National Health Accounts

Pakistan 2005-06

Government of Pakistan

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Federal Bureau of Statistics

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Foreword

Pakistan's expenditure on health have remarkably increased in recent years, but according to figures supplied to WHO for its international overviews these are still very low compared to international standards. It was felt that there might be undercoverage with Pakistan's figures. Accordingly, there was a demand for empirical figures dedicated to quantify the expenditures on health and their impact on our society comprehensively. This report provides – the first ever – National Health Accounts for Pakistan, compiled by the Federal Bureau of Statistics (FBS).

The FBS is responsible for the collection, compilation, descriptive analysis, publication and data dissemination of all sorts of national statistics through its regular surveys / censuses and through secondary data collected from various sources. FBS has taken initiative to collect data from all sources available in the country including Accountant General Pakistan Revenues (AGPR), AGPR regional sub-offices, and provincial Accountant Generals. Also Securities & Exchange Commission of Pakistan, Economic Affairs Division, provincial Employees Social Security Institutions, Military Accountant General, Ministry of Religious Affairs, Zakat and Usher and provincial Finance Departments have provided the requisite data for this report. I am thankful to them as well as to other stakeholders for facilitating supply of data to bring out this report.

I am also thankful to experts from German Technical Cooperation (GTZ) and from German Centre for International Migration and Development (CIM) for valuable resources and inputs for producing such a comprehensive report.

It is hoped that this report will be of use to researchers, policymakers and other users of data on financing health care. Suggestions for improvement of the report will be appreciated.

Tariq Shafiq Khan
Secretary

Government of Pakistan
Ministry of Economic Affairs & Statistics
Statistics Division
Islamabad, May 2009

Report on National Health Accounts

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List of abbreviations

AGPR	Accountant General Pakistan Revenues
BHUs	Basic Health Units
CoA	Chart of Accounts
CMHs	Combined Military Hospitals
DAOs	District Account Offices
DHQ	District Headquarter Hospital
EAD	Economic Affairs Division
FBR	Federal Board of Revenue
FBS	Federal Bureau of Statistics
FY	Financial Year
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GPs	General Practitioners
GTZ	Gesellschaft für Technische Zusammenarbeit GmbH, German Technical Cooperation
HIES	Household Integrated Economic Survey
ICHA	International Classification of Health Accounts
ILO	International Labour Organization
ICT	Islamabad Capital Territory
IMF	International Monetary Fund
MCHC	Maternal and Child Health Center
MoF	Ministry of Finance
MoPW	Ministry of Population Welfare
MoH	Ministry of Health
NGOs	Non-Government Organizations
NHA	National Health Accounts
NHPU	National Health Policy Unit
NPOs	Non-profit Organizations (synonymous with non-profit institutions)
OECD	Organization for Economic Co-operation and Development
OOP	Out Of Pocket
PAOs	Provincial Accounts Offices
PIFRA	Project for Improvement in Financial Reporting and Auditing
PKR	Pakistani Rupees
PSLM	Pakistan Social and Living Standards Measurement Survey
SECP	Securities & Exchange Commission of Pakistan
SHA	System of Health Accounts
TB	Tuberculosis
THE	Total Health Expenditures
WHO	World Health Organisation

Executive summary

National Health Accounts (NHA) estimate expenditure on health care within an internationally agreed methodological framework. This report presents the results of the first attempt to compile such a framework for Pakistan. It includes the description of flow of funds in the health care system, the mapping of the health system and explains the development of sustainable capacity for NHA in FBS. NHA Pakistan estimates are based on the concepts, accounting framework and guidelines of WHO. The compiled accounts are also internationally comparable, as NHA Pakistan has adopted the ICHA (WHO) and tailor made it according to Pakistan's specific policy needs. It has been found that previously released figures for Pakistan have been understated as expenditures of many public entities (military, autonomous bodies, private hospitals, NGOs etc.) have not been taken into account. The WHO recommends that annual per capita expenditure on health should be 34 USD (average exchange rate) whereas in Pakistan according to WHO it was 14 USD in calendar year 2005.

This first round of Pakistan National Health Accounts for the fiscal year 2005-06 endeavors to provide a detailed, comprehensive, consistent and reliable account for financing sources and financing agents. Nevertheless, all figures and results given in this report are preliminary data; the revised figures would be available along with the second round of NHA. The responsibility of compilation of NHA, descriptive analysis, publication and data dissemination is with FBS whereas further technical analysis, policy implications and political assessments and conclusions are with Ministry of Health or other users who want to go further into detailed analysis and conclusions. The second round on NHA is already in process. FBS plans it for the fiscal year 2007-08. Besides updated information on financing sources and financing agents it will contain information on health care providers and health care functions, as well.

The results for FY 2005-06 show that out of total health expenditures in Pakistan 32.2% are funded by government. Out of total federal health expenditures 69.9% are for civil part of the government while remaining 30.1% are disbursed through military setup. 66% of the health expenditures are funded through private sector out of which 97.5% is out of pocket health expenditures by private households. For financing agents it is found that out of total health expenditures in Pakistan 33.6% is by general government. The private expenditures constitute 64.5% of total health expenditures in Pakistan, out of which 99.6% are household's out of pocket health expenditures. Development partners / donors organizations have 1.9% share in total health expenditures. Additionally provincial health accounts have been developed. Overall, their results show that the shares of financing agents of the health expenditures are relatively heterogeneous between different provinces.

In comparison to the figures published so far by WHO the results show that according to NHA Pakistan the general government health expenditures are quite higher than those shown by WHO. The main reason is that NHA Pakistan includes the military health expenditures, reimbursement of medical charges for the government employees, health education expenditures etc. out of pocket expenditures (OOP) of NHA are comparable to those of WHO while social security and donor expenditures are less than WHO figures.

1 Introduction

The first round of NHA is dedicated to FY 2005-06. According to advice from the WHO the scope of tables for this first round has been limited. The full NHA will be available after three years as it is a cumbersome task to collect data on all the required entities, though the preliminary and partial NHA reports would be published time to time during these three years as per availability of data. It is hoped that NHA in Pakistan would be a milestone towards the evidence based policy making in health sector.

The primary aim of developing the National Health Accounts framework for Pakistan includes:

- Describe the flow of funds, sources and uses of funds in the health care system.
- Map out the profile of the health care system.
- Build and enhance sustainable capacity for NHA in FBS.

1.1 Organization of the report

Chapter 1 gives a short introduction to NHA and describes the institutionalization of NHA in Pakistan. Chapter 2 gives an overview on the health system in Pakistan which can broadly be divided into public and private sector. Besides the civilian public sector, also the military health care system has been analyzed. After that the health care system of cantonment boards and autonomous bodies and social protection schemes are illustrated. The section private sector covers private health facilities, private insurances and philanthropic organizations. Chapter 3 explains methods and classifications as well as tailor-made ICHA classification for Pakistan. Chapter 4 gives the major results on national level; then it sheds some light on provincial health accounts and the results for other selected agents. Chapter 5 concludes the main results.

1.2 General introduction to NHA

One of the objectives of National Health Accounts is to give the comprehensive picture of health care spending in the country and to show the flow of funds dedicated to health expenditure in an overall, comprehensive and self-checking accounting framework of internationally agreed standards (see Figure 1).

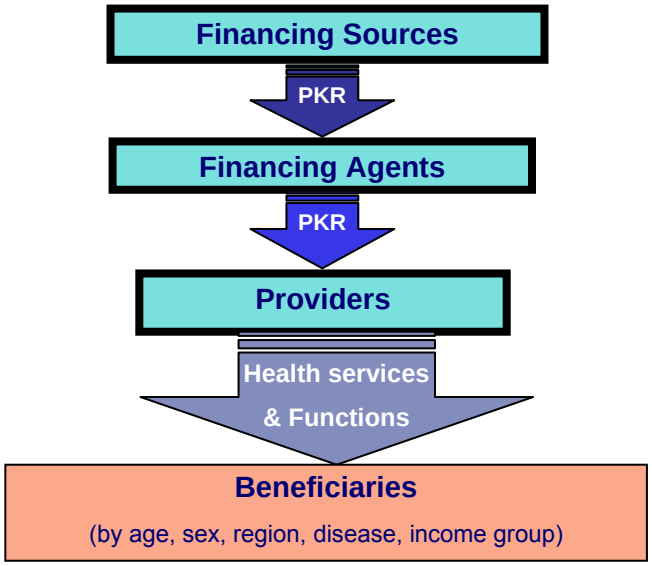
National Health Accounts is a standard set of matrices, or tables, that presents various aspects of a nation's health expenditures and deals with the questions like, (i) who is financing health care in a particular country?, (ii) how much do they spend? and (iii) on what type of services? This globally accepted tool based upon the expenditure review approach, highlights the "financial health" of national health systems in respective country[1].

NHA identifies and tracks health sector financing sources and uses both, public and private, to support developing the health policy and to monitor it. NHA on the one side shows the

[1] World Health Organization, Guide to Producing National Health Accounts, 2003.

flow of funds from financing sources to financing agents to providers and on the other side the function on which the expenditure were made and also the beneficiaries of those expenditures (although it requires some further information). In that way NHA estimates total health expenditures in the country, identifies all the important actors in the health sector and their respective contribution in the health sector of the country.

Figure 1 - Flow of funds



Source: Adopted from WHO presentation at regional training workshop on National Health Accounts and its recent developments in Cairo, Egypt, 25 – 29 May 2008.

NHA is designed particularly as a tool for improving the capacity of health sector planners to manage their health systems. The NHA methodology organizes and presents health spending information in a manner that even those who do not have a background in economics or statistics can easily understand and interprete the results. It allows policy makers to understand how resources are used in a health system and to assess the efficiency of resource use (if NHA is combined with other data sets) and to evaluate impact of health reform on different stake holders i.e. who are the beneficiaries of health expenditures, poor or rich?

National Health Accounts have a vital role in devising a better informed and more participatory policy and health sector reforms and developing a more equitable and sustainable health financing system in the country. Figure 2 shows how NHA can be linked to the health policy questions. NHA also allows comparisons of health expenditures at different points in time as well as the cross country comparisons where data is available.

Figure 2 - NHA Links to health policy

Health policy decision areas	Flow of resources in health financing	Some key policy questions
Resource mobilization / financing strategies	**Financing Sources** ▼	How are resources mobilized? Who pays? Who finances? Under what scheme?
Pooling arrangements Cost recovery regulation of payers	**Financing Agents** ▼	How are resources managed? What is the financing structure? What pooling arrangements? What payment / purchasing arrangements?
Financial incentives Subsidies Resource Allocation Provider regulation	**Inputs, Providers, Functions** ▼	Who provides what services? Under what financing arrangements? With what inputs?
Targeting redistributive policies	**Important distributions** e.g. age, gender, location, social status	Who benefits? Who receives what? How are resources distributed?

Source: National Health Accounts Trainer Manual 2004, PHRplus

Financing Sources are institutions or entities that provide the funds used in the system by Financing Agents. In Pakistan, the Financing Sources would typically include the Federal Government, Provincial Governments, donors, NGOs, insurance companies, and households.

Financing Agents include institutions or entities that channel the funds provided by Financing Sources and use those funds to pay for, or purchase, the activities inside the health accounts boundary. In Pakistan, these would be the Ministry of Health, Ministry of Population and Welfare, Ministry of Defence, autonomous bodies, NGOs, and households etc.

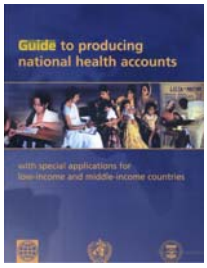
Providers include entities that receive money in exchange for or in anticipation of producing the activities inside the health accounts boundary. Examples of providers are hospitals, clinics, Community Health Centres in the public and private sectors, pharmacies, private practitioners, traditional health care providers etc.

Functions are the types of goods and services provided and activities performed within the health accounts boundary. It includes services of curative care (inpatient and outpatient), medical goods (e.g. pharmaceuticals, and appliances), prevention and public health services, health administration and health insurance, etc.

Presently there are different methodologies in practice around the world to estimate the health accounts, most common are (i) System of Health Accounts (SHA) developed and used by

OECD and some other countries; (ii) National Health Accounts (NHA) which are based on SHA but with more flexibility regarding classifications and more appropriate for developing countries because it allows to add the traditional care providers in the system. In this regard WHO has published "Guide to Producing National Health Accounts: with special application for low income and middle income countries" (see box).

Box - WHO-Guide to producing National Health Accounts



"National Health Accounts are designed to answer precise questions about a country's health system. They provide a systematic compilation and display of health expenditure. They can trace how much is being spent, where it is being spent, what it is being spent on and for whom, how that has changed over time, and how that compares to spending in countries facing similar conditions. They are an essential part of assessing the success of a health system and of identifying opportunities for improvement. In the long term, a country can institutionalize the health accounts process and produce a time series of standardized tables, permitting a more thorough assessment of the progress being made toward national goals for the health system. The World Health Organization, the World Bank, the United States Agency for International Development and other partners joined forces to produce this Guide to assist countries embarking on the measurement of their national health expenditures. The preparation of the Guide benefited from close collaboration with the Organisation for Economic Co-operation and Development, whose manual entitled a system of health accounts, serves as the basis for this Guide. Our aim is to provide a resource that allows national teams of health accountants to take advantage of the common experience of those who have already embarked on NHA exercises and to begin a dialogue that can lead to international standards in health expenditure measurement." (WHO, 2003).

Source: WHO, Guide to Producing National Health Accounts: with special application for low income and middle income countries, 2003.

The main purposes of the System of Health Accounts are the provision of internationally comparable health accounts, the definition of internationally harmonized boundaries, the presentation of tables for the analysis of flows of financing and the monitoring of economic consequences of health care reform and health care policy.

As suggested the NHA work in Pakistan has been done under the guidelines of WHO. Also, the International Classifications of Health Accounts (ICHA) has been used, tailor-made to include the categories relevant to Pakistan. These classifications assign a unique code to different actors in health sector and classify each of them in sub-classification codes, allowing for a systematic tracking of health expenditures in the economy. Once these classifications are available one can have many possible combinations / cross tables of these categories i.e. financing sources by financing agents, financing sources by providers, providers by functions. Each table would tell that (i) How much has been spent by each actor and (ii) Where exactly their funds have been transferred to.

Despite of the fact that NHA gives very detailed and comprehensive information on health expenditures and provide a basis for evidence based health policy, there are some limitations of NHA as well. Mainly NHA cannot provide information on efficiency and cost effectiveness. The following table gives the insight to strengths and limitations of NHA.

Table 1 - Limitations of NHA

Question	Does NHA address it?
What is total spending on health?	Yes
Who is spending it?	Yes
What is being spent on?	Yes
What are the sources of this expenditure?	Yes
How does this compare to other countries?	Yes, if other country has NHA
What are the main trends?	Yes, if there is time series
How efficiently are the funds being allocated and spent?	No
How to improve the financing of health services by:	
a) increasing the resources available?	No
b) using existing resources more efficiently?	No
Are subsidies or public transfers effectively targeted to poor and vulnerable groups?	Generally no

Source: Mark Pearson, National Health Accounts: What Are They and How Can We Use Them? Briefing Paper, A paper produced by the Department for International Development Resource Centre for Health Sector Reform, 2000.

Exchange of experiences among national and international health accountants / experts would provide a new set of directions and would help to further develop and refine the whole system of health accounting. OECD has recently started work on developing the health price index and WHO now a days, is in a phase of revising the SHA.

1.3 Institutionalization of NHA in Pakistan

In different countries, there are different institutions / research organizations and ministries who are responsible for the development of NHA. The following table and figure depict the overall and South Asian situation regarding producing the NHA. Table 2 and Figure 3 show that it is mainly the ministries of health which are conducting the NHA in their respective countries and the second major player are the statistical agencies.

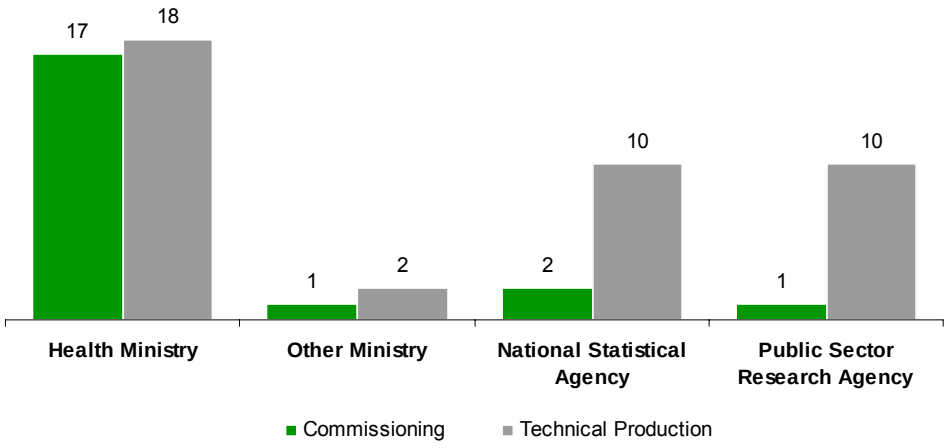
In Pakistan it was decided by Ministry of Health (MoH) and Federal Bureau of Statistics (FBS) in 2007 in a meeting jointly chaired by Secretary Health Division and Secretary Statistics Division to carry out the National Health Accounts in Pakistan. It was also decided that it should be housed at FBS including responsibility regarding data collection and preparing report on NHA whereas the further analysis, policy implications and political conclusions are the responsibility of Ministry of Health.

