Social Health Insurance/Social Health Protection and the Move Towards Universal Coverage

Reform and Development of the Health Care System in Kurdistan Region - Iraq

2–4 February 2011

World Health Organization

Regional Office for the Eastern Mediterranean

Outline

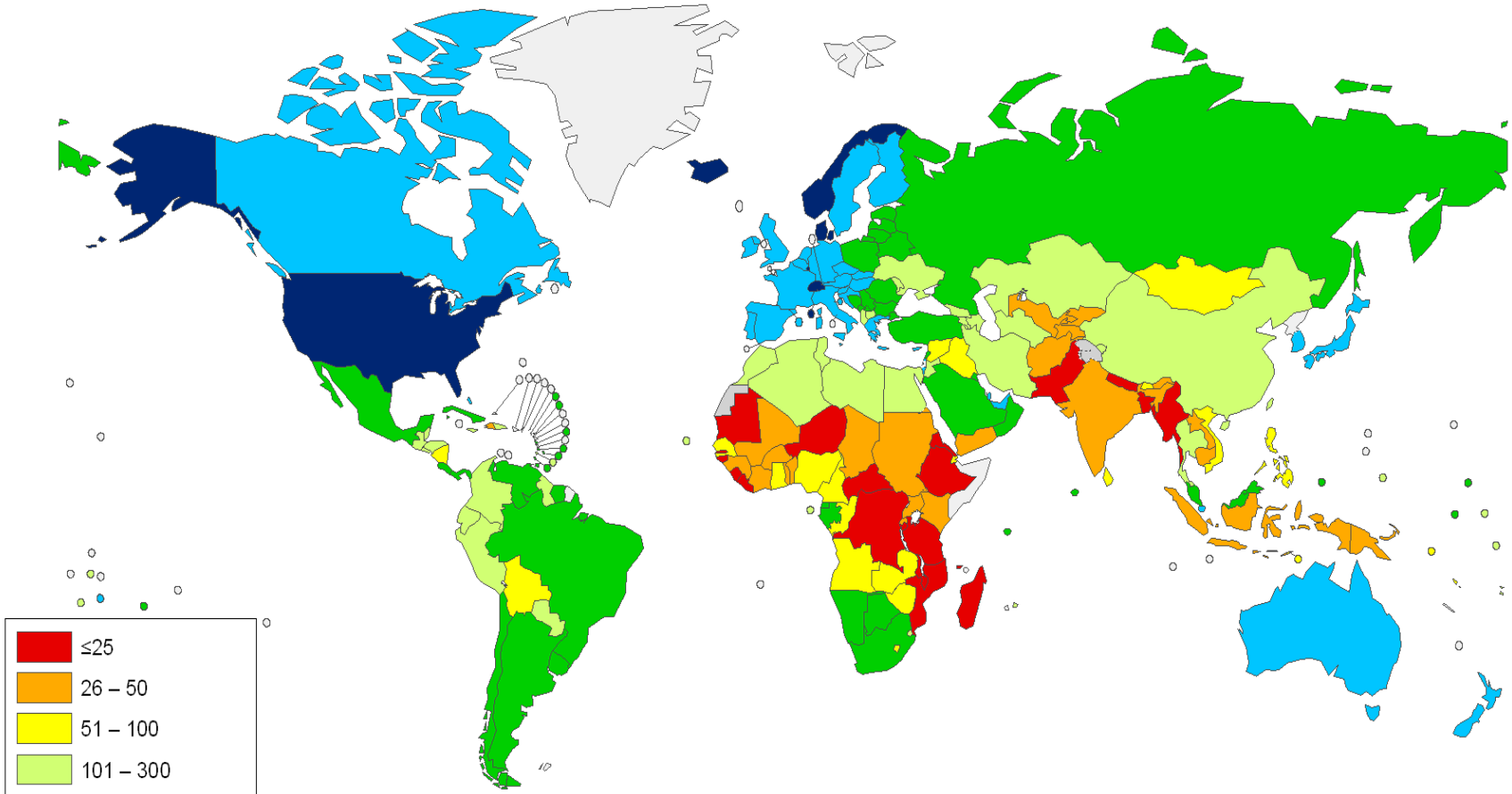
- Introduction & background
- Status of social health protection in the EMR
- Path to universal coverage & way forward
- Conclusions

Background

- Importance of health care industry
- Inequitable distribution of health care spending:

  - 5.3 trillion US & spent on health care
  - 80 % spent on 13 % of population(rich :12 % of global burden of diseases)
  - 20 % spent on 87 % of population (middle & low income countries : 80 % of global burden of diseases)

Total expenditure on health per capita, 2007 *
(in US$)



* Based on data updated in March 2010.

