Mongolian health care financing system and NHA

D.Chimeddagva,, MOH Mongolia

Seoul 28 September 2006

Mongolian health care financing system and NHA

- Indroduction
- Social health insurance in Mongolia
- Challenges and Future Policy

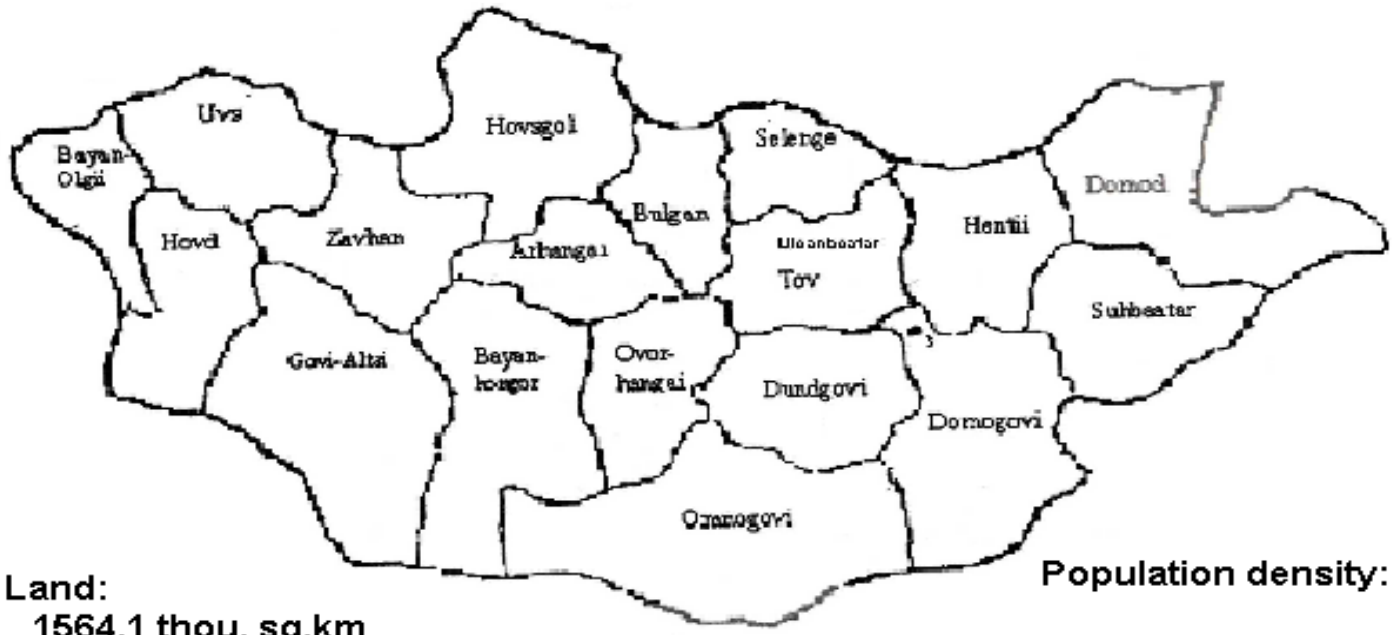
Mongolian health care financing system and NHA

- Introduction
- Social health insurance in Mongolia
- Challenges and Future Policy

Macroeconomic and health indicators

- Location: Northern Asia, between China and Russia
- Total population: 2,5 mln
- Area-comparative: 1,6 mln sq kms.
- per capita of GDP, USD 710
- Population below poverty line (%) 2004: 36,6
- Annual population growth rate: 1.7
- GDP growth 3-6%
- Public health expenditure of GDP (%), : 4.5
- National health expenditure of GDP (%) 6.5
- Health insurance coverage as of total population (%), 89

Map of Mongolia



Land:
1564.1 thou. sq.km

Popluation:
2417 thousand

Population density:

