UHC for the informal sector in Cambodia: finding the right solution for the missing middle

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Defining the informal sector population

People who do not receive health coverage through formal employment arrangements including those who work for unregistered or small enterprises, in subsistence agriculture, are unemployed or are not economically active.

Bonfert A, Özaltin A, Heymann M, Hussein K, Hennig J, Langenbrunner J (2015) *Closing the Gap: Health Coverage for Non-poor Informal Sector Workers.* Joint Learning Network for Universal Health Coverage

Financial interventions to enable access to health care

Demand-side

Health equity funds

Vouchers

Community loan funds for transport

Health insurance subsidies

Conditional cash transfers

Pre-payment schemes

Supply side

Pay-for-performance

Needs-based financing

User fees (abolishment)

Contracting

Current situation

- Health equity funds for poor people ≈2.5m
- Social Health Insurance for formal private sector employees (1.8m) and civil servants (0.4m)
- >10m people benefit potentially from subsidized public health services

Cambodia's experience –*health equity funds*

- Econometric review:
  - amongst those making payments for health, OOPE reduced by 42%.
  - 57% when consulting public health care facilities
  - no reduction in health-related indebtedness
- recent study amongst 5,000 households, 23.5% HEFB
  - no protective effect of the health equity funds on distress financing: **24.7%** vs 12.5%
- Integrated schemes
  - 13-56% of eligible poor initiated care seeking at public health facilities, spent on average US$10.4–20.7
- Consultations of public health facilities was highest and OOPE lowest when HEF accompanied by **additional interventions** -quality improvement, pay-for-performance and social accountability
- Nationwide econometric assessment found HEF most effective in areas where **other health financing interventions were implemented**

Cambodia's experience -*contracting*

- From external contracting to internal contracting –with PBF
- Accompanied by service delivery grant
  - 50% fixed 50% performance based
- Earlier arrangements: contracting arrangements effective if incentives are sufficiently high
- Best impact only when contracting is **combined** with HEF

- *Midwifery incentive scheme*
  - >83% institutional deliveries
  - **Supplier induced demand**

Using NSSF

- Many challenges

  - Its structural organization
  - Human resources such as a lack of middle-managers and reliance on contractual staff -75% of all staff; 75% working < 1 year
  - Governance authority
  - Challenges with registering eligible companies
  - Legal framework.
  - Many employees lack ID card or another means for identification

UHC for the Khmer missing middle –the NSSPF

2016-18

Assess the feasibility of expanding the coverage of the Health Equity Fund to cover other vulnerable citizens such as children under 5, elderly and people with disabilities

Cambodia's experience -*Health system strengthening*

- Public sector heavily subsidised –pro-poor
- Whereas each health financing intervention has specific objectives there appear to be positive spill-overs
  - E.g. assessment *midwifery incentive scheme*: improved management practices, enhanced quality of health care, arrangements with the local community and increased use of other MCH services
- US$175 million Health Equity and Quality Improvement Program the first nationwide quality enhancement initiative is rolled out.
  - The performance-related pay of the service delivery grants linked to the quality of services

Best approach for medium term

- Focus on consolidating existing mechanisms such as internal contracting, health equity funds and service delivery grants, with consideration of the following:

  - A **combination** of several interventions achieves the best results
  - HEF has **required infrastructure** -PMRS, PCA
  - **Complementarities** between schemes should be fostered
  - The public health system will require continuous strengthening to attract people as well as to respond to the demographic and epidemiological transitions
  - **Sufficient** financial **incentives** should be provided to induce positive *supplier-induced demand* to attract the population to the public health sector
  - Strategic purchasing –similar payment methods and amounts NSSF and HEF
  - Enforce a regulatory framework for the health sector, especially for **private health providers**
  - Develop a standard essential benefit package across all schemes
  - Gradually **expand the population** to be covered under the health equity funds.

Thanks