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Aparnaa Somanathan, Ajay Tandon, HoungLan Dao, Kari L. Hurt, Hernan L. Fuenzalida-Puelma., *Moving Toward Universal Coverage Of Social Health Insurance In Vietnam*, Washington DC: World Bank, ISBN 978-1-4648-0261-4: Book Review

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Abstract: ***This paper will review the various plans made by the authors of the book 'Moving Toward Universal Coverage Of Social Health Insurance In Vietnam' in order to achieve the goal of total coverage of the population in Vietnam which is set the goal in the fifth stage of Social Health Insurance (SHI) of Vietnam. There are five stages of the goal to be achieved in SHI, some are achieved and some are in the process. However, the SHI of Vietnam is one of the good practices of the health insurance scheme initiated by the government, and as universal coverage has been emphasized in the implementation of health care policies, the Vietnam government is moving forward toward universal coverage. This paper will review chapter by chapter how the government has taken a step to reach the universal coverage of health insurance policy.***

Keywords: Social Health Insurance (SHI), Vietnam Government, Health Care, Health Insurance, Out of Pocket Payment, Universal Coverage

1. Introduction

Social Health Insurance (SHI) is a system of financing and managing health care based on risk pooling. It is a combination of the health risks of the people on the one hand, and the contributions of the individuals, households, enterprises, and government on the other. As it is a fair method of financing health care, it helps people from financial burdens when they face health problems. So, In Vietnam, the SHI is divided into five stages.

The first stage was in between 1992-1998 and this was the initial stage. It was compulsorily implemented for civil servants and pensioners. In this inaugural stage, the SHI was supervised by the Ministry of Health and it was implemented through the newly established Vietnam Health Insurance Agency while the revenue collection and payment was conducted by the Provincial People's Committee (PPC).

The second stage lasted for seven years i. e.1998 to 2005. The co-payment and voluntary insurance system was introduced in this stage. The Vietnam Health Insurance Agency still administered the scheme under the supervision of the Ministry of Health, but the Vietnam Social Security Agency (VSS) collected the revenue and disbursed the claims received from providers.

Stage three (2005-2009) was commenced due to the revision made by the Ministry of Health, Govt. of Vietnam. The eligibility for compulsory schemes and voluntary schemes was expanded and there was also a revision of the benefit package and co-payment system. The 'Health Care Fund for Poor' was transitioned to the 'Compulsory Scheme' fully funded by the Government.

Then, on 14th November 2008, the National Assembly of Vietnam passed the first 'Health Insurance Law'which was enacted on 1st July 2009, this enactment could be reckoned as the beginning of the fourth stage of SHI up to June 2014. This 'Health Insurance Law' changed the SHI policy by enlarging the coverage of the 'Compulsory Scheme' fully financed by the Government. There was a directive plan to establish compulsory enrolment for the whole population which was to be started from 2014.

The fifth stage was started inJune 2014 to till now and the 'Health Insurance Law' was amended in June 2014. In this stage, the voluntary scheme was abolished and it changed the system of collection of revenue and also revised the benefit package. It also revived the involvement of the Provincial People's Committee which was replaced by the Vietnam Social Security Agency (VSS) in the second stage

of SHI. From this stage, there was an attempt to achieve the Universal Coverage of SHI in Vietnam.

2. About the authors and the book

This book is a multiple-author book. We can say this book is a compilation of scholarly works. It was written on the basis of the review and assessment of options for Universal Health Coverage in Vietnam. The review and assessment were jointly done by the World Health Organization (WHO), the United Nations Children's Emergency Fund (UNICEF), the Rockefeller Foundation, and the World Bank. Based on this review and assessment the compilation of the report was prepared by the team of World Bank such as AparnaaSomanathan, Ajay Tandon, HoungLan Dao, Kari L. Hurt, and Hernan L. Fuenzalida-Puelma. It may also be the report book to achieve universal health coverage in Vietnam. The reporters or the authors prepare the report based on a series of background papers, research, and analytical work.

As it is the work of the staff of the World Bank, it was published by the World Bank in 2014. It was printed in Washington DC, United States of America (USA). The central theme of this book is 'How to achieve the Universal Health Coverage in Vietnam?'. The fifth stage of SHI which commenced in June 2014 mainly focuses on the compulsory SHI enrolment of the total population of the country. The Ministry of Health (MoH) had a target of SHI enrolment of 70% population by 2015 and 80% by 2020. In order to achieve these goals, the MoH needs to adopt constructive plans and programs. So, the team of World Bank, based on their research and analytical works, suggested and made plans for the achievement of the target.

