will document work undertaken in Tonga, including the evolution of the national strategy and implementation, health promotion, health systems and health financing responses.

A five-day short course on universal coverage and health financing has been planned to increase capacity of selected MoH officials and program managers of Cambodia and the Lao PDR. This is expected to increase national capacity for progressing action on universal coverage.

4.2 Product Two: Role of non-state providers in service delivery and implications for the state

The primary purpose for Product Two in 2011 was to identify policy implications of studies on the non-state sector undertaken in 2009-10 and the policy options for governments to direct non-state actors to meet health sector goals. Communicating these to relevant policy-makers in countries the Hub works in, as well as the broader research and policy community, was also important to maximising the impact of this work.

A particular focus was identifying regulatory options for national and local governments to encourage non-state hospital service providers to improve access to effective and quality services and complement services provided by the state.

Objectives for the three main focus areas of work were:

A. Indonesia

Development of policy options for regulation of the hospital sector and to ensure non-state and not-for-profit (NFP) hospitals contribute to broader health sector goals.

B. Vietnam

Development of policy options to address gaps in the current regulatory framework for managing the role and function of non-state hospitals in contributing to the broader health system.

C. Cross-country synthesis

Compare and synthesise the key policy issues and findings from the Indonesia and Vietnam case studies, and identify lessons learnt in terms of using research and evidence to influence national policy.

4.2.1 Product Two – Analytic activities undertaken in 2011

A. Indonesia

Activities in Indonesia continued to be largely led by our partner, the Centre for Health Service Management (PMPK) at the Universitas Gadjah Mada (UGM). The Hub provided technical advice and support and participated in some of the communication and dissemination activities.

Building dialogue, communication and collective engagement in policy-making among national government policy-makers, researchers, and relevant civil society/professional representative organisations was the aim of activities within two focus areas:

- (a) The role of NFP hospital providers
- (b) The role of medical professional associations (MPAs)

NFP hospital providers

PMPK-UGM researchers continued to facilitate and provide access to relevant research expertise to the working group of Ministry of Health (MoH) and Ministry of Finance (MoF) policy-makers to develop the regulations required to implement the provisions in the 2009 hospital law on taxation exemption for NFP hospitals. This included expert support for the development of an academic draft for regulating tax exemption, and facilitating two meetings of the working group during the year. Two other working groups formed following the NFP hospital association study visits in 2009 to examine hospital governance and alternative options for NFP hospital fund raising were not active.

MPAs

PMPK-UGM researchers began approaching medical professional associations in Indonesia to gauge interest in engaging in broader public health policy issues following recognition of the important role medical specialists play in establishing and operating hospitals. The Hub provided resources on international standards and the role of medical professional associations which helped inform the discussion with Indonesian MPAs.

A series of workshops and seminars was held with MPAs and identified their interest in the distribution of medical specialists in Indonesia, levels of remuneration of medical doctors and specialists, and levels of production and training of new medical specialists.

A group of 16 representatives from MPAs, policy-makers from the MoH, and researchers from PMPK-UGM undertook a study visit to the Hub in October 2011 to discuss and exchange ideas with Australian MPAs, policy-makers and regulators. This led to improved communication and potential collaboration with the Indonesian MoH on addressing key public policy issues, such as the inequitable distribution of medical specialists. [See Box 1: From Research to Policy dialogue: Engaging MPAs in Indonesia].

Communication and dissemination

Results from studies of the non-state sector in Indonesia were presented at a number of regional and international forums, mainly by our PMPK-UGM partners. These included:

- Presentations at the Fifth Asian Regional Postgraduate Forum on Health Systems and Policy held in Yogyakarta in May 2011, attended by researchers on health systems from Malaysia, Thailand and Indonesia.

- Case study on the growth of non-state hospitals in Indonesia included in the short course on Strategies for Private Sector Engagement and Public-Private Partnership in Health, held by the Asia Network for Capacity Building in Health System Strengthening in collaboration with the World Bank Institute in Bangkok, Thailand, in May 2011.
- Presentation of a case study on influencing policy in relation to NFP hospitals in Indonesia at the International Health Economics Association conference in Toronto, Canada, in July 2011.
- Presentations on the issues of distribution of medical specialists, and the role of the non-state sector, at the Second national forum of the Indonesian Health Policy Network, to an audience of researchers and policy-makers from the MoH, in September 2011. This forum went on to develop strategies to strengthen research in health system and policy issues in Indonesia, and improve engagement between policy-makers and researchers.
- Presentations and discussion of issues regarding the non-state sector at the Hub technical review meetings with development partners WHO (WPRO), UNICEF, World Bank and AusAID, and technical experts and advisors from the region.
- Presentation of studies on the NFP role and the issue of doctor distribution in Indonesia at the Health System Reform in Asia conference held in Hong Kong in December 2011 at a special session jointly convened by the Hub and the Public Health Foundation of India to examine regulation of the private sector.

Within Indonesia, a series of articles in national newspaper *Kompas* highlighted the role and contribution of NFP hospitals. PMPK-UGM also established a forum for comments and discussion on their health policy website, as an innovative website communication to engage experts and policy-makers on NFP regulation issues.

The results have also been incorporated into training programs for Masters students at UGM, and into a book to be published by UGM. The book has reached the stage of final proofing and editing, with publication anticipated in 2012 (costs borne by UGM).

A policy brief was developed highlighting the findings from the studies of growth in the non-state sector hospitals, and the policy implications for NFP providers, and distributed to development partners in Indonesia (WHO, World Bank, AusAID and GTZ).

B. Vietnam

Activities in Vietnam were led by our partner organisation, the Health Strategy and Policy Institute (HSPI) at the Ministry of Health, Vietnam. The focus of activities was finalising reports of two of the three studies undertaken in the non-state hospital sector in Vietnam during 2010, and communicating the findings to relevant policy-makers.