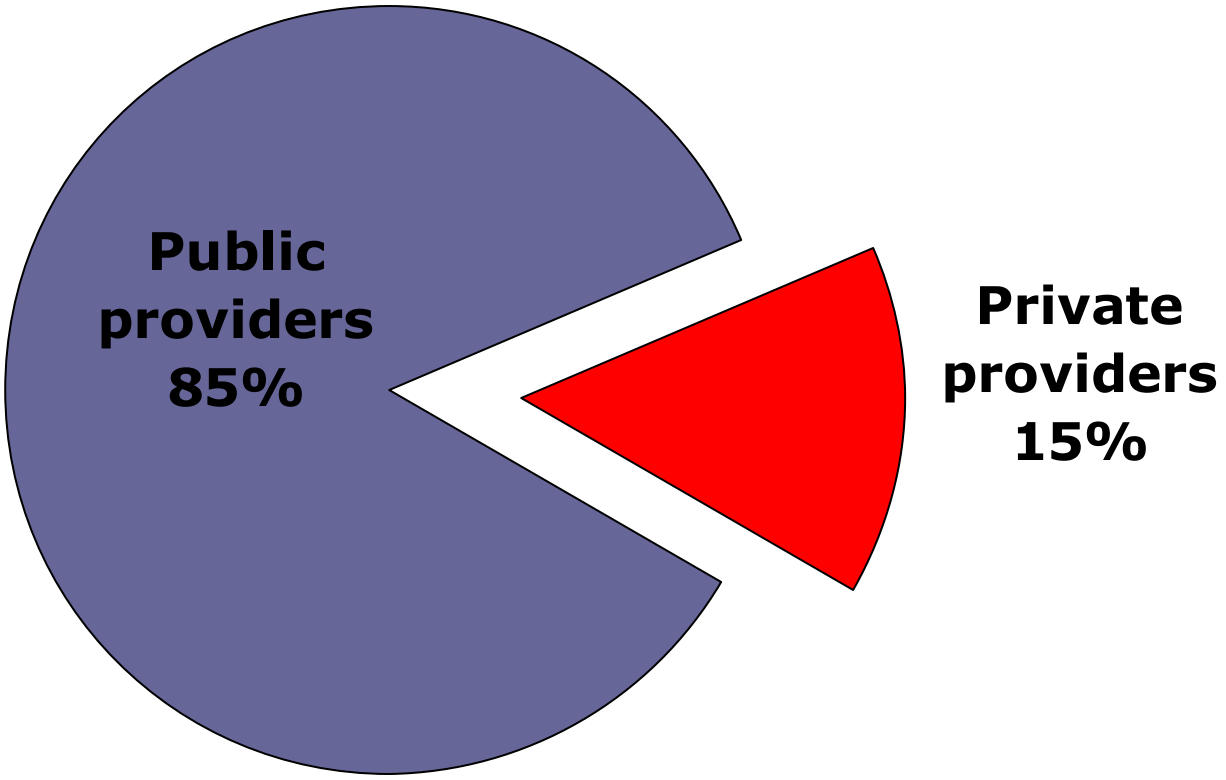
Ulaanbaatar 137.4

Overall country 1.5

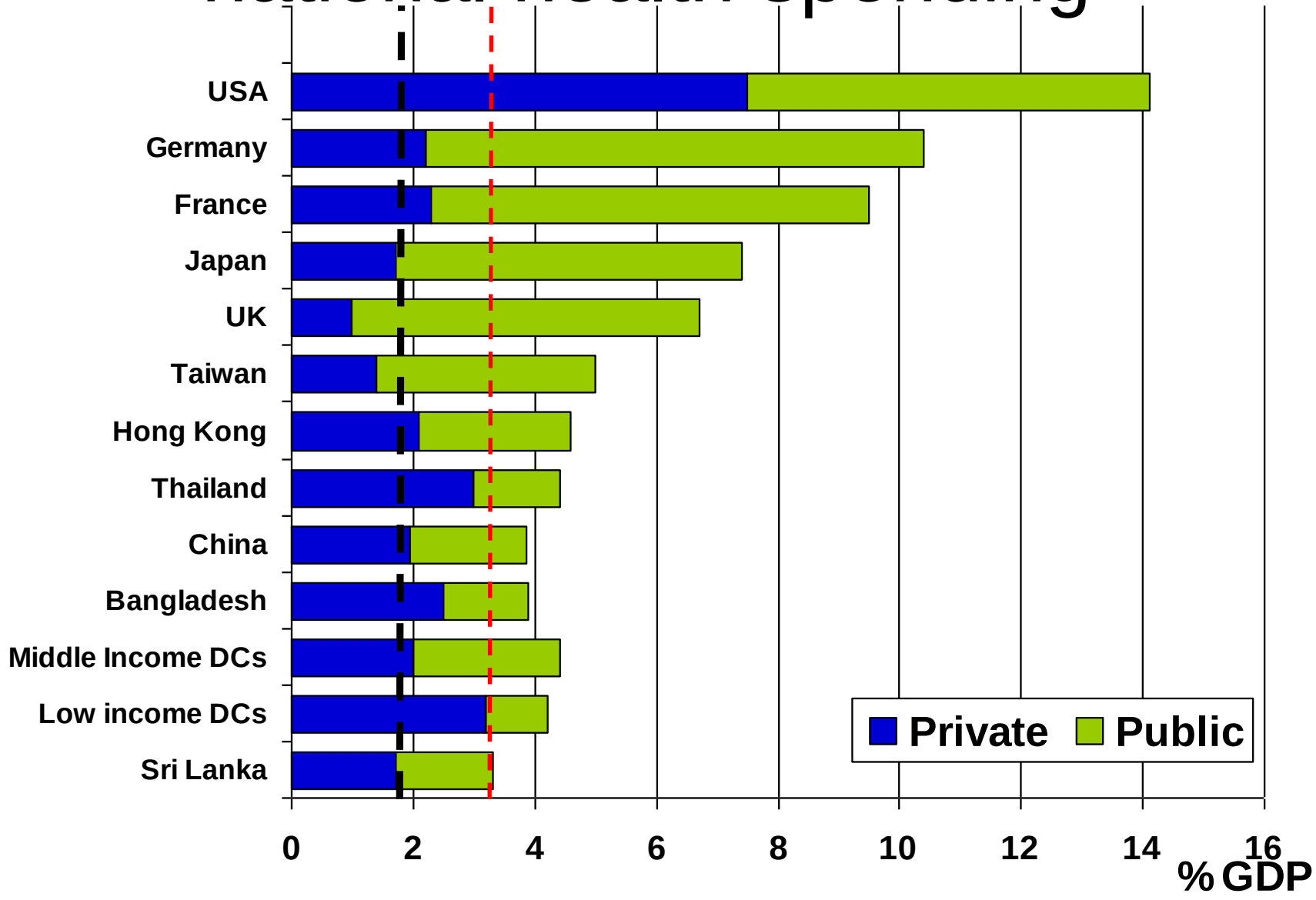
Total expenditure on health by source,1999-2002

	1999	2000	2001	2002
Public financing	71%	65%	65%	71%
Government budget	73%	76%	68%	64%
Social health insurance	27%	24%	32%	36%
Private sector(OOP)	9%	12%	14%	15%
Community financing	1%	1%	1%	1%
Loan and grants	18%	22%	21%	13%
Total health expenditure, in mln $US	**49.8**	**66.8**	**75.8**	**75.9**
Per capita health expenditure, in $US	20.9	27.9	31.4	32.1

