

# **Social Health Insurance in Viet Nam**

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# Outline of presentation

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

# Background information

# General information

- Population: 85.789 millions (4/2009)
  - >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

# 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

- <b>Numbers of Hospitals</b>	<b>1,108</b>
+ Central hospitals	36
<i>General</i>	11
<i>Specialized</i>	25
+ Provincial hospitals	230
+ District hospitals	734
+ Private hospitals	108
- <b>Communal Health Center:</b>	<b>10,732</b>

Source:

2009 - Annual Hospital Inspection from VAMS-MOH



# 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;

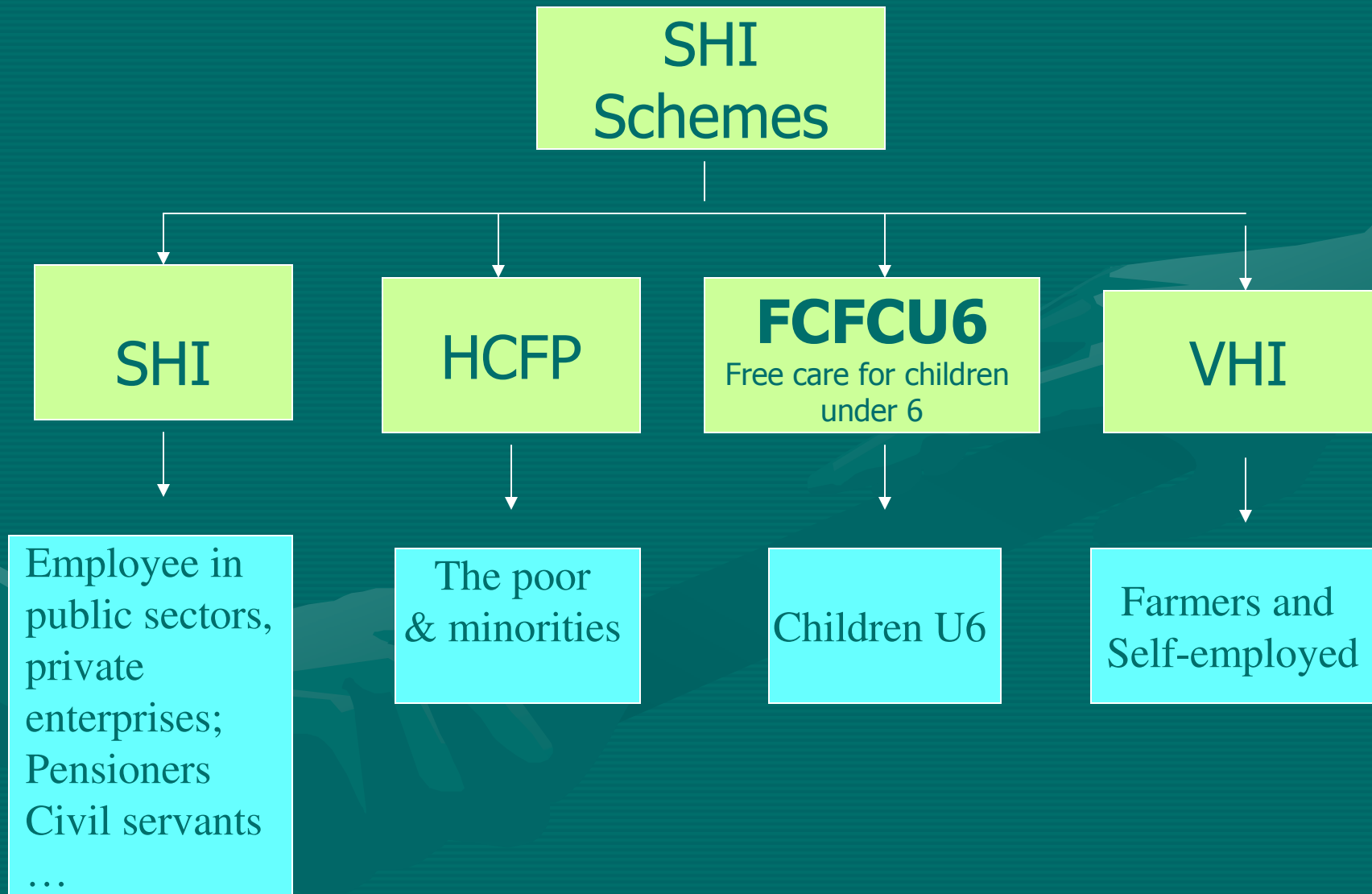
# Development Of Social Health Insurance In Vietnam



