



ANNUAL REPORT 2022/23
FACTSHEET AND EXECUTIVE SUMMARY

Government of Nepal
Health Insurance Board
Babarmahal, Kathmandu

FACTSHEET

S.N.	Indicators	Status
A. Coverage		
1.	Total population enrolled till FY 2022/23	7,215,098
2.	Total percentage of population enrolled till FY 2022/23	24.7%
3.	Increment of Insures from FY 2021/22 to FY 2022/23 (percentage)	20.50%
4.	Total active insures in FY 2022/23	4,658,331
5.	Percentage of active insures out of total insures in FY 2022/23	74.5%
6.	Percentage of active insures out of total population of the country	16%
7.	Total number of households enrolled till FY 2022/23	2,212,814
8.	Percentage of households enrolled till FY 2022/23	33.19%
9.	Increment in percentage of households from FY 2021/22 to FY 2022/23	21%
10.	Total number of active households in FY 2022/23	1,638,917
11.	Percentage of active households out of total insured households in FY 2022/23	74%
12.	Percentage of active households out of total households of the country	25%
13.	Household renewal rate in FY 2022/23	69%
14.	Population renewal rate in FY 2022/23	59%
15.	Percentage of online renewal	0.35%
B. Service Providers		
1.	Total number of health facilities listed till the end of FY 2022/23	463
2.	Number of government service providers empaneled	378
3.	Number of community service providers empaneled	33
4.	Number of private service providers empaneled	52
5.	Total number of new service providers empaneled in FY 2022/23	12
C. Claim		
1.	Total number of claims received	7,558,433
2.	Total number of claims reimbursed	6,529,302
3.	Number of claims rejected	50,709

S.N.	Indicators	Status
4.	Total claimed amount (NPR)	14,327,936,676 -
5.	Total amount reimbursed (NPR)	13,500,394,245 -
6.	Average claim amount per claim (NPR)	1896 -
D. Service Utilization		
1.	Percentage of insure utilizing service among total insured population in FY 2022/23	38%
2.	Average claimed amount among service utilizing insures of FY 2022/23 (NPR)	8,023 -
3.	Average claimed amount among total active insures of FY 2022/23(NPR)	3,076 -
E. Impoverished Citizens Treatment Scheme/ Bipanna		
1.	Total number of patients from April 2022 to June 2022	14,550
2.	Total reimbursement from April 2022 to June 2022	832,353,847
3.	Total patient of FY 2022/23	29,215
4.	Diseases with highest number of patient in FY 2022/23 (Cancer)	16,696
5.	Total reimbursement in FY 2022/23	2,645,664,561 -
F. Grievances		
1.	Total number of written grievances received	146
2.	Percentage of grievances solved	95.9%
G. Finance		
1.	Fund balance until FY 2021/22	7,388,280,993 -
2.	Total grant received for reimbursement of service providers empaneled in health insurance program	7,500,000,000 -
3.	Total grant received for impoverished citizens treatment scheme (Bipanna)	3,478,100,000 -
4.	Annual income (Premium and ID card Xerox) (NPR)	2,589,921,818 -
5.	Total annual expenditure (NPR)	17,521,423,735 -
6.	Total Reimbursement amount (NPR) of service providers empaneled in health insurance program	13,500,394,245 -
7.	Total reimbursement amount for Bipanna program (NPR)	3,478,018,409 -
8.	Incentive for enrollment assistant(NPR)	264,020,024.6 -
9.	Other expenditures (NPR)	278,991,056.6 -
10.	Remaining fund balance in FY 2022/23	3,434,879,076 -

EXECUTIVE SUMMARY

1. Health Insurance Program

Health insurance has been identified as an important tool for Nepal to reach Universal Health Coverage (UHC). It is a contributory model with an aim of providing financial protection to the citizens while reducing out-of-pocket spending (OOPs) and catastrophic health expenditure which can push them towards poverty. There have been numerous efforts to reduce OOPs in Nepal and internationally. In Nepal, implementation of health insurance program was initiated in 2033 B.S (1976 AD) in the Shanta Bhawan Hospital in Patan among few communities of Lalitpur district.

