



Paying for Healthcare



Part 3

Dr. Omnia Elmahdy

Types of Health Insurance

I- Administratively

- A. Governmental (compulsory by law) non-profit, funding is through taxes.

- B. Voluntary (private agencies) for profit

II- Benefits point of view

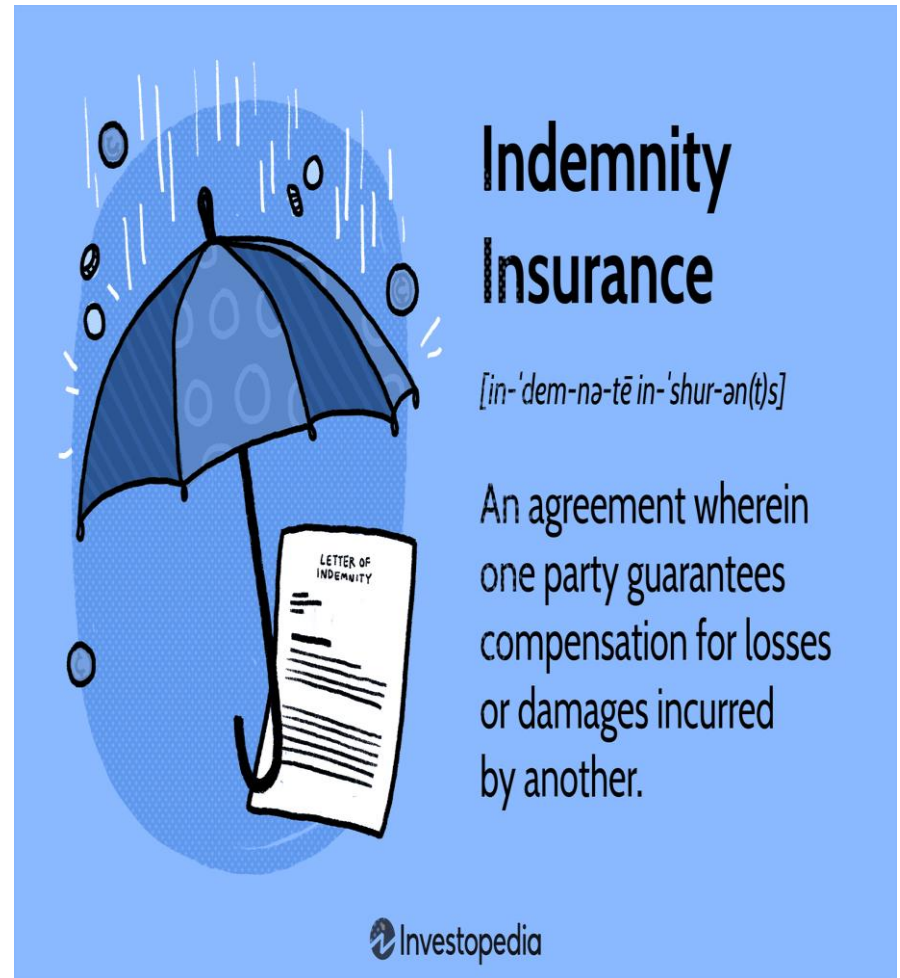
- A. **Cash Indemnity Plans** تعويض عن أضرار
- B. **Service – Benefit Plans**
- C. **Combination** of both

A. Cash Indemnity Plans

The plan pays the insured in case of sickness a prefixed sum of money

e.g; 100 JD for one week hospital stay or 15 JD for the doctor's visit

Regardless of the actual expenditure



- The insured pays the hospital or doctor and later files a claim for cash reimbursement (تسديد النفقات) in the amount specified in the contract.
- In case of **accident** the plan pays according to the **compensation's schedule**.
- The amount of reimbursement is often a fixed amount per hospital day or admission or a percentage of the bill.

B. Service – Benefit Plans

The plan **pays** to the doctor and the hospital while the insured pays only for services and extras not included in the contract

e.g; First class accommodation إقامة من الدرجة الأولى

An indemnity benefit, offered by **commercial insurers**, differed from a service benefit in that the patient was reimbursed, not the hospital, a predetermined amount for the patient's medical costs.

