

Review article

Global Healthcare Financing, Current Trends, and Their Implications for Vietnam

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ABSTRACT

Healthcare models play a crucial role in healthcare delivery. It determines the accessibility and quality of healthcare services. This paper reviews the evolution of healthcare models and analyzes the current global healthcare trends and their implications for improving healthcare outcomes in Vietnam. The paper aims to spark interest among healthcare professionals in the business side of medicine in Vietnam. Also, it offers insights for healthcare leaders in Vietnam to make policies and procedures that will provide high-value care for the people.

KEYWORDS Healthcare, global healthcare financing, global trends, Vietnam

INTRODUCTION

Healthcare services are crucial for the well-being of a society. Healthcare financing serves as the backbone of healthcare services. It provides the structure for funds to be raised, allocated, and expended to support the delivery of healthcare services. Over time, it has evolved into different models in response to the changes in the social, political, and economic settings. This paper provides an overview of these models and analyzes their challenges and opportunities. In addition, it explores the relevance of healthcare financing trends to the Vietnamese healthcare system to enhance healthcare access and outcomes.

EVOLUTION OF HEALTHCARE MODELS

The simplest healthcare model involves out-of-pocket payments directly from patients. As society becomes progressively more complex, a more structured healthcare financing system must be created.

Globally, there are four main healthcare models: tax-based systems, social health insurance, private insurance, and hybrid models. Each model has its own set of advantages and challenges. Tax-based systems rely on government revenues to fund healthcare services. They are often associated with universal coverage. Social health insurance systems are

funded by mandatory contributions from employers, employees, and the government. Private insurance models offer individuals the option to purchase coverage from different private insurance firms. They provide much more flexibility and options. Hybrid models combine elements of multiple financing models. It aims to balance quality, equity, and sustainability.

In recent years, several healthcare management trends have emerged due to the rise in cost. These trends include the shift towards value-based care, the emphasis on population health, and the integration of data analytics into healthcare management. They are reshaping the way healthcare services are managed and delivered globally.

OVERVIEW OF THE VIETNAM'S HEALTHCARE SYSTEM

According to data from the World Bank, Vietnam's healthcare expenditure per capita has been increasing over the past decade. It rose from \$79.14 in 2010 to \$166.23 in 2020 [1]. Despite this increase, healthcare spending in Vietnam remains below the global average. It highlights the need for more investment in this healthcare system.

Vietnam's healthcare system has undergone a remarkable transformation. It has transitioned from a centralized, government-controlled system to a more decentralized

model. The Vietnamese government has made substantial investments in healthcare sectors, which have resulted in notable improvements in several key health indicators.

CHALLENGES AND OPPORTUNITIES FOR VIETNAM HEALTHCARE SYSTEM

One of the main challenges facing Vietnam's healthcare system is the inadequate funding. Most healthcare expenditures in Vietnam are through out-of-pocket payments. According to the World Bank, the out-of-pocket expense in Vietnam was 39.6% of total health expenditure, while the world average was 16.32% in 2020 [2], [3]. This places a significant financial burden on individuals and households. The Vietnamese government has implemented various strategies to reduce out-of-pocket spending. According to WHO, the government's healthcare expenditure has been increasing and reaching \$73.71 in 2021 [4]. However, it still does not meet the healthcare needs of Vietnam's population.

Furthermore, there are still disparities in access to care, especially in rural and remote populations. Approximately 70% of the population resides in rural areas [5], where healthcare infrastructure and services are inadequate. According to Vietnam Household Living Standards Survey, households in rural areas spend a larger proportion of their income on healthcare than urban households [6]. Additionally, cultural beliefs further hinder healthcare-seeking behaviors in this group. As a result, they are more vulnerable to adverse health outcomes.

Despite these challenges, Vietnam's healthcare system also has numerous opportunities. Vietnam has a rapidly growing economy. It can provide ample resources to build healthcare infrastructure, which allows leverage of technology, data analytics, and evidence-based practices to transform the healthcare system. Moreover, Vietnam currently has the youngest population of young people in the country's history [7]. Preventive care and health initiatives can significantly impact long-term health outcomes.

LESSONS FROM GLOBAL TRENDS FOR VIETNAM

Vietnam can draw valuable lessons from global healthcare financing trends to strengthen its healthcare system. Social health insurance and value-based payment systems can provide a framework to expand coverage, improve quality of care, and enhance financial protection for patients in Vietnam.

Social health insurance in countries like Germany and Japan has the potential to pool risk, reducing financial barriers to healthcare services. By mandating contributions from employers, employees, and the government, it can generate sustainable funding streams to support the delivery of essential health services. Vietnam can learn from the experience of these countries to facilitate the implementation of this model.

In value-based payment systems, the provider's reimbursement is tied to the quality of care. It has been shown to incentivize providers to deliver high-value care (higher-quality care at lower costs). By aligning financial incentives with

patient outcomes, it encourages providers to focus on preventive care, care coordination, and evidence-based practices. It ultimately leads to higher health outcomes and reduces unnecessary utilization of healthcare services. It is a win-win system for the payors, providers, and patients.

While these models and trends provide valuable insights, Vietnam has to adapt them to its unique socio-economic and cultural context. Vietnam's healthcare leaders should carefully consider healthcare financing reforms' feasibility, scalability, and sustainability. Given the diversity of its population, a one-size-fits-all approach may not be practicable.

Additionally, Vietnam can benefit from international collaboration. It is an avenue to exchange best practices and technical expertise in healthcare financing. By fostering collaboration and open dialogue, Vietnam can accelerate its progress toward achieving universal health coverage and improving health outcomes for all of its people.

RECOMMENDATIONS FOR POLICY AND PRACTICE

Based on the analysis presented in this paper, several recommendations can help strengthen Vietnam's healthcare financing system:

- a) Vietnam should adopt value-based payment models, leverage health information technology systems, and promote evidence-based clinical practices. Vietnam can improve health outcomes and optimize resource utilization across the healthcare continuum by incentivizing providers to deliver high-quality, cost-effective care.
- b) Vietnam should prioritize investments in primary care and preventive services. It has a critical role in promoting population health. This investment will pay back in the long run.
- c) Vietnam should leverage public-private partnerships to enhance the delivery of healthcare services and promote innovation. Vietnam can harness additional resources, expertise, and capacity to address key healthcare challenges by engaging with the private sector.

CONCLUSION

In conclusion, healthcare financing plays a significant role in the accessibility, quality, and affordability of healthcare services. By examining global trends in healthcare financing, this paper has highlighted the importance of adopting innovative approaches to strengthen Vietnam's healthcare system and improve population health outcomes. Through strategic investments, Vietnam can transform its healthcare system and ensure that all citizens have access to high-value care. By fostering collaboration with international partners, Vietnam can achieve its vision of universal health coverage and improve the well-being of its population for generations to come.

CONFLICTS OF INTEREST

None of the authors have conflicts of interest to declare.

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