The Transition from Partial to National Health Insurance in Surinam, 1980 - 2015

11th Caribbean Conference on Health Financing Initiatives

Bonaire, 25 October 2016

REPUBLIEK SURINAME
REPUBLIC OF SURINAME

GEZONDHEID
OP ALLE BELEIDSGEBIEDEN
HEALTH IN ALL POLICIES

FOR FURTHER INFORMATION

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Agenda

- Framework National Health System Suriname

- The way forward: never waste a crisis

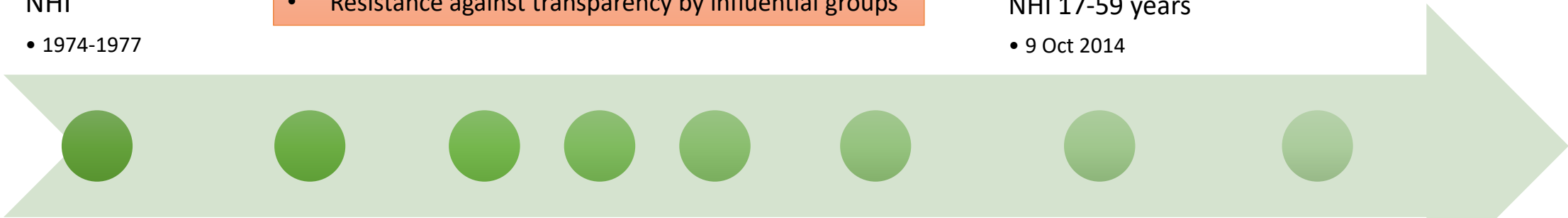
- SZF: enabler of the future

History of the NHI
Long road but it's finally there

First plans and Law for NHI
- 1974-1977

'NHI for all' not realized for decades because of:
- Doubts about affordability for society
- Resistance against transparency by influential groups

NHI 17-59 years
- 9 Oct 2014



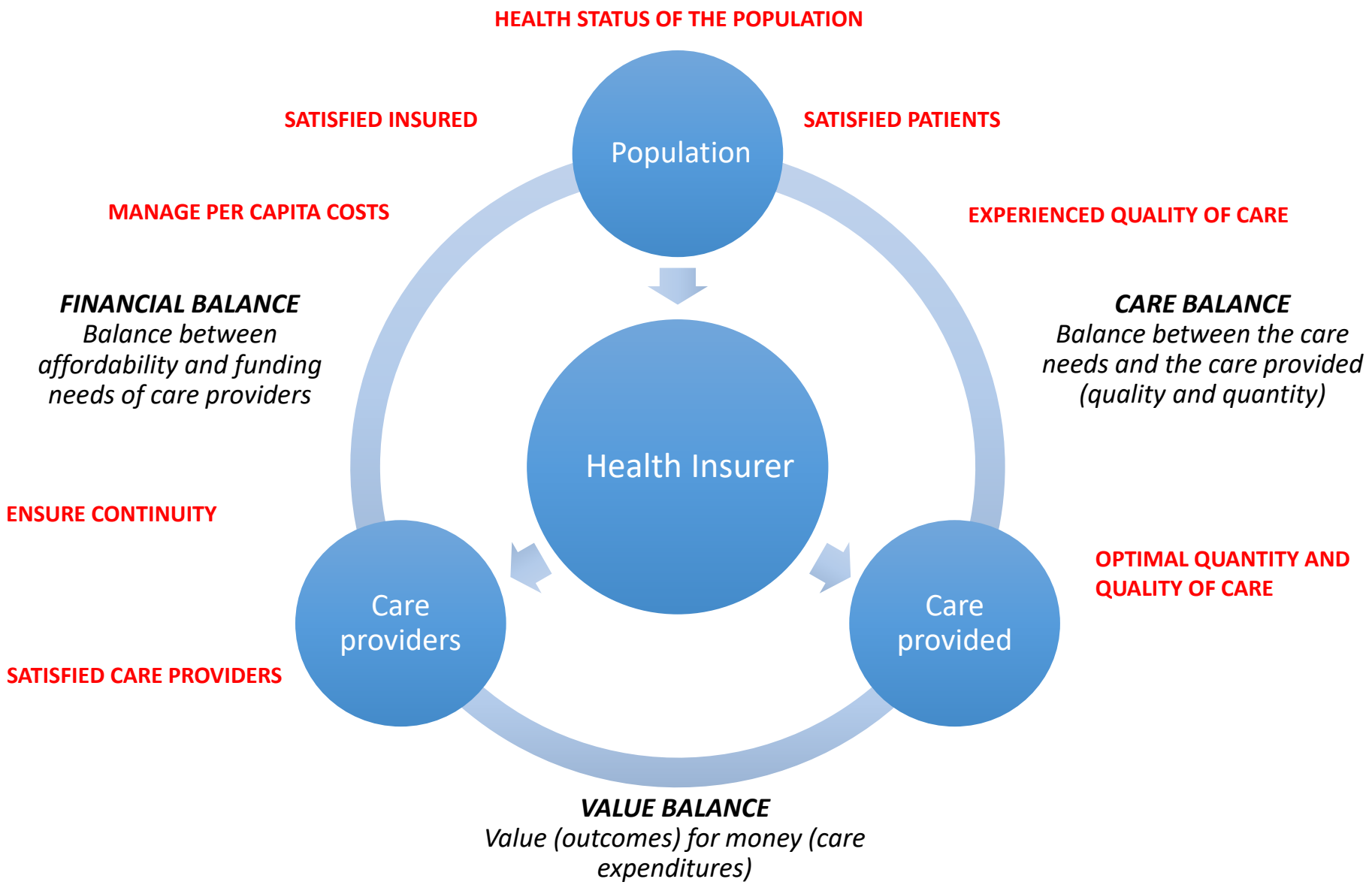
Union strikes → NHI for civil servants (SZF)
- 16 March 1981

NHI for 0-16 years and 60plus (private)
- 1 July 2013

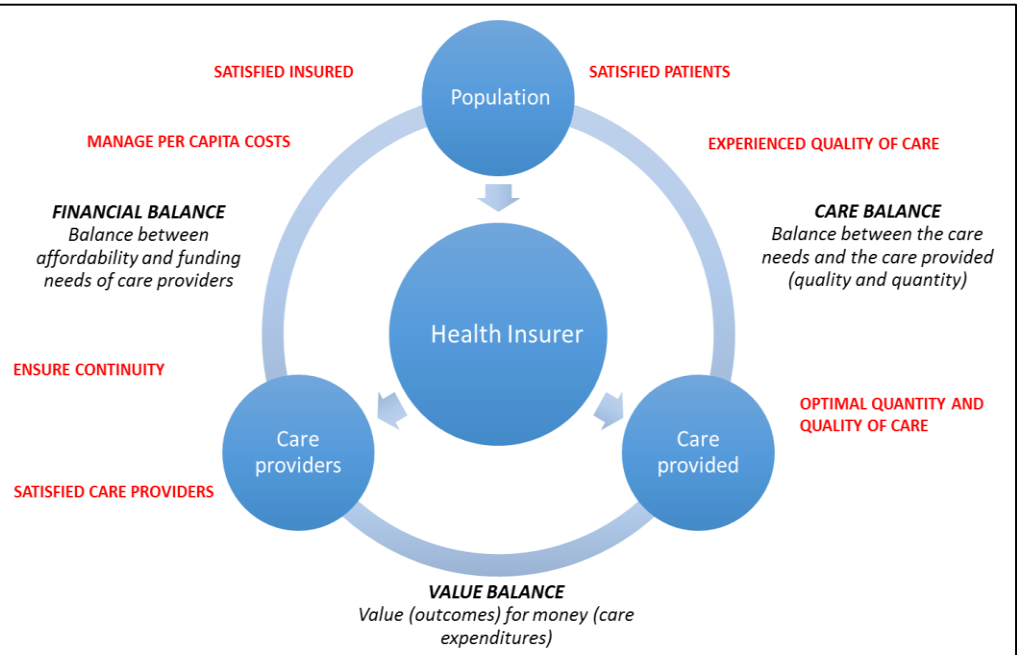
Catastrophic (financial) challenges

0-16 years and 60plus to SZF
- 1 June 2016

Framework for the NHI in 2013



Objective: a balanced care system



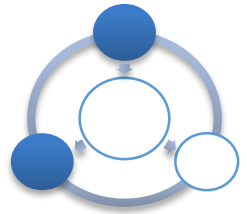
An optimal care system is balanced in 3 ways resulting in:

- The care demand of the population is fulfilled in an affordable and sustainable manner …
- By satisfied and motivated care providers …
- Which leads to an improved experience of quality of care of which continuity is guaranteed …
- To the satisfaction of insured and patients.