Table 2 - Institutionalization of NHA in South Asia

Country	Institution
Bangladesh	Health Economics Unit of Ministry of Health and Data International
China	Ministry of Health and the National Health Economics Institute University of Beijing
Nepal	Department of Health Planning, Ministry of Health
Iran	Budget and Planning Wing of Ministry of Health and Statistical Centre Iran
India	National Health Accounts Cell of Ministry of Health with WHO collaboration
Sri Lanka	Ministry of Health and Institute of Policy Study Sri Lanka

Source: Ravi P. Rannan-Eliya: Status of National Health Accounts in Asia- Pacific Region: Results of the APNHAN Survey 2001.

Figure 3 - Number of agencies in commissioning and production NHA in South Asia



Source: Ravi P. Rannan-Eliya: Status of National Health Accounts in Asia- Pacific Region: Results of the APNHAN Survey 2001.

NHA in Pakistan has been supported by German Technical Cooperation (GTZ) since January 2008. GTZ has provided national experts working on NHA in the FBS-environment. This support will continue until the end of 2011. In this regard, the NHA section in FBS with the support of GTZ has been established. The GTZ-project “Support to the Federal Bureau of Statistics” will also provide assistance through international short-term experts. This will be done in close collaboration with other development partners, mainly WHO and World Bank.

To build and enhance capacity within FBS, NHA section has conducted different trainings on NHA as well. The objective is to make FBS capable of conducting NHA studies at regular intervals (usually every two / three years) without external technical assistance. Institutionalization of NHA is facilitated by investment in the development of data tracking and reporting systems, accounting systems, and associated activities such as the various surveys required by the NHA study. This investment not only produces needed financial data but also improves country capacity in health sector analysis, evidence-based policy-making as well as skills in designing and conducting various types of surveys.

To conduct NHA Pakistan, to do the analysis and to build the capacity it was necessary to build the NHA team. This started in Jan 2008 and NHA team is still being strengthened. GTZ hired three national consultants to carry out the activity. The current composition of the NHA team is given in annexure 6 of this report.

The NHA Team is working under the overall guidance of a Steering Committee (composition see annexure 5) while important methodological aspects are also discussed with a Technical Committee (see annexure 6). The Steering Committee is ideally constituted of all the major stakeholders in the health financing system, such as providers, agents and financing sources. Governmental and scientific institutions of planning, research and analysis as well as institutions providing relevant data are also represented. The Technical Committee uses to discuss the technical aspects of the NHA more often and in more detailed manner

1.4 Steps taken to develop NHA in Pakistan

The health system in Pakistan is multifarious. To understand the places and roles of different actors the health system has been reviewed and mapping has been done so that it can help in specifying classifications and data collection.

Relevant literature on NHA and studies done specially focusing on the South Asian experiences were reviewed because the health sector and data situation is very similar in those countries as in Pakistan.

Prior to data collection, it is essential to assess which data is available at federal level and in the provinces and in which format. National Health Accounts section of FBS did the assessment regarding the data gaps, which determined the availability and sources of data on:

- Government entities (federal and provincial) including social insurance, military and cantonments etc.
- Private health insurance
- Autonomous bodies and firms and employers providing health care to their employees
- Households out of pocket expenditures
- Local and international non-governmental organizations
- Donors / development partners

Data for NHA has been obtained from secondary sources. Where data does not exist, it is necessary to conduct a survey to get the desired information. For the first round, no survey has been conducted. But for the second round special surveys targeted on health expenditures are planned. The data for the first round rely on the already existing or available data with different institutions and organization. The data has been collected for financing sources and financing agents. The sources are as follows:

- Federal Government's, provincial governments' and district governments' data from respective Accountant General of Pakistan and Revenue (AGPR) and Accountant General (AG) offices
- Military health expenditures data from Military Accountant General (MAG) office
- Cantonment boards health expenditures data from Military Lands and Cantonment Department
- Insurance companies (private health insurance) data from Securities Exchange Commission of Pakistan (SECP)
- Donor's health expenditures data from Economic Affairs Division (EAD) of Ministry of Finance
- Households out of pocket expenditures data from Pakistan Social and Living Standards Measurement Survey (PSLM)
- Social security health expenditures data from Employees Social Security Institutions (ESSI) and Ministry of Labour

All data obtained and analyzed was classified according to financing sources and financing agents. After that, the information was allocated to matrices to trace the original sources. Errors, conflicts and missing data were resolved and then graphs and tables were prepared. For the first round, only the matrix of financing sources by financing agents has been developed.

Workshops / conferences are part of the advocacy efforts needed to promote, communicate, build demand and to sell the NHA activity to all major Pakistani stakeholders (government and private) and to the media. It is also meant to address health policy issues or questions that NHA can shed light on. In this regard, FBS has conducted three training courses on NHA at FBS and invited participants from all over the Pakistan and different stakeholders. The NHA team has also been trained nationally and internationally so that FBS staff could later on produce the NHA without the help of external sources.

2 Health care system in Pakistan

2.1 Public sector, territorial government, civilian part

Pakistan's public health delivery system functions as an integrated health complex that is administratively managed at a district level. Health services delivery is primarily a provincial matter while the Federal Government plays a supportive and coordinating role. The Federal Ministry of Health is mandated with policy making, coordination, technical assistance, training and seeking foreign assistance. It also has a number of vertical public health programs such as Extended Programme of Immunization, Family Planning & Primary Health Care, National Tuberculosis Control Programme, National Aids Control Programme etc. which are funded by the Federal Government however their implementation is carried out at the provincial and district levels. Health facilities at federal level include 7 hospitals, 39 dispensaries, 1 tuberculosis (TB) clinic, 4 Maternal and Child Health (MCH) Centres, 3 Rural Health Centres (RHCs), 14 Basic Health Units (BHUs) 2. Table 3 gives an overview of total public health facilities 2006-07.

Table 3 - Public health facilities in Pakistan 2006-07

Type	Number
Hospitals	965
Dispensaries	4,916
Basic Health Units	4,872
Rural Health Centres	595
MCH Centres	1,138
TB Centres	371
First Aid Points	1,080
Beds in hospitals & dispensaries	105,005
Population per bed	1,515
Population to health facility ratio	11,413

Source: Ministry of Heath

The health care provision which is a provincial subject is divided into primary, secondary and tertiary health care:

Primary health care is implemented through Basic Health Units (BHUs), Rural Health Centres (RHCs), Maternal and Child Health Centers (MCHCs) and Dispensaries.

Basic Health Units (BHUs)

[2] Ministry of Health: http://www.health.gov.pk/. Accessed on 14 March 2009.

A BHU covers 10,000 to 15,000 populations and 5 - 10 BHUs are attached to a Rural Health Centre (RHC) [3]. It mainly provides health preventive and health promotive services such as maternal and child health services, immunization, diarrheal disease control, malaria control, child spacing, mental health, school health services, prevention & control of locally endemic diseases, and provision of essential drugs.

Rural Health Centers (RHCs)

A RHC covers 25,000 to 50,000 populations. They mainly provide preventive and health promotive services, however they also provide curative services for common illnesses.

Maternal and Child Health Centers (MCHCs)

They are part of the of the integrated health system focusing on the maternal and child health.

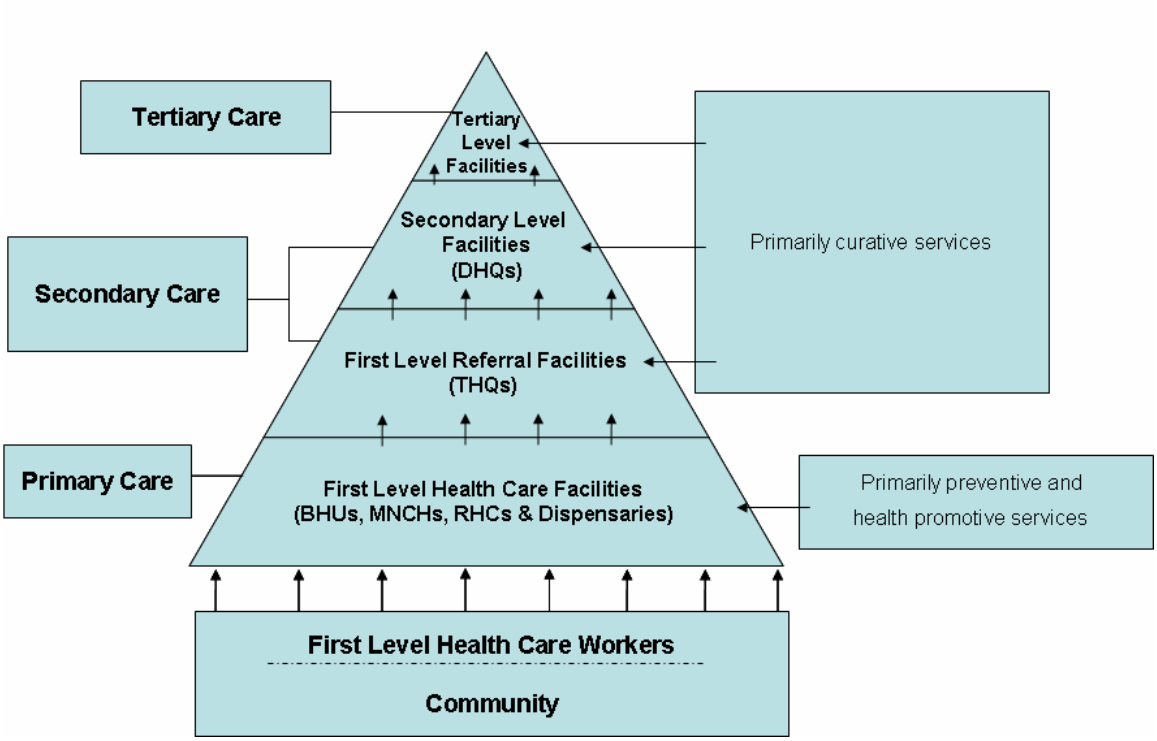
Secondary health care includes first and second level referral facilities providing acute, ambulatory and inpatient care provided through Tehsil Headquarter Hospitals (THQs), and District Headquarter Hospitals (DHQs). The primary and secondary health care constitutes the District Health System. Tehsil Headquarter Hospitals (THQs), and District Headquarter Hospitals (DHQs) covers 100,000 to 300,000 and 1-2 million persons respectively[4].

Tertiary health care is provided through major hospitals with specialized facilities which are under the administrative jurisdiction of provinces.

[3] Health System Profile - Pakistan. Regional Health System Observatory-EMRO, World Health Organization, 2007.

[4] Health System Profile – Pakistan, as cited above

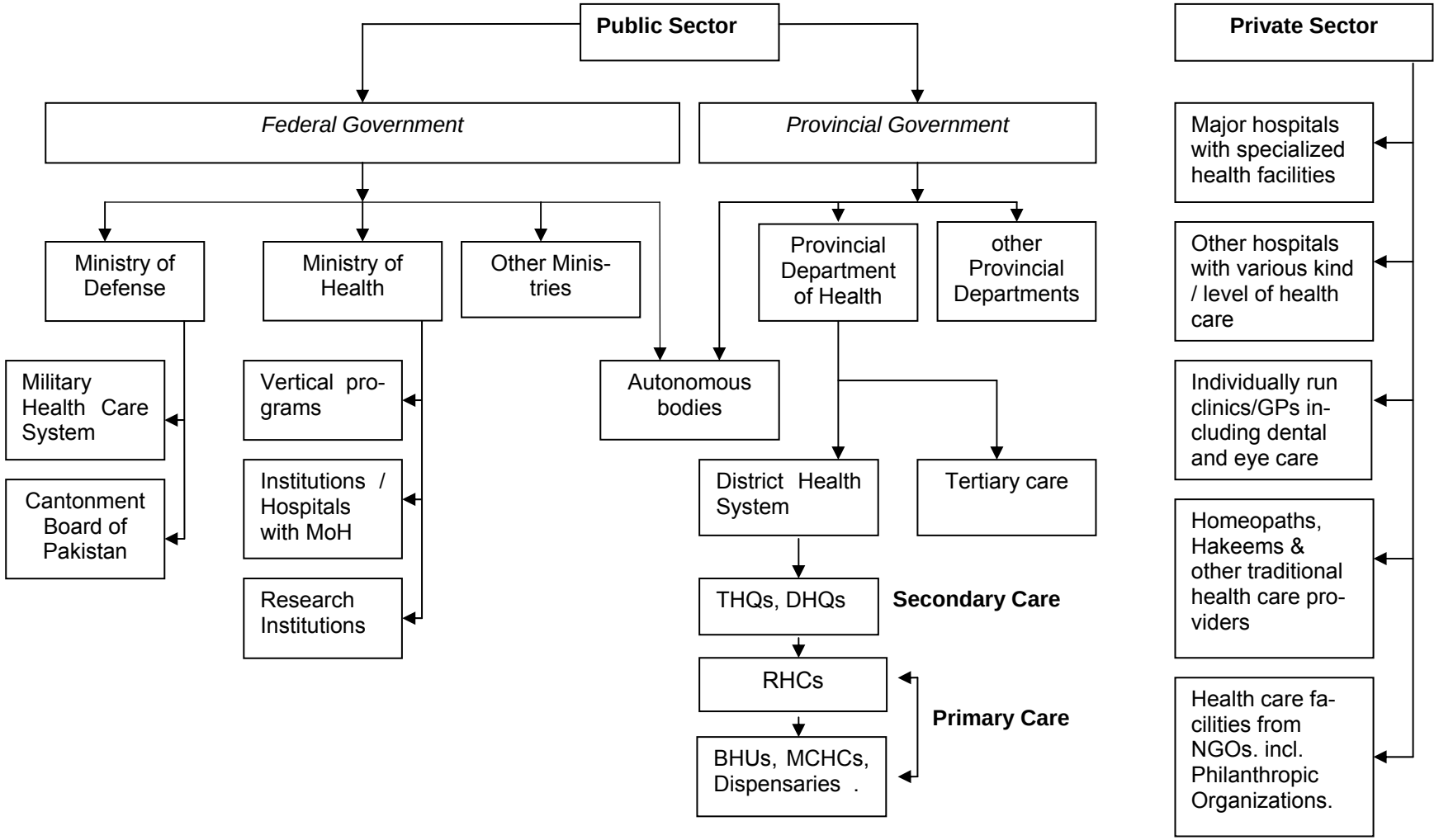
Figure 4 - Structure of provincial health care



Source: Adapted from: S Siddiqi et al. The effectiveness of patient referral in Pakistan. Health Policy and Planning; 16 (2): 193 – 198.

Figure 4 visualises the provincial system of health care in a scheme. Figure 5 gives a schematic overview of the overall health care system in Pakistan. It shows public and private sector as its two main components. The public sector can further be subdivided into Federal Government, provincial governments and autonomous bodies of both of them. For the Federal Government Ministry of Health and Ministry of Defense are the main stakeholders. The private sector can be subdivided into five given categories of health care providers.

Figure 5 - Overview of the health care system in Pakistan



2.2 Military Health Care System

The provision of medical services in military setup is the responsibility of the Army Medical Corps. Their overall responsibilities include:

- maintaining and promotion of health and prevention of diseases
- provision of care and treatment to sick and wounded
- rapid collection and speedy evacuation of casualties in the field from Forward Defended Localities for life and limb saving surgery at Forward Treatment Centre / Field Hospital / Base Hospital
- supply and replenishment of medical equipment and stores
- provision of skilled and expert treatment in the base hospitals / centres of excellence

The population covered by military health care system includes

- serving soldiers,
- families,
- parents,
- retired soldiers,
- civilians paid from defence estimates,
- civilian non entitled,

The military health care system can broadly be divided into primary, secondary and tertiary health care:

Primary Health Care Centres consist of …

Medical Battalion

They collect, treat and evacuate casualties from Regimental Aid Post (RAP) to Advance Dressing Stations (ADS) / Forward Treatment Centre (FTC) for provision of essential life saving surgical and dental treatment.

Field Medical Units

These units include Medical Inspections Rooms / Medical Reception Centres & Garrison Medical Centres. These units are responsible for:

- Medical support to deployed elements of formations
- Preventive health measures in formations
- Medical support for all training activities
- Participation in collective training exercises

- Unit level training cycles
- National commitments including vaccination campaigns and medical relief in aid to disasters / calamities
- International commitments including Hajj and UN missions

Both the Medical Battalion & the Field Medical Units deliver the health services exclusively to the military personnel.

