

2nd REGIONAL CONSULTATION MEETING ON SHA REVISION

Comments on

**The Accounting of Health
Financing
Unit 9 and 10**

(countries perspective)

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Main Objectives

- Definition-- Are the main purposes of the SHA framework for health financing adequately defined?
- Are the main proposed categories of ICHA-HF appropriate?
- Are the main proposed categories of Institutional Units for Health system appropriate?
- Are the main proposed categories of the type of Revenues appropriate?
- Are there any financial arrangements of countries that cannot be brought under any of these categories
- Which option for grouping categories is preferred?
- What is the value added of SHA2
- Suggested actions to assist Low and Middle Income countries.



SHA framework for health financing - Definition



- Health financing systems **mobilize** and **allocate** money to cover the **health needs** of the **population**, both **individually and collectively**, in the **health system**
- Each country's health financing consists of a set of sub-systems, as its main “building blocks”.



A health financing sub-system consists of a distinct body of rules concerning:

- the mode of participation in the scheme,
- the basis for entitlement for health care and
- the rules of raising and pooling revenues of the given subsystem.



Adequacy



- Are the main purposes of the SHA framework for health financing adequately defined?

Main Criteria defining the different health financing schemes

- **Mode of participation:** Automatic; Mandatory by law; mandatory by condition of employment; voluntary.
- **Basis for benefit entitlement .** An individual's entitlement to health services under a financing scheme (e.g., national health service or an insurance scheme) may be based on a public law or a contract between an insurance carrier and the individual
- **Method for raising funds:** how contributions / premiums are defined /calculated
- **Mechanism and extent of pooling and re-allocation of funds:** Degree of pooling deriving from regulation of the scheme



Appropriate for our country

- ? ● Are the main proposed categories of ICHA-HF appropriate?
- ? ● Are the main proposed categories of Institutional Units for Health system appropriate?
- ? ● Are the main proposed categories of the type of Revenues appropriate?

THE MAIN QUESTION is in the concept used to present the operation of a country health financing system of a Low and middle Income countries



Main Changes in SHA2

- The health financing sub-systems are at the centre of the accounting framework for health financing under SHA 2.0.
 - The concepts used to present the operation of a country health financing system **is not always adequate** in our country specifically when you classify Sources and Agents at the same level (and using schemes Instead of agents)

confusion between who pays and who administrate the funds

Different Role

Different Definition

Different Philosophy

might double count?

**Combining Agent
and Sources is not
adequate**



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Main Changes in SHA2

- It consisting of a set of sub-systems:
 - **Health financing schemes** (sub-systems) as the main “ *building blocks*” of a country's health financing systems ;
 - **Institutional units** acting as *financing agents* for health financing schemes (revenue-collecting agencies and purchasing agents), which execute the transactions specific to the health financing schemes;
 - **Transactions: *revenues and expenses*** of health financing schemes

Now we are talking accounting and need accountants with a policy maker

LET US LOOK AT THE PROPOSED COMPONENTS OF THE ACCOUNTING
FRAMEWORK FOR HEALTH FINANCING



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Proposed Accounting framework for health financing

Table 3. Components of the accounting framework for health financing


Classifications	
SHA 2.0	SHA 1.0 / PG / JHAQ
ICHA-HF Classification of Health Financing Schemes (or: Classification of Health Financing Sub-systems)*	ICHA-HF Classification of Health Care Financing (SHA 1.0) Classification of Financing Agents (PG) Classification of Financing Schemes / Agents (JHAQ)
ICHA-IS Classification of Institutional Units for Health Systems**	ICHA-FS Classification of Financing Sources (PG, JHAQ)
ICHA-R Classification of Revenues of Health Financing Schemes (Sub-systems)	
SHA Tables for international comparison (JHAQ)	
SHA 2.0	SHA 1.0 / PG / JHAQ
Current Health Expenditure on Health Care Providers by Health Financing schemes* (HPxHF)	Current Health Expenditure on Health Care Providers by Financing agents/schemes (HPxHF)
Health Expenditure on Functions of Health Care by Health Financing schemes (HCxHF)	Health Expenditure on Functions of Health Care by Financing agents/schemes (HCxHF)
Revenues of Health Financing schemes by Institutional Sectors of the Economy	Health Expenditure from Financing sources to Financing agents/schemes (HFxFS)
Optional tables	
SHA 2.0	SHA 1.0 / PG / JHAQ
Expenditure by health financing schemes* and financing agent	
Expenditure by function, health financing schemes* and financing agent	


