"Healthcare Industry and Expenses in Bangladesh"

Internship report on the Healthcare Industry and Expenses in Bangladesh

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24th September, 2017

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<u>Subject</u>: **Submission of Internship Report.**

Dear Madam,

I would like to thank you for your support and guidance that you provided in times of need for this report completion. I doubt the possibility of completing the report without your help. With deep gratitude, I would like to acknowledge the help and support provided by Sharif Md. Rakibul Raihan, Finance Lead, Jeeon Bangladesh Limited for providing me the learnings and supervision during my internship period in the organization.

In preparation of this report, I have collected what I believe to be most relatable information in order to make my report as reliable and analytical as it could be. I have tried my best within the time to achieve the objectives of the report and hope that my learnings will be useful. The experiences gathered will surely come handy during the rest of my professional life.

I would really be grateful if you enlighten me with your thoughts and views regarding the report. Also, if you wish to enquire about an aspect of my report, I would gladly answer your queries. Thank you again for your support and patience.

Yours Sincerely,

Habib-un-nabi Khan Tanmay.

ID:13104248
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BRAC University.

Acknowledgements

I would like to gratify each and every one who have played a role in order to complete this report. I wish to place on records, my deep gratitude for the support, direction, and supervision in every aspect from, Jeeon Bangladesh Limited officials, my faculty, and friends.

I would like to express my sincere thankfulness to my organizational supervisor of this Internship Program, Sharif Md. Rakibul Raihan, Finance Lead, Jeeon Bangladesh Limited for his continuous teachings and nonstop support throughout the internship period. To get accustomed with the nature of a very dissimilar industry was quite a challenge for me; without his guidance, it would have been very hard to complete my internship.

I would also like to show my utmost gratitude to all the officials of Jeeon Bangladesh Limited; especially the teams that I have worked in and all the others teams in the Organization. I would like to mention the name of Ms.Sarah Zaheen (Care Evangelist) for giving me the opportunities to work beyond the finance and accounts department. I need to mention Ayesha Sirajee Leena (Money and People) for her day to day guidance for the internship and help in completion of my tasks assigned. Additionally, I would also like to thank all the employees who helped me to develop my skills and provide me necessary information during my internship especially Hasan Ahmed Talukder.

Finally, and most importantly, I would like to concede the guidance of Ms. Tanjina Shahjahan, Lecturer, BRAC Business School, BRAC University, for her expert advice and help in preparing this report.

Executive Summary

Jeeon Bangladesh Limited is a startup company in the industry of Healthcare and it is serving rural patients of Bangladesh in Kishoreganj, Sunamganj and Dinajpur at the moment with the aim to open Projotno Centers all over the country and bridge all the stakeholders in the sector to upheld the well-being of rural patients. This company is not only providing quality primary healthcare to its customer but also playing an active part in empowering the society to enhance their learning curve about hygienic health practices and avoid medicines such as steroids which is harmful. Behind being a company with a complex business plan, both the field and headquarter employees are playing a vital role for the success of the company so far and the people are valued. With the experience of working in the Finance and Accounts Department, I have come along the practices of the Finance and Accounts Department at the Jeeon Bangladesh Limited.

With the title "Healthcare Industry Expense in Bangladesh" the report is prepared with the help of primary and secondary data but mostly secondary data. In the report I have tried to give an overview of the Healthcare industry of Bangladesh and the expenses incurred. The expenses incurred in the sector are distinguishable and unique in terms of the flow of fund and the inelastic demand of healthcare. Moreover, the average expense of patient consulting for primary healthcare at Jeeon is given in the report.

Lastly, I have put some thoughts of recommendations that came out partially from observation, experience and learning from the under-graduation program.

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Organization Part

Overview of the Organization

The digital healthcare movement is driving a vast array of startups in Dhaka, many working in mobile healthcare and healthcare for the last mile population. Startups developing online doctors' directory and appointment system, for instance, are working with hospitals to ensure better access to health care while developing healthcare-related content for general awareness creation. That could help people to access better treatment and medical services. It should also reduce the cost and hassle for a lot of people who need a better reference and basic knowledge regarding health care.

Like many other industries in Bangladesh, healthcare is on the verge of change. It is a big sector like commerce and has lots of opportunities to explore. The good news for these startups is that there is a certain demand for these services in the market. Similarly, the big uncertainty is how long it will take to have the scale to make it a viable business. Who succeed will be a function of many factors, from the product itself to consumer reaction, competition, and how fast they can scale.

In 2008 At Harvard and MIT, some students founded ClickDiagnostics, a social enterprise leveraging technology to ensure quality healthcare. They start working in Egypt, and spreads to other countries in Africa soon.

In 2010 A small team from mPower started a design research for an innovative commercial model for rural healthcare.

In 2013 The team moves to Bangladesh and renames the company mPower. mPower does numerous mHealth projects with BRAC, GoB, Grameen, generating insights into rural healthcare problems and solution.

At the core, mPower enable development organizations, donors and governments to become more effective and efficient at what they do by using technology.
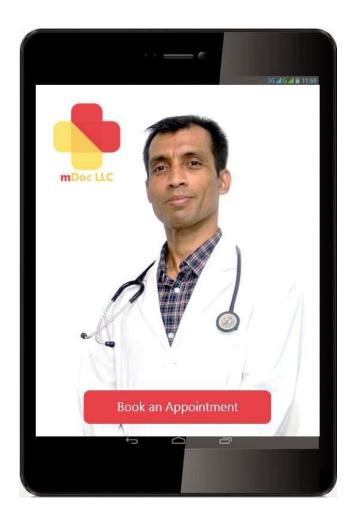
Although Business sector has gone fast and far ahead when it comes to using technology but in development sector most people are still using primitive technologies. mPower thought how could they use technology to better do the work the development sector does. This is not about using technology for the sake of using it but it can entirely change the core process of how development works and can increase the impact manifolds.