Conditions to realize a fully balanced care system

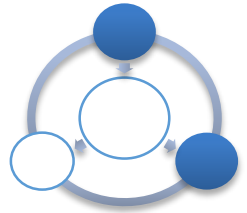
Financial Balance

1. Every citizen is insured and contributes to the health system
2. Solidarity: mandatory insurance, mandatory acceptance, premium affordable for everyone
3. Minimize overhead costs, waste and profit taking by health insurers and institutes



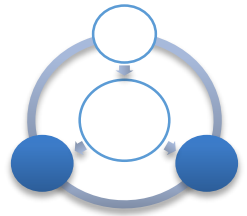
Care Balance

1. Uniform and modern package which covers all basic care needs
2. Automate care to continuously improve quality and cost effectivity of care
3. Quality systems with indicators and monitoring framework



Value Balance

1. Uniform value based reimbursement system
2. A functional structure for the care system with separation of regulatory, policy and execution



Ministerie van Volksgezondheid

The NHI Act

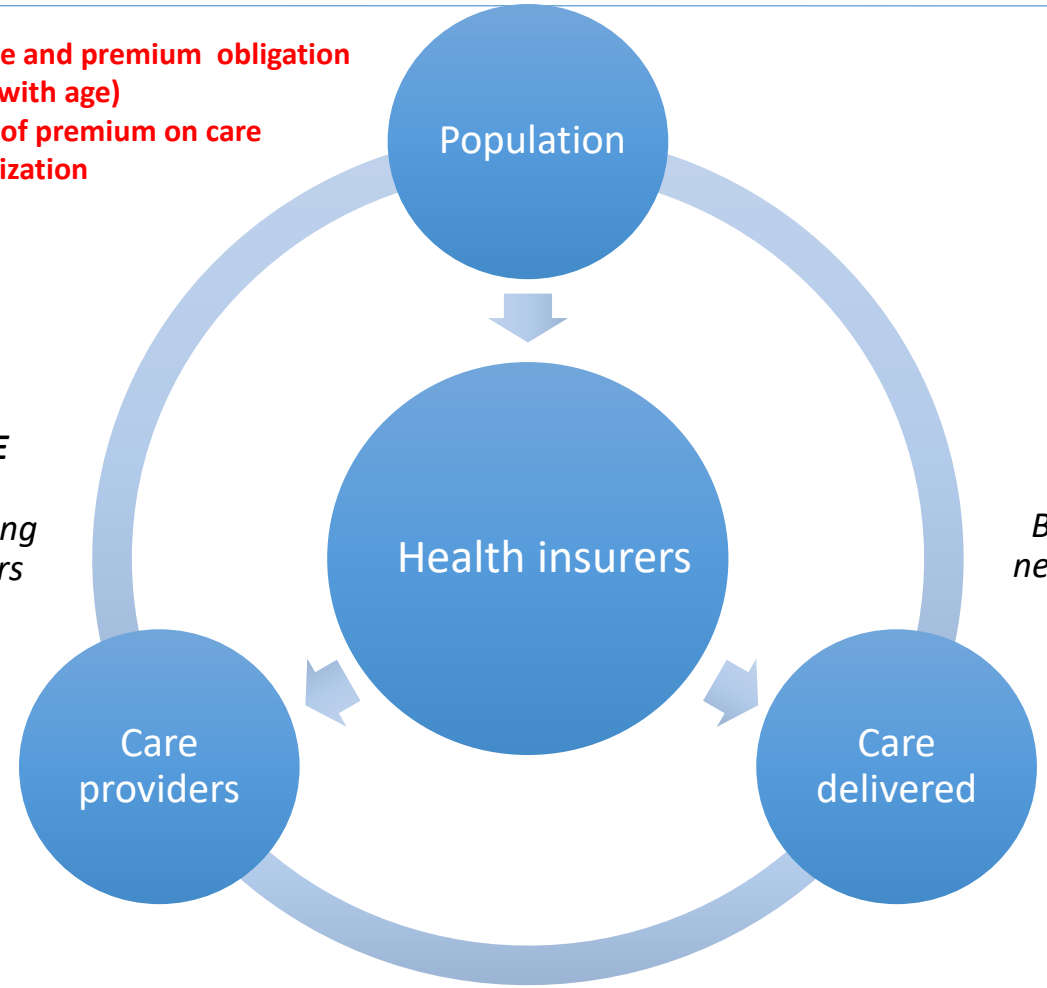
9 September 2014 (SB. 2014 no. 114)

- **No changes to the care delivery system provisioned in this Law**
  - Only changes to the health insurance system
- **Emphasis on mandatory insurance and obligations for employers and employees**
  - Employer has to pay the premium and deduct from employees salary
  - Employer has to cover at least 50% of the premium of the employee and his|her family
  - Both employer and employee share responsibilities in complying with insurance and premium obligation
- **Package might not cover all necessary care**
  - Provision for patients not able to pay their care: Loan from Health provision fund
- **Only insurance companies by law are allowed to offer NHI**
  - Mandatory acceptance | minimal basic package coverage
  - Responsible for all risks and obligations that fit with a health insurance
- **Healthcare providers have an obligation to turn in non-insured patients**
  - Normal responsibilities as far as quality, safety and cost efficiency of care is concerned
- **Important role for independent Care Council: supervision and monitoring of the NHI**
  - Care Council monitors all provisions in this Law as well as the access, quality and cost efficiency of care
  - Health insurers and care providers have the obligation to provide data for this purpose
  - Advise government about package, premiums, tariffs and quality norms and requirements

Three years later: health system still not balanced

Framework was never implemented as advised

1. **Not all people comply with insurance and premium obligation**
2. **Age discrimination (premiums rises with age)**
3. **Health Insurers spent less than 70% of premium on care**
4. **Separate entities obstruct risk equalization**

