



Policy Analysis



Assessing Implementation of Health Insurance Program: Policy Challenges and Way Forward Using Multiple Streams Framework



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Objectives

1

Review the policy and legal architecture of HIP

2

Assess the current implementation status

3

Analyze the gap using the Multiple Streams Framework

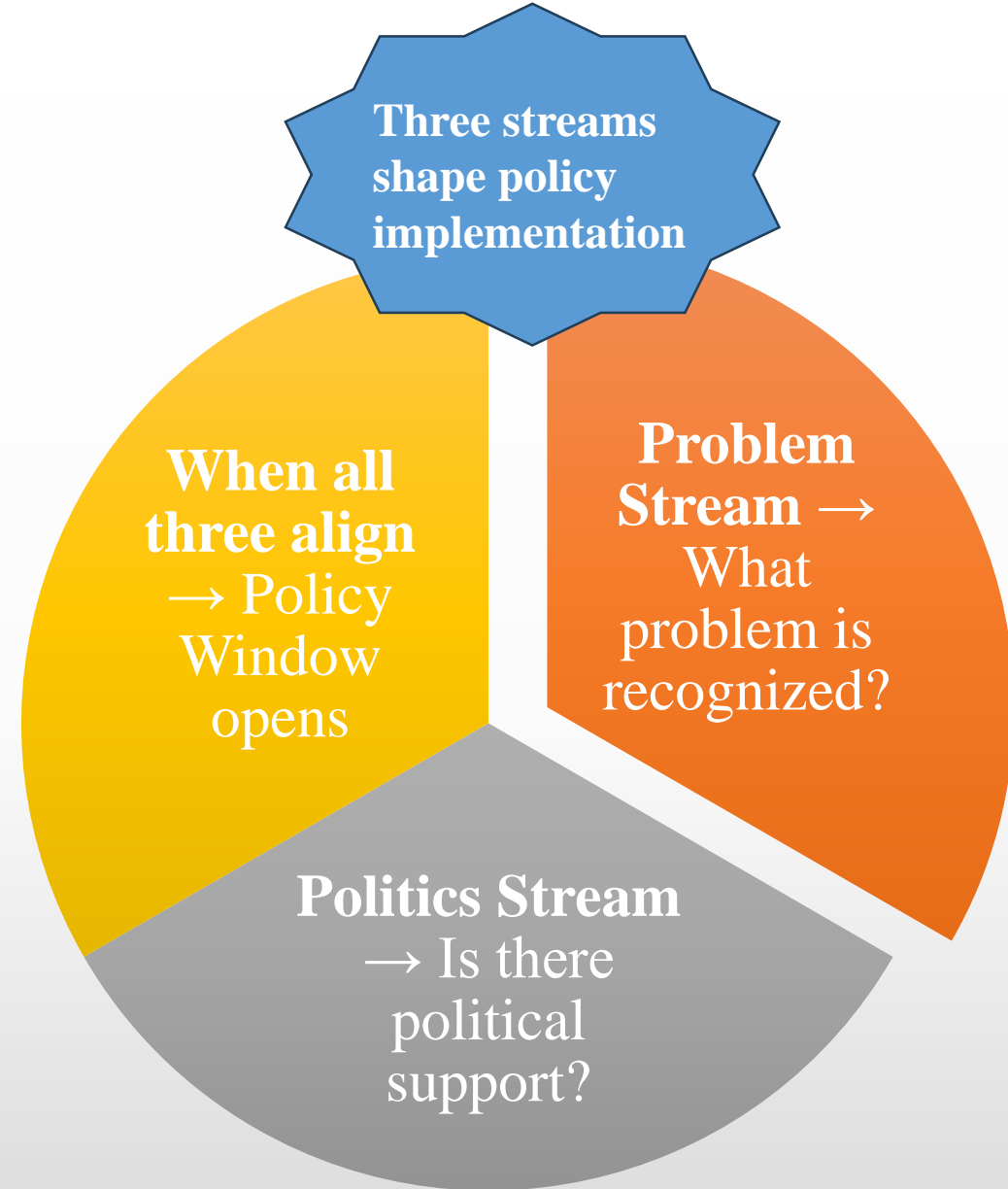
4

Identify reform priorities for HIB and government



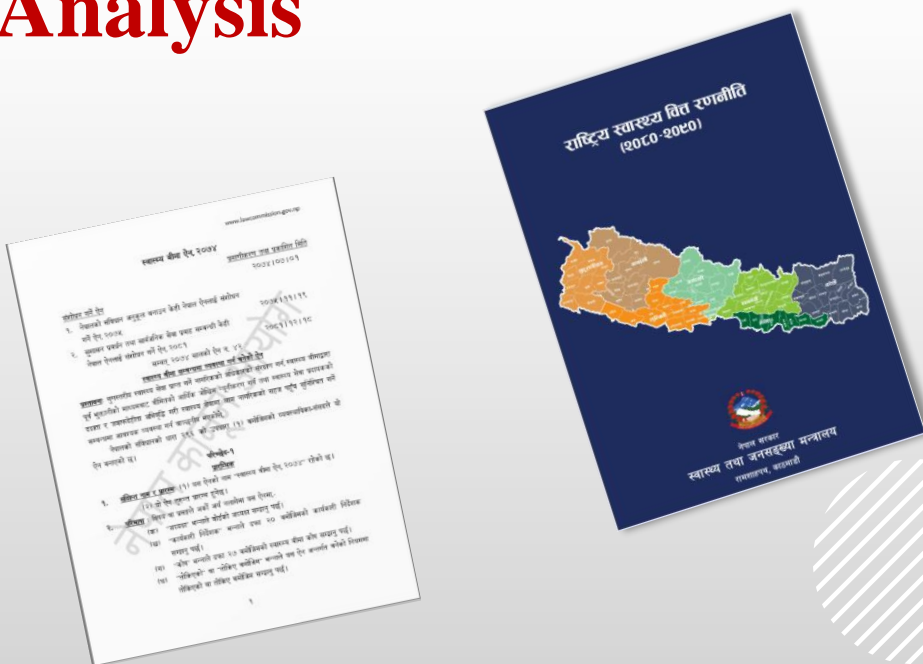
Analytical Framework

Analytical Lens: Multiple Streams Framework





Evidence Base for the Analysis



Constitution of Nepal, 2015



Health Insurance Act, 2074



Health Insurance Rules, 2075



National Health Policy, 2076



Health Sector Strategic Plan, 2023–2030



National Health Financing Strategy, 2023–2033



HIB annual reports and published documents



Reference analytical document of HIB



Policy Architecture



NHIP has a Strong Policy and Legal Foundation,

The core policy architecture:

