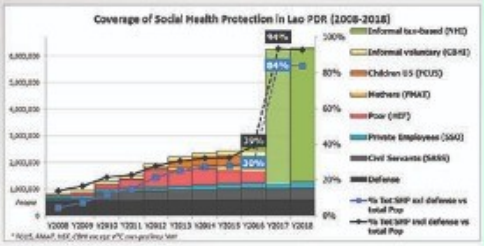
Roles of Social Health Protection in achieving UHC in Lao PDR

Inclusive Social Protection Systems in Asia and the Pacific:
An expert group meeting

April 2019

Social Health Protection Membership Coverage



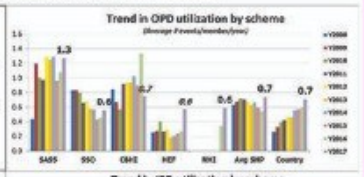
➢SHP membership theoretic coverage has quickly increased with the launching of the National Health Insurance (NHI) scheme from 32% (2015) to 94% (2017/8)

Utilization of Health Services - Overall

		OPD visits	Delivery HF	IPD visits	IPD Caesarean Delivery	IPD Large surgery	IPD Medium surgery
Y2013		2,944,334		402,388	3,553	9,960	9,041
Y2014		3,630,082		432,983	3,737	7,954	9,896
Y2015		3,730,301	55,176	423,443	3,920	9,424	11,204
Y2016		3,839,409	80,570	455,399	4,909	9,649	10,637
Y2017	NHI	4,379,775	88,284	502,408	5,678	10,902	12,241
Y2018	NHI	5,068,301	92,361	507,442	6,483	11,924	12,913
Y2018 vs Y 20		132%	115%	111%	132%	124%	121%

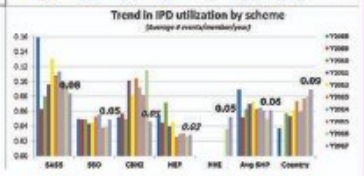
✓**Increase in overall utilization of public health facilities by 11% to 33%** within 2 years since the introduction of the heavily subsidized tax-based NHI for the informal sector

Utilization of Social Health Protection Schemes

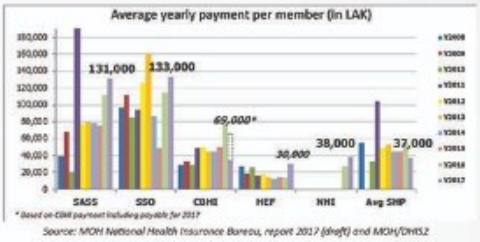


➢ Improved average OPD and IPD utilization rate of SHP schemes since 2008. Substantial inequality in utilization rate between beneficiary group (civil servants vs general informal sector vs poor). Overall low utilization rate and inequality continue to persist after the transition to the NHI.

➢ Around 54% of total deliveries are practiced in public health facilities, many of which (83% of public deliveries) are covered by SHP. From end 2017, the NHI replaced Free MNCH policy and provides free of charge maternal services.



SHP yearly benefit payments per member



Source: MOH National Health Insurance Bureau, report 2017 (draft) and MOH/DHSI2

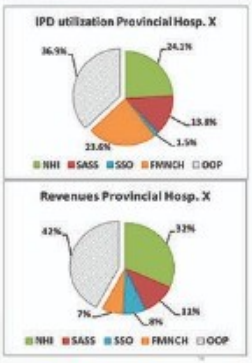
➢Average yearly benefit payment is in general low at 37,000 LAK (~4.4 US$);

➢Nearly 3 times lower for the NHI (informal sector) compared to formal sector (<5$/Y/Mem.)

Payment in health facilities

➢ **Decreased Patient Out-Of-Pocket (OOP) in Public Health Facilities:**
- ✓ Low co-payment for non-poor informal sector;
- ✓ Free care for poor/children and mothers;
- ✓ No co-payment for insured formal sector;
- ✓ No more payment based on bills; progressive decrease in technical revenues.

➢However, despite the expansion of NHI, OOP still constitutes the largest proportion of utilization and revenues of health facility.



Source: MOH National Health Insurance Bureau, report 2017 and MOH/DHSI2

Social Health Protection Challenges

- **Availability and Equity in service provision of package of services**
  - Ensuring adequate financial access of the most vulnerable is still challenging
- **Quality of services**
  - Low public health service quality questions the value for money invested through the NHI
  - Current payment rates are aimed at partial recovery of health facility cost (mainly drugs and supplies), thus lack incentives to drive quality improvement
- **Funding sustainability**
  - Limited political and financial commitment (despite Health Insurance Law)
  - Substantial delays in benefits transfer to public health facilities
- **Management capacity**
  - Ongoing capacity building to systematically review monitor, verify and control medical claims
  - Lack of Interoperable health information management system
  - Limited monitoring and evaluation framework

Health Reform Plans (Social health Protection)

2019 Costing of Health Insurance Benefit Package + Health Facilities + Essential Health Service Package

2019 Merge the management of the Health Insurance scheme for formal sector (NSSF - MOLSW) with the SHP scheme for informal sector (NHI - MOH)

2020 New NHI provider payment mechanisms and rates + clearer agreement on fund channel through budgets and through insurance

2020? Medium Term financial commitment to ensure proper NHI funding
- Ad-hoc strategic/technical meetings with stakeholders (Ministry of Finance, Planning and Investment) to advocate for more investments in the health sector

2020- Progressive managerial independence of the NHIB
- Towards semi-autonomous agency with off-budget

National Health Insurance Roles in Improving Quality

1. **Funds adequate NHI Benefit Package to promote the Essential Health Service Package** (~50-60% of ESP services are covered under the NHI)
2. **Strategic purchasing of health services** providing right incentives to providers (regular costing exercise to design or refine provider payment rates)
3. **Performance financing based on quality** (especially targeting health centers to strengthen Primary Health Care)
4. **Autonomization of hospitals** (decentralizing health workforce management and financing aimed at quality improvements)
5. **Strengthening Medical Claims Review** (monthly claim approvals, quarterly facility supervision, analysis from database, 6-monthly internal audits, routine beneficiary interviews and surveys, overall MOH Quality Assurance monitoring systems: 5 goods, 1 satisfaction, rational prescriptions and use of drugs).
6. Promote/Incentivize **Hospital accreditation**
7. Establishment of credible **accountability mechanism** (feedback mechanism)