



Technical Assistance

TAR: PAK 37359

# Technical Assistance to the Islamic Republic of Pakistan for the Developing Social Health Insurance Project

July 2005

Asian Development Bank

## CURRENCY EQUIVALENTS

(as of 7 July 2005)

Currency Unit	–	Pakistan rupee/s (PRe/PRs)
PRe1.00	=	\$0.017
\$1.00	=	PRs59.58

## ABBREVIATIONS

ADB	–	Asian Development Bank
GOP	-	Government of Pakistan
NGO	–	nongovernment organization
NWFP	–	North-West Frontier Province
TA	–	technical assistance
TWG	–	technical working group

## TECHNICAL ASSISTANCE CLASSIFICATION

<b>Targeting Classification</b>	–	Targeted intervention
<b>Sector</b>	–	Health, nutrition, and social protection
<b>Subsector</b>	–	Social protection
<b>Theme</b>	–	Inclusive social development, gender and development
<b>Subtheme</b>	–	Human development

## NOTES

- (i) The fiscal year (FY) of the Government ends on 30 June.
- (ii) In this report, "\$" refers to US dollars.

This report was prepared by A. Weber.

## I. INTRODUCTION

1. In September 2001, the Asian Development Bank (ADB) approved its social protection strategy,<sup>1</sup> covering five areas identified by ADB as main target areas of social protection: (i) labor markets, (ii) social insurance, (iii) social assistance, (iv) micro- and area-based schemes, and (v) child protection. The Government of Pakistan's (GOP) poverty reduction strategy paper gives high priority to improving social protection. ADB is assisting the federal and provincial governments in various areas of social protection. In August 2003, ADB approved technical assistance (TA) to develop the social protection strategy,<sup>2</sup> which had a component on health insurance—an integral part of social protection.

2. ADB's country strategy program for Pakistan (2004–2006) foresees for 2005 a TA for social health insurance.<sup>3</sup> The TA will build on the results of the study mentioned above, which laid out the general framework for social health insurance in Pakistan, while this planned TA will focus on the elaboration of a concept for one province.

3. ADB conducted a Fact-Finding Mission on 7–16 February 2005. The Mission met with government federal and provincial officials and stakeholders (in the North-West Frontier Province [NWFP], Punjab, and Sindh) and reached an understanding with the provincial government of Punjab on the TA goals, purpose, scope, implementation arrangements, costs, financing arrangements, and terms of reference for the consulting services. The design and monitoring framework is in Appendix 1.

## II. ISSUES

4. With a population of 149 million growing by 1.9% per year, Pakistan is ranked 138 of 173 countries covered by the United Nations Development Programme (UNDP) human development index. It falls under "low human development."

5. Average growth of gross domestic product (GDP) was 4.6% in the 1990s, against 6.5% in the 1980s. Over the last four years, economic growth has increased robustly, from 5.1% in FY2003 to 6.4% in FY2004, and jumping to 8.3% in FY2005.<sup>4</sup> However, growth has not always led to poverty reduction. Periods of high economic growth have witnessed declines in poverty, as in the 1980s, but also increases, as in the 1960s. Periods of low economic growth have seen poverty sharply increase, as in the 1990s, but also fall, as in the 1970s.<sup>5</sup> Poverty was around 32% in 2001 (latest figure available).

6. Even though there is much need for it, social protection is limited in all five areas identified by the ADB social protection strategy. To help the poor, however, the federal and provincial governments, nongovernment organizations (NGOs), and the private sector are (i) improving governance in public sector institutions, (ii) creating jobs and income-generating opportunities, (iii) strengthening social safety net systems, and (iv) improving access to basic services.

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<sup>1</sup> ADB. 2001. *Social Protection Strategy*. Manila.

<sup>2</sup> ADB. 2003. *Technical Assistance to Pakistan for Preparing the Social Protection Strategy Development Study*. Manila.