- Constitution of Nepal → health insurance and access to care,
- Health Insurance Act, 2074,
- Health Insurance Rules, 2075,
- National Health Policy, 2076,
- 16th Five Year Plan,
- National Health Financing Strategy,
- Health Sector Strategic Plan,



Problem Stream: Why Reform Is Needed



Key implementation problems

High out-of-pocket expenditure (54.2-57%)

Low active enrolment /coverage

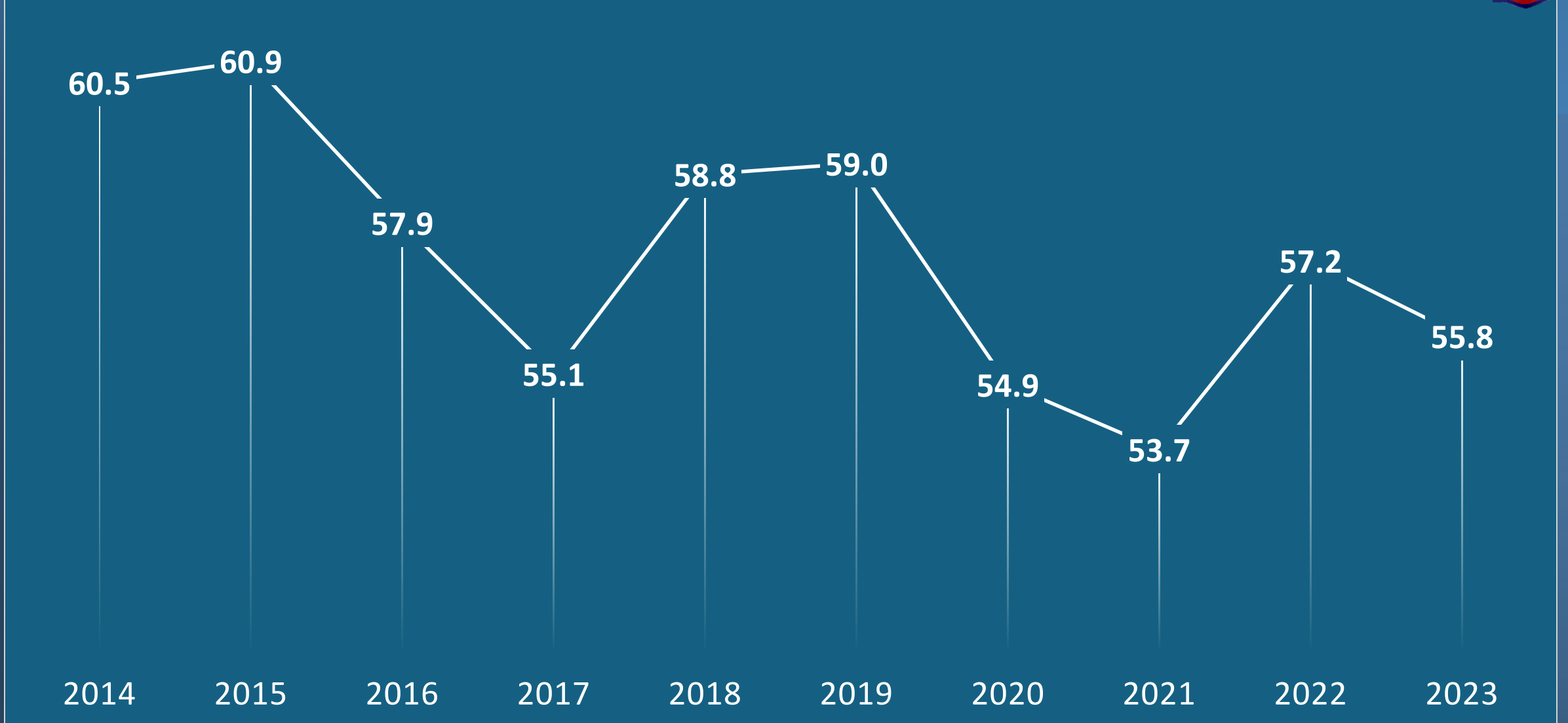
Renewal and dropout challenges

Weak inclusion of ultra-poor and vulnerable groups

Fragmentation across social health protection schemes



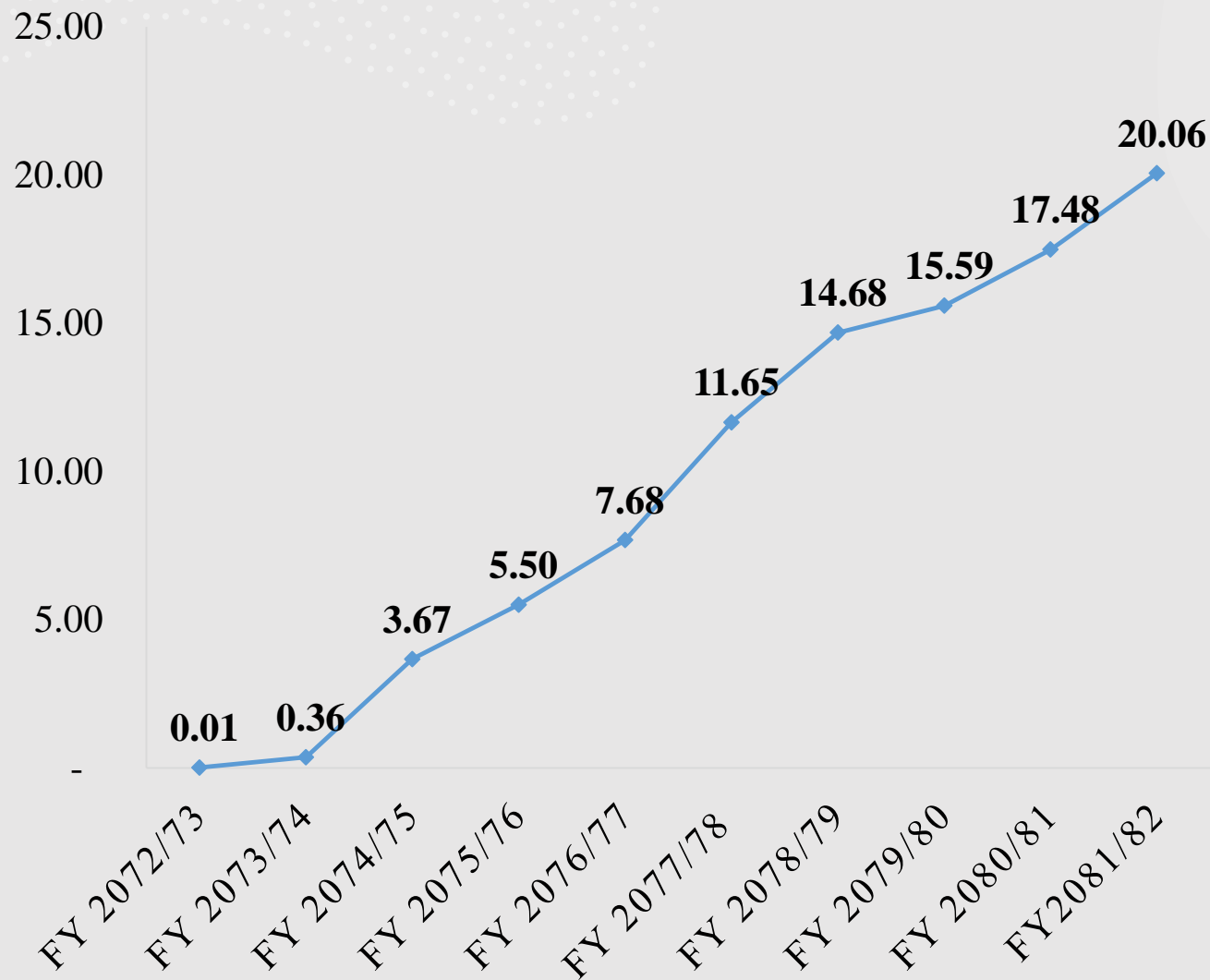
OOPE



Source: World Bank Projection, 2025

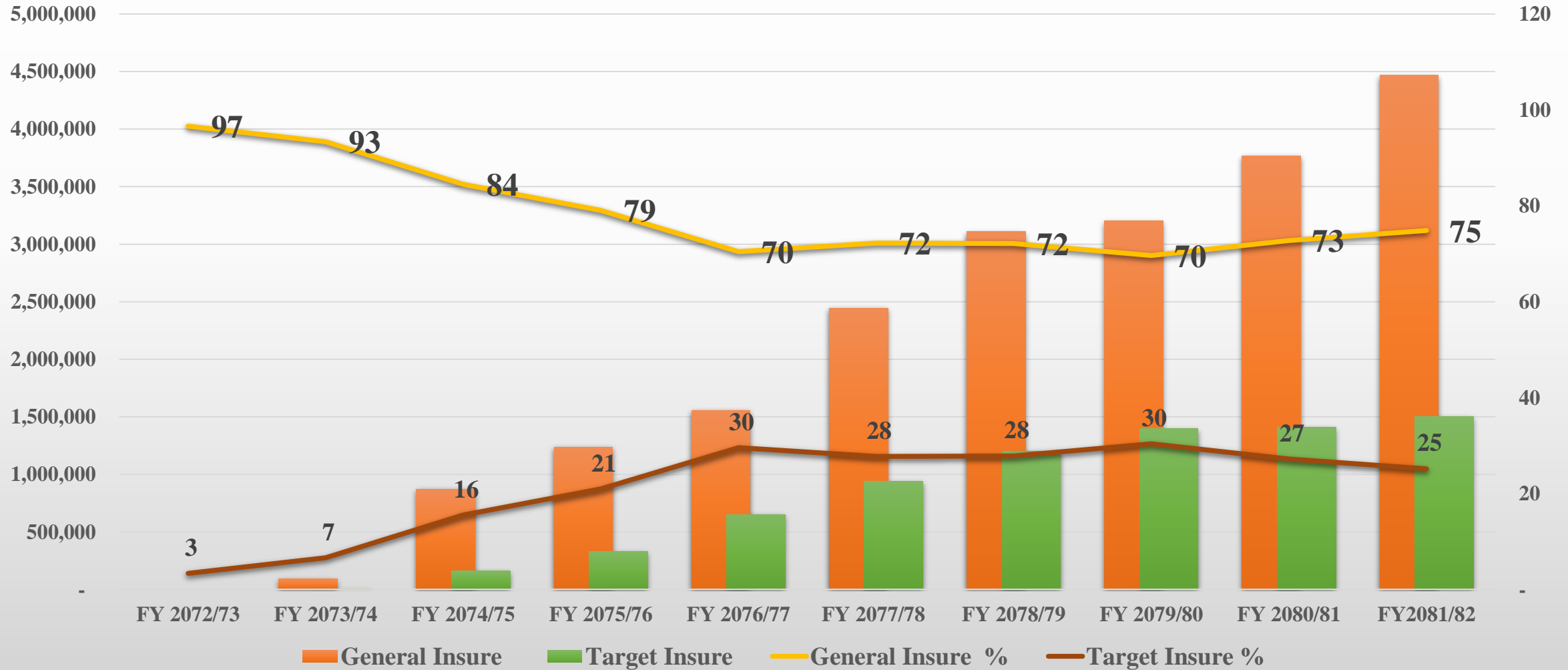


Active Population Coverage (%)



