Community Based Health Insurance (CBHI) Development in Lao P.D.R.

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Outline of presentation

Rational for CBHI implementation

CBHI process and Design

Progress of CBHI

Lesson learned

Challenges

What is CBHI?

CBHI is a voluntary health insurance scheme for the population that are not covered under compulsory health insurance and can afford to pay a regular premium.

Why CBHI is needed?

Because

- Only 20% of the population in Laos are working in the formal public and private sector and are protected under compulsory health insurance;
- Economic growth is slow;
- The majority of the population still live in rural areas and are farmers with very limited income and no protection against paying for health care;

=> CBHI is part of the strategy to progressively achieve universal coverage in Lao PDR

Towards universal coverage in Laos

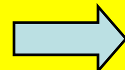
Total Population

Civil servants and dependents

Mandatory coverage under the Civil Servant Scheme

Projected national coverage 900,000 beneficiaries (180,000 civil servants and 720,000 dependents) by 2010

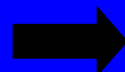
Salaried workers and dependents



Mandatory coverage under the Social Security Organization

Projected national coverage 140,000 workers with 420,000 beneficiaries by 2010

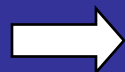
Population in the informal sector



Voluntary coverage under the Community Based Health Insurance (CBHI)

Coverage >70% of Inf. people by 2020

Poorest households



Specific instrument and budget to be developed and allocated (Equity Fund as a first step?)

CBHI within the government strategy

Developing CBHI is in line with Lao PDR government's strategies to:

- alleviate poverty <=> CBHI contributes to prevent poverty related to high health expenditures;
- strengthen public health care facilities <=> CBHI channels patients to the public sector.

CBHI Development in Lao PDR

CBHI Development process

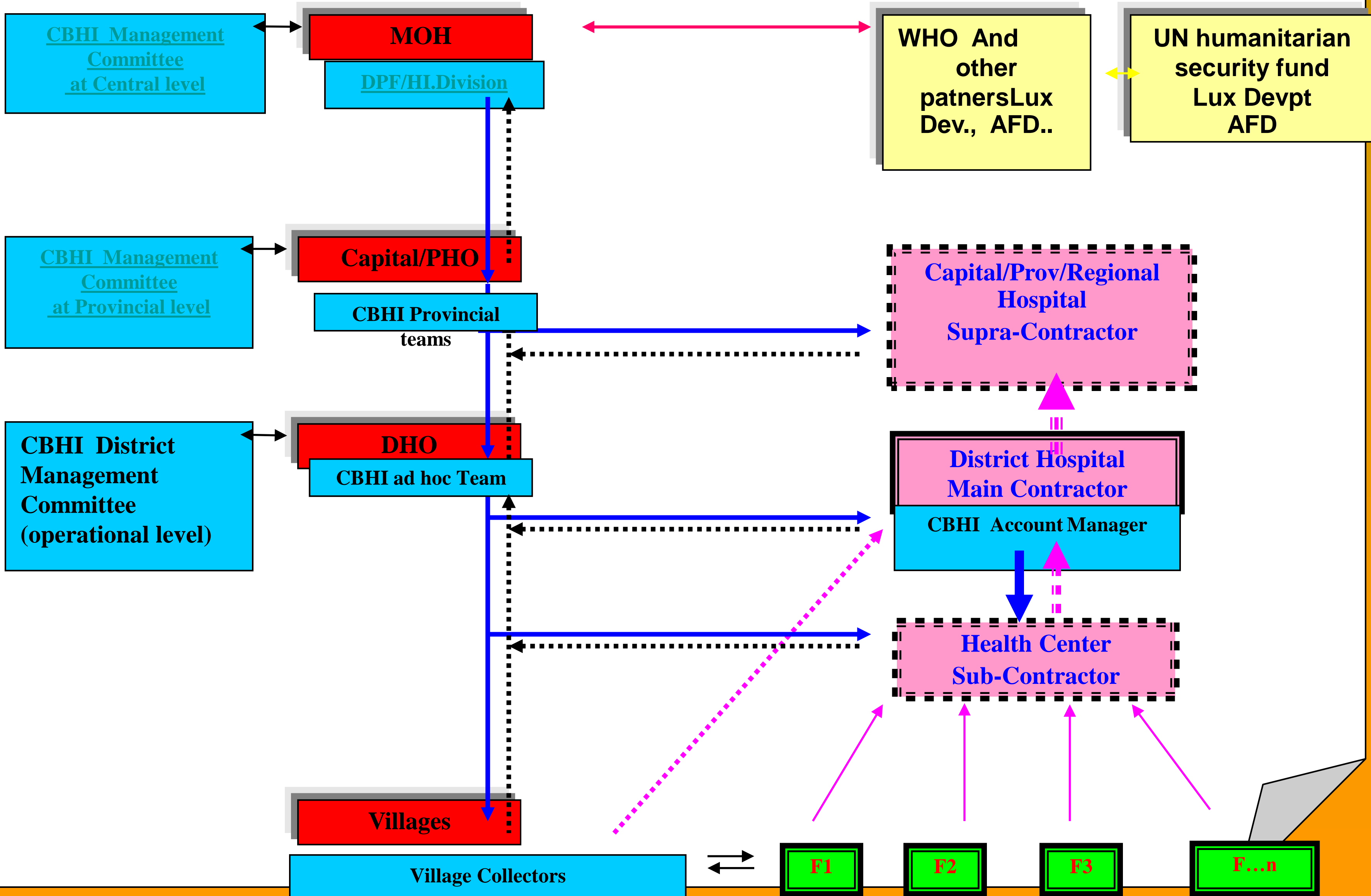
- 1997-2000 :
  - Situation analysis
  - Lessons gathering
- 2000-2002 : Development of the legal and regulatory framework
- 2002-2004 : CBHI pilot phase
- Since 2005: CBHI consolidation and extension phase

