

Methodological approach to assessing trade in health services

A guide to conducting country studies



World Health Organization
Regional Office for the Eastern Mediterranean

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Foreword

Globalization represents a challenge to health systems, both in the Eastern Mediterranean Region of the World Health Organization and worldwide. The opening up of trade in health services will create new opportunities for health systems while also putting pressure on them and creating new challenges for them. Health systems are expected to benefit in particular from developments in information technology, which will facilitate access to up-to-date biomedical technology and skills for large segments of population. At the same time, concerns have been expressed about the potential negative impacts of free trade in health services on access to essential health services, on the existing brain drain of qualified professionals from the Region and on overall equity with respect to health care.

Assessing trade in health services is a relatively new area that has only recently caught the attention of public health professionals and health policy-makers alike. Country studies on assessing trade in health services require a valid and reliable methodology that will allow the possible impact of international trade on access, quality, equity and efficiency of health services to be estimated. This monograph addresses such a need.

It is hoped that Member States from within the Eastern Mediterranean Region, as well as those from other regions of the World Health Organization will make use of this document. Several countries of the Region have already undertaken country studies on trade in health services and have benefited from the methodological approach offered in this monograph. I would like, finally, to acknowledge the fruitful collaboration between the World Health Organization and the International Development and Research Center (IDRC), Canada, in the development of this document.



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1. Introduction

Most ministries of health in countries of the Eastern Mediterranean Region of the World Health Organization (WHO) are facing the challenge of providing accessible, efficient, equitable and quality health services to their populations. How health policies are formulated, how health systems are financed, how human and physical resources are generated, and how health services are organized and regulated, are some of the well known determinants of health service provision. A relatively recent development has been the recognition of the influence of trade on the efficient and equitable provision of health services. Although international trade in health services (TiHS) has been increasing in recent years, the General Agreement on Trade in Services (GATS) has been instrumental in stimulating current thinking on the implications of globalization and opening up of trade for health services, in posing new challenges and in creating new opportunities for the health systems.

Through GATS, the Member States of the World Trade Organization (WTO)¹ committed themselves to liberalizing trade in services, including health services [1]. But there is a concern in developing and developed countries that trade objectives may override those of domestic health sectors and thus impede the realization of local goals [2,3]. There is a growing body of literature that has documented the potential and actual effects of TiHS on health sector performance. In particular, there are concerns that equity, and to a certain extent allocative efficiency, may be sacrificed in favour of market forces in the health sector [4,5,6]. Across the four modes of GATS (cross-border supply, consumption abroad, foreign commercial presence and movement of natural persons) there is a perception that liberalized trade may push resources towards either richer countries or urban elites in developing countries, to the detriment of public service provision for the poor. The need for effective policy-making and regulation with the liberalization of TiHS has therefore been noted [1,4].

¹ The total number of members of WTO in June 2004 was 147.

Trade in services between countries, including trade in health services, has a long history, which long predates the WTO. The stated aim of GATS is to progressively liberalize trade “as a means of promoting the economic growth of all trading partners and the development of developing countries.”² Every country submitted a schedule of specific commitments in 12 broad groups of service sectors, including the health sector (8th group) and relevant sub-sectors in other groups, presumably after assessing their individual country situation. Once submitted, the schedules become an integral part of GATS and these commitments become almost irreversible.

Until recently, little had systematically been done in the Eastern Mediterranean Region to investigate the underlying factors that contribute to the existence of TiHS and its effect on the health system. Without an understanding of the factors which determine the nature and value of TiHS, their potential risks and possible benefits to public health, and their effective regulation, WHO’s time honoured goal of Health for All may become increasingly difficult to achieve.

The WHO Regional Office for the Eastern Mediterranean, in collaboration with the International Development Research Center (IDRC), Canada, and the United Nations Population Fund (UNFPA), Egypt, is implementing a two-year project to better understand some of these issues and to help governments formulate evidence-based national policies on TiHS. Under this initiative, studies are being undertaken in 10 countries of the Region. However, TiHS being a relatively new area, there is a need to develop a uniform research methodology that allows country studies to objectively assess trade and its public health implications, which is replicable, and that allows for cross-comparison between countries.

For a WTO member country or a country aspiring to become a member, it is essential to make an objective assessment of TiHS in order to develop strategies for future trade negotiations or to make decisions about commitments in the health sector. A framework is required for approaching such as assessment. WHO headquarters has started systematic work in this area. A General Framework for Country Analysis [7] was developed, basically to gather information,

² From the preamble of GATS.

and, as a first step, the logic of the framework was very well thought out and comprehensive. The Regional Office commissioned four country studies (Egypt, Pakistan, Oman and Tunisia) on the basis of this framework. Following the applied work undertaken in these four countries, the investigators of the country case studies found the framework to be long and complex and expressed the need to refine it.

A framework for policy-makers has been developed along the same lines as mentioned above in a chapter of a WHO book to be published on TiHS in developing countries and GATS³. In this framework the authors have tried to re-organize an earlier version of the general framework to make it more systematic.