Cash Indemnity Plans	Service-Benefits Plans
1- Subscriber is free to choose the hospital and treating doctor	1- Subscriber chooses among the participating doctors and hospitals
2- The plan does NOT guarantee the service provided	2- The plan guarantees the service regardless of its cost as it either owns or in agreement with health services according to a certain level of care provision
3- Patient has to put a down payment for the hospital or doctor in advance	3- The subscriber's identification card serves as a credit reference

III- Group VS Individual plans

**GROUP HEALTH
INSURANCE**



**INDIVIDUAL HEALTH
INSURANCE**



VS

Group Plans (Employment-based health insurance):

- A group buys insurance for everyone in the group.
- **Employer or other organizations** can purchase group plans for their members.
- In most cases, group insurance is **provided by an employer** as a benefit to its employees.

With employment-based health insurance, **employers usually pay most of the premium** that purchases health insurance for their employees



Advantages:

- Generally, less expensive.
- Everyone who belongs to the group can enroll even if pre-existing conditions exist.

Disadvantages:

- Options are limited depending on what the plan sponsor chooses.
- The plan sponsor can discontinue the insurance at any time as long as everyone in the plan is dropped.

Individual Plans:

People who are self-employed, or whose company does not offer health insurance as a benefit, can buy health insurance directly from an insurance company.

With private health insurance, a third party, the insurer, is added to the patient and the health care provider, who are the two basic parties of the health care transaction.



Advantages:

- Individual can have the policy written for his needs.
- Discounts can be offered for healthier people.

Disadvantages:

- Usually more expensive.
- If a pre-existing condition exists, it will be very expensive to cover.
- **Young people** who are relatively healthy often do not see the need for health insurance
- Unless an **illness is life-threatening**, a health-care provider can refuse to treat patients.

	<u>Group</u>	<u>Individual</u>
<i>Protection when job is lost (Employee)</i>	Limited	Yes
<i>Protection when changing jobs (Employee)</i>	Limited	Yes
<i>Choice of medical providers (Employee)</i>	Limited	Yes
<i>Coverage of pre-existing conditions (Employee)</i>	Yes	Yes
<i>Who purchases the plan?</i>	Employer	Employee
<i>Tax Deductible?</i>	Yes	Sometimes

FACTORS INCREASING COST OF COVERAGE

- When **coverage limitations are fewer**
- When **cost-sharing requirements on consumers are lower.**
- When the **provider network is large.**
- When **administrative costs are high.**
- When **enrolees are riskier.**

In Jordan,

Nearly 75 % of the Jordanian populations are **insured** under one health insurance scheme or another, and

1. The vast **majority** of health insured population (98.8%) has **one source** of health insurance.
2. Jordan has two large components of (**government sector**), the CIP (**Civil Insurance Program**) and **RMS** funds which cover nearly **71 %** of the Jordanian population.
3. The **private sector** contributed **14%**. **UNRWA** (United Nations Relief and Works Agency) and **other sectors** contributed 4.2% and 10% respectively.
4. The **Royal Military Services (RMS)** is the **largest insurer**

- All children under 6 are health insured by the Ministry of Health (Civil Health Insurance).
- About a quarter of the non-Jordanian population is health insured representing about 14% of the total number of insured.

All visitors to Jordan are required to have travel insurance.





إدارة التأمين الصحي

لراحتكم وصحتكم صارت خدماتنا إلكترونية ...
بإمكانك تستفيد من خدماتنا وبين ما كنت

موقع الخدمات الإلكترونية
إدارة التأمين الصحي الحكومي
المدخل إلى النظام

الحزمة الأولى من الخدمات تشمل:

تطبيق سند

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3 بطاقة شفاء لمرضى
السرطان

2 فئة النساء الحوامل

1 الاشتراك بالتأمين الصحي الاختياري
على المادة (30) وحسب الفئات العمرية

6 أشخاص ذوي الإعاقة فوق
فوق سن ال (18)

5 الأسر الفقيرة

4 المادة (30)
فوق الستين عام

7 منتفعي صناديق
المعونة الوطنية

06-5008080

Problems Facing Health Insurance

1. Population Coverage

- Geographical distribution
- Income
- Types of occupations



2. Availability of Health Facilities: include:

- **Hospitals** (general and specialized) health centers,...
- **Remodeling of the existing health service organizations** (laying stress on the out-patient departments)
- Establishment of simple and inexpensive **health centers in remote areas** مناطق نائية
- Development of the **Regional & Referral System**

3. Availability of Medical and Paramedical personnel

- This includes **geographical** distribution, available **specialties**, (planning for **availability through medical education and proper distribution** of medical and paramedical personnel).



