



Health Insurance

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Presentation Outline

- Background
- Objectives
- Policy tools of Health insurance
- Milestones
- Structure of HIB
- Feature of Health insurance
- Benefit package
- Issues/Challenge
- Way forward

Background

- The Global population **incurring catastrophic health spending** increased by 3.6% a year between 2000 and 2015.
- In most of the low and middle income countries, out of pocket (OOP) payment is the main modality to pay for health care service utilization. OOP is the main contributor of catastrophic expenditure to health.
- There are many stories of people having difficulty in getting health care services due to financial reasons.
- So, every year more than 150 million people suffer financial hardship because they have to pay for health care.
- **UHC (Universal Health Coverage):** everyone receives the healthcare service they need without undergoing financial hardship.
- Thus , concept of Social Health Insurance is started by Government of Nepal for the better health of everyone in the society and to achieve UHC by 2030.

Source:

https://www.who.int/healthinfo/universal_health_coverage/report/fp_qmr_2019.pdf?ua=1

Mills A. Health care systems in low-and middle-income countries. New Engl J Med. (2014) 370:552–7. doi: 10.1056/NEJMra1110897

Objectives of health Insurance

Ensures access to health service

- **Ensures quality health service**
- Protects from **financial hardship** and reduce **out-of-pocket** expenses
- Capacity and ownership building of Health service provider.

Aim of HIB

- Extends health insurance to all districts by 2022 and to all population by 2030 in line with SDGs.
- Intends to reduce out of pocket expenditure (currently 55% of total health expenditure) and improve financial protection among the population through health insurance.

Policy tools for Health Insurance

Constitution of Nepal 2015

- Basic health services will be provided free of cost to the population
- Ensuring health insurance policy for citizens and making arrangements for their access to health care (State Directive)

National Health Policy 2019

- Basic health services will be free and specialized services will be provided through health insurance
- Formal sector will be covered; all population will be enrolled in health insurance with subsidy to poor population

National Health Insurance Policy 2013

- Ensure universal health coverage by increasing access to, and utilization of, necessary quality health services

Policy tools (contd.)

Country's Five year development plan (2019/20-2023/24)

- Health insurance as a financing mechanism for health system and a tool to provide quality and equitable health services.
- Aims to enroll 60% of the population in health insurance and reduce out of pocket to 40% at the end of the plan.

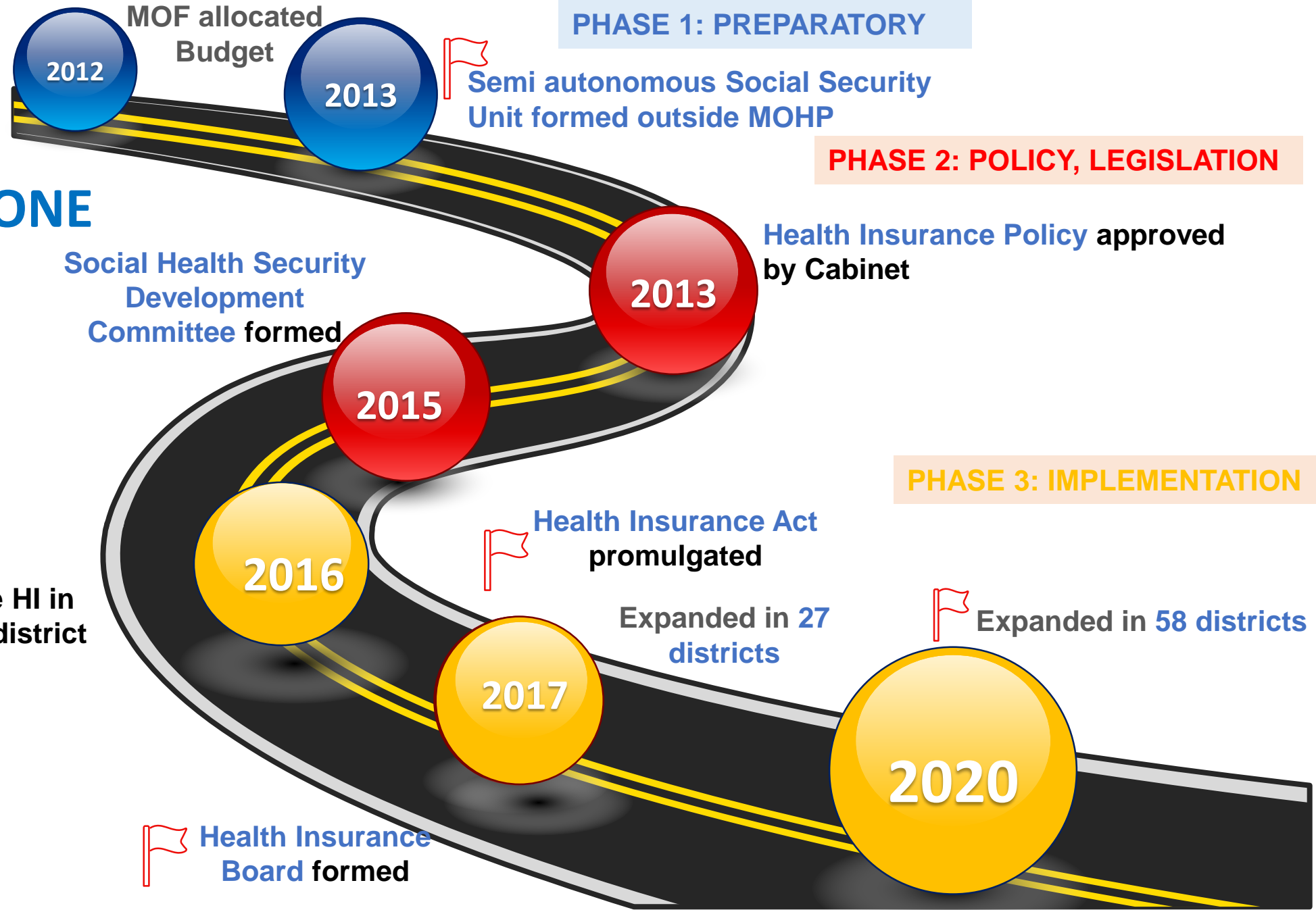
National Health Sector Strategy (2015-2020)

- Strengthen institutional arrangement for social health protection and roll out health insurance throughout the country

Health Insurance Act and Regulation 2019

- implementing health insurance program to improve access and utilization of quality health services and to achieve Universal Health Coverage (UHC)
- Compulsory enrollment of all citizens

MILESTONE



Institutional Mechanism

- **Ministry of Health and Population:** Policy, Oversight, Stewardship, Reporting Ministry
- **Health Insurance Board:** Autonomous body under government of Nepal which serves as a purchaser and negotiates with service provider institutions.
- Provision for nine members in the board led by chairperson with Executive Director having the authoritative role.
- It has central office in Kathmandu, seven province offices in each province and district offices
- **Enrollment officers** coordinate with municipalities and supervise **Enrollment Assistants (EAs)**-the volunteer enrolling households.