2. Constitutional, Policy and Legal Arrangements

The provision under Article 51(j) of the Constitution of Nepal ensures the establishment of Health Insurance Program to ensure equitable access to quality health services for all the citizens. Similarly, various legal documents like Health Insurance Act 2017, Public Health Service Act 2018, Health Insurance Regulations 2018, National Health Insurance Policy 2014, National Health Policy 2019, Fifteen Year Plan (2019/20-2023/24), Local Government Operation Act 2017, Sustainable Development Goals (2015-2030), Nepal Health Sector Strategic Plan (2023-2030) and National Health Financing Policy 2019 have mentioned provisions related to health insurance.

3. Long-term vision, objectives, strategies and features of Health Insurance

The long-term vision and objective of the National Health Insurance Program (NHIP) is to ensure quality health services to all the citizens with improved access and utilization. This will be achieved in collaboration with various public and private service providers, awareness programs and ensuring the enrollment of all the population groups from community level into the program.

Looking at the features of the NHIP, a family is considered as a unit of enrollment and the flow and consumption of health services are based on the family's contribution. A premium of NPR 3500 is payable by each family (up to 5 members) for a benefit ceiling of NPR 100,000. For additional family members, a premium of NPR 700 is paid for an added benefit of NPR 20,000. In the current provision, the maximum benefit ceiling is capped at NPR 200,000 per family.

4. Institutional Arrangement

According to the Clause 13(2) of the Health Insurance Act, 2017, provisions have been made regarding the formation of Health Insurance Board. There is a nine-member executive committee, which, in coordination with the Ministry of Health and Population (MoHP), presents recommendations to the Government of Nepal for policy decisions, service provision and evaluation and implementation of program. The daily activities of the Health Insurance Board are overseen by the Executive Director appointed by the Government of Nepal. Under the Executive Director, there are different departments with their designated roles. Likewise, there are seven provincial offices and contact offices in each district and enrollment assistants at the local level.

5. Key activities and achievements

In FY 2022/23, various activities were carried out for the effective implementation of the program. This includes claims payment, registration and renewal of memberships, listing of health service providers (health facilities), formulation of necessary policies and guidelines, monitoring and evaluation, basic and refresher trainings, awareness raising programs, grievance management, reassessment and updating of benefit package and update in insurance management information system (IMIS) among other activities.

6. Enrollment

The NHIP has been expanded to 749 local levels in all 77 districts. Since the inception of the NHIP, 33.19% (2,212,814 households) and 24.7% (7,215,098 individuals) have been enrolled by the end of FY 2022/23. In the fiscal year 2022/23, only 25% (1,638,917 households) and 16% (4,658,331 individuals) are active. Among them, 23.79% are newly insured and 76.21% are renewals. 68.18% are enrolled in the normal category while 31.82% are in the target groups.

Looking at the age-wise distribution of insures, the highest percentage (56%) of insure belong to age group of (15-59), while the lowest (7%) insures belong to age group of (60-69). For gender wise distribution, 51.49% of insures are female and 48.51% are male. Provincially, among the total active insures in FY 2022/23, Koshi province has the highest proportion of insures (28%) while Karnali province has the lowest (6%). Similarly, at district level, in Palpa, Jumla, Chitwan, Bhaktapur and Jhapa districts more than 40% of the district population are enrolled into the program. Whereas, in Dhanusa, Mahottari, Sarlahi and Kathmandu districts, less than 3% of the district population are enrolled in health insurance program.

