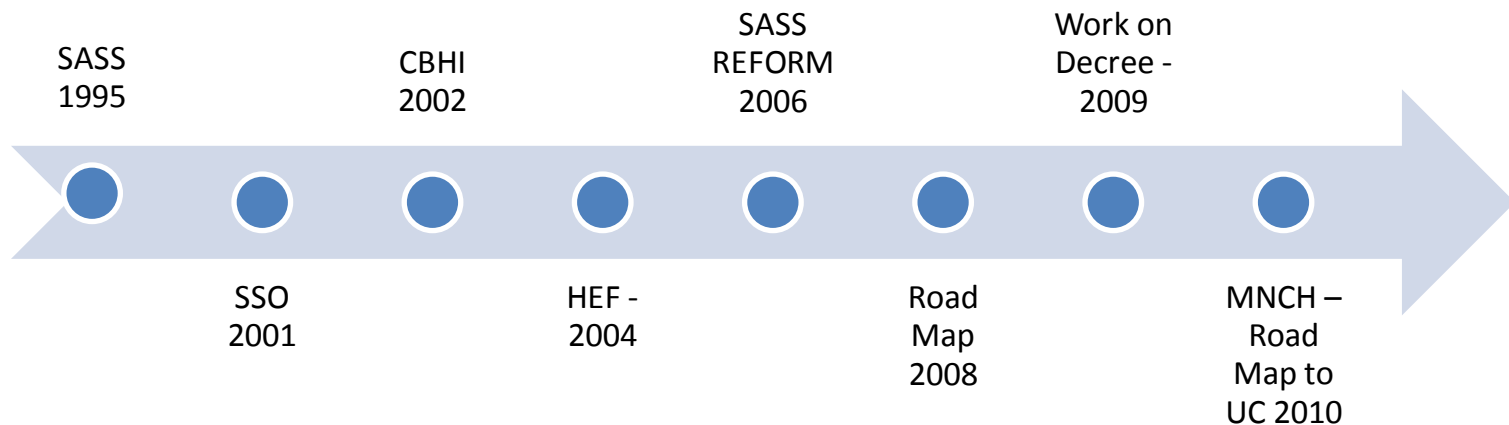# Institutional arrangements for UC in Lao PDR

Create an autonomous National Health Insurance authority (NHIA)

Phnom Penh, May 2 to 4, 2012

Timeline of achievements to date and targets for the introduction of UC

- Horizontal Dimension: Universal coverage goal = 50% of the population covered by 2015, UC achieved by 2020

- Vertical Dimension: OOP to be reduced (no target set)

- 4 schemes: Informal Population : CBHI, HEF, Formal Population: SSO (private sector), SASS (public sector)

- Coverage as of December 2011: 23%

SASS
1995

CBHI
2002

SASS
REFORM
2006

Work on
Decree -
2009

SSO
2001

HEF -
2004

Road
Map
2008

MNCH –
Road
Map to
UC 2010

National strategy to reach UC

- *Creating an autonomous National Social Health Insurance Authority and progressively merging the 4 schemes*

☐ *As 1st step in a longer health financing reform process*
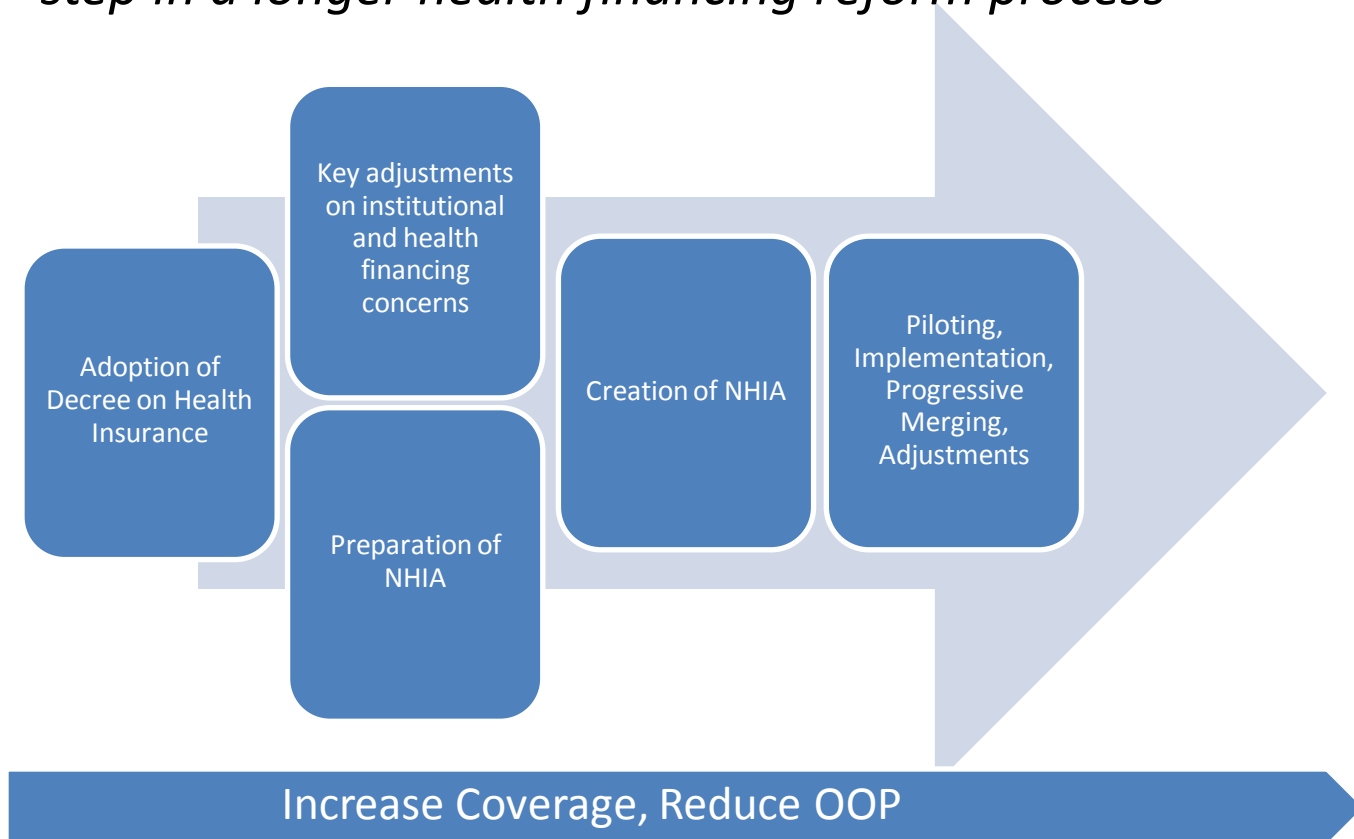
National Social Health Insurance Authority Organization*

