

Draft



Jordan

Trade in Health related Services and GATS



**World Health
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Trade in Health Services, the Case of Jordan
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Overview of the Health Care Sector in Jordan

In 2003, the population of Jordan reached 5.48 million. As a result of a declining mortality rate and a high total fertility rate, Jordan's demographics will change dramatically over the next 50 years. The population has doubled over the last 20 years and is likely to almost double again by 2035. Based on 2001 figures, 39.6% of the population falls under 15 years, 57.7% between 15-64 and 2.7% over 65. The proportion of people over 65 has been increasing and is expected to reach nearly 4% of the total population by 2015. Life expectancy is 71 years for females and 68.6 years for males. The total fertility rate is relatively high, though it has been declining steadily in recent years from over 7 in 1976 to 4.4 in 1997, 3.8 in 2000, and 3.5 in 2001. Table 1 presents the demographic indicators for 2003

Table 1: Demographic and socio-economic indicators in 2002

Demographic Indicators	Year	Value
Total Population (000)	2003	5,480
Population Growth Rate	2003	2.8%
Average Household Size	2003	5.7
Average Life Expectancy	2003	71.5
Total Fertility Rate	2003	3.7
Crude Birth rate	2003	29.0
Crude Death Rate	2003	5.0
Socio-economic Indicators	Year	Value
Adult Literacy Rate (%): both sexes	2003	90.1
Males	2003	94.9
Females	2003	84.8
Per Capita GDP (Jordanian Dinars)	2002	1,237.0

Source: Department of Statistics. Jordan in Figures 2001.

Health care financing

Health services in Jordan are provided through a complex amalgam providers. The major sector is accounted for by public sector, which includes the Ministry of Health, the Royal Medical Services and the two University Hospitals (JUH and KAH). The Ministry of Health Provides primary, secondary and Tertiary services through a network of health centers, MCH centers and hospitals. It runs 29 hospitals distributed throughout the country with 35,00 beds representing one third of hospital beds in the country.

About half (49%) of outpatient visits in Jordan take place at the facilities of the Ministry of Health (MOH), 40% take place at private facilities, while the remaining 11% are divided between RMS, JUH, UNRWA and NGO'S. Outpatient visits by the poor segments of the population, and citizens living in rural areas are much more likely to occur at MOH facilities than at any other facilities. The MOH and private providers therefore occupy a critical place in Jordan's system of health care.

On average Jordanians pay JD 32.77 per annum on outpatient care, out of which 75% is accounted for by pharmaceuticals. Females have higher out of pocket express than males, and residents of urban regions spend roughly double the expenditure of rural residents.

Inpatient admission occurs primarily at MOH (55%), RMS (22%) and private facilities (21%). NGO facilities account for only 7% visits. Admissions of the young, the illiterate, the poor, those living in the north and the uninsured are likely to occur in MOH facilities. Among the insured, Jordanians covered by MOH are most likely to use MOH facilities.

In 2001, public health care expenditure accounted for 3.5% of GDP, while private health care expenditure accounted of 5.6% of GDP. In 2001, according to national health accounts estimates, total health care expenditure reached JD 598 million (9.6% of GDP), with per capita health care expenditure reaching JD 115.4. Public sector health care expenditure accounted of 45.0% of the total, private 48.7%, UNRWA 1.3% and NGOS 5.1%. Total out of pocket (private) expenditure on health care in Jordan was JD 242 million.

The Ministry of Health is the major provider and financing agent within the public health system.

Table (2) Breakdown MOH budget 1999 – 2003 (1000) JD.

Year/ Item	1999	2000	2001	2002	2003
General Budget	2160000	2210000	230000	2413000	2511000
MOH Budget	120774	131000	137270	136717	148146
Current	101393	110000	114270	117760	125568
Capital	19381	21000	23000	18957	22578
Percentage (%)	5.6	5.9	6.0	5.7	5.9

Source: Directorate of Finance & Accounting.

The RMS mainly provides secondary and tertiary services through 10 Military hospitals, with about 1800 beds representing 22% of the hospital beds in the country. The two university hospitals provide curative services for their constituency of students and staff and serve as referral centers for other sectors.

Facilities owned by the MOH provide the majority of health services in Jordan, followed by private sector. Table 3 summarizes the principal service providers in the Jordanian health care sector.

Table (3): principal health care service providers Jordan (2003)

Sector	No. Of Beds	Admission		Avg. Length of Stay	Occupancy Rate	Out patient Visits			Surgical Operations		Deliveries	
		No.	%			No.	%	No.	%	No.	%	
MOH	3437	269450	42.7	3.2	71.3	2222950	45.3	76210	34.4	72556	50.2	
RMS	1801	120013	19.0	4.2	76.7	1860492	37.9	39687	17.9	24119	16.7	

JUH	540	25202	4.0	5.6	72.1	256869	5.2	14581	6.6	2760	1.9
KAUH	283	14300	2.3	4.5	68.0	73429	1.5	5054	2.3	687	0.5
Private*	3238	202631	32.1	2.6	43.7	491235	10.0	85848	38.8	44283	30.7
Total	9299	631596	100.0	3.3	62.2	4904973	100.0	221380	100.0	144405	100

* Data from Ma'sher, Al-Ahli, Al-Takhassosi Hospitals are not included.