The present methodology is based on a thorough review of the above-mentioned frameworks, as well as the experience of the applied country case studies. This methodology adapts the earlier frameworks, with a view to simplifying them by cutting down and refining the questions. The basic logic, however, remains the same. The methodological approach used in this monograph (section 4) starts from sketching the broad picture of both the macroeconomic and trade situation and that of the health sector in the country under study, and then narrowing it down to the situation of TiHS under each mode of supply as defined by GATS, according to the following outline.

Part 1: Contextual background

1. Macroeconomic and trade environment
2. State of the domestic health care system

Part 2: Methodological approach to assessing TiHS under the four modes of supply

Mode 1: Cross-border supply of health services

M 1.1: National policy on e-health

M 1.2: Current status of trade under mode 1

M 1.3: Commitments made within the framework of GATS under mode 1

³ www.WHO.int/trade/resources/tradewp/en/

M 1.4: Regulatory regime for e-health

M 1.5: Situation of IT infrastructure

Note on data availability and sources of information

Mode 2: Consumption of health services abroad

M 2.1: Scale of trade under mode 2 (imports/nationals)

M 2.2: Scale of trade under mode 2 (exports/foreigners)

M 2.3: Commitments made within the framework of GATS under mode 2

M 2.4: Government regulations for TiHS under mode 2

Mode 3: Foreign commercial presence

M 3.1: Scale of trade under mode 3 (mainly inward foreign direct investment [FDI])

M 3.2: Commitments made within the framework of GATS under mode 3

M 3.3: National policy on commercial presence in the health care sector

M 3.4: National regulatory regime for commercial presence in the health care sector

M 3.5: Challenges posed under mode 3

Mode 4: Movement of health professionals (natural persons)

M 4.1: Scale of movement of health professionals out from your country (exports)

M 4.2: Scale of movement of health professionals into your country (imports)

M 4.3: Commitments made within the framework of GATS under mode 4

M 4.4: National policy on the movement of health professionals

M 4.5: National regulatory regime for the movement of health professionals

2. Objectives

The main objective of this monograph is to provide a consistent methodological approach to be followed by countries which are part of the WHO/IDRC/UNFPA Concerted Action for Research and Capacity Building in Trade in Health Services in the Eastern Mediterranean Region when collecting and analysing data and information on TiHS.

The core components of the methodological approach are:

1. A review of the overall macroeconomic and trade environment and the domestic health system to provide the contextual basis for the assessment of trade in health services;
2. An estimate of the value and direction of TiHS with respect to the four modes of supply under GATS;
3. An analysis and assessment of the level of country commitments for providing and/or seeking market access to health services;
4. An assessment of the challenges and opportunities posed by the liberalization of trade on the provision of health services and options for national policy-makers.

In addition, the proposed methodology permits cross-comparison of studies between countries, and within countries over time, especially for those at similar levels of socioeconomic development.

Issues around TiHS

One of the main challenges facing the health care sectors of developing countries lies in the limited financial and human resource capabilities needed to meet the health needs of the population. Public financing is much lower than is required to provide universal coverage for primary health care, as well as in comparison with private out-of-pocket spending.

Economic and trade liberalization in the wake of globalization have introduced new challenges and opportunities for developing countries. Developing countries that are members of the WTO are obliged to reorient their trade policy in order to promote rule-based free trade. Trade policy in a country is an overarching policy, which

can influence many sectors of economic and social activity and policies, including health policy. GATS is one such WTO Agreement which can directly impact on the health sector if a country has made commitments for TiHS.

It is important to bear in mind that the logic of liberalizing trade in goods and services may be intrinsically different from that of liberalizing trade in 'health' services. The reason being that market dynamics, specialization as presented by the concept of comparative advantage, and profit motives are the main concern of trade activities. When discussing health care services, the fact that markets fail in many instances, shifts the whole framework of analysis away from markets and towards what is called a 'public health' and 'public good' perspective [8]. The public health perspective is mainly concerned with the achievement of non-market outcomes such as 'good health for all', thus requiring a categorically different 'lens' when assessing the implications of liberalizing trade in health services. The public health perspective must be sustained at all times throughout the analysis to be presented by country investigators.

The public/private divide

In the context of GATS, trade in health services is exclusive to trade in the private health care sector. In other words "services supplied in the exercise of governmental authority", which means "any service which is supplied neither on a commercial basis, nor in competition with one or more service suppliers",⁴ are exempted from the scope of GATS. Nonetheless, understanding the dynamics of both the private and public health care sectors in developing countries is of crucial importance for gaining a complete picture of the implications of liberalizing TiHS for equity, efficiency and accessibility. One of the main reasons why equal importance is given to studying the provision of health services in the domain of both the private and public sectors, is that the extent to which the public sector

⁴ GATS: Part I, Article 1, Section 3, sub-Sections b and c. There is some debate among international legal experts about the exact interpretation of this section but generally it is understood that public services (under government authority) are out of the scope of definition of "services" in the GATS Agreement.

provides access to quality affordable health care services with universal accessibility, limits the scope of private local as well as foreign sector presence in the health care sector. The examination of both sectors is therefore imperative for obtaining a complete picture when tackling the issue of liberalizing TiHS.

