



Health Systems Strengthening: Lessons from the Turkish Experience

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Key Messages

- **Health Systems Strengthening (HSS) is currently at the top of the World Bank's health agenda and is critical for countries to achieve good health outcomes. Implementing HSS is a complex process that requires a balance of technical and operational details. Country evidence on how well HSS works and impacts health systems' performance, so far, is weak.**
- **Turkey has been successfully implementing HSS reforms since 2003, supported by the World Bank through a lending program and policy dialogue. The country has achieved considerable success in expanding health insurance coverage for its population (especially poor people), improving access to health services (especially in rural areas) and building institutional capacity to sustain the HSS reforms.**
- **The lessons from Turkey are that with political commitment and a flexible, results-oriented approach, HSS interventions can be successfully implemented to have an important impact on the performance of the health sector.**

coverage, quality, or efficiency.”¹ The Bank's HSS approach recognizes that isolated policy and program interventions are less likely to help countries achieve better health outcomes or strengthen health insurance coverage for populations and improve the responsiveness of the health systems. The approach calls for a more comprehensive design that focuses on the different functions, elements and actors within a health system.

Global evidence on the implementation of HSS by different countries is limited. Yet, countries have much to benefit from exchanging knowledge on this topic. The objective of this Knowledge Brief is to describe the design and implementation of successful HSS reforms in Turkey and highlight the key lessons for low- and middle-income countries, many of whom are Bank clients.

Background on HSS in Turkey

In 2003, the Government of Turkey launched an HSS reform called the 'Health Transformation Program' (HTP). While the country's health system had evolved considerably since its formal establishment in 1920, it was facing significant challenges in 2003. Turkey lagged behind other OECD and middle-income countries on health indicators, and regional and urban-rural disparities were significant. Although health insurance coverage had expanded significantly, the health financing system was fragmented, contributing to inefficiency and inequity. There were multiple social insurance schemes covering formal sector workers and the self-employed. In addition, there was a social assistance program covering health insurance for the poor and vulnerable (the Green Card program). Lack of insurance and under-

What is HSS and Why is it Important?

Health Systems Strengthening (HSS) is currently at the top of the World Bank's health agenda. HSS can be defined as “an array of initiatives and strategies that improves one or more functions of the health system and leads to better health through improvements in access,

¹ Definition of Health Systems Strengthening. Health Systems Action Network, 2009, Washington DC.

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insurance (as under the Green Card program) were concentrated among the poor who lacked formal sector employment. Availability of health insurance was an important predictor of whether people would seek health care and not make out-of-pocket (OOP) payments for health. Accessing health services in rural areas was significantly harder and more expensive. The large network of public sector health facilities underperformed due to resource constraints, under-training of staff, low pay, poor professional incentives and facilities, and the distraction of dual practice by physicians. Consequently, there was low productivity among health personnel. For example, 12 percent of health centers did not have doctors and about 66 percent of rural health posts did not have midwives. Informal payments were rampant in the health sector, raising concerns regarding the equity, transparency and accountability of health sector financing.

The HTP was designed to address these health system challenges. It was recognized at the outset that without system-wide reforms, significant and sustainable changes in health system performance could not take place. The overall objective of the HTP was to make the health system more effective by improving governance, efficiency, user and provider satisfaction, and long-term sustainability. The main elements of the HTP are: (i) establishment of a single purchaser in the health system; (ii) focusing the Ministry of Health (MoH) on stewardship functions; (iii) making the public sector health services delivery network autonomous; and (iv) strengthening human resources management and information systems in the health system. In its technical focus and paradigm, the HTP represents a classic 'textbook' approach to HSS which many Bank clients are trying to implement.

Implementation to Date: Successes and Challenges

The HTP started out with the belief that 'big-bang' HSS reforms would be possible in Turkey. Recognizing that legal changes are a pre-requisite for reform implementation, the Government of Turkey (GoT) began preparing a landmark Social Security and Universal Health Insurance Law that would combine all the different health insurance schemes under one umbrella. This Law took several years to prepare and was finally adopted by the Turkish Grand National Assembly in 2006. However, soon after adoption, it was challenged by the constitutional court and implementation of the Law could only begin in 2008. The MoH developed laws on its own restructuring, family medicine

implementation, and public hospital reform to convert public hospitals into autonomous entities.

Despite the best efforts of the GoT, only the Social Security Law and the Family Medicine Law were adopted--all other laws were delayed, thereby impacting the GoT's plan to harmoniously move ahead on all elements of the HSS agenda.

