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IMPACT INSURANCE

► Health and Financial Inclusion

6th Eastern and Southern Africa Regional
Conference on Inclusive Insurance

Lisa Morgan, FIA

Date: Wednesday / 24 / March / 2021



Agenda

1. What are some of the global healthcare financing systems that exist in different countries, and what global trends are there in healthcare financing?
2. What about inclusive insurance? Are there prospects for public-private partnerships?
3. Two country examples: Ghana and Kenya

What are some of the global healthcare financing systems that exist in different countries, and what global trends are there in healthcare financing?

- No two countries the same – each a mix of systems (e.g. public and private...)
- Health as a public good
- The human right to healthcare
 - E.g. Universal Declaration of Human Rights, 1948
 - the right to health is the economic, social, and cultural right to a universal minimum standard of health to which all individuals are entitled.
- Global trend: largely driven by UN's drive to promote Universal Health Coverage (UHC) lead by the public sector.

Broader health policy

- The Political Declaration for the UN High-Level Meeting on Universal Health Coverage (HLM UHC)
- USP 2030
- ILO Conventions and Recommendations related to social health protection
- the African Union (AU) Agenda by 2063

United Nations Sustainable Development Goals 2030

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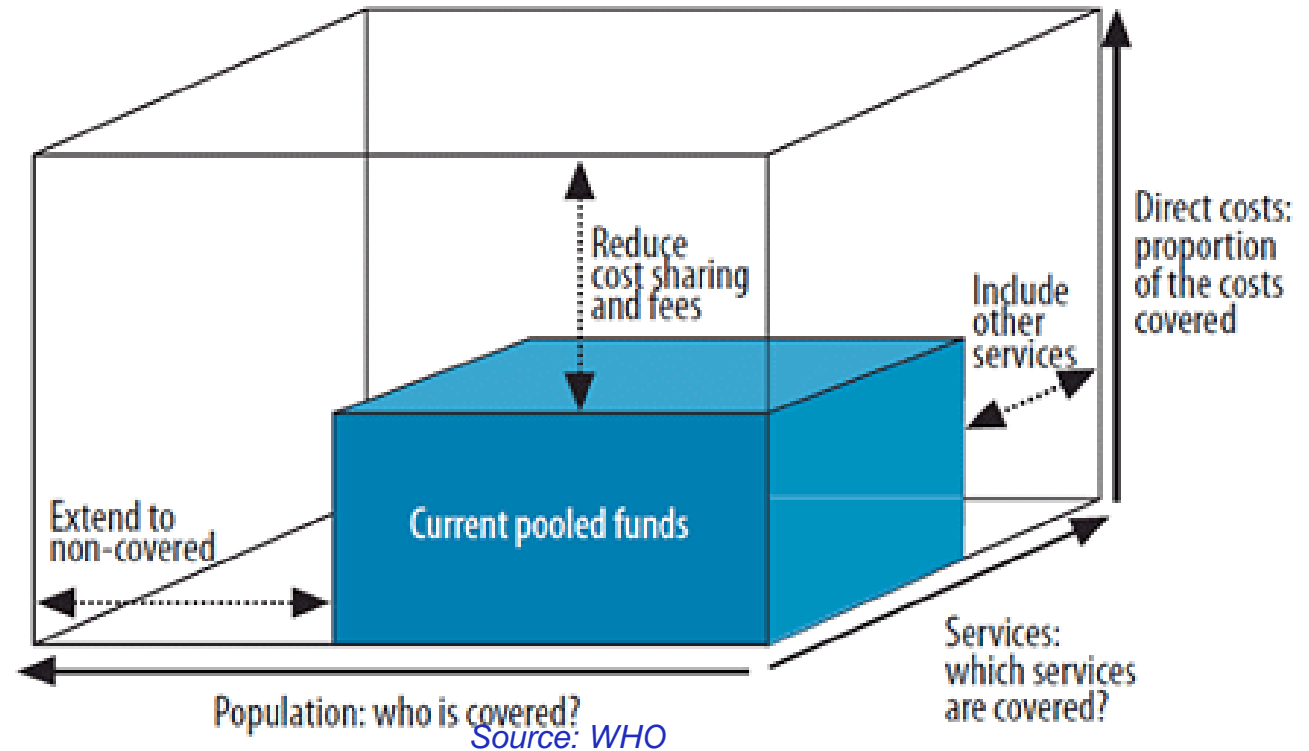
Universal Health Coverage

- At its minimum UHC is typically based on strong, people-centred primary health care and building from this base. Good health systems are rooted in the communities they serve and focus not only on preventing and treating disease and illness, but also on helping to improve well-being and quality of life.