These are important issues to be kept in mind while dealing with trade in health services, whether the country under investigation is developed or developing.

Challenges and opportunities: the analytical framework

This study is concerned with examining the implications of TiHS for public health care in countries under investigation. This is an important point, because public health considerations cannot and should not be compromised under pressure to increase TiHS. In fact public health aspects need to be deliberately protected and promoted in discussions and in the decision-making processes. The ultimate objective should therefore primarily focus on the extent to which TiHS can promote and support public health. The situation analysis that results from this methodological approach should be helpful for governments when making decisions regarding commitments in the health sector under GATS.

It is very important to have a clear conceptual understanding about what is meant by the 'public health perspective'. This perspective should be based upon the government's vision of health care for its population, which is usually enshrined in the national health policy document. The objectives of the national health policy should guide the decisions about trade-related commitments in the health sector.

1. Accordingly, trade under each mode of supply implies a set of possible challenges and opportunities associated with increasing trade in health services, especially in low-income developing countries. These challenges and opportunities need to be carefully examined against each country's socioeconomic context, in order to outline the various options available for national policy-makers in the area of liberalizing trade in health services. The set of challenges and opportunities outlined in Box 1 provide the core components of the analytical framework of the

Box 1. Opportunities and challenges of GATS in public health

Opportunities	Challenges
Cross-border supply (mode 1)	
<ul style="list-style-type: none"> • Allows health care providers to cater to remote and underserved areas and segments of the population, thus allowing improved access to health services and improving equity • Helps alleviate human resource constraints by enabling remote delivery of health services and providing affordable and better quality diagnosis and treatment in poorer countries • Saves on foreign exchange as a result of reduced need for domestic patients to go overseas for treatment • Enables developing countries to update medical education via electronic medium 	<ul style="list-style-type: none"> • Resources are diverted from important areas such as basic health care facilities for disease prevention and cure, where there is a direct impact on the poor, to investment in telemedicine • Resources may be channelled from rural and primary health care towards specialized centres which cater to the affluent few • High capital-intensity of the service and the lack of required telecommunications infrastructure may undermine the cost effectiveness and affordability of telemedicine
Consumption abroad (mode 2)	
<ul style="list-style-type: none"> • May enable exporting countries to undertake improvements in the national health system by generating foreign exchange earnings and additional resources for investment • Can help upgrade the health care infrastructure, medical knowledge and health care standards in the country to attract foreign patients • For importing countries, consumption abroad can be an important means of overcoming shortages of physical and human resources, particularly for specialized services 	<ul style="list-style-type: none"> • May result in a dual-market structure or can aggravate such tendencies within the health care system by creating a higher quality expensive segment which caters to the wealthy foreigners, alongside a much lower quality resource-constraint segment catering to nationals • Trained doctors and other medical personnel may be tempted to leave the public sector for the higher standard sectors serving foreign patients • If services made available to foreign patients are not also made accessible to nationals, this may result in the crowding out of the local population

Foreign commercial presence (mode 3)	
<ul style="list-style-type: none"> • Can generate additional resources for investment in and upgrading of health care infrastructure, create employment opportunities and reduce underemployment of health personnel • Can enable the provision of specialized medical services and increase the competitive capacity, quality and productivity of health care services • The availability of private (foreign) capital can reduce the total burden on government resources and help relocate government expenditure towards the public health care sector • Can make possible quality improvements through the introduction of advanced management techniques • Foreign commercial presence can create positive externalities for national training institutions, when allowing nationals exposure to advanced technical and managerial practices 	<ul style="list-style-type: none"> • Pressure on movement resources may be offset by the large initial public investments that may be needed to attract foreign direct investment in the health care sector • May result in a two-tier health care system consisting of a corporate segment and a public sector segment, which may also create a problem of internal brain-drain, with more qualified health care professionals moving from the public health care segment to the corporate segment for better pay and superior infrastructure • Foreign direct investment may be concentrated on high-end technologies and not the kind of services which address the broader social needs of the population, which may result in crowding out of poorer patients and a 'cream-skimming' phenomenon whereby those who need less but can pay more are served at the expense of the poor and more deserving
Movement of health care providers (mode 4)	
<ul style="list-style-type: none"> • Can help promote the exchange of clinical knowledge among professionals and raise the standards of health care in the home country, provided these service providers return to the home country • The home country may gain as a result of remittances and transfers by providers working abroad • From the point of view of health professionals, mode 4 is welfare enhancing as it provides them with the opportunity to earn more wages and widen their knowledge and skills • Mode 4 provides an important means to meet shortages of health care providers 	<ul style="list-style-type: none"> • If the outflows of health service providers are of a permanent nature, or in other words there is a brain-drain of health professionals, this will have adverse implications for equity, quality and availability of health services for the source country

Source: Compiled from [9].

country case studies. It is important to note that the state of the domestic health system under study, as well as the domestic regulatory and infrastructural environment, determine the extent to which challenges are to be minimized, as well as the extent to which opportunities associated with the process of liberalization are to be maximized.