Total national health expenditure by health care providers, 2002



NHA Uses: Comparison of national health spending

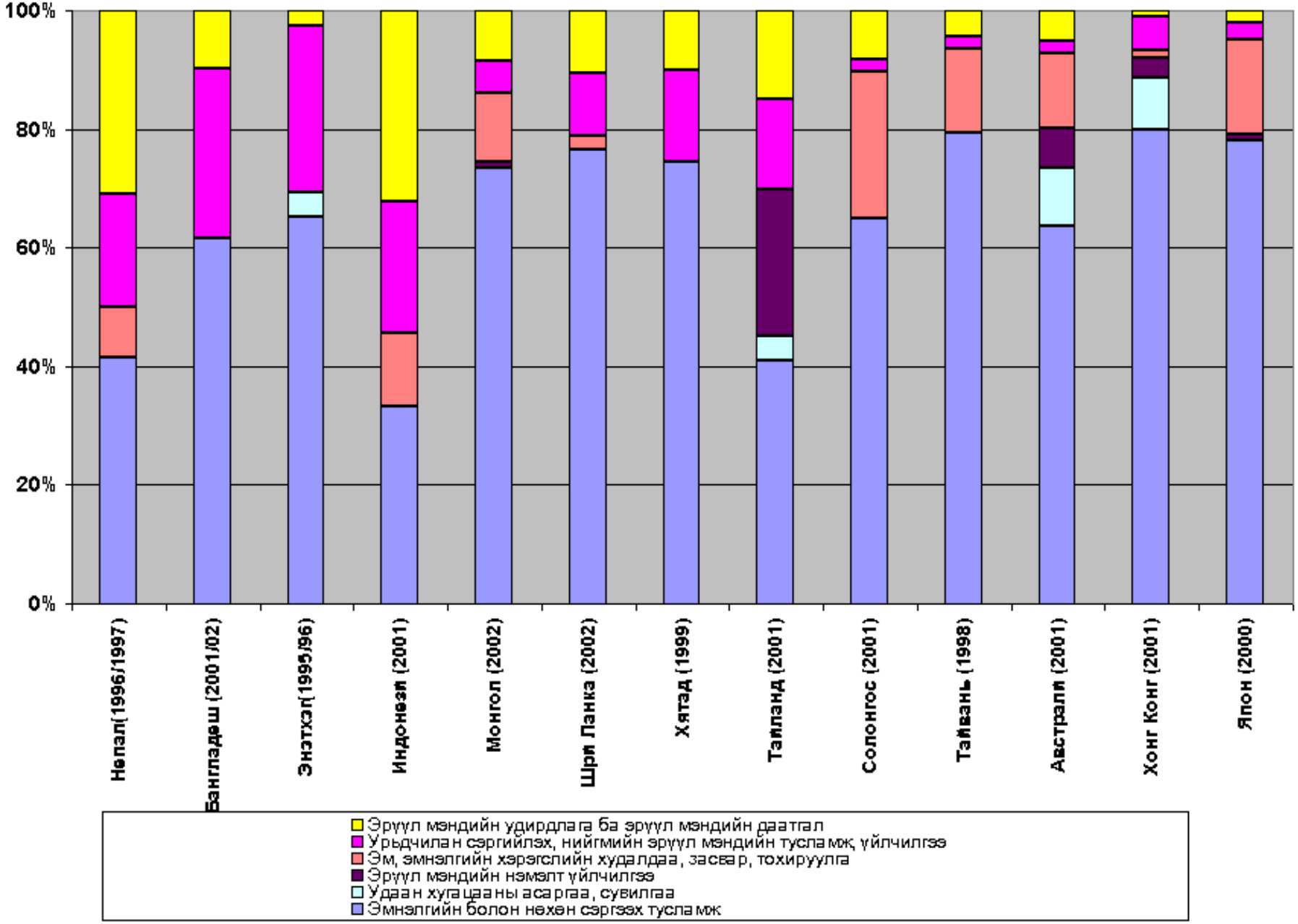


Total health expenditure by providers,

providers	1999	2000	2001	2002
Hospitals	71%	69%	65%	63%
Nursing and residential care facilities	0.3%	0.3%	0.2%	0.2%
Providers of ambulatory health care	5%	7%	7.23%	8.%
Retailers and manufactures of medical goods and pharmaceuticals	2%	6%	9%	9%
General health administration and insurance	18%	14%	15%	16%
Other industries	3%	4%	4%	4%
Total health expenditure	**50,873**	**72,012**	**83,262**	**83,993**