<sup>3</sup> The TA amounting to \$350,000 first appeared in *ADB Business Opportunities* (internet edition) on 4 February 2005.

<sup>4</sup> ADB. April 2005. *Pakistan Economic Update*. Islamabad. See also Rashid Amjad. April 2005. *An Employment Strategy for Poverty Reduction in Pakistan*. Islamabad.

<sup>5</sup> ADB. 2002. *Poverty in Pakistan: Issues, Causes, and Institutional Responses*. Manila.

7. Total expenditure on social protection represents around 2% of GDP, of which 90% is on social insurance and health care for selected groups, 5.3% of the poor receive some form of social protection, and around 10.0% of total social expenditure goes to the poor.

8. Formal social security systems are restricted to civil servants, the army, the police, as well as some formal sector enterprises (with five or more employees). These schemes cover less than 3% of the total employed labor force. There are hardly any informal, traditional, community-based insurance arrangements (for example micro-insurance). There is also a gender and rural-urban bias in social protection schemes.

9. One major pillar of any social protection network is access to free or affordable health care. Major health incidents, especially those of catastrophic dimensions, may aggravate households' poverty or even bankrupt families. "The development of the private health sector is also constrained by the low level of development of the health insurance industry. The lack of access to health insurance poses a major problem for the financing of care for catastrophic episodes of illness and injuries."<sup>6</sup> Risk pooling, for example through health insurance, may prevent households from falling into poverty, and those who are already poor will have the chance to get access to better health services. Health insurance thus greatly helps reduce and prevent poverty. Even when health insurance does not pay for services, it can negotiate prices for health care and thus make the costs of services more transparent. At several levels, health insurance became an issue in Pakistan. The federal Ministry of Health is discussing how else to extend coverage of health insurance. The government of Punjab has installed a task force to look into the feasibility of providing health insurance for more people. Interest in the subject is thus increasing.

10. In general, public health expenditure is very low in Pakistan (3.5% of the public budget is spent on health, and public health expenditure is 0.7% of GDP). National public expenditure on health is \$4 per capita, while total expenditure on health is \$18 per capita. This shows the high share of private health care spending, including by households, which accounts for 75.6% of health care expenditure.<sup>7</sup> Social health insurance covers only 5% of the population but represents about 40% of federal and provincial governments spending on health.

11. The health care financing system consists of three alternative protection schemes, where health insurance still represents a small segment. The public has access to the public system financed by the federal and provincial governments. Public health care facilities comprise basic health units, rural health centers, and public hospitals. Although public health care is supposed to be free, problems encountered are (i) frequent unofficial charges, (ii) lack of drugs and supplies (which have to be bought outside by the patients), and (iii) absenteeism of staff.

12. Employees in the formal sector are covered by the social security health insurance system (Employees Social Security Institution). The formal sector includes employees of private companies with a minimum number of employees (the number differs by province, from 5 to 10) and their families. These social security institutions operate health facilities at the province level. With many facilities in rented buildings and the better ones in newly built facilities owned by the social security institutions, the quality of the facilities varies but is better than in the public sector.

13. Private insurance companies also offer health insurance. Despite the high cost, private insurance companies have filled a market segment purchasing and providing quality health care

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<sup>6</sup> World Bank. 1998. *Concept Paper on a Microinsurance Pilot Project in NWFP*. Washington, DC.

<sup>7</sup> World Health Organization. 2005. *WHO Statistical Information System*. Available <http://www.who.int/whosis>.

mainly as an employee benefit for private companies, because federal and provincial governments health services are so poor. Group health insurance is offered by seven insurance companies, and individual health insurance by one insurance company (Allianz EFU). Because of the high expense, large companies self-insure or provide their own medical facilities for employees.

