

CHAPTER I

INTRODUCTION



1.1 Rational

Health insurance is a way of realizing social justice, because it is based on solidarity and co-operation between the well and the ill, the rich and poor, and employers and employees (Smith, 1986). The basic issues of health insurance are: Who will be covered? What will be covered? How will the plan be financed? How much will patients pay? (Sharp, Register and Leftwich, 1994). The goals of health insurance organized by government can be summarized as follows:

(1) To ensure everyone has access to adequate health and equal opportunity of access to basic health care for people at equal risk. In terms of equity, the broader objective of full equality is usually phrased in the health care context as equal treatment for equal need. Expanding population coverage is one of the equity goals. The larger the population coverage, the more equitable the scheme.

(2) To eliminate the financial burden connected with the acquisition of health services. In neighboring countries, compulsory health insurance for the formal labor sector was introduced in Thailand in 1991, Vietnam in 1992 and Laos in 1999. China began reform its social health insurance system for urban workers in the mid-1990: s by shifting to municipal level and is attempting to re-instate the Rural Operational Medical Scheme (WHO, 2003).

Health insurance is one of the important components of health care financing undertaken in Cambodia through the Health Reform Project over the last decades. This Health Care Reform project has indicated the potential of health insurance as a major health care financing method for Cambodia in the future, since Cambodia has encountered difficulties in financing health care from the government budget as in many other developing countries.

For the last few decades, health care was fully subsidized by the Cambodian government. However, this has become uneconomical for the government in view of the current stage of socio-economic development. Thus, health care management reform has become an objective need that will play an important role in health care development and implementation in the future, though initial difficulties are to be expected.

The Cambodian government has initiated the levels of health care program, subsidy, cost recovery, contracting in, contracting out and health insurance program. Subsidy is given to that section of people who are the poor and cannot pay for the health care facilities.

The cost recovery scheme included cost recovery of health care facilities in all state-owned hospitals. Cost recovery does not exceed 15-20% of health expenditures. The reliability of user charges as a source of financing depended on the consistence of application of charges and the maintenance of levels of utilization. People's ability to pay in Cambodia and developing countries is extremely limited and dependent on seasonal factors and agricultural production cycles.

Next program is the health insurance program which government has to start for the following reasons: the limited public health budget can not sustain subsidy, at the same time as the majority of the population is poor and health expenditures very high, which makes it difficult to pay health center and hospital fees. Therefore the Cambodian government is currently in the process of setting up a health insurance system to function as a crucial source for health care financing.

The Ministry of Health (MoH) has formulated the health care developing strategic plan for provincial and district level, through provision of manpower, organization and finance. Over the years, the Ministry has tried all possible means to enhance the financial resources and strengthen the management capabilities of various funds established at provincial and districts level. In addition to these, the government and NGOs have introduced a pilot health insurance project in Takmau district in Kandal Province.

The fundamental objectives of this pilot project were the financing of health service provision, risk-sharing between provider and recipient of health care services, the improvement of the referral system to more efficient level of health care and the rationalizing of the facilities at various levels. The pilot project in the Takmau District, though introduced with good intentions apparently did not get any active response from the people.

There is an urgent need to determine the causes leading to the poor participation in this pilot project before it is implemented to other provinces. Therefore this study focuses on the factors that influence the outcome of the health insurance project in Takmau District. This study will try to identify the key issues that influence the people's participation in health insurance. Further, the findings from this study can be used for future planning when the government extends similar projects to other provinces.

1.2. Research Questions

- (1) What is the situation of voluntary health insurance in Takmau district of Kandal Province in Cambodia?
- (2) What are the determinants of voluntary health insurance participation in Takmau District, Kandal province, Cambodia?

1.3 General Objective

To study the determinants of voluntary health insurance participation in Takmau district, Kandal province, Cambodia.

1.4 Specific Objectives

- (1) To study the situation voluntary health insurance participation in Takmau district.
- (2) To identify the important determinants of voluntary health insurance participation in Takmau district.

1.5. Scope of the Study

This study is to identify the determinants of voluntary health insurance participation in Takmau district; Kandal province, Cambodia. Data collection and analysis will be done from February to March 2005.

1.6 Expected Benefits

The findings of this study will be useful in the following ways:

- (1) The study will be able to identify key factors affecting the health insurance participation by the people of Takmau district
- (2) Help planners and administrators to adjust the program as per the need of service users.
- (3) The planners can take steps to minimize the key factors influencing the health insurance participation so that there will be maximum participation from people.
- (4) This can help implement similar programs in other districts and provinces more efficiently and effectively.
- (5) It can act as the source of basic data on the process of health insurance, and can be used as the future reference for further research.