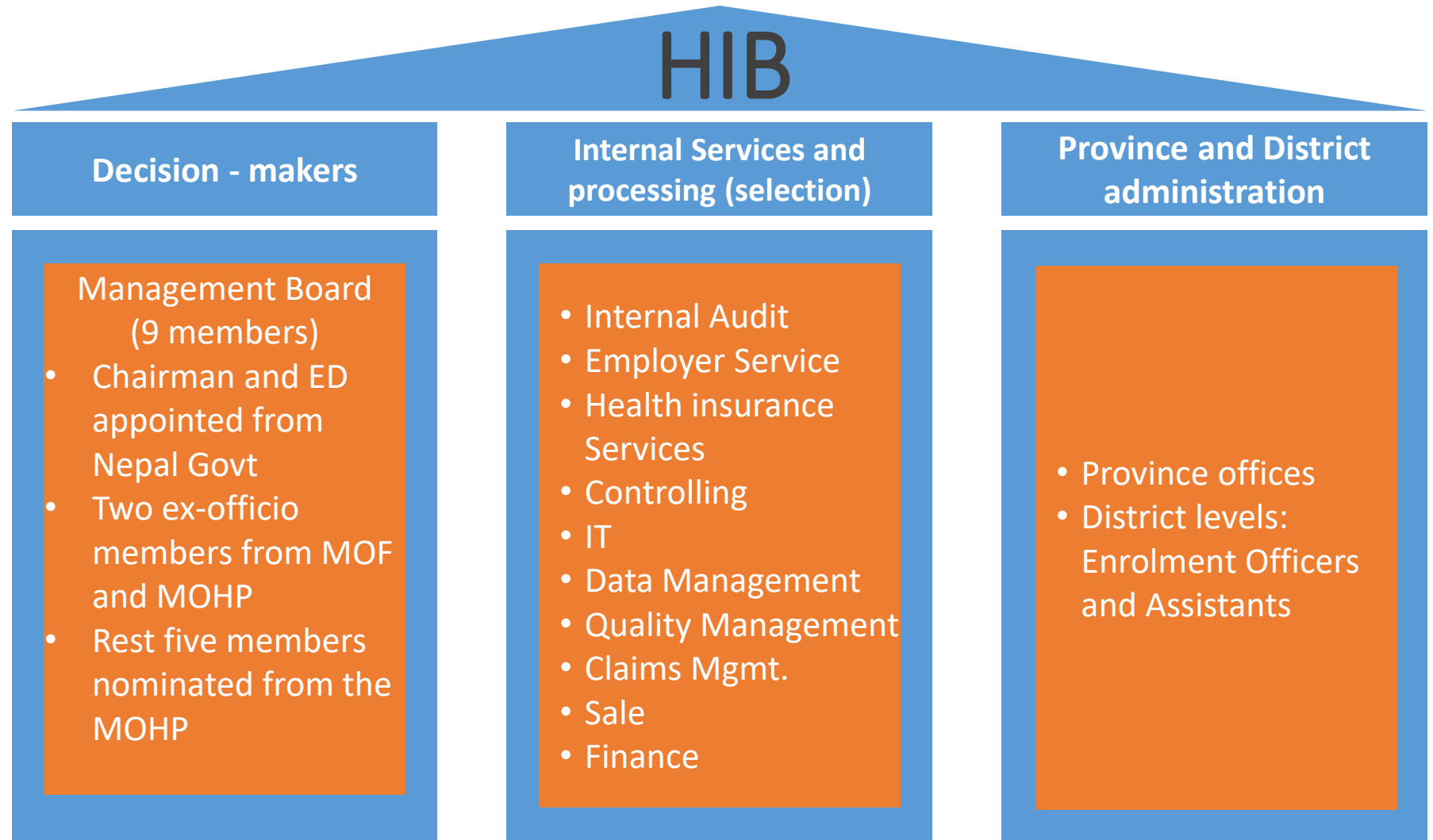
ORGANIZATION



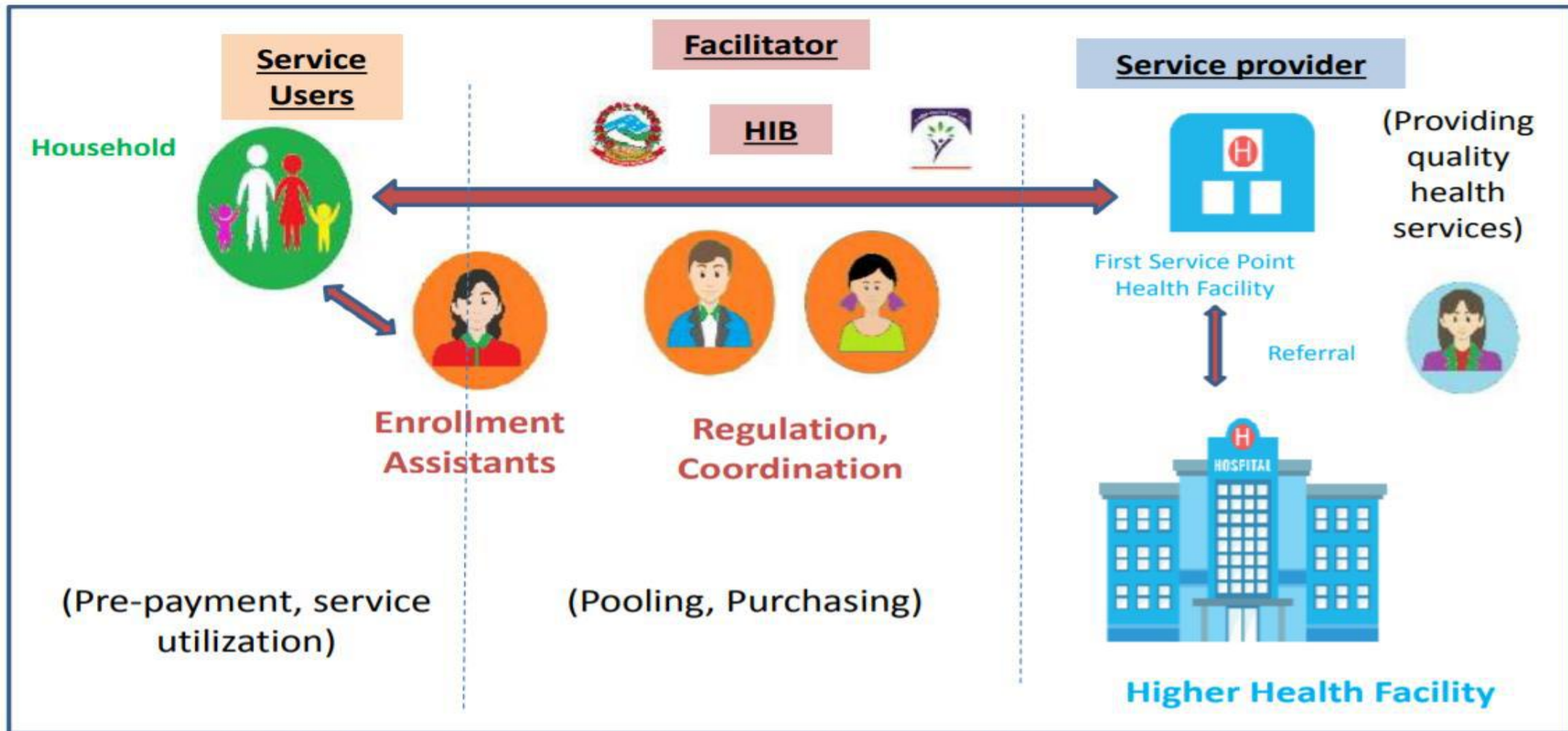
~ 44 employees at Federal Office

~ 7 employees at Province Office

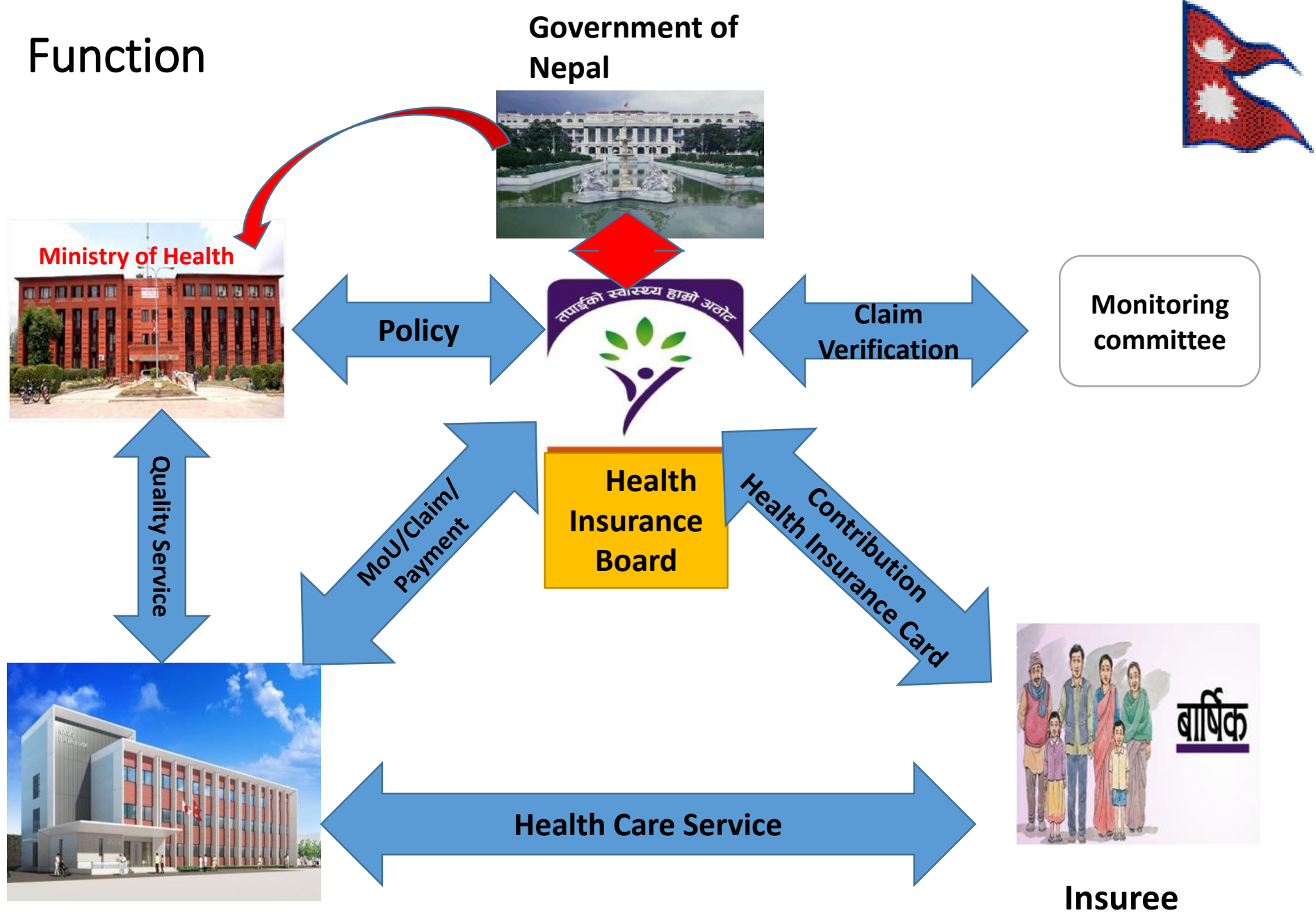
~ 94 Enrolment Officers and 5500 Enrolment Assistants at local level



