Scaling Up Affordable Health Insurance

Staying the Course

Editors

Alexander S. Preker, Marianne E. Lindner, Dov Chernichovsky, and Onno P. Schellekens



Contents

Foreword		xix
Preface		xxi
Acknowledgments		xlix
Abbreviations and Acronyms	•	li
1. Introduction: Public O Alexander S. Preker, Marian Onno P. Schellekens	Options, Private Choices ne E. Lindner, Dov Chernichovsky, and	1
Introduction Key Issues References		1 4 9
PART 1 MAJOR POLICY CHALLER SCALING UP	NGES: PRECONDITIONS FOR	11
2. Health Protection: Mo Xenia Scheil-Adlung	re Than Financial Protection	13
Introduction Social Health Insurance: C	Concepts, Definitions, and	13
Observations Current Trends and Devel	opments in Social Health	14 22
Insurance Experiences in Scaling Up Achieving Universal Cove		26
Health Insurance	and of comme	36
Conclusion	<i>r</i> ·	44
Notes References		45 46
3. Making Health Insura	nce Affordable: Role of	
Risk Equalization Wynand P.M.M. van de Ven	1	49
Introduction		49
	ealth Expenses So Common?	50
Subsidies for Health Insur		54
Mandatory Community R	Rating: Does One Premium Fit All?	61

vi Contents

Economic Motives for Mandatory Health Insurance	63
Conclusions and Discussion	65
References	67
4. Reaching the Poor: Transfers from Rich to Poor and	
from Healthy to Sick Sherry Glied and Mark Stabile	71
What Is Social Health Insurance?	71
Design Considerations	75
Financing Mechanisms	84
Notes	90
References	90
5. Binding Constraints on Public Funding: Prospects for Creating "Fiscal Space"	91
Peter S. Heller	
What Are the Sources of "Fiscal Space"?	91
Issues That Arise in the Creation of "Fiscal Space"	95
Concluding Remarks	98
Notes	99
References	99
6. Universal Coverage: A Global Consensus Guy Carrin, Inke Mathauer, Ke Xu, and David B. Evans	101
Introduction	101
Shifting to Prepayment	102
Policy Norms in Health Financing	103
Key Questions	103
Factors to Consider	106
Toward a Comprehensive Framework	107
Conclusion	110
Note	110
References	110
PART 2 FROM THEORY TO PRACTICE: EVIDENCE FROM THE GROUND	113
7. The French Connection in Francophone Africa Yohana Dukhan, Alexander S. Preker, and François Diop	115
Introduction	115
Current Status of Health Financing and Health Insurance	116
Key Factors in the Development of Health Insurance	131
Prospects for the Development of Health Insurance	137
Conclusions	139
Annex 7A Statistical Annex	141
Notes	142
References	143

8.	"Big-Bang" Reforms in Anglophone Africa Caroline Ly, Yohana Dukhan, Frank G. Feeley, Alexander S. Preker, and Chris Atim	147
	Introduction	147
	Health Coverage and Insurance Arrangements	151
	Factors Underlying Resistance to Reform and Implementation	156
	Targeted Areas for Scaling Up Health Insurance Development Annex 8A Health Insurance Arrangements in Anglophone Africa,	171
	by Country	177
	Notes	185
	References	185
9.	Moving from Intent to Action in the Middle East	
	and North Africa Bjorn O. Ekman and Heba A. Elgazzar	191
	•	101
	Introduction	191
	Health Financing in MENA: Trends and Patterns	192
	Health Insurance in MENA	199 208
	Conclusions and Recommendations Annex 9A MENA: National Health Expenditure, 1995–2008	208
	Annex 9B MENA: Health Financing and Insurance,	
	Selected Countries	221
	Notes	227
	References	228
10.	One-Step, Two-Step Tango in Latin America	221
	and the Caribbean Ricardo Bitrán	231
	Introduction	231
	Overview of the LAC Region	232
	Delier Challenges That Arise Miner Extending Correges	234
	Strategies for Extending Health System Coverage:	
	Social Insurance and Other Approaches	241
	Summary and Conclusions	264
	Notes	['] 269
	References	270
11.	Orient Express in South, East, and Pacific Asia William C. Hsiao, Alexis Medina, Caroline Ly, and Yohana Dukhan	273
	Introduction	273
	Overview of Socioeconomic, Demographic, and	
	Health Conditions	275
	Role of Private Insurance in Scaling Up	282
	Barriers to Scaling Up	283
	Factors Enabling Developed Asian Countries to Scale Up	290

