The Samoa

NATIONAL HEALTH ACCOUNTS
FY 2002/2003

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FOREWORD

The Samoa National Health Accounts (NHA) is a framework for the compilation of information on Samoa's national health expenditures. It consists of a set of statistics that systematically presents national health spending. Specifically, the NHA shows for Samoa:

(a) How much is being spent on health care;
(b) Who pays for health care;
(c) What health care services are being provided;
(d) How much it costs to administer health-financing schemes.

The NHA provides insights on the efficiency and effectiveness of health care financing and helps determine appropriate interventions to improve the delivery of health care. The NHA is a biennial publication of the Ministry of Health (MOH) compiled by the Strategic Development and Planning Division (SDPD). Major data inputs are provided by the following source agencies: Ministry of Finance, Ministry of Health, Senior Citizen Benefit Scheme (SCBS), other ministries, Private Stakeholders and Major donors in health for Samoa.

The 2002/03 Samoa National Health Accounts is the third to be released for the Samoa NHA series. It covers the NHA estimates for the financial year 2002/2003. In this edition, the figures on per capita health expenditure were revised based on the 2002-2003 population estimates. The data on share of health expenditure to GNP were likewise adjusted based on the revised GDP figures for 2002 and 2003.

This publication contains analyses, tables and graphs depicting the levels and patterns of health care spending in the country. The data presented helps to identify existing probable areas of inefficiencies in allocating health care resources and will assist in developing strategies to improve inefficiencies.

The NHA Framework as discussed in the "Introduction" Section includes concepts and definitions, while the Technical Notes provides information on data sources and estimation procedures based on the WHO Guide to producing NHA 2003.

We hope that policy makers, planners, researchers, and the general public will find this publication useful for decision making.

Palanitina Tupuimatagi Tuelupe

Chief Executive Officer of Health

ACRONYMS / ABBREVIATIONS

AUSAID	**-**	**Australian Assistance for International Development**
ACEO	**-**	**Assistant Chief Executive Officer**
CEO	**-**	**Chief Executive Officer**
CPT	**-**	**Current Procedural Terminology**
DH	**-**	**District Hospital**
DRG	**-**	**Diagnostic Related Group**
EAP	**-**	**East Asia and Pacific**
FY	**-**	**Fiscal Year/Financial Year**
GDP	**-**	**Gross Domestic Product**
HACC	**-**	**Health Aid Coordinating Committee**
HC	**-**	**Health Care Center**
HE	**-**	**Health Expenditures**
HIS	**-**	**Health Information System**
HH	**-**	**Household**
HRPIRD	**-**	**Health Resource Planning, Information, Research & Development (Currently changed to SDPD)**
IMR	**-**	**Infant Mortality Rate**
JICA	**-**	**Japanese International Cooperation Agency**
MMR	**-**	**Maternal Mortality rate**
MOESC	**-**	**Ministry of Education, Sport and Culture**
MOWCSD	**-**	**Ministry of Women Community and Social Development**
MOF	**-**	**Ministry of Finance**
MOH	**-**	**Ministry of Health**
MT II	**-**	**Malietoa Tanumafili II Hospital**
NCD	**-**	**Non-Communicable Disease**
NGO	**-**	**Non-Government Organizations**
NH	**-**	**National Hospital**
NHA	**-**	**National Health Accounts**
NPF	**-**	**National Provident Fund**
NZMTS	**-**	**New Zealand Medical Treatment Scheme**
NZAID	**-**	**New Zealand Assistance for International Development**
OECD	**-**	**Organization for Economic Co-operation and Development**
OOP	**-**	**out-of-pocket**
OVT	**-**	**Overseas Treatment**
SC	**-**	**Sub Center**
SCBS	**-**	**Senior Citizens Benefits Scheme**
SDPD	**-**	**Strategic Development and Planning Division**
SHSMP	**-**	**Samoa Health Sector Management Project**
SLAC	**-**	**Samoa Life Insurance Corporation**
ST	**-**	**Samoan Tala (Local Currency $)**
STI	**-**	**Sexual Transmitted Infection**
SUNGO	**-**	**Samoa Umbrella for Non Government Organization**
TBA	**-**	**Traditional Births Attendance**
TCHCE	**-**	**Total Current Health Care Expenditures**
TH	**-**	**Traditional Healers**
THE	**-**	**Total Health Expenditures**
TTM	**-**	**Tupua Tamasese Meaole Hospital**
WCBA	**-**	**Women of Childbearing age**
WHO	**-**	**World Health Organisation**

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Executive Summary

Samoa Health Care System

The Government of Samoa with the support of its development partners is currently undertaking health reforms that address and implement strategic approaches to improving the level, allocation and utilization of health resources in the health sector.

The Government of Samoa (GOS) introduced comprehensive economic and public sector reforms in 1996 to reduce its role in the economy whilst increasing that of the private sector. Since then, the government has been reviewing and redefining its role in the financing, delivery and regulation of public services including those provided in the health sector.

A health sector reform policy review process is now under way to review the composition, financing, provision and regulation of health services in the Samoan health sector in light of government's policies of private sector development and public sector reforms.

Health Care Financing

Total National Health Expenditures in Samoa amounted to ST$ 51 millions (USD16.4 million) in 2002/03 fiscal year, with per capita spending ST$ 291 (USD 94). Health spending as a share of Gross Domestic Product (GDP) came to 5.6%. This represented a culmination of gradual increases as a share of GDP from 1998/99, when it was 6%.

Public expenditures for health comprise 61% of total health spending in 2002/03. The share of public expenditures in total spending has gradually decreased since 1998/99 when it was 62% of the THE. Private spending for health comprises 19.7% of total health spending in 2002/03. Its share in total spending has gradually decreased since 1998/99 when it was 23% of total. Donors spending which made up the remaining 19% in 2002/03, has increased gradually to from 15% in 1998/99 to reach 19% in 2002/03.

Private spending consists mostly of household direct expenditures (19.6%). Public, private and donors sources of financing make different contributions to the financing of different categories of health spending.

Main Findings

Population	**174,853**

	Total ST$	Per Capita ST$
Total Health Expenditures	**50,919,046**	**291**
Total MOH Expenditures	**30,512,106**	**175**
Total Government Expenditures (2002-2003)	**202,200,000**	**1,156**
GDP Estimates for Samoa (2002-2003)	**914,156,000**	**5,228**
Percent GDP Spent on Health	**5.6%**	
MOH as Percent Government Budget	**15.1%**	
THE as Percent Government Budget	**25.2%**	

Sources	Amount	Percent	Per Capita
Treasury	**30,739,048**	60.4%	175.80
Government counterpart funds - World Bank Project	**267,260**	0.5%	1.53
Public Firms Funds	**179,622**	0.4%	1.03
Household funds	**9,232,164**	18.1%	52.80
Medcen Group	**801,024**	1.6%	4.58
Donors Funds- Grants	**9,699,928**	19.0%	55.47
Total	**50,919,046**	**100%**	**291.21**

Financing Agents	Amount	Percent	Per Capita
Ministry of Health	30,512,106	59.9%	174.50
National Provident Funds (Senior Citizens Benefits Scheme)	226,942	0.4%	1.30
Private Households' out of pocket	8,412,874	16.5%	48.11
Non-Governmental Organizations	551,239	1.1%	3.15
Private for Profit (Medcen Group)	1,493,682	2.9%	8.54
Private for non Profit (Sleep Clinic)	339,563	0.7%	1.94
Donors Agencies	8,519,128	16.7%	48.72
Overseas Treatment Agents	863,512	1.7%	4.94
Total	**50,919,046**	**100.0%**	**291.21**

	FA by Functions	Amount	Percent	Per Capita
HC.1.1	**Inpatient curative care**	10,367,092	20.4%	59.29
HC.1.2	**Inpatient curative (overseas)**	5,318,991	10.4%	30.42
HC.1.3.1	**Basic Outpatient Medical and Diagnostic Services**	4,419,023	8.7%	25.27
HC.1.3.2	**Outpatient Dental Care**	1,066,420	2.1%	6.10
HC.1.3.3	**All Other Specialized Health Care**	696,369	1.4%	3.98
HC.1.3.4	**Traditional Health Care**	2,281,884	4.5%	13.05

HC.2	Services of Rehabilitative Care	-	0.0%	-
HC.3	Services of Long Term Nursing Care	-	0.0%	-
HC.4.1	Clinical laboratory	1,162,478	2.3%	6.65
HC.4.2	Diagnostic Imaging	916,800	1.8%	5.24
HC.4.3	Patient Transport and Energency Rescue	3,087,451	6.1%	17.66
HC.4.9	All Other Miscellaneous ancillary services	-	0.0%	-
HC.5.1	Pharmaceuticals and other medical non durables	8,242,839	16.2%	47.14
HC.5.2	Therapeutical appliances and other medical durables	71,400	0.1%	0.41
HC.6.1	Maternal and Child health, FP and counseling	2,040,038	4.0%	11.67
HC.6.2	School Health Services	-	0.0%	-
HC.6.3	Prevention of communicable diseases	300,432	0.6%	1.72
HC.6.4	Prevention of non-communicable diseases	1,107,082	2.2%	6.33
HC.6.5	Occupational Health Care	-	0.0%	-
HC.6.9	Other Miscellaneous public Health services	2,008,679	3.9%	11.49
HC.7.1	General Government Administration of Health	2,435,506	4.8%	13.93
HC.7.2	Health Administration & Health Insurance	1,635,821	3.2%	9.36
HC.R.1	Capital Formation of health care providers	208,725	0.4%	1.19
HC.R.2	Education and training of health personnel	673,323	1.3%	3.85
HC.R.3	Research and development in health	2,478,280	4.9%	14.17
HC.R.4	Food, Hygiene and drinking water control	15,000	0.0%	0.09
HC.R.5	Environmental Health	385,414	0.8%	2.20
HC.R.9	Other Health Related Functions	-	0.0%	-
	Total	***50,919,046***	***100.0%***	***291.21***

	FA by Providers	Amount	Percent	Per Capita
HP.1.1.1	Tupua Tamasese Meole	9,378,392	18.4%	53.64
HP.1.1.2	Malietoa Tanumafili II	2,069,707	4.1%	11.84
HP.1.2	Medcen Private Hospital	751,552	1.5%	4.30
HP.1.3	Sleep Clinic Hospital	237,149	0.5%	1.36
HP.3.1	Office of Physicians and Clinics	1,205,811	2.4%	6.90

HP.3.2	***Office of Dentists***		1,066,420	2.1%	6.10
HP.3.3	***Traditional Healers***		2,281,884	4.5%	13.05
HP.3.4.1	***Family Planning Centers***		1,265,682	2.5%	7.24
HP.3.5	***Medical and Diagnostic Laboratories***		2,079,277	4.1%	11.89
HP.3.9	***Other Providers of Ambulatory Health Care***		2,644,101	5.2%	15.12
HP.4.1	***Pharmacies***		8,314,239	16.3%	47.55
HP.5	***Provision & Administration of Public Health Programs***		2,733,780	5.4%	15.63
HP.6.1	***Government Administration of Health***		2,435,506	4.8%	13.93
HP.6.9	***Other (private) Administration of Health Establishments***		2,543,493	5.0%	14.55
HP.8.1	***providing HRF***		6,243,713	12.3%	35.71
HP.9.1	***Overseas Treatment Providers***		5,318,991	10.4%	30.42
HPnsk	***Providers not specified by kind***		349,350	0.7%	2.00
	Total	***50,919,046***		***100.0%***	***291.21***

Main Policy Issues

National Health Accounts, increasingly used worldwide, have become an essential tool for analyzing health care financing at the national level, and a basic reference source of national health care financing indicators for health system assessment, planning, monitoring and for the evaluation of health system reforms. Specifically, this NHA report identifies problem areas for the reform of the Health sector and allows policy makers to make informed policy decisions. Key policy issues arisen out of the NHA findings are broad and numerous and include:

- How much should Samoa spend on health services?
- How should health services be funded?
- Who should fund health services?
- How should health resources be allocated?
- What should be the role of the Donors, public sector and private sector in Samoa?

From the analysis presented in the NHA Report, it is clear that deciding on a health care financing policy involves taking into account a number of complex variables. In addition to the potential for resource mobilization, one needs to keep in mind issues of equity, administrative feasibility, and its overall effects on the health system. Samoa already spent 5.6 percent of its gross domestic product on health and the government allocated nearly 18 percent of its budget to the health sector. Government resources tend to be allocated disproportionately to urban/rural, and curative/ preventive, thus there is a need to achieve a better balance in resource allocation.

For the last decade, the government increases of health spending makes it very unlikely that it will be able to continue increasing its health allocations in the near future. Therefore, it is envisaged that changes in how health care is financed will essentially involve redistribution of expenditures and pooling of funds.

Major key policy issues arisen from NHA are summarized into 4 major areas related to:

- Analyzing the institutional framework and development of health care financing policy.

- Containing cost and improve the public efficiency.
- Rationalization of health facilities
- Regulate and control the Drugs consumption and quality of pharmaceutical care.

Introduction

Compilation and publication of the Samoa National Health Accounts is a function of the Strategic Development and Planning Division (SDPD) of the Ministry of Health. It started in 2001 with the first ever NHA exercise in the Pacific (NHA1998-99). The SDPD will be working in the future to improve those areas where the estimates are known to be less reliable or comprehensive. Its ability to progress in this endeavor will depend not only on the availability of data, but also to a very large degree on the level of co-operation which is forthcoming from those individuals and organization in the public and private sectors who are involved in the provision and regulation of health services in Samoa.

This report contains the estimates, adopting international standards of the WHO Guide to produce NHA, for the period 2002/03. Estimates of the flow of funds in the health system in 1998/99, 2001/02 and 2002/03 are also presented. The statistical material used in compiling these estimates has been gathered from many sources. Some of the data are actual statistics, but in many instances it has been necessary to make estimates, the accuracy of which would depend on the information available and assumptions underlying the estimates.

Throughout this work, close liaison was maintained with SDPD, its National Health Accounts Team, the HACC members and the Steering Committee.

It must be emphasized that the estimates in this report are based on the data available at the time of preparation. By their very nature, most expenditure in the private sector and by households is not recorded in a formal sense. Consequently, the estimates for private expenditures presented in this report are subject to a normal degree of error and uncertainty. Overall the NHA team believes that the quality and accuracy of the public and private estimates are good and comparable to any other advanced economy.

Defining NHA measures and Limitations

Based on the Guide to producing NHA prepared and distributed by WHO in June 2003, we used the following measures of health spending and classification:

Health expenditure definition

Health expenditures are defined as all expenditures for prevention, promotion, rehabilitation, and care; population activities, and emergency programs for the specific and predominant objective of improving health. Health includes both the health of individuals as well as that of populations. Expenditures are defined on the basis of their primary purpose, regardless of the primary function or activity of the entity providing or paying for the associated health services. Expenditures for the purpose of training or educating health sector personnel, which impart health sector specific knowledge and skills, as well as health-related research, are defined as being for the purpose of health improvement when applying this definition.

Total Health Expenditures (THE)

These are defined as all health expenditures for the benefit of individuals resident in Samoa. Expenditures for the benefit of Samoan citizens living abroad are excluded. For the purposes of the NHA, the scope of the resident population is defined as excluding members of Expatriates and other employees of extra-territorial bodies stationed in Samoa and their dependants.

Base year for NHA

Samoa NHA has been estimated initially on a fiscal year basis, corresponding to the fiscal year of the Samoan Government, 1 July – 30 June. The base year of the estimates is 2002/03.

Accounting basis

Expenditures are counted using a cash basis, that is, the fiscal year for expenditures on the provision of health care goods and services is defined as the year in which the health care goods and services are actually paid for by the funding source or agency.

The NHA Operational Framework for the sources of Funds

I- Government Sources

Treasury Department: Expenditures for health care consist of non-foreign-funded spending by the MOH and by other national government agencies undertaking health care activities, as well as spending out of health-related foreign-assisted projects implemented by Government agencies.

Other Governmental funds: Covers expenditures made by the government for NGOs and private sector and various public health programs. Administration and other support expenditures representing the government counterparts' funds to the World Bank health sector rehabilitation project are also included.

