

Strengthening Social Health Insurance in Mongolia

Stakeholder Consensus Building Conference

Ulaanbaatar 28 – 29 April 2008

Claude Bodart

ADB Support to the Development and Implementation of SHI in
Mongolia

Outline

1. Strengthening Social Health Insurance: Content & Process
2. National and International Evidence
3. Government – ADB Agreement (Dec 2007)
4. ADB Support 2008 - 2013

Strengthening Social Health Insurance: Process and Content

Policy Process

Evidence/Recommendations

1. 1993 -1996 (Design)

-ADB. TA 2279. Strengthening HI (SSIGO creation)

2. 2001 Consensus Mtg



MOH – MOSWL
(independence of HI and
resources allocation)

-WHO/Govt initiated: goals and policy direction to be clarified

-ADB. 1999. Don Hindle
-Tacis. 2000. A. Weber's report
-WB. 2002. NHA

3. 2005 Int. Consultative Mtg



MOH – MOSWL
(Purchasing responsibilities)

-Government/ADB/WHO initiated: to finalize HCF policy but conflicting views and TA ADB closed in Jan 2006
- ADB. TA 4123. 2005. Health Care Financing Policy
- ADB. TA 4123. 2005. Health Insurance Dev. Strategy
-ADB. TA 4123 2004. Knowles rep.; Y. Samyshkin 2004
-ADB TA 4123. 2005. Don Hindle and Ts. Bujin 2005;
-ABD TA 43123. B. Orgil etc. 2005; Ts. Tsolmongerel 2005
-WHO. 2005. S. Kwon

2007: Attempts to revive the consultative process

-Government. 2005. Health Sector Master Plan
- WB. 2006. Mongolia Health System at a crossroad
- WB. 2007. Public Expenditure Review (Health)

4. 2008 Current Initiative

-Government -ILO-WHO-GTZ-ADB initiated SHI conf.

Main Findings of the Reports

Central Problem:

Poor utilization of resources

Causes:

Fragmented financing
Poor leverage of Health Insurance;
Poor coordination between MOH and SSIGO,
Inefficient resource allocation
Lack of purchasing capacity,
Inadequate provider payment arrangements

Results:

Negative impact on the performance of the sector, namely **quality, efficiency and effectiveness**

Open Questions:

Is the Sector Under-funded?

Government Budget for Health More than Doubled over Last Three Years

GOVERNMENT HEALTH EXPENDITURES (BILLION TUG.) AND AS A % OF GDP

	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Government Health Expenditures	46.8	54.2	57.6	62.3	77.6	83.7	103.1	155.4	229.1
As a % of GDP	4.6	4.9	4.6	4.3	4.1	3.3	3.2	4.5	4.2

Source: MOH 2008

Hospitals Get a Diminishing Share of the Budget and FGPs are Neglected

GOVERNMENT HEALTH EXPENDITURES BY PROVIDER (million tugriks)

	2004	%	2005	%	2006	%	2007	%	2008	%
Tertiary care hospitals	20,217	26	23,310	28	28,189	27	32,000	21	43,476	19
Aimag and District hospitals	24,599	32	26,186	31	32,251	31	51,000	33	59,330	26
Soum hospitals	14,344	18	15,362	18	19,003	18	26,000	17	41,500	18
FGPs	2,202	3	3,455	4	4,409	4	5,900	4	9,700	4
MOH and Aimag Health departs	2,737	4	2,893	3	3,318	3	4,766	3	7,800	3
Capital expenditures	3,576	5	3,460	4	6,460	6	20,701	13	25,109	11
Others	9,896	13	9,059	11	9,508	9	14,999	10	42,243	18
	77,571		83,725		103,138		155,366		229,158	

Source: Ministry of Health 2008

Decreasing Share of Funding from HI and Diminishing Coverage in Aimags

SHARE of GOVERNMENT HEALTH EXPENDITURES

	2000	2001	2002	2003	2004	2005	2006	2007	2008*
Central Government	73.8	66.1	64.0	69.0	70.9	69.1	72.9	76.6	76.6
Social Health Insurance Fund	20.4	27.6	31.5	24.9	25.4	26.1	23.3	20.2	21.4
Official OOP to public providers	5.8	6.3	4.5	6.1	3.7	4.8	3.8	3.2	2.0

Source: MOF 2008; MOH 2008

HEALTH INSURANCE COVERAGE (%)

	2002	2003	2004	2005	2006	2007
Nation-wide	80.2	80.3	79.7	77.6	73.4	77.4
Ulaanbaatar	73.0	82.8	79.4	74.0	79.2	85.7
Aimags	82.3	77.4	78.1	77.9	69.9	72.1

Source: SSIGO, Health Insurance Department. 2007

International Evidence

Contextual Evidence

Policy Measures	Effect
■ Strong Purchaser	→ ■ Quality and efficiency
■ Pooling of Funds	→ ■ Efficiency
■ Autonomy of Provider	→ ■ Mixed Evidence
■ Provider – Purchaser Split	→ ■ Efficiency
■ Prospective payment methods	→ ■ Cost containment; mixed effect on quality
■ Gatekeeper; enrollment; limited drug list	→ ■ Cost containment

Grant Covenants for Third Health Sector Development Project (THSDP)

1. By April 2009:

Plan: outlining the main financial reforms to be introduced in the health sector.