14. The poor receive some assistance mainly financed by two autonomous institutions—the Zakat fund<sup>8</sup> (\$133 million disbursed in 2003) and Bait-UI-Maal<sup>9</sup> (\$38 million disbursed in 2003). The Zakat fund supports hospitals, which, in turn, help the eligible poor. Bait-UI-Maal reimburses claims to those who have applied for assistance and are found to be eligible. Both funds, however, can only serve a small portion of the 50 million poor.

15. Those who do not avail themselves of health insurance or of the two funds, and do not want to use public providers because of their low quality, have to buy health care from private providers (doctors, dentists, clinics, hospitals, and pharmacies) or from the many traditional healers and quacks, especially in the rural areas. Even the poor frequently use private providers, which explains the high share of health expenditure from private households.

16. Social health insurance covering most of the population is a new concept in Pakistan, which requires major assistance and a lot of awareness raising, capacity building, and institutional development. So far, not much assistance has been given to the federal or provincial governments in the sector.

- (i) The World Bank has tried to support health insurance pilots in NWFP and Punjab (\$1 million) in 2004, but these have been canceled. The Japan Social Development Fund withdrew its funding because the project was not initiated on time as implementing NGOs could not solve their problems on ownership of the insurance.
- (ii) German Agency for Technical Cooperation (Deutsche Gesellschaft für Technische Zusammenarbeit [GTZ]) mainly provides TA to the provincial government of NWFP to finance health care.

17. The government of Punjab has made major efforts to study the possibility and feasibility of health insurance, elaborating on how to extend health insurance to the poor through federal or provincial government subsidies as well as on how to cover public servants.

18. Social health insurance is a concept developed in European industrialized countries and covers the whole population against financial losses due to illness and accidents. The concept has also been adapted to newly industrialized and developing countries. The People's Republic of China, the Republic of Korea, the Philippines, Mongolia, and Viet Nam have developed social health insurance schemes. Their experiences can serve as a model for Pakistan.

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<sup>8</sup> Zakat is a state-based option for Muslims to meet their charitable obligations through a deduction once a year at the rate of 2.5 per cent on the value of certain financial assets.

<sup>9</sup> Pakistan Bait-ul-Mal is a semi-autonomous organization within the Ministry of Women Development, Welfare and Special Education. Unlike Zakat, Bait-ul-Mal benefits are open to all regardless of creed. Also, unlike Zakat, the funds are entirely controlled by public servants.

### III. THE TECHNICAL ASSISTANCE

#### A. Impact and Outcome

19. The TA's impact is the improved capability of the population to cope with the costs of health care. The TA is in line with the poverty reduction strategy paper and with ADB's social protection strategy.

20. The outcome will be a detailed proposal to the provincial government of Punjab for a comprehensive and coordinated design of a social health insurance for Punjab. Punjab was chosen (though NWFP and Sindh were also interested) because initial preparations have already been made and its ownership of the plan is strong. The plan will include (i) target groups; (ii) benefits of the insurance; (iii) possible target districts for the planned health insurance; (iv) identification of needs for administrative and institutional development with a special focus on possible links to existing institutions; (v) a financial plan; (vi) possible involvement of the provincial government of Punjab, development partners, and ADB; (vii) an overview of service providers and their link to the health insurance; (viii) terms of reference for consulting services and other inputs needed to set up the health insurance; (ix) identification of legal arrangements; and (x) assessment of the economic viability and financial sustainability of a proposed health insurance scheme. The consultants will provide the provincial government of Punjab and ADB with a technical background report with the design of the health insurance and measures and resources to implement it.