For example, a NGO works with one thousand beneficiaries and offers all of them the same package of services to improve their condition. But that might not be the ideal way of doing it. Probably, all of these people don't need the same package. Probably, some of them need more while others less. Maybe one of them, Abdul, has lost his cow and needs it right now, whereas Rahima needs support when income from her crops runs out during dry season. But you can't do any of this, and are limited to treating everyone equally, because you don't have enough data in real-time to understand and then make the decision. mPower help organizations make better decisions in these types of situations.

mPower enables organizations to collect real-time data about beneficiaries so that people can know what their beneficiaries need and how much and when. This lets them design their program more effectively and efficiently. mPower works in a consulting model, and help most of the major development organizations in the world including Save The Children, Oxfarm, BRAC, UNICEF, USAID, Grameen, etc. mPower completed around 60-70 projects so far and have served over 5 million lives indirectly through these clients.

mPower first assess the problem and then talk to the NGO or the Government and then try to identify the core bottlenecks. Then, design a technology driven solution that are developed by ourselves and then provide assistance to implement it. Thus, provide an end to end service. mPower is now around a 90 persons team. The team has grown fast in the last three years. But wants to do more.

Moreover, mPower is now incubating new ideas and turning them into new entities, sort of like an Incubator. The ideas for incubation sometimes come from the team or from the success or

failure of their consulting projects. With an interesting idea, which has broader market potential apart from regular consulting services, mPower tries to incubate the idea and spin off it into a separate company.

Jeeon (www.jeeon.co, previously called mDoc) is one of them which is led by Rubayat Khan as CEO. The idea of Jeeon was there from the early days of ClickDiagnostics. The idea was to provide health services in rural areas in a micro-enterprise model. The idea came from the concept of Grameen Ladies, women who used to buy a mobile phone with micro-credit loan and then sell talk time to people who did not own a phone. The thought was, if the model worked for mobile talktime, why can't we do the same for health? A health entrepreneur could provide/ sell health services in remote areas. After experimenting the idea in different projects, there was realization that this is a very interesting and doable idea.

That's how mPower started Jeeon as a separate company in 2013 in order to design a model to deliver sustainable health care services in rural areas without support from government or donors. Now mDoc is a separate company registered in the USA. An Incubator program in Colorado called Unreasonable Institute was attended and raised a seed round from a US investor later last year.

mPower have a footprint in northern Bangladesh where people can buy low cost telemedicine services (consultation with a qualified doctor) from their local pharmacy. Much like bKash now but this is for health care where people can get health services and the initiative becomes a sustainable business.

Another project called Traumalink which is a collaboration between few Harvard Medical School students and mPower which works like 911 number since there is none for emergency situations like highway crash in Bagnladesh. In Bangladesh road accident is the second biggest cause of death. This is where Traumalink comes in. To fix this problem a product is designed where people can report an accident by calling to or sending an SMS to a short code. mPower also trained people we call community volunteers who are well-trained in first-aid and primary treatment. These people are trained on basic trauma management so that they can come forward and help during a moment of need.

When an accident occurs in a certain locality the system sends automatic SMS to the volunteers of that locality and they go to the spot with their kids and get into work of rescuing and helping injured people. This is completely voluntary. Revenues come from corporate ads and sales of special packages to corporate.

One of the vision is to change how development sector works at its core. The way development sector operates is wasteful and unsustainable and mPower aims to bring changes to this process.

The other part is to build more scalable and sustainable solutions. mPower plans to incubate more ideas and develop a process around the idea of incubating and also supporting entrepreneurs and startups who have ideas but could not go to market due to lack of resources.

mPower plans to help these entrepreneurs launch their services. The process has started already. The name also suggests that this is not a single social enterprise but a group of social enterprises

continuously wanting to contribute to problem solving and don't want to stick to just a consulting model.

In 2015 Jeeon Bangladesh Limited becomes a separate company and tests its model with thousands of patients in Northern Bangladesh. The project wins awards from USAID, WHO and others. Jeeon has been working in rural Bangladesh to fundamentally disrupt a broken healthcare system. We have developed a sustainable service that allows a rural patient to have a reliable consultation with a qualified doctor in the city, facilitated by an RMP (rural medical practitioner) right from the village bazaar.

Tagline:

Making Well-being Universal.

Mission:

- Create an accessible primary care offering in rural Bazaars close to patients
- Upgrade RMP infrastructure through technology & backend doctor support
- Bring RMPs under a regulated network and prevent their malpractice and polypharmacy
- Connect patients with quality referral points and prevent exploitation by middlemen
- Ensure quality drugs and prevent abuse of antibiotics, steroids, NSAIDs
- Provide low-cost diagnostics and easy access to follow-up consultations at the rural bazaar so that patients can avoid traveling to towns.
- Develop an electronic medical history for each rural patient.

Create an accessible primary care offering in rural Bazaars close to patients

Give people health information and advice to manage their conditions better

Upgrade RMP infrastructure through technology & backend doctor support

Develop an electronic medical history for each rural patient

What we are trying to do?

Bring RMPs under a regulated network and prevent their malpractice and polypharmacy

Provide low-cost diagnostics and easy access to follow-up consultations at the rural bazaar so that patients can avoid traveling to towns

Connect patients with quality referral points and prevent exploitation by middlemen.

