JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)
MINISTRY OF HEALTH
THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

THE STUDY ON THE IMPROVEMENT OF HEALTH AND MEDICAL SERVICES IN THE LAO PEOPLE'S DEMOCRATIC REPUBLIC

LAO HEALTH MASTER PLANNING STUDY

FINAL REPORT

VOLUME 2
MAIN TEXT

November 2002

PACIFIC CONSULTANTS INTERNATIONAL

The following foreign exchange rate is applied in the study:
US$ 1.00 = 10,000 Kip (as of July 2002)

PREFACE

In response to the request from the Government of the Lao People's Democratic Republic, the Government of Japan decided to conduct the study on Improvement of Health and Medical Services in the Lao People's Democratic Republic and entrusted the study to Japan International Cooperation Agency (JICA).

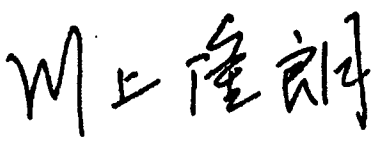
JICA dispatched a study team headed by Mr. Hideyuki Sasaki of Pacific Consultants International to the Lao PDR, four times between April 2001 and September 2002. In addition, JICA set up an Advisory Committee headed by Dr. Takatoshi Kobayakawa of Tokyo Women's Medical University between April 2001 and September 2002, which examined the Study from specialist and technical points of view.

The team held a series of discussions with the officials concerned of the Government of the Lao PDR and conducted field surveys at the study area. Upon returning to Japan, the team conducted further studies and prepared this final report.

I hope that this report will contribute to the promotion of this project and to the enhancement of friendly relationship between our two countries.

Finally, I wish to express my sincere appreciation to the officials concerned of the Government of the Lao PDR for their close cooperation extended to the team.

October 2002



Takao Kawakami

President

Japan International Cooperation Agency

October 2002

Mr. Takao KAWAKAMI
President
Japan International Cooperation Agency
Tokyo, Japan

Letter of Transmittal

Dear Sir,

We are pleased to formally submit herewith the Final Report of "The Study on Improvement of Health and Medical Services in the Lao People's Democratic Republic."

This report compiles the results of the Study which was conducted from March 2001 through October 2002 by the Study Team organized by Pacific Consultants International under the contract with JICA.

The report compiles the Lao Health Master Plan covering both reform and development of the health sector in the Lao PDR. The plan consists of 1) vision, goals and objectives; 2) overall basic strategies; 3) frameworks for health sector reform and development; and 4) priority programmes.

We would like to express our sincere gratitude and appreciation to the officials of your agency, the JICA advisory Committee, and Ministry of Foreign Affairs. We also would like to send our great appreciation to all those who extended their kind assistance and cooperation to the Study Team, in particular to the Lao Ministry of Health and provincial/district health offices.

We hope that the report will be able to contribute significantly to health sector reform and development in the Lao PDR.

Very truly yours,

Hideyuki SASAKI
Team Leader,
The Study on Improvement of
Health and Medical Services in the
Lao People's Democratic Republic

PROFILE OF THE STUDY

BACKGROUND

In response to the request of the Government of Lao People's Democratic Republic (hereinafter referred to as "GOL"), the Government of Japan (hereinafter referred to as "GOJ") decided to conduct "The Study on the Improvement of Health and Medical Services in the Lao People's Democratic Republic" (hereinafter referred to as "the Study").

The Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of technical cooperation programs of GOJ, undertook the Study in close cooperation with GOL authorities.

The Ministry of Health (hereinafter referred to as "MOH") acted as the Counterpart Agency for the JICA Study Team on behalf of GOL. MOH coordinated the implementation of the Study with other related government agencies, international donor agencies, and international non-governmental organizations.

OBJECTIVES OF THE STUDY

1. To identify major issues on health and medical services by reviewing the existing data and carrying out supplementary surveys,
2. To formulate a master plan for improvement of health and medical services
3. To carry out relevant technology and knowledge transfer to Lao counterparts.

THE STUDY AREAS

The Study covers the whole country of Lao PDR, with special emphasis on remote areas of the country.

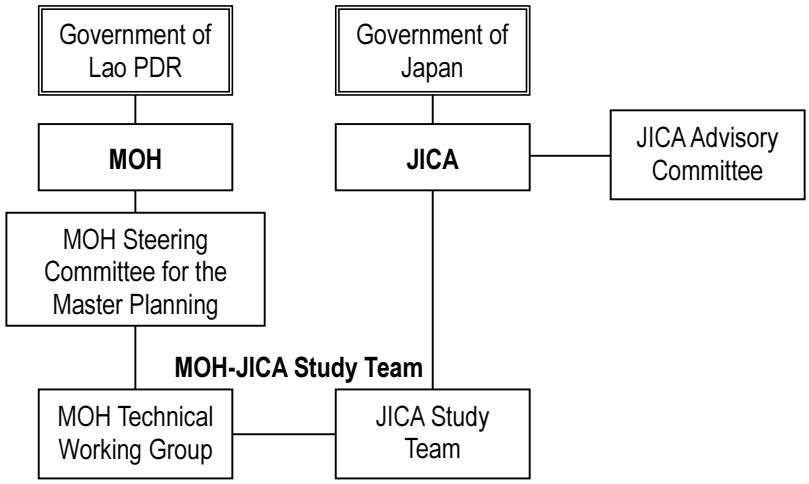
BASIC APPROACH OF THE STUDY

1. To Support Ministry of Health in Master Planning and Coordination among International Donors and NGOs
2. To Support Local Health Offices in Health Planning and Management
3. Comprehensive Approach
4. Regional Approach
5. Community Approach
6. Supplementary Surveys with Specific Objectives and Targets

STUDY IMPLEMENTATION BODY

The Study was carried out as a joint effort of the JICA study team and the Lao counterparts. The JICA study team was composed of 17 experts from Pacific Consultants International (PCI). The Lao counterpart team was composed of 21 experts from MOH.

Figure 1 Study Organization



BASIC FLOW OF THE STUDY

The study is composed of the following four phases:

Phase 1: Basic Design of Planning Study and Establishment of Study Implementation Body
Phase 2: Health Sector Review and Supplementary Surveys (I)
Phase 3: Identification of Issues, Formulation of Basic Strategies and Action Plans, and Supplementary Surveys (II)
Phase 4: Formulation of Master Plan, Action Plans, and Priority Projects/Programmes

Figure 2 Basic Flow of the Study

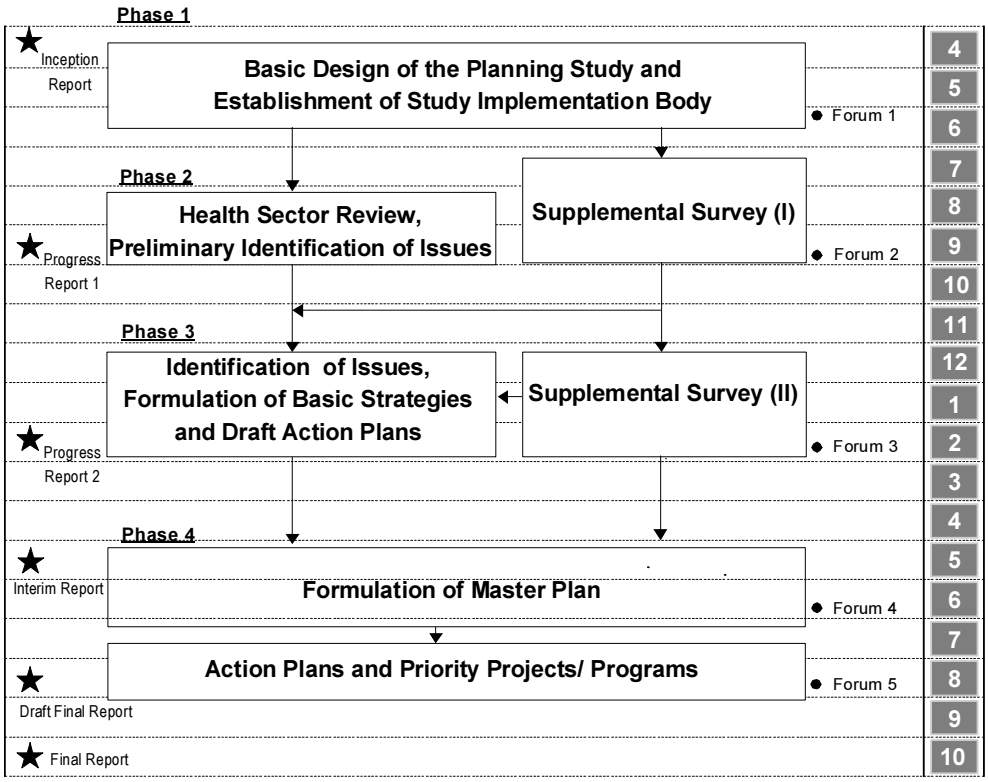


Figure 3 Study Area Map

EXECUTIVE SUMMARY OF THE STUDY RESULTS

Structure of the Lao Health Master Plan

The Lao Health Master Plan is composed of the following elements:

Overall Master Plan

- Overall goals and objectives of health sector development and reform
- Overall basic strategies of health sector development and reform

Frameworks

- Management frameworks
- Development frameworks

Priority Programmes

- Very high priority programmes
- High priority programmes
- Priority programmes

Overall Issues of the Lao Health Sector

The following overall issues were identified:

1. Low level of health services
2. Low input of recurrent expenditure and wasteful resource utilisation
3. Unsustainable development and operation of health infrastructure
4. Weakness of health finance and dependency on foreign assistance
5. Inadequate health finance system
6. Uneven geographical distribution of health personnel
7. Shortage and maldistribution of well trained hospital nurses and community nurses
8. Budget allocation skewed in favour of hospitals and medical doctor training
9. Lack of motivation system for government health staff
10. Poor development of job descriptions of health staff
11. Undifferentiated strategies of health sector development for remote areas
12. Budget shortage and disparities among district health offices due to excessive decentralisation to the district level
13. Low capacity of provincial and district health offices
14. Unclear and non-transparent decision-making system in health management
15. Shortage of human resources and recurrent budget at the district level
16. Weak people's participation in the health sector
17. Weak health service delivery in MCH, nutrition and health education
18. Insufficient infectious disease control activities

Vision, Goals and Objectives

The following long-term vision and goals have been set for the Lao Health Master Plan. They are statements of a desirable situation in the distant future. Objectives, on the other hand, are statements which suggest the directions in which the health sector may develop from the current situation.

Vision

The overall health status of Lao PDR is continually improving with a strengthened health care system and empowered people taking responsibility for their own health, thereby contributing to poverty alleviation.

Goals

- To strengthen the ability of the health care system to provide access to regularly available, appropriate, affordable, and good quality essential health services that are responsive to people's needs and expectations, especially for those who are currently underserved or unserved
- To empower communities, families and individuals to make their own health-related decisions and become self-reliant

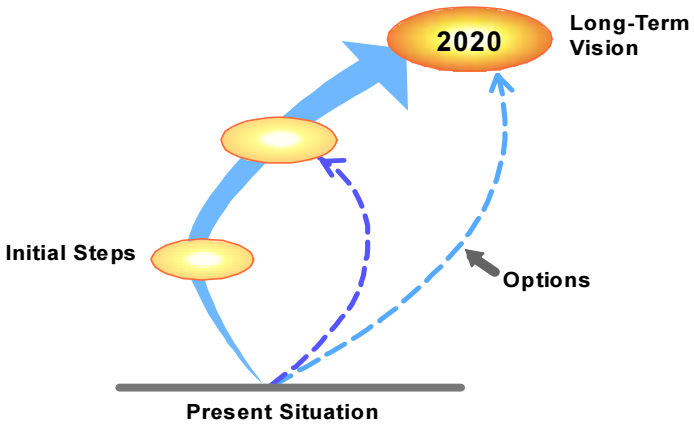
Objectives

1. To broaden the coverage of essential health services for people in remote areas, ethnic minority groups and the urban poor
2. To enhance the quality of basic facility-based and community-based health services while striving for more efficiency in the management of resources
3. To protect people from the financial burden of ill-health and other health events
4. To heighten people's awareness of practical, scientifically sound, socially acceptable, and affordable methods and technologies for maintaining, restoring and improving health

Overall Basic Strategies

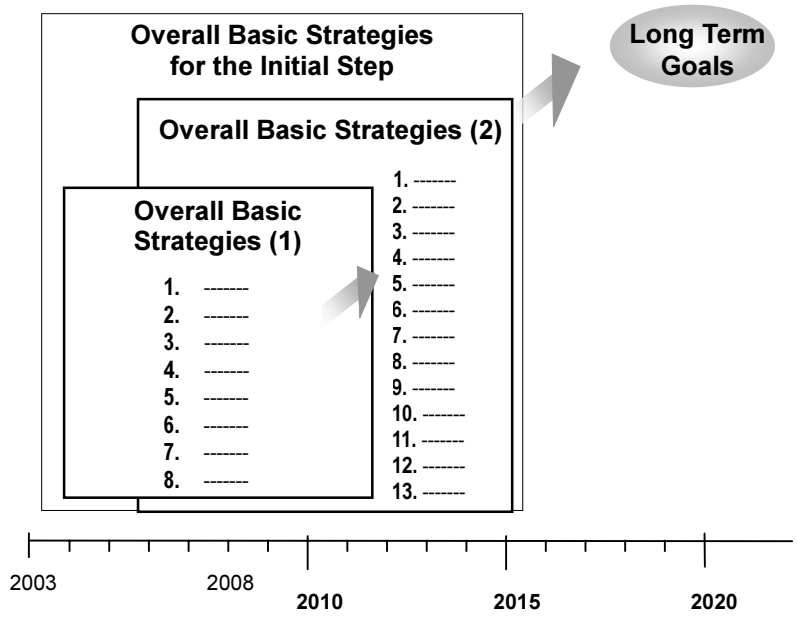
The overall basic strategies show the efforts or directions to be undertaken from now in order to achieve an initial step that leads to the long-term vision.

Figure 1 Long-Term Vision and Initial Strategic Steps



Two sets of overall basic strategies have been formulated to achieve the initial step. The first set of overall basic strategies is strategic and highly selective, comprising eight components. The second set of overall basic strategies is composed of thirteen components, which include components additional to the eight of the first set. The first set of overall strategies should be given very high priority in implementation.

