

# **Introductory Remarks on the Reform on the Mongolian Health Insurance**

**Strengthening the Capacity and Multi-Sector Collaboration to  
Improve Social Health Insurance in Mongolia**

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# Structure of the Presentation

- The Achievements
- The Challenges
- The Choices
- The Steps
- Conclusions

# The Achievements

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# The Achievements

- Social health insurance introduced in 1993, when the country was implementing fundamental socioeconomic reform measures
- Policy objectives:
  - to mobilize additional financial resources for the health
  - To provide financial protection for the low income and vulnerable population.
- Social health insurance in Mongolia has played an important role in:
  - Ensuring continuity in financing health services
  - Providing access to health services for large parts of the population and
  - Protecting the insured from excessive financial burden and catastrophic health spending associated with ill health.

# The Achievements

- Nearly Universal insurance coverage (only few countries in Asia)
- Extensive public subsidy for specific population categories
- Subsidy is gradually reduced as long as some population categories such as herdsman have become economically self-sufficient
- A functioning administration including contribution collection
- Stable finance

# The Challenges

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# The Challenges

- Providers and the population reacted differently
- Several amendments have been introduced into the health insurance Law to support rational behaviors
- Administrative strengthening needed
- Activities mainly operational and focused on fund management issues rather than benefit assessment, member satisfaction and provision of quality of health care.
- No coordination of budget and health insurance policy in financing the health care system.
- Capacities in some areas still limited
- Strategic goal and role have not yet been fully established.

# The Challenges

- A lack of coordination and collaboration among key stakeholders
- Coordination of health and public sector management laws and regulations created barriers
- Result was:
  - Decreasing coverage of social health insurance
  - Inadequately defined health insurance services
  - Unmet needs and expectations of the insured regarding quality of health insurance services.
  - Lacks in coordination of financing and operation
- At the same time increasing reserve funds.

# The Choices

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# The Choices

- To increase the independence of the social Health Insurance Department of SSIGO, in order to strengthen the capacity as “purchaser”
- This creates needs in terms of supervision, capacity and “purchasing mechanisms – provider payment and “contracting”
- To create incentives to improve quality of care through appropriate provider payment mechanisms, monitoring and strengthening patient’s rights like insurance card.
- introducing an appropriate health care information system

# The Steps

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# The Steps

- To agree on a common vision and strategic directions
- To develop an effective consensus building mechanism
- Two strategic papers on the table:
  - the health insurance development strategy developed with ADB assistance
  - the Health Sector Master Plan
- Urgent task to develop and implement these in consensus.

# The Steps

- Possible concrete measures:
  - Introducing reforms like the insurance card and new purchaser models on a pilot basis.
  - To develop a data based costing framework for the actuarial calculation of provider payment mechanisms.
  - To build capacity in core courses on issues of reforming Social Health Insurance
  - Agreeing on a background paper including studies that would form the basis of the reform and draft laws as well.
  - Elaborating draft laws and regulations through a collaborative process between the concerned ministries.
  - Having an extended national dialogue process, including government ministries, trade unions, employers, expert, and other civic group hearings.

# Conclusions

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# Conclusions

- A lot has been achieved – respect
- There are challenges
- It is possible to find solutions
- There is no lack of technical proposals
- There is some backlog in the process
- All have to get together

# Thank You

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