



TWG-SHIP/JICA

THE WORLD HEALTH DAY
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PENH

DESIGNED MODEL FOR SOCIAL HEALTH INSURANCE FOR INFORMAL SECTOR POPULATION IN CAMBODIA (SHIP)



OUTLINE

1. Background and Rationales of the SHIP Model
 2. Design of the SHIP Model
 3. Implementing Arrangement
 4. Ways Forward
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BACKGROUND AND RATIONALES OF THE SHIP MODEL

3 BACKGROUND

- Japan's Strategy on Global Health Diplomacy 2013 & Priority Policy of Japan's Development Cooperation Charter 2017
- Request from Cambodian Ministry of Health (MOH) for Japan International Cooperation Agency (JICA) to assist develop a social health insurance model for the informal sector in Cambodia
- The previous survey conducted in 2015-2016: 7 government agencies (MOH, MEF, MOI, NSSF, MOSVY, MOP and CARD) invited to study tours to Japan and Thailand
- TWG-SHIP formed by the study tour participants

4 **SOCIAL INSURANCE-BASED MODEL vs. TAX-BASED MODEL**

Social Insurance-based Model

- One of the possible organizational mechanisms for raising and pooling funds to finance health services. e.g. Germany, France, Japan, etc.

Tax-based Model

- The public sector directly provides medical services financed through taxation. e.g. UK, Sweden, Malaysia, etc.

5 WHY SOCIAL INSURANCE FOR INFORMAL SECTOR?

- JICA received request from the Cambodian Government – in line with National Social Protection Policy Framework
- Japan achieved UHC with this model
- Social insurance-based model allows the country (1) to maintain fiscal discipline as contribution level is established to balance revenues and expenditures, and (2) to improve quality of health care as the insured have the right to receive benefits in return for paying premiums*
- Cambodia has potentials: experience of CBHI, sense of equality and solidarity, economic growth and political will*

* Shimazaki, K. & JICA (2013). The Path to Universal Health Coverage – Experiences and Lessons from Japan for Policy Actions –

DESIGN OF THE SHIP MODEL

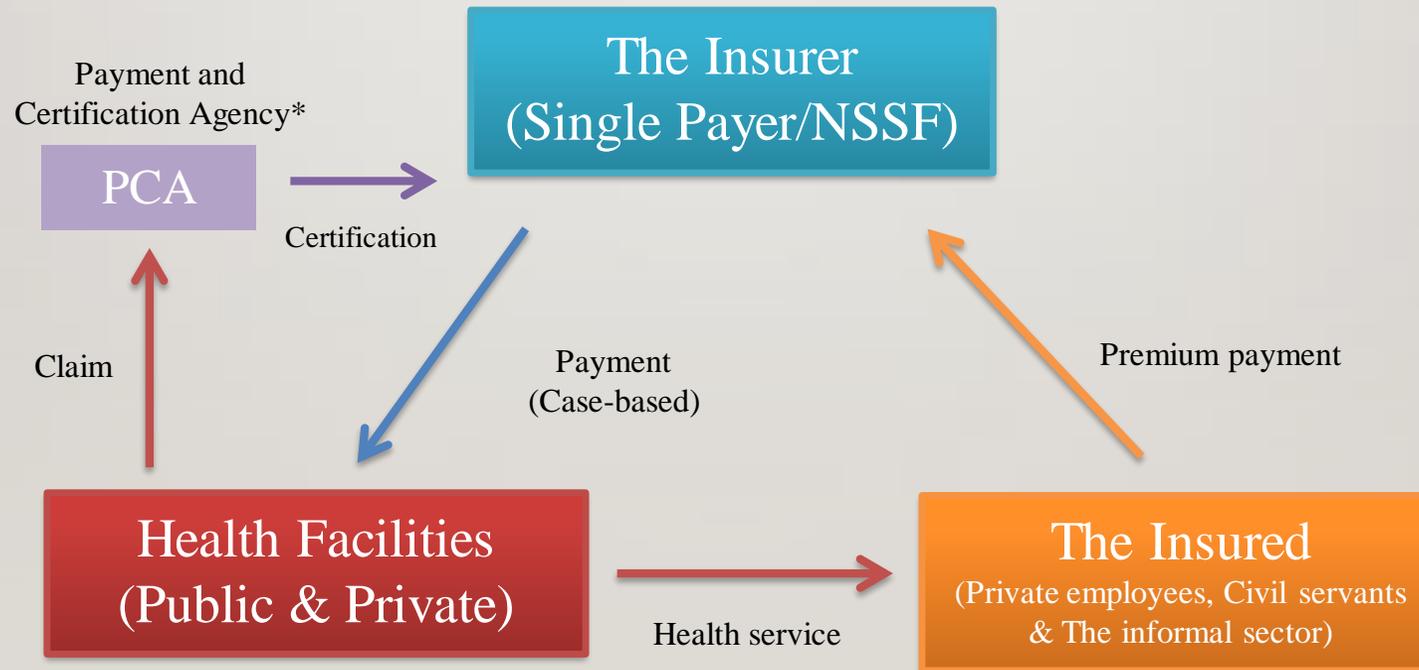
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7 BASIC PRINCIPLES

