health care for the poor and the near poor in Vietnam

Policy and Implementation

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I. Background

- Vietnam's population in 2007: 85 millions (from 0 to19 years: 40.5%; from 20 to59 : 51%; 60 years and over: 8.5%)
- Population growth rate: 1.26%
- Average life expectancy: 71.3 years
- Physician ratio /10,000 people in 2004: 6.1
- GDP per capita in 2007: 835 USD
- GDP growth rate (2007): 8.48%

Poverty Rate across Regions

	1993	1998	2002	2004	2006
Northern Mountains	81.5	64.2	43.9	35.4	30.2
Northeast			38.4	29.4	25.0
Northwest			68.0	58.6	49.0
Red River Delta	62.7	29.3	22.4	12.1	8.8
North Central Coast	74.5	48.1	43.9	31.9	29.1
South Central Coast	47.2	34.5	25.2	19.0	12.6
Central Highlands	70.0	52.4	51.8	33.1	28.6
Southeast	37.0	12.2	10.6	5.4	5.8
Mekong Delta	47.1	36.9	23.4	15.9	10.3
Vietnam	**58.1**	**37.4**	**28.9**	**19.5**	**16.0**

Source: GSO data. Estimates for 2006 are unofficial.
(Vietnam Development Report 2008)

Poor line in Vietnam
(Average income/person/month)

	1997-2000	2001-2005	2006-2010
Rural			200 000VND
Mountain, Island	55 000 VND	80 000 VND	
Lowland	70 000 VND	100 000VND	
Urban	90 000 VND	150 000 VND	260 000VND

Calculated based on 2100 calories/person/day

II-Policy: health care for the poor and the near poor in Vietnam

health care for the poor and the near poor in Vietnam

Period	Beneficiaries	Program	Benefit package
1999	Very poor (hunger + 30% the poorest)	Health insurance. Government finance total HI premium	100% medical cost

health care for the poor and the near poor in Vietnam

Period	Beneficiaries	Program	Benefit package
2002 (Decision 139)	-The poor -People living in communes with special difficult social economic condition, and mountainous and remote areas -Minority ethnic group in Highland	**Establish the poor health care fund:** -Pay health care expenditure in CHS and hospitals -Or finance total Health insurance premium for these people => insurers -financial support for people who are not qualified for poor criteria but having suffered from the burden of high health care costs.	100% Medical cost

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Period	Beneficiaries	Program	Benefit package
2005 (decree 63)	-All Beneficiaries in Decision 139 -elderly people over 85 years old,	compulsory health insurance **Gov finance 100% HI premium:** **From 1/10/08: 3% Minimum wage**	-100% medical cost (inpatient, outpatient, health service in diagnosis and treatment, medicine, health materials) - transportation fee

