

POLICY BRIEF

Reforming Sehat Sahulat Program: Towards Transparent Cost & Universal Coverage

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Executive Summary

The World Health Organization (WHO) suggests and encourages the member of states that all countries shall spend at least 5 percent of their GDP spending on health coverage in order to meet the targets sets by the nations. This milestone is achieved by most of the developed countries, for instance more than 8 percent of the GDP is spent by the OECD countries on health². The Pakistan Economic Survey 2021-22 data shows that Pakistan is spending 1.2 percent of its GDP on Health³. To meet the recommended targets by the WHO Pakistan has to increase its spending to the minimum of 5 percent of their GDP.

The Sehat Sahulat Program SSP was initiated in 2016 by the government of Khyber Pakhtunkhwa to ensure universal health coverage for all households of the province. This initiative will reduce the Out of Pocket (OOP)⁴ expenditure of the household on health. The PSLM data 2018-19 shows that in KP households are facing catastrophic health expenditures. In total the Out of Pocket (OOP) households are 12.9 percent, Outpatients are 9.2 percent and Inpatient are 3.2 percent, where self-medication is zero. The data also shows the households driven to poverty due to health expenses. In KP it shows OOP with 0.3 percent, 0.2 percent for Outpatients and for Inpatients and Self-medication it is zero.

The SSP is a step in the right direction but certain operational details need more attention. The beneficiary hospitals of the insurance company (State Life) are facing payment delays (Table 1). The doctor's incentives need to be revised to avoid often refusal at the time of treatment.

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² (WHO, 2000)

³ (GOP, 2022)

⁴ Out of Pocket: OOP health expenditure refers to an individual direct expense to healthcare provider
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The PBS 2015⁵ data shows the usage provider (public/private hospital) and the type of care. There are 58 percent Private Outpatients⁶ and 10.6 percent Private Inpatients⁷. Where the Public Outpatients are 23.1 percent and Public Inpatients households are 8.3 percent.

This brief looks at the scope of the program and the barriers.

The SSP provide treatment for seven diseases. The treatment packages include Rs. 40,000/Year for the Secondary Care and. Rs. 400,000/Year for the priority treatment. The amount can be used by the beneficiary for various specific treatment at the empanelled public or private hospitals.

Sehat Sahulat Cards issued by the government can be used in 123 hospitals (includes public, private and military hospitals) of twenty-one (21) districts across KP (Figure 1).

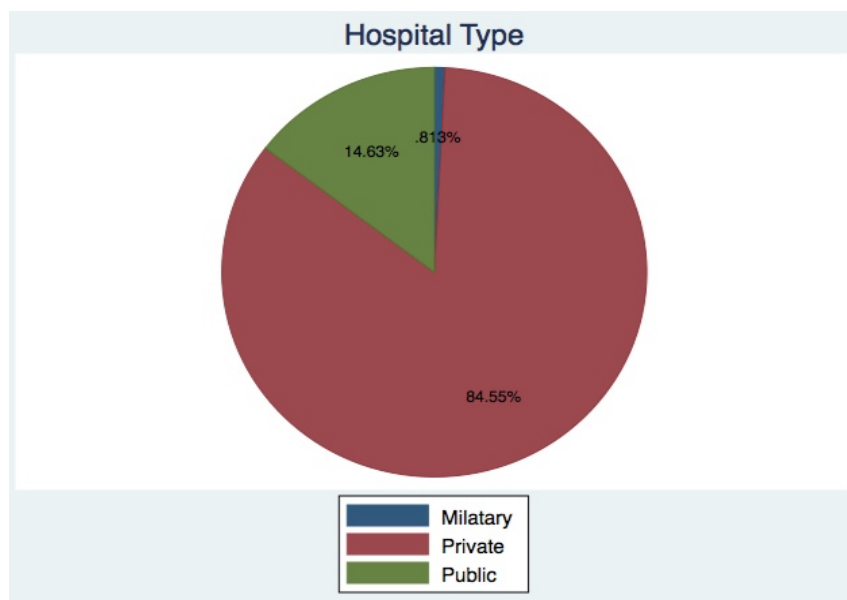


Figure 1: Hospitals empanelled under the Sehat Sahulat programme in KP

Methodology

To examine the barriers between the hospitals and the insurance company (State Life) under the Sehat Sahulat Program. Interviews are conducted from the hospital's focal persons for the SSC. The respondents are from public and private hospitals of Peshawar and D.I. Khan. Key features and challenges associated with the program are discussed below:

⁵ (PBS, 2015)

⁶ Outpatient: a patient who attends the hospital for treatment without staying there overnight

⁷ Inpatient: a patient who lives in hospital under treatment

Process of Hospital Registration with SSP

To register with the Sehat Sahulat Program the hospital is required to register through the website of State Life. After registration, a State Life official visits the hospital and reviews the infrastructure as well as the hospital response in the emergency ward. The State Life representative reviews the number of beds available in the hospital, number of doctors, nurses and the laboratory infrastructure. After the visit the State Life allocate the hospital in a certain category.