7. Health Service Providers

In the fiscal year 2022/23, 12 new service providers were enlisted in the program and by the end of the year there were a total of 463 service providers. Among them, 378 were public, 52 were private and 33 were community hospitals. When assessing the availability of service providers at provincial level, Koshi province has the highest number of service providers (111), whereas Karnali province has the lowest number of service providers (33). Similarly, at the district level, Morang district has the highest number (26) of service providers.

Similarly, when looking at the ratio of insure to service providers, each service provider should provide service to an average of 10,061 insures. On the basis of active insures who are service users, it is seen that an average of 3,857 insures have to be covered by one health facility. However, the number of insures covered by each health facility depends on their capacity, disease burden and number of insures in the catchment area.

8. Claims from service providers

Looking at the status of claims made by health facilities, it can be observed that there has been an increasing trend in both the number of claims and claimed amount over the past three years.

There was a total of 7,558,433 claims worth NPR. 14,327,936,676 in the fiscal year 2022/23. However, on an average, the claimed amount per claim has decreased. When examining claims by service providers, it is found that public hospitals have a higher total number of claims and total claimed amount. Conversely, private hospitals have comparatively lower number of claims but contribute to the second highest claimed amount.

When examining the status of total claims and claimed amount by service type, it is observed that there is a higher percentage of claims (84%) and claimed amount (70%) in In-patient and Out-patient services. Emergency services have the least number of claims and claimed amounts, which account for a total of 5% and 12% of the total claims and claimed amounts respectively. However, the average claimed amount per claim for emergency services is significantly higher.

When examining claims categorized by type of insure, the majority of claims (81%) are from the normal category while remaining (19%) are from target group insures. In the analysis based on different age groups, it is seen that the percentage of claims and claimed amount is higher from economically active age group (15-59). However, on average, the claimed amount per claim tends to be much higher for age group of (60 and above) compared to other age groups.

When looking at the top 10 diseases nationwide with highest claims entered into the Insurance Management Information System (Open IMIS), it is found that top 10 diseases with highest claims account for 33% of total claims and 31% of claimed amount. Among them, Essential (primary) hypertension has the highest burden, constituting of 7% of the total claims and 6% of the total claimed amount.

9. Service Utilization

Analyzing the percentage of service users in the health insurance program over the past three years, it has increased from 29% in FY 2021/22 to 38% by the end of FY 2022/23. Within the total active insure in FY 2022/23 (4,658,331 individuals), the number of service users stands at 1,785,833.

The highest service utilization is seen among the normal category of insures. Provincially, in FY 2022/23, Koshi Province has the highest percentage of service utilizing insures (43%) and Far-Western Province has the lowest service utilizing insures.

Based on service provided by health facilities, it is observed that 61% of insure have availed services from government hospitals. When considering the amount spent by insure, the average claimed amount spent per insure among total active insures has reached NPR. 3,076 in FY 2022/23.

10. Impoverished Citizens Treatment Program

Patients suffering from Cancer, Kidney disease, Heart Disease, Spinal Injury, Head Injury, Alzheimer's, Sickle Cell Anemia and Parkinson's are provided financial aid worth NPR 100,000 under the Government of Nepal's Impoverished Citizens Treatment program. In FY 2022/23, a

total of 29,215 patients suffering from these eight severe diseases were paid a total of NPR. 2,645,564,561.

Similarly, from the Health Insurance Board, in FY 2021/22, a total of 14,550 patients were paid NPR 83,235,847,353. When considering the payments made, in FY 2022/23, a total of NPR 3,478,018,408 was paid for services provided under the program.

11. Training

The Health Insurance Board has organized various training programs for employees and service providers at central, provincial and local level for effective implementation of the program. These trainings include training of trainer (ToT), capacity building training, basic training and Insurance Management Information System (Open IMIS) related trainings.

12. Grievance Management

Grievances on operation, processes, service quality and other activities of the Health Insurance Program are received through various channels such as Hello Sarkar, Commission for Investigation of Abuse of Authority (CIAA), Newspapers/ social media, personal applications, official emails and toll-free numbers.

