COMMUNITY HEALTH INSURANCE.

How it works, impact, challenges, and prospects"

presented to

BUSOGA HEALTH FORUM

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by

Makaire Fredrick

Executive Director /Save for Health Uganda

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Save for Health Uganda (SHU)

- It is an indigenous NGO formed in 2002 mandated to operate country-wide to carry out activities in the fields of improving access to quality health care facilities.
- SHU envisions healthier families with simplified access to quality healthcare. Our mission is to enhance the quality of health of Ugandans through Community Health Financing (CHF) approaches.
- The current CHF approach SHU is using is Community Health Insurance (CHI) Schemes which aim to: improve financial access to quality and affordable healthcare services; and rationalize healthcare seeking behaviours of target populations.
- SHU is currently promoting CHI schemes in 12 Districts of Central, Western, and Eastern regions of Uganda. SHU will soon start the promotion in West Nile.
- SHU's head office is located in Lubaga-Kampala, and has field offices in Luweero, Mityana, Bushenyi and Iganga

CHI Schemes formed and supported by SHU

BUGANDA REGION

1. Luweero
2. Nakaseke
3. Nakasongola
4. Masaka
5. Mityana
6. Kassanda

ANKOLE REGION

7. Bushenyi
8. Sheema
9. Mitooma

BUSOGA REGION

10. Iganga
11. Bugweri
12. Mayuge

Health care financing in Uganda (some background info)

- Households in Uganda continue to experience very high out-of- pocket expenditure on health services, despite government's efforts to provide free healthcare in public health facilities.
- Up to 75% of Ugandans live in rural areas, 68.9% depend on subsistence agriculture, while 21.4% (about 10 million people) live below the poverty line (National budget framework paper 2020/21)
- Only about 4% of the population has health insurance cover.
- Households spend 42% of the total expenditure on health which is above the 15% recommended by WHO. (National Health Accounts of 2021, MOH mid term review report for the health sector development plan 2016/2020)
- The proportion of the population whose household expenditure on health exceeds 10% of total household income or exceeds 40% of non-food income is 5.8%. Overall, 15% of Ugandan households are estimated to be impoverished due to health expenditures. (MOH)
- 10.6% of sick people could not seek health care due to lack of money (The Uganda National Household Survey 2016/17)
- 9.4% of sick people borrowed money to access health care (The Uganda National Household Survey 2016/17)

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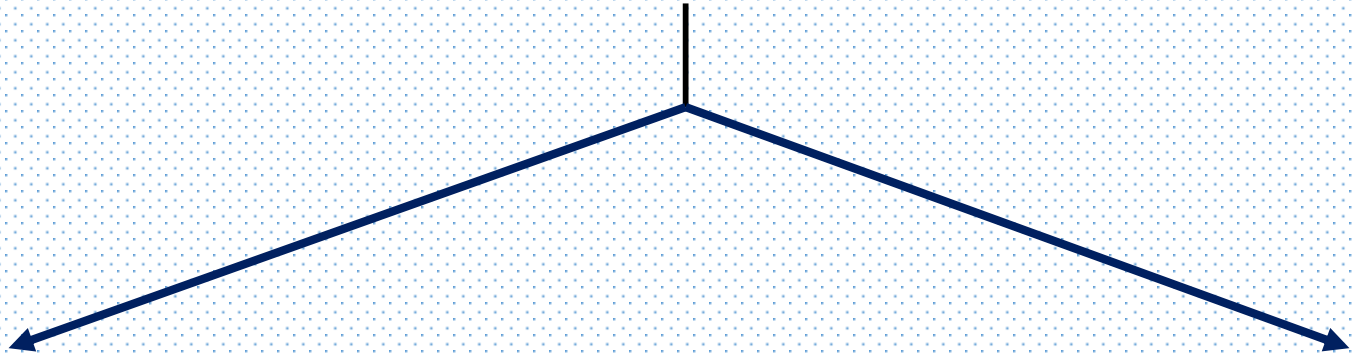
Overview: Health Insurance in Uganda

Health Insurance (HI)

It is a system that pays the costs of health care for those who are enrolled to improve access to health care because it avoids direct payment of fees by patients and spreads the financial risk among all the insured.