#### B. Methodology and Key Activities

21. The TA will help the provincial government of Punjab design a health insurance for Punjab. Tentative activities and components needed to set up a health insurance are in Appendix 2. The TA will

- (i) identify target groups and their needs in consultation with the provincial government of Punjab, stakeholders, and communities;
- (ii) identify needs to review, revise, amend, and develop existing health insurance and health care arrangements, including legal arrangements;
- (iii) assess the environment and the available infrastructure for health insurance;
- (iv) assess results of and lessons learned from other projects and activities going on in Pakistan and in countries where health insurance schemes were recently created;
- (v) conduct intensive stakeholder, federal and the provincial government of Punjab, and external funding agency consultations to get maximum support for the health insurance, and conduct focus group discussions in the communities to assess problems and the preparedness for the concept of health insurance;
- (vi) finalize a technical report describing in detail the proposed health insurance arrangements, including target groups, benefits, administrative arrangements, relationships to providers, costs, and financing; and
- (vii) based on the health insurance design, describe activities and components needed to implement the health insurance and, in consultation with the provincial government of Punjab, identify districts where the insurance can be piloted.

### **C. Cost and Financing**

22. The total cost of the TA is estimated at \$440,000 equivalent, of which \$196,000 will be foreign currency cost, and \$244,000 equivalent will be local currency cost. ADB will finance \$350,000 equivalent, which will include the entire foreign currency cost and \$154,000 equivalent in local currency costs. The remaining \$90,000 equivalent will be contributed by the provincial government of Punjab and will include office accommodation, counterpart staff remuneration, surveys, and workshops. The TA will be financed on a grant basis by ADB's TA funding program. The detailed cost estimates and financing plan are in Appendix 3. The federal and provincial governments have been informed that approval of the TA does not commit ADB to finance any ensuing project.

### **D. Implementation Arrangements**

23. The Executing Agency for the TA will be the Department of Health in Punjab, led by the secretary of health. A steering committee, headed by the secretary of health will be created. Members of the steering committee will be representatives from the Department of Finance, Planning and Development Board, Department of Labor, Department of Social Welfare, as well as from the federal Ministry of Health. The steering committee will meet at least three times. The consulting team and the steering committee will be assisted by a technical working group (TWG). The main task of the TWG (Appendix 4) is to serve as a critical partner in reviewing the outputs, give advice on optimizing the results, and support the project in specific areas.

24. The TA will be carried out over six months, from September 2005 to February 2006. It will have a total input of 26 person-months of consultancy: 7 person-months of international and 19 person-months of domestic services. The consulting team will include as international consultants a social health insurance planning specialist and team leader (5 person-months), and an actuary (2 person-months); and as domestic consultants, a health sector specialist and deputy team leader (5 person-months), a financial analyst (4 person-months), a legal specialist (4 person-months), a community development and gender specialist (3 person-months), and a poverty analyst (3 person-months).

25. All consultants will be recruited through a firm using simplified technical proposals. The consultants will be engaged by ADB in accordance with the *Guidelines on the Use of Consultants by Asian Development Bank and Its Borrowers* and other arrangements satisfactory to ADB for the engagement of domestic consultants. Quality- and cost-based selection will be used to select consultants. A project director from the Department of Health will coordinate the other government agencies.

26. The consultants will submit (i) an inception report, no later than 2 weeks after fielding of the consultants; (ii) a draft final report, 5 months after inception, on which the provincial government of Punjab and ADB will comment; and (iii) a final report, within 2 weeks after receiving comments from the review. The consulting team will be prepared to answer questions that may arise after submission of the final report. The outline terms of reference are in Appendix 4.