- Stand-alone Organization with its own Board
- Administratively reporting to the PMO (PMO appoints CEO of NSHIO)
- Technical and Policy Oversight of MOH (Minister of Health holds Board Chairman position)
- Additional oversight by other concerned bodies through representation in the Board (e.g. MOLSW, MOF, etc.)

- According to the draft decree on NHI

National Social Health Insurance Authority – Key steps

- 1. Expand the coverage of existing social health protection schemes

  - SASS : extension to all districts

  - SSO : compliance (identification/control/sanction),

  - CBHI : reform of organizational structure and technical features, then expansion

  - HEF: expand quickly (sustainability of funding)

National Social Health Insurance Authority – Key steps

- 2. Address technical and health financing issues

  - On the technical side:
    - **Purchasing function**: Adjust Provider Payment Mechanisms (reform RDF, review PPM to HC and specialized hospital) and introduce quality assurance control & accreditation
    - Unify Benefit package, agree on affordable and acceptable BP
    - Adjust schemes with other initiatives(free MNCH)
    - Harmonize HEF practices (identification process, target, benefit package, system of subsidies)

  - **Collection function**: Adjust CBHI premiums, secure sustainable source of income for providing social assistance to the poor and specifically targeted population, ensure compliance to SSO/SASS, define level of subsidies needed, develop capacities to manage them, agree on and encourage positive cross-subsidies

  - Organizational issues
    - Investing on technical capacities strengthening at all level to manage and monitor the schemes and the future NHIA
    - **Pooling function**: Agree on the pooling level (progressive, favor administrative pooling first to reduce transaction costs)

National Social Health Insurance Authority – Key steps

☐ 4. Develop and implement an operational plan to merge all existing social health protection schemes by 2015

  ▪ Develop an operational plan to merge the four existing social health protection schemes

  ▪ Finalize adequate institutional and legislative setting (decree, Board, Institutions)

    – Pilot the merged social health protection schemes in selected provinces

  ▪ Create the National Health Insurance Agency's institutions

  ▪ All along the process, work on securing funding (move forward concept based on combination of tax funding and health insurance mechanisms) and capacity building

National Social Health Insurance Authority – Key steps

- 3. Define Institutional design and organizational arrangements of the NHIA

  - ◻ Assign clear objectives to the NHIA

  - ◻ Define institutional arrangements: location, leadership, organogram

  - ◻ Set up tools and operational procedures : central database etc.

  - ◻ Define HR needs and develop plan for capacity building: identify existing key persons, draft ToR, capacity building of each level of management and decision making process

  - ◻ Define financial arrangements: secure funding, banking arrangements, responsibilities level, guidelines for timely release of funds, focus on transparency and accountability

Road Map toward UC

	2011	2012	2013	2015	2020
ORGANIZATIONAL	Establish NHI Organization	Capacity Building			
Law: Charter And Mandate		Begin Merging at Provincial Level	Full Merge	Fully Capacitated	
	Transfer Staff & Budget				
FUNDING		Establish LT Funding	Nationwide Risk Pooling		Fully Sustainable Funding
Appropriation to support Law	Four Baskets, One Fund	Evaluate Benefits, Contributions, Payment			
OPERATIONAL	Establish Technical Functions	Capacity Building on SHI Technical And Operational Functions		Integrated NHI IT System	
Implementing Team					
	Long-term IT Plan	Benefit Delivery Database			
MEMBERSHIP					
14% Coverage	Create a Plan For Membership Management	Merging of Membership Databases	30% Coverage	50% Coverage	Universal Coverage
PROVIDERS	Develop a Plan For Provider Mgt	Development of Quality Standards, Capacity Building for Function		National QA and Accreditation	

Lessons learned

- Need to quickly head toward harmonization of technical and managerial aspects (HEF, CBHI, free MNCH)
- Need to move forward mix of population direct contribution and tax based system and government funding (increased budget for Health, Nam Theun II funding)
- Close collaboration between MoH and MOLSW is crucial to reach UC (harmonization of BP, PPM, Database etc.) and must be strengthened