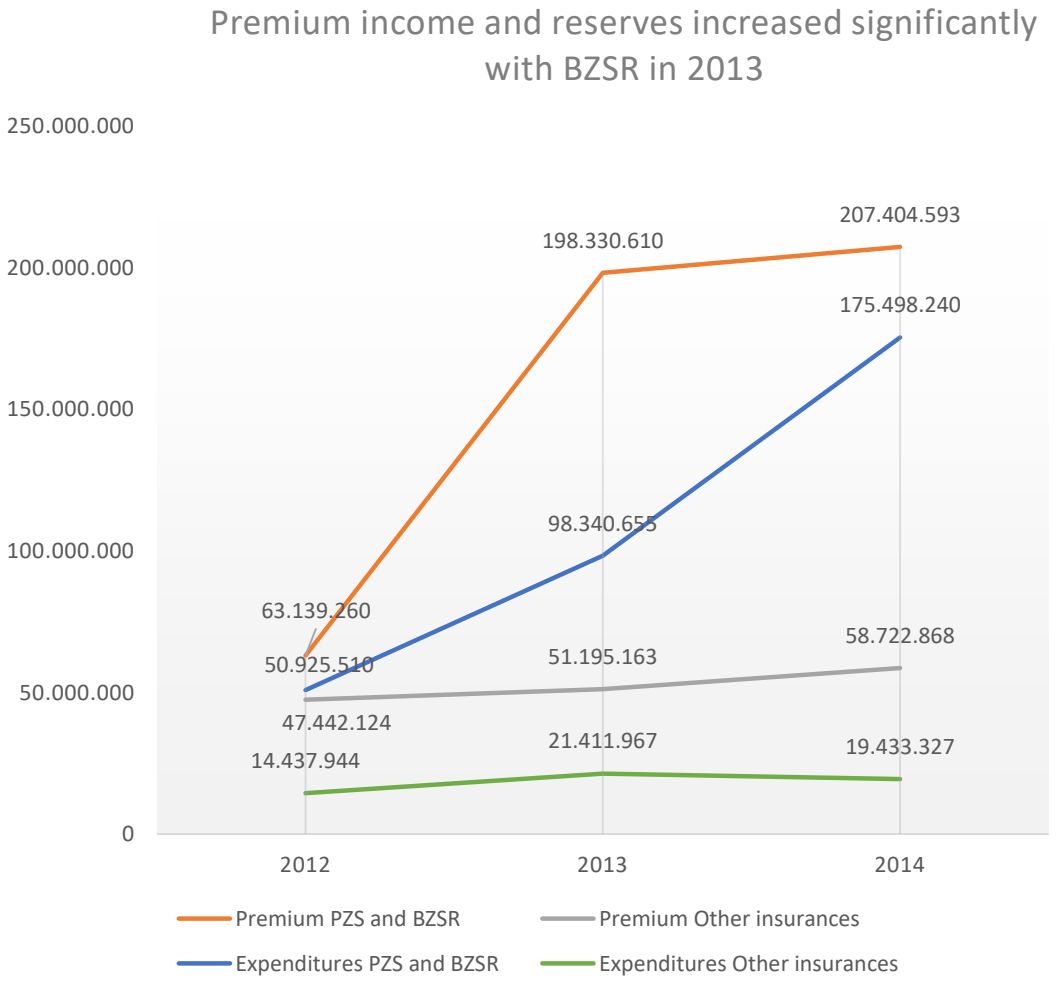


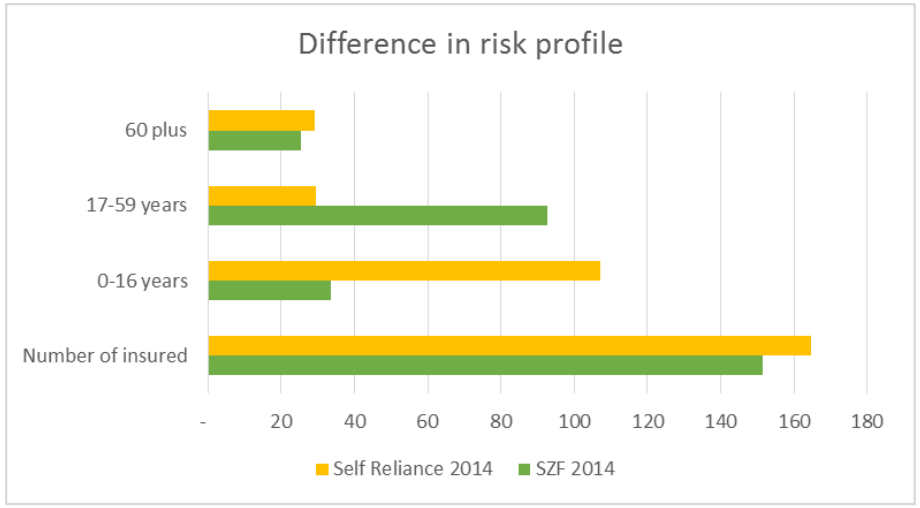
FINANCIAL BALANCE
Balance between affordability and funding needs of care providers

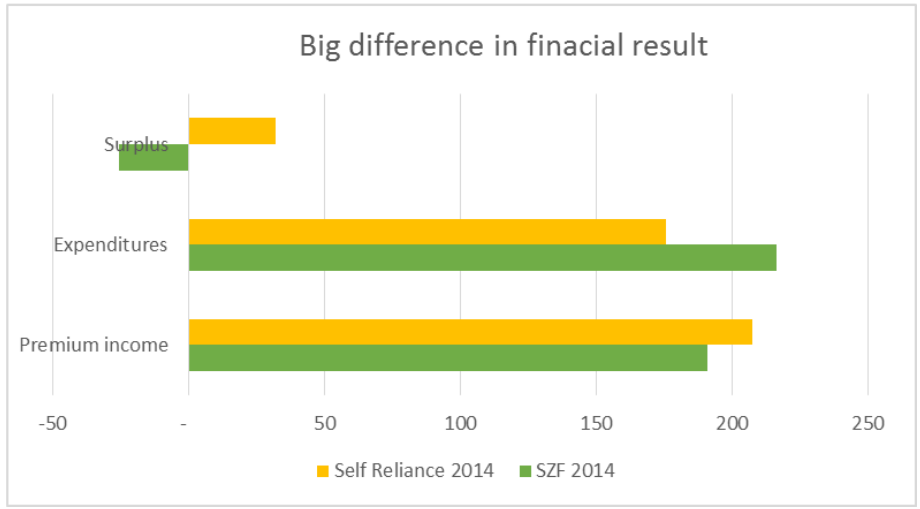
CARE BALANCE
Balance between the care needs and the care provided (quality and quantity)

VALUE BALANCE
Value (outcomes) for money (care expenditures)

Private insurer increased reserves with SRD 90 mln in 2 years … While government had to compensate SZF with the same amount







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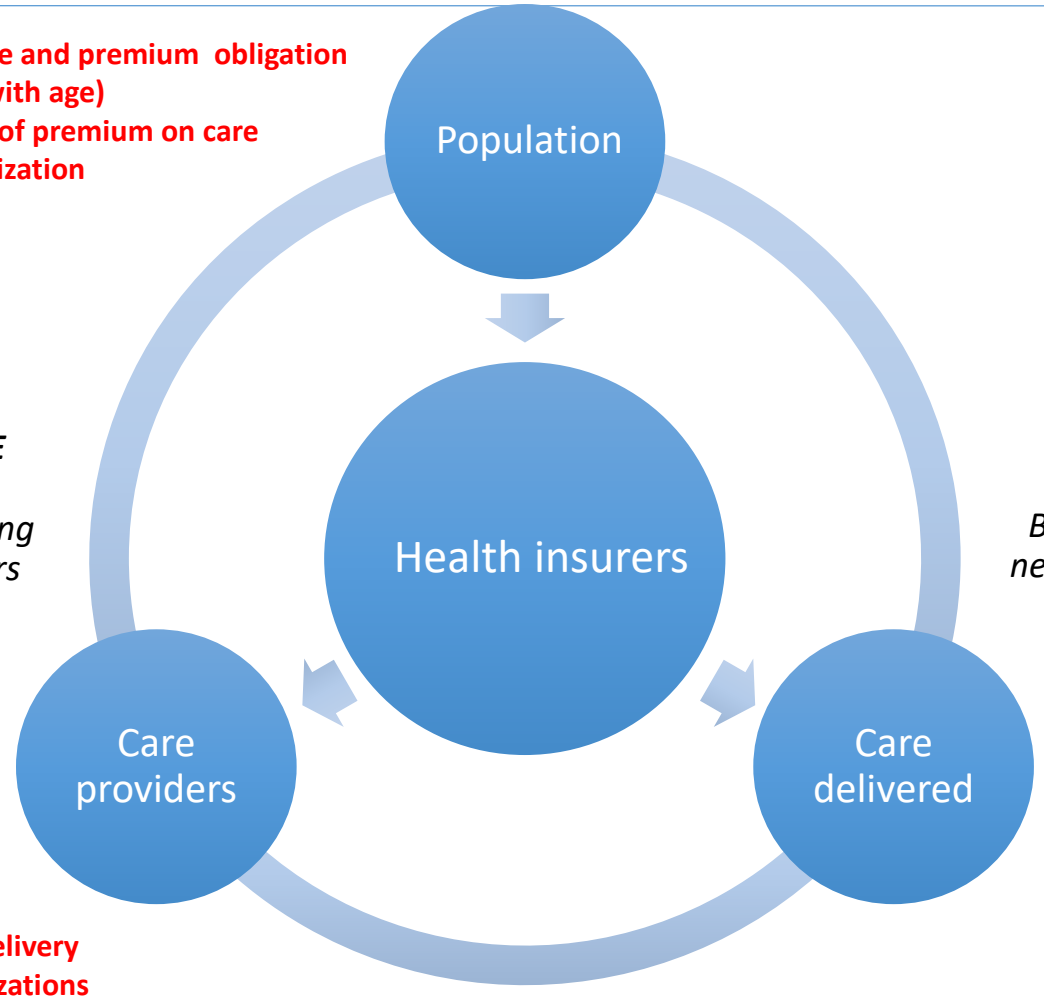

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CARE BALANCE
Balance between the care needs and the care provided (quality and quantity)

5. **Waste and inefficiencies in care delivery**
6. **Hospitals and primary care organizations cannot guarantee continuity of care because of serious financial problems**

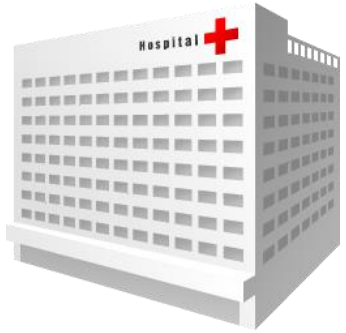
VALUE BALANCE
Value (outcomes) for money (care expenditures)

Cascading of financial shortages lead to a disaster in care system

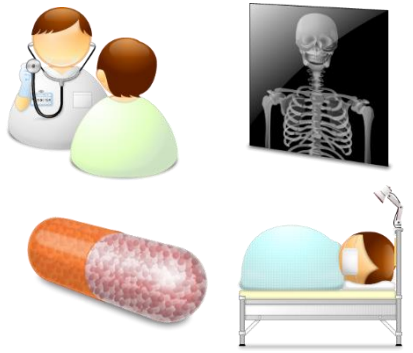
Delivery system has to be financed rather than have only their care reimbursed

Premium paid
Budget made available by the population

Premium income:
HI considers premium income as their property



HC provider budget
Availability costs and care related costs



Care delivered
HC providers pre-finance care

Care reimbursed
Care is reimbursed when invoice is compliant with HI rules

Cascading of financial shortages lead to a disaster in care system

Delivery system has to be financed rather than have only their care reimbursed

Government could not pay premium in time

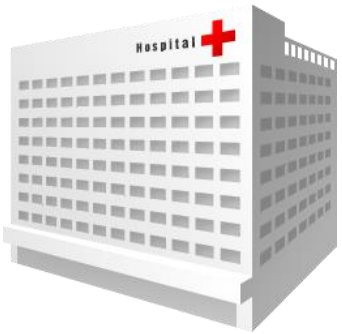
Premium paid
Budget made available by the population

