

Supporting role of private health insurance in the implementation of universal health coverage - *public payer's perspective* -

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Mohsen George - ISPOR Barcelona - 13 November 2018

Health System

HHealth System consists of all organizations, institutions, resources, activities and people whose primary purpose is to promote, restore, maintain &/or improve health

Health system needs staff, funds, information, supplies, transport & communication, and overall guidance & direction.



Source: WHO

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Health system objectives

Response to public needs

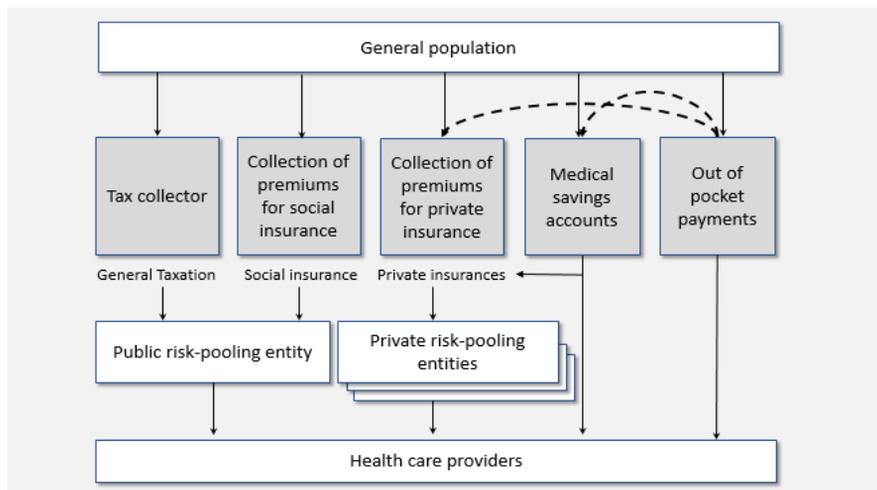
- Health gain
- Equity in health
- Equity in finance
- Responsiveness

Response to limited resources

- Sustainability of health care financing
- Efficiency of health care delivery
- Financial protection of households

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Health Care Financing Mechanisms



Adapted from Sekhri, 2005

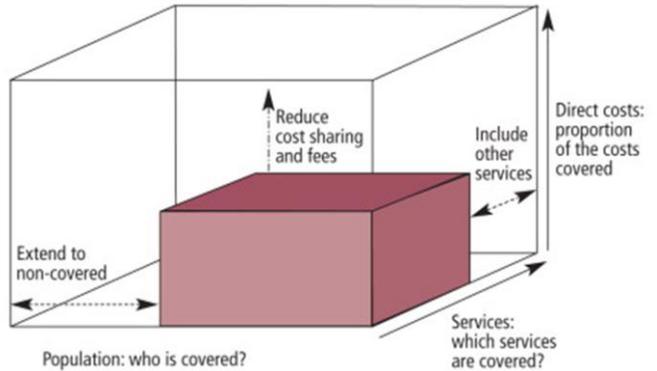
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Universal Health Coverage

Provide all people with access to needed health services (including prevention, promotion, treatment, rehabilitation, and palliation) of sufficient quality to be effective;

Ensure that the use of these services does not expose the user to financial hardship“

World Health Report 2010



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Why UHC? “International Key Facts”

- All UN member states need to achieve UHC by 2030 as part of SDGs
- At least 400 million people lack access to one or more essential health services.
- Every year 100 million people are pushed into poverty, and 150 million people suffer financial catastrophe because of OOP expenditure on health services
- World OOPs in year 2014 was 45.5% (World Bank)

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Why UHC? “LMIC Key Facts”

- As UN member state states LMIC have to achieve UHC by 2030 as part of SDGs
- Political Commitment for UHC (constitution – white paper ...)
- **More population below poverty line** (e.g. Egypt: 27.8% - Congo D.R. - Afghanistan: 54.5% - Yemen: 54% - Bolivia: 38.6% ...) source: The World Factbook of CIA
- **High OOPs: 57.31%** - HIC: 13.54% (source: world bank 2015)

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Potential role of SHI in different benefit packages

Packages	Public health insurance
Minimum package	<ul style="list-style-type: none">• Population: all citizens• Restriction: no copayment and waiting list
Essential package I.	<ul style="list-style-type: none">• Population: all patients with insurance• Restrictions: copayment, waiting list, first-line, low quality, no choice
Essential package II.	<ul style="list-style-type: none">• Population: all patients with insurance• Restrictions: coverage only for subgroup, copayment, waiting list, second-line
Equity package	<ul style="list-style-type: none">• Population: selected patients with insurance• Restrictions: strict diagnostic criteria, monitoring
Non-reimbursed services	<ul style="list-style-type: none">• Outside Benefits & Entitlements