## **IV. THE PRESIDENT'S DECISION**

27. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$350,000 on a grant basis to the Government of Pakistan for the Developing Social Health Insurance Project, and hereby reports this action to the Board.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets/Indicators	Data Sources/Reporting Mechanisms	Assumptions and Risks
<b>Impact</b> Improved capability of the population to cope with the costs of health care	Provincial government of Punjab decision to implement health insurance in Punjab	Provincial government of Punjab decisions	<b>Assumptions:</b> <ul style="list-style-type: none"> <li>• Provincial government of Punjab ownership</li> <li>• Provincial government of Punjab implements the planned health insurance</li> </ul>
<b>Outcome</b> Health insurance design and feasibility study agreed on by the provincial government of Punjab and ADB	Memorandum of understanding signed by the provincial government of Punjab and ADB during the review mission in February 2006	Memorandum of understanding	<b>Assumptions:</b> <ul style="list-style-type: none"> <li>• ADB and the provincial government of Punjab agree on the design</li> <li>• The provincial government of Punjab and stakeholders continue to be interested in the subject</li> <li>•</li> </ul>
<b>Outputs</b> <ol style="list-style-type: none"> <li>1. Technical assessment of target groups, service infrastructure, and existing insurance products</li> <li>2. Main features of the pilot health insurance, including target groups, benefits, contributions and financing, and administration have been designed and agreed on with stakeholders, especially with the Government. Existing government of Punjab plans have been taken into account</li> <li>3. Target districts have been identified, assessed, and agreed on with the provincial government of Punjab</li> <li>4. Activities and components have been identified, which are necessary to implement the proposed pilot health insurance schemes</li> </ol>	Technical assessment report finalized 3 months after inception  Draft design and implementation framework agreed on 5 months after inception  Draft final technical report containing health insurance design and project design submitted to provincial gov Punjab and ADB by January 2006	Reports	<b>Assumption:</b> <ul style="list-style-type: none"> <li>• Effective stakeholder participation and ownership developed</li> </ul> <b>Risks:</b> <ul style="list-style-type: none"> <li>• Restricted availability and access to information and provincial government of Punjab personnel</li> <li>• Restricted access to geographical sites</li> </ul>
<b>Activities with Milestones</b>			<b>Inputs</b>
<ol style="list-style-type: none"> <li>1.1. Identify target groups and their needs in consultation with provincial government of Punjab, stakeholders, and communities (2 months after inception)</li> <li>1.2. Assess the environment and the available infrastructure for health insurance (2 months after inception)</li> <li>1.3. Assess results of and lessons learned from other projects and activities going on in Pakistan and in countries where health insurance schemes were recently created (3 months after inception)</li> </ol>			Two international (7 person-months) and five domestic (19 person-months) specialists  Foreign exchange cost of \$196,000 and \$244,000 equivalent of the local currency cost

<p>1.4. Review existing studies made for the government of Punjab. Review existing concepts of the government of Punjab for a general health insurance, especially for the poor, and discuss them (1 month after inception)</p> <p>2.1. Conduct intensive stakeholder consultations to get maximum support for the health insurance. Conduct focus group discussions in the communities to assess problems and the preparedness for the concept of health insurance. (3 months after inception)</p> <p>2.2. Based on the findings, identify activities and components to prepare the design of the social health insurance (within 4 months after inception)</p> <p>2.3. Finalize a draft technical report describing in detail the proposed health insurance arrangements, including target groups, benefits, administrative arrangements, relationships to providers, costs, and financing (4 months after inception)</p>	
<p>3.1. Visit possible target districts for a pilot health insurance scheme (4 months after inception)</p> <p>3.2. Discuss and agree on possible pilot districts with the provincial government of Punjab and stakeholders (4 months after inception)</p>	
<p>4.1. Determine measures and resources needed to implement the proposed health insurance scheme (within 5 months after inception)</p> <p>4.2. Identify needs to review, revise, amend, and develop existing health insurance and health care arrangements, including legal arrangements in view of the proposed health insurance design (4 months after inception)</p> <p>4.3. Carry out social and poverty assessment (within 5 months after inception)</p> <p>4.4. Carry out financial and economic analysis (within 5 month after inception)</p> <p>4.5. Carry out institutional analysis (within 5 months after inception)</p> <p>4.6. Finalize a proposed implementation design and monitoring framework and report (within 5 months after inception)</p>	

ADB = Asian Development Bank, TA = technical assistance.