The WHO Health Cube

The WHO framework for health financing identifies three main functions in any healthcare system:

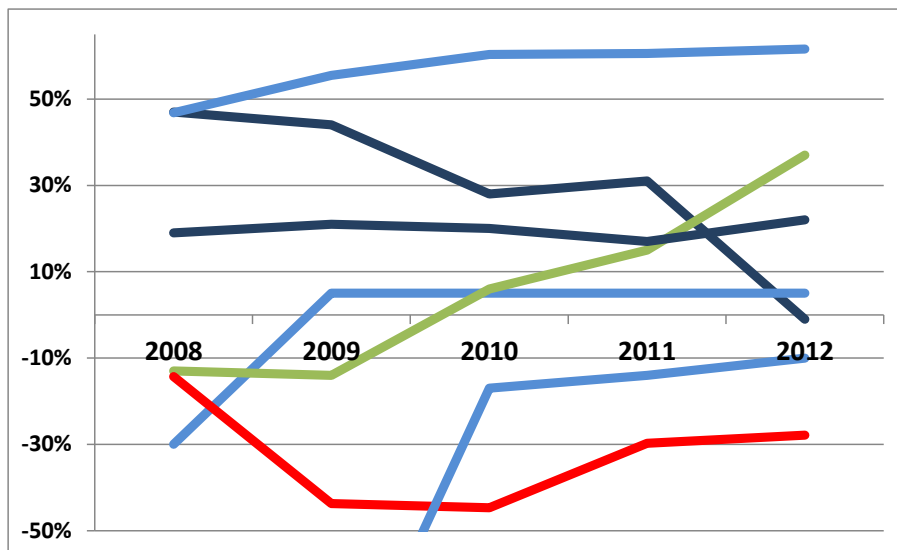
1. Revenue raising
2. Pooling of funds
3. The purchasing or delivery of healthcare



Three dimensions to consider when moving towards universal coverage

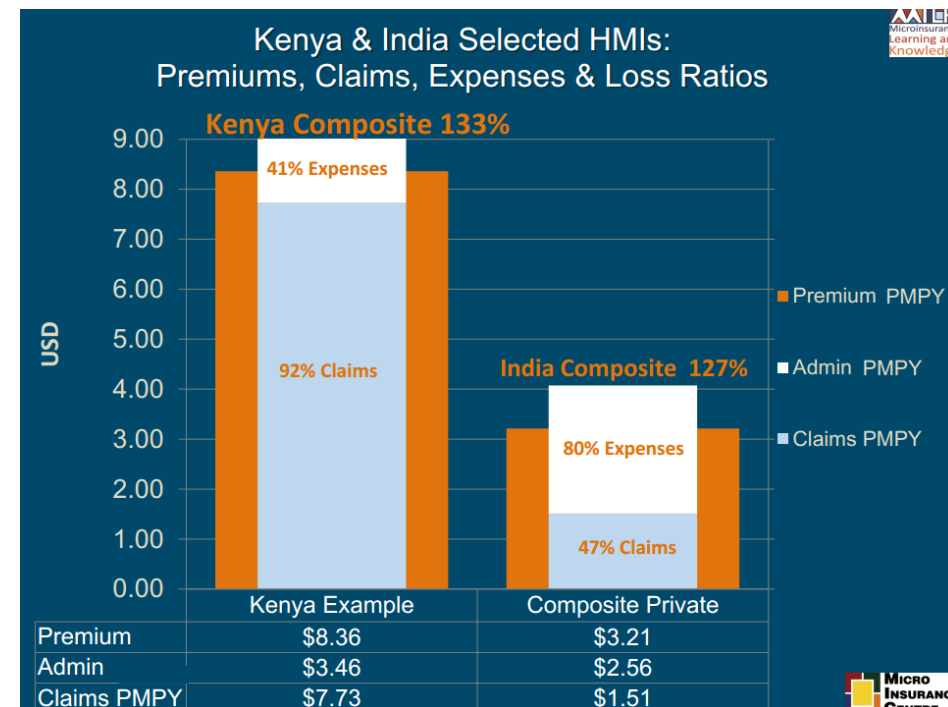
Market-based, voluntary, comprehensive health microinsurance is not viable and has not reached scale....

