World Health Organization
Indonesia

Economics of NCDS in Indonesia:

Gathering evidence for National Action Plan

The Economic Impact of NCDs – a Health Systems perspective

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Overview

1. **The global evidence on NCDs and the economy**
2. **The implications for strengthening health systems for universal health coverage**

To inform the formulation of a National Action Plan for Indonesia

The evidence on NCDs and the economy: Overarching facts

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- **The burden of NCDs is increasing at a rapid rate with lives lost due to NCDs standing at 41 million a year or 71% of all deaths globally - more than the combined total of mortality due to other cause.**
- **NCDs kill nearly 41 million people each year, many of them well under the age of 70 – which results in human and socioeconomic losses to society.**
- **Almost half (7.2 million) of the 15 million people who die globally every year between the age of 30 and 70 years are from low- and lower-middle income countries**
- **Life-style related factors are the root causes of the four groups of diseases that account for over 80% of all premature NCD related deaths globally: cardiovascular diseases (17.9m), cancers (9.0m), respiratory disease (3.9m) and diabetes (1.6m).**
- **About 1% of global health funding is dedicated to preventing and controlling NCDs**

The evidence on NCDs and the economy: Approaches

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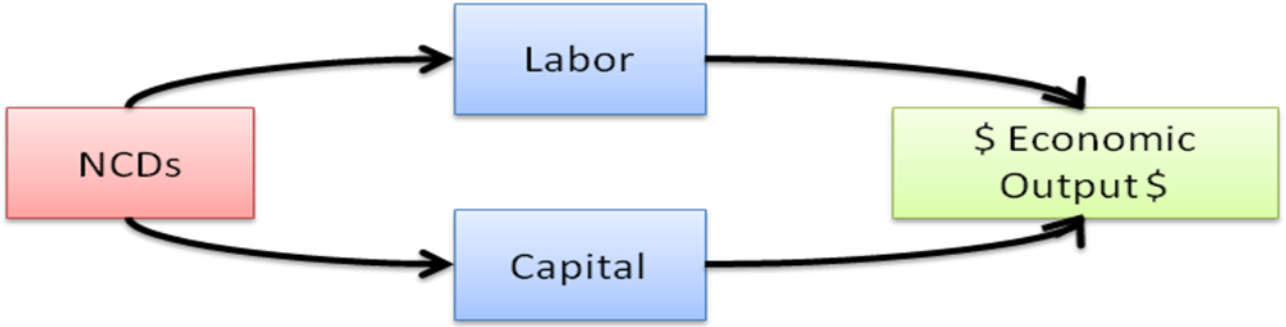
1. **The cost-of-illness (COI) approach,** a commonly used method that sets out to capture the societal economic impact of disease; it focuses mainly on foregone income and personal medical care costs associated with NCDs;

2. **The economic growth approach, which estimates the projected impact of NCDs on aggregate economic output (GDP) by considering how these diseases deplete labour, capital and other factors to production levels in a country (see Figure below).**



3. **The value of statistical life (VSL) approach,** which reflects a population's willingness to pay to reduce the risk of disability or death associated with NCDs. By placing an economic value on the loss of health itself, this approach goes beyond the impact of NCDs on GDP alone.