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Main Features of SHI for UHC Approach

- **Compulsory enrolment**
- **Large scope of enrollees**
- **Defragmented fund pool**
- **Government Subsidization of the poor**
- **Cross subsidization within the fund pool** (from rich to poor, ... etc)
- **Comprehensive Benefits Package**
- **Innovating sources of financing** (e.g. earmarked taxes)

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Challenges facing SHI & UHC Approach

- Low investment in health
- Unrealistic low premiums
- Low collection rate
- Growing & more diversified consumer demand
- Increased wealthy of some groups
- Defective MIS
- Bureaucratic administration
- Continuous development of healthcare technology
- Inefficiencies
- Quality (clinical vs service)
- Moral hazards
- Access barriers
- Patients' dis-satisfaction
- Provider payment system (from supply to demand)
- Passive vs Strategic Purchasing

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PHI can play an important role to help SHI to overcome many of the challenges to attain UHC



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Thank you

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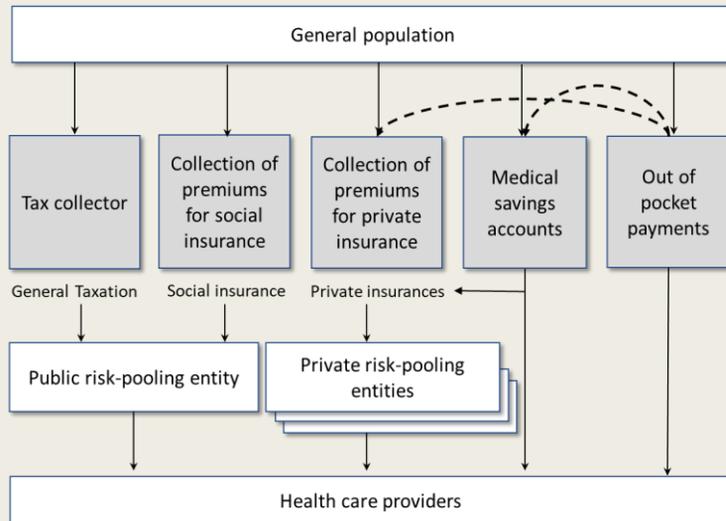
PRIVATE HEALTH INSURANCE'S ROLE IN IMPLEMENTING UNIVERSAL HEALTH COVERAGE



Dr. Ehab Abul-Magd

Chairman of the "Egyptian HealthCare Management Society"
President of the "Afro-Asian Congress of Medical Insurance & Managed Care"

Type of financing mechanisms



Private health insurance in UHC systems

- ❖ Many Low and Middle Income Countries (LMICs) move toward the extension of Universal Health Coverage (UHC).
- ❖ Due to the lack of resources it is difficult to sufficiently finance a comprehensive health care coverage.
- ❖ The role of private health insurance has to be adjusted to the benefit package in the public health care system
- ❖ Private health insurance (PHI) can have a new role, in the form of providing complementary (CompHI) and supplementary health insurance (SuppHI) in addition to the public health insurance scheme.



Different Roles that PHI can play under umbrella of UHC

- ❖ Private health insurance can support the implementation of universal health coverage through covering the areas in which the BBP of the public insurance is not fully functioning.
- ❖ **If the UHC does not cover 100% of the population**, the PHI can extend the number of insured by offering primary private health insurance.
- ❖ **To extend the number and quality of services covered** by the public health insurance, private health insurance can offer supplementary and complementary services.
- ❖ **To reduce cost sharing** (the co-payment paid to receive a service), private health insurance can cover the co-payments for patients. This is called complementary (user charges)

Potential role of private health insurance (PHI) in different benefit packages



Packages	Public health insurance	Private health insurance
Minimum package	<ul style="list-style-type: none"> • Population: all citizens • Restriction: no copayment and waiting list 	
Essential package I.	<ul style="list-style-type: none"> • Population: all patients with insurance • Restrictions: copayment, waiting list, second-line, low quality, no choice 	<ul style="list-style-type: none"> • Supplementary: Immediate access, better quality • Complementary (user charges): copayment • Complementary (services): Choice
Essential package II.	<ul style="list-style-type: none"> • Population: all patients with insurance • Restrictions: coverage only for subgroup, copayment, waiting list, second-line 	
Equity package	<ul style="list-style-type: none"> • Population: selected patients with insurance • Restrictions: strict diagnostic criteria, monitoring 	
Non-reimbursed services		<ul style="list-style-type: none"> • Complementary (services): coverage for patients with no access

