National Health Insurance

Feasibility and appropriateness in Malawi

Health Reform Stakeholder Forum

15 Dec 2015, Sunbird Lilongwe, Malawi

Hosted by the Ministry of Health Malawi

Presenter: Kai Straehler-Pohl, GIZ / P4H

Background to the NHI assessment

- DPP campaigned with plan to establish health insurance for the public sector and assess the possibility of „Health Insurance for all“ in Malawi
- Health Insurance is a priority reform area of the DPP administration
- Recent studies have started informing policy makers
  - …on concepts and experiences with SHI/NHI worldwide
  - …on revenue and expenditure of NHI based on an international model with standard assumptions (SimIns)
  - …looking at a limited number of scenarios of population and sevice coverage
- Studies have fed into a Concept Note of the MOH on *Establishing a National Health Insurance Scheme*

MOH Draft Concept Note Establishing an NHI Scheme

Assessment of technical and financial feasibility and appropriateness

Basics: Establishing a mandatory NHI for all Malawians

NHI Objectives:

- Increase domestic financing for health
- Capture payments from non-poor informal sector (~20% of population)
- Provide cross-subsidies from non-poor (informal & formal) to poor
- Facilitate the achievement of purchaser provider split

Implementation:

- Cost-benefit analysis (CBA) framework
- 4 basic scenarios of insurance set-up, actuarial study
- 2 additional work-packages: Revision of the EHP (starting) and investment needs estimation

Now further operationalization with P4H support, lead partner GIZ

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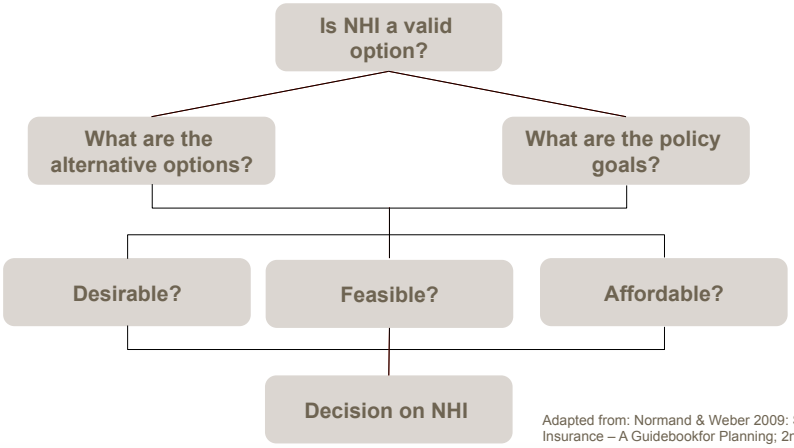
Assessing NHI as a health financing option



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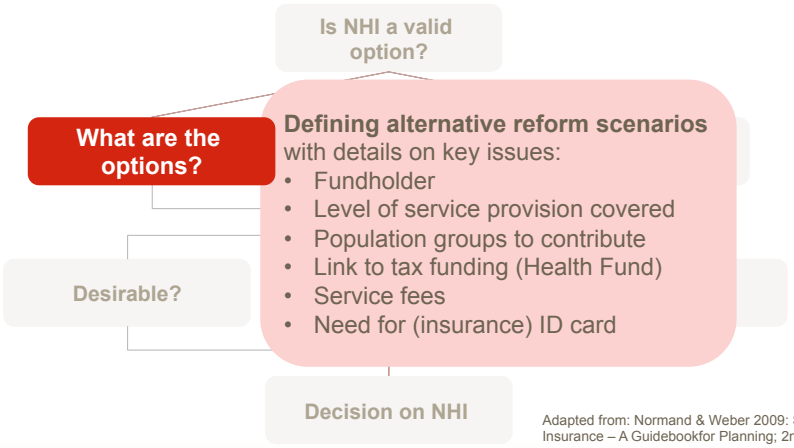

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Overview of pre-selected reform scenarios

Annex 2: Possible base scenarios for health financing reforms (for validation)

