Chapter 6

CONCLUSIONS AND RECOMMENDATIONS

This thesis is a descriptive and modelling study focused on describing the trends of voluntary health insurance in health care services utilization, and an analysis to identify the factors that influence the enrollment of the Voluntary Health Insurance scheme.

6.1 Conclusions

Assessment of the health insurance and voluntary health insurance situation of the period from 1993 – 1997 showed that the health insurance fund over the last years had reached the basic objectives of the health insurance policy, i.e. increasing revenues to support health care activities in public clinics and hospitals, reducing the financial burden for health insurance members and contributing to the implementation of equity in health care and income redistribution. In order to assess the financial sustainability of the current system a simple model was constructed that examines the impact of increasing membership, revenues and expenditures arising from promotion of the scheme within sub-groups of the population.

Table 5.1 shows the evolution of health insurance scheme membership over the five years. A number of trends are worthy of note. The system is dominated by the relative case of collection in the compulsory scheme. This has been helped by improvements in the tax and payroll deduction collection system. The quasi-compulsory scheme for school children has also shown considerable growth. Other voluntary schemes show erratic development. In common with voluntary schemes in other countries based on community rated premiums, the scheme has experienced the fundamental problem of adverse selection. Low risk individuals, that require little treatment and are needed to subsidise the high risk, are unwilling to contribute this voluntary subsidy. Not withstanding the delay in the card becoming effective, use of facilities by the insured has tended to increase during the first five years. Since the

start of the programme, use of inpatient facilities has been consistently above that for the rest of the population. In 1997, for example, the rate per thousand was 126 compared to 69 for the whole population (Vietnam Health Insurance profile, 1998). Outpatient trends are less clear. Although use of outpatient facilities increased to above the general rate in the first few years of the scheme, this flattened off and was overtaken by general use of outpatient facilities across the country.

There are notable differences in the use of revenues and expenditures from the two schemes (Table 5.9). The average premium collected from the progressive and compulsory payroll tax for the compulsory scheme was around 86,000 VND in 1997. The flat rate premium for the voluntary scheme averaged around 11,000 VND, although different premiums were collected from different groups. On average, members of the voluntary system use facilities far less than do members of the compulsory scheme. This ensures that despite low revenues, both schemes appear to be more of less in balance.

There are confounding factors influencing voluntary health insurance members, as well as health care utilization. A limitation of this study is that it was based on data concerning some macro factors such as revenues of user fees, premium of VHI, and health care expenditures. From the results of study, it was found that there is no significant effect of user fees revenues and premium on becoming a voluntary member. Because most health expenditures are subsidised by the government (around 60%), when people get sick, even though they are not members of the VHI scheme, they have to pay only around 40% of total cost for health care services being provided. On the other hand, concerning both sides (significant and insignificant), of the VHI premium compare with GDP/capita/year in Vietnam is low. 90% of VHI members are students and school children. For this group, voluntary health insurance seems to be a semi-compulsory scheme. Even the premium variable does not significantly effect the voluntary health insurance members. However, it can not be ignored, because the Pvalue (0.0528) too is close to $\alpha(0.05)$. The behavior of consumers is very sensitive to the premium, but does not significantly affect this study. The last factor of this study is health care expenditures (compared with

provincial products) which significantly affects VHI membership (Pvalue < 0.05). Total health expenditures per provincial products also represents the quality of health care services at its least. This leads people to buy more VHI cards. When the government invests more in the health care sector to improve the quality, efficiency, and equity in health, people to be equal when they get the health services. This factor then has a significant effect on membership of the VHI scheme.

The health care services utilization rate in this study has been found to be 2.13159 per person/year. The rate of VHI patients going to hospital is 0.017539 and pay out of pocket patient's rate is 0.073679. This means that VHI members went to visits those hospital less than people who pay out of pocket in comparison with the same total population. It represents the ratio of VHI and population, also, utilization of health care is not as much for VHI members as who pay out of pocket. This is a weakness of VHI scheme, which does not cover enough of the population in the whole country. The voluntary health insurance members, most of whom are pupils and students accounted for around 90% during 1993-1997. This group is predominantly between the ages of 5 – 14 and 15 – 23 who tend to have relatively low use of services: they have left the dangerous childhood period but are mostly before the increased need experienced by women during the fertile period of life. Another explanation is that members of the voluntary scheme, although mostly from villages, are not yet able to obtain insurance funded outpatient care from the commune health facilities. Instead they must travel to the district hospital to obtain treatment. It is likely, therefore, that many patients do not bother to trek to the hospital for ambulatory services, and so only claim when they require hospitalization.