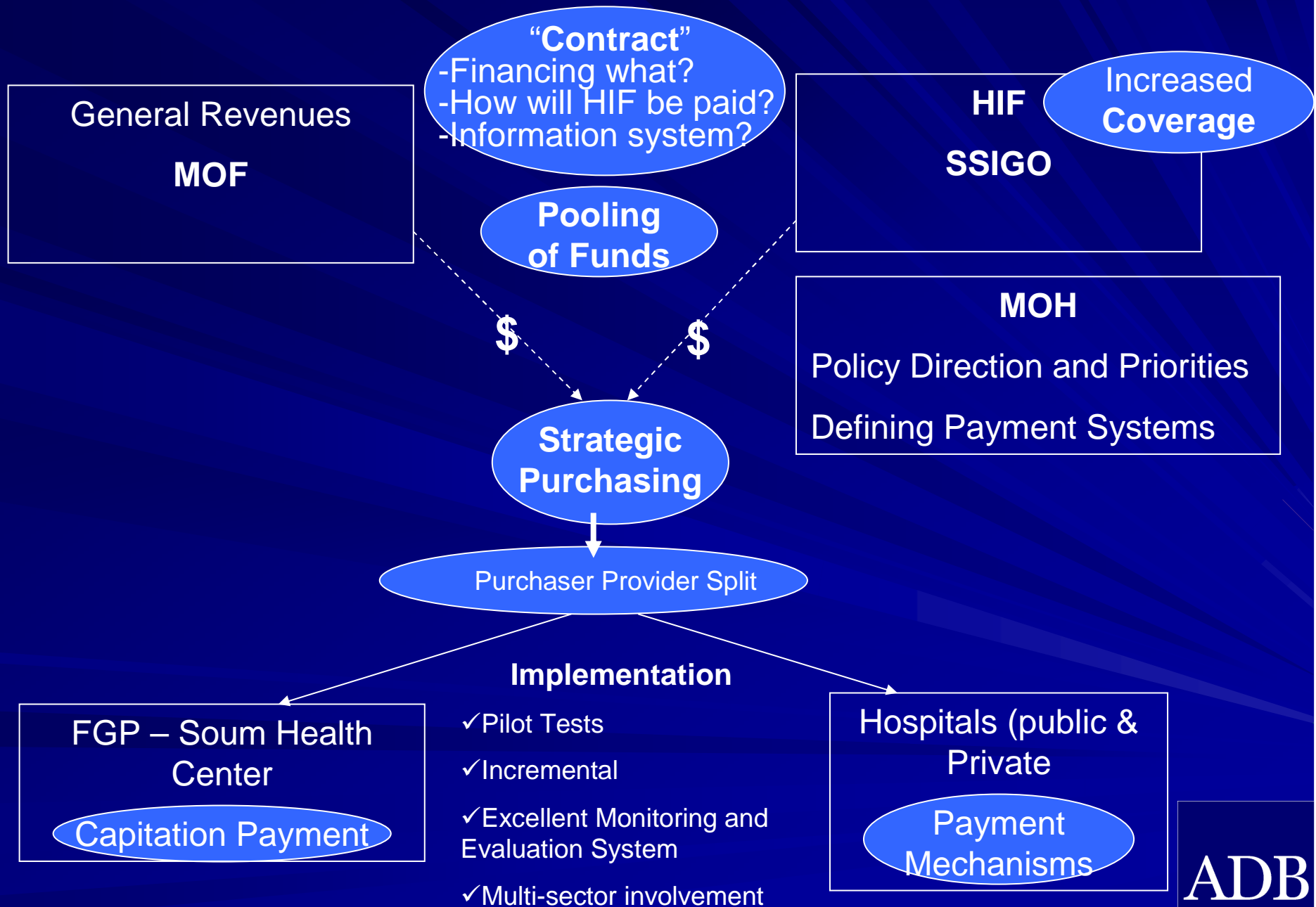
Implementation arrangements: including piloting and timeframes.

2. By October 2010:

Memorandum of Understanding: MOF – MOH - MOSWL on pooling of funds and single purchaser.

Pilot Implementation: within the duration of the Project

ADB Support 2008 - 2013



**ADB is Very Pleased to Be Part of the
Present Stakeholder Consensus
Building Conference**



Thank You!