Universal health coverage (UHC) has become a major goal for health reform in many countries. UHC implies that all people have access to needed services without the risk of financial ruin. The World Health Report 2010 and the declaration of the World Health Assembly urged member states to “aim for affordable universal coverage and access for all citizens on the basis of equity and solidarity”. Financing is a key driver of UHC and many low and middle income countries (LMICs) are seeking better ways to modify their health financing systems so as to move more quickly towards UHC.

Cambodia, like other countries, is making efforts to improve access to health care for all citizens and thereby move towards universal coverage. The Cambodian Second Health Sector Strategic Plan 2008-2015 seeks to put in place financing reforms designed “to enhance sustainable development of the health sector for better health and well-being of all Cambodian, especially of the poor, women and children”.

**KEY MESSAGES**

- The pursuit of universal health care coverage needs to be informed by an understanding of how equitable the current health financing arrangements are. The financing mechanism is equitable if:
  - The burden of health care payments is distributed in line with ability to pay.
  - The benefits from healthcare spending are distributed according to need for health services.

- This study represents the first attempt to quantify financing and benefit incidence for the entire health system of Cambodia. Benefit and financing incidence analyses can be very useful tools for assessing health system performance.

- This study will assist policy-makers in Cambodia to develop and effectively implement health care reforms to improve the equity of financing and provisions of health care services.

- Local collaborators will develop their skills to undertake further equity and health financing analyses in the region so that gains in capacity building may be multiplied over time.

**Rationale and Expected Outcomes**

Cambodia is currently introducing a number of significant financing mechanisms designed to promote access to effective and affordable health care for its population, especially the poor. These include Voluntary Community-Based Health Insurance schemes targeting the informal sector as well as a range of voucher schemes designed to increase the uptake of specific health services by poor rural communities.

From a financing perspective, Cambodia is perhaps best known for its innovative Health Equity Funds, a third party payer mechanism that reimburses the public facilities for health services rendered to the poor. Although the initiative covers 2.4 million poor and is to be expanded nationwide by 2014 to cover 3.1 million poor, results to date are mixed. The 2010 Demographic and Health Survey found that only 4% of the poorest quintile of the population had their health services paid for by a Health Equity Fund while another review found that Health Equity Funds considerably reduced out-of-pocket payments for health but had no impact on the health-related borrowing that patients needed to make to pay for health care.
The study will address 3 key questions:

- How is the burden for financing the health system in Cambodia distributed across socioeconomic groups?
- How are the benefits from the health system, measured in terms of health care use, distributed across socioeconomic groups?
- What are the complex range of socio-economic, cultural, and demographic factors that may influence health spending and the utilisation of health services in Cambodia?

Methods

The study will use a mix of quantitative and qualitative methods.

- Financial Incidence Analysis (FIA) will be used to measure the burden of health financing across different socio-economic groups. FIA assesses which socio-economic groups bear the burden of different aspects of health care financing.
- Benefit Incidence Analysis (BIA) will be used to assess who (in terms of socio-economic groups) receive what benefit from using health services. BIA provides a picture of whether a benefit distribution is currently pro-rich or pro-poor based on different indicators of the relative need for health care.
- Qualitative methods including in-depth interviews and focus group discussions will be used to explore the factors that influence health care spending and utilisation of different health services across socio-economic groups.

Benefits for Cambodia

As Cambodia plans its path to universal coverage and while debate grows on the relative merits of different financing mechanisms including various types of tax financing and insurance programmes, out-of-pocket payments and Health Equity Funds it is crucial that ‘systems-wide’ evidence on the equity impact of all the different schemes is available. This study will generate that critical evidence. Cambodia will also benefit from the knowledge and training offered by an international team of experienced health economists and health system researchers seeking to work with local ministerial officials and planners to incorporate such analyses into their financial planning processes. In particular, local collaborators will obtain practical experience in co-ordinating electronic data collection which has never yet been tried in Cambodia. They will also developed expertise in analyses of benefit and financing incidence data and in writing up results in a manner that allows easy uptake by policy makers as well as in dissemination.