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Towards UHC in Lao PDR : Progresses and challenges ahead

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Outline

1. National Health Insurance (NHI) for Universal Health Coverage (UHC) in Lao PDR

- Where do we come from
- Idea behind the NHI
- Overview of SHP in 2016

2. Gaps on the way towards UHC

- Implementation issues
- Health services delivery: the missing link
- Covering the uncovered

3. Lessons learnt for countries wishing to implement NHIs

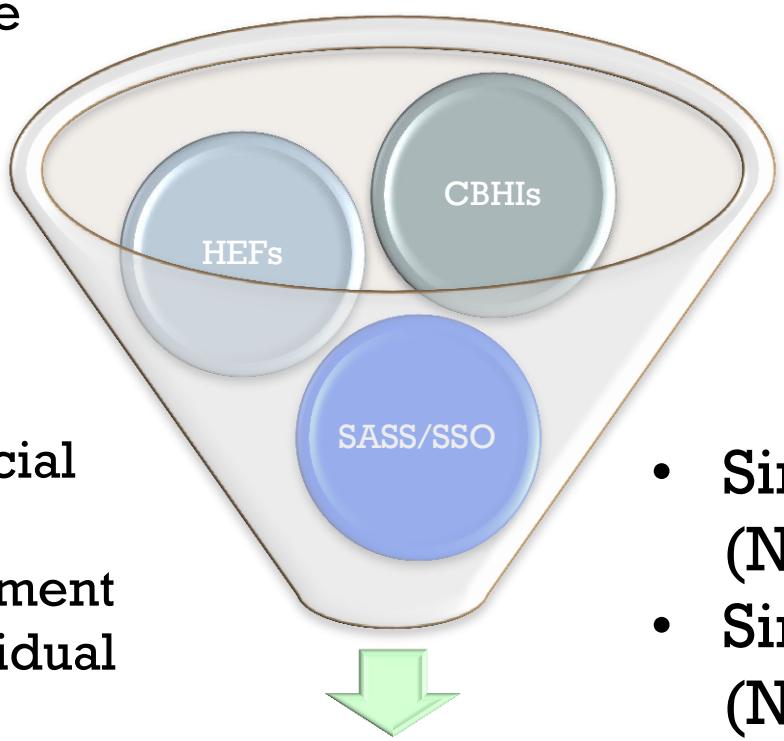
Where do we come from ?

- State Authority for Social Security (SASS)/Social Security Organization (SSO) for the public/private employees
- Community Based Health Insurances (CBHIs) for the informal sector
- Health Equity Funds (HEFs) for the poor
- Free Maternal Neonatal Child Health (MNCH)
- Revolving Drug Funds (RDFs) aimed at ensuring revenues for hospitals

Idea behind the National Health Insurance (NHI)

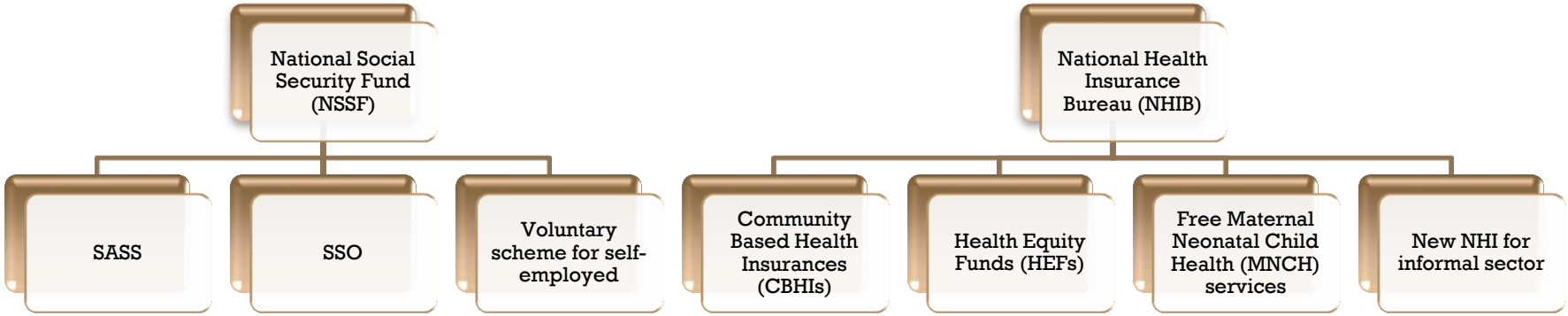
Challenges at the onset:

- Limited institutional capacity for governance
- Absence of costing/financial strategy
- Limited enrolment through individual schemes