What about inclusive insurance? Are there prospects for public-private partnerships?



Various reasons...

Hospital Cash has proven to be viable...



Life mandatory

Life voluntary

Agriculture mandatory

Health voluntary



Unprofitable,
losses subsidized

Composite (Nirapotta – microfinance)
Inpatient + Outpatient (GK – microfinance)
Inpatient + value-added services (Naya Jeevan)



Profitable, explicit
subsidy

Inpatient + Outpatient (RSBY - government)



Profitable,
implicit subsidy

Inpatient (ARY – distribution partner)



Profitable, no
subsidies

Hospital cash (Jubilee/MFW)

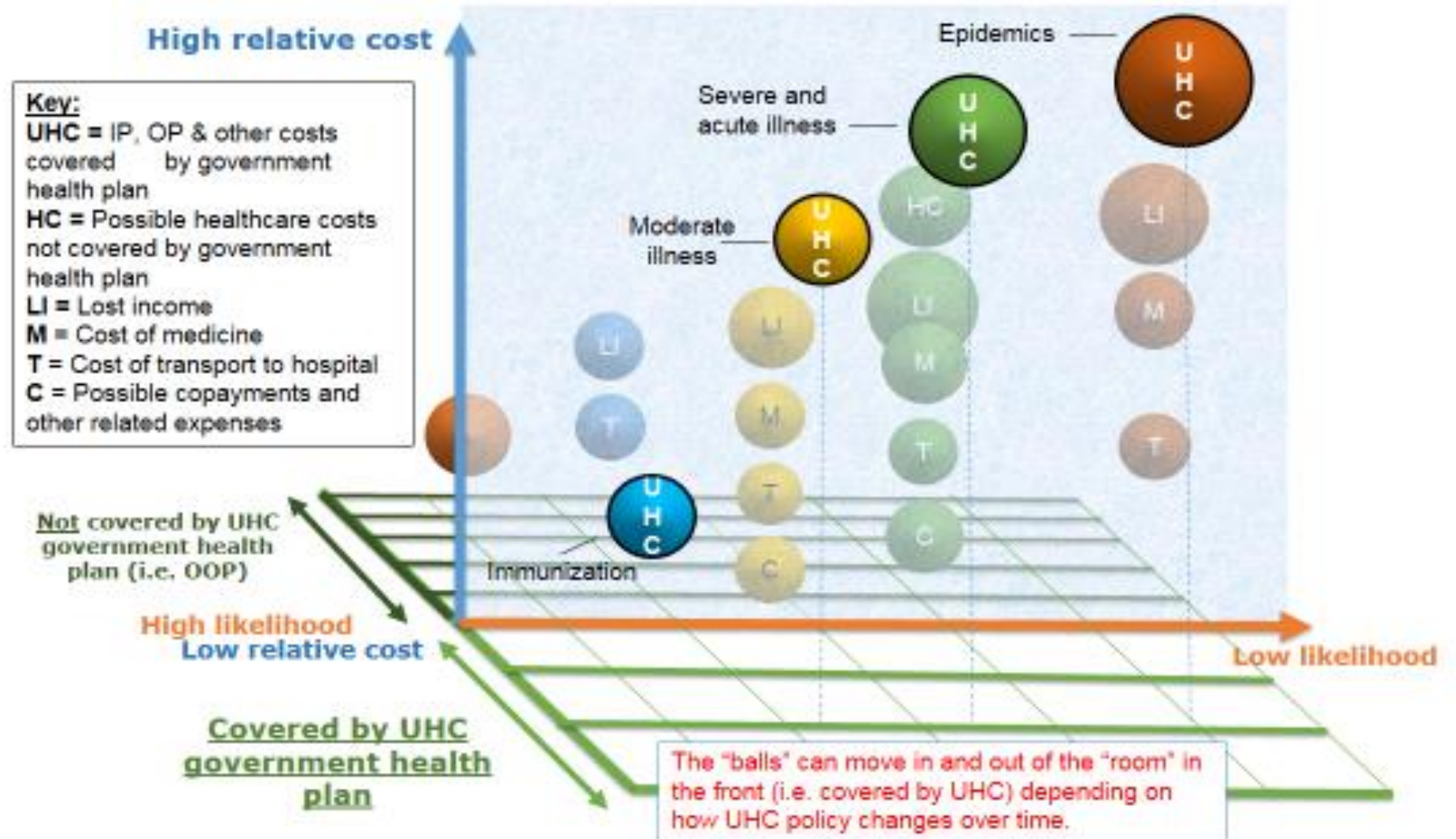
Paper: Is health microinsurance sustainable? An analysis of five South Asian schemes