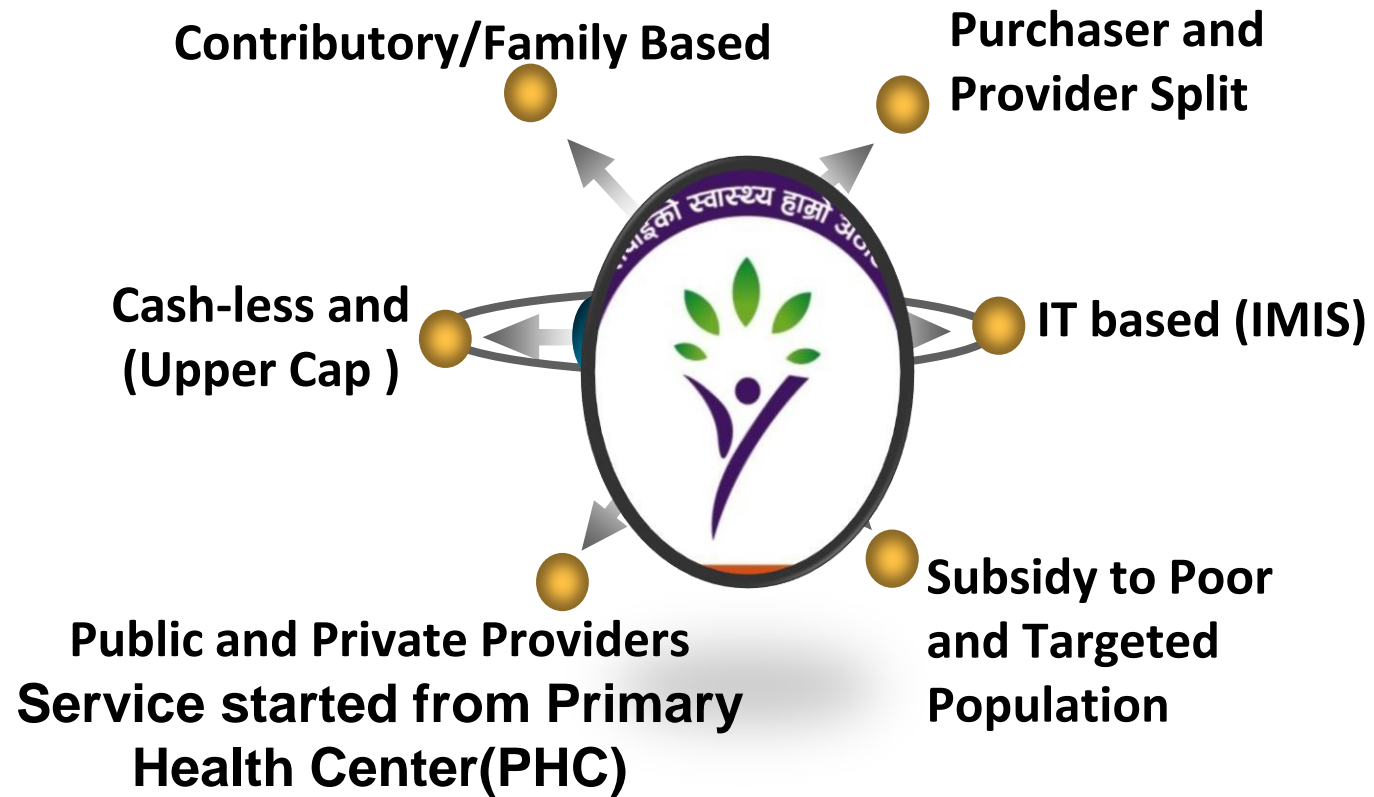
Relation of User, Provider and Facilitators



Function



SALIENT FEATURES



Features of Health Insurance Program in Nepal

Financing	Contribution of household (Rs. 3,500 per annum)
Subsidy	Ultra-poor, senior citizen (above 70 years), people living with HIV, MDR-TB, Leprosy, complete disability (100%) Female community health volunteers (50%)
Formal sector	Around 10-15% in the country, Formal sector not covered so far (government plan is to levy contribution amount of 1% from employer+ 1% from employee)
Provision for enrollment	Compulsory (but no coercion if not enrolled) Those seeking foreign employment need to submit proof of enrollment in health insurance
Provider and Purchaser	Both public and private health facilities as provider; but public as first point of contact, private for emergency and referral services. Purchaser is Health Insurance Board

Features of Health Insurance Program in Nepal

Benefit package	Up to NRs. 100,000 (1000 USD) for 5 member family
Enrollment	Through Enrollment Assistants (volunteer) at community
Information system	Insurance Management Information System (IMIS) open source for membership enrollment, claim and verification
Grievance Handling	Through Toll Free Number
Co-payment	Not in practice
Contracting	Contractual agreement between providers and HIB for providing services under benefit package at specific rate; rate same for public and private hospitals

CONTRIBUTION AND BENEFIT

Contribution Amount



- **NPR 3,500 (35 USD)** per year for a family up to 5 members
- **NPR 700 (7 USD)** for every additional family member
- 2% payroll contribution for formal sector
- **100% subsidy** for families of ultra poor, HIV, MDR-TB, Leprosy, severe disability patients etc
- **100% subsidy** for elderly population above 70 years

Benefit Package

- Promotive, Preventive and Curative services
- Outpatient, inpatient and emergency services
- Public and private health facilities
 - Benefit ceiling **NPR 100,000 (1000 USD)** per year per family of up to 5 members
 - with an extra **NPR 20,000 (200 USD)** for each additional member [up to a total of NPR 200,000 (2000 USD)]
 - Additional **NPR 100,000 (1000 USD)** for each elderly population
 - Additional **NPR 100,000 (1000 USD)** for patient with eight chronic diseases



Benefit Package of Health Insurance Program

Outpatient & Emergency Service	OPD and Emergency Services with listed diagnostic tests
Inpatient Care Service	Disease Condition Specific Package or Per Day Basis
Diagnostic Services	Services Available at Respective Facilities, Included in Package Unit Cost Per Service 152 Lab+72 other Diagnostic tests
Medicines	1131 types of drugs including free essential drugs

Negative List

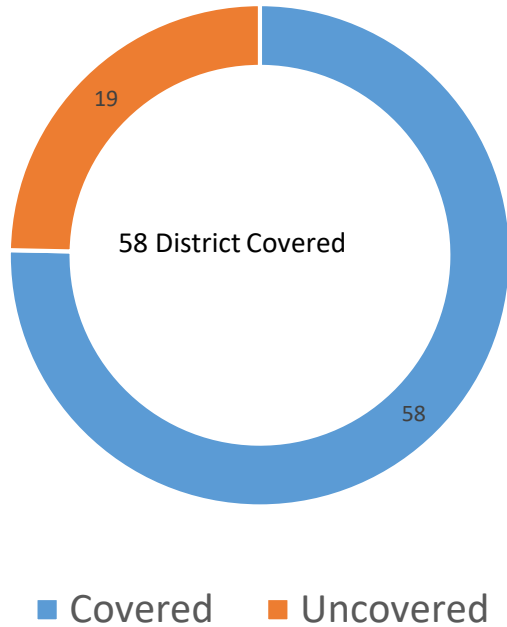
- **Cosmetic Surgery**
- **Per year more than Rs. 1000 in vision glass**
- **Hearing Aid 5000**
- **White Stick 1000**
- **Baisakhi 2500**
- **Dental procedure except examination, filling and tooth extraction**
- **Artificial conception and sex change**