(a) Studies

The report of the case studies comparing state and non-state hospitals in three locations in Vietnam (Central level – HCM city; Provincial level – Da Nang; and District level – Thai Binh) was finalised.

The report of the analysis of the regulatory framework for non-state hospitals is in the final stages of editing, but has been delayed by other pressing work at HSPI.

(b) Communication and dissemination

A policy brief outlining the findings of the case studies of the growth of non-state hospitals and policy implications was developed and circulated to development partners in Vietnam (AusAID, WHO, World Bank).

HSPI also communicated the findings to the MoH through briefings and inputs into the development of the new National Health Strategy for 2011-2020.

HSPI partners presented the findings at regional workshops and conferences, including:

- The Fifth Asian Regional Postgraduate Forum on Health Systems and Policy held in Yogyakarta in May 2011, attended by researchers on health systems from Malaysia, Thailand and Indonesia.
- The annual technical review meeting hosted by the Hub in Melbourne in November 2011, attended by regional development partners, technical advisors and experts.
- The Health System Reform in Asia conference held in Hong Kong in December 2011 as part of the special session jointly convened by the Hub and the Public Health Foundation of India to examine regulation of the private sector.

C. Cross-country synthesis

Development of a cross-country synthesis was largely led by the Hub and combined a review of the literature and international developments, with comparison and analysis of the findings from the country studies in Indonesia and Vietnam.

(a) Studies

- ‘Healthcare regulation in LMICs: a review of the literature’, undertaken by PhD student Ahmer Akhtar with Hub support. This review identified the range of disciplinary and methodological approaches to the concept of regulation, and the progressive shift in focus to a broader de-centred concept of regulation involving both state and non-state partners rather than state centred ‘command and control’.
- ‘Thinking about the private sector in the provision of healthcare with special reference to the Asia-Pacific region’, prepared by technical partner Associate Professor Abby Bloom at the Menzies Centre for Health Policy, University of Sydney. This paper, while still in draft form, analyses the changing concepts and approaches to engagement of state and non-state sectors, and the increasing recognition of stewardship of mixed health systems.
- ‘Mapping the regulatory architecture for healthcare provision in LMIC mixed health systems: a research tool and case studies of two Indian states’. This study, undertaken by Kabir Sheikh and colleagues at the Public Health Foundation of India with Hub support, has developed a methodology and tool for analysis of regulatory architecture and its operation in the context of LMIC mixed health systems. It also reports on a trial of the research approach in two states of India.
- Based on these preliminary studies and the findings from the country studies, a synthesis paper was developed titled ‘The growth of non-state hospitals in Indonesia and Vietnam: market reforms and mixed commercialised health systems’. This paper attempts to analyse the findings from the country studies in the context of international literature on market reforms and mixed commercialised health systems.

(b) Communication and dissemination

The concepts and ideas from the cross-country synthesis work were presented and discussed in two regional conferences and at the Hub technical review:

- The Fifth Asian Regional Postgraduate Forum on Health Systems and Policy held in Yogyakarta in May 2011, attended by researchers on health systems from Malaysia, Thailand and Indonesia.
- The Health System Reform in Asia conference held in Hong Kong in December 2011 as part of the special session jointly convened by the Hub and the Public Health Foundation of India to examine regulation of the private sector.
- The ideas were also presented and discussed at the Hub annual technical review, and received comment from development partners and technical reviewers.

The cross-country synthesis working paper will be published early in 2012 in the Hub working paper series.

4.2.2 Product Two - Context and policy relevance

The discussions at the iHEA conference and the special session on regulation at the HSRA conference underline the increasing recognition of the importance of regulation for mixed health systems, and the shift in the policy debate away from whether to engage the non-state sector, towards how to regulate mixed systems. This shift complements and informs the development of health financing strategies to achieve universal coverage, particularly in the mixed health systems of Asia.

Regionally, the Asia Network for Capacity Building in Health System Strengthening has increased the focus on the regulatory control knob in regional Flagship based courses in response to increased country interest in regulation.

Within countries, there is also increased interest in regulation among policy-makers. Indonesian policy-makers in the MoH are keen to engage with MPAs and to work on regulation of NFPs, but this is a contested policy space, as the disagreement between the MoF and MoH on policy responsibility demonstrates.

In Vietnam, there is also increased attention from MoH policy-makers on regulation, particularly of the standard and quality of care provided, in the context of increasing public expenditure on hospital services, and questions about over-servicing. Recognition of the importance of research into the non-state sector is also demonstrated by the recent establishment of a new centre on non-state sector studies with support from the Rockefeller foundation.

4.2.3 Product Two - Key results

(a) NFP policy in Indonesia

Despite early success influencing the taxation relief for NFP hospitals in the hospital law, progress on developing the necessary implementation regulations has been slow. This is despite the formation of a working group and the development of a draft regulation, which has languished awaiting attention from the MoH legal department for nearly one year. Various factors account for this delay, including changes in key staff at the MoH, competing priorities at the legal department, and MoF objections that taxation falls within their jurisdiction. This experience further highlights the complexities of new policy development.

Conversely, there has been increasing engagement of NFP hospitals in public health programs, with two NFP hospitals involved in provision of technical support to district government hospitals in the remote province of Nusa Tenggara Timur through the sister hospital program of the Australia-Indonesia Partnership for Maternal and Neonatal Health.

(b) MPA engagement in public policy in Indonesia

Initial results from the study visit of Indonesia medical professional associations were also positive, with useful policy dialogue with policy-makers from the MoH, and the development of workplans to cooperate on policy issues of medical specialist distribution [See Box 1: From Research to Policy dialogue: Engaging MPAs in Indonesia].