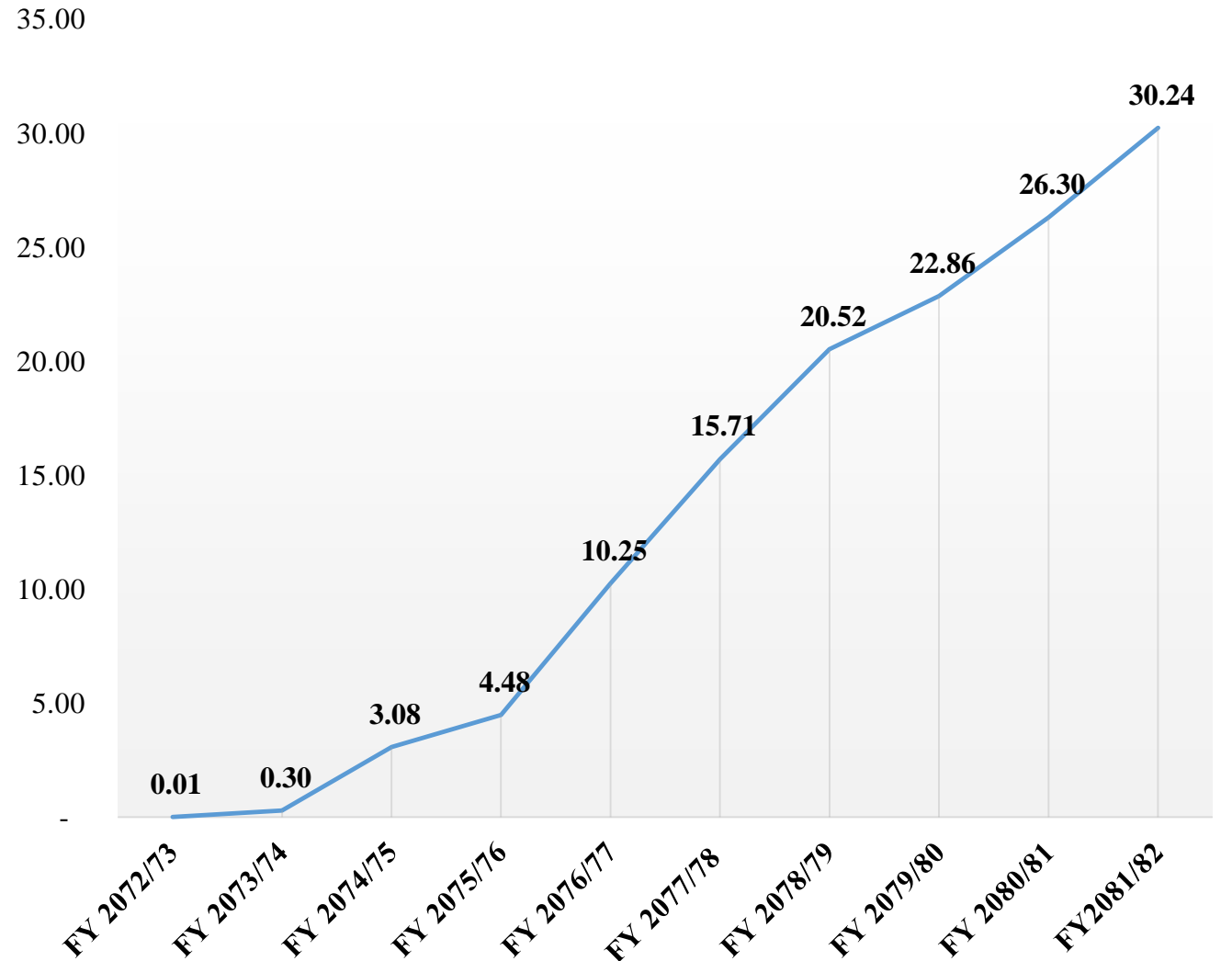


Active General & Target Insuree Coverage



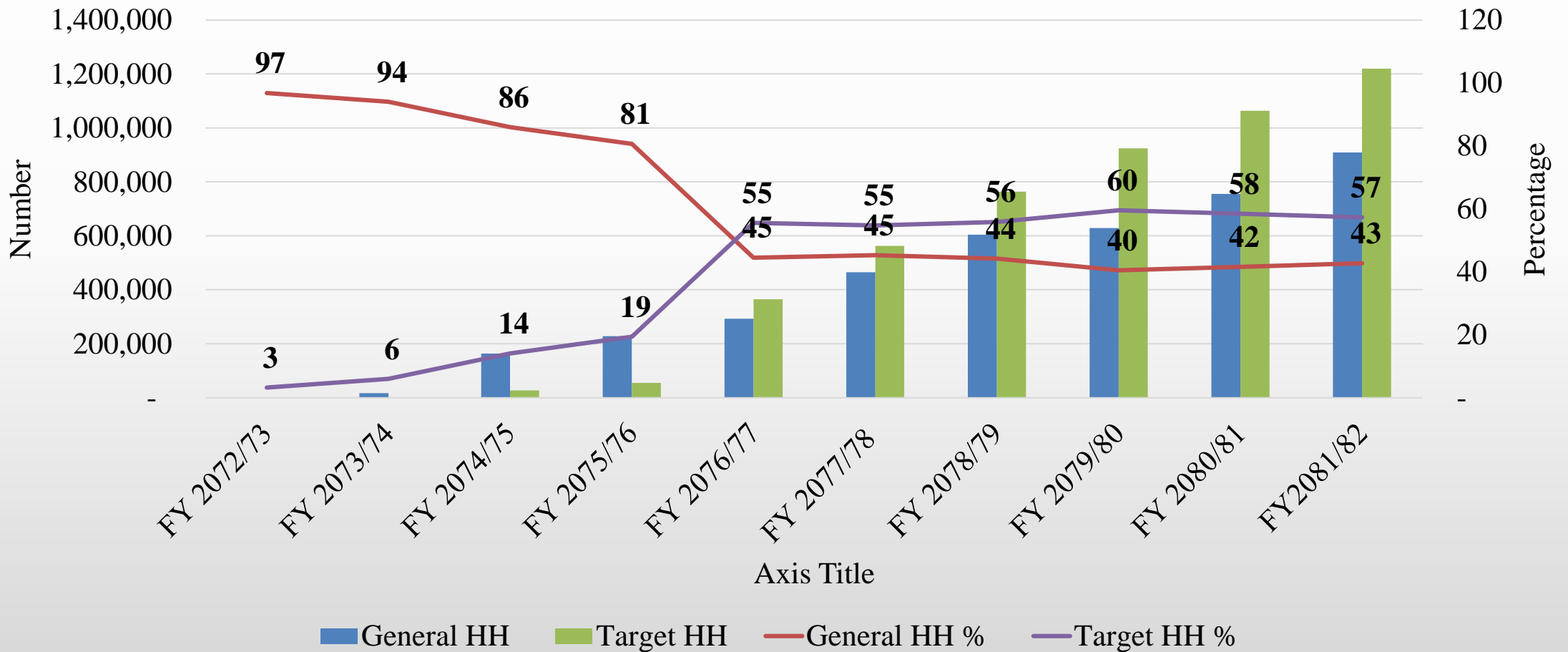


Active Household Coverage (%)



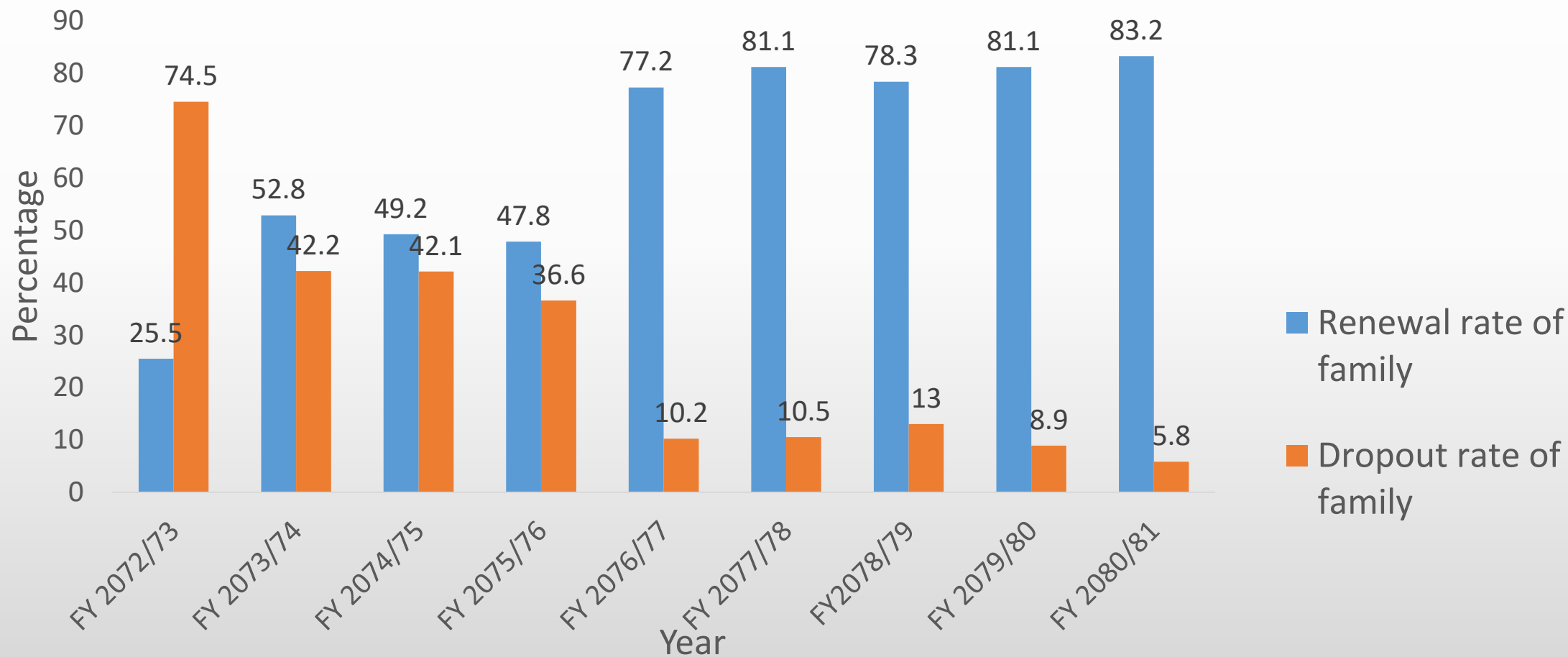


Active General & Target Household Coverage





Annual Renewal and Drop-out of Family





SHP Fragmentation



National Health Insurance Program (NHIP)

Mandatory in law, contributory for those able to pay, with tax-funded subsidies for poor, elderly and selected vulnerable groups, Impoverished Citizens' Program



Free Basic Health Care / Basic Health Services Package

Tax-funded services at public facilities, including essential drugs and primary care.