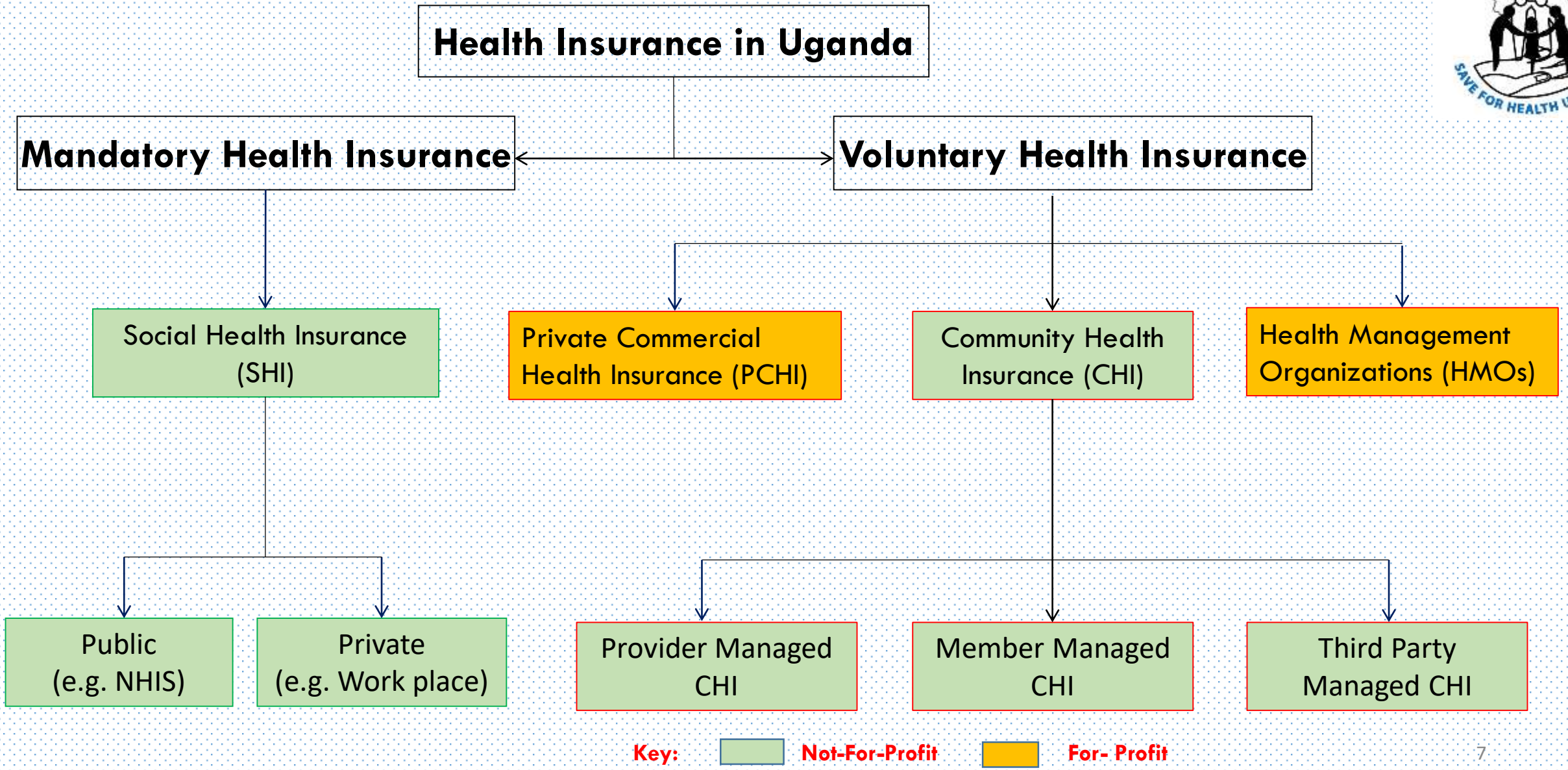
Voluntary Health Insurance (VHI)

It is taken up at the discretion of individuals or employers on behalf of individuals.

Mandatory Health Insurance (MHI)

Enrollment is required for all members of a population. It is established by law.

Overview: Health Insurance in Uganda (cont..)



Overview of CHI in Uganda – meaning and names

CHI/CBHI/CHF/CHP

It is a community based system (CBO, association, clan, hospital, church…) which mobilizes families to pay and pool financial resources to protect them from incurring high expenses on healthcare when they access services.