The evidence on NCDs and the economy

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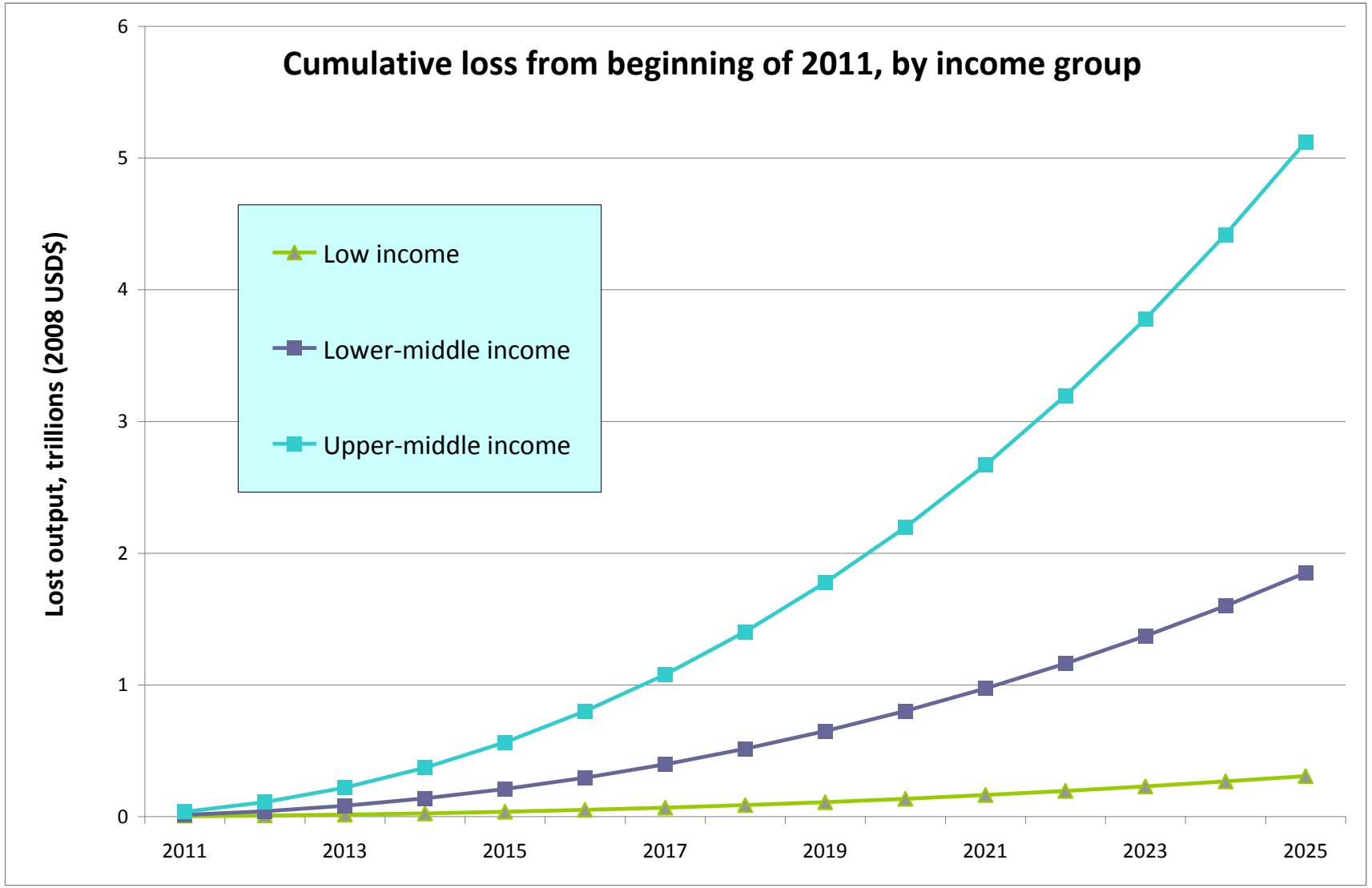
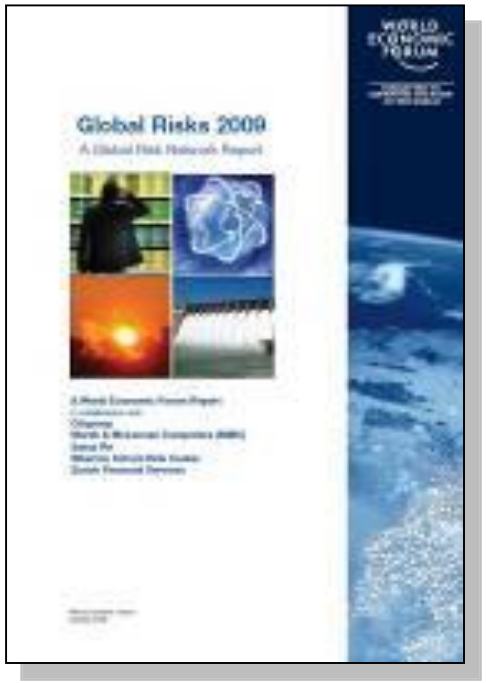
Projected increasing economic impact of CVD, diabetes, cancer and respiratory diseases in all low- and middle-income countries

