



African Contributions to Global Health

Video Transcript

Government perspective on health financing in Zambia

DORIS: Western countries have been using social health insurance schemes, which rely on payroll taxes to finance their health systems. But in Africa, this health financing strategy has proven to be difficult to implement, due to its large informal sector and unemployment rate. For my PhD thesis, in this video, we are going to learn how Zambia's National Health Insurance scheme is attempting to overcome this challenge that Africa faces.

DORIS: Can you please provide us a brief overview of the issues that the National Health Insurance scheme is attempting to address in Zambia?

DR KAMANGA: The National Health Insurance was created as part of our overall national health insurance and national health care financing strategy. And the idea of creating national insurance was predominantly to provide complementary funding to the sector, to provide risk protection, so that people do not have to pay at the time of illness, but also addressing a number of fundamental issues about how stakeholders interact in terms of efficiency, quality, and access. Overall, the scheme is intended to provide a mechanism by which not only do we provide complementary funding to the sector, but also contribute to the fundamentals which help us improve the overall health status of the country.

DORIS: How is the scheme financed?

DR KAMANGA: So, for those in the formal sector, there is a contributor mechanism in which there is a fixed proportion of the basic income, which is paid by the individual, supplemented by an equal proportion from the employer. And then for those from the informal sector, there is also a contribution which is paid into the fund from a contributor mechanism. And then, of course, the last group being those that are deemed too poor to contribute; those that are vulnerable. Basically, what happens in that is that subsidies are paid into the fund. And basically, these are the three main funding streams. So, there is a contributor mechanism, but there is also a general revenue mechanism in which the money is then pooled into one consolidated fund.



DORIS: Ok, thank you. So, you've mentioned the informal sector and I know it's a huge population in Zambia. So, what are some of the strategies the scheme is using to address bringing this sector on board?

DR KAMANGA: So, I think the informal sector has been a very challenging aspect for many people, and I think Zambia's taken the view that the informal sector is not homogeneous. It's a heterogeneous population. You have traders, you have marketeers, you have bus drivers, self-employed individuals of various types and various income brackets. What we've attempted to do is -- first of all, from segmenting it -- identify mechanisms and channels by which we can approach them to register and make contributions. The other thing is that at some time or the other, the members do approach us at the hospitals themselves. So, a key touchpoint is to ensure that, if a member comes in who's not registered, we also provide opportunities to register them at the point of service. So, it's a multipronged approach and so far, this has been working quite well for us.

DORIS: Ok, thank you. So, what are some of the benefits of being a member of this scheme?

DR KAMANGA: Ok, the benefits are many. First and foremost, before I get into the specifics, the benefits are portable. We have over 140 facilities. So, wherever you go in the country, you have access to these benefits. As a member, you are able to register five dependents and one spouse, so a total of seven members for your contributions would be covered under your scheme. Then, you come to the specifics. If we are looking at OPD, outpatient department, you are able to get fast-track services. You are able to get cover for things like consultation, registration, pediatric services, maternal and child health, surgery -- major and minor surgeries -- we are covering. Things like spectacles, vision care, dental, oncology are amongst the benefits that are covered. And when people access these services that are created in institutions -- both in public and private institutions -- they don't have to pay for the services when they are members of the scheme.

DORIS: What are some of the unique features of this scheme?

DR KAMANGA: First of all, provide an unlimited cover for members on the scheme. Secondly is that we are providing things called "claim advance payments". So, in the time of Covid, one of the things that we quickly realized was that when services went down, facilities required additional funding. So, we were able to frontload these facilities, sort of like loans. And our scheme was able to provide public sector facilities upfront payments before even making claims so that they could improve on issues of quality of services.

DORIS: Ok, thank you. And then my last question: the National Health Insurance scheme has been running for the past year. What are some of the lessons that you can provide for other countries that are trying to implement such a scheme?



DR KAMANGA: I think the most important work is the stakeholder management. You need to ensure you know your stakeholders, you know who's for and against, and you need to manage that. Very important. You need to ensure regulation is in place. One of the things that has helped us in order to implement this is that we have had a lot of political will, but also regulation backing us, in terms of operations. And then you look at the technical work. Because of course, then you need to show that it is feasible. So, we undertook a feasibility study, an actuary assessment, which then culminated into the eventual launch of the scheme. But people have a lot of questions. And you need to be able to provide information as the project is evolving. And a constant communication using different channels, in both national and local languages, is a very important step that you need to take in order to succeed.

DORIS: As we can see in this video, countries such as Zambia are attempting to address the challenges that they face in financing their health system, by using solutions that are suited for their context.