CHI schemes are characterised by:

1. Solidarity among community members
2. Voluntary enrolment
3. Not-for-profit
4. Democratic governance
5. Active participation of members including in decision making

Overview of CHI in Uganda – Preconditions for success

1. Community members care more for each other **NOT** less and less
2. Health care services of quality available within population reach
3. Families are willing to pay (WTP) for health insurance
4. A significant number of families have capacity to pay (CTP) the actual premiums for health insurance.
5. Subsidies are available during the set-up and take off phases
6. Scheme managers with risk management skills are in charge.

Overview of CHI in Uganda – Main objective

Protect families against catastrophic healthcare expenses and impoverishment

Overview of CHI in Uganda – Other objectives/ benefits

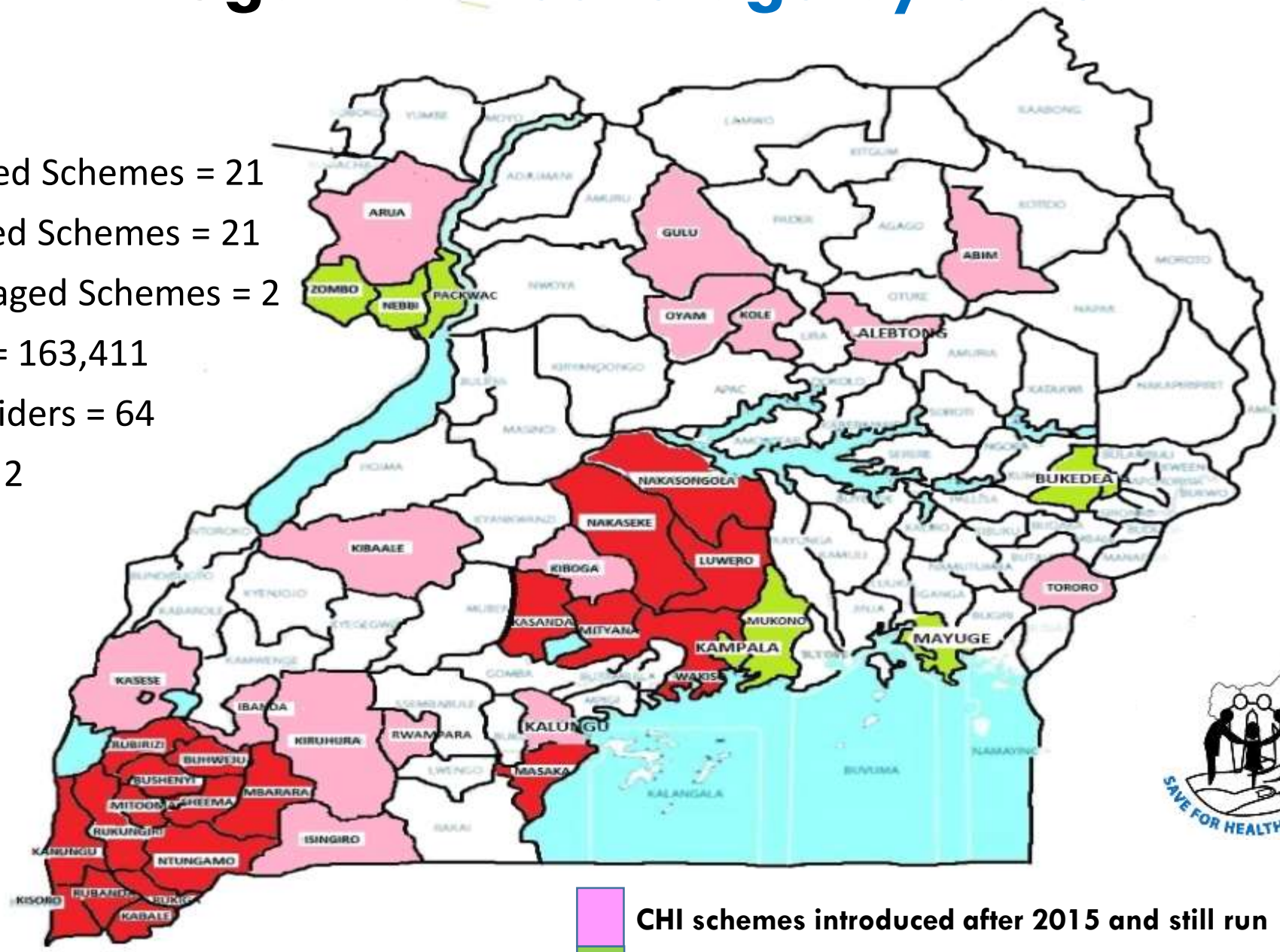
1. Rationalises health care seeking behaviours
2. Reduces out-of-pocket payments at the point of service.
3. Brings peace of mind to families.
4. Gives communities a voice through the service contracts
5. Improves recovery of user fees due to reduced run-away cases
6. Improves the relationship between HC services users and providers
7. Provides an opportunity for CSR for those who are not part of the scheme.