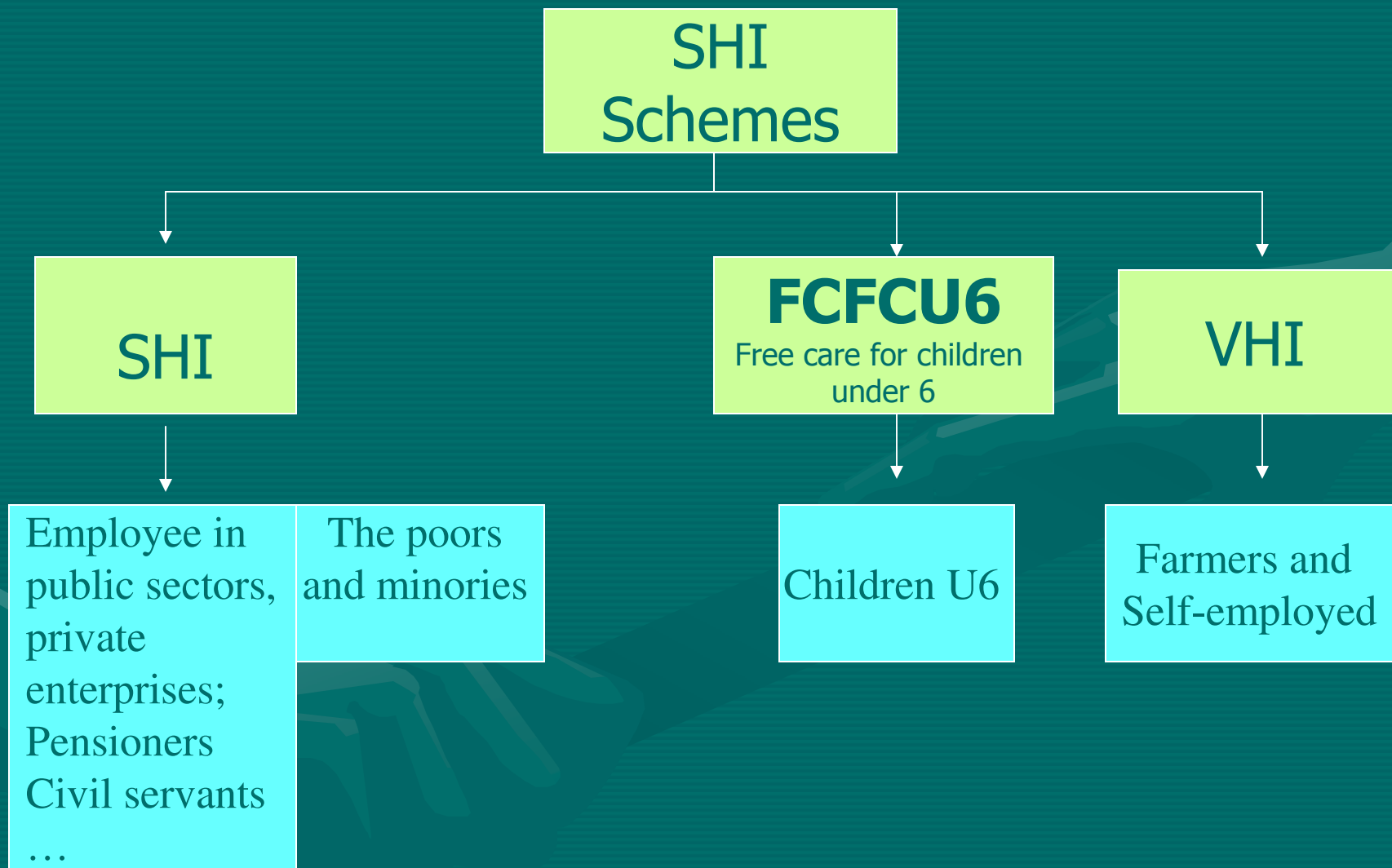
# Summary on Development of SHI in Vietnam