Process of registration

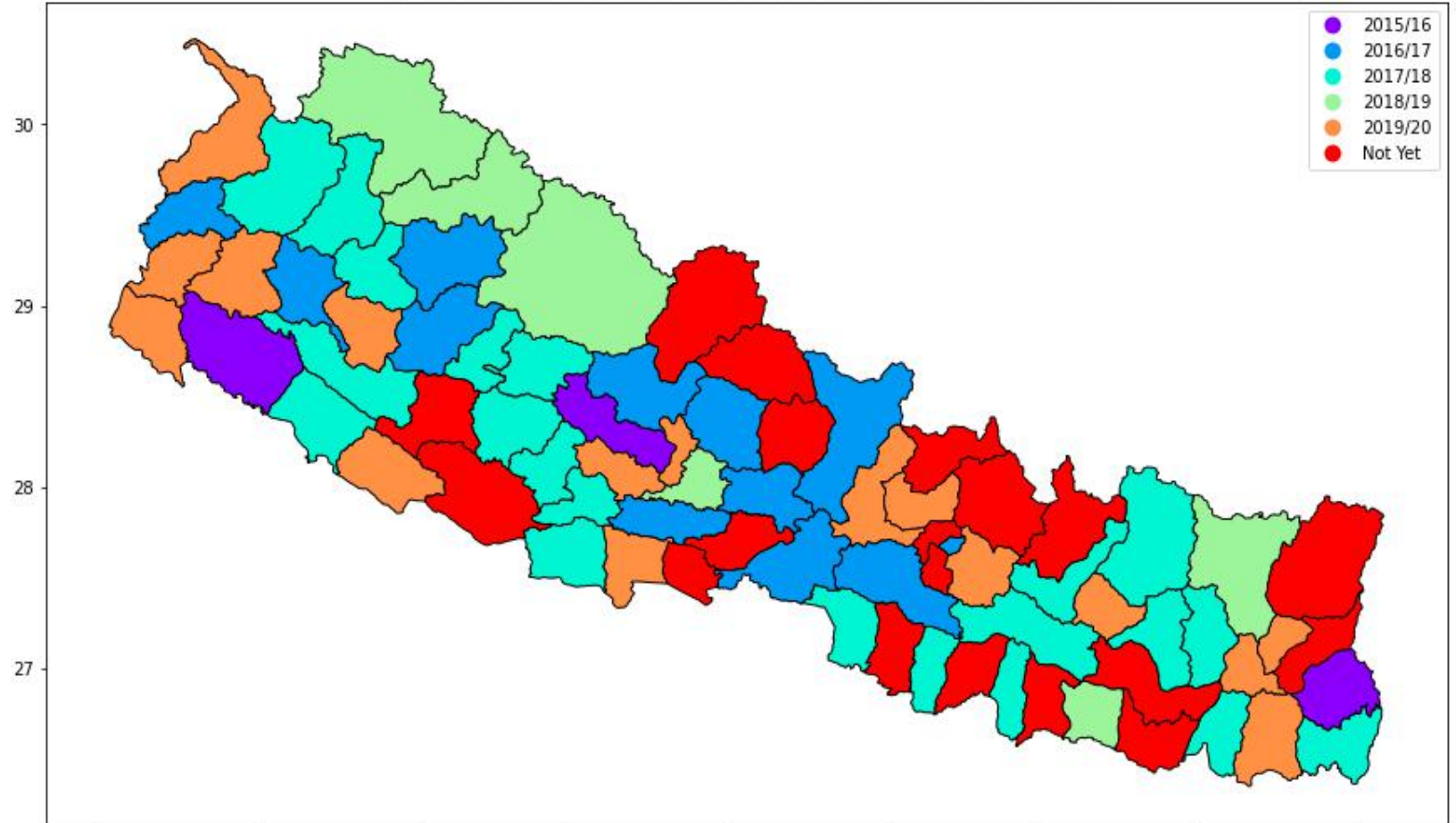
Registration time	Service activation date
Baishak, Jestha, Asar	Bhadra 1
Shrawan, Bhadra, Asoj	Mangsir 1
Kartik, Mangsir, Poush	Falgun 1
Magh, Falgun, Chaitra	Jestha 1

- Enrollment in health insurance by EA.
- EA is selected in every ward by three member committee headed by Ward Chairman,
- Insure must take service through first service point, but in emergency all listed health facilities

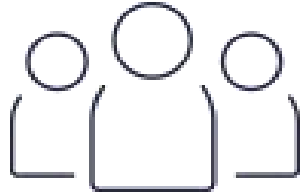
EXPANSION OF COVERAGE (District-wise)



Health insurance implementation districts by year 2015/16 to 2020/21

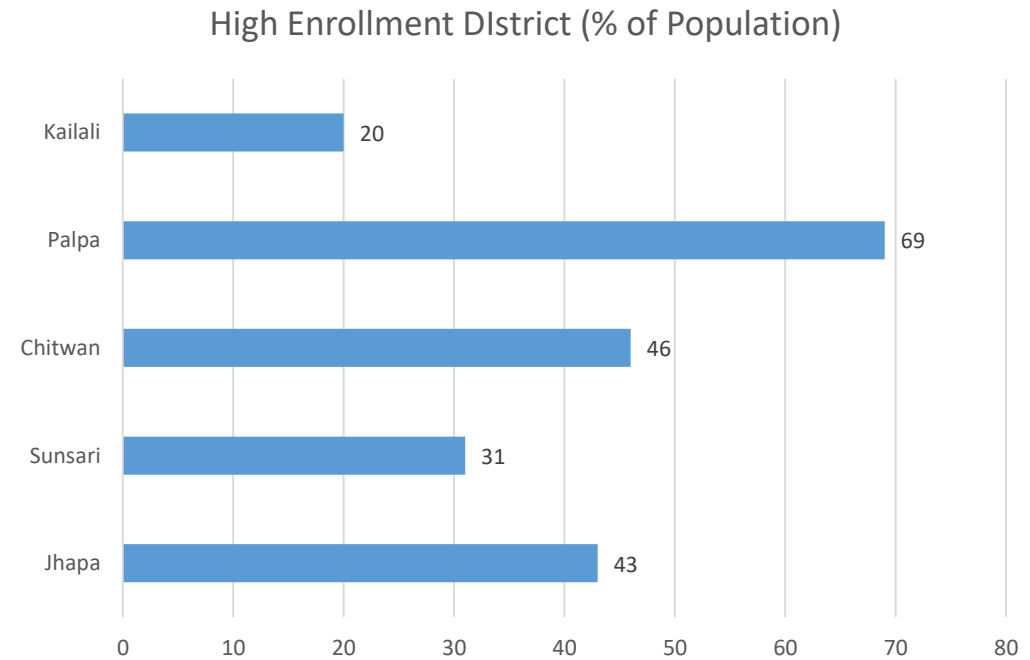
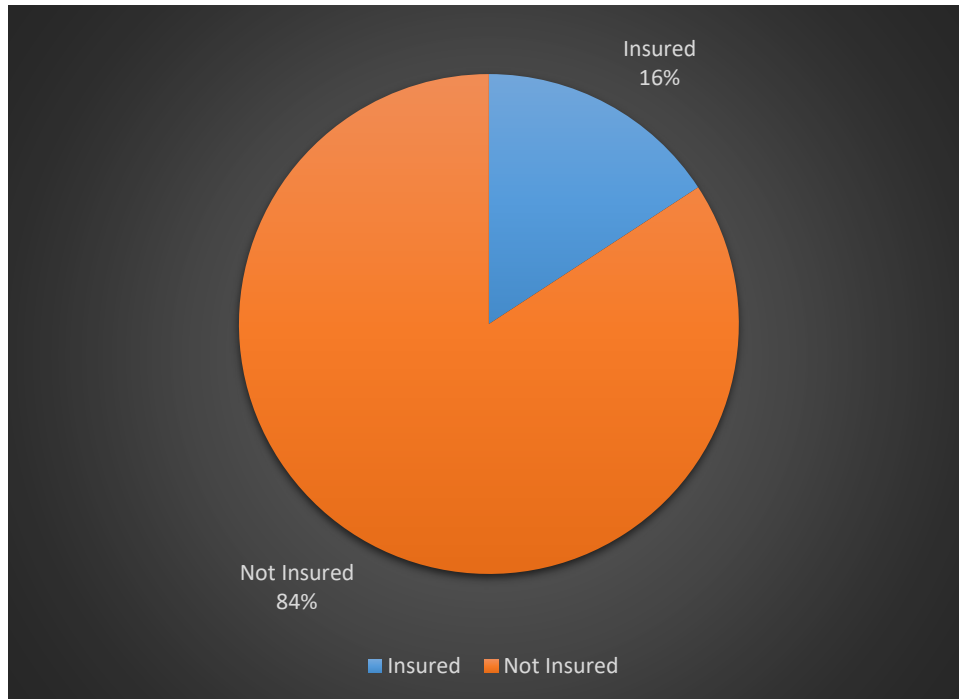