Overview of CHI in Uganda – History and journey

Overview of CHI in Uganda – Coverage by June 2020

Other facts

1. Number of Member Managed Schemes = 21
2. Number of Provider Managed Schemes = 21
3. Number of Third Party Managed Schemes = 2
4. Number of people covered = 163,411
5. Number of Health care providers = 64
   - ❖ Government hospitals = 2
   - ❖ PNFP hospitals = 13
   - ❖ PFP hospitals = 1
   - ❖ PNFP HC IVs = 4
   - ❖ PNFP HC IIIs = 43
   - ❖ PFP HC IIIs = 4
   - ❖ PNFP HC IIs = 11
   - ❖ PFP Clinics = 2



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CHI schemes introduced before 2015 and still run

CHI schemes introduced after 2015 and still run

CHI schemes to be introduced in 2020 and later

How CHI schemes work: Package of benefits & premiums

- Package of benefits: All services provided by the contracted health care provider(s) except self inflicted injuries and elective surgeries

- Premium per head per year: 10,000/= to 25,000/= rural

- Premium per head per year: 50,000/= to 100,000/=semi urban

- Premium per head per year: 150,000/= to 500,000/=Corporate

- Co-payment per visit: 1,000/= to 30,000/= all categories

- Ceiling per episode of illness (not treatment): 100,000/= and 500,000/=

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How CHI schemes work: Organize & mobilize resources