Figure 2 Overall Basic Strategies for the Initial Step



Components of the Overall Basic Strategies (1)

1. To Promote Sector-Wide Coordination at National, Provincial and District Levels

- To actively continue sector-wide coordination at the national level involving various stakeholders (MOH officials, provincial/district health officials, international donors and NGOs), to increase the efficiency and effectiveness of resource utilisation from donors/NGOs.
- To promote sector-wide coordination at the provincial level involving various stakeholders (provincial health officials, district health officials, MOH planning department officials, and international donor/NGO projects) for information sharing, for keeping common goals, objectives and overall basic strategies, and for coordinated project activities

2. To Reform the Health Financial System and to Strengthen the Financial Management Capacity of MOH, PHOs and DHOs

- To make serious efforts to increase the government budget allocation to the health sector, by advocating that higher-level central decision makers, provincial governors and district chiefs make larger budget allocations to MOH, PHOs and DHOs respectively.
- To improve the system of health finance, especially the systems of Revolving Drug Funds, user fees and user fee exemptions at health facilities.

- To improve the system of financial management and to enhance the capacity for financial management at the national, provincial and district levels, in order to increase the efficient use of financial resources.
- To reallocate financial resources for necessary purposes including recurrent spending and the exemption of user fees for the poor.

3. To Improve the Quality of Health Worker Training, especially of Nurses, and to Allocate and Motivate Well-Trained Health Workers in Districts and Health Centres

- To establish clear job descriptions of health workers at different types of workplace.
- To promote the use of established job descriptions at the workplace.
- To improve the quality of pre-service training of health workers, especially nurses, in the regions, so that more well-trained health workers are available to work in districts and health centres.
- To recruit local persons for providing training for PHC workers in the regions so that they can work in health centres in remote areas.
- To establish a routine system of in-service training for health workers, especially nurses, in the regions so that the number of well-trained health workers is increased in districts and health centres.
- To allocate more health staff (both nurses and medical doctors) to districts, firstly by reallocating part of the staff quota from the provincial level to the district level.
- To create an incentive system for health workers, especially at district and health centre levels.
- To promote international cooperation with foreign professional associations for the training of medical doctors, nurses and medical laboratory technologists, and to promote conferences or workshops for exchanging experiences.

4. To Build the System and Capacity of Health Management in Decentralised Contexts

- To clarify decision-making systems in health management at the central, provincial and district levels.
- To improve management skills (information collection, information utilisation, problem analysis, planning and monitoring for annual development planning, 5-year development planning, logistic planning and personnel planning) of managers in MOH, PHOs, and DHOs.
- To improve basic skills (record keeping, book keeping, information management) for management of MOH, PHOs and DHOs.

5. To Implement Efficient and Effective Infectious Disease Control

- To strengthen the systems of infectious disease control, especially EPI, malaria and HIV/AIDS.
- To implement EPI more efficiently and effectively in conjunction with other PHC activities.
- To implement malaria control in conjunction with other PHC activities

- To improve skills in diagnosis and care/treatment of infectious diseases at district hospitals and health centres

6. To Implement the PHC Approach to Strengthen District Health Systems

- To take the following preparatory steps for beginning the development of District Health Systems based on the PHC approach
  - To diffuse the PHC approach at the national, provincial and district levels, and
  - To establish flexible national guidelines and regulations for developing District Health Systems according to the PHC approach.
- At the same time, to make the following efforts at reforming existing vertical programmes, existing health centres, village-level RDFs, and district hospitals to prepare for the future development of district health systems based on the PHC approach.
  - To decentralise the planning and management of vertical programmes of EPI, malaria control, reproductive health, water and sanitation, and TB control to the district and, in some cases, to health centre levels,
  - To promote the horizontal integration of these health activities with other health activities at the district and health centre levels,
  - To actively promote activities of MCH, nutrition and health education at first in vertical ways, and then to integrate these activities into the District Health System covering health centres and villages,
  - To rationalise existing health centres and integrate them into the District Health System,
  - To promote village-level RDFs under the effective guidance of district health officers or health centre staff, and
  - To improve district hospitals so as to attract local people and to establish district hospitals/district health offices as the central bases of District Health Systems.

7. To Operate Central and Provincial Hospitals Efficiently

- To increase the efficient use of financial and human resources at central and provincial hospitals by improving management so that the concentration of financial and human resources in central and provincial hospitals is avoided,
- To make effective use of the existing infrastructure and equipment of central and provincial hospitals by improving their maintenance systems and capacities, and
- To encourage the private sector to invest and participate in private hospitals in towns.

8. To Increase the Availability and Affordability of Essential Drugs and to Promote Rational Drug Use

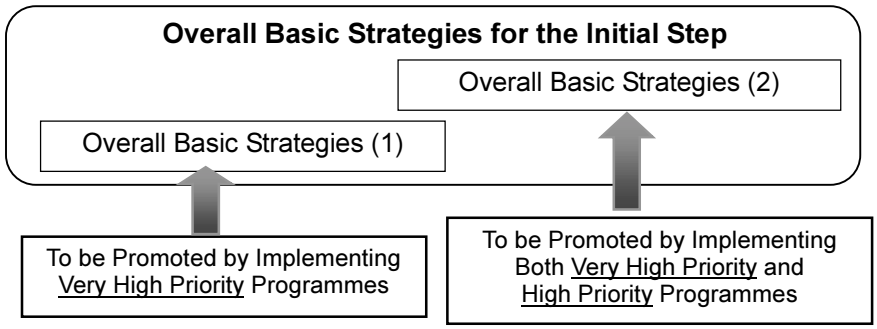
- To increase the availability and affordability of essential drugs by promoting Village-Level RDFs, as well as Health Facility-Based RDFs.
- To improve the affordability of essential drugs, by strengthening the PHO's capacity for drug procurement and management.

- At the same time, to prevent increasingly prevalent irrational drug use at all levels by improving the capacity of health workers, VHVs, village health providers and pharmacies to promote rational drug use.

Priority Programmes

60 priority programmes (the long list) were identified based on the sub-sector frameworks, by using the criteria related to effectiveness in achieving goals of efficiency, equity and quality. From the long list, higher priority programmes (the medium list), which could effectively promote the overall basic strategies, were selected. Furthermore, from the medium list, very high priority programmes (the short list), which could promote the overall basic strategies (1), were selected by using criteria relating to the practicality of implementing programmes, i.e. precedence, technical feasibility, low resource requirement and maturity.

Figure 3 Overall Basic Strategies and Priority Programmes



Definitions of very high priority programmes, high priority programmes and priority programmes are shown below:

Very High Priority Programmes: Essential programmes to be initiated as initial steps within 5 years, in accordance with the overall basic strategies, to change/improve the existing situation of the Lao health sector. The selected very high priority programmes are shown in Table 1.

High Priority Programmes: Programmes to be undertaken after the very high programmes are started, to raise effectiveness in achieving goals/ objectives, in parallel with the very high priority programmes.

Priority Programmes: Programmes selected from sub-sector perspectives. It should be reconsidered whether they should be implemented, after all the very high and high priority programmes have been started.

Table 1 List of Very High Priority Programmes (Short List)

PLANNING AND MANAGEMENT

(1) PM-1 Sector-Wide Coordination Programme
(2) PM-2 Capacity Building Programme for Health Management and Health Information System

HUMAN RESOURCES DEVELOPMENT

(3) HR-2 Programme for Improving Management, Allocation, and Motivation of Health Personnel
(4) HR-3 Programme of Reforming Job Descriptions and Titles of Health Personnel and Organisation Structure of the Government Health Sector
(5) HR-4 Programmes for Strengthening Regional and Provincial Education and Training Institutions for Health Workers
(6) HR-5 Programme for Reformulating Nurse Education Policies
(7) HR-9 Programme for Improving Quality of Teachers for Health Worker Education/Training
(8) HR-10 Programme for Reformulating Medical Doctor Education Policies
(9) HR-13 Textbook Development Programme for Nurse Education in Lao Language

HEALTH FINANCE

(10) HF-1 Financial Management Improvement Programme for the Health Sector
(11) HF-2 Programme for Reforming the Revolving Drug Fund and User Fee Systems

HEALTH EDUCATION

(12) ED-1 Radio Broadcasting Programme for Health Education
(13) ED-3 Programme for Promoting IEC Activities at District Hospitals

INFECTIOUS DISEASE CONTROL

(14) ID-2 Programme of Improving Skills in Diagnosis and Care/Treatment of Infectious Diseases at District Hospitals and Health Centres
(15) ID-4 Programme for Integrating EPI and Other Health Services
(16) ID-6 Programme of Strengthening Control of HIV/AIDS and STDs
(17) ID-7 Programme for Strengthening Malaria Control and other PHC Activities

PRIMARY HEALTH CARE

(18) PH-1 Programme for Supporting the Operationalisation of the "Policy of Primary Health Care"
(19) PH-2 Programme to Develop and Adapt Flexible National Guidelines and Regulations for Strengthening District Health Systems based on the PHC Approach
(20) PH-3 Programme of Implementing the PHC Approach to Strengthen District Health Systems

MATERNAL AND CHILD HEALTH

(21) MC-1 MCH Networking and Coordination Programme
(22) MC-2 Programme for Strengthening and Promotion of MCH
(23) MC-3 Programme for Strengthening Family Planning

NUTRITION

(24) NT-1 Programme of Developing a Core Organisation for Providing Support and Oversight to Nutrition Activities
(25) NT-3 Nutrition Information/Education Programme

HOSPITAL SERVICES

(26) HS-1 District Hospital Improvement Programme
(27) HS-2 National Programme for Strengthening the Maintenance System of Health Facilities by Establishing Provincial Maintenance Units
(28) HS-3 Hospital Management Improvement Programme

MEDICAL LABORATORY TECHNOLOGY

(29) ML-1 Programme for Strategy Formulation and Capacity Building for Health Technology-Based Medicine

ESSENTIAL DRUGS

(30) DR-2 Rational Use of Drugs Programme
(31) DR-4 Village-Level Revolving Drug Fund (RDF) Programme

Conclusion and Recommendation

Since the existing problems in the Lao health sector are varied and complex, efforts at health sector development and reform have tended to be scattered and lack clear direction. Strategic efforts in pursuit of a clear direction should be made by following the overall basic strategies (1) in order to achieve the initial step towards the long-term vision outlined above.

The eight components of the overall basic strategies (1) should be implemented as a single package. In other words, none of them should be omitted from the efforts to strengthen the foundation of health sector development. 31 very high priority programmes to promote the overall based strategies (1) should be started as soon as possible (within 5 years).

Among the very high priority programmes, seven programmes to prepare the basic conditions for starting the reform of the health sector in Lao PDR should be implemented first (PM-1, HR-5, HF-2, ID-4, PH-2, MC-1, NT-1). The seven remaining programmes identified are to be implemented nationwide, aimed at making substantial progress towards achieving the initial step guided by the overall basic strategies (1). The Lao government must make continuous efforts to implement those seven programmes by allocating sufficient budgets for sufficient periods in order for the programmes to have a substantial impact (PM-2, HR-4, HF-1, PH-3, MC-2, HS-1, HS-2).

FINAL REPORT
Volume 2: Main Text

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FORMATION OF THE FINAL REPORT

The Final Report is comprised of the following volumes:

Volume 1: Summary
Volume 2: Main Text
Volume 3: Priority Programmes
Volume 4: Sector Review

Volume 1, Summary, contains the methodology of the Lao Health Master Planning and the outline of the Master Plan.

Volume 2, Main Text, contains the contents of the Lao Health Master Plan including vision, goals and objectives, overall basic strategies, frameworks (sub-sector strategies), and priority programmes.

Volume 3, Priority Programmes, compiles the lists of prioritised programmes (very high priority, high priority and priority programmes), and the profiles of the very high priority programmes.

Volume 4, Sector Review, contains the review of present conditions of sub-sectors.

Abbreviation and Acronym

ADB: Asian Development Bank
ANC: Antenatal Care
AIDS: Acquired Immunodeficiency Syndrome
APB: Agriculture Promotion Bank
ARI: Acute Respiratory Infections
ASEAN: Association of South East Asian Nations
ATS: Amphetamine Type Substances
AusAID: Australian Agency for International Development
BS: Birth Spacing
BTC: Belgian Technical Cooperation
CBR: Crude Birth Rate
CBR: Community-Based Rehabilitation
CCL: Comite pour Cooperation avec le Laos
CDD: Control of Diarrhoeal Diseases
CDR: Crude Death Rate
CIEH: Centre of Information and Education for Health
CMR: Child Mortality Rate
CPC: Committee for Planning and Cooperation
DALY: Disability Adjusted Life Year
DH: District Hospital
DHO: District Health Office
DOTS: Directly Observed Treatment Short-Course
EPI: Expanded Programme on Immunization
EU: European Union
FAO: Food and Agricultural Organization of the United Nations
FP: Family Planning
GDP: Gross Domestic Product
GFR: Gross Fertility Rate
GTZ: German Technical Cooperation Agency
HC: Health Centre
HIV: Human Immunodeficiency Virus
HDR: Human Development Report
HRD: Human Resource Development

IMR: Infant Mortality Rate
IEC: Information, Education, Communication
IUD: Intrauterine device
JICA: Japan International Cooperation Agency
JOCV: Japan Overseas Cooperation Volunteers
KAP: Knowledge, Attitudes and Practices
LECS: Lao Expenditure and Consumption Survey
LNFC: Lao National Front for Construction
LPRYU: Lao People's Revolutionary Youth Union
LRC: Lao Red Cross
LSIS: Lao Social Indicator Survey
LWU: Lao Women's Union
MCH: Maternal and Child Health
MCHC: Maternal and Child Health Centre
MCTPC: Ministry of Communication, Transport, Post and Construction
MFA: Ministry of Foreign Affairs
MMR: Maternal Mortality Rate
MOE: Ministry of Education
MOH: Ministry of Health
MSF: Medicins Sans Frontieres
NCCA: National Committee for the Control of AIDS
NCCA B: National Committee for the Control of AIDS Bureau
NEM: New Economic Mechanism
NGO: Non-Governmental Organization
NID: National Immunization Day
NMR: Neonatal Mortality Rate
NRC: National Rehabilitation Centre
NSC: National Statistical Centre
ORS: Oral Rehydration Solution
ORT: Oral Rehydration Therapy
PDR: People's Democratic Republic
PH: Provincial Hospital
PHC: Primary Health Care
PHO: Provincial Health Office
PIP: Public Investment Programme
RDF: Revolving Drug Fund

RH: Reproductive Health
SCFA: Save the Children Fund Australia
Sida: Swedish International Development Agency
STDs: Sexually Transmitted Diseases
SPC: State Planning Committee
SRC: Swiss Red Cross
TBA: Traditional Birth Attendant
TFR: Total Fertility Rate
TOT: Training of Trainers
U5MR: Under-Five Mortality Rate
UN: United Nations
UNAIDS: United Nations AIDS
UNDCP: United Nations International Drug Control Programme
UNDP: United Nations Development Programme
UNFPA: United Nations Population Fund
UNICEF: United Nations Children's Fund
USAID: United States Agency for International Development
UXO: Unexploded Ordnance
VAD: Vitamin A Deficiency
VHV: Village Health Volunteer
WB: World Bank
WFP: World Food Programme
WPRO: Western Pacific Region Office of WHO
WHO: World Health Organization
WTO: World Trade Organization
WVL: World Vision Laos

PART I

INTRODUCTION

CHAPTER 1
INTRODUCTION

1.1 INTRODUCTION

In response to the request of the Government of Lao People's Democratic Republic (hereinafter referred to as "GOL"), the Government of Japan (hereinafter referred to as "GOJ") has decided to conduct "The Study on the Improvement of Health and Medical Services in the Lao People's Democratic Republic" (hereinafter referred to as "the Study").

The Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of technical cooperation programs of GOJ, will undertake the Study in close cooperation with GOL authorities.

The Ministry of Health (hereinafter referred to as "MOH") will act as the Counterpart Agency for the JICA Study Team on behalf of GOL. MOH will coordinate the implementation of the Study with other related government agencies, international donor agencies, and international non-governmental organizations.

1.2 BACKGROUND

Laos is a small land-locked country extending in a north-south direction. Its population is about 5 million, and its land area is 236,800 km^2. Because Laos has a very low population density (only 20 persons per km^2) and poor transportation networks, the provision of basic services is problematic for the government. Laos is a multi-ethnic country consisting of 49 ethnic groups. Communication is therefore difficult due to both physical distance and language/socio-cultural barriers.

Since 1975 the government of Lao PDR has concentrated its efforts mainly on territorial defense and infrastructure development for economic growth. However, after the government of Lao PDR introduced market-oriented economic reforms in the mid-1980s, the government has changed its policies to give higher priority to the social services sectors, including education and health.

Since the mid-1980s Laos has achieved substantial progress in people's health status. For example, from the mid-1980s to the mid-1990s, under-five mortality rates were reduced by half

(122 per 1,000 live births), and life expectancy at birth increased to 53 years old from 48 years old.

Even with this advance, Laos' health status remains one of the worst in terms of infant mortality (82 per 1,000 live births in 2000), under-five mortality (106 per 1,000 live births in 2000) and maternal mortality (530 per 100,000 live births in 2000) in Asia.

The government of Lao PDR aims to improve human resources, such as education and health, as well as at moving out of least developed country status by 2020. In fact, the fourth national development plan (1995-2000) gave high priority to safe water supply and sanitary improvement. At the same time, a health strategy was drawn up with high targets for reducing infant mortality rates and increasing life expectancy.

In the past, Laos health-sector policies were mostly based on WHO's basic principles of "Health For All 2000". Most of the past and on-going projects were determined by donors initiatives and preference. As a result, various health/medical programs lack standardization and have gaps in geographical coverage.

In response to this situation, MOH took its own initiatives in May 2000 to produce a policy and strategy document, called "Health Strategy up to the Year 2020", although some of the material and concepts were based on the past and on-going projects. This is considered to be the beginning of a new era of health policies and MOH strategies.

As a result, MOH needs assistance to refine and substantiate the basic concepts and strategies compiled in "Health Strategy up to the Year 2020" so as to formulate a master plan that comprises of concrete action plans, and priority projects/programs.

At the same time, MOH's Health Strategy up to the Year 2020 identified 6 priority programs, one of which is "Health Administration Strategies". This program emphasizes capacity building for 1) health planning and budgeting and 2) a health management information system (HMIS) at the central, provincial and district levels. In the course of the Study, the JICA Study Team should contribute to capacity building of both health planning and health management information systems.

1.3 STUDY OBJECTIVES

The objectives of the Study are as follows:

(1) To identify major issues on health and medical services by reviewing the existing data and carrying out supplementary surveys,

(2) To formulate a master plan for improvement of health and medical services

(3) To carry out relevant technology and knowledge transfer to Lao counterparts.

1.4 STUDY AREA

The Study covers the whole country of Lao PDR, with special emphasis on remote areas of the country.

Figure 1.1 The Study Area

1.5 BASIC APPROACH OF THE STUDY

(1) To Support Ministry of Health in Master Planning and Coordination among International Donors and NGOs

The Study Team will **encourage the Ministry of Health to take its own initiatives** to coordinate the establishment of an effective and efficient health care system among international donors and NGOs.

The Study Team will ***technically support*** the Ministry of Health in formulating the master plan for the improvement of health and medical services in Lao PDR.

In the course of the Study, the Study Project will provide the Ministry of Health with opportunities to discuss and coordinate among its own various departments, as well as international donors and NGOs, by organizing a series of workshops.

At the central government level, the Study Project will work intensively with the department of planning and budgeting of MOH, while the Study Team works extensively with various departments of MOH in the process of formulating the master plan.

(2) To Support Local Health Offices in Health Planning and Management

In health planning and management, the Study Team will emphasize to **support local health offices of MOH** (provincial health offices and district health offices), as well as the central office of MOH.

At the level of local governments, the Study will emphasize work with selected district health offices by training and practice of health planning and surveys. Through these exercises, the existing data/information and local knowledge that are kept by local health officers will be effectively utilized for health planning and management. Supplementary surveys at the level of communities also will be designed in collaboration with the local health officers.

(3) Comprehensive Approach

Essential issues to improve people's health conditions and the quality of health/medical services require a comprehensive approach based on the understanding of complex problems both inside and outside the health sector, rather than a narrow approach paying attention to a limited number of hampering factors.

For comprehensive planning, it is necessary to identify extensive issues from various perspectives. The extent of issues to be discussed needs to be broadened to social aspects (livelihood, poverty, gender, communities, and people's health/medical anthropological characteristics), and to economic and physical development (production, trading, transportation, water supply and sanitary facilities).

The health care system includes a variety of components, such as primary health care programs, vertical programs (nutrition, malaria control, EPI, and family planning, horizontal programs at the level of district hospitals and health centers. Such a comprehensive approach of the Study allows ***strategic planning*** for **resource allocation** and **prioritization** and **integration** of different types of efforts/measures.

(4) Regional Approach

The Study will deal with the health sector or the health care system of Lao PDR as a whole. The Study also needs to deal with the space (regions) of the country, since the operation of the health care system is based on the regions of the country. Laos' regions are diverse in access conditions (road and telecommunications), people's culture, livelihood patterns, food consumption patterns, and water availability.

The Study will conduct master planning for improving the ***health care system*** that is to be established **on the space of diverse conditions**. In view of this, spatial analysis and regional approach are significant in health planning and management. The Study will utilize Geographic Information System (GIS) and GIS database in order to apply the regional planning approach to health planning.

(5) Community Approach

It is essential to spread adequate health-related knowledge/information and to increase people's awareness of health issues for sustainable health promotion. Wide participation of people at the community level is essential and effective not only for this reason, but also for health surveys, a community approach is important because wide participation of local people will enable the JICA Study Team to obtain and understand local data and knowledge.

In the course of the Study, the Study Team will **promote local people's initiatives and participation** through health surveys and planning. Such a community approach is important to enhance the sustainability of such local initiatives and participation in health promotion, as well as to collect and utilize local information for health planning.

(6) Supplementary Surveys with Specific Objectives and Targets

Given limited budgets and human resources, the government needs to conduct ***strategic interventions*** with special emphasis on target people/areas and certain health and health-related programs.

The Study will conduct supplementary surveys to collect data and information that are not available at present. In order to avoid overlapping and duplication of surveys, the JICA Study Team will carefully review the existing survey data related to health.

Basic surveys tend to be designed to cover various objectives and wide and scattered subjects. However, in order to draw specific implications that can be effectively used for health planning, and to increase the quality of survey results, the ***supplementary surveys*** in this Study should be designed for **explicit specific objectives and targets**.

CHAPTER 2
PROGRESS OF THE STUDY

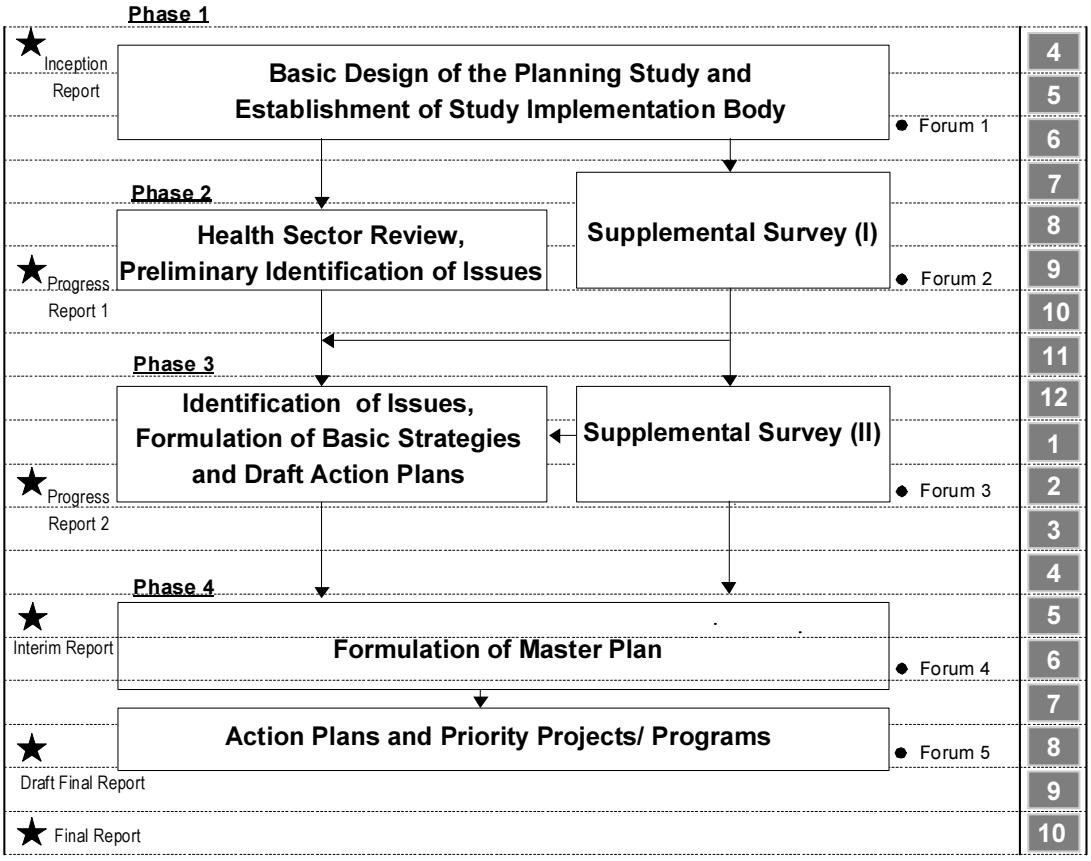
2.1 PHASES OF THE STUDY

In order to achieve the study objectives, the Study is composed of the following four phases:

Phase 1: Basic Design of Planning Study and Establishment of Study Implementation Body
Phase 2: Health Sector Review and Supplementary Surveys (I)
Phase 3: Identification of Issues, Formulation of Basic Strategies and Action Plans, and Supplementary Surveys (II)
Phase 4: Formulation of Master Plan, Action Plans, and Priority Projects/Programmes

This report, Final Report, covers the progress made in Phases 1, 2, 3 and 4.

Figure 2.1 Outline of Workflow



2.2 STUDY ORGANISATION

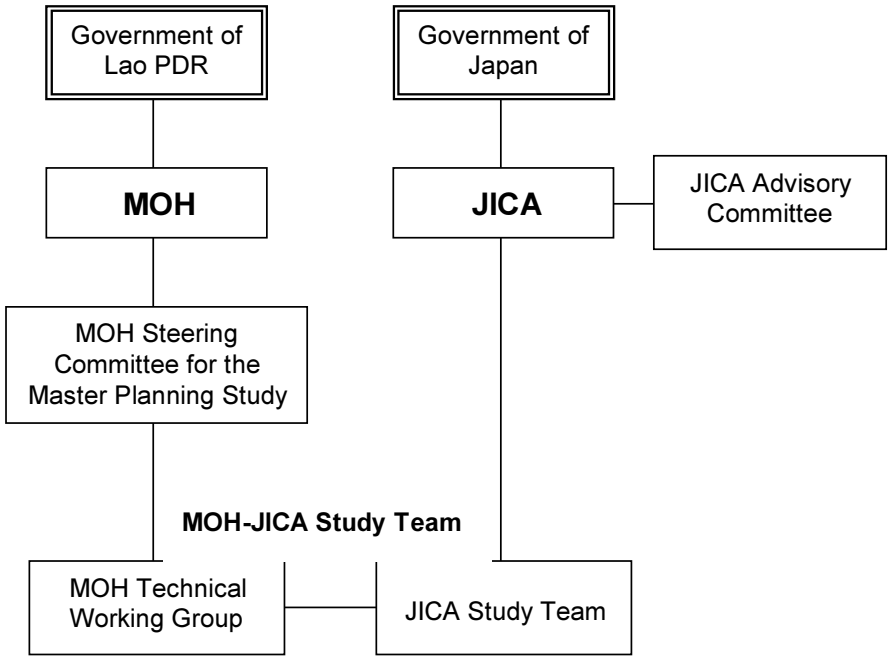
The Study will be carried out as a joint effort of the JICA Study Team and Lao PDR counterpart personnel, who together form a study implementation body. The JICA Study Team comprises members from Pacific Consultants International (PCI). The members of the JICA Study Team and their assignments are listed in Table 2.1.

For the MOH-JICA Study, a Special Steering Committee and a Technical Working Group are to be established. The Special Steering Committee for the MOH-JICA Study (hereafter referred to as the Special Steering Committee[1]) is to guide and advise the JICA Study Team on overall study directions and policy-related matters. The Special Steering Committee is chaired by the director of the Cabinet of MOH and is composed of 8 members, who are the deputy directors of various departments of MOH.

The Technical Working Group is composed of 13 members, who are mostly division chiefs of various departments and centres of MOH. The members of the Technical Working Group are direct counterparts of the members of the JICA Study Team. The members of the Special Steering Committee and the Technical Working Group are listed in Tables 2.2 and 2.3 respectively.

Figure 2.2 shows the relationship between the Special Steering Committee, JICA and the study implementing body (the JICA Study Team and Lao PDR counterparts).