II- Private Sources

Out-of-Pocket. Amounts paid directly by households from their pockets for health care good and services net of amounts eventually reimbursed by insurance, by employer-provided benefits and by other sources of funds. Value of health care goods and services paid for or provided by government for free are excluded from this category.

Private Insurance. Private insurance companies that operate commercially are included here.

Employer-based Plans. Employer-based sources (EBS) are not yet well implemented in Samoa. EBS column in the NHA include total expenditures by establishments for the health care of its employees. It includes payments for: (1) health expenditure allowance; (2) reimbursement of employees' health care expenditures; (3) drugs and other medical goods supplied by the company for free or at subsidized cost in the workplace; (4) prepaid arrangements with retained health care facilities; (5) operating costs of company-owned and operated health care facilities; (6) administration costs of providing health benefits.

III- Donors Sources

It includes donors/other NGOs that directly deliver or pay for health care services

The NHA Operational Framework for the uses of Funds

Following the guide for producing National Health Accounts (NHA), the Samoa NHA covers total health care expenditures in a given year for the country as a whole. As defined in the NHA Producers guide, health care expenditures refer to expenditures on goods and services for the preventive, curative, therapeutic and rehabilitative care of the human population for the primary purpose of improving health. These include:

I- Health care goods and services provided by

- Government hospitals (National and Districts)
- Private for profit hospitals and medical clinics
- Private non-profit hospitals and medical clinics
- Own-account or Private physicians
- Dentists
- Non-MD health practitioners
- Traditional Healers and Traditional birth attendants

II- Health care goods prescribed or consumed for home or self-care;

Expenditures in this category are limited to spending for Drugs and Medical supplies products purchased from retail outlets by consumers of health care goods, which were or were not prescribed or advised by any of the health care providers. These include expenditures for drugs, medicines, herbal preparations and medical sundries such as bandages, absorbent cotton, mouthwash, medicated strip, and other medical supplies.

III- Government and Donors Expenditure on Public Health Programs

- Various programs such as the immunization, nutrition, disease control, vector control and health information and education
- Construction of government hospitals and facilities for use in public health programs health policy-formulation and program planning activities, biomedical and operations research.
- Overall administration of public health programs

Existing data sources do not allow perfect classification of health care expenditures according to the two main categories (health services vs. public health care) defined above. As proxy measure for source (row) categories, a "facility-based" definition is adopted. A "facility" is defined as any establishment or institution that provides health care goods or services or undertakes activities that support and enhance health care service provision.

Because nearly all health care facilities provide a mix of services and public health care, as well as support/enhancement services, the row assignment is dictated by the primary (majority) activity provided by the facility. Thus, services received from hospitals and dental clinics are classified as personal health service. Goods and services provided by Rural Health Facilities (RHF) and District Hospitals (DH), and other government health centers and clinics are classified as outpatients, family planning and public health care because these are, in general, characterized to have positive economic externalities. For example, vaccinations provided by these facilities protect immunized individuals and, at the same time, also prevent

the spread of disease to the community. Purely personal health care services, however, are also provided by these facilities but current data sources do not provide sufficient information to allow the separation of expenditures for purely personal services from those for services with externalities.

IV- Administrative expenditures of public and private health operations

In general, administration cost is defined as an overhead expense of operating an institution, i.e. over and above the total expenditures for goods and/or services provision. Administrative expenditures or operating costs include costs of management, finance, accounting, procurement and other such services. Expenditures for general administration of national government included in the NHA are expenditures for the overall management of central government health care activities more specifically by the MOH and by other government agencies undertaking health care activities. Expenditures for the general administration of government health care facilities such as District hospitals (DH) and RHFs, however, are considered as part of service provision costs and thus, excluded from this category. As a rule, all administrative costs of health care service providers (public or private) are considered as part of service provision and counted in the appropriate rows of the NHA matrix. National Provident Funds and private insurance companies enhance and facilitate the payment and consumption of health care goods and services by allowing risk-pooling. Thus, all costs of insurers other than health benefit payments, which are for the administration and continuing operation of health insurance activities, are included in this category. These costs include payments for management, finance and other such services; payments for other underwriting costs; payments for premium and income taxes; payments for utilities, transport, supplies and materials. Administration costs of NGO's for health-related but not direct service provision activities are included. Note again that administration costs of the health care providers are considered as part of service provision costs and are, thus, excluded here.

V- Health Related functions and activities:

This category is defined to include expenditures for health-related activities that are not direct health care provision but which support, enhance and facilitate the provision delivery, payment and consumption of health care goods and services. The institution that undertakes these types of activities include the MOH, non-MOH central government agencies, NPF, private health insurance companies, companies with employer-based plans and NGO's with community-based health programs.
Excluded are large programs, which have health effects, but whose primary goal is not health improvement. Examples are general food subsidies, pollution abatement, sewerage and water supply projects. However, targeted supplemental feeding, water quality testing and water treatment projects are included in the NHA when the primary purpose for the activities is to improve health.

Part I: Health Profile in Samoa

Overview

Currently and over the coming years, the Samoan national health system is and will be confronted not only with the health issues inherent to Pacific Islands, but also with those that affect all East Asia and Pacific region. Despite the drop in contagious disease over the past decade, these diseases are still accountable for a relatively heavy burden in terms of programs, prevention and control.

The number of outpatient consultations to both Special Clinics and General Outpatients to National Hospital (TTM) and MTII were 167,113 in 2002/2003 and the number of outpatient visits to all rural health facilities was 50,883.

The main leading causes for outpatient visits were upper respiratory tract infection, change of dressings, pneumonia, viral infections and wound of unspecified sites.

Table A1. Number of Outpatient visits for FY2002/2003 and FY2003/2004

Clinics	FY 02/03	FY 03/04
Special clinics	86,869	81,941
GOPED	80,244	84,227
Rural Health facilities	50,883	45,170
Total	217,996	211,338

Source: Ministry of Health annual Report 2002/03

Morbidity:

The total number of admissions for FY2002/03 was 12,042. Apart from normal deliveries being the highest cause of admission, the main leading causes of inpatient morbidity in government hospitals were influenza and pneumonia, complications of labour and delivery, intestinal infectious diseases, infections of the skin and subcutaneous tissue, other acute lower respiratory infections, other maternal disorders related to pregnancy, chronic lower respiratory diseases and diabetes mellitus. These were the same with FY 1999/00 to FY 2001/02. Maternal care related to the fetus and amniotic cavity and possible delivery problems condition became one of the leading causes of morbidity in 2002/03.

Table A2. Leading Causes of Morbidity in Samoa (2002/03)

Leading Causes of hospitalization:	Total	%
Influenza and pneumonia	1268	10.5
Complications of labour and delivery	765	6.4
Intestinal Infectious disease	439	3.6
Infections of the skin and subcutaneous tissue	367	3.0
Other acute lower respiratory infections	360	3.0
Maternal care related to the fetus and amniotic cavity and possible delivery problems	269	2.2
Other maternal disorders predominantly related to pregnancy	266	2.2
Chronic lower respiratory diseases	261	2.2
Diabetes mellitus	248	2.1
Pregnancy with abortive outcome	215	1.8

Source: Ministry of Health Annual Report 2002/03

Communicable Diseases:

With reference to admitted cases, diarrhoea and gastroenteritis of presumed infectious origin, typhoid and unspecified viral infection were the most common communicable diseases that were hospitalized in government hospitals throughout the last five years (FY 1999/01 – FY 2003/04).

The rubella outbreak occurred in 2003 has resulted in the sudden increase of rubella cases in 2003/04 compared to previous years which was hardly any cases at all.

Mortality

The population census in 2001 reported that life expectancy for Samoa is improving compared to previous years. The average number of years for both male and female has been increased to 71.8 and 73.8years consecutively from 63.5 and 64.5years in 1991.

Table A3. Life expectancy for female and male

Census Year	Female	Male
1991	64.5	63.5
2000	71.9	65.4
2001	73.8	71.8

Source: Ministry of Finance Statistical Services Division, Report of the Census of Population and Housing 2001

2000 figures was from the SPC Demographic Program, Oceania Population 2000

The number of inpatient deaths varies among the last 5 years. There was a high number of deaths reported in FY 2002/2003 compared to other years. In comparison by gender, it is very obvious that there are more male deaths than females.

Table A4. Inpatient Mortality for FY 1999/2000- FY2003/2004

Year	Male	Female	Total
FY1999/00	143	127	270
FY2000/01	140	112	252
FY2001/02	147	101	248
FY2002/03	172	119	291

Source: Ministry of Health Annual Report 2002/03

Despite the MOH efforts, people in rural areas continue to have difficulty finding access to care institutions. This continues to be a major deficiency in the system. Those in remote areas are supposed to be covered by a mobile system that was established to supplement coverage but was not fair enough. Those have been filled with Traditional healer's exercises and traditional birth attendances. However, mobile performance in terms of coverage and contribution to the supply of health coverage is low, as there is a high percentage of people in rural areas who have limited access to modern care. Furthermore, there is a problem of access to drugs due to the fact that there are not enough pharmacies or drug depots in rural areas.

The level of morbidity burden and inequities caused by access to care generates a rather considerable loss in terms of diabetes and disability and affect negatively the mortality rates. This puts the MOH in a situation to re-look at the Samoan health financing **issues and options for financing the rural health facilities and**

make it a government priority in the Samoa Health sector management project funded by the World Bank loan.

Health Indicators in Samoa

The mid-year 2002 estimated population for Samoa is 174,853 with an annual growth rate of 0.6 percent and natural growth rate of 2.45 percent. More than a half of the population (53%) is below 20 years. The proportion of elderly people (60 years or more) is about 6.6% of the total population. Its per capita GDP in 2002/03 was WST 5,228.

The health status of the Samoan population has improved significantly over the past decade. Infant mortality rates dropped from 25 per 1000 live births to 17 and the under-five mortality rate dropped to 21 per 1,000 live births from 39. The Maternal Mortality Rate (MMR) reduced from 140/100,000 in 1988 to 107/100,000 in 2003 and life expectancy at birth increased from 52 in 1962 to 70 in 2003. Most of the infectious diseases are under control with the possibility of elimination within the next few years. The Samoan population is living longer and growing older.

Table A5: Health Indicators in Samoa

Indicators		FY 2002/03	FY 2
Estimated Population		174,853	181,611
Number of Admissions		12,040	12,965
Number of Outpatient Consultations	TTM & MTII	167,113	166,168
	OTHER HEALTH FACILITIES	50,883	45,170
Number of Inpatient Deaths		291	254
Crude Birth Rate (CBR) / 000 persons		20.7	20.8
Crude Death Rate (CDR) / 000 persons		3.1	3
Infant Mortality Rate (IMR) / 000 live births		16.8	13
Number of Maternal Deaths		4	2
Maternal Mortality Rate (MMR) / 0000 live births		10.7	5.3
Number of Teenage Pregnancies		341	303
Number of Suicide cases		28	42
	Alive	16	22
	Deceased	12	20
Number of Hospital Deliveries		3,444	3,407
Number of Live Births delivered in Government Hospitals		3,405	3,395
Number of TBA deliveries		335	377
Total Number of Live Births reported (including TBA)		3,740	3,772
% of deliveries by trained health personnel		91	90
Number of Hospital Beds	TTM	183	183
	MTII	24	24
	OTHER HEALTH FACILITIES	55	55
Occupancy rate (%)	TTM	65	68
	MTII	49	40
	OTHER HEALTH FACILITIES	12	14
A LOS	TTM	4.6	4.4

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The National Health Care System

The Government of Samoa with the support of its development partners is currently undertaking health reforms that address and implement strategic approaches to improve the level, allocation and utilization of health resources in the health sector.

The Government of Samoa (GOS) introduced comprehensive economic and public sector reforms in 1996 to reduce its role in the economy whilst increasing that of the private sector. Since then, the government has been reviewing and re-defining its role in financing, delivery and regulation of public services including those provided in the health sector.

A health sector reform policy review process is now under way to review the composition, financing, provision and regulation of health services in the Samoan health sector in light of government's policies of private sector development and public sector reforms.

Urban Region

Samoa's urban region is changing and its population has grown rapidly. More people are moving from rural areas to urban areas and thus results in almost half of the Samoan population lived in the Urban Upolu health region. With new freehold housing developments, the role of traditional community support structures such as women's committees is lessened and more urban households live without the support that the village community provided. Urban lifestyles – fast food, smoking, alcohol and physical inactivity – are making Samoans less healthy. Both the demand for health care and the range of services available have increased.

Samoa makes a relatively high investment in its people's health care and the Urban Upolu region has the highest concentration of health services including the Tupua Tamasese Meaole Hospital (TTMH), community-nursing services, preventive health services and all private sector services (hospital, medical practitioners and pharmacies).

Rural Region

Samoa's rural population is just over 96,000, with over half in rural Upolu. The rural population has declined over the last 10 years, particularly in Savaii, mainly due to urbanization and migration to overseas.

Health services for rural Samoans are provided through a range services including MTII, the referral hospital for Savaii, a number of district hospitals, health centres and sub-centres (Table A6) and visiting services provided on an outreach basis, mostly from Apia. Access to specialist medical services and inpatient care is through the national referral hospital in Apia.

Rural health service delivery is increasingly oriented to prevention and primary care, with more acute inpatient care services being provided at the main referral hospitals.

There has been a decline in both inpatient and outpatient activity in rural public health facilities over the past five years. This reflects factors including population changes, improved roads and transport and more people opting to use services at referral hospitals and changes in the roles of some rural facilities, with nurses working more in community settings rather than health care centers.

According to the Rural Capital Investment Plan, the majority of rural health facilities are in very poor condition, with most poorly maintained, some requiring re-building and others refurbishing. Inadequate

equipment, poor water and electricity supplies and lack of transport and telephones are common issues.

The main challenge in providing high quality health services for rural Samoans is basically "too many facilities, not enough staff". It is difficult to attract and retain enough staff to provide the level of health care now expected by the urban community at all rural facilities.

Health infrastructure distribution

Table A6: Health Infrastructure in Samoa

		2002-2003				2003-2004		
HEALTH FACILITY:		admissions	ALOS	Occupancy rate	Bed	Admissions	ALOS	Occupancy rate
URBAN FACILITIES (TTM)								
Acute 7		1087	6.6	68%	29	1293	5.9	72%
Acute 8		1401	6.6	84%	30	1516	5.7	79%
Ante Natal		612	4	68%	10	555	3.8	57%
HDU		138	5.2	39%	5	59	3.7	12%
Mental Health Ward								
Neonatal		588	4.5	66%	11	649	4.9	80%
Orthopaedics		608	10.5	62%	28	739	9.4	68%
Paediatric		1895	4.8	71%	35	2153	4.6	77%
Post Natal		3290	1.7	45%	35	3593	1.9	52%
RURAL FACILITIES								
Malietoa Tanumafili II		1497	2.9	49%	24	1308	2.7	40%
Aliepata District Hospital		164	2.5	11%	10	284	2.7	21%
Foalalo Health Centre	5	187	2.6	27%	5	169	2.6	24%
Fusi Health Centre	5	42	1.9	4%	5	43	2	5%
Leulumoega District Hospital	10	96	2.7	7%	10	68	2.1	4%
Lufilufi Health Centre	5	81	2.2	10%	5	81	2.3	10%
Poutasi Health Centre	5	29	2.5	4%	5	72	2.5	10%
Safotu Health Centre	5	132	2.3	17%	5	170	2.9	27%
Sataua District Hospital	10	193	3.2	17%	10	213	2.6	15%
Total	262	12041	3.2	52%	262	12965	1.4	19%

Part II: Profile of the Health System in Samoa

The following table summarises the key components and players in the Samoan health system, in term of health services coverage, sources of financing, prevailing provider-payer relationships, and the size of each of the health care subsystems.