Pre-existing groups or deliberately formed groups in a **COMMUNITY**

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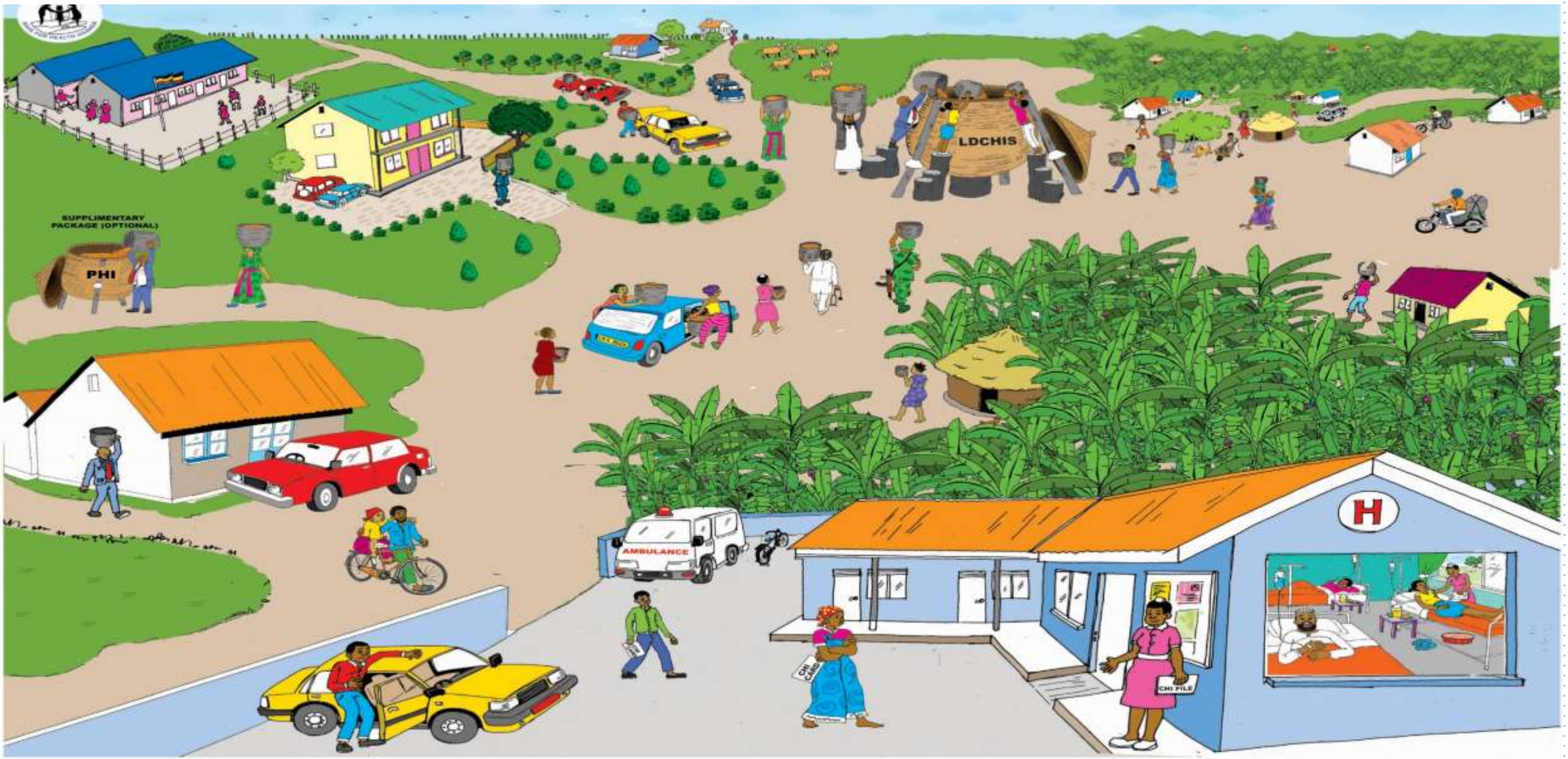
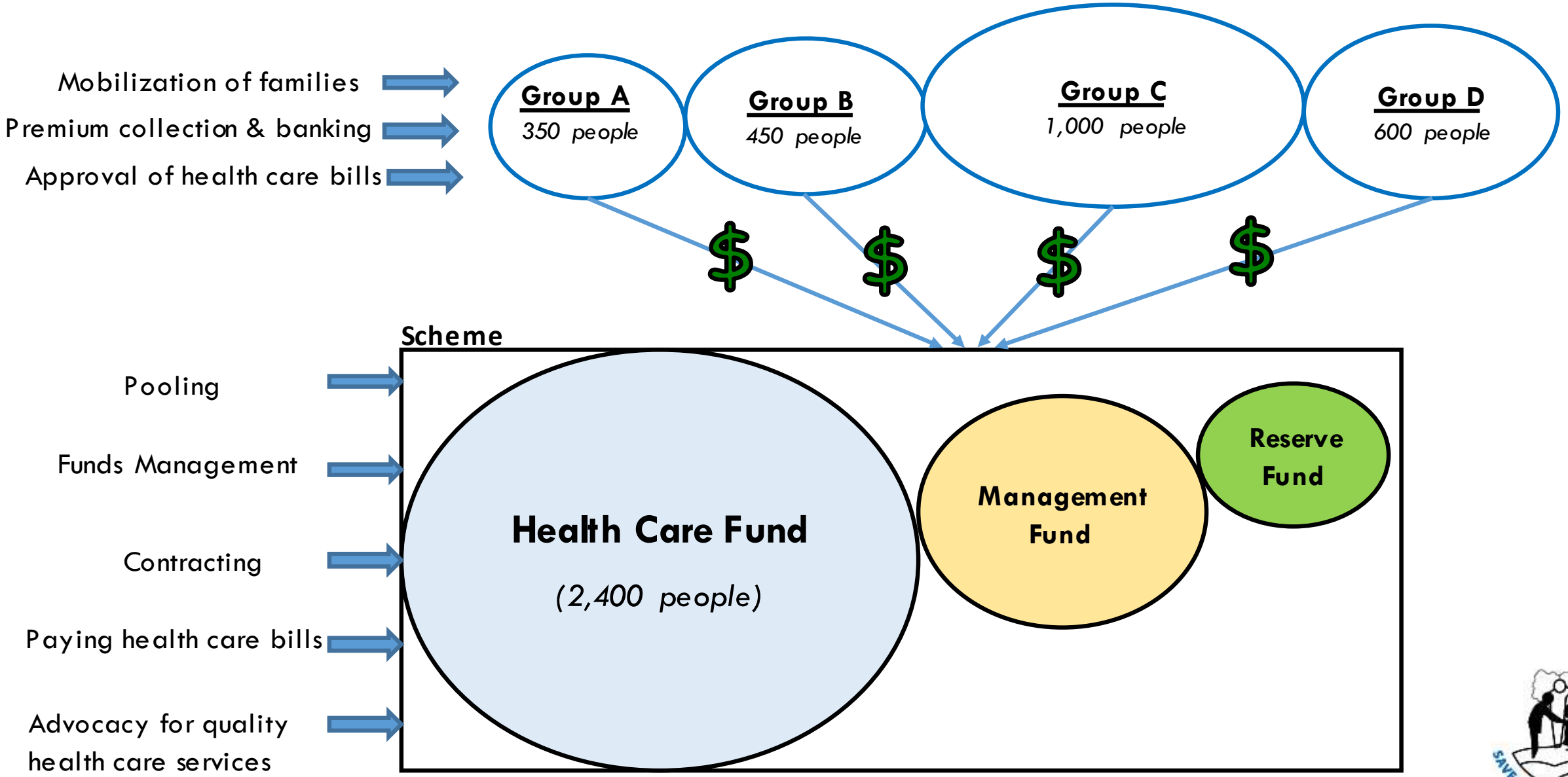
How CHI schemes work: Pooling (not saving) & Equity