Figure 2.2 Study Organisation



[1] The Ministry of Health has a Steering Committee for International Cooperation, consisting of the Minister, Vice Ministers and directors of all the departments.

Table 2.1 Members and Assignments of the JICA Study Team

Name	Assignment
Mr. Hideyuki SASAKI	Team Leader, Health Planning and Institutional Development
Dr. Takashi ITO	Regional Health and Medical Services Improvement and Medical Education Development
Dr. Francisco P. Flores	Referral System, Health Management Information System and Primary Health Care
Dr. Bernard Francois COUTTOLENC	Health Financing and Health Insurance
Ms. Naomi IMASE	Human Resources Development
Dr. Jean-Paul Joseph GONZALEZ	Human Resources Development, Infectious Disease Control
Dr. Masato KAWABATA	Infectious Disease Control
Dr. Toshimasa NISHIYAMA	Infectious Disease Control
Ms. Rita Ingrid GEBERT	Social and Gender Analysis, and Medical Anthropology
Ms. Naoko FUJITA	Maternal and Child Health, Nutrition, and Primary Health Care
Ms. Loreto MENDOZA	Maternal and Child Health and Nutrition
Mr. Keiichi YOSHIDA	Health Education, Community Participation and Rural Development
Ms. Yuko SASA	Health Facility Planning, Facility Management and Access to Health Facilities
Mr. Yuichi IMASATO	Medical Equipment and Cost Estimate
Dr. Lal SAMARAKOON	GIS and Database
Mr. Akio ODANI	Health System Analysis and Project Assistant
Ms. Junko OKAMOTO	Gender Analysis, Community Participation and Rural Development, and Project Assistant
Ms. Ny LUANGKHOT	Community Participation and Rural Development
Dr. Chitsavang MANUKUL	Health Education
Ms. Kyoko SHIMAZAWA	Medical Anthropology
Ms. Kurapramote PRATHUMCHAI	GIS and Database
Ms. Etsuko HARADA	Maternal and Child Health, and Public Relations

Table 2.2 Members of the Special Steering Committee for the MOH-JICA Study

Ms. Chanthanom MANODHAM President of the Committee	President of the Committee Chief of Cabinet
Dr. Vongsanith MONGKHONVILAY	Vice President Director, Department of Planning & Building
Dr. Khamphet MANIVONG	Deputy Director, Department of Planning & Budgeting
Dr. Bounpheng SODOUANGDENH	Deputy Director, Curative Department
Dr. Bounlay PHOMMASACK	Deputy Director, Department of Hygiene and Preventive Health
Mrs. Chanpheng VILAVONG	Deputy Director, Department of Organisation and Personnel
Dr. Somthavy CHANGVISOMMITH	Deputy Director, Department of Food & Drugs
Dr. Kongsap AKKHAVONG	Deputy Director, National Institute of Public Health

Table 2.3 Members of the Technical Working Group for the MOH-JICA Study

Dr. Kotsaythoune PHIMMASONE	Chief, Planning Division, Department of Planning & Budgeting
Dr. Prasongsith BOUPHA	Chief, PHC and Rural Development Division, Cabinet
Dr. Swady KINGKEO	Chief, Health Statistics Division, Department of Planning & Budgeting
Dr. Bouathong SISOUNTHONE	Chief, Technical Division, Department of Curative Services
Dr. Somchanh XAISIDA	Chief, Division of Education and Training, HRD Program Manager
Dr. Phitthanousone CHOUMMANYVONG	Chief, Environment Division, Department of Hygiene and Preventive Health
Dr. Rattanaxay PHETSOUVANH	Chief, Laboratory Division, Malariology, Parasitology and Entomology Centre
Dr. Chanthakhath PAPHASSARANG	Chief, Health Information System Development Division, National Institute of Public Health
Dr. Bounfeng PHOMMALAYSITH	Deputy Chief, Secretary Division, Cabinet
Dr. Bounleuane DUANGDEUANE	Technical Staff at Essential Drugs Division, Department of Food & Drugs
Dr. Khonethip PHOUANGPHET	Technical Staff, Water Supply and Environment Centre
Dr. Khanthong BOUNLU	Technical Staff, Disease Control Centre
Dr. Khanthong SIHALATH	Technical Staff, MCH Centre

2.3 PROJECT OFFICE

The JICA Study Team has established the following project office in Vientiane:

JICA Study team Project Office
Ministry of Health, Simeuang Road, Vientiane, Lao P.D.R.
Tel. +856-21-250567, Fax +856-21-252207

2.4 MAJOR STUDY ACTIVITIES

2.4.1 Meetings with Ministry of Health

The JICA Study Team held the following meetings with MOH.

Phase 1:

April 19: First discussion between JICA Study Team and Technical Working Group of MOH

April 20: JICA Study Team presentation of the Inception Report to the Steering Committee and Technical Working Group

April 24: Further discussion between Technical Working Group and JICA Study Team about study procedures throughout the Study and in Phase 1

June 4: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on preparation of the First Health Forum

June 9: Discussion between the Technical Working Group and the JICA Study Team to identify key questions for the group discussion in the first Health Forum

June 12: Wrap-up meeting between the Technical Working Group and the JICA Study Team to review the Forum

Phase 2:

September 5: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on preparation of the Second Health Forum

September 27: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on Progress Report 1

Phase 3:

November 14: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on work plan for Phase 3

November 20: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on preparation for village surveys

November 27: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on finalised guidelines for village surveys

January 11: Meeting between the Steering Committee and Technical Working Group and JICA Study Team about the progress of Phase 3 study and work plan for the remainder of Phase 3

January 15: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on a series of strategy meetings

February 25: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on Progress Report 2

Phase 4:

June 21: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on Interim Report and on the work plan for Phase 4

July 18: Meeting between the Technical Working Group and JICA Study Team for reviewing the series of Consultation Meeting (1st Day)

July 19: Meeting between the Technical Working Group and JICA Study Team for reviewing the series of Consultation Meeting (2nd Day)

July 30: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on the Lao Health Master Plan

August 2: Meeting between the High-Level Steering Committee including the Health Minister and JICA Study Team on the Lao Health Master Plan

August 19: Meeting between the Steering Committee and Technical Working Group and JICA Study Team on the Draft final Report, preparation of the Second Health Forum, the agenda after the Study

In addition to the above group meetings, each Study Team member frequently discussed and exchanged ideas with the respective counterpart in the course of the Survey.

2.4.2 Organisations Visited

The members of the JICA Study Team have frequently visited the following departments and organisations to collect information and exchange views:

(1) Within Ministry of Health and affiliated Centres/Institutes

Cabinet Office
Department of Curative
Department of Personnel and Organisation
Department of Planning and Finance
Department of Hygiene and Disease Prevention
Department of Food and Drugs
Centre of Malariology, Parasitology, and Entomology
Centre of Laboratory and Epidemiology
Environmental Sanitation and Water Supply Centre
National Tuberculosis Centre
Centre of Health Information and Education
Traditional Medicine Research Centre
National Committee for HIV/AIDS Control
Mother and Child Health Centre
Dermatology Centre
Rehabilitation Centre
Sethathirath Hospital
Mahosot Hospital
Traditional Medicine Hospital
Friendship Hospital

National Institute of Public Health
Francophone Institute of Tropical Medicine
College of Health Technology

(2) Central Government Agencies

State Planning Committee
National Statistics Centre
The Central Leading Committee for Rural Development Office
Faculty of Medical Science, National University of Laos
Ministry of Education
Lao Women Union
Gender Research and Information Centre
Lao Front for National Construction
Ministry of Agriculture and Forestry
Geography Department (Prime Minister's Office)
Ministry of Labour and Social Welfare
Ministry of Finance
Bank of the Lao PDR
Ministry of Commerce and Tourism
Ministry of Communication, Transport, Post and Construction

(3) Project Offices

Paediatric Infectious Disease Prevention Project (JICA)
Health System Reform and Malaria Control Project (World Bank and Belgian Technical Cooperation)
Primary Health Care Expansion Project (ADB)
Lao-Australian Health and Social Development Project
EU Malaria Project
The Lao-Swedish Forestry Program and Gender Unit
UNFPA Reproductive Health Programme
Integrated Rural Accessibility Planning
National Agriculture and Forest Research Institute
UXO

(4) International and Donor Agencies and NGOs

WHO
UNFPA
AusAID
UNICEF

World Bank
ADB
Embassy of the U. S. A.
GTZ
IMF
UNDP
Institute of Research for Development (IRD)
CLE
Mekong River Commission

(5) Others

Sitathiratt Insurance Scheme

2.4.3 Field Visits

The JICA Study Team carried out extensive field visits in Phase 1. The objectives of the visits were to see the actual situation of the health services in different provinces. The Study Team members were divided into several groups and conducted interviews and observations at Provincial and District Health Offices, health centres, project sites and in several villages. MOH counterparts participated throughout the surveys.

The survey schedule was as follows.

Field Visit 1: From April 20 to May 6, 2001

Provinces: Luangphrabang, Oudomxay, Luangnamtha, and Phongsaly

Field Visit 2: From May 15 to 25, 2001

Provinces: Bolikhamxay, Khammuane, Savannakhet, Champasak, Saravane, Sekong, and Attapeu Provinces

2.4.4 Surveys

(1) Village Surveys

The major objective of the village surveys was to gain direct personal experience of the local situation at village level. MOH-JICA Study Team and provincial/district health staffs conducted the following surveys, using both participatory research methods and structured household interviews.

Survey	Period
Two villages in Nga district, Oudomxay Province	June 27 to 30, 2001
Nai Nang village in Sangthong District, Vientiane Municipality	November 21 to 23, 2002
Dak Euy village and Dak Vo village in Dakchung District and Pak Poune Village in Lamam District, Sekong Province	December 7 to 16, 2002
Natha Thong village in Mahaxay District and Houykha village in Boualapha District, Khammouane Province	January 21 to 25, 2002

(2) Facility-Based Pilot Survey

The facility-based survey aimed at understanding the actual situation of the health facilities, including the services provided, equipment and building conditions, and health personnel. From 30 July to 4 August 2001, two groups of enumerators were sent to conduct pilot surveys of provincial hospitals, district hospitals and health centres in Champasak and Saravane provinces.

2.4.5 Other Surveys

The following surveys were implemented, on a local sub-contract basis, to supplement existing data:

- Establishment of GIS Database for Health Planning
- Survey of Primary Health Care Projects in Laos
- Survey of Quality of Medical Skills of Health Workers by Examining their Case Management
- Survey of Nutrition and Field Epidemiology
- Supplemental Facility-Based Survey
- Village-Level Household Survey

The following small survey was conducted by the JICA study team with the assistance of local groups of experts:

- Village Revolving Drug Fund Survey
- KAP Survey
- Clinical Survey

2.4.6 The Health Forums

(1) The First Health Forum

In Phase 1, the First Health Forum was held on June 11, 2001, at Vientiane. The objectives of the First Health Forum were:

- To announce the beginning of the MOH master planning study and to clarify the process to a wide group of stakeholders within the health sector in the Lao PDR,
- To present the basic design of the master planning study (objectives, basic approaches, schedules, and major planning issues/concerns),
- To encourage various departments of MOH and international donors/NGOs to participate in the process of master planning, and
- To discuss future visions of the health care system of Lao PDR.

There were more than 170 participants of whom 40% were from the MOH central offices and institutes, 22% from Provincial and District Health Offices, 10% from other government agencies, 17% from multilateral/bilateral donors, and 11% from civil society.

(2) The Second Health Forum

In Phase 2, the Second Health Forum was held on September 28 and 29, 2001. The objectives of the second Health Forum were:

- To share the lessons of the some health-related projects being implemented and the experience of the participants,
- To encourage the participants to discuss how to apply the lessons learnt from the projects to their own activities, and
- To exchange ideas for future strategies to improve the health care system in Lao PDR.

There were nearly 200 participants of whom from the MOH central ministry and centres/institutes, Provincial and District Health Offices, multilateral/bilateral donors and NGOs as at the First Health Forum.

(3) The Third Health Forum

In Phase 3, the Third Health Forum was held on February 26 and 27, 2002. The objectives of the Third Health Forum were:

- To present the frameworks of health sector development (objectives, key directions and possible measures) and
- To start discussing strategies for the Health Master Plan.

There were nearly 200 participants from the MOH central ministry and centres/institutes, Provincial and District Health Offices, multilateral/bilateral donors and NGOs as at the First Health Forum.

(4) The Fourth Health Forum

In Phase 4, the Fourth Health Forum consists of the Overall Strategy Meeting and the regional consultation meetings were held as follow:

Overall Strategy Meeting	In Vientiane on July 1, 2002
Regional Consultation Workshop for the Central Region	In Vientiane Municipality on July 2 and 3, 2002
Regional Consultation Workshop for the Southern Region	In Takhek on July 8 and 9, 2002
Regional Consultation Workshop for the Northern Region	In Muan Xay on July 11 and 12, 2002

The objectives of the Fourth Health Forum were:

- To present the Overall Basic Strategies for the initial step to guide the health sector as a whole,
- To present the priority programmes for health sector development and reform,
- To discuss on Overall Basic Strategies, and
- To select highly prioritized programmes.

There were nearly 80 participants from the MOH central ministry and centres/institutes and multilateral/bilateral donors and NGOs in the Overall Basic Strategies. There were 90 participants from the Provincial and District Health Offices and the MOH central ministry in the Regional Consultation Workshop for the Central Region and 60 participants each for the Regional Consultation Workshops for the Northern and Southern Region.

(5) The Fifth Health Forum

In the end of Phase 4, the Fifth Health Forum was held on August 20 and 21, 2002. The objectives of the Fifth Health Forum were:

- To present the revised Overall Basic Strategies and selected very high and high priority programmes, and
- To discuss the profiles of very high priority programmes.

There were nearly 200 participants from the MOH central ministry and centres/institutes, Provincial and District Health Offices, multilateral/bilateral donors and NGOs as at the First Health Forum.

2.4.7 Integrated Health Planning and Mapping Workshop and GIS Seminar

(1) Integrated Health Planning and Mapping Workshop in Oudomxay Province

The Integrated Health Planning and Mapping Workshop was held on July 2 and 3, 2001 in Oudomxay Province in Phase 1. The objective of the Workshop was to introduce basic ideas on the use of maps in health service planning and management. Twenty-nine provincial and district health officers from Phongsaly, Oudomxay, Luangnamtha and Bokeo participated in the Workshop and practised mapping of health facilities and health service areas.