POPULATION COVERAGE (Until August 13, 2020)

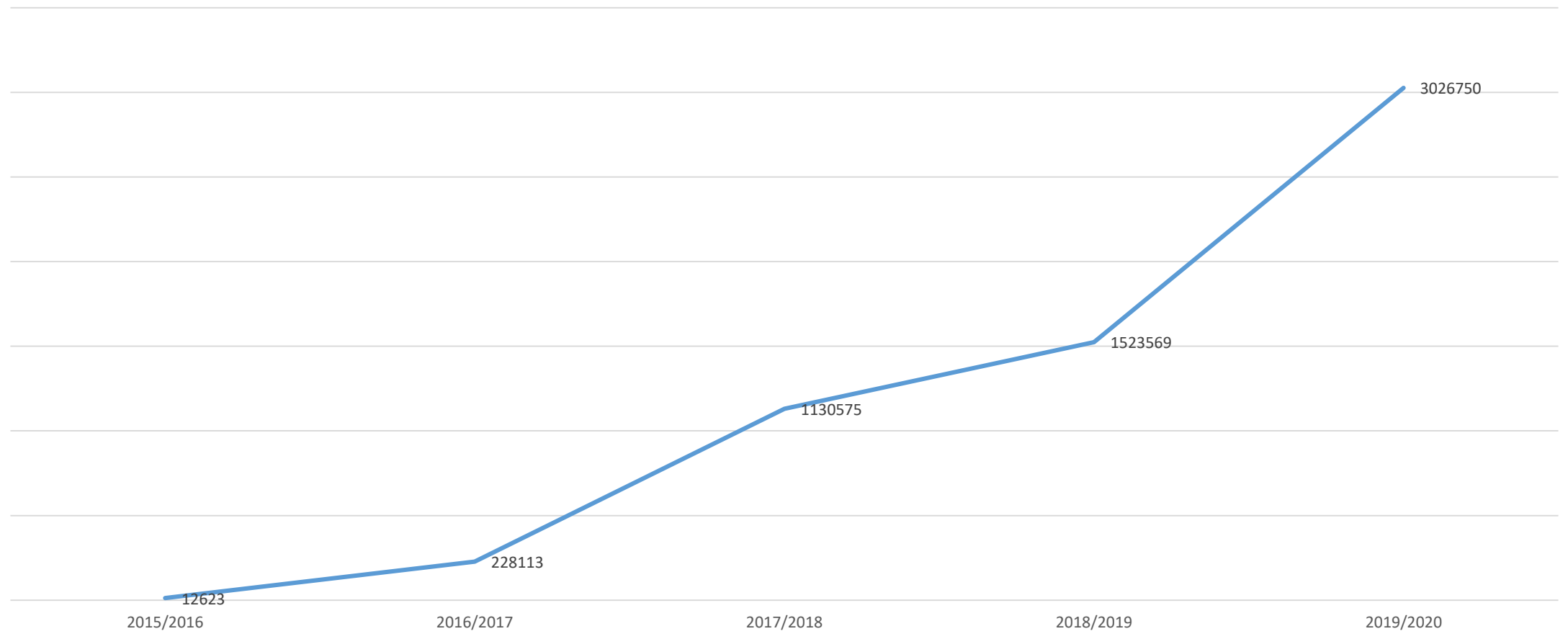


Over 3 Million

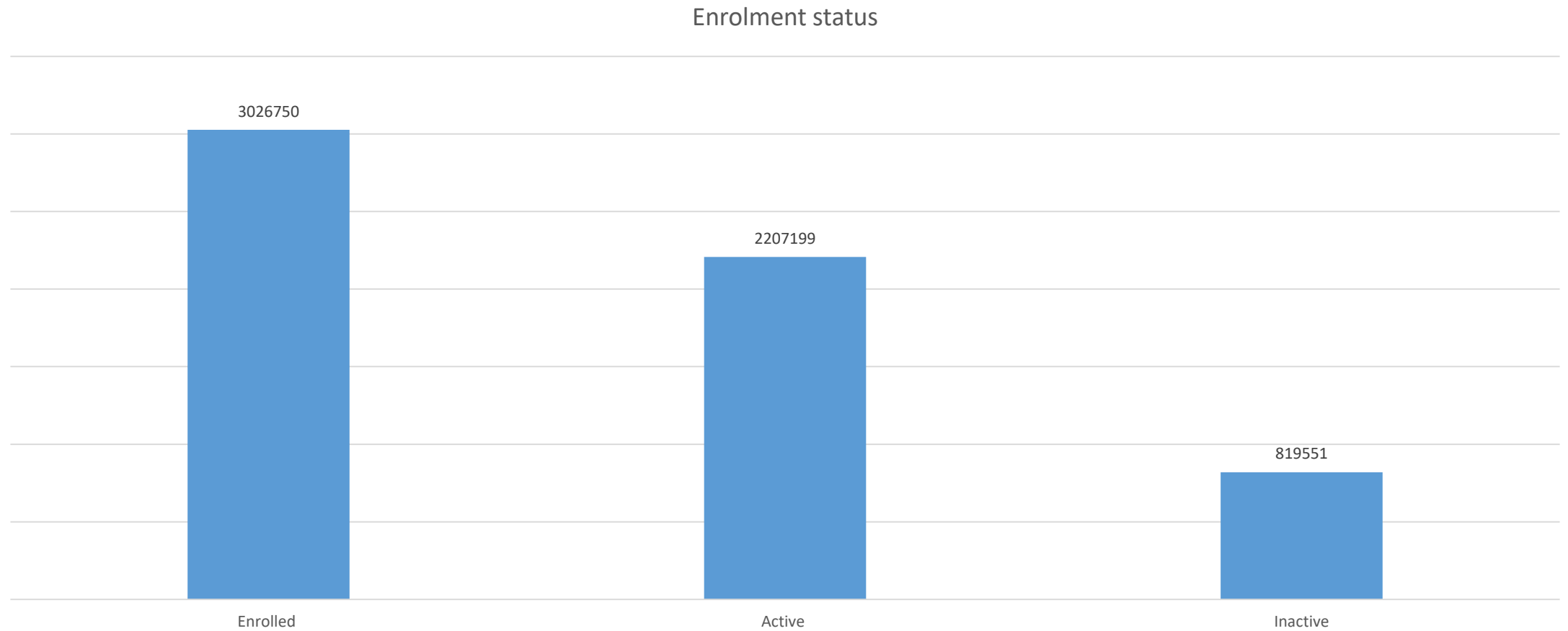
47.7%   **52.3%**  **0.01%**



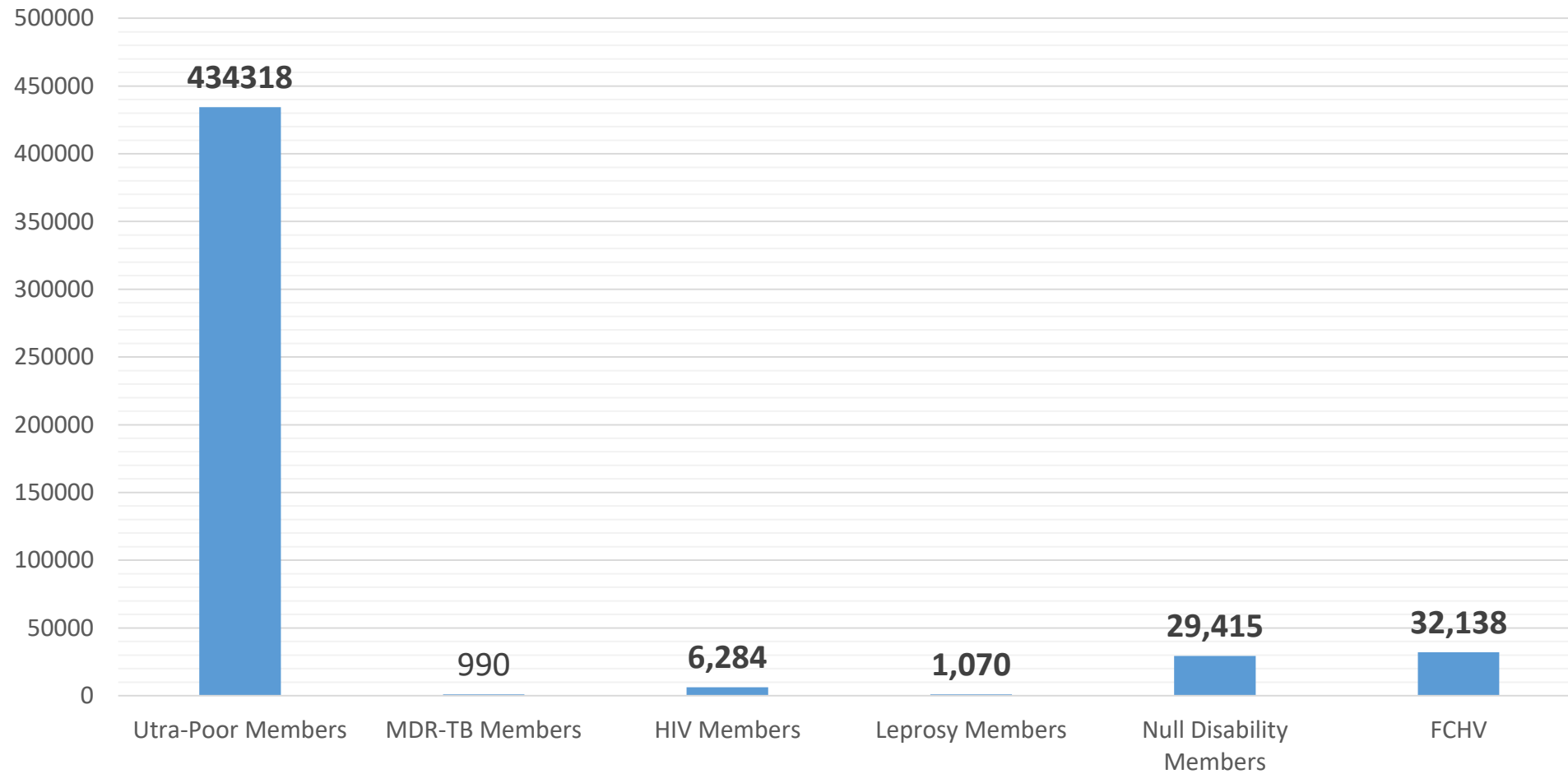
ACTIVE ENROLMENT TREND (Until August 13, 2020)



MEMBERSHIP STATUS (Until August 13, 2020)

