

The role of a national health insurance institution in ensuring quality of services Laos PDR Systematization Report, SOCIEX+

IDENTIFICATION	
Name of the project or initiative	The role of a national health insurance institution in ensuring quality of services
Area or theme	Integration of social health protection schemes
Correspondence with Programs, Strategies or National Plans	<p>Lao PDR's revised <i>constitution</i> of 2015 states that "the State intends to improve and expand public health services to take care of the people's health" with a special focus on women and children, poor people, and people in remote areas.</p> <p>Already in 2014, the Ministry of Health (MoH) launched an ambitious <i>sector reform</i> including five priority areas: 1) human resource development, 2) health financing, 3) organization, management and working procedures, 4) health services, 5) information, monitoring and evaluation. Health financing objectives include reducing out-of-pocket payments to 35% of total health expenditure and increasing social health protection coverage to 80% in 2020.</p> <p>The goals of the Government of Laos regarding Universal Health Coverage are as follows:</p> <ul style="list-style-type: none"> • Achieve Universal Health Coverage for all by 2025 ensuring that all people can access the health services they need to become and stay healthy without suffering financial hardship. • 80% of population covered by social health protection schemes by 2020 • Reduction of Out-of-Pocket expenditure to 30% by 2025 <p>Integration and expansion of social health schemes was one of the measures taken by the MoH to attend these objectives. Based on <i>Prime Minister Decree 470</i>, the integration of social health protection schemes continued over the last years. Schemes covering the formal sector were integrated under the umbrella of the National Social Security Fund in form of a contributory system without any co-payment at point of use. The management of the schemes covering the informal sector has been consolidated under National Health Insurance Bureau. Health Equity Funds, as well as community-based health insurance for the informal sector, free maternal and child health services have been integrated into the National Health Insurance (NHI) scheme. The rollout of the NHI scheme has resulted in a rapid increase in coverage in 2016, which nevertheless remains low at the country-level. NHI for the informal sector is mainly a tax-based system whereby the NHI pays services to health facilities with low lumpsum co-payment</p>

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	<p>paid by the patient when using health service, except the poor, children under 5 and mothers.</p> <p>The overall vision for the NHI has been defined in the <i>National Health Insurance Strategy 2017 – 2020</i>. It identifies six specific objectives: 1) strengthen the necessary legal and governance frameworks for the operations of NHI & NHIB; 2) ensure sustainable funding of the NHI policy; 3) build and sustain NHIB capacity at all levels (national, provincial, and district); 4) ensure effective expansion, operation and management of the integrated NHI scheme nationwide; 5) ensure quality of services provided to members and responsiveness of health facilities; 6) raise awareness about NHI.</p> <p>The roles of NHIB are the following: 1) Stewardship: Design and integration of schemes; Elaboration of guidelines and tools; Collaboration with other stakeholders; 2) Revenue collection and pooling: Pooling and transfers of contributions from Government and donors; Pooling of premiums at provincial level; 3) Financial management: Fund/account management; Accounting; Transfers to P/DHIBs; 4) Social service delivery: Reception in facility; Payment of food; Hotline/communication; Promotion/feedback; 5) Administration: Supervision/monitoring; Databases/Statistics; Monitoring; 6) Purchasing: Contracting; Adjustment payment mechanism/rate; Payment; 7) Technical support: Training and coaching (technical and operational); Coaching in facilities; 8) Verification: Routine surveys system; Quality assurance mechanisms; Internal and external audit; 9) Monitoring and evaluation: Assessment and evaluation; Analysis for adjustment of policies.</p>
Financing	
Starting date	1 October 2018
Duration	

CARÁCTERIZACIÓN

<p>FOR WHAT? What challenge or challenges does this initiative respond to?</p>	<p>Challenge 1 <i>Management of the social health schemes</i> in Lao PDR is ensured by NHIB, a department under MoH for schemes covering the informal sector, and by the National Social Security Fund under the Ministry of Labour and Social Welfare. Discussions on handing over the management of the formal sector health insurance scheme to NHIB are ongoing. NHIB also faces challenges, such as ongoing capacity building to systematically review monitor, verify and control medical claims; lack of Interoperable health information management system; limited monitoring and evaluation framework.</p>
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	<p>Challenge 2</p> <p><i>The organization and operation of the NHIB at central level is set in the Decree 1666/MoH. NHIB has branches at provincial and district level which are closely involved in planning, fund transfers, verification and monitoring.</i></p> <p>Challenge 3</p> <p><i>The Law on National Health Insurance adjust the mandate, operational guidelines and internal procedures of NHIB to reflect the management of the integrated scheme; developing complains and information mechanisms; continuation of adjusting provider payment mechanisms and rates; rollout of an electronic information database; and continuation of capacity strengthening at all levels. However, despite the legal regulations political and financial commitment seems to be limited, in addition to substantial delays in payments to public health facilities.</i></p> <p>Challenge 4</p> <p><i>NHI benefit package should be transparent, understood and supported by key stakeholders. The above mentioned institutional, technical and administrative conditions and provisions define the merge of benefit packages of different schemes to ensure adequate and equal access of the most vulnerable people.</i></p> <p>Challenge 5</p> <p><i>NHIB should define its role and develop its capacities to ensure improvement of quality of services provided to its members. Quality of services should be assured by answering to the following challenges: 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.</i></p>
<p>FOR WHOM? Who benefits from its implementation?</p>	<p>National Health Insurance Bureau Members of the National Health Insurance Scheme</p>
<p>WHY? What are the results obtained?</p>	<p>Result 1</p> <p><i>Increased understanding among relevant stakeholders and NHIB staff on the need for having a clearly defined benefit package, on the functions of a health insurance management agencies, and on their role in ensuring quality of services.</i></p> <p>Result 2</p> <p><i>Guidelines for adjusting and developing a benefit package are proposed to the National Health Insurance Management Committee.</i></p> <p>Result 3</p> <p><i>Roadmap providing guidance and/or options for addressing institutional, administrative and technical aspects of the handing over of the management of the formal sector schemes to NHIB in line with</i></p>

