

**Fact sheet 7**

# Options for the organisation of Social Health Protection (SHP) and Universal Health Insurance (UHI)

**The SHP/UHI system must be institutionalised**

It must have a legal existence, a clear place in the state administration. In principle, three different ministries are responsible for part of the SHP organisation. The Ministry of Public Health organises the provision of services and care, the Ministry of Social Affairs organises SP and SHP in particular and the Ministry of Finance provides the financial resources.

With regard to SHP, at the central level, given the responsibility of the state as designer and funder of health care provision and of SHP/UHI, the creation of an **autonomous national HSP institute**, responsible for standards and procedures throughout the country, is the only institutional option.

**The SHP system at central level should be public**

Only states can provide universal social protection with a view to equity and solidarity. This is why a public institution is needed. The SHP/UHI system is a public good. It is the state that must bring together the conditions for quality public services (offer) to be set up and financed in the long term and ensure universal financial access.

**The SHP/UHI system must, in the long term, be mandatory**

This is to avoid adverse selection among members and to maximise solidarity. Only the state can impose such an obligation if it wants to reach its entire population. However, many countries have opted not to make UHI compulsory for the informal sector population until the system has matured sufficiently and, like the provision of health care, has acquired sufficient credibility among citizens.

**The country must have a single SHP/UHI system**

Only the state can organise universal social health protection.

The main advantages of a single national SHP system are:

- It addresses the problem of financial accessibility for the whole population by activating solidarity between all.
- High efficiency: It coordinates and increases financial resources which reduces duplication of funding and reduces waste. It pools resources and risks. It rationalises paid staff. It uses standardised procedures.
- High transparency: standardised financial management and control.
- Great portability: members can be treated anywhere in the country, since the same procedures and rates apply everywhere.
- Easy to understand for the population.
- Public subsidies towards membership fees are statutorily possible and relatively easy to organise.

**A pyramidal organisation (levels)**

An institute that has to cover an entire country requires a pyramidal organisation, with complementary levels, with tasks and responsibilities delegated to decentralised levels. Both for the organisation of services and for financing, a balance is sought between technicality (advantage of scale, division of labour) and proximity (closer to the population).

The scheme essentially provides for three levels of organisation with, at the top, a national institution which is the national contractor, master and holder of public funds (subsidising contributions, defining care packages and reimbursement levels). The national level sets the standards, ensures their correct application and provides sustainable funding.

An intermediate level is the spokesperson for the central level and monitors procedures, financial management and the proper functioning of the operational units.



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Figure 1 shows the need for a single national SHP system of a country to be organised as a pyramid.



Figure 1: The SHP insurance pyramid mirrors the health system, with complementary levels.

SHP must necessarily work with decentralised operational units that practically perform all SHP functions. For further details, see the SHP/UHI operationalisation fact sheet. For reasons of proximity, the operational level has staff at departmental level, at commune level and even village volunteers. The operational units usually cover a large population (150,000 to 200,000 inhabitants), often an administrative department. They are professionally managed by qualified and paid staff. They work in a network at the regional level and then throughout the country. They all operate with the same procedures, under the same levels of cost reimbursement and under uniform coordination.

The state has leeway to set up the operational units as it chooses. The state may opt to have these units also be public entities, with a well-defined level of management autonomy, or it may decide to delegate these functions to entities with private non-profit status. Whatever the status, the challenge is that the status of the SHP/UHI operational units must allow them to receive and manage public funds (any state subsidy) as well as private funds (contributions of the population) at the same time.

Whichever option is chosen, the local system will have to be regulated, monitored and controlled by higher (usually regional) public authorities.

## Institutionalisation of citizens' rights and the social dialogue

States must put in place mechanisms that ensure inclusive determination, respect for citizens' rights and the social dialogue. States must organise and institutionalise the social dialogue with the general population and their political representatives, but also with the social partners and customary authorities, in order to design and then manage SHP/UHI by consensus.

Community participation structures must be supported and given resources to provide the whole population with a legitimate voice without their power and role overlapping with that of the state.

## Control of the system: institutionalising accountability

The pyramidal organisation of SHP/UHI, through the community participation bodies set up at each level of the organisation, allows the lower levels in the system to be controlled by the higher levels. This control is internal to the organisation and is part of its routine management. SHP/UHI requires annual reports to be submitted to supervisory bodies, which in turn submit their reports to Parliament. The Ministry of Finance, as a public funder of SHP/UHI, has the right, if not the obligation, to exercise control through financial audits of the national SHP Institute.

## Arbitration between offer and demand

The organisations linking the health services and SHP/UHI should regularly liaise on a routine basis and in case of conflict in particular in order to solve relational problems between the two. Offer and demand can reinforce and control each other.



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