Directions, magnitude and value of TiHS

The study should be able to provide information about TiHS in the countries under investigation, with reference to its direction in terms of inflow and outflow, i.e. imports and exports under each of the GATS modes of supply. This information is basic to formulating a negotiating strategy, if the country is already a WTO member, or to making decisions about making commitments in the health sector, if the country is in the process of accession to the WTO. Apart from the information about imports and exports, the study should also endeavour to provide data and analysis regarding the quantification of trade flows (volumes) under the different modes of supply.

Box 2 clarifies the differences between what is meant by an import versus an export transaction in the domain of trade in health services, as they are not consistently the same under each of the four modes of supply.

Research questions addressed by the proposed methodology

This research methodology is based on a questionnaire, which is to be filled in by identifying credible sources of information. The collected information then needs to be organized, analysed and presented in a report form, to answer the following two major study questions:

1. What is the direction, magnitude and value of trade in health services for the four modes?
2. What are the opportunities and challenges imposed by GATS from a public health perspective?

Box 2. Import versus export transactions under GATS

Import	Export
Mode 1	
<p>Consumers in your country buy cross-border services from providers in other countries</p> <p>Money flows out of your country to the country in which the service provider resides</p>	<p>Consumers in other countries buy cross-border services from providers in your country</p> <p>Money flows into your country as a result of payments made by consumers in other countries to providers in your country</p>
Mode 2	
<p>Patients and students from your country travel to other countries to seek better/cheaper services</p> <p>Money flows out with the patients/students who settle the payments for the services they consume in other countries</p>	<p>Patients and students from other countries travel into your country to seek better/cheaper services</p> <p>Money flows into your country with patients/students who consume services and hence have to make direct payments to the service providers</p>
Mode 3	
<p>Foreign investors set up commercial presence in your country's health care sector</p> <p>Money flows into your country and appears as an import transaction on your balance of payments</p>	<p>Investors from your country set up commercial presence in foreign countries in the domain of health care provision</p> <p>Money flows out of your country and appears as an export transaction on your country's balance of payments</p>
Mode 4	
<p>Health care professionals travel into your country to provide their services to local consumers</p> <p>Money flows out of your country as a result of salaries paid to and repatriated by foreign temporary professionals</p>	<p>Health care professionals from your country travel to other countries for temporary jobs</p> <p>Money flows into your country as a result of remittances made by professionals from your country working abroad</p>

At the policy level, the analysis to be presented by the investigators of the case studies should be able to provide answers to the following important questions:

1. What are the opportunities provided by GATS that should be harnessed to improve the access, equity, efficiency and quality of health services?
2. When should developing countries put health on the table as one of the subjects for negotiation during GATS negotiations? What are the issues, challenges and opportunities that they need to be aware of before liberalizing trade in the health sector?
3. What does the WTO principle of most favoured nation (MFN) status entail for countries once they decide to open up the health sector and what implications does it have?
4. Should countries spell out conditionalities before providing market access in the health sector? What should these be and what is their rationale?
5. What are the capacities of staff in ministries of health, trade and commerce, and in academic and research institutions, on the subject of trade and investment in health services and how can these be strengthened?
6. What are the mechanisms for policy coordination within government on trade and investment in health services and related issues?

3. Guidelines for investigators

Investigators will be following a methodological approach which relies on a questionnaire for compiling the country case study on TiHS. The methodology section is divided into two parts. Part 1 provides the framework for assessing the macroeconomic and trade environment and the state of the domestic health care system, and linking the key findings to the issue of TiHS. Part 2 outlines the methodological approach to be followed in order to assess TiHS under the four modes of supply, as specified by GATS. The focus is

on the national policy, current trade patterns and existing regulatory regime with respect to the mode in question.

The questionnaire is designed to ensure that countries which are part of this project follow the same approach to compiling the case studies, in order to allow for cross-country comparisons. Please note that in some cases you may not be able to provide an answer to all of the questions, and may also have to divert from the sequence of questions. However, you are asked to indicate when a question does not apply, or when the answer, either in qualitative or quantitative form, is not readily available, and to state the reasons.

4. Methodology

Part 1: Contextual background

Part 1 of the country case-studies should start by giving a brief account of the key macroeconomic and trade variables influencing TiHS in your country, to be followed by a more detailed account of the status of the health care sector.

1.1 Macroeconomic and trade environment

In this section, brief background information about the macroeconomic and trade environment is to be presented, both in table (see Table 1 as an example) as well as in text form. The table groups the data to be collected at the country level, to be followed by the analytical text, which addresses the following questions.

Question 1. Is trade liberalization part of your country's development strategy?

Explanation: The answer to this question should highlight the development in your country's trade regime. This will help the readers understand the extent to which liberalization has covered all sectors of economic and social activity, and whether liberalization efforts have also touched on the health services sector.