Community Based Health Insurance Design

(following the National regulations for CBHI in Laos).

- **Voluntary membership**
- **Family coverage**
- **Monthly family premium payment**
- **Benefit package: free access to OPD and IPD + preventive services**
- **Health care providers: district and provincial/central public hospitals with mandatory referral (HC when functioning)**
- **Health provider payment: capitation**
- **Management framework: community based management under MOH/DPB supervision at Provincial and National levels (10% of contribution allocated to district management)**

Organizational framework



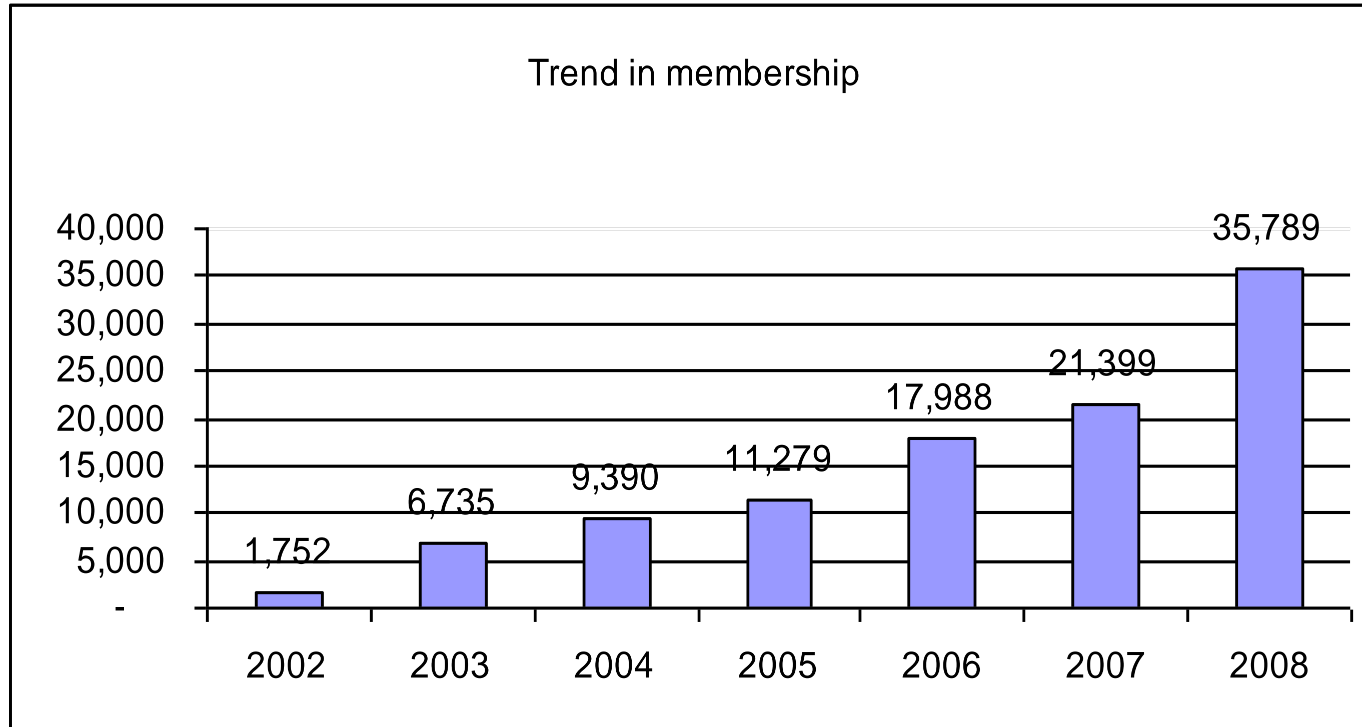
Progress of CBHI schemes (data 2/2008):

Number of districts covered by CBHI: 12 in 6 provinces

Population protected (February data) : 35789 persons
6527 families

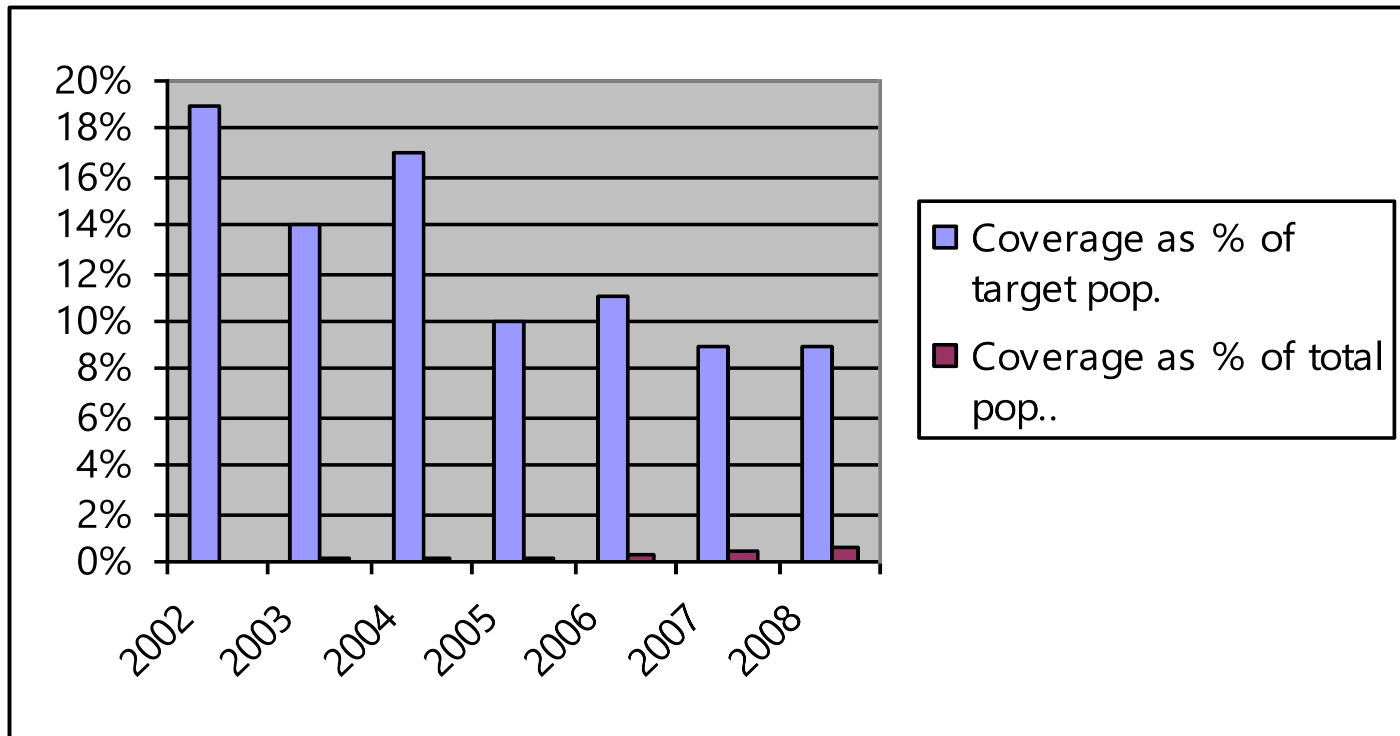
Coverage rate: average 9% which ranged from 3 to 47 % of the population in the target area and 5% of total pop in selected districts