viii Contents

	Scaling Up in Five Low- and Lower-Middle-Income	
	Asian Countries	293
	Lessons and Conclusions	309
	Notes	310
	References	310
12.	Bismarck's Unfinished Business in Western Europe Hans Maarse, Alexander S. Preker, Marianne E. Lindner, and Onno P. Schellekens	313
	The "Logic" of Health Insurance	313
	The Social Origins of Health Insurance	315
	The Extension of State Involvement in Health Insurance	316
	The Doctors' Struggle	320
	Broadening Coverage	322
	Deepening Coverage	324
	The Structure of the Health Insurance Market	325
	Economy and Governance	326
	Conclusions and Policy Lessons	328
	Annex 12A Socioeconomic Data on Health Insurance,	٠.
	Selected West European Countries	331
	Annex 12B Overview of Health Financing and Social Health	•
	Insurance, Selected West European Countries	334
	Annex 12C The Conceptualization of Good Governance	336
	Notes	337
	References	337
13.	From Cradle to Grave in the United Kingdom,	
	Canada, Australia, and Elsewhere	341
	Alexander S. Preker and Mark C. Bassett	
	Introduction	341
	Past Achievements	342
	Major Outstanding Issues	344
	Two Different Reform Processes to Universal Access	345
	Legal Entitlement and Dimensions of Access	348
	Nature of Participation	350
	Financing Mechanisms	350
	Relevance of OECD Experience to the Developing World	351
	Revisiting Universal Entitlement	355
	Note	355
	References	356
14.	Great Post-Communist Experiment in Eastern Europe	
•	and Central Asia	357
	Adam Wagstaff and Rodrigo Moreno-Serra	
	Introduction	357
	Europe and Central Asia's SHI Reforms and Hypothesized Effects	359
	Methods	364

	Contents	ix
Data		367
Results		374
Discussion and Conclusions Notes		384 387
References		390
PART 3 IMPLEMENTATION CHALLENGES: STAYING THE COURSE		393
15. Political Economy of Reform		395
Ashley M. Fox and Michael R. Reich		373
Introduction: Why Political Economy?		395
Agenda Setting: Getting Health Insurance onto the		
National Agenda		397
Technical Design: What Affects the Contents of the		400
Proposed Reforms? Adoption: Political Bargaining and the Legislative Process		403 411
Implementation: Operationalizing the Reform		411
Conclusions		424
Notes		428
References	\.\.\.\.\.\.\.\.\.\.\.\.\.\.\.\.\.\.\.	428
16. Institutions Matter Alexander S. Preker, April Harding, Edit V. Velenyi, Melitta Jakab, Caroline Ly, and Yohana Dukhan		435
Introduction		435
Political Economy of Health Financing Reforms		436
Policy Options for Reform		444
Notes		461
References		462
17. Accountability and Choice		467
Dov Chernichovsky, Michal Chernichovsky, Jürgen Hohmann, and Bernd Schramm	v	
Social Health Insurance: The Concept		469
Social Health Insurance Models: A Typology		471
Shaping the Institutional and Governance Infrastructure for SI SHI Transitional Challenges: Transforming Groups and	HI	'476
Stakeholders		483
Meeting Transitional Challenges		488
Conclusion: The Roles of the State Revisited		492
Notes References		493 494
		407
18. Regulatory and Supervisory Challenges Hernán L. Fuenzalida-Puelma, Pablo Gottret, Somil Nagpal, and Nicole Tapay		497
Regulation, Supervision, and the Public-Private Mix		497
Regulatory and Supervisory Activity		499

x Contents

Supervision and Regulation: Minimum Requirements	501
Minimum Regulatory Requirements	502
Health Care Providers and Suppliers	506
Public-Private Partnerships	508
Conclusions	510
Annex 18A Adapting Accepted Insurance Principles to	
Private Voluntary Health Insurance	511
Notes	517
References	518
19. Implementing Change	521
Hong Wang, Kimberly Switlick-Prose, Christine Ortiz,	
Catherine Connor, Beatriz Zurita, Chris Atim, and François	Diop
Introduction	521
Design Elements for a Health Insurance Scheme	523
Summary	535
Notes	536
References	537
20. New Development Paradigm	· `539
Onno P. Schellekens, Jacques van der Gaag, Marianne E. Lin and Judith de Groot	dner,
Introduction	539
The Old Paradigm	542
How Did Universal Health Systems Grow?	545
Why Does the Process Work Differently in Developmen	
Settings?	. 548
Clients An Alternative Model for Health Systems: Beyond the	549
Three Laws of Health Economics	551
Conclusions	554
Notes	555
References	555
Appendixes	
A. Theory of Social Health Insurance Peter Zweifel	561
1. Introduction and Overview	561
2. The Demand for Social Health Insurance	561
3. The Supply of Health Insurance	569
4. The Design of an Optimal Health Insurance Contract	
5. The Limits of Social Health Insurance	605
6. Summary and Conclusions	610
Notes	611
Annex A Formal Model of Health Insurer Behavior in Innovation and Risk-Selection Effort	Terms of 613