Social Health Insurance in Viet Nam

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Ha Noi, 12 Oct. 2010
Outline of presentation

- Background information
- Development (summary) of SHI in Viet Nam
- Currently situation and continued works
Background information
General information

  - >70% living in rural area
  - About 12-13% of total households are poor (by MOLISA poverty criteria for 2005-2010)*
- GDP per capita: 1100 USD (2009)
- Infant mortality rate: 16.0 per 1,000
- Under-five mortality: 25.9 per 1,000
- Maternal mortality rate: 75.0 per 100,000 live births
- Average life expectancy at birth: 73

Source: Health Statistical Profile, MOH
Health care system

• Public-private mix of providers
  - 1108 hosptls with 189,855 beds → 22.1 beds/ 10,000 pers
  - Public: dominant
  - Private: clinics; hospital
    • 108 hospls with about 6500 beds
  - Health personel per 10,000 people: Doctor: 6.45; Nurse: 7.18; Pharmacist: 1.3 (MOH, 2008)

• Organizational system: 4 levels of service delivery:
  - Primary health care: CHS, Inter-commune Polyclinics
  - First referral: district hospitals
  - Second referral: provincial general and special hospitals
  - Tertiary: regional and central hospitals, general and specialized

• Recent reforms: renovation and upgrading, and decentralization and more autonomy for public hospitals
Number of healthcare facilities

<table>
<thead>
<tr>
<th>Numbers of Hospitals</th>
<th>1,108</th>
</tr>
</thead>
<tbody>
<tr>
<td>+ Central hospitals</td>
<td>36</td>
</tr>
<tr>
<td>General</td>
<td>11</td>
</tr>
<tr>
<td>Specialized</td>
<td>25</td>
</tr>
<tr>
<td>+ Provincial hospitals</td>
<td>230</td>
</tr>
<tr>
<td>+ District hospitals</td>
<td>734</td>
</tr>
<tr>
<td>+ Private hospitals</td>
<td>108</td>
</tr>
<tr>
<td>- Communal Health Center:</td>
<td>10,732</td>
</tr>
</tbody>
</table>

Source:
2009 - Annual Hospital Inspection from VAMS-MOH
Health care system

Ministry of Health

Provincial Health Services: 63

District Health Office: 690

Communal Health Station

- District Hospital: 734
- Polyclinics

District Preventive Health Centers: 690

+ 16 Depts., administrations, cabinet
+ 36 Central Hospitals
+ 17 Institutes or centers
+ 14 Schools or colleges

+ 230 Provincial Hospitals
+ 63 Preventive Health Centers
+ Medical schools or colleges

Note:
- directly management
- technical guidance
Health Care Financing
Health care financing

• Until end of 1980s: health care funded and provided by the government, but very limited resources
• 1989: User fees introduced at public health facilities
• 1992: Introduction of social health insurance
• 2002: set up Health Care Fund for the poors
• 2005: Free care for children under 6 years
• 2008: Law on SHI passed, in effect on 1 July 2009
Health care financing

• Total expenditures for health in 2006 (NHA 2006):
  – as proportion of GDP: 6.2%
  – As per capita: 45 USD
    • public: 26.2% (12 USD)
    • Household: 62.8% (28 USD)
    • Others: 11% (5 USD)

• Financing for health is still heavy reliance on direct out of pocket spending;
Development Of Social Health Insurance In Vietnam
Summary on Development of SHI in Vietnam

- Piloted in early 1990s
- Governed by Govt’s Decree: First HI Decree issued in 1992, and there has been amended 2 times in 1998 and in 2005;
  - Health care for the poor program transferred to SHI in 2005
- Two types: compulsory; voluntary
- Ministry of Health: policy making, oversight
- Implementing agency: Viet Nam Health Insurance (from 1992 2002) and Viet Nam Social Security Agency (from 2003): an independent agency
- The law on health insurance passed in Nov, 2008 and be effect on July 1st, 2009
  - The Free care for children <6 be transferred to SHI
SHI schemes and their target population 1992-2005

SHI Schemes

- SHI
  - Employee in public sectors, private enterprises; Pensioners Civil servants ...
- HCFP
  - The poor & minorities
- FCFCU6
  - Free care for children under 6
- VHI
  - Farmers and Self-employed
SHI schemes and their target population 2005-6/2009

- **SHI Schemes**
  - **SHI**
    - Employee in public sectors, private enterprises; Pensioners Civil servants ...
  - **FCFCU6**
    - Free care for children under 6
  - **VHI**
    - Farmers and Self-employed