health care for the poor and the near poor in Vietnam

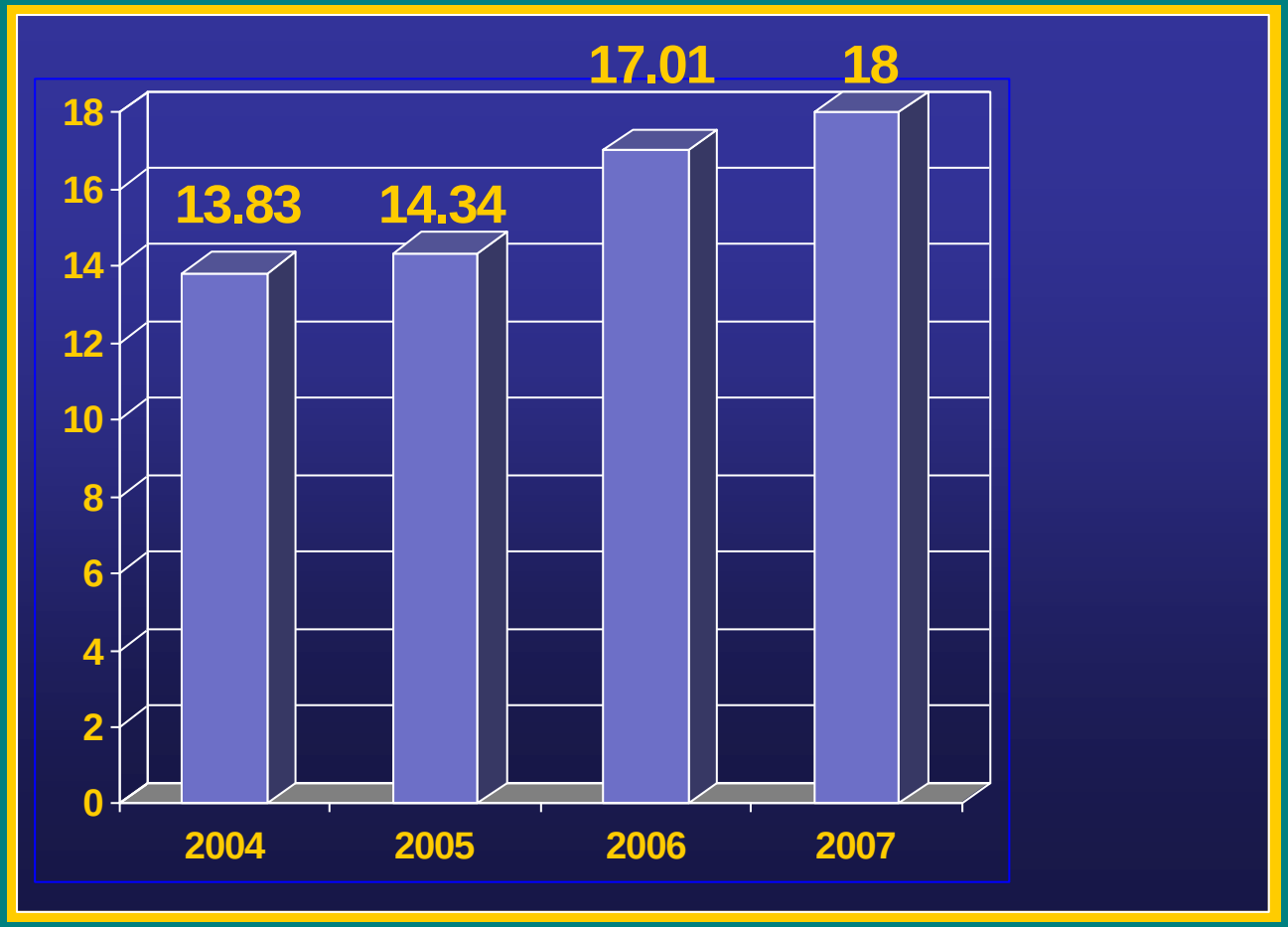
Period	Beneficiaries	Program	Benefit package
2008	The near poor	**Voluntary HI scheme** -1/1/2008: **Government subsidizes 50% of HI premiums** Urban 320 000 VND/person/year Rural 240 000 VND/person/year Urban Pupil 120 000 VND/person/year Rural Pupil 100 000 VND/person/year **-1/10/2008: Government subsidize minimum 50% of HI premiums** : 3% minimum wage (=194 400 VND/person/year)	Co - payment health expenditure (80:20) No co-payment HE in outpatient if HE<= 100 000 VND/one time

health care for the poor and the near poor in Vietnam

- Develop health care network, especially health care at the Grassroots level (CHS) both health equipment and health staff’s ability