Source: Zoltan Kalo



Currant situation in Egypt

Additional definitions for primary Private Health Insurance

- Duplicate PHI: PHI that offers coverage for health **services already included under government health insurance**, while also offering access to different providers (e.g. private hospitals) or levels of service (e.g. faster access to care). It does not exempt individuals from contributing to government health coverage programs.
- Substitutive PHI: An alternative to statutory insurance and is available to sections of the **population who may be excluded from public cover or who are free to opt out of the public system**

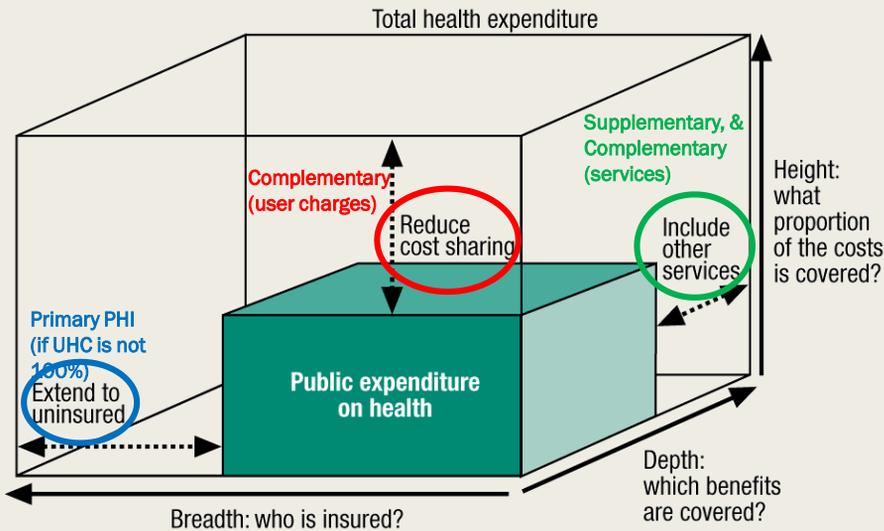


Coming new insurance products

WHO definitions:

- Supplementary services: Offers faster access to service, greater choice of health care provider or enhanced amenities
- Complementary services: covers services excluded from the publicly financed benefit package
- Complementary user charges: covers user charges for goods or services in the publicly financed benefits package

Potential Role of Private Health Insurance schemes



Source: Syreon Research Institute / adapted from WHO

Perspectives of SupPHI and CompPHI in Egypt



Supplementary and complementary private health insurance can play a significant role in the Egyptian healthcare system based on:

1. *Large proportion of out of pocket payments*
2. *Small proportion of private health insurance expenditures*
3. *Incomprehensive basic benefit package (even if UHC is implemented)*

Questions before the design of CompHI & SuppHI packages



CompHI and SuppHI design

- What type of services should be offered?
 - *all in-kind benefits*
 - *co-payment (CompHI)*
 - *higher quality care (SuppHI)*
 - *better access (SuppHI)*
- What type of methods should be used?
 - *to incentivise*
 - *to finance , e.g. collect premiums, MSAs*
 - *to contract*
 - *to prevent adverse selection*
- What is the level of control the government want to gain?
 - *Free market competition*
 - *Managed competition*
 - *Strict government control*

How to implement the new healthcare system?



- *Alignment of private health insurance with the development of universal health coverage (UHC)*
- *Objectives of PHI development should be determined by the government*
 1. *Political: satisfaction of different subgroups of Egyptian citizens (and expatriates)*
 2. *Direct financial: provide promising business model for private health insurance companies*
 3. *Indirect financial: reduce the financial pressure on the implementation of UHC*
- *Strategic team of multidisciplinary stakeholders should develop mid-term and long-term policy framework to adjust the role of private health insurance to UHC*
- *Special pilot areas (e.g. disease area, special technologies or services, geographical region) may be selected to facilitate alignment on the short run*



THANK YOU



How to advance implementation of UHC programs through multisectoral partnerships:

Roche collaborative efforts in the development of funding solutions

Fernando Arnaiz - Global Access





Our strategy

We focus on finding new medicines and diagnostics that help patients live longer, better lives and evolve the practice of medicine

We are guided by our purpose

Doing now what patients need next.

What we do:

Our focus is on fitting treatments to patients: providing the right therapy for the responding group of people at the right time.