Compulsory insurance → premium is public money

Premium income:
HI considers premium income as their property

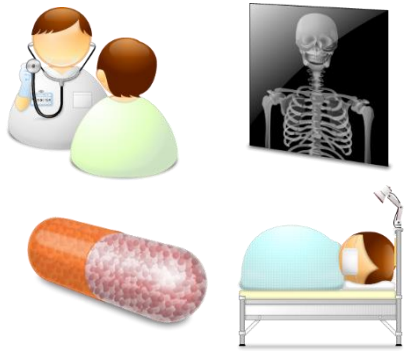
HC providers were not used to rules imposed by HI → most claims denied

Care reimbursed
Care is reimbursed when invoice is compliant with HI rules



HC provider budget
Availability costs and care related costs

Care is not financed but reimbursed



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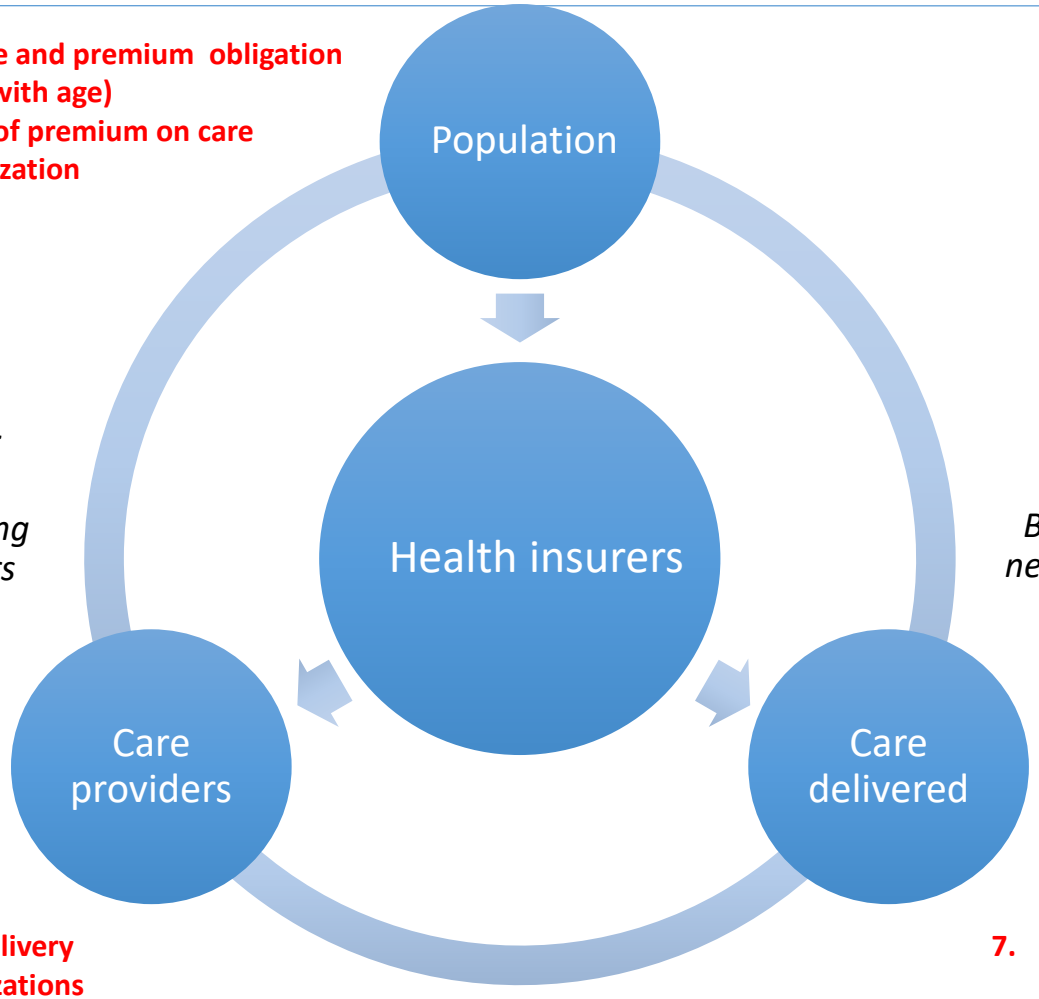

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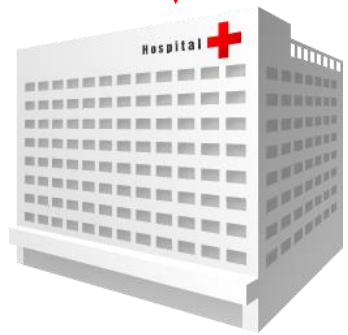
Value (outcomes) for money (care expenditures)

7. **Reimbursement system does not stimulate quality and efficiency of care**
8. **Lack of trust between HI and care providers**

Reimbursement system drives patients to secondary care

Capitation based reimbursement

Activity based reimbursement



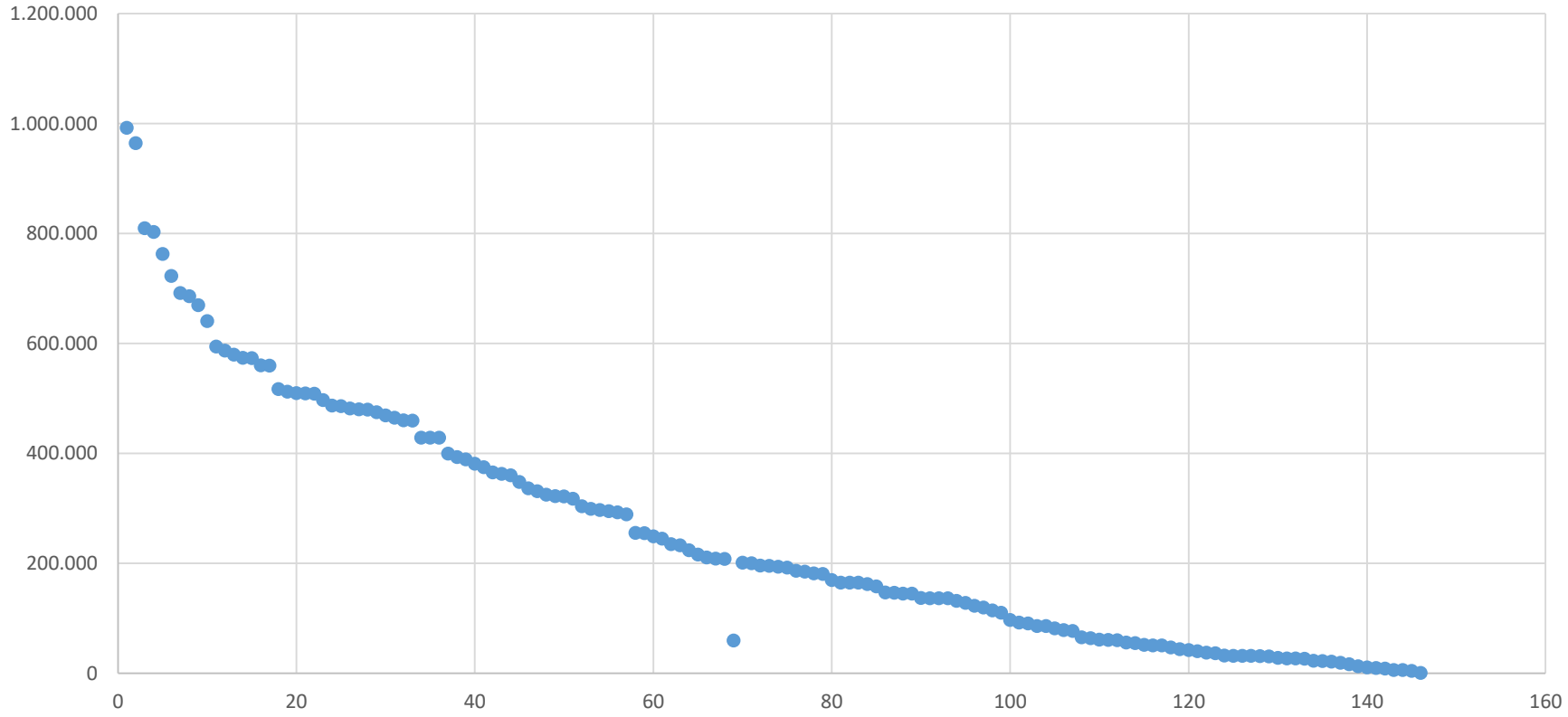
Hospital days

Only office hours and long waiting time with referrals

High pressure on ER and patients more often and long in secondary care

Differences between medical specialists obstruct uniform policies to stimulate quality and efficiency

Outpatient claims per medical specialist in 2015 (SRD)



- This is not their full income, but the total of outpatient services with 1 insurer
- It is not about what is lawful or not, but that there are major differences between the specialists:
  - Fee for service earnings vary greatly per specialist
  - Sources of income vary considerably between medical specialists