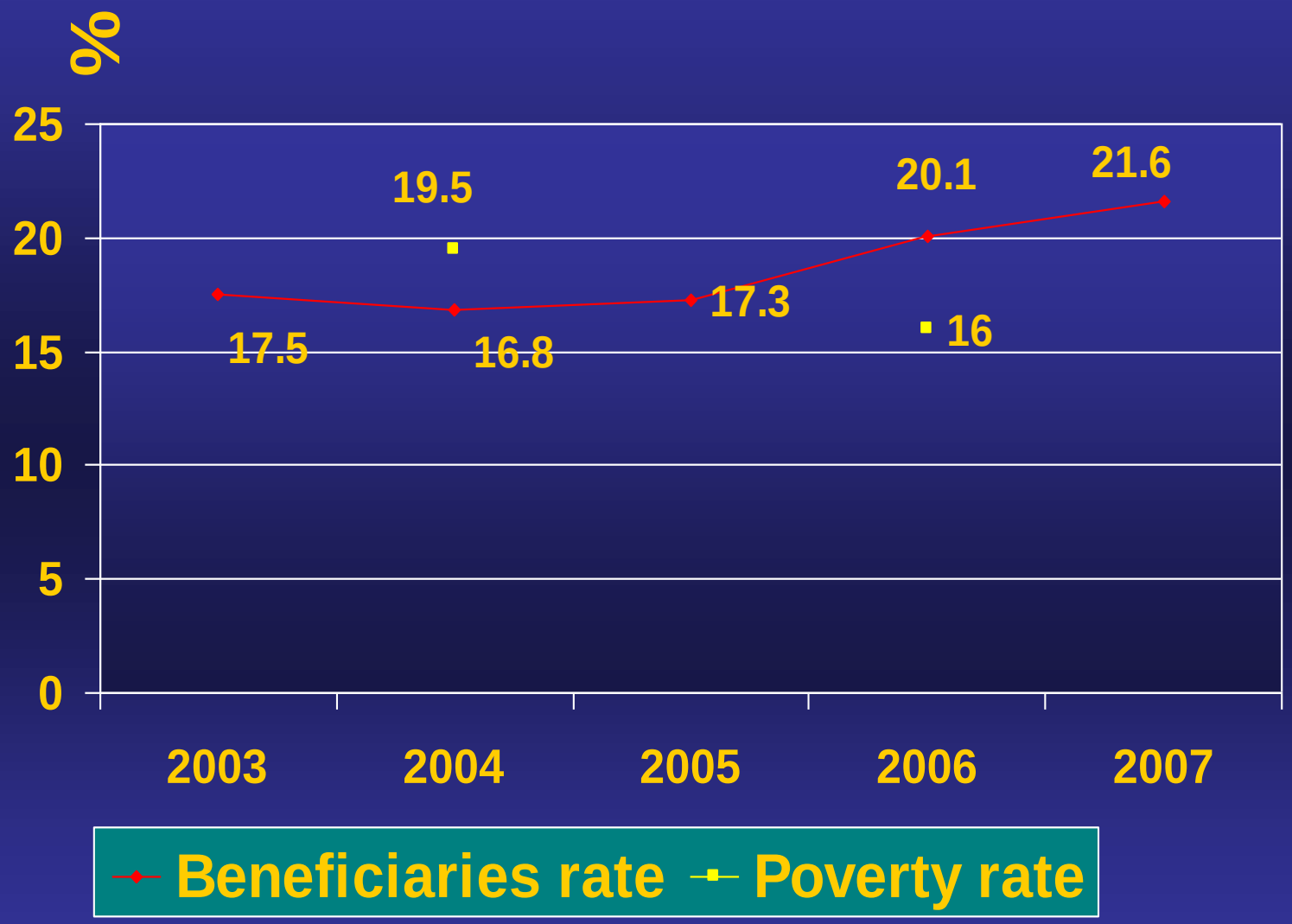
III. Results

Number of beneficiaries covered by the Health care for poor program