Table 1. Key macroeconomic and trade indicators

	1985	1995	2000	2003
Key economic indicators				
GDP (US\$ billions)				
GDP annual growth rate (%)				
Exports of goods and services/GDP (%)				
Current account balance/GDP (%)				
Exchange rate (against US\$)				
Inflation rate				
Structure of the economy				
Agriculture (% of GDP)				
Industry				
Services				
Balance of payments				
Total exports				
of which services				
Total imports				
of which services				
External debt and resource flows				
Total debt outstanding and disbursed				
Composition of net resource flows (US\$ million)				
of which FDI (US\$ millions)				
Poverty and social indicators				
Population (millions)				
Per capita GDP (US\$)				
Poverty (% of population below US\$1 a day)				
Per capita health care expenditure (US\$)				
FDI, foreign direct investment				

Question 2. What is the trend regarding foreign direct investment (FDI) in your country, and is FDI viewed as an essential catalyst to the general development strategy?

Explanation: By answering this question, the author will be able to identify the nature of the government stance towards FDI in the economy in question. Further distinctions are to be made with respect to the treatment of FDI in various sectors of economic activity.

Question 3. Is your exchange rate vis-à-vis your major trading partners stable?

Explanation: It is important to examine the stability of the exchange rate, especially for net importers of health services. Exchange rate fluctuations denote an increase in the import bill of health services by net importers. Exchange rate stability is also an important determinant of inward FDI, particularly in relation to the repatriation of profit. For example, a major devaluation may negatively affect the amount repatriated in foreign currency. Foreign exchange shortages may not allow repatriation altogether.

Possible sources of information: Central Bank, investment authorities, national accounts, and multilateral sources: United Nations, World Bank and International Monetary Fund.

1.2 State of the domestic health care system

To undertake this enquiry, as in the previous section, a list of questions are introduced with a very brief description of each, the number of areas to be covered in the answer and indication about the possible sources of information. In the “explanation” part, the different typeface shows the essential areas to be enquired and reported on, even if information is not available or accessible.

Question 1. What is the health situation in your country?

Explanation: Recent information about key health indicators is important to assess the health situation of the population under study. Minimum indicators, to be presented in table form, include the following.

1. Population size
2. Population growth rate
3. Life expectancy at birth
4. Burden of disease (proportion of communicable and noncommunicable diseases)
5. Prevalence of malnutrition
6. Infant mortality rate
7. Maternal mortality ratio
8. Any other important macro health information⁵

Possible sources of information: The information about these indicators is generally readily available from Ministry of Health reports and international organizations such as WHO, United Nations Development Programme (UNDP) and World Bank.

Question 2. How is the health care system organized and financed in your country?

Explanation: This question targets the gathering of information about the public–private⁶ presence in the health care sector as well as the sources of financing. Since TiHS takes place only in the private health care sector, the focus should be to better understand its structure, function and market size. The following essential areas are to be covered in the answer.

1. Utilization of health care services by the population in the public sector and the private sector
2. Total health expenditure
3. Government health expenditure

⁵ This is an optional question and allows for any important country-specific information related with health situation.

⁶ Private sector, in this document means for-profit private sector, i.e. commercial sector and it does not include not-for-profit private sector.

4. Private health expenditure, also called out-of-pocket expenditure
5. Profile of public health sector which should include information about types of services provided, i.e. preventive, curative, promotive, rehabilitative, different tiers of health care facilities and their numbers, number of doctors and nurses, provision and quality of health care in urban versus rural areas and to rich versus poor people, major breakdown of government health budget
6. Profile of private health sector which should include listing of various types of private health care providers/facilities⁷ with their numbers and location (urban versus rural), different levels of private health care facilities, direct or indirect presence of any foreign health care providers and trends in this regard

Possible sources of information: This kind of information is available from Ministry of Health reports; local WHO office/reports; local World Bank office/reports; national economic surveys; independent research studies; national medical associations; associations of private hospitals etc. It is also worth checking whether your country has established a National Macroeconomic Commission on Health as recommended by WHO.

Question 3. What are the major health care challenges in your country?

Explanation: This question is designed to address the 10 existing major health care problems in your country. The idea is to record these problems, as they exist or are perceived to exist, so that they can be taken into consideration while discussing TiHS and its likely impact (positive or negative) on these problems. The likely challenges are/can be as follows, but note that the following list is just indicative of the problems. These would vary from country to country in their nature and in their order of priority, as well as in terms of their seriousness and hence importance.

⁷ Private health care providers/facilities include only those which are recognized by the Ministry of Health. It does not include the informal private health care sector, i.e. traditional health care providers, unqualified (most of the time illegal) practitioners etc.

1. Poor segments of the population not getting access to health care
2. Urban bias in health care provision
3. Non-availability of doctors/medicines in public health facilities
4. High cost of private medical care
5. Lack of reproductive health care
6. Government not spending enough on health
7. Lack of regulation in health care
8. Lack of Expanded Programme on Immunization (EPI) services
9. Prevalence of any specific health problem, e.g. tuberculosis, HIV/AIDS

Possible sources of information: A brief survey based upon interviews with at least 10 key informants including: at least two senior health policy-makers from the Ministry of Health; at least two senior medical professionals (specialists); two senior and busy general practitioners; two senior public health experts/researchers preferably from the public health department of a university or national medical research council; and two senior workers at a national health nongovernmental organizations. All of these should be asked a simple question: What do you think are the five most important health care problems in our country? A list of up to 10 issues should be developed, based upon the answers as well as your own observations.