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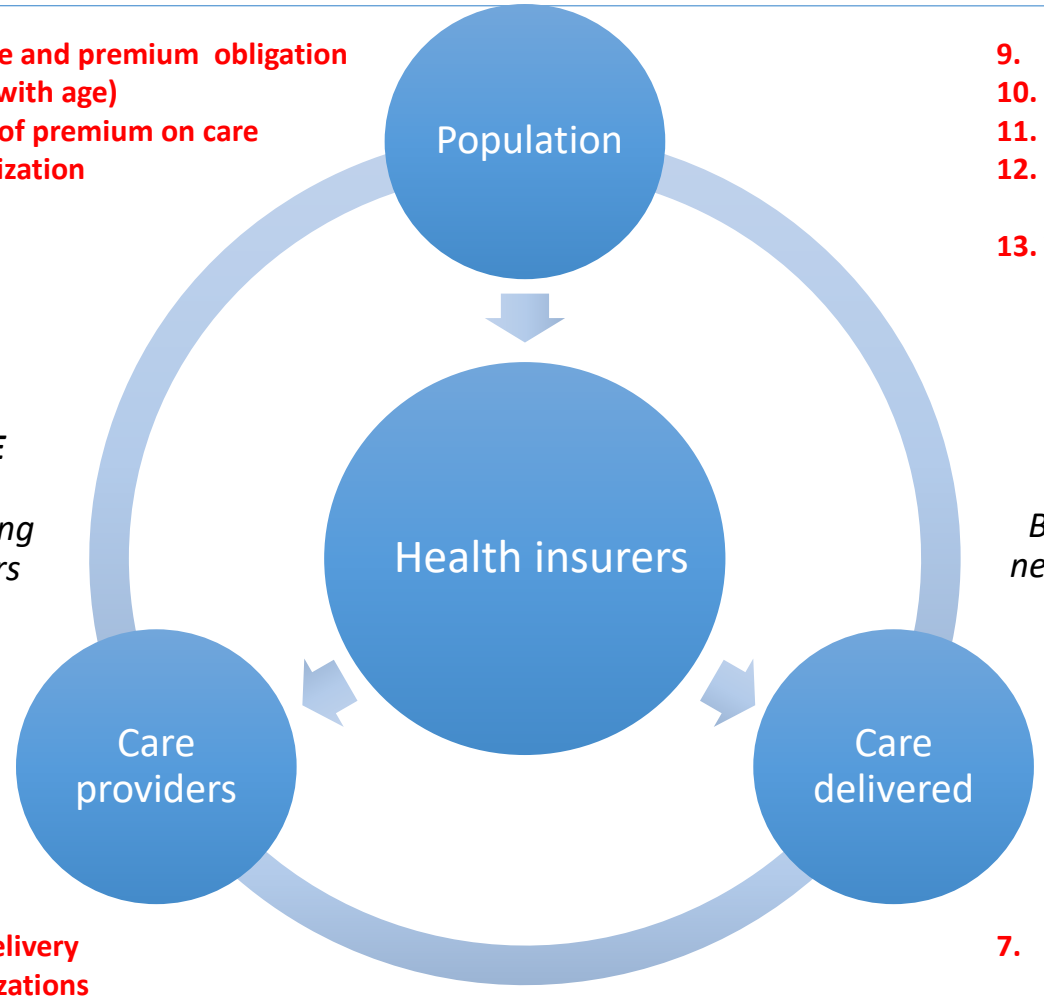

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9. **Automization HC is seriously delayed**
10. **Basic package does not cover all care needs**
11. **Unequal access to quality care**
12. **Primary Care not 24x7 | pressure on ER | secondary care fragmented in multiple ways**
13. **Too little focus on avoidable complications from NCDs**

Lessons learned

1. **NHI and for profit private insurance is a bad combination**
   - No profit | Minimize overhead costs | value based (outcome driven) evaluation

2. **NHI is not an health insurance reform – it is a health system reform**
   - Be sure that the first experiences are positive – otherwise you loose expensive buy in

3. **Develop Contribution system | reimbursement system | package integrally**
   - They are interlinked

4. **Develop the health system demand driven**
   - Clockwise in the 3 balance model

5. **Conflict model does not work**
   - Align objectives in a multistakeholder coalition – value based healthcare

