Policies Review

Dr. Hari Prasad Kaphle
Associate Professor (Public Health)
Pokhara University

Course Contents

- Rational, aims and objectives, targets, strategies, proposed elements and critical appraisal of health following health policies.
  - National Health Insurance Policy, 2071
  - National Health Insurance Program

National Health Insurance Policy, 2013

Dr. Hari Prasad Kaphle

Associate Professor (Public Health)

Pokhara University

Background

- The Three Year Development Plan (2010/11-2012/13), the NHSP II have stressed the need of national health insurance policy to improve the health outcome of Nepalese people.

- The policy was deemed necessary to increase accessibility to, and equity in the provision of health care services by removing financial barriers to the use of health care services.

- Furthermore, rationale of this policy was to promote pre-payment and risk pooling mechanisms to mobilise financial resources for health in an equitable manner among others.

Objectives

General

- To ensure universal health coverage by increasing access to and utilisation of necessary quality health services.

Specific

- To increase the financial protection of the public by promoting pre-payment and risk pooling in the health sector
- To mobilise financial resources in an equitable manner
- To improve the effectiveness, efficiency, accountability, and quality of care in the delivery of health care services

Policy statements (16 as strategies)

1. Reduce out-of-pocket expenditure at the time of health service use
2. Pool and allocate funds in an equitable manner
3. Mobilise local community groups to increase the participation of the general public in the programme
4. Implement various interventions and activities to gradually improve the health seeking behaviour of the people
5. Gradually expand to cover the whole nation

6. Promote prepayment by collecting contributions from households
7. Receive specific funding to ensure the participation of poor and target population groups
8. Receive additional resources to enable it to be initiated and implemented in a sustainable manner
9. Cover every household in Nepal
10. Introduce provider payment mechanisms

11. Integrate existing social health protection interventions and programmes into the health insurance programme, as feasible
12. Develop a national framework to integrate government supported health insurance initiatives and promote complementarity with other private insurance schemes
13. Promote the participation of governmental, non-governmental, and community organisations and public-private-partnerships
14. Motivate health workers and facilities to provide quality health services

15. Develop a system to control moral hazards and other risks that may arise in relation to service providers and service consumers
16. Promote output-oriented expenses

Strengths

- **Universal Coverage**: Aims for health insurance for all citizens.
- **Financial Protection**: Reduces out-of-pocket expenses.
- **Increased Access**: Improves access to healthcare services.
- **Subsidies for Vulnerable**: Provides premium assistance for low-income groups.
- **Comprehensive Services**: Covers a wide range of health services.
- **Integration**: Aligns with existing health programs.
- **Quality Improvement**: Encourages accredited healthcare providers.
- **Dedicated Fund**: Ensures sustainable financing for health services.
- **Capacity Building**: Promotes training of health personnel.
- **Public-Private Partnerships**: Fosters collaboration between sectors.
- **Preventive Focus**: Emphasizes preventive care services.

Challenges

- **Awareness**: Low public awareness of the policy.
- **Funding Issues**: Inadequate financial resources for implementation.
- **Infrastructure**: Weak health infrastructure in rural areas.
- **Enrollment Barriers**: Difficulty in enrolling low-income populations.
- **Service Quality**: Inconsistent quality of healthcare services.
- **Management**: Challenges in effective policy management and coordination.
- **Fraud Risk**: Potential for misuse and fraud in claims.
- **Limited Coverage**: Exclusions in certain health services.
- **Data Management**: Ineffective health information systems.
- **Stakeholder Coordination**: Lack of collaboration among stakeholders.

National Health Insurance Program

Dr. Hari Prasad Kaphle

Associate Professor (Public Health)

Pokhara University

Background

- Health Insurance is a social health security program of GoN which aims at enabling citizens with the access of quality health care services without placing a financial burden on them.

- In the beginning of 2072/073, it was run under the Social Health Development Committee as social health security program.

- Since 2074/75, it has been running under the Health Insurance Board (HIB) guided by Health insurance Act and Regulation.

- Health Insurance program prevents people from falling into poverty due to health care costs i.e. catastrophic health expenditure.

- This program also advocates towards quality and dedicated health services and also helps to make responsible to service providers.

- It also address the barriers in health service utilization and ensures equity and access to the poor, vulnerable and disadvantaged groups so as to achieve UHC.

- The health insurance program started in 2072from the Kailali district.
- It was expanded to Illam and Baglung districts in FY 2073/74.
- By end of FY 2078/79, the program was implemented in all 77 districts and 746 Local levels of the country.

