

# Health insurance reform and support to the poor in HEMA provinces

2012



## Background

Vietnam's transition from low- to middle-income country status is accompanied by a considerable increase in demand and costs for health care services. In the context of remarkable socioeconomic development, the Ministry of Health (MoH) and the Vietnam Social Security (VSS) aim to diversify the health financing mechanisms and to reach universal coverage of the Health Insurance Fund (HIF). The Health Care for the Poor in Northern Mountains and Central Highland Project (HEMA) supports this social transition by targeting the most disadvantaged communities in 33 districts and 253 communes in the country. In 2012, the target population was over one million beneficiaries. Strategies to improve access to quality health services were developed under the leadership of the MoH and VSS.

Meanwhile, over the past few years, the Government took successive steps to reform the payment mechanisms for health facilities by enlarging the previously exclusive fee-for-service system by another two complementary payment methods, including diagnostic related groups (DRG) and capitation payment. The capitation payment method implies annual payments to the service providers of a predetermined sum (capitation fee) multiplied by the number of HIF card holders in the catchment area. Capitation will become the predominant payment mode for primary care. It is scheduled to cover 30% of primary health services in 2011, 60% in 2013, and all by 2015. Therefore, the government of Vietnam aims at allocating more resources on health service provision in a more efficient and equitable manner.

## Objectives

This research:

- Provided an overview of the current status of the health insurance system in Viet Nam, along with progress and challenges. Particular focus will be the access to health insurance scheme and health care services of the poor and ethnic minority people.
- Analyzed the impacts of HEMA's support for food and transportation, as well as 5% co-payment for the poor, on access to health care services.
- Analyzed the advantages and challenges of HEMA's pilot capitation payment program at communal health centers in the context of the national capitation payment method developed and applied for district hospitals.
- Assessed the implications of HEMA in shaping health insurance policies in Viet Nam.

## Methodology

Our analyses were based on both desk reviews and field surveys in two project provinces: Lai Chau and Gia Lai. To complement the desk review, the team conducted field surveys in Lai Chau and Gia Lai, in which Than Uyen and K'Bang served as pilot districts for the capitation payment program at the communal level. The two districts have a high proportion of poor and ethnic minority people who are benefitting from health insurance programs.

The team conducted separate structured interviews and meetings with individuals in the target groups.

## Donors and partners

This study was carried out by the Institute of Social and Medical Studies (ISMS) with funding from the European Commission, which provides support to the Ministry of Health through the HEMA project.

