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An integrated national health insurance system for Jordan: costs, consequences and viability

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ABSTRACT

Arguably, in common with many other nation states, Jordan could be said to have drifted into different ways of paying for health services without always foreseeing the long run consequences of taking the strategic direction necessary. In part, of course, as in many developing countries, the financing of Jordan's health care services has been influenced by its colonial past. This partly explains why, historically, Jordan has attempted not only to provide wholly free services, but to provide privileged access to medical services, not only to the military personnel but also to public servants in general.

With world economic instability and recent economic difficulties, notwithstanding the opportunities created by Jordan signing the peace treaty with Israel, and the unclear but likely stark future conditions facing the Jordanian economy, it is highly improbable that Jordan will continue to be in a position to sustain, from central government monies, a health system which currently consumes about 7 percent of the GDP.

Financing strategies will, therefore, have to address the heightened expectations for rising health expenditures. Options under active consideration at this time include: introducing or extending the present system of user charges; community financing (participation); (increased) use of the private sector; public or private health insurance; and, improving efficiency in the use of hospital and community resources. These are all financing options open to the Jordanian government to adopt, whether singly or in combination, to generate more resources for the health system and to make better use of existing resources.

Examining the range of different modalities of health services' financing reveals, not surprisingly, that there are advantages and disadvantages in each financing scheme. Nevertheless, depending on Jordan's circumstances, some of the approaches may be more appreciated than others: that is, from a political, cultural, socio-economic, or strictly fiscal point of view.

This thesis focuses upon one particular health financing approach, "National Health Insurance (NHI)", and is aimed to lead the government of Jordan to rigorously explore the concept, consider the options, and develop an implementation strategy benefiting, where appropriate, from other countries' experiences with systems of NHI.

Specifically, the thesis first provides an overview (or situation analysis) of the healthiness of the Jordanian economy, its key demographic and epidemiological characteristics, and salient features of the Jordanian health sector. This is followed by a largely theoretical discussion of the principles of insurance, and its potential relevance to the unpredictability and uncertainty of health and disease. Methodological problems inherent in public or private health insurance schemes are highlighted, and then considered in a comparative context, drawing on lessons and experience around the globe.

The thesis considers as its basic premise that a system of national health insurance is both desirable and feasible for Jordan as it faces the next millennium. To test that premise, the study is conducted by means of a series of investigations emphasising both secondary and primary sources of data, and a range of quantitative and qualitative research methods including: content and document analysis; experimental and survey methods; interviews; and questionnaires.

The conclusions drawn from the evidence supports the contention that the introduction of NHI is potentially both desirable and feasible in Jordan but subject to meeting very strict conditionalities, not least government ownership of the scheme, and the willingness to address the present choice and diversity in health service provision through health sector reform. These matters are as much political as technical matters. On the more technical front, nonetheless, the design of an appropriate NHI is shown to raise critical issues regarding: coverage; benefits; organisation and management; costing and financing; and, provider payment mechanisms. Various technical options are discussed in the thesis, and were consulted upon with key decision makers in Jordan. Further directions of research and development are also identified, which likely have applicability beyond the specifics of Jordan itself.