As cited before, the authors are the staff or team of the World Bank. By highlighting the biography of the authors may rate the quality and reliability of this book. AparnaaSomanathan, the leader of the World Bank Team regarding this book and the contributor, was the Program Leader atthe World Bank at that time and she was awarded the Doctor of Science-Health Economics by Harvard University in 2006. She is currently engaged as an Economist atthe World Bank. Ajay Tandon has been the Lead Economist at the World Bank since 2007, and he finished PhD in Economics at Virginia Tech Institute in 1998. Another author, HoungLan Dao, has beena Health Specialist at the World Bank since 2008, she is a Vietnamese employee at the World Bank. Kari L. Hurt is the Senior Operation Officer at the World Bank based in Nepal, she has been working this job since 1994 and she has so many experiences in this field like her co-authors. And Hernan L. Fuenzalida-Puelma is a lawyer at International Consultant and he is also an expert in Health Policy, Health Insurance, Health Financing, Public-Private Partnerships, and Labor and Pensions. He has experience in more than 50 countries as a Consultant on Health Policy, Health Insurance, Health Systems and Health Financing. He is the only non-employee of the World Bank on this team. But the World Bank is one of the main clients of International Consultant, and because of that; he was added among the members of author of this book. The brief profiles of the authors make it worthy to review this book and the contents can be hypothetically reliable.

3. Summary of the contents:

3.1 Chapter-I

Chapter one of the contents is the introductory part and it highlights the overall necessary actions to achieve universal health insurance coverage in Vietnam. The three general or common objectives to achieve universal coverage are pointed out, such as; equity, financial protection, and effective access to a comprehensive set of quality services. But these objectives are not relevant in Vietnam for moving toward Universal Coverage, then set up the fourth objective; financing needed is to be mobilized in a fiscally sustainable manner and is to be used efficiently and equitably. The progress, shortcomings, and challenges of SHI on the path of universal coverage are also mentioned in this chapter. The Health Insurance Law was passed in 2009; the enactment of this law brought a substantial increase in enrolment rate because it tied the various health insurance programs together under the SHI. So, 60% of the population enrolled in 2009, and 64.8% of the population was covered by 2011. In the fifth stage of SHI i. e. starting from June 2014, the government of Vietnam set a goal to achieve 70% by 2015 and 80% by 2020. The main shortcomings mentioned in this chapter are the premium enrollees have not been yet fully subsidized, which led to the stagnation of enrolment rates among the near-poor and other groups who are supposed to enroll at premium rates. Another problem, it mentioned is inefficiencies in resource allocation and effortless control raising health costs.

The two major challenges are also highlighted, one is the primary care service i. e. commune health stations and district hospitals are underfinanced resultingin the poor quality of these services. Another challenge is providing medical training on the basis of hospital service and giving the graduates a little preparation for community health service. So, the staff lack the competencies in their job to deal the health problems.

Another content of this chapter is Vietnam's agenda for moving toward universal coverage. The "Master Plan for Universal Health Coverage from 2012-2015 and 2020" was launched in 2012. In this Master Plan; the extension of coverage by enrolment, the relief of the Out-Of-Pocket payment burden, and the extension of the benefits package are the main goals.

3.2 Chapter-II

Chapter II discussed the Master Plan Goal-1, this chapter talks about the way to increase the enrolment rates. From the discussion in this chapter, we see that the fully subsidized and mandated group enrollment level is very high while the voluntary group (the premium group) contributed a very low percentage in enrolment rate. Particularly, only 20% of the near-poor category voluntarily enrolled as per 2012 data. By this interpretation, it seems that the SHI enrollment fee is not affordability for the voluntary category because of partially subsidized this category by the government. Based on the discussion, the SHI is not effective enough, because, every enrollee does not receive a Health Insurance Card and many enrollees are not aware of this card. Another reason it

mentioned is the lack of portability, when the enrollee migrated to another locality, he/she could not claim his/her health insurance except in the case of emergency under SHI.

This chapter also examines the important pointsto increase enrollment rates and coverage such as; family enrolment, enforcing mandatory enrolment in the formal sector, information, education, and communication. It also provides four recommendations. The first and second recommendations are classified as short term whereas the third and fourth recommendations are further classified as medium term. The first recommendation suggests the expansion of government subsidy for the near-poor from 70% to 100% health care coverage in the short term in order to get better or higher enrollment rates. The second recommendation suggests the dissemination of information and awareness about the health insurance scheme, this suggestion is also recommended to work out without delay. The third recommendation recommends adopting family enrollment and also proposes two ways for family enrollment, the first one is to provide incentives to near-poor families, and the second one is to offer tax breaks for the formal sector workers and employers in the medium term. The fourth and final recommendation is enforcing enrollment by mandatory enrollment policy, particularly for formal sector workers, and issuing government decreesto give penalties for violation of health insurance regulations.