Question 4. What is the status of health policy and health regulations in your country?

Explanation: It is important to find out the government's policy and vision for the health sector and the adequacy of health regulations. In view of acknowledged market failures in health, governments implement special regulations to ensure consumer safety and interest. The answer to this question will provide information about the need, if any, for improvement in health regulations in the context of opening up of the private health sector to foreign providers. Check for the following points.

1. Constitutional provision for health care
2. Existence of a national health policy document
3. National health law for universal/primary health care insurance etc
4. Existence of a statutory national medical council and its mandate, which usually includes licensing of medical practitioners, accreditation of medical institutions, implementation of code of conduct for medical practice etc.
5. Any law(s) for price/cost control
6. Law(s) for quality control of health-related products and services based upon certain minimum quality standards
7. Any specific laws with reference to trade in health services
8. Any other important health-related law/rule/regulation

Possible sources of information: Ministry of Health; National Medical Council; lawyers specializing in medical jurisprudence etc.

Part 2: Methodological approach to assessing TiHS under the four modes of supply

Mode 1. Cross-border supply of health services

In the following section, as well as for the remaining modes, a set of key questions in each of the key areas are listed along with brief explanation. In the “explanation” part, the different typeface shows the essential areas to be enquired about and reported, even if information is not available or accessible.

1. Current status of trade

Question M 1.1: What is the current national policy on e-health in your country?

Explanation: The answer to this question will help to understand the country’s approach towards e-commerce in general and e-health in particular and should cover the following areas.

1. Whether e-commerce is mentioned in national trade and/or national information technology (IT) policy and if so, how it is mentioned and explained and how it covers e-health
2. The agency in the government that is currently responsible for e-health
3. Existence of any public-private partnerships in e-health

Question M 1.2: What is the current status of trade in this mode?

Explanation: The answer to this question should provide an idea about the current situation regarding trade under mode 1. The answer should provide information in the following areas:

1. List of main foreign providers of e-health in the country and their countries of origin. Also explain types of services and the arrangements under which they supply these services

2. List of main providers of e-health in the country which are providing services to consumers in other countries, along with the names of those countries
3. Any estimates about the value of imports and exports in e-health
4. Whether use is made of e-health in public versus private health care institutions and whether such use is as prevalent in both segments, in similar or different areas of medical practice

Question M 1.3: What are your country's existing or proposed GATS commitments under mode 1 in health services?

Explanation: The answer to this question will help us understand your country's approach towards cross-border supply. The answer to this question should include information in following areas.

1. The health-related sub-sectors in which your country has made commitments under mode 1
2. In each health-related sub-sector, the nature of commitments that have been made, i.e. full, partial, unbound
3. The kind of limitations that have been maintained in these commitments, i.e. restrictive or liberal

2. Infrastructure and regulatory capacity

Question M 1.4: What is the regulatory regime for e-health in your country?

Explanation: It is important to learn about current regulations for e-commerce and e-health, both in terms of their adequacy for existing cross-border supply, as well as for future business in a liberalized environment. The following areas need to be covered.

1. List and explanation of the different laws/rules/regulations which govern e-commerce including e-health and whether there are separate laws for regulating e-health, with commentary on their implementation status

2. Explanation of regulations related to data protection in your country
3. Explanation of the system of settling e-payments in your country and of relevant regulations, if any

Question M 1.5: What is the situation of IT infrastructure in your country?

Explanation: The answer to this question is important in order to understand the potential for benefiting from trade in e-health services, especially for remote areas. The information should include the following.

1. The status of internet coverage in the country and percentage of the population that has access to computers, internet etc.
2. The extent of computer and internet usage in the health sector, both public and private sectors
3. Computer literacy in general and among health professionals
4. Reliability of electricity and internet connectivity

3. A note about data availability and sources of information

As mentioned at the beginning, it is not easy to get all the information about cross-border supply of health services. Being a relatively new area in developing countries, information about e-health transactions in terms of value and volume may not be easily available.

The possible sources of information for all the above questions are: Ministry of Communication and/or Ministry of Information Technology and/or Ministry of Science and Technology; Ministry of Health; Ministry of Law and Justice; Ministry of Trade and Commerce (WTO section); Department of Telecommunications; WTO website; associations of private hospitals; Association of Internet Service Providers; medical associations; websites located through search engines; Central Bank; export promotion agencies; independent research institutions; research study reports etc.

Mode 2. Assessment of consumption of health services in other countries: key questions

1. Current status of trade

Question M 2.1: What is the scale of movement of nationals from your country for consumption of health services abroad?

Explanation: The answer to this question will give an idea about the outflow (i.e. imports) by local consumers in other countries as a result of consuming health services of varied kinds abroad. The answer should cover the following essential areas.

1. Number of people going abroad deliberately for treatment and trend for the last five years
2. Number of students going abroad deliberately for health/medical education and trend for the last five years
3. List of countries where consumers and students go
4. Estimates of financial resources spent on consumption of health services in other countries
5. Breakdown of these consumers by sponsorship, i.e. self-sponsored; government sponsored; sponsorship by insurance companies; any other sources

Question M 2.2: What is the scale of movement of foreigners into your country for the consumption of local health services?