Data Source: National Health Accounts series, World Health Organization
Map Production: Public Health Information and Geographic Information Systems (GIS) World Health Organization

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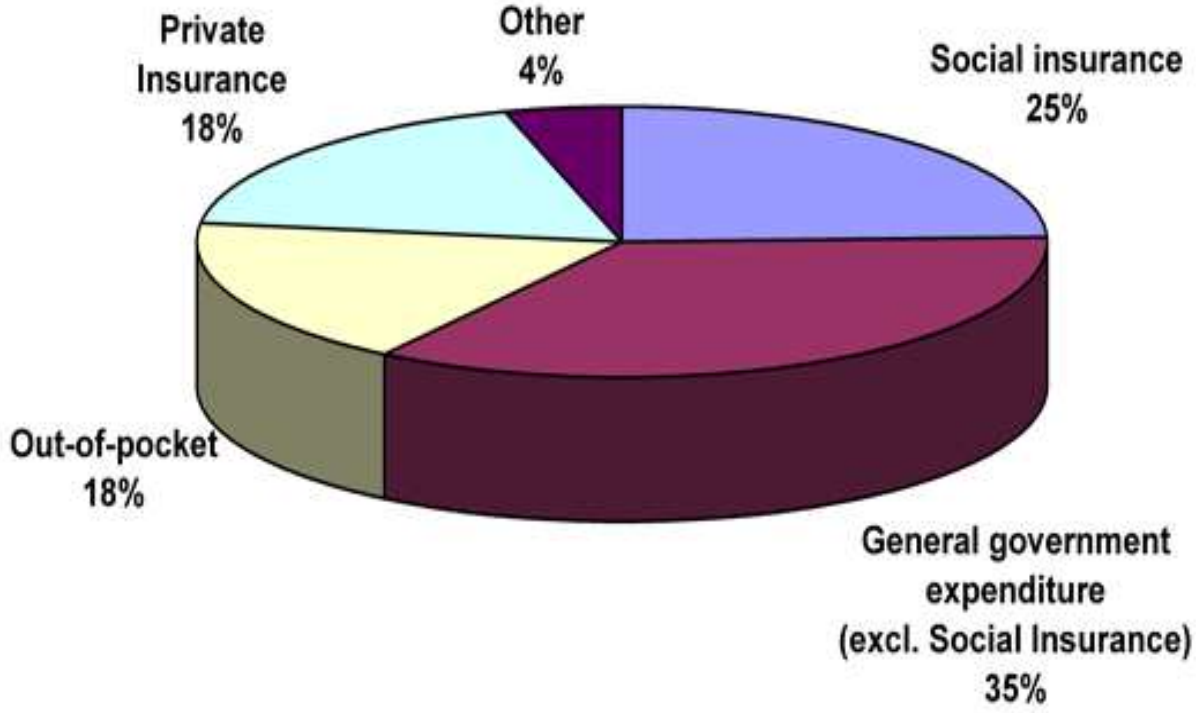
Composition of World health expenditures (World spent US$5.3 trillion on health in 2007)



Introduction & background

- In middle income countries 50 % of resources are from out of pocket (by households)
- Health is considered as human right
- Health is special : market forces fail to operate → government role to protect equity
- Government is responsible to secure social health protection (article 31 of Iraqi cnstitution)

Situation of social health protection in the EMR

- Low income countries of EMR (50 % population)spend **50-80 % OOPS**)
- In the EMR only **50 %** of population are **socially protected** (government & social health insurance)
- In the EMR **2-4 %** face **catastrophic** expenditures and **1-2 %** are pushed into **poverty** every year

Situation of social health protection in the EMR

- Inequalities in HC spending
- **High income countries** : universal coverage through government
- **Middle income countries** : 50 % of social health protection (mix system)
- **Low income countries**: 15 % of SHP
- **Case of Iraq** :

  - universal coverage through MOH

  - 80 % of expenditures are public

Introduction & background

- Health system goals are to :

  - to improve health & reduce health inequalities
  - to be responsive to population non health needs

  - **to secure equity in health care financing and to improve social health protection**

Introduction & background

- How social health protection is provided ?