3.3 Chapter – III

This chapter examines Master Plan Goal2. The Master Plan Goal 2 intends to improve financial protection and equity. The financial protection indicates the reduction of Out –Of-Out-of-pocket payments (OOP-An out-of-pocket payment is the direct payment of money that may or may not be later reimbursed from a third-party source). No doubt, the enrolment rate in SHI is rising in Vietnam but this high coverage has not brought a decline in OOP payment. The reasons why OOP payment has been high are divulged in brief in this chapter such as; increases in coverage-related utilization, reimbursements not fully covering the SHI benefits package, higher prices and oversupply of health services by the hospital, not covering the co-payment expenditure, less awareness on insurance entitlements, deficiencies on the supply side. The status of other Southeast Asian countries in OOP payment is also exposed in this chapter, China and Thailand increased the insurance coverage rate but declined in OOP spending. Meanwhile, similar to Vietnam, in the Philippines, and Indonesia the insurance coverage rate and OOP payment have been increasing as well.

The short-term and medium-term recommendations are made to improve financial protection or to reduce OOP. The first recommendation includes the implementation of a co-payment policy, maintaining transparency, easy understandingof the policy, and setting up a grievance mechanism. This recommendation could be made in the short term. The second recommendation is to further reduce the co-payment system for the poor and ethnic minorities. The third recommendation is to introduce catastrophic cost coverage. The second and third recommendations could be done in the medium term. All these recommendations are made to reduce OOP by the enrolees of SHI.

3.4 Chapter – IV

In this chapter, the cost of Universal Coverage in Vietnam is estimated. In the first section, the revenue projection is discussed and based on the two master plan goals. Based on the increase in contributions and government premium subsidization, the revenues are projected to be 99-110 Vietnam Dong (VND-Vietnam Currency) trillion in 2015. The second section of this chapter discusses the expenditure projection by using the Lieberman-Wagstaff Model. Based on this model, the data of 2010 is based and a prediction is made to the total government health expenditures. The government health expenditure projection is between VND 119-125 trillion in 2015. The third section is the summary of chapter IV. In order to achieve 70% coverage by 2015, the government's ability is very important to increase enrollment.

3.5 Chapter-V

ChapterV of this book discussed the resource mobilization for universal coverage. This paper suggests creating fiscal space for health by the government. In order to create fiscal space, the five major pillars were examined. First is the Macro-Fiscal Environment which is to increase government revenues and in turn to increase public spending for health. The second is Reprioritizing Health to increase the health share in the government budget. The third source for fiscal space is the Health Sector-Specific Resources that aims to adopt an earmarked tax system, especially on the consumption of goods that negatively affect health conditions like tobacco, alcohol, etc. Fourthly, External Resources are the sources of fiscal space. Mainly for low-income countries, seeking foreign aid and grants from international donors for health care funds will be advantageous. The fifth point is an Increase in the Efficiency of the existing resources of government. The prospect of these five sources of fiscal space for health in Vietnam is summarized in Table 5.4, indicating that the first three pillars are medium, the fourth is poor and the fifth prospect is very good.

3.6 Chapter – VI

This chapter examined the need and the way of reducing fragmentation in the pooling of funds. Because pools are fragmented when there are barriers to the redistribution of available prepaid funds. In the beginning, the three reasons for fragmentation in pooling are mentioned; first, the insurance groups are not dependent on the principle of risk of adjustment. Second, the pooling of insurance revenues in provinces is limited. For example, if a province winds up the year with a fund surplus, the 60 percent is to be retained for investment and the rest 40 percent is to be attained by the central government for the reserve fund. Third, the existing capitation system caused the fragmentation. Because the capitation rates are computed separately for each beneficiary group that could worsen equalities between the rich and the poor. This chapter also examined the global experience in reducing the fragmentation of the pooling of funds. Japan,

the Republic of Korea, Taiwan, and China adopted the strategy of consolidating pooling after these countries had multiple issuer schemes as in Vietnam. This chapter is closed with two recommendations; first, the six categories of beneficiary groups are to be consolidated. Second, the pooling functions of 63 provincial Vietnam Social Security (VSS) should also be consolidated into the national VSS or Social Health Insurance Agency in the long term.

3.7 Chapter-VII

This chapterdealt with the incompetence of the arrangement of resource allocation. The inefficiencies of SHI in Vietnam are explored and analyzed in this chapter. So, the first inefficiency is the generosity of the package and still planning to expand without proper empirical assessment. The second source of inefficiency is the introduction of a capitation system which is a type of healthcare payment system in which a doctor or hospital is paid a fixed amount per patient for a prescribed period of time by an insurer or physician association, this system is not an easy system to succeed even in other different countries. The third one is the rapid inflation of pharmaceutical prices and overconsumption of pharmaceuticals. In Vietnam, the prices of drugs are significantly higher than International Reference Prices (IRPs). The fourth source of inefficiency is the broader healthcare delivery system. The insurance coverage increases the use of hospitals even in mild cases. This could lead the ineffectiveness and inefficiency in SHI.