	the agreements between the Ministry of Labour and Social Welfare/National Social Security Fund and MoH/NHIB
SPECIFIC KNOWLEDGE Specific knowledge contained in the initiative that contributes to obtaining the results.	<p>The technical assistance provided to MoH/NHIB shall unfold in <i>three distinct activities</i>, which focus on the role of health insurance agencies, the definition of a health benefit package, and a new architecture of NHI in view of the hand-over of the management of the formal sector schemes to NHIB.</p> <p>In addition, NHIB should ensure the following roles by benefiting from the initiative: 1) Efficient funding of NHI benefit package; 2) Strategic purchasing of health services while providing incentives to providers; 3) Performance based financing according to quality of services; 4) Strengthening capacities in claims review; 5) Promotion of health care accreditation; 6) Establishment of credible accountability mechanism.</p>
RECOGNITION	There is consensus among the actors and experts about the relevance and potential of impact.
RESULTS VERIFIABLE There is support documentation to verify the results obtained.	Please refer to the deliverables of the action.
OBSTACLES What are the obstacles encountered during the implementation of the initiative?	No specific constraint during the expert mission was experienced, as NHIB was very much collaborative and proactive. The participation to the meetings and workshop was very well organised. Meetings and visits were arranged and took place in accordance with the plans and requests. Collaboration with international donor agencies, such as the EUD, LuxDev and Swiss Red Cross resulted in provision of useful background information and thorough discussions. The only obstacle encountered during the implementation of the initiative occasionally was the language barrier due to poor English language skills of stakeholders. Latter has been overcome by volunteer interpretation by NHIB staff during meetings.
HOW? What have been the main phases or steps of the	<p>Activity 1</p> <p>Overview on National Health Insurance: benefits design, systems management and quality. The corresponding deliverables were as follows: 1) A compendium of international and EU cases and best</p>

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**implementation of
the initiative?**

practices regarding the definition of a health insurance benefit package, functions of a health insurance management agencies, and ensuring quality of health services; 2) A 3-day information session for NHIB/MoH staff on the definition of a health insurance benefit package, functions of a health insurance management agencies, and ensuring quality of services.

Activity 2

Guiding the definition and adjustment of a health insurance benefit package. The corresponding deliverable is a technical report assessing the current benefit package and formulating guidelines for adjusting and developing a benefit package.

Activity 3

Managing perspective change in NHI schemes' ownership. The activity will produce a roadmap providing guidance and options for addressing institutional, administrative and technical aspects of the handing over of the management of the formal sector schemes to NHIB in line with the agreements between Ministry of Labour and Social Welfare/ National Social Security Fund and Ministry of Health/NHIB.

INNOVATION
The initiative has
implemented in an
innovative way
some or all of the
aspects that
compose it.

International and EU cases and best practices were presented with regards to three issues that emerge from the request of MoH/NHIB, namely: design of benefits package, management of the health systems, and quality in the delivery of health services. The technical assistance helped to start-up and accompany the first steps of a structured reflection within MoH/NHIB in view to review and address some of the challenges identified in the NHI Strategy 2017–2020. These challenges are related to the following domains:

- Operability. Core benefit package to be defined; Discrepancies in payment rates; Lack of harmonization in information systems; Need for M&E to generate evidence.
- Services availability and readiness. Limited readiness to provide basic services and lack of health workers and facilities; Unequal distribution of facilities with urban/rural discrepancies.
- Legal and governance structure. Lack of legal framework for UHC in Lao PDR; NHIB status and its autonomy; Limited accountability mechanisms.
- Financial sustainability. No NHI fund autonomy; Limited budget for capacity and operational costs (planning, supervision etc.); Need for long-term investments.
- Capacity. Limited capacity at all NHIB levels (central, provincial, districts) in the following areas: Advocacy and leverage of funds; Technical operations (contracting, costing, provider payment mechanism, M&E etc.); Implementation (management, IT system, claims management, reporting and monitoring).
- Social mobilization. Need for better public understanding and awareness of NHI – including eligibility, services available, rights,

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obligations etc.; Need for feedback mechanism and reception in facilities; Need to enhance trust and to promote use of services.