HIC International Experience with Advising on Universal Health Insurance (UHI)

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Australian Government
Health Insurance Commission

- **Australian Federal Government agency responsible for payments and information in the health sector, including:**
  - Medicare
  - Pharmaceutical Benefits Scheme
  - Aged care payments
  - Childhood Immunisation and Organ Donor Registers
  - Health data management
  - Provider compliance and fraud detection
  - Consultancy services

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HIC

- Established in 1974
- National Office in Canberra, Six state HQs, and 236 customer centres
- 4,700 employees
- Processes over 2.5 million transactions a day and AUD$16 billion a year
- Serves 19 million Australian residents, over 30,000 providers and 5,000 pharmacies

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HIC International experience

	Health Financing	Payment Systems	Drug Utilisation	Health Insurance	Health Information	Quality of Care
Turkey	★					
Hungary				★	★	
Romania	★					
Bulgaria	★	★		★	★	★
Slovenia	★	★		★	★	★
Croatia	★	★	★			
Azerbaijan	★	★		★		
Bosnia	★	★		★	★	
China	★	★		★		
Philippines		★		★		★
Jordan		★	★			
Saudi Arabia			★			

UHI Policy Decision

- Nature of the health financing framework – how is UHI organised
- How is UHI revenue derived – tax or contributions
- How are the UHI funds allocated – benefits and quality

Comment – Eastern European countries:

- Moving from a control to a market economy and tend to overcompensate
- Health systems in place but need reform

UHI Framework

- MOH Function – UHI operated as part of the publicly funded health system
- Separate UHI Statutory fund established by the government

Comment

- Most Eastern European countries choose the statutory health fund option - this is the general practice in Europe

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UHI Statutory Fund

- Legislation to ensure good governance
- The statutory fund should be accountable for its financial position – not just a payment agency
- Coverage – those that are paid up members or all citizens
- One fund or many funds
- Representation of regional interests

UHI Statutory Fund

Comment – experience in Eastern Europe:

- Statutory funds are essentially payers - they do not make decisions as to what to pay for and how much to pay for it
- MOFs tend to bail out statutory funds
- Coverage – generally only those that are enrolled and funded
- Where there is more then one fund – fragmentation produces complications with respect to contracting and risk pooling
- Regional interests can be represented by a branch network of a single statutory fund

UHI Revenue

- Ability to collect revenue effectively – ensure equity and manage avoidance
- Contributions can be collected through taxes, social contributions, UHI contributions
- If through contributions – what is the affordable level, how to collect from informally employed, how much does the government contribute for the population that requires social protection

UHI Revenue

Comment – experience in Eastern Europe:

- Governments generally not trusted to pay for health out of general tax revenue
- Statutory fund contributions collected directly by funds – from both employers and employees
- Difficulties in collecting contributions from informally employed
- Government contributions on behalf of dependent populations do not meet the costs of care; solidarity principle – cost subsidised by contributions from the employed

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UHI Expenditure

- Pay for health output not for input
- Benefits package – priority health services based on cost / benefit
- Provider payment system to support incentives for appropriate care
- Provider contracts based on health output and quality
- Quality – support health outcomes; patient safety; and appropriate use of resources

UHI Expenditure

Comment – experience in Eastern Europe:

- Rationalisation of the provider system is difficult
- Primary care: capitation payment (private)
- Secondary care: fee-for-service (public)
- Hospital inpatient: inputs payments moving to casemix (public)
- Political difficulties in formalising sustainable benefits packages as populations have high expectations based on the socialist era
- Purchaser / provider split difficult to implement
- Accreditation being promoted as a quality improvement measure