- 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 1<sup>st</sup>, 2009**
  - The Free care for children <6 be transferred to SHI

# SHI schemes and their target population 1992-2005



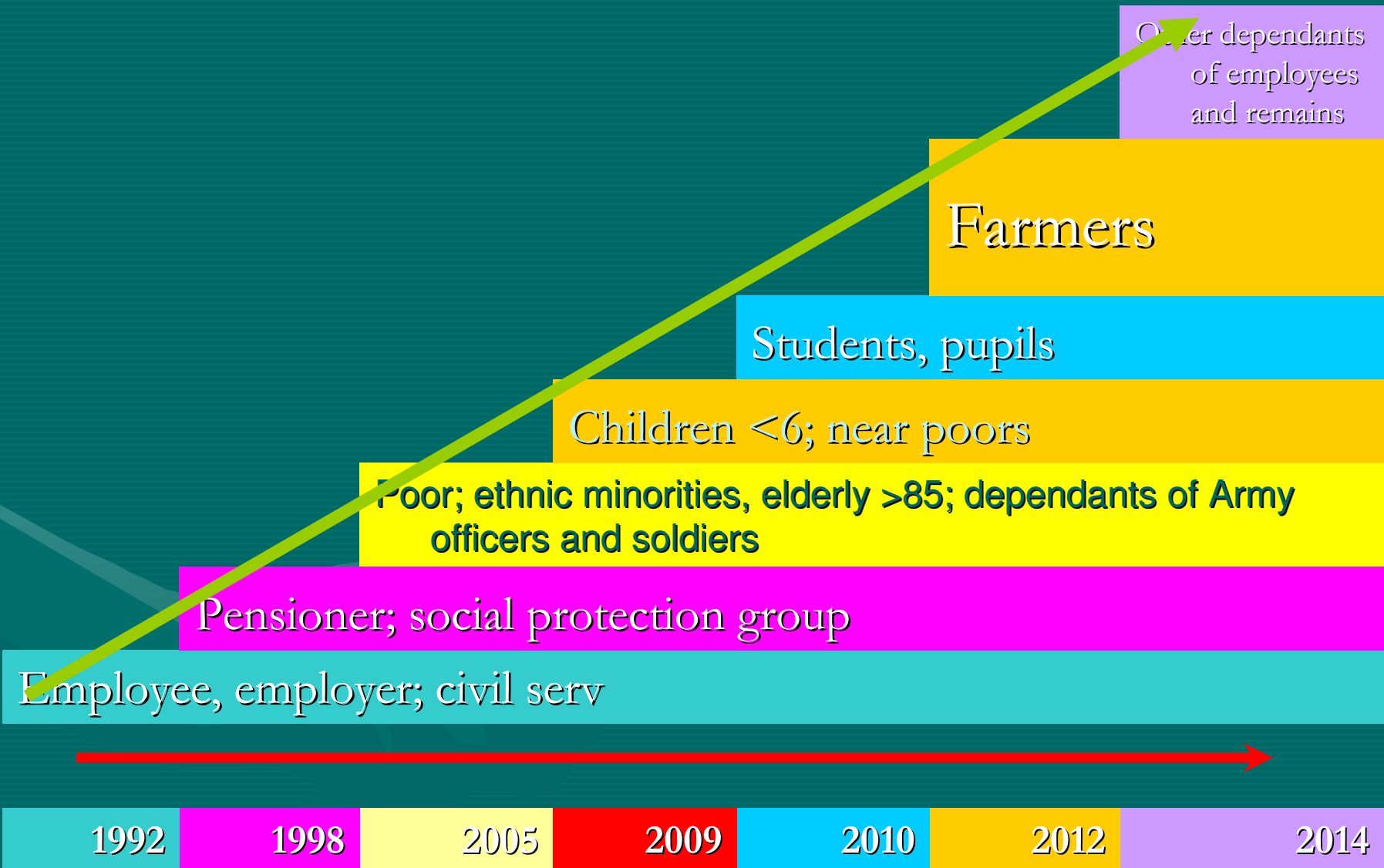
# SHI schemes and their target population 2005-6/2009