Table B1: Profile of Health sub-systems in Samoa

Benefits by Health Subsystems	Coverage/ Special Categories	Principal Financing Sources	Provider – Payer Relationship	Percentage of Population Covered or Eligible	Size of Operation
Describes types of services and benefits available.	Describes coverage and eligibility criteria, special programs for specific population groups	Describes main sources of financing	Describes relationship between financing and service delivery functions	No. of people covered or eligible by health system nation wide	As indicated by staff, beds, or number of facilities
Ministry of Health					
Provides comprehensive public health services; primary preventive and curative care services, through its facilities	All citizens and residents Highly subsidized care services for the entire population	▪ Ministry of Finance - Treasury Department (general tax revenues) ▪ Household Spending (out-of-pocket) ▪ Donors (through grants and loan for vertical programs)	Primary and Secondary services treatment as well tertiary treatment (available overseas finance by two schemes; SMTS – Samoa Medical Treatment Scheme NZMTS – New Zealand Medical Treatment Scheme	All Samoan citizens are Eligible	***Operates:*** ▪ 10 Community Health Centers (7 in Upolu and 3 in Savaii) ▪ 4 District Hospitals (3 in Upolu and 1 in Savaii) ▪ 15 beds Leulumoega District Hospital ▪ 7 beds Aleipata Dist Hosp ▪ 5 beds Poutasi District Hospital ▪ 7 beds Sataua Dist Hosp ▪ 1 Regional Hosp 24 beds at Malietoa Tanumafili II ▪ 1 National Hospital - 201 beds at Tupua Tamasese Meaole Hospital (TTM) ***Staff:*** During the 2002-2003Financial Year.

					There were 718 employees working in the Ministry of Health in various area. Of this total 669 permanent staff, 34 casuals, 11 Dental trainees and 4 part time nurses There were 33 Medical Doctors, 272 Nurses, 48 Dental staff, 45 Public Health staff, 38 Laboratory staff, 30 X-Ray staff, 120 Hospital support staff, 16 HRPIRD staff and 89 Administrative/Supportive staff. The 39 casual workers were mainly for Administrative/Supportive Services and Hospital Support Personnel.
National Provident Fund (Senior Citizens Benefits Scheme)					

Provide free health and medical care for those citizens 65years and above	All citizens of Samoa 65years and above must be a permanent resident, must reside continuously in Samoa for a period of not less than 90 days immediately prior to the date of his/her application; continuous residence shall not be deemed to have been interrupted by any absence if the total period of absence did not exceed 30days Every Primary and Secondary Treatment (outpatient and in-patient including medicine) is covered under this fund Overseas Treatment is not included	GOS via Ministry of Finance (general tax revenues) This scheme is administered by the National Provident Fund	Primary and Secondary Treatments that can be performed by Public Facilities (Ministry of Health) including medicines available in the hospital Pharmacy	Approximately 5% of the total population of Samoa in 1998/1999 registered for the Scheme. This excludes those citizens over 65years who did not register	7856 were registered in 2002/2003 scheme In 2002-2003 there were only 7 personnel administered the fund (6 in Upolu and 1 in Savaii)

Non Government Organization					
Provides Health related programs mostly; some cases they provide primary health care medicine and first aid kids to village based organisation	All citizens provided that an application proposal has been lodged through a recognized village based organization; sometimes religious organization providing proof that they have the capacity to	Mainly from International Non-Government Organizations, Donors and donations from large employers, corporations and companies locally as well as fundraising organised by NGO's	Delivering of Primary Health Care related activities and first aid kids mainly through grants and donations from International Non-Government Organizations	Approximately 90percent of the total population covered and benefits from these programs	There are several NGO's in Samoa; SUNGO (Samoa Umbrella of Non-Government Organisation) oversees the operations of most NGO such as National Council of Women, Komiti Tumama, and also work in conjunctions with Organisations like Mapusaga-o-Aiga, Fiaola Clinic, Sautiamai, Faataua Le

s such as women committee; they organised health related programs to raise public awareness and improve sanitation and better/healthy environment	carry out such activities		Enforcing implementation of village interventions for Preventive and awareness programs		Ola (FLO) Leo-o-Viiga and Red Cross, Mapuifagalele Home for the Elderly, YMCA, Adoptus, Samoa Family Health Association The number of NGO's has recently increased in Samoa and are mostly working closely with Government Ministries and Religious Group to deliver their message to the community

Private Sector					
MedCen (Private Hospital)					
This is the only private hospital in Samoa (open in late 1998); its provides the public with Primary and Secondary Treatment both outpatient and in-patient services	All citizens are eligible to use this facility provided they can afford the price; MedCen user fees is expensive as compared to the public facilities	Mainly Household out-of-pocket spending and Donors	Primary & Secondary Treatment (outpatient and in-patient) provided on-site with patient paying out-of-pocket	All citizens (100%) have a choice to access services provided that they can meet the associated cost	MedCen has only one hospital that provides both outpatient and in-patient services on-site. It has 21beds
Private Clinics					

These are physicians operating privately and independently providing general outpatient services, minor surgery and specialty such as ENT, paediatrics, obstetrics and gynaecology, internal medicine, orthapaedic and general surgery	All citizens are eligible to use services provided by these private clinicians User Fees is expensive as compared to public facilities but cheaper than the private hospital (MedCen)	Mainly Household out-of-pocket spending and Donors	Primary & Seconday Treatment (outpatient only) inpatient cases are usually refered to either one of the public facilities or the private hospital depending on the recommendations from physicians	All citizens (100%) have a choice to access these services offered by private clinics provided they can afford to meet the costs	In 2002/2003 there were 11 Private Medical Clinics (10 in Upolu and 1 in Savaii) – Alama and Tafunai Medical Clinic, Apia Medical Clinic, Diabetes Clinic, Iopu Tanielu Medical Clinic, Malifa Medical Clinic, Potoi Medical Clinic, Soifua Manuia Clinic, Salafai,Medical Clinic, Tuitama Medical Clinic. 1 Sleep Study Clinics (METI Sleep Clinic)
Private Dentistry					
These are dentists operating privately providing almost the same services that public facilities provide	All citizens are eligible to use services provided by these prvate dentistry User Fees is expensive as compared to public facilities	Mainly Household out-of-pocket spending and donors	Oral health treatment and primary tooth prevention treatment	All citizens (100%) have a choice to access the services offered by private dentists provided they can afford to meet the costs	Leavai Dental Clinic and Soonalole Dental Clinic
Private Pharmacies					

These are pharmacies owned by individual pharmacists and are operating in the private sector	All citizens are eligible to use services Costs of drugs is expensive as compared to the only one public pharmacy	Mainly Household out-of-pocket spending and donors	Selling medicine and drugs	All citizens (100%) have a choice to access these services offered by private pharmacies provided they can afford to meet the costs	During the Financial Year 2002/2003. There were3 Private Pharmacies. Maria Health Care Pharmacy, Muti-pharm Pharmacy and the Apia Pharmacy
Donors					
These are external governments and organizations that donate both cash (in form of grants and soft term loans) and in-kind items for the health sector and mainly through Government but in some cases through Non-Government Organisation	Everyone are covered through these funded programs	Mainly from external governments and organizations	Providing funds for Primary Health Services Programs, Secondary Health Services and Overseas Treatment	All citizens are eligible for services delivered by various health care providers (for Primary& Secondary treatment); also eligible for OVT as well provided they meet the criterion	World Health Organisation, (WHO), AusAID (Australia Agency for International Development), NZAID (New Zealand Assistance for International Development), WB (World Bank), JICA (Japanese International Cooperation Agency) Thorn Ministries, European Union, UNFPA, UNICEF, IFFP, Lions Club, Rotary, Rotorat, UNDP,UNESCO, Canada Fund.
Household (out-of-pocket)					
These are spending by people on health services provided by various health providers	All citizens	Mainly from their disposable income as well as remittance from relatives overseas	Pay for primary and secondary treatment also tertiary care when they do not satisfy the criterion for the OVT scheme	All citizens	

Part III: National Health Accounts Estimates 2002/2003

Summary Estimates 2002/03

Population	***174,853***

	Total ST$	***Per Capita ST$***
Total Health Expenditures	***50,919,046***	***291***
Total MOH Expenditures	***30,512,106***	***175***
Total Government Expenditures (2002-2003)	***202,200,000***	***1,156***
GDP Estimates for Samoa (2002-2003)	***914,156,000***	***5,228***
Percent GDP Spent on Health	***5.6%***	
MOH as Percent Government Budget	***15.1%***	
THE as Percent Government Budget	***25.2%***	

Sources of Total Health Expenditures 2002/03

Sources	Amount	Percent	Per Capita
Treasury	***30,739,048***	60.4%	175.80
Government counterpart funds - World Bank Project	***267,260***	0.5%	1.53
Public Firms Funds	***179,622***	0.4%	1.03
Household funds	***9,232,164***	18.1%	52.80
Medcen Group	***801,024***	1.6%	4.58
Donors Funds- Grants	***9,699,928***	19.0%	55.47
Total	***50,919,046***	***100%***	***291.21***

Financing Agents 2002/03

Financing Agents	Amount	Percent	Per Capita
Ministry of Health	30,512,106	59.9%	174.50
National Provident Funds (Senior Citizens Benefits Scheme)	226,942	0.4%	1.30
Private Households' out of pocket	8,412,874	16.5%	48.11
Non-Governmental Organizations	551,239	1.1%	3.15
Private for Profit (Medcen Group)	1,493,682	2.9%	8.54
Private for non Profit (Sleep Clinic)	339,563	0.7%	1.94
Donors Agencies	8,519,128	16.7%	48.72
Overseas Treatment Agents	863,512	1.7%	4.94
Total	***50,919,046***	***100.0%***	***291.21***

FA by Functions	Amount	Percent	Per Capita
Inpatient curative care	10,367,092	20.4%	59.29
Inpatient curative (overseas)	5,318,991	10.4%	30.42
Basic Outpatient Medical and Diagnostic Services	4,419,023	8.7%	25.27
Outpatient Dental Care	1,066,420	2.1%	6.10
All Other Specialized Health Care	696,369	1.4%	3.98
Traditional Health Care	2,281,884	4.5%	13.05
Services of Rehabilitative Care	-	0.0%	-
Services of Long Term Nursing Care	-	0.0%	-
Clinical laboratory	1,162,478	2.3%	6.65
Diagnostic Imaging	916,800	1.8%	5.24
Patient Transport and Energency Rescue	3,087,451	6.1%	17.66
All Other Miscellaneous ancillary services	-	0.0%	-
Pharmaceuticals and other medical non durables	8,242,839	16.2%	47.14
Therapeutical appliances and other medical durables	71,400	0.1%	0.41
Maternal and Child health, FP and counseling	2,040,038	4.0%	11.67
School Health Services	-	0.0%	-
Prevention of communicable diseases	300,432	0.6%	1.72
Prevention of non-communicable diseases	1,107,082	2.2%	6.33
Occupational Health Care	-	0.0%	-
Other Miscellaneous public Health services	2,008,679	3.9%	11.49
General Government Administration of Health	2,435,506	4.8%	13.93
Health Administration & Health Insurance	1,635,821	3.2%	9.36
Capital Formation of health care providers	208,725	0.4%	1.19
Education and training of health personnel	673,323	1.3%	3.85
Research and development in health	2,478,280	4.9%	14.17
Food, Hygiene and drinking water control	15,000	0.0%	0.09
Environmental Health	385,414	0.8%	2.20
Other Health Related Functions	-	0.0%	-
Total	***50,919,046***	***100.0%***	***291.21***

FA by Providers	Amount	Percent	Per Capita
Tupua Tamasese Meole	9,378,392	18.4%	53.64
Malietoa Tanumafili II	2,069,707	4.1%	11.84
Medcen Private Hospital	751,552	1.5%	4.30
Sleep Clinic Hospital	237,149	0.5%	1.36
Office of Physicians and Clinics	1,205,811	2.4%	6.90
Office of Dentists	1,066,420	2.1%	6.10
Traditional Healers	2,281,884	4.5%	13.05
Family Planning Centers	1,265,682	2.5%	7.24
Medical and Diagnostic Laboratories	2,079,277	4.1%	11.89
Other Providers of Ambulatory Health Care	2,644,101	5.2%	15.12
Pharmacies	8,314,239	16.3%	47.55
Provision & Administration of Public Health Programs	2,733,780	5.4%	15.63
Government Administration of Health	2,435,506	4.8%	13.93
Other (private) Administration of Health	2,543,493	5.0%	14.55
Establishments providing HRF	6,243,713	12.3%	35.71
Overseas Treatment Providers	5,318,991	10.4%	30.42
Providers not specified by kind	349,350	0.7%	2.00
Total	***50,919,046***	***100.0%***	***291.21***

Matrix 1: Sources of Health Funding by type of Institutions, in $ST, 2002/03

		FS.1 Public Funds			FS.2 Private Funds				FS.3 Rest of the World		
		FS.1.1	FS.1.2	FS.1.3	FS.2.1	FS.2.2	FS.2.3	FS.2.4	FS.3.1		
		Treasury	Government counterpart funds - World Bank Project	Public Firms Funds	Private Employer Funds	Household funds	Non profit Institutions Serving Households (Local donors)	Medcen Group	Donors Funds-Grants	TOTAL	% of THE
HF.1	Public Sector - General Government										
HF1.1	Ministry of Health	30,512,106								30,512,106	59.92%
HF1.2	National Provident Funds (Senior Citizens Benefits Sche	226,942								226,942	0.45%
HF1.3	Ministry of Woman, Community and Social Development									-	0.00%
HF1.4	Ministry of Education, Sports and Culture									-	0.00%
HF1.5	Ministry of Natural Resources and Environment									-	0.00%
HF1.6	Ministry of Justice and Court Administration									-	0.00%
HF.2	Private Sector										
HF2.2	Private Insurance Enterprises									-	0.00%
HF2.3	Private Households' out of pocket					8,412,874				8,412,874	16.52%
HF2.4	Non-Governmental Organizations			12,000					539,239	551,239	1.08%
HF2.5	Private Firms (Other than Health Insurance)									-	0.00%
HF2.5.1	Private for Profit (Medcen Group)					692,658		801,024		1,493,682	2.93%
HF2.5.2	Private for non Profit (Sleep Clinic)			167,622		126,632			45,309	339,563	0.67%
HF.3	Rest of the world										
HF3.1	Donors Agencies		267,260						8,251,868	8,519,128	16.73%
HF3.2	Overseas Treatment Agents								863,512	863,512	1.70%
										-	0.00%
TOTAL (THE)		30,739,048	267,260	179,622	-	9,232,164	-	801,024	9,699,928	50,919,046	100.00%
% of THE		60.37%	0.52%	0.35%	0.00%	18.13%	0.00%	1.57%	19.05%	100.00%	

Matrix 2. Financial Flow between Agents funding and service providers, in $ST, 2002/03

Samoa National Health Accounts 2002-2003

Financing Agents to Providers

		HF.1 Public Sector		HF.2 Private Sector					HF.3 Rest of the World			
		HF.1.1	HF.1.2	HF.2.2	HF.2.3	HF.2.4	HF.2.5.1	HF.2.5.2	HF.3.1	HF.3.2		
		Ministry of Health	National Provident Funds (Senior Citizens Benefits Scheme)	Private Insurance Enterprises	Private Households' out of pocket	Non-Governmental Organizations	Private for Profit (Medcen Group)	Private for non Profit (Sleep Clinic)	Donors Agencies	Overseas Treatment Agents	TOTAL	% of THE
HP.1	**Hospitals**											
HP.1.1	General Government Hospitals											
HP.1.1.1	Tupua Tamasese Meole	8,381,308	226,942		770,142						*9,378,392*	*18.42%*
HP.1.1.2	Malietoa Tanumafili II	2,002,193			67,515						*2,069,707*	*4.06%*
HP.1.2	Medcen Private Hospital						751,552				*751,552*	*1.48%*
HP.1.3	Sleep Clinic Hospital							237,149			*237,149*	*0.47%*
HP.2	**Nursing & Residential care facilities**											
HP.2.1	Nursing care facilities										-	*0.00%*
HP.3	**Providers of ambulatory health care**											
HP.3.1	Office of Physicians and Clinics	550,571			655,240						*1,205,811*	*2.37%*
HP.3.2	Office of Dentists	936,420			130,000						*1,066,420*	*2.09%*
HP.3.3	Traditional Healers				2,281,884						*2,281,884*	*4.48%*
HP.3.4	Out patient care centers											
HP.3.4.1	Family Planning Centers	1,091,619			51,886	122,177					*1,265,682*	*2.49%*
HP.3.4.2	Out patient Mental Health Centers										-	*0.00%*
HP.3.4.3	Dialysis Care Centers										-	*0.00%*
HP.3.4.4	All Other out patients Community Centers										-	*0.00%*
HP.3.5	Medical and Diagnostic Laboratories	2,079,277									*2,079,277*	*4.08%*
HP.3.9	Other Providers of Ambulatory Health Care	452,806			2,191,295						*2,644,101*	*5.19%*
HP.4	**Retail Sale and Other Providers of Medical Goods**											
HP.4.1	Pharmacies	5,861,647			2,240,000		79,525	61,667	71,400		*8,314,239*	*16.33%*
HP.5	**Provision & Administration of Public Health**	1,062,873			24,913	64,000			1,581,994		*2,733,780*	*5.37%*
HP.6	**General Health Administration & Insurance**											
HP.6.1	Government Administration of Health	2,435,506									*2,435,506*	*4.78%*
HP.6.9	Other (private) Administration of Health					233,382	593,605	40,748	1,675,758		*2,543,493*	*5.00%*
HP.7	**Other Providers (Rest of Economy)**											
HP.7.1	Establishments as a providers of Occupational Health										-	*0.00%*
HP.7.2	Private Households as Providers of Home care										-	*0.00%*
HP.7.9	All Other industries as secondary producers of Health c										-	*0.00%*
HP.8	**Institutions providing HRF**											
HP.8.1	Establishments providing HRF	953,057				131,680	69,000		5,189,975		*6,243,713*	*12.26%*
HP.8.2	Establishments providing Technical Assistance & Traini										-	*0.00%*
HP.9	**Rest of the world Providers**											
HP.9.1	Overseas Treatment Providers	4,455,479								863,512	*5,318,991*	*10.45%*
HPnsk	**Providers not specified by kind**	349,350									*349,350*	*0.69%*
TOTAL (THE)		*30,512,106*	*226,942*	*-*	*8,412,874*	*551,239*	*1,493,682*	*339,563*	*8,519,128*	*863,512*	50,919,046	*100.00%*
	% of THE	*59.92%*	*0.45%*	*0.00%*	*16.52%*	*1.08%*	*2.93%*	*0.67%*	*16.73%*	*1.70%*	*100.00%*	