## TENTATIVE ACTIVITIES AND COMPONENTS OF A HEALTH INSURANCE PILOT PROJECT

1. Intensive policy dialogue on
  - (i) how to include public and private providers in the health insurance;
  - (ii) whether to introduce user fees in public providers, and if so;
  - (iii) how to improve quality in public facilities;
  - (iv) how to subsidize the insurance premiums of the poor; and
  - (v) how to involve the communities.
2. Technical assistance to
  - (i) develop a benefit package;
  - (ii) develop federal and provincial government regulations (e.g., introduction of official user fees in government health care facilities);
  - (iii) conduct an actuarial assessment of the health insurance, calculate the premium;
  - (iv) develop administrative procedures;
  - (v) develop administrative forms and manuals;
  - (vi) design a quality assurance system;
  - (vii) develop contracts with providers;
  - (viii) develop monitoring and accounting framework and procedures;
  - (ix) develop software; and
  - (x) develop training curricula.
3. Quality improvement of contracted facilities
4. Capacity building among federal and provincial governments officials
5. Study tours abroad of provincial government officials
6. Equipment, hardware, software, and other infrastructure of health insurance administration
7. Training of health insurance staff
8. Salaries of health insurance staff during the project period
9. Awareness raising campaigns among the public
  - (i) Development of information material for the public (consumers and employers)
  - (ii) TV and radio spot development and airtime
10. Monitoring and evaluation of pilot projects

**COST ESTIMATES AND FINANCING PLAN**  
(\$'000)

Item	Foreign Exchange	Local Currency	Total Costs
<b>A. Asian Development Bank (ADB) Financing<sup>a</sup></b>			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	168.0	0.0	168.0
ii. Domestic Consultants	0.0	95.0	95.0
b. Reports and Communications	1.0	5.0	6.0
c. International and Local Travel	8.0	9.0	17.0
2. Equipment <sup>b</sup>	4.0	6.0	10.0
3. Workshops and Seminars	0.0	17.0	17.0
4. Transportation	0.0	8.0	8.0
5. Miscellaneous Administration and Support Costs	0.0	4.0	4.0
6. Contingencies	15.0	10.0	25.0
<b>Subtotal (A)</b>	<b>196.0</b>	<b>154.0</b>	<b>350.0</b>
<b>B. Government Financing</b>			
1. Office Room and Equipment	0.0	20.0	20.0
2. Counterpart Staff Services	0.0	30.0	30.0
3. Support for Meetings	0.0	15.0	15.0
4. Workshops and Seminars	0.0	25.0	25.0
<b>Subtotal (B)</b>	<b>0.0</b>	<b>90.0</b>	<b>90.0</b>
<b>Total</b>	<b>196.0</b>	<b>244.0</b>	<b>440.0</b>

<sup>a</sup> Financed by ADB's technical assistance funding program.

<sup>b</sup> Laptops, copying machine, fax machine, air conditioner, and mobile phones.

Source: ADB estimates.

## OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. The consulting team for the technical assistance (TA) will comprise two international consultants and five domestic consultants, recruited under a firm through the Asian Development Bank's (ADB) simplified procedure, in accordance with ADB's *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. Each consultant is required to work with the team and the technical working group (TWG) in developing all outputs (see section C for the terms of reference of the TWG). The consultants will take into account the relevant ADB handbooks, especially the one on poverty and social analysis, and ADB's social protection strategy and policy on gender and development. The specific technical tasks associated with each consultant are outlined below.

### A. International Consultants

**1. Social Health Insurance Planning Specialist and Team Leader** (5 person-months)

2. The specialist should have a solid practical background experience in developing and planning health insurance schemes, including scheme design, administration of health insurance, and project design. He or she should have broad experience in developing countries. He or she will be technically responsible for the TA outputs and function as a main technical advisor and coordinator. In administrative issues he or she will be supported by the deputy team leader.