Secondary Health Care Centres

The secondary health care facilities include the Combined Military Hospitals (CMHs) which are further categorized as Class "A", Class "B", Class "C" as well as Class "D" hospitals depending upon the number of beds and facilities available (Table 4). At Rawalpindi there is also a military hospital (MH).

The CMHs provide health services to all of the Armed Forces, their dependents, retired soldiers, civilians paid from defence estimates and to the non entitled civilians. The Military Hospital provides services only to the Pakistan Army, their dependents and to the non entitled civilians.

Table 4 - Secondary health care in military

Health facility	Number	Beds per facility	Function	Population
Class "A" CMHs*	10	500 & above	Primarily curative	All of the Armed Forces, their dependents and the general public
Class "B" CMHs*	9	300-400		
Class "C" CMHs*	11	51-200		
Class "D" CMHs*	14	50 & below		
Military Hospital	1	1000	Primarily curative	Pakistan Army, their dependents and the general public

Note: *CMH = Combined Military Hospital

Source: Centcom information portal. Extranet Surgeon General. CRMS 2007 Post Conference. Link: http://www2.centcom.mil/sites/sg/CRMS%202007%20Post%20Conference/Presentation%20Day%202/1%20Pakistan%20Army%20Medical%20Corps.ppt#317,6,Organization of the Medical Services Accessed on 14 March 2009

Tertiary Health Care Centres

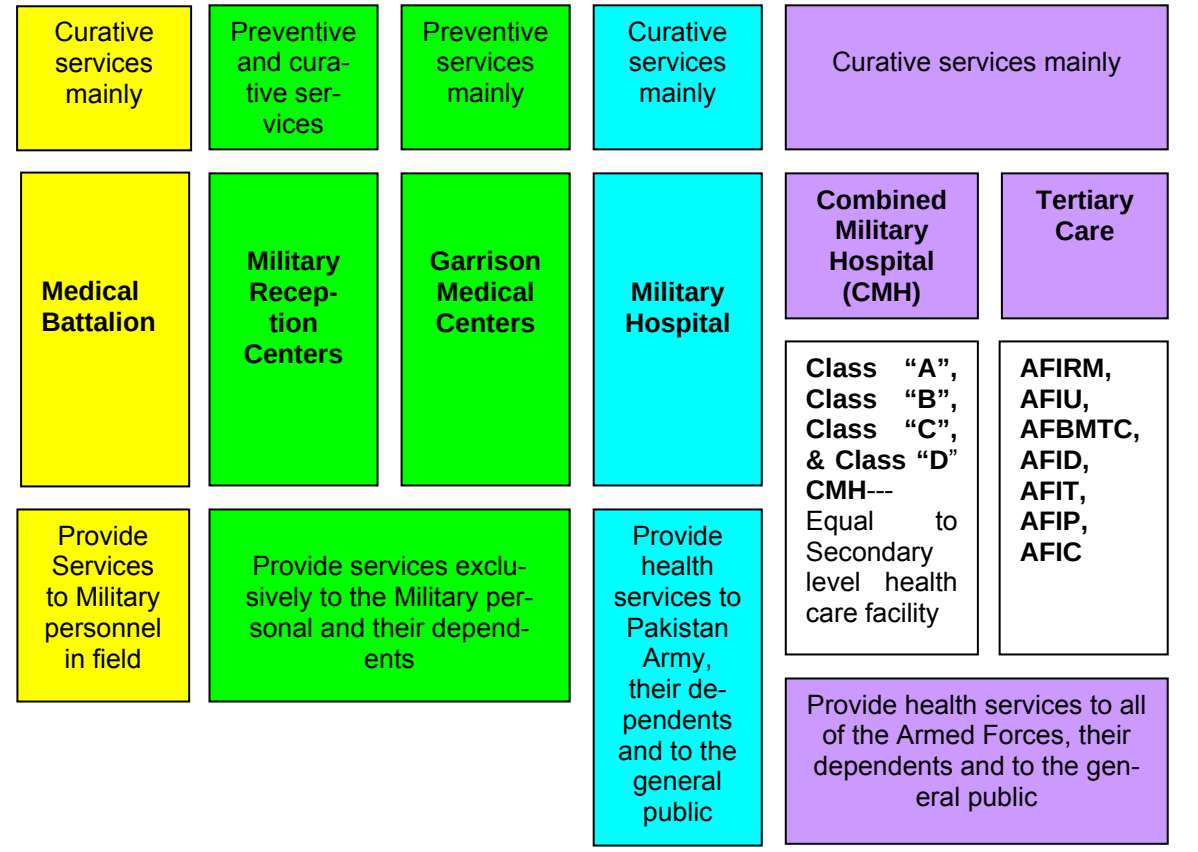
The tertiary health care is constituted of some state of the art institutes with modern health care facilities which include

- Armed Forces Institute of Cardiology (AFIC)
- Armed Forces Institute of Pathology (AFIP)
- Armed Forces Institute of Transfusion (AFIT)
- Armed Forces Institute of Dentistry (AFID)
- Armed Forces Bone Marrow Transplant Centre (AFBMTC)
- Armed Forces Institute of Urology (AFIU)
- Armed Forces Institute of Rehabilitation Medicine (AFIRM)

The Army Medical Corps also has international commitments, as they participate in the UN medical missions and relief missions to foreign countries.

Figure 6 categorizes the military health care system according to the services provided (preventive or curative) and to the groups of beneficiaries (military personnel exclusively or their dependents also or even the general public at large).

Figure 6 - Overview of the Military Health Care System



2.3 Cantonment Boards

Military Lands & Cantonment Department is an attached department with Ministry of Defence. There are 43 cantonment Boards in Pakistan. Geographically, 22 Cantonment Boards are in Punjab, 8 in Sindh, 9 in NWFP, and 4 in Balochistan. They have hospitals / dispensaries providing health care to their employees and to the residents of the respective Cantonments as well. Each Cantonment Board has financial autonomy.

2.4 Autonomous bodies

Autonomous bodies are set up in the public sector under the legislative acts or ordinance (subject to legislative approval) to perform specific functions of various types. These bodies carry different organizational titles such as corporations, boards, institutes, authority, companies and so on. These can generally be classified into (i) commercial, (ii) promotional, (iii) research, (iv) training and (v) regulation.

The primary distinction between a government department / directorate and an autonomous body lies in the fact that the latter enjoys a higher degree of autonomy in administrative and financial decision-making matters. The extent of autonomy that these autonomous bodies enjoy is in effect granted to them under the acts, which provided for their creation. They are governed by their respective acts including the rules and regulations framed there under. However, the rules and regulations to be framed require the approval of the government.

Autonomous bodies may provide health care facilities to their employees through following means:

- Health care through their own facilities
- Provision of medical allowance to their employees
- Provision to avail the facility of reimbursement of medical bills.
- Provision of health insurance to their employees.

The autonomous bodies provide health care facilities to their employees and in some cases to the general public. For example, Pakistan International Airlines (PIA) has a medical wing, which mainly consists of curative facilities, but some of the preventive services such as immunization etc. are also provided. The medical wing run health facilities at Karachi, Lahore, Multan, Peshawar, Rawalpindi / Islamabad providing comprehensive medical coverage to around 130,000 employees and their dependents. Similarly Pakistan Railways has a network of health facilities spread all over the country providing health services to about 200,000 employees and retired personal along with 600,000 dependents. Water and Power Development Authority (WAPDA) is a large organization having a medical division employing 1,200 employees providing predominantly curative services to the organization. It has 11 hospitals and 24 dispensaries providing health services to WAPDA employees and their dependents.[5] A number of other autonomous bodies such as telecommunication organization, Pakistan Atomic Energy Commission (PAEC) etc. also provide health services to their employees and dependents.

Table 5 gives an overview of autonomous bodies of the Federal Government. Their total number of employees is almost 400,000.

[5] Health System Profile - Pakistan. Regional Health System Observatory-EMRO, World Health Organization, 2007.

Table 5 - Autonomous bodies along with employees pertaining to Federal Government

No	Ministry / Secretariat	Divisions	Autonomous bodies	Employees
	Total	**38**	**208**	**389,923**
1	Cabinet Secretariat	3	21	5,795
2	Ministry of Commerce	1	5	4,593
3	Ministry of Communication	1	1	1,291
4	Ministry of Culture, Sports & Youth Affairs	1	6	649
5	Ministry of Defence	1	3	27,421
6	Ministry of Education	1	50	6,510
7	Ministry of Environment	1	2	170
8	Ministry of Finance and Revenues	2	13	29,736
9	Ministry of Food, Agriculture & Livestock	1	5	4,991
10	Ministry of Foreign Affairs	1	2	95
11	Ministry of Health	1	9	1,845
12	Ministry of Housing & Works	1	2	153
13	Ministry of Industries, Production & Special Initiatives	1	14	20,183
14	Ministry of Information and Broadcasting	1	4	7,758
15	Ministry of Information Technology	1	9	60,377
16	Ministry of Interior	1	3	22,610
17	Ministry of Kashmir Affairs & Northern Areas	1	1	279
18	Ministry of Labour, Manpower and Overseas Pakistan	2	4	1,631
19	Ministry of Law, Justice & Human Right	2	1	56
20	Ministry Minorities Affairs	1	1	755
21	Ministry of Petroleum & Natural Resources	1	10	29,216
22	Ministry of Planning and Development	1	2	179
23	Ministry of Population Welfare	1	1	53
24	Ministry of Privatization and Investment	2	1	62
25	Ministry of Ports & Shipping	1	4	7,727
26	Ministry of Religious Affairs, Zakat & Ushr	1	3	177
27	Ministry of Scientific & Technological Research	1	16	6,239
28	Ministry of Social Welfare & Special Education	1	4	949
29	Ministry of States & Frontier Regions	1	1	193
30	Ministry of Textile Industry	1	2	384
31	Ministry of Tourism	1	3	499
32	Ministry of Water & Power	1	5	147,347

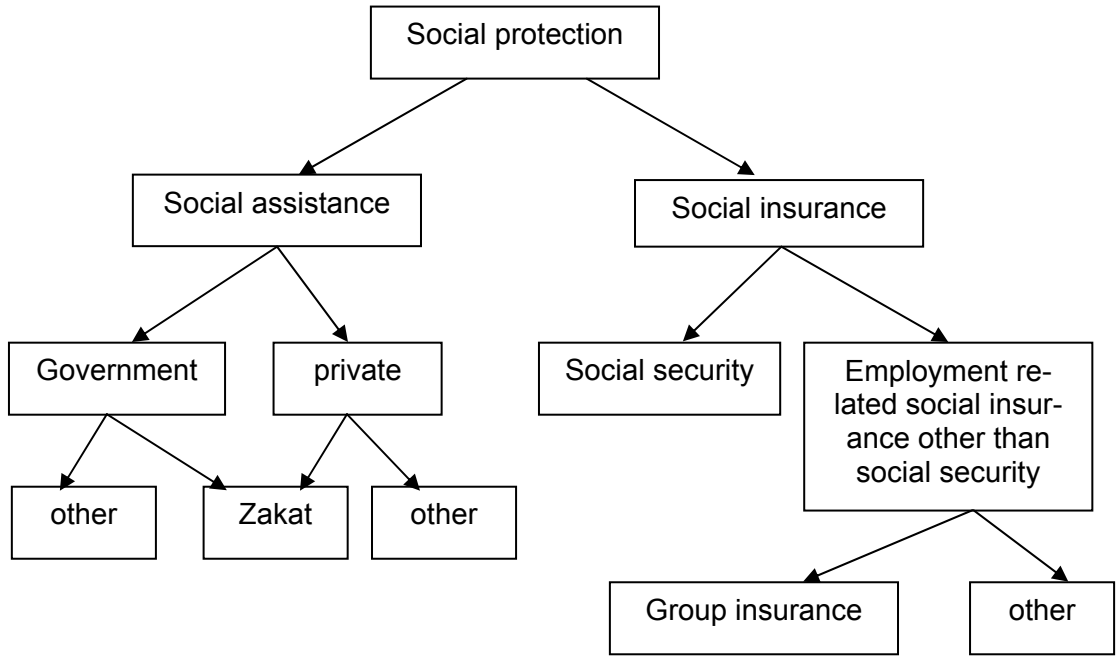
Source: Pakistan Public Administration Research Centre (PPARC) & National Commission for Government Reforms (NCGR)

2.5 Social protection in Pakistan

In common language as well as in many technical texts the terms “social protection”, “social assistance”, “social security” and “social insurance” often are mixed up. Figure 7 intends to give some clarification in that regard. Social protection is defined as “the set of policies and programs designed to reduce poverty and vulnerability by promoting efficient labour markets, diminishing people's exposure to risks, and enhancing their capacity to protect themselves against hazards and interruption / loss of income”[6]. In United Nations’ Classification of the Functions of Government (COFOG) social protection besides of health care covers sickness and disability, old age, survivors, unemployment and some other issues of social exclusion.[7]

Social protection has its two components social insurance and social assistance[8]. Social assistance can further be classified into private and governmental social assistance (see Figure 7). For social insurance see 2.5.1 below. In Pakistani context, Zakat is one of the important forms of social assistance. In addition to Zakat there are other forms of social assistance in Pakistan such as social assistance in kind, welfare services etc. Zakat can further be broken down into governmental and private Zakat. In this context, of course, social assistance and social insurance matter with regard to their fraction related to health expenditure, only.

Figure 7 - Overview of Social Protection in Pakistan



[6] Asian Development Bank. Social Protection. Official Policy Paper. July 2003. Available at :http://www.adb.org/documents/policies/social_protection/#contents. Accessed 15 January 2009
[7] COFOG is available on website United Nations Statistics Department (UNSD)
[8] ADB, Social Protection Strategy Development Study, Social Protection, Final Report Vol. 1: Social Protection.

In this section the primary focus would be on the social security and Zakat while the private health insurance (including employment related social insurance) would be dealt with in section 2.7 on private sector.

2.5.1 Employees social security institutions

The risk of getting sick can be covered by private health insurance or by social insurance. Social insurance is not easy to define. According to the United Nations' System of National Accounts 2009 (par. 17.84) a social insurance scheme is an insurance scheme where the following two conditions are satisfied:

- the benefits received are conditional on participation in the scheme and constitute social benefits as this term is used in the SNA; and
- at least one of the three conditions following is met:
    - Participation in the scheme is obligatory either by law or under the terms and conditions of employment of an employee, or group of employees;
    - The scheme is a collective one operated for the benefit of a designated group of workers, whether employed or non-employed, participation being restricted to members of that group;
    - An employer makes a contribution (actual or imputed) to the scheme on behalf of an employee, whether or not the employee also makes a contribution.

Those participating in social insurance schemes make social contributions to the schemes and receive social benefits.

In Pakistan, a social insurance system exists in the form of Social Security since 1967, though it is very limited in scope and area, social security in Pakistan provides only an umbrella of social health protection for a selected segment of the population, covering no more than 5% of total population.[9]

These social security institutions (Employees Social Security Institutions "ESSI') are present in all the four provinces and are provincial autonomous bodies attached to respective provincial Department of Labour. These institutions cover areas such as sickness, maternity, work injury, invalidity and death benefits. However, their primary focus is on provision of medical care to the employees of private industries and commercial establishments employing 5 to 10 or more employees (depending upon the province). The coverage is provided to the employees of these establishments drawing monthly wages up to PKR 5,000 - 10,000, depending upon the province[10] (Figure 8). The workers and their dependents are entitled to medical care from the first day of the employment. The dependents include wife, dependent parent and any unmarried children

[9] ADB TA 4155-Pak, Social protection strategy development study, Vol:II, Health Insurance, 2004, 26.

[10] Naushin Mahmood, Zafar Mueen. Pension and Social Security Schemes in Pakistan: Some Policy Options. PIDE Working Paper, 2008:42.

up to 21 years. Other categories of employees, such as day labourers and agricultural workers (Informal Sector) are excluded yet. For providing medical care to the secured workers, the provincial social security institutions have a network of hospitals, dispensaries, treatment centres, qualified doctors, paramedical staff, ambulances etc. (see Table 6 which also gives figures of secured persons).