6.2 Recommendations

Voluntary insurance in Vietnam is at a delicate stage. Most of the current members are school children who have been enrolled in a semi-compulsory way. They provide a good basis for development of the scheme since they are a low risk group. Developing the scheme in the future is almost certain to lead to a profile of members that make more use of services. Refinement of the scheme is likely to

require much more active methods to control costs and enrol low risk members. Enrolling some groups into the scheme will probably continue to require subsidy if the premiums are to be made affordable rather than related to risk. Already there is a commitment to provide humanitarian cards to be financed by government. For other groups, some cross-subsidy from the compulsory scheme or from the government budget may continue to be required in order to balance revenue with expenditures.

For the further study, the methodology of this study can also be implemented to analyse of the Compulsory Health Insurance scheme in Vietnam, where in some locations there are similar problems as in theVHI program, for example, surplus funds and slowness to extend the number of insured even though it is compulsory scheme.The research methodology of this thesis also serves as an introduction to policy makers of MOH, governors and managers of the locations where they are operating health insurance programs to refer to in case they carry out the study on certifying the factors effecting on health care services utilization of Health Insurance scheme

The Comments for Improvement

1.To encourage VHI Members registration

The number of the members of the voluntary health insurance scheme is not high, and account for only 4.97% of total population, (Whole health insurance schemes is 12.62% of total population in 1997), and 90% of VHI members are school children and students. There are a number of options for helping to encourage the registration of low risk people, more and more people into the scheme that could be subject of experimentation and evaluation at the local level. It is possible that some of these may be thought to go against the spirit or letter of the current legislation and so be unacceptable to policymakers.

a) Motivation and publicity campaigns

An important part of the development of voluntary insurance will be to inform potential members about the scheme and what benefits are promised. A successful publicity strategy may take into account the following:

- While feelings of solidarity may spur some people to obtain insurance, for most it is likely to be the benefits to them and their immediate household or family that spur most people to buy voluntary cards.
- Unlike the compulsory scheme, voluntary insurance cannot be treated like a tax – it must be sold to the people. It follows that the benefits should be attractive and deliverable. The latter means that any benefits promised must be affordable.

b) Consider formal user charges

As the result of study, people who pay out of pocket had to pay around 40% of the costs of health care services. Cost recovery in the hospital is a problem for the health policy makers. The key policy issue is how to finance the health care system in the future. Present trends indicate a reduced proportion of Government funds, a stagnant proportion being financed via health insurance, also voluntary health insurance, increased direct payments via different types of user fees. In order to encourage the uptake of insurance, the current level of official user charges could be increased in order to increase the potential benefits of insurance. This leads people to join voluntary health insurance scheme. Insurance offers advantages that are often overlooked, including the inherent direct equity-enhancing impact of insurance programs wherein, among participants, benefits are provided on the basis of need rather then income.

c) Marketing insurance

There may be scope for developing more creative marketing strategies for insurance. Insurance cards could perhaps be sold through health facilities, commune clinics and even private pharmacies.

2. To Improve Quality of Health Care

The resource from government to be used for the improvement of quality of care should not cover as much for the user fees scheme (60%). The development of a viable and effective health insurance system in Vietnam is obviously linked to both the health trends and health services system development. The improvement of the health care infrastructure, particularly at the district and central hospital levels could be significant in generating support for health insurance among the population and in improving the quality of care. It leads more people to join voluntary health insurance schemes and use more health care services, health care utilization rate of voluntary health insurance member can be increased to more than people who pay out of pocket. The achievements in the future could be much better than the which results this study found.

6.3 Limitations of the Study

Due to many reasons, this thesis cannot avoid certain limitations. First, the data is not big enough and was only collected for 5 years (1993-1997). The base information was provided by Vietnam Health Insurance for 1997 in the form of a 1993-1997 report on activities and unpublished reports of the Vietnam Health Insurance (Vietnam Health Insurance, 1998). Also, data for the modelling study were collected from 8 provinces for 5 years only, because of time and financial constraints. Unit of analysis by provinces could be the weakness of the study, this is a limitation of data. Second, for this study on impacts of VHI on health care services utilization in Vietnam there could be many more influencing factors, with which this study was not concerned, but which should be considered in any further study. Third, the analysis presented in this thesis is dependent on data on utilisation and financing of the programme available at the national level. Some of these data are provisional – there are gaps and inconsistencies. It is expected that more detailed provincial, regional and country data will become available.