

Health Insurance Design and Implementation in Developing and Transition Countries



Susna De

Women at a primary health clinic in Rwanda hold up their insurance cards.

Expertise in Health Systems Strengthening

Working on hundreds of assignments in more than 120 countries has made Abt Associates a recognized leader in health financing, health services delivery, private-public partnerships, and health systems strengthening. Health insurance development is a prominent part of that portfolio.

Through effective management of large multi-partner teams and field presence in more than 20 countries, Abt Associates has developed a health systems strengthening portfolio exceeding \$500 million over the past 15 years. Programs are financed through a variety of sources including international development donors, private foundations, and global health alliances.

Health Insurance as a Major Element of Universal Coverage

The majority of poor families in developing and transition countries pay for health care out of pocket. As a result, many of them go into debt or fall further into poverty.

The World Health Organization has called for all health systems to move towards universal coverage, which the WHO defines as “access to adequate health care for all at an affordable price.” A crucial aspect of achieving this goal is to develop strong financial risk pooling mechanisms, particularly in countries where ability to pay limits access to care. Risk pooling mechanisms help ensure that the level of prepayment is increased and that user fees and other out-of-pocket payments are reduced, thereby reducing households’ vulnerability to the cost of health care.

Many high-income countries, as well as some middle-income ones, have achieved near-universal coverage using risk pooling models. Tax-based financing, or social health insurance schemes, as well as public-private partnerships in insurance provision help users pool risk and, as a result, decrease out-of-pocket spending. Although each of these models is currently implemented in some low-income countries, the number of their beneficiaries and their service coverage remain limited.

Abt Associates has supported more than 20 years of innovative health insurance efforts across the developing world, with a focus on the community-based health financing and social health insurance models.

Community-Based Health Financing

Abt Associates offers unmatched expertise in designing and supporting community-based health insurance (CBHI) schemes such as mutual health organizations (MHOs), also called *mutuelles de santé* in Francophone Africa.

Under the USAID-funded Partnerships for Health Reform (PHR), Partners for Health Reform *plus* (PHR*plus*), Action for West Africa Region- Reproductive Health (AWARE-RH), and Health Systems 20/20 projects, Abt Associates has:

- supported national CBHI policy development,
- implemented feasibility studies,
- created innovative scheme designs and pilot programs,
- developed information systems,
- designed provider contract and payment systems,
- identified service quality improvements, and
- designed impact assessment studies.

Abt Associates also provided training to facilitate the expansion of CBHI in several countries.

Abt Associates' contribution to CBHI also comprises building national and international CBHI networks and capacity: In Mali, Abt Associates' collaboration with the health ministry and a local NGO has produced a national MHO strategy and network that has expanded MHO schemes, secured \$5 million in government support – and lowered financial barriers to health care in some of Mali's poorest and most remote communities.

In 1998, Abt Associates helped form La Concertation, a regional network that contributes technical assistance and advocacy to CBHI organizations at the local, national, and regional level.

Over the years, Abt Associates has continued its involvement with La Concertation, which now has a presence in 14 Francophone African countries.

Insurance Expands Access to Care for Families in Burkina Faso

In October 2005, 45 women in Burkina Faso started the MHO MUSADA, with the objective of improving access to health care for their families. Abt Associates and other partners collaborated with a local NGO and implemented a program to empower the women to address obstacles to access.

For the price of US\$2.50 per month, MUSADA covers a family of seven for basic curative care visits, 80 percent of childbirth costs and medical tests, and 70 percent of medicine, hospitalization, and emergency transportation costs. MUSADA started its coverage in March 2006 and in only one year was able to cover 1,229 beneficiaries. Over the course of that year, the number of people visiting qualified medical professionals doubled from 16 people out of every 100 to 32 people out of 100.



Women members of the MUSADA scheme in Burkina Faso.

Tax-Based/Social Health Insurance

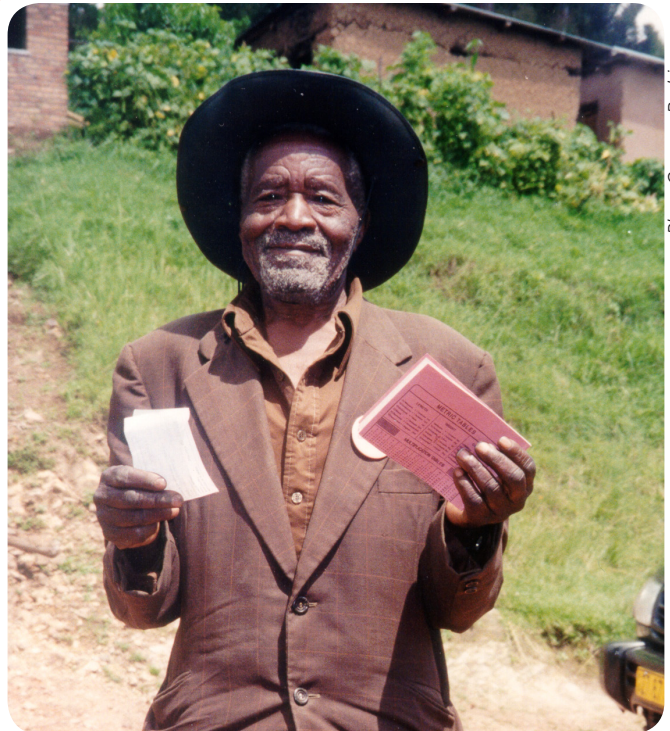
Tax-based or social health insurance schemes represent a promising approach to reach universal coverage. To support the expansion of this model, Abt Associates has provided technical assistance to the governments of Afghanistan, Albania, Bolivia, Egypt, Jordan, Kyrgyzstan, and Peru as they developed or refined tax-based and/or social health insurance schemes to cover formal sector employees. For example, in Peru, the company has provided technical assistance to the Ministry of Health to design the universal insurance model and supported the development of policy options for the country's health financing reform. Abt Associates also assisted Nicaragua in its efforts to expand public health insurance to informal sector workers.