4. Payment to Doctors

Whichever method is selected, it must be stressed that members of the medical profession should be assured of fair and adequate payment equivalent to the value of their services.

A. Fee- for-service:

- Payment is based on the type and number of services and according to a fee schedule.
- The fee is uniform (**same fee for every type of service for all Doctors**).

B. Flat Rate (per capita):

- The method followed by the **British system**.
- The doctor is paid according to the number of persons on his list. Payment is fixed whether the patient is cured after one visit or after 10 visits

C. Salary Method:

- Monthly salaries are paid for part-time or full-time services

5. Unemployment and maintenance of coverage

- Insurance policies usually include a clause بند which gives the right to terminate the contract if the subscriber ceases to pay the premiums (in case of unemployment).

Jordan Unemployment Rate

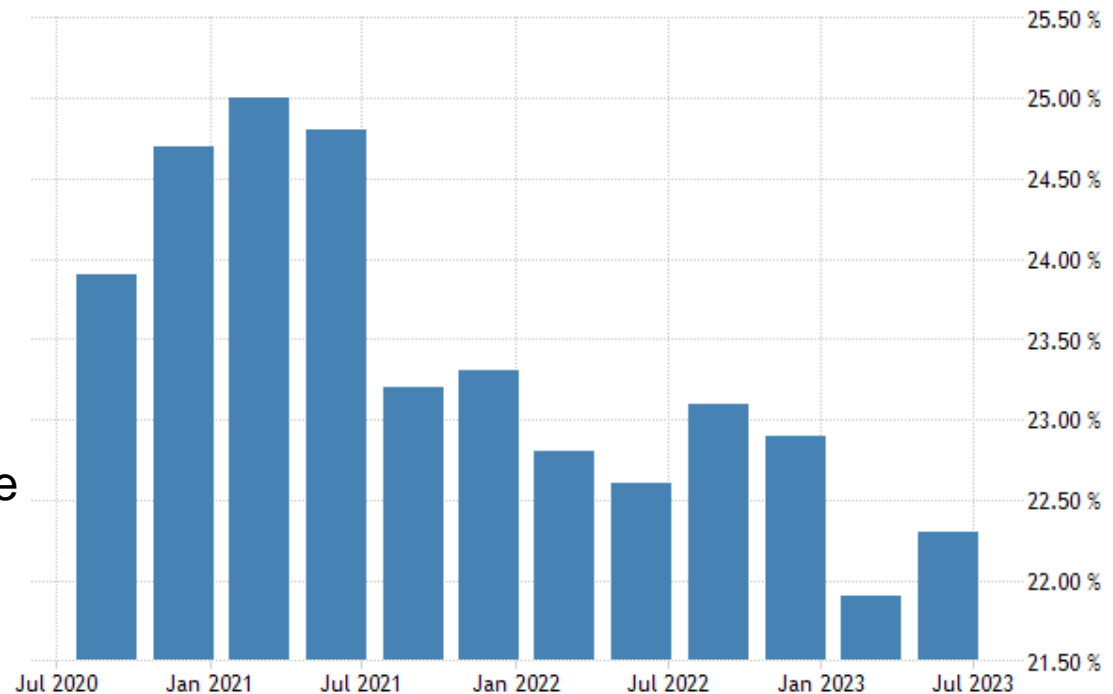
