



## Time for key decisions: The increasing need for evidence-informed decision-making

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### **Dear editors of the prestigious Medical Journal of the Islamic Republic of Iran**

The total health expenditure in Iran is higher than the countries with similar gross domestic product (GDP) per capita. However, a large proportion of this expenditure is from out of pocket (OOP) payments. After comparing with benchmark countries, such as Thailand and Turkey, it seems that although these countries have similar economic conditions to Iran, their people spend much less OOP on health. Moreover, the public financial resources that were spent on health before the recent health sector reform of Iran (ie, Health Transformation Plan (HTP)), were much less than the countries mentioned above (1). In addition to the general status, during the years 2012 and 2013, suddenly, the value of the US dollar against Iranian Rial almost tripled (2) and, subsequently, given the sanctions and the weak economic conditions of Iran, health indicators significantly fell behind.

Following HTP, more budget was allocated to the health sector, and the very first effort for starting HTP was resource mobilization and financing (3). Thus, the share of OOP decreased from 54.8 in 2009 to 38.1 in 2015, as the general governmental health expenditure (GGHE) increased from 38% to 51% following HTP (4).

In this respect, OOP is a mediator variable, and the main indicators for the assessment of the financial risk protection in the universal health coverage (UHC) are catastrophic health expenditures (CHE) and incidence of impoverishment (IMPOV) due to health expenditures (5). After HTP, GGHE increased and OOP decreased subsequently; however, the CHE and IMPOV did not change significantly and were still far behind the goals. Thus, the country needs efforts to protect people against health expenditures, and as this is a critical issue, there should be a social responsibility to prevent it. Considering that a significant amount of GGHE has been spent while the OOP decreased, the health system was not triggered by those vulnerable to financial risk. The money spent in the form of public expenditure does not pay back as much as it should to control people's expenditures.

A significant part of the payment mechanism has been 'fee for services' for decades, and both the public and private sectors have accepted it. Our insurance package is 'open', and the package covers everything, and thus we have remarkable overuse and misconduct in service provision (6, 7).

### **Where are we going?**

Within few weeks, the value of US dollar against Iranian Rial almost tripled (8). When the exchange rate suddenly rose during 2012 and 2013, the health expenditures increased dramatically. Although medicines assumed not to be affected by US sanctions, there has been a significant shortage of some drugs because the main problem is the money transfer through the banking system. Evidence indicates that 6 million people have experienced medicines shortage (9). Thus, the sanctions must be considered a critical problem.

Therefore, considering the economic upheavals in the country, we no longer can have financial protection as before. With each passing day, there will be less insurance protection and a new limitation will arise in insurance services; moreover, the main round of sanctions is yet to begin on the 4th of November, 2018. In addition to taking all the necessary measures to deal with the sanctions, cost-containment strategies, which other countries have set up at the time of economic recession, should also be implemented. The reason is that in the long run, in addition to the population growth that Iran will experience, it will swallow a considerable amount of health resources as its population is aging, and diseases, including chronic diseases that need long-term care, will surface. Hence, if we continue with the same pace, our total health expenditure will almost double in 2040 (10).

### **What should be done?**

In any case, it will be either of the 2 conditions: either more money has to be spent, or the system has to become more efficient. Nevertheless, considering all the economic hardships, Iran cannot spend more than it already is

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spending on health. The World Health Organization's external review of Iran's HTP before such monetary restriction indicated that there are 3 ways to control health expenditures: (1) preventing dual practice as it raises the costs of the health system, (2) changing the insurance packages, and (3) changing payment mechanism (3, 11).

The future prospect of the health system in Iran is uncertain, and any threat to the health system is a threat to the country's social system. Therefore, we must optimally utilize our financial resources. Fortunately, our resources are still good compared to countries with similar income. However, in Iran, OOP is being spent much more than it should have been. These expenses are impoverishing, catastrophic, and inequitable. Nevertheless, considering the sanctions, which are weakening the country, now it is time for resilience. The implication of resilience means to know which payment system is the most appropriate, which costs should be reduced, which services should not be supported by insurance, and to what extent, trial and error should not be executed. In other words, we need regulated service to minimize overuse and misuse, we need to use our resources in the best way, and use evidence-informed decision-making more than ever.

On the one hand, economic constraints are a threat to the country and people, but, on the other hand, they can be a drive for the revision of the health system (12). We need rigorous evidence, evidence-informed decisions and implementation to use our resources in the best way to save and improve our health system.

The proposed measures for cost containment should be taken more seriously, as they are needed to save the health system, equity, and public health. All those proposed actions which were on the table for discussion must be implemented, including avoiding dual practice, changing tariffs, implementing an income tax, changing the payment system, expansion of the family physician, reducing support for less cost-effective interventions that are paid from the public money, etc. Thus, we need serious measures and actions to deal with this important issue.

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