In addition to supporting formal social health insurance, Abt Associates has worked with governments in Kazakhstan and Uzbekistan to improve the use of budget funding in the health sector through social health insurance functions, including pooling and new provider payment systems.

Public-Private Partnerships for Health Insurance

Abt Associates provides technical support to countries where a private insurance company manages publicly funded health programs. This arrangement provides an opportunity for governments to strengthen their capacity to regulate private insurance and to focus such public-private partnerships on providing medical services to particularly vulnerable groups. Projects have included a PHRplus activity in Romania, the USAID bilateral project in Georgia, and the U.K. Department for International Development-funded Partnership for Transforming Health Systems 2 (PATHS2) activity in Nigeria.

Underpinning all Abt Associates' work on health insurance is support for families in need of affordable health care. Since the very beginning of its work in health insurance, Abt Associates has developed locally adapted education and outreach programs, which were critical in conveying the opportunities that health insurance represents for poor families, explaining the concept and the implications of risk pooling, and addressing concerns that families may have about insurance.



Phara Georges Rodrigue

A patient displays his insurance membership card after visiting the Mulindi health center in Byumba, Rwanda.

Abt Associates Project Highlights

The following examples show how Abt-led projects have helped developing countries worldwide design, operate, regulate, and evaluate a variety of health insurance approaches.

- In Rwanda, designed and supported the launch and expansion of pilots of community-based health insurance. Using lessons learned, the Government of Rwanda built in less than 10 years what is now considered as one of the most successful models of inclusive health insurance systems in the developing world.
- In Egypt, helped the Health Insurance Organization become operational under the new health insurance law through improving medical management, streamlining claims and benefit administration, strengthening budgeting and financial forecasting, and building capacity.
- In Georgia, assisted the government in regulating private insurance, and in improving the capacity of nascent private insurers and the Insurance Association to provide a benefits package of health care services for the poor.
- In Kyrgyzstan, provided technical assistance to develop a national health insurance system, including the design of the information and provider payment systems.
- In Nicaragua, extended the Social Security Institute's health insurance program through microfinance institutions to informal sector workers, and evaluated the effects of this extension.

Abt Associates: A Unique Capacity in Health Insurance Development

The international health divisions at Abt Associates draw upon a multidisciplinary group of dedicated professionals who work closely with local partners to undertake technical assistance, research, analysis, and practical training. Abt Associates currently employs more than 30 staff members with decades of experience working in health insurance. The staff offers expertise in health insurance design, implementation, and monitoring and evaluation, as well as insurance-related capacity building.

Abt Associates' work in health insurance is informed by a set of values that all employees are expected to follow. Organized around the "do no harm" principle, these values relate to the importance of harmonizing health insurance work with the insurance landscape of the partner countries, of avoiding insurance schemes that are financially exclusionary or fragment risk pools, and of avoiding designs that lead to corruption, fraud, or excessive bureaucracy.

Selected Health Insurance Tools

Abt Associates has published tools, reports, and other documents in conjunction with its work with developing country health insurance teams. A selected bibliography of tools follows. These documents are available at www.abtassociates.com.

- Approaches to Scaling-up Community-Based Health Financing Schemes. *PHRplus* project.
- Extending Health Insurance to Informal Sector Workers in Nicaragua. Policy Brief. *PSP-One* project.
- Guide to Designing and Managing Community-Based Health Financing Schemes in East and Southern Africa, *PHR* project.
- Health Insurance Handbook: How to Make it Work. Also in French: Manuel sur l'assurance maladie: Comment l'opérationnaliser. Health Systems 20/20 project.
- Innovative Strategies for Mutual Health Organizations. Also in French: Stratégies innovatrices pour le développement des mutuelles de santé. *PHRplus* project.
- Insurance as a Way to Increase the Utilization of Reproductive Health Services. Primer for Policymakers. *PSP-One* project.
- Mutualité, passage à l'échelle et extension de l'assurance maladie. Policy Brief. Health Systems 20/20 project.
- Suggestions pour l'expansion des mutuelles de santé. *PHRplus* project.
- Training of Trainers Manual for MHOs in Ghana. *PHRplus* project.
- 21 Questions on CBHF: An Overview of Community-Based Health Financing. Also in French: 21 questions sur le FCS : Les mutuelles de santé. *PHRplus* project.

For more information about all of Abt Associates international health programs, contact IHResourceCenter@abtassoc.com or visit www.abtassociates.com/internationalhealth

Abt Associates is a mission-driven, global leader in research and program implementation in the fields of health, social and environmental policy, and international development. Known for its rigorous approach to solving complex challenges, Abt Associates was ranked as one of the top 25 global research firms in 2010. The employee-owned company has multiple offices in the U. S. and program offices in nearly 40 countries.

Abt Associates Programs with Health Insurance Component

Health Systems 20/20

www.healthsystems2020.org

Strengthening Health Outcomes through the Private Sector (SHOPS)

www.shopsproject.org

Partnership for Transforming Health Systems 2 (PATHS2)

www.paths2.org