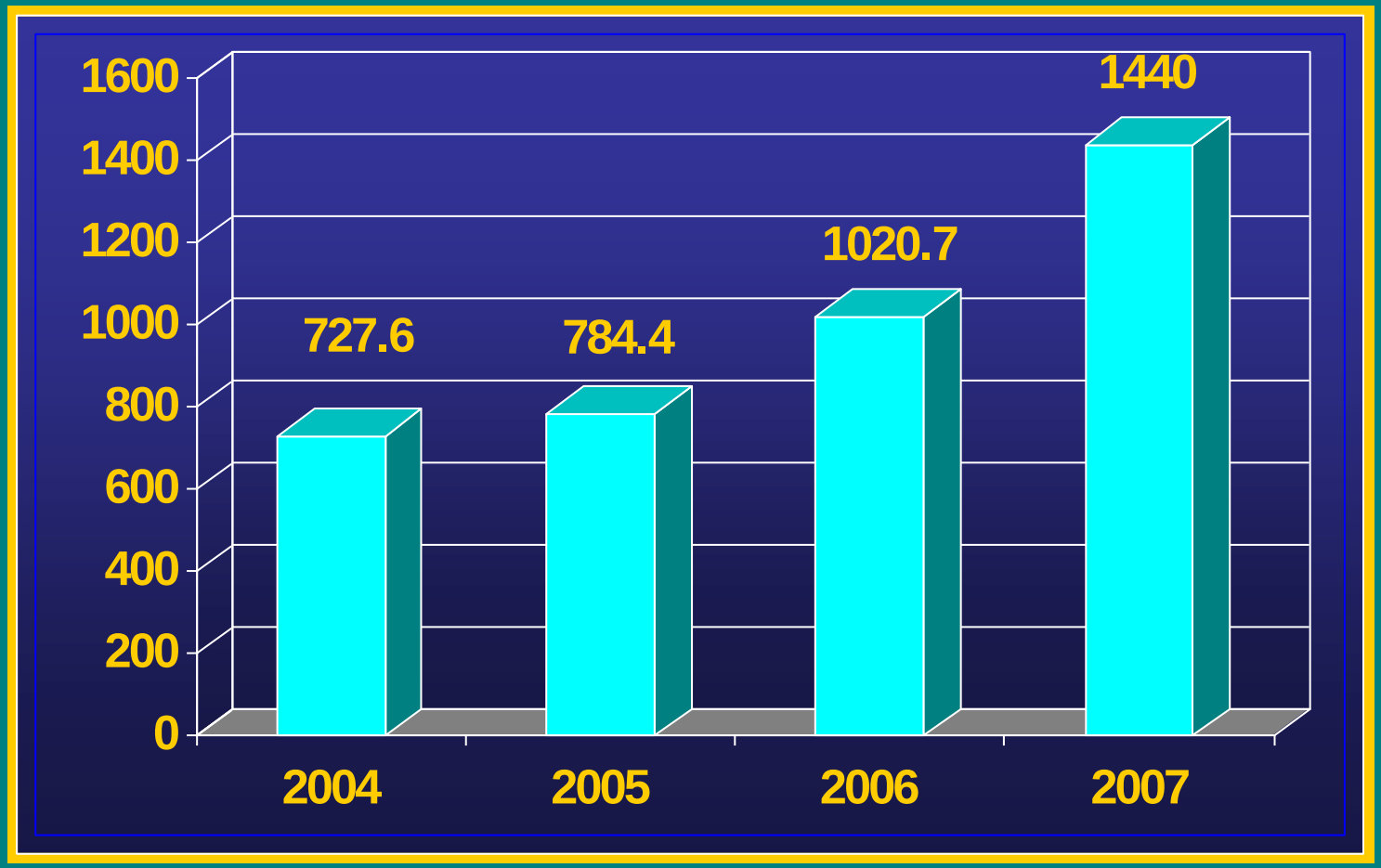
(Source: Decision 139 implementation reports from MOH and VSS)