#	Name	Reference	Fund-holder	Benefits (personal care)	Direct Contributions[17] Formal	Non-poor	poor	Ultra-poor	Health fund link	Service fees	ID cards
A) Status quo											
1	Status quo MOH		MOH	All levels	None	None	None	None	HF (mainly) into NHI budget	none or bypass fees only	optional
B) Tackle inefficiencies: Purchasing Agency (purchaser-provider split)											
2	National Purchasing Trust	S1 HI ops[18] 2/14	National Trust	All levels	None	None	None	None	HF (mainly) into NHI budget	none (or bypass fees only)	optional
3	Decentralized Purchasing Trusts	Hospital reform paper	Decentral (DHOs) Trusts	All levels	None	None	None	None	HF (mainly) into NHI budget	none (or bypass fees only)	optional
B) Universal National Health Insurance full EHP											
4	NHI Formal sector contributory	New	National	All levels	Mandatory payroll % employer&ee	None	None	None	HF pays premiums for informal pop	none or bypass fees + penalties for employers	desirable
5	NHI non-poor sector contributory	New	National	All levels	Mandatory payroll % employer&ee	Voluntary standard fee	None or reduced fee	None	HF pays premiums for poor pop	User/penalty-fees at all levels	Needed
C) High-cost risk protection insurance											
6	Tertiary care - voluntary HI	S2 HI ops 2/14[19]	National	tertiary only	Cap voluntary payroll % employee or flat fee	Voluntary standard fee	None or reduced fee	None	HF for (partial) fees for poor & PHC/PH (MOH)	User/penalty-fees at tertiary level	Needed
7	Tertiary care - mixed mandate HI	S3 HI ops 2/14	National	tertiary only	Mandatory payroll % employer&ee	Voluntary standard fee	None or reduced fee	None	HF for (partial) fees for poor & PHC/PH (MOH)	User/penalty-fees at tertiary level	Needed

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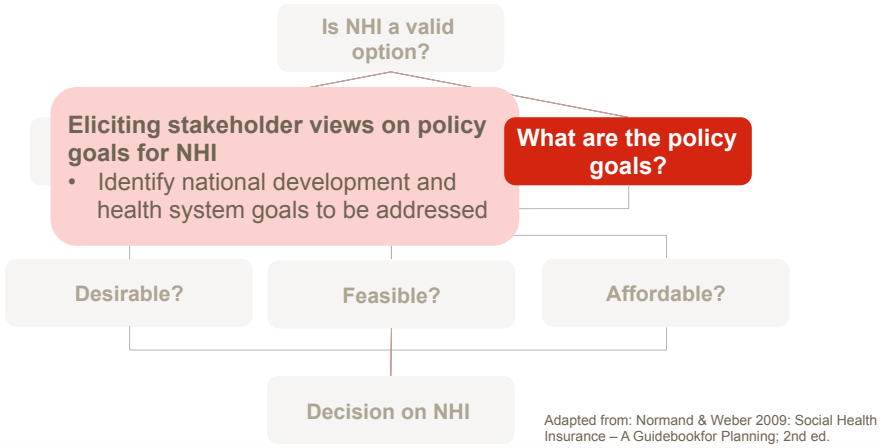

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Policy Goals for NHI and relevance

What are the policy goals?	How can NHI help to achieve them	NHI most useful & successful…	
Raise additional revenue	Collect insurance premiums from members	…when easy to collect substantial premiums	
Strengthen efficiency by active purchasing	Split purchasing from provision	…when linked to service provision reforms	**…when introduced for multiple reasons**
Improve quality of services	Establish a strong accreditation system		
Increase responsiveness and patient choice	Contract private providers (for / not-for profit)		
Strengthen patient rights	Legal guarantee for access to benefit package	…when anchored in the human-right to health	

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Assessing NHI as a health financing option

Is NHI a valid option?

What are the options?

What are the policy goals?

Desirabl

Feasible?

Develop revenue and cost estimates

- Identify target population
- Define coverage roll-out scenarios
- Estimate premiums (WTP & ATP)
- Define structures & workflows
- Cost organizational design
- Compare revenue with costs