Objectives of Health Insurance

1. Ensure easy access and utilization to health services
2. Ensure quality assurance of health services
3. Reduces out-of-pocket expenses and protect people from financial hardships
4. Provide opportunity to enhance capacity and ownership of health service providers

Target of Health Insurance

- Extends health insurance to all 753 local levels (by 2022), 50% family enroll during FY 2079/80 and to all family by 2030

- Intends to reduce out of pocket expenditure (OOPE) and improve financial protection of people

Main features of Health Insurance Program

- It is a voluntary program, based on family contributions.
- Families of up to five members have to contribute NPR 3,500 per year and NPR 700 per additional member.
- The government bears the contribution amount for senior citizen above 70 years, MDR TB, Leprosy and HIV/AIDS cases and null disabled people and ultra-poor people with citizenship, certified of medical reports, red card holders and families having a poverty identity card respectively.
- Insures have to renew their membership through online system as well as contact with enroll assistant at local level with annual contributions.

- Benefits of up to NPR 100,000 per year are available for families of up to five members' with an additional NPR 20,000 covered for each additional member
- The maximum amount available per year is NPR 200,000 according to the number of members in the family
- Insures have to choose their first service point.
- Insures can access specialized services that are not available at the first service point on production of a referral slip from their first contact point.

- It is a cashless system for members seeking health services
- The program is IT-based with enrolment assistants using Smartphones at client household side
- Contractual agreement between providers and Health Insurance Board for providing services under benefit package at specific rate; the rate same for public and private hospitals.

Insured Population (up to FY 2078/79)

Province	Total Population	Enrolled Population	Enrolled Percentage
Koshi	4535943	1939719	42.72
Madhesh	5404145	409861	7.58
Bagmati	5529452	1209100	21.87
Gandaki	2403757	755826	31.44
Lumbini	4499272	127679	20.28
Karnali	1570418	341522	21.75
Sudur Paschim	2552517	476397	18.66
Total	2,6294504	6045192	22.99

Strengths

- High priority program of Government of Nepal
- Reduces the financial barrier for health service utilization
- Only one program based on risk pooling
- Low annual premium to enroll (only NRs. 3500)
- Premium amount is contributed by GoN for targeted group
- It based programme for enrollment and service utilization
- Means to achieve universal health coverage

Weaknesses

- Same premium rate for all income level families (not based on the ability to pay)
- Complicity in process to receive the service
- Time consuming to receive the service
- Low quality service in most of the primary health care level health institution
- Health work behavior is not always good
- Some health works are not responsible and competent to provide health services

- Delayed payment to the health institutions from HIB
- Moral hazards: unnecessary/irrational use of health services

Opportunities for Health Insurance Program

- Constitution of Nepal 2072, in Article no.51 of State's guideline principle highlighted the importance of health insurance program.
- Health Insurance Act 2074 has envisioned the compulsory enrolment of the people working in the formal sector.
- High political commitment.
- Designed as a tool for providing equitable and quality health service.

- Health system strengthening (generic prescribing, hospital pharmacy, gate keeping system)
- Sustainable approach to provide social health security to Nepalese people.
- Supportive role of government (constitution provision, periodic plan and annual budget have given high priority to health insurance)
- Interest and concern of provincial and local level government.

Program Challenges/Constraints

- High turnover of enrolment assessment
- Low awareness level to community people on health insurance
- Limited district covered by ultra-poor registration (only 26 districts)
- Unavailability of services and medicines from health institution and hospital pharmacy respectively according to benefit Package.

- Irrational referral system by first service point.
- Inadequate medical equipment and materials at the service points.
- Inadequate human resources at the service points.

Issues and challenges

1. Meeting the expectation of insured people
2. Raising the number of enrollment and renewal. Low enrollment and retention puts the sustainability of the scheme at risk and reduces the services that can be included in the benefit package
3. Availability and accessibility of quality health service
4. Strengthening of insurance management information system (IMIS)
5. Identification of target group and their enrollment (ultra-poor etc)
6. Poverty card-related issues.
7. Fragmented social health security program within MoHP and beyond

8. Critical to ensuring easy enrollment of the poor and marginalized population into the SHS scheme.
9. Accreditation mechanisms for private providers
10. Specification of minimum benefits to be provided to those insured,
11. Pricing control and reimbursement mechanism, protection for poor and vulnerable groups in private care, and monitoring mechanisms.
12. Mandatory contributions to an SHS scheme
13. Voluntary enrollment further entails a risk that only those who need the service enroll, which also defeats the purpose of sharing risks.
14. Ensuring adequate capacities and mechanism in place for timely management of the reimbursement or payment of the services

Way Forward

1. Increase the population coverage through a strengthened integrated provincial or national insurance system against the much isolated local insurance system with a local capacity of the past
2. Ensure equitable protection for the poor through fair identification mechanisms for enrollment and subsidies
3. Build up efficient voice mechanisms through institutional arrangement so that health insurance represents the interests of the insured toward health care providers, and
4. Ensure financial viability so that the insurance does not have to rely solely on the premium.

5. There should be continuous quality monitoring and improvement mechanism in place and health research development for further innovation.
6. The government needs to establish internationally accredited hospitals and ensuring quality of care.

Thank You!