Health expenditures by functions, 1999-2002

Үйл ажиллагаа	1999	2000	2001	2002
Services of curative care	71%	62%	60%	68%
Inpatient curative care	81%	80%	80%	75%
Outpatient curative care	19%	20%	20%	25%
Services of rehabilitative care	1%	1%	1%	1%
Services of long term nursing care		0.28%	0.23%	0.20%
Ancillary services to health care	1%	1%	1%	1%
Trade, repair, and calibration service of Medical care	4%	7%	10%	11%
Prevention and public health care and services	7%	6%	5%	5%
Health administration and health insurance	12%	9%	9%	8 %
Capital formation of health care provider institutions	4%	13%	13%	6%
Total health expenditure	**50,394**	**71,107**	**81,856**	**82,590**
Other health related functions	1%	1%	2%	2%
General health expenditure	**50,873.47**	**72,012.44**	**83,262.45**	**83,992.85**


100%
80%
60%
40%
20%
0%
Непал(1996/1997)
Бангладеш (2001/02)
Энэтхэг(1995/96)
Индонези (2001)
Монгол (2002)
Шри Ланка (2002)
Хятад (1999)
Тайланд (2001)
Солонгос (2001)
Тайвань (1998)
Австрали (2001)
Хонг Конг (2001)
Япон (2000)
Эрүүл мэндийн удирдлага ба эрүүл мэндийн даатгал
Урьдчилан сэргийлэх, нийгмийн эрүүл мэндийн тусламж үйлчилгээ
Эм, эмнэлгийн хэрэгслийн худалдаа, засвар, тохируулга
Эрүүл мэндийн нэмэлт үйлчилгээ
Удаан хугацааны асаргаа, сувилгаа
Эмнэлгийн болон нөхөн сэргээх тусламж

Mongolian health care financing system and NHA

- Introduction
- Social health insurance in Mongolia
- Challenges and Future Policy

Development of NHI

- State budget or individuals can not afford modern health care expenditure during the transition
  - First HI Law in 1994 and subsequent amendments to the Law in 1996, 1998, 2002
  - Facilitated successful overcoming of economic hardship during the 1990’s