Trend in membership



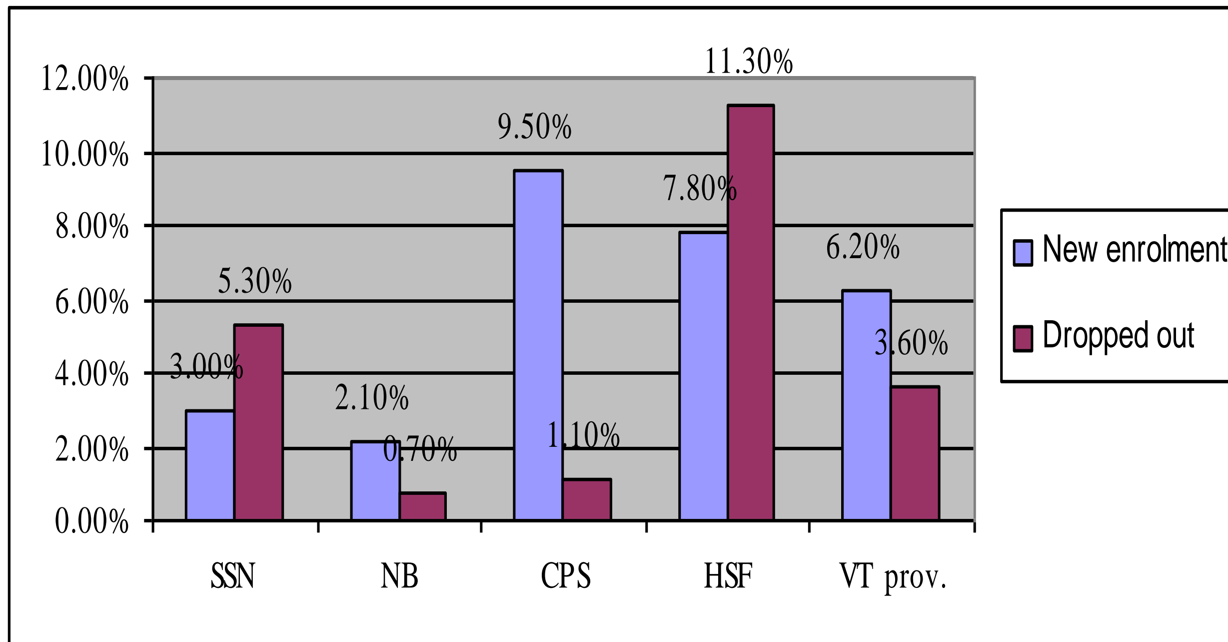
Note:For 2008, the membership data is from February