(2) GIS Seminar

The GIS Seminar was held at Vientiane for the health personnel of MOH central ministry and affiliated centre/institutes on July 6, 2002. The objectives of the seminar were:

- To review outcomes of the Workshop in Oudomxay,
- To introduce GIS and its potential application and review the present status of GIS usage outside the health sector in Lao PDR, and
- To initiate dialogue on collaboration and cooperation for GIS use in the health sector.

(3) Integrated Health Planning and Mapping Workshop in Sekong Province

The Integrated Health Planning and Mapping Workshops was held on December 4 to 6, 2001 in Sekong Province in Phase 3. The objective of the Workshop was to promote a provincial-level process of health planning and to conduct training on health planning based more on local knowledge and information. Twenty provincial and district health officers from Lamam and Dakchung participated in the Workshop and practised mapping of health facilities and health service areas.

(4) Integrated Health Planning and Mapping Workshop in Khammouane Province

The Integrated Health Planning and Mapping Workshop was held on January 16 and 19, 2002 in Khammouane Province in Phase 3. The objective of the Workshop was the same as the workshop in Sekong Province. Twenty one provincial and district health officers from Thakhek, Mahaxay and Bualapha participated in the Workshop and practised mapping of health facilities and health service areas.

(5) GIS Training for MOH Personnel

GIS training for the MOH personnel was conducted from July 15 to 25. Six trainees from Department of Planning and Budgeting were participated in the training. The objectives of the training were to instruct basic skills on GIS database management and analysis in order to transfer the GIS database established by the JICA Study Team to MOH.

(6) GIS Seminar

The GIS Seminar was held for the MOH personnel on July 25, 2002. The objectives of the seminar were:

- To present outcomes of the GIS training,
- To explain the GIS database established by the JICA Study Team and how to manage the database, and
- To present the potential application of GIS by showing the GIS works done by the JICA Study Team.

2.4.8 Strategy Meetings

The JICA study team had a series of strategy meetings with departments of MOH and international donors. The objectives of the meetings were:

- To have intensive and technical discussion of strategies (key directions and points)
- To prepare some materials for strategy discussions in the Third Health Forum

The strategies for health sub-sectors were discussed in separate meetings as follows:

Strategy Meeting	Date
Strategy Meeting on Human Resources Development	February 1, 2002
Preparatory Meeting on Medical Laboratory Technology	February 5, 2002
Preparatory Meeting on Nutrition	February 6, 2002
Strategy Meeting on Maternal and Child Health	February 7, 2002
Strategy Meeting on Health Finance	February 8, 2002
Strategy Meeting on Facility-Based Health Services	February 11, 2002
Preparatory Meeting on Drugs	February 12, 2002
Meeting on Strategy for Improving Community Health in Rural Areas	February 14, 2002

2.4.9 Coordination Meetings for Promoting Overall Basic Strategies

The JICA study team had a series of coordination meetings with departments of MOH and other related agencies. The objectives of the meetings were:

- To discuss on Overall Basic Strategies and the profiles of very high priority programmes in detail, and
- To promote the implementation of Overall Basic Strategies and very high priority programmes

Coordination Meeting	Date
Coordination Meeting on Nurse Education Policies with Department of Organization and Personnel (Internal Meeting)	July 26, 2002
Coordination Meeting on Hospital Management with Department of Curative (Internal Meeting)	July 26, 2002
Coordination Meeting on PHC Strategies and Programmes with PHC and Rural Development Division (Internal Meeting)	July 29, 2002
Coordination Meeting on Provincial Maintenance Unit Programme with MES and Construction Unit of MOH (Internal Meeting)	July 30, 2002
Coordination Meeting on Public Health Schools (How to Improve Nurse Education in Nurse Schools in Regions/Provinces) in a Large Group	August 2, 2002
Coordination Meeting on Hospital Standards (Internal Meeting)	August 6, 2002
Coordination Meeting on Medical Technology (Internal Meeting)	August 6, 2002
Coordination Meeting on Hospital Standards and Medical Technology in a Large Group	August 13, 2002
Meeting for Sector-Wide Coordination (Internal Meeting)	August 14, 2002
Meeting for Sector-Wide Coordination	August 26, 2002

CHAPTER 3
LAO HEALTH MASTER PLANNING: METHODOLOGY

3.1 WHAT IS THE HEALTH MASTER PLAN?

In the last decade, health sector reform has taken place in Lao PDR in various ways, such as through the introduction of revolving drug funds, private pharmacies and private clinics, and decentralisation. The Lao health master planning study covers both reform and development of the health sector in Lao PDR. The development of the health sector includes that of services, human resources and infrastructure.

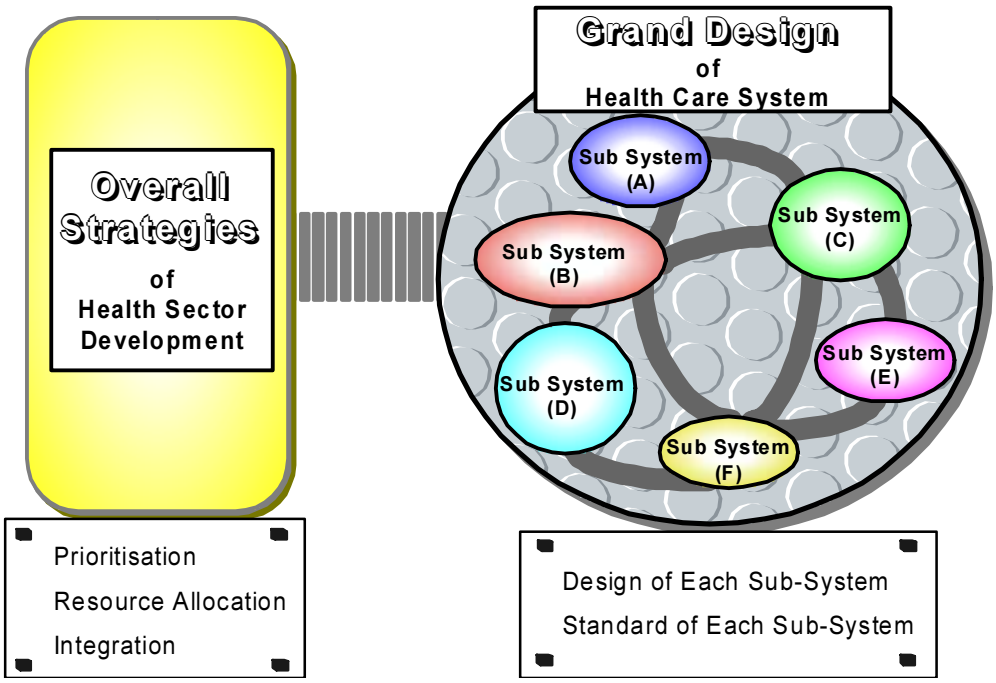
3.2 OVERALL STRATEGIES AND GRAND DESIGN

The Health Master Plan comprises the following two components:

- Future vision/grand design of the health care system or the health sector
- Overall strategies to realise the future vision/grand design

The health care system or the health sector consists of many sub-sectors. Therefore, the grand design of the whole health care system consists of designs of various sub-systems. The standards, protocols and job descriptions are designs of sub-systems. In addition to drawing the grand design of the health care system as a whole, the formulation of overall strategies that clarify how the desired future vision will be realised is an important aspect of master planning.

Figure 3.1 Overall Strategies and Grand Design of the Health Care System



3.3 FRAMEWORKS AND SUB-SECTOR STRATEGIES

The health care system or health sector consists of many interrelated sub-sectors or sub-systems. Various frameworks are required for guiding the direction and extent of health sector development and reform. These frameworks or sub-sector strategies are described in terms of the following:

- Identified issues
- Objectives
- Key directions
- Possible measures
- Priority Programmes

Such sub-sector strategies are found by analysing the present situation, identifying issues and finding solutions in each sub-sector.

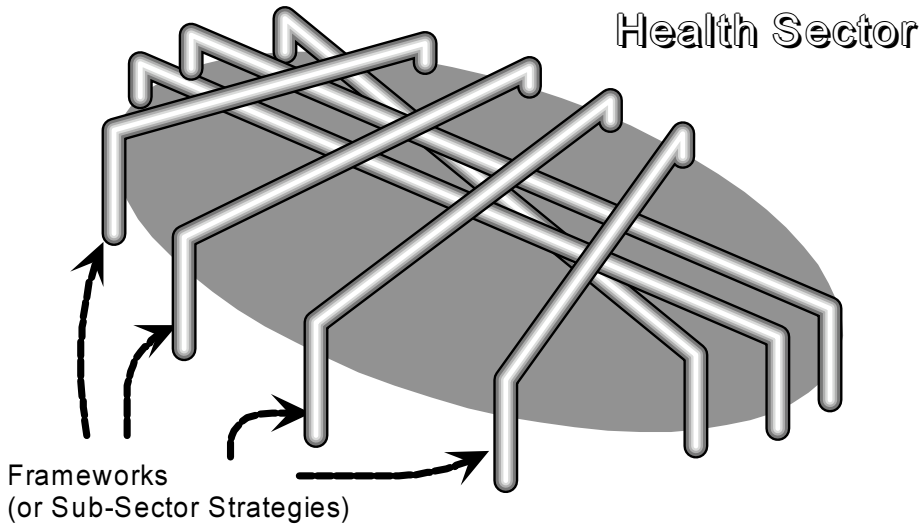
However, working towards optimum conditions in each sub-sector will not necessarily lead to desirable conditions in the system as a whole.

In master planning, especially under such severe resource constraints as in Lao PDR, an overview of health sector development and reform is needed for adjusting and coordinating various sub-sectors. For this purpose, setting "overall basic strategies", based on overall goals

and objectives, is essential. Such overall basic strategies are found by looking at the entire health sector or by sector-wide thinking.

Both overall strategies and sub-sector strategies are important for formulating a master plan of the health sector.

Figure 3.2 Frameworks of the Health Sector



3.4 OVERALL STRATEGIES AND SUB-SECTOR STRATEGIES

Overall Basic Strategies are to guide the health sector as a whole. Overall Basic Strategies are also used to guide the formulation and prioritisation of programmes for the health sector. Overall Basic Strategies are concerned with:

- Resource allocation between different sub-sectors
- Integration among different sub-sector actions
- Prioritisation of different sub-sector strategies/ programmes

The formulation of overall basic strategies is based on sector-wide thinking, rather than on sub-sector thinking. To initiate sector-wide thinking, it is necessary to first set goals and objectives for overall health sector development and reform. Then it is necessary to understand all sub-sector issues and strategies. By thinking through both overall goals/objectives and sub-sector issues/strategies, overall basic strategies can be identified.

Figure 3.3 Away from Sub-Sector Thinking towards Sector-Wide Thinking

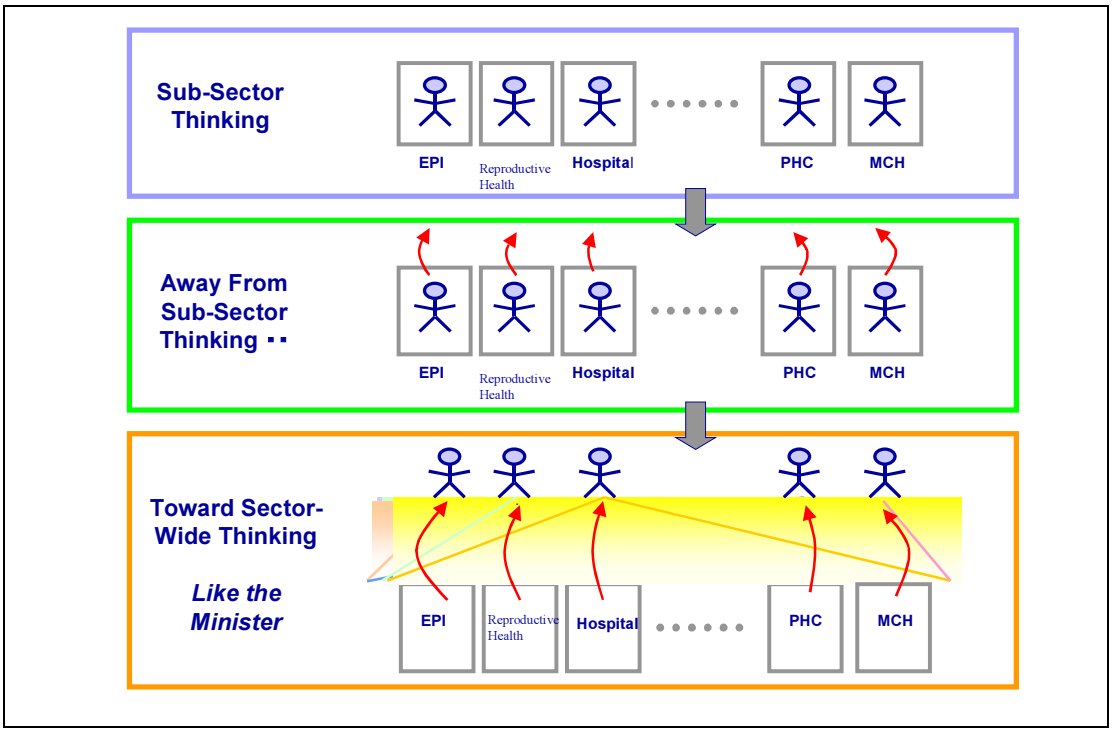
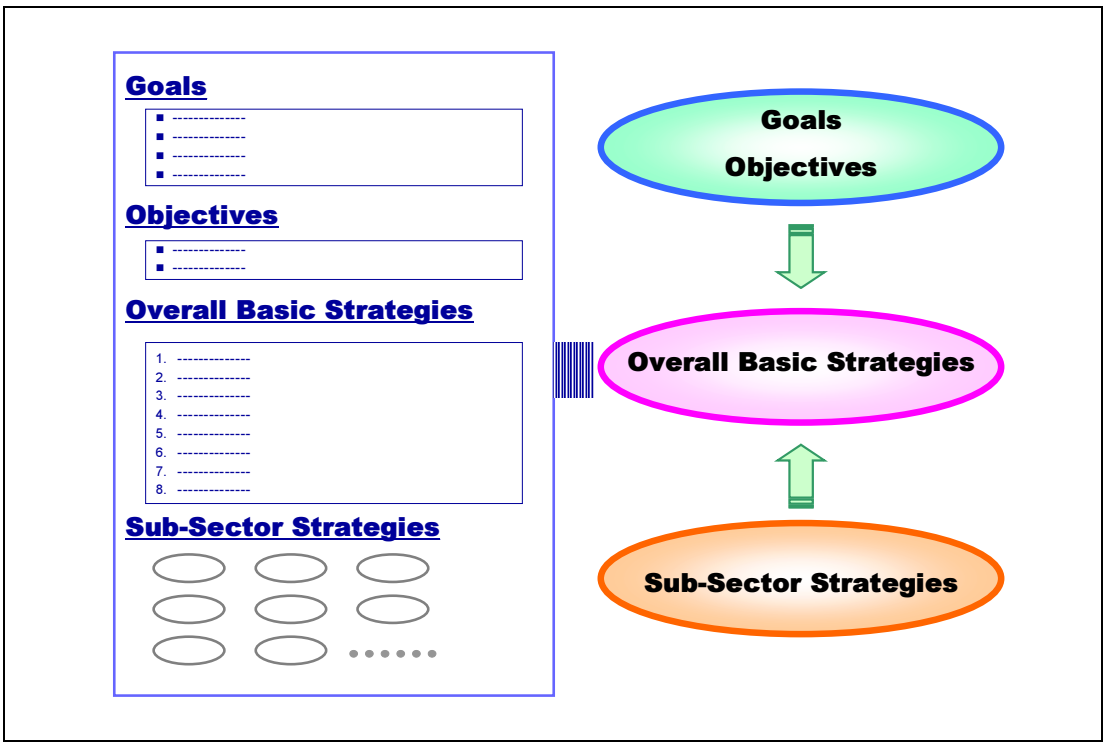


Figure 3.4 Formulation of Overall Basic Strategies



3.5 VISIONS, GOALS AND OBJECTIVES

Visions and goals outline a desirable situation in the distant future, without explicit connection to the current situation.