Vertical and targeted health programs

Safe Motherhood/Aama, Disease-specific subsidies, etc.



SHP components within social security schemes

Health insurance scheme under SSF and EPF



Duplication Between BP of HIP and Free BHSP



Key Overlaps:

Service Type	Provided by FBHS	Provided by HIP	Implication
OPD visits	Free at public facilities	Covered under HIP	HIP pays for services that FBHS already subsidizes
Essential Medicines	Provided under EML	HIP reimburses medicines	Double financing; EML compliance issues
Diagnostics	Partially free	Covered under HIP	Parallel financing streams
Referral services	Province-funded	HIP reimburses	Inefficient resource use

Parallel financing for similar services create inefficiencies and weaken accountability in service provision.



Problem Stream (System Stress) Emerging System Stress



Additional pressures on implementation

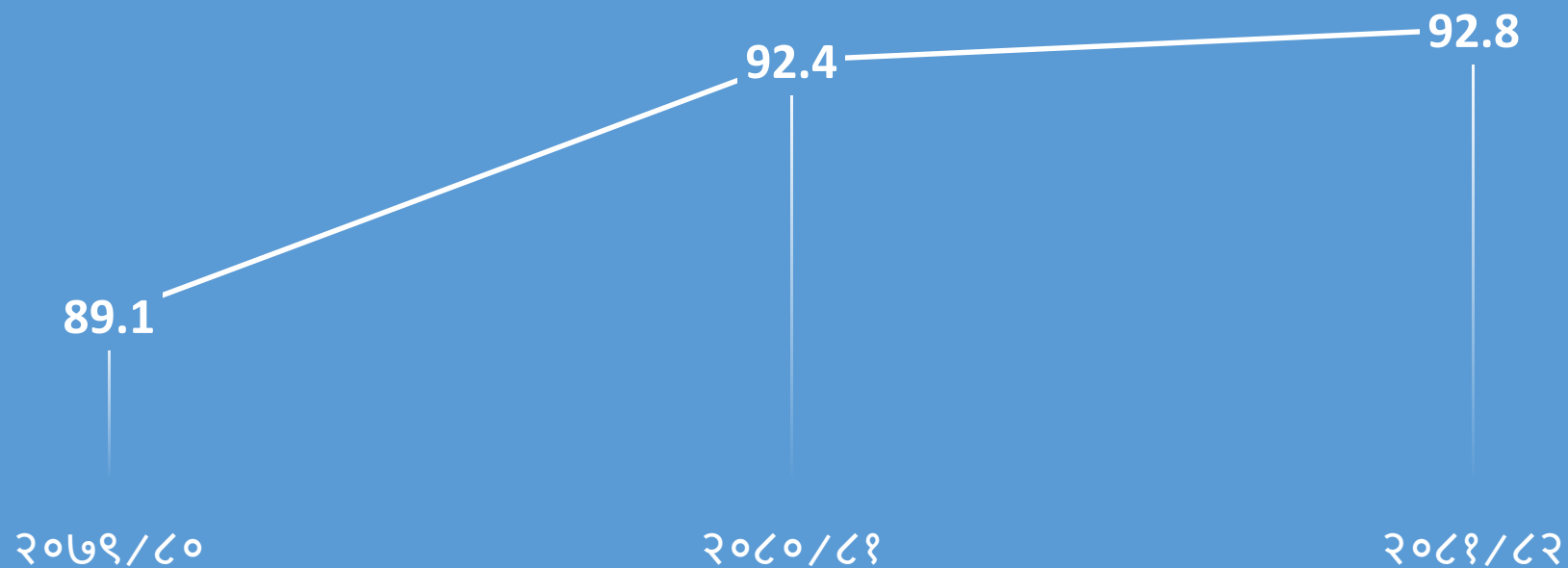
- High utilization among enrolled groups
- Growing claims burden
- Delayed reimbursements / claims management pressure
- Sustainability concerns
- Weak trust if payment and service issues persist