CBHI coverage



CBHI membership's growth is essentially relying on geographical extension

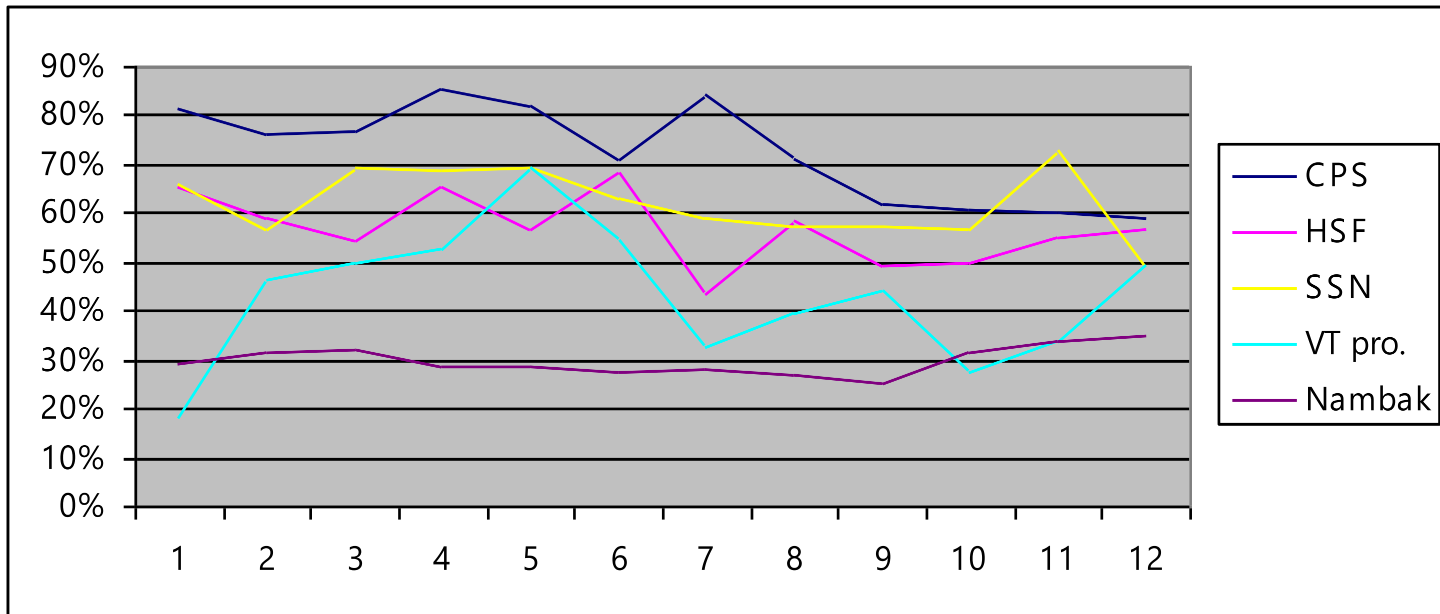
New enrolment compared to dropped out



The number of new registrations is high with geographical extension and regular awareness campaign conducting