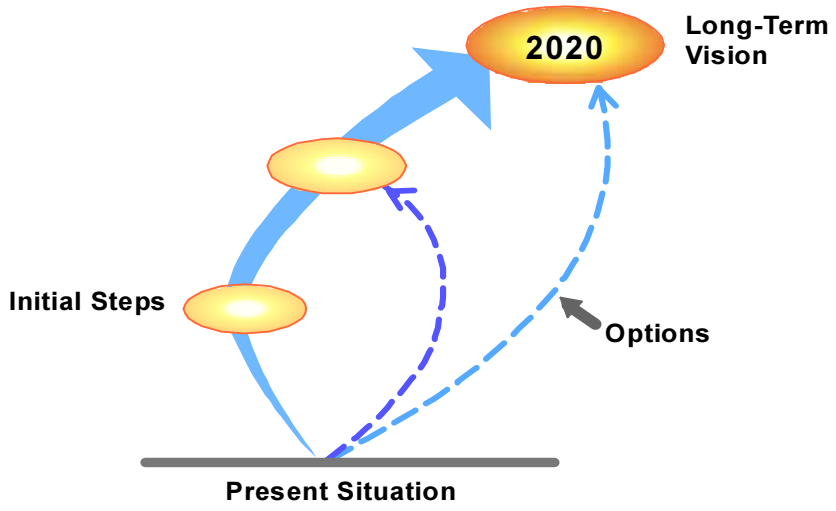
Objectives, on the other hand, are statements that provide the direction in which the health sector should proceed from the present. Objectives should give necessary directions and measures to steer the health sector, and the situation to be achieved, based on a careful understanding of present problems and issues.

3.6 LONG-TERM VISION AND INITIAL STRATEGIC STEPS

While the long-term vision maps desired outcomes up to the year 2020, strategies should show how to start dealing with issues from now, how to change present trends, and to what extent efforts should be made.

Although the future vision is drawn from a long-term perspective (20 years or more), given that existing problems in the Lao health sector are very serious, the health master plan needs to clarify necessary efforts or directions which should be made strategically from now. The health master planning study will identify initial strategic steps. Towards the initial strategic step, various programmes should be undertaken.

Figure 3.5 Long-Term Vision and Initial Strategic Steps



To identify such initial steps, it is necessary to clarify the following points:

- To what levels of health services are provided,
- To what levels of human resources are trained,
- In which directions (e.g. which sub-sectors or which services) are prioritised?

- To what extent (e.g. geographical coverage and costs), the efforts are to be made?
- Who should make the efforts?

3.7 STRUCTURE OF THE LAO HEALTH MASTER PLAN

The Lao Health Master Plan is composed of the following elements:

Overall Master Plan

- Overall goals and objectives of health sector development and reform
- Overall basic strategies of health sector development and reform

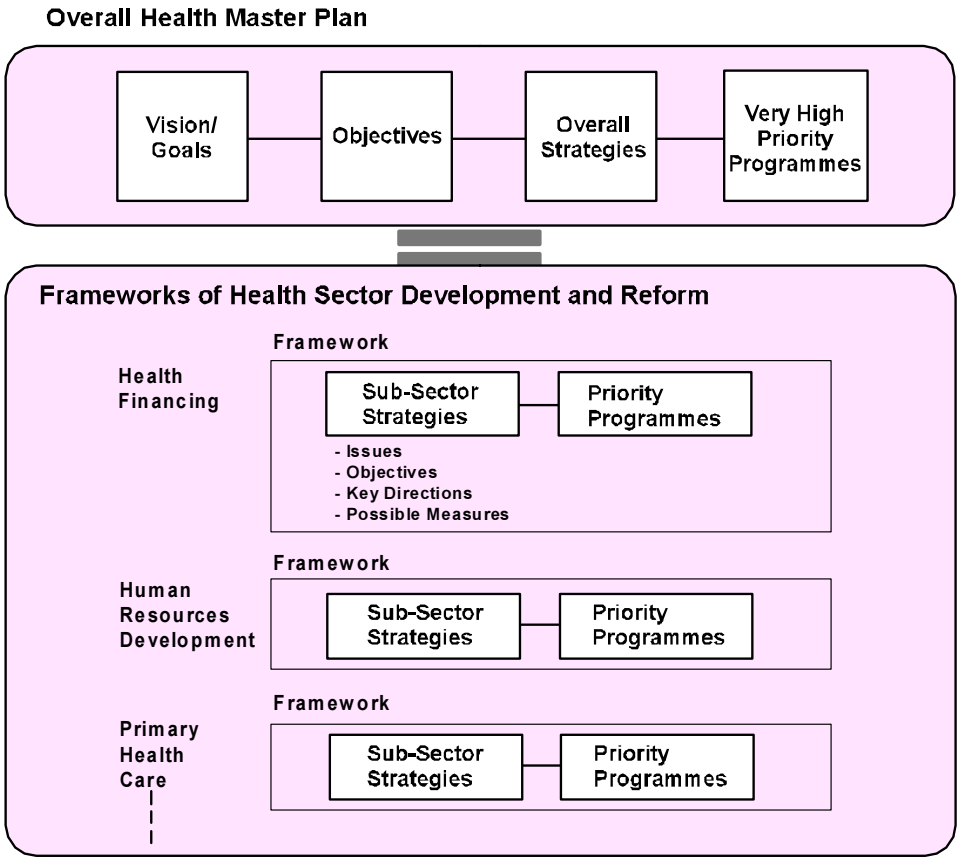
Frameworks

- Management frameworks
- Development frameworks

Priority Programmes

- Very high priority programmes
- High priority programmes
- Priority programmes

Figure 3.6 Structure of Health Master Plan



PART II

OVERALL BASIC STRATEGIES OF THE HEALTH MASTER PLAN

CHAPTER 4
OVERALL ISSUES OF THE LAO HEALTH SECTOR

This part describes overall issues and those issues related to more than one sub-sector.

In Lao PDR the past ten years, various actors, such as MOH, provincial and district health offices, international donors and NGOs, have made efforts at health sector development in many different ways and in various sub-sectors. There have been no overall strategies and long-term perspectives to guide health sector development and reform, however. Some of these efforts were successful in improving people's health and health service delivery; on the other hand, some were not so successful. We can now see three problems:

1) It is difficult to obtain successful results by continuing efforts in the present and past ways; therefore, it is necessary to change the ways.
2) The present and past ways would cause more difficult and new kinds of problems.
3) Many things would remain not tackled when the present and past ways are continued

(1) Low Level of Health Services

At present modern health services are not well trusted. Even in a poor country like Lao PDR, if the quality of health services is too low to satisfy people's needs and expectations, then low utilization rates of health facilities and services will result.

(2) Low Input of Recurrent Expenditure and Wasteful Resource Utilization

Even though a substantial amount of money is invested in health infrastructure, equipment and staff training, many health facilities and services do not function efficiently because recurrent budgets are insufficient to cover operating costs.

(3) Unsustainable Development and Operation of Health Infrastructure

Continued investment in health infrastructure through foreign assistance will create a burden in terms of operating costs which the Lao government will be unable to bear. As a result, it will not be possible to operate and maintain the developed health infrastructure adequately, meaning that such investment is ultimately unsustainable.

(4) Weakness of Health Finance and Dependence on Foreign Assistance

Health expenditure in the Lao PDR constitutes as little as 2% of GDP. Households account for 55% of total health expenditure, and foreign assistance accounts for 35%. In the mid-1990s the Lao government allocated about 5% of its budget to the health sector, but now the percentage has been reduced to only 2%. In the past ten years, the Lao government has received various foreign assistance, and recently it obtained loans from the Asian Development Bank and the World Bank for developing health infrastructure and training health workers. With an increasing amount of foreign assistance, the Lao government has reduced its own budgets allocation to the health sector, creating excessive dependency on foreign assistance.

(5) Inadequate Health Finance System

Since at the present, the health finance system is neither designed nor operated adequately, there is no clear record of how budgets are actually used at different levels and for different purposes. Moreover, health finance data is not utilized for health financial management. Therefore, it is not possible to revise or manage the allocation of health budgets for the next fiscal year.

(6) Uneven Geographical Distribution of Health Personnel

The geographical distribution of health staff is skewed in favour of urban areas. Remote districts in particular lack health staff. Greater importance is given to training institutions for health workers at the central level. Many graduates from central training institutions do not want to work at district and health centre levels.

(7) Shortage and Maldistribution of Well Trained Hospital Nurses and Community Nurses

Infant mortality rates, under-five mortality rates and maternal mortality rates are still high. (IMR=82 per 1,000 live births, U5MR=106 per 1,000 live births, and MMR=530 per 100,000 live births). The major causes of these high mortality rates are infectious diseases. To reduce such mortality, it is necessary to create basic hygienic environments and to promote primary health care. However, well-trained nurses, especially community nurses, who are major actors for promoting primary health care, are in short supply at district and health centre levels.

(8) Budget Allocation Skewed to Hospitals and Medical Doctor Training

There is a tendency to allocate more resources to central and provincial hospitals, as well as to medical doctor training. It is considered that if medical doctor training and the infrastructure/equipment of central and district hospitals steadily become better, then the

utilization rates of health facilities will increase. As a result, more human resources and better equipment will be concentrated at central and provincial levels. Unless this tendency is checked, the number of health workers in remote areas will not increase.

(9) Lack of an Motivation System for Government Health Staff

The salaries of health staff are too low and, moreover, frequently delivered late, often by several months. Furthermore, there is no motivation system for health staff. As a result, health staff do not perform to their potential.

(10) Poor Development of Job Descriptions of Health Staff

In health facilities and health offices, there are no clear job descriptions for health staff. Therefore, it is not possible to evaluate health staff, facilities and offices. Furthermore, it is not possible to optimise the allocation of health staff among different facilities and offices.

(11) Undifferentiated Strategies of Health Sector Development for Remote Areas

Although the central government has the stated goal of securing access of minority people to health services even in remote areas, the same types of programmes and strategies are promoted throughout the country. Such undifferentiated or non-strategic approaches are neither realistic nor effective in providing basic health services to remote areas. Approaches or strategies specially designed for remote areas are required. Without such special approaches, the problems of remote areas will remain unsolved.

(12) Budget Shortage and Disparities among District Health Offices due to Excessive Decentralisation to the District Level

Due to overly progressive decentralization to the district level, poor districts cannot afford to run health facilities and services even at minimum levels. The district health facilities and offices do not have sufficient human resources and recurrent budgets. As a result, disparities between districts in terms of both quantity and quality of health services have become larger.

(13) Low Capacity of Provincial and District Health Offices

At present, the delivery of most health services is managed by vertical programmes, but it is not managed horizontally at district and health centre levels. As a result, management capacity (planning, implementation and monitoring) at different levels has not been well developed. Moreover, resource utilization has not been efficient because the management of health services is not horizontally integrated at province and district levels.

(14) Unclear and Non-transparent Decision-Making System in Health Management

While the decentralisation of functions and responsibilities from the central to the district level has continued, there has been little progress made in the decentralisation of decision-making systems. The present system of decision-making is neither clear nor transparent, and so health management at the central and district levels is not yet working well.

(15) Shortage of Human Resources and Recurrent Budgets at the District Level

Since district health offices have neither enough staff nor enough budgets, many district health offices manage the district health system poorly, and district hospitals do not function well. Outreach services by district health offices are insufficient. Supervision and monitoring of health centres, village-level revolving drug funds and village health volunteers are not conducted in many districts. In this situation, many district health offices are not capable of implementing the primary health care approach.

(16) Weak Popular Participation in the Health Sector

Due to the shortage of budgets and staff, district health offices and health centres rarely deliver substantive health services to villages other than some vertical programmes, such as EPI, malaria control and reproductive health. Even in those vertical programmes, some health staff do not have the requisite communication skills, and they do not conduct activities together with villagers in an interactive manner. People's participation is generally weak in the health sector, with the exception of some donor projects.

(17) Weak Health Service Delivery in MCH, Nutrition and Health Education

MCH, nutrition and health education are among the major components of primary health care, but in Lao PDR these programmes have not been substantially tackled within the district health system.

(18) Insufficient Infectious Disease Control Activities

Infectious diseases are the most frequent causes of death in the Lao PDR. Infectious disease control activities apart from EPI are currently underway. In most areas, they are still at the first stage of implementation, mostly through donor projects. Efforts at enhancing the capacity for diagnosis and treatment of infectious diseases and HIV/AIDS and STD control have not yet started at district hospitals and health centres. Moreover, most programmes of infectious disease control are vertically implemented, without having been integrated into the district health system.

CHAPTER 5
VISION, GOALS AND OBJECTIVES OF HEALTH SECTOR DEVELOPMENT AND REFORM

5.1 MOH'S POLICIES/STRATEGIES AND THE HEALTH MASTER PLAN

The Lao health master planning is based on MOH's policies and strategies on health sector.

5.1.1 Health Vision to the Year 2020

The Health Strategy to 2020 follows the decision by the Sixth Party Congress to "free the country from the status of least developed country by the year 2020 and ensure that all Lao people have access to healthcare services."