Ensure quality drugs and prevent abuse of antibiotics, steroids, NSAIDs

What we are NOT trying to do?

Acute care management

Providing Secondary or tertiary care ourselves

One-off medical camps or other unsustainable services

Vision:

Jeeon believe that everyone has a right to wellbeing and quality healthcare. Starting from this premise they have put together a team of doctors, technologists, designers, implementers, social work practitioners, and entrepreneurs with the dream of bringing about a qualitative change to the state of healthcare in Bangladesh, and eventually across the world.

Jeeon Bangladesh Limited believes in empowering rural communities through education and awareness so that they can take care of themselves better and can stop the malpractices they have succumbed to – like over-the-counter self-medication, abuse of antibiotics, or simply bad hygiene habits.

- Jeeon Bangladesh dreams of a technology platform that connects all players in healthcare wellbeing — doctors, clinics and hospitals, diagnostic centers, pharmaceuticals, rural pharmacies, and of course patients.

- Put Patients First -

"You treat a disease, you win you lose. You treat a person, I guarantee you'll win – no matter what the outcome" – Patch Adams

We are about care, not a transaction. We always strive for a smile on our patients' faces and put their needs first, and our doctors, franchisees and staff are ready to make sacrifices to ensure that always happens. Our products and services are designed with patients at the center, while being deeply immersed in their context to fully empathize with their realities and challenges.

- Be the Change –
"Be the change you wish to see in the world." – MK Gandh

We do not compromise. We dream of a different world of humane, empathetic, non-exploitative healthcare, and refuse to stop until that dream is a reality. We take initiative to break barriers and challenge status quo, in big ways and small. We are resilient in the face of adversity, and are in this for a long-term reform at scale, not a short-term fizzle on the fringes.

- Shoot for "Wow" –

"Whatever is *worth doing* at all is *worth doing well*." – Philip Stanhope

We strive for excellence in everything we do. We aim to deliver a WOW experience to our users and patients, creating wonder in big and small ways wherever possible. We contribute beyond our duties, enable others to achieve beyond themselves, and give more than we take. We believe in servant leadership, where your sole purpose as a leader is to serve the mission and enable your team to achieve excellence.

- Hold Each Other Accountable –

  "It takes a great deal of bravery to stand up to your enemies, but a great deal more to stand up to your friends." – Albus Dumbledore

  We expect the same high standards from others as we do from ourselves. No amount of discomfort stops us from challenging others when we see our mission or values being compromised. No ego is more important than our purpose – we take feedback from our colleagues as a precious gift that can help us be our best.

- Celebrate Success and Failure –

  "I have not failed 10,000 times. I've successfully found 10,000 ways that will not work." – Thomas Edison

  We love celebrating our successes and achievements, because it's fun and inspirational. But while success reinforces things we already know, it is failures that teach us new and valuable lessons. We therefore celebrate failures too, striving to reflect and learn from them rather than shove them under the carpet. We take measured risks and prototype everything we do – "failing fast" is what makes us more successful.

- Trust and Be Trustworthy –

  "In spite of everything, I still believe that people are really good at heart." – Anne Frank

  We believe people are worthy of trust until they prove otherwise. We are all responsible adults, and deserve freedom to make our own choices. It is not the job of the organization to police its people, its job is to empower them. We do not judge prematurely, and always

give the benefit of doubt, even if it means getting our fingers burnt from time to time. The purity of our heart is more precious than being savvy. We are transparent about our emotions and motives, and always measure our own acts against the best judge of all – our conscience.

- Relax –

"*In improving the quality of life of others, don't forget your own!*" – Ahmed

Preaching well-being for others would be hypocrisy if we didn't care about our own. We believe we should nurture the wellbeing of our team members – both physically and emotionally – by carving out spaces for reflection, maintaining good balance between work and life, and enabling each other to live healthier lives. And of course, throw in the occasional music night over a barbeque!

Product Offerings by Jeeon Bangladesh Limited

Jeeon's Telehealth service, called Projotno, is only the first step to Make Wellbeing Universal. The next step is to leverage low-cost, cutting-edge diagnostic devices and rapid tests being developed across the world, and put those in rural pharmacies. We are also creating an extensive network of partner medical facilities where patients can receive quality services at discounted rates. Data sharing between these facilities will ensure that our patient records are always up-to-date, providing our doctors sufficient medical data for diagnosis. Projotno links Village Doctors (VDs) or informal healthcare providers (IHP) to formal doctors through a tablet. By introducing Projotno into their business model, the initiative aims to create a formal linkage between VDs and formal doctors. Aimed to improve patient health outcome, reduce prescription of unnecessary and harmful drugs, and evaluate the impact of the program.

Success Story

Asma who lives in Mojlishpur, one of the **86,000** villages in Bangladesh. Nine years old Asma had a skin condition. The local untrained 'polli chikitshok' she consulted put her on high doses of steroid. Soon, Asma lost her hair. She was so depressed that she stopped going to school.
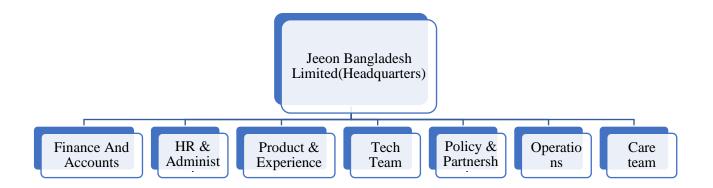
Asma's story is not unique. In fact, her story is so common that it has become the norm. This is also the story of the sorry state of our healthcare infrastructure.

