

Why is Thai health care so good?

The country could become a model for the region

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Political turmoil in Thailand is unrelenting. Over the past two decades, 11 different prime ministers have led the country. In the coming weeks that number could increase, as the constitutional court considers dismissing the current leader, Srettha Thavisin, over an allegedly illegal cabinet appointment. Yet amid such instability, one aspect of Thailand's governance flourishes: its public-health system.

Thai health care is among the most effective in the world. The average Thai can expect to live to 80, much longer than their regional counterpart (the South-East Asian figure is 73) and even slightly longer than the average American and European (each roughly 79), according to the latest data from the United Nations. Last year a whopping 99.5% of the population of 72m was covered by health insurance. Remarkably, Thailand has achieved this as a developing country: its income per person was roughly \$7,000 in 2023, more than 11 times smaller than America's. Even in the middle of the pandemic in 2021, its public-health bill was 6% of GDP, compared with 17% in America and 11% in the European Union.

Health over wealth

Selected countries*, 2023[†]



*Population greater than 20m †Or latest available, estimate
Sources: IMF; United Nations

Chart: The Economist

What explains such outperformance? Amid fears that the country's hinterlands would succumb to communist ideas that were spreading fast in the region in the 1970s, Thai policymakers focused on rural development. Public health became a priority, so a wave of spending was unleashed on infrastructure. By 1990 all 928 districts had a hospital.

Investment in people also helped. In 1972 the government launched a programme that required medical graduates to spend the first three years of their careers in villages. This led to a “golden generation” of doctors, says Eduardo Banzon of the Asian Development Bank.

Subsequent Thai governments made health care more affordable. The first big initiative was an insurance scheme targeting the poor. This was followed by state-sponsored schemes for those working in the informal and private sectors. But the big boost came in 2002 when the government rolled out a universal health-coverage programme, which offered free health care to the poor and a nominal 30-baht (\$1) fee for others. One study found that just between 2000 and 2002 there was a significant decrease in infant mortality.

Unsurprisingly the scheme was a huge hit, boosting the popularity of Thaksin Shinawatra, the prime minister at the time. Few governments since then have dared to tinker with it. Instead its coverage has expanded. Today it covers treatments for conditions ranging from HIV to kidney diseases. But an equally important feature of the programme is the focus on preventive health care, says Piya Hanvoravongchai of the National Health Foundation, a non-profit. A network of grassroots workers helps provide health advice.

Particularly striking is the fact that universal health coverage is not only affordable for beneficiaries, but also for the government. The programme is funded through tax revenues, but spending is controlled. Every year district hospitals are provided with a fixed amount of money per patient in their catchment area, regardless of the treatment they get. This “capitation” model ensures efficiency and predictability in funding. Thailand’s spending on health had remained largely steady at around 3-4% of GDP until the pandemic, even as its programmes expanded.

Many countries are eager to emulate Thailand. Earlier this year Saudi Arabia signed an agreement with the government to co-operate on public-health matters. Thai delegations have travelled around Asia, Africa and the Middle East, too.

However, challenges loom. More than a fifth of Thais are over 60. Within the next decade that share could be a third. That puts strain on the public-health system and government finances. Many doctors already complain of overwork. Efforts are under way to expand the cadre of public doctors, while several specific policies have been rolled out for the elderly. Here, too, Thai health care may continue to be a model for the world. ■

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