Decision o

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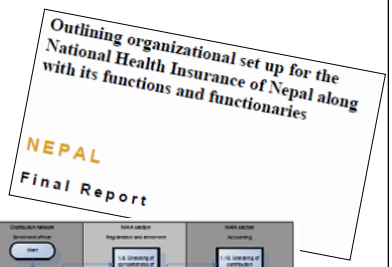
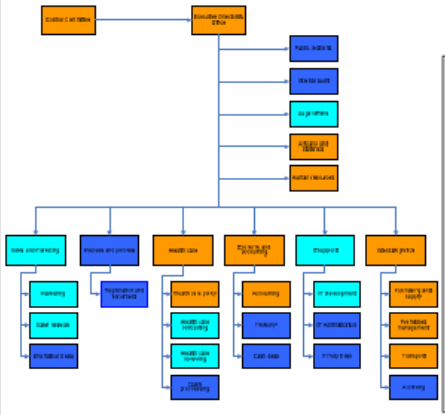
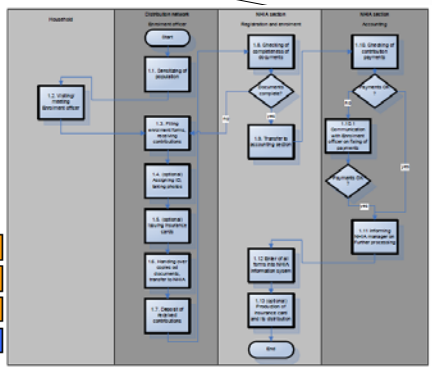
Example: Designing a National Health Insurance for Nepal







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Assessing NHI as a health financing option

Is NHI a valid option?

What are the options?

What are the policy goals?

Estimate capacity development needs

- Assess implementation capacity in Malawi
- Review experiences of comparator countries in building up NHI capacities

Feasible?

Affordable?

…n on NHI

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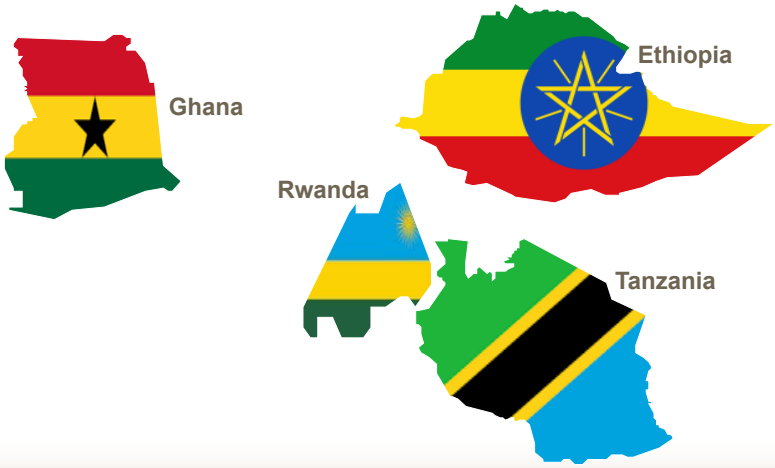
Potential informing countries



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Assessing NHI as a health financing option

Is NHI a valid option?

What are the options?

What are the policy goals?

Asses financial sustainability in operations

- Define benefit package based on Essential Health Package
- Review service unit cost estimates
- Conduct an actuarial assessment

Affordable?

Decision on NHI

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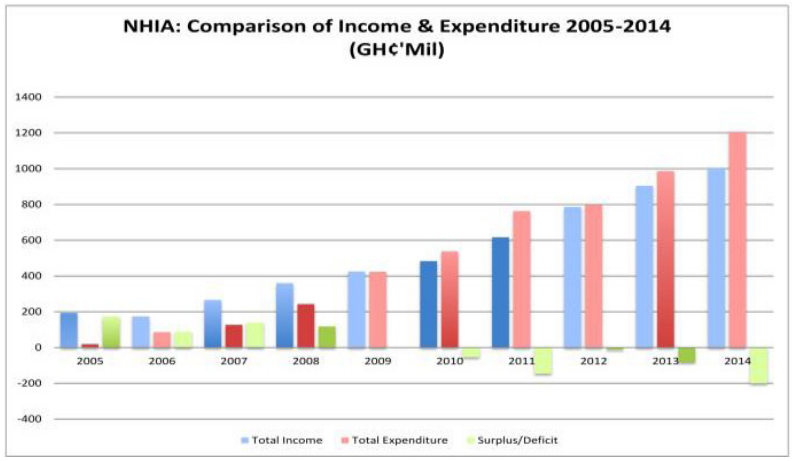
Charting operational sustainability – Example Ghana