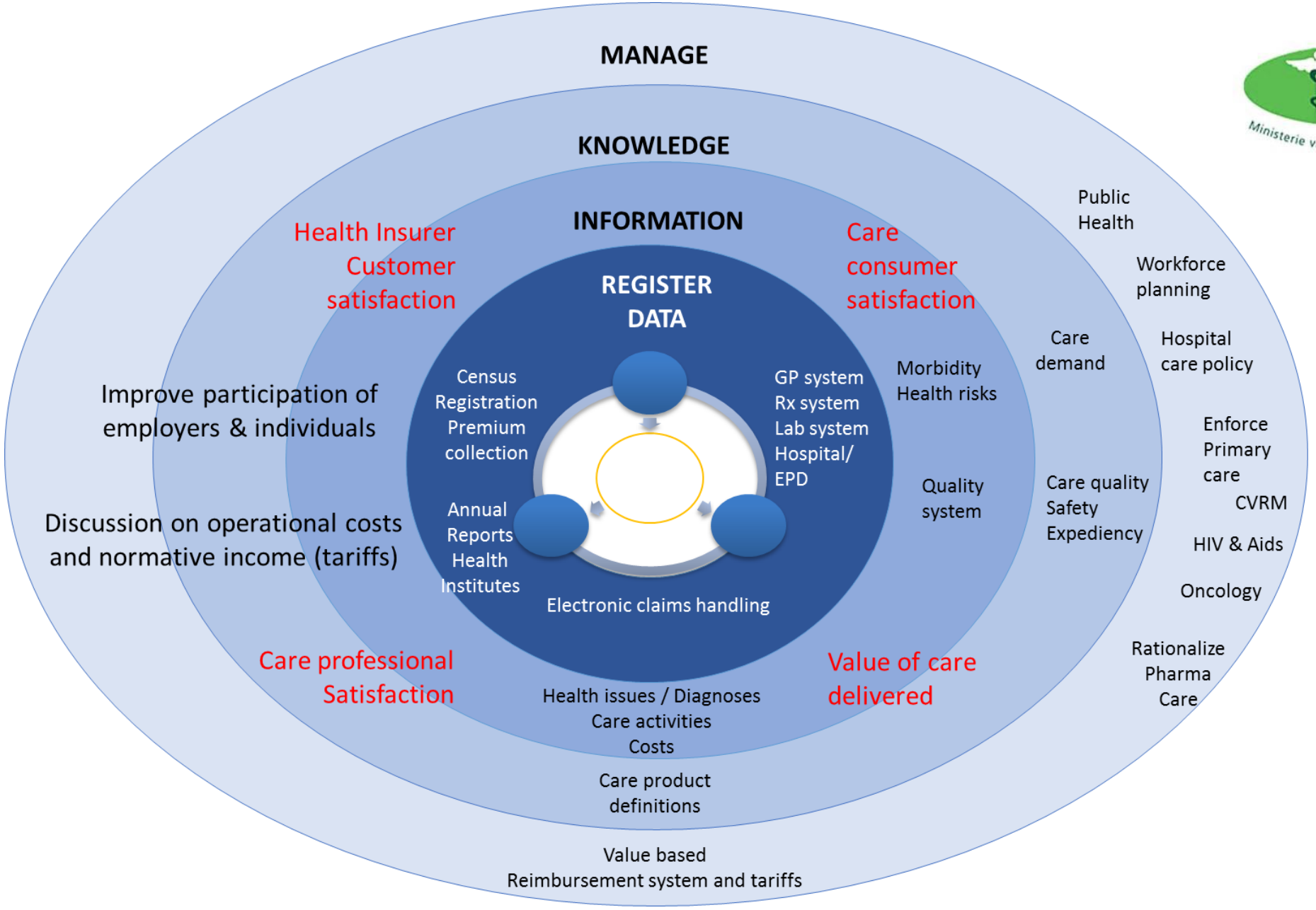
Summary

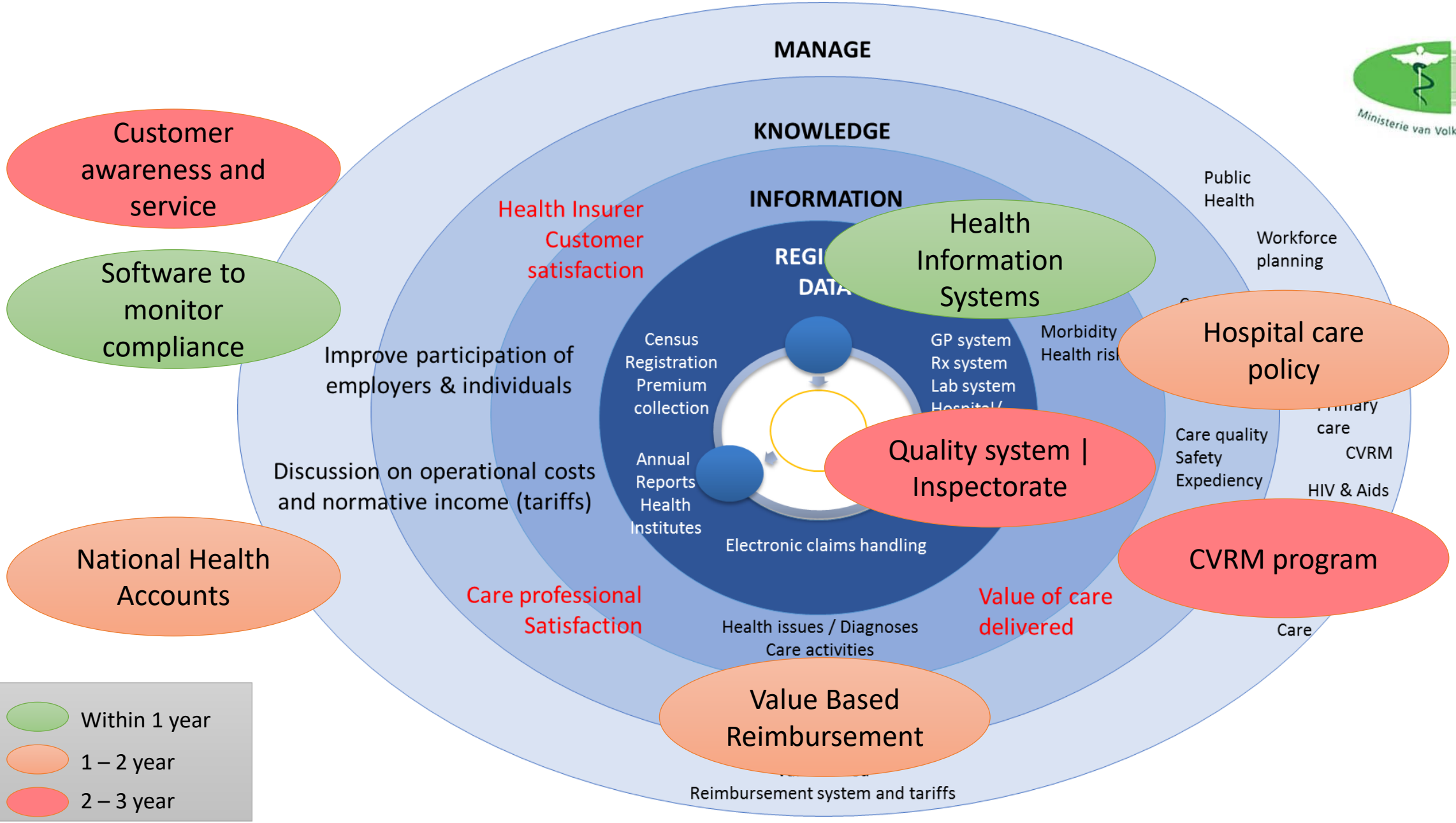
- Framework National Health System Suriname
- The way forward: never waste a crisis
- SZF: enabler of the future

Acute Interventions

1. **Transfer all persons insured by government to SZF**
   - Non-profit government agency: all money to care | manageable
   - Risk equalization
   - Scale for further health system reforms
   - SZF has fully automated insured and claims administration

2. **Alleviate financial distress hospitals to guarantee continuity of care**
   - Central procurement of medication | medical supplies | health technology
   - Take over credit lines with commercial banks


MANAGE
KNOWLEDGE
INFORMATION
REGISTER DATA
Health Insurer Customer satisfaction
Care consumer satisfaction
Improve participation of employers & individuals
Discussion on operational costs and normative income (tariffs)
Census
Registration
Premium collection
GP system
Rx system
Lab system
Hospital/ EPD
Annual Reports Health Institutes
Electronic claims handling
Morbidity Health risks
Quality system
Public Health
Workforce planning
Care demand
Hospital care policy
Enforce Primary care
CVRM
Care quality Safety Expediency
HIV & Aids
Oncology
Rationalize Pharma Care
Care professional Satisfaction
Value of care delivered
Health issues / Diagnoses
Care activities
Costs
Care product definitions
Value based
Reimbursement system and tariffs


MANAGE
KNOWLEDGE
INFORMATION
REGI
DATA
Customer awareness and service
Software to monitor compliance
National Health Accounts
Health Insurer Customer satisfaction
Improve participation of employers & individuals
Discussion on operational costs and normative income (tariffs)
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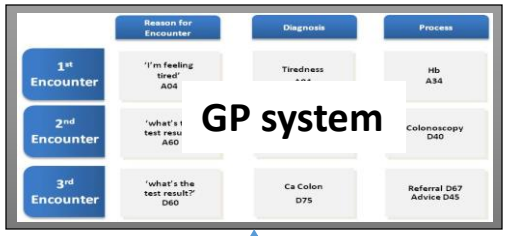
Census
Registration
Premium collection
Annual Reports Health Institutes
GP system
Rx system
Lab system
Electronic claims handling
Health issues / Diagnoses
Care activities
Reimbursement system and tariffs
Health Information Systems
Quality system | Inspectorate
Value Based Reimbursement
Public Health
Workforce planning
Morbidity
Health risk
Hospital care policy
Care quality
Safety
Expediency
Primary care
CVRM
HIV & Aids
CVRM program
Value of care delivered
Care
Within 1 year
1 – 2 year
2 – 3 year

Health Information Management System (HIMS)

Episode registration → same data serves multiple purposes



Hospital Information system / EPD

Pharmacies Laboratories

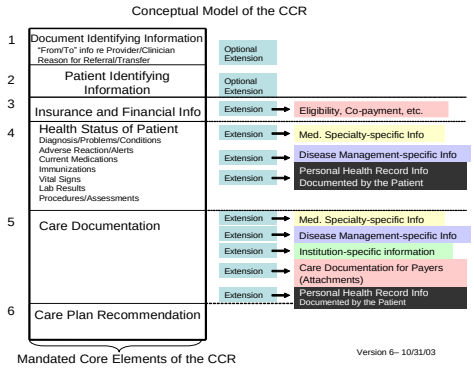
Health Insurers

eGov

Health Repository Broker

Data stores

- Cell-level secured Personal Data Stores
- Knowledge Graph-based modelling
- Meta-data Stores



R: CCR / CCD

r+: reports

Claims Processing

Electronic Claim for GP X

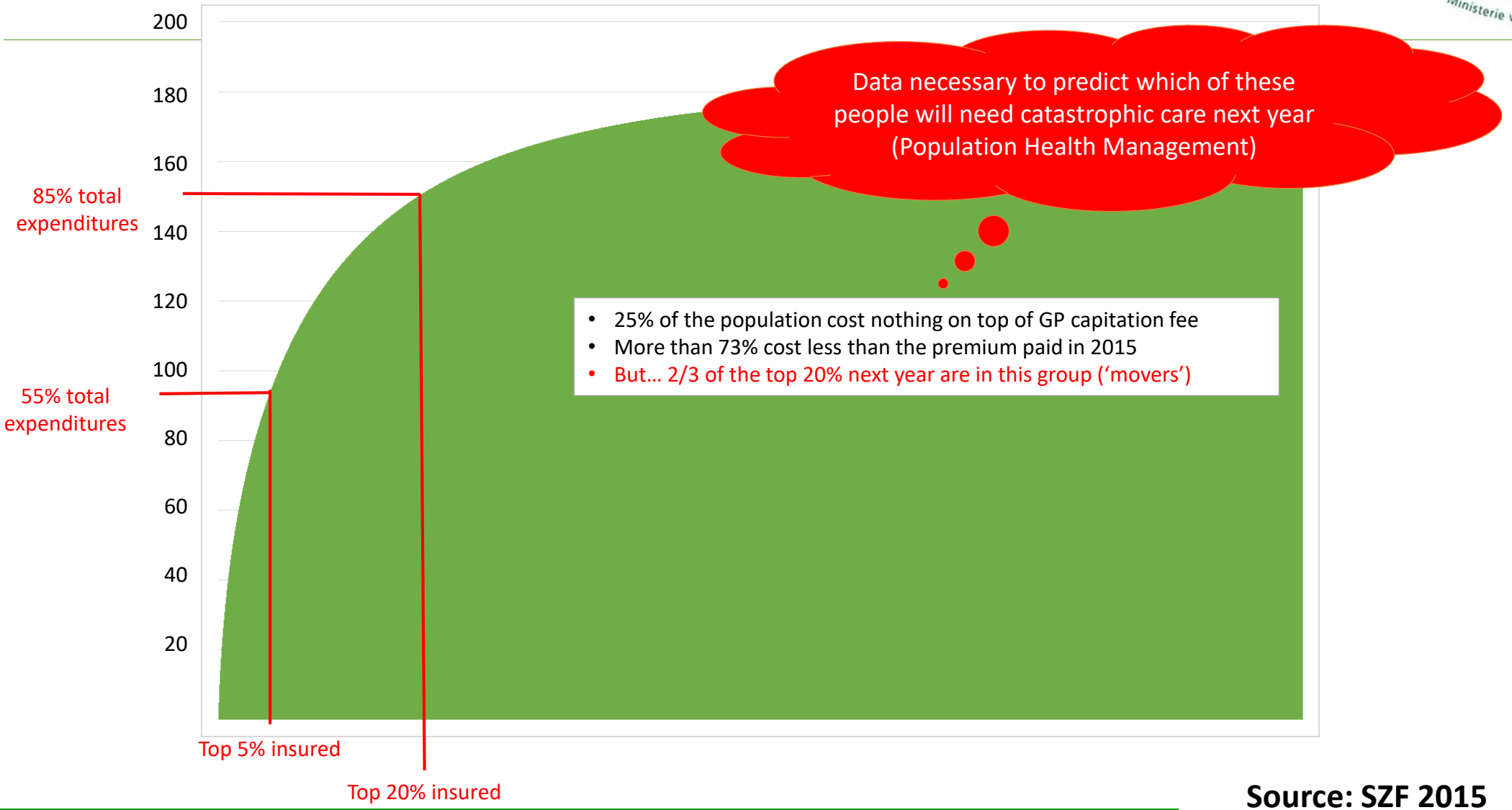
ID	Date	Consult/ Treatment	Amount
1972043090	12-04-2012	10001	39,00
1980022591	12-04-2012	10002	65,00
1980022591	10-04-2012	10001	39,00