At last, she fortunately accessed Jeeon's e-health service, Pojotno, the Dhaka physician she consulted over the Android tablet application prescribed her a simple ointment. In no time, her hair grew back and she went back to school.
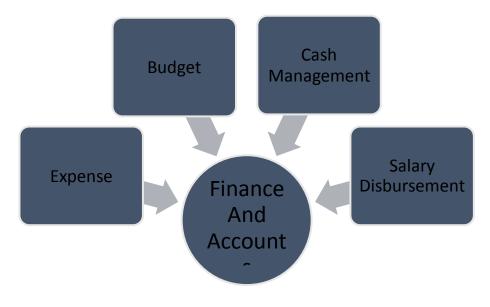
Jeeon's Work has been recognized by

An overview of the Department:

Jeeon Bangladesh Limited has many functions regarding the consultation of the patients. All the departments here work based on its Headquarters functions. There are several divisions among which the activities of Jeeon Bangladesh limited are divided. The organization follows a horizontal hierarchy for the ease of decision making process and minimization of complexity. Currently the functional departments of Jeeon Bangladesh Limited are Finance and Accounts, HR, Administration, Product and Experience, Tech Team, Policy and Partnership, Operations which handles all the field work outside Dhaka and the work affiliated with the Rural Pharmacies and lastly the Care Team which consists of the Doctors. For a better over-view, a précised organogram is given below:

Apart from these departments there are some sub units in each department. On the other hand, the organization has three different levels like Top level posts, Mid-level posts and Entry level posts based on authority, responsibility, technical skills, qualifications, functional knowledge, experience, expertise etc. that the position requires. As an Intern, I used to work in the Finance and Accounts department. Basically, the department has four prime functions. They are budgeting, Cash management, Salary Disbursement and the Expenses of the Company. They need to preserve bills and all the related documents for each transaction for future audit reports.

Diagram of Finance in Jeeon Bangladesh Limited

Job Description

The major Job responsibility I was assigned at Jeeon was using the Xero Accounting Software. Expense Recording was the primary part of the responsibilities I was given at Jeeon Bangladesh Limited. I was responsible for updating the software account with all the transactions. So that the bank statements and the Xero Softtware account balances were always at sync. The software is a simple to use but required initial understanding of the functions and processes. After a few days of using the online software, I was able to make the journal entries. A demonstration of the software is given below for better understanding.

Figure- Selected to pay through Bank Account.

Figure- Selecting to pay by Cash.

Firstly, it was important to select the account that was paying for the expenses. Whether by Cash (Petty Cash) or Bank Account known as the Jeeon Bangladesh Limited Account. After selecting the account, the process involved recording new transactions. The software has fields where I need to fill up with necessary information including where or to whom we are making the payment to, the date of transaction and the Reference number. For the referencing, I was taught to use the date of the transaction in a reversed format. For example, if the transaction took place on 21st August 2017 and it was the first transaction of the day, then the reference I used would be 17-08-21-1. Starting with the year, then month, date and then the serial number would be the reference number.

Figure – New Transaction Recording.

The other tasks regarding the record of expenses are to put the description regarding the payment, then quantity and unit price of the goods (Raihan, 2017) or service and most importantly the account under which the expense would be recorded. For example, if this was a payment to Ryan Computers for a purchase of laptops, the account would be selected laptops under fixed assets so that this transaction affects the balance sheet directly and we would have the account of Laptops debited and since we are paying for the Laptop by cash, automatic adjustment for crediting the cash account would be made. The last part includes under which department was this expense incurred. If this laptop is bought for the software developer team then I would select the Department for the expense as Tech Team so that the financial reports later show department wise spending. I could also add more lines of details for further detailed journal entries.

Another kind of entries were the Bills where Bills are created and awaits payment for example Pay Run for the employees. After paying all the employees of both Headquarter and Field, the receipts are collected and after checking all the payments done, batch payments are made on payment dates. In the bills section, we can even adjust the payment from other sources rather than Cash or Bank Account for example, Advance for Business expense. If any employee took any advance, the transaction is recorded in new transaction under Advance for Business Expense thus we have Cash credited and Advance for Business or Prepaid Expense Debited. So, when bills are paid by the advance already paid beforehand, I would select the payment to be made from Advance for Business Expense, neither Cash nor Bank Account.

Secondly, after recording or making all the journal entries, I had to preserve the bills and vouchers in the filling section of the office. Each voucher was placed according to the reference numbers. All the vouchers for a single day for example 17-08-21-1, 17-08-21-2 and so on are stacked together and kept in the file in descending date format. So, if a voucher/bill is needed we can easily find the papers following the reference number placed on it.

Thirdly, I was given the task of voucher preparation when required. I had to prepare vouchers for payments to be made by Jeeon Bangladesh Limited. After preparing the vouchers, check the amounts and particular billing information and then authorize it from the Finance Department for payments. I made sure to collect our copy of the voucher getting the signature of the recipient so

that the vouchers could now be recorded in the software and then file it according to the system followed at Jeeon Bangladesh Limited.

Lastly, I was given the chance to explore my passion and work in other departments as well. I had the privilege to work under the Care Evangelist Ms. Sarah Zaheen who introduced me to the operational works of the doctors at Jeeon and how the consultation works. I had the opportunity to maintain call records of the patients for future use, make a list of random prescriptions served by the doctors for external prescription auditing and work in a project of making the Doctor Orientation Package. Apart from the Care Team, I also had the experience of helping other departments where I could be a helping hand and as per as requirement.