Main Problem is mixing sources with agents

Classification adequate but may confuse countries

Good to add this as separate category

ICHA-HF Classification

- HF1.1 Government Health Programmes Adequate 
- HF1.2 Compulsory Social Insurance Adequate
- HF1.3 Compulsory Private Ins and MSA Adequate

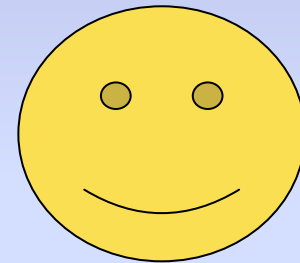
- HF2.1 Voluntary Private Scheme Adequate 
- HF2.2 NPIHP Adequate
- HF2.3 Enterprises Programmes Questions regarding Public / private Enterprises

- HF 3 Private OOP Might have Questions mixing OOP with Gvt Prog Cost Sharing and Voluntary Scheme

FS Categories that are relevant for Revenue-raising

HF x IS / FS table

- IS /FS.1. General Government
- IS/FS.1.1 Central government
- IS/FS.1.2 Regional and Municipal government
- IS/FS.1.3 All Other Public Units
- IS/FS.2 Corporations
- IS.4/FS.3 Households
- IS.5/FS.4 Non-profit institutions
- IS,6/FS.5 Rest of the World



ICHA-R Categories (Revenue-raising)