  - **prepayment system** (no **financial barriers** when health care is needed)
  - funding through :
    taxation & government revenues
    contributive mechanisms (social, private & community based health insurance)
    mix of 2 mechanisms

Health policies should target reducing out-of-pocket expenditure

Out-of-pocket health expenditure

Risk of financial catastrophe

- Push some households into poverty
- Reduce expenditures on other basic needs
- May cause households to forgo seeking health care and suffer illness

Path to universal coverage

- Global commitment to move to universal coverage
- WHO resolutions and international consortium to improve social health protection
- Importance of political commitment
- Improving social health protection is high on the political agenda in the EMR

Some examples

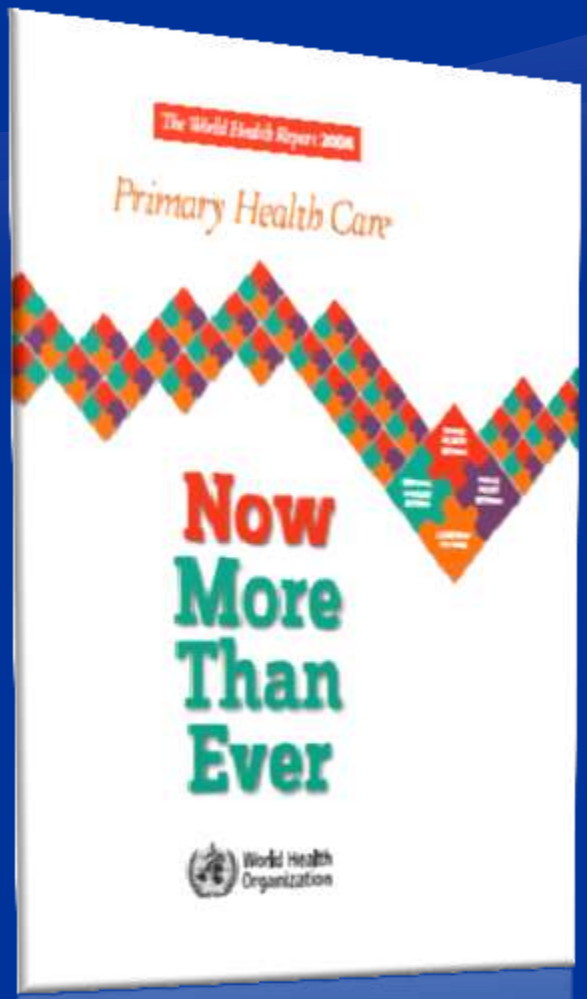
- Republic of Korea: strong leadership & move to universal coverage in less than 20 years
- Thailand shortened the move to universal coverage
- However low income countries still face important challenges :

  many of LIC are not able to finance universal coverage

  in 2003, 48 of 59 LIC spent less than US$ 30 per capita on health: 12 of them spent less than US$ 10 per capita

  very basic set of services would cost more than US$ 34 per capita

Renewal of primary health care calls for universal coverage reform



Universal coverage
equity and social justice

Factors to consider

- *First*: Economic conditions.
- *Second*: Policy norms and values.
- *Third*: Extent of private sector.
- *Fourth*: Degree of national solidarity.
- *Fifth*: Political context, pressure groups and lobbies, at country level.

Transition towards universal coverage

Public spending

Private spending

Limited Government funded programmes	1. Limited social health insurance for civil servants 2. Public Programmes for vulnerable groups	Majority of population Covered through: Government revenue funded programme and/or Social health insurance
Direct payment at the point of services	1. Direct payment at the point of service 2. Limited private health insurance	Private health insurance Provides supplementary coverage

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Conclusion

- Social health protection is an important goal of any health system
- Political commitment is important to improve social health protection
- No specific prescription (approach to achieve universal coverage is country specific)
- What matters is having access without financial barriers and through pre payment modalities

Thank you