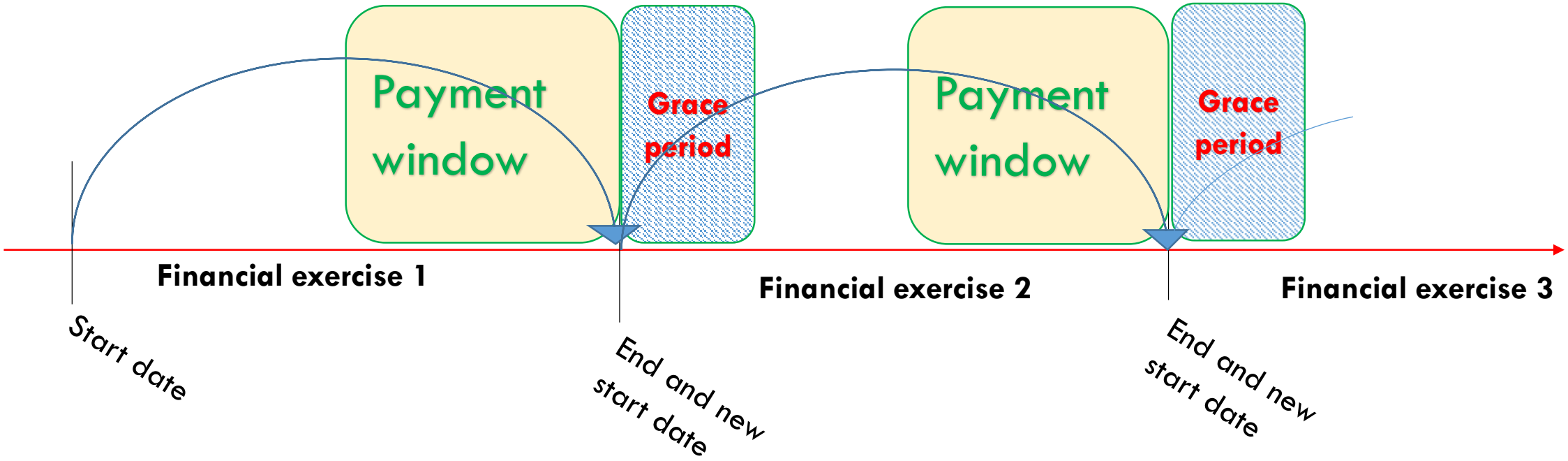


" District solidarity for equitable access to quality health care by all residents"