Project

Summary

Jeeon Bangladesh Limited has been performing its Expenses Management by adopting highly advanced accounting principles and standards such as IAS (International Accounting Standards) and by maintaining a world class approach to expense related accounting activities. The industry of healthcare in Bangladesh is having its challenges and opportunities as well as very minimum allocation of budget and spending by the government of Bangladesh resulting in major portion of the total healthcare expenditure in Bangladesh funded by private sources or out of the pocket.

Objective of the Report

The success of the report is attainable upon successfully fulfilling the objectives of the research and primarily the objective of the research is to get understanding of the healthcare industry of Bangladesh, its success and failures and the expenses of the industry in macroeconomic level. Another objective of the report is to gain knowledge about the expenses of people availing the Jeeon Bangladesh Limited's healthcare service.

Methodology

Despite of being a qualitative research study, the methodology of the report differs from what the methodology should have been usually. Practical observations are emphasized in terms of classification of the expenses while working in Jeeon Bangladesh Limited and information collected from colleagues are the pillars of this report. Well, both primary sources and secondary sources were tried to complete the report so far. The trials are:

Primary Sources

- Observing personally.
- Conversations with supervisor and other members of the team.
- Working experience in the practices practiced by Jeeon employees spending for the sake of business and the company.
- Telephone interview and questionnaire to determine the total cost of service through Jeeon Bangladesh Limited.

Secondary Sources

For the medical industry overview and other industry related information, many secondary sources of acquiring information have been used. They include:

- Websites.
- Papers related with the industry and company.
- Documents that are published.

Limitations

There were several limitations for this report amongst whom the major limiting factor was the limitation to information. Since Jeeon Bangladesh Limited is a startup company and still

in its pilot phase, the authority did not allow to publish any of their detailed financial information and neither talk about details of the financial statements. This, effected the thought process of the entire report and limited the topics that could have otherwise been studied. Moreover, no comprehensive detailed reports could be found from the industry which could have been of use. Furthermore, due to confidentiality few information was withheld and verification of the following information was not possible. Few limitation factors during the preparation of the report are given below:

- This is the first official study made on Expenses of Jeeon Bangladesh Limited.
- Due to inexperience and lack of knowledge about advanced accounting skills and function, many concepts and applications were not discovered. This requires professional qualification.
- Minimum Primary Data Collection Scope.
- No present practical data found in the expense sector.
- Confidential information of Jeeon Bangladesh Limited.
- Scattered information about the macroeconomic level information of Bangladesh medical industry.

Expenses Accounts of Jeeon Bangladesh Limited

The various accounts of expenses of Jeeon Bangladesh Limited are as follows:

- Bonus/other/External Services
- Salary & Wages
- Internet Bill
- Mobile Bill
- Office Rent
- Service Charges
- Telecommunication
- Utilities
- Travel, Accommodation or, daily allowance

- International Travel Expense
- Marketing & Branding Activities
- Other Marketing & Branding Materials
- AIT
- Government Fees
- Legal, Accounting & other Services
- TDS
- VAT
- Bank Fees
- FO Food Expense
- IT/Online Expense
- Office Stationery
- Other Expense
- Other Income/Loss
- Meeting/Workshop Expense
- Recruitment Cost
- Repairing & Decoration
- R & D

Medical Industry of Bangladesh

The healthcare industry is one of the most important sector in the economy, as the successful investment in this sector will lead to people being able to carry out financial economic activities and grow the GDP of the country overall. With a strong stable demand for medication, the inelasticity of medicines also stands as a basic need. For being a developing country, the increasing standard of living and as well as population getting older, the growth of this industry is increasing day by day. Off course, the rising income level of the people of Bangladesh indeed is increasing the ability and demand to spend in healthcare. The level of healthcare can be classified into 3 categories:
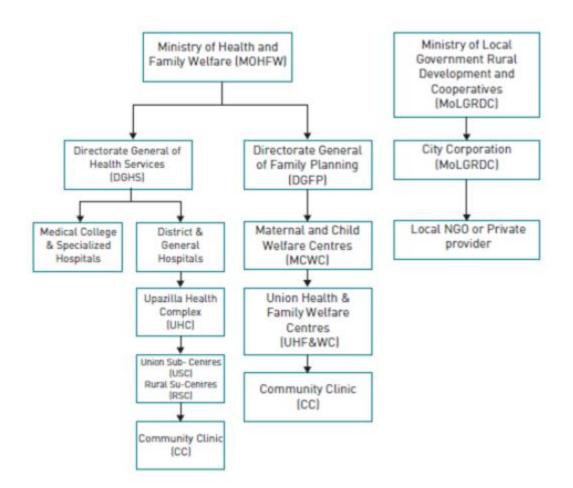
- **Primary Care**- Basic or general healthcare traditionally provided by doctors trained in: family practice, pediatrics, internal medicine, and occasionally gynecology.
- **Secondary Care**- The medical care provided by a physician who acts as a consultant on the request of the primary physician. Hospitals like Dhaka Medical College Hospitals, BIRDEM treat people needing secondary care
- **Tertiary Care**- Specialized consultative care, usually on referral from primary or secondary medical care personnel, by specialist working in a center that has personnel and facilities for special investigation and treatment.