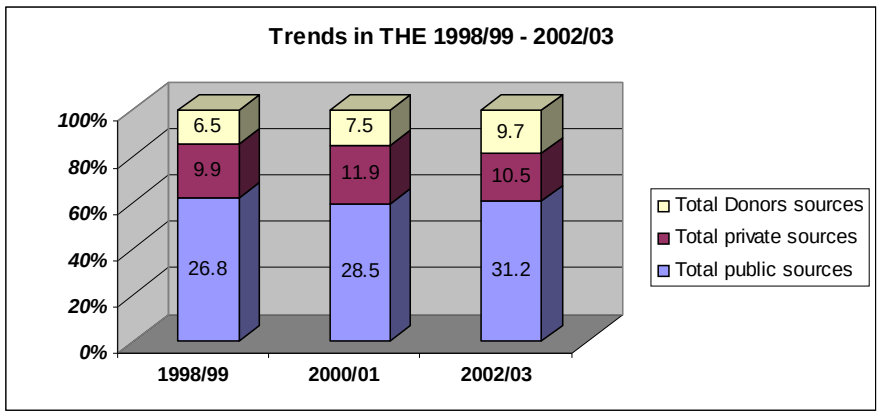
Matrix 3. Financial Agents spending according to functions, in ST$, 2002/03

		HF.1 Public Sector		HF.2 Private Sector					HF.3 Rest of the World			
		HF.1.1	HF.1.2	HF.2.2	HF.2.3	HF.2.4	HF.2.5.1	HF.2.5.2	HF.3.1	HF.3.2		
		Ministry of Health	National Provident Funds (Senior Citizens Benefits Scheme)	Private Insurance Enterprises	Private Households' out of pocket	Non-Governmental Organizations	Private for Profit (Medcen Group)	Private for non Profit (Sleep Clinic)	Donors Agencies	Overseas Treatment Agents	TOTAL	% of THE
HC.1	**Services of Curative Care**											
HC.1.1	Inpatient curative care	8,391,308	226,942		770,142		751,562	237,149			*10,367,092*	*20.36%*
HC.1.2	Inpatient curative (overseas)	4,455,479								863,512	*5,318,991*	*10.45%*
HC.1.3	Outpatient curative care										*-*	*0.00%*
HC.1.3.1	Basic Outpatient Medical and Diagnostic Services	3,644,383			774,640						*4,419,023*	*8.68%*
HC.1.3.2	Outpatient Dental Care	936,420			130,000						*1,066,420*	*2.09%*
HC.1.3.3	All Other Specialized Health Care				24,913				671,456		*696,369*	*1.37%*
HC.1.3.4	Traditional Health Care				2,281,884						*2,281,884*	*4.48%*
HC.2	**Services of Rehabilitative Care**											
HC.2.1	Inpatient rehabilitative care										*-*	*0.00%*
HC.2.3	Outpatient rehabilitative care										*-*	*0.00%*
HC.3	**Services of Long Term Nursing Care**											
HC.3.1	Inpatient Long Term Nursing Care										*-*	*0.00%*
HC.4	**Ancillary Services to Health Care**											
HC.4.1	Clinical laboratory	1,162,478									*1,162,478*	*2.28%*
HC.4.2	Diagnostic Imaging	916,800									*916,800*	*1.80%*
HC.4.3	Patient Transport and Emergency Rescue	802,156			2,191,295	64,000			30,000		*3,087,451*	*6.06%*
HC.4.9	All Other Miscellaneous ancillary services										*-*	*0.00%*
HC.5	**Medical Goods dispensed to outpatients**											
HC.5.1	Pharmaceuticals and other medical non durables	5,861,847			2,240,000		79,525	61,867			*8,242,839*	*16.19%*
HC.5.2	Therapeutical appliances and other medical durables								71,400		*71,400*	*0.14%*
HP.6	**Prevention and public health services**											
HC.6.1	Maternal and Child health, FP and counseling	335,867				122,177			1,581,994		*2,040,038*	*4.01%*
HC.6.2	School Health Services										*-*	*0.00%*
HC.6.3	Prevention of communicable diseases	300,432									*300,432*	*0.59%*
HC.6.4	Prevention of non-communicable diseases	240,362							866,720		*1,107,082*	*2.17%*
HC.6.5	Occupational Health Care										*-*	*0.00%*
HC.6.9	Other Miscellaneous public Health services	186,213							1,822,467		*2,008,679*	*3.94%*
HC.7	**Health Administration & Health Insurance**											
HC.7.1	General Government Administration of Health	2,435,506									*2,435,506*	*4.78%*
HC.7.2	Health Administration & Health Insurance					233,382	593,605	40,748	768,086		*1,635,821*	*3.21%*
											-	*0.00%*
HCR	**Health Related Functions**											
HC.R.1	Capital Formation of health care providers						69,000		139,725		*208,725*	*0.41%*
HC.R.2	Education and training of health personnel	467,643				96,680			89,000		*673,323*	*1.32%*
HC.R.3	Research and development in health								2,478,280		*2,478,280*	*4.87%*
HC.R.4	Food, Hygiene and drinking water control					15,000					*15,000*	*0.03%*
HC.R.5	Environmental Health	365,414				20,000					*385,414*	*0.76%*
HC.R.9	Other Health Related Functions										*-*	*0.00%*
TOTAL (THE)		*30,512,106*	*226,942*	*-*	*8,412,874*	*551,239*	*1,493,682*	*339,563*	*8,519,128*	*863,512*	50,919,046	*100.00%*
	% of THE	*59.92%*	*0.45%*	*0.00%*	*16.52%*	*1.08%*	*2.93%*	*0.67%*	*16.73%*	*1.70%*	*100.00%*	

Overview

Total National Health Expenditures in Samoa amounted to ST$ 51 millions (USD16.4 million) in 2002/03 fiscal year, with per capita spending ST$ 291 (USD 94). Health spending as a share of Gross Domestic Product (GDP) came to 5.6% (Table C1). This represented a culmination of gradual increases as a share of GDP from 1998/99, when it was 6%.

Figure C1: Trends in Total National Health Expenditures, 1998/99 – 02/03

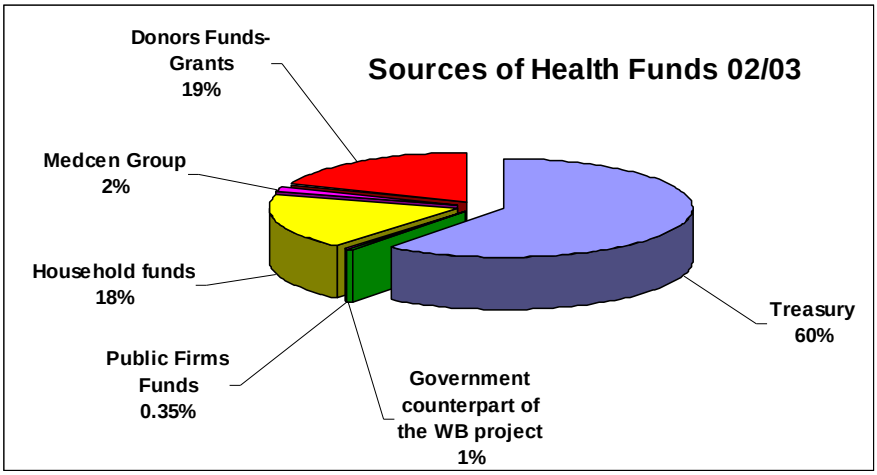


Public expenditures for health comprise 61% of total health spending in 2002/03. The share of public expenditures in total spending has gradually decreased since 1998/99 when it was 62% of total (Table C1). Private spending for health comprises 19.7% of total health spending in 2002/03. Its share in total spending has gradually decreased since 1998/99 when it was 23% of total. Donors spending which made up the remaining 19% in 2002/03, has increased gradually from 15% in 1998/99 to reach 19% in 2002/03.

Table C1: Total Health Expenditures (ST$ millions), Public and Private Shares

NHA year	*Total public sources*		*Total private sources*		*Total Donors sources*		*Total health expenditure*
	Expenditure (ST$m)	*%*	*Expenditure (ST$m)*	*%*	*Expenditure (ST$m)*	*%*	*Expenditure (ST$m)*
1998/99	26.8	62.0%	9.9	22.9%	6.5	15.0%	43.2
2000/01	28.5	59.5%	11.9	24.8%	7.5	15.7%	47.9
2002/03	31.2	61.3%	10	19.6%	9.7	19.1%	50.9

Figure C2: Sources of Financing, 2002/03



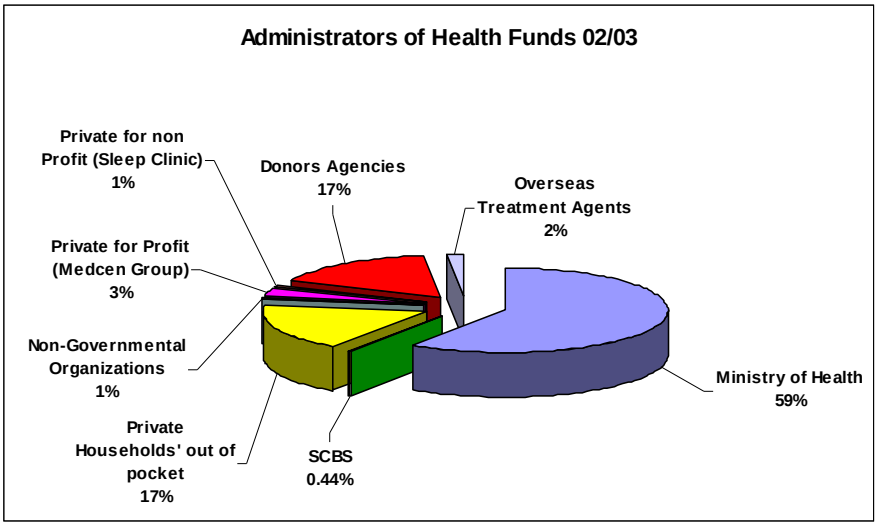
Private spending consists mostly of household direct expenditures (19.6%) with deficits of Medcen Group by 2% (Figure C2). Public, private and donors sources of financing make different contributions to the financing of different categories of health spending. Detailed comparisons cannot be made for all types of health spending, but Table C2 presents comparisons for three major categories in 2002/03, when donors and private health expenditures accounted for equal shares of THE. Most of the hospital services and inpatient services are predominantly publicly funded, while most spending in the ambulatory services category is private.

Table C2: Total Health Expenditures, administration of the sources 2002/03

Sources of Funds		
Public Sources	Treasury	30,739,048
	Government counterpart	267,260
	Public Firms Funds	179,622
Private Sources	Household funds	9,232,164
	Medcen Group	801,024
Donors Sources	Donors Funds- Grants	9,699,928
		50,919,046

Financing Agents		
Public Agents	Ministry of Health	30,512,106
	SCBS	226,942
Private Agents	Private Households' out of pocket	8,412,874
	Non-Governmental Organizations	551,239
	Private for Profit (Medcen Group)	1,493,682
	Private for non Profit (Sleep Clinic)	339,563
Donors Agents	Donors Agencies	8,519,128
	Overseas Treatment Agents	863,512
		50,919,046

Figure C3: Financing Agents, 2002/03



As shown in ***Table C2***, expenditures by public financing intermediaries are very high. Overall, more than 61 percent of Total Health Expenditures is managed and spent by the Public Financing Intermediaries, 20% by the Private Financing Intermediaries and 19% by Donors and NGO's. The Ministry of Health runs and manages most of the public financing resources. Donors transfer most of their funds to the Ministry of Health and secondly to their own donor-run health services facilities and other aid groups and NGO's. MedCen transfers most of its funds directly to its own hospital. Households transfer their health funds directly to providers as user fees as well as payment in kind for traditional healers.

Analysis of Sources and Uses of Funds

As indicated in Tables C1 and C2, the total expenditure on health care in Samoa amount to ST$ 50,919,046 (USD 16.4 million) and the per capita expenditures to ST$291 (USD 94). The total expenditure on health is 5.6 percent of the GDP and is still higher than other countries in the East Asia and Pacific islands as well as the low-income countries. This level of expenditure is still in line with middle-income countries. The proportion of government budget allocated to health sector is over 18 percent. Public sources account for 61 percent and private sources for 20 percent of health care financing. International donors account for the remaining 19%.

Current Health Care Expenditures (2002/2003)

Current Health Care expenditures accounts to 35.3 million $ST ($ST202 per Capita), private sector providers accounted for less than 22 percent, public sector providers for more than 40 percent, Pharmacies (public and Private) for 24 percent and Rest of the World Providers accounted for the remaining 15 percent of the Current Health Expenditures as follows:

Table C3: Total Current Health Expenditures, 2002/03

Current Health Care Expenditures		
Tupua Tamasese Meole	9,378,392	
Malietoa Tanumafili II	2,069,707	
Medcen Private Hospital	751,552	
Sleep Clinic Hospital	237,149	
Office of Physicians and Clinics	1,205,811	
Office of Dentists	1,066,420	
Traditional Healers	2,281,884	
Medical and Diagnostic Laboratories	2,079,277	
Other Providers of Ambulatory Health Care	2,644,101	
Pharmacies	8,314,239	
Overseas Treatment Providers	5,318,991	
	35,347,522	69%

Public Sector Providers	14,092,201	**40%**
Private Sector Providers	7,622,092	**22%**
Pharmacies	8,314,239	**24%**
Overseas Treatment Providers	5,318,991	**15%**
	35,347,522	
Current Expenditures Per Capita	**202**	
As percent of GDP	**3.9%**	

Total Health Care Expenditures (2002/2003)

In terms of Total Health Care Expenditures Tables C4 and C5 describe the distribution of Health Funds in Samoa by Providers and Functions

Breakdown of Financial Resources among Providers:

Public Providers are the major recipients of national health funds. Table C3 shows the breakdown of current Health Care expenditures (CHCE) among the public and private providers. Table C4 shows the breakdown of the Total Health Expenditures (THE), more than 22% of the THE refer to MOH providers of curative care. Private providers of inpatient curative care accounts to 2% (Medcen Hospital and sleep clinics). Pharmacies account to 16% and Overseas treatment to 10.3% of THE. Providers of ambulatory and diagnostics services accounts to more than 17% of THE.