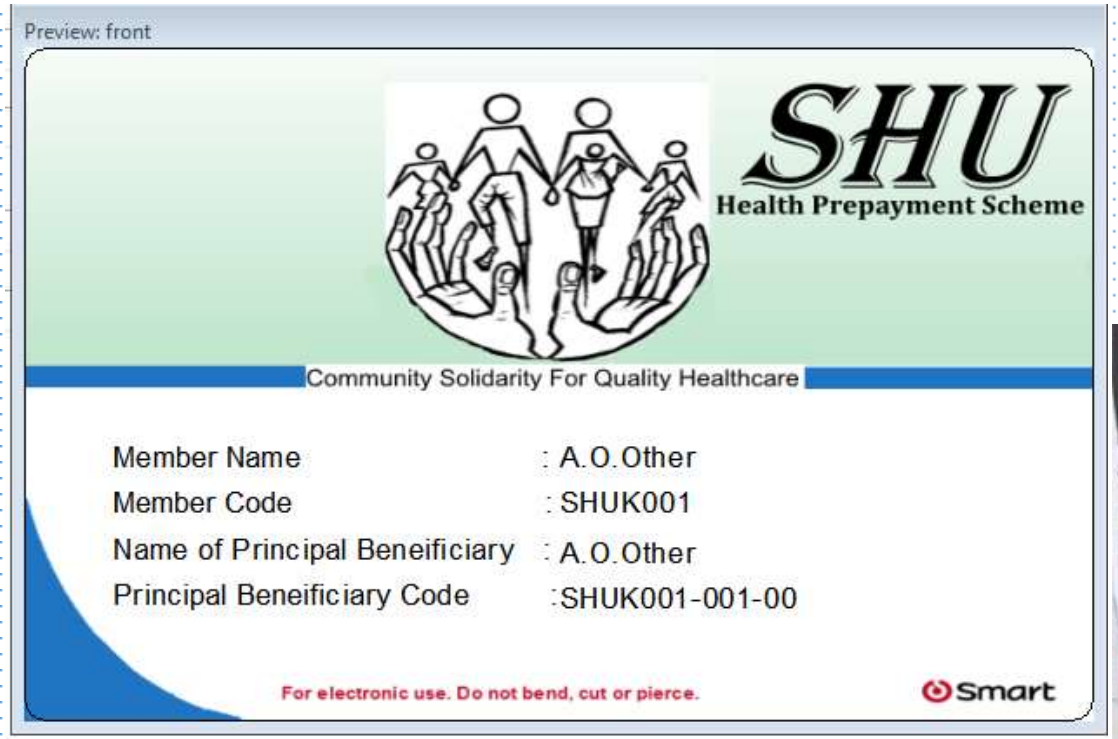
How CHI schemes work: Cross subsidization



How CHI schemes work: Have defined financial exercises



How CHI schemes work: Issue ID cards to enable access



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How CHI schemes work: Bills are verified by scheme leaders before payment

CHI schemes in Uganda: Common challenges

1. Free health care policy environment
2. Premium is misunderstood to be a saving and sometimes a tax
3. Adverse selection
4. Moral hazards
5. Limited/ small package of benefits
6. Exclusion of the poor (They are not able to pay premiums)
7. Over prescription
8. Over billing
9. Low willingness to pay for insurance and the right premium
10. Working with low-skilled managers in schemes
11. Dependence on external subsidies