MOH: Ministry of Health.

JUH: Jordan University.

RMS: Royal Medical Services.

KAUH: King Abdullah University.

The private sector provides primary, secondary and tertiary services through a network of private clinics and hospitals. About 700 private physicians practice in the country. The private sector has 54 hospitals, accounting for over one third of the hospital beds in Jordan. The majority of the hospitals as well as private clinics are located in the capital. Primary health care to Palestinian refugees (1.66 million) is provided by UNRWA, through 23 primary health care facilities. Table 4 provides data concerning the health manpower in all sectors of health care in Jordan.

Table (4) Health manpower at all sector in Jordan (2003)

Health sector Health professional	MOH	RMS	Public universities		Private Sector	UNRWA	Total	% of 10000 of Population
			KAH	JUH				
Physicians	3236	958	211	323	7558	89	12375	22.6
Dentists	490	172	-	32	2757	21	3472	6.3
Pharmacists	221	137	16	50	5907	2	6333	11.6
Staff Nurse	2066	994	317	46	5257	40	8720	15.9
Associate Nurse	153	773	-	-	-	-	926	1.7
Midwife	893	69	16	0	498	24	1500	2.7
Nurse Assistance	3012	1049	80	207	539	154	5041	9.2

Source: MOH, RMS, JUH, UNRWA, Medical association, and directorate of information & researches.

Trade in health care services in Jordan

In 1999, Jordan became the 136th member of the WTO. This section examines trade in health care services as currently taking place in Jordan.

Cross boarder supply of health services

Cross boarder supply of health services is practiced on a limited scale in Jordan. The MOH has a limited programs on e-health and e-learning in selected areas of Jordan. However, the outcome of this experiment is still in its first stages. In general there is an overall governmental policy to gradually adopt e-government in all public institutions.

Scattered activities related to cross boarder supply of health services occur as a result of linkages of institutions such as the cardiovascular center of the Royal Medical Services with advanced centers of excellence like the Mayo clinic in the U.S.A. Video conferencing is also utilized in some research canthers and in academia.

Consumption abroad

Jordan's health care system has gained good repute, due to the country's high quality medical infrastructure, and supporting medial skills. Jordan's private health care sector is emerging as the center of excellence in many subspecialties such as cardiovascular surgery, transplantation, plastic surgery, and cancer treatment.

Jordanian patients still find it necessary to seek medical services abroad where no such care is available in Jordan. Unfortunately, it is difficult to obtain reliable data in order to determine the extent or scale of movement of Jordanian nationals to consume health services abroad, especially since no travel restrictions apply. The exception pertains to patients covered by civil health insurance seeking special care abroad certain regulations and procedures apply. Public insured patients are covered by the MOH health insurance scheme. In 2003 there were 32 cases treated abroad, with cumulative cost of US\$ one million. These cases were mainly treated in the USA and UK. There are no specific data on private patients who are treated outside Jordan¹.

Evidence point to the fact that Jordanians mainly travel to the UK, France, Germany and U.S.A. for medical care. The same holds true for medical students.

Medical tourism in Jordan²

Due to the high quality of medical services provided, Arab patients started visiting Jordan for medical treatment as early as the 1970s. As a result of the increasing number of Arab patients seeking treatment in Jordan, in 1998 the Ministry of Health established an office at Queen Alia Airport to facilitate the entry of foreign patients.

A special directorate has also been established by the government in partnership with the private sector, with the mission of promoting medical tourism in Jordan. In 2002 more than 120,000 patients sought medical services in Jordan, mainly from neighboring Arab countries. Private hospitals dominate the market for medical tourism, as they account for 54% of hospitals and 46% of beds available in the country.

Between 1998 and 2000 medical tourism generated almost two thirds of total revenues generated by the tourism sector. In 1998 these revenues wee approximately US\$ 580 million, increasing to reach US\$ 620 in 2001. According to estimates by the ministry of health, medical tourism in Jordan is projected to generate US\$ one billion in revenues within the coming two years. In 2001, a survey was conducted, with the results indicating that the majority of patients seeking treatment in Jordan were

¹ Source of information: Dr Bashar Abu Salim , director, technical and research directorate., health insurance department.

² 1- medical tourism cluster study. Ministry of planning, 2004.

2-Dr Ratib Mannawi. Director, medical tourism directorate, ministry of health, Jordan.

mainly from Yemen, Sudan, Bahrain, Syria, Libya, Palestine and Saudi Arabia. The vast majority of foreign patients were in fact Arab, seeking treatment in Jordan in cardiology, neurology, bones and knuckles, and internal diseases.