Beneficiaries rate vs Poverty rate



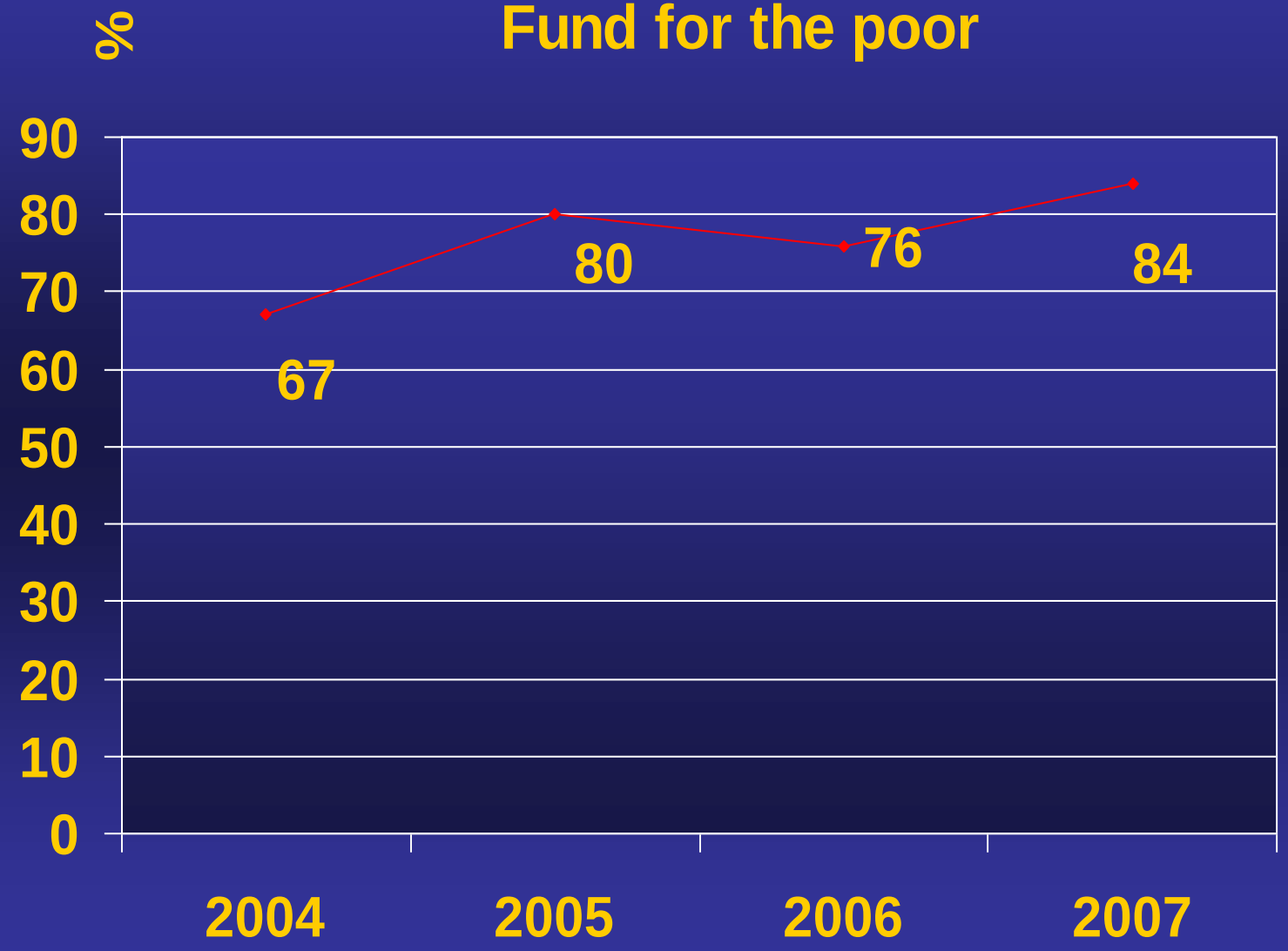
(Source: Decision 139 implementation reports from MOH and VSS)

Allocation of state budget for the health care fund for the poor (billion VND)



(Source: Decision 139 implementation reports from MOH and VSS)

Usage rate of Government health care Fund for the poor



(Source: Decision 139 implementation reports from MOH and VSS)

