Parallel session 8

How private insurance complements universal health cover

By Pedro Pinheiro

This session discusses the role of private health insurance, where the state provides universal healthcare coverage to the population, drawing from case studies in India, Bolivia and other countries.

The role of health systems should be to promote and improve the health of the population via the most cost-effective and evidence-based methods. In addition to health gain, the systems should pursue "equity in health" (a fair distribution of health status among the population), financial protection in case of a health issue in the family, "equity in finance" (fair distribution of the financing according to capability), and responsiveness of the system.

78 — Left to right: Guillermo Aponte Reyes-Ortiz, Microinsurance Advisor, Procosi, Bolivia; Pompy Sridhar, Merck/MSD for Mothers, India.

79 — Denis Garand, President, Denis Garand and Associates, Canada.

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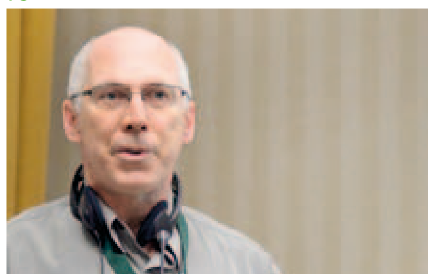
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Giving prevention a priority

While universal health coverage is proposed by the World Health Organization and others, the focus of health systems often gets lost on the way of collecting revenue. Very rarely is attention paid to cost-effectiveness. Because of this, countries that spend a higher percentage of their GDP on health are not necessarily the ones that provide the best healthcare to their populations. More often than not, an increase in investment is followed by an increase in prices from healthcare providers, and the population remains unattended (see Figure 26).

Low-income countries that are succeeding in generating good life expectancy and infant mortality indicators tend to prioritise health promotion and prevention over technology-intensive high-cost investments, as well as addressing abuses of the system such as over-utilisation by a small percentage of users.

Tackling maternal mortality through quality improvement

Every day, more than 800 women die from complications of pregnancy and childbirth around the world, and 15 % of these maternal deaths occur in India. Despite increases in the number of women delivering in facilities, maternal mortality remains too high, suggesting gaps in quality of care both in private and public health systems. To address the shortcomings, MSD[12] for Mothers in India (aka Merck for Mothers in the USA and Canada) is working with the Manyata[13] initiative – a national certification and quality improvement system to recognise private providers who consistently deliver quality care to the women they serve (see Figure 27).

12
Merck Sharp and Dohme

13
Sanskrit name for girls meaning respect.

The initiative's vision is a world where no woman dies while giving life. It links health system stakeholders to create incentives for payers to demand quality – setting, maintaining, and delivering standards for care to ensure healthy pregnancies and safe childbirths.

An experience of complementary health insurance in Bolivia

In Bolivia, universal healthcare coverage is offered to pregnant women from the beginning of the pregnancy until six months after birth, to children until 5 years old and to uninsured seniors older than 60. People between 5 and 60 years of age are not entitled to state-provided healthcare and in most cases are not able to find access to private healthcare at a reasonable cost. For the poor population especially, getting sick without a safety net could mean reverting to even lower levels of poverty. This was the target audience for a multi-stakeholder alliance designed to offer health microinsurance at a cost of US$ 0.11 per day, with an insured sum of US$ 1,000.

Bolivia's Proteger Microseguro de Salud

Premium cost
US$ 0.11 per day

Insured sum
US$ 1,000

Over 100 health procedures covered.

Actionable pre-paid card with selected benefits: pap smear; mammography; quick test for HIV; and prostate cancer test.

Mass selling through Banca Comunal and alternative distribution through an MFI, IFD Crecer.