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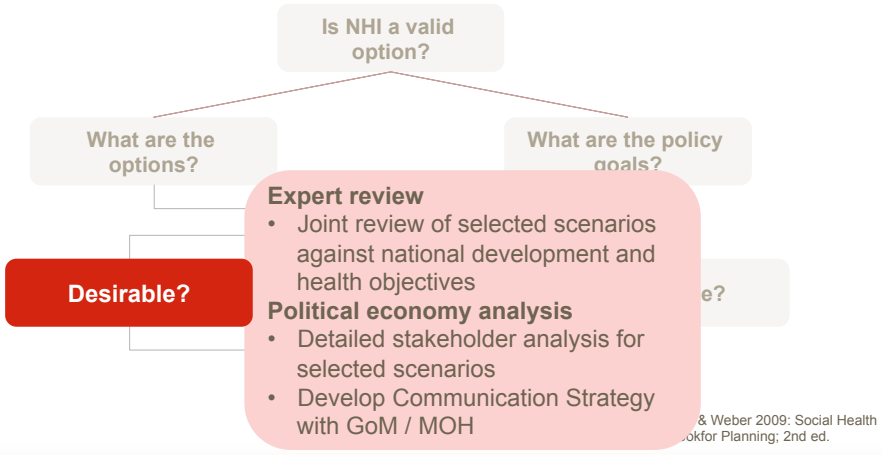

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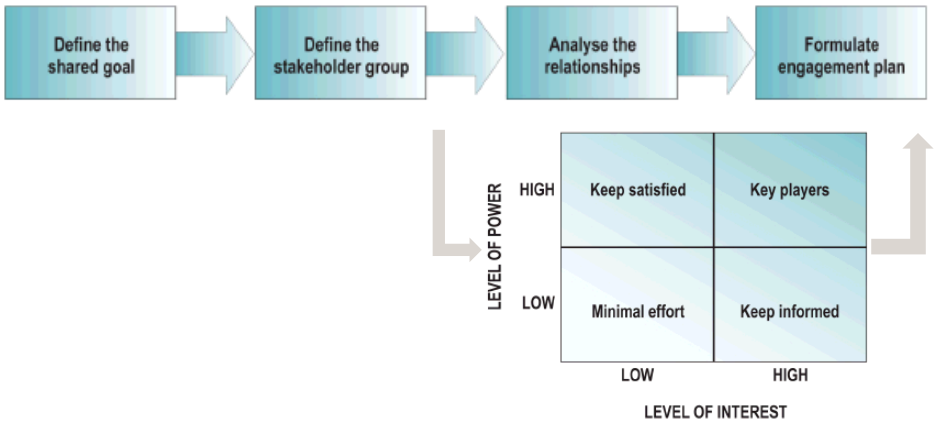
Political Economy Analysis



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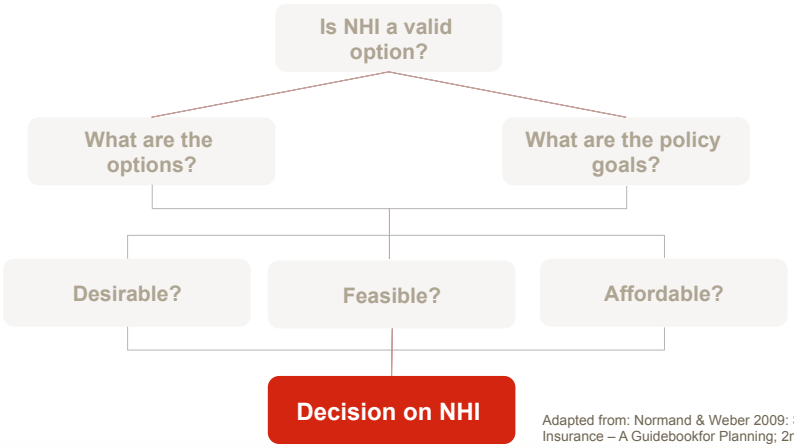

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Overview of the NHI work package

#	Content	Timing
1	Define scenarios for assessment incl. important parameters influencing institutional design and processes (and with this: costs) of reform options.	Done
2	Conduct a financial feasibility analysis of each reform scenario (income-expenditure analysis) *[NB: 2.3 only if 2.1&2.2 indicate financial feasibility]* 1. Potential revenue assessment 2. Health Insurance / purchaser design & cost estimate 3. Use Review of the EHP, define Insurance Benefit Package and conduct Actuarial assessment	Ready to procure Feb-May 16
3	Assess implementation capacities and review experiences of comparator countries in building up the capacities	Feb-Mar 16
4	Health systems, decentralization and national development objective check by expert review	May 16
5	Political feasibility check 1. Stakeholder analysis Collect detailed stakeholder responses to selected scenarios in order to assess political feasibility 2. Develop Communication Strategy based on Stakeholder Analysis	May-Jun 16 Jul 16…

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A partner in
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Questions or Comments?
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