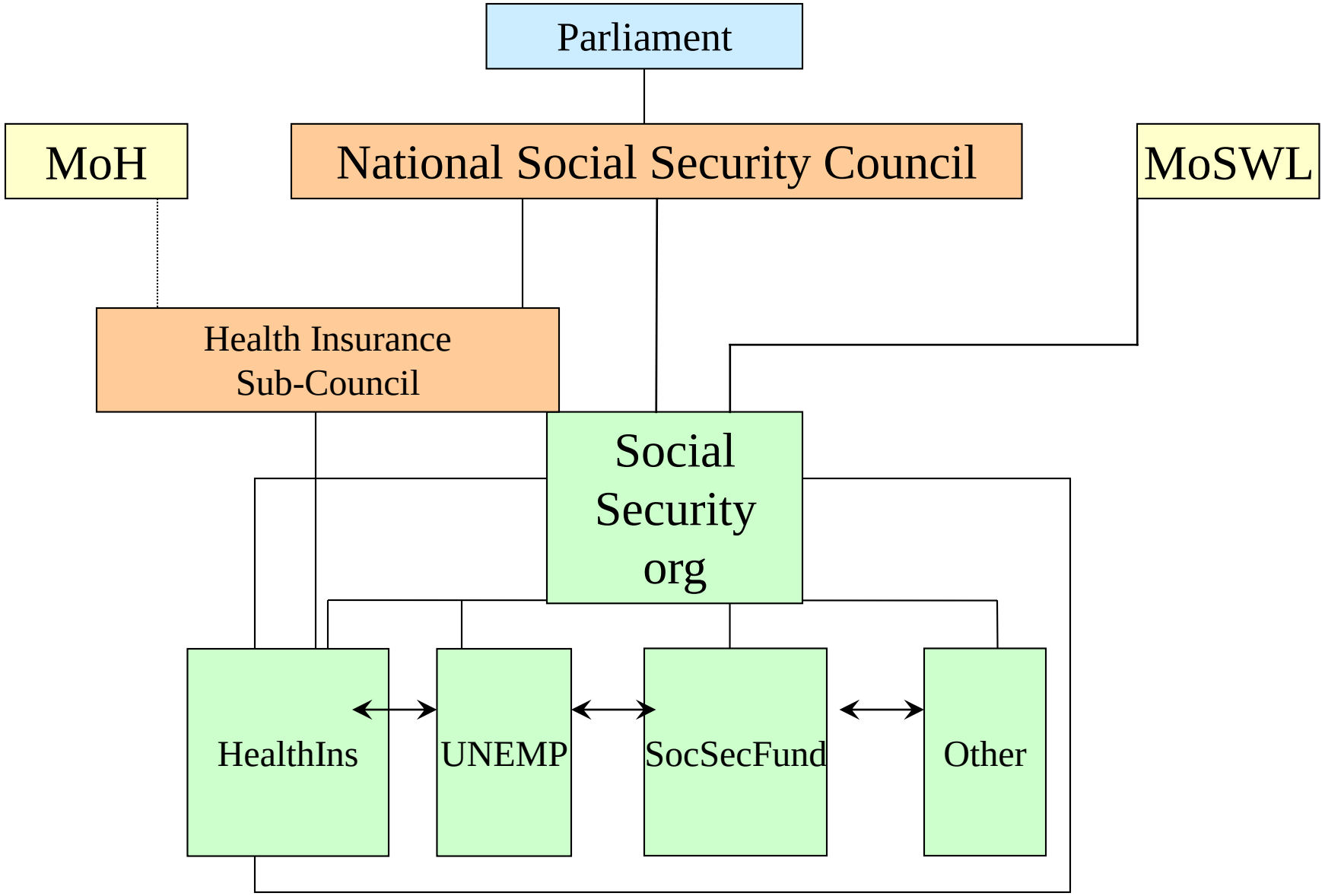
Health insurance fund of Mongolia

- **Overview**
  - Health insurance is regarded as an effective mechanism to mobilize new financial resources for health care, while maintaining equitable access by all insured members to necessary health services and protecting the low income and vulnerable population from catastrophic health expenses.