[Link](#)

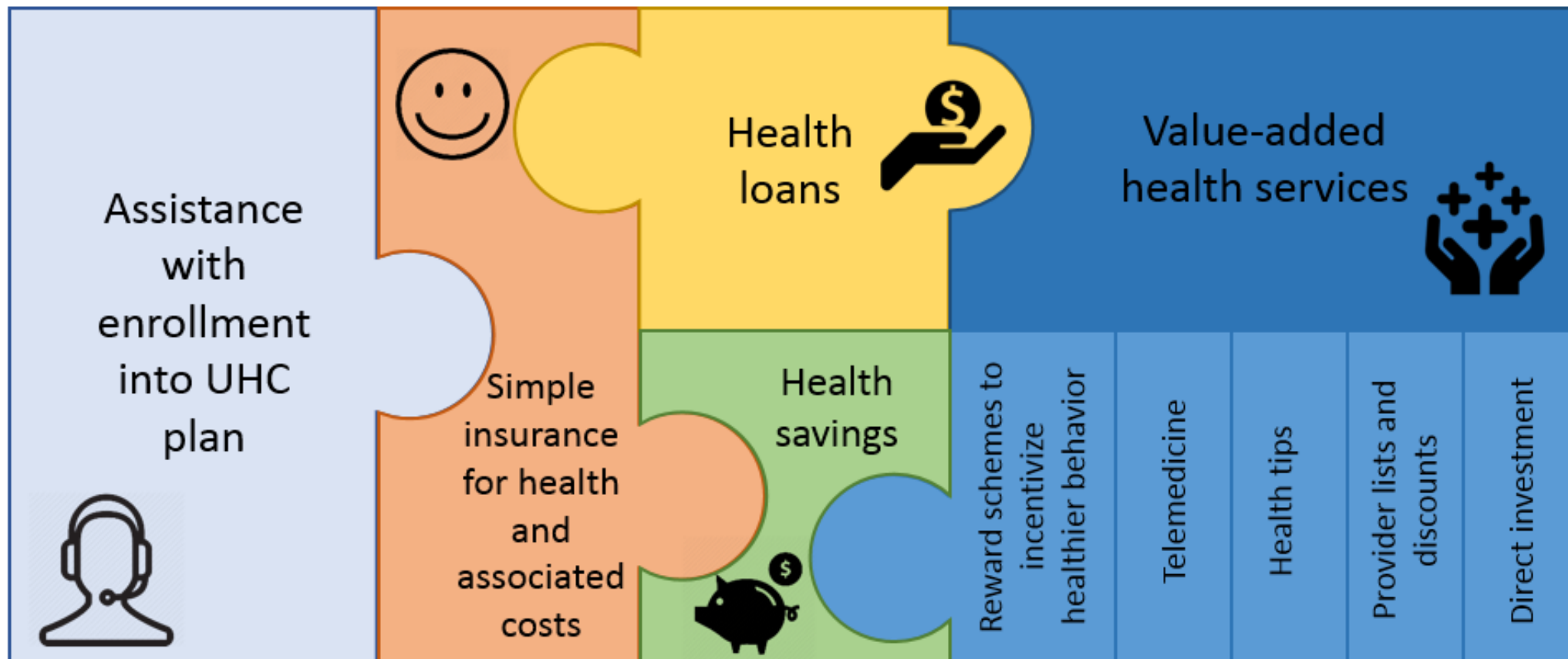
From: *Paper on Financial inclusion and health*. Each ill-health event generates a string of both direct and indirect expenses which pose financial risk (e.g. direct medical costs, lost income, cost of medicine, transport costs etc.)

While the highest costs may be met by UHC, many others may need to be met by OOP unless other mechanisms are in place.