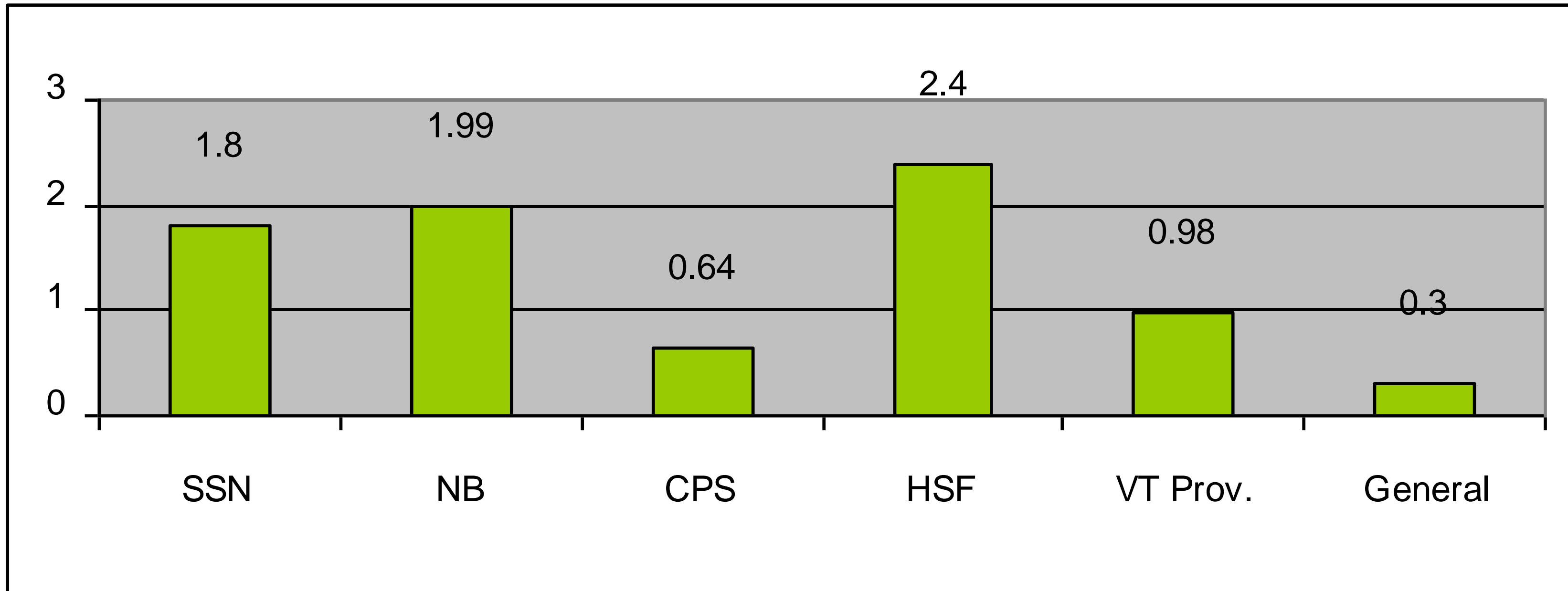
The issue with dropped out is mainly involved with people satisfaction and premium collection

