

Technical Workshop on the Implementation of the Health Insurance Law

Cairo, Egypt, 7–8 December 2015

Background

In Egypt, Article 18 of the newly approved Constitution establishes the right to health and emphasizes that everyone should have access to health care. It further states that government expenditure on health is to be increased from currently less than 1.5 per cent to at least 3 per cent of the Gross Domestic Product (GDP). Based on this, the draft of the Social Health Insurance (SHI) Law was recently finalized by the Ministry of Health and sent to the Cabinet to be reviewed by legal circles. It now has to be approved by the newly constituted Parliament.

The law is expected to tackle long-standing challenges within Egypt's SHI system including insufficient and inequitable public funding, high out-of-pocket (OOP) payments and pervasive fragmentation.

In this context, WHO invited key stakeholders including staff from relevant ministries (MoH, MoF, and MoSS), the Health Insurance Organization (HIO), public and private sector health service providers, NGOs and development partners (including ILO) to consolidate technical guidance on SHI design and implementation. In 2009, ILO had provided a report on the SHI system in Egypt wherein challenges and consequent policy implications had been identified. Much of this remains valid till today.

Since the new social health insurance system is supposed to extend coverage to all those currently excluded (more than 40 per cent of the population), discussions particularly focused on questions related to revenue raising and financing as well as purchasing and contracting of services to ensure sustainability of financing and increase efficiency within the health system.

SHI workshop

The objective of the workshop was to discuss challenges and consequent policy implications concerning the design and implementation of SHI in Egypt. Three task forces have been set up to discuss major areas of SHI implementation: 1) governance, 2) financing/revenue raising and 3) purchasing/provider payments.

Key points raised by the task forces that were discussed during the workshop relate to revenue raising, pooling, purchasing and the time frame for the reform based on the new law.

As to the financing/revenue raising part it is agreed that all those with capacity to pay will directly contribute to the SHI, while those with no or limited capacity to pay will be enrolled through subsidized contributions paid from general government revenues. More controversial were the related discussions on ending the current opt-out system that is largely used by those who can afford to be privately insured and enforcing contributions from the non-poor self-employed. The exact targeting methods to be used as well as associated definitions/thresholds on who is considered to be poor remain unclear.

Moreover, it is envisioned to significantly reduce the fragmentation of the health-care system and ensure sustainability of financing through a single pool of funds which will cover all Egyptians and which will allow for cross-subsidization from the rich and the healthy to the poor and the sick. This, however, can only be done through the merging of existing organizations and some resistance is to be expected. As to the purchasing of health services, it was agreed that efficiency should be increased by introducing a provider-purchaser split. The SHI would then contract with both public and private providers with clear rules and prerequisites on standards and quality. In this context, a committee for pricing and defining provider payments will be set up.

There is further a general consensus on the geographical roll-out of the SHI reform. The first roll-out phase will take place in the less populated Suez Canal region and the Sinai, while the other governorates are supposed to join within a five-year period. The implementation would also include a strengthening of the supply side of services.

ILO's considerations on the design and implementation process, in line with what was recommended in 2009, include the need for affordable health services not only for the poor but also for the non-poor informal sector workers as well as investments in the health work force that should be equally distributed across the country.

Moreover, in an informal meeting of DPs, it was proposed to set up a common platform for DPs to provide assistance to the Government of Egypt in the process of implementing the social health insurance law once it is approved and in coordinating and harmonizing other interventions in future.

A Social Protection workshop was organized by the Agence Française de Développement in Cairo on 9 December 2015 as part of the larger SHI workshop. The workshop discussed the role of social protection in the country as well as the government's strategy to renew the social contract and increase social justice. The main objective was to initiate a dialogue between government representatives and DPs on support to the Government of Egypt with different parts of its social protection strategy. In this context, specialists and practitioners from the Ministry of Social Solidarity, Ministry of Finance, international agencies (AFD, ILO, UNICEF, WHO, World Bank) and academia presented their views on social protection in Egypt.