(c) Vietnam non-state hospital policy. Initial findings from the case studies have raised the need for further studies with a larger sample to confirm these findings.

(d) These country studies and the presentations at regional conferences have drawn attention of policy-makers and development partners to the challenges of regulation in mixed commercialised health systems in Asia, with the lack of capacity and resources at government level, and the lack of engagement and organisational capacity from civil society and professional organisations.

Box 1

From Research to Policy dialogue: Engaging MPAs in Indonesia

One of the key findings from the initial study of the growth of non-state hospitals in Indonesia was the important role played by medical specialists in the establishment and operation of hospitals, and the impact of the inequitable geographical distribution of specialists on access to hospital services for the poor in Indonesia.

In conjunction with our Indonesian partner, PMPK-UGM, a study visit to the Nossal Institute in Melbourne for 16 representatives from MPAs, the MoH and researchers was organised. Participants included:

- Indonesian Doctors Association representatives
- Association of Specialist Obstetrics-Gynaecology representatives
- Association of Paediatricians representatives
- Association of Physicians representatives
- The Midwives Association representatives
- The Indonesian Medical Council representatives
- Two policy-makers from the MoH
- Researchers from PMPK-UGM.

The group was also joined by two representatives from AusAID's Indonesia post who were engaged in development support for health systems and policy in Indonesia.

The group met with representatives of Australian MPAs, including the Australian Medical Association, the Australian Rural Doctors Association, College of Physicians and College of Surgeons, and the Australian Medical Council and Commonwealth Department of Health. This provided an excellent opportunity to discuss and exchange ideas about the role and function of MPAs, and their contribution to policy-making in Australia. This led to discussions identifying how Indonesian MPAs could contribute to key policy issues in Indonesia.

As a result, three key areas of work were identified and three working groups established to progress these areas:

- i. Cooperation with the MoH on policies to address the inequitable distribution of medical specialists in Indonesia
- ii. Strengthening of membership services and policy engagement activities in the Indonesian MPAs;
- iii. Examination of improvements in training opportunities for medical specialists.

Workplans to progress these areas of work were agreed and disseminated at workshops upon return to Indonesia.

4.2.4 Product Two – 2011 outputs

- Working paper: Literature review of frameworks for analysing relationships between state and non-state providers.
- Working paper: Summary of the findings on the growth of non-state hospitals in Indonesia and policy implications.
- Working paper: Summary of the findings of the growth of non-state hospitals in Vietnam and policy implications.
- Working paper: Literature review on regulation in lower middle income country mixed health systems
- Working paper: A cross-country synthesis on the growth of non-state hospitals in Vietnam and Indonesia in the context of market reform and mixed commercialised health systems (in publication).
- Report: A research framework to characterise the regulatory environments of mixed healthcare systems and results of a trial in India.
- Policy briefs: on the growth of non-state hospitals in Indonesia and Vietnam for development partners in those countries.

4.2.5 Product Two - Next steps

Work in the extension phase work-plan for 2012-13 will consolidate the country level studies undertaken during 2011, and further develop the synthesis and cross-country comparison to identify policy implications for regional policy-makers and development partners:

1. Country level engagement in Indonesia and Vietnam will continue engagement and communication of country study findings to policy-makers in both countries.

In Indonesia, this will focus on follow-up of the NFP hospital regulations, and the policy dialogue between MPAs and the MoH, with some additional policy engagement with stakeholders involved in the implementation of hospital accreditation. While in Vietnam, the focus will be on communication of the findings to non-state hospital managers, and examination of policy options to identify public benefit responsibilities for non-state hospitals.

2. Regional and international policy engagement

Drawing on the in-depth studies and outputs from the in-country studies, this activity will explore the implications for stewardship and regulation of mixed public–private health systems. The focus will be on the following questions:

- (a) What is the range and scope of approaches and methods appropriate and effective for regulation of mixed commercialised systems?
- (b) What is the potential role of delegation of regulatory responsibilities or co-regulation in these contexts, such as experience with professional associations, or NFP groups in Indonesia?
- (c) What are the characteristics and implications of taking a stewardship approach to regulation of mixed systems, and what are the constraints and opportunities to take such an approach for policy-makers in the Asia-Pacific?

4.3 Product Three: Health financing and policy development in the Pacific and PNG

The main purpose of the work in Product Three in 2011 was to provide policy options and support the capacity building of policy-makers in governance and management of health systems in the Pacific region.

The three focus areas for the year were:

- A. Aid effectiveness in the Pacific region:** particularly the degree to which regional mechanisms for governance and national mechanisms for coordination and resource allocation (including SWAp), fulfil the regional consensus on aid effectiveness
- B. Health systems and their resources:** supporting regional partners to improve national health accounts (NHAs), analyse the appropriateness of funding allocations, and make best use of World Bank and WHO technical support for health system strengthening;
- C. Primary healthcare (PHC) policy and partnerships:** describing past and current approaches to the provision of essential health services, emphasising local financing problems and solutions, partnerships with non-state providers, and the implications for PHC policies.

4.3.1 Product Three – Activities undertaken in 2011

A. Aid effectiveness in the Pacific region

The key policy question for this area of work was: ‘How can regional mechanisms for aid governance and national mechanisms for aid coordination better contribute to address the health system challenges of Pacific Island Countries?’

The question was intended to be addressed through two main activities:

1. Conducting a new analysis of health SWAp, relating to either health funding and the SWAp in the Solomon Islands, or the SWAp in Samoa.
2. Finalising and following up on regional governance mechanisms work that commenced in 2010.