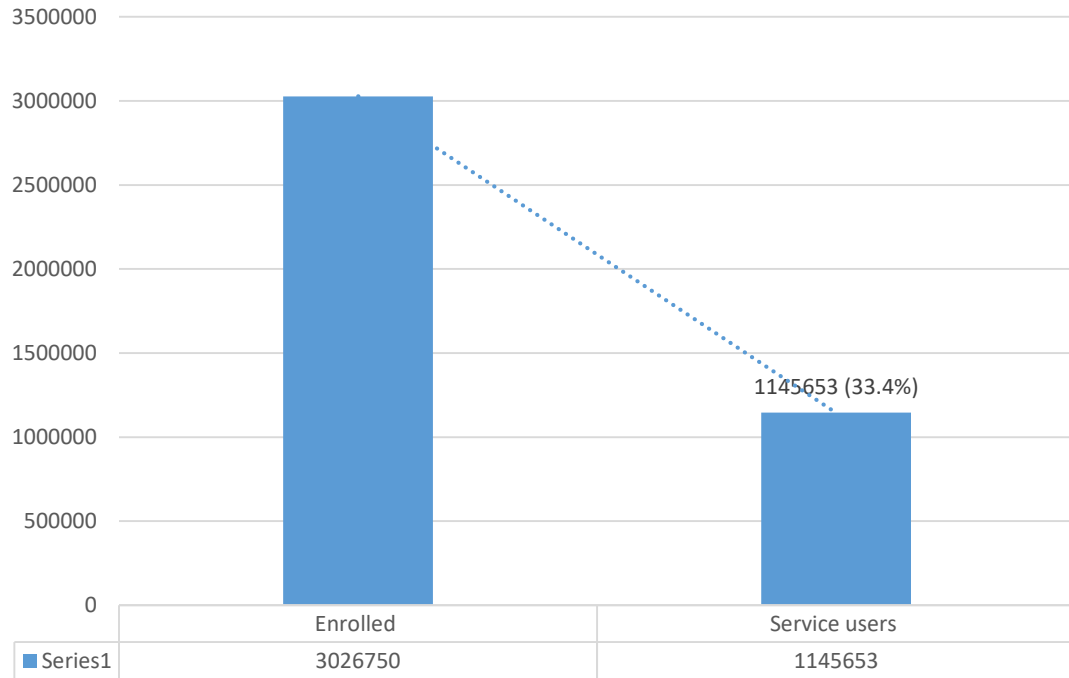


Total targeted population enrolled: 5,04,215

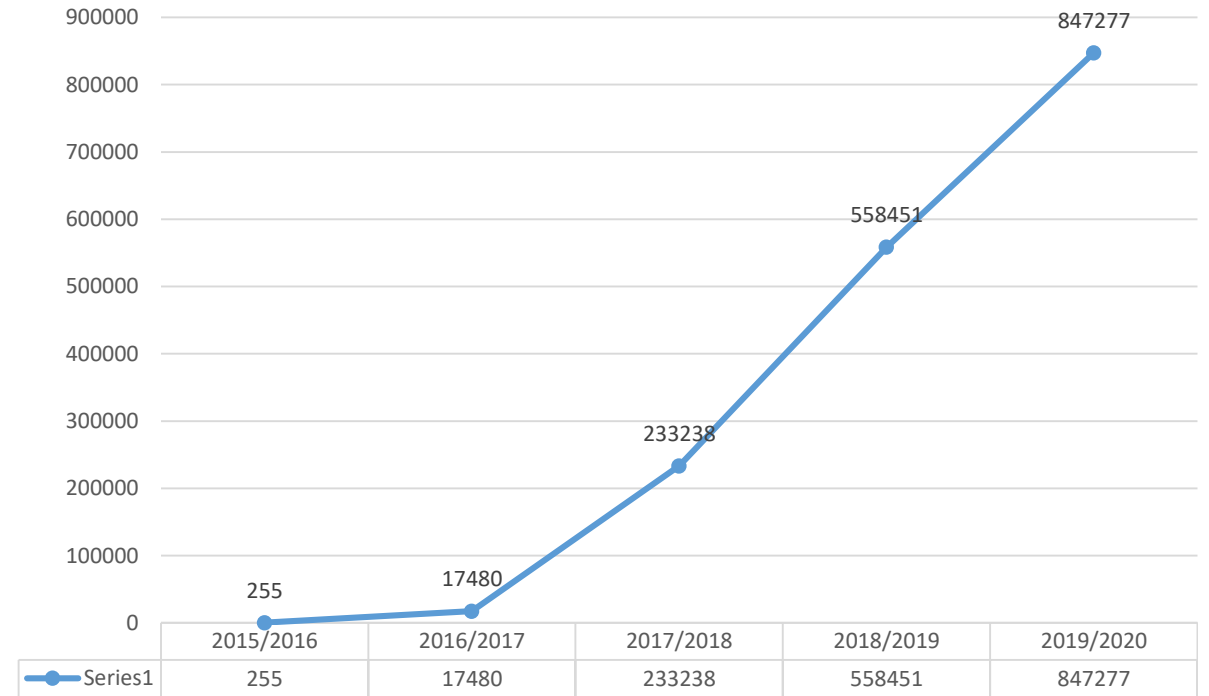


SERVICE COVERAGE

Service users Vs. Enrollees

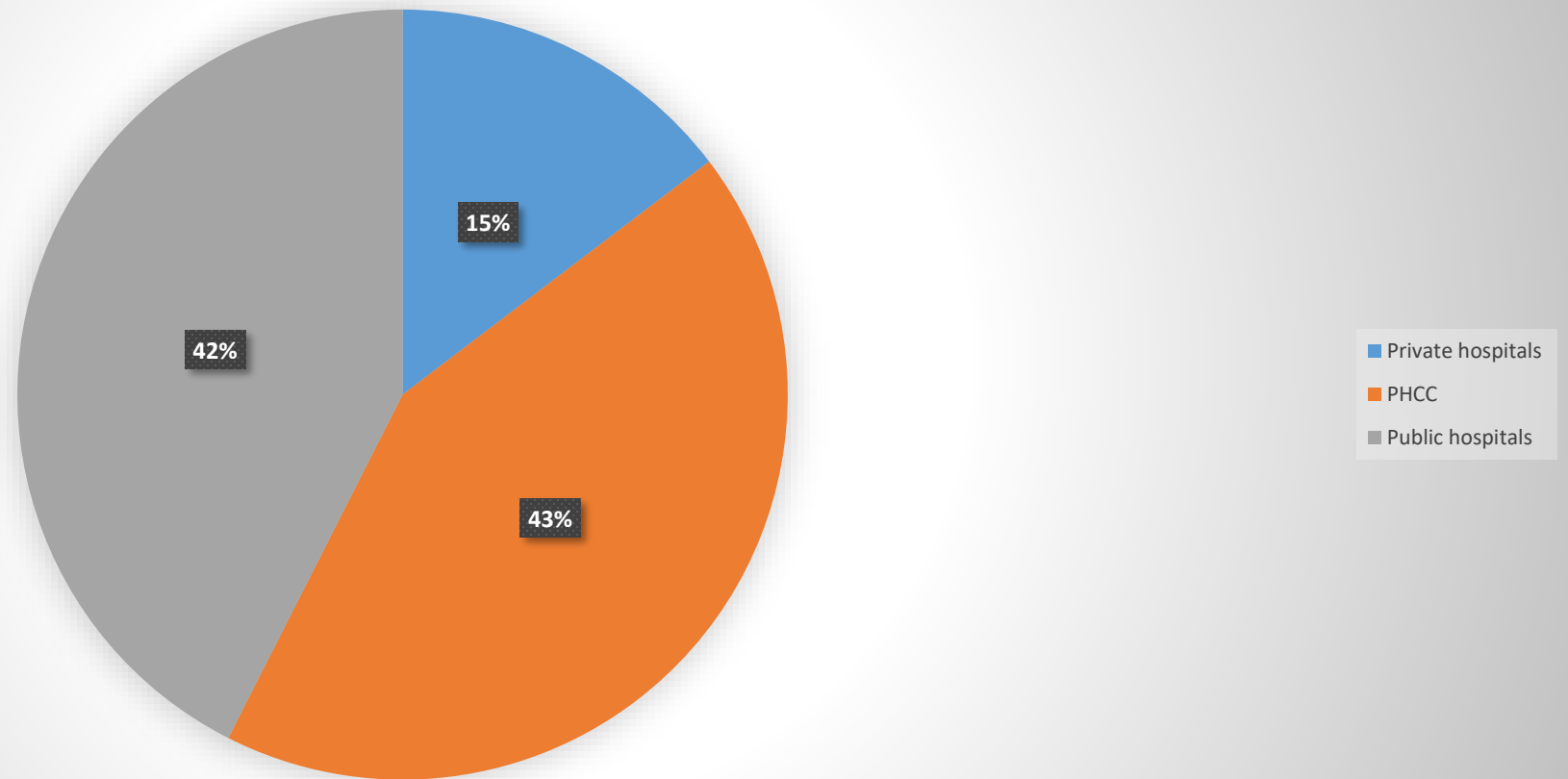