Healthcare Utilization by General Population Cohort Analysis



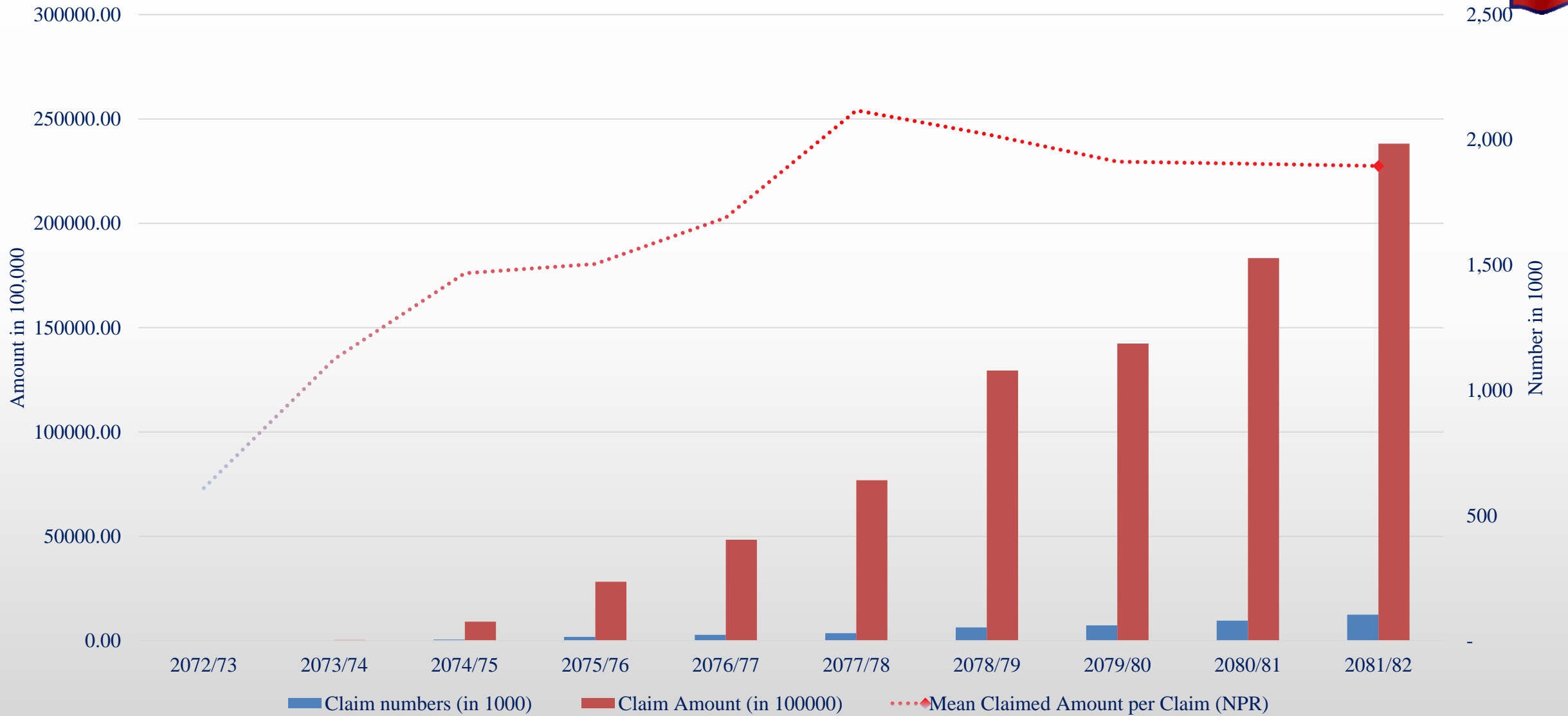
HEALTHCARE UTILIZATION %



FY	Households paying premium	Healthcare Utilization %
2079/80	368470	89.1
2080/81	368470	92.4
2081/82	368470	92.8

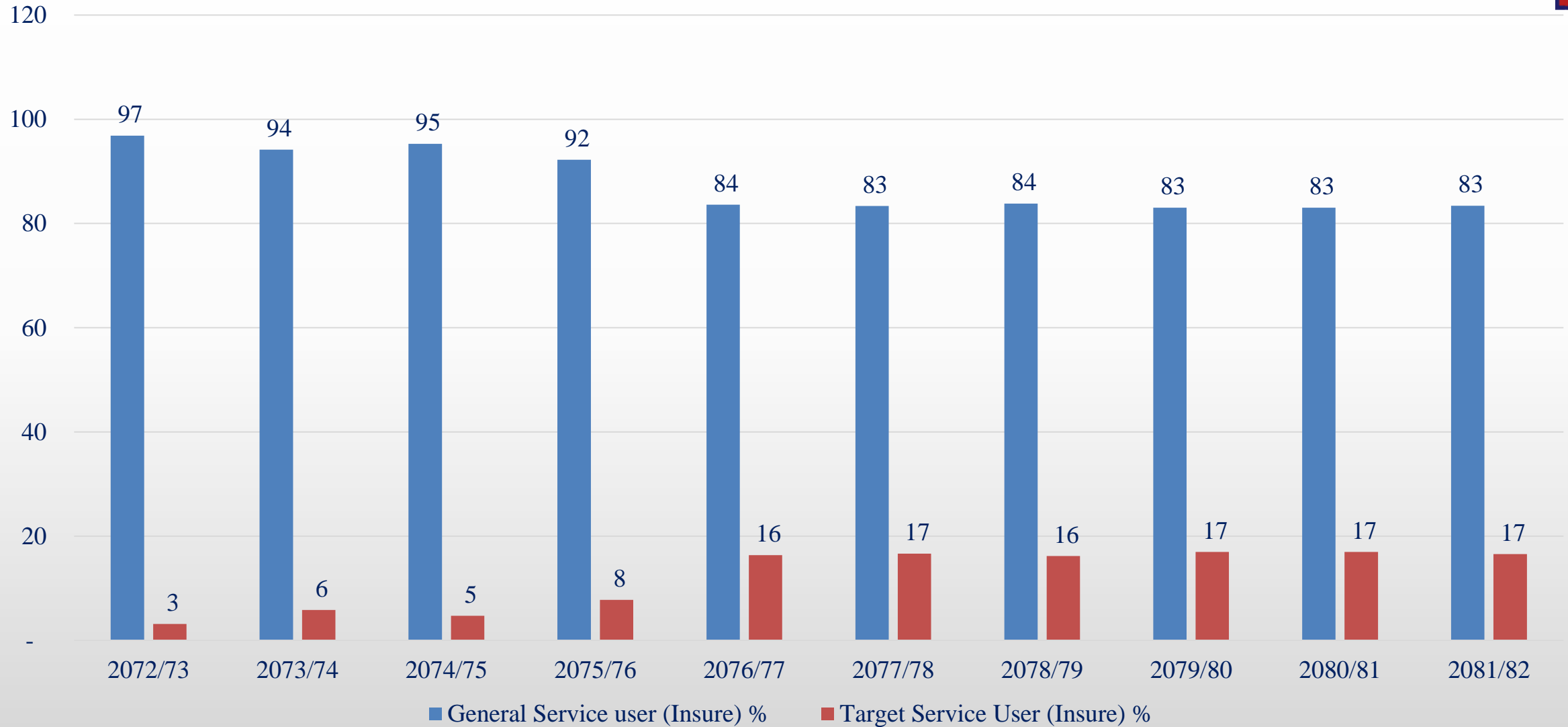


Financial Burden of Claim expansion over the year





Health Care Utilization by General and Target Insuree





Policy Stream: Solutions Already Exist

Mandatory enrolment under law

Subsidized coverage for vulnerable groups

Expansion and rationalization of benefit package

Provider payment reform options

Digital systems through openIMIS

Institutional strengthening and data use





Policy Stream (Implementation Gap)