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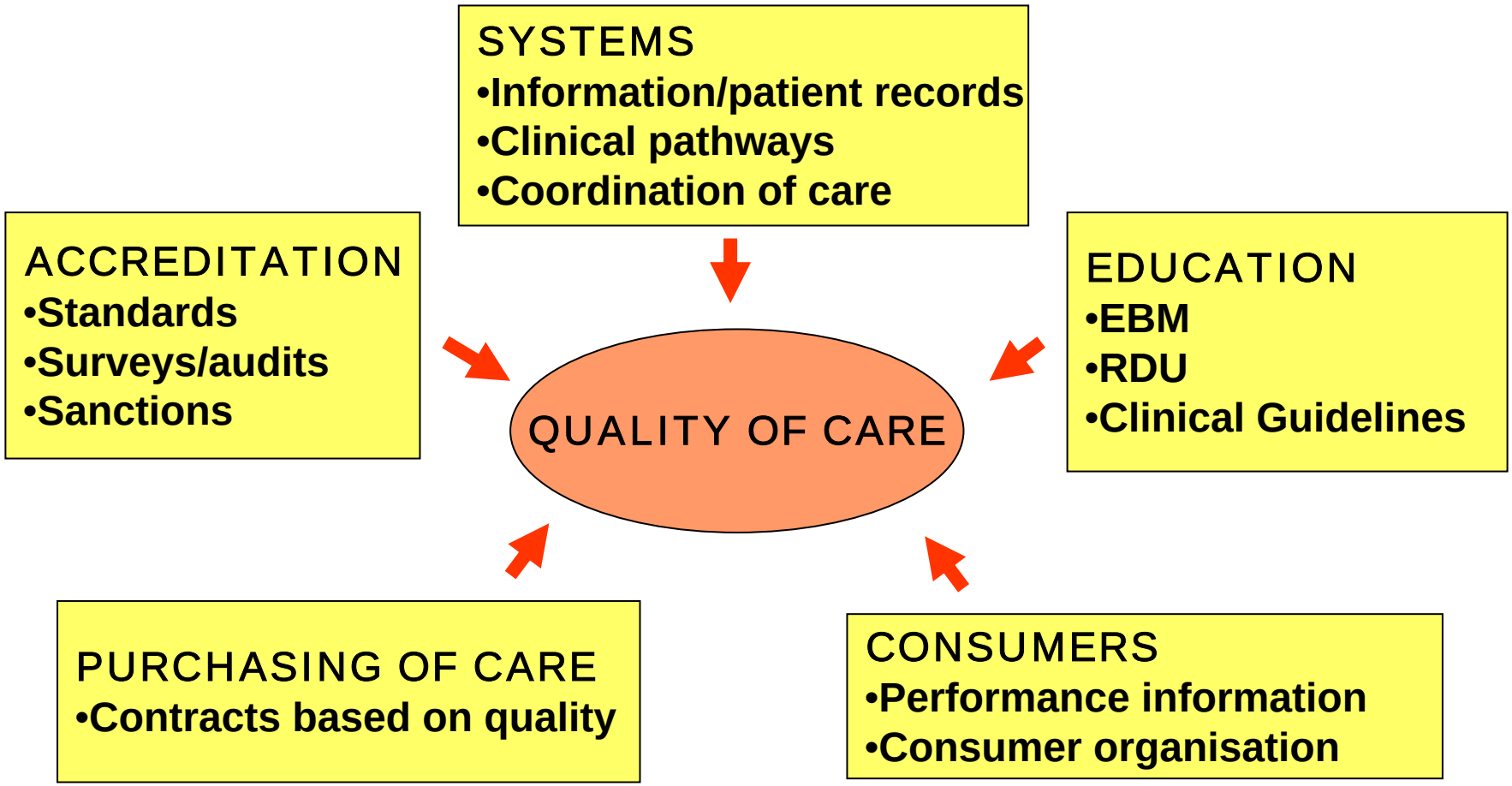
Quality of Care



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Health Information

- Important to start collecting in a standardised manner
- Develop a health information strategy around UHI administrative systems and focus on health sector business needs
- Uses of health information — policy development; health administration, costing and provider payment; compliance; treatment effectiveness; health record; health alarms

Health Information

Comment – experience in Eastern Europe:

- Debate about ownership of data
- Little strategic planning at the outset
- Strategies driven by technology (eg smart cards) rather the business analysis
- Lack of attention to data standardisation
- Recognition of general importance of privacy

