



Adopting National Health Insurance in West Africa*

In 2000, the opposition Patriotic Party won the national elections in this West African country, and took control of the presidency and the legislature. This was the country's first multi-party election that resulted in a change of power, an important symbol of increasing democracy. They took over from the Democratic Party, which had won the two previous elections and had its roots in a military regime that came to power in a coup two decades earlier. The newly elected Patriotic Party sought to establish its legitimacy and win the next elections scheduled for 2004.

During the 2000 election campaign, the Patriotic Party attacked the then ruling Democratic Party for its health policy that relied on user fees paid by individual patients. The Patriotic Party promised to establish a national health insurance system that would provide financial protection for many healthcare services for everyone in the country, including the very poor. The problem of user fees as a financial barrier to healthcare had been recognized since the early 1970s, and various groups had proposed different health insurance policies as solutions. Faith-based organizations had initiated community prepayment schemes in many local areas all over the country. Both the Democratic Party and the military regime from which it emerged had considered health insurance as a major policy issue. The Democratic Party had undertaken policy development in the MOH through pilot projects on health insurance. The mass media reported that the general public wanted user fees abolished and replaced with health insurance. The public expectation was also based on the constitutional provision that "the State shall promote just and reasonable access by all citizens to public facilities and services," which included health as a public service.

After the 2000 elections put the Patriotic Party into the seats of power, party leaders sought to fulfill their promise. They wanted something that could be scaled up quickly to cover the entire population; they wanted a policy that would be identified with their party and not their competitors; and they wanted a policy that could be pushed through Parliament and implemented before the 2004 election campaign began. Now in 2003, three years into the Patriotic Party's term had already passed.

Party leaders confronted a number of challenges in introducing a new policy for national health insurance. First, the committee of technical experts they had appointed (the "change team") was moving slowly and raising difficult questions that could delay implementation of the policy. Party leaders considered the idea of appointing a new committee of consultants who were more politically aligned with the party; they would be more flexible and responsive to party requests. Second, the Democratic Party (in the opposition) was adamantly resisting the new policy, even though they had been working on a similar policy for years, saying they would boycott any efforts to pass a law through Parliament. Patriotic Party leaders wondered whether they should just use their majority to push the law through or seek a compromise package that might win the opposition's support; but some strategists thought that compromise would not lead to

* This case was prepared by Michael R. Reich, Ph.D., Harvard School of Public Health. It is intended as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. Case development support was provided by the World Bank Institute. ©2012 by The President and Fellows of Harvard College.

agreement. The political system gave the President authority to introduce appropriation bills in Parliament, and some party strategists urged the President to use his powers to push the bill through.

Financing the new national health insurance scheme was a particularly troublesome point. The policy was intended to provide health insurance to the country's poorest people, who had no capacity to pay an annual premium. Some leaders of the Patriotic Party wanted exemptions to cover many groups—especially pensioners, children, pregnant women, and the poor—in order to deliver the benefits promised in the election. But where would the funds for the insurance come from? The current government budget was stretched thin, and foreign development agencies were not likely to provide financing every year. Some party members suggested a sin tax (on cigarettes or alcohol); others suggested a new value added tax; still others suggested a cross-subsidy from social security funds collected from employees in the formal sector; another possibility was a small premium payment from enrollees. The cross-subsidy from social security funds was vehemently opposed by the Democratic Party and by powerful labor unions; but some leaders of the Patriotic Party thought they could tolerate that resistance. The ruling Patriotic Party wanted to provide a broad social safety net quickly; some combination of financing would be necessary, even if it came with some political costs. In addition, decisions needed to be made about the many community-based health insurance schemes that had grown up around the country. The leader of the federation of community plans proposed that the plans receive official recognition so that they could receive government subsidies under the new insurance scheme.

A debate also arose over which services should be covered by the new insurance program: low-cost outpatient services provided at health centers; more expensive health problems treated at secondary and tertiary hospitals; or high-cost catastrophic problems that affected only a small portion of the population. Technocrats in the policy design team proposed an incremental expansion of benefits, starting with the most inexpensive and most common. But leaders of the ruling Patriotic Party wanted immediate tangible effects that people would appreciate—and therefore wanted to focus on curative care. They also insisted on no co-payments, which they thought would remind people of the old regime of patients paying for services. Some technocrats urged a co-payment, to help contain costs and control over-use of services. Debate also arose over whether to include preventive services along with curative services in the plan.

Other policy actors also expressed concerns about the proposed policy for national health insurance. The national medical association urged the ruling party to move quickly on enacting their campaign promise, along with payments to private doctors to deliver services. A provincial party leader argued for a decentralized system. External development agencies took different positions; some urged the government to move cautiously toward health insurance, others supported local community prepayment schemes, and still others remained silent. Local pharmaceutical companies supported the national insurance plan, as long as it would cover a broad list of essential drugs produced by national companies.

Leaders in the ruling Patriotic Party were seeking advice on the policy's content and on political strategies to assure the policy would be adopted by the legislature. The upcoming elections meant that the ruling party could not afford to wait; party leadership wanted immediate action that would show people they had delivered on past promises. What should they do, and how should they do it?