

# Challenges and strategies to extend health insurance to the poor

## The contribution of public microinsurance plans in Latin America

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### **Public Microinsurance schemes**

Microinsurance is ....

„the protection of low-income people against specific perils in exchange for regular contributions proportionate to the likelihood and cost of the risk involved“ (*Draft Donor Guidelines*)

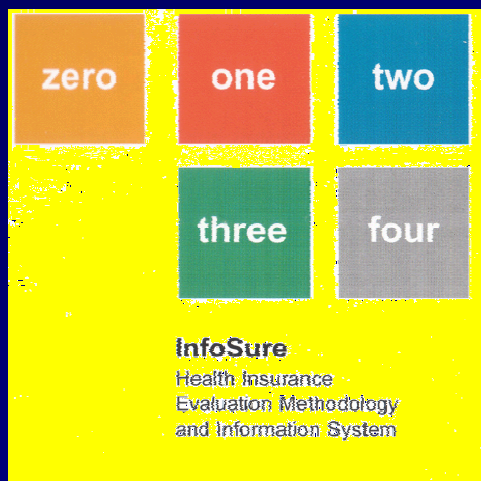
# Public schemes in Latin America

- **Basic Health Insurance - Bolivia**  
**Seguro Básico de Salud (SBS);**  
*Seguro Universal Materno Infantil - SUMI*
- **Mother-Child Insurance - Peru**
- **Seguro Materno Infantil (SMI);**
- *Seguro Integral de Salud - SIS*
- **Integral Health Insurance - Paraguay**
- **Seguro Integral de Salud (SI)**
- **Teacher Welfare – El Salvador**  
**Bienestar Magisterial (BM)**



## InfoSure

- **InfoSure: rapid assessment tool for health insurance**



1	Setting up the scheme
.1	Set-up period
.2	What kind of need/problem led to the creation
.3	Role of external stakeholders
.4	What kind of support was given?
.5	Who participated in the decision-making process?
.6	What preparation / investigation was carried out?
.7	Which data was available?
2	Membership
3	Financing
4	Benefits provided by the insurance scheme

# InfoSure

1 2 What kind of need/problem led to the creation of the scheme?

## PART I

### Explanation:

The creation of the health insurance scheme must have had an initial motivation, which means that a problem was expected to be solved by the health insurance scheme or a special benefit was expected. If you have previous experience, please report and explain. What was the crucial item leading to the creation of the scheme?

### Possible Answer:

Usually these motivations may be access to healthcare, available resources, profit interests, etc. What were the motivations?

Political motivation may be, for example, to make a pilot for a broader social insurance scheme.

### Answer:

In general terms, the poverty and development indexes of Bolivia conducted to the introduction of health insurance national programs to which the SBS belongs. A specific motivation came up in the context in the form of the HIPC-initiative of the G7 (G8) countries to which Bolivia was one of the poorest. The debt relief for the poorest countries of the world is conditioned to various indicators. Health aspects like coverage of births, of pneumonia and diarrhea in children, vaccination coverage, anti-Chagas fumigation and reduction of the annual parasite index in endemic areas. In the political field, on one hand due to the mentioned conditions and on the other hand to the aim was the reduction of the debt. That motivational complex...

11 2 Expenditure

## PART III

	1997	1998
Total – Expenditure	194000	257000
Capital costs		
Building	0	0

1 2 What kind of need/problem led to the creation of the scheme?

## PART II (Multiple answers possible)

- Ability to pay (high user fees or co-payments)
- Dissatisfaction with an existing scheme  
Please specify in Part I
- Poor quality of care  
Please specify in Part I
- Unstable and/or low salaries of health workers
- Political motivation  
Please specify in Part I

Commercial interests

Problems of providers with payment of bills

Consumer empowerment

## Basic Health Insurance Bolivia

- Geographic extension: nationwide
- Financing: national tax resources, channelled via municipalities according to flat rate
- Affiliation voluntary and free of charge, no contribution payment by enrollees
- Benefits: Maternal and child health, some infectious diseases
- Providers: mainly public, some NGO

## Mother Child Insurance Peru

- Geographic extension: nationwide
- Financing: 95 % tax-financed, 5 % affiliation fees
- Enrolment voluntary, single affiliation fee payment, no contributions
- Benefits: Maternal and child health, selected preventive services
- Providers: mainly public, also NGO and social security

## Integral Insurance Paraguay

- Geographic extension: Caazapá Governorate
- Financing: national, governorate and local plus flat-rate contribution
- Affiliation voluntary and free of charge, monthly contributions
- Benefits: Maternal and early child health, dental care pregnant women
- Providers: Public Regional Hospital, soon public health centres and posts

# Teacher Welfare El Salvador

- Financing: shared contribution (7,5 % MoEduc (employer), 3 % employees)
- Affiliation mandatory, regular payroll deductions
- Benefits: Comprehensive coverage
- Providers: hired GP's, Mix of public and private hospital providers

## Some conclusions

- How to combine (intended) adverse selection and financial sustainability?
- Publicly run microinsurance lacks bottom-up initiatives, participation, transparency and marketing
- Access to health care improved for the poor, but stigmatisation might occur
- Administrative efficiency is low
- Public micro health insurance helps to overcome segmentation