Table C4: Providers of Health Funds, 2002/03

Providers of Health	
Tupua Tamasese Meole	9,378,392
Malietoa Tanumafili II	2,069,707
Medcen Private Hospital	751,552
Sleep Clinic Hospital	237,149
Office of Physicians and Clinics	1,205,811
Office of Dentists	1,066,420
Traditional Healers	2,281,884
Family Planning Centers	1,265,682
Medical and Diagnostic Laboratories	2,079,277
Other Providers of Ambulatory Health Care	2,644,101
Pharmacies	8,314,239
Provision & Administration of Public Health Programs	2,733,780
Government Administration of Health	2,435,506
Other (private) Administration of Health	2,543,493
Establishments providing HRF	6,243,713
Overseas Treatment Providers	5,318,991
Providers not specified by kind	349,350
	50,919,046

Public facilities receive more than 30% of total health expenditures, Private Facilities including Traditional Healers for 16%, Overseas treatment providers for 10% and pharmacies for 16% of THE. Major actors of private providers are traditional healers, Medcen Hospital and private GPs.
In General, Samoa health funds are primarily spent on curative care and Overseas Treatment; very little goes towards preventive care. Samoa as a country spends 90% of its total health resources locally, the other 10% outside of Samoa mainly in New Zealand and other countries for tertiary care. The majority of total health expenditure in Samoa is spent on the public sector, with 16% spent on the private sector and traditional healers and 10% on overseas treatment outside of Samoa.

Breakdown of Total Health Expenditures by services provided

Samoa spent more on inpatient curative services and overseas treatment curative services than an outpatient and preventive health care. Pharmaceutical expenditures account for over 16% of THE. This is in average to high-income countries, where pharmaceuticals account for 10-15 percent of THE.
A breakdown of total health expenditures by function indicates: 30% are spent on Hospital services including inpatient and outpatient, 8.6% on General Outpatient, Laboratory and Radiology, and 16% on drugs. Traditional Healers accounts to 5.4%. Maternal Child and family planning accounts to 4%, Public programs and Other health related functions including investment in medical facilities accounts for as much as 23%.

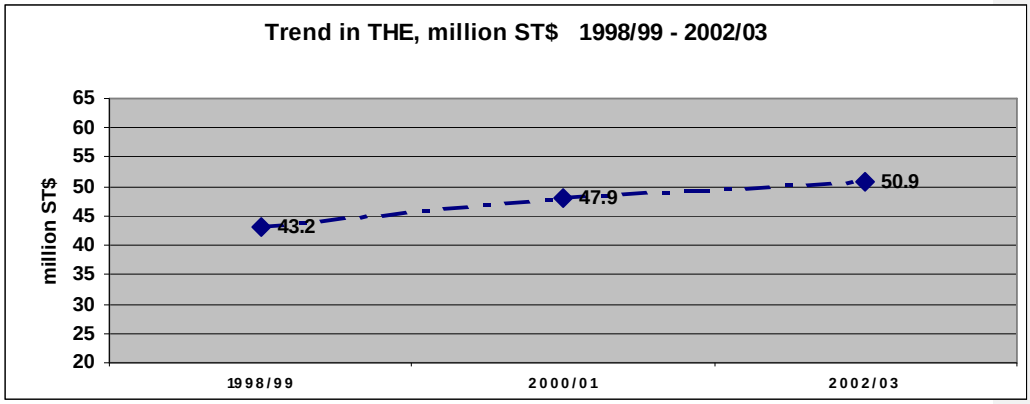
Table C5: Uses of Health Funds, 2002/03

Health Care Functions	
Inpatient curative care	10,367,092
Inpatient curative (overseas	5,318,991
Basic Outpatient Medical and D	4,419,023
Outpatient Dental Care	1,066,420
All Other Specialized Health Ca	696,369
Traditional Health Care	2,281,884
Clinical laboratory	1,162,478
Diagnostic Imaging	916,800
Patient Transport and Emergen	3,087,451
Pharmaceuticals and other mec	8,242,839
Therapeutical appliances and o	71,400
Maternal and Child health. FP a	2,040,038
Prevention of communicable di	300,432
Prevention of non-communicab	1,107,082
Other Miscellaneous public Hea	2,008,679
General Government Administr	2,435,506
Health Administration & Health	1,635,821
Capital Formation of health care	208,725
Education and training of health	673,323
Research and development in	2,478,280
Food. Hygiene and drinking wa	15,000
Environmental Health	385,414
	50,919,046

Part IV- Trends in Total Health Expenditures

Total health expenditure (THE) increased 16% from ST$ 43 million to ST$ 51 million at current market prices between 1998/99 and 2002/03 as seen in Figure D1. However, this does not take into account inflation.

Figure D1: Trends in Total Health Expenditures ($ST millions)



Total Health Expenditure by Source of Funds

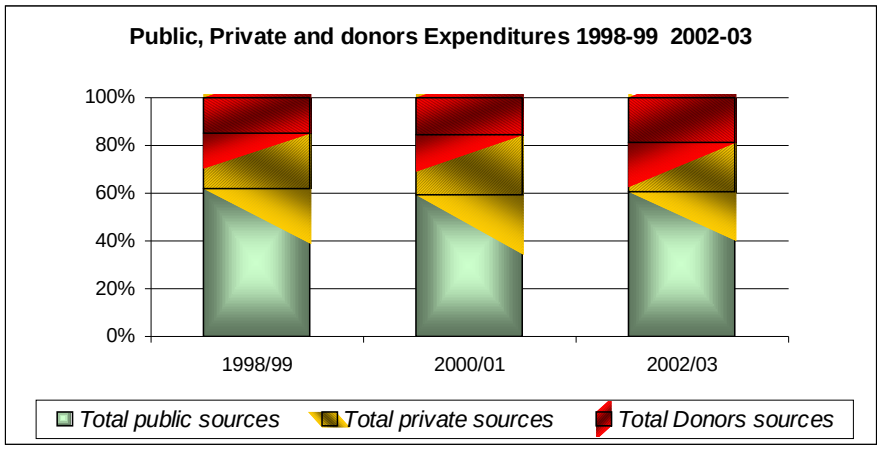
Public health expenditures at current market prices grew 16% from ST$ 26.8 million in 1998/99 to ST$ 31.2 million in 2002/03. Private expenditures at current prices grew from ST$ 9.9 million to ST$ 10 million and donors expenditures at current prices grew 49% from ST$ 6.5 million to ST9.7 million during the same period as seen in Table D1.

Table D1 Total Health Expenditures 1998/99 – 2002/03

NHA year	*Total public sources*	*Total private sources*	*Total Donors sources*	*Total health expenditure*
1998/99	26.8	9.9	6.5	43.2
2000/01	28.5	11.9	7.5	47.9
2002/03	31.2	10	9.7	50.9

In real terms, this represented an increase in Total Health Expenditures of 19% from ST$ 43 to ST$ 51 million ST$ as per Figure D2.
In the beginning of the 2000s, private expenditures accounted for more than 20% of total health expenditures. However, as donors throughout the time period grew faster (40%) than public expenditures (16%) and private expenditures (6%). They eventually reached the level of private expenditures during 2002-2003 (as per figure D2).

Figure D2 Public and Private Health Expenditures (Constant 1990 Dollars)



Total Health Expenditure and Gross Domestic Product

This section presents trends in health expenditure relative to GDP and in per capita terms. Annual rates of change in expenditure are also provided.

Table D3: Total Health Expenditure and GDP, 1998/99 – 2002/03

	Gross Domestic Product		*Total health expenditure*		
Financial year	*GDP (ST$)*	*Annual increase (%)*	*Health Expenditure (ST$)*	*Annual increase (%)*	*Health as a proportion of GDP*
1998/99	$669,600,000		$43,200,000		6.45%
2000/01	$804,800,000	20.2%	$47,900,000	10.9%	5.95%
2002/03	$914,100,000	13.6%	$50,900,000	6.3%	5.57%

Table D4: Total Health Expenditure (public, private and donors) and GDP 1998/99 – 2002/03

NHA year	*Total public sources*		*Total private sources*		*Total Donors sources*		*Total health expenditure*	
	Expenditure (ST$m)	*% of GDP*	*Expenditure (ST$m)*	*% of GDP*	*Expenditure (ST$m)*	*% of GDP*	*Expenditure (ST$m)*	*% of GDP*
1998/99	26.8	4.0%	9.9	1.5%	6.5	1.0%	43.2	6.5%
2000/01	28.5	3.5%	11.9	1.5%	7.5	0.9%	47.9	6.0%
2002/03	31.2	3.4%	10	1.1%	9.7	1.1%	50.9	5.6%

As Table D3 and D4 illustrate, GDP during this time period have increased faster than the rate of health expenditures growth. Consequently, Total Health Expenditures as a share of GDP has decreased from 6.5% to 5.6% of GDP. This decrease in THE as a share of GDP is largely due to faster increases in GDP. Although, public, private and donors expenditures on health have increased continuously during this time period, but the rate of increase has been lower to that of GDP, and so those expenditures have decreased continuously as a share of GDP.

The other trend relates to the total level of health expenditures in Samoa. Since the population of Samoa is also increasing over time, the level of health spending per person has increased at a lower rate than THE. Table D5 gives trends in per capita health expenditures during 1998/99 to 2002/03. Overall, real per capita health spending increased at an annual rate of 6% during 1998/99 to 2002/03, compared with an increase in real GDP per capita of 15% (Table D5).

Table D5: Per capita Health Expenditure and GDP at Current Market Prices, 1998/99 – 2002/03

	Gross Domestic Product		*Total health expenditure*	
Financial year	*GDP per capita (ST$)*	*Percentage change in GDP per capita*	*Health Expenditure per capita (ST$)*	*Percentage change in health expenditure per capita*

1998/99	$3,953		$255	
2000/01	$4,677	18.3%	$278	9.1%
2002/03	$5,228	11.8%	$291	4.6%

Source: GDP figures from 'Estimates of Gross Domestic Product – MOF.

Part V- Sector Analysis

Ministry of Health

The Ministry of Health is the larger sector in the Samoan national health system and a major player in the health care industry.

Ministry of Health Funding

The study of the Ministry of Health financing is very important due to its weight in the national health system. Not only it is the generator of Health in Samoa, but it is also the largest provider of care and collective health prevention services. This chapter will start by analyzing the MOH budget, sources of its funds, economic and functional classification describing the degree of equality or inequality between regions in term of total expenditures and those related to mother and child health.

Level of MOH Budget

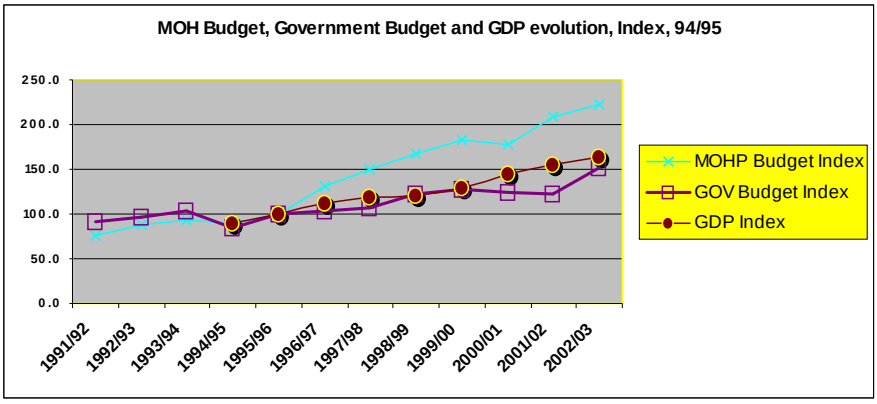
The MOH budget is sufficient in one stage and insufficient in other. The points listed below prove that efforts must be made to remedy this situation. The MOH budget:

- Currently (2002/03) accounts for almost 18% of the Government budget versus 10% and 12% in 1991/92 and 1995/96 respectively
- Exceed ST$196 per capita
- Represent nearly 4% of GDP compared to 2.8% in 1991/92, this shows an average greater than 2% in the majority of countries with the same economic development level.

Change in the MOH Budget

Health is a true priority for the government of Samoa. This has been reflected by the constant increases in health budget allocation as compared to government budget and GDP. Figure E1 shows the ongoing disparity between the respective increases of indices of the three variables. Over the past 12 years, the curve for the GDP index has been always almost at the same level of the Government budget but almost always been below that of the Ministry of Health budget.

Figure E1. MOH, Government and GDP evolution index, 91/92 - 02/03

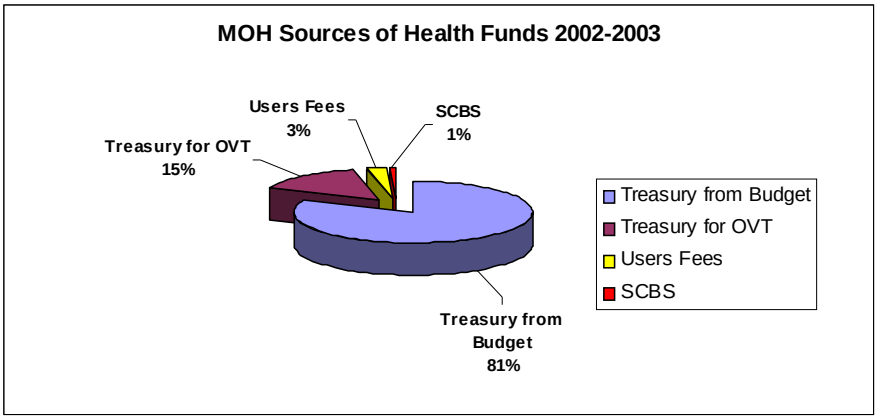


However the examination of the changes in the Ministry of Health's budget per capita and in constant value shows that, during the last twelve years, the Government has made great efforts in this sector. During the years 1995/96 the actual budget allocated to MOH was 12.4%. Utilization of MOH budget in the past have primarily benefit the curative care and overseas treatment care at the expenses of the rest of the operating budget and Promotion and Preventive Services. This has weakens the ability to increase investing on Health Promotion and Preventive Services

Sources of Funding for MOH spending

The main source of the MOH funds is from the Government budget, which amounts to almost 96% of Total Ministry of Health expenditures. The share of other ministries for health is still unclear and undefined. Other sources of funding (households, insurance companies and NPF) provide more or less 4% of MOH Spending. However, it should be mentioned that, for NPF-SCBS, the amount shown at the MOH register differs from the amount shown in NPF-SCBS register. This is due to the poor collection of users' fees for the elderly utilization of the MOH facilities, which should accounts under NPF account. The portion from the Accident Compensation Board (ACB) also remains a mystery because of poor record keeping

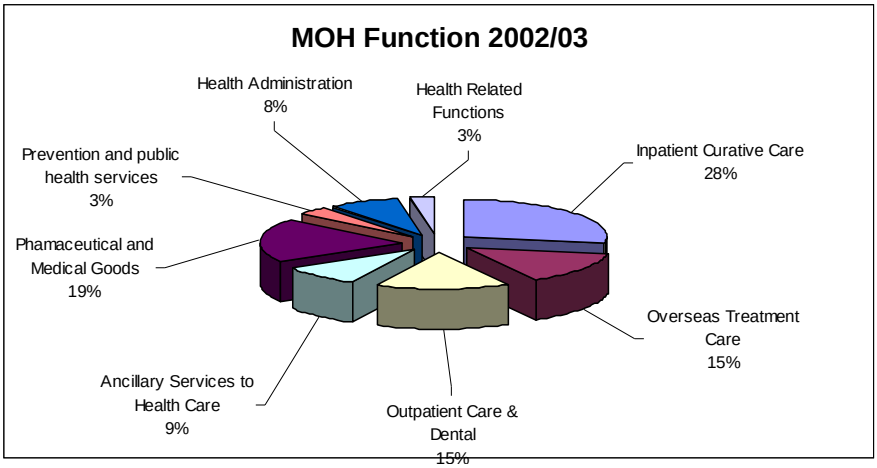
Figure E2. Sources of the MOH funds, 2002/03



MOH Functions

Of all the budget funds allocated by the MOH, 28% is used for local curative versus 15% for outpatient and dental care. Overseas Treatment absorbs a fairly high share too (15%). However, it should be highlighted that, health programs and monitoring health care and prevention activities continues to be under funded and not exceeding 6%. Pharmaceuticals absorb a good share of 19%.