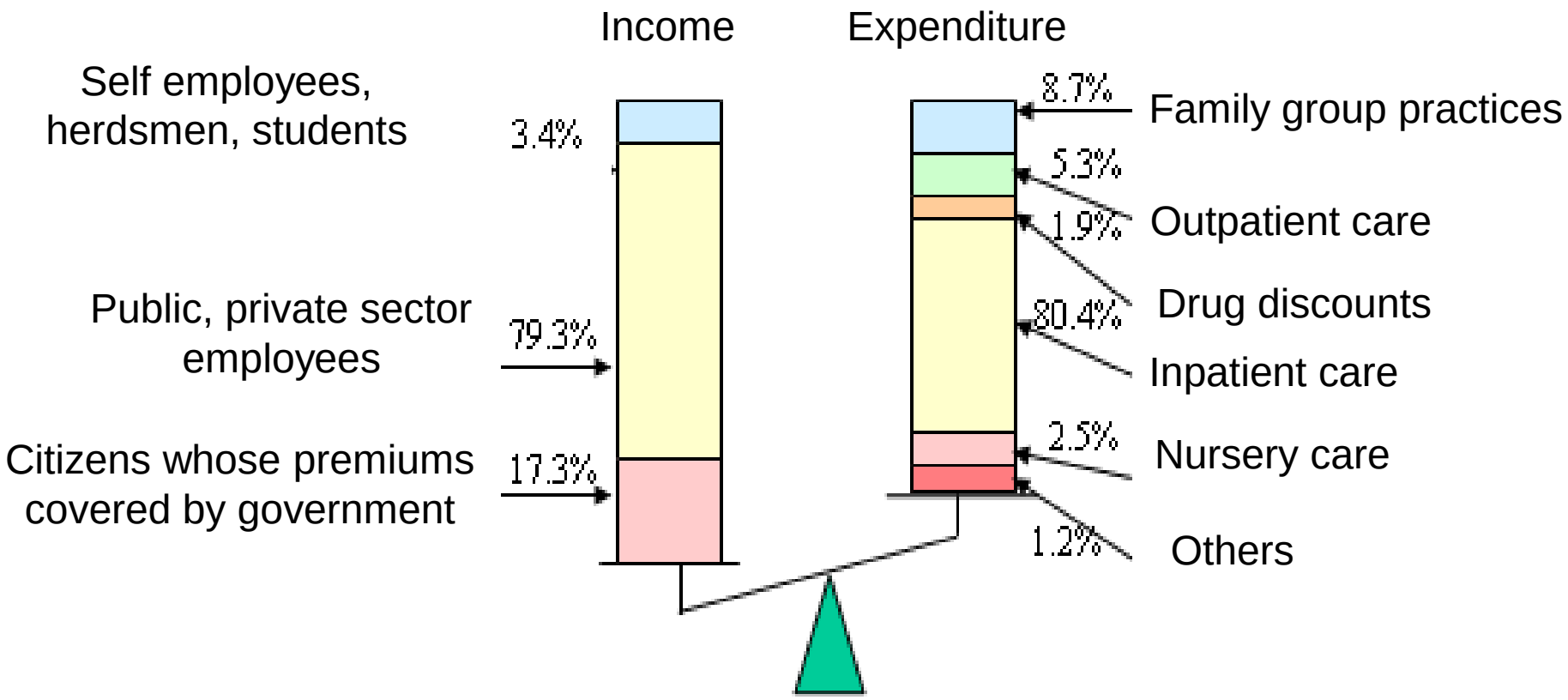
- **Characteristics**
  - Risk sharing and pooling with high social solidarity
  - Current coverage rate is high
  - High level Government subsidy for vulnerable group of population
  - Compulsory
  - Premiums are income related so HIF revenue is increasing as salary increases
  - Prepayment scheme
  - Benefit packages are broad and simple
  - Benefits for drugs in the National Essential Drug list
  - Formulation of necessary institutions such us National Sub Council of HI and HIF under SSIGO

- Payment mechanism
  - Line item budget
  - Capitation
  - Fee-for service (inpatient)
  - Case payment
- Co-payment
  - Inpatient 10-15%, only secondary and tretiary hospitals