Service Utilization Trend



EMPANELLED HEALTH FACILITIES

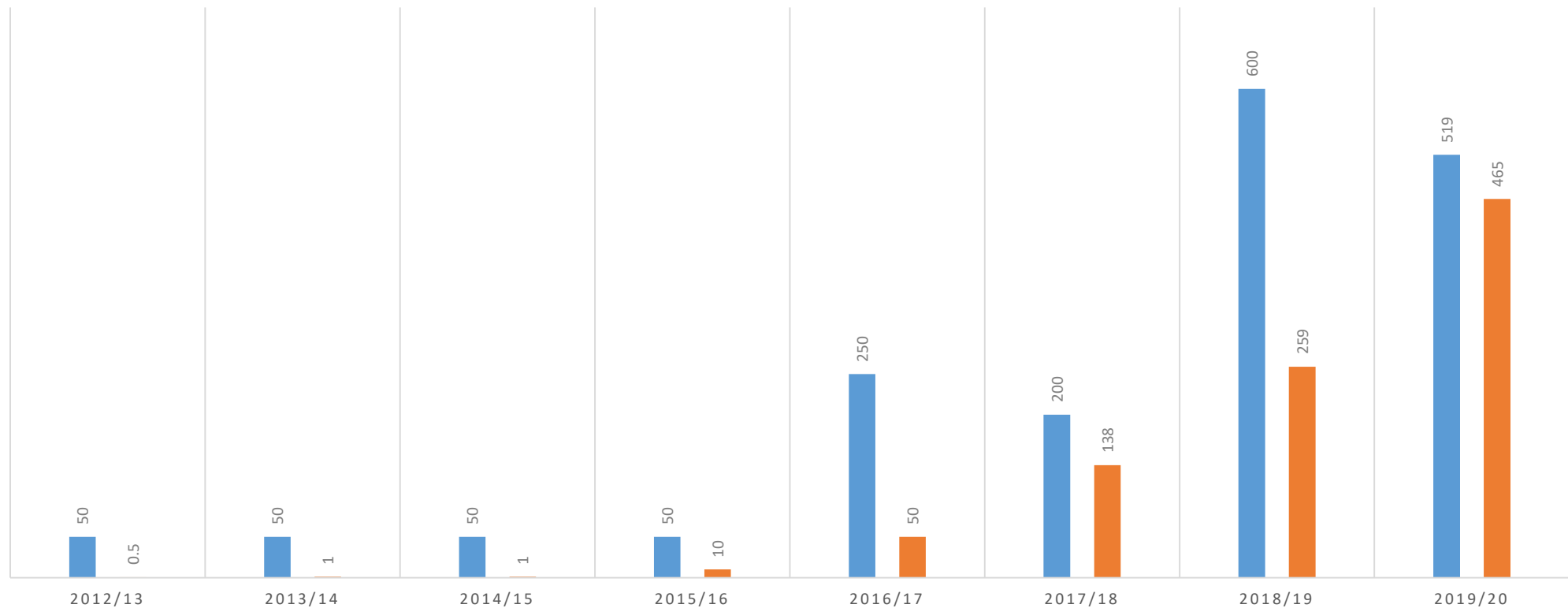
Total Service Provide details (No. 348)



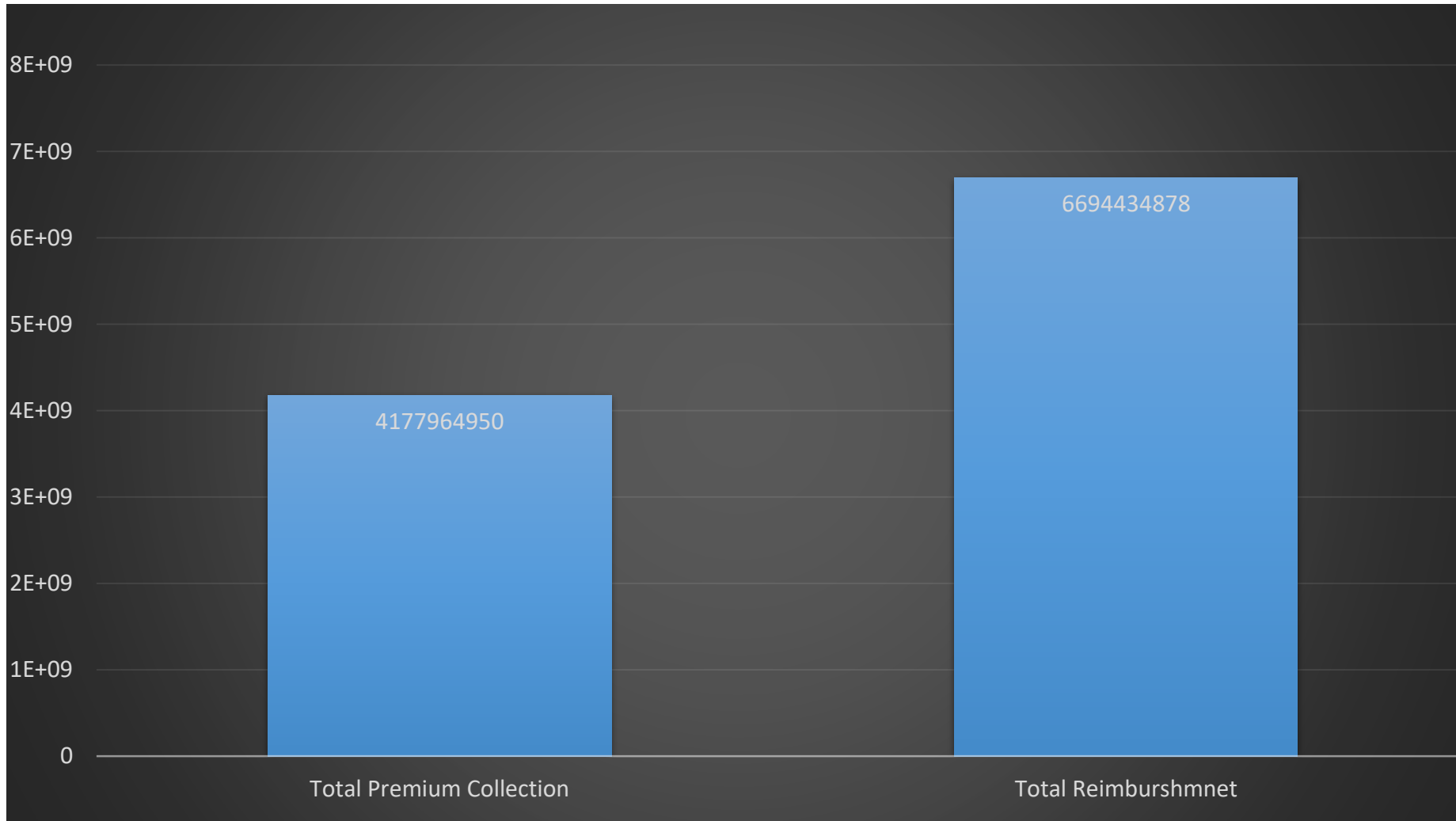
FINANCING HEALTH INSURANCE (NPR)