Non-earmarked revenues of Government

Social insurance contributions

1 Employee contributions

2 Employer contributions

3 Self-employed or non-employed contributions

4 Other social contributions

Grants

1 Grants from foreign governments

2 From international organizations

3 From other general government unit

Compulsory private Insurance premiums

Voluntary private Insurance premiums

Households disposable income

Other revenue

1 Property income

2 Sales of goods and services

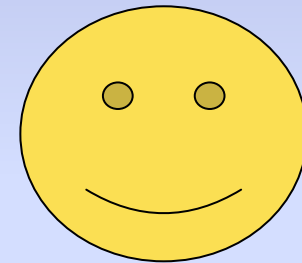
3 Voluntary transfers other than grants

3.1 Domestic

3.2 Foreign*

4 Miscellaneous and unidentified revenues

Includes remittances from family members abroad



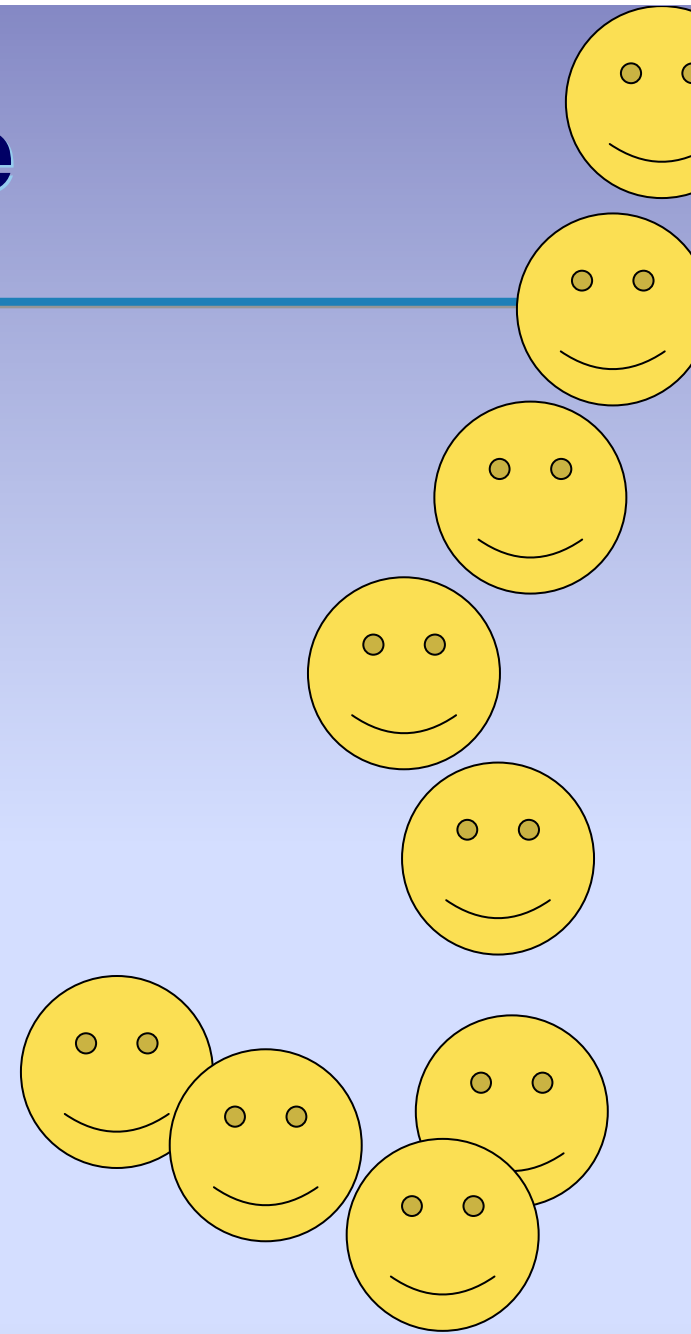
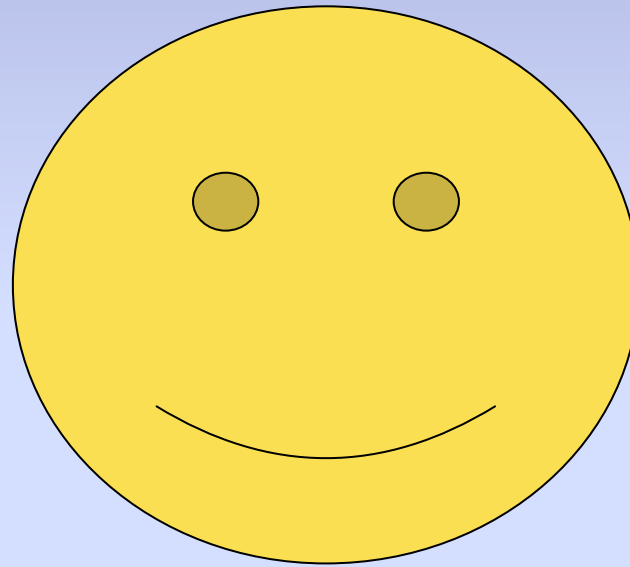
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More

- We agree that the current categories of ICHA-HF do not reflect adequately the complex and changing systems of health financing such as community insurance and Medical Saving Account.....
 - Changes made on the classification are **adequately acceptable**
- The HF x FS matrix provides aggregate information about revenue collection in the whole health care sector. There may be a **need for more in-depth information about the collection and use of resources** concerning major financing schemes separately, but that **doesn't mean to replace FS by Institutions and combine Agents and sources** (as one entity) as each belong to different layer and may overlap each other in the way SHA2 describe
- ICHA-R serve our countries and **value added** to policy purpose
- We have to make sure that in adopting the new category **not to double count.**



More and More



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