Issue of Late payment in CBHI

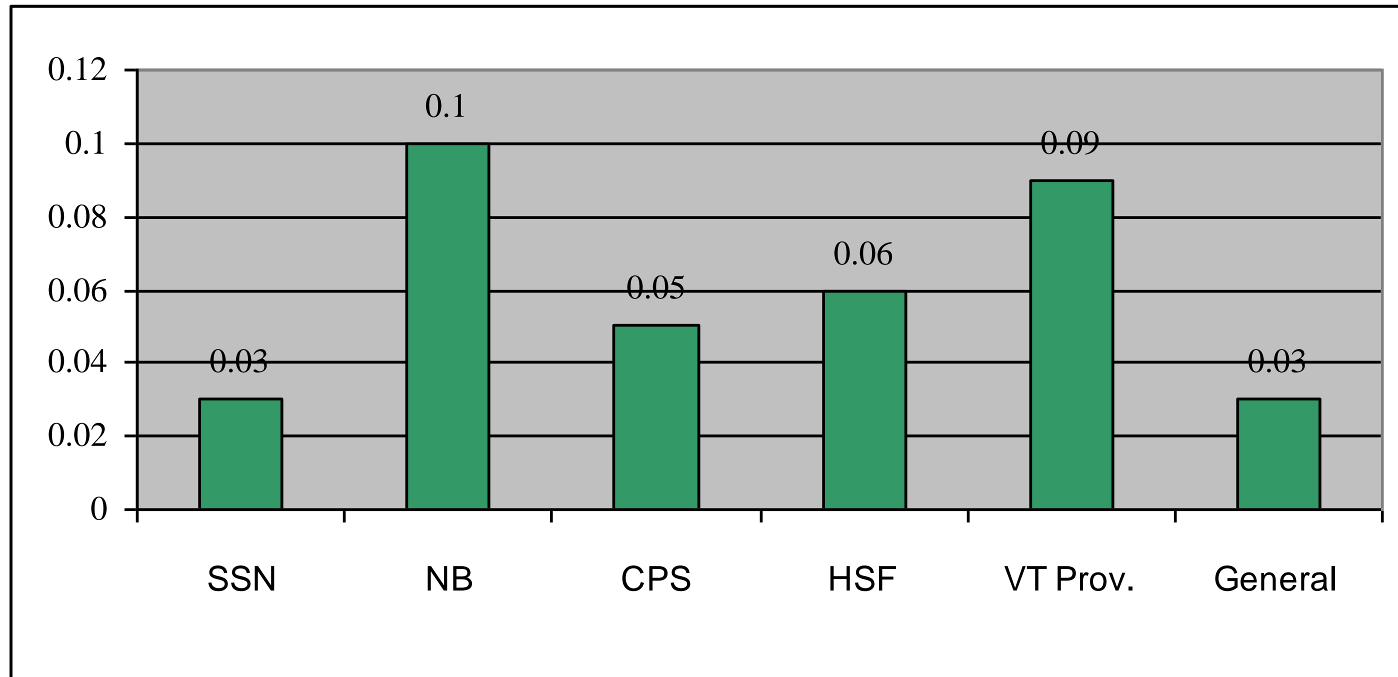


Data: 2007

OPD rate (visit/person/year)



IPD rate (case/pers/y)



Data in 2007

Impact of CBHI scheme

- Increased utilization of health care:
  - from 0.6 to 2.4 OPD contacts/insured/year (general pop: 0.3)
  - from 0.03 to 0.1 IPD case/insured/year (general pop: 0.036)

- High health expenditures averted (January 2006 to August 2007)
  - 85 IPD cases : USD 50 to 100
  - 73 IPD cases > USD 100 to 200
  - 13 IPD cases > USD 200

(Data from one CBHI scheme in 2006: Average OPD $ 4.5 and IPD about $ 50
And about 20% of CBHI admission are high health expenditure)

Lessons learned/ Strength

CBHI management is well organized and defined

CBHI ensures that health care financing is fair

CBHI schemes are in a logic of self-sufficiency

Lessons learned/ weaknesses

Limited quality of health care services

Moral hazard

Problem with premium collection

CBHI does not provide surplus for hospitals to co-finance their recurrent costs and motivate their staff => weak responsiveness

Key challenges

- What is needed to start and run a successful CBHI?
  - Good quality of health care;
  - Sufficient financial capacity at households level
  - Level of understanding
  - Adequate number of families enrolled;
  - Strong support from local authorities.

Provider “on board”

CBHI development strategy

- Expansion in existing schemes and implementation of new schemes:
  - +15 district schemes with WHO UNTFHS by 2010;
  - +6 districts in Savannaketh province and + 5 in Vientiane municipality with AFD support starting in 2008;
  - Districts in Vientiane province with Lux Dev support;
  - Other donors support under discussion.
- Build provincial team capacity to implement and supervise CBHI development
- Maintain uniformity in the design of CBHI schemes
- Maintain similarity with SSO and CSI
- Shift from regulation to PM decree
- Develop mechanisms to guarantee coverage of the lowest income and vulnerable population groups

Thank You!