MONGOLIAN HEALTH INSURANCE SCHEME

Social Insurance General Office of Mongolia, 2012
About Mongolia
A bout Mongolia

- Landlocked country
- Population: 2.83 million
- Territory: 1,564,116 km² (603,909 sq mi)
- 1,580 m above sea-level
- Average summer temperature +20°C, average winter temperature -26°C
- Capital city Ulaanbaatar – Population: 1.1 million
Economically active population – 1.138 million

Total number of employees – 1.006 million
  - 34.7% of which work in the agricultural sector (mainly herders)

Official unemployment rate – 11.6%

Inflation rate – 9.2%

Life expectancy at birth:
  - Men-64.33
  - Women-71.19

National GDP
6 056 bln.tug
HEALTH INSURANCE SYSTEM INTRODUCED

- 1990-transition period from a centrally planned economy to a market economy
- The underlying reasons were the need
  - to increase revenue
  - to introduce market incentives
  - to raise public responsibility
- Citizen’s health insurance law passed on July 8, 1993 and enforced on Jan 1, 1994
Social health insurance system—solidarity

One of the five social insurance schemes
Social Insurance General Office (SIGO)

- Vertical management system
- 32 branches in total
- 1400 employees, 109 of which deal w/health insurance
- Social insurance inspectors in every soum (365)
Types of Social Insurance

- Pension insurance
- Benefit insurance
- Health insurance
- Insurance against employment injury and occupational diseases
- Unemployment insurance
Health Insurance Coverage

Compulsory

All citizens of Mongolia

Voluntary

Unemployed foreigners
## Contribution Rates

<table>
<thead>
<tr>
<th>Insurance branch</th>
<th>Contribution Rates Social Insurance (percentage)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employer</td>
<td>Employee</td>
</tr>
<tr>
<td>Pension</td>
<td>7.0</td>
<td>7.0</td>
</tr>
<tr>
<td>Benefit</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Employment Injury and Occupational Diseases</td>
<td>1.0, 2.0, 3.0</td>
<td></td>
</tr>
<tr>
<td>Unemployment</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Health</td>
<td>2.0</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>11.0, 12.0, 13.0</strong></td>
<td><strong>10.0</strong></td>
</tr>
</tbody>
</table>
Those in the informal sector, herders and unemployed pay approx 8040 T (6 USD) per year.

The state shall be responsible for the insurance premiums of vulnerable groups & pay approx 8040 T (6 USD) per year.

Foreigners pay approx 101088 T (74 USD) per year.
Health Insurance Fund Revenue and Expenditure

Revenue
- Contributions
- Revenue from securities trade and bank deposit interest rates of the reserve fund
- Penalties
- State transfers
- Other

Expenditure
- Payment of health insurance benefits and cost drugs
- SI organization administrative expenses
- Other
Health insurance System

The Insured

SIGO

Providers

Copayment

Medical Services

Payment

Medical Claims

Premiums
Health Insurance Benefits Package

- In-patient care services
- Out-patient care services
- Day care
- Diagnostic tests
- Traditional inpatient treatment
- Palliative care (inpatient)
- Rehabilitation services to sanatoriums;
- Prescription drugs cost;
<table>
<thead>
<tr>
<th>Types of the providers</th>
<th>Number of hospital beds</th>
<th>Number of health organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>In total</strong></td>
<td><strong>16,630</strong></td>
<td><strong>798</strong></td>
</tr>
<tr>
<td>1 II, III level public hospital</td>
<td>10,017</td>
<td>53</td>
</tr>
<tr>
<td>2 II grade soum hospital</td>
<td>347</td>
<td>9</td>
</tr>
<tr>
<td>3 Intersoum hospital</td>
<td></td>
<td>36</td>
</tr>
<tr>
<td>4 Traditional medicine</td>
<td>115</td>
<td>6</td>
</tr>
<tr>
<td>5 Pharmasy</td>
<td></td>
<td>527</td>
</tr>
<tr>
<td>6 Sanatorium</td>
<td>3,044</td>
<td>30</td>
</tr>
<tr>
<td>7 Private hospital</td>
<td>3,107</td>
<td>137</td>
</tr>
</tbody>
</table>
PAYMENT METHODS OF FINANCING

- Case payment

2010.01.01

- Diagnosis related group DRG
  /115 diagnostic groups/

From 2010
Copayment

- 10% at the secondary level hospitals
- 15% at the tertiary level hospitals respective of the variable inpatient costs
Health Insurance Coverage compared to total population (percent)

- 2001: 82.7%
- 2002: 79.3%
- 2003: 79.3%
- 2004: 78.6%
- 2005: 76.5%
- 2006: 73.4%
- 2007: 79.8%
- 2008: 84.4%
- 2009: 77.6%
- 2010: 82.6%
- 2011: 98.6%
The number of health insurance service recipients (Thous. persons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Drug cost</th>
<th>Private hospitals</th>
<th>Sanatorium</th>
<th>Public hospitals</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1736.2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2010</td>
<td>2657.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2011</td>
<td>3198.1</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
HEALTH INSURANCE FUND REVENUE AND EXPENDITURE /BLN.TOG/

Revenue  Expenditure

2010: 90.1, 78.1
2011: 121.6, 87.2
2012 plan: 139.7, 130.9
COMPARISON HEALTH INSURANCE FUND
REVENUE AND EXPENDITURE /PERCENTAGE/

<table>
<thead>
<tr>
<th></th>
<th>Revenue</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers and employee</td>
<td>83.5</td>
<td>17.1</td>
</tr>
<tr>
<td>Vulnerable groups</td>
<td>62.9</td>
<td></td>
</tr>
<tr>
<td>Herders</td>
<td></td>
<td>14.4</td>
</tr>
<tr>
<td>Unemployed</td>
<td></td>
<td>1.9</td>
</tr>
<tr>
<td>Students</td>
<td></td>
<td>2.7</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td>1.0</td>
</tr>
</tbody>
</table>

Note: The percentages may not sum up to 100 due to rounding.
Current Challenges

Health Insurance Coverage

Fund Sustainability

To expand benefits package

Service quality
Current Challenges (cont.)

- Health Insurance coverage
  - Herders;
  - Unemployed;
  - Self-employed;
  - Informal sector;
CURRENT CHALLENGES (CONT.)

- **Fund Sustainability**
  - Number of insured and health service recipients
  - Health Insurance Contribution down to 4% from 6%
  - Irregular, sudden increases in service amount
  - Lower contribution rate from the State Budget
CURRENT CHALLENGES (CONT.)

- To expand benefits package
  - To expand types of the benefits
  - To cover high cost benefits
Service quality

- Claims review system to manage service volume:
  - Computerized review
  - Peer review

- Information feedback to healthcare providers
  - Utilization indicators
  - Quality indicators
THANK YOU
WWW.NDAATGAL.MN
TSGANAAD@YAHOO.COM