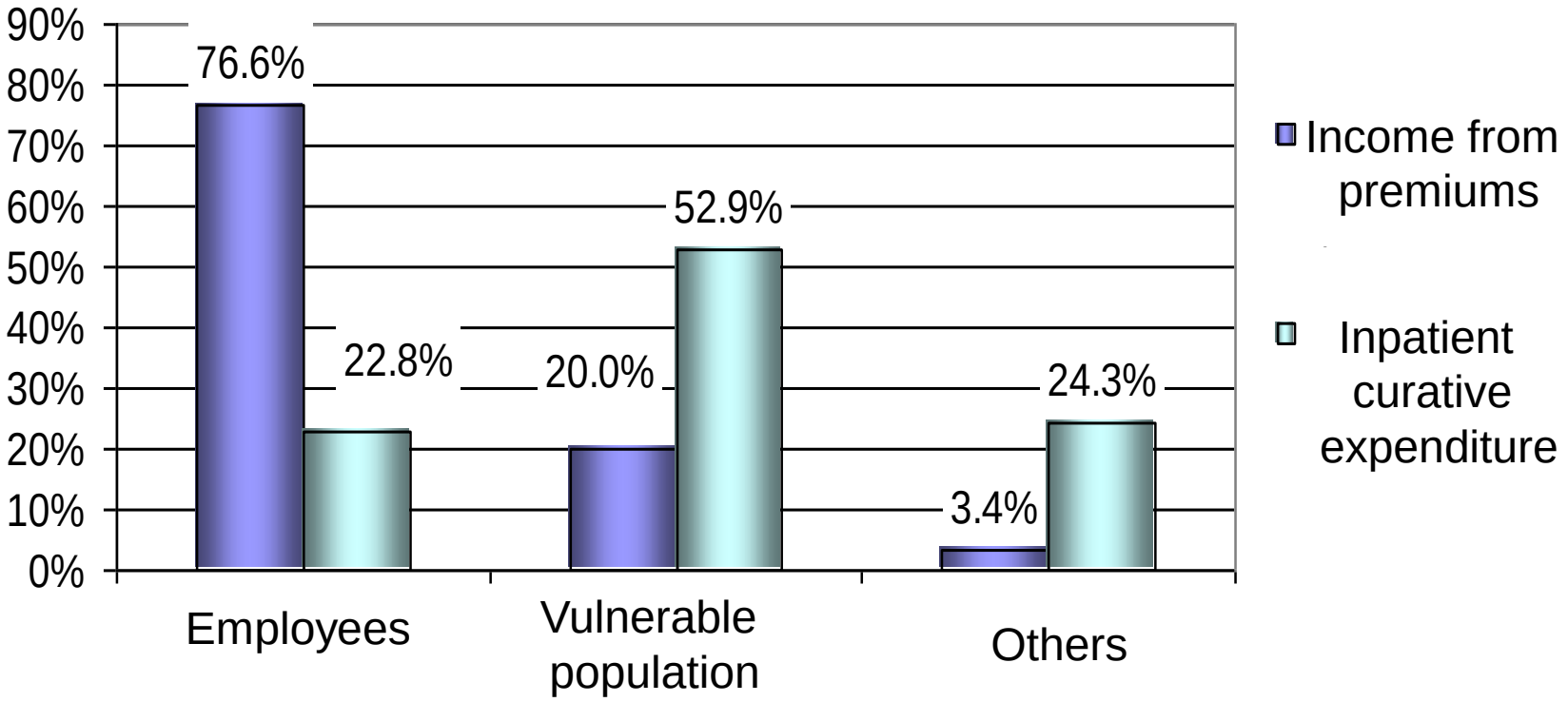
Present Organisational Structure of SSIGO



Income and expenditure side of Health insurance fund, 2004



Social solidarity of HIF, 2004



Mongolian health care financing system and NHA

- Introduction
- Social health insurance in Mongolia
- Major challenges and Future Policy

HI system: Challenging issues

- Provider payment method is still pro inpatient services
- Structure of the HI system needs more capacity building
- Lack of a mature relationship between institutions of HI e.g recognition of the accountabilities and responsibilities
- Tariff rate used for provider payment needs to be more closer to the actual cost of the services and output
- High surplus in the HIF
- Purchasing function is weak in terms of quality of care provided by hospital
- Decreased coverage rate

HI system: Future focus

- Long term development strategy to continuously support institutional capacity building in HI system
- Move to Family coverage
- Clear strategy to improve informal sector and poor population's coverage
- Supervisory bodies for HIF management
- Revised job descriptions of bodies involved in the HI system and fill gaps/eliminate duplications
- Synchronized management for more incentives for insured and providers
- Support for health system development including and new cost effective technology and improved quality of care


Thank you for your attention