

## Social Health Insurance for Rural Households in Cambodia

The **SKY** Project in 10 mn...



# Problems Addressed by **SKY** Health Insurance Scheme

Problems

Objectives

Design

Outcome

Results

Lessons

*-Accessibility*

*-Financing*

*-Quality*

*-Sustainability*

Next steps

Conclusion

- High costs of health care in Cambodia, mainly out-of-pocket expenditures;
- Poor health condition of rural population due to limited access to quality health care;
- Impoverishment of rural population when severe health risks (indebtedness, decapitalization);
- Children are the most vulnerable segment of population at risk.

# Objectives of the **SKY** Health Insurance Scheme

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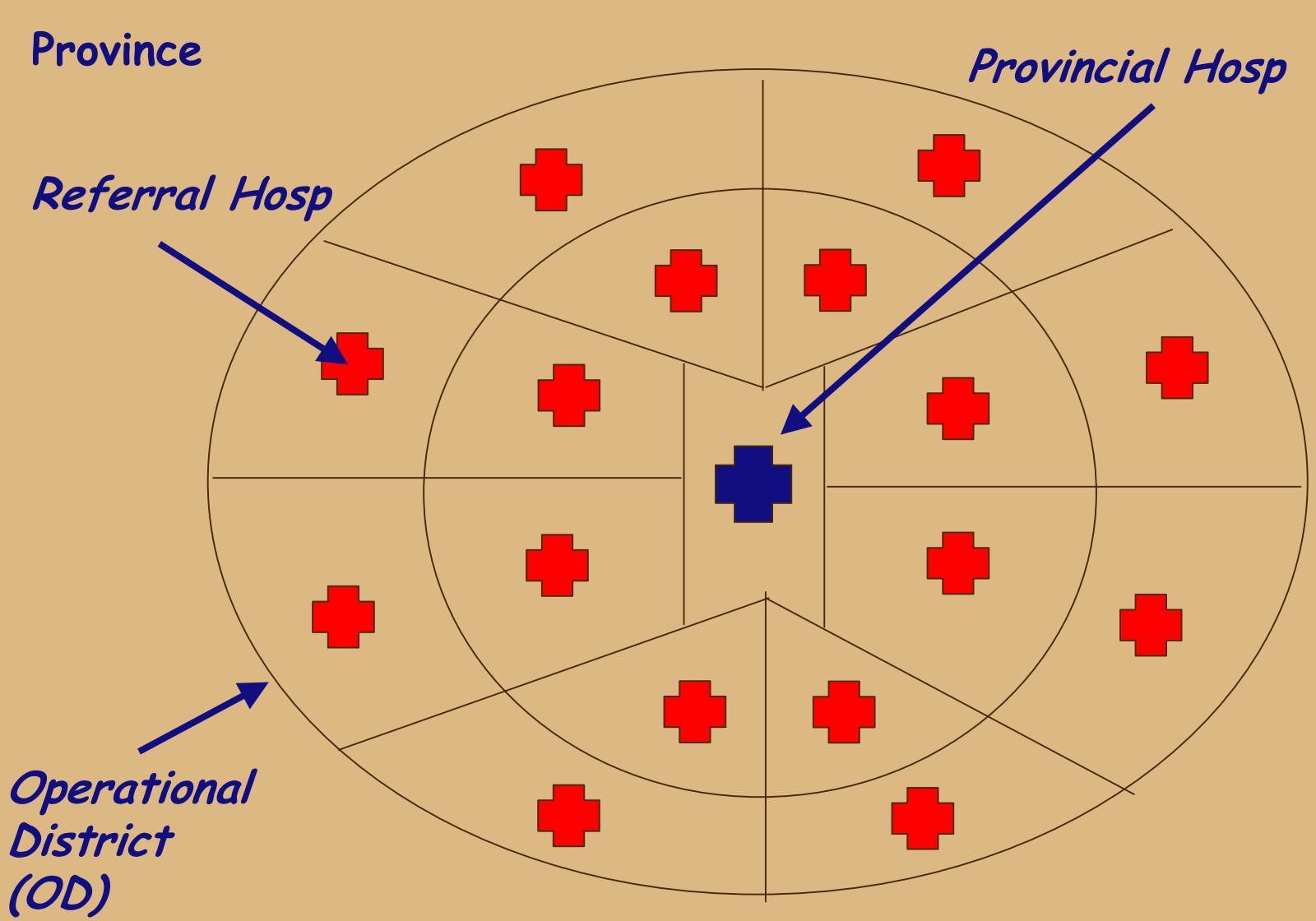
Next steps