Bangladesh Healthcare Ecosystem

1.   Public Sector Health Services

- **Organizational Hierarchy**

Different levels of primary, secondary and tertiary healthcare services are provided by the public sector of Bangladesh governed by the government administration pattern of delivering the services. It starts from the national level to the district level, upazila, union and lastly to the ward levels. The infrastructure is quite extensive and is governed by the Ministry of Health and Family Welfare(MOHFW) and is engaged in providing promotive, preventive, and curative services for patients as well as emergency care. The following figure shows the hierarchy of the public healthcare providing administration in Bangladesh.
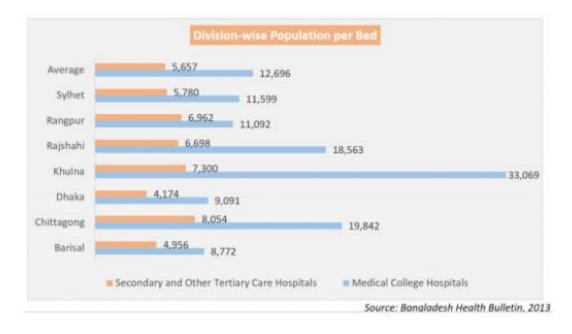
- **Distribution of Beds in Secondary and Tertiary Public Health Organizations**

Type of Hospitals	No. of Hospitals	No. of Beds
District Hospital	53	7,850
General Hospital	11	1,350
Infectious Disease Hospital	5	180
Medical/Dental College Hospital	22	11,960
Specialized Hospitals Affiliated with Post-graduate Institutes	7	2,300
BSMMU (Medical University)	1	1,212
Others	28	2,201
Total	126	27,053

Source: Bangladesh Health Bulletin, 2013

- **Distribution of Beds in Public Sector at Upazila Level and Below**

Type of Hospitals	No. of Hospitals	No. of Beds
Upazila Health Complex	436	18,290
Union Hospital	31	490
Trauma Center	5	100
Total	472	18,880

Source: Bangladesh Health Bulletin, 2013

- **Population per Bed in Public Sector**

Division-wise Population per Bed

Division	Secondary and Other Tertiary Care Hospitals	Medical College Hospitals
Average	5,657	12,696
Sylhet	5,780	11,599
Rangpur	6,962	11,092
Rajshahi	6,698	18,563
Khulna	7,300	33,069
Dhaka	4,174	9,091
Chittagong	8,054	19,842
Barisal	4,956	8,772

Source: Bangladesh Health Bulletin, 2013

2. Private Sector Health Services

The private sector of health services in Bangladesh consists of majorly two categories of medical engagers. The first kind are the formal and organized portion of the healthcare providers providing healthcare for both profit and non-profit healthcare. They include qualified practitioners of medicine in different sectors. Among the top hospitals are the United Hospital with a capacity of 450 patients and an average of 12 heart related surgeries are done here each day. Square Hospitals is another private hospital in the capital serving 1200 outpatients a day and can house 320 patients. Apollo Hospitals is the only JCI accredited hospital in Dhaka with 450 bed serving multi-disciplinary tertiary care. The other chunk of the category consists of informal private sector healthcare providers of Bangladesh. Their major practicing area is in the rural

regions of Bangladesh in lack of professional qualifications. They include untrained allopathic, homeopathic healthcare providers. According to Asia Pacific Observatory on Public Health Systems and Policies, there are 2,983 private hospitals and clinics registered as of 2013. The total number of beds provided by the private sector is 45,485 (as of 2013).

3.   Diagnostic Centers

The number of diagnostics center in Bangladesh are growing rapidly with the demand for healthcare increasing day by day along with the number of private clinics and hospitals. 5,122 laboratories and other diagnostic centers were registered with the Ministry of Health and Family Welfare (MOHFW, 2012) during the year 2012. Private profit orientated institutions like Lab Aid, Ibn Sina, Popular and Medinova are there serving the patients in the urban region for medical diagnosis and reports. They are among the most profit earning ones providing laboratory and specialized radiological tests. High standard maintained by them against for a high pricing. Centers like the International Centre for Diarrhoeal Diseases and Research, Bangladesh (ICDDR,B) are there in the private sector with non-profit orientation. It provides research facilities with modern facilities and provides laboratory services at a low cost for the general community.

4.   Donors, NGOs and Professional Groups

With being the most dynamic NGO sectors, 2,471 NGOs were registered under NGO Affairs Bureau in the sector of health, population affairs (as of 2014). Their activity in health promotion and prevention especially in the community level. They serve the community with awareness about several diseases as well as family planning, maternity cases and child related problems which is one of the key factors in the recent success of improvement in child mortality rates in Bangladesh. NGOs even manage to spend a good portion of the total spending in the healthcare industry of Bangladesh.

Financing and planning of healthcare in Bangladesh have been assisted by several donors and organizations which consist of both multilateral and bilateral. The governments of Australia,
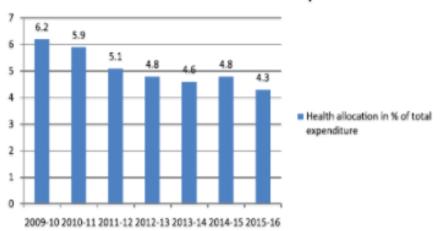
Belgium, Canada, Germany, Japan, Netherlands, Norway, Sweden, the United Kingdom and the United States are among the major bilateral donors for Bangladesh in the sector of health and development. While the World Bank, European Union, UNICEF, ADB, Global Fund to Fight AIDS, Tuberculosis and Malaria (GFATM), and the GAVI Alliance are among the multilateral donors for the healthcare sector and development sector in Bangladesh.

Bangladesh Medical Association (BMA), Bangladesh Private Medical Practitioners Association (BPMPA), Public Health Association of Bangladesh, Bangladesh Paediatric Society and the Nephrology Society of Bangladesh are some professional organizations in Bangladesh who are engaged in addressing medical professional practitioner rights at different level.