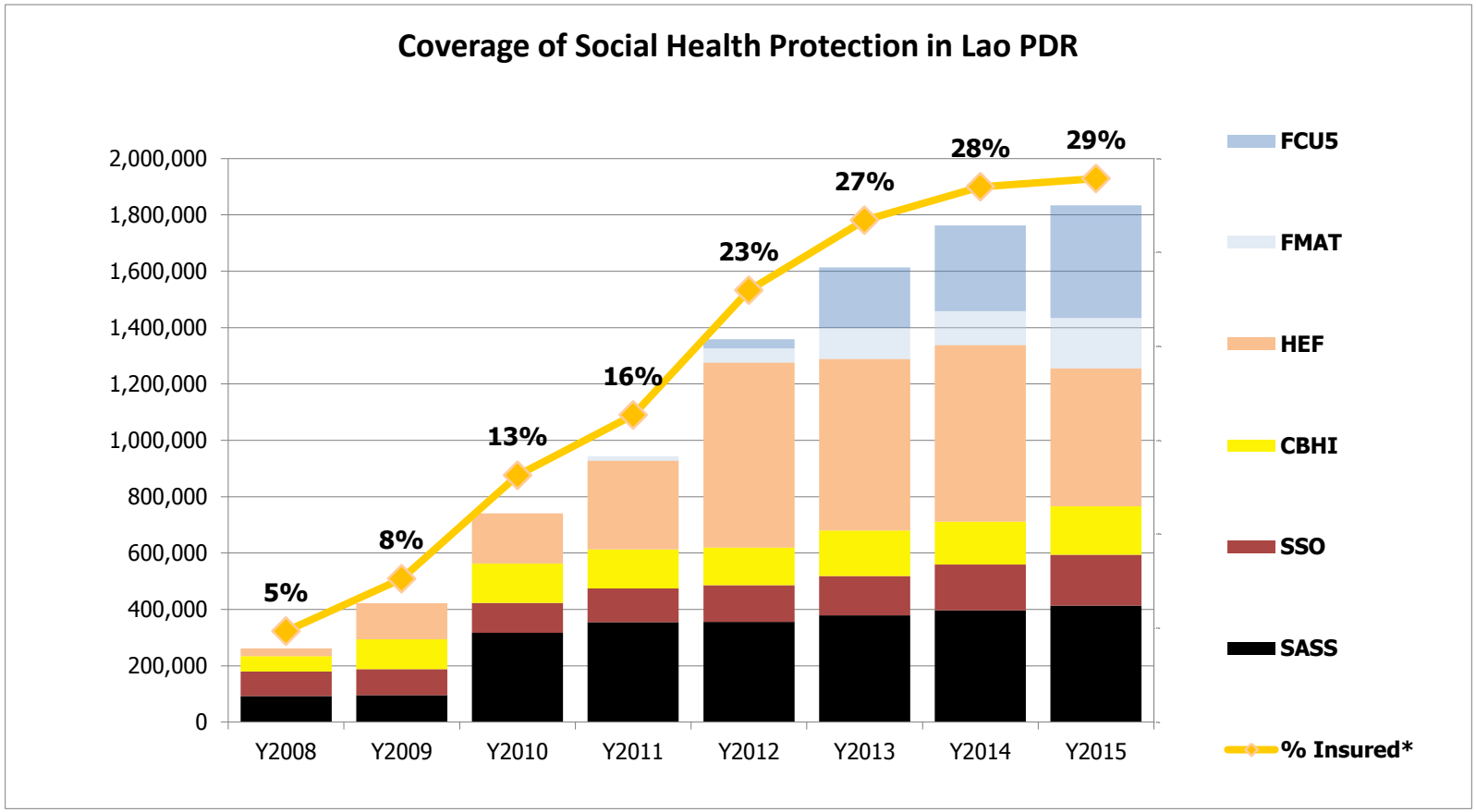


- Single pooled fund (NHIF)
- Single purchaser (NHIB)
- NHIB under the MoH

Overview of SHP in 2016 (1): fragmented schemes governance



Overview of SHP in 2016 (2): population coverage



Source: NHIB 2016

Implementation challenges

- Governance
  - Profusion of legal documents creating confusion among functions and mandates (NSSF/NHIB)
  - No separation between NHIB and MoH
- Population coverage
  - Failure in targeting methods
  - Lack of promotion tools
  - Voluntary enrolment isn't working
- Financial protection
  - Limited to insured individuals but costs for transportation
  - Items to be purchased by households for free deliveries (gloves drugs etc.)
- Low level of public funding
  - 3% of GGE allocated to health despite commitments to increase government spending to 9% of GGE
  - the nation-wide expansion of all schemes would cost between 2.35% and 2.98% of government expenditure by 2030 (ILO ABND 2016)
- Providers' payment methods inadequate and still being refined

Health services delivery: the missing link (1)

Availability

- Essential services: Only 60% of health centers and hospitals assessed ready to provide basic services (WHO SARA survey, 2016)
- Health workers and facilities: only 1,8 facilities and 11 health workers for 10 000 inhabitants (Kinfu 2015)
- Medical equipment: Only 1 in 6 health centers had all the tracer items necessary to perform basic diagnosis WHO SARA survey 2016

Accessibility

- Unequal distribution with urban/rural discrepancies
- Inequalities in HRH densities

Health services delivery: the missing link (2)

Acceptability

- Only 31% and 7% of the health center workers speak the 2nd and 3rd most common languages in Lao PDR (WB Group 2016)
- 75 % of health centres do not have a consultation room with auditory and visual privacy (WHO SARA survey)

Quality

- Lack of staff training
- Demography (senior qualified workers soon to be retired and lack of mid-career professionals)