- **Utilization of existing systems:** (1) Operational structure of NSSF and (2) Communes and villages as the administrative foundation
 - In line with the National Social Protection Policy Framework (NSPPF)
 - Reduces operational costs of the scheme
- **Utilization of lessons learned from CBHI:** (1) Pool the fund at the national level in the Single Payer (NSSF) and (2) Pursue mandatory enrollment on a household basis to avoid adverse selection
- **Making up gaps:** (1) Decentralized administration system, (2) Accurate resident registration and (3) Taxation system

MECHANISM OF INSURED MEDICAL TREATMENT



*PCA currently serves for HEF claim verification, but its role could be expanded to social health insurance in the future.

	Informal Sector		Formal Sector	
		*Selected population	Private Employees	Civil Servants
High-Income	SHIP (NSSF) (60%)	HEF (7%)	NSSF (13%)	NSSF (1%)
Middle-Income				
Low-Income	HEF (19%)			

TARGET POPULATION:
those who are not covered by other public HP schemes

*Selected population: Commune/Sangkat Council Members, Village chiefs, deputy chiefs and assistants, the Government-sponsored athletes and Cyclo drivers

BENEFIT PACKAGE AND PREMIUM CONTRIBUTION

A) NSSF case-based medical benefits (OPD+IPD) and medical transportation:

		Annual rates		Monthly rates	
		KHR	USD	KHR	USD
SHIP model					
premium	<u>Insured/Adult dependents</u>	174,100	43.53	15,000	3.63
rates	<u>Child Dependent</u>	139,300	34.83	11,000	2.90

A couple with three children:

63,000 KHR (15.75 USD) per month

Average premium rate per person per year: **39.70 USD**

cf. OOP : **48.00 USD** (NHA 2016, unofficial)

B) NSSF case-based medical benefits (OPD+IPD), medical transportation & high-cost items:

		Annual rates		Monthly rates	
		KHR	USD	KHR	USD
SHIP model					
premium	<u>Insured/Adult dependents</u>	186,900	46.73	16,000	3.89
rates	<u>Child dependent</u>	149,500	37.38	12,000	3.11

A couple with three children:

68,000 KHR (17.00 USD) per month

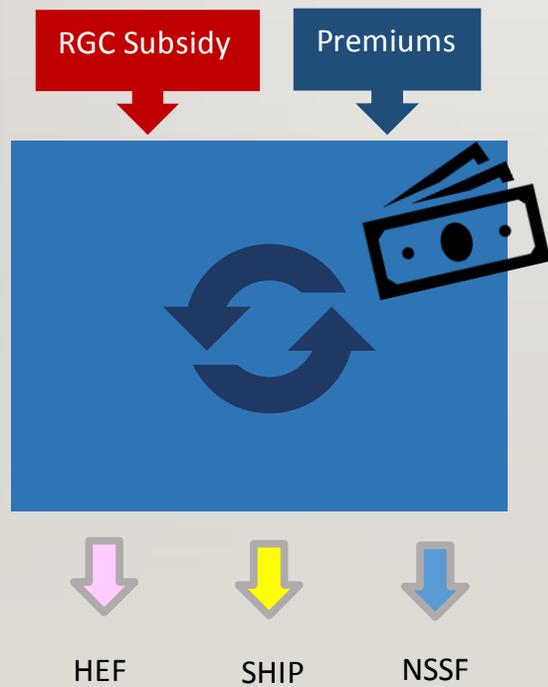
Average premium rate per person per year: **42.62 USD**

cf. OOP : **48.00 USD** (NHA 2016, unofficial)