Explanation: The answer to this question will give us an idea about the inflow (i.e. exports) of foreign patients into your country for the consumption of local health services of varied kinds. The answer should cover the following essential areas.

1. Number of patients coming from other countries deliberately for treatment and trend for the last five years

2. Number of students coming from other countries deliberately for health/medical education and trend for the last five years
3. List of countries of origin for consumers and students
4. Estimates of money spent on consumption of local health services
5. Information about the kind of local health services they use
6. Breakdown of these consumers by sponsorship, i.e. self-sponsored; government sponsored; sponsorship by insurance companies; any other source

Question M 2.3: What are your country's existing or proposed GATS commitments under mode 2 in health services?

Explanation: The answer to this question will help to understand your country's approach towards movement of people across borders to seek health care, as well as the potential of local health services as a market for foreign consumers. The answer to this question should include information in the following areas.

1. The health-related sub-sectors in which your country has made commitments under mode 2
2. In each health-related sub-sector, the nature of commitments made, i.e. full, partial or unbound
3. The kind of limitations that have been maintained in these commitments, i.e. restrictive or liberal

2. Infrastructure and regulatory capacity

Question M 2.4: What are the government regulations for consumers going abroad for consumption of health services or for consumers coming to your country for the same purpose?

Explanation: This is to understand the nature of government regulations in terms of the extent to which they facilitate or restrict the movement of consumers of health services to other countries or

from other countries. The answer to this question should include the following areas.

1. Whether the government imposes any restrictions on private citizens going abroad for treatment or education, including foreign exchange restrictions and the nature of the government's approach
2. Whether any of the health care insurance schemes in your country are subject to portability
3. Any government regulations and criteria for sending nationals for treatment abroad at state expense
4. Any specific government regulations for foreign consumers or students coming in for consumption of local health services

3. A note about data availability and sources of information

The possible sources of information for all the above questions are: Ministry of Health; Ministry of Interior (Immigration Section); Ministry of Justice; Ministry of Foreign Affairs; Ministry of Trade and Commerce (WTO section); Ministry of Education; WTO website; Ministry of Tourism; Secretariat of Parliament; associations of private hospitals; Central Bank; national accounts; independent research institutions; research study reports etc.

*Mode 3. Assessment of commercial presence of foreign health providers:
key questions*

1. Current status of trade

Question M 3.1: What is the current status of trade under mode 3?

Explanation: The answer to this question should provide us with an idea about both the stocks and flows of FDI in the health care sector (to be presented in table form), both inward and outward. Inward stocks can be obtained from the investment regulatory authorities, with possibly a

breakdown by kind of activity. The following areas should be covered analytically.

1. Inward FDI in the health care sector compared to total inward FDI received by your country
2. Breakdown of FDI by sub-sector and nature of activity

Question M 3.2: What are your country's existing or proposed GATS commitments under mode 3 in health services?

Explanation: The answer to this question will help us understand your country's approach towards foreign commercial presence in the health care sector. The answer to this question should include information in the following areas.

1. The health-related sub-sectors in which your country has made commitments under mode 3
2. In each health-related sub-sector, the nature of commitments made, i.e. full, partial or unbound
3. The kind of limitations that have been maintained in these commitments, i.e. restrictive or liberal

2. Infrastructure and regulatory capacity

Question M 3.3: What is the national policy on FDI in the health sector?

Explanation: This question targets the examination of investment promotion legislation (if it exists) that governs FDI in the health care sector. The answer should cover the following areas.

1. Whether the health sector is open for FDI, as other service sectors are
2. If it is open, the objectives of allowing FDI into this area
3. Whether the government uses investment incentives to attract FDI in health services and if so, what forms they take, e.g. cash infusions, infrastructure work, tax

revenues foregone on hospitals, clinics or professionals

4. The government agencies that are responsible for regulating FDI entry to the health care sector
5. The nature of legislation governing FDI in the health care sector

Question M 3.4: What is the regulatory regime for commercial presence in the domain of health care in your country?

Explanation: It is important to understand how foreign-owned hospitals and clinics obtain licensing from the concerned health authority. FDI in the domain of health may be governed by two sets of domestic legislation, one related to FDI in general, the other pertaining to authorization needed from health care authorities. Both need to be examined and the relationship between them highlighted. The answer should cover the following areas.

1. The government regulatory authority/agency that issues the licence to establish foreign commercial presence in the health care sector
2. The criteria used to issue and renew a licence for foreign commercial presence in the health care sector

Question M 3.5: Does foreign commercial presence create any shortages of health personnel or inequalities in terms of access in your health care sector?

Explanation: This question targets the examination of the possible challenges posed by trade in health services under mode 3. The case study approach can provide the answer regarding the nature of FDI in health care services and its repercussions with respect to the issue of shortages and unequal access. One or two foreign owned hospitals should be studied while addressing the following issues.