# The Law on Health Insurance- new phase of HI development

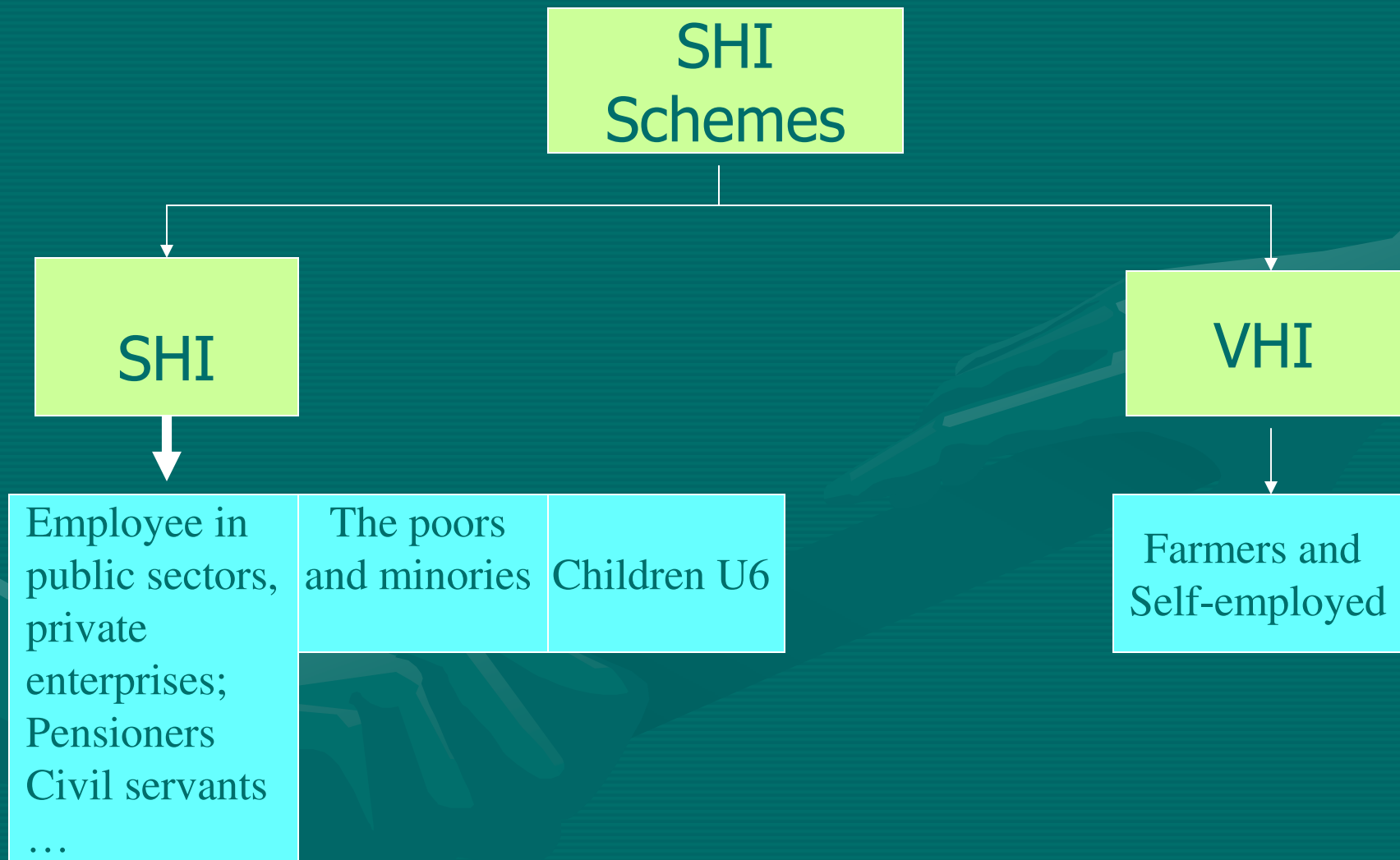
- Preparation started since 2005
- Passed on November 2008 by the National Assembly
- in effect on **1<sup>st</sup> July 2009** “**Viet Nam Health Insurance Day**” !
- Goal: Towards to universal coverage of HI
- Govt budget contributes for the poor, ethnic minorities, child <6 yrs, near poor, social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