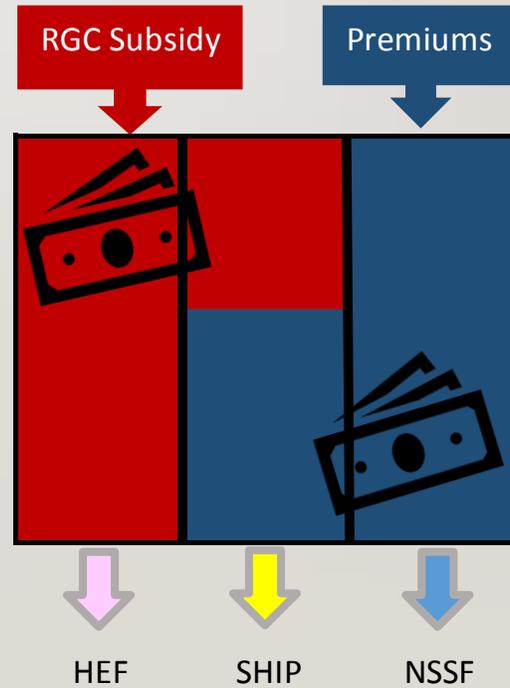
NOTE:

- Premiums were estimated following the method of Cambodia Technical Note Estimation of Contribution Rates for the Health Insurance, Maternity, and Sickness benefits' branch of the National Social Security Fund (2015) by ILO.
- The premium rate for child dependents is 80% of the insured/adult dependent rate.
- 10% operational costs, 90% collection rate, and 95% density factor were considered for the calculation.
- NSSF average premium was 5.29 USD per person per month in 2017. If required to follow the rates, the SHIP premium rates will be 5.80 USD for the insured/adult dependents and 4.64 USD for child dependents.
- The actuarial analysis will be conducted when the pilot starts and the premium rates will be adjusted based on the analysis.