In FY 2022/23, a total of 146 written complaints were received of which majority (40.4%) were received from Hello Sarkar. Upon analyzing the received complaints, it is found that the majority (52%) of the complaints are related to service providers. For grievance resolution, there is a Grievance Management Section within the Health Insurance Board, and with regular addressing, 95.9% of the grievances were resolved in FY 2022/23.

13. Information and Communication

Various awareness messages have been produced and broadcasted in FY 2022/23 with the aim of increasing and enhancing awareness and ultimately increasing enrollment of citizens.

14. Monitoring and Evaluation

The institutional arrangement of the Health insurance Board calls for regular and necessary monitoring of provincial and district offices and service providers. This will help assess the status of program implementation and resolve issues identified at central, provincial and local level. In addition to that, the Health Insurance Board is also responsible for listing and delisting of service providers.

In FY 2022/23, a system has been established for regular monitoring and evaluation. While reviewing the data of the different monitoring and evaluations carried out, it is observed that there has been the highest number of monitoring in Gandaki Province and lowest in Far-Western Province.

15. Research

In FY 2022/23, the Health Insurance Board conducted a study titled “Evaluation of Payment Mechanism under Health Insurance Program and Proposal for Effective Mechanism” for rapid

assessment of payment mechanism and to provide concrete recommendations for improvement. Key informant interviews (KII) were conducted with 15 stakeholders including employees of Health Insurance Board, service providers, development partners and experts in Kathmandu, Chitwan, Pokhara and Nawalparasi. The study recommended Capitation based payment method for OPD cases in order to reduce the volume of unnecessary tests and procedures and for fast and efficient services.

16. Finance

Since the inception of the Health Insurance Program, there has been an increase in the allocated budget by the Government of Nepal for program implementation each year. Similarly, there has been an increase in the expenditure of allocated budget. The cumulative premium amount collected up to this fiscal year are as follows: FY 2019/20: NPR 2,892,126,656; FY 2020/21: NPR 3,675,854,635; FY 2021/22: NPR 2,469,806,910 and FY 2022/23: NPR 2,589,921,818. Additionally, for the operations in FY 2022/23, a conditional grant of NPR 7,500,000,000 is allocated to the Health Insurance Board for reimbursing service providers, along with remaining balance from previous fiscal year (NPR 3,478,100,000), with a total available amount of NPR 10,978,100,000. Of the total available fund, NPR 10,978,018,409 has been disbursed.

Similarly, when categorizing the total expenditure of NPR 17,521,423,735 incurred in FY 2022/23 into different expenditure categories, the highest proportion 77.05% is spent on reimbursement to service providers, 19.85% on Impoverished Citizens Treatment program, 1.57% on operations, 1.51% on enrollment assistants and 0.02% on capital expenditure.

17. Claim review and valuation

In FY 2022/23, a total of 6,529,302 claims were submitted by service providing health facilities which were reviewed by claim management section and forwarded to IT section for valuation. This added up to a total claimed amount of NPR 13,840,518,439. Of the total amount, after review and valuation NPR 13,125,661,903 was deemed eligible for payment. A discrepancy of NPR 714,856,536 was identified in the claimed amount. Thus, the total claimed amount was decreased by 5.2% upon review and valuation. In this fiscal year a total of 8 payments were made to the service providers.

17. Challenges

The main challenges of the program are listed below;

- a) The permanent organizational structure of the Health Insurance Board has not been approved.
- b) Difficulty in regular operations due to lack of employees at central, provincial and local levels.
- c) Delay in claim review and reimbursement to service providers.
- d) Mechanism for quality assurance of health services is not in place which has led to slow enrollment and renewal.
- e) Difficulties faced by insure in obtaining healthcare services as per the regulations of the Health Insurance.
- f) Provider and consumer side moral hazard.

YOUR HEALTH IS OUR CONCERN

**GOVERNMENT OF NEPAL
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