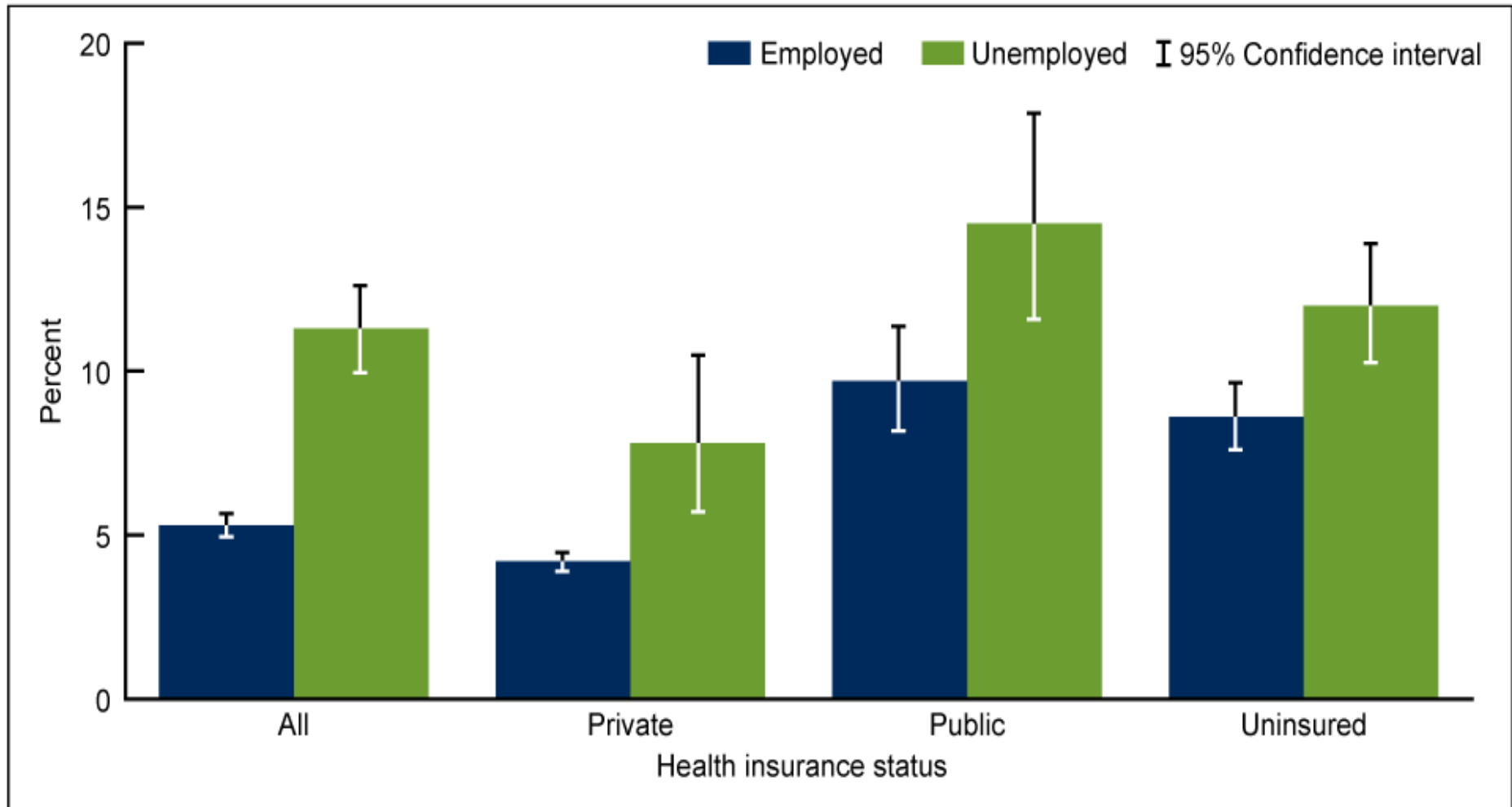


Figure 2. Fair or poor health status among adults aged 18–64 years, by employment status and insurance status: United States, 2009–2010



NOTE: Access data table for Figure 2 at: http://www.cdc.gov/nchs/data/databriefs/db83_tables.pdf#2.

SOURCE: CDC/NCHS, National Health Interview Survey.

6. Financing

Success of an insurance programme rests on the adequacy and stability of its financial resources, control of expenditure and building of a sizable reserve to cope with emergencies

- Increased number of enrollees
- Participation of employers
- Subsidy from the government دعم حكومي

7. Administration and control

Efficient operation and control of the programme are the guarantee for success

- **Scientific management**
- **Cost control**
- **Decentralization**

8. Over-use

- Usually in the **first few years** of any health insurance program thus increasing rather than decreasing the cost of medical care
- **Overcome through health education of the public**