The poors and minories

Children U6
The Law on Health Insurance—
new phase of HI development

- Preparation started since 2005
- Passed on November 2008 by the National Assembly
- in effect on 1\textsuperscript{st} July 2009 “Viet Nam Health Insurance Day”!
- Goal: Towards to universal coverage of HI
- Govt budget contributes for the poor, ethnic minorities, child <6 yrs, near poor, social protection group ...
- Ministry of Health: policy making, oversight
- Implementing agency: Viet Nam Social Security
Road map towards universal coverage of HI

- Employees, employer; civil servants
- Pensioner; social protection group
- Poor; ethnic minorities, elderly >85; dependants of Army officers and soldiers
- Children <6; near poor
- Students, pupils
- Farmers
- Other dependants of employees and remains

Timeline:
- 1992
- 1998
- 2005
- 2009
- 2010
- 2012
- 2014
SHI schemes and their target population
7/2009-

SHI Schemes

SHI

Employee in public sectors, private enterprises; Pensioners Civil servants ...

The poors and minories

Children U6

VHI

Farmers and Self-employed
Current situation
Members and pop. coverage

- By the end of 2009: 50.06 million insured, # 58.2% of population, of which:
  - 15.1 million the poor
  - 5 million under 6
  - 15.4 million under voluntary program

- By June, 2010: 52.96 million, # 62% of pop; of which:
  - 14.96 million the poor
  - 8.12 million under 6
  - 9.89 million students
  - 3.7 million under voluntary program
## The insured by years (in million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of insured</th>
<th>% of pop.</th>
<th>Of which</th>
<th>Compulsory</th>
<th>Voluntary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>3.79</td>
<td>5.4</td>
<td></td>
<td>3.47</td>
<td>0.32</td>
</tr>
<tr>
<td>1998</td>
<td>9.74</td>
<td>12.5</td>
<td></td>
<td>6.06</td>
<td>3.68</td>
</tr>
<tr>
<td>2003</td>
<td>16.00</td>
<td>20.0</td>
<td></td>
<td>11.16</td>
<td>4.84</td>
</tr>
<tr>
<td>2004</td>
<td>19.00</td>
<td>23.1</td>
<td></td>
<td>13.61</td>
<td>6.39</td>
</tr>
<tr>
<td>2005</td>
<td>23.50</td>
<td>28.4</td>
<td></td>
<td>14.02</td>
<td>9.28</td>
</tr>
<tr>
<td>2006</td>
<td>34.50</td>
<td>41</td>
<td></td>
<td>25.00</td>
<td>9.50</td>
</tr>
<tr>
<td>2007</td>
<td>36.58</td>
<td>43</td>
<td></td>
<td>25.58</td>
<td>11.0</td>
</tr>
<tr>
<td>2008</td>
<td>39.92</td>
<td>46</td>
<td></td>
<td>29.27</td>
<td>10.65</td>
</tr>
<tr>
<td>2009</td>
<td>50.06</td>
<td>58.2</td>
<td></td>
<td>34.66</td>
<td>15.4</td>
</tr>
</tbody>
</table>
Tỷ trọng các nhóm đối tượng có và không có BHYT, 2010

- Trẻ em dưới 6 tuổi: 9%
- Học sinh, sinh viên: 9%
- Người lao động: 11%
- Người nghèo, đồng bào dân tộc: 11%
- Cần nghèo: 16%
- Các nhóm khác: 8%
- Tự nguyện: 4%
- Chưa có BHYT: 40%
Contribution rates

- **Those who received wages:**
  4.5% of salary/wages; of which 2/3 paid by employer and 1/3 paid by employee

- **Social protection group:**
  4.5% of minimum salary (at present: 730000VND*4.5%*12); paid by state budget

- **The poor, children<6:** 4.5% of minimum salary; paid by state budget

- **The near poor:** 4.5% of minimum salary; state budget subsidies minimum 50%

- **Student and pupils:** 3% of minimum salary; state budget subsidies minimum 30%
Benefit packages

- Benefit package, in general, is comprehensive, including:
  - inpatient and outpatient care and medical rehabilitation
  - Screening for some diseases
  - Drugs, according to the list made by MOH
  - Transportation costs for people who are the poor and living in mountainous areas.

- Co-payment required: 5% and 20% depending on groups of member

- Health Commune Station is first contact without copayment and follows referral lines

- The ceiling is applied for some kinds of high tech services: not exceeding 40 times of minimum salary
Purchasing health care services and provider payment methods

- Mainly by contracts with health care providers, both state owned and private owned.
- Fee-for-service (FFS) is the most common method used.
- Capitation used at mainly district hospitals.
- DRG method is discussing and proposed to pilot.