Requests from the Solomon Islands Ministry of Health officials led to a change of direction in relation to the first activity on SWAp. AusAID had funded a high-level consultant for two months through the Health Resource Facility to review the SWAp, and there was a request from the MoH not to overlap with that work. Instead, there was a suggestion to research two issues:

- the cost and appropriateness of inter-island referrals;
- planning in the context of the return of 75 Solomon Islanders being medically trained in Cuba.

This research was conducted by Joel Negin in August and a 10-page report was compiled, summarising the main issues.

Work on regional health governance mechanisms in 2011 directly built on research undertaken in 2010, which highlighted the proliferation of mechanisms and the burden in time and cost imposed on senior health officials and other stakeholders. Discussion on this topic at the 2010 Pacific Senior Health Officer Network (PSHON) meeting provided input to the research, and follow-up interviews with senior health officials led to a working paper being presented to the quintilateral group of development partners in December 2010. In 2011, revisions to the paper were undertaken according to feedback from partners, and submitted for further review. Publication was sought and approved in the *Global Health Governance* journal (to be published in 2012) and the findings of the paper were discussed at the quintilateral group meeting in November 2011 and also with High Commissioners and heads of agencies in Honiara.

B. Health systems and their resources

Activities in this field aimed to address the question, ‘What information do we currently have on health financing and development assistance funding in health in the Pacific, and how can this information better inform health policy?’.

Proposed activities related to NHAs in the region, building on the work of the completed WHO/ADB project on capacity building for NHAs and linking to the work of the regional NHA network. Another activity was the finalisation of analysis of health funding flows in Fiji.

A plan to conduct a multi-country comparison of the interaction between NHAs and national health policy was scaled back to an analysis of this relationship in one country, Samoa. Research was undertaken in June 2012 and a report written, using the example of the institutionalisation of NHA in Samoa to demonstrate the use of NHA for policy enhancement over the period of the compilation of NHA reports since the first report in 1998-99.

A policy brief was developed, examining external financing for health in Fiji, using both the Fiji government’s NHA report (Ministry of Health 2011) and other data such as that presented to the OECD’s multi-country review of NHA findings.

The NHA network members identified Vanuatu as a priority country for capacity building, and have proposed a feasibility analysis of existing institutions within Vanuatu taking responsibility for conducting NHAs, with the support of the network. This will be considered for 2012.

A key activity within this area of work was the Flagship Training of Trainers course, held in Melbourne, to prepare around 20 health and economics professionals from the Asia and Pacific regions, including Ministry of Health officials, to teach locally-relevant versions of the World Bank Institute course. A program for a 10-day course was drafted for the Pacific region, to be held in 2012 and potential case studies were identified to complement the proposed program, and next steps for developing the course and materials.

C. Primary healthcare policy and partnerships

This focus area aimed to examine how partnerships with church health services work to extend access to health care, current practices in financing primary health care, and their linkage to national and global policies that may support or constrain coverage with good quality primary health care.

Activities related to PNG church-state partnerships; primary health care financing in Fiji; user-fees in PNG; and access to maternal care in PNG.

Research from 2010 led to the writing in 2011 of an annotated bibliography of literature on partnerships between Church Health Services and governments. This work was undertaken in partnership with the Divine Word University in PNG.

It was decided that the proposed work on PHC in PNG and Fiji would not be pursued further in 2011, due to lack of partner availability for this work. An issues brief was prepared on user-fees in PNG, providing insight into staff and user accounts of the effects of fees at PHC facilities across the country.

Research was undertaken in PNG into the current status and future potential of non-state providers in improving access to aspects of maternal health. A short paper and policy brief were developed.

Communication and dissemination activities

- A meeting with the health advisor/program manager of NZAID's Pacific program to discuss the Hub's Pacific work and discuss the regional mechanisms paper;
- Presentation on the Hub's work on SWAps, NHAs and funding flows at the Health Information Systems Hubs forum in Fiji;
- Presentation of findings from the maternal child health access paper at a PNG Medical Symposium;
- Presentation of the Hub's work on NCDs and dissemination of a policy brief on Pacific regional governance at the annual Pacific Senior Health Officials Network meeting;
- Presentation of the PNG Church-State partnerships work at the Hong Kong Health Systems Reform Conference;
- Provision of a draft paper on regional governance mechanisms to the Solomon Islands office of the Secretariat of the Pacific (SPC) on request, and further dissemination to High Commissioners and heads of agencies in Honiara;
- Provision of papers on Solomon Islands inter-island referrals and Cuban-trained doctors to AusAID, on request;
- Approval for publication of regional governance mechanisms article in Global Health Governance journal; and
- Presentation at AusAID/Hubs forum on the Pacific Flagship program;

4.3.2 Product Three - Context and policy relevance

Discussions relating to NCDs at the PSHON meeting indicated that some Pacific officials are frustrated by the lack of recognition of the NCD problem from their national leadership, but other officials seemed unaware of the extent of the problem. The Healthy Islands vision (that came out of a 1995 Pacific Health Ministers' meeting) seems to be back on the agenda in the Pacific, as a way of bringing together NCDs actions with other initiatives. This suggests that the Hub's work on NCDs could be usefully applied and furthered in the Pacific region.

The level of interest and discussion on regional governance mechanisms work suggests that this work has been timely and relevant, with many discussions confirming the view that current mechanisms present a high burden in terms of time and cost imposed on senior health officials and development partners.

Work on church-state partnerships confirmed a range of challenges in effective stewardship of mixed systems in countries such as PNG. There remain gaps in understanding the differences in church and state service provision, the nature of the engagement and opportunities to strengthen the relationship.

Discussions with Pacific senior health officials during the Flagship training-of-trainers course indicated the usefulness of the Flagship course as a means of education for ministry officials, including cross-sectoral, policy-makers, development partner staff and advisors. It was seen as a means of building a common language for health systems discussions and building confidence in assessing options, and engaging in donor discussions. PNG health officials have since requested an adapted version of the Flagship course for PNG, particularly focusing on leadership and ethics in decentralised systems.