Table 6 - Social security by provinces 2007-08

Province	Registered private establishment	Secured person			Health facility	
		Total	Worker	Dependent	Type	Number
Punjab	35,740	43,82,945	6,26,135	37,56,810	Main Hospital	8
					Mini Hospital	6
					Medical Centre	40
					Dispensary	134
					Emergency Centre	87
Sindh	19,448	22,31,322	371,887	1,859,435	Hospital	4
					Medical Centre	5
					Dispensary	39
NWFP	2,565	252,000	42,000	210,000	Medical Centre	1
					Dispensary	16
					Poly-clinic	1
					Medical post	8
Balochistan	181	21,944	5,891	16,053	Dispensary	4
					Hospital on Panel	3
					Retainer Clinic	7
					Panel Medical Store	2

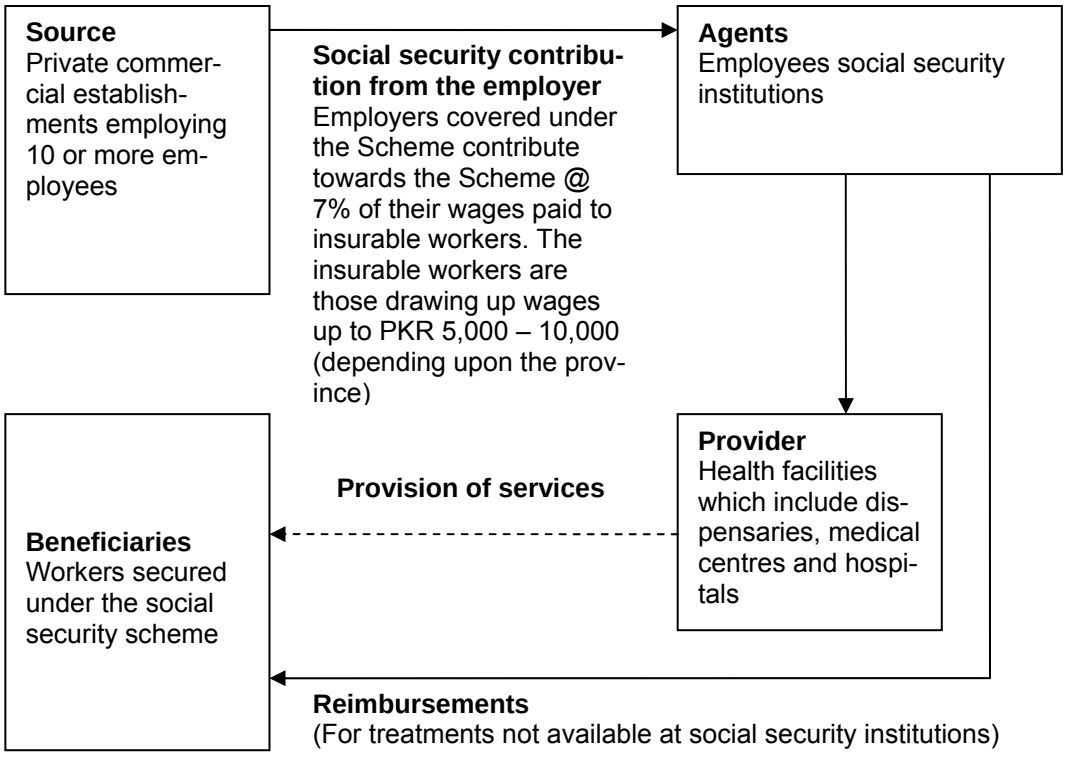
Note: The employees of the private industries and commercial establishments in Islamabad circle are covered by Punjab Employees Social Security Institution (PESSI).

Source:
1 Punjab Employees Social Security Institution (PESSI). Available: http://pportal.punjab.gov.pk/portal/portal/media-type/html/group/355/page/default.psml/js_pane/P-10466713571-1006d?nav=left [Accessed 14 February, 2009]
2 Sindh Employees Social Security Institution (SESSI). Available: http://www.sessi.gov.pk/services.htm [Accessed 14 February, 2009]
3 NWFP Employees Social Security Institution. Available: http://www.nwfp.gov.pk/Industries/ESSI/index.php [Accessed 14 February, 2009]
4 Balochistan Employees Social Security Institution (BESSI). Available: http://apnabalochistan.com/index.php?option=com_content&task=view&id=556&Itemid=897 [Accessed 14 February, 2009]

However, Balochistan Employees Social Security Institute (BESSI) covers only two cities i.e. Quetta and Hub. BESSI has limited setup of own health facilities and the secured workers access health care either from the private health facilities or the hospitals on the panel. The secured workers then get the reimbursement for their health expenditures.

These services are provided free to the employees as their employer pays these contributions. Employers covered under the scheme contribute towards the scheme at the rate of 7% of their wages paid to insurable workers. The secured employees incur no deduction, co-payment, or any other cost in order to avail these services. They can avail these services after proper registration from the department and after qualifying a period of 3 months.

Figure 8 - Social Security System in Pakistan



Source: Adapted from: Health System Profile – Pakistan. Regional Health System Observatory-EMRO, World Health Organization, 2007

2.5.2 Zakat managed by government

Zakat system in Pakistan can be divided generally into two major components[11] namely private Zakat (which is included in the philanthropic section 2.8) and governmental Zakat. The governmental system was introduced through an ordinance titled "Zakat and Usher Ordinance 1980" [12]. They are targeted at the poorest. The main systems providing social assistance benefits are Zakat and Bait-ul-Mal.[13] Zakat fund is utilized for assistance to the needy, the indigent and the poor particularly orphans and widows, the handicapped and the disabled.

The system relies on mandatory Zakat deduction at the rate of 2.5% from the value of following 11 categories of assets:

- Saving bank accounts
- Notice deposit receipts and accounts
- Fixed deposit receipts and accounts (e.g. Khas Deposit Certificate)

[11] ADB, Social Protection Strategy Development Study, Social Protection, Final Report Vol. 1: Social Protection, 34ff.
[12] Zakat & Usher Ordinance, 1980, (NO. VIII of 1980).
[13] ADB, as cited above, 34ff.

- Saving / deposit certificates (e.g. Defence Saving Certificates, National Deposit Certificates)
- Units of the National Investment Trust
- ICP Mutual Fund Certificates
- Government Securities (other than prize bonds)
- Securities including shares and debentures
- Annuities
- Life insurance policies
- Provident funds

Currently, over 2,000 Zakat Collection Controlling Agencies including 65 banks / financial institutions and private limited companies are authorized to deduct Zakat. The funds are deposited in the Central Zakat Account, Account No.8 maintained at the State Bank of Pakistan. The accounts of Central Zakat Fund are maintained in the Ministry of Religious Affairs, Zakat and Usher. The accounts of Provincial Zakat Fund, District Zakat Fund and Local Zakat Fund are maintained by the Provincial, District and Local Zakat Committees respectively. At the federal level the Central Zakat Council (CZC) of Ministry of Religious Affairs, Zakat and Usher is overall responsible for the collection and releases to the Provinces and other allied functions. Zakat deducted at source is paid into CZF, some proportion of the funds is disbursed to eligible institutions which operate at the federal level, while remaining funds are transferred to Provincial Zakat Councils.

Zakat is administered through Central Zakat Council and Provincial Zakat Councils at central and provincial level respectively while District Zakat Committees and Local Zakat Committees are formed in each district and revenue estate (i.e deh, village and ward) for the administration at grass root level respectively.

Zakat funds are disbursed among Provinces / areas on population basis[14] besides reserving the separate funds out of total Zakat funds for Islamabad Capital Territory (0.63% in lump sum) and Northern Areas (PKR 40 million in lump sum plus 0.75% in lump sum for rehabilitation schemes).

2.6 Private health facilities

The private sector is quite diverse and has generally grown unregulated. There are no standardized or classified health facilities from the private sector. The private sector generally exists in the form of:

- major hospitals with specialized health facilities,
- other hospitals with variable quality / level of services,

[14] Zakat & Usher Department: Brief on Zakat System.

- individually run clinics / general practitioners including dental and eye care. These clinics are either owned by a single person who is the sole proprietor of the facility or they are run on partnership basis.
- homeopaths, hakeems, tabibs and other traditional health providers,
- health care facilities from NGOs including the philanthropic organizations,
- ambulatory health care services.

Table 7 gives the figures on private health facilities as per survey of 1996-97. These figures are the latest available. There is no other comprehensive source. Presumably the figures are much higher now.

Table 7 - Private health facilities by type of legal organization 1996-97

Type	Number
Total	**73,652**
Individual Proprietorship	71,106
Partnership based private clinics	1,271
Health facilities run by societies	23
Private Ltd. Companies, Trust & others	1,252

Source: Federal Bureau of Statistics. Statistics Division. Government of Pakistan. Survey of Private Medical, Dental and Other health & Veterinary services. May 2001.

Considering that 77% of the population access healthcare from the private sector and 23% from public sector (see Table 8), it is of vital importance to estimate the health expenditures in private sector. In principle, this can be done demand-sided (patients or households) or supply-sided (health care providers) or both. In first round of NHA Pakistan the demand-sided approach has been used by applying household data. [15]

[15] Government of Pakistan, PSLM Survey, 2004-2005. Federal Bureau of Statistics, Statistics Division, 2005.

Table 8 - Utilization of health facilities of public and private sectors 2004-05

Type	In per cent		
	Overall	Rural	Urban
Private sector (Total)	**77.25**	**75.48**	**79.02**
Dispensary / Hospital	67.91	64.31	71.50
Hakeem / Herbalist	2.04	2.32	1.76
Homeopath	1.07	0.60	1.54
Chemist / Pharmacy	4.99	6.89	3.10
Siana / Siani	1.19	1.36	1.01
Public sector (Total)	**22.58**	**24.18**	**20.99**
Dispensary / Hospital	20.57	20.68	20.47
RHC / BHU	2.01	3.50	0.52

Note: Definition Used: Number of sick or injured persons who consulted public versus private health facilities / providers for treatment, expressed as percentage of the total population that fell sick or was injured during the last 2 weeks before the PSLM interview.

Source: Government of Pakistan, PSLM Survey, 2004-2005. Federal Bureau of statistics, Statistics Division, 2005.

2.7 Private Health Insurance

Health insurance is categorized under the non-life insurance and there are about 52 insurance companies in non-life insurance sector in Pakistan[16]. Group health insurance is offered by 6 or 7 insurance companies and individual health insurance by one insurance company[17]. The Security and Exchange Commission of Pakistan (SECP) under the Insurance Ordinance 2000 took over as the formal regulator of the insurance industry. The SECP has provided the data on insurance premiums and insurance claims for health for the years 2004 to 2007.

2.8 Philanthropy

Philanthropy has been defined as “activities of voluntary giving and serving, primarily for the benefit of others beyond family”[18]. The philanthropy is dedicated to health care, but not exclusively. It has broadly two components

- Services - In which the non-profit organizations are primarily involved
- Giving - Individual or Corporate

Philanthropy is very commonly institutionalized as non-profit organizations (NPOs), also often referred to as non-profit institutions (NPIs). The NPOs / NPIs are an important part of the civil society and are quite distinct from the private enterprises. Known variously as the ‘non-governmental’, ‘voluntary’, ‘community based’, ‘charitable’, ‘welfare societies’, this set of institutions include within it a variety of entities – schools, hospitals, dispensaries, human rights organi-

[16] Asian Development Bank. Private Sector Assessment Pakistan. December 2008

[17] Asian Development Bank. Technical assistance to the Islamic Republic of Pakistan for developing a social health insurance project (TAR; PAK 37359)., 2005.

[18] Pakistan Centre for Philanthropy. Available at: http://www.pcp.org.pk/. Accessed on 20 Jan 2009

zations etc. Many definitions of NPOs have been put forward which add to the confusion. However, despite their diversity the NPOs share certain common features[19]:

- They have an institutional presence and structure;
- They are institutionally separate from the state;
- They do not return profits to their members, managers or directors
- They are fundamentally in control of their own affairs;
- They attract some level of voluntary contribution of time or money and also membership in them is not legally required.

Pakistan Centre for Philanthropy (PCP) has been working on the regulation of the philanthropy in Pakistan with a mission to increase the volume and effectiveness of the philanthropy for social development. The PCP database includes only certified institutions. A Study titled "Dimensions of the non Profit Sector in Pakistan" was conducted by Social Policy and Development Centre in 2002 which estimated the total number of non-profit institutions in Pakistan to be 45,000 and also provided the sector wise breakdown[20] (see table 9).

Table 9 - Non-profit organizations by sectors

Sector	Number	In per cent
Total	**45,000**	**100.0**
Education and research	20,700	46.0
Civil rights and advocacy	8,100	18.0
Social services	3,600	8.0
Development and housing	3,150	7.0
Health	2,700	6.0
Culture and recreation	2,700	6.0
Religion (management of religious events)	2,250	5.0
Business and professional associations	1,800	4.0

Source: Dimensions of the Non-Profit Sector in Pakistan" Social Policy and Development Centre, Working Paper No.1 (2002)

The practices of giving can broadly be divided into Individual and corporate giving. The individual giving can further be classified as Zakat and Non-Zakat givings. As being predominantly a Muslim country, much of Pakistan's individual giving is probably in response to the teachings of Islam. The individual giving includes the obligatory (by religion) festival charity (Zakat-ul-fitr) and charitable wealth tax (Zakat-ul-mal). The Zakat deducted at source by the government mentioned in the Zakat section only includes the Zakat-ul-mal. Also it is not obligatory on the citi-

[19] "Dimensions of the Non-Profit Sector in Pakistan" Social Policy and Development Centre, Working Paper No.1 (2002).

20 see footnote 20

zens to give the Zakat at the Government source. They have the option of paying Zakat privately on their own.

The corporate giving is also an important part of philanthropy. About 37% of the corporate sector is involved in philanthropic support to the health sector[21].

[21] Pakistan Centre for Philanthropy. Available at: http://www.pcp.org.pk/fact_sheet.html. Accessed on 20 Jan 2009

3 Methods and classifications

The framework of health accounting should be in line with international recommendations and classifications (of NHA) and with National Accounts as well. For this reason FBS is following the international guidelines of WHO and applies it tailor-made to Pakistan.

3.1 Definitions and boundaries

The NHA-methods for the developing countries are derived from the System of Health Accounts (SHA). The SHA defines health care activities which are more focused on health care services in health system.

"Activities of health care in a country comprises the sum of activities performed either by institutions or individuals pursuing, through the application of medical, paramedical and nursing knowledge and technology, the goals of:

- Promoting health and preventing disease;
- Curing illness and reducing premature mortality;
- Caring for persons affected by chronic illness who require nursing care;
- Caring for persons with health-related impairment, disability and handicaps who require nursing care;
- Assisting patients to die with dignity;
- Providing and administering public health;
- Providing and administering health programs, health insurance and other funding arrangements"[22].

The method recommended for developing countries by WHO uses a bit more flexible definition. This is the one used for NHA Pakistan, regardless of the type of the institution or the entity providing or paying for the health care activity. It is as follows:

"National health expenditure encompasses all expenditures for activities whose primary purpose is to restore, improve and maintain health for the nation and for individuals during a defined period of time"[23]. Health expenditures in the context of NHA stand for inclusion of the health care functions under classification codes HC.1 to HC.7 plus capital formation by health care providers (HC.R.1). For details of the classification codes see annexure 4 of this report.

NHA Pakistan comprises of the health expenditures for the four provinces (Punjab, Sindh, NWFP and Balochistan) and federal health expenditures, which amounts to the national health

[22] Organization For Economic Co-Operation And Development (OECD), 2000, A System of Health Accounts Version 1.0, pp 42..

[23] World Health Organization, 2003, Guide to Producing National Health Accounts: with special applications for low-income and middle-income countries, pp 20.

expenditures. NHA Pakistan shows health expenditure for Pakistani citizens and residents as well as spending by external agencies, like bilateral aid agencies and UN offices on inputs to health care in Pakistan. This means that NHA Pakistan:

Includes:

- Health expenditures by citizens and residents temporarily abroad
- Donor spending (both cash and in kind) whose primary purpose is the production of health and health-related goods and services in Pakistan

Excludes:

- Health spending by foreign nationals on health care in Pakistan (as NHA treats this as export of health care services and does not include in NHA estimation) in Pakistan
- Donor spending on the planning and administration of such health care assistance

It is recommended that NHA should use the accrual method in accounting for expenditures, not the cash method. This would mean that expenditures are related to the time period during which the actual activity takes place. The accrual method uses the expenditures, which are attributed to the time period during which the economic value was created whereas the cash method refers to the expenditures, which are registered when the actual cash disbursements take place. However, the data situation in Pakistan does not yet allow for application of the accrual method. The figures presented in this first round of NHA are cash-based.

NHA presented in this report is dedicated to FY 2005-06. According to advice from WHO, the scope of tables for this first round has been limited. They are presented in chapter 4. The second round is envisaged to be carried out for 2007-08 and will also include the updated results for 2005-06.

3.2 ICHA-Classification adapted for Pakistan

The NHA classification categorizes the dimensions of health care system (namely, financing sources, financing agents, providers and functions). Each classification and category of NHA has a code. A letter code is used for the four main classifications used in NHA Pakistan first round. For example, financing sources are denoted by the code FS, financing agents by HF. For more details see annexure 2 and 3.

NHA Pakistan estimates are based on the concepts and accounting framework outlined in the "Guide to Producing National Health Accounts - with special applications for low-income and middle-income countries".[24] A classification for financing sources (see Table 10) and financing agents (see Table 11) has been prepared for Pakistan including the linkages between them as shown in the matrices of chapter 4.

[24] See WHO website, http://www.who.int/nha/create/en/.

