

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

Report No.: AB5121

Project Name	Health Insurance Systems Development Project
Region	MIDDLE EAST AND NORTH AFRICA
Sector	Health (100%)
Project ID	P080228
Borrower(s)	GOVERNMENT OF EGYPT
	Government of Egypt Egypt, Arab Republic of
Implementing Agency	
	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	October 12, 2009
Date of Appraisal Authorization	October 19, 2009
Date of Board Approval	December 22, 2009 (proposed)

1. Country and Sector Background

1. **Egypt has an estimated population of around 83 million people (2009), with one-third of Egyptians under the age of 16.** The population is growing at an estimated rate of 1.75% per year, driven partly by a fertility rate of 2.9 births per woman. The average life expectancy at birth is 74 years for females and 69 years for males (2007), which compares well with other countries at this level of development. Similarly, Egypt is going through an epidemiological transition, with increasing numbers of non-communicable diseases and injuries that are likely to require increasingly costly health care.
2. **Macroeconomic performance has been relatively strong over the past years, although the global economic crisis has taken its toll.** Egypt is classified as a lower-middle income country with a total GNI of \$119.45 billion and a per capita GNI of \$1,580 in 2007 (per capita GNI in PPP is \$5,370). Over the past three years the economy has grown by around 7% annually but is expected to slow to between 4.5 % and 4.7% this year and the next due to the impact of the global economic slowdown (with an accompanying decline in inflation to between 8% and 12% per year; IMF , 2009). Over the same period, there have been significant reforms, including tax reforms, financial sector reforms, and a large privatization program.

2. Objectives

3. The proposed Egypt Health Insurance Systems Development Project (HISDP) is a SIL supporting the Government of Egypt's program to establish an efficient and effective national social health insurance system. Its Project Development Objective is to contribute to the financially sustainable expansion of health insurance coverage through the adoption of a proven business model for social health insurance (SHI) operations and management by the single national payor organization of the SHI system.

3. Rationale for Bank Involvement

4. Implementing a major health insurance system is a daunting technical, social and institutional undertaking (even in a pilot setting). The Bank has a substantial record of engaging client countries in the health care / health finance areas. It is well positioned and well practiced in transferring international experiences and expertise on the multitude of the health system components touched on by such an undertaking (as well as on the management of strategic projects). As a disinterested party, the Bank also has a strong record of convening the many diverse stakeholders to such reforms for the purpose of consensus-building – an essential condition for success.

4. Description

5. The Project will entail development and use of formalized business processes for the single Payor function; a functioning operations and management information system; and development of corresponding operational and management skills in the new national single payor organization.

5. Financing

Source:		(\$m.)
Borrower		1
International Bank for Reconstruction and Development		75
	Total	76

6. Implementation

6. The Project implementing agency will be the Health Insurance Organization (HIO). Once the new social health insurance (SHI) legislation is in effect, a new successor agency, the National Health Insurance Agency (NHIA), will be established as the single national Payor and become operational in each successive governorate as the reform is rolled out. HIO is spearheading the establishment of the NHIA, the core of which relies on the business procedures and systems to be developed for the Payor under the proposed project.

7. Sustainability

7. The Government of Egypt is committed to extend health coverage to all citizens through social health insurance, as announced in 2005 by the President. The establishment and operationalization of the new National Health Insurance Agency (the Payor) is a critical component of the reform efforts. This agency will be collecting all social health insurance

contributions and purchase services for the members of the program. Having a unified, single purchasing mechanism will greatly enhance the overall sustainability of the health financing system as it will provide the scope for significant efficiency improvements compared with the existing situation.

8. Lessons Learned from Past Operations in the Country/Sector

8. There are formative but positive developments in the ongoing project in some of the governorates such as Menoufia which will be utilized as building blocks for the new project.
 - A series of contracting and performance-based payment systems, including primary care bonus systems and DRGs for inpatient surgical episodes, have been developed and implemented. These experiences are being formally evaluated under HSRP, and the results will be utilized to implement and scale-up new contracting and payment systems under the new SHI.
 - These new systems will depend upon good MIS systems as well. The HSRP has piloted a new Clinical Information System (CIS). A Version 6 and then Version 7 went "live" running in over 300 units in the Family Health units in project governorates (Alexandria and Menoufia) by mid-2007. The MOH reported that all units are fully equipped with all IT necessary Networks and Hardware. A final version is being tested at the central level in MOH. Currently, two major issues would need to be addressed: (i) the CIS lacks an interface with the information systems present at the FHF, crucial to complete the information cycle to better serve the FHF; and (ii) the quality and completeness of data in health facilities.
 - The CIS, furthermore, must be complemented by a hospital-based system if the benefits package covers hospital services. To date, every indication is that the standard package will closely resemble the HIO package which is quite comprehensive.
 - There are several examples of projects involving health information management programs that provide relevant lessons, including broad-ranging health insurance reform programs in Bulgaria and Slovenia, the introduction of an HMIS in Latvia, and the introduction of automated claims management in Lebanon.

9. Safeguard Policies (including public consultation)

Safeguard Policies Triggered by the Project	Yes	No
Environmental Assessment (OP/BP 4.01)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Natural Habitats (OP/BP 4.04)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Pest Management (OP 4.09)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Physical Cultural Resources (OP/BP 4.11)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Involuntary Resettlement (OP/BP 4.12)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Indigenous Peoples (OP/BP 4.10)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Forests (OP/BP 4.36)	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Safety of Dams (OP/BP 4.37)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Projects in Disputed Areas (OP/BP 7.60)*	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Projects on International Waterways (OP/BP 7.50)	<input type="checkbox"/>	<input checked="" type="checkbox"/>

10. List of Factual Technical Documents

9. To be completed.

10. Contact point

Contact: Ms. Trina S. Haque
Title: Lead Economist
Tel: (202) 2574-1670/71
Email: thaque@worldbank.org
Location: Cairo, Egypt (IBRD)

11. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Email: pic@worldbank.org
Web: <http://www.worldbank.org/infoshop>

* *By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties' claims on the disputed areas*