4.3.3 Product Three - Key results

Analysis on regional governance mechanisms contributed to an emergence of the issue onto Pacific health policy-makers agendas, as demonstrated through discussion at both Pacific Health Ministers meeting and quintilateral group meetings. Informal reports of these discussions suggest that changes to the frequency of regional coordinating meetings may be an outcome. The impact of such changes, it is hoped, will be increased efficiency, greater time availability and reduced costs for both governments and development partners.

Initial research on the upcoming return of 75 Solomon Islanders being trained in medicine in Cuba has contributed to broader discussion about Cuban engagement in the Pacific region. The Hub will continue to liaise with partners to ensure a useful contribution to planned AusAID analysis and discussion on this topic in 2012. This work will contribute to ensuring that Pacific Island countries capitalise on the opportunities that support from the Cuban government provides for their health systems.

Research on national health accounts in 2011 provided additional evidence that NHAs are a useful tool for health financing and policy decisions. The accounts allow governments to compare themselves with other countries in the region and to analyse what is happening in their own country, and how best to improve health policy and financing to ensure better health outcomes for all. An accurate, timely and internationally comparable set of NHA reports provides an information set that can be used for many other statistical analyses of the health system.

The Flagship training-of-trainers course has prepared a group of nine health officials and partner in the Pacific to lead the development and implementation of a regionally-relevant course, to be held in 2012. The next course will enable up to 50 Pacific government officials and development partner staff to more confidently assess health systems options, and enable more informed engagement in discussions with donors.

4.3.4 Product Three – 2011 outputs

- Article for journal, brief: Regional governance mechanisms (brief at draft stage)
- Issues briefs: Solomon Islands – report on cost and appropriateness of inter-island referrals and Cuban-trained doctors
- Report: NHAs and policy influence in Samoa
- Policy brief: Funding flows in Fiji (at draft stage)
- Issue brief: User-fees in PNG
- Issue brief: Discrete choice experiment methodology
- Working paper: Strengthening church and government partnerships for primary health care delivery in Papua New Guinea: Lessons from the international experience
- Policy brief and short paper: Maternal child health access in PNG

4.3.5 Product Three - Next steps

A proposed study for 2012 will further examine Pacific SWAp, other analyses of health sector financing, and other themes that have emerged in PNG and the Pacific, in light of the Australian Aid Review in 2012 and the Government response. The nexus of these documents with the Pacific Aid Effectiveness Principles (as they relate to the health sector) will be examined. The study will reflect on how Australia's aid contribution may helpfully contribute to increased health sector harmonisation among donors in PNG and the Pacific and transparency and predictability in health sector financing, governance and other determinants.

Drawing on the findings of the joint study with Divine Word University (DWU), we propose to focus on further analyses and dissemination. In 2012, we will plan to consider the global experience of changes to funding for church health services and the impact on primary health care service delivery with the implementation of SWAp funding mechanisms. We will also look at the impact on funding for church health services in PNG from the implementation of the Health Sector Improvement Program Trust Account.

Hub discussions with a Tonga Ministry of Health representative in late 2011 indicated that it would be useful to document Tonga's NCD work to date, including the evolution of the national strategy and implementation, health promotion, health systems and health financing responses. This work will be carried out in 2012.

During the Flagship training-of-trainers course, several topics were proposed for case study/ course material development, including the ethics of inter-island and overseas treatment schemes; alternatives to donor financing; a 'diagnostic tree' exercise relating to NCDs; and an exploration of the 'Sin Tax' in the Marshall Islands. The Pacific group agreed that it would be helpful to re-convene before the next Flagship course is delivered in the region, to review case studies, and for course resource persons to practise delivery of lectures and facilitation of cases. The next Flagship Course for the Pacific region will be held in the final quarter of 2012, convened by the Hub, together with CHIPSR at the Fiji National University.

Based on work conducted by the Hub in the Solomon Islands and cross-Hub discussions over the past year, the Hub will aim to be involved in ongoing analysis of the opportunities, modalities and impact of Cuban engagement in the health sector. Examining medical workforce training specifically, the analysis will look at how Cuban assistance fits into wider Pacific health and development issues.

5. Reporting against Aim and Objectives

5.1 Aim

Contribute to the quality and effectiveness of Australia's engagement in the health sector in the Asia Pacific region through expanded expertise and an expanded knowledge base that is of practical value and used by stakeholders in development

Contributions to the evidence and knowledge base for health systems operation and policy-making occurs at various levels, ranging from research priority setting and evidence filtering, through expanding policy-making capacity and improving policy-making processes, and contributing to the policy agenda, to influencing policy formulation, implementation and evaluation.

Product One: Health financing strategies

Contributions from Product One, health financing strategies, have led to the introduction of a new issue in the policy agenda – appropriate institutional governance for the various fragmented social health protection mechanisms and funds in Cambodia and Laos.

They have also contributed to strengthening an evidence-based approach to policy-making, by engaging development partners, NGOs, and government policy-makers in dialogue and discussion around policy decisions.

Product Two: The role of the non-state sector

Contributions from this product have influenced policy-making processes in Indonesia by developing engagement of the non-state sector, notably NFP associations and medical professional associations, in policy dialogue and collaborative policy-making with MoH policy-makers. They have also placed the role of government in supporting the non-state sector on the policy agenda and helped shape policy through the drafting of regulations.

Studies in both Vietnam and Indonesia, as well as the development of a framework for analysis of regulatory systems, have contributed to the increasing regional recognition of the shift towards mixed, commercialised public-private health systems in Asian LMICs, and of the need to address stewardship and governance of such systems.

