

BANGLADESH HEALTH WATCH

16 January 2023

Must increase budget to reduce out-of-pocket health expenditures

- Participants in discussion on the health budget

Current Health Expenditure in Bangladesh as a share of its GDP is just 2.5 percent, and this ratio is lowest in South Asia. Due to lower government allocations for the health sector, the country's out-of-pocket health expenditure remains high. Therefore, public allocations to the health sector must be increased in a prudent manner. Speakers at a discussion session on health budget organized jointly by Bangladesh Health Watch, BRAC James P. Grant School of Public Health, BRAC University, and Unnayan Shamannay said so today (16 January 2023). Former Secretary of the Ministry of Planning Md. Mamun-al-Rashid was present as the Chief Guest. The honorable guests were Dhaka University Professor Dr. M. Abu Eusuf, BIDS Senior Research Fellow- Dr. S. M. Zulfiqar Ali, and Ministry of Health's Additional Secretary Kazi Zebunnessa Begum.

The keynote paper based on research conducted to determine the changes in the health budget required to reduce out-of-pocket health expenditure of primary healthcare-seekers in rural Bangladesh was presented by eminent Economist and Chair of Unnayan Shamannay- Professor Dr. Atiur Rahman. He pointed out that around 5 percent of the National Budget is currently being allocated to the health sector. Adding another 2 to 3 percentage points to this allocation and then channeling the additional allocations to increase the supply of free-of-cost medicine in rural healthcare facilities and to fill out the vacant posts in those healthcare facilities could reduce out-of-pocket health expenditures to a significant extent. He presented the results of a simulation that shows that increasing allocations for the said sub-sectors of the health budget out-of-pocket health expenditure could be reduced from 69 percent to 51 percent.

Professor M. Abu Eusuf inferred that out-of-pocket health expenditure could be reduced to a significant extent if quality health services could be made available in peripheral areas as they are available in Dhaka and some other big cities. Dr. S. M. Zulfiqar Ali highlighted the economic impact of high health expenses on poorer households while he inferred that the country could be further advanced in poverty reduction if out-of-pocket health expenditure could be reduced. Zebunnessa Begum, in her remarks, emphasized effective coordination among the stakeholders and strong monitoring mechanism to translate the political commitments related healthcare into actions. In the remarks from the Chief Guest, Mamun-al-Rashid highlighted the related ministries and divisions/directorates lacking the capacity to implement the budget as a major obstacle on the way of increasing allocations to health sector. He, therefore, emphasized the need to enhance the capacity of spending the allocated resources.



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