**NATIONAL HEALTH INSURANCE**

**OR**

**PRIVATIZATION OF HEALTH SERVICES**

**UNDER THE BANNER OF NATIONAL HEALTH INSURANCE**

**PRESENTATION[[1]](#footnote-1)**

**Ms. Gemma Bain-Thomas, Consultant**

1. **NATIONAL HEALTH INSURANCE AND UNIVERSAL HEALTH COVERAGE**

National Health Insurance implies a compulsory provision of health insurance by theGovernment to broad sections of the population. When the entire population is insured or covered the program is said to be universal.

**National Health Insurance** (**NHI**)is **a financing system** that will make sure that all citizens or identified citizens are provided with essential healthcare, regardless of their employment status and ability to make a direct monetary contribution to the **NHI** Fund.

1. **PROPOSALS BY JIPA**

JIPA submitted a written proposal based on the concepts of managed health care and value-based health cared considered to be models of population health.

* 1. **NO REFERENCE TO PHASE 1**

The proposal by JIPA is part of Phase 2 of the project for the implementation of an NHI in Grenada. In the 2020 Budget Speech, theHon. Prime Minister and Minister for Finance stated that the deliverables for the first phase had been completed. However, in reviewing the JIPA proposal, I see no mention of the Phase 1 deliverables; these should be referenced and used as the baseline for the proposals put forward. We should not be reinventing the wheels.

In 2018,the University of the West Indies Health Economics Unit was contracted to give proposals on the basic package of primary health care and hospital-based services, the costing of these services, the governance structure and legislation that will guide the entire operations of the NHI system.

My question at this point therefore is what was done by the UWI-HEU?Was a report presented? What recommendations were made and can and will that document be made public? Why were the recommendations not the starting point for the JIPA proposals? But, if they are,please let us know.

* 1. **JIPA’S PROPOSALS FOR HEALTH COVERAGE**

The proposal from JIPA before us is for three (3)tiers or levels of coverage. I will not go into details since they have been outlined in the document presented. Essentially:

* Tier 1 to be covered by the NHI/Government;
* Tier 2 by insurance and self-funded employer programs;and
* Tier3 to be insured by an insurance company, employer or reinsurance company.

Since the stated intention of Government is to provide a national health insurance and ultimately universal health coverage;in my considered opinion, the tier 1 proposal is the only one meeting that standard. The other two (2)tiers require the continuing use of private health insurance and does not,in my view,differ significantly from what currently exist in the health services.

* + 1. **TIER 1 PROPOSAL**

In the Tier 1proposal: -

* All citizens will be covered up to a maximum amount that is to be determined;
* Services provided: - All primary care services, non-specialized pediatric services, certain laboratory and diagnostic services, emergency room care and obstetrics care;
* Payment for these services will be through NHI/Government but administered by JIPA

Most of the services listed here are already provided at the community level- at the Health Centers and Medical Stations - and in case of emergency room care, at the General Hospital. Most citizens access them without charge or fora minimal fee. Other citizens access them from private physicians operating at the community level where they pay a fee. Some citizens, whoare attended to by private health care providers, may have a health insurance. They pay the private physician fee upfront and reclaim a portion from the insurance. This will change in the tier 1 proposal.We would no longer pay the private physician or health provider. **They would now be paid through the NHI managed by the JIPA network.**

At this stage the proposal as circulated does not contain:

* **Scope of services**: The scope of the primaryhealth care services to be provided and how it would differ from the servicescurrently offered at the primary level; and whethernecessary screening and preventative services such as pap smears, colonoscopy and mammograms would be covered;
* **Costing of the services**– what would be the cost to the NHI for the provision of the services identified;
* **Amount of yearly coverage per patient**: Details on the maximum amount per patient per year;
* Details on **who will be responsible for providing the services** e.g. obstetric care, will it be delivered by the Obstetrician/Gynecologist or the primary care physician? Will theservice be deliveredat the medical station orat the office of theObstetrician/Gynecologist? Will the Obstetrician/Gynecologist also be contracted with JIPA to provide the service?
* **Integration into current system:**How will all of this be integrated into the current system of medical stations,health centers and hospitals?
* **Payment for other services**: Who will pay for prescription medications,mental health, dental health and eye care services?
* **Management /Provision of services:**How will these services be provided or managed differently?
* **Who Gets to Go Where:**How will persons be assigned to Physicians? Will there still be medical stations/health centers, and if so, who would be directed to the medical station for service and who gets to go to private Physicians? Will the patients with the additional insurance get to go to the specialist and the others go to the primary care physicians only? Would the system still be differentiating the privately insured, NHI insured and uninsured?
* **Emergency Room Care**: It should be noted that emergency room care is currently not billed.
  1. **PHYSICIANS**

Under the JIPA Model, private physicians will have a service agreement that will be **administered by JIPA.**

* **Independent Provider Network Association**: Private physicians will be contracted and become part of an **independent provider network association.** They will act as participating providers and function independently.
* **Assignment of a number of Patients: JIPA** will give these participating private physicians a number of patients, and they will be responsible for all the primary care aspects of the patients.
* **Payment to Physician:** The physician will be paid per head each month, whether the patients are seen or not.**They will be paid by JIPA** through the funds available in the NHI.
* **Compensation to be Determined by JIPA:**The compensation arrangement for the Physician will be determined by JIPA. This will differ from what currently exists where the fee structure is currently done through the Grenada Medical Association and the Grenada Medical Council
* **Payments for Diagnostics:** JIPA will coordinate all the payments to the Physician and for diagnostics.Primary care physicianswill provide referrals for patients and obtain authorizationfrom JIPA for specialty care referrals.
  1. **FINANCING**

The financing options put forward included:

* 1. **Establishment of the NHI Platform:** The Government will provide funds for the establishment of the NHI platform. This fund will be **managed by JIPA.** However, the costs of the NHI platform and the source of Government’s funding were not mentioned.
  2. **Implementation:** International Funding would be obtained and **managed by JIPA**
  3. **Financing for Tier 1: Coverage** would be via a Health Care Levy of 1-2 percent levy on goods and servicesand aportion of the current health allocation $85 million. These funds would be **managed by JIPA.**

It is unknown how theTier 1financing was determined since the proposal did not provide information on costing for the provision of the services. These numbers do not appear to reflect the anticipated cost for Tier 1health care services or the projected amount to be obtained from the 2% levy and the implementation cost.

* + 1. **IMPACT OF HEALTH LEVY**

Imposition of a 2 percent health levy effectively increases the VAT to 17 percent. This tax will be borne by everyone which is the objective of the proposal - that is, everyone contributes to the health insurance plan. However, it also implies that the lower income pays a higher proportion of their income for the health insurance. *For example, Tom has income of $100 and John has an income of $200. If they buy the same amount of goods and services, and each pays ten dollars in tax, this will be ten percent of Tom’s income but will be five percent of John’s income*.

The taxation of goods and services will also contribute to higher prices within the economy. The proposal therefore needs to undertake a dynamic analysis of costing which will facilitate an assessment of any financing proposal.

1. **ADMINISTRATION AND PAYMENTS**

This will be by JIPA. The proposal calls for a centralized administration system.

* 1. **CENTRALIZED ADMINISTRATION SYSTEM**
* **Data Collection and Management:** JIPA is recommending a central data collection whereby all physicians in the NHI network are **mandated** through government legislation to report the information on all the patients that they see to a central collection system. Ultimately medical records will also be centralized. T**his will be managed by JIPA.**
* **Payments**: JIPA will establish a **Financial Intermediary,** a third-partyadministratorfor the collection and disbursements of funds.
  1. **JIPA NETWORK MEDICAL COMMITTEE WITH A MEDICAL DIRECTOR**

JIPA Network proposes to have a Medical Committee with a Medical Director. The Committee will have responsibilities for the following: -

* Developing the fee system;
* Developing the benefit plan;
* Strengthening the health system;
* Evaluate quality and utilizationand
* to review credentials

The proposal identified the following as additional responsibilities of the JIPA Network: -

* Electronic access;
* Make referrals;
* Determine eligibility;
* Authorization;
* Medical claims;
* Encounter codes.

To ensure all this happens, JIPA will work with the Government for the passage of legislation to cover issues associated with the implementation of the NHI such as electronic records, premiums, centralized data collection, funding etc.

* 1. **UNANSWERED QUESTIONS:**

Having reviewed the proposal and given that we are in the implementation phase, there are still a number of unanswered questions:

* **Health Policy:** Is there a stated Government health policy which has informed JIPA’s proposal?
* **Mandatory NHI:** Is NHI mandatory for all citizens?
* **Costs of Services to be Provided:** What is the cost of the services to be provided?
* **Private Physicians:** Is it mandatory for all private physicians to be part of the JIPA Network?
* **Insurance Companies:** Is it mandatory for all the insurance companies which offer health insurance coverage to be part of the JIPA network?
* **Draft Legislation:** Is there a draft legislation to ensure that this happens?
* **Government Infrastructure:** What will happen to the current medical stations/health centers?
* **Financing Other Services:** How will mental health,dental health and eye care be financed?
* **Prescription Drugs:** How will prescription drugs be financed?
* **Mandate for Centralized Data Collection:** Has government already agreed to provide a mandate for the centralized data collection system?
* **Benefits vs. Costs:** We know how much we will be paying – 2% health levy, but we do not know what we will be getting back, and if it is going to be any different from what we are currently getting.
* **Insurance Premiums:** Will insurance premiums increase?
* **Compensation to JIPA:** How is JIPA being paid to do this?

**Need for Extensive Dialogue and Debate:** These unanswered questions/queries point t to the need for Governmentand JIPA personnelto engage in extensive community dialogue and debate

1. **SUPERFUND**

JIPA has also proposed the establishment of aSUPERFUND which will be **a for profit corporation**, **privately owned, independent of government in which international and domestic investors will be welcomed to invest.** They will use potentially government buildings to set up clinics or diagnostic centers where certain services could be provided.The implications of this for-profit organization will need further analysis or assessment.

1. **CONCLUSION**

JIPA’s proposal seems to be a case of **THE PRIVATIZATION OF THE HEALTH CARE SERVICE** under a banner of national health insurance and therefore needs more in-depth review and analysis,

1. This presentation is the review presented by Ms. Gemma Bain-Thomas, a former Permanent Secretary in the Ministry of Health, former Cabinet Secretary and now a Consultant on Public Policy and Governance. Ms. Bain-Thomas was one of the four discussants/respondents at the IAGDO/CSO stakeholder’s consultation held on January 14th, 2020 with Dr. Kester Nedd of the Joint Independent Provider Association. JIPA’s recommendations/proposals for National Health Insurance in Grenada is contained in a document dated December 9th, 2019, .The Suggested Model for National Health Insurance in Grenada. [↑](#footnote-ref-1)