

MICRO-INSURANCE BRIEFS



Nepal: Public Health Concern Trust (pheck-NEPAL) Micro Health Insurance Scheme

Scheme Design

Public Health Concern Trust (pheck-NEPAL), established in 1991 as a not-for-profit NGO, aims to create a sustainable health care system model based on principles of equity, social justice, people's participation and self reliance. It's vision is "Empowerment of people through health action".

pheck-NEPAL offers services to people in three sectors viz. clinical, public /community health and academic through its different programs such as hospitals (125 bed Kathmandu Model Hospital in the city and two 15 bed hospitals in rural areas); Community Health Development Program; and trainings through Medical college, Nursing and other non academic trainings school.

Micro Health Insurance Program in operation since 1993 is a major activity of the Community Health Program. The program was initiated to promote the concept of saving for health through pheck-NEPAL's own community based clinics. Since 2000, the program is being promoted through health cooperatives, which are autonomous legal institutions. The health service provider for the scheme is Kathmandu Model Hospital, a general hospital with various specialized services located in Kathmandu and the members of the scheme are members of the local health cooperatives and their families.

Eligibility Conditions

The scheme is open to members of local health cooperatives. The enrolment is a compulsory family enrolment for all members of the family irrespective of age and sex. The insurance unit is a health cooperative, and one unit must have at least 25 families.

Exclusions

The services are limited to what the Kathmandu Model Hospital can provide.

Plan Benefits

- Secondary and tertiary health care - with 50-70 % discount in total service cost - includes doctors' consultation, bed charge, diagnostic investigation, medical and surgical procedures and maternity care, but not cost of medicine
- Primary care is provided at the cooperative's own clinic or an identified local clinic and referral from primary care centre is required except for emergencies & maternity cases

Premium

Premium varies and is defined by the individual health cooperative institution in negotiation with pheck-NEPAL.

- Annual premium NRS 290.00 per member - 70% discount
- Annual premium NRS 200.00 per member - 50% discount

General Overview

Starting date:	1993, 2000 new strategy
Ownership profile:	NGO
Target group:	Health Cooperatives
Outreach:	3 districts
Intervention area:	Rural
Risks covered:	Single risk: health
Premium Insured/Y:	NR 200 & 290
Co-contribution:	-
Total premium:	NR 200 & 290
No of insured:	2350

Operational Mechanisms

Type of scheme:	In-house
Insurance plan year:	-
Insured unit:	Health Cooperative
Type of enrolment:	Voluntary
One-time enrolm.fee:	None
Premium payment:	Upfront
Easy payment mech:	No
Indirect subsidy:	No

Scope of Health Benefits

Secondary & Tertiary health care:	
Hospitalization:	
Deliveries:	
Medicines:	No
Primary health care:	No

Level of Health Benefits

Hospitalisation, surgery	Limited to what the Kathmandu Model hospital can provide
OPD services:	

Service Delivery

Prior H. check-up:	None
Tie-ups with HP:	Own hospital;
Type of agreement:	-
No of assoc. HP:	1
Access to HC serv.:	Referral (Emergency & maternity exclud)
Co-payment:	50 - 30 % of bill
HC service payment:	Cashless
TPA intervention:	-
Addit. financial ben:	-
Addit. non-fin. ben:	Preventive and promotive health

Insurance Plan Key Features

The insurance plan has the following main features:

- Community participation in fixing premium & benefits
- Wide range of service coverage
- Emphasis on primary health care including preventive and promotional care through local health cooperatives
- Mechanism for minimization of moral hazards e. g. Individual Insurance card, Referral system for non emergency cases, Co-payment at the time of service use, Specified time period for renewal

Insurance Plan Main Achievements

- Community organizes itself for their own health needs
- Strengthening of local health cooperative institutions
- Increased awareness on importance of saving for health
- All members in a family valued equally in terms of health
- Changing health seeking behaviour of people
- Four health cooperatives showing a gradual increase in number of the members – 2,350 members for the year 2007/2008
- Demand for Insurance Service from other types of institutions

Remaining Challenges

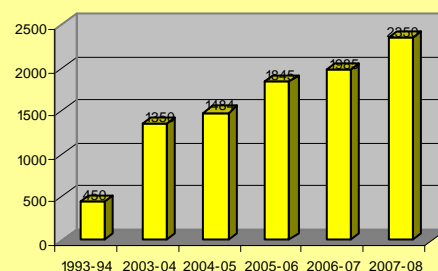
- No special provision to enrol persons from communities where local health cooperative are not established
- Extension to remote places / out of the Kathmandu Valley
- Establish networks of service providers in other cities besides Kathmandu Model Hospital
- Smooth operation of local cooperatives and their clinics (lack of resources, small capital amount in the cooperatives, limited health services at local clinic, dispersed settlements)
- Sustainability – Limited number of the members and low premium charge against wide range of service coverage

Development Plans

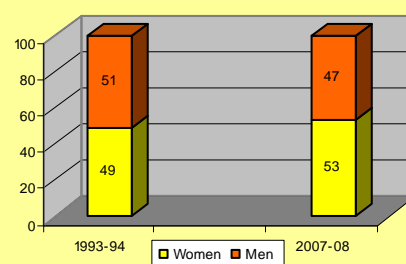
- Increase membership - target for 2008/2009 – 3,400
- Advocacy – raise peoples awareness about value of 'saving for health' and health insurance
- Expand the membership coverage (plan to incorporate other types of cooperatives, micro saving and credit groups of women, trade unions etc.)
- Increase capacity of healthcare centres; preventive & promotional activities
- Tap other resource, Increase paying capacity of the community through income generating activities
- Decentralize service through other community based hospitals of pfect-NEPAL

Activity Indicators

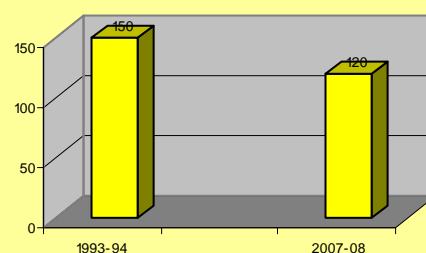
Number of Insured



Women's Participation



Average claims percentage (relation to premium paid)



Development Plan