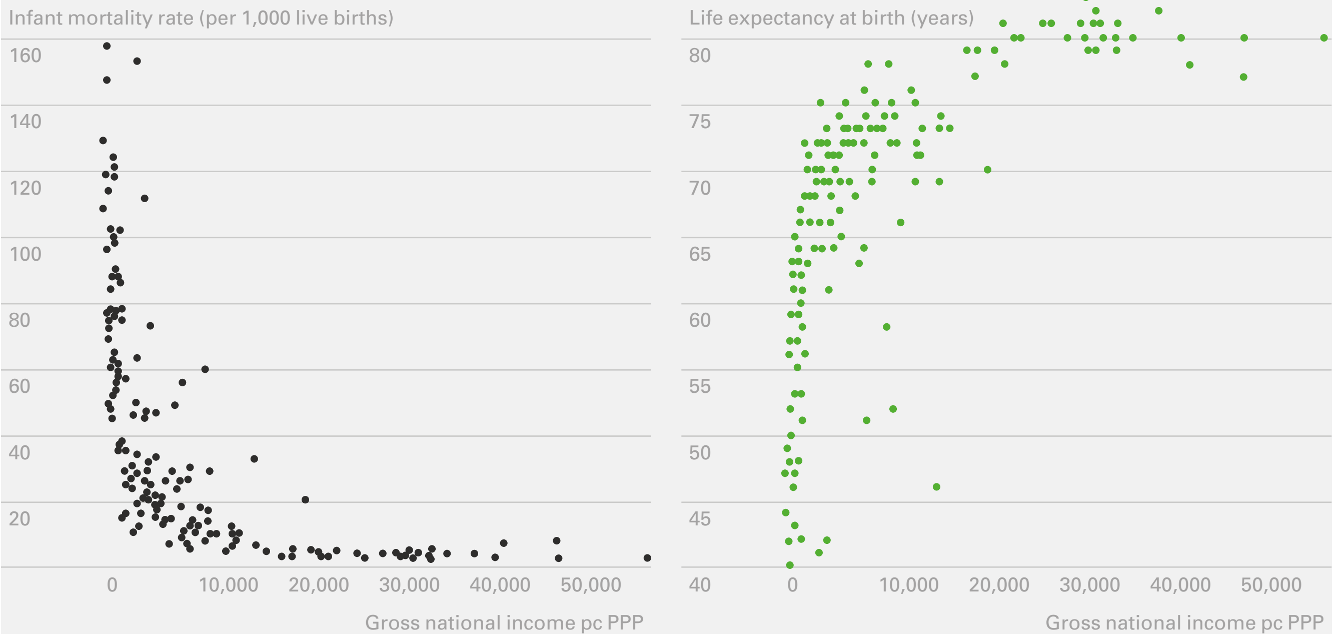
Payment schedule adequate to income.

Simple policy design with enumerated risks and limited exclusions.

Expedited claims and complaints processes.

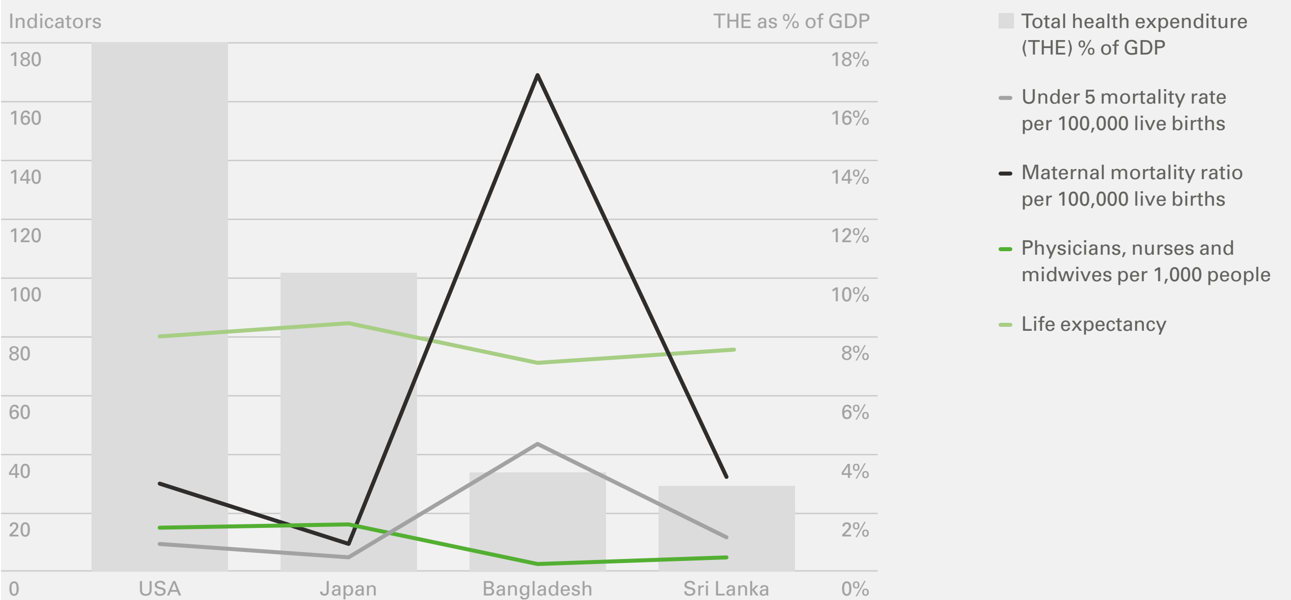
Over 60 thousand policies sold.