[Link](#)



The Integrated Risk Management Approach



From: Paper on Financial inclusion and health. The above “puzzle” shows the different pieces that together constitute an holistic approach to managing various tranches of health-related direct and indirect costs, and help with prevention and promotion of health-seeking behaviour. [Link](#)



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Read more here

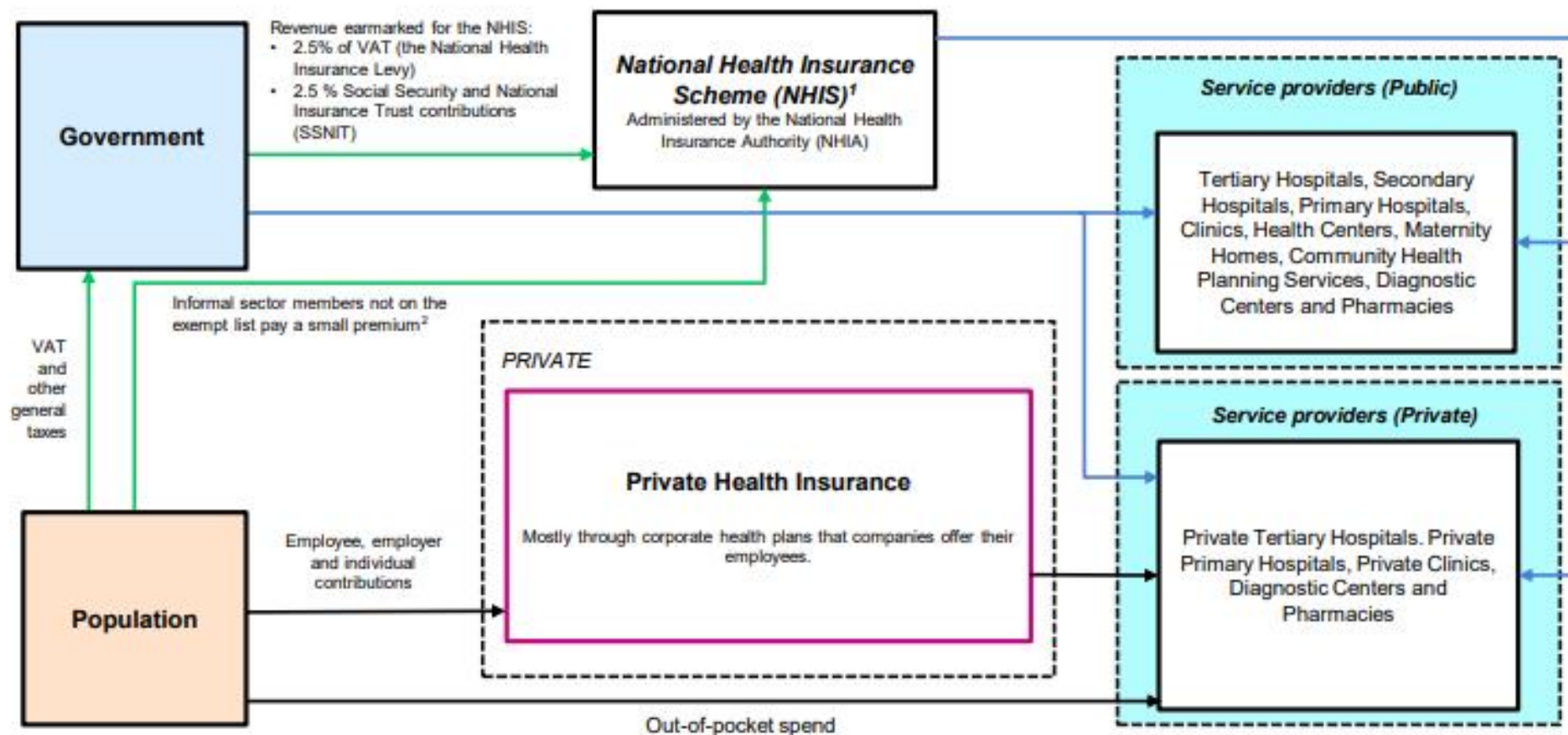
http://www.impactinsurance.org/sites/default/files/IIWP51_0.pdf



Impact Insurance Working Paper No. 51

**Financial inclusion and health:
How the financial services industry
is responding to health risks**

.....
Lisa Morgan and Craig Churchill
International Labour Organization



Source:
International Health
Care Funding
Report
 Aug 27, 2020
 Society of Actuaries

[Link](#)

Health sector is administered by the Ministry of Health. Ghana Health Services is another agency that reports to the MOH and is a major player in service delivery.

¹ The NHIS was established in 2003. The National Health Insurance Authority which licenses, monitors and regulates the operation of health insurance schemes in Ghana. The NHIS covers about 95% of diseases in Ghana. The benefit package includes outpatient, inpatient, dental, optical, maternity and emergency services.

² Those exempt from premiums include: Pregnant women, Indigents, Categories of differently-abled persons determined by the Minister responsible for Social Welfare, Persons with mental disorder, SSNIT contributors, SSNIT pensioners, Persons above seventy years of age (the elderly), Other categories prescribed by the Minister

³ As of May 2020, the NHIS covered around 40% of Ghana's population. (roughly 12.3 million people).

Product Profile

Mobile-phone distributed health microinsurance (hospital cash)

Name: B-Health Policy

Country of focus: Ghana

Type of cover: Single and joint cover

Key benefits: Unlimited calls to a BIMA doctor, up to GH¢ 5,000 (~USD 870 or ~ EGP 13,642) hospital admission cover and medication support



Exists alongside
Ghana's
UHC scheme....



Benefits

Premiums

TIER	BRONZE	SILVER	GOLD
SINGLE COVER	GHc6	GHc10	GHc15
JOINT COVER	GHc8	GHc15	GHc20

TIER	BRONZE	SILVER	GOLD
BIMA DOCTOR SERVICE	✓	✓	✓
HOSPITAL COVER	GHc30 /night	GHc50 /night	GHc100 /night
MATERNITY HOSPITAL COVER	GHc50 /night	GHc100 /night	GHc150 /night
MATERNITY LIFE COVER	GHc1000	GHc2000	GHc3000
MEDICATION SUPPORT		GHc4 /month	GHc6 /month

MEDICATION SUPPORT:
Depending on policy level, member receives a monthly contribution that may be used if member prescribed medicine, referred to a laboratory or referred to a hospital by a BIMA Doctor. Minimum amount transferable = 3 monthly contributions (e.g. Silver policy: 3 x GHc4 = GHc12).



Business24

BIMA Ghana supports Covid-19 fight with GH¢500,000, free telemedicine

by Business24 — 5 months ago Reading Time: 3min read

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in

BIMA Ghana, a leading provider of mobile delivered insurance and telemedicine services in Ghana, has made available GH¢500,000 to 45,000 customers of its B-Health Gold policy underwritten by Allianz Life Ghana.

The amount is to support customers buy preventive items such as face masks and sanitizers to help stop the spread of covid-19.

BIMA's Doctor service will also be available free of charge to all customers who are not yet subscribed to B-Health until June 30, by dialling a free USSD code (*789*96#).

Advancing social justice, promoting decent work

BIMA health savings account for medications unlocked during COVID and money pushed to customers via mobile money to purchase preventative equipment.

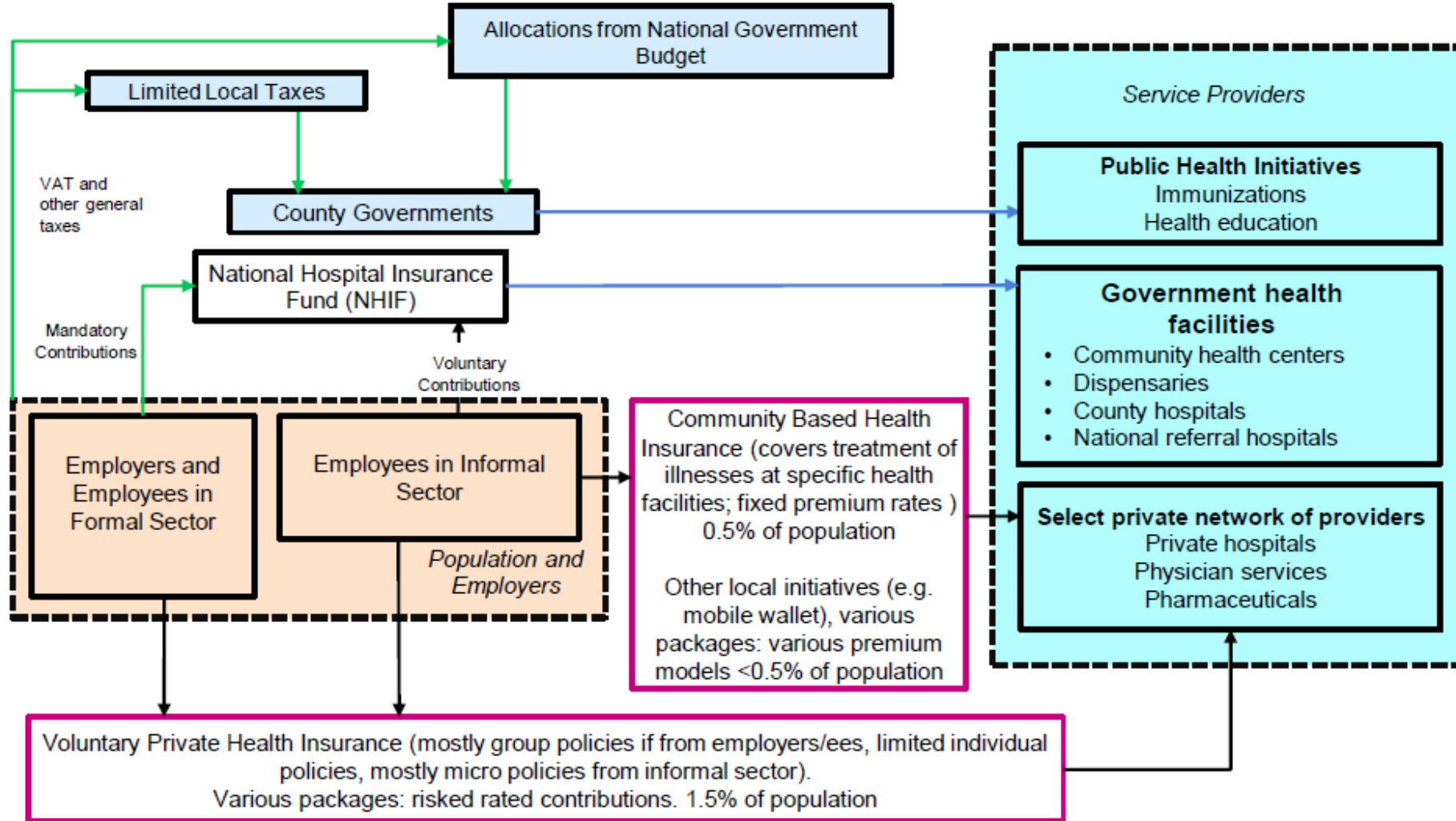
Process:

Eligible members notified =>
customers call service line =>
Nurse calls back with health info on COVID => customers who want pay-out receive funds in e-wallet

Impact

~4,200 customers
~ GHC 90,000 (~USD 15,500)

Many wanted to keep their medical savings for a rainier day. ilo.org



Hospital Cash example:

Riziki with Equitel, underwritten by Britam

Source:
International Health Care Funding Report
 Aug 27, 2020
 Society of Actuaries

[Link](#)

- National Hospital Insurance Fund (NHIF) is the predominant form of health coverage
- Around 20% of the population is covered by the NHIF (Source: <https://www.pharmaccess.org/wp-content/uploads/2018/01/The-healthcare-system-in-Kenya.pdf>)
- Required NHIF annual member contributions range from KES 1,800 (17 USD) to KES 20,400 (USD 198)
- About 5% of the population has other forms of health insurance coverage



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▶ Thank you

The ILO's Impact Insurance Facility

Activities undertaken by the ILO's Social Finance Programme on financial risk management associated with health-related risks are intended to complement the ILO's position on social health protection and universal health coverage, which are the responsibility of the public sector. These innovation projects are aimed at testing new financial products and processes to extend health cover to unserved population groups and/or provide complementary benefits. The basis for such financial risk management innovation is captured in ILO Recommendation 189, which states the freedom "of Members to determine whether there is a need for supplementary measures as regards social protection, such as voluntary schemes, cooperative initiatives and others".

About the ILO's Impact Insurance Facility

Mission

- ▶ To enable the insurance sector, governments and their partners to realize the potential of insurance and related risk pooling solutions to...
 - reduce household vulnerability,
 - promote stronger enterprises, and
 - achieve public policy objectives
- through building quality risk-management solutions at greater scale

Our Track Record

- ▶ Leaders in people-centered solutions
- ▶ Driven by evidence and experience-based learning
- ▶ Partnership catalyst
- ▶ Experienced in implementation and improving operations

