



**REGIONAL COMMITTEE FOR THE
EASTERN MEDITERRANEAN**

October 2015

**Sixty-second Session
Kuwait, Kuwait City, 5-8 October 2015**

TECHNICAL MEETING

SOCIAL HEALTH INSURANCE FOR UNIVERSAL HEALTH COVERAGE

Objectives of the event

The objectives of the session are to:

- orient policy-makers on the most up-to-date thinking in social health insurance as a mechanism to progress towards universal health coverage;
- share information on arrangements in the Region; and
- suggest possible options to enhance the move towards universal health coverage.

Background

Countries of the Region are committed to ensuring that all people have access to needed health services without the risk of financial hardship – the goal of universal health coverage. In resolution EM/RC61/R.1, the Regional Committee reaffirmed its commitment to pursuing universal health coverage based on the values and principles of primary health care and the right to affordable and quality health services, adopting a multisectoral approach; and called on Member States to consider implementing the regional framework for action on advancing universal health coverage, and develop and implement a national road map for universal health coverage based on the regional framework.

Evidence suggests that establishing prepayment and pooling arrangements and limiting reliance on direct out-of-pocket payments are necessary conditions to achieve universal coverage. Countries can choose from among multiple prepayment arrangements that include allocations from general government revenues, obligatory health insurance, voluntary health insurance and medical saving accounts.

Traditionally, social health insurance has referred to obligatory health insurance arrangements financed through wage deductions (from employers and/or employees). The European Observatory on Health Systems and Policies defines it as a legally mandatory system that covers the majority or the entire population through health insurance run by a designated third-party payer, and involves non-risk-related contributions that are kept separate from taxes. More often today, it refers to a variety of ways of raising and pooling money that involve a mix between obligatory insurance contributions and general government revenues.¹ This change has come about in high-income countries as populations have aged and the ratio of workers, who pay contributions, to dependents, who do not, has fallen. Similarly, in low- and middle-income countries – with their large informal sector and vulnerable populations – the concept has evolved into a prepayment arrangement that is not only funded by premium contributions by those in the formal sector but also financed from government allocations to

¹ Siddiqi S, Mataria A, Banzon E. Editorial: Benefits and pitfalls of social health insurance in pursuit of universal health coverage: lessons for the Eastern Mediterranean. East Mediterr Health J. 2014;20(9).

subsidize contributions on behalf of poor and vulnerable populations, including those in the informal sector.

Regional situation by health system groups of countries²

Group 1: These countries have relied mainly on general government revenues to provide a generous package of health services for their citizens but there has been a recent shift in some countries to implement social health insurance arrangements to cover nationals for all or selected services and most are now contemplating coverage for expatriate workers.

Group 2: There is a long tradition of obligatory health insurance contributions in Group 2 countries, with some countries managing to expand coverage to the poor and sections of the informal sector using government subsidies; other countries have a separate subsidized scheme; and in some countries, social health insurance is managed by the Ministry of Health. However, the share of out-of-pocket spending remains very high in this group of countries.

Group 3: Despite social health insurance arrangements in some Group 3 countries the overall level of financing is inadequate, large segments of the population are not covered, and the share of out-of-pocket spending is around 60% of total health expenditure.

Design and implementation of social health insurance

The design features of a social health insurance arrangement within the overall health financing have an impact on progress towards universal health coverage. Design features include: which population is targeted; how resources are collected, managed and used; the number of different arrangements and their level of integration; and whether a split between financing and provision is envisaged. Implementation features include considerations as to whether the benefit package is limited to curative care; leaves out the poorest segments of the population and those in the informal sector; and if fragmented with too many funds becomes inefficient, with high administrative costs, delayed reimbursements and reduced equity due to reduced pool size. High levels of co-payments and low tariffs to attract private providers may perpetuate financial hardship.³

WHO support

WHO is embarking on region-wide activities to support the different implementation functions for social health insurance. Seven Member States – Islamic Republic of Iran, Jordan, Morocco, Pakistan, Palestine, Sudan and Tunisia – conducted assessment of their health financing systems using the OASIS approach and identified institutional and organizational bottlenecks to pursue universal health coverage in their local context. Focus has also been given to building up region-wide capacity in implementation functions; sharing lessons in governance and how countries have covered the informal sector while ensuring the compliance of the formal sector; and scaling up capacities in fund management and actuary work, cost-effectiveness/costing work and health technology assessment, provider payment methods, information technology and contracting. Finally, the regional Social Health Insurance Network for Eastern Mediterranean Region was created to help institutionalize sharing of experiences and support for each other.

Expected outcomes

- Adequate understanding of the role of social health insurance in the overall health financing system and the evolution of its implementation.
- An outline of the support required to enhance the move towards universal health coverage through health financing systems.

² Group 1: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates. Group 2: Egypt, Islamic Republic of Iran, Iraq, Jordan, Lebanon, Libya, Morocco, Palestine, Syrian Arab Republic and Tunisia. Group 3: Afghanistan, Djibouti, Pakistan, Somalia, Sudan and Yemen.

³ Liu X et al. Can rural health insurance improve equity in health care utilization? A comparison between China and Vietnam. *Int J Equity Health*. 2012;11 (10): 1–9.