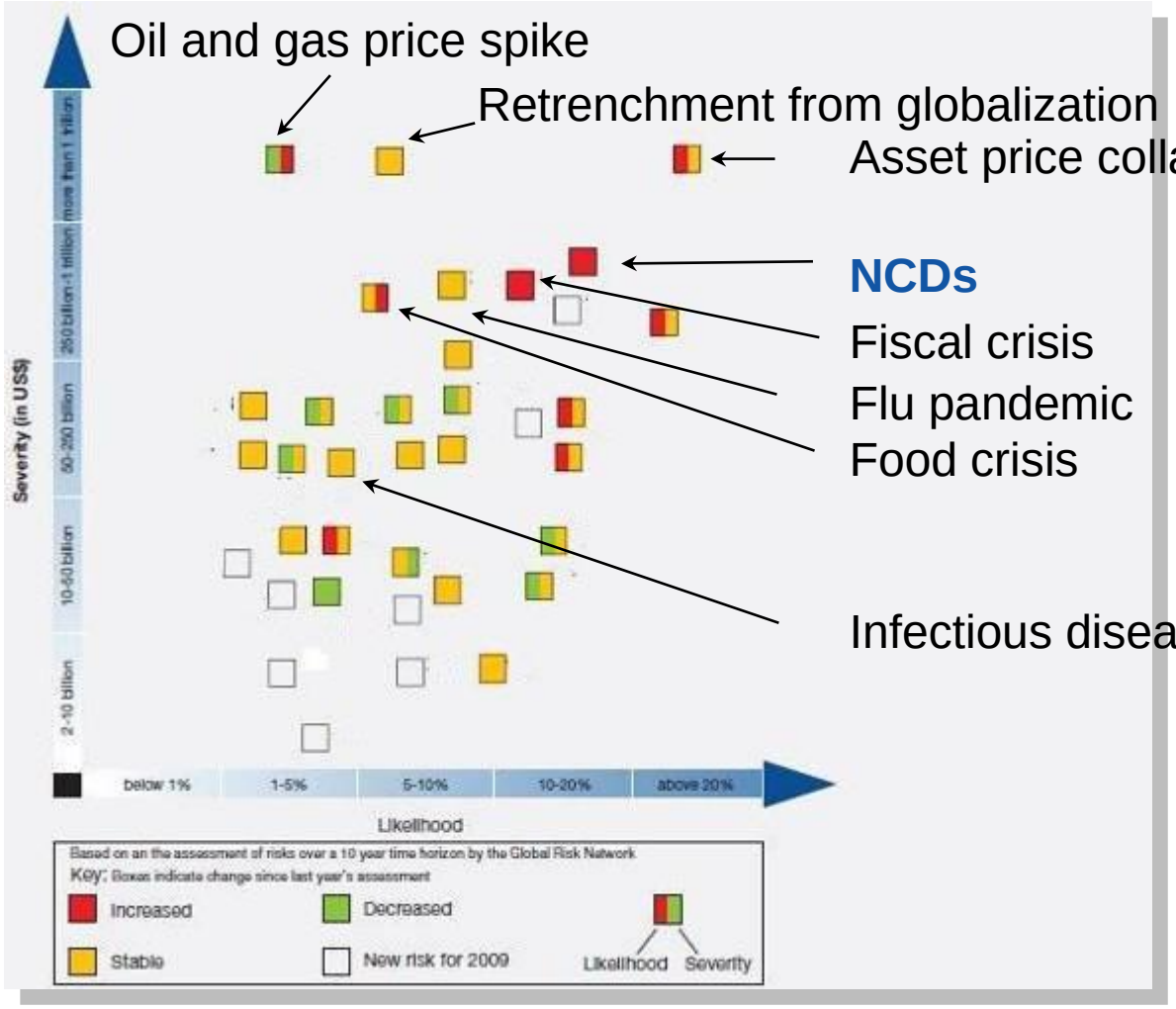
(Source: WEF / Harvard study, forthcoming)