No organized body is there however, either in public sector or in the private sector in order to administration of the interests of the patients in Bangladesh. Although there is an NGO which addresses the rights of consumers known as The Consumers Association of Bangladesh, they don't have any specific division working and focusing on the healthcare and rights of the patients as consumer of the healthcare services in Bangladesh (Consumers Association of Bangladesh, 2014).
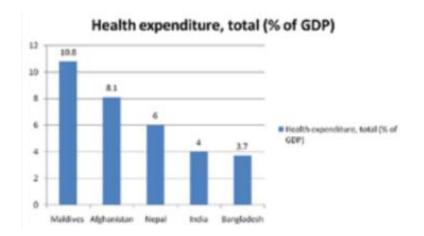
Expenditure

The government of any country in engaged in allocating a good percentage of the total expenditure in health sector in order to attain development of health facilities as well as medical sector. Unfortunately, Bangladesh fails to meet the benchmark of expenditure allocation according to the World Health Organization which is set at 15% and results in a decreasing allocation of total budget to be spent in healthcare over the recent years. Only 4.8% of the total budget in the fiscal year 2014-2015 was allocated for expenditure in healthcare sector. The following figure shows the allocation of the recent years collected from year-end financial reports and data from the World Bank.

Health allocation in % of total expenditure

3.7% of total GDP of the economy is spent in total healthcare of the economy of Bangladesh. Although Bangladesh is making much more significant development in socio-economic matters in recent years, the current 57th largest economy in the world, Bangladesh is not fond of medical spending. GDP growth has been on an average of 6-7% for the couple of years. Nevertheless, despite of having better mortality rates than the past and better life expectancy, the country needs to work out on the medical sector in order to maintain the development and acquire the Millennium Development Goals. Compare to some of the neighboring countries, Bangladesh spends the least in healthcare among Maldives, Afghanistan, Nepal and India. The total budget allocation for health in 2014 was 12,726 crore BDT.

Health expenditure, total (% of GDP)

The per capita Health spending of Bangladesh in dollars stands at $32(as of 2014) which is the list amongst the list provided below and can be highlighted as one-third to what Srilanka's per capita health spending stands to. Again, when compared to the Asian countries, the Bangladeshi per capita health spending stands last among Srilanka, Bhutan, India, Afghanistan, Nepal and Pakistan.

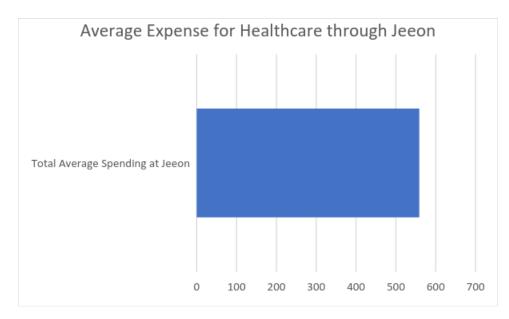| Country	Per capita health spending (in USD)
Srilanka	102
Bhutan	90
India	61
Afghanistan	55
Nepal	39
Pakistan	37
Bangladesh	32

The governmental allocation per person for a year is 700 BDT, or for a day is 1.92 BDT. The simple common disease medicine cost cannot be even covered with such a small sum of money that is spent on each person by the government of Bangladesh and with the increasing demand for healthcare, the cost is increasing constantly resulting healthcare as a burden for less privileged portion of the economy. The public spending of the country is only 35.3% which covers only one third of the total expenditure in the sector. When compared to the developed nations like Norway, Japan, Thailand or even with the developing nations, Bangladesh's public expenditure of the Total Health Expenditure falls really short.

Country	% of total health expenditure
Norway	85.5
Japan	82.1
Thailand	80.1
Netherlands	78.8
Canada	69.8
Malaysia	54.8
Sri Lanka	43.9
Bangladesh	35.3

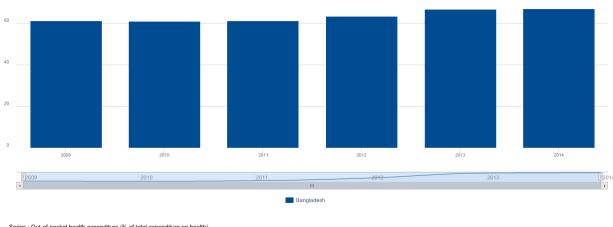*Public expenditure (% of total expense)*

Findings

Firstly, the Data which I have the access to share is about the total expenditure of patients who consulted Doctors at Jeeon Bangladesh Limited through their Projotno Centre. The total number of patients surveyed for the average calculation is 1074. According to their individual expenses which includes the 300tk Consultation fee at Jeeon for new patients or 50tk for follow-up cases along with any medicine cost of diagnosis cost incurred for the treatment. The average cost for each patient came to 558.8 tk for the primary healthcare received at Jeeon Bangladesh Limited.

As for the total operating costs of Jeeon Bangladesh Limited, there are departments where the organization is failing to deduce their overall operational costs. These include the use of regular mobile phones and the call rates for consultation of the patients and the office space and facilities provided to the doctors at the headquarters whereas the business model itself dictates about mobility.

Most of the expenditure for the healthcare in Bangladesh comes from out-of-pocket expenditure which is around 65% of the Total Healthcare Expenditure according to World Development Indicators (as of 2014) and the trend is constantly increasing over the past years showing most of the increasing healthcare expenses are privately financed not by the government. This is a huge barrier for the poor people to access healthcare with their low level of income. On the whole the expenditure has to be made by the family members and no prepayment in any form of tax or insurance plays role in out-of-pocket expenditure. The financial impacts of out-of-pocket expenditure results in:

- Impoverishing impacts- Families are pushed down further the poverty line due to the expenses for medicines and other cost as part of out-of-pocket expenditure. A study conducted by the Household Income and Expenditure Services (2010) around 31,900 households were pushed down the international poverty line of $1.
- Catastrophic impacts- Families are using the funds that were allocated for other purposes for example education of their children. The uses of economic resources for their treatment purposes are not letting them enjoy the other necessities of life.

