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Nationwide Social Health Insurance Solutions in Vietnam

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Abstract
In this article, we study the role of Social Health Insurance and the efforts of the Vietnamese government in expanding coverage to achieve the universal health insurance goal. By analyzing changes in health insurance policies related to contribution responsibilities and benefits since the enactment of the 2008 Health Insurance Law, and utilizing data sources from Vietnam Social Security, the Ministry of Health, and the General Statistics Office of Vietnam to investigate the current state of expanding health coverage in Vietnam, examine the achieved results, limitations and reasons. Subsequently, we propose solutions to broaden the scope of health insurance coverage to the entire population.

Keywords: Social Health Insurance, Nationwide, Coverage, Vietnam

1. Introduction

In 1948, the World Health Organization (WHO) declared “The enjoyment of the highest attainable standard of health is one of the fundamental rights of every human being without distinction of race, religion, political belief, economic or social condition” [7]. WHO also asserts that it is the responsibility of governments to ensure this right for their citizens, or in other words, to guarantee universal health coverage - everyone should have the ability to access adequate quality health services without financial obstacles. The 2013 Constitution of Vietnam stipulates: "Everyone has the right to be protected, cared for in terms of health, equality in using medical services and the obligation to comply with regulations on disease prevention, medical examination, and treatment” [4]. To realize the right to health care for all inhabitants and ensure health financing in specific socio-economic conditions, the State of Vietnam has developed a strategy to implement universal health insurance. The 2008 Health Insurance Law and the amended and supplemented 2014 Health Insurance