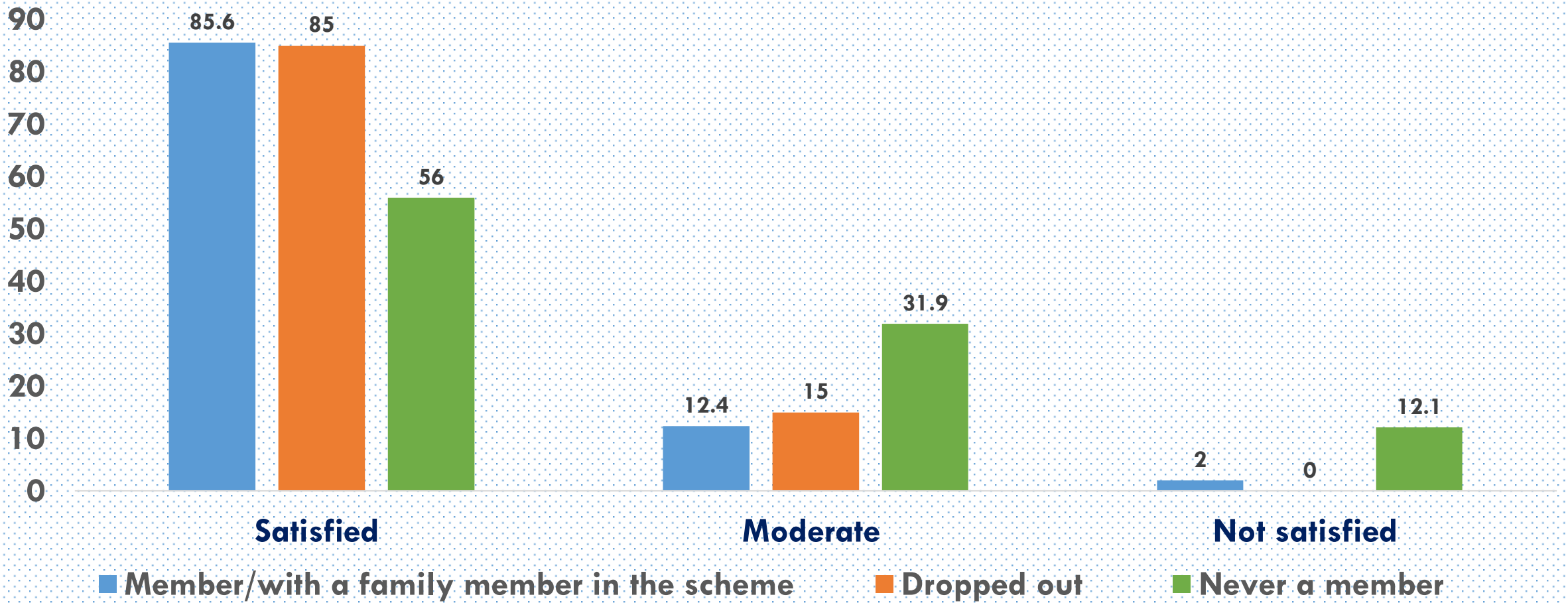
CHI schemes in Uganda: Impact reported

- After hosting CHI schemes for 20 years, Luweero District Local Government officially recognized them and council passed a Luweero District CHI Scheme ordinance in 2019.
- Health care providers' user fees recovery is 100% annually from CHI scheme members.
- The average length of stay at a health facility is lower for CHI members at 2 days compared to non members in the same catchment area who average 4 days. This is due to better health seeking behaviours
- The level of financial protection for patients has reached 70% in SHU promoted CHI schemes. On average, members pay only 30% of the bills
- The relationship between patients and healthcare providers has improved

CHI schemes in Uganda: Impact reported

- The evaluation established that 85.6% of the CHI clients were more satisfied with the reception and services at the contracted health facilities.

Levels of satisfaction across different statuses of families (SHU evaluation report 2020)



CHI schemes in Uganda: Prospects

- Parliament passed the NHIS bill 2019 into an NHIS act 2021 on March 31, 2021 with clause 71 that states ***"Nothing in this Act shall affect the existence and operations of Community Based Health Insurance Schemes and the Minister may issue guidelines for the proper functioning of Community Based Health Insurance Schemes"***

- Interest to regulate the CHI sub sector: Insurance Regulatory Authority of Uganda Interim Micro Insurance Guidelines, 2016.

- Interest to scale up CHI in local governments: Luweero District CHI Scheme Ordinance, 2019

- Positive experiences in the Sub Saharan Africa region:

CHI schemes in Uganda: Prospects

- Rwanda introduced a pilot CBHI scheme (mutuelles de santé) in 1999 in three districts. By 2006, a national policy was implemented, the CBHI schemes were standardized, and free premiums for the poor were formally put in place. Membership increased from less than 7% of people without other insurance in 2003, to 74% in 2013. In 2015, CBHI was integrated into the Rwanda Social Security Board (RSSB) joining a single pool.
- Ethiopia introduced a pilot CBHI scheme in June 2011 in 13 districts. By 2014, the average enrolment rate in the pilot districts was 52.4% of the eligible households. By November 2020, CBHI covered more than 32 million individuals (6.5 million were indigents paid for by Government) in 743 out of 827 districts. The total population of Ethiopia is 114 million people.
- Ghana started off with individual CBHIs (Mutual Health Insurance Organizations) which were forced to merge into district schemes in 2003, and later in 2012, over 145 disjointed District mutual health insurance schemes (DMHIS) and the voluntary MHOs were consolidated into a single unified payer NHIS leading to one administrative system, one governance, and the power to accredit service providers.

THANK YOU