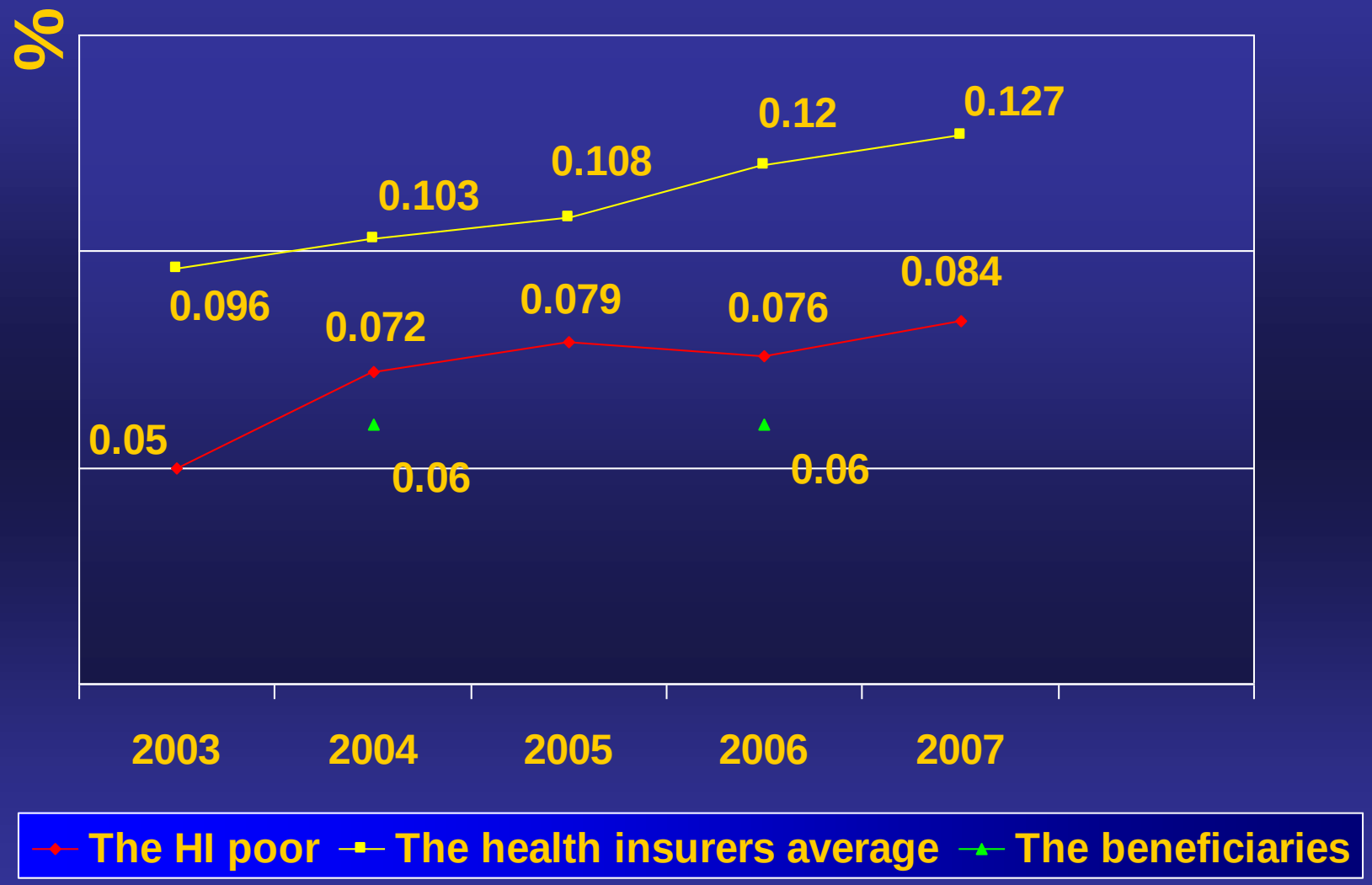
Percentage of the target group covered by compulsory HI scheme

(Source: Decision 139 implementation reports from MOH and VSS)