3. As team leader, he or she will be responsible for the following activities:

- (i) preparation of the TA inception report, including a detailed work plan for the team;
- (ii) consolidation of TA outputs before and after each scheduled mission;
- (iii) regular consultation with the provincial government's steering committee, the Department of Health in Punjab, other development partners, and ADB on the issues and recommendations of the study;
- (iv) preparation of the draft final report with required revisions for finalization based on a tripartite review; and
- (v) technical supervision and coordination of the activities of the other team members.

4. The activities as social health insurance specialist include, but are not limited to, the following:

- (i) review and assess in detail all existing programs and plans for health insurance by various provincial government and nongovernment actors;
- (ii) define, in cooperation with the poverty analyst, the priority target groups, their exposure to risks, and their need for health insurance arrangements;
- (iii) conduct several participatory workshops and focus group discussions to assess needs, formulate priorities, and introduce the process of social health insurance, with assistance of the poverty analyst and the community development and gender specialist;
- (iv) adapt lessons learned from other projects and studies, and consolidate them into an attachment of the report;

- (v) propose possible activities in capacity building of officials on their role and relevant issues to enable them to perform as a catalyst to address the needs of the target group;
- (vi) prepare a workshop with provincial government of Punjab representatives and development partners involved in proposals and studies to discuss the team's proposals;
- (vii) in close collaboration with the provincial government of Punjab and other related institutions, develop the design of the health insurance, including target groups, benefits, financing, arrangements with providers, institutional development, and administration;
- (viii) develop implementation arrangements, measures, and resources, including detailed activities, to establish the planned health insurance;
- (ix) prepare the steering committee meetings; and
- (x) produce and consolidate the draft and final reports for discussion with the Department of Health in Punjab and the TWG.

## **2. Actuary (2 person-months)**

5. The actuary will work with the health insurance specialist and perform the financial and other actuarial background work for the planned health insurance. The activities will include the following:

- (i) assess existing proposals and studies made on this issue in Pakistan by development partners and others;
- (ii) collect and analyze data on health costs and target groups;
- (iii) estimate administration costs;
- (iv) estimate coverage and costs of a possible health insurance scheme, and calculate the premiums;
- (v) elaborate financial scenarios for the health insurance indicating the break-even point, when the health insurance can function without external support;
- (vi) help to design the health insurance information system; and
- (vii) contribute to the final report of the team.

## **B. Domestic Consultants**

### **1. Health Sector Specialist and Deputy Team Leader (5 person-months)**

6. The specialist will help the team leader identify health sector reform issues and health care quality requirements as well as issues related to possible health care providers for the health insurance.

7. The specialist will

- (i) support the team leader in the administrative work of the TA and take care of procurement of equipment; financial reporting; and technical relations with ADB, the steering committee, and the TWG;
- (ii) together with the team leader, prepare the TA inception report, including a detailed work plan for the team;
- (iii) help the team leader consolidate the TA outputs before and after each mission;
- (iv) as a deputy team leader, support the team leader in all areas of scheduled missions;

- (v) help the team leader prepare the draft final report and revise and finalize it based on a tripartite review; and
- (vi) coordinate activities of the other team members.

8. As health sector specialist, he or she will

- (i) assess barriers to accessing health care for different target groups and help the team leader improve the situation by introducing health insurance;
- (ii) help the team leader develop and design the tentative benefit package of the health insurance;
- (iii) assess and identify possible health care providers for the planned health insurance, and propose measures to help health insurance and providers work together effectively;
- (iv) define reforms concerning health care providers and identify quality improvement and assurance measures;
- (v) propose measures to improve and monitor quality of services of health care providers, which work with the health insurance.

### **2. Financial Analyst (4 person-months)**

9. The analyst will prepare an analysis that supports the economic justification of the health insurance, including cost-effectiveness and cost estimates. The analyst will (i) assess the implications of future financing arrangements, and (ii) provide cost estimates for the implementation phase of the health insurance.