The category of a hospital defines the status of the available facilities at the hospital. The Government of Khyber Pakhtunkhwa has categorized their public hospitals in categories from A-D⁸. In the SSP Category A hospital have the best treatment facilities which includes; good infrastructure, number of beds (above 1000), equipped with lab examination facilities, number of medical practitioners. Available treatment for all illness/emergencies. The Category C hospital have the least available facilities with number of beds (above 200), regular lab facilities, number of medical practitioners, and the treatment of regular illness/emergencies. The Category C hospital refer a patient to any Public/Private Category A or B hospital for further treatment. The SSP programme have adopted the policy of KP government for empanelling the hospital under the categories from A-C in SSP. There is no Category D hospital empanelled in SSP. The State Life (insurance company) sign the MoU with the hospital in registration process of SSP.

Barriers in the Payment Structure

The Payment structure is designed on the bases of categories (from A-C), Medical and Surgical packages. The packages don't cover OPD patient and food during the stay. Payment structure in both Medical Package and Surgical Package is only limited to 5 days stay at the hospital. If the patient isn't recovered and his/her stay is extended, the hospital requests the State Life through call/email for additional charges and the patient is treated under a special case. In such cases, the State Life team at the hospital verify the case and approve it for the reimbursement of payment but the payment gets delayed.

1. Medical Package

In the Medical Package, the State Life is paying Rs. 2800-3500, per illness/patient to category A hospital. For category B hospital Rs. 2500-2700 and category C hospital Rs.

⁸ (Health Department KP, 2017)

2200-2500 is paid by the State Life for each illness/patient. Payment structure for each hospital varies in the same category. For instance, a hospital might receive higher rates than another hospital in the same category due to its available medical treatment facilities. The medical package only covers Rs. 1000 for laboratory examination. If the patient is prescribed by the doctor for various laboratory tests, the patient has to use his own money for the purpose of laboratory tests, if the amount exceeds Rs. 1000 (mainly in private empanelled hospitals).

The evidence from the field shows that the regular medicine in the public empanelled hospitals is delayed due to the unavailability of funds. In such circumstances either the patient has to use his own money to purchase the medicine or wait for the delayed medicine.

The cost of the Medical Package isn't defined except the allocation of Rs. 1000 for lab examinations. The evidence shows that the Doctors (medical practitioner) in private hospitals refuse to examine a patient under the Sehat Sahulat Card due to low incentives.

2. Surgical Package

The surgical package has different rates for each surgery in every category of the empanelled hospital. The beneficiary of the State Life agreed upon the package during the process of hospital registration. The surgical package covers the expenses of the equipment's used in the surgery, medicine, doctor fee and the bed charges.

The evidence from the field shows that due to "undefined cost" allocation for operating a surgery brings barriers. The doctor refuse to operate the surgery due to low incentives. If the hospital increases the incentive for the doctors the remaining cost doesn't cover the treatment cost.

Doctors Incentives

Interview respondents report that physicians/surgeons often refuse to examine/operate the patient in the medical and surgical package due to low incentives and payment delays. (This happens in empanelled private hospitals; the doctor prefers to examine/operate private patients and refuse SSP patients).

Reimbursement Claim

The hospital sends a computer-generated invoice of the total cost of the treatment for each illness/patient to the State Life and claim the reimbursement. The State Life process the reimbursement payment in 40 days to the hospital.

Payment Delays

According to the contract, the State Life is bound to reimburse the payment in the 40 days to the hospital. The evidence from the respondents shows that the State Life is bringing delays in the reimbursement of the payment. The below table shows the payment delays encountered by 4 hospitals where interviews were conducted.

Table 1: Payment Delays

Hospital Name	Hospital Type	Category	Reimbursement Ontime/Delay	Payment Delay
KTH Hospital (Peshawar)	Public	A	Delay	60-100 Days
North West Hospital (Peshawar)	Private	A	Delay	20-40 Days
RMI Hospital (Peshawar)	Private	A	Delay	20-40 Days
DHQ Hospital (D I Khan)	Public	B	Delay	Above 6 months

If the payment is delayed the beneficiary of State Life sends an email to the State Life as a reminder for the delayed reimbursement. The evidence from the respondents shows that the State Life is not delaying the payment of Private hospitals. But the payment of Public hospitals is delayed for more than six months (especially Category C hospitals). In such circumstances the evidence of the respondents shows that they have used the means of political influence in recovering the reimbursement amount of SSC patients from the State Life.

Conclusion

The Sehat Sahulat Programme is an amazing project. It has reduced the Out of Pocket (OOP) expenditure of the households on health. The SSP is a milestone project to cover universal healthcare insurance of the people of Khyber Pakhtunkhwa. The barrier in the allocation of

payment or the payment structure shall be designed to categories the amount of each illness/patient in the Medical and Surgical payments. The specific money shall be allocated for the Doctor practitioners (doctors and nurses), Bed Charges, Laboratory examination, surgical equipment's and medicine. The current packages don't cover food at the hospital which needs to be included in the packages. Because in various private hospital the food is very expensive. The categorization of Payments will ensure the quality of treatment to record the data of the utilized money for each illness/patient. Currently, the reimbursement claim invoice shows only the total amount. Defining the utilization of cost will record the micro-data for each illness/patient. Moreover, the doctor's (physicians and surgeons) incentives need to be addressed to ensure the effectiveness of the program. The SSP needs to expand and cover more diseases and the OPD coverage in specific to cover universal healthcare.

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Citation: Aakash, M.K., & Gardezi, Zehra. (2022). Reforming Sehat Sahulat Program: Towards Transparent Cost & Universal Coverage {Unpublished policy brief}. Kashif Aakash Blog. <https://kashifaakash.com/2022/04/20/policy-brief-ssp/>