Key Findings from the Paper: The Great Equalizer: Health Care Access and Infant Mortality in Thailand

In 2001, Thailand instituted massive health care reforms, including increased funding to hospitals to care for the poor and reduced copays for others. Called the “30 Baht Program,” the health care reforms were some of the largest and most ambitious ever undertaken in a developing country. The program both increased by fourfold the amount hospitals were paid to care for the poor—from 250 Baht (about $6) per enrollee per year to 1,200 Baht (about $35)—and reduced the copays for non-welfare residents to 30 Baht—essentially 75 cents.

Jonathan Gruber and Robert M. Townsend of MIT and Nathaniel Hendren of Harvard examined data from Thailand’s Health and Welfare Survey, a national cross section of all 76 Thai provinces, as well as data from the provincial-level vital statistics registry. The study suggests that health reforms should make reimbursements to health care providers a primary concern for any effective health reforms.

Their findings, forthcoming in American Economics Journal: Applied Economics, suggest reducing out-of-pocket costs of medical care has less of an impact than providing more money to hospitals. Some of their other findings include:

- When the Thai government provided hospitals with more resources to care for the poor, more poor sought treatment, even though the cost of medical care remained free for the poor.

- Supply-side funding of the program increased health care use, especially by the poor. Prior to the reforms, poorer provinces had significantly higher infant mortality rates than rich provinces. After the reforms, there was no difference in infant mortality rates between the provinces, suggesting that increased access to health care among the poor can significantly reduce infant mortality rates. The study provides evidence that the new health reforms reduced infant mortality by as much as 30 percent in poor provinces.

- The new health reforms led to a moderate increase in the use of health care among those who previously were uninsured, but the greatest impact was among those who were previously covered by Thailand Medical Welfare
The sharp equalization in infant mortality observed between 2000 and 2002 is consistent with the fact that the most common causes of infant mortality in the world are from treatable diseases, such as dehydration associated with diarrhea, pneumonia and infection.