



HIGH-LEVEL SUMMARY TECHNICAL ASSISTANCE REPORT

JORDAN

Health spending efficiency: Issues and Reform Directions

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Prepared By Nick Carroll, Carolina Bloch, Eduardo González-Pier and Stefan Kiss

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The *High-Level Summary Technical Assistance Report* series provides high-level summaries of the assistance provided to IMF capacity development recipients, describing the high-level objectives, findings, and recommendations.

ABSTRACT: This report reviews Jordan's public health expenditure and develops options to enhance spending efficiency that support the government's health and fiscal consolidation efforts. The particular focus of the mission was to provide support on: (1) overall health spending analysis, (2) support country efforts to develop and implement an affordable path to expand health coverage, (3) identify areas where the Ministry of Finance can build capacity and support reform efforts.

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Background

Jordan aims to achieve universal health coverage (UHC) by 2030. Rising health care costs, and an ageing population with prevalent chronic conditions, while also providing subsidized health care for 1.3 million Syrian refugees, suggest there will be medium-term pressures on health spending. Jordan faces limited fiscal space and aspires to enhance its health services and coverage in a cost-efficient manner. This combination of factors requires that health spending efficiencies need to be found to support the UHC agenda in a fiscally sustainable way.

Summary of Findings

Jordan has solid health outcomes in life expectancy, infant mortality, and other health indicators, but health spending is high compared to peer countries in the region and other Emerging Market Economies. Spending on hospitals, pharmaceuticals and addressing coverage gaps relating to access to health services are high, while spending on primary health care is low. Health financing is complex. In the short run, a realistic and sustainable health spending path should be developed, implemented, and jointly managed by the ministries of finance and health. This will require capacity to identify areas of spending where efficiencies can be found. A roadmap to quality, affordable and sustainable health care should be developed.

Summary of Recommendations

An affordable health benefit package (HBP) is being developed and needs to be implemented and kept consistent with fiscal sustainability. The authorities could also consider enhancing revenues for health services through adjusting insurance premia, costing and updating the “affordable price” charged for medical services. The authorities should balance continuously the financial sustainability of the health service sector to ensure their ability to maintain and upgrade the services rendered. There is a need to target health coverage gaps more tightly over time. Over the medium term, expanding coverage should be informed by the implementation potential of the affordable HBP and supported by a primary health care strengthening strategy and other reforms. Reforms to improve efficiency and effectiveness should include the expansion of primary health care as the gateway into the system and changes to the operational structure with the focus on incentivizing and enabling hospitals to make changes to improve efficiency.