Utilization rate of outpatient care

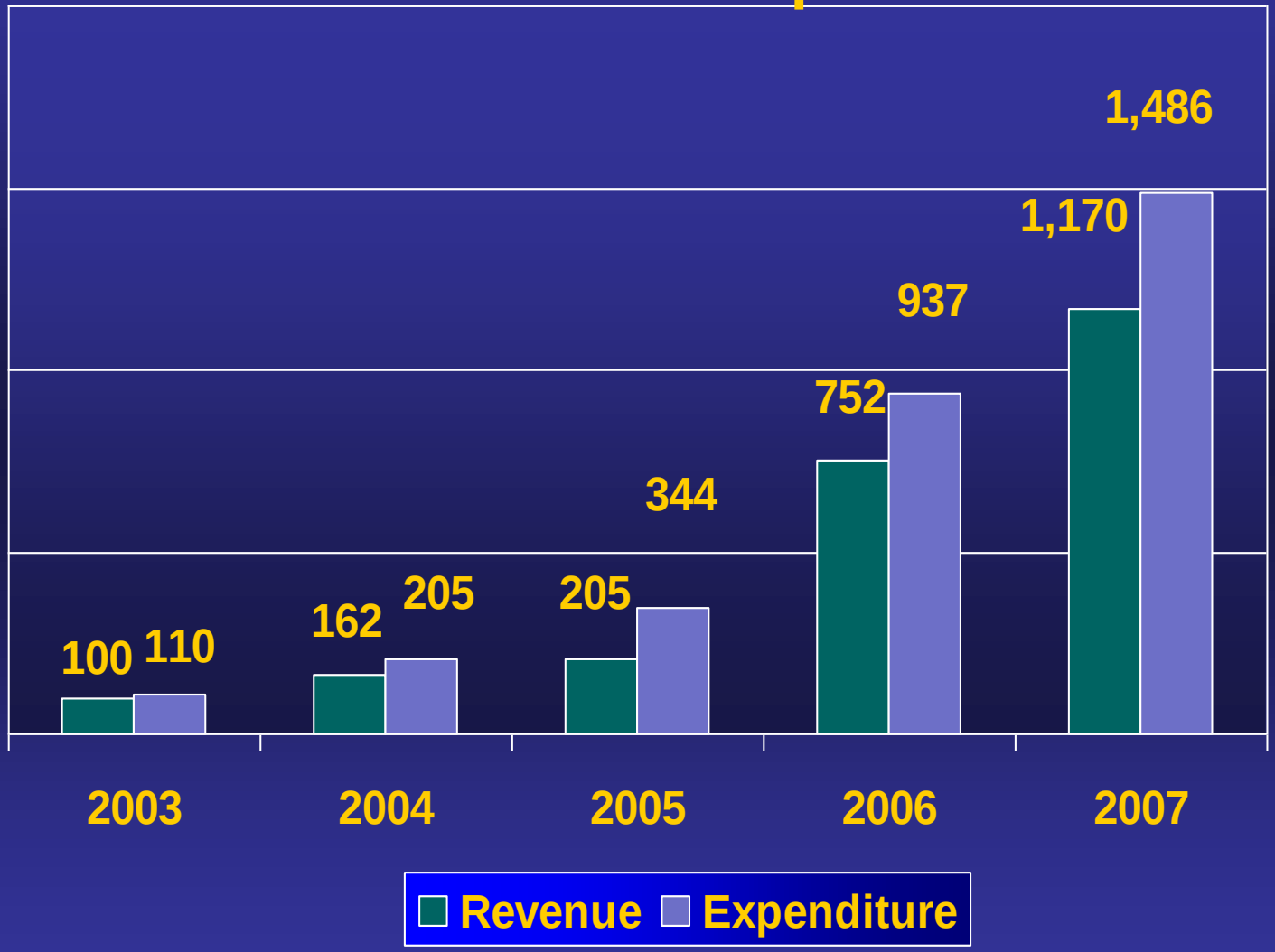
(Source: VSS, Decision 139 implementation reports from MOH and VSS)

Utilization rate of inpatient care



(Source: VSS, Decision 139 implementation reports from MOH and VSS)

Revenue and expenditure of the HI fund for the poor



(Source: VSS)

Health care for the near poor

	2004	2005	2006	2008	2009
Number of beneficiaries (thousand person)	122.5				
Expenditure from the fund (billion VND)	12.3	7.3	10		
Number of the near poor (million person) (suggestion)				14	12.6
State budget subsidizes 50% of HI premium (billion VND) (suggestion)				340	1 429

(Source: Decision 139 implementation reports from MOH and VSS Data in 2008, 2009 from VSS suggestion)

IV. challenges

1. The challenges in implementing health care policy for the poor

- Conditions for the poor to have access to health care services according to Decision 139 are limited
- Utilization rate of medical services, especially high-tech services is low
- HI premium applied for the poor is insufficient to cover the medical costs

- Selection of the poor at some provinces is not accurate, some of the poor could not have access to healthcare services.

- Some pro-poor projects run by international donors are slowly disbursed.

2. The challenges in implementing health care program for the near-poor people

- High risk of falling into “the poverty trap” if receiving no support from State Budget in healthcare
- The Government subsidy of 50 % HI premium may not sustainable for the long run due to lack willingness and financial ability of the low-income group
- HI benefit package are not attractive.
- Low premium rates + high healthcare costs = Deficit of HI fund.

V. Future plan

1. Legal framework improvement

The development of Health Insurance Law which stipulates the compulsory universal health insurance for all citizens and provision of financial subsidy for the low income group in paying HI premiums

2. Quality improvement of healthcare services at primary level

- Incentive policies to encourage physicians/doctors working at primary level
- Reducing the overload at Secondary and Tertiary levels of health care
- Setting up a independent body to monitor and oversee healthcare providers

3. Healthcare financing solutions

- Public healthcare providers should be financially self-managed.
- Anti- hazard policy in medical treatments with high-tech services should be strengthened


Thank you for your attention !