1. Number of employees (local versus foreign)
2. Wage levels provided by foreign-owned establishments versus those provided by the local private and the public sectors
3. Number of local versus foreign patients admitted and trend for the last five years
4. Scope and quality of services provided by the foreign-owned establishments versus those provided by the local sector
5. Price differentials between the services provided by the foreign establishments versus the local sectors

3. A note about data availability and sources of information

Data on FDI may be available from the balance of payments statistics as well as from the Central Bank. Data from the United Nations Conference on Trade and Development (available online) can also be a very useful source of information. At a more detailed level, the investment regulatory authorities provide the breakdown of FDI by sector and by kind of activity. The Ministry of Health (medical council or medical regulatory authority) is an important source of information regarding foreign commercial presence in the health care sector, since it is the licenser for the establishment of both hospitals and clinics. In the domain of health insurance, investment authorities are potential sources of information.

Mode 4. Assessment of movement of health professionals to other countries: key questions.

1. Current status of trade

Question M 4.1: What is the scale of movement of national health professionals abroad?

Explanation: The answer to this question will give an idea about the outflow (i.e. exports) of local health professionals to other countries. The answer should cover the following essential areas.

1. Total number of health professionals working in other countries and trend for the past five years
2. Professional categories of health professionals working abroad
3. List of the countries where health professionals go, preferably by category
4. Estimates of remittances sent back
5. Average length of stay
6. The kinds of arrangements governing this movement (individually motivated, arrangements between private establishments, between government and overseas establishments, etc.)

Question M 4.2: What is the scale of movement of foreign health professionals to your country?

Explanation: The answer to this question will give an idea about the inflow (i.e. imports) of foreign health professionals to your country. The answer should cover the following essential areas.

1. Total number of foreign health professionals working in your country and trend for the past five years
2. Professional categories of foreign health professionals coming in and their numbers
3. List of countries where health professionals come from, preferably by category
4. Estimates of repatriation of money abroad
5. The nature of their employment status, i.e. self-employed, employment in local public sectors, employment in local private health sectors etc.
6. Length of stay

Question M 4.3: What are your country's existing or proposed GATS commitments under mode 4 in health services?

Explanation: The answer to this question will help us understand your country's approach towards the movement of health professionals to other countries as well as its view about local human resource needs. The answer to this

question should include information pertaining to the following areas.

1. The health-related sub-sectors in which your country has made commitments under mode 4
2. In each health-related sub-sector, the nature of commitments made, i.e. full, partial, unbound
3. The kind of limitations that have been maintained in these commitments, i.e. restrictive or liberal
4. The GATS commitments in other related sectors which may have bearing on commitments under mode 4 in the health service sector, e.g. health insurance, business services etc.

2. Infrastructure and regulatory capacity

Question M 4.4: What is the national policy on health

professionals going abroad for temporary jobs?

Explanation: The answer to this question will help us understand the nature of government regulations and the extent to which they restrict or facilitate the movement of health professionals to other countries. The answer should include the following areas.

1. Whether the government imposes, or has in the past imposed, any restrictions on health professionals moving abroad for temporary jobs and the nature of the government's approach, specifying the nature of these restrictions
2. Whether health professionals employed in the government or the private sector are required to obtain permission from the government before working abroad
3. The kind of labour laws that apply, if at all, to the movement of health professionals to other countries
4. Whether there is any specific agency that regulates (or facilitates) the movement of health professionals to other countries

Question M 4.5: What are the government regulations for foreign health professionals coming to your country for temporary jobs?

Explanation: This questions aims at understanding the nature of government regulations, in terms of the extent to which they restrict or facilitate the movement of foreign health professionals to your country. The answer to this question should include the following areas.

1. Whether the government imposes any restrictions on foreign health professionals when moving into your country and the nature of the government's approach
2. The government agency that ascertains their professional credentials and how
3. The kind of labour laws that apply, if at all, to the movement of foreign health professionals into your country
4. Whether any preferential treatment is extended to foreign health professionals from some specific countries
5. Where there are any multilateral regional agreements and if so, with which countries and whether there are any special visa arrangements under which movement occurs into your country or to other countries, noting what these schemes are and how they work.

3. A note about data availability and sources of information

The possible sources of information for all the above questions are: Ministry of Health; licensing, registration and accreditation agency of health professionals; Ministry of Labour especially its overseas employment agency; Ministry of Justice; Ministry of Trade and Commerce (WTO section); WTO website; International Labour Organization; WHO; Ministry of Interior and its immigration department; associations of health professionals; private hospitals; local medical associations; websites which provide information about the breakdown of foreign health professionals in their countries

(largely available from industrialized countries); independent research institutions; research study reports etc.

Note.

It is important to look at all the suggested sources in this methodological approach to assessing TiHS and report on their usefulness in terms of relevance in your report.

Study outline

Country investigators should follow the outline presented below when compiling country case studies.

Title of country case study

Name of author(s)

Abstract

Executive summary

1. Introduction and objectives of country case study
2. Overview of the overall trade regime in country X (goods and services)
3. Overview of the health care sector in country X
4. Methodological approach applied to country X

GATS and trade in health services in country X

1. Mode 1
2. Mode 2
3. Mode 3
4. Mode 4
5. Major findings
 1. Trade in health services with respect to access and equity issues
 2. Discussion
6. Conclusion and policy recommendations

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