II FUNDING ARRANGEMENT



Cross-subsidy



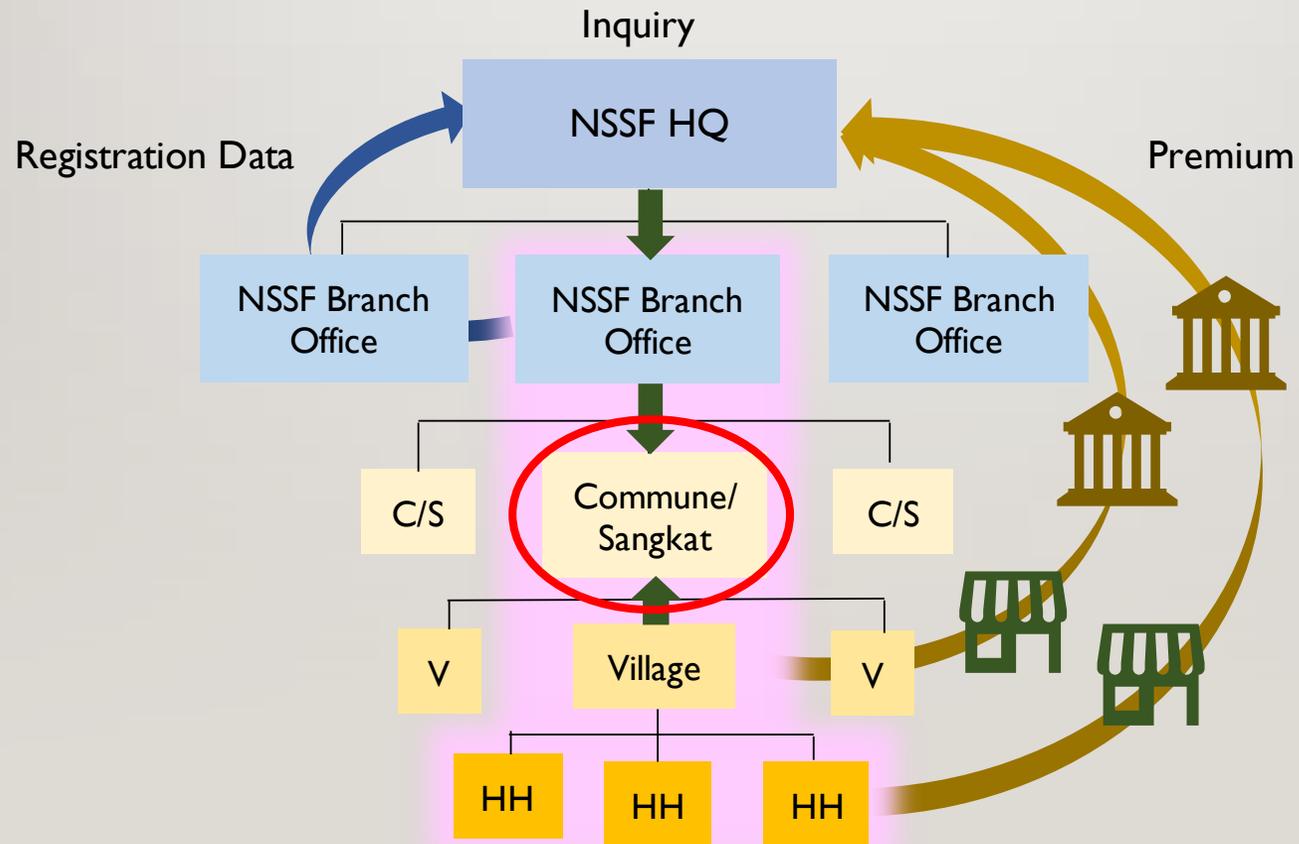
Subsidy

12 PROVIDER PAYMENT MECHANISM

	Current situation		Future	
	HEF	NSSF	Unified System Option ①	Unified System Option ②
PPM	Case-based	Case-based + FFS	Case-based+ FFS	Case-based + Capitation (HC)
Gate- keeping	○	×	×	○

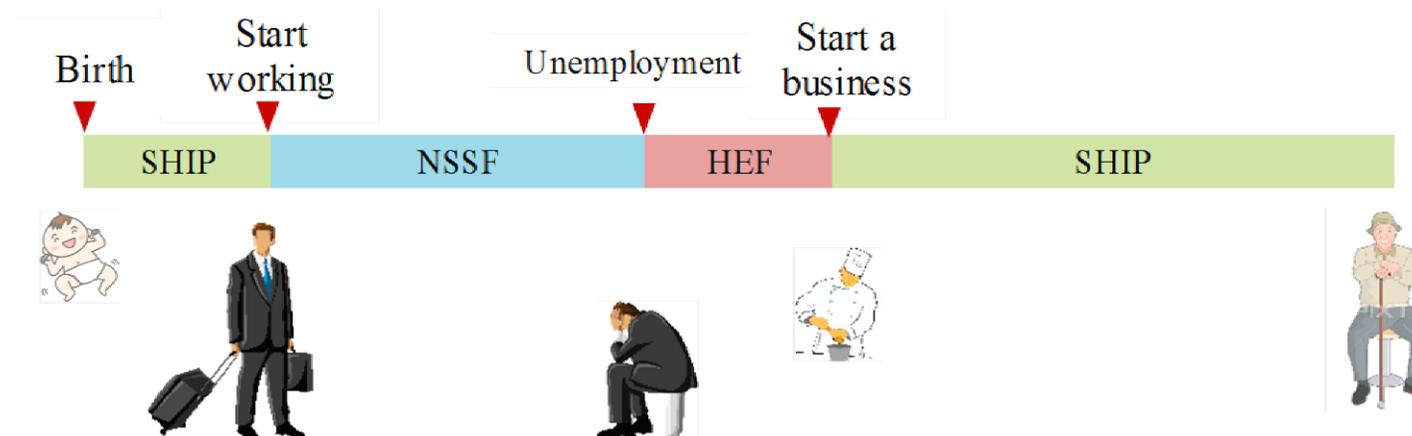
IMPLEMENTING ARRANGEMENT

14 ADMINISTRATIVE STRUCTURE



SINGLE REGISTRY OF THE INSURED

- People change jobs from the informal sector to the formal sector and vice versa
- The ID Poor households are not poor forever
- Register ALL residents at Commune/Sangkat offices by NSSF branch offices



