

**PROJECT INFORMATION DOCUMENT (PID)
CONCEPT STAGE**

Report No.: 51065

Project Name	HEALTH INSURANCE SYSTEMS DEVELOPMENT PROJECT
Region	MIDDLE EAST AND NORTH AFRICA
Sector	Health (90%);Non-compulsory health finance (10%)
Project ID	P080228
Borrower(s)	GOVERNMENT OF EGYPT
Implementing Agency	
	Government of Egypt Egypt, Arab Republic of
	Ministry of Health and Population Egypt, Arab Republic of
Environment Category	<input type="checkbox"/> A <input type="checkbox"/> B <input checked="" type="checkbox"/> C <input type="checkbox"/> FI <input type="checkbox"/> TBD (to be determined)
Date PID Prepared	September 15, 2009
Estimated Date of Appraisal Authorization	October 19, 2009
Estimated Date of Board Approval	December 17, 2009

1. Key development issues and rationale for Bank involvement

Health sector background and Bank engagement. Egypt's national health strategy has focused on extending insurance coverage to new population groups with the goal of achieving universality. In 2005 the President of Egypt announced a multi-year program for extending health insurance for all. The Health Insurance Organization (HIO), which was established in 1952 to provide insurance and deliver services, covers only 52 percent of the population. A range of disparate and largely disconnected programs have developed over time to address the health care needs of various population groups outside of HIO. The recently closed Bank-funded program, the Health Sector Reform Program (HSRP) was developed to help address these problems with a comprehensive package of interventions to reform the way health care was financed, organized and delivered. The program focused on primary health care (PHC) through the introduction of family medicine. Pilots modeled the basic reform principles in an integrated PHC delivery and financing project (commonly referred to as the Family Health Model Project) implemented initially in five regions or governorates. The service delivery component helped to rationalize and upgrade PHC infrastructure; implement new management systems; train personnel; and ensure quality of care through performance-based provider payment mechanisms and facility accreditation systems. The financing component of HSRP separated financing from provision through the governorate-level Family Health Funds (FHF) which contract with government, public and private/NGO providers to provide a package of essential services at the primary care level to beneficiaries. The new health insurance system is based on a social insurance model that will better integrate the fragmented financing and delivery structures of the Egyptian health sector under a single payer system thereby improving equity and quality of services.

Over the last two years, the Bank team has been working with the Government on a number of related policy issues such as inputs to the health legislation and fiscal assessments, including the work on actuarial modeling of the benefits package. The new draft health insurance law is expected to be submitted to the Majlis (Parliament) by the end of 2009. The Bank team has been working with the Prime Minister's office and the Ministry of Finance on the legislative provisions and the fiscal impacts (including actuarial modeling of the benefits package).

Project preparation context. The Bank has been working in partnership with the Ministry of Health since 2006 to design this project to support the establishment of the new system. In 2007, a Project Concept Note (the project was then called the "Family Health Insurance Project") was officially reviewed by Bank management and endorsed. At that time, the Government intended the Bank Loan to finance a broader set of activities to support the overall program such as the establishment of a new national health insurance fund; financing the enrolment of beneficiaries and provision of basic services; institutional capacity development in the area of quality assurance and accreditation of health providers; and project management. However it is important to note that the fiscal, legislative, institutional and other policy issues were evolving, as was Government's thinking on the scope of the Bank-financed project.

Revised project concept. The draft health insurance law envisions stronger roles and responsibilities than presently possessed by the HIO. In parallel, the Government is refining programmatic targets for contribution and utilization rates. Realizing these will necessitate substantial operational and management capacities in the Payer agency. These include stringent and transparent controls on finances, health service utilization and quality, and beneficiary enrollment. As its own reform plan has taken shape, the MOH has also become clearer on the scope of the project to be proposed for World Bank (IBRD) financing. Consequently, in May 2009 the Government has formally requested that the Bank loan be focused more narrowly than before, on supporting the establishment of an operating and management information system for the Payer of the new social health insurance system.

Relationship with CAS. The project continues to respond to the second pillar of the CAS, "promoting equity." It is consistent with the well-defined CAS outcome 3.3 which calls for "improved access and quality of healthcare for the poor". It extends work on contracting arrangements for primary health service providers piloted under the Health Sector Reform Project, and is also supported by the Bank's ongoing health insurance RTA with the Ministry of Finance.

Proposed Project Development Objective

The proposed (renamed) Egypt Health Insurance Systems Development Project (HISDP) will support the development and establishment of the information technology-enabled business support system for the Payer function required for the new national Social Health Insurance program. The project will support the GOE's goal of universal health insurance coverage for its population by financing the development and piloting of the management information software and hardware infrastructure of the payer system of the new social health insurance system. The system is expected to build essential business functions and capacities that will support the

strategic purchasing and contracting capacity at the national level and in three selected Governorates. *The Project Development Objective thus is to establish a proven business model for health insurance operations and management that will encompass formalized business processes, a functioning operation and management information system; and the corresponding operational and management skills in three governorates of Egypt.*

Preliminary Project Description

The HISDP proposed for IBRD financing of US\$75 million would support the Government of Egypt's program to establish an efficient and effective national social health insurance system by financing the development and operationalization of the Payer function for the first, pilot phase of the new national health insurance program (in Suez, Sohag, and Alexandria Governorates). This would include the development and implementation of modern business processes and information systems for both operational and management functions for health insurance (i.e., contributions management, claims processing, utilization management, and agency administration). It would also encompass operational and management training in the new business processes, as well as an interface for provider claims submission. Based on the experience gained and capabilities developed under the HISDP, the Government would generalize the health insurance model to all governorates, in tandem expanding the beneficiary and provider coverage. It was confirmed that other areas of focus initially included in the project would be addressed/financed through other sources.

Notwithstanding the project's focused scope, implementing new business processes and information systems is a challenging undertaking. Among other things, this requires close coordination of project activities and strong technical support to the beneficiary agency. Accordingly, the HISDP consists of a single component with three tightly integrated contracts. These are:

- **Main Business System Contract** – delivering an integrated package of business process development, application software, operational and management training, and extended technical support services.
- **Hardware Platform Contract** – delivering the necessary computing and communications technologies to operationalize the new business functions in the three pilot governorates.
- **Independent Verification and Validation/Project Management Contract** – delivering hands-on support to the beneficiary for decision-taking, activity coordination, technical/substantive advice, as well as verification and validation services.

The IVV/Project Management Contract is expressly aimed at ensuring the other two contracts are closely coordinated and the resultant business process innovations are properly integrated with the institutional development of the payor, as well as the broader reform program. The beneficiary / implementing agency will initially be the current Health Insurance Organization (HIO). Once the new legislation is in effect, the activities and resources will be taken on by the successor agency (which may well be a reconfigured HIO).

The new business system will be introduced over 18 months and comprise of a number of modules necessary for the payor to fully perform its role, such as:

- beneficiary management including processing applications for enrollment and selecting family doctors;
- provider management including processing applications and recording contract details;
- maintaining the benefits package register, including co-payment details and prices;
- claims management including receiving and adjudicating claims, applying assessment rules and making payments;
- utilization control measures and reporting functions;
- case management including the tracking of patient referrals; and
- business support including enterprise resource planning type functions such as finance and accounting, human resources and payroll, legal, and fixed asset management.

The project will be a Specific Investment loan (SIL) financed by IBRD.

2. Contact Point

Contact: Trina Haque

Title: Lead Economist

Tel: +20-2-25741670

Email: thaque@worldbank.org