→ There were situations of overuse medical services and drugs due to having no cost control mechanisms and FFS payment.
Organizational structure

- HI is integrated in Social Security and implemented by Vietnam Social Security Agency (VSS)
- VSS: united and centralized;
  - At central:
  - At provincial and district
- A Board of Management beside VSS set up by Primary Minister; chair by Minister of Finance
- Management and supervision:
  - Ministry of Health
  - Ministry of Finance
Challenges and Issues
Membership - Coverage

- Not covered fully targeting groups due to low compliance, especially in private owned enterprises, joint-venture enterprises
- Separate member’s dependants
- Near poor group: affordability is low, especially in rural areas due to low income
- Adverse selection in voluntary health insurance program: only those in need of health treatment participate in!
## Target population coverage, 2009-2010

<table>
<thead>
<tr>
<th>Target pop. (in thousand)</th>
<th>Insured number (in thousand)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children under 6</td>
<td>10,500</td>
<td>8,125</td>
</tr>
<tr>
<td>Pupils and students</td>
<td>18,570</td>
<td>9,890</td>
</tr>
<tr>
<td>Employees</td>
<td>16,500</td>
<td>9,125</td>
</tr>
<tr>
<td>The poor and ethnic minorities</td>
<td>18,320</td>
<td>14,086</td>
</tr>
<tr>
<td>Near poor</td>
<td>?</td>
<td>879</td>
</tr>
<tr>
<td>Others</td>
<td>?</td>
<td>7,153</td>
</tr>
</tbody>
</table>
Benefit packages

- Issues in implementation of co-payment and ceiling payment for high tech services
  ➔ Poverty trap due to high payment from out of pocket!
Financial viability of the Fund

• Situation of financial in-viability of the Fund since 2005

• Reasons of imbalance of the funds:
  – Increasing in utilization of health care services
  – Payment mechanism applied (FFS): overuse and increasing health care cost
  – Not good in controlling costs and overuse
  – Adverse selection in voluntary HI program
  – Low contribution rate
Responsiveness and quality of care

- The differences in infrastructure and quality of care between provinces, cities and the overload at hospitals that affecting quality and equity in receiving benefits of the insured patients
Problems and challenges of health care system

- Poorly infrastructure/technical equipment
- Allocation of health care power in rural area
- Overload at provincial & central hospitals
- Informal payment/“undertable payment”

→ patient’s satisfaction!
Management and implementation

- Lack of skilled staff
- Lack of cooperation and consistence in monitoring, register, statistic and report between VSS and health care providers
Works Continued
Works continued ...

- Building the Govt Decree to fine the violation of the Law
- Measures to expand the coverage
  - Thailand model?
- Study on impact of co-payment
- Changes in provider payment methods to ensure the efficiency as well as benefit of hospital and the insured
  - Capitation?
  - Case based/ DRG?
- Strengthening the capacity of VSS
- Continued renovation and upgrading the health care system
Tỷ trọng NSNN đồng và hỗ trợ đồng BHYT cho các nhóm đối tượng

<table>
<thead>
<tr>
<th>Nhóm đối tượng</th>
<th>Số tham gia (triệu người)</th>
<th>Tổng thu (tỷ đồng)</th>
<th>Tỷ trọng đối tượng</th>
<th>Tỷ trọng ngân sách</th>
</tr>
</thead>
<tbody>
<tr>
<td>Người lao động và người sử dụng lao động</td>
<td>8,05</td>
<td>5024</td>
<td>0,1607</td>
<td>0,3841</td>
</tr>
<tr>
<td>Cơ quan BHXH đồng</td>
<td>1,96</td>
<td>1217</td>
<td>0,0391</td>
<td>0,0930</td>
</tr>
<tr>
<td>Ngân sách nhà nước dòng</td>
<td>24,72</td>
<td>4471</td>
<td>0,4936</td>
<td>0,3418</td>
</tr>
<tr>
<td>Ngân sách nhà nước hỗ trợ đồng</td>
<td>10,7</td>
<td>1224</td>
<td>0,2137</td>
<td>0,0936</td>
</tr>
<tr>
<td>Trừ dòng</td>
<td>4,65</td>
<td>1144</td>
<td>0,0929</td>
<td>0,0875</td>
</tr>
<tr>
<td>Tổng cộng</td>
<td>50,08</td>
<td>13.080</td>
<td>1.0</td>
<td>1.0</td>
</tr>
</tbody>
</table>
Thank you!