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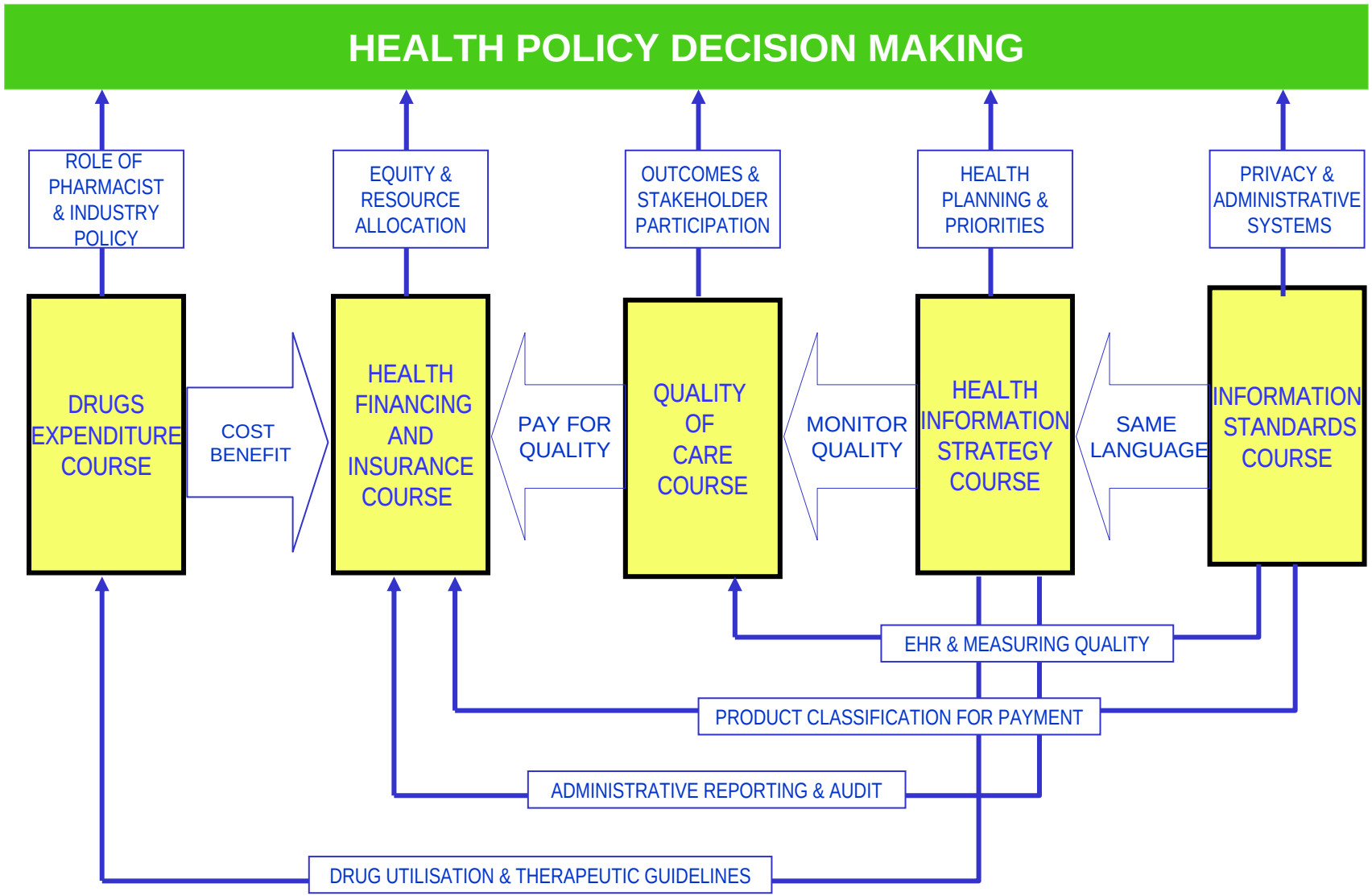
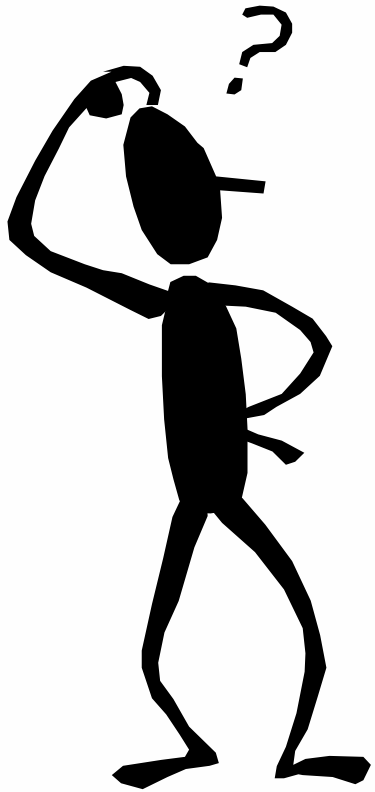


Questions?



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