CHART TITLE

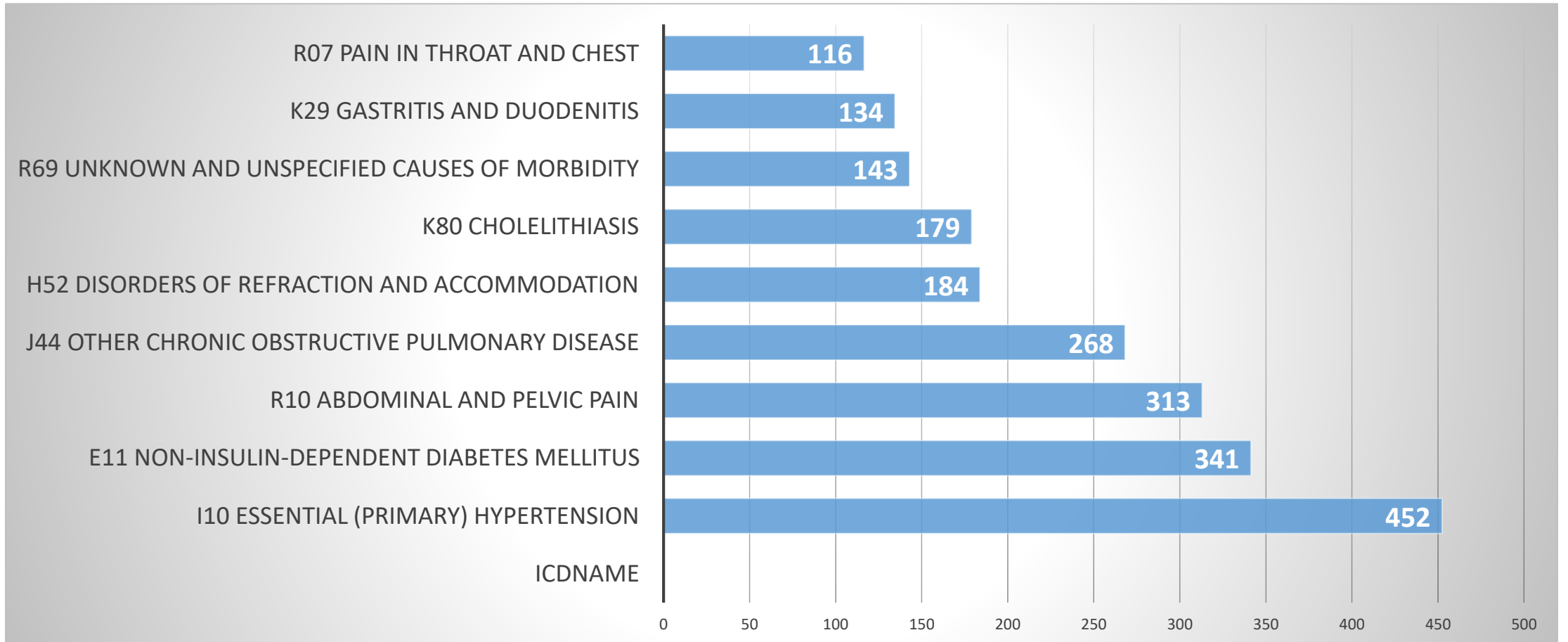
■ MOF Budget allocation (NPR crore) ■ Budget expenditure



FINANCING HEALTH INSURANCE (NPR)



TOP 10 DISEASES AND AMOUNT REIMBURSED (in million NPR)



Causes of Low enrollment at national level

Poor service delivery

- Shortage of HR
- Limited availability of services and drugs
- Geographically inaccessible service sites in hilly and mountain areas

Larger informal economy

- 70% of the economically active population involved in informal sectors
- Formal sector not yet covered

Governance challenges

- HIB do not have a full fledged organization structure
- Provincial HIB offices have limited administrative authority.
- fragmented social security schemes
- Private sectors not much interested as they are not first service point

Inadequate community mobilization

- Poor Motivation of Enrollment Assistants
- Limited coordination between HIB and sub-national governments

People unsure about additional benefits

- Free health service program is available in health posts and primary health centers
- Health posts which are nearly 4000 are not listed as service site
- hospitals are often burdened with huge flow of patients

Activities carried out by HIB

- Selection, training and mobilization of Enrollment Assistants
- Insurance Management Information System training to service providers
- Orientation to local government, service providers and parliamentarians on health insurance
- Promotion of health insurance scheme through newspaper, TV/FMs and other communication materials
- Service contract with service providers
- Claim verification and Payment to service providers
- Develop guidelines regarding health insurance

Issues

Enrollment Related

- EAs Movement in their working areas is poor
- EAs Turnover
- Low/Poor Service Satisfaction
- Awareness / Information about health insurance
- Unclear understanding about the benefits

Service Delivery Related

- Pharmacy Establishment (Timely and Insufficient)
- Staffing (Insufficient, Frequent Movement)
- Medical Equipment Operation Training (USG, X-ray, ECG & Auto Analyzer Operation Training)
- Service site is not accessible.

CHALLENGES

INTERNAL CHALLENGES

- Full autonomy of HIB
- Delay in recruitment and capacity development of human resources
- Translating Health Insurance Act and Regulation into action : Delay in approval of By-laws and mandatory enrolment
- Provision of voluntary enrollment giving rise to the adverse selection problem and low coverage
- Limited fiscal space compared with the subsidies provided by the state to different groups(~US\$ 101 Million per annum is required for providing the subsidies to the poor)
- Low budget absorptive capacity (43.2 % in FY 2018/19)
- Financial viability of the program: Reimbursement amount exceeds the premium amount collected
- Possibilities of fraud claims, and efficiency and timeliness of online-claims

EXTERNAL CHALLENGES

- Health system strengthening and quality assurance by Federal, Provincial and Local governments
- Expectation-delivery gap (Raising expectation of insure Vs low delivery/ quality of service providers)
- Coverage of Ultra poor : Identified in 26 districts only
- Motivation of Health workers
- Fragmented health protection schemes: free health care services vs. AAMA program vs. Health Insurance
- Multiple government health insurance Schemes: SSF vs. HIB vs. EPF

WAY FORWARD

SHORT TERM

- Approval of O&M of HIB and recruitment of adequate employee
- Minimum service standard of service providers to be fixed
- Basic health care package to be defined clearly
- Premium collection through Banking system
- District coverage to be increased in the speedy way
- GPS tracking to be customized
- Online application
- Guidelines, bylaws, Standard Operating Procedure (SOP) to be developed as per regulation and the Act

MEDIUM TERM

- Stringent regulatory norms to develop for the effective implementation of the HIP by MOHP.
- Increase motivation to the employee of service providers
- Proper deployment of the doctors and employee at service sites
- Hospital management to be made autonomous
- Efficient infrastructure of HIB
- Initiation for automated claim management (EMR/HER system)
- Integration of all health services (including Free) into health insurance program

LONG TERM

- Entire health services to be brought in the domain of HI
- Embarkation of HIB responsibilities: from both regulatory and operational to regulatory only
- Separate authority for review of claims (May be third party administration-TPA)
- Standard Medical Treatment Protocol (SMTP) to be developed and the service and price to be fixed as per the protocol
- Full implementation of automated system EMR(Electronic Medical Record/EHR)



Thank you



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