Both these contributions will ultimately improve the capacity of health systems in these countries to provide the poor with access to health services and to improve efficiency of state and non-state resources to achieve public health goals.

Product Three: Health financing and policy development in the Pacific and PNG

Contributions from this product have influenced the policy-making process by providing new evidence on key issues to development partners and PIC representatives. They have also introduced new issues in the policy agenda, such as the onerous costs of multiple governance structures for the management of regional health initiatives.

5.2 Objective 1

To increase the critical, conceptual and strategic analysis of key health issues relevant to the Asia-Pacific region that can be used to inform policy thinking and practical application at the national, regional and international levels

Knowledge outputs from the Hub can be classified along two aspects:

- a. The thematic content of the knowledge output. As the nominated products also cover a number of focus areas, the thematic content of the Hub can actually be classified into five different themes, as set out in the table below.
- b. The type of knowledge output, along a continuum that ranges from literature review/conceptual contributions, through methodological contributions (such as development of tools or guides) and studies specific to single countries, to studies that compare countries and seek to synthesise knowledge to provide more generalisable lessons or evidence.

The following table lists the key knowledge outputs of the Hub classified by thematic content and knowledge type. While any knowledge output may result in a variety of documents or communication materials (such as working papers, academic publications, policy briefs and presentations) each knowledge output is considered as a single output in this table, identified through the working paper that forms the primary output of most of our knowledge activities.

The table demonstrates that most of the knowledge outputs of the Hub have been at the level of literature review/conceptual frameworks, and single country studies, with some cross-country and synthesis outputs, with none in the area of tools or guidelines. This reflects the state of knowledge in the field of health financing, where consensus on a basic conceptual or classificatory framework for health financing strategies has not yet been achieved. Thus the focus of analysis is on strategic options and their relevance and effectiveness in specific country contexts, and then on how these specific country findings can contribute to broader cross-country generalisations, and to the development of conceptual and classificatory frameworks. Guides and tools are likely to become more of a focus when consensus is achieved on the range of strategies and their appropriate contexts, and more attention is paid to policy implementation.

Objective 1.2: Classification of Knowledge Outputs

Hub Theme	Outputs per theme				
	Literature review / conceptual framework / summary of issues	Development of tool / guide / testing of tool	Specific country assessment – primary + secondary data / country specific recommendations	Comparative assessment / evaluation – identification of generalisable lessons / evidence	Total
Health Financing Strategies	WP5		WP9		2
Non-state Sector	WP10 WP14		WP12 **WP15	**WP16	5
NCDs	WP13				1
Development Assistance	WP2		WP3	WP1 WP4 WP8	5
Equity and Health Systems	WP7 WP11		WP6		3
					16

*WP = Working Paper

List of current Working Papers:

1. Funding for HIV and non-communicable diseases: Implications for priority setting in the Pacific region.
2. Sector-wide approaches for health – an introduction to SWAp implementation in the Pacific region.
3. Sector-wide approaches for health – a comparative study of Samoa and the Solomon Islands.
4. Sector-wide approaches for health – lessons from Samoa and the Solomon Islands.
5. Conceptual frameworks, health financing data and assessing performance – a stock-take of tools for health financing analysis in the Asia-Pacific region.
6. The evolution of primary health care in Fiji: Past, present and future.
7. Health-seeking behavior studies: A literature review of study designs and methods with a focus on Cambodia.
8. Governance and management arrangements for health Sector-Wide Approaches (SWAp): Examples from Africa, Asia and the Pacific.
9. Health equity funds in Cambodia 2001-2010: A comprehensive review and annotated bibliography.
10. Relationship between state and non-state health care providers: An analysis with special reference to Asia and the Pacific.
11. Global health initiatives and health systems: a commentary on current debates and future challenges.
12. The growth of non-state hospitals in Indonesia: Implications for policy and regulatory options.
13. Non-communicable disease and health systems in low- and middle-income countries.
14. Health care regulation in low-and middle-income countries: a review of the literature.
15. The growth of non-state hospitals in Vietnam: Implications for policy and regulatory options ** Not yet published
16. Strengthening church and government partnerships for primary health care delivery in Papua New Guinea: Lessons from the international experience ** Not yet published

5.3 Objective 2

To expand convening powers and engagement (e.g. communication, networks and partnership) between the Hubs, Australian institutions and Asia-Pacific national, regional and international researchers, development partners and educational institutes

The Hub has continued to build engagement and active collaboration with researchers in Australian institutions, including the Australian National University, the University of Sydney, Curtin University, as well as the other Hub institutions.

In addition, the Hub has engaged with regional and international experts through the Technical Advisory Group and the annual technical review meeting. The technical review meeting for 2011 included Peter Berman, now at the Harvard School of Public Health and Barbara McPake from the Queen Margaret University, Edinburgh, as well as technical experts from WHO (WPRO), World Bank (East Asia and Pacific Section), UNICEF (Regional advisor on health systems), and UNESCAP. This meeting provided an opportunity for country research partners to present their findings, and for discussion with regional and international experts on the significance of the findings for policy. Topics discussed included capacity building for regional research institutes, use of regional networks for dissemination and engagement, stewardship and regulation of mixed health systems, health financing strategies and progress towards universal coverage, and development assistance for health system policy-making.

Through Hub activities, engagement and collaboration has been built with and between regional research groups and policy-makers, such as the links between the Cambodian, Lao and Bangladesh MoH planning and health economics units in discussion of community-based health insurance; and between researchers at the Public Health Foundation of India, Centre for Health Service Management at Universitas Gadjah Mada, Indonesia, and the Health Strategy and Policy Institute, Vietnam. These three groups combined their presentations in the joint session on mixed public private health system at the Health System Reform in Asia conference.