Six major trends are providing new opportunities & challenges to the improvement of patient access and outcomes

	1 Global move toward Universal Health Coverage	2 Global commitment to Non Communicable Diseases (NCDs)	3 Private funding as a key access enabler
4 Public Healthcare Systems under pressure	<ul style="list-style-type: none"> National budgets under pressure Innovation / personalised care at risk 	<ul style="list-style-type: none"> Now part of the sustainable development goals (SDG 3.8), more countries are pledging to achieve Universal Health Coverage (UHC) 	<ul style="list-style-type: none"> Private funding is playing an integral role in increasing patient access to personalized healthcare, including medicines and comprehensive diagnostics
5 Increasing number of tx & dx options available	<ul style="list-style-type: none"> If healthcare budgets don't increase, competition for existing resources will 	<ul style="list-style-type: none"> Health system reforms provide an opportunity for increased access to cancer treatment and diagnostics 	<ul style="list-style-type: none"> Strong movement towards partnerships & collaboration across the entire private healthcare sector
6 Advent of PHC creates uncertainty	<ul style="list-style-type: none"> Uncertainty about the health and economic impact of PHC leads to risk aversion 	<ul style="list-style-type: none"> Efforts towards UHC have raised interest for PPP and improved integration & recognition of private financing 	<ul style="list-style-type: none"> The entrance of new players is disrupting the healthcare delivery and funding market

How we tackle the challenges

Four key factors need to be in place to successfully improve access to effective, quality healthcare



Awareness
of disease and symptoms is essential for screening and early detection.



Diagnosis
of the disease can be complex, but is vital to ensuring the right treatment choice.



Healthcare capacity
needs well-trained teams working together with the right equipment to provide the best chances for patients.

Today's
focus



Funding
for healthcare investment and reimbursement of medicines and tests is critical to protect patients from financial burden.

Our approach & scope of work in HC funding:

What we are doing

Partnering with multiple stakeholders to enable the development of sustainable and efficient funding solutions that increase patient access to **adequate diagnostics and treatments**.

Examples of partners with whom we have developed funding solutions



Prioritized funding mechanisms

Insurance programs using PPPs for UHC (1 of 2)

Type	Description
1 Results-based financing	<ul style="list-style-type: none"> Development impact bonds Performance-based contracts
2 Public-Private Partnership with insurance programs	<ul style="list-style-type: none"> PPP bringing health insurers' population reach and enhancing governments' benefits Risk-mitigation strategies to increase funds available for cancer treatment
3 Health saving accounts	<ul style="list-style-type: none"> Government-run schemes that earmark individuals' savings for expenditure on designated health services
4 Compulsory charges	<ul style="list-style-type: none"> Dedicated taxes / "Sin taxes"
5 Voluntary contributions	<ul style="list-style-type: none"> Cross-subsidisation schemes Consumer donations

PPPs + Insurance programs in China

- + 20 cancer insurance policies launched with multiple insurance companies
- Public-Private partnerships in 3 provinces focused on expanding access to cancer care

Public + Private (*Insurers + Pharma*) developed comprehensive, yet affordable cancer coverage

Insurers developed additional policies to cover cancer treatment and care

Prioritized funding mechanisms

Insurance programs using PPPs for UHC (2 of 2)

Type	Description
1 Results-based financing	<ul style="list-style-type: none"> Development impact bonds Performance-based contracts
2 Public-Private Partnership with insurance programs	<ul style="list-style-type: none"> PPP bringing health insurers' population reach and enhancing governments' benefits Risk-mitigation strategies to increase funds available for cancer treatment
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Comprehensive compulsory cancer funding scheme in Dubai

- PPP between the Dubai Health Authority, AXA and Roche UAE focusing on low income workers in Dubai.
- Combination of a compulsory cancer screening and treatment funding scheme for expats and national screening guidelines
- Provided comprehensive access to 4.6 Mio people

 Insurers implemented an additional policy to cover targeted cancer treatment and care aligned to the newly developed screening guidelines

In conclusion...

We will continue to focus on funding solutions that...

...are sustainable to HC systems (ability to finance long-term programs)
 ...can be embedded in the HC systems

Private Health Insurance...

...can play an important role to help advance UHC developments by complementing/supplementing coverage and reducing the risk of financial hardships.
 ...real world evidence support its role in expanding patient access

Partnerships will...

...play an important role to help SHI to overcome many of the challenges of UHC
 ...continue to evolve in respond to HC systems needs

Doing now what patients need next

HOW PRIVATE HEALTH INSURANCE CAN SUPPORT THE IMPLEMENTATION OF UNIVERSAL HEALTH COVERAGE IN EMERGING ECONOMIES?

