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**The Financial Assessment of the Cost of Providing Health Care Coverage for
Palestinian Refugees and the Legal Obstacles of law 128/2010**

**A Financial Assessment of the Cost for Providing Health Care
Coverage for Palestinian Refugees in Lebanon, Executive Summary**
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Executive Summary

Recent studies estimate the number of Palestinian refugees living in Lebanon to be around 260,000–280,000,¹ despite the fact that around 455,000 are registered with the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA). However, many of those registered do not necessarily live in Lebanon. Most of these refugees work in the informal sector. Of the small number working in the formal sector, only 2,372 had been registered with the Lebanese National Social Security Fund (NSSF) at the end of 2011.² The NSSF registered refugees pay full contribution fees, yet do not benefit from the NSSF health insurance scheme. Most Palestinian refugees in Lebanon lack any form of health or social security coverage. This is mainly a result of their current legal and political status in Lebanon. Palestinian refugees are treated as foreigners in Lebanon in terms of their right to work and to own property. They are subject to the “reciprocity treatment” policy applied in Lebanon, which states that a country should treat citizens of another country the same way its citizens are treated in that country.

Rationale and Objectives

Social protection is a main component of international labour standards and is recognized as a basic human right. It is an essential element of the mission and objectives of the International Labour Organization (ILO).

The Palestinian refugees in Lebanon have been excluded from the national health coverage system. Even Palestinians working legally in the formal sector are not entitled to the health coverage provided by the NSSF, though they have to pay social security contributions, in the same way as Lebanese workers.

For a population living in destitute conditions (Palestinian refugees in Lebanon have a 66% poverty rate), social security is considered a prerequisite to reduce poverty, social exclusion and inequality. Social security provision would assist the refugees to escape the vicious cycle of low income, poverty and deteriorating health conditions. Without access to health care, health costs increase and the ability to lead a healthy life is challenged, making it even more difficult to escape the poverty trap.

In addition to reducing poverty and vulnerability, social security could alleviate the socio-political tensions that can fuel conflicts and lead to violence, and could be a factor in increasing stability and reinforcing security in the camps. In short, the health, financial, and overall social and economic consequences of living without adequate insurance coverage are serious for a population suffering from exclusion on many fronts.

¹ According to UNRWA, registered Palestinian refugees in Lebanon total around 455,000. The difference in estimates is due to the fact that UNRWA data count those that are registered and do not take into account migration, deaths or changes in citizenship.

² NSSF 2011 data.

The present study aims to highlight the contributions of Palestinian refugees in Lebanon to the NSSF and the estimated costs for providing them with health care coverage. It offers policy-makers a framework to make informed decisions and support policy changes. It also provides concerned civil society organizations with substantive material to support their advocacy programs. The results of the study will provide a financial perspective when assessing potential legal amendments targeting the Palestinian refugees' social security. Accordingly, the study provides:

- An estimate of the total contributions paid by the limited number of Palestinian refugees that are currently registered with the NSSF in Lebanon, and who, in return, are not receiving health coverage;
- An estimate of the cost of providing sickness and maternity benefits under the NSSF scheme for the working Palestinian refugees;
- An assessment of the out-of-pocket health expenditure burden that Palestinian refugees carry.

Main Findings

The assessment of the financial implications of providing Palestinian refugees working in Lebanon with health coverage through the NSSF shows that the currently registered Palestinian workers have accumulated unused contributions worth around US\$ 14 million since 1992. Those funds should enable health benefit coverage for at least the segment of the working Palestinian refugee population living in Lebanon over the medium term.

The cost of providing Palestinians currently registered with the NSSF with health coverage is estimated at around US\$ 5 million per year over the next three years, rising to no more than US\$ 21 million per year by 2021.

Assuming that fair health coverage would lead to an increase in the number of Palestinian subscribers, the maximum number of potential workers eligible does not exceed 14,100 in 2011. If all working Palestinian refugees in Lebanon with formal work agreements (signed contracts) are to be covered by the NSSF for health care, the cost should not exceed US\$ 32 million per year over the next three years (2013–2015), rising to an annual US\$ 127 million in 10 years' time (2021).

Palestinian refugees in Lebanon currently spend a large share of their household expenditures on health services (12%). Providing them with coverage would alleviate a hefty financial burden and reduce the high poverty incidence.