



4th AfHEA International Scientific Conference
 (Rabat: 26 – 29 September 2016)



Health Financing Strategy of the New SHI in EGYPT

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EGYPT



- LMIC**
- Population: 90 M**
- Area: 1.002 M Km sq.**



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Rationale for Health Financing Strategy in Egypt



- Egypt has a strong **Political Commitment** for UHC through SHI (Article 18 in Constitution, White paper, SDS 2030)
- While SHI is linchpin of UHC reform, also need to address **issues outside SHI** as an instrument – public health, health promotion, medical education, etc.
- Health financing strategy as part of SHI reform comes together with **other needed health financing reforms** to move Egypt towards UHC

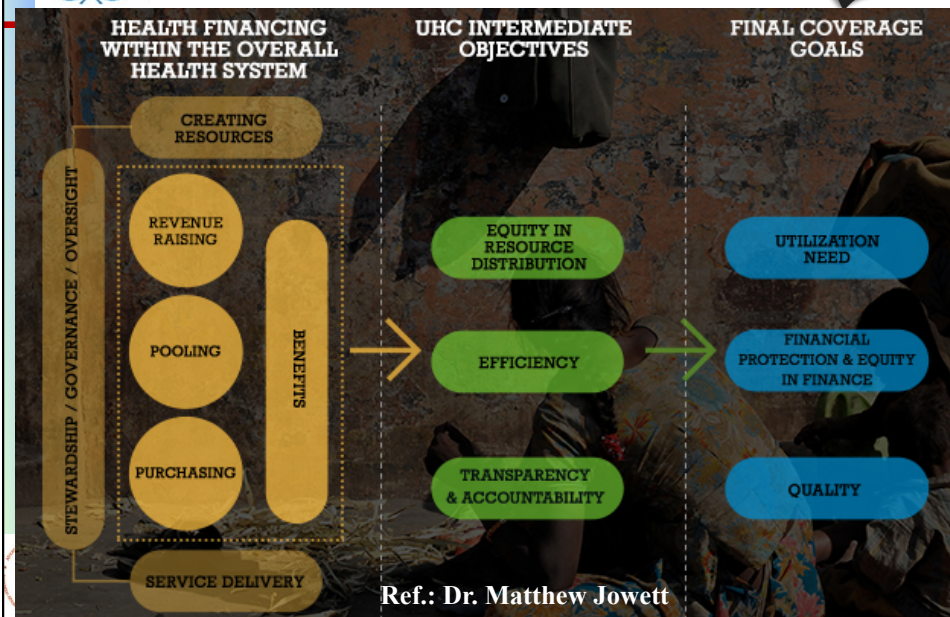


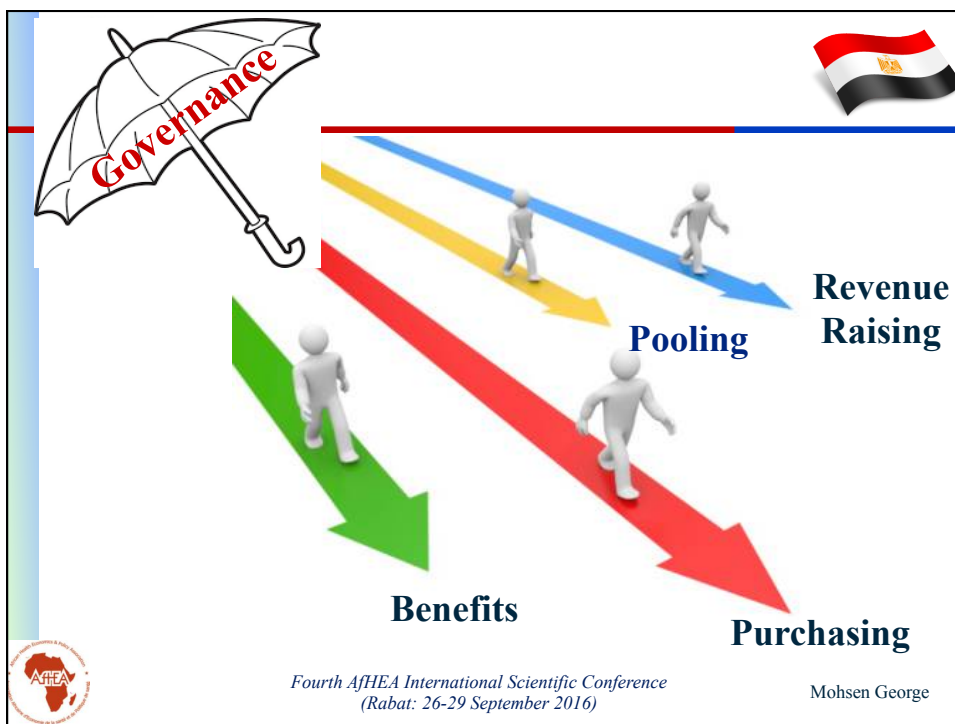
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WHO Health System Framework





