Governance for strategic purchasing
Transitioning between paradigms:
the example of Cambodia

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Structure of purchasing in Cambodia today
<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>16,500,000</td>
</tr>
<tr>
<td>Coverage under civil servant and private sector schemes</td>
<td>2,200,000</td>
</tr>
<tr>
<td>Coverage under Health Equity Fund</td>
<td>2,400,000</td>
</tr>
<tr>
<td>Number of public facilities</td>
<td>1,457</td>
</tr>
<tr>
<td>Number of private facilities</td>
<td>12,785</td>
</tr>
<tr>
<td>Private sector scheme started</td>
<td>2016</td>
</tr>
<tr>
<td>Civil servant scheme started</td>
<td>2018</td>
</tr>
<tr>
<td>Health Equity Fund started</td>
<td>2000</td>
</tr>
</tbody>
</table>
### Current situation

- **Health Equity Fund** – managed by Ministry of Health; no contracts; verification by quasi-third party entity (Payment Certification Agency)

- **Civil servant scheme** – managed by National Social Security Fund (under Governing Board); contracts with providers; internal claims processing and grievance management

- **Private employee/worker scheme** – managed by National Social Security Fund (under Governing Board); contracts with providers; internal claims processing and grievance management

- **Public budget** – negotiation between MoH and Ministry of Finance

### Vision for the future

According to National Social Protection Policy Framework (NSPPF):

- All schemes (Health Equity Fund, civil servant scheme, private sector scheme, any new scheme) to be managed by a “single payer”

- Single payer may be at National Social Security Fund, or a new entity

- Proportion of funding to flow through single payer versus public budget to be discussed
<table>
<thead>
<tr>
<th>Current situation</th>
<th>Vision for the future</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Equity Fund – non-contributory; line item within the public budget, including funding from donor basket fund</td>
<td>Health Equity Fund to continue to be funded from the public budget</td>
</tr>
<tr>
<td>Civil servant scheme – in law, 50% contribution by employers and employees, at 1.5% of basic salary; currently full contribution for civil servants by government</td>
<td>Civil servant schemes and private employee/worker scheme at 1.5% each from employers and employees of salary; subject to regular actuarial review</td>
</tr>
<tr>
<td>Private employee/worker scheme – in law, 50% contribution by employers and employees, at 2.6% each of assumed wage</td>
<td>Coverage of the “missing middle” either through existing schemes, or a new scheme; contributory or not for discussion</td>
</tr>
<tr>
<td>Public budget – general taxation</td>
<td>Funding from public budget for service delivery in public sector will continue at least until such time as all citizens are covered by a scheme</td>
</tr>
</tbody>
</table>
Provider payment

**Current situation**

Health Equity Fund – case-based payments; based on one-time costing study; rates set by Ministry of Health

Civil servant scheme – case-based and fee-for-service; based on actuarial analysis; private paid at 150% of public; rates set by pricing committee

Private employee/worker scheme – case-based and fee-for-service; based on actuarial analysis; rates set by pricing committee

Public budget – line-item, allocated to provinces according to population size

**Vision for the future**

Health Equity Fund – service costing to become a routine activity to inform rate-setting

Civil servant scheme – as before

Private employee/worker scheme – as before

Public budget – update the resource allocation formula to take into account additional factors; reform budget format to programme-based

Notes: (i) civil servant scheme and private sector scheme rates not required to be aligned; (ii) public facilities can charge user fees
Providers

**Current situation**

Health Equity Fund – public health facilities; all levels; ~ 1450 health facilities

Civil servant scheme – public and private health facilities; currently contracting with around 50 private facilities

Private employee/worker scheme – public and private health facilities; currently contracting with around 50 private facilities

Public budget – public health facilities; all levels; ~ 1450 health facilities

**Vision for the future**

Health Equity Fund – under single payer, for discussion whether private facilities will be empanelled

Civil servant scheme – likely expansion of private facility empanelment

Private employee/worker scheme – likely expansion of private facility empanelment

Public budget – under single payer, for discussion whether public budget will continue to fund service delivery in public sector
Benefit package

Current situation

Health Equity Fund – package for all levels

Civil servant scheme – same package for civil servants and for private sector

Private employee/worker scheme – same package for civil servants and for private sector

Public budget – Minimum Package of Activities, Complementary Packages of Activities

Vision for the future

Guaranteed benefit package common to all schemes, developed according to health technology assessment principles

Supplementary package to be provided by private sector and civil servant schemes according to needs
Future institutional arrangements according to NSPPF

- MOH
- Board of Directors of Social Security Fund
  - Formulates policies
  - Designs benefit package and contribution
  - Prepares rules and regulations
- Development Partners
  - Health Policies and other regulations
- Single Payer
  - Health Insurance for Workers and Employees
  - Health Insurance for Public Servants
- Health Facilities
  - 3. Healthcare Services
- Beneficiaries
  - (Workers, Public Servants, Informal Sector Workers and General Population)
- Royal Government and Employers
  - 2. Contribution
  - 5. Claim approval
  - 7. Education and Awareness
- Claim Review Mechanism
  - 4. Payment Claims