Some patients seeking medical treatment in Jordan are sponsored by their national funds. A protocol was signed between Jordan and the Algerian Fund in 1996, with the terms of payment linked to the Algerian Social Security Fund. Jordan also has medical cooperation protocols with several countries, while many of the private hospitals have one-to-one treatment agreements with government and private clients in foreign countries. It is, nonetheless, difficult at this stage to have an exact breakdown of foreign patients by sponsorship.

Foreign Commercial Presence³

Before Jordan became a member of the WTO, national legislation encouraged investment in the health sector in an effort to promote medical tourism. Investment law for 1987, awarded incentives and tax exemptions for investing in health and tourism. In 1995, Act number 16 gave more facilitation and abolished many constraints that faced investors by delegating many authorities to the Director General of The Investment Board, and encouraged the direct partnership of the private sector and other stakeholders.

Foreign investors are treated equally as Jordanian in terms of all rights and privileges awarded. The only difference is that the non-Jordanians should deposit bank drafts of no less than 50,000 JD. In the hospital sector, foreign investors can have full (100%) of the property. Promoting foreign investments in the health sector, is considered to complement the general investment promotion policy adopted by the government, and implemented by the Jordan Investment Board. The hospital sector enjoys exemptions from custom duties and the general tax on sales for 3 years, both on local and imported commodities. These exemptions vary in relation to the geographic location, ranging from 25% in Amman and its metropolitan areas, to 10% in remote and underprivileged area. In case of an expansion in hospital capacity -for example by 25%- the concerned entity is to enjoy an additional year of tax-exemption.

In 2004, foreign direct investment in Jordan's hospital sector reached US\$ 8.6 million

FDI inward hospitals sector in Jordan (US \$) (exclusively in hospital sector).

	2001	2002	2004
Arab	-	5,647,000	1,627,000
American Canadian	210,000	-	7,000,000
European	7,000,000	-	
Total	7,210,00	5,647,000	8,627,000

Source: JIB⁴ (www.jordaninvestment.com)

³ JIB(Jordan investment Board):

Dr. Rawhi Najdawi - ministry of health representative

Mr. Adnan Alawneh - Assistant director of facilitation directorate

Mrs. Marwa Abdelhak - Researcher

⁴ Stands for Jordan Investment Board

With respect to Jordan's schedule of commitments under the GATS, market access limitations for trade in health services (CPC 9311)⁵ stipulated one of the owners must be a physician, the exception being for public limited companies. In addition, at least three-quarters of physicians in any hospital, nursing or convalescent homes must be Jordanian nationals, and at least half of all staff members must be Jordanians. For other human health services, especially medical laboratories (CPC 93199) the director must be a Jordanian national.

Temporary movement of health professionals⁶

No restrictions apply to the temporary movement of manpower from Jordan to other countries. The Civil Service Council permits by law employee to work outside Jordan for a duration up to 7 years throughout the work life of the employed, except for teachers who are allowed up to 10 years. Recently, concerns emerged regarding manpower shortage in the domain of public health care, especially for nursing and specialized doctors. As a result, the MOH specified certain conditions restricting the movement of skills in shortage temporarily. In addition to the emerging shortage in needed medical skills, there is a concern regarding what may become a permanent brain drain, especially in light of the relatively high incentives played to medical professionals eligible to work in other countries, such as in the Gulf countries. The UK has been another important destination for health professionals working abroad.⁷

Table ?, presents the total numbers of foreign health professionals working in Jordan.

Profession	Male	Female	Total
G.P.	29	4	33
Internist	2	-	2
Pediatrician	2	2	4
Anesthesiologist	4	-	4
X-ray specialist	4	-	4
Lab technician	5	3	8
Nurse – practical	3	-	3
Auxiliary nurse	4	1	5
Mid wife (registered)	-	3	3
Physiotherapist	8	2	10
X-ray technician	-	2	2
Anesthetist	3	-	3
Kidney dialysis technician	6	-	6
Dentistry technician	3	-	3
Medical equipment technician	10	-	10

Source: ministry of labor

⁵ Stands for general product classification under UN system, with reference to health and human health services.

⁶ Jordan central bank, Mr. Khalil Kassas Research Directorate (interviewed February 1, 2004)

⁷ It is very difficult to capture the amount of remittances, which flow back into Jordan by medical professional working abroad since no *accurate or specific data exist*.

Conclusions and policy recommendations

It is obvious that Jordan is very active in the domain of medical tourism (mode 2), as well as in the domain of exporting skilled professional medical services (mode 4). Despite the ongoing level of trade under these two modes of supply, there is still a general lack of understanding among health professionals and policy makers in Jordan regarding the issues of trade in health services. This is particularly true with respect to the nature of potential opportunities or threats, which could be brought as a result of liberalization within the framework of the GATS. This situation is exacerbated by the fact that little if no information is readily available to undertake a viable cost-benefit analysis.

The establish of units within the organizational structure of Jordan's MOH to tackle the issues of trade in health services is therefore highly recommended. Of no less importance is the need to strengthen the capacity building for all professionals concerned with policy making in the domain of trade in health services.

It is also of vital importance to strengthen and promote partnerships among the stakeholders concerned in the private sector, academia, NGOs and UN agencies especially the WHO.

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