In terms of work in the Pacific, the Hub has built links between researchers at the institutions in the Asian Network for Health Systems Strengthening, and Pacific Partners, such as the Fiji School of Medicine. In addition, the Hub has engaged with the Pacific Senior Health Officers Network, and the quintilateral group of development partners (AusAID, NZAID, WPRO, World Bank and SPC).

5.4 Objective 3

To effectively disseminate relevant and useful knowledge resources which aim to influence policy thinking and practical application at national, regional and international levels

The Hub has used a variety of communication and dissemination methods and materials informing policy-makers and target audiences at country, regional and international level about the knowledge outputs and evidence generated by the Hub.

We have used different methods and materials for different audiences, principally as follows:

National policy-makers (in Ministries of Health) and key stakeholders

To reach these key policy-makers, verbal communication through meetings, seminars and presentations has been most effective. Materials developed to support this communication include policy briefs, summaries of papers and reports and presentations. We have used local research partners as intermediaries in transmitting our materials and information to policy-makers and stakeholders. We have found that a particularly useful method of communication is through what might be termed policy dialogue, when policy-makers from government, relevant stakeholders (including from NGOs, professional associations, and development partners) discuss with researchers the research findings. This has facilitated acceptance of new knowledge and ideas and changes in attitudes towards collaboration and using research findings, particularly where credible resource persons and international experts can contribute their experience (as during study visits to the Nossal Institute).

Regional and international researchers and development partners

To reach this target audience, we have tended to use presentations in appropriate regional and international symposia and conferences, with materials including working papers, policy briefs and presentations. We have found that a series of linked presentations, such as convening a session during the conference, is more effective than individual presentations. In this case, commentary from regional and international experts has contributed to the credibility and interest in the information presented.

The global research and policy community

For broader dissemination, we have used our website, uploading working papers, reports of activities and events, and policy summaries. We propose to further develop this method, through more strategic linking with other websites, and inclusion of analytic measures to identify website users.

The following table summarises key dissemination and communication methods for each thematic area.

Objective 3.1: Methods of Dissemination / Communication

Communication per Theme					
Hub Theme	Target Audience	Communication Method	Materials Developed	Numbers Reached	Uptake
Health Financing Strategies	Cambodia policy-makers including: Secretary of State for Health Dept of Planning and Health Information, MoH AusAID, WHO, WB and the Donor Partners Group. NGO leaders implementing the health financing schemes.	Seminars & presentations, research reports, meetings with policy-makers	Presentations and conference reports presented at the Health Reform in Asia conference Hong Kong Dec 2011 and the Prince Mahidol Award Conference Bangkok Jan 2012. Two Research reports, Working Papers, Policy Briefs and Articles published in peer reviewed journals (in preparation) on Institutional Development for Universal Coverage in Cambodia and Laos. Concept note for a national feasibility study by the MoH with donor support on establishment of a national HCF agency.	100+	Cambodia: MoH Dept of Planning adopted research report as an official document in the Mid-Term Review of the Health Strategic Plan. Research findings accepted by the Donor Partners Group as a Concept Note for further policy development in health financing. AusAID Post used research findings to plan future policy and activities in health financing. Laos: Research findings and report presented at the invitation of the MoH to the High Level Health Financing Leadership Seminar, including the Minister of Health. The findings will form a part of future policy development through the MoH. Research report taken up by the WHO office as the basis for further collaboration, joint work and policy development for health financing.
	Lao policy makers including: Minister of Health Dept of Planning and Finance, MoH MoH-donor partners Technical Working Group for Health Financing. WHO and development partners providing assistance in Laos. NGO leaders implementing the health financing schemes.				
Non-state sector	Indonesia medical professional associations Indonesian MoH policy-makers	- Study visit to Melbourne - Preparatory meetings - Follow-up meetings	- Presentations - Workshop Materials	20+	- Active engagement of participants - Changes in attitude to collaboration - New engagement in policy issues in workplans
	Indonesian NFP associations Indonesian MoH policy-makers	Joint working group to draft regulations	- Presentations - Draft papers	20+	Active engagement and collaboration in working group deliberations
	Indonesia policy-makers & researchers	National Forum Health Policy Network	- Presentation on doctor distribution (Andreas) - Presentation on operation of Knowledge Hubs (Hort)	100 +	- Interest expressed in Hub method of operation - Invited to support Indonesian research network
		Regional post-graduate	Presentation on growth of	100+	Considerable interest in mixed

Communication per Theme					
Hub Theme	Target Audience	Communication Method	Materials Developed	Numbers Reached	Uptake
		forum on health systems: Growth of private hospitals & impact on equity	private hospitals in Indonesia (Laksono) Presentation on mixed commercialised systems (Hort)		commercialised systems context; request for copies of paper.
	Regional/international development partners and researchers	International Health Economic Association Conference	Presentation on NFP hospital policy (Shita)	100+	
		Technical review meeting	Presentation on country studies (Indonesia, Vietnam) and mixed health systems	30	Considerable interest and discussion of mixed health system concept. Interest in further work in this area
		Health System Reform in Asia conference	- Session on stewardship and regulation - Presentation from Indonesia, Vietnam and on regulatory analysis	30	Considerable interest and discussion of stewardship and regulation issues.
NCDs	Bangladesh policy-makers	In-country seminars and presentation	- Working papers, Presentations	15+	
	Pacific senior health officials	Presentation	Presentation	20+	Discussion following presentation indicated significant interest in the financial implications of NCDs in the Pacific region. Presenter invited PNG forum on NCDs in 2012. Discussions with AusAID representative indicated potential integration of Hub and AusAID work on NCDs.
Development Assistance	- Pacific Health Ministers - Development partners - Senior health officials	- Seminars - Presentations - Research reports - Meetings with policy-makers	- Presentations - Policy Briefs	40+	Burden of attending multiple regional meetings included on the agenda of Pacific Health Ministers, senior officials and development partners.
Equity and Health Systems					
Total				575+	