At the same time that the GoT was developing laws to make major institutional changes, it implemented incremental reforms that would jumpstart the HSS process. From 2004/05, the following fairly significant changes were introduced in the Turkish health system:

- Hospitals previously managed by one of the social insurance agencies were integrated into the MoH. With this merger, the purchaser of health services was completely separated from the provider.
- Benefits for poor people enrolled under the Government-financed Green Card health insurance were expanded to include pharmaceuticals and outpatient benefits.
- A public hospital reform program was rolled out that introduced a performance-based bonus system for public employees, enhanced accountability arrangements, gave hospital directors more autonomy over hospital budgets, and introduced public-private partnerships to quickly leverage much-needed investments for public hospitals.
- Since the administrative law allowing merger of health insurance schemes was adopted, an institution called the Social Security Institute of Turkey was established, the three social insurance schemes were integrated and a single claims system for insurees was put in place.
- Finally, even in the absence of the restructuring law, the MoH began to build capacity in key stewardship functions, such as regulating the quality of care and monitoring and evaluation.

Impact of HSS Reform on Turkish Health System Performance

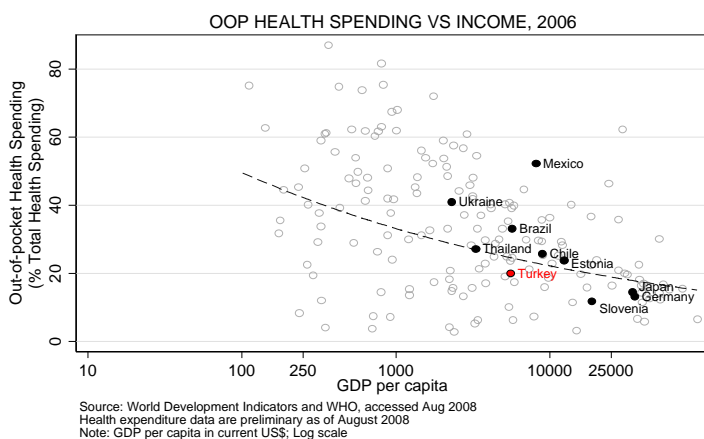
Health Insurance Coverage and Financial Protection for Poor People: The Green Card program was introduced

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in Turkey in 1992. However, uptake of this program, especially among the poorest households, remained on the low side. In 2003, when the HTP was launched, only 2.5 million individuals in Turkey reported being insured through the Green Card. In 2006, uptake of the Green Card had risen to 10.2 million (a 75 percent increase in three years). As a result, the percentage of population not covered under any kinds of health insurance decreased to less than 20 percent for all of Turkey.²

In 2006, out-of-pocket spending on health in Turkey (as a percentage of total health spending) was only 19 percent. As Figure 1 shows, when compared to other countries in ECA and around the world, these levels are low. Data from the 2003-06 Turkey Household Budget Survey (TUIK, 2006) showed that in 2006, OOP expenditures on health constituted only 2.2 percent of total household spending and only 2.6 percent of non-food expenditures. Moreover, household OOP spending on health is progressive, with richer households spending more as compared with those in the lower income quintiles. For example, an average person in the richest income quintile in Turkey spends almost 16.2 times more on healthcare as compared with the poorest quintile.

Figure 1: Out-of-Pocket Spending as a Share of Total Health Spending: Turkey and Other Countries (2006)



Catastrophic healthcare is defined as spending on health crossing a certain threshold level (in terms of its share in the total expenditure of a household). Generally, 10 percent of total household expenditure on health, or 40

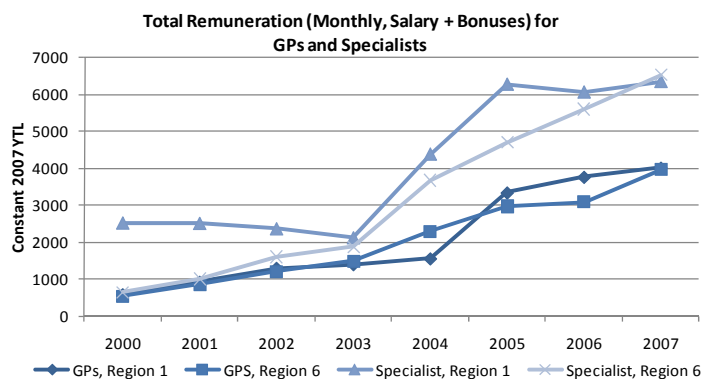
percent of non-food expenditure on health, is considered the threshold.³ In the case of Turkey, only 5.3 percent of households had health expenditures exceeding 10 percent of their total household expenditures, and only 1 percent had health expenditures that exceeded 25 percent of their total spending.