r: claims

Types of reports

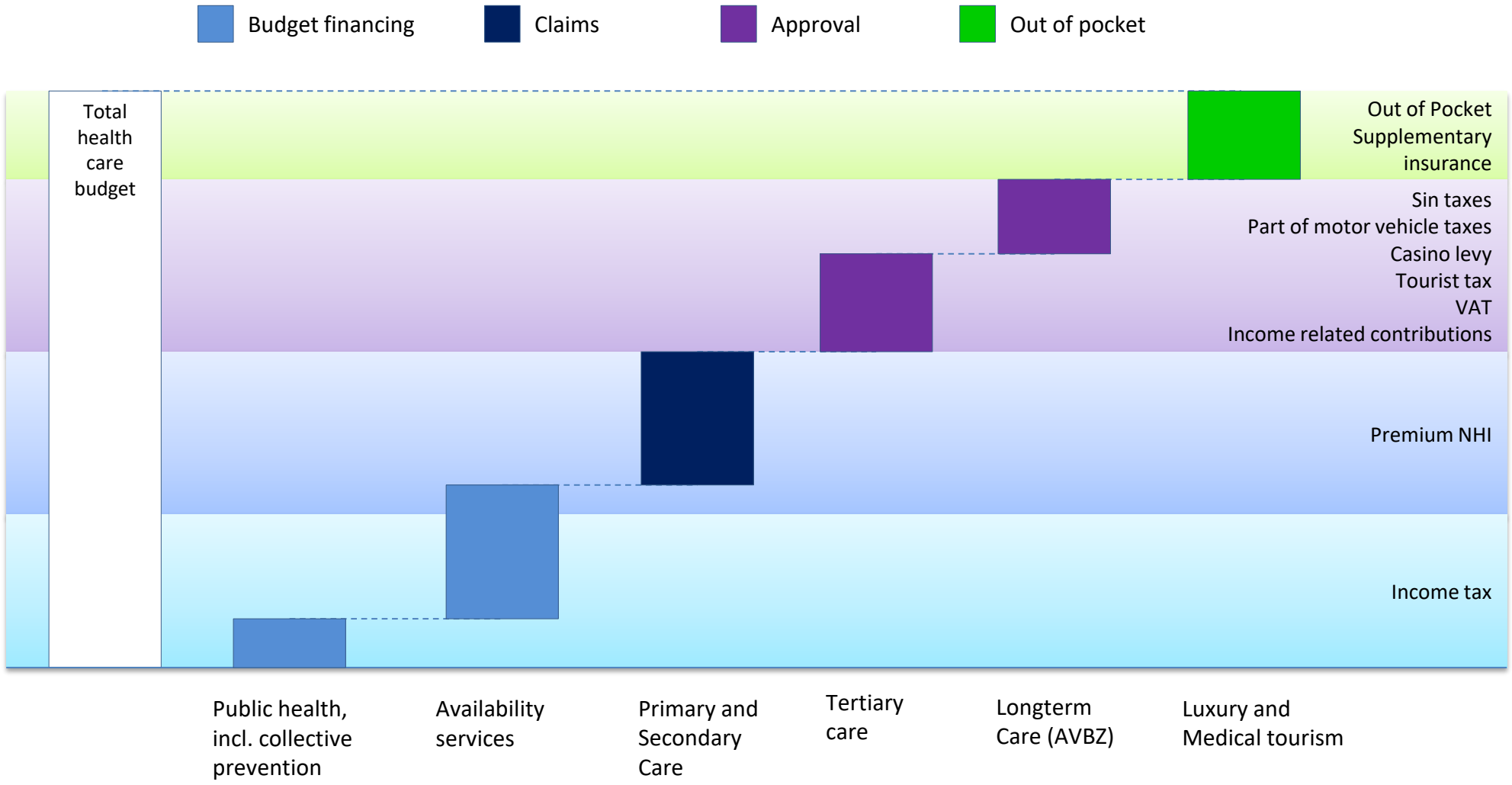
- Care product definitions
- Reimbursement and Tariff system
- National Health Accounts
- Performance improvement
- Premiums and packages

For social health insurers have to deal with the 80:20 / 5:50 rule



Source: SZF 2015

Package, contribution system and financing of healthcare are inextricably linked



Summary

- Framework National Health System Suriname
- The way forward: never waste a crisis
- SZF: enabler of the future

History of SZF

- **1974: Foundation to prepare NHI**
  - Preparing a NHI in Suriname and all that is necessary in its broadest sense to achieve this goal.

- **6 Oct 1977: First NHI Law**
  - Every citizen entitled to health care and access
  - Government responsible for the necessary facilities
  - Get the rising costs of health care under control
  - Risk mitigation: in time (savings principle) and in collectivity (solidarity principle)
  - Compulsory contribution to ability to pay
  - Provision in kind of guaranteed minimum standard package through a General Sick fund as executing body
  - Establish the necessary legislative measures and administrative structures
  - Funding: Government and Development aid from the Netherlands after independence in 1975

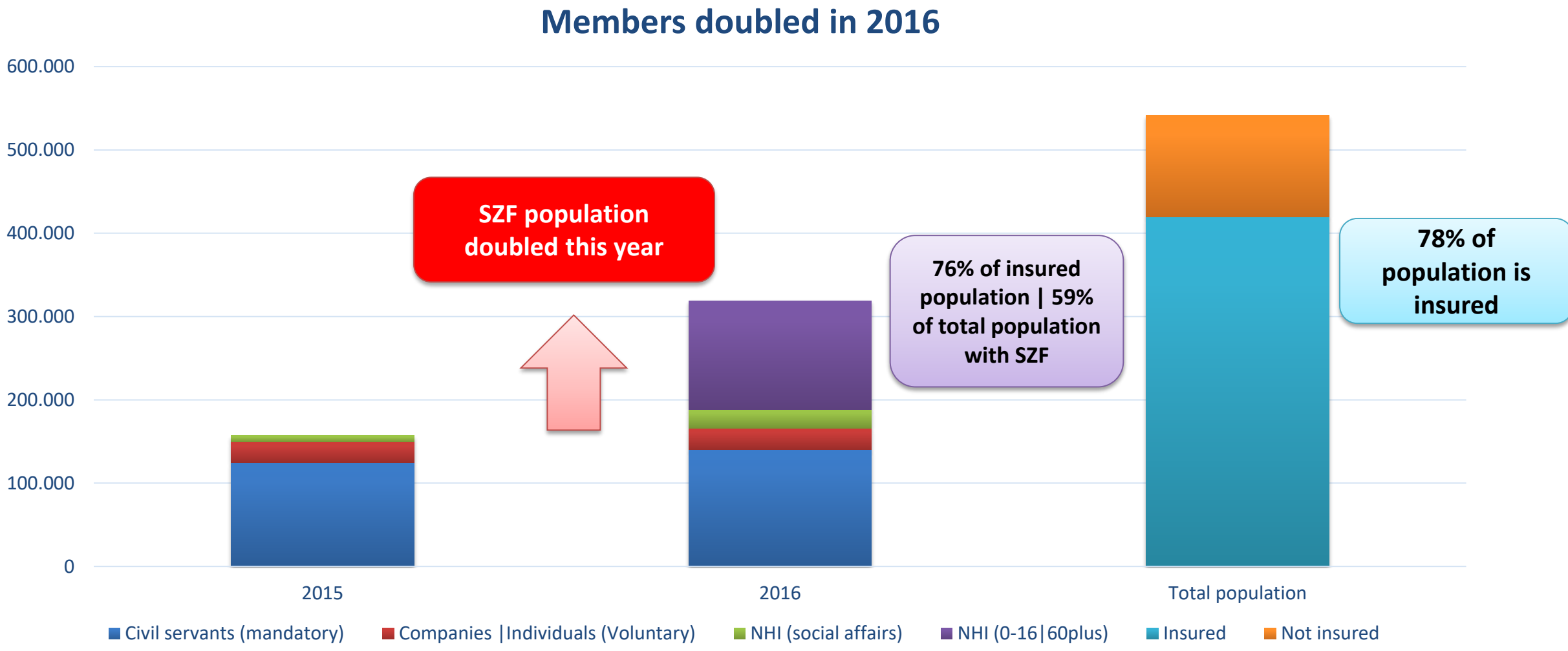
- **3 Dec 1980: Decree C-8 (SB 1980 no 120): authorizing establishment of Stichting Staatsziekenfonds (SZF)**
  - Decree C-8 overruled | replaced the NHI Law of 1977

