

# **Social Health Insurance Towards Universal Health Coverage in Lao P.D.R.**

***Presented by:***

***Social Security Organization***

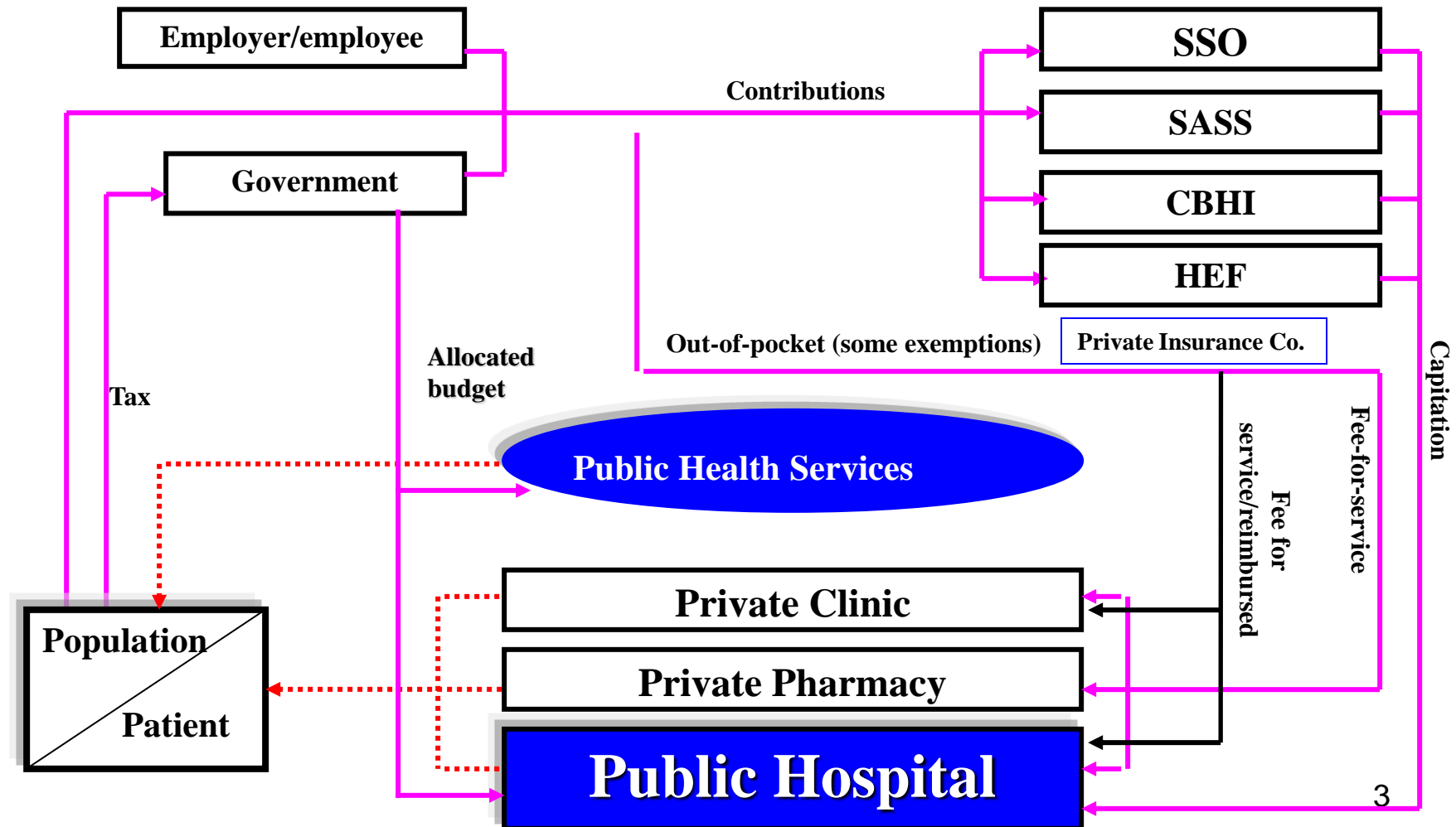
***Lao P.D.R***

# ***Country Profile & Health Indicators***

- |  |  |
|--|--|
| <ul style="list-style-type: none"><li>• Pop. 6.2 Million (2010)</li><li>• Pop. Growth of 2.2% (2010)</li><li>• Fertility rate 3.5 (2010)</li><li>• Pop. in Rural &gt;75% (2010)</li><li>• Pop.Informal Eco. 80% (2010)</li><li>• Pop.Living UPL 25.6% (2010)</li><li>• GDP per cap US\$1,069 (2010)</li><li>• GDP growth 8% (2010)</li></ul> | <ul style="list-style-type: none"><li>• MMR/100,000 357(2010)</li><li>• IMR/1,000 48 (2010)</li><li>• U5MR/1,000 61 (2010)</li><li>• LE 64.7 (2010)<ul style="list-style-type: none"><li>- males 64.4</li><li>- females 67.5</li></ul></li></ul> |
|--|--|

Source: The 7<sup>th</sup> five-year National Social Economic Development plan 2011-2015

# *Current Health System in Lao PDR*



# ***Health Policy Framework***

## Health Strategy by 2020 :

- (1) Full health care service coverage and health care service equity;
- (2) Development of early integrated health care services;
- (3) Demand-based health care services;
- (4) Self-reliant or financially autonomous health services.

## Health Development Plan 2011-2015

- Strengthen health providers' ability,
- Improve community-based health promotion and health prevention,
- Improve and expand hospitals at all levels,
- Promote and strengthen the use of traditional medicine and integrate it with modern care,
- Promote operational health research,
- Ensure effective administration and management, and financial self-sufficiency, *establish the National Health Insurance Fund*

# ***Aims and Health Financing Principle***

## Aims:

- To make funding available
- To set the right financial incentive for providers
- To ensure all individuals have access to effective public health services and personal health care

## Three basic principles:

- Collecting revenue
- **Pooling resources, and**
- **Purchasing** goods and services

***A major challenge is: “Can the rich and healthy subsidize the poor and sick?”***

# ***Social Health Protection Systems in Laos***

- The social protection system in Laos is formed by three health insurance schemes and one safety net.
- The four schemes are implemented in a fragmented way whereby two are run by Ministry of Labour and two by Ministry of Health, as follows:
  - Social Security Organization (SSO)
  - State Authority for Social Security (SASS)
  - Community-Based Health Insurance (CBHI)
  - Health Equity Fund (HEF)
- These schemes present the following issues:

# ***Social Security Organization (SSO)***

- Established in 2001
- Under the Ministry of Labour and Social Welfare
- Covers private and state-owned enterprise employees & their dependant spouse and children
- Health Care benefit is 1 of 8 benefits provided by the scheme
- It's a so-called mandatory scheme, therefore very low compliance, with approx. 36% of

# ***State Authority for Social Security (SASS)***

- Established in 2008 and a compulsory scheme
- Under the Ministry of Labour and Social Welfare
- Covers civil servants & their dependant spouse and children
- Health care benefit is 1 of 8 benefits provided by the scheme



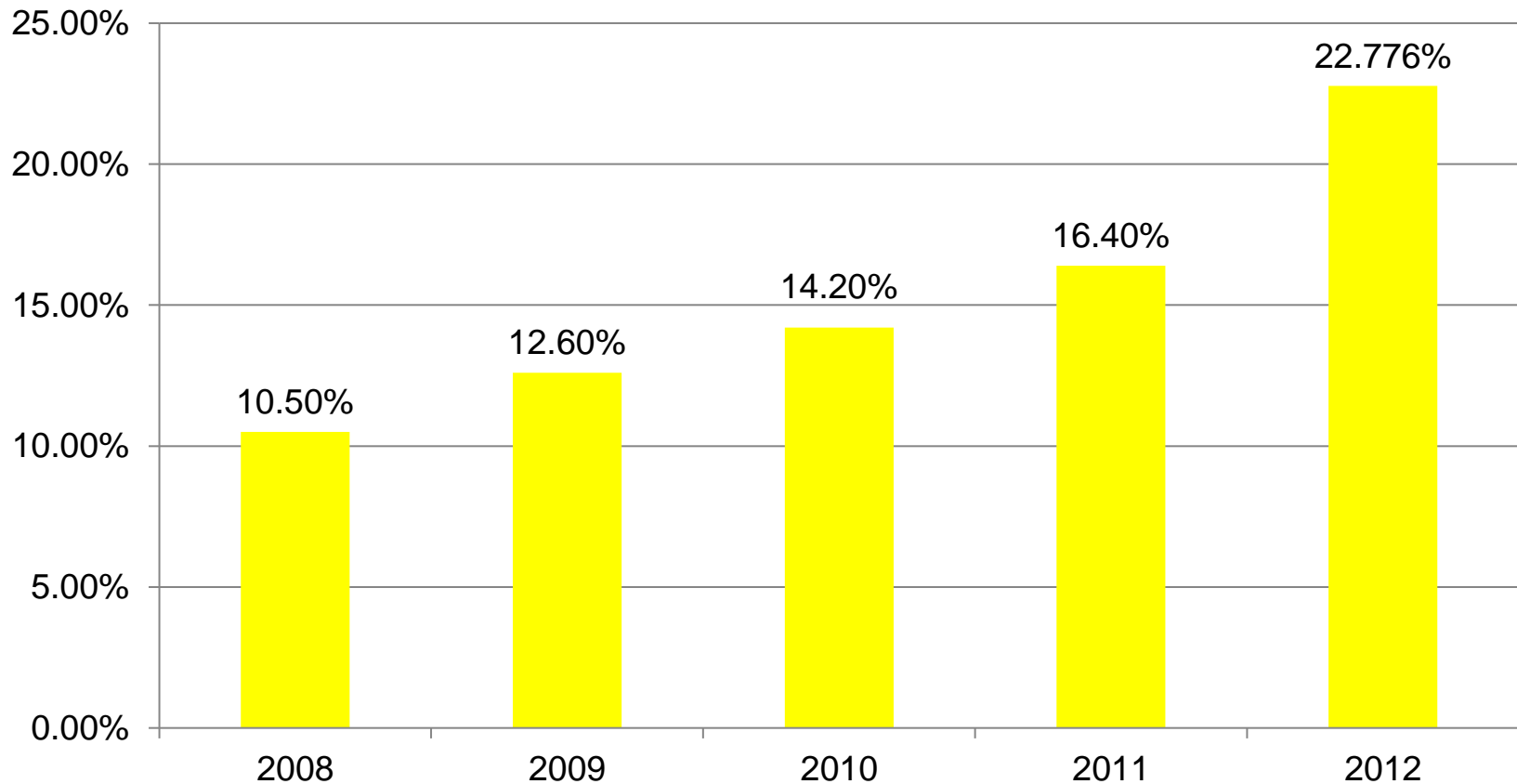
# ***Community-based Health Insurance (CBHI)***

- Launched by Ministry of Health in 2002
- It is a voluntary social health insurance scheme for informal economy.
- Members are eligible for benefit package obtained from primary health care providers and referral hospitals at provincial level.
- Low enrolment and high drop-out rate

## ***Health Equity Fund (HEF)***

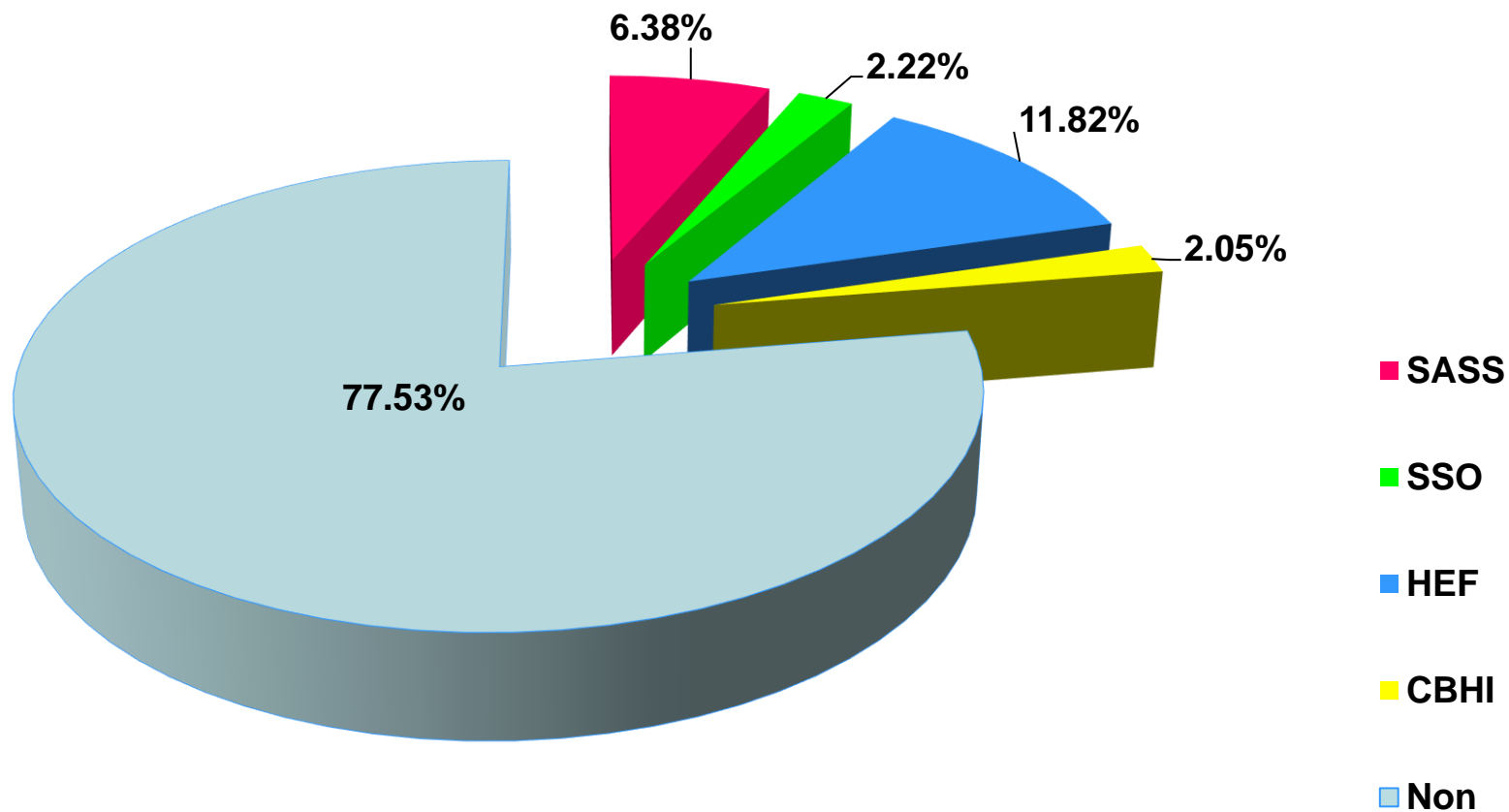
- Financed by government and donors
- Targeted at the poor
- Run by Ministry of Health and some HEFs are administered by Non-state Partners (e.g: the Lao Red Cross/Swiss Red Cross)
- Using either reimburse providers or a combination of capitation and case-based reimbursement.
- Utilization of services trend to increase

# ***Social Health Protection per Total Population***

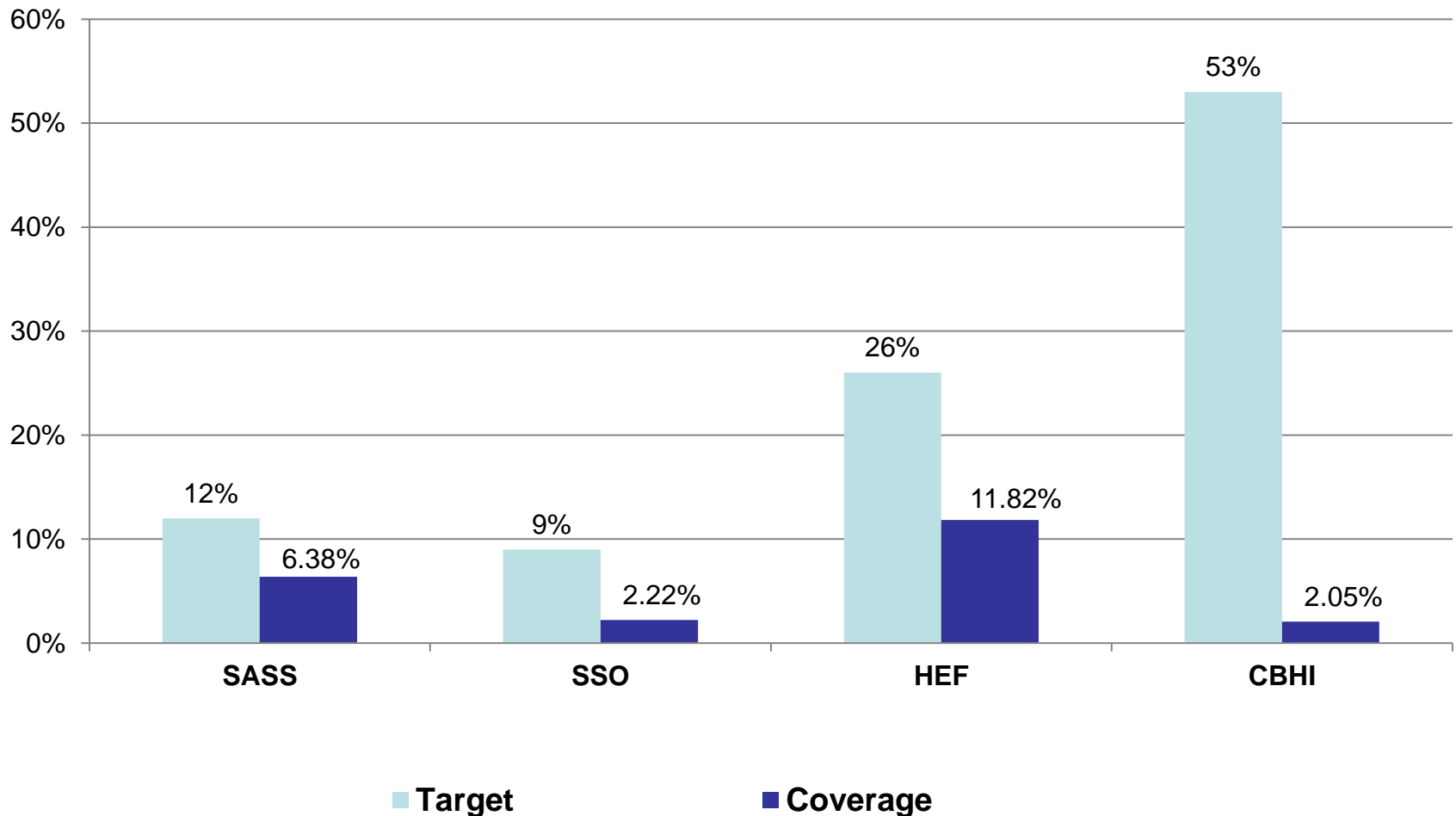


Source: National Health Insurance Bureau, MOH

# ***Social health Protection in Laos 2012***

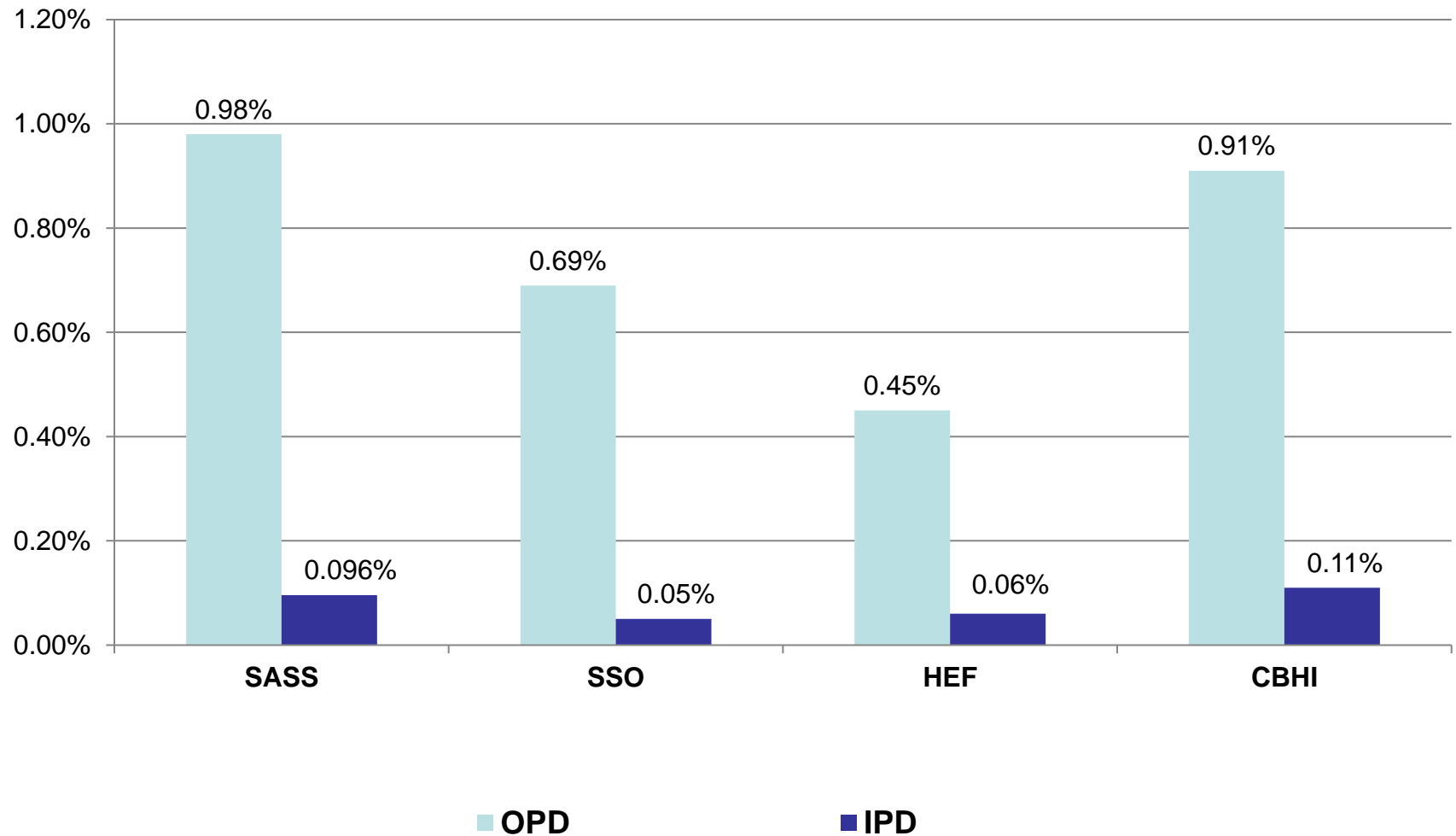


# ***Target & Coverage of Existing Schemes***



Source: National Health Insurance Bureau, MOH

# ***Utilization Rate***



# ***Challenges towards UHC***

- There is an important difference between universal coverage in terms of access (i.e., health network) and in terms of financing (i.e., social protection). The main challenges facing the health sector are related to financing and coverage extension:
- About 75% of the population in the informal sector and 30% belonging to ethnic minority groups.
- Around 26% of the population below the poverty line. High reliance on out-of-pocket money force to either reduce utilization of health care and leading to risks of impoverishment.

# ***Challenges towards UHC***

- The key challenges towards universal social protection coverage are:
- About 78% of population are non covered by any scheme, their health care services have been primarily financed through direct out-of-pocket money
- Acknowledging the need for a long-term effort (progressive coverage, continuity) and need for a mix of social protection schemes.
- Focusing on expanding coverage when a reliable package and financing are reached.



# ***Social health insurance towards UHC***

- The Govt. is committed to harmonization of existing health insurance systems and extension of coverage and issued a decree on the establishment of the National Health Insurance Bureau
- Social Security Law is adopted aiming to merge SSO and SASS into the National Social Security Scheme
- the Govt. has also approved the guideline on the exemption of charges for Maternal, Neonatal and Child Health services.

# ***Social health insurance towards UHC***

- Extension of SSO to all employers (now employers with 10 or more workers) and enrolment of the self-employed formal and informal labour sectors to allow for broader pooling
- Merging two formal schemes: SASS & SSO, compulsory for all salaried workers and saving in administration and some redistribution of funds between the salaried and informal economies.
- The potential targeted groups, referring to the new Law on Social Security are: employer hiring at least one employee, self-employed and voluntarily insured person.

# ***Social health insurance towards UHC***

- Establishing an autonomous national health insurance scheme for rural populations
- Government funding for the essential benefit package for all and State subsidies for the poor.
- Developing additional revenue opportunities via earmarked 'sin taxes' or lotteries.
- Ensuring appropriate legislation for the above stages and to reach universal coverage.

# ***Social health insurance towards UHC***

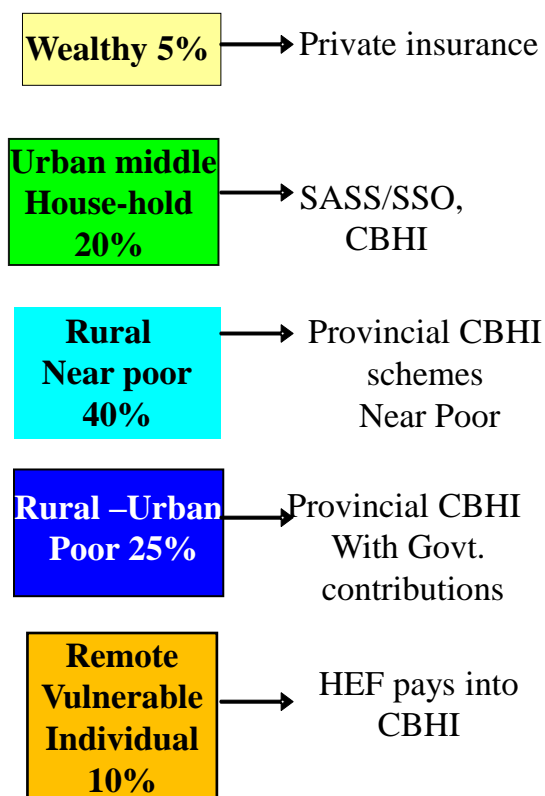
- Develop strong leadership by the Government, especially at MOH and the Ministry of Labour and Social Welfare, with a continued dialogue and collaboration between the main stakeholders.
- Develop an action plan with clear objectives towards universal coverage, with a timetable for leading to the appropriate legislation and merging of systems.

# ***Inter-schemes and inter-sectoral mechanisms to accelerate extension of coverage***

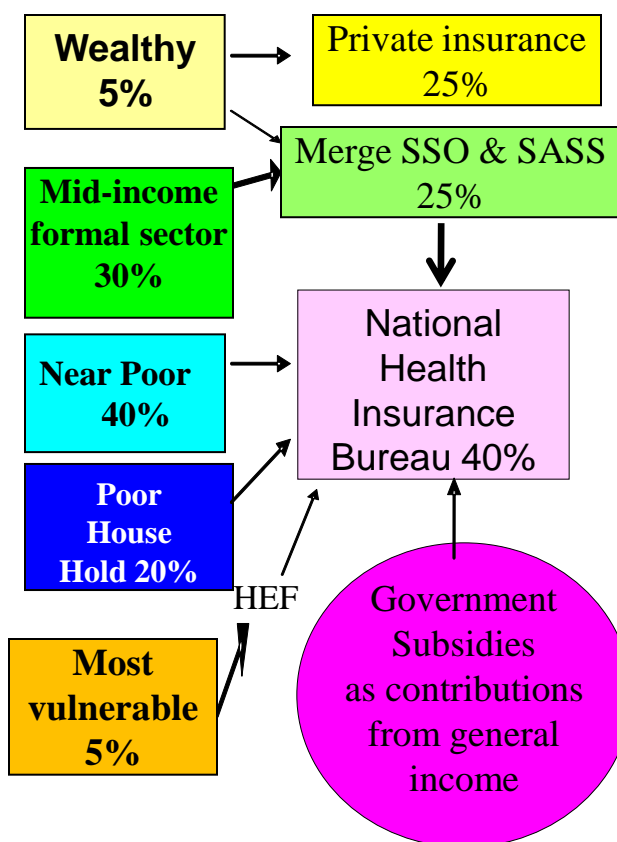
- Develop joint activities among the four existing schemes to solve similar problems.
- Progressively use joint administration and reporting systems between existing schemes.
- Progressively join capitations upstream and pay providers by a single payment mechanism.

# Possible Phasing Towards Universal Health Coverage in Laos

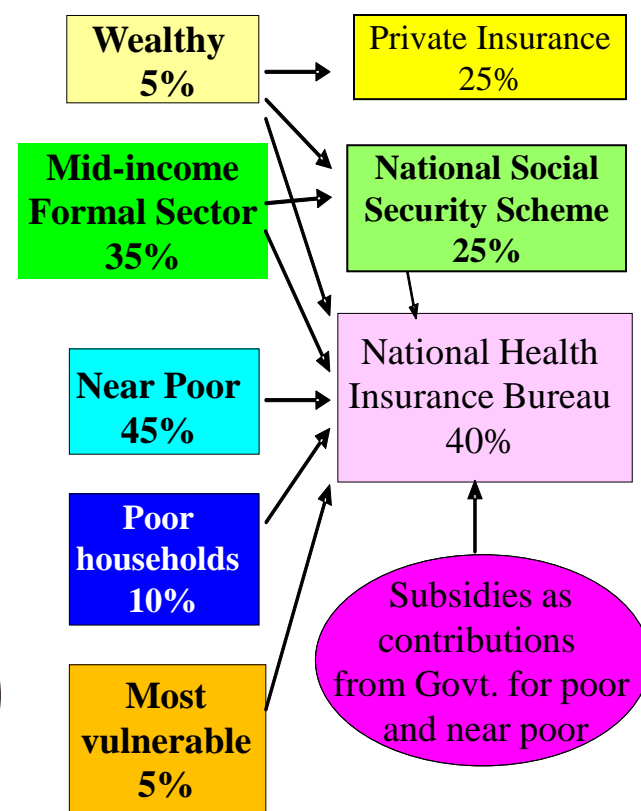
## Current situation



## Medium term - 2015



## Long term - 2020



**Thank you  
Khob Chai!**