Policy Stream: Why Solutions Are Only Partially Implemented

Main implementation bottlenecks

- Legal inconsistency between **HIB and SSF arrangements**
- Weak poor identification and targeting
- Delay in updating rules and operational mechanisms
- Benefit package duplication and overlap
- Payment reform not yet fully operationalized



Main implementation bottlenecks

Legal foundation

Strong

Targeting of poor

Weak

Benefit package rationalization

Ongoing

Provider payment reform

Partial

Digital use for management

Partial



Politics Stream: Why Reform Remains on the Agenda

Political enablers

Commitment to UHC

Alignment with SDGs

Government priority on social protection

Continued relevance in national planning

Public expectation for financial protection



Politics Stream:

Political and Institutional Constraints



Key constraints



Fragmentation across institutions and schemes



Weak inter-agency coordination



Institutional ambiguity in implementation roles



Limited consistency in reform follow-through



Provider and public confidence risks



Policy Window Analysis

Has a Policy Window Opened?

- Yes — But It Is Not Fully Being Used

Assessment

- Problems are clearly recognized
- Policy solutions are available
- Political commitment exists

But...

- **✗** Streams are **not fully aligned operationally**



Five Priority Reform Areas



Legal and institutional harmonization



Resolve overlap across schemes and mandates

Financial sustainability



Improve revenue, targeting, and expenditure control

Strategic purchasing



Move beyond passive reimbursement

Governance and accountability



Strengthen implementation discipline and oversight

Digital and data systems



Use OpenIMIS and analytics for decision-making

1. Legal and institutional harmonization

- Resolve overlap across schemes and mandates

2. Financial sustainability

- Improve revenue, targeting, and expenditure control

3. Strategic purchasing

- Move beyond passive reimbursement

4. Governance and accountability

- Strengthen implementation discipline and oversight

5. Digital and data systems

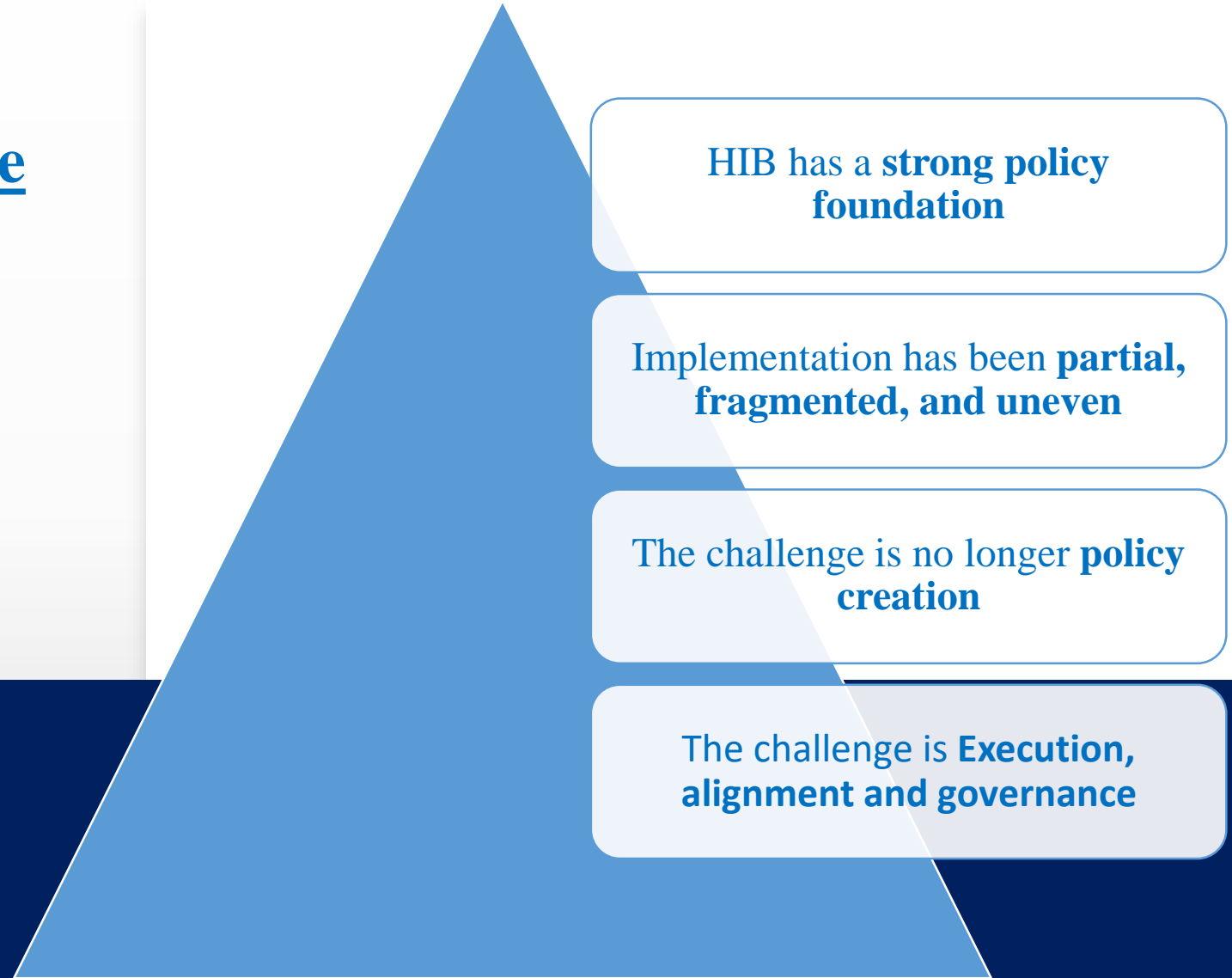
- Use openIMIS and analytics for decision-making



Conclusion



Key message





Thank You