The Health Strategy to 2020 clearly sets the general goal of health development to the year 2020 as follows:

"To free the healthcare services in Lao PDR from the state of underdevelopment and to ensure full healthcare services coverage, justice and equity in order to increase the quality of life of all Lao ethnic groups."

5.1.2 Four Basic Concepts for Health Development Strategies to the Year 2020

The Health Strategy to 2020 has emphasised the following four basic concepts, which will be used to guide future health development efforts:

- Equity of Healthcare Services
- Early Integration of Healthcare Services
- Demand-Based Healthcare Services
- Self-reliant Healthcare Services

5.1.3 Six Major Directions for Health Development to the Year 2020

The Health Strategy to 2020 stresses six directions for health development:

- To strengthen the capability of health staff in terms of attitudes, ethics and technical skills in order to ensure high quality services;

- To improve community-based health promotion and disease prevention;
- To improve and expand hospital services at all levels and in remote areas;
- To promote the utilisation of traditional medicine by integrating modern and traditional care;
- To promote scientific and research activities for health development;
- To ensure effective health management, including administration, finance and health insurance systems.

5.2 VISION, GOALS AND OBJECTIVES OF HEALTH SECTOR DEVELOPMENT AND REFORM IN THE LAO PDR

Taking MOH's health vision for 2020 into account, the following long-term vision and goals are set for the Lao Health Master Plan.

Vision

The overall health status of Lao PDR is continually improving with a strengthened health care system and empowered people taking responsibility for their own health, thereby contributing to poverty alleviation.

Goals

- To strengthen the ability of the health care system to provide access to regularly available, appropriate, affordable, and good quality essential health services that are responsive to people's needs and expectations, especially for those who are currently underserved or unserved
- To empower communities, families and individuals to make their own health-related decisions and become self-reliant

Objectives

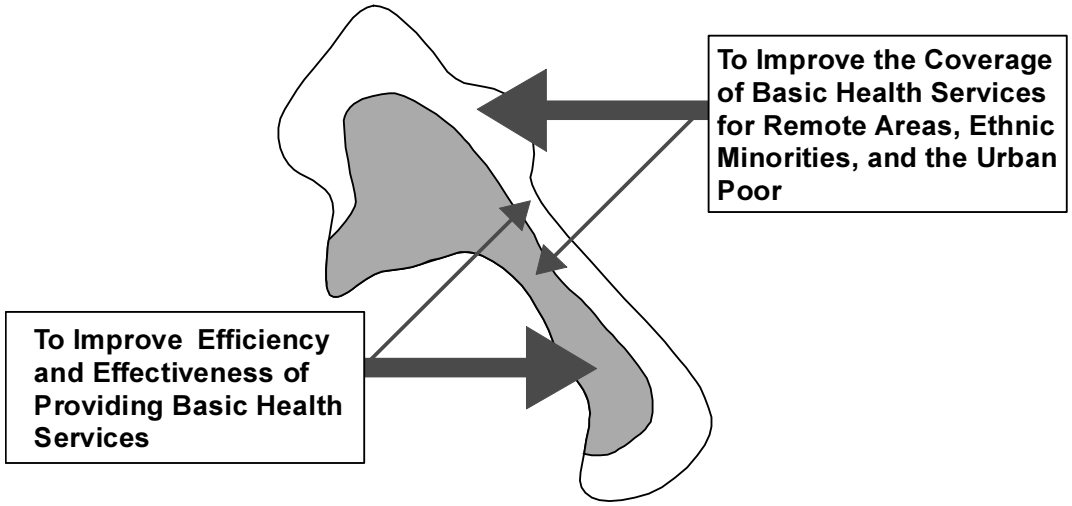
1. To broaden the coverage of essential health services for people in remote areas, ethnic minority groups and the urban poor
2. To enhance the quality of basic facility-based and community-based health services while striving for more efficiency in the management of resources
3. To protect people from the financial burden of ill-health and other health events
4. To heighten people's awareness of practical, scientifically sound, socially acceptable, and affordable methods and technologies for maintaining, restoring and improving health

These visions and goals are statements of a desirable situation in the distant future. In this sense, they are unconstrained by the current problematic situation of the Lao health sector.

Objectives, on the other hand, are statements which may suggest the directions in which the health sector may develop from now. Objectives are set on the basis of a careful understanding of present problems and issues.

The first two objectives of overall health sector development and reform pose us challenges and dilemmas. The first objective is based on a concern for equity, especially for people in remote areas, ethnic minority groups and the urban poor, who benefit little from the present public health care system. The second objective is based on strong concerns for the sustainability and efficiency of the health care system, which are derived from health financing perspectives. Neither of these problems is easy to solve. However, in Lao PDR, we are obliged to pursue both of these objectives for health sector development and reform. (See Figure 5.1). The third and fourth objectives relate equally to remote and non-remote areas.

Figure 5.1 Two Different Objectives for Overall Health Sector Development and Reform: Challenges and Dilemmas



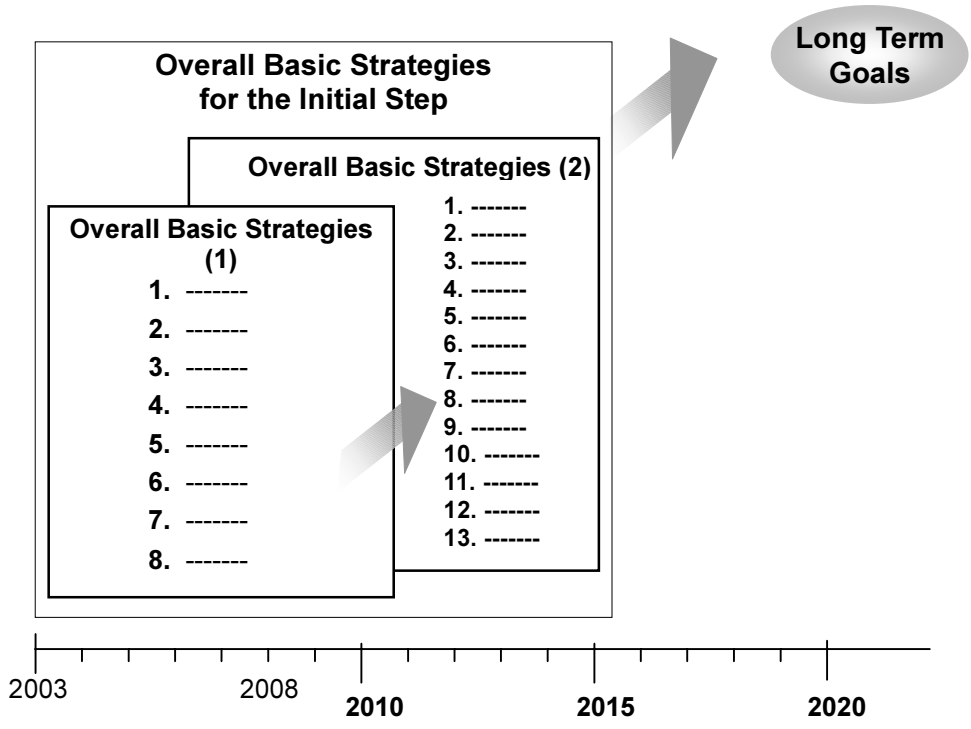
CHAPTER 6
OVERALL BASIC STRATEGIES OF HEALTH SECTOR DEVELOPMENT AND REFORM

6.1 INTRODUCTION

The identified issues in the Lao health sector are too varied and too complex to make the achievement of Goals for the year 2020 feasible in a single step. Therefore, an initial step that leads to the long-term vision was identified strategically together with the overall basic strategies, which show the efforts or directions to be undertaken from now in order to achieve that initial step.

Two sets of overall basic strategies have been formulated to achieve the initial step by looking at the entire health sector and adopting a sector-wide thinking or sector-wide perspective. The first set of overall basic strategies is strategic and highly selective, comprising eight components. The second set of overall basic strategies is composed of thirteen components, which include components additional to the eight of the first set. The first set of overall strategies should be given very high priority in implementation.

Figure 6.1 Overall Basic Strategies for the Initial Step



6.2 OVERALL BASIC STRATEGIES (1)

The overall basic strategies for the initial step are to guide the sector as a whole as well as the formulation and prioritisation of programmes for health sector development and reform. Specifically, the eight overall basic strategies (the first set) are the following:

Overall Basic Strategies (1)

(1) To promote sector-wide coordination at national, provincial and district levels;

(2) To reform the health financial system and to strengthen the financial management capacity of MOH, provincial health offices, and district health offices;

(3) To improve the quality of health worker training, especially of nurses, and to allocate and motivate well-trained health workers in districts and health centres;

(4) To build the system and capacity of health management in a decentralised context;

(5) To promote efficient and effective infectious disease control;

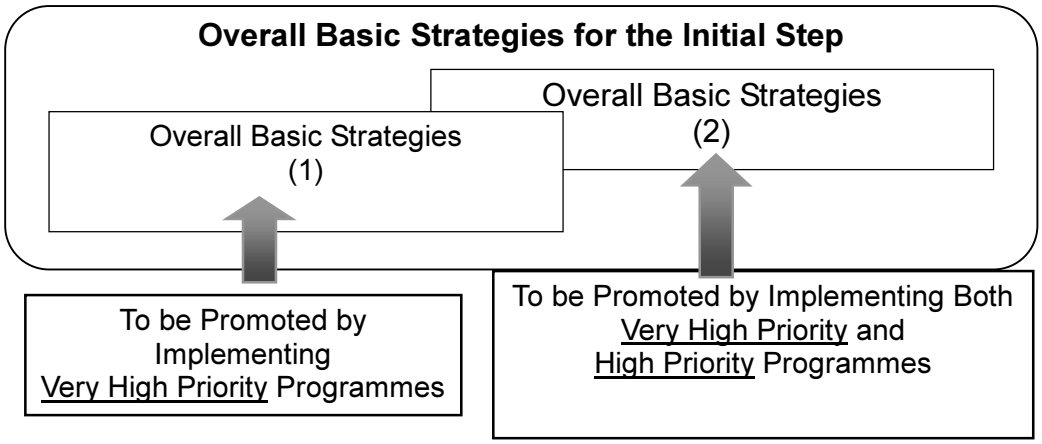
(6) To implement the PHC approach to strengthen district health systems;

(7) To operate central and provincial hospitals efficiently; and

(8) To increase the availability and affordability of essential drugs and to promote rational drug use.

These eight overall basic strategies are to be treated as a single package; in other words, none of them should be omitted from the efforts at strengthening the foundation of health sector development in the Lao PDR. Thirty very high priority programmes were selected to promote those overall basic strategies.

Figure 6.2 Overall Basic Strategies and Priority Programmes



6.3 OVERALL BASIC STRATEGIES (2)

The second set of overall basic strategies consists of the following 13 components, which are to be promoted by implementing very high and high priority programmes.

Overall Basic Strategies (2)

(1) To continue sector-wide coordination at national, provincial and district levels and to promote inter-sectoral coordination for health sector development and reform

(2) To continue and strengthen the reform of the health financial system and the capacity building for financial management of MOH, PHO and DHO

(3) To improve the quality of health worker training covering not only nurses, but also medical doctors and other paramedical staff, and to continue the allocation and motivation of well-trained health workers in districts and health centres

(4) To continue the capacity building for health management in decentralised contexts

(5) To strengthen infectious disease control under district health systems

(6) To implement the PHC approach to reconstruct integrated district health systems (by re-integrating various PHC components under the district health systems, including the promotion of school health activities)

(7) To continue the promotion of efficient operation of central and provincial hospitals and to upgrade the service level of central and provincial hospitals (by conducting training of specialist medical doctors and improving laboratory technology)

(8) To continue to increase the availability and affordability of essential drugs and to promote rational drug use, and furthermore to strengthen the system of drug quality control

(9) To promote effective participation of informal village health providers and villagers' participation in health sector development and reform

(10) To promote gender perspectives in health programmes

(11) To promote research to get policy implications

(12) To strengthen the curative aspects of drug abuse

(13) To strengthen rehabilitation services in hospitals

6.4 KEY POINTS OF OVERALL BASIC STRATEGIES (1)

(1) To Promote Sector-Wide Coordination at National, Provincial and District Levels

- To actively continue sector-wide coordination at the national level involving various stakeholders (MOH officials, provincial/district health officials, international donors and NGOs), to increase the efficiency and effectiveness of resource utilisation from donors/NGOs.
  (Inter-sectoral coordination would become a priority in the second set of overall basic strategies.)

- To promote sector-wide coordination at the provincial level involving various stakeholders (provincial health officials, district health officials, MOH planning department officials, and international donor/NGO projects)

  - For information sharing
  - For keeping common goals, objectives and overall basic strategies
  - For coordinated project activities
    (Sharing of resources among different actors would be the priority in the second set.)

(2) To Reform the Health Financial System and to Strengthen the Financial Management Capacity of MOH, PHO and DHO

- To make serious efforts at increasing allocation of government budgets to the health sector, by advocating that higher-level central decision makers, provincial governors and district chiefs make larger budget allocations to MOH, PHOs and DHOs respectively.

- To improve the system of health finance, especially the system of Revolving Drug Funds, user fees and user fee exemptions at health facilities.

- To improve the system of financial management and to enhance the capacity for financial management at the national, provincial and district levels for increasing the efficient use of financial resources.

- To reallocate financial resources for necessary purposes including recurrent costs and exemption of user fees for the poor.

(3) To Improve the Quality of Health Worker Training especially of Nurses and to Allocate and Motivate Well-Trained Health Workers in Districts and Health Centres

- To establish clear job descriptions of health workers at different types of workplace.

- To promote the use of established job descriptions at the workplace.

- To improve the quality of pre-service training of health workers, especially nurses, in the regions, so that more well-trained health workers are available to work in

districts and health centres. (Improvement of training for medical doctors and other paramedical staff would be the priority in the second set of overall basic strategies.)

- To recruit local persons for providing training for PHC workers in the regions so that they can work in health centres in remote areas.
- To establish a routine system of in-service training for health workers, especially nurses, in the regions so that the number of well-trained health workers is increased in districts and health centres. (Improvement of training of medical doctors, medical assistants and other paramedical staff would be the priority in the second set.)
- To allocate more health staff (both nurses and medical doctors) to districts firstly by reallocating part of the staff quota from the provincial level to the district level.
- To create a motivation system for health workers, especially at district and health centre levels. (Districts and health centres are the most important initial targets.)
- To promote international cooperation with foreign professional associations for the training of medical doctors, nurses and medical laboratory technologists, and to promote conferences or workshops for exchanging experiences.