The evidence on NCDs and the economy:
The macro-economic impact of NCDs

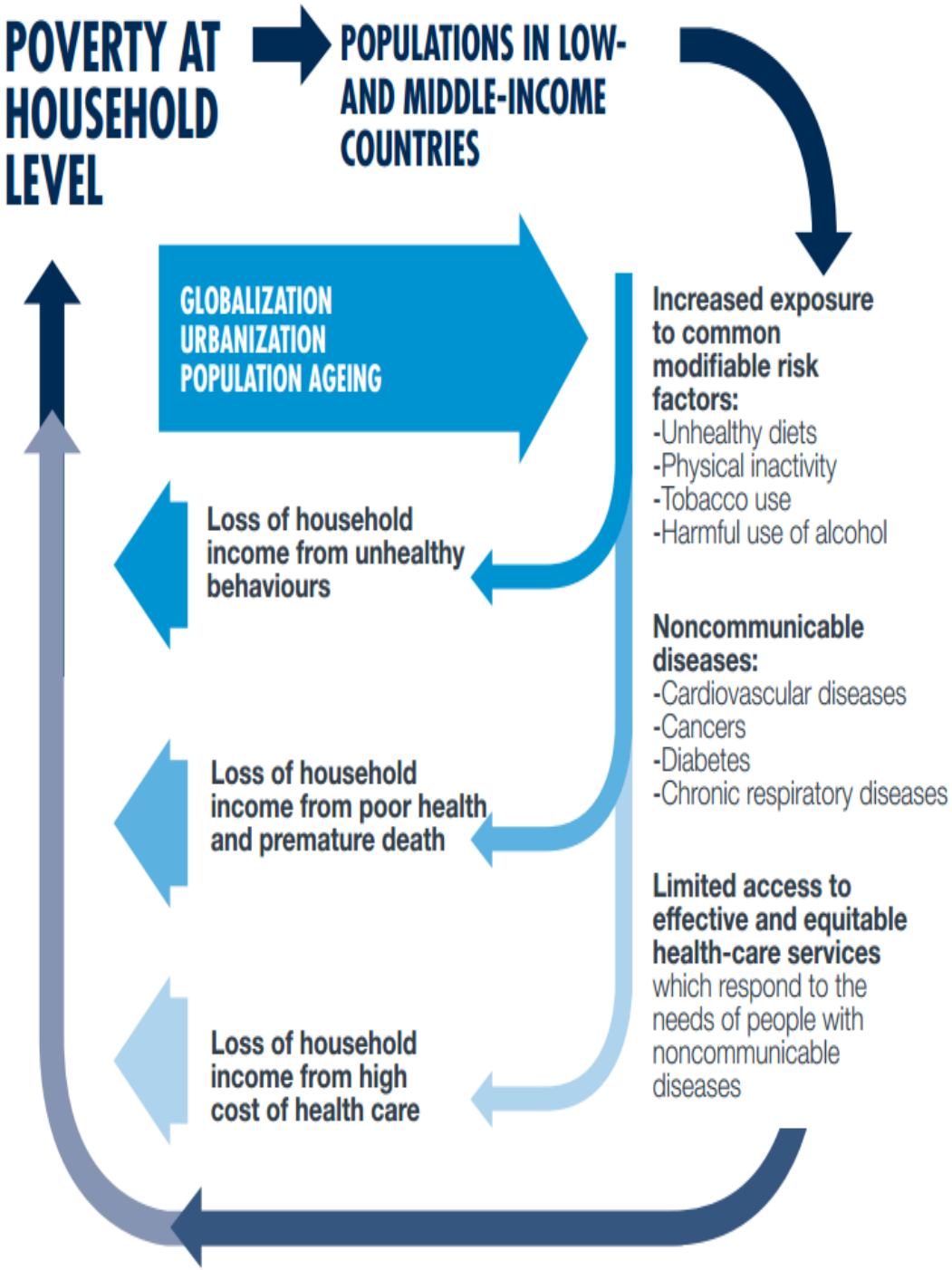


World Economic Forum:
Global Risk Assessment 2009



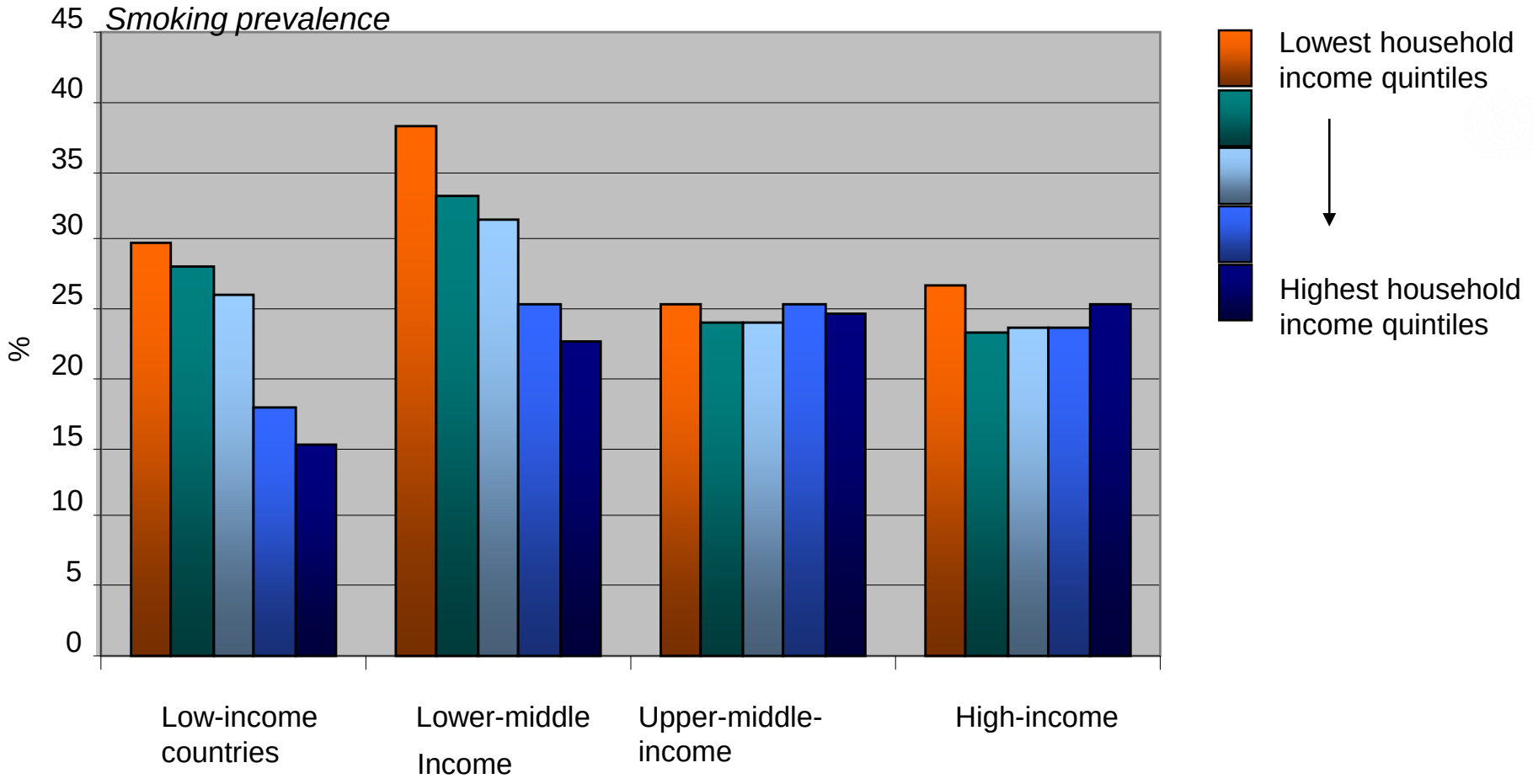
The evidence on NCDs and the economy:

Development dimension - Poverty contributes to NCDs and NCDs contribute to poverty



The evidence on NCDs and the economy:

The poorest people smoke the most, often spending more than 10 per cent of their household income on tobacco



Implications for HSS: WHO Best buys

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Synergies among the Best Buys* are stronger when combined
based on cost-effectiveness, implementation costs, feasibility