# Road map towards universal coverage of HI





# SHI schemes and their target population 7/2009-



# Current situation

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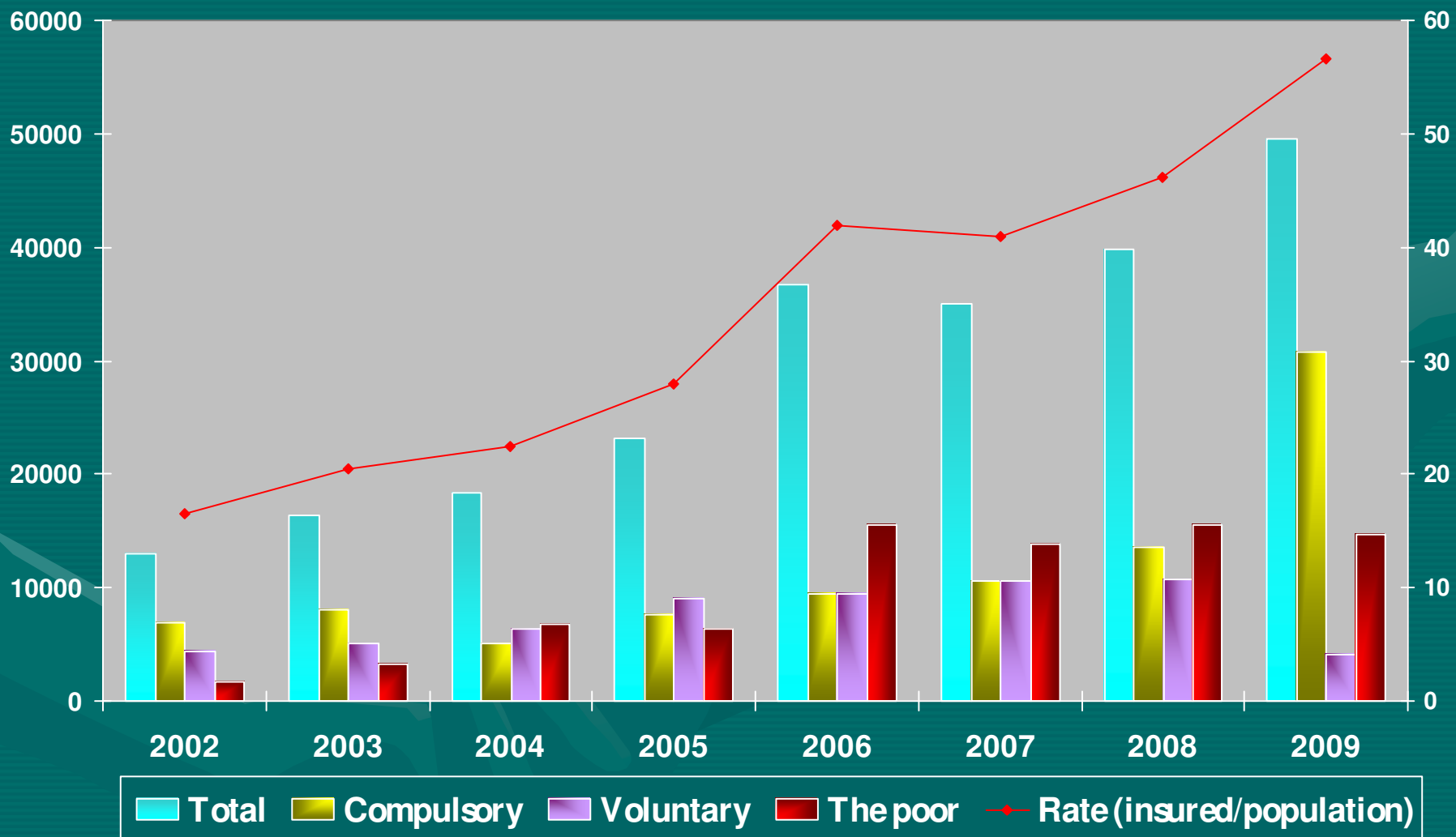
# Members and pop. coverage