Finally, according to life satisfaction surveys conducted by TUIK, the percentage of individuals reporting difficulty in meeting pharmaceutical and curative health expenditure was 50 percent in 2003 (baseline for the launch of the HTP) but decreased to 19 percent in 2008. Available quantitative data on the poverty health count also indicates that the impoverishing effect of household health spending in Turkey is negligible.

Improving Access to Health Services: The improved productivity of health personnel, combined with greater attention by the MoH to quality indicators (including patient responsiveness), has brought about a remarkable change in Turkish public hospitals and health centers in a short period of time. Health worker salaries have tripled, reducing the desire of health workers for part-time work and dual practice.

The percentage of specialist physicians working part-time in the public sector dropped from 89 percent in 2002 to 54 percent in 2005. Consultations per physician grew steeply in Turkey from 2004 and, by 2005, had overtaken approximately 21 out of the 26 OECD countries.

Figure 2: Monthly Remuneration for GPs and Specialists in Constant Prices (Two Turkish Regions)



² Aran-Kazanci M and Hentschel J. 2008. Household Level Health Expenditures and Health Insurance Coverage of the Poor in Turkey, Human Development Sector Unit, Europe and Central Asia Department, World Bank, Ankara, Turkey.

³ Wagstaff A. 'Measuring Financial Protection in Health', Policy Research Working Paper # 4554, Development Research Group, World Bank, Washington DC.

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Impact on health outcomes: It is not possible to link the implementation of the HTP to improvements in health outcomes as yet since, generally, a longer period of time would be required to gauge the impact more accurately. However, there is good progress on important proxy indicators such as the immunization status of under-five children, use of ante-natal services by pregnant women and overall utilization of health services in the population. For example, there have been no recent cases of measles among under-five children in Turkey, and Turkey is one of the few OECD countries to have achieved this goal.

Responsiveness: In 2003, TUIK conducted a satisfaction survey which included a module on the health sector--47.6 percent of respondents complained about the quality of health services. This number dropped to 22.2 percent in 2008 and, overall, satisfaction with health services increased from 39.5 percent in 2003 to 63.4 percent in 2008. Since the public sector health services delivery network managed by the MoH provides more than 70 percent of total health services in Turkey (especially to those in the lower income quintiles), the satisfaction levels can be estimated to reflect those using public sector health services. In addition, EUROPEP surveys conducted in Turkey in 2004 and 2008 (which focused on primary health care) found a 10 percentage point increase in patient satisfaction with health services.

Key Lessons Learned

- By defining a comprehensive HSS reform program and getting the buy-in of key stakeholders early on, the GoT was able to set the stage for major reforms in Turkey. Nevertheless, comprehensive HSS reforms take time and the Turkey experience shows that in operationalizing such a strategy, a flexible and results-oriented approach works best. While pushing for fundamental legal and institutional changes in how health services are financed, delivered and regulated in Turkey, the GoT identified a few critical incremental reforms that could be implemented without major legal changes. Nevertheless, these changes were extremely effective for delivering better health services to the population, especially to poor people. This helped build support for the

reforms and credibility for the Government. Balancing the need for ‘big bang’ HSS reforms with an incremental approach is the reality in most countries, and much can be learned from Turkey on how to balance the two approaches.

- Hospital autonomy or privatization of public hospitals is one of the most politically contentious reforms in many countries. Therefore, it is no surprise that countries make little progress on this important HSS reform. Yet, without public hospital reform, a major element of HSS remains unfinished—this impacts the achievement of quality, efficiency and equity goals. The Turkey experience shows that it is possible to implement incremental changes that have a major and immediate impact on service delivery (especially for the poor), while keeping a longer-term horizon on public hospital reform.
- For the World Bank, in its support for HSS reforms in client countries, the most important lesson is to engage with countries on these reforms over a longer-time horizon (at least 10 years, for example, for instruments such as Adaptable Program Loans). It is also crucial to help countries stay on course for achieving reforms while being flexible on the sequencing of reforms, based on the political climate that is often necessary for their acceptance and implementation. Finally, it is critical that the Bank focus on building monitoring and evaluation capacity in countries and support strong evaluations of the reforms that can be shared globally.

About the Author

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