This chapter also gives six recommendations for the efficiency of the SHI and for the good arrangement of resource allocation. The first recommendation is to rationalize and cost out the benefit package. The second is to revise the capitation system and Fee-For-Service (FFS) for outpatient services and to initiate case-based payment for inpatient beneficiaries. The third recommendation is to adopt and introduce a new capitation payment system and Fee For Service (FFS) system. The fourth recommendation is to introduce complementary measures like clearer agreement between the insurers and the service providers. The fifth point is to reduce pharmaceutical costs by selecting the drug's list for reimbursement and introducing price-volume contracts for paying providers. The sixth and last recommendation is to control the prices of pharmaceuticals. By these six recommendations, the arrangement of resource allocation could be made more efficient under SHI in Vietnam.

3.8 Chapter-VIII

In this chapter, the improvement of the organisation, management, and governance of SHI is discussed. This chapter opens with the diagnosis of the problem in SHI, the different problems that are mentioned in this chapter are design failure, institutional fragmentation, different management structures, inadequate outline reporting requirements lack of transparency, and weak supervision. After briefly highlighting the SHI Law of 2008, the revision made in 2014 was discussed in the next. So, this revision aims to strengthen the organisation, management, and governance of SHI. Firstly, it mentions the feebleness of the organisational framework, roles, and responsibilities and also reconsiders the role of the Ministry of Health in Vietnam on the SHI policy. Secondly, the management of SHI is analyzed for moving toward universal coverage, the important points for strengthening the management of SHI are to give priority to enrolment functions, to follow the well system of revenue collection, to operate the pooling function with formal regulation or mechanism, to reform the resource allocation by reducing overly generous package. Thirdly, it deals with the governance of SHI. To strengthen the governance of SHI, the deliverance of fairness, transparency, and accountability are the key pointsmentioned in this chapter.

3.9 Chapter – IX

The last chapter combines all recommendations that were mentioned in chapters 2-8 in order to achieve Universal Coverage. To achieve Universal Coverage, the three needed measures are mentioned in this chapter such as legislative and regulatory measures, health systems strengthening measures, and data and information gaps that are to be addressed. In the legislative and regulatory measures, the increase of coverage by increasing enrolment rates, an improvement on equity and financial protection by reducing the OOP payment system, sustainable fiscal system, improving in pooling system, stiffening the organization, management, and governance of SHI, etc. are included. The health system's improving measures include the strengthening of the deliverance of health services, emphasizing awareness among the people, etc. Lastly, the data and information Gaps that need to be addressed include family enrolment policy, providing the reimbursement list on drugs, price controls of pharmaceuticals, and employment of a health technological assessment system.

4. Critical Evaluations on the plans and goals to achieve Universal Coverage:

In the Second Chapter of this book, the plans and goals are examined to achieve Universal Coverage. This chapter, Master Plan Goal 1, deals with the goal of increasing enrolment rates to reach 80% coverage by 2020. It was quite successful in 2018, as per the reports published by the World Health Organization (WHO), 87% of the population of Vietnam was covered in 2018 (World Health Organization, 2018). Meanwhile, the Master Plan Goal 2; the improvement of financial protection or reduction of out-of-pocket (OOP) Payment was slowly progressing. Only a small reduction in OOP payment can be seen even after four years of publishing this book. The compulsory enrolment was desirable but really hard to work out even in developed countries as the health insurance schemes are usually executed on the basis of a pooling system. The earmark tax system on the consumption of things that are injurious to health and the Capitation System are very quality to follow not only in Vietnam and it is also practicable for every country. Though controlling the cost of pharmaceuticals, improving of organization, management, and governance of SHI, strengthening the efficiency and equity of health care service under SHI, and searching for foreign aid, etc. are very good plans and policies, the pursuance to achieve these goals and plans are highly depends on the efficiency and capability of the ruling government.

5. Conclusion

The universal coverage of SHI is desirable for every nation in order to protect the people from financial and health burdens. However many least-developed countries cannot successfully adopt the SHI policy in expanding the coverage of people. Meanwhile, Japan and the Republic of Korea (South Korea) are the countries that have universal coverage of SHI. These two countries are the forerunners in Asian Countries in health insurance policy. Besides, developing countries in the Asian continent like Thailand and the Philippines also have a high proportion of SHI coverage. Vietnam was also trying to develop and renovate the health insurance system after she faced an economic crisis in the 1980s due to the reduction of international aid that she often received from the Soviet Union. In 1992, the SHI was introduced in Vietnam to cover only the public sector in the country, then, in 2014 the Vietnam SHI set a vision to achieve Universal Coverage, and in 2018 it has 87% coverage of the population. Lastly, we can call Vietnam one of the most flourishing countries in Public Health Insurance Policy.

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