- 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

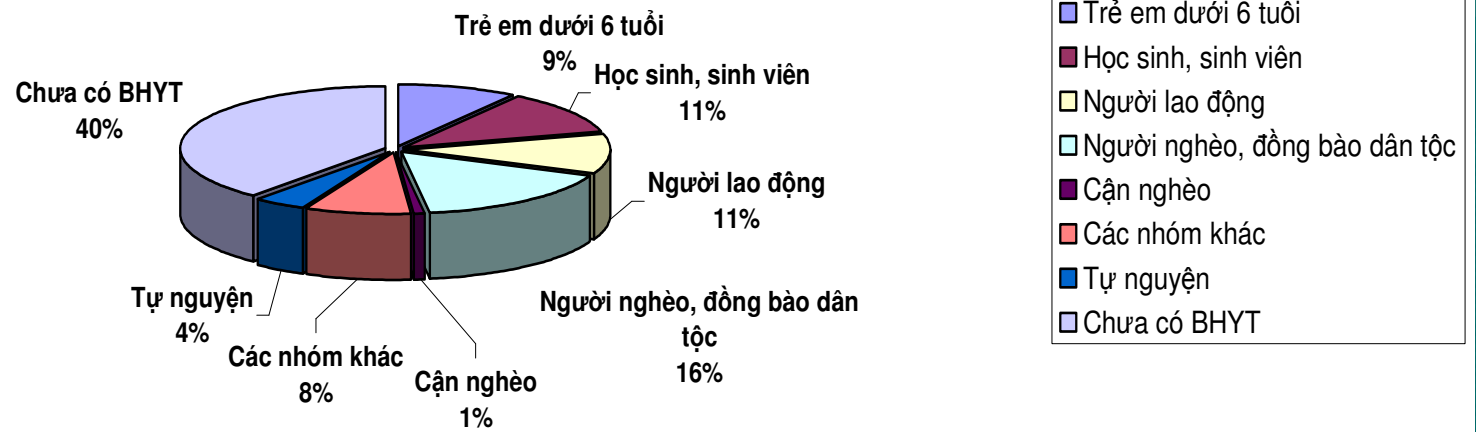
## The insured by years (in million)

Year	Number of insured	% of pop.	Of which	
			Compulsory	Voluntary
1993	3.79	5.4	3.47	0.32
1998	9.74	12.5	6.06	3.68
2003	16.00	20.0	11.16	4.84
2004	19.00	23.1	13.61	6.39
2005	23.50	28.4	14.02	9.28
2006	34.50	41	25.00	9.50
2007	36.58	43	25.58	11.0
2008	39.92	46	29.27	10.65
2009	50.06	58.2	34.66	15.4

# Enrollment and coverage by years



### Tỷ trọng các nhóm đối tượng có và không có BHYT, 2010



# 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:  $730000\text{VND} \times 4.5\% \times 12$ ); 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.
- Copayment 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 have 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

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# 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

	Target pop. (in thousand)	Insured number (in thousand)	%
Children under 6	10,500	8,125	77.38
Pupils and students	18,570	9,890	53.43
Employees	16,500	9,125	55.30
The poor and ethnic minorities	18,320	14,086	76.89
Near poor	?	879	
Others	?	7,153	