- **16 March 1981: SZF operational**
  - Civil servants and their dependents, including the retired civil servants, were MANDATORY insured with SZF

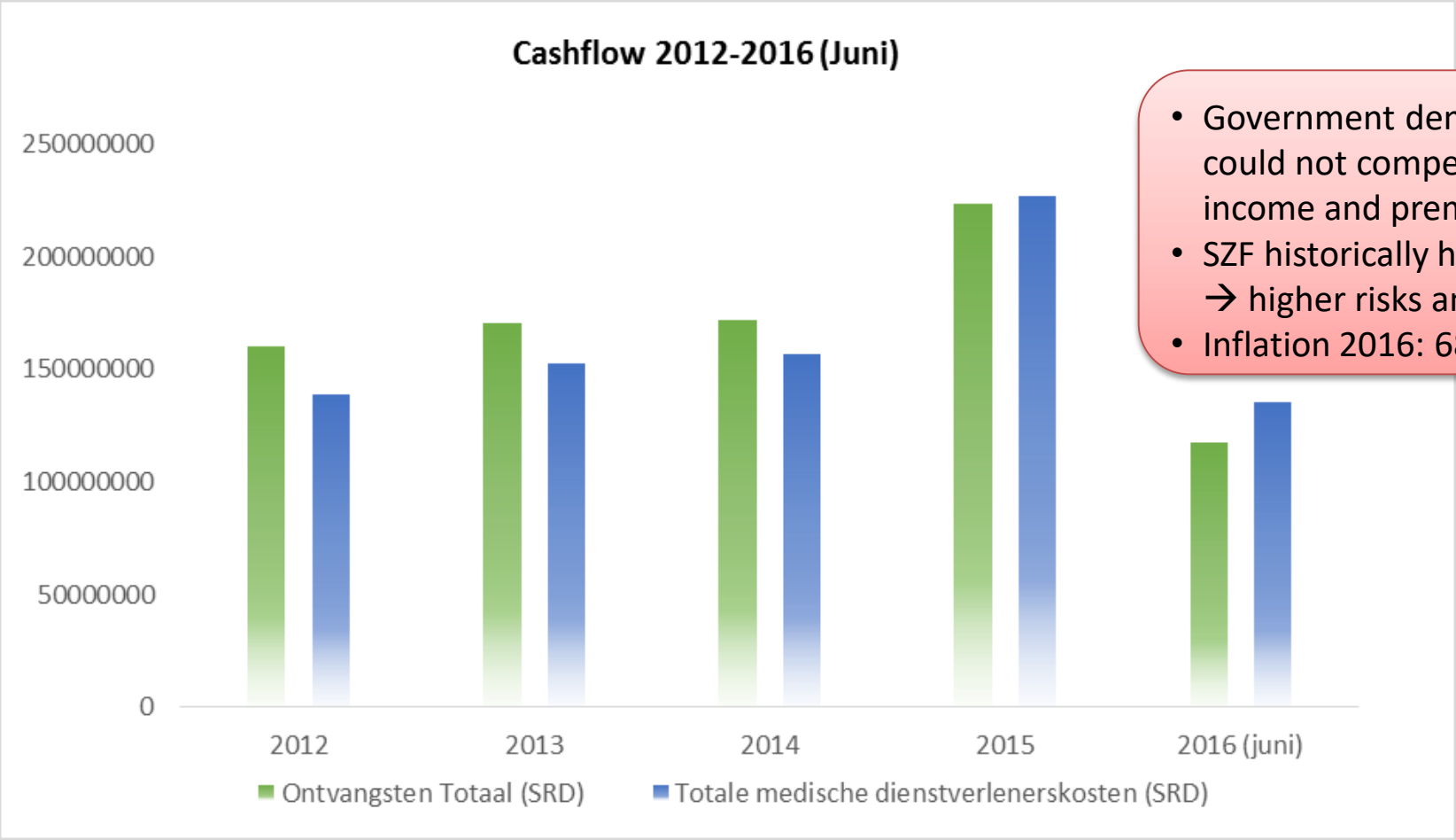
- **31 January 1989: Directive of MoH**
  - Employees of private companies (collective or individual) were allowed to VOLUNTARILY insure with SZF

76% of insured population (59% of total population) insured with SZF

Population SZF doubled this year



Cash flow is negative since 2015



- Government demanded higher tariffs, but could not compensate for the lower premium income and premium payments with delays
- SZF historically has taken care of the vulnerable → higher risks and lower returns
- Inflation 2016: 68%!

- The doubling of our population lowers the risk and increases our premium income

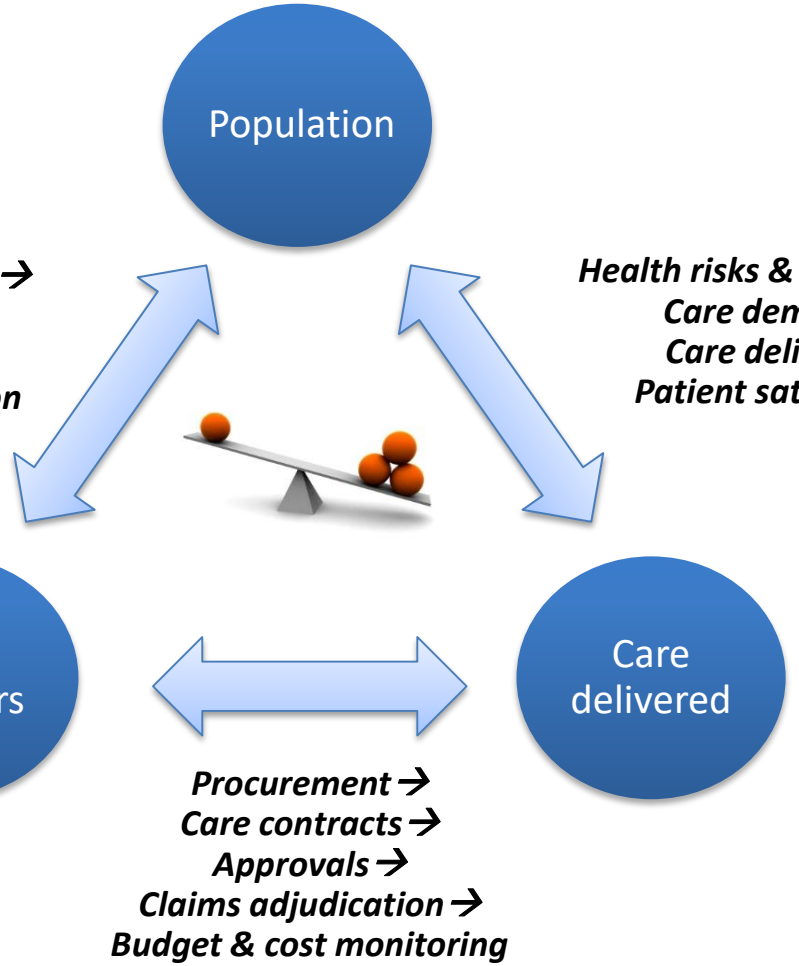
Increasing our population is not enough

We have to manage the finances and outcomes

MANAGE COSTS

Customer loyalty
Optimize levy and collection of premium

Insurance obligation →
Marketing →
Levy and collect →
Customer satisfaction



Procurement →
Care contracts →
Approvals →
Claims adjudication →
Budget & cost monitoring

OPTIMIZE OUTCOMES

Health risks & morbidity →
Care demand →
Care delivery →
Patient satisfaction

Partnership with care providers to manage quality and cost effectivity

Care Division

CREATE VALUE

eSZF

Expand our administration system with outreach modules

Customers	SZF Organization	Care providers
• Portal for companies – Insight in their employee file and premium to pay – In course of time register, change and delete	• Customer 1-view • Intranet • Budget & Cost monitor • NHI in administration system	• Portal for – Eligibility check – Overview of patients – Approvals and claims

Customer Care SZF 2.0
- Fast
- Online via portal
- Customer friendly

Service minded organization
- Fast and adequate service with customer 1-view and online interaction with customers

Optimal management
- Dashboards
- Intranet
- Document management

Support care providers
- Portal for
  - Eligibility check
  - Approvals
  - Claims

SZF units in hospitals to prevent patients from going back and forth

Also lower administrative burden because of mistakes

SERVICES IN SZF UNITS

- Information about the SZF packages
- Information about restitution (return)
- Information about the CT and MRI scan
- Submit exemption applications for specific drugs
- Requests for guarantee letters
- Get various application forms for example:
  - homecare
  - Armulov (referrals abroad)
  - Our various types of insurance
  - Dispensation of drugs
  - And all questions concerning reimbursement of treatments, medications or diagnostics