10. Moreover, the financial analyst will

- (i) elaborate the quantitative financial framework for the proposed health insurance and its implementation;
- (ii) provide, in cooperation with the actuary and the health insurance specialist, cost estimates for all proposed activities, including capacity building, institutional development, management strengthening, policy development, and investment needs; and
- (iii) contribute to the final report.

### **3. Legal Specialist Specializing in Social Insurance and Health Sector Law (4 person-months)**

11. The legal specialist will

- (i) review all acts and regulations pertaining to health care provision, health insurance, and health care financing;
- (ii) review the results of existing studies and consolidate the information relevant to the study, identifying gaps and areas of special concern;
- (iii) identify key issues in the legal reform process that need to be addressed to implement the proposed health insurance;
- (iv) identify regulations and structures that promote and obstruct gender equity;
- (v) coordinate with local bodies and working groups to incorporate legal and crosscutting issues in the proposed health insurance design; and
- (vi) support the team leader in developing institutional requirements for the health insurance, including, for example, a statute;

- (vii) elaborate a draft statute for the health insurance or, in case the health insurance is incorporated into an existing insurance, draft the necessary regulations; and
- (viii) contribute to the final report related to his or her field.

**4. Community Development and Gender Specialist (3 person-months)**

12. The community development specialist will

- (i) review the situation of the target community groups by gender, and identify ways to express their needs and complaints;
- (ii) together with the poverty analyst, conduct participatory workshops and focus group discussions with mixed and women-only groups at various levels (national, district, community) to assess needs, formulate priorities, and introduce the process of health insurance;
- (iii) prepare a stakeholder analysis and assessment report along with a proposed participation strategy to implement health insurance;
- (iv) identify and formulate, together with the relevant ministries and provincial government of Punjab and nongovernment institutions, a strategy to support the most disadvantaged community groups;
- (v) analyze how the proposed health insurance can reach the poor and rural communities;
- (vi) help identify possible pilot sites; and
- (vii) contribute to the final report related to his or her field.

**5. Poverty Analyst (3 person-months)**

13. The poverty analyst will work closely with the team leader and the Department of Health in Punjab to identify the target groups, municipalities, and districts most in need of health insurance. The specialist will then

- (i) help identify the potential beneficiaries of the proposed health insurance, and the likely impact on the availability or access of essential services;
- (ii) work with the health insurance and health sector specialists on demand issues for services, and address participation and demand more generally for the targeted groups; conduct focus group discussions with target groups to find out their needs and preferences;
- (iii) quantify the poverty impact of proposed interventions either directly (e.g., numbers of beneficiaries receiving essential health insurance services, by gender) or indirectly (availability of services, including referral systems, to targeted beneficiaries);
- (iv) identify risks of failure to achieve the objectives, and steps to be taken to minimize those risks;
- (v) examine the likelihood of benefit leakages to the nonpoor and steps to correct this, and identify the credible instruments for targeting and monitoring poverty impacts;
- (vi) work with the other specialists to identify performance indicators and methodologies, human resources required to support the proposed measures, baseline and later evaluation surveys, and monitoring of poverty impact on the target groups; and
- (vii) carry out a social and poverty assessment and write an attachment to the consultants report according to ADB standards; and

(viii) contribute to the final report related to his or her field.

### **C. Technical Working Group**

14. The consulting team will be working closely together with the TWG. The main task of the TWG is to serve as a critical partner in reviewing the outputs, giving advice on optimizing the results, and supporting the study team in specific areas, namely, examining the options to support a strategic plan for social health insurance in Pakistan; discussing the funding mechanisms; helping identify the core topics and policy issues that should be taken into account; and helping identify ongoing and past activities, studies, projects, and their programmatic impact for replication.

15. The TWG members will be appointed in close consultation between the team leader and the Department of Health in Punjab. The TWG will meet at least three times during the study period of 6 months. Members will include representatives from employers, trade unions, academia, the private sector (health insurance), nongovernment organizations, international organizations, and district and provincial bodies.