

# SOCIAL HEALTH PROTECTION

## HEALTH CARE FINANCING: SUPPORTING THE DEVELOPMENT OF A MORE EQUITABLE SOCIAL HEALTH PROTECTION SYSTEM

### Challenges

Years of strong economic growth in Cambodia have been accompanied by a steady increase in spending on health, with total annual expenditure now exceeding USD 1 billion. Most of this spending is private: in 2014 households' direct out-of-pocket payments for health services accounted for 62 percent of this expenditure. Out-of-pocket payments are a major cause of debt and impoverishment for poor Cambodians. According to data from the 2013 Cambodia Socioeconomic Survey, more than 6 percent of the population experienced health-related catastrophic expenditure and approximately 3 percent went into debt to cover the costs of accessing health care.

In its efforts to strengthen and reform the health system, the Royal Government of Cambodia has committed to ensuring equitable and timely access to essential health care for all citizens without fear of catastrophic financial consequences. Social health protection schemes, such as the Health Equity Fund (HEF) and voluntary community-based health insurance (CBHI) schemes, have helped to reduce financial barriers and to improve access to care for approximately 3 million of Cambodia's poorest citizens. However, major challenges remain. Despite its success in extending protection to Cambodians below the poverty line nationwide, the Health Equity Fund needs to be further strengthened in terms of quality of care and extended to other vulnerable groups who do not qualify as 'poor'. The voluntary CBHI schemes, while providing coverage to more than 100,000 Cambodians living just above the poverty line, are fragmented, have high overhead costs and are not financially sustainable without subsidies. To achieve universal health coverage, financial protection needs to be systematically extended to Cambodia's large 'informal sector,' which employs the majority of the population, and to employees in its growing formal sector.

Project name	Social Health Protection
Commissioned by	German Federal Ministry for Economic Cooperation and Development (BMZ)
Project region	Cambodia
Lead executing agency	Ministry of Health
Overall term	2015 to 2018

To address these challenges, the government has committed itself in its National Social Protection Policy (2016-2025) to comprehensively reform the country's existing social protection system, including the establishment of National Social Health Insurance (NSHI). The policy envisions that the NSHI will be managed by a single operator, responsible for administering four separate social health protection schemes for civil servants, private sector employees, the informal sector, and Cambodians living under the poverty line. Existing social health protection schemes, such as the Health Equity Fund and the National Social Security Fund's workplace injury coverage for private sector employees, will be integrated into the NSHI, while new schemes will be developed to extend coverage to currently unprotected population groups.

### Our Approach

The Health Financing component of the Cambodian-German Social Health Protection project, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) on behalf of the Federal Ministry for Economic Cooperation and Development (BMZ), is working closely with the Cambodian government to ensure that all Cambodians can access affordable, quality health services without incurring significant financial burden. Through policy advice and capacity building support to



Photo left: At a workshop in Kampot, the Community-Managed Health Equity Fund Committee discusses resource mobilisation strategies to support the elderly poor and persons with disabilities to access health services

Photo right: A delegation of officials from the Cambodian National Assembly on a study tour to Indonesia



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Members of the Cambodia National Assembly's Commission on Health Care, Social Affairs, Work and Women's Affairs studying Indonesia's social health protection system.

partner institutions, the project works to support the design and implementation of health insurance elements of the National Social Protection Policy. In these efforts, it also coordinates closely with 15 other development partners supporting social health protection reform via the P4H Cambodia+ network, whose secretariat is funded by German Development Cooperation.

## Supporting the institutional, policy and legal framework for Social Health Insurance

At the national level GIZ works closely with the Ministry of Health and the Ministry of Economy and Finance to realise the government's strategic commitment to the development of the NSHI. Its advisors provide policy advice on the legal frameworks which will be necessary for the new system to be executed, on the design of the NSHI's four component schemes, and on the structure and operations of the new National Social Insurance Agency which will administer the NSHI. GIZ is supporting the development of detailed policies for each of the four insurance schemes, contributing its technical expertise on issues such as financial contributions, benefit packages, provider contracting and payment mechanisms, and quality management. To ensure that Cambodia's emerging social health insurance system is informed by learnings from other countries, GIZ also facilitates dialogue among stakeholders to build consensus around policy options. It commissions actuarial studies, facilitates expert input into the development of operational guidelines, and advises on the design of the National Social Insurance Agency, including on its organisational structure, detailed functions, and departmental roles and responsibilities. In order to further promote evidence-based planning and decision making, GIZ also supports the government to analyse the cost of providing health services through the public sector.

## Building operational systems for the implementation of Social Health Insurance

Over the next five years, the National Social Security Fund, which operates the national work injury insurance scheme, will be progressively transformed into the National Social Insurance Agency and will assume responsibility for operating all four schemes under the NSHI. GIZ is working closely with the NSSF to enhance its capacity to play this expanded role. It is advising the NSSF on changes to its organisational structure to accommodate a significantly enlarged workforce and is systematically building the capacity of all its relevant divisions to undertake expanded functions. Drawing upon the evidence and knowledge generated through GIZ-supported community-based health insurance schemes in Kampong Thom, project advisors are working with the NSSF to enhance the organisation, design, work processes and operational processes required in areas such as financial management, customer engagement (e.g. complaints, promotion of rights) and health promotion and prevention. In addition, the project facilitates NSSF's participation in global and regional networking platforms, such as the International Social Security Association.

The project is also facilitating dialogue between the government, NSSF and the Social Health Protection Association (SHPA), an umbrella organisation for NGOs operating social health protection schemes in Cambodia, to identify opportunities to leverage NGOs' strengths and experience in support of the future NSHI. Areas in which NGOs can potentially complement the NSSF include promoting the rights of beneficiaries, managing engagement with beneficiaries, and undertaking health promotion activities.

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