(4) To Build the System and Capacity of Health Management in Decentralised Contexts

- To clarify decision-making systems in health management at the central, provincial and district levels.
- To improve management skills (information collection, information utilization, problem analysis, planning and monitoring for annual development planning, 5-year development planning, logistic planning and personnel planning) of managers for MOH, PHOs, and DHOs.
- To improve basic skills (record keeping, book keeping, information management) for management of MOH, PHOs and DHOs.

(5) To Implement Efficient and Effective Infectious Disease Control

- To strengthen the systems of infectious disease control, especially EPI, malaria and HIV/AIDS.
- To implement EPI more efficiently and effectively in conjunction with other PHC activities.
- To implement malaria control in conjunction with other PHC activities
- To improve skills in diagnosis and care/treatment of infectious diseases at district hospitals and health centres

(6) To Implement the PHC Approach to Strengthen District Health Systems

- To take the following preparatory steps for beginning the development of District Health Systems based on the PHC approach

- To diffuse the PHC approach at the national, provincial and district levels, and
- To establish flexible national guidelines and regulations for developing District Health Systems according to the PHC approach.

- At the same time, to make the following efforts at reforming existing vertical programmes, existing health centres, village-level RDFs, and district hospitals for preparing for the future development of district health systems based on the PHC approach.
  - To decentralise the planning and management of vertical programmes of EPI, malaria control, reproductive health, water and sanitation, and TB control to the district and, in some cases, to health centre levels,
  - To promote the horizontal integration of these health activities with other health activities at the district and health centre levels,
  - To actively promote MCH, nutrition and health education at the district, health centre and village levels, and to integrate these activities into the District Health System,
  - To rationalise existing health centres and integrate them into the District Health System,
  - To promote village-level RDFs under the effective guidance of district health officers or health centre staff, and
  - To improve district hospitals so as to attract local people and to establish district hospitals/district health offices as the central bases of District Health Systems.

(7) To Operate Central and Provincial Hospitals Efficiently

- To increase the efficient use of financial and human resources at central and provincial hospitals by improving management so that the increased concentration of financial and human resources in central and provincial hospitals is avoided,
- To make effective use of the existing infrastructure and equipment of central and provincial hospitals by improving their maintenance systems and capacities of maintenance, and
- To encourage the private sector to invest and participate in hospital private hospitals in towns.

(8) To Increase the Availability and Affordability of Essential Drugs and to Promote Rational Drug Use

- To increase the availability and affordability of essential drugs by promoting Village-Level RDFs, as well as Health Facility-Based RDFs.
- To improve the affordability of essential drugs, by strengthening the PHO's capacity for drug procurement and management.

- At the same time, to prevent increasingly prevalent irrational drug use at all levels.
  - By improving the capacity of health workers, VHVs, village health providers and pharmacies to promote rational drug use.
    (Regulating the use and sale of drugs by health workers, VHVs, village health providers and pharmacies would be possible measures for the next set of overall basic strategies.)
    (Promotion of sustainable quality control of drugs in Lao PDR would a priority in the next set of overall basic strategies.)

CHAPTER 7
GRAND DESIGN OF THE HEALTH SYSTEM

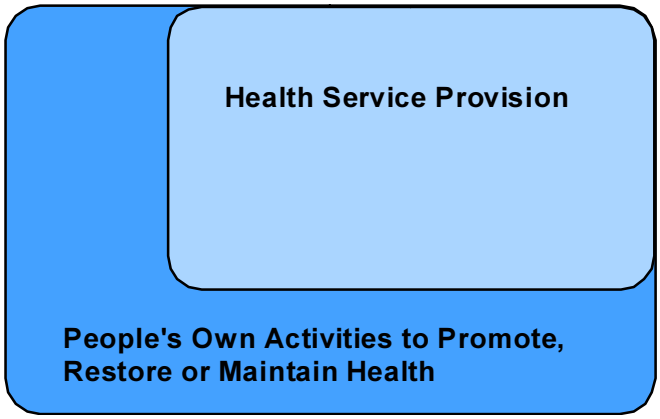
7.1 THE HEALTH SYSTEM

In this master plan document, we use the definition of the health system given by the World Health Report 2000. The health system includes "all the activities whose primary purpose is to promote, restore or maintain health."[1]

The health system is not simply the system of health service provision, that is, the health care system. The health system covers both 1) activities of health service providers and people who seek health services, and 2) people's own activities to promote, restore or maintain their health without directly relying on health service provision.

The master plan for health sector development and reform is concerned with both of these areas.

Figure 7.1 The Health System of Lao PDR



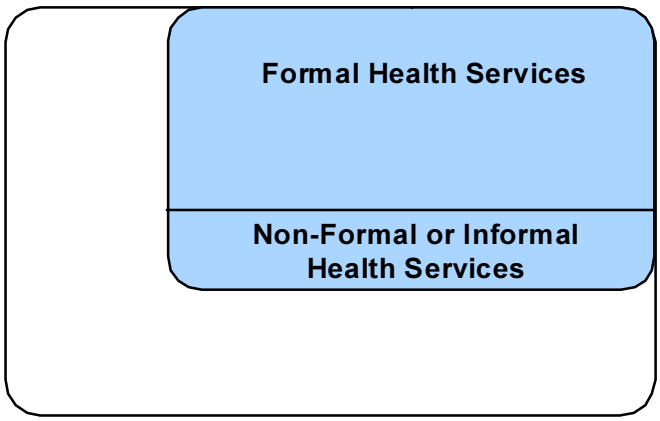
7.2 SYSTEM OF HEALTH SERVICE PROVISION

Health service providers are broadly divided into two categories:

- Formal health services, and
- Non-formal/informal health services.

[1] WHO (2000), The World Health Report 2000: Health Systems: Improving Performance.

Figure 7.2 Two Kinds of Health Services

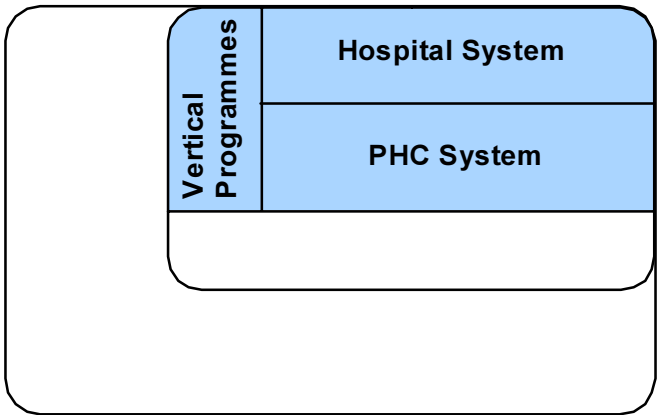


7.2.1 Formal Health Services

The system of formal health service provision has the following three types of health service provision:

- Services provided by hospitals (**Hospital system**)
- Services provided by primary health care (**PHC System**)
- Services provided by vertical programmes (**Vertical Programmes**)

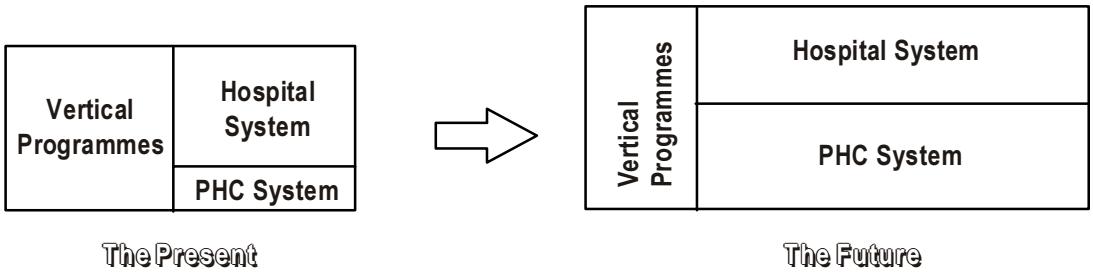
Figure 7.3 Three Types of Formal Health Service Provision



The system of health service provision covers both curative and preventive services. Both curative and preventive health services are to be provided at hospitals, too.

At present, vertical programmes are the major providers of preventive health services, while the PHC system is very weak. The functioning of the hospital system has been gradually improving. However, in the future, the PHC system should be strengthened so that more functions and responsibilities in health service provision can be allocated to the PHC system.

Figure 7.4 Changes in Composition of Three Types of Formal Health Service Provision

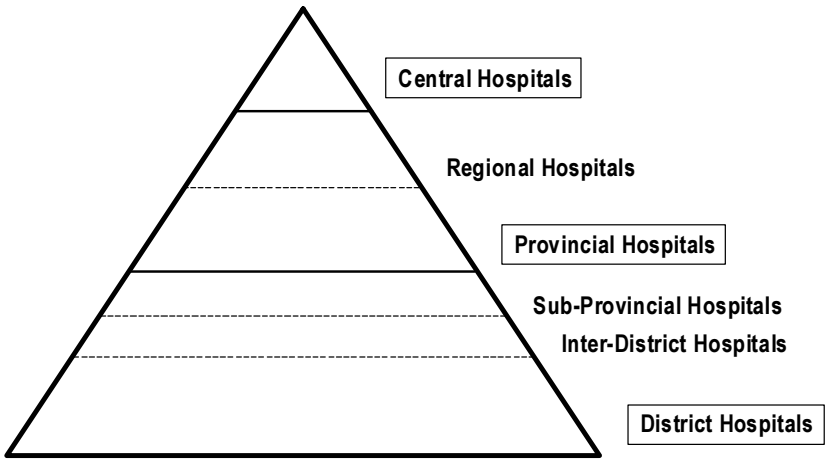


(1) Hospital System

The hospital system comprises hospitals at the following different levels:

- Central hospitals,
- Regional hospitals,
- Provincial hospitals,
- Sub-provincial hospitals,
- Inter-district hospitals, and
- District hospitals.

Figure 7.5 Hospital System



Hospitals at different levels have different functions, capacities and coverage in providing curative, preventive and training services. (See Chapter 19 for detailed hospital functions). In curative services, patients are referred to another hospital from a hospital to get appropriate levels of examination and treatment, if necessary and if affordable. (See Chapter 19 for discussion of the referral system).

Preventive health services, especially health education at hospitals, are not well developed. Hospitals should provide health education for patients and their family members who attend patients.

As for training services, trainers (qualified health workers) from higher level hospitals are to train health staff at lower levels of hospitals.

The province should be a fundamental unit of health management, which controls key resources of health service provision (health staff and budgets). The provincial health management unit is a "District Health System" by WHO standards.

The central hospitals and regional hospitals should perform as third referral hospitals, providing tertiary medical services, in the national hospital system. Regional hospitals are selected provincial hospitals to be functionally upgraded for receiving referred patients from surrounding provinces. Both central and regional hospitals should provide specialist training for other provincial and district hospitals.

The provincial hospital should be a key referral hospital in the province.

In the future, district hospitals should be first referral hospitals. At present, most district hospitals function similarly to health centres in many other developing countries.

(2) Primary Health Care System (PHC System)

The management unit of the primary health care system should be the district, which is the administrative unit immediately beneath the province in Lao PDR. Each district should perform as a unit of the PHC system. The provincial health office should support the district units of PHC systems.

The district unit of PHC system is composed of the following:

- A district hospital/district health office, providing services at hospital and outreach services to villages that are not covered by health centres,
- Several health centres, providing services at facilities and providing outreach services in villages, and
- Village health volunteers and other types of village health providers.

The health centres should be upgraded to cover larger areas than the current normal coverage (about 10 villages) by increasing the number of health centre staff. The minimum number of health centre staff should be three including a registered nurse (or medical assistant), a low-level nurse and a PHC worker. The PHC worker is to be recruited locally and specially trained for PHC at the health centre level. The registered nurses (or medical assistants) for

health centres belong to the provincial health management unit, and are to be rotated every several years for PHC within the province. (See Chapter 14 for a recommended basic design of the PHC system).

Besides basic health service provision, one of the major functions of the PHC system is to encourage individuals, households and communities to promote, restore or maintain their own health by their own care, by training village health workers. At the household and community levels, it is essential to use local resources to meet their health needs.

The village health volunteers and village health providers of other types should perform larger and more appropriate functions. In view of this, the rational use of drugs should be promoted among these village-level health providers.

(3) Vertical Programmes

At present, vertical programmes cover the activities of EPI, malaria control, birth control, water supply and sanitation. These activities are major components of PHC. In addition, vertical programmes also cover HIV/AIDS control and TB control. Most of these vertical programmes operate under donor projects.

The roles of most vertical programmes, except some special cases, should be reduced in the future, and those roles should be covered by district-level PHC systems. (See Chapter 13, especially for infectious disease control).

7.2.2 Non-Formal/Informal Health Services

The providers of non-formal/informal health services include the following:

- Traditional healers,
- Traditional herbalists,
- Traditional birth attendants and trained traditional birth attendants,
- Registered pharmacists (including informal advisers),
- Drug sellers,
- Village health providers (including those trained as military doctors/nurses), and
- Village health volunteers (VHV).

Formal health service providers (either public or private) will not be able to cover the whole population in Lao PDR for at least the next 20 years. Therefore, non-formal or informal service providers should continue to play certain roles in health service provision. Such non-formal or informal health providers should be acknowledged, regulated and trained in appropriate manners so that they can provide proper services to the public.

7.3 PEOPLE'S ACTIVITIES TO PROMOTE, RESTORE OR MAINTAIN HEALTH

Peoples' activities to promote, restore or maintain health without directly relying on health services are as follows:

- Use of drugs and herbs,
- Self-care and home care of the sick,
- Practice for preventing ill health and promoting health, and
- Traditional public health activities.

The PHC system should encourage people to promote, restore or maintain their health, individually or collectively, by providing health information directly or through health education by village health volunteers.

7.4 ROLES OF THE PUBLIC SECTOR AND THE PRIVATE SECTOR IN HEALTH SERVICE DELIVERY

In Lao PDR, at present, it is predominantly the government which provides health services, especially formal health services. In the early 1980s, the Lao government officially started to allow the business operation of private pharmacies and private clinics. Since then, private pharmacies have increased and flourished, and a substantial number of private clinics are operating in towns. The Ministry of Health will also soon permit foreign investment in private hospitals.

In the future, as economic growth continues and more people can afford private health services, private hospitals and clinics are expected to play larger roles, especially in urban areas. In rural areas also, village health providers (e.g. former military nurses), as well as private clinics with medical doctors, could play important roles with appropriate training and under effective regulation.

Appropriate division of roles between the private and public sectors in health service provision will therefore become necessary.