Table 10 - Classification of financing sources				
Code				Name
FS.1				Public funds
	FS.1.1			Government Funds
		FS.1.1.1		Federal Government
			FS.1.1.1.2	Ministry of Finance
		FS.1.1.2		Provincial Government
			FS.1.1.2.1	Punjab
			FS.1.1.2.2	Sindh
			FS.1.1.2.3	NWFP
			FS.1.1.2.4	Balochistan
		FS.1.1.3		District / Thesil / Local Bodies
			FS.1.1.3.1	District Government
			FS.1.1.3.2	Cantonment Boards
	FS.1.2			Autonomous Bodies/SOE
	FS.1.3			Other public funds
		FS.1.3.1		Return on assets held by a public entity
		FS.1.3.2		Other
			FS.1.3.2.2	Addition to the reserve of ESSI
FS.2				Private Funds
	FS.2.1			Employer funds
	FS.2.2			Household funds
	FS.2.3			NGO
	FS.2.4			Other private funds
		FS.2.4.1		Return on assets held by a private entity
		FS.2.4.2		Other
			FS.2.4.2.2	Health insurance
FS.3				Rest of the world funds
	FS.3.1			Official donor agencies
	FS.3.2			International not-for-profit agencies
	FS.3.3			All the other foreign funds

Analysis of financing sources may be of particular interest where funding for the health system is diverse or changing rapidly in response to new financing strategies. Figures on financing sources are designed to reflect some of the key policy interests in the health system as well.

FS.1 covers all public funds. It is further divided into three sub-categories. FS.1.1 captures funds generated through general government. General government in Pakistan is Federal Government, provincial government and district / tehsil government. The ministry of finance acts as a main source of finance for civilian and military part. The provincial governments are the main source of finance for each province. The cantonment boards are placed under district government section as they are financially autonomous and act as source of finance.

Unlike government revenues, money that is collected by government and dedicated to social security funds is not counted under category FS.1.1. Therefore employers' contributions to social security schemes are categorized as other public funds category FS.1.3.

FS.2 covers all private funds. Here FS.2.1 covers employer funds. Similarly, household funds (FS.2.2) include household out of pocket payments, Zakat and health insurance.

FS.3 category is reserved for funds that come from outside the country. External resources such as bilateral and multilateral international grants as well as funds contributed by institutions and individuals outside the country are included to the extent that they are used in that current period.

The classification scheme for financing agents allows categorizing the institutions and entities that pay or purchase health care. Financing agents include institutions that pool health resource collected from different sources as well as entities (such as household and firms) that pay directly for health care from their own resources. As with the functional classification scheme in the ICHA, NHA will likely show policy relevant subcategories of financing agents under many of the two digits heading of the ICHA-HF. For example, under central government (HF 1.1.1) countries probably will add additional categories for the Ministry of Health, Ministry of Education and other ministries and so on. Health education itself is not an agent but it is included, because it falls into the boundary of health expenditures as internationally defined (and has to be used to calculate the total health expenditures). The category of reimbursements of medical charges by other ministries is added as lump sum position. Data situation does not allow for further disaggregation.

The Pakistan health care financial agents are classified under the two categories general government and private sector. Under general government the main categories are territorial government and social security funds. In territorial government the classification code HF.1.1.1 explains the Federal Government part under which federal (civil), military and cantonment board are categorized. While considering the federal civil part Ministry of Health, Ministry of Population Welfare and reimbursement of medical charges are mainly considered.

Code HF.1.1.2 covers the provincial government expenditures by provinces. Each province has been further categorized into different departments like health, population welfare, education and reimbursement of medical charges. HF.1.1.3 covers the district / tehsil / local government and cantonment boards sections. HF.1.1.4 covers the autonomous bodies and state owned enterprises section.

Table 11 - Classification of financing agents				
Code				Name
HF.1				General government
	HF.1.1			Territorial government
		HF.1.1.1		Federal Government
			HF.1.1.1.1	Federal (Civil)
			HF.1.1.1.1.1	MOH & Other
			HF.1.1.1.1.2	MOPW
			HF.1.1.1.1.3	MO Education
			HF.1.1.1.1.4	Reimbursement of medical charges
			HF.1.1.1.2	Military
			HF.1.1.1.3	Cantonment Board
		HF.1.1.2		Provincial government
			HF.1.1.2.1	Punjab
			HF.1.1.2.1.1	Dept. of Health & Others
			HF.1.1.2.1.2	Dept. of Population Welfare
			HF.1.1.2.1.3	Dept. of Education
			HF.1.1.2.1.4	Reimbursement of medical charges
			HF.1.1.2.2	Sindh
			HF.1.1.2.2.1	Dept. of Health & Others
			HF.1.1.2.2.2	Dept. of Population Welfare
			HF.1.1.2.2.3	Dept. of Education
			HF.1.1.2.2.4	Reimbursement of medical charges
			HF.1.1.2.3	NWFP
			HF.1.1.2.3.1	Dept. of Health & Others
			HF.1.1.2.3.2	Dept. of Population Welfare
			HF.1.1.2.3.3	Dept. of Education
			HF.1.1.2.3.4	Reimbursement of medical charges
			HF.1.1.2.4	Balochistan
			HF.1.1.2.4.1	Dept. of Health & Others
			HF.1.1.2.4.2	Dept. of Population Welfare
			HF.1.1.2.4.3	Dept. of Education
			HF.1.1.2.4.4	Reimbursement of medical charges
		HF.1.1.3		District/Thesil/Local Government
			HF.1.1.3.1	District Government
			HF.1.1.3.2	Cantonments Boards
		HF.1.1.4		Autonomous Bodies/SOE
	HF.1.2			Social Security Funds
		HF.1.2.1		Social security funds through Government
			HF.1.2.1.1	ESSI
			HF.1.2.1.2	Zakat Council
		HF.1.2.2		Other Social Security funds
HF.2				Private sector
	HF.2.1			Private Health/social insurance
	HF.2.2			Other private Health insurance
	HF.2.3			Private households' out-of-pocket payment
	HF.2.4			Local/National NGOs involved in providing health care services
	HF.2.5			Private firms and corporations (other than health insurance)
HF.3				Rest of the world
	HF.3.1			Official donor agencies
	HF.3.2			International not-for-profit agencies
	HF.3.3			All the other foreign funds

The next main category under general government is social security funds, which from Pakistan's perspective includes the social security funds channelled through ESSI (coming from

the employers) and Ministry of Religious Affairs, Zakat & Usher (coming from household Zakat contributions).

The private sector (HF.2) has been classified as private health insurance, private household out of pocket payments and - if any - local / national NGOs involved in providing health care services. Rest of the world funds are covered under HF.3, most of them under official donor agencies category HF.3.1.

3.3 Charts of Accounts Classification for government finance

"The Finance Division deals with the subjects pertaining to finance of the Federal Government and financial matters affecting the country as a whole, preparation of annual budget statements and supplementary / excess budget statements for the consideration of the parliament accounts and audits of the Federal Government Organization etc. as assigned under the Rules of Business, 1973".[25]

The Accountant General Pakistan Revenues (AGPR) is responsible for the centralized accounting and reporting of federal transactions. Additionally the AGPR is responsible for the consolidation of summarized financial information prepared by federal self-accounting entities. The AGPR receives accounts and reports from the District Account Offices (DAOs), Provincial Accounts Offices (PAOs), Federal Treasuries and State Bank of Pakistan / National Bank of Pakistan, and provides Annual Accounts (to the AGP) and Consolidated Monthly Accounts (to the Federal Finance Division). There are AGPR sub-offices in each of the Provinces which also act as the DAO in respect of Federal Government transactions relevant to the Provincial Headquarters. The Controller General of Accounts is the administrative head of the AGPR.

The Provincial Accountant General (AG) office (located in provincial capitals) is responsible for keeping the Provincial Accounts. The Detailed Accounts data for Federally Administered Tribal Areas (FATA) is kept with the FATA Secretariat located in Peshawar.

In December 2000, the New Accounting Model, which includes the new Chart of Accounts (CoA), was prescribed by the Auditor General of Pakistan under the Project to Improve Financial Reporting and Auditing (PIFRA). The new CoA is expected to provide a uniform basis for classification of Receipts, Expenditure, Assets, Liabilities and Equity through elements such as:

Entity: The Entity element enables reporting transactions by the organizational structure or the organizational unit, which is creating a transaction.

Function: The Function element provides reporting of transactions by economic function and program. The Function code is mandatory for transactions relating to expenditure. The Health Function code is 7.

[25] See MOF website, http://www.finance.gov.pk/.

Object: The object element enables the collection and classification of transactions into expenditure and receipts and also to facilitate recording of financial information about assets, liabilities, and equity. The use of the object element is mandatory for all accounting transactions.

Fund: The fund element is a one alpha character and identifies the fund as being the consolidated fund or public account.

Project: The project element enables transactions to be aggregated and reported at a project level.

The public sector data utilized for this report have been delivered in the classification and format of PIFRA or CoA, respectively. For PIFRA Classification (by function for health and other codes relevant to health expenditures) see Annexure 7.

4 Results

4.1 Major results at national level

4.1.1 Financing sources

Total health expenditure in Pakistan in FY 2005-06 was 185 billion Rupees. Table 12 shows the breakdown by financing sources up to the maximum level of disaggregation. Up to the three digits the classification has been maintained according to the International Classification of Health Accounts, next levels of disaggregation are adopted according to the Pakistan specific situation and policy relevance.

Table 12 - Total health expenditure by financing sources 2005-06

Source				million PKR
FS.1			Public funds	59,560
	FS.1.1		Government Funds	59,560
		FS.1.1.1	Federal Government	24,723
		FS.1.1.1.1	Ministry of Finance	24,723
		FS.1.1.2	Provincial Government	20,589
		FS.1.1.2.1	Punjab Dept of Finance	9,152
		FS.1.1.2.2	Sindh Dept of Finance	5,816
		FS.1.1.2.3	NWFP Dept of Finance	3,917
		FS.1.1.2.4	Balochistan Dept of Finance	1,703
		FS.1.1.3	District / Tehsil Bodies	14,247
		FS.1.1.3.1	District government	14,080
		FS.1.1.3.2	Cantonment Boards	167
FS.2			Private Funds	121,946
	FS.2.1		Employer funds	2,471
	FS.2.2		Household funds	119,475
FS.3			Rest of the world funds	3,565
	FS.3.1		Official donor agencies	3,565
Total Health Expenditure				**185,070**

Financing sources have three major categories, namely public funds, private funds and rest of the world funds. In case of public funds, at federal level the Ministry of Finance is the source of funding which provides the money to civil government and military part. For provincial government, the provincial finance departments provide the money. And in case of local bodies / district government there are district government and cantonment boards who spend on health in their respective jurisdiction areas.

FS.2 shows all the private entities which are providing funds for health care. FS.2 is further categorized in employer funds and household funds. Employers are providing funds in two ways, one they are contributing through social security (managed by ESSIs) and secondly they are paying premiums for the health insurance of their employees. However, insurance figure here is a lump sum which also includes the premiums paid by individual households. Disaggregated data is not available, but according to experts' opinion group insurance / insurance through employer has the major share in insurance expenditures. The lump sum figure has fully been put under employer funds.

Household funds mainly comprise of out of pocket health expenditures and Zakat. Zakat contains all bank accounts whether owned by private households or some employers. But due to non availability of disaggregated data it has fully been put under household funds.

FS.3 shows the rest of the world funds which comprises of donor agencies. Development partners are also spending on health; here the direct spending is included. The money, which has been granted to the government and which thus is in the budget is reflected in government spending. NHA has to compromise in this regard as to avoid the double counting of funds transferred from one source to another source. The System of Health Accounts (SHA) is under revision and this point will also be tackled.

Out of total health expenditures in Pakistan 32.2% of health spending are funded by government. Out of total government health expenditures Federal Government is funding 41.5%, provincial government is funding 34.6% and district government / local bodies are funding 23.9%. Out of total federal health expenditures 69.9% are for civil part of the government and the rest 30.1 is disbursed through military setup. 66% of the health expenditures are funded through private sector out of which 97.5% is out of pocket health expenditures by households.

4.1.2 Financing agents

In well compiled NHA the total health expenditures by financing sources must match the total health expenditures by financing agents. Both figures result in a total of 185 billion. They only differ in their breakdown. The results for Pakistan by agents are shown in table 13 up to the maximum level of disaggregation confined, however, to those codes of the classification for which data was available. The detailed classification for Pakistan has been discussed in chapter 3. Up to the three digits the classification has been maintained according to the International Classification of Health Accounts, next levels of disaggregation are adopted according to the Pakistan specific situation and policy relevance. Further explanation of each category is explained in next sections.

Financing agents also have three main categories as financing source, namely public funds, private funds and rest of the world funds. HF.1 denotes the general government and HF.1.1 shows the territorial government which is further disaggregated into Federal Government, provincial government and district government / local bodies. HF.1.2 shows the social security funds which are managed through government. It is further broken down into (i) employees social security institutions (ESSI) which are working in all four provinces and (ii) Zakat funds which are collected from bank accounts, deposit receipts, saving certificates etc. and then partly spent by government on health related activities. Zakat health expenditures are 11.1% of the total Zakat expenditures.

Table 13 - Total health expenditure by financing agents 2005-06

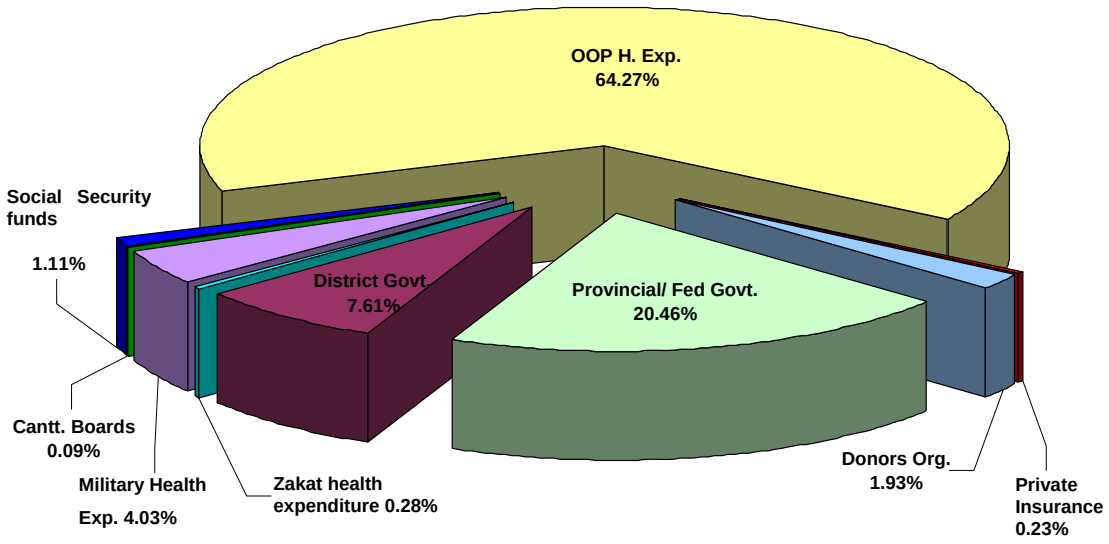
Agents				million PKR
HF.1			General government	62,134
	HF.1.1		Territorial government	59,560
		HF.1.1.1	Federal Government	24,723
		HF.1.1.1.1	Federal (Civil)	17,272
		HF.1.1.1.1.1	MoH & Other	12,167
		HF.1.1.1.1.2	MoPW	4,241
		HF.1.1.1.1.3	Health Education	5
		HF.1.1.1.1.4	Reimbursement of medical charges	858
		HF.1.1.1.2	Military	7,452
		HF.1.1.2	Provincial government	20,589
		HF.1.1.2.1	Punjab	9,152
		HF.1.1.2.1.1	Dept. of Health & Others	7,161
		HF.1.1.2.1.2	Dept. of Population Welfare	1,072
		HF.1.1.2.1.3	Health Education	172
		HF.1.1.2.1.4	Reimbursement of medical charges*	747
		HF.1.1.2.2	Sindh	5,816
		HF.1.1.2.2.1	Dept. of Health & Others	3,798
		HF.1.1.2.2.2	Dept. of Population Welfare	718
		HF.1.1.2.2.3	Health Education	818
		HF.1.1.2.2.4	Reimbursement of medical charges	482
		HF.1.1.2.3	NWFP	3,917
		HF.1.1.2.3.1	Dept. of Health & Others	2,882
		HF.1.1.2.3.2	Dept. of Population Welfare	382
		HF.1.1.2.3.3	Health Education	475
		HF.1.1.2.3.4	Reimbursement of medical charges	178
		HF.1.1.2.4	Balochistan	1,703
		HF.1.1.2.4.1	Dept. of Health & Others	1,248
		HF.1.1.2.4.2	Dept. of Population Welfare	9
		HF.1.1.2.4.3	Health Education	272
		HF.1.1.2.4.4	Reimbursement of medical charges	175
		HF.1.1.3	District / Tehsil Government	14,247
		HF.1.1.3.1	District Government	14,080
		HF.1.1.3.2	Cantonments Boards	167
	HF.1.2		Social Security Funds	2,575
		HF.1.2.1	Social security funds through Government	2,575
		HF.1.2.1.1	ESSI	2,052
		HF.1.2.1.2	Zakat Council	523
HF.2			Private sector	119,371
	HF.2.2		Other private health insurance	419
	HF.2.3		Private households' out-of-pocket payment	118,952
HF.3			Rest of the world	3,565
	HF.3.1		Official donor agencies	3,565
Total Health Expenditure				**185,070**

Note: For Punjab the number of employees figure could not be made available from the population department. Therefore the reimbursement figure for population department has been double counted and will be revised in the second round of NHA.

