Project No. 4-B

Region: Asia
Country: Cambodia

Project:
GRET-SKY Health Insurance program of Cambodia

Donors:
A project of Groupe de Recherche et Echanges Technologiques (GRET) funded by the European Union, the French Ministry of Foreign Affairs, GTZ (urban component), ILO and IFC/SME World Bank, with the support of the Cambodian Ministry of Health

Project Description:
Several studies have confirmed that health risks are the main factor in the impoverishment of rural households in Cambodia:

> Cambodia is one of the countries of the world where health conditions are among the worst and where families invest the most in care (health care expenditures represent 22% of household income in Cambodia; out of pocket expenditures amount 22US$/person/year).
> Health problems pull households into situations of heavy indebtedness or decapitalisation, in the face of which micro-credit is no longer a solution.

While credit effectively allows income generation, it is also desirable to act to safeguard income. Developing health insurance to reduce the impact of health problems on rural poor households is consequently a considerable stake in poverty prevention. GRET therefore launched an experimental rural health insurance project covering two central provinces (Kandal and Takeo). The scheme is named “SKY,” an acronym for “Health for Our Families” in Khmer.

The project's objectives can be summarized as follows:
> Prevent the sale of productive assets by poor rural households;
> Secure the incomes of rural Cambodian households by limiting the economic consequences of large health expenditures (illness, accidents);
> Facilitate and encourage these households' access to appropriate quality health care.

Features of the SKY Scheme

– A rural voluntary community-based health insurance program, relying on a monthly registration and premium collection system at family level.
– Partnerships with public health care facilities for health care delivery, for both primary health care in Health Centers and hospital care at district or provincial level, regulated through a capitation payment mechanism with a clear referral system at the primary level.
– Management both in the field (agents hired in villages) and centrally (Head Office based in Phnom Penh), with high transparency for users and providers, and strong involvement by local authorities and representatives in management.
– A reliable Information System to coordinate and monitor activity and results, both financial and medical.
– Aimed to be autonomously managed by a Cambodian team that is private and independent from health authorities and providers; non-profit, but seeking financial sustainability.

Next phase: Upscaling of the Scheme

– Extension of one pilot zone to the whole Operational District (9 health centers, population of 110,000) to reach critical mass and confirm risk hypothesis and the potential for financial sustainability.
– Launch of an Urban Scheme, to seek cross-financing with the rural scheme.
– Expansion in other regions of Cambodia, to further validate the replicability of the scheme throughout the country.
Expected Outputs
– A sustainable and replicable reference model for a voluntary health insurance system in Cambodia.
– Improved quality of care and financing of the public health system;
– Improved health situation and behavior of rural households;
– Improved economic situation of rural households.

**Gender and Ethnic Components:**
Insurance is family based. Therefore, women and children as the most vulnerable segment of the rural population are among the main beneficiaries of the program. In addition, incentives (free months coverage for babies born during the cycle) are provided for mother who received ante-natal care and assisted deliveries and babies who receive proper immunization.

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