Flexible health protection system based on the lifestyle of each citizen

REGISTRATION

Registration Day Schedule

5-9 January: Village A
12-14 January: Village B
15-20 January: Village C



- NSSF Branch Office staff come to the Commune/Sangkat office to register the residents
- Registration days are decided for each village
- Residents are registered based on the residential registration records
- Bank staff are also present to provide an opportunity for the residents to open a bank account

17 REGISTRATION DATA

	Name	Personal #	The insured #	Address	Occupation	Social Protection Scheme
1	XXXX	10000000	10000000	PP	Business owener	SHIP
2	XXXX	10000001	10000000	PP	Housewife	SHIP
3	XXXX	10000002	10000000	PP	Student	SHIP
4	XXXX	10000003	—	KC	Unemployed	HEF
5	XXXX	10000004	—	KC	Unemployed	HEF
6	XXXX	10000005	10000005	KS	Factory worker	NSSF
7	XXXX	10000006	10000005	KS	Student	SHIP

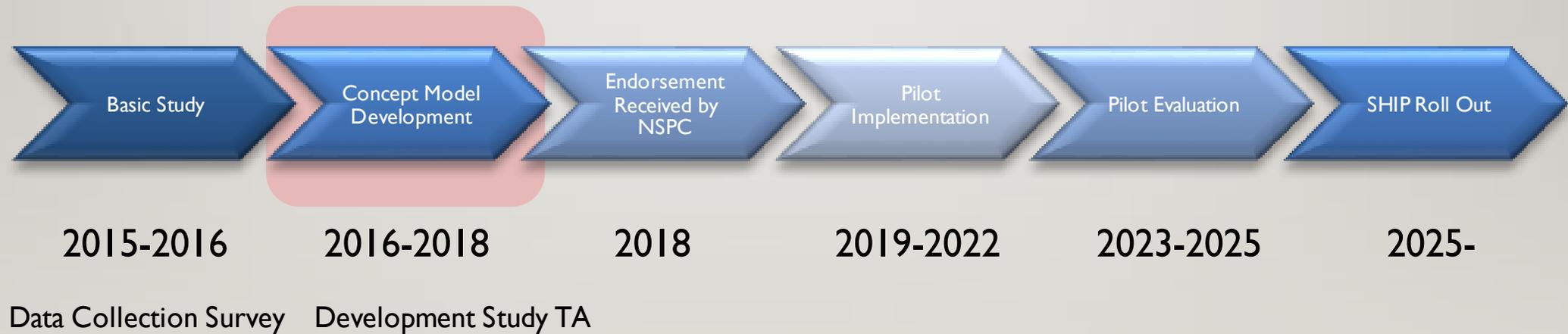
- The registration data are centrally managed at NSSF
- The database is integrated with the MOI residential registration system
- It is updated monthly along with the residential registration data
- NSSF branch office staff attend the Commune/Sangkat council monthly meetings to be informed

PREMIUM COLLECTION METHODS

- Flexible choice of a best suited method by each village
- The insured generally not willing to and easily forget to pay premiums
- Money transferred electronically for security reasons
- Use of authority of village representatives to make the delinquent pay premium
- The following are the suggested options:
 1. Direct collection and collective remittance by village representative
 2. Automatic debit from the bank account of each household
 3. Remittance by each household through a bank or a money transfer system and collective submission of the remittance records by village representatives
- Possibility of automatic withdrawal from mobile phone credit and collective payment with the public utility bills, such as water and electricity explored
- Incentives, such as discount in premiums and provision of telephone credit in case of not being delinquent as a way of promoting the premium payment

WAYS FORWARD

20 IMPLEMENTATION PROCEDURE



21 PILOT IMPLEMENTATION PLAN

- Duration: tentatively 3 years (2019-2022)
- Target sites: 1 OD/AD each in Battambang, Kampong Speu and Prey Veng
- Target population: 250,000 to 280,000 people
- Objectives: to verify feasibility of the designed model and provide information for policy-making
- Activities:
 - Preparation of the implementation guidelines
 - Recruitment of the NSSF staff for the informal sector and trainings for them
 - Establishment of the SHIP management system in collaboration with Commune/Sangkat and the NSSF branch office
 - Enrollment of the residents in the target sites
 - Social marketing
 - Introduction of the registry IT system

22

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Thank you

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