HF.2 shows all the private financing agents. For the first round we have only two categories private health insurance and household out of pocket health expenditures. HF.3 shows the expenditures by donor agencies / development partners as financing agents.

Out of total health expenditures in Pakistan 33.6% is made by general government agents which include the social security and Zakat health expenditures as well. The private expenditures constitute the 64.5% of total health expenditures in Pakistan, out of which 99.6% are households' out of pocket health expenditures. Development partners / donors organizations have 1.9% share in total health expenditures.

Figure 9 - Total health expenditure by financing agents 2005-06 in per cent



4.1.3 Financing sources by financing agents

Matrix 1 shows the flow of funds for health care expenditures (THE) in Pakistan. In row dimension, financing sources are shown and in column the financing agents are shown. In some of the cases especially in case of private house holds financing sources and financing agents are the same. The matrix shows the flow of funds from financing source to financing agent in Pakistan. For example in case of Federal Government Ministry of Finance is the financing source and Ministry of Health, Ministry of Population Welfare, Ministry of Education, Ministry of Defense through military setup and other ministries are financing agents.

The definition of total health expenditure is according to international classifications which also includes the expenditure on health and medical education (see chapter 3).

Matrix 1 - Financing sources by financing agents in Pakistan 2005-06 in million PKR

Financing Agents						Financing Sources							
						FS.1 Public funds			FS.2 Private funds		FS.3 Rest of the world	Total	Per cent
						FS.1.1 Government Funds							
						FS.1.1.1 Federal Govern-ment	FS.1.1.2 Provincial Govern-ment	FS.1.1.3 District / Tehsil bod-ies	FS.2.1 Em-ployer funds	FS.2.2 Household funds	FS.3.1 Official donor agencies		
HF.1 General Gov-ernment	HF.1.1 Territo-rial Gov-ernment	HF.1.1.1 Federal Govern-ment	Civil	Minis-try:	Health and other	12,167						**12,167**	6.6
					Population Wel-fare	4,241						**4,241**	2.3
					Education	5						**5**	0.0
				Reimbursem. of med. charges		858						**858**	0.5
			Military health expenditure			7,452						**7,452**	4.0
		HF.1.1.2 Provincial Gov-ernment	Dept. of:		Health and others		15,089					**15,089**	8.2
					Population Welfare		2,181					**2,181**	1.2
			Health education				1,737					**1,737**	0.9
			Reimbursement of med. charges				1,582					**1,582**	0.9
		HF.1.1.3 District Bodies	District Government					14,080				**14,080**	7.6
			Cantonments Boards					167				**167**	0.1
	HF.1.2 Social security funds	HF.1.2.1 Social security funds through Government	ESSI						2,052			**2,052**	1.1
			Zakat health expenditure							523		**523**	0.3
HF.2 Private Sector	HF.2.2 Other private insurance								419			**419**	0.2
	HF.2.3 Private households' out-of-pocket payment									118,952		**118,952**	64.3
HF.3 Rest of world	HF.3.1 Official donor agencies										3,565	**3,565**	1.9
Total						**24,723**	**20,589**	**14,247**	**2,471**	**119,475**	**3,565**	**185,070**	100.0
Per cent						13.4	11.1	7.7	1.3	64.6	1.9	100.0	

4.1.4 Estimation of reimbursement of medical charges by autonomous bodies

Still some of the data is missing regarding total health expenditures in Pakistan. One missing component is the autonomous bodies. Like government itself they are reimbursing their staff for medical charges. If the health expenditures on autonomous bodies would be included in above matrix then total health expenditures would increase by PKR 959.8 million. This figure only includes the federal autonomous bodies. The estimate is outlined below (Table 14). If we would add the health expenditure by provincial autonomous bodies (which presently could only be done by estimate, also) then the total health expenditure would increase even more than this number.

Since the actual data on the reimbursement of the medical charges in respect of the employees of autonomous bodies is not available, therefore, on the basis of factor or average reimbursement of Federal Government employee (PKR 2,461.45), estimate for the total reimbursement of medical charges of the employees of autonomous bodies have been computed in the following table. This estimation is carried out under the critical assumption that the reimbursement of employees in autonomous bodies is comparable to the reimbursement of employees in the civil servant.

Table 14 - Estimation of reimbursements of medical charges of autonomous bodies of the Federal Government

Item	Value
Employees of autonomous bodies (2005-06) of Federal Government	389,923
Average reimbursement of Federal Government employee (in PKR)*	2,461
Estimation of the total reimbursement of medical charges of autonomous bodies**	959,775,968

Note: * Average reimbursement of the Federal Government employees has been obtained from the actual total reimbursement of Federal Government employees in Islamabad circle.

** Employees multiplied with average reimbursement

Source: For employees: Pakistan Public Administration Research Centre (PPARC) & National Commission for Government Reforms (NCGR)

The figures of employees of the autonomous bodies of the provincial governments are available for NWFP, only. The total number of autonomous bodies of NWFP is 46 having 22,592 of employees[26]. The collection of autonomous bodies along with the number of employees in the rest of provinces is under process.

These estimates are preliminary and would be revised in the second round of the NHA. The data which has to be collected yet include the health expenditures by autonomous bodies at federal and provincial level, health expenditures by NGO and other philanthropy, health expenditures by the national assembly and senate etc. The second round of NHA will cover these aspects.

[26] Services and General Administration Department, Civil Secretariat, Peshawar, NWFP

4.2 Provincial Health Accounts

The province wise breakdown of health expenditures in the literature is called Regional Health Accounts[27] or Provincial Health Accounts[28]. The following matrices show the total health expenditures for each Province. Islamabad is not covered.

Provincial Health Accounts are sub-accounts of the NHA and track expenditures on health for a specific regional section of the health system. Similar to NHA, the sub-accounts measure the expenditures by financing sources, financing agents, health care providers and functions and show the flow of resources through the construction of matrices. But it is imperative to understand the criterion of regionalization: The expenditures are allocated to the regions according to the location where the health care has been provided. The residency of the patient is not a criterion, at all. The expenditures of a resident of Punjab in a clinic at Peshawar would be recorded as expenditure in NWFP. Accordingly, the military health expenses are allocated to the location of the military health facilities. Nevertheless, it can by and large be assumed that the figures widely reflect the regional distribution of benefits by residency of the patients.

One restriction, however, has to be borne in mind: the matrices do not reflect the expenditures by the Federal Government (unless military set-up). The expenditures of the Federal Government are either to be allocated to Islamabad (which in the provincial results is not covered) or belong to vertical programs or are spent directly to providers which for empirical reasons cannot be allocated to provinces.

For Punjab the expenditures made by the Provincial Government was the lowest between the provinces (10%) while social security expenditures (1.5%) were the highest of all provinces. OOP expenditures of private households stood at 75% of all health expenditures made in Punjab.

Expenditures of the Government of Sindh were the highest (17%) between the provinces. In Sindh social security exists with a share of 1.4%. The share of private households' OOP stood at 66%.

In NWFP the district expenditures (1.1%) are the lowest among the provinces. NWFP has with 0.2% the lowest social security expenditures of all provinces. NWFP's share of OOP (76.5%) is the highest of all provinces. Donor organizations spend 5.3% of all health expenditures made in NWFP.

[27] See WHO, Workshop on Health Financing in Pakistan, 2007, http://www.who.int/nha/events/en/.

[28] See ADB, Technical Assistance Completion Report, 1997, http://www.adb.org/Documents/TACRs/PNG/tacr-png-2772.pdf.

Matrix 2 - Financing sources by financing agents - Punjab 2005-06 in million PKR

Financing agents					Financing sources							
					FS.1 Public funds			FS.2 Private funds		FS.3 Rest of the world	Total	Per cent
					FS.1.1 Government Funds							
					FS.1.1.1 Federal Govern-ment	FS.1.1.2 Provin-cial Gov.	FS.1.1.3 District / Tehsil bodies	FS.2.1 Em-ployer funds	FS.2.2 House-hold funds	FS.3.1 Official donor agencies		
HF.1 Gen-eral Gov-ernment	HF.1.1 Territorial Govern-ment	HF.1.1.1 Federal Gov-ernment	Federal Government (civil)		-						-	-
			Military health expenditures		5,569						**5,569**	5.8
		HF.1.1.2 Provincial Gov-ernment	Depart-ment of:	Health and other		7,161					**7,161**	7.5
				Population Welfare		1,072					**1,072**	1.1
			Health education			172					**172**	0.2
			Reimbursem. of med. charges			747					**747**	0.8
		HF.1.1.3 District Bodies	District Government				7,720				**7,720**	8.1
			Cantonments Boards				100				**100**	0.1
	HF.1.2 Social security funds	HF.1.2.1 Social security funds through Government	ESSI					1,475			**1,475**	1.5
			Zakat health expenditure						100		**100**	0.1
HF.2 Priv. Sector	HF.2.3 Private households' out-of-pocket payment								71,507		**71,507**	74.7
HF.3 Rest of world	HF.3.1 Official donor agencies									159	**159**	0.2
				Total	**5,569**	**9,152**	**7,820**	**1,475**	**71,607**	**159**	**95,782**	100.0
				Per cent	5.8	9.6	8.2	1.5	74.8	0.2	100.0	

Matrix 3 - Financing sources by financing agents - Sindh 2005-06 in million PKR

Financing agents					Financing sources							
					FS.1 Public funds			FS.2 Private funds		FS.3 Rest of the world	Total	Per cent
					FS.1.1 Government Funds							
					FS.1.1.1 Federal Govern-ment	FS.1.1.2 Provin-cial Gov.	FS.1.1.3 District / Tehsil bodies	FS.2.1 Em-ployer funds	FS.2.2 House-hold funds	FS.3.1 Official donor agencies		
HF.1 Gen-eral Gov-ernment	HF.1.1 Territorial Govern-ment	HF.1.1.1 Federal Gov-ernment	Federal Government (civil)		-						-	-
			Military health expenditures		632						**632**	1.8
		HF.1.1.2 Provincial Gov-ernment	Depart-ment of:	Health and other		3,798					3,798	11.0
				Population Welfare		718					718	2.1
			Health education			818					818	2.4
			Reimbursem. of med. charges			482					482	1.4
		HF.1.1.3 District Bodies	District Government				4,630				4,630	13.5
			Cantonments Boards				36				36	0.1
	HF.1.2 Social security funds	HF.1.2.1 Social security funds through Government	ESSI					491			491	1.4
			Zakat health expenditure						44		44	0.1
HF.2 Priv. Sector	HF.2.3 Private households' out-of-pocket payment								22,713		22,713	66.0
HF.3 Rest of world	HF.3.1 Official donor agencies									45	45	0.1
				Total	**632**	**5,816**	**4,666**	**491**	**22,757**	**45**	**34,407**	100.0
				Per cent	1.8	16.9	13.6	1.4	66.1	0.1	100.0	

Matrix 4 - Financing sources by financing agents - NWFP 2005-06 in million PKR

Financing agents					Financing sources							
					FS.1 Public funds			FS.2 Private funds		FS.3 Rest of the world	Total	Per cent
					FS.1.1 Government Funds							
					FS.1.1.1 Federal Govern-ment	FS.1.1.2 Provin-cial Gov.	FS.1.1.3 District / Tehsil bodies	FS.2.1 Em-ployer funds	FS.2.2 House-hold funds	FS.3.1 Official donor agencies		
HF.1 Gen-eral Gov-ernment	HF.1.1 Territorial Govern-ment	HF.1.1.1 Federal Gov-ernment	Federal Government (civil)		-						-	-
			Military health expenditures		791						**791**	2.8
		HF.1.1.2 Provincial Gov-ernment	Depart-ment of:	Health and other		2,882					**2,882**	10.2
				Population Welfare		382					**382**	1.4
			Health education			475					**475**	1.7
			Reimbursem. of med. charges			178					**178**	0.6
		HF.1.1.3 District Bodies	District Government				316				**316**	1.1
			Cantonments Boards				24				**24**	0.1
	HF.1.2 Social security funds	HF.1.2.1 Social security funds through Government	ESSI					58			**58**	0.2
			Zakat health expenditure						29		**29**	0.1
HF.2 Priv. Sector	HF.2.3 Private households' out-of-pocket payment								21,547		**21,547**	76.5
HF.3 Rest of world	HF.3.1 Official donor agencies									1,495	**1,495**	5.3
				Total	**791**	**3,917**	**340**	**58**	**21,576**	**1,495**	**28,177**	100.0
				Per cent	2.8	13.9	1.2	0.2	76.6	5.3	100.0	

Matrix 5 - Financing Sources by financing agents - Balochistan 2005-06 in million PKR

Financing agents					Financing sources							
					FS.1 Public funds			FS.2 Private funds		FS.3 Rest of the world	Total	Per cent
					FS.1.1 Government Funds							
					FS.1.1.1 Federal Govern-ment	FS.1.1.2 Provin-cial Gov.	FS.1.1.3 District / Tehsil bodies	FS.2.1 Em-ployer funds	FS.2.2 House-hold funds	FS.3.1 Official donor agencies		
HF.1 Gen-eral Gov-ernment	HF.1.1 Territorial Govern-ment	HF.1.1.1 Federal Gov-ernment	Federal Government (civil)		-						-	-
			Military health expenditures		299						**299**	4.0
		HF.1.1.2 Provincial Gov-ernment	Depart-ment of:	Health and other		1,248					**1,248**	16.5
				Population Welfare		9					**9**	0.1
			Health education			272					**272**	3.6
			Reimbursem. of med. charges			175					**175**	2.3
		HF.1.1.3 District Bodies	District Government				1,415				**1415**	18.7
			Cantonments Boards				7				**7**	0.1
	HF.1.2 Social security funds	HF.1.2.1 Social security funds through Government	ESSI					28			**28**	0.4
			Zakat health expenditure						11		**11**	0.1
HF.2 Priv. Sector	HF.2.3 Private households' out-of-pocket payment								2,925		**2,925**	38.7
HF.3 Rest of world	HF.3.1 Official donor agencies									1,172	**1,172**	15.5
				Total	**299**	**1,703**	**1,422**	**28**	**2,936**	**1,172**	**7,560**	100.0
				Per cent	4.0	22.5	18.8	0.4	38.8	15.5	100.0	

In Balochistan the expenditures of the Provincial Government (22.5%) and the district expenditures (18.7%) are highest of all provinces while the share of OOP (38.7%) is very low compared to the other provinces. The donor expenditures with 15.5% of all health expenditures in Balochistan make their highest share compared to the other provinces.

Overall, these results show that the shares of financing agents of the health expenditures are relatively heterogeneous between different provinces. Table 15 gives the figures of the provinces plus those for Islamabad Capital Territory (ICT) and the unregionalized part of Federal Government.

Table 15 - Total health expenditures 2005-06 by provinces and type of expenditure

Type of health expenditure	Punjab	Sindh	NWFP	Balo-chistan	ICT	Unregio-nalised / Federal	Pakistan
In million PKR							
Military Health Expenditure	5,569	632	791	299	161	-	7,452
Provincial / Federal Government	9,152	5,816	3,917	1,703	-	17,272	37,860
District Government	7,720	4,630	316	1,415	-	-	14,081
Cantt. Boards	100	36	24	7	-	-	167
Social Security Institutions	1,475	491	58	28	-	-	2,052
Zakat Health Expenditure	100	44	29	11	1	340	525
Private Insurance	-	-	-	-	-	419	419
OOP Health Expenditure	71,507	22,713	21,547	2,925	261	-	118,953
Donors Organizations	159	45	1,495	1,172	694	-	3,565
Total	**95,782**	**34,407**	**28,177**	**7,560**	**1,117**	**18,031**	**185,074**
In per cent of national expenditures							
Military Health Expenditure	74.7	8.5	10.6	4.0	2.2		100.0
Provincial / Federal Government	24.2	15.4	10.3	4.5		45.6	100.0
District Government	54.8	32.9	2.2	10.0			100.0
Cantt. Boards	59.9	21.6	14.4	4.2			100.0
Social Security Institutions	71.9	23.9	2.8	1.4			100.0
Zakat Health Expenditure	19.1	8.4	5.5	2.1	0.2	64.8	100.0
Private Insurance	-	-	-	-	-	100.0	100.0
OOP Health Expenditure	60.1	19.1	18.1	2.5	0.2		100.0
Donors Organizations	4.5	1.3	41.9	32.9	19.5		100.0
Total	**51.8**	**18.6**	**15.2**	**4.1**	**0.6**	**9.7**	**100.0**
Population share excl. FATA	*56.8*	*23.5*	*13.9*	*5.2*	*0.7*	-	*100,0*

Note: The table shows the health expenditures which is based on financing agents classification.