Figure E3. MOH functions, 2002/03



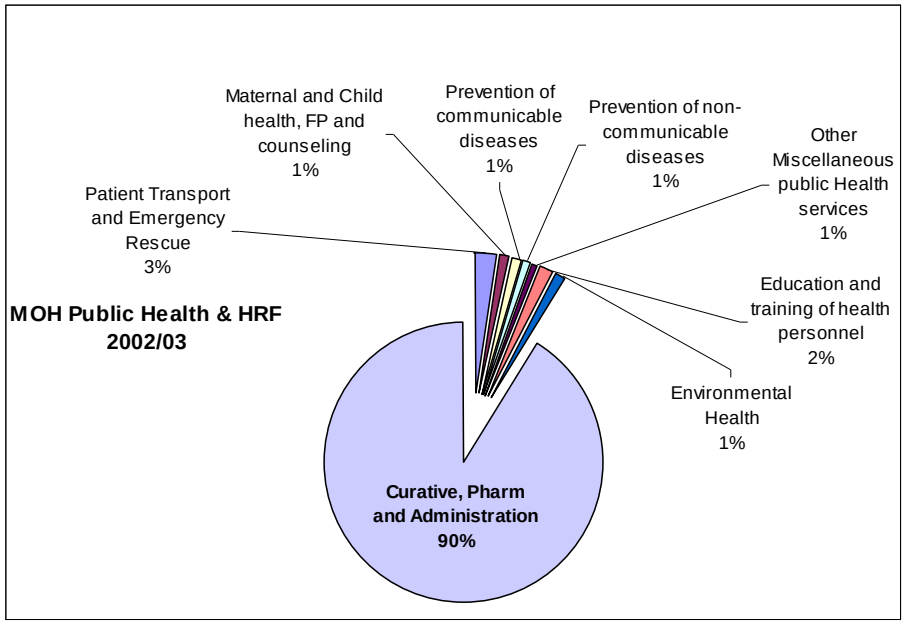
MOH Collective Health Prevention and Public Health funds:

Collective health prevention included all activities whose purpose is to improve the health condition of the population in order to prevent disease and accidents, without being able to individually identify the beneficiaries. In other words, these services are intended for the entire community taken as a whole, and not for specific individuals. These include in particular:

- Maternal and Child Health
- Emergency
- Prevention of communicable and non-communicable diseases
- Information, Education and Training
- MOH Programs and Communication campaigns
- Health Related functions ie quality control of drinking waters and Hygiene
- Environmental health

Regardless of the type of analysis, Curative and pharmaceuticals are the largest health care expenditures of the MOH. The Ministry of health spends more than 90% on drugs, curative and salaries and wages. Promotion and Preventive health programs are still neglected, as reflected by its low share in the Graph E4 (10%), even though the demand at this level are considerable, especially for the poor.

Figure E4. MOH functions and public health spending, 2002/03



Given the importance of public health, which is one of the MOH priorities under the five years strategic plan, it was necessary to include these figures in the NHA as a special chapter. Thus when the NHA questionnaires and basic tables were designed, this concern was taken into account and collected from the Health Promotion and Preventive Services Division of the Ministry.

According to the definition mentioned in the NHA producers' guide, spending on public health and health related activities amounted to ST$ 2.7 million in 2002/03. As highlighted in Graph E4, the main component in this spending was emergency, education and training, which amount to 3% each of MOH spending compared to around 2% on prevention and 1% on environmental health.

Senior Citizen Benefits Scheme (NPF)

In this section, the data relate to morbidity linked to the elderly social security program set up by the Government of Samoa. The Samoa senior citizens benefits funds was established in 1990 as part of the National Provident Fund of Samoa. It is wholly funded by the Government of Samoa and administered by a board separately from the NPF.
Under this scheme, Samoan citizens who reach 65 years and above are entitled to free health care at all public facilities. It includes free outpatient drugs, diagnostic services and inpatient. The SCBS deals with the payment of $ST100 monthly pension, boat fares and the payment of pensioner's medical, pharmaceutical and dental fees to the Ministry of Health.

Data on SCBS Utilization

According to the SCBS survey data, the total number of pensioners who have joined the funds during 2002/03 represent a growth of 700 and represent an increase of 6%. 8000 individuals were registered for the scheme in 2002/2003. From this, 72% were in Upolu and 28% in Savaii and other islands. 37% of the pensioners were between the age of 65 and 70, 30% between the age of 70 and 75 and the remaining fall into the age of 76 and above.

The number of elderly people who admitted to a public facility for an illness was 1248 in 2002/03 and was lower than data collected in the previous NHA for the year 2000/01.
Number of outpatient visits are still difficult to define and number of inpatient case were 1248.

Sources of SCBS Funding

The Senior Citizens Benefit Scheme operates on budgets approved by the Government. During the fiscal year 2002/2003 an amount of $ST9,000,000 was approved for the Senior Citizens Benefits Scheme. Medical expenses billed amounted to $ST256,373 during the same period and represented a very small proportion of the costs incurred on providing care for the elderly at Public facilities. The amount recovered from NPF amounted to $ST 226,942.

The following table shows the approved budget and expenditure on Medical Care starting form fiscal year 1994/1995 to 2000/2001

TableE1: Approved Budgets and Medical Expenses (July 1994 – June 2003)

Fiscal Year	Approved Budget	Expenditure on Medical Care
1994 – 1995	ST4,500,000	ST194,152
1995 – 1996	ST5,580,000	ST195,939
1996 – 1997	ST6,217,000	ST140,534
1997 – 1998	ST6,750,000	ST170,215
1998 – 1999	ST7,300,000	ST96,194
2000 – 2001	ST8,000,000	ST84,577
2002 - 2003	ST9,000,000	ST256,373

The steep drop in medical expenses in 1998-1999 and 2000-2001 was most likely due to the non-billing of inpatient services. In 2002/03 the billing and collection procedures was better. With regards to the cost of elderly, the MOH is still paying a high cost to deliver such services to NPF patients.

General Private practitioners

In this section, the data relate to morbidity linked to the private sector as perceived and reported by the GPs through the people visited their clinics and mostly in the urban area of Apia.

Data on Clinics visits

According to the Private Physicians survey data, the number of people utilizing the private health clinics amounts to 22,128 in 2002/03 and was higher than data collected in the previous NHA for the year 2000/01. Cost per private visit amounted to ST$33. This number is valid regardless of whether they live in an urban or rural area. It was difficult to study the degree of severity of illness in this round of NHA. More data needed in the next round of NHA to define the percentage of women versus men as well as on the reproductive health issue.

Sources of GPs Funding

Total provision of ambulatory care visits to private and public clinics and centers amounted to ST$1.2 million in 2002/03 that accounts to 2.3% of Total Health Expenditures. Out of this amount, total private practices amounted for ST$655,000 paid in general by the household out of pocket.

Table E2 Ambulatory care 2002/03

Ambulatory Care (Physicians, Dentists and Health Centers)	Amounts	Percent of Total	Percent of THE
Private Physicians	655,240	28.8%	1.3%
Private Dental	130,000	5.7%	0.3%
Public Health Centers	550,571	24.2%	1.1%
Public Dental	936,420	41.2%	1.8%
	2,272,230		**4.4%**

Dental care practices amounted to ST$1 million of which ST$130,000 paid at the level of the private dental practitioners. An analysis of spending on private clinics shows that the total sources of funds comes from out of pocket spending.

Donors

Overseas aid donors play an important role in the Samoan health system. Government's health sector reform, technical assistance and public health are just some of the areas in which these donor agencies assist in improving health care services for all. There are a number of donor agencies assisting Samoa in some way or another, but main donors who have assisted in health related functions in the years 2002-2003 are shown below in Table E3 with the functions and amount spent by each donor:

Table E3. Health Expenditures by Donors, 2002/03

Health Expenditure by Donors in Samoa for FY 2002-2003						
Category	**SHSMP**	**WHO**	**JICA**	**AusAID**	**NZAID**	**TOTAL**
MOH Institutional Strengthening	42,000.00	12,000.00		1,781,675.80		1,793,675.80
Public Health Programs		442,845.00		362,174.50	776,974.40	1,581,993.90
Project Management				510,126.40		552,126.40
HRD		1,633,350.00	501,200.00		296,729.60	2,431,279.60
Overseas Treatment					863,512.00	863,512.00
Drugs			71,400.00			71,400.00
Volunteers			605,000.00			605,000.00
Equipments	34,000.00		90,925.00			124,925.00
Technical Assistance	719,000.00	147,720.00				866,720.00
Health Sector Reform	47,000.00	28,791.00				28,791.00
Training Materials		46,500.00				93,500.00
Medical Specialists					66,456.00	66,456.00
Transportation		30,000.00				30,000.00
TOTAL	**842,000.00**	**2,341,206.00**	**1,268,525.00**	**2,653,976.70**	**2,003,672.00**	**9,109,379.70**

Figure E5. Donors Expenditures, 2002/03

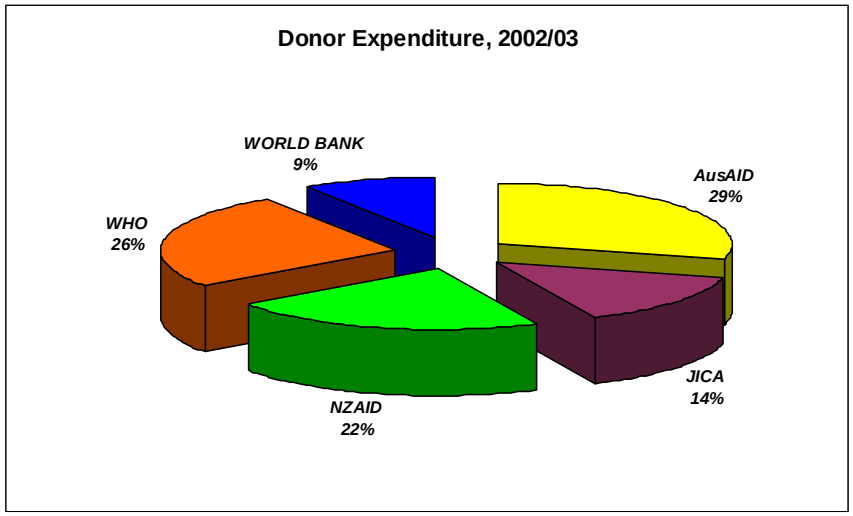
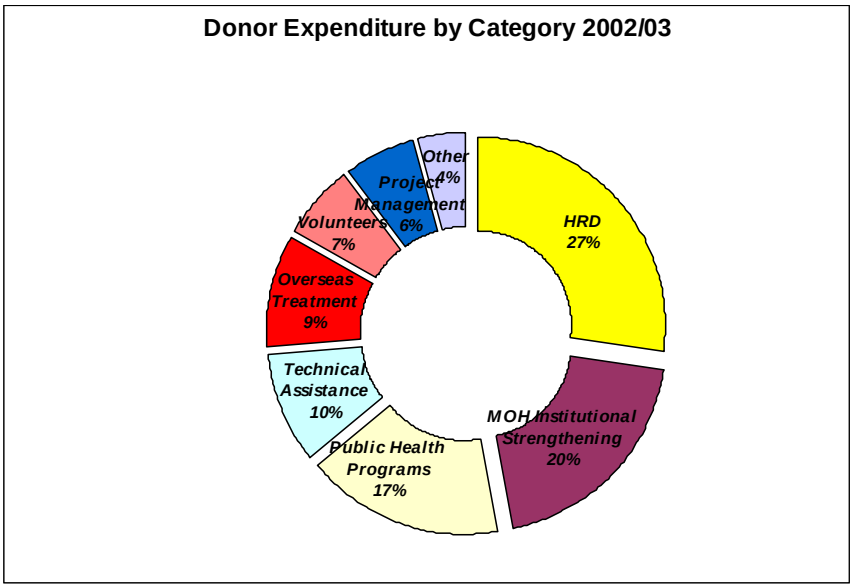


Figure E6. Donors Expenditures by Category, 2002/03



1. AusAID:

The Samoa Health Project (SHP) is a 5-year Institutional Strengthening project funded by the Australian Government's international development program, AusAID. The role of SHP is to build local capacity to improve planning and management of health services, including TTM Hospital. Institutional Strengthening (including Information Management / Technology, planning and policy, finance, budgeting and procurement) Public Health and general management of the project are major areas of expenditure.

The annual project spending amounted to **$ST 2,653,976.70** during 2002-2003 with Institutional Strengthening spending 67% of the total amount funded (refer to Table E3 above). In the NHA report 00-01, project spending was at $ST 3,436,263.24 (refer to Table E4 below), a 13% decrease in funding. This is predominantly related to fewer advisers input as the project heads towards its conclusion in 2005.

2. NZAID:

The New Zealand Government through their international development program (NZAid) supports the Government of Samoa in funding a Child Health Project. This project aims at improving planning and delivery of child health services. During 2002-2003, the project provided funds for Public Health Programs, Human Resource Development and Medical Specialists, all amounting to **$ST 1,140,160.**

NZAid also provides financial assistance for a medical treatment scheme – the New Zealand Medical Treatment Scheme (NZMTS) -whereby patients are referred overseas (mainly New Zealand) for specialized treatment not available in Samoa. Under this scheme, **$ST 863, 512** was spent in 2002-2003 (refer to Table E3 above).

A total of **$ST 2,003,672** of funding was provided by NZAid in 2002-2003. In comparison with the total amount spent in 2000-2001 of 2,130,503, (see Table E4 below) there is a minor decrease in funding of only 3%.

3. SHSMP:

The Samoa Health Sector Management Project co-funded by the Government of Samoa and the World Bank provides strategic redevelopment of facilities at TTM and selected rural health facilities over a five-year period to 2005-2006. Both the credit funds ofrom the World Bank and local counterpart funds from the Government of Samoa fund this project.

SHSMP focused on areas such as technical assistance, training and equipments needed in the hospital and the general management of the project. In 2002-2003, the Bank credit funds totaled to **$ST 842,000,** 85% on technical assistance, 6% on training, 5% on Project Management and only 4% on equipment (see Table E3). The FY 00-01 reported that the total credit funds came to $ST 163,000, which is an increase of $ST 679,000 (68%) (refer to Table E4 below). This increase is largely related to the preparation and commencement of capital works for TTM hospital.

4. WHO:

Over many years, the World Health Organization (WHO) has funded a number of programs and activities. In 2002-2003, WHO has also funded health related functions varying from Institutional Strengthening, Public Health Programs, Human Resource Development, Technical Assistance, Health Sector Reform, Training and Transportation which amounted to **$ST 2,341,206**.

Figures from WHO show that 70% of total expenditure in 2002-2003 went on Human Resource Development while the rest of the 30% was shared by other activities mentioned above (refer Table E3). Major activities funded under the HRD program are Undergraduate and Postgraduate training for health professionals at overseas universities including Fiji School of Medicine.

In the last NHA Report (00-01), total spending by WHO on health expenditure was $ST 934,000. In 2002-03 it amounts to $ST 2,341,206, an increase of $ST 1,407,206 (refer to Table E4 below). Most of this additional expenditure has been on HRD activities.

5. JICA:

The Japanese International Co-operation Agency (JICA) has over the past fifteen years provided significant infrastructure and technical assistance support to the health sector. In 2002-2003, JICA provided funding to areas such as Japanese volunteers Human Resource Development, Drugs and Technical equipment for the technical areas. The total funding by JICA in this period amounts to **$ST 1,268,525** (refer to Table E3 above). In the last NHA report (00-01), JICA spent $ST 279,126 on health. This shows an increased contribution by JICA of $ST 989,399 (refer to Table E4 below).