Implications for HSS:
Annual economic returns from WHO Best buys

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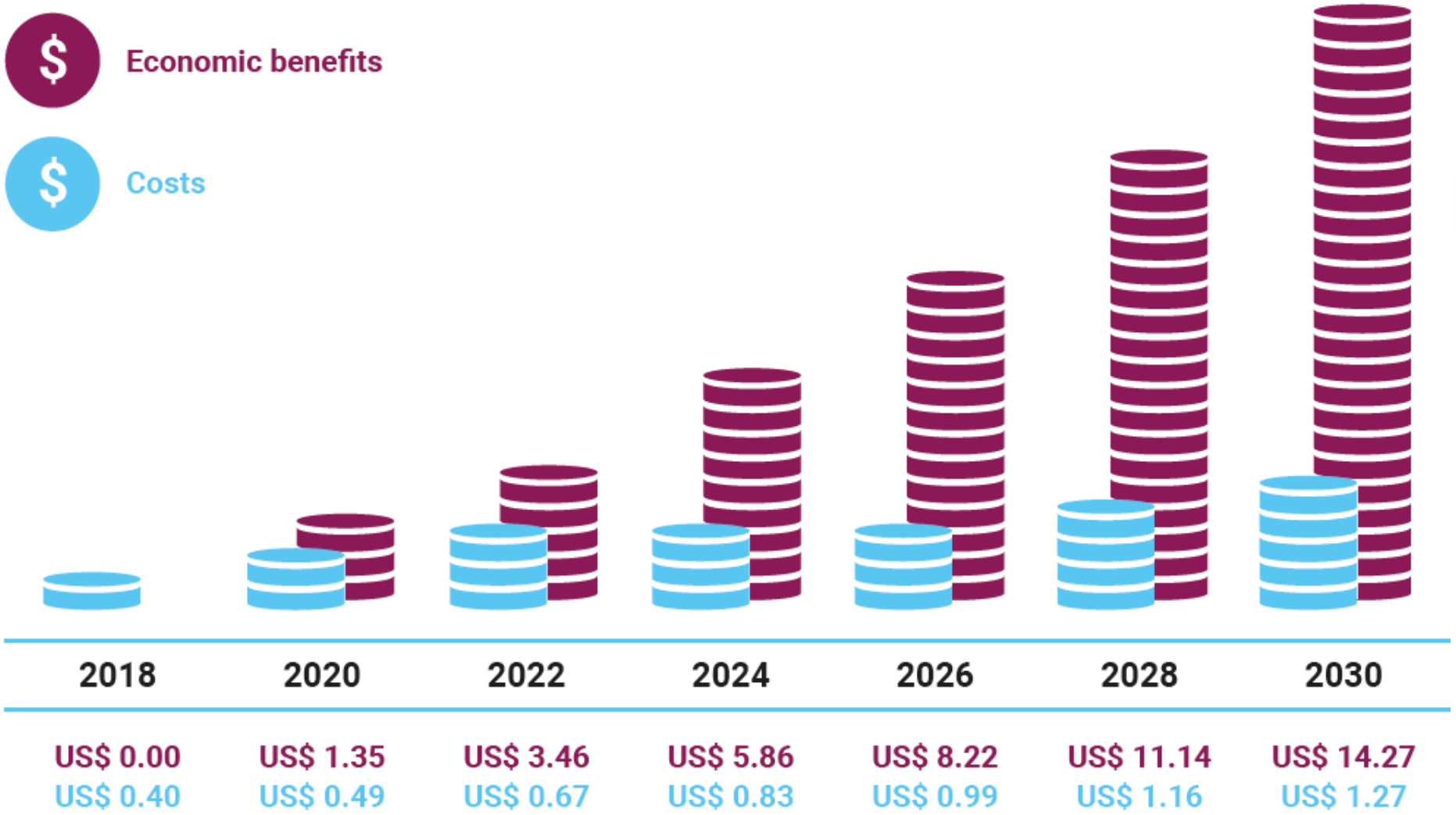

Implications for HSS:
9 cornerstones for planning for a comprehensive and aligned health system response to NCDs

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System Building Blocks

- SERVICE DELIVERY
- HEALTH WORKFORCE
- INFORMATION
- MEDICAL PRODUCTS, VACCINES & TECHNOLOGIES
- FINANCING
- LEADERSHIP / GOVERNANCE

1. Strengthened **governance** ensures coherent policy frameworks and sustainable intersectoral action on NCDs, connecting national, regional and local levels
2. Well resourced **public health services** lead health promotion and disease prevention activities with an focus on equity
3. **Multiprofile integrated primary health care** proactively manages community health and well-being
4. Adequately **regionalized specialist services** provide efficient and timely care for acute conditions
5. **People-centredness** is reflected in all health system functions
6. A **fit-for-purpose health workforce** delivers people-centred interventions and services based on evidence
7. Adequate and prioritized **health financing** ensures that coverage of important services and incentives are aligned with service delivery goals
8. Access to quality **medicines** is ensured through reliance on comprehensive coverage and pricing policies and on promotion of generics
9. **Information solutions** serve population health management, condition management in primary care, coordination across providers for seamless care, and self-management