Source: For population share: MOF, Pakistan Economic Survey 2006-2007, chapter 13, Population, Labour Force and Employment, table 12.7, (excluding FATA). Given is the mean of the estimations for 2005 and 2006.

The health expenditures shown in Table 15 as “unregionalized / Federal” are those of Federal Government’s civilian part. They include the vertical programs on health run across all Pakistan. Due to lack of data they can not be disaggregated by province. The disaggregated data on private health insurance is not available so it is also included in the “unregionalised / federal” category. ICT (Islamabad capital territory) means expenditure in Islamabad area which is separate from Federal Government.

Table 15 also shows that for Punjab, Sindh and Balochistan the health expenditures are smaller than their population share. This must not be misinterpreted as almost 10% of all health expenditures in Pakistan (federal health programs) could not be allocated to the provinces.

4.3 Results for Selected Agents

Results for Selected Agents include tables and graphs on expenditures of civilian government by province and districts, military, cantonments, social security, Zakat, private insurances, households and development donors.

4.3.1 Civilian (territorial) government

The title of this section is not common language in Pakistan. It has been chosen as a term for the total of Federal Government (which excludes military expenditures) and the provincial as well as the district governments. This figure (the civilian territorial government health expenditures) sums up to 50 billion Rupees out of overall 185 billion Rupees of total health expenditure in Pakistan during FY 2005-06.

Table 16 - Civilian territorial government health expenditures 2005-06 by function

Function (CoA)	In million PKR					
	Federal	Punjab	Sindh	NWFP	Balochistan	Pakistan
General Services	4,241		718	5	260	5,224
Health Administration	487	1,436	366	134	1,238	3,661
Hospital Services	5,234	12,416	7,196	1,997	872	27,715
Medical Products, Appliances & Equipment	48	-	16	2	-	66
Public Health Services	6,271	1,407	790	438	286	9,192
R & D Health	127		22	-	-	149
Med Education	5	448	818	441	272	1,984
Other Administration	-		-	35	9	44
Construction and Transport	-	60	9	1,004	-	1,073
Economic, Commercial & Labour Affair	-	11	-	-	5	16
Hospital Administration	-	348	-	-	-	348
Transfers	-	-	28	-	-	28
Others	-	-	-	-	3	3
Total	**16,413**	**16,126**	**9,963**	**4,056**	**2,945**	**49,503**

Table 16 shows the federal and provincial (including districts) health expenditures by minor functions of Chart of Accounts (CoA) classification adopted by AGs and AGPR to record the government expenditures under the project named PIFRA. This classification is based on Government Finance Statistics (GFS) by IMF, so are in line with the international classifications. The functional classifications of ICHA are specially designed to measure the health expenditures and partly go beyond functional classification of CoA or even deviate. The CoA classification has to be converted into ICHA for the purpose of NHA. But this is a very arduous job and will be done in second round of NHA.

The data on government health expenditures has been extracted out from the appropriation accounts of respective provinces and districts as well as federal level. It contains all the

health expenditures by any ministry or department. All the expenditures of Ministry / Department of Health and Ministry / Department of Population Welfare are included as a whole whether it is hospital expenditure or administrative expenditure whereas from all the other ministries only health related expenditures are extracted out which are mainly covered under code 07 (health) of chart of accounts classifications. In addition to that, the medical and health education expenditures (medical and nursing colleges etc.) are also included as health expenditures. About 56% of the expenditures are on hospital services, about 19% on public health services, 11% population planning and welfare services and about 4% on health and medical education.

4.3.2 Military health expenditures

The military health expenditures are taken from Military Accountant General. They include the expenditures by Army, Navy, Air Force, Defense Production Establishments, Inter Services Organizations and Accounts Offices including Pakistan Military Accounts Department. The Navy and Air Force province wise figures have been estimated based on overall (army and others) province wise percentages. Military health expenditures are funded by government / Ministry of Finance through Ministry of Defense. The following figures show these health expenditures by province (federal area mainly consist of ICT) and by different expenditure categories as well as by entity.

Table 17- Military health expenditure 2005-06 by organizations

Organization	In million PKR					
	Federal	Punjab	Sindh	NWFP	Balochistan	Pakistan
Army	-	4,283.78	359.60	682.07	244.52	5,569.97
Air Force	63.00	189.01	105.00	42.00	21.00	420.01
Navy	97.62	303.35	167.07	66.83	33.41	668.28
D.P. Establishment	-	250.88	-	-	-	250.88
ISO'S (Excl P. M. A. D)	-	512.33	-	-	-	512.33
A/C Org (Incl . P. M. A. D)	-	29.49	0.00	0.53	0.13	30.15
Total	**160.62**	**5,568.84**	**631.67**	**791.43**	**299.06**	**7451.62**

Table 18 - Military health expenditure 2005-06 by categories

Categorie	In million PKR					
	Federal	Punjab	Sindh	NWFP	Balochistan	Pakistan
Medical Store & Equipment (Local Purchase)	86.21	2,342.15	214.28	194.85	67.40	2,904.88
Medical Store & Equipment (import)	8.43	147.13	15.58	6.23	3.12	180.48
Reimbursement of Medical Charges	0.17	47.32	0.28	0.64	0.19	48.59
Other Medical Expenditure	0.00	4.86	0.11	0.15	0.10	5.22
Pay & Allowances	65.82	3,027.38	401.43	589.57	228.26	4,312.46
Total	**160.62**	**5,568.84**	**631.67**	**791.43**	**299.06**	**7,451.62**

4.3.3 Health Expenditures by Cantonments Boards

The data on cantonment boards' health expenditures has been taken from Military Land and Cantonment Boards Department. Cantonment boards act as local bodies and are financially autonomous. The data is broken down into provinces and different health expenditure categories. As the table and figures shows most of the expenditure has taken place in province Punjab and lowest health expenditure in Balochistan. Major proportion of health expenditures is on salaries of medical staff and the second category is medicine and reimbursements.

Table 19 - Health expenditures by cantonment boards 2005-06

Province	In million PKR				
	Medicine & re-imbursements	Medical equipment	Salaries of medical staff	Construction / maintenance of Disp./Hospital	Total
Punjab	39.1	1.8	51	8	99.9
Sindh	16.9	2.3	16.5	0.5	36.1
NWFP	3.6	3.2	17.6	0.1	24.5
Balochistan	3.9	-	2.7	-	6.5
Total	**63.4**	**7.2**	**87.8**	**8.6**	**167**

4.3.4 Social Security Health Expenditures

Employees social security institutions are working in all four provinces, the data for ESSIs' health expenditures has been taken from ESSIs and Federal Ministry of Labour. The health expenditures are shown by province and by categories of health expenditures. The administration / operational cost have not been included as the data was not available. As the table shows expenditures on health facilities have the major share in total ESSIs health expenditures followed by the cash benefits expenditures. And most of the expenditure has been made in province Punjab followed by Sindh and the NWFP and Balochistan.

Table 20 - Employees social security institutions health expenditures 2005-06

Type of health expenditure	In million PKR				
	Punjab	Sindh	NWFP	Balochistan	Pakistan
Expenditure on health facilities	1,325	461	48	-	1,834
Reimbursement of medical charges	-	17	7	-	24
Cash benefits relevant to health expenditure	150	13	2	-	167
Others	-	-	-	27	27
Total	**1,475**	**491**	**58**	**28**	**2,052**

Note: Administrative/ operational expenditures of ESSI are not included due to the non-availability of data.

4.3.5 Zakat related health expenditures

The data on health expenditures through Zakat has been taken from Ministry of Religious Affairs, Zakat and Ushar. In general 2,393,776 individuals received Zakat assistance in 2005-06. In Table 22, Zakat funds are mentioned which are allocated and utilized in 2005-06 at the provincial and National level for health care. It shows that specifically 443,245 individuals received health care assistance in Zakat.

Table 21 - Zakat for health care by program 2005-06			
Program	In million PKR		Beneficiaries (persons)
	Budget allocated	Budget utilized	
Total	**715.600**	**522.957**	**443,245**
Health Care (national)	500.000	339.573	277,743
Health Care (povincial)	215.030	182.813	165,410
Leprosy Patients	0.570	0.570	92

Source: Zakat & Usher Department: Brief on Zakat System

The overall amount of 523 million PKR Zakat funds has been allocated for the Provinces / areas according to the diversified set of programs[29]. The share of the provinces is as follows (million PKR): Punjab 100, Sindh 44, NWFP 29, Balochistan 11, Federal level or unregionalised 340. Further disaggregation is not available except one category of expenditures on leprosy patients in Punjab which amounts to 0.57 million PKR.

4.3.6 Private Health Insurance Expenditures

The data on private health insurance has been taken from Securities Exchange Commission of Pakistan (SECP). The data consist of claims incurred, the operational / administrative cost could not be taken and further disaggregation is not possible due to lack of data. NHA section is in contact with SECP and will incorporate the revised figures when available.

Table 22 - Health insurance in Pakistan					
Year	In million PKR				Loss ratio in per cent
	Gross premium written	Gross premium earned	Acquisition cost	Gross incurred claims	
2007	1,173.7	1,077.4	63.2	738.9	68.6
2006	817.7	739.7	78.5	479.1	64.8
2005	589.8	540.9	56.9	358.5	66.3
2004	409.9	353.1	57.8	229.3	64.9
Average of 2005/06	703.8	640.3	67.7	418.8	65.6

Note: This includes the medical covers generally available in the market pertaining to "hospitalization", which in cases are supplemented with additional benefits such as, emergency treatment, pre / post hospitalization (Including test, consultations and medications), out-patient treatment (on sharing basis), specialists fee, etc.

Source: Security and Exchange Commission of Pakistan

4.3.7 Household out of pocket (OOP) health expenditures

Out of pocket health expenditures are taken from Pakistan Social and Living Standard Measurement Survey (PSLM) 2005-06. The per capita monthly health expenditures are available in PSLM report under "miscellaneous" items. Those monthly per capita health expenditures are

[29] For Northern Areas, PKR 2.261 millions were allocated for health care and there were 2,766 beneficiaries

then converted to annual per capita expenditures. Province-wise population figures are taken from Economic Survey (MoF) 2006-07. Absolute health expenditures for 2005-06 by province were estimated as product of health expenditure per capita and population. PSLM per capita figures are based on weighted averages so total OOP health expenditures are adjusted to have overall Pakistan figure equal to sum of four provinces and ICT.

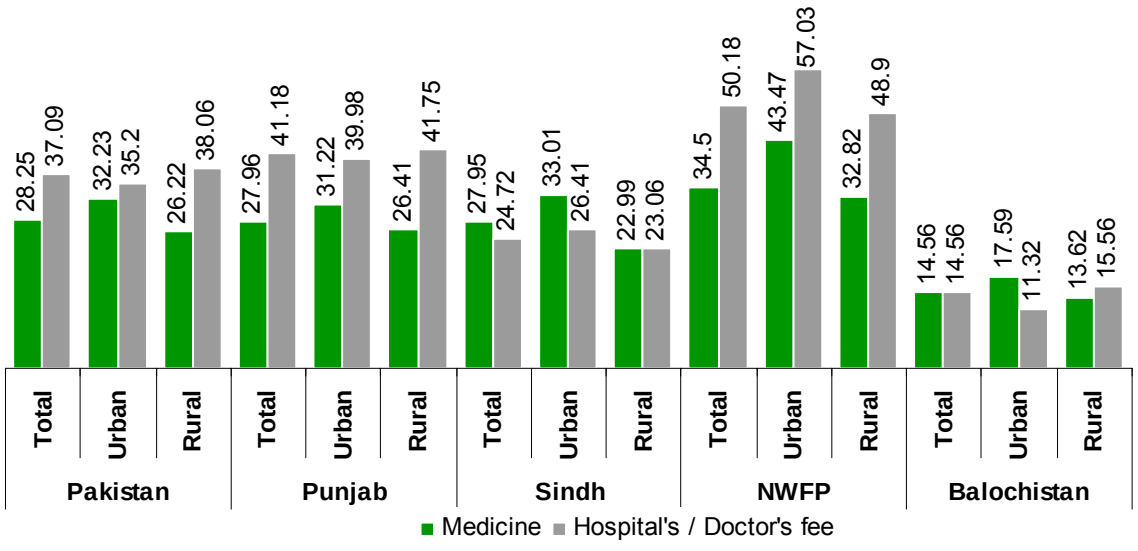
Table 23 - Household OOP health expenditures by consumption quintiles 2005-06

Indicator	Total	Quintile				
		1	2	3	4	5
Household size (persons)	6.8	8.7	7.9	7.1	6.4	5.2
Average monthly per capita expenditure:						
- on all expenditure items (in PKR)	1,517.8	675.0	939.1	1,187.6	1,562.0	3,234.3
- on miscellaneous items (in PKR)	194.7	55.2	89.0	126.0	194.1	511.0
- on health (in PKR)	65.3	27.1	40.9	50.4	71.1	137.6
- on medicines purchased (in PKR)	28.3	12.5	18.0	23.2	31.7	56.0
- on hospital's / Doctor's fee (in PKR)	37.1	14.6	22.8	27.2	39.4	81.6
Average annually per capita expenditure on health (in PKR)	784.1	325.7	490.4	604.6	853.3	1,651.2
Health expenditure as share of total consumption (in per cent)	4.3	4.0	4.4	4.2	4.6	4.3

Source: FBS, PSLM, Household Integrated Economic Survey 2005-06.

Figure 10 below shows that the highest per capita monthly health expenditure 2005-06 was in NWFP followed by Punjab and Sindh and the lowest per capita health expenditure was in Balochistan.

Figure 10 - Per capita monthly health expenditures 2005-06 in PKR



Source: PSLM 2005-06.

Table 24 - Household out of pocket expenditures on health 2005-06						
Expenditure	Pakistan	ICT	Punjab	Sindh	NWFP	Balochistan
Adjusted total health expenditure in million PKR	118,952	261	71,507	22,713	21,547	2,925
Average monthly per capita expenditure on health in PKR	65.34	65.34	69.14	52.66	84.67	29.12

Source: PSLM 2005-06.

4.3.8 Health Expenditures by Development Partners

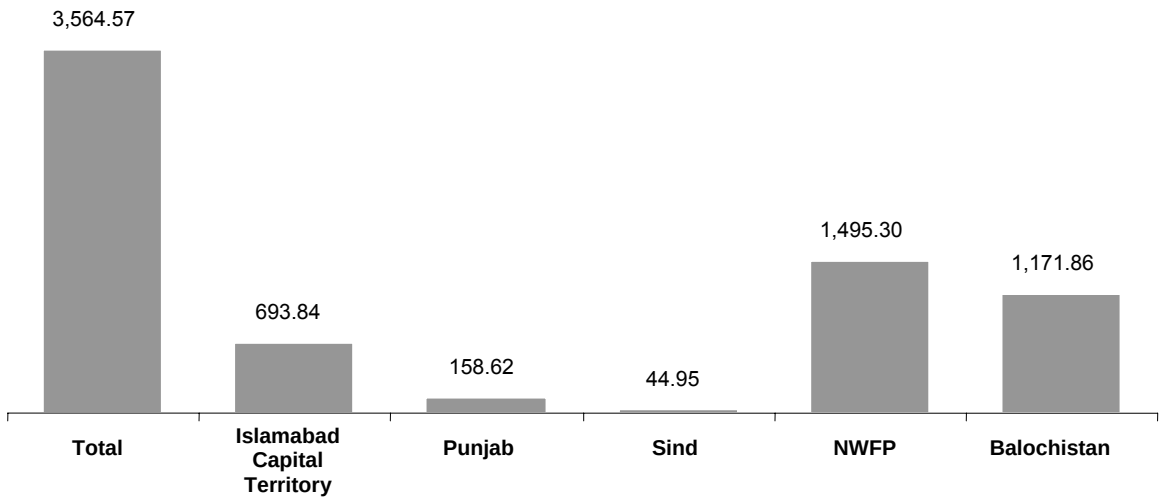
Data on health expenditures by development partners / donor agencies has been taken from the data base (Development Assistance Data Base, DAD) of economic affairs division (EAD). All the figures were extracted in March 2009 and are off budget figures. All figures refer to the disbursement on health. The expenditures figures are not updated and very few information is available. So the disbursement figures are treated and taken as health expenditures.