Strategic Directions to Overcome Health Financing Challenges

1- Revenue Raising

	Challenges	Strategic Directions
1	Low investment for health GGHE % of GDP: 1.6%	<ul style="list-style-type: none"> ■ Strategic political dialogue (MoHP/MoF) ■ Based on constitution: not less than 3%, more allocation of public financing to health (predominant reliance). ■ More government subsidization of the vulnerable groups ■ Innovative ways of funding e.g tobacco tax
2	Outdated unrealistic low contributions (multiple laws)	<ul style="list-style-type: none"> ■ Revision of current rates based on actuarial study & political considerations ■ Periodical evaluation
3	Low Revenue Collection Rate	<ul style="list-style-type: none"> ■ Establish an Effective Revenue Collection System

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Strategic Directions to Overcome Health Financing Challenges



2- Fund Pooling

	Challenges	Strategic Directions
1	Highly fragmented pool	<ul style="list-style-type: none"> ■ Redefine the <i>institutional arrangements</i> to merging all pools “defragmentation” ■ → Risk mix diversity
2	Opting out & voluntary (some groups)	<ul style="list-style-type: none"> ■ No opting out ■ Compulsory enrollment
3	Incomplete TRUE coverage	<ul style="list-style-type: none"> ■ Enlargement of the fund pooling by including the whole population (Big Pool).



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3- Purchasing

	Challenges	Strategic Directions
1	Purchaser Provider Integration	<ul style="list-style-type: none"> ■ Purchaser Provider Split ■ Passive → Strategic purchaser (efficiency, quality, responsiveness, accountability)
2	No standardized Pricing (unregulated prices)	<ul style="list-style-type: none"> ■ Setting fair price (cost based – value based – Referencing) ■ Periodical evaluation
3	Provider Payment methods (line item budget – FFS)	<ul style="list-style-type: none"> ■ Move to Capitation & Case Based Payment (from supply-side to demand-side payment system – “Result Based Payments”)
4	Fraud & Moral hazards	<ul style="list-style-type: none"> ■ Establish Fraud control department (IMS)



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Strategic Directions to Overcome Health Financing Challenges



4- Benefits Design

	Challenges	Strategic Directions
1	Implicit Benefit Package & Rationing	<ul style="list-style-type: none"> Design an Explicit Benefit Package, that fulfills the actual needs of population Supported by legislations



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Strategic Directions to Overcome Health Financing Challenges



5- Governance

	Challenges	Strategic Directions
1	Centralization	<ul style="list-style-type: none"> Promoting Decentralization according to the capacities
2	Limited providers Autonomy	<ul style="list-style-type: none"> Promoting Providers Autonomy (efficiency, quality)
3	Deficient automation & registry (limited IMS)	<ul style="list-style-type: none"> Establish PIMS & regularly updated registries
4	Inadequate Capacities	<ul style="list-style-type: none"> Purchaser capacity building program



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