Figure 25
Higher income = Higher life expectancy and lower infant mortality



Source: Garand, Denis. Presentation "Universal health insurance – an overview." 13th International Microinsurance Conference 2017.

Figure 26
Expenditures vs outcomes
Health spending (% of GDP) and indicators



Source: WHO Country profiles (2012), United Nations population division (2012), WHO (2014), World Bank Data (2012)

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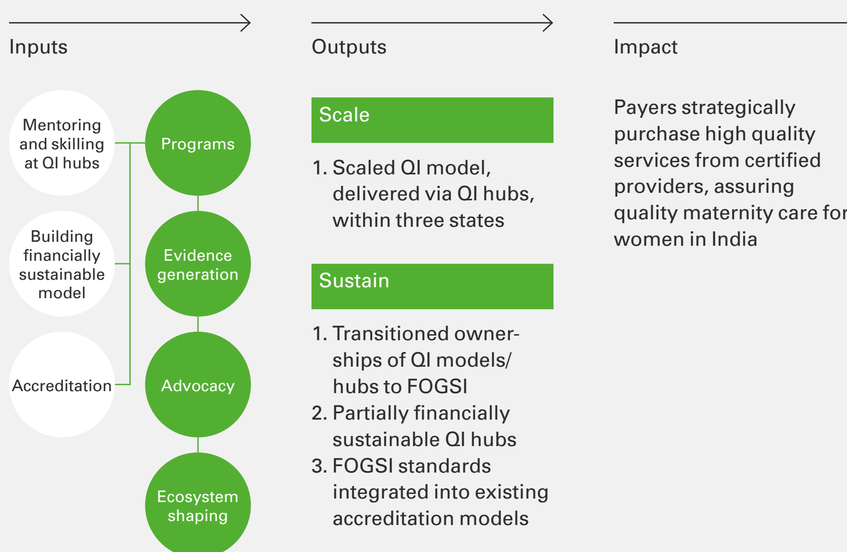
One of the main challenges with the micro health insurance programme was to find the balance between the interests of the different stakeholders involved – the insurance company, beneficiaries and healthcare providers, all of whom were represented in a collegiate decision committee. One of the learnings of the programme designers was that this permanent zero-sum game could have been addressed by establishing a technical direction position which would report to the committee, but still be able to make decisions more efficiently and generate less friction among the alliance members.

Finding the right balance for compensating each stakeholder for its role in the alliance, while at the same time keeping premium cost at the lowest possible level for consumers, was also a major challenge. Since the policyholder is free to choose between different providers, the programme sought to create uniformity in attention protocols and in the management structure of healthcare facilities, without affecting the organisational culture.

Lessons learnt

- The role of health systems should be to promote a healthy population via the most cost-effective and evidence-based methods.
- In order to be effective, investment in the public-private partnership should focus on quality, followed by the monitoring of health indicators.
- Quality improvement in clinics run by private providers can help lower maternal mortality.
- Health insurance programmes must find the right balance between compensating the different stakeholders involved and offering an affordable premium cost to consumers, while at the same time making sure the incentive structure avoids being abused by suppliers and customers.

Figure 27
Manyata: Improving the quality of maternity care



Source: Sridhar, Pompy. Presentation "Manyata – injecting quality of care into the insurance market in India." 13th International Microinsurance Conference 2017.