

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: AEEH

<b>TA NO./NAME:</b> 2279-MON: Strengthening Health Insurance			<b>TA AMOUNT APPROVED:</b> \$500,000		
			<b>REVISED AMOUNT:</b>		
<b>EXECUTING AGENCY:</b> Ministry of Health (MOH)			<b>TA AMOUNT UNDISB.:</b> \$192,097 <sup>1</sup>	<b>TA AMOUNT UTILIZED:</b> \$307,903 <sup>1</sup>	
<b>DATE:</b>	<b>APPROVAL:</b> 29 December 1994	<b>SIGNING:</b> 16 March 1995	<b>FIELD:</b> 28 August 1995	<b>CLOSING :</b> <b>ORIGINAL:</b> March 1996 <b>ACTUAL:</b> 30 June 1996 <sup>2</sup>	

### Background and Rationale

Health insurance is an important element in encouraging private health care. Insurance shares the financial risks and burdens of illness across a population group and protects the ill, particularly the poor, from the adverse financial impacts of seeking care in the case of illness. When implemented through a compulsory national program, a health insurance scheme provides opportunities for cost containment and improving equity of access to care. Mongolia implemented a largely compulsory national health insurance scheme in 1994 as one of a number of health sector reforms aimed at increasing non-tax financing, rationalizing services, improving quality, and lowering costs. Originally implemented by the MOH, the scheme was merged into the social insurance system administered by the State Social Insurance General Office (SSIGO) in the end of December 1995. The Government requested assistance from the Bank in building national capacity for improving the policy framework and implementation of the scheme, and in effecting a smooth transition from MOH to SSIGO.

### TA Objectives and Scope

The general objective of the TA was to strengthen the national health insurance scheme. The scope of the TA comprised three basic elements: (i) resolution of technical issues and improved accountability; (ii) special studies on the impacts of health insurance on the poor, and (iii) successful merger of the independent health insurance scheme into the integrated social insurance system.

### TA Inputs Evaluation

The Bank selected the TA Consultants from a shortlist of qualified bidders because of the innovativeness of its proposal and the experience of proposed personnel. The Consultant provided international and local consulting services to review health insurance policies, organizational set-up, actuarial data, poverty impacts, and information systems; organized study tours to the Republic of Korea, Philippines and Thailand to review and debate health insurance issues; trained health insurance and social insurance administrators in management and health insurance principals; procured and installed office equipment and trained staff as needed to establish a health insurance group in the MOH; and increased computerization and accountability of the health insurance system through systems development, training and hardware procurement. The Consultant satisfactorily implemented the TA as planned. The Bank participated in inception, mid-project and final tripartite reviews.

### TA Outputs Evaluation

MOH implemented Project recommendations on changing organizational culture and systems during the Project. Recommendations for longer-term, more fundamental changes needed to improve accountability, remove wrong incentives favoring hospital based treatment, and support development of the private sector were concurred in during the final tripartite meeting. A plan for implementing these recommendations and persons responsible was developed as a result of the final meeting. The Consultant completed special studies required to determine the impacts of the scheme on the poor but were unable to draw conclusions due to the poor quality of available data. The Consultant was instrumental in a smooth transition of the scheme to the integrated social insurance system. The TA observations and recommendations were useful inputs for PPTA 2414-MON: Health Sector Development Project. The Minister of Health and the Chair of SSIGO appreciated the high-quality assistance provided by the Consultant.

### TA Overall Assessment/Rating

The TA was successfully implemented. Recommendations were timely to meet the needs of the Government in proposing further reforms of the health sector and of the Bank in formulating the proposed Health Sector Development Program. Results of the TA strengthened the Bank's policy dialog with the Government on increased accountability, mobilization of resources for the sector and expansion of private public partnerships for social services.

<sup>1</sup> Balance as of 31 October 1996; the amount is tentative and subject to the closing of TA account.

<sup>2</sup> Awaiting submission of final billing from the Consultant.

**Major Lessons Learned**

The TA supported specialist consulting services on an intermittent basis. However, it was clear during inception that on-going continuous support would be needed to insure Project activities progressed smoothly. Adequate financing was available to finance the local consultants throughout the Project period. Availability of consultant staff improved Project implementation, supported MOH in developing the health insurance scheme, and allowed greater oversight of the merger with social insurance. Joint selection of local consultants by the Bank, the MOH and the consulting firm from candidates interviewed during inception was a successful means of harnessing local talent.

**Follow-up Actions and Recommendations**

National health insurance is an important element of social protection as Mongolia privatizes many elements of the former communist health system. SSIGO and MOH need support for further developing institutional capacities in health insurance as the nascent program matures. The proposed Health Sector Development Program under preparation and TA 2731-MON: Administrative Reform of Social Insurance should target support to the extent possible.

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