Table 25 - Donor health expenditures 2005-06		
Sector	In million PKR	In per cent
Food and Nutrition	56	1.56
Child Health	396	11.11
Health and Nutrition Unallocated	8	0.23
Infectious Disease Control	4	0.11
Maternal Health	130	3.65
Medical Services	47	1.32
Other - Health and Nutrition	1,219	34.21
Primary Health	1,193	33.47
Unallocated	511	14.34
Total	**3,565**	**100.00**

Source: EAD

The major proportion of all these health expenditures have taken place in NWFP followed by Balochistan, Federal and Punjab and lowest expenditure is in Sindh.

Figure 11 - Donor expenditures on health 2005-06 in million PKR



Source: EAD

4.4 Benchmarks

4.4.1 Comparison with WHO Figures

The WHO figures have been taken from WHO website. WHO has presented all the figures by calendar year, the average of two calendar years 2005 and 2006 has been taken to make it comparable with Pakistan NHA which is based on fiscal year 2005-06.

Table 26 - Comparison with WHO figures in million PKR

Classifications		NHA Pakistan 2005-06	WHO			
			Average 2005-06	2005	2006	WHO's Data Sources
HF.1	General government	62,134	24,666	23,971	25,360	Federal Bureau of Statistics, Pakistan Statistical Yearbook 2004 online, T.18.2 (item E.b.), T.18.6 and T.18.8
HF.1.2.1.1	ESSI	2,052	3,000 [1]	3,000	4,000	Estimates based on data from World Bank (to obtain source of publication)
HF.2.3	Private HH's OOP	118,952	118,437	110,682	126,192	2005 : imputation 2006 : Federal Bureau of Statistics, Household Integrated Economic Survey (HIES) 2005-2006 (www.statpak.gov.pk/depts/fbs/statistics/hies05_06/table22.pdf)
HF.3.1	Official donor agencies	3,565	4,928	4,961	4,896	OECD DAC

Note: [1]: The data source (taken from WHO website citing worldbank figures) gives the figures 3 and 4 for the two years, but probably by mistake the wrong dimension has been given (billion instead of million). WHO estimates for country NHA data, http://www.who.int/nha/country/pak/en/.

The general government health expenditures according to NHA Pakistan are more than twice the WHO figures. NHA Pakistan does include the military health expenditures, reimbursement of medical charges for the government employees, health education expenditures etc. OOP expenditures are comparable and donors expenditures are less than WHO figures may be due to

the fact that NHA Pakistan does not include FATA, FANA and AJK for the first round. Another issue, which is already discussed, is that NHA does not have category which can measure the funds transferred from one source to other source i. e donors to government.

4.4.2 NHA Indicators with regard to National Accounts

According to NHA Pakistan results:

- Total health expenditures are 2.59% of GDP (current factor cost) in 2005-06.[30]
- General government health expenditures are 7.54% of general government expenditures in 2005-06 as according to national accounts.[31]
- Private health expenditures are 2.09% of private expenditures as according to national accounts.[32]

It should be noted that the NHA-figures are at the lower end of the range of total health expenditures due to the fact that expenditures on philanthropic organizations / NGOs, private sector, state owned enterprises etc. are not yet included in total health expenditures. In the second round of NHA Pakistan hopefully the situation regarding data will be improved and the figure on total health expenditure would be increased.

[30] Federal Bureau of Statistics, National Accounts, Gross National Product of Pakistan (at current factor costs), http://www.statpak.gov.pk/depts/fbs/statistics/national_accounts/table4.pdf .

[31] Federal Bureau of Statistics, National Accounts, Expenditure on GNP at current prices, general government current consumption expenditure, http://www.statpak.gov.pk/depts/fbs/statistics/national_accounts/national_accounts.html.

[32] Federal Bureau of Statistics, National Accounts, Expenditure on GNP at current prices, private consumption expenditure, http://www.statpak.gov.pk/depts/fbs/statistics/national_accounts/national_accounts.html

5 Conclusions

NHA Pakistan estimates for the year 2005-06 are based on the concepts, accounting framework and guidelines of WHO. The compiled accounts are also internationally comparable, as NHA Pakistan has adopted the ICHA classification (WHO).

This first round of Pakistan National Health Accounts for the fiscal year 2005-06 endeavors to provide a detailed, comprehensive, consistent and reliable account for financing sources and financing agents. Nevertheless, all figures and results given in this report are preliminary data; the revised figures would be available along with the second round of NHA Pakistan (envisaged for FY 2007-08).

Compilation of NHA was largely data driven, involving extensive efforts in data collection, inventorying, evaluating and analysis. It made critical use of all available sources.

Use of NHA Results

The responsibility of compilation of NHA, descriptive analysis, publication and data dissemination is with FBS whereas further technical analysis, policy implications and political assessments and conclusions are with MOH.

The NHA report gives the detailed analysis of almost each agent besides the classification schemes and tables, which will enable the policy makers and researcher to look into the matter deeply and do the further analysis. One outstanding result is that compared to the present state of information (WHO-data) the public health expenditures as per NHA are more than twice of it.

The hints and first steps towards the further analysis could include the comparison of per capita health expenditure of civilian government and military setup, the comparison of per capita social security and Zakat health expenditures across the provinces, the share of out of pocket health expenditures across provinces.

NHA section can also provide customized tables on demand as per data availability to help and assist the analysis. The NHA report encourages the policy makers, researchers, academia and other stakeholders to use it at its fullest. Their feedback will help and enable FBS to improve the methodology, results and analysis for the second round.

Problems and Issues faced while compiling NHA

There are some problems and issues which were faced while compiling the NHA results. The most important was that NHA is a new term in Pakistan and there was a lack of understanding about NHA and it took a long time to develop understanding and create awareness among different stakeholders about NHA.

The data situation is not a tremendous one; the most important barrier was lack of data availability and even wherever data was available it was not in a desired and standardized format. Some times it was fragmented and scattered; some times disaggregated data was not available

or even no information was available. There were some other issues like low capacity at accounting offices and lack of local capacity for developing NHA in Pakistan.

The way forward

To overcome all the above-mentioned problems and to improve the state of affairs regarding NHA it is very much important to make NHA a regular activity within FBS. To ensure sustainability of NHA the FBS has to make strong the ties with Ministry of Health and other ministries and stakeholders.

The FBS also conducts trainings on NHA. This will be continued, for the stakeholders as well as for the NHA team to enhance the expertise for the development and use of NHA.

Regarding data collection and compilation, with the regular utilization of data the situation will be improved. The need is to work with data producers and encourage them to have standardized database and use international classifications and to build electronic formats for data storage.

The second round of NHA will also give the revised figures for the first round of NHA as per availability of data. For the second round of NHA few surveys are also under consideration i.e. special household survey on private OOP, survey on providers of health care (especially in private sector), survey on autonomous bodies, survey on NGOs and philanthropy, survey on corporate sector and other employers funds. These surveys will enhance the database of NHA and figures of total health expenditure will be improved. The second round will also exhibit the tables and matrices on provider's classification and function's classification.

These are the first results ever of NHA in Pakistan. The objective is to have full-fledged institutionalized NHA in Pakistan. The second round on NHA is already in process at the Federal Bureau of Statistics and is being carried out for the fiscal year 2007-08.

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Annexure

Annexure 1: Data sources

Data sources		
Data Type	**Source**	**Publication or official correspondance available**
Out of pocket expenditure	FBS	FBS, PSLM Report
Federal government	AGPR	Appropriation Accounts (Civil) Volume-1 2005-06
Provincial government	AG Office Punjab	Appropriation Accounts for the Year 2005-2006 Accountant General Punjab
District data	AG-Office Punjab	Distt Appropriation Accounts 2005-2006
Provincial government	AG Office Sindh	Appropriation Accounts for the Year 2005-2006 Accountant General Sindh
District data	AG-Office Sindh	Distt Appropriation Accounts 2005-2006
Provincial government	AG Office NWFP	Appropriation Accounts for the Year 2005-2006 Accountant General N.W.F.P
District data	AG-Office NWFP	Distt Appropriation Accounts 2005-2006
Provincial government	AG Office Balochistan	Appropriation Accounts for the Year 2005-2006 Accountant General Balochistan
District data	AG-Office Balochistan	Distt Appropriation Accounts 2005-2006
Health Insurance data	SECP	SECP (Insurance Division) Official Letter, Ref. Circular No. 7/2008 including table
Donors	EAD	Received permission through e-mail for the use of EAD website www.dadpak.org
Social Security	Punjab ESSI	Data provided in meeting
Social Security	Sindh ESSI	Data provided in meeting
Social Security	NWFP ESSI	Data provided in meeting
Social Security	Balochistan ESSI	Data provided in meeting
Military	Military Accountant General	Military Accountant General (letter U.O.NO.A/182-Corr-XXIV including table)
Zakat	Ministry of Religious Affairs	Data provided in meeting
Provincial employees	Finance department Punjab	
Provincial employees	Finance department Sindh	Figure given on official website
Provincial employees	Finance department NWFP	letter showing data regarding provincial employees
Provincial employees	Finance department Balochistan	letter showing data regarding provincial employees

Annexure 2: ICHA classification financing sources (FS)

FS.1 Public funds
FS.1.1 Territorial government funds
FS.1.1.1 Central government revenue
FS.1.1.2 Regional and municipal government revenue
FS.1.2 Other public funds
FS.1.2.1 Return on assets held by a public entity
FS.1.2.2 Other
FS.2 Private funds
FS.2.1 Employer funds
FS.2.2 Household funds
FS.2.3 Non-profit institutions serving individuals
FS.2.4 Other private funds
FS.2.4.1 Return on assets held by a private entity
FS.2.4.2 Other
FS.3 Rest of the world funds

Annexure 3: ICHA classification financing agents (HF)

HF.1	General Government
HF.1.1	Territorial government
HF.1.1.1	Central government
HF.1.1.2	State/provincial government
HF.1.1.3	Local/municipal government
HF.1.2.	Social security funds
HF.2	Private Sector
HF.2.1	Private social insurance
HF.2.2	Other private insurance
HF.2.3	Private Households' out-of-pocket payment
HF.2.4	Non-profit institutions serving households (other than social insurance)
HF.2.5	Private firms and corporations (other than health insurance)
HF.3	Rest of the world

Annexure 4: ICHA classification for health care functions (HC)

HC.1 Services of curative care
HC.1.1 Inpatient curative care
HC.1.2 Day cases of curative care
HC.1.3 Outpatient curative care
HC.1.3.1 Basic medical and diagnostic services
HC.1.3.2 Outpatient dental care
HC.1.3.3 All other specialized medical services
HC.1.3.4 All other outpatient curative care
HC.1.4 Services of curative home care
HC.2 Services of rehabilitative care
HC.2.1 Inpatient rehabilitative care
HC.2.2 Day cases of rehabilitative care
HC.2.3 Outpatient rehabilitative care
HC.2.4 Services of rehabilitative home care
HC.3 Services of long-term nursing care
HC.3.1 Inpatient long-term nursing care
HC.3.2 Day cases of long-term nursing care
HC.3.3 Long-term nursing care: home care
HC.4 Ancillary services to medical care
HC.4.1 Clinical laboratory
HC.4.2 Diagnostic imaging
HC.4.3 Patient transport and emergency rescue
HC.4.9 All other miscellaneous ancillary services
HC.5 Medical goods dispensed to outpatients
HC.5.1 Pharmaceuticals and other medical nondurables
HC.5.1.1 Prescribed medicines
HC.5.1.2 Over-the-counter medicines
HC 5.1.3 Other medical nondurables
HC.5.2 Therapeutic appliances and other medical durables
HC.5.2.1 Glasses and other vision products
HC.5.2.2 Orthopaedic appliances and other prosthetics
HC.5.2.3 Hearing aids
HC.5.2.4 Medico-technical devices, including wheelchairs
HC.5.2.9 All other miscellaneous medical goods
HC.6 Prevention and public health services
HC.6.1 Maternal and child health; family planning and counselling
HC.6.2 School health services
HC.6.3 Prevention of communicable diseases
HC.6.4 Prevention of noncommunicable diseases
HC.6.5 Occupational health care
HC.6.9 All other miscellaneous public health services
HC.7 Health administration and health insurance

HC.7.1 General government administration of health
HC.7.1.1 General government administration of health (except social security)
HC.7.1.2 Administration, operation and support of social security funds
HC.7.2 Health administration and health insurance: private
HC.7.2.1 Health administration and health insurance: social insurance
HC.7.2.2 Health administration and health insurance: other private
HC.nsk HC expenditure not specified by kind
HC.R.1–5 Health-related functions
HC.R.1 Capital formation for health care provider institutions
HC.R.2 Education and training of health personnel
HC.R.3 Research and development in health
HC.R.4 Food, hygiene and drinking-water control
HC.R.5 Environmental health
HC.R.nsk HC.R expenditure not specified by kind

Annexure 5: Steering Committee

The broad terms of reference of the Steering Committee are as under:

- The committee will steer the establishment of National Health Accounts in Pakistan
- Provide a forum for discussing and approving relevant conceptual approaches
- Communicate policy concerns to the NHA team and assist in interpreting NHA results
- Give feed back to the NHA team on results and findings and overseeing the implementation of NHA process
- Facilitate any difficulties that might encounter
- Review of progress
- Communicate and advocate for NHA results

The Steering Committee consists of:

Secretary Statistics Division (Chairman)

Members:

- Director General FBS
- Representatives from Ministry of Health
- Representative from Pakistan Medical & Dental Council
- Representative from Pakistan Medical Research Council
- Representative from Pakistan Medical Association (PMA)
- Representative from Ministry of Industries
- Representative from Ministry of Finance
- Representative from Ministry of Labour
- Representative from Civil Society (e.g. Heartfile)
- Representative from Planning Commission
- Representative from each Provincial Health Department
- Representative from SECP
- Representative from Office of Accountant General of Pakistan
- Representatives from Development Partners *(WHO, WB, UN, GTZ)*
- Deputy Director General National Accounts FBS (Member and Secretary)

Annexure 6: Technical Committee

The ToRs for the Technical Committee are as follows:

- Decide main concepts and present them to the Steering Committee for approval
- Decide contents and format of Health Accounts including Classifications and boundaries
- Decide about survey activities including questionnaire and tables
- Approve proposals of NHA tam on structure and contents of publications
- Prepare meetings of Steering Committee including annual work plan
- Approve quarterly work plan and steer NHA-team

The Technical Committee consists of:
Director General, FBS (Chairman)
Members:

- Director (National Accounts), FBS (Member)
- Representatives from Ministry of Health (Members)
- Representative from Ministry of Finance
- Representatives from PMRC
- Representatives from PMA
- Representatives from Planning Commission
- Experts from Development Partners (Members) (WHO, WB etc.)
- Experts – Economists
- Principal Advisor GTZ and NHA team members
- Deputy Director General National Accounts, FBS (Member and Secretary)

Annexure 7: Functional Classification (by PIFRA)

Major Function		Minor Function			Detailed Function		Sub-Detail Function
No.	Description	No.	Description			No.	DESCRIPTION
07	Health	071	Medical Products, Appliances and Equipment	0711	Medical Products, Appliances and Equipment	071101	Medical Products, Appliances and Equipment
						071102	Drug Control
		072	Outpatients Services	0721	General Medical Services		
						072101	General Medical Services
				0722	Specialized Medical Services		
						072201	Specialized Medical Services
				0723	Dental Services		
						072301	Dental Services
				0724	Paramedical Services		
						072401	Paramedical Services
		073	Hospital Services	0731	General Hospital Services		
						073101	General Hospital Services
				0732	Special Hospital Services		
						073201	Special Hospital Services (mental hospital)
				0733	Medical and Maternity Centre Services		
						073301	Mother and Child Health
				0734	Nursing and Convalescent Home Services		
						073401	Nursing and Convalescent Home Services
		074	Public Health Services	0741	Public Health Services		
						074101	Anti-malaria
						074102	Nutrition and other hygiene programs
						074103	Anti-tuberculosis
						074104	Chemical Examiner and laboratories
						074105	EPI (Expanded Program of Immunization)
						074106	Preparation and dissemination of Information on Public Health matters
						074107	*Population Welfare Meaasures
						074120	Others (other health facilities and preventive measures)
		075	R&D Health	0751	R & D Health	075101	R & D of Unani Medicines
						075102	Specific Health Research Projects
		076	Health Administration	0761	Administration	076101	Administration
09	Education Affairs & Services	093	Tertiary education affairs & services	0931	Tertiary education affairs & services	093102	Professional / technical universities / colleges / institutes

No.	Object Classification	Sub classification	Sub detailed Class.
A04	Employees Retirement Benefit		
		A041-06 Reimbursement of Medical Charges to Pensioners **A041-11** Traveling Allowance for Retired Government Servants in connection with journey on Medical Grounds	
A01	Employee Related Expenses	**A012-** Allowances	
			A012-1 – Regular Allowance **A01217** – Medical Allowance **A01252** – Non Practicing Allowance **A01254 –** Anesthesia Allowance
			A012-2 Other Allowance (excluding T.A) **A012-74–** Medical Charges