5.5 Objective 4

To expand the capacity of Australian institutions and professionals and through them to Asia-Pacific institutions and professionals to participate effectively in evidence informed policy-making

An important initial step in capacity building has been to build the capacity of the Nossal Institute itself in terms of engaging in research and policy influence in the areas of health financing and health policy. While we have succeeded in recruiting a senior and middle level expert in the field of health financing, it has been difficult to recruit additional staff with the desired level of experience and expertise. However, we have used our in-house experts to build the understanding, knowledge and expertise of our middle level researchers and project managers so that they have begun to play an active role in engaging with partners, preparing reports and communication materials, and engaging in policy discussion. We have also used our regional and international technical advisors and collaborators, as well as visiting fellows, to build our expertise and capacity.

Much of this capacity building is then translated to our research partners in countries of the region, through collaborative research activities and through collaboration on preparing reports, papers, and communication materials. This has proven mutually beneficial, with Nossal Institute staff also learning from our country partners, as well as sharing skills and expertise with them. One such example is the workshop with staff from the Health Strategy and Policy Institute, Vietnam, on regulation of mixed health systems.

Finally, the adaption of the World Bank Flagship course on health system reform has provided another effective vehicle to engage researchers and policy-makers to communicate key research findings and knowledge, and to build capacity of researchers and policy-makers in the Pacific to address key health system reform and management issues. This workshop also provided an opportunity for dialogue from which Nossal Institute staff and regional and international experts learnt from the experience of Pacific partners.

6. Issues, Risks and Challenges

There has been little change in the operating environment of the Hub over the year and the issues, risks and challenges are the same as in previous reports.

Capacity, expertise and credibility

Despite considerable efforts, we were unable to recruit an additional senior academic with the required expertise in the field of health financing, during 2011. This creates a significant workload for the lead technical advisors, and can lead to delays in finalising working papers and output documents. We have attempted to address this gap by collaboration with technical experts on specific areas of work, and through invitations to experts to spend time at the Nossal as visiting fellows. A visit by Barbara McPake during 2011 provided a good opportunity for discussion and contribution to the technical review meeting. We are also undertaking much of our in-country studies through partner research organisations, but there is still a need for significant input from the senior Hub staff, in terms of supervision and review, and particularly for the synthesis and cross-country comparisons.

Time constraints

Building evidence, influencing policy and developing relationships with policy-makers to support communication of evidence is a process that takes time.

There is a risk that without ongoing funding, the relationships and capacity developed through the Knowledge Hubs initiative will dissipate. AusAID's confirmation of funding for the extension phase and clarification of focus has assisted in addressing this risk, although this will continue to be an issue beyond the extension phase. It is important that AusAID and other development partners commit to ongoing support for building the evidence needed for health system policy-making in LMICs, and that the mechanisms and structures for the next phase of AusAID support be decided soon. This will avoid a damaging gap in activities and enable Hub institutions to plan for the transition.

Gauging policy impact

The difficulties of demonstrating policy impact of Hub activities, unclear attribution of Hub input in policy-making and the fluctuations in policy progress may discourage further funding from AusAID. Further discussion with other Hubs and with AusAID, as well as implementation of the M&E framework will assist in reporting on policy outcomes in so far as this is possible. However, there remain many complex factors involved in the policy-making process above and beyond the reach of the Hub. This must be taken into account when justifying resources for knowledge initiatives in terms of change in service delivery or health outcomes for high-risk populations.

Linking the Hub with Australia's engagement in the region, particularly AusAID

The Hubs continue to face the challenge of engaging with AusAID and ensuring outputs are communicated in formats and with content that is relevant to policy issues from the development assistance perspective, and to those being discussed within AusAID.

The global context

The global context of knowledge initiatives such as the HPHF Knowledge Hub continues to develop. The planned Second Global Symposium on Health Systems Research in Beijing in September 2012 will provide an opportunity for the Knowledge Hubs to share experiences in research on health systems and policy in the region, and contribute to developing the methodologies and discipline of health system and policy research relevant to LMICs.

Annex 1 - Financial Acquittal

Budget item	Budget AUD	Expenditure AUD	Variance \$
Personnel	1,200,634	886,156	314,478
Consultation	70,134	12,498	57,636
External communication and dissemination	419,436	172,087	247,349
M & E development	40,868	1,044	39,824
Supporting country collaborators and product development	726,419	549,872	176,547
Training and education	179,066	101,507	77,559
Administration & overheads (including financial management)	84,816	162,053	(77,237)
Total	2,721,374	1,885,217	836,157

All line items, except Administration and Overheads, were underspent. The 2011 budget included a carry forward of unspent funds from previous years that was not able to be expended in a 12 month period. It is expected that the budget for 2012-2013, which includes the new carry forward, will be fully spent due to an expansion in the Hub team, which, along with an increase in personnel, has also enabled an increase in activities.

Administration and overheads were overspent in 2011. The increased costs resulted from an increase in the overheads for office accommodation charged to the Nossal Institute, and an adjustment to the contribution from the Hub project to the Nossal administrative costs to better reflect the Hub project's proportion of total Nossal staff.

Summary of Available Funds and Expenditure – 2011

	AUD
Balance at 31 December 2010 (including interest accrued in 2010)	1,024,558
Income Received 2011 (excluding GST)	1,696,817
Total available funds in 2011	2,721,375
Expenditure 2011	1,885,217
Balance	836,157
Interest earned 2011	26,403
Final balance at 31 December 2011	862,560