- an academic perspective -

Zoltán Kaló

Professor of Health Economics

- 1) Department of Health Policy and Health Economics, Eötvös Loránd University (ELTE);
- 2) Syreon Research Institute

ISPOR Barcelona 2018

syreon
Research Institute



There is no alternative to universal health coverage based on public health care financing

Today's research for tomorrow's health

Universal Health Coverage: support of health system objectives

Response to public needs

- **Health gain**
- **Equity in health**
- **Equity in finance**
- Responsiveness

Response to limited resources

- **Sustainability of health care financing**
- Efficiency of health care delivery
- **Financial protection of households**

Today's research for tomorrow's health

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Rationale for CompHI and SuppHI in emerging economies

- Supplementary and complementary private health insurance can play a significant role in the healthcare system of developing countries due to:
 - large proportion of out of pocket payments
 - small proportion of private health insurance expenditures
 - incomprehensive basic benefit package

Supportive role of private health insurance

Response to public needs

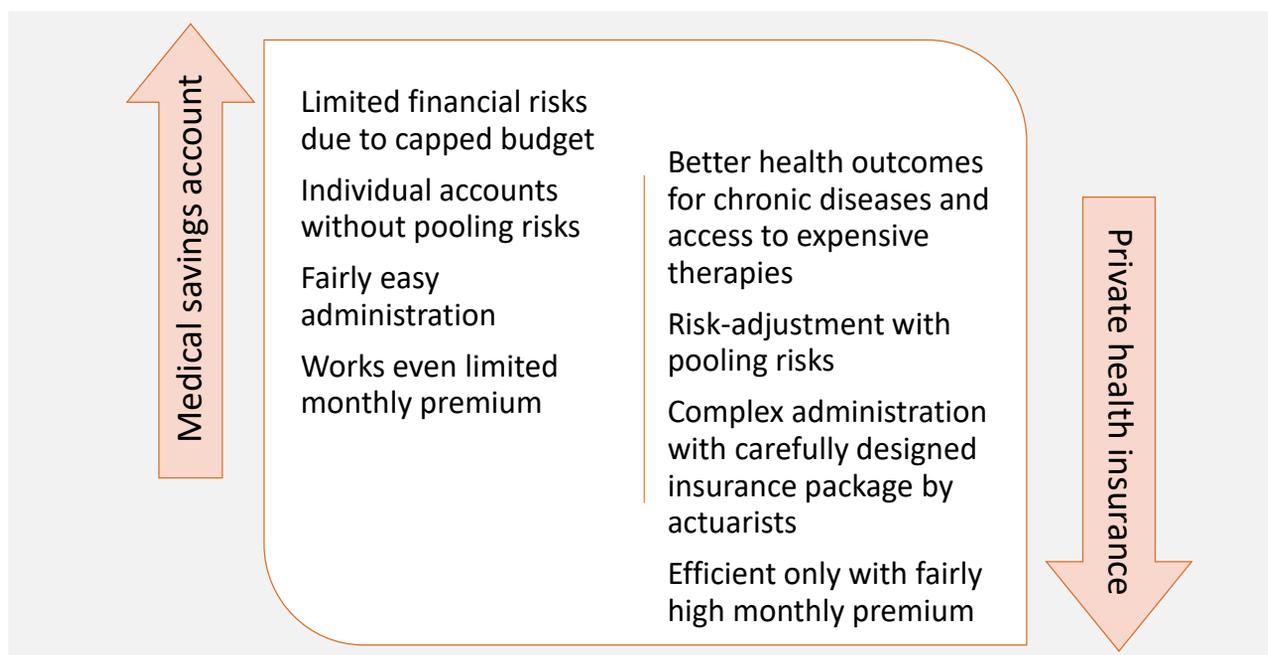
- Health gain
- Equity in health
- Equity in finance
- **Responsiveness**

Response to limited resources

- **Sustainability of health care financing**
- **Efficiency of health care delivery**
- **Financial protection of households (??)**

Supportive role of voluntary private health insurance in emerging economies

- reduce out-of-pocket payments
- contribution to the sustainability of the public health care provision (especially in rural areas)
- reduce spending of households on non-licensed or uncontrolled healthcare technologies or providers
- reference case for stronger organizational incentives to improve performance and methodological standards
- improve health consciousness of insured population through screening programs
- help policy-makers to respond to individual needs
- gain political support of influential stakeholder groups



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Non-reimbursed services		

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