Strengthening Social Health Insurance in Mongolia
Stakeholder Consensus Building Conference
Ulaanbaatar 28 – 29 April 2008
Claude Bodart

Outline

1. Strengthening Social Health Insurance: Content & Process
2. National and International Evidence
4. ADB Support 2008 - 2013
Strengthening Social Health Insurance: Process and Content

Policy Process

1. 1993-1996 (Design)
2. 2001 Consensus Mtg
   MOH – MOSWL
   (independence of HI and resources allocation)
3. 2005 Int. Consultative Mtg
   MOH – MOSWL
   (Purchasing responsibilities)
4. 2008 Current Initiative

Evidence/Recommendations

- ADB. TA 2279. Strengthening HI (SSIGO creation)
- WHO/Govt initiated: goals and policy direction to be clarified
- ADB. 1999. Don Hindle
- WB. 2002. NHA
- Government/ADB/WHO initiated: to finalize HCF policy but conflicting views and TA ADB closed in Jan 2006
  - ABD TA 43123. B. Orgil etc. 2005; Ts. Tsolmongerel 2005
  - WHO. 2005. S. Kwon
- Government. 2005. Health Sector Master Plan
  - WB. 2006. Mongolia Health System at a crossroad
  - WB. 2007. Public Expenditure Review (Health)
<table>
<thead>
<tr>
<th>Central Problem:</th>
<th>Poor utilization of resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Causes:</td>
<td>Fragmented financing</td>
</tr>
<tr>
<td></td>
<td>Poor leverage of Health Insurance;</td>
</tr>
<tr>
<td></td>
<td>Poor coordination between MOH and SSIGO,</td>
</tr>
<tr>
<td></td>
<td>Inefficient resource allocation</td>
</tr>
<tr>
<td></td>
<td>Lack of purchasing capacity,</td>
</tr>
<tr>
<td></td>
<td>Inadequate provider payment arrangements</td>
</tr>
<tr>
<td>Results:</td>
<td><strong>Negative impact</strong> on the performance of the sector, namely <strong>quality, efficiency and effectiveness</strong></td>
</tr>
<tr>
<td>Open Questions:</td>
<td>Is the Sector Under-funded?</td>
</tr>
</tbody>
</table>
### Government Health Expenditures (BILLION TUG.) and As a % of GDP

<table>
<thead>
<tr>
<th>Year</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount</td>
<td>46.8</td>
<td>54.2</td>
<td>57.6</td>
<td>62.3</td>
<td>77.6</td>
<td>83.7</td>
<td>103.1</td>
<td>155.4</td>
<td>229.1</td>
</tr>
<tr>
<td>As a % of GDP</td>
<td>4.6</td>
<td>4.9</td>
<td>4.6</td>
<td>4.3</td>
<td>4.1</td>
<td>3.3</td>
<td>3.2</td>
<td>4.5</td>
<td>4.2</td>
</tr>
</tbody>
</table>

*Source: MOH 2008*

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

Source: Ministry of Health 2008

Hospitals Get a Diminishing Share of the Budget and FGPs are Neglected
# Decreasing Share of Funding from HI and Diminishing Coverage in Aimags

## SHARE of GOVERNMENT HEALTH EXPENDITURES

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

Source: MOF 2008; MOH 2008

## HEALTH INSURANCE COVERAGE (%)

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nation-wide</td>
<td>80.2</td>
<td>80.3</td>
<td>79.7</td>
<td>77.6</td>
<td>73.4</td>
<td>77.4</td>
</tr>
<tr>
<td>Ulaanbaatar</td>
<td>73.0</td>
<td>82.8</td>
<td>79.4</td>
<td>74.0</td>
<td>79.2</td>
<td>85.7</td>
</tr>
<tr>
<td>Aimags</td>
<td>82.3</td>
<td>77.4</td>
<td>78.1</td>
<td>77.9</td>
<td>69.9</td>
<td>72.1</td>
</tr>
</tbody>
</table>

Source: SSiGO, Heath Insurance Department. 2007
Contextual Evidence

Policy Measures
- 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

“Contract”
- Financing what?
- How will HIF be paid?
- Information system?

General Revenues
MOF

Pooling of Funds

Strategic Purchasing

Purchaser Provider Split

Implementation
✓ Pilot Tests
✓ Incremental
✓ Excellent Monitoring and Evaluation System
✓ Multi-sector involvement

FGP – Soum Health Center
Capitation Payment

HIF
SSIGO

Increased Coverage

MOH

Policy Direction and Priorities
Defining Payment Systems

Hospitals (public & Private)

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

😊

Thank You!