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Partners for Health Reformplus

Health Care Utilization, Expenditures, and Insurance: Household Survey Findings from Suez Governorate, Egypt

February 2005

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Order No TE 057



Mission

Partners for Health Reformplus is USAID's flagship project for health policy and health system strengthening in developing and transitional countries. The five-year project (2000-2005) builds on the predecessor Partnerships for Health Reform Project, continuing PHR's focus on health policy, financing, and organization, with new emphasis on community participation, infectious disease surveillance, and information systems that support the management and delivery of appropriate health services. PHRplus will focus on the following results:

- ▲ *Implementation of appropriate health system reform.*
- ▲ *Generation of new financing for health care, as well as more effective use of existing funds.*
- ▲ *Design and implementation of health information systems for disease surveillance.*
- ▲ *Delivery of quality services by health workers.*
- ▲ *Availability and appropriate use of health commodities.*

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Recommended Citation

Partners for Health Reformplus. November 2004. *Health Care Utilization, Expenditures, and Insurance: Household Survey Findings from Suez Governorate, Egypt*. Bethesda, MD: The Partners for Health Reformplus Project, Abt Associates Inc.

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Contract/Project No.: HRN-C-00-00-00019-00

Submitted to: USAID/Cairo

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Abstract

This report examines how the health sector in Suez governorate, Egypt, responds to overall health policy objectives: equity in access to and financing of health care, and satisfaction with quality of care received. The analysis focuses on the insurance effectiveness of the Health Insurance Organization (HIO) by evaluating its effect on service use, patterns of treatment seeking behavior, out-of-pocket payments, satisfaction with care, and willingness to insure. The analysis uses household survey data collected in Suez governorate in 2004. Results indicate that the uninsured tend to be those who are economically worse off; within households, it is the weaker family members who are uninsured. Overall HIO does not accomplish its insurance function: it does not decrease barriers in access to basic health care, as the richer are more likely to use care than poorer individuals. Also, the way the Ministry of Health and Population provides and finances health care in its outpatient and inpatient facilities does not contribute to the three major health policy goals stated above. It is thus not surprising that the private sector is the preferred choice for patients, independent of whether they are insured or not, and despite the fact that they incur higher out-of-pocket expenditures in that sector. Hence, any attempts to expand insurance in Suez through the HIO would therefore have to be seriously examined and may result in the need to dramatically reorganize the HIO bureaucracy, split the insurer and provider function, and open up the provider network to private providers. Recommendations are made for an insurance design that sets incentives to ensure equity in access to and financing of health care, and efficiency, quality, and financial sustainability of the health care system.