Funding

- Government revenues only make up 11% of the government budget of health centers
- Over-reliance on RDFs, which represent 58% of their budgets

Covering the uncovered (non-poor informal sector)

- Moving away from CBHIs
- First proposition: introduce subsidized flat fee with prepayment mechanism covering catastrophic expenses
- Government's commitment to "user fee"

new NHI regulation with enrolment at facility level

New NHI scheme

- Started by MoH and NHIB, expanding very fast
  - 6 provinces by the end of 2016
  - 10 other by the end of 2017

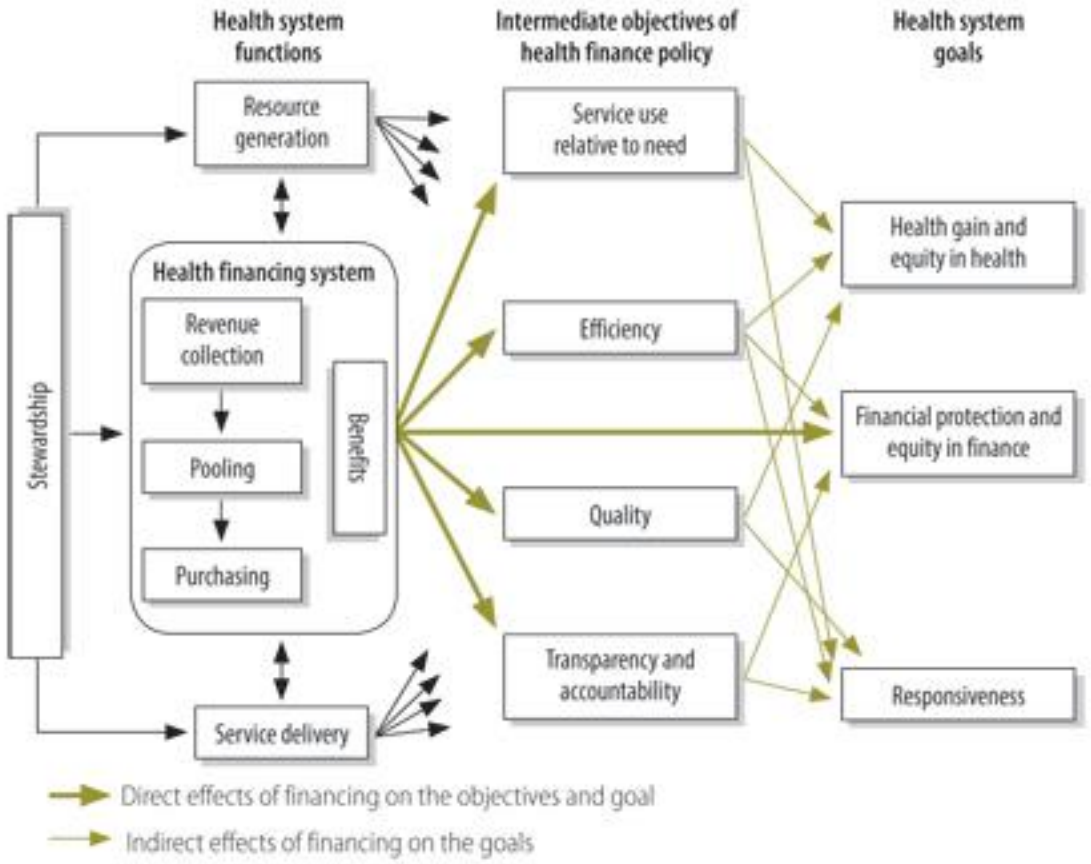
Copayment rates	Health center	District Hospital	Provincial Hospital	Central Hospital
Outpatient services per visit	5,000 Kip	10,000	15,000 Kip	20,000
Inpatient service per admission	5,000 Kip	30,000	30,000	30,000
MNCH services	0	0	0	0

- Concerns of financial viability at the facility level (very low contribution rates from NHIB per member at 30Kip per annum)
- Crowding out of services for the poor ? (low utilization rate for the poor and constrained provision of services)
  - Strengthen provision health services
  - Increase acceptability

Recent evolutions at the facility level

- New NHI scheme implies move away from RDFs financing towards NHIB/Government funding
- In parallel Drug and Financial Management Reform
- Decree on the management & use of service charge money (349/PM): 85% of revenues from service charges for drug and medical supplies procurement and 15% as staff incentives
- New accounting system expanded to the whole country requires strong management capacities at all levels (including facilities)

Reflection in the light of health system goals and health financing policy objectives



Source: Kutzin 2008

Lessons learned for countries implementing NHIs

- Importance of stewardship:
  - Independence from MoH and strong steering from NHIB necessary (split provider/purchaser)
  - Multiplication of funds channels: money from MoF/NSSF/NHIB without strategic purchasing ?
  - Need for capacity building at all levels of the system (provincial)
- Resource generation: Financial plan necessary, as a basis for firm commitment (see here 50% subsidy for CBHI)
- Service delivery: danger to forget the necessity to have strong (P)HC services for universal population coverage

Kop Chai!