Series : Out-of-pocket health expenditure (% of total expenditure on health)
Source: World Development Indicators
Created on: 08/25/2017

The medical situation in Bangladesh has changed in the last two decades. However, there are still some challenges in this sector. There are so many other challenges faced in the health care industry. They are:

- **Limited resources and facilities** - Basically, all the tertiary and critical health services are not available in the government hospitals. They are all available in the private hospitals and most of the people cannot afford it. As well as limitation of number of capacity for inpatients as well as outpatients as well. Due to lack of funds and proper supply chain management the drugs, medical supplies and the family planning products are not available in the public hospitals. Lack of maintenance is another reason behind the lack of essential commodities

- **Lack of Workforce** - The experts are never available in the upazila or the district areas. In the cities there are patients who can pay well and who are willing to pay high amounts. On the other hand, rural people are not economically sound so they fail to pay the huge fees the expert doctors' charge. As a result, there are number of doctors available in the town or the cities but very few are willing to go to the districts. The total vacancy of medical persons as staff is still vacant in Bangladesh according to the reports found. There are fewer opportunities and also the income is not up to the mark. Also, the people working in this field have so much responsibilities and it's difficult to pursue this career.

So, the demand and supply never met and people are discouraged of this sector as profession.

- **Misuse or Misappropriation of Resources-** The medicines which are entitled to be free, most of the time they are not available in the hospitals. This forces the patients to buy them from the local markets. Basic health care service is supposed to be free in public hospitals but patients end up bearing the costs of medicine and tests, also some additional costs which makes it harder for the poor people to take health cares.

- **Inequity in terms of service-** Only few pregnant women from the poor background can deliver in a hospital whereas most of the higher income families can do so. This proves how the gap between the poor and the rich are increasing day by day. Rich are getting good services where the qualities of the services for the poor are decreasing day by day. This is also the scenario in government and public healthcare facilities where better services are given to the rich which should not be the case.

- **Readiness of accepting new technology-** Despite of having several consulation and primary healthcare services through telemedicine organizations like Doctorola, Augmedix, Tonic etc the general people are ready to accept the services and very few people go for these services.

Recommendations

From the findings of the average expenditure of people availing Jeeon Bangladesh Limited's doctor consultation services it is observed that people in the rural Bangladesh are ready to pay a price of approx. 560 tk for primary healthcare services. Thus, it is recommended that better healthcare institutions come forward and establish proper measures to provide healthcare in rural regions as well and be profitable rather than just focusing in the urban regions.

Recommendations for Jeeon Bangladesh Limited to reduce their operational costs are:

- Perform efficient disbursement measures to bring down operation time. Use separate accounts for disbursement or separate authorization for field level activities.
- Reduce cost incurred for phone calls to consult the patients. Use of low cost telephone services like long codes which will provide lower call rates from the local cellular companies.
- Decentralize doctors to bring down cost since office spaces provided for the doctors at headquarters are increasing the overall cost of the organization as well as it is not what the business model is built for.

In order to bring down out-of-pocket expenditures, the following steps can be taken:

- Allocate more funds domestically for healthcare.
- Reduction of financial barriers to healthcare services by increasing the prepayments such as insurance and tax, pooling funds rather than relying on out-of-pocket expenditure.
- Improvement in efficiency and equity for the use of resources.

The recommendations for the healthcare industry of Bangladesh are:

- Use of technology and more initiatives of telemedicine services given that proper measures are taken of adapt people to the technological advancements and make the ready for it.
- Developing a master Human Resource Healthcare plan which will be able to meet the demand of the rising population of Bangladesh. This has to be made sure that the urban and the rural regions are both taken into considerations. Include stewardship, regulation of health Human Resources, proper recruitment, retention, career development, performance management processes.
- Improved facilities and incentives for the workforce to motivate them to work in the rural regions and remote areas.
- Community focused training programs as the people in the rural regions are brought up in a community mentality.

- Improved quality of existing health workforce education and planning. Increase the number of training institutions and the capacity of the existing institutions with more skills based learning.
- Provide the required secondary and tertiary care in the available premises. Often the equipment and caliber of the available resources are not fully utilized.
- Proper regulations to prevent people from misuse of the resources provided by the government. Lower level monitoring is required to stop people from selling the medicines which were supposed to be free for the general people. Also, making sure that the care services provided are unbiased, the service and treatment should be equal for the general people irrespective of their financial conditions at the public hospitals.

Conclusion

Jeeon Bangladesh Limited is operating on the need of primary healthcare for rural people who face many barriers to travel to the local public facilities due to poor communication. Thus, Jeeon Bangladesh Limited seems sustainable in terms of business and profit as long as there is this communication gap in the rural areas. On the other hand, Bangladesh made significant improvement in improving maternal and child healthcare and is on track for achieving Millennium Development Goal-5 which includes improving the maternal status of Bangladesh, yet a more grounded duty is expected to accomplish the Universal Health Coverage (UHC). UHC is right to health that means every person everywhere should have access to quality healthcare without suffering financial hardship. Besides, healthcare is not a charity, but a basic human right. Therefore, to uphold people's right to health, Government of Bangladesh should put well-being as a national need, assign adequate spending plan for the area and guarantee the use of the designated finance soundly, and these activities will help Bangladesh to venture forward towards post-MDG objectives and accomplish well-being scope.

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