Table E4. Comparing Health Expenditures by Donors, 2000/01 and 2002/03

Comparison of past NHA Reports								
Donors	**98-99**		**00-01**	**%**	**02-03**	**%**	**Variation**	**%**
SHSMP			163,000.00	2.35%	842,000.00	9.24%	679,000.00	68%
WHO			934,000.00	13.45%	2,341,206.00	25.70%	1,407,206.00	43%
JICA			279,126.35	4.02%	1,268,525.00	13.93%	989,398.65	64%
AusAID			3,436,263.24	49.49%	2,653,976.70	29.13%	782,286.54	13%
NZAID			2,130,503.09	30.69%	2,003,672.00	22%	557,912.60	3%
TOTAL	**822,570.00**		**6,942,892.68**	**100%**	**9,109,379.70**	**100%**	**2,851,230.71**	

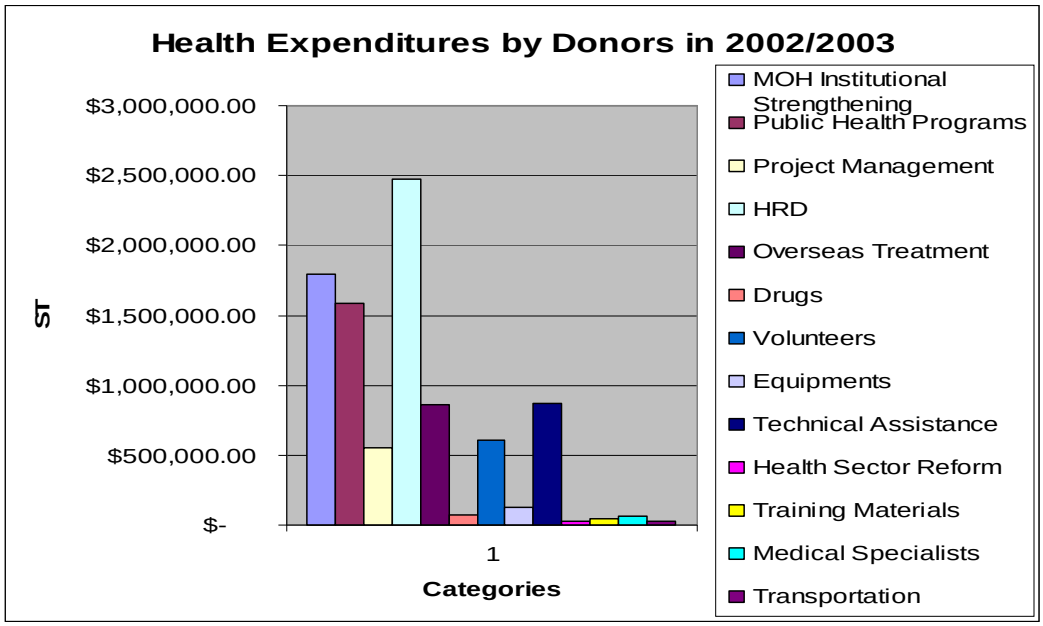
AusAID is the main donor agency, contributing 29% of all donor funding during this period. WHO becomes the second greatest contributor to health expenditure with 26%, while NZAID provides 22% followed by 14% from JICA and then 9% by the World Bank (refer to figure E5)

In terms of the levels of funding by donors, the three main activities are Human Resource Development, MOH Institutional Strengthening and Public Health Programs. A breakdown of total expenditures by activities indicates that 27% ($ST 2,478,280) was used on Human Resource Development, 20% ($ST 1,793676) was given for MOH Institutional Strengthening and 17% ($ST 1,581,994) went to Public Health Programs. The other 36% was distributed between other health activities listed below.

Table E5. Activities funded by Donors, 2002/03

Health Functions/Activities funded by Donors for FY 2002-2003		
Categories	**WST**	**Percentage**
MOH Institutional Strengthening	1,793,675.80	19.69%
Public Health Programs	1,581,993.90	17.37%
Project Management	552,126.40	6.06%
HRD	2,478,279.60	27.21%
Overseas Treatment	863,512.00	9.48%
Drugs	71,400.00	0.78%
Volunteers	605,000.00	6.64%
Equipments	124,925.00	1.37%
Technical Assistance	866,720.00	9.51%
Health Sector Reform	28,791.00	0.32%
Training Materials	46,500.00	0.51%
Medical Specialists	66,456.00	0.73%
Transportation	30,000.00	0.33%
TOTAL	9,109,279.70	100%

Figure E7. Donors Expenditures by Category, 2002/03



It is evident from the figures shown in the above table and graph that these three major activities are what the donor agencies and the health sector see as priority areas and therefore the majority of their funding went here. As the three health projects in the MOH are half way or more than half way through the project life, the issue of sustainability may be the result of Human Resource Development, Institutional Strengthening and Public Health Programs outgrowing technical assistance and training (capacity building). But one needs to bear in mind that most primary and public health programs are highly dependent on donor funding. Again the sustainability issue arises because there will be a time in the future where donors will withdraw assistance.

Out of the total expenditure spent on health in 00-01, the total donors contribution amounted to $SAT 6,258,148.99, representing 13% of our health system. In 2002-2003, the total donors contribution comes to $ST 9,109,379.70, which is almost 20% of our health system and a total increase of $ST 2,851,230.71.
As shown in Figure E4, AusAID provides the most contribution with 29%. Second is WHO with 26%, followed by NZAid amounting to 22%, then JICA with 14% and finally SHSMP with 9%.

Non-Governmental Organizations

Non-government organization (NGO) activity in the health system will continue to grow in Samoa. The number of trained health personnel employed by NGO's is small and no account has been taken of their numbers and future requirements in this round of the national health account except what is mentioned under the health system profile earlier in this report.

Most villages in Samoa already have some form of mechanism in place like the Village Women's Committee, church groups and so forth whereby a system of mutual obligations could be based and

developed from. There are limits to the extent to which private sector activity can supplement or replace government provision, but as yet these limits have not been explored.

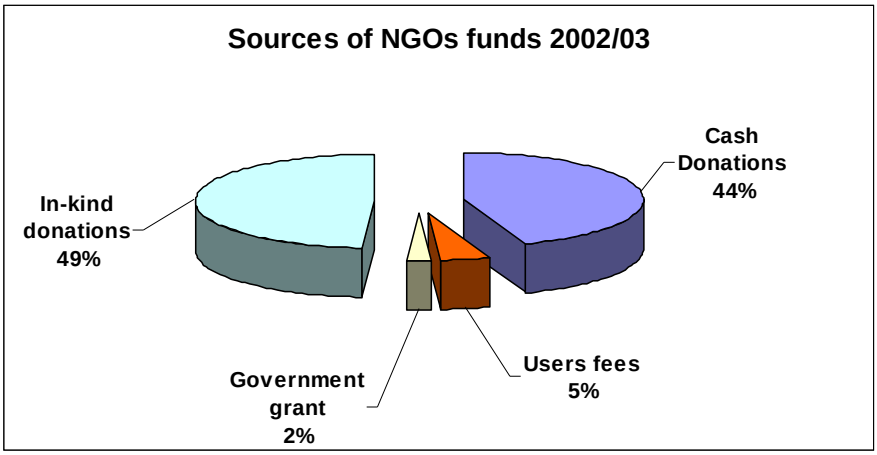
Sources of Funding for NGO spending

The main source of the NGO funds is mainly from International Donors, which amounts to almost 95% of Total NGO Health expenditures. The share of other sources (particularly user fees from the households, government grants and local donors) is more or less 5% of NGO spending. Type of NGO funds is divided into cash and in-kind donation. Table E6 shows that almost half the NGO fund was in kind in 2002/03. Users fees represent almost 10% of the cash fund and 5% of total NGO funds.

Table E6. Sources of NGO Funds, 2002/03

		Red Cross	Nurses Assoc.	Samoa Fam Assoc		TOTAL NGOs
Source of Funds						
Grants JSDF			$ 15,609.50		$	15,609.50
Grants IPPF				$ 149,072.00	$	149,072.00
Family Planning Australia				$ 44,812.00	$	44,812.00
Users fees (Households)				$ 24,912.80	$	24,912.80
Grant from Samoa Government		$ 12,000.00			$	12,000.00
Global Fund		$ 13,000.00			$	13,000.00
European Union		$ 15,000.00			$	15,000.00
Red Cross		$ 5,000.00			$	5,000.00
Grants from Others			$ 1,900.00		$	1,900.00
Total		***$ 45,000.00***	***$ 17,509.50***	***$ 218,796.80***	**$**	**281,306.30**
In-Kind Donations						
International Council for nurses			$ 80,000.00		$	80,000.00
AUSAID			$ 9,000.00		$	9,000.00
JICA			$ 39,269.00		$	39,269.00
European Union		$ 15,000.00			$	15,000.00
NZ Red Cross		$ 27,000.00			$	27,000.00
Australia Red Cross		$ 25,000.00			$	25,000.00
Other donations		$ 74,664.00		886.7	$	75,550.70
Total		***$ 141,664.00***	***$ 128,269.00***		**$**	**269,933.00**
					$	**-**
Total Funds		**$ 186,664.00**	**$ 145,778.50**	**$ 218,796.80**	**$**	**551,239.30**

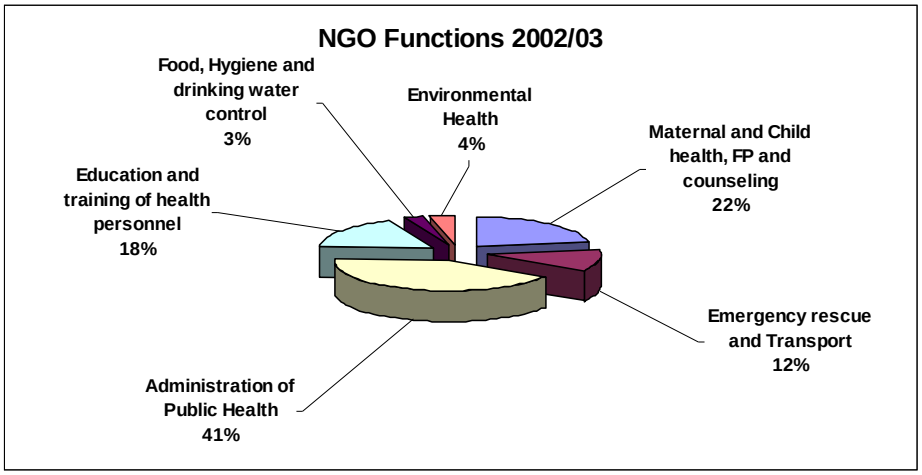
Figure E8. Sources of NGOs funds, 2002/03



NGOs Functions

Of all the funds donated to NGOs, 22% is used for MCH and family planning versus 18% for Education and training, 3% on Hygiene, 4% on environmental health and 12% on rescue. However it should be stated that, the cost of running those program amounted to almost 41% of the funding.

Figure E9. NGOs functions, 2002/03



Traditional Healers

Traditional Healers Practitioners Definition

Traditional healers are defined as people with knowledge of healing using indigenous plant and animal remedies. These are practitioners who acquire their trade through passing of skills from healers to an apprentice or receiving skills and knowledge through dreams and communication with the supernatural or ancestors (Rogers, 2001). Traditional healers make up an integral part of the informal sector of health care in Samoa; it is estimated that more than nine hundred traditional healers in Samoa and accounted for most of the outpatient consultations.

Methodology

The Strategic Development and Planning Division of the Ministry of Health and the Samoa Health Sector Management Project in collaboration with TTM Hospital and Preventive and Promotion Health Services and Community Nurses carried out the survey. A random sample of 100 from Rural Upolu, 70 for Urban Upolu and 70 for Savaii was drawn and invited for the survey. However 120 turned up to the place for interview for rural Upolu, 76 turned up for Savaii while Urban Upolu was the only region that only 40 traditional healers turned up for interview

The Community Nurses assisted in distributing the questionnaires and the invitation letters to all traditional healers invited. The team wishes to acknowledge the great contribution of all other division involved in this survey.

A price index was used during the process of analysis to estimate and convert the in-kind item to monetary value

Purpose

The main purpose of this survey was to find out how much the Samoan people spend on traditional healers and how often they use the traditional healer's services.

Traditional Healers Association

In 1995, a group of traditional healer tries to set up an association with the intention to get all Traditional Healers to work cooperatively but this association only last for a short time. For the past several years, Samoa Umbrella for Non-Governmental Organizations (SUNGO) has had a difficult time trying to get traditional healers to work together as a group.

The exact number of traditional healers excluding Traditional Birth Attendants is still uncertain. There is an estimation of nine hundred and twenty five traditional healers in Samoa as per the last survey (500 in Savaii, 220 in rural Upolu and 200 in urban Upolu). It should be noted that for this round of NHA, traditional birth attendance is not included.

The following table shows the distribution of Traditional Healers in the three health regions as well as the number we interviewed during this survey

Table E7 Distribution of Traditional Healers and Villages (2002 – 2003)

	Total No.	No. Surveyed	% Surveyed	No. of Villages
Traditional Healers – Savaii	500	76	15%	117
Traditional Healers – Urban Upolu	200	40	20%	142
Traditional Healers – Rural Upolu	220	120	53%	140
Total Traditional Healers – Samoa	**925**	**236**	**26%**	**399**

Compensation to traditional healers may be construed as ability to pay. However, it is important that we keep in mind before the analysis that the most common method of compensation is payment in kind not cash.

Survey Findings

In the last four weeks preceding the interview for the survey, it was reported that 236 traditional healers in Samoa treated a total of 1043 patients. This reveals that on average each traditional healer treated one patient per week for the amount of traditional healers' interview.

During the Financial Year 2002-2003, Samoa spent $2,281,884 on traditional healers and the total number of visits per year amounts to 50,288, this number account for the majority of outpatient visit for the whole health sector in Samoa. The findings also reveal that an average of $45.38 was spent for each visit for the top five illnesses.

As mentioned before the most common form of payment is in-kind item, as the findings shows 54% of payment for traditional healers was by in-kind and 46% by cash. The two regions, Savaii and Rural Upolu show a relatively high percentage of in-kind payment as compared to Upolu Urban.

The Following table shows numerical findings from the Traditional healer's survey

Total HH Expenditures on TH in Samoa	
Annual HH Expenditures on TH Service	***$2,281,884***
Total visits per year (925 TH)	***50,288***
Average Cost per visit (top 5 illn.)	***$45.38***
In-kind Payment	54%
Monetary Payment	46%

Household Expenditures on Health

A second National Household Health Expenditure and Utilization Survey is on its way to be completed by January 2006. The current Household expenditures are estimated based on the different surveys conducted by the NHA team and using the 2000 household survey study for transport. Household out-of-pocket expenditures account for nearly 18% of total health expenditures in Samoa. The percentage of household contribution to health expenditures has been changed since the previous round of NHA. This is due to a variety of reasons including higher expenditures on pharmaceuticals as well as a more systematic attempt to estimate household expenditures taken into account the surveys conducted in the private sector and traditional healers. A variety of data sources were used to arrive at the estimate of household expenditures including:

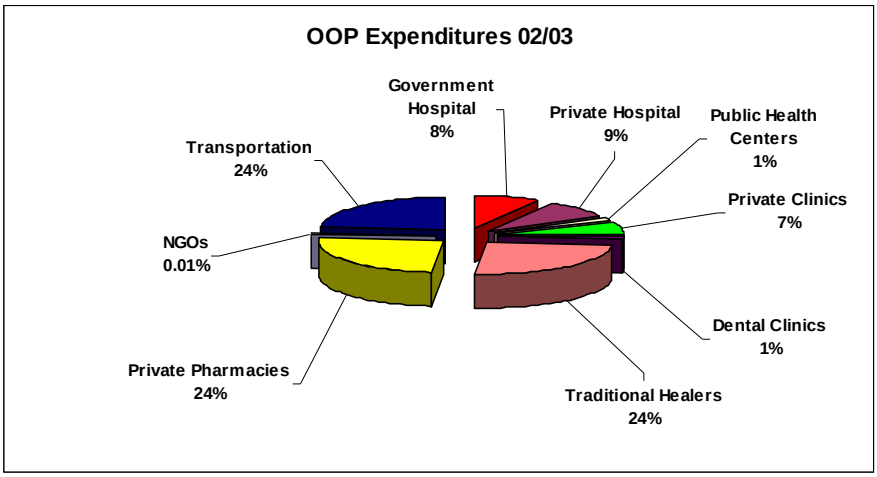
- Use data on number of visits from HIS to estimate OOP expenditures for outpatient care at public facilities.
- Use data from GPs survey and Private Provider survey to estimate OOP expenditures at private providers.
- Use the Traditional healer survey to get OOP costs on traditional healers.
- The annual cost at other public facilities divided between Upolu and Savaii health centres upon number of visits.
- Data from the last household health care utilisation and expenditure survey regarding patient transport.

Table E6. Household Distribution, 2002/03

	2000/01	2002/03	
Government Hospital	822,027	**770,142**	**8.3%**
Private Hospital	862,702	**819,290**	**8.9%**
Public Health Centers	67,515	**119,400**	**1.3%**
Private Clinics	640,528	**655,240**	**7.1%**
Dental Clinics		**130,000**	**1.4%**
Traditional Healers	2,286,837	**2,281,884**	**24.7%**
Private Pharmacies	2,845,335	**2,240,000**	**24.3%**
NGOs	22,648	**24,913**	**0.3%**
Transportation	2,563,295	**2,191,295**	**23.7%**
	10,110,887	**9,232,164**	**100.0%**

Total household expenditure on health in 2002-2003 amounted to ST9,232,164 or 18% of total health expenditure in Samoa for that year. Almost 90% of household expenditure was spent on private providers (8.9% on MedCen, 7.1% on private clinics, 24% on traditional healers, 24% on private pharmacies and 24% on transportation), and 9.6% on public health facilities.

Figure E10. Out of Pocket Health Expenditures, 2002/03



The information based on household sources of funds and uses of expenditures was carefully examined to match all household spending during the considered year. Having done this, it was possible using best judgement to estimate the approximate volume of funding received by providers in the form of user fees paid to private Hospital and Private Physicians, for which data were not available, plus the proportion of outpatient, inpatient and drugs as well as household spending by public providers, and the volume of expenditures funded from household to traditional healers in both cash and in kind. This estimate was not enough to get total household spending, additional survey has been carried out on pharmaceuticals from the custom department and the private pharmacies and re evaluate the total consumption of drugs at the private and public providers and than to complete the whole figure.

Pharmaceutical Sector Analysis

The MOH drugs budget in 2002/03 was ST$5,802,716 (5861646). The Ministry supplies essential drugs and chronic drugs through its central warehouse to public health care dispensaries and hospitals. Recognizing the drugs policy implementation process, the Ministry supported with the World Health Organization has started to review the most frequent drugs in Samoa and apply it to the Essential Drug list (EDL) system and to streamline procedures. In 2002/03 MOH undertook an important first step by implementing a new system along with AUSAID and WHO unifying its drug list nomemclature resulting talking the same language in drugs. On the other hand, Private importers have now been larger with a new pharmacies in the capital city of Apia. The service of Pharmacy in the MOH strictly enforce the EDL Practice of Pharmacy Law and start looking at the licensing of pharmacists and pharmacy premises.

The number of private pharmacies in Samoa has increased since 2002 (4). This increase in numbers has had a direct impact on availability of drugs, but not necessarily on accessibility and affordability. In Savaii there is no private pharmacies, only one public pharmacy located at the MTII hospital. It is estimated that half of the population pays for drugs out of pocket and the per capita expenditures are around $ST 48. NHA report 2002/03 estimated the per capita expenditures on pharmaceuticals $ST 48. Samoa reported to have a lot of non-registered drugs on the market. For a long time the public has been able to buy a large number of

prescription drugs over the counter and this contributes to escalating drug costs. Some strategies and measures are to promote rational drug use between professional and the public, to increase import of Generics, to introduce generic substitution, to inform the public and physicians about drug prices.

In 2002/03, pharmaceutical expenditures accounted for over 16% of total health expenditures. Considerable uncertainty exists about the size and composition of the pharmaceutical sector in Samoa. Ninety-five percent of the pharmaceuticals sold in Samoa are trade names with generics accounting for only 5%. Imported drugs account for 100% of consumption with no locally manufactured drugs. Thus, Samoa has not only high per capita expenditures on pharmaceuticals (ST$ 48) but almost all of the drugs are trade name products that are imported into the country. Expenditures on pharmaceuticals have been increasing at 19% (from 6.9 million to 8.2 million) between 2000/01 and 2002/03 a figure that is higher than the rate of inflation. Private spending on pharmaceuticals or household out-of-pocket expenditures amounted to ST$2.2 million, which account for 24% of the spending on pharmaceuticals. Public spending on pharmaceutical remain the larger part of ST$5.8 million.

Estimating the Size of the Pharmaceutical Private Sector

In order to better estimate the size of the pharmaceutical market we used the NHA report 1998/99, 2000/01 and projected to 2002/03. In addition to the analysis of the data provided by NHA, we also examined a comprehensive analysis of the pharmaceutical sector in Samoa by surveying all private pharmacies and study the data pertaining from the custom department as well as studies conducted by AUSAID and WHO consultants. As part of the NHA activity we obtained information on pharmaceutical expenditures from all public and private entities as well as the last household survey out-of-pocket expenditures on pharmaceuticals.

We might conclude that the size of the pharmaceutical market in Samoa might have been underestimated by other studies. Households might be over or under reporting the amount they spend on drugs and might be including items such as food supplements that other studies exclude. On the other hand, there might be a parallel import of drugs into the country. This could be in the form of donations received by NGOs that might bypass normal channels. In conclusion, It might be different estimates of the pharmaceutical sector in Samoa resulted probably from a combination of the various factors mentioned above.

However, NHA team run surveys at the level of private pharmacies and public sector to come to the following estimates:

Table E7. Private spending on Pharmaceuticals, Estimation NHA Survey, 2002/03

Private Pharmacies 2002 - 2003

Sources of Funds	1	2	3	Total
Selling of Drugs	$ 490,000.00	$ 1,100,000.00	$ 650,000.00	$ 2,240,000.00
Others				$ -
Total Income	**$ 490,000.00**	**$ 1,100,000.00**	**$ 650,000.00**	**$ 2,240,000.00**
				$ -
Expenditures				$ -
Wages and Salaries	$ 120,000.00	$ 180,000.00	$ 120,000.00	$ 420,000.00
Operating Expenses	$ 50,500.00	$ 130,000.00	$ 50,000.00	$ 230,500.00
Purchasing of Drugs				$ -
Australia	$ 30,000.00	$ 250,000.00	$ 50,000.00	$ 330,000.00

New Zealand	$ 200,000.00	$ 150,000.00	$ 75,000.00	$ 425,000.00
China		$ 55,000.00		$ 55,000.00
Others (Please Specify)	$ 60,000.00	$ 170,000.00	$ 55,000.00	$ 285,000.00
Total Expenditures	**$ 460,500.00**	**$ 935,000.00**	**$ 350,000.00**	**$ 1,745,500.00**
Total Profit/Deficit	**$ 29,500.00**	**$ 165,000.00**	**$ 300,000.00**	**$ 494,500.00**

We might conclude that private pharmacists might have underestimated the size of the private pharmaceutical selling in Samoa, when comparing data collected from the custom department which comes to ST$2.1 million as a drugs for retail sale imported during 2002/03. When adding 30% handling charges the volume of private pharmaceutical consumption might reach ST$2.8 million.

It is clear that at 16 percent of total health expenditures, pharmaceutical expenditures are a major area of the health sector that needs to be better managed and regulated if health care costs are to be held in check. The rapid growth in the pharmaceutical sector, the near complete reliance on brand name drugs, and imports to meet demand make rationalizing expenditures on pharmaceuticals a key area for policy intervention.

Cross Country Comparative Analysis

As we can observe in figure E11, Samoa classified as a low-income country, lies in the middle of the Pacific within the East Asia and Pacific Region Countries (EAP). However, its level of total health expenditure is more in line with middle-income countries. In terms of total public Share of Health Expenditures, public source is high compared to other island in the region and accounts for more than 60%.

Figure E11- Regional comparison EAP Public Share of Total Expenditures

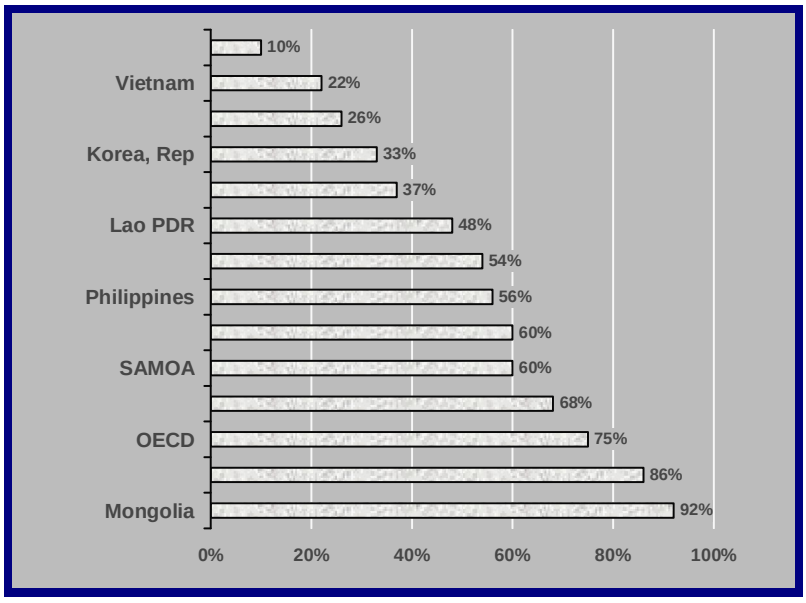


Table E12: Regional Comparison of Health Expenditures as a Percentage of GDP

Country or Region	Per Capita GDP, 2002 (US$)	Health Expenditure (per capita US$)	Health Expenditures As Percentage of GDP		
			Total	Public	Private
Fiji	2,470	77	3.4%	2.3%	1.1%
Kiribati	870	24	2.7%	N/A	N/A
Marshall	1,860	58	3.11%	N/A	N/A
Samoa	**1,686**	**94**	**5.6%**	**3.4%**	**2.4%**
Solomon	960	54	5.6%	4.8%	0.8%
Tonga	1,640	52	3.2%	N/A	N/A
Vanuatu	1,290	39	3%	N/A	N/A
MENA	2,070	54	4.8%	2.6%	2.2%
Far East	970	28	3.5%	1.5%	2.0%
OECD	24,930	2,470	9.9%	6.0%	3.9%

Source: World Development Indicators, http://www.worldbank.org
Schiber G, Maida A,Health Affairs Vol. 18 # 3
OECD Estimate in for 1999
MENA Average includes the Gulf States (1994)
WB, IMF Recent Economic Development Reports.

Main Policy Issues

National Health Accounts, increasingly used worldwide, have become an essential tool for analyzing health care financing at the national level, and a basic reference source of national health care financing indicators for health system assessment, planning, monitoring and for the evaluation of health system reforms. Specifically, this NHA report identifies problem areas for the reform of the Health sector and allows policymakers to make informed policy decisions. Key Policy issues arisen out of the NHA findings are broad and numerous and include:

- How much should Samoa spend on health services?
- How should health services be funded?
- Who should fund health services?
- How should health resources be allocated?
- What should be the role of the Donors, public sector and private sector in Samoa?

From the analysis presented in the NHA Report, it is clear that deciding on a health care financing policy involves taking into account a number of complex variables. In addition to the potential for resource mobilization, one needs to keep in mind issues of equity, administrative feasibility, and its overall effects on the health system. Samoa already spends 5.6 percent of its gross domestic product on health and the government allocates nearly 18 percent of its budget to the health sector. Government resources tend to be allocated disproportionately to urban/rural, and curative/ preventive, thus there is a need to achieve a better balance in resource allocation.
For the last decade, the government increases of health spending makes it very unlikely that it will be able to continue increasing its health allocations in the near future. Therefore it is envisaged that changes in how health care is financed will essentially involve redistribution of expenditures and pooling of funds.

Major key policy issues arisen from NHA are summarized into 4 major areas related to:

- Analyzing the institutional framework and development of health care financing policy.
- Containing cost and improve the public service efficiency.

- Rationalization of health facilities
- Regulate and control the Drugs consumption and quality of pharmaceutical care.

1- Health Financing sustainability

Policy questions are:

- Should government continue financing 60% of the THE?
- What is the role of the individuals (households) and the private health sector including the private insurance companies in financing the Samoan health system?
- Should donors continue with this level of disbursement or should the level of their funding be reduced or increased?

2- Cost containment

All publicly provided and funded health services are highly subsidised with very little co-payment by the users at the point of service delivery. What is the role of the MOH in containing cost from one side and what is the other Financing Agents role? Are we in need for a social / medical insurance scheme polling funds and solving the health needs and health in minimizing waste among different sectors and avoid overuse of Overseas treatment? The MOH is recovering only 3.5% of its annual expenditure. To improve the financial situation in the health sector, the Government would require to identify potential areas to contain costs or increase its revenues through alternative financing mechanisms like cost recovery and not essentially creating a health insurance mechanisms like social insurance or Medisave. This component will support the review, development and implementation of policies which define the funding and overall allocation of resources to health services. This issue has been raised at the MOH preferred option document developed and dessiminated in Nov 2003.

3- Rationalizing of Health Facilities, Health Service Delivery, allocation of resources and regulate the health system.

Main policy questions are:

- Should the MOH continue to be the main provider of health in the country? Is MOH and the private sector are playing their major role in Financing/Provision?
- How realistic separating providers from Payers in Samoa? And who will be the provider and who will act as a financer and administrator? Is the issue of making the MOH a provider is reliable in Samoa and why?
- What is the role of other Financing Agents in the whole system?
- Does Samoa need more investment in Health facilities?
- Is the current allocation of resources between rural and urban areas appropriate?
- Is the current allocation between curative care on the one hand and preventive and primary care on the other appropriate?

Our analysis shows that the MOH is the major provider of health services in the country through its main hospital in Apia and other district hospitals, Health centerrs, and rural health units. In addition the government funds constitute more than 60% of the THE. NHA highlight the issue that Samoa still investing in health facilities. There is a need to develop guidelines for how resources should be allocated, develop indicators to measure actual allocation and use National Health Accounts to monitor resource flows in the future.

The other issue is the need to be more realistic in supporting and reviewing of the role of the MOH and other government agencies. The idea is not shifting functions at the level of agencies but rather adjust the current system without any more investment in administration. The MOH is currently and should be the main regulator and administrator of the governemnt funds for the good of the people of Samoa.

4- Rationalizing expenditures on Pharmaceuticals

Pharmaceuticals accounted for over 16% of total health expenditures and over 24% of Out-of-pocket. While some of this might be explained by the fact that private pharmacies might be under reporting selling drugs, there exists the high level of importation of drugs which is around ST$2.1 million in 2002/03 and when adding 30% handling charges the volume of private pharmaceutical consumption should be ST$2.8 million.. The high level of expenditures also is likely due to the lack of a significant policy for using generic drugs, as substitutes for other equivalently higher prices prescription drugs in the private sector. Hence, to effectively contain overall drugs expenditures, Samoa should initiate policies for improving the efficiency by which pharmaceuticals are imported, distributed and sold in the country and improve its management and oversight of this sector.

CHALLENGES AND LESSONS LEARNT

The major obstacles experienced in compiling the National Health Accounts are listed below:

1) *Availability of Data*: Public sector agencies were very cooperative in sharing information with the NHA team. However, collecting information on the distribution of expenditures by function, and linking expenditures to utilization was problematic. Financial management and accounting systems do not exist that can collect information on costs, distribution of expenditures by function, and establish links between costs and utilization. Information on private sector expenditures was unavailable and the team had to resort to primary data collection.

2) *Quality, Validity, and Reliability of Data*: Absence of an effective information system on health expenditures at government agencies has resulted in producing data of suspect value. Even when data was available its quality, validity, and reliability remained a matter of concern. Discrepancies existed between expenditure data provided by the Treasury and government agencies. Reconciling these was not always easy and required numerous iterations Conscious of the fact that quality and validity of data are questionable, extra effort was spent in ensuring that data for the NHA report are the best available data.

3) *Standard Accounting Definitions*: A lack of standard definitions and codes of budgetary items, and functions and services through out the health sector has caused difficulty in compiling the NHA report. Training has been given to National Health Account team during the monthly meetings on classification based on the new NHA producer's guide.

4) *Traditional Healers and Birth Attendance Data:* Information from Traditional Healers and Traditional Birth Attendance still remains a challenges on how to estimate the exact value for in-kind payments/donations

5) *Government awareness and support for NHA*: The level of awareness and support for the NHA activity has raise through out all public and private stakeholders, due to the Government support and decision to conduct a periodical NHA report. NHA team members from each of the institutions were fully committed and understood the value of NHA with full support at the senior level being extended for the NHA activity.