

Health Insurance: standards and Infrastructure

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Introduction

- Implementing the compulsory Health Insurance Laws has put all stakeholders in the Saudi Health Insurance System and Health Delivery System against new challenges especially with its infrastructure.
- Higher Future demand for medical services due to the compulsory Health Insurance and population growth.
- The volume and the quality of information flow between all participants (payer, Third Party Administrator, provider, regulator) will be critical to the development of the National Health Care System .

Stakeholders of the Saudi Health Care System

- **Regulators**
 - **Saudi Arabian Monitory Agency (SAMA)**
 - **Council of Cooperative Health Insurance (CCHI)**
- **Insurance companies.**
- **Health Care Providers (Private & Public).**
- **Third Party Administrators (TPA Companies).**
- **Policyholders.**
- **Application Service Providers (ASP).**

Population dynamics and Health care

(1)

A substantial increased demands on KSA health system due to population dynamics:

- Growth & improvement of the health sector in KSA in the last several decades.
- Decreased infant mortality rate, and low death rates.
- Low contraception prevalence, and high fertility rates.
- Increased life expectancy. Average life expectancy was 53.9 years in 1970, went up to 71.3 years in 2000.
- Between 2000 and 2020 the population of Saudi Arabia will increase at an average annual rate of 2.8 percent, resulting in a 75 percent larger population.

Population dynamics and Health care (2)

- Change of population subgroups by 2020 - under 15 years will decrease from 41% to 35%, and population over sixty years will increase from 4% to 7%. (Geriatric illnesses and chronic illnesses).
- Presence of large number of expatriates, about 30 percent of the populations and 60 percent of the working force.
- Health financing restrictions.

GPW Projections of Health Insurance Premiums

Projected Annual Premium

| | 2008 | 2009 | 2010 | 2011 |
|---------------------------|-----------------|-----------------|------------------|------------------|
| Non-Saudi Population | 2,880.20 | 5,754.40 | 7,759.60 | 7,585.00 |
| Saudi Population | 1,286.40 | 2,029.10 | 2,629.00 | 3,515.80 |
| Total SR(Millions) | 4,166.60 | 7,783.50 | 10,388.60 | 11,100.80 |

The Cooperative Health Insurance Laws: Effect on Health Insurance (1)

- Higher utilization of medical services.
- Excessive levels of care management & insurance contracts administration.
- Effect on quality of health services and patient Safety.
- Expected delay in claims submission and approvals from providers due to volume.

The Cooperative Health Insurance Laws: Effect on Health Insurance (2)

- Delay of Claims Adjudication by Payers.
- Accessibility Problems, which could lead to customer dissatisfaction.
- Expected increase in disputes..
- Shortage of specialized human resources.

Health Insurance and Standards (1)

Applying health insurance to Non-Saudis approximately (Seven million), and to Saudis (18 million), will be very critical to the Saudi Health Care System.

Standards and a reliable infrastructure can make this major change workable and effective.

- Standardization will lead to consistency, compatibility and comprehensiveness of claims data with improved information quality.
- Common language & understanding among multiple organizations.

Health Insurance and Standards (2)

- Better underwriting & more accurate risk assessment.
- Achieve administrative savings & minimize administrative & human error.
- The increasing complexity of many medical procedures that require the availability of descriptive data elements.
- Allow automatic claims adjudication, automatic Information transfer & automation of internal & external processes.

Health Insurance and Standards (3)

- Facilitates auditing, controlling & monitoring of claims & services.
- Powerful statistical & analytical tool generating accurate results.
- International compliance.
- A vital part of the infrastructure for an ***Advanced National Payment System.***

Health Insurance and e-Health Infrastructure

(1)

Moving fast towards connectivity between Payers, Providers, TPAs and Regulators into the eHIE loop. Are we ready?

Areas to address:

- Large complex financing schemes requires adequate payer-side systems, provider-side systems and the interface between them (ASP, which can be integrated with the Payer/TPA system).
- A modern Health care Delivery System with high accessibility, equity, efficiency and quality, requires a comprehensive health information system.

Health Insurance and e-Health Infrastructure

(2)

- Development of a vision for a national Electronic Health Information Exchange (eHIE), that involve providers, payers and consumers.
- A single authority to lay down objectives, and to draw a roadmap.
- Legal and regulatory issues related to ownership, data sharing and Patient information privacy.



Thank you