



# Sustainable health financing reform options for attaining Universal Health Coverage in Nepal: Stakeholders' perspectives

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# Outline of the presentation

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Background and objective



Methodology



Results



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Acknowledgement



References

# Background

- Government of Nepal is dedicated to attaining **Universal Health Coverage** (UHC) by 2030
- **Health financing** is a critical component of health-care systems that facilitate progress towards UHC
- In Nepal, **many health-financing schemes coexist** without sufficient evidence of progress towards UHC

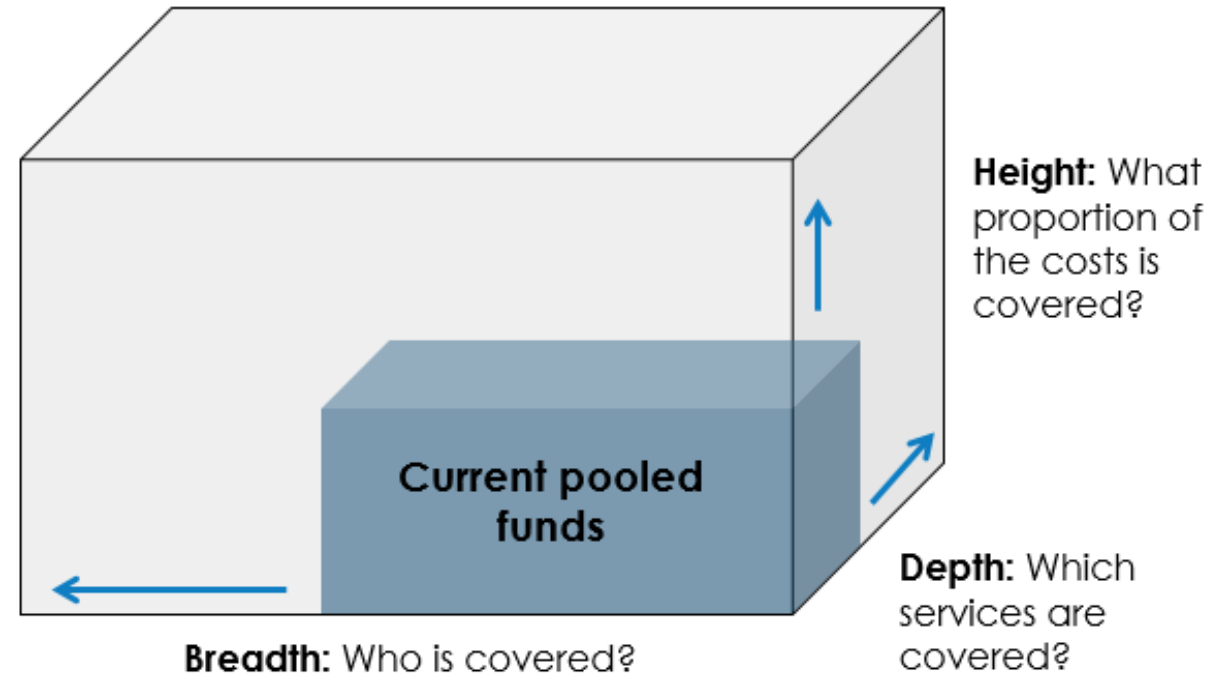
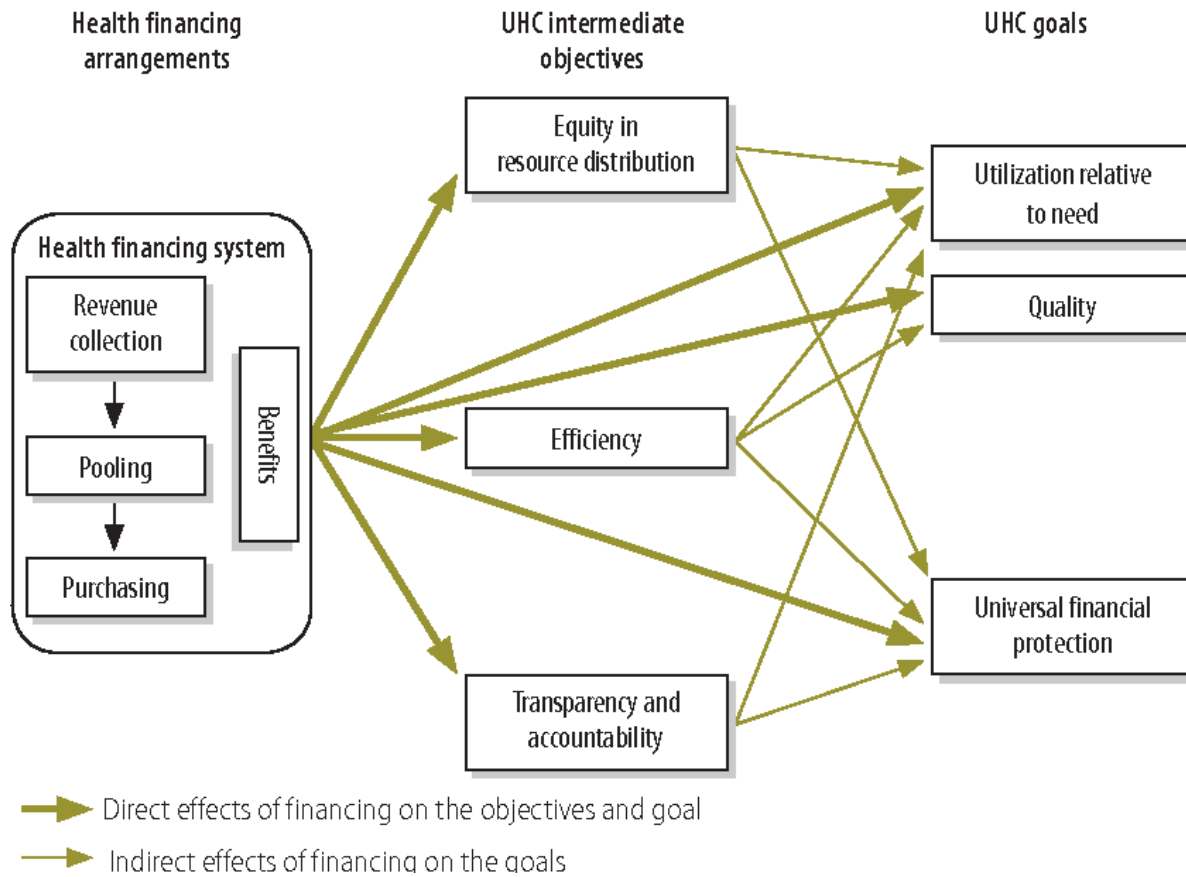


Fig: UHC cube

# Health Financing Policy and UHC



**Resource mobilization:** how the health system generates and collects revenue



**Pooling:** combining financial resources from multiple sources to share the financial risk of paying for healthcare



**Purchasing:** mechanisms to pay providers for healthcare services

Source: Kutzin's framework of "Health financing for universal coverage and health system performance: concepts and implications for policy"

# Objective of the study

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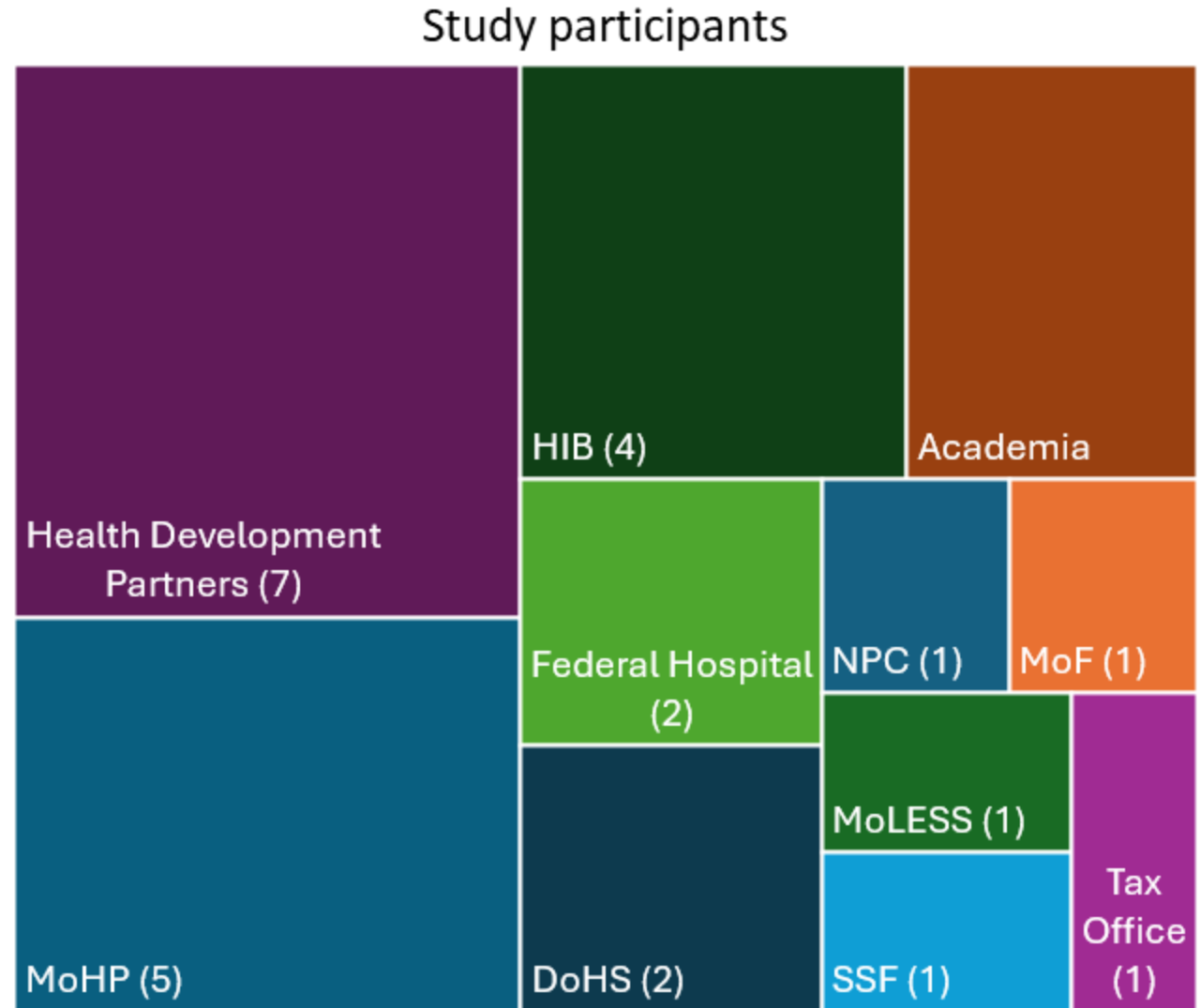
Determine stakeholders' perspectives in selection of sustainable health financing reform options related to revenue generation, pooling, purchasing and benefit package design




Assess feasibility and challenges in adopting health financing options in Nepal

# Methodology

- Qualitative study
- 28 In-depth key informant interviews were conducted between 25 January- 30 September 2022
- The content analysis was performed based on identified themes from interviews



A network of seven colorful wooden figures (red, yellow, brown, blue, green, light brown, and pink) connected by grey ropes, symbolizing stakeholder perspectives. The figures are arranged in a loose circle, with ropes connecting them in a network. The background is a plain, light-colored surface.

# Results Stakeholders' perspectives



# Selection of revenue raising options: Stakeholders' perspectives





Revenue raising options	For	Against	Remarks
Allocate 10% budget to health sector	24	2	Best
Mandatory earmarked payroll-based contribution in health insurance	16	4	
Increase health tax (Sin tax) on tobacco, alcohol or unhealthy food	15	4	
Increase revenues through levying tax on mobile phone use, air ticket	4		
Noncontributory coverage of non-poor through tax fund	10	9	
Increase external funding for health	7	10	



# Selection of Pooling options : Stakeholders' perspective

Pooling	For	Against	Remarks
Merge Health Insurance schemes	5	2	
 Merge health insurance and free health care	18	3	Best
Cross subsidization and subsidy for poor	2	1	
Risk Equalization among different schemes	6	4	
Single pool of Health Insurance	8	0	
Single pool of free health care	4	2	
Mixed model of health insurance and free health care	7	0	
 Compulsory enrolment of all population in health insurance	10	5	Best

# Selection of purchasing options: Stakeholders' perspectives

Purchasing	For	Against	Selection
 Purchaser-provider split	13	4	Best
Introduce DRG (Diagnostic related groups)	9	4	
Payment mechanism with 1% additional bonus or penalties	2	2	
Strategic purchasing	9	4	
Single purchaser	6	0	
Multiple purchaser	4	1	
 Pay for performance	14	5	Best
Mixed payment approach	2	0	

# Selection of benefit package options: Stakeholders' perspectives



Benefit package	For	Against	Selection
Comprehensive benefit package without ceiling	12	13	
Copayment	12	2	
Waiting list	2		
Benefit package for poor	5	9	
Low-cost high benefit intervention	7	2	
Accreditation of service providers	20		Best
Negative list		1	

# Summary: Health Financing reform options

## Revenue Raising

- Allocate 10% budget to health sector
- Mandatory earmarked for health insurance



## Pooling

- Merge health insurance and free health care
- Compulsory enrolment in health insurance



## Purchasing

- Purchaser- Provider Split
- Pay-for-performance



## Benefit package

- Accreditation of service providers
- Copayment





# **Stakeholders' perspective: Challenges and Recommendation in implementing health financing reform options**

6 May 2024

# Revenue raising: 10% health budget allocation

<b>Challenges in implementation</b>	<b>Recommendations in implementation</b>
<p><b>1. Budget and Financing Issues:</b></p> <ul style="list-style-type: none"><li>• Earmarking tax for health</li><li>• Low absorption capacity</li><li>• Narrow fiscal space</li></ul> <p><b>2. Lack of budget advocacy</b></p> <p><b>3. High administrative cost</b></p> <p><b>4. Instable government and governance</b></p> <p><b>5. Low prioritization to health sector</b></p>	<ol style="list-style-type: none"><li>1. Coordination among three governments for sufficient budget allocation</li><li>2. Increase absorption capacity</li><li>3. Increase advocacy for high budget allocation to health sector</li><li>4. Prioritize health sector</li><li>5. Strong commitment</li><li>6. Tax on Liquor and other harmful foods products</li></ol>

# Pooling: Merge Health Insurance and Free Health Care Services

Challenges in implementation	Recommendations in implementation
<ol style="list-style-type: none"><li>1. Rigidness among ministries</li><li>2. Fragmented Approach</li><li>3. Ministry Functioning as Both Purchaser and Provider</li><li>4. Unclarity on who's responsibility is for Integration</li><li>5. Unstable Government</li></ol>	<ol style="list-style-type: none"><li>1. Political Commitment</li><li>2. Health Financing Strategy</li><li>3. Increase Risk Pooling of Schemes</li><li>4. Implement One-Door Approach through Merging Schemes</li><li>5. State Responsibility for Integration</li><li>6. Develop Integrated Information System</li><li>7. Establish Social Security Umbrella Floor</li></ol>

# Purchasing: Purchaser-provider split

Challenges in implementation	Recommendations in implementation
<ol style="list-style-type: none"><li>1. Use of tax fund by both purchaser and providers</li><li>2. No Purchasing Mechanism in Basic Health Services (BHS)</li><li>3. No clear demarcation between Regulator and Providers</li><li>4. Major Administrative Role of Ministry of Health and Population (MoHP)</li><li>5. Government functioning as both purchaser and provider</li><li>6. Difficult for primary health care</li><li>7. Individual and institutional ego</li><li>8. HIB Not Autonomous</li><li>9. HIB Operational Challenges</li></ol>	<ol style="list-style-type: none"><li>1. HIB Capacity development</li><li>2. O&amp;M Survey of the HIB</li><li>3. Gradual implementation of purchaser-provider split</li></ol>



# Benefit package: Accreditation of service providers

Challenges in implementation	Recommendations in implementation
<ol style="list-style-type: none"><li>1. Lack of Alternative Health Facilities in Rural Areas</li><li>2. Inadequate Quality Monitoring and Accreditation Systems</li><li>3. Political Pressures and Renewal Requirements</li><li>4. Confusion in Accreditation Processes</li><li>5. Resistance from Private Sector</li><li>6. Need for Comprehensive Legislative Framework</li><li>7. Lack of capacity in HIB</li><li>8. Implementation challenges</li></ol>	<ol style="list-style-type: none"><li>1. Need to introduce output based payment</li><li>2. Enhance consumer accountability</li><li>3. Need of strong will</li><li>4. Need of regulation and capacity</li><li>5. Implementation at institution and individual level</li></ol>

# Conclusion

- The pursuit of health financing reforms demands a careful balance between the diverse strategies available and the challenges they pose
- Allocating 10% of the budget to the health sector; merging health insurance and free health care; Purchaser- Provider Split and Accreditation as pivotal strategies, supported by stakeholders for their feasibility and effectiveness
- However, the landscape is marked by nuanced challenges, from budget constraints to political resistance, requiring coordinated efforts and tailored approaches

# Acknowledgments

- Key Informant Respondents
- Health Insurance Board
- Nepal Health Research Council
- Supervisors, University of Huddersfield, University of Sheffield

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An aerial photograph of a multi-lane highway bridge spanning across a body of water. The bridge has several lanes in each direction, with white lane markings. Several vehicles, including cars and trucks, are visible on the bridge. The water is a deep teal color with visible ripples. The text "Thank You" is overlaid in the center of the image in a large, white, sans-serif font.

# Thank You



# Brief Bio

- **Mr. Bikesh Bajracharya** is PhD (Public Health) Scholar, holds MPH- GH, MA- Sociology, Diploma in Health Economy
- Expertise in the areas of Health Financing including Health Insurance and National Health Accounts, Health System Strengthening, Tobacco control, Research, Monitoring and Evaluation for over 18 years
- Technical assistance to MoHP and HIB on National Health Financing Strategy, National Health Insurance, National Quality Assurance Framework