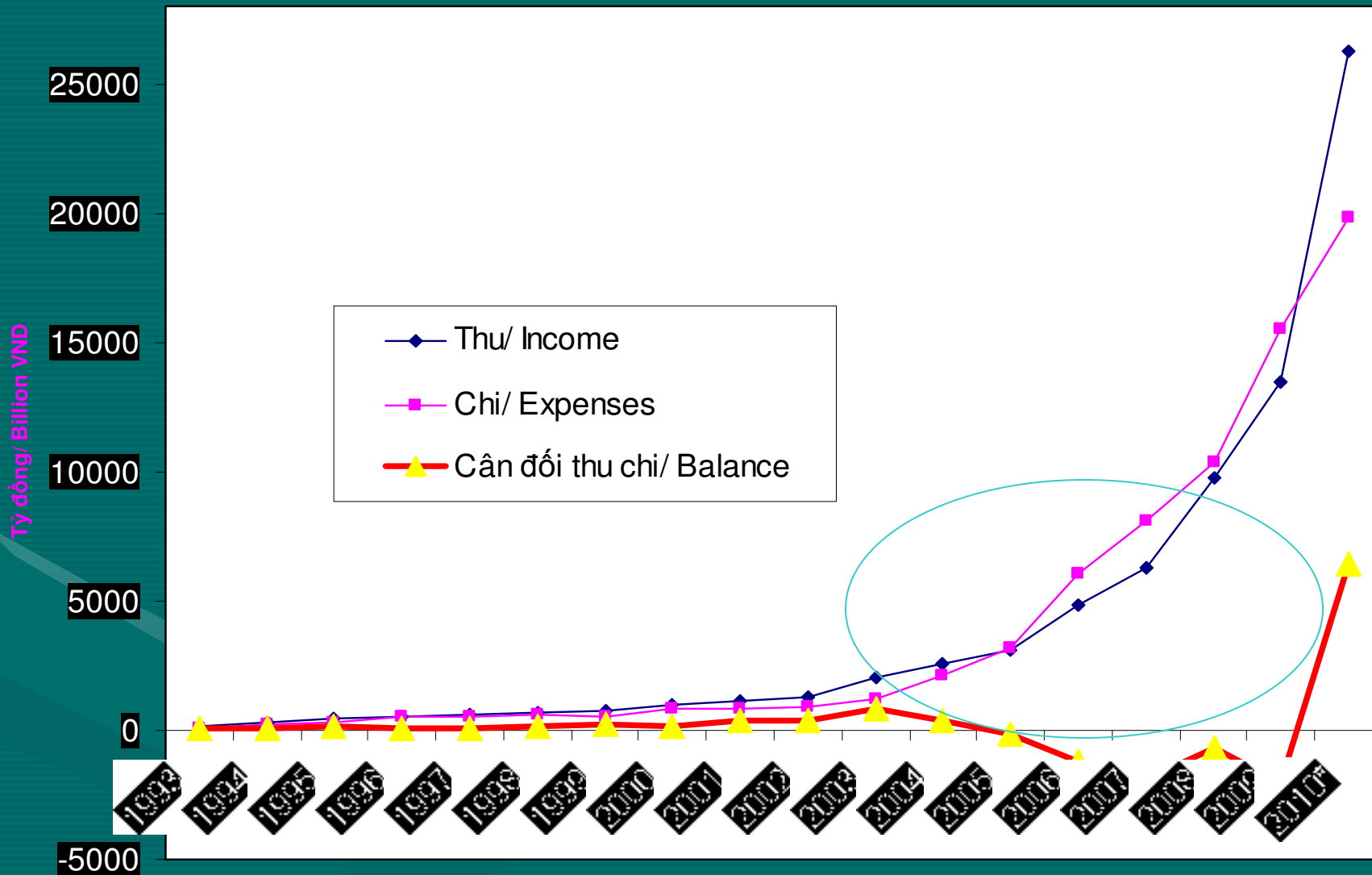
# Benefit packages

- 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

# Revenues and expenses of HI Fund





# 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

The background is a solid teal color. In the lower half, there is a faint, semi-transparent image of two hands shaking, symbolizing agreement or partnership. The hands are rendered in a lighter shade of teal, creating a subtle watermark effect.

# 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 đóng và hỗ trợ đóng BHYT cho các nhóm đối tượng

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



Thank you !