Conclusion

- Develop a safety net for health, in order to secure incomes of rural Cambodian households by limiting the economic consequences of large health expenditures;
- Facilitate rural households' access to appropriate quality health care both at primary and secondary levels;
- Thus, prevent severe health risks, particularly for the most vulnerable.

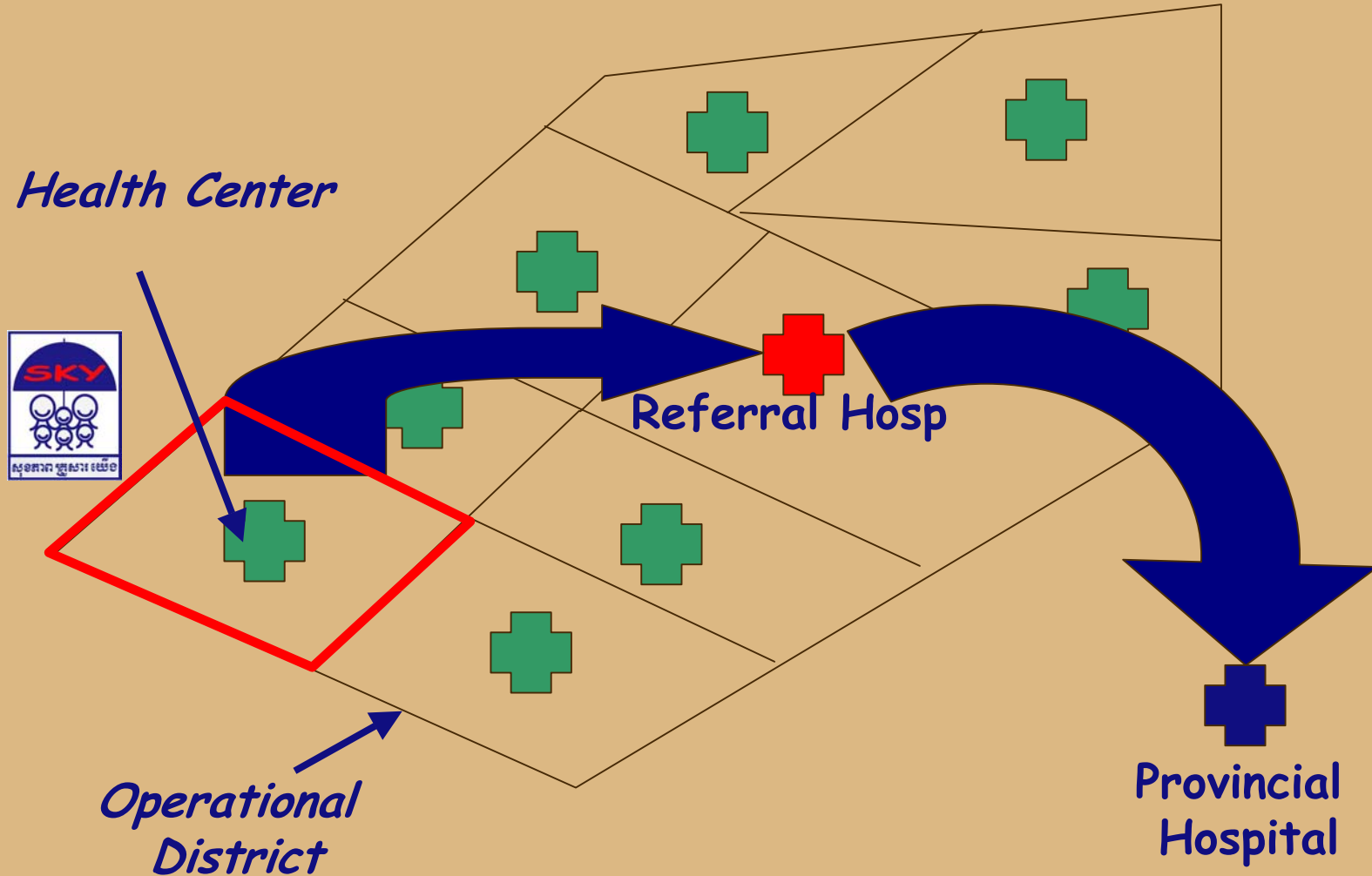
# Public Health Care Organisation in Cambodia

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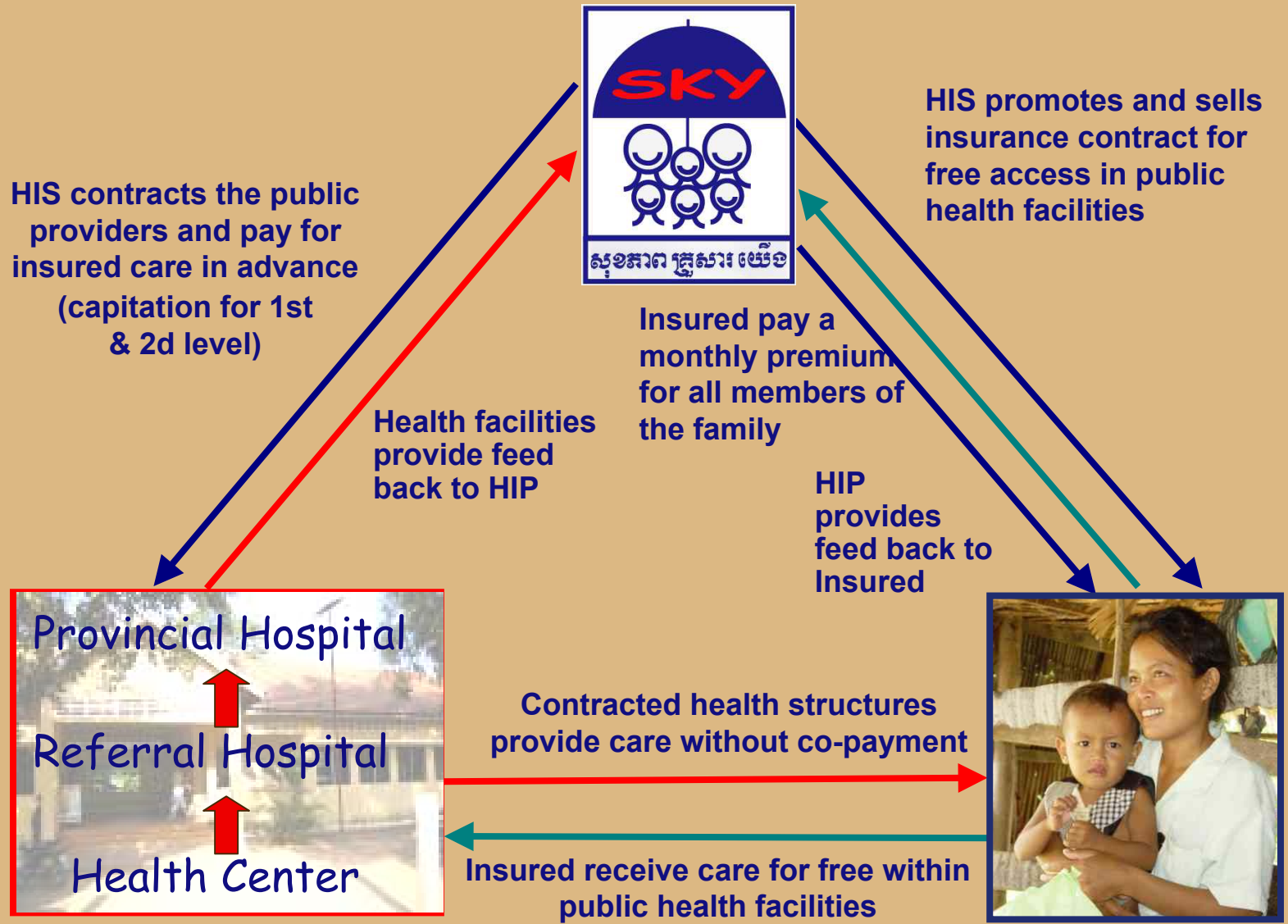
# Design of SKY Health Insurance scheme

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- Voluntary community based health insurance, based on a monthly registration and premium collection system at family level;
- Managed both at a field and central levels;
- Partnerships with public health care facilities for healthcare delivery, through a capitation payment mechanism with a clear referral system;
- At HO, reliable Information System developed to coordinate and follow-up activities, members, risks and results, both on financial and medical aspects.

# Expected Outcome of the **SKY** Health Insurance Scheme

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- Improvement of members' health conditions and behavior for health care use, through better prevention and treatment due to earlier access to health care & increased quality of health care
- Reduction of overall average health expenditure of households;
- Securization of members' economic situation (limitation of indebtedness);
- Improvement of member's economic situation through reallocation of households' budget toward income-generating expenses.

# Where **SKY** Health Insurance Scheme Stands Today

## Three pilot schemes implemented :

- 1 Health Center in Takmau OD
- 1 Health Center in Ang Roka OD
- 1 Health Center in Kirivong OD

## 1 613 persons (353 households) protected

- Coverage of the catchement area ranging from 3% in the most recent zone covered to 13,5% in the oldest.

## A local team of 13 persons trained

- 3 field agents, 2 part-time premium collectors;
- 8 HO Staff.

# **SKY** Health Insurance Scheme : Improves Accessibility to Health Care

## **Insurance contributes to remove deadlocks to accessibility:**

- As members do not have to pay they do not wait to seek health care ;
- No hidden cost ;
- Access to advanced health care facilitated (transportation).

**In Ang Roka OD, 10% of the population insured represents 36% of Health Center patients**

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# **SKY** Improves Financial Situation of Families and Health Facilities

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## **Insurance reduces households health expenditure**

- Average premium cost of 2,6\$ per person per year vs 15 to 22\$;
- Monthly payment of premium and decreasing price for large families enable registration of all sizes of families (*average 4,6 members/family*).

## **Insurance improves Health Facilities Financing**

- Capitation allows for stable and predictable income for Health Facilities.
- Full transparency on health Facilities revenues

## Health situation of members improves

- Members do not wait to seek health care, avoiding therefore severe complications;
- Referral rate of members from Health Center to Hospital is 50% lower than for non member.

## Insurance improves Health Facilities Quality

The “Virtuous Cycle” of Health Insurance...

- If quality improves, more families will join ➡ more money collected ➡ more revenues for salaries and expenditures ➡ better quality ➡ more insured ➡ ....

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## Today

- Premium of 2,6\$ per person per year covers 90% of the medical costs ;
- Small percentage of the population covered ;
- Transaction costs are not covered ;

## Tomorrow

- 25% of the population covered (at OD level) ;
- Break-even close to 5\$ per person per year ;
- Close to full sustainability

## Scaling-up phase: 2005-2007

- Scaling-up of the rural scheme at OD level to test overall financial sustainability ;
- Linkage with Equity Fund sought to reach the poorest ;
- Definition of new insurance products for other segment of the population ;
- Increase awareness about SHI and improve marketing to develop membership ;
- Pilot an adaptation of the rural scheme to Phnom Penh where contribution capacities are higher ;
- Test cross-financing between rural and urban scheme.

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# SKY Health Insurance Scheme is in Line with MoH Objectives

**SKY** Contributes to 4 key working areas of the MoH's Strategic Plan:

- Health service access and delivery;
- Health care quality improvement;
- Behavioral change and communication;
- Health financing.

**SKY** is an innovative model complementing the microfinance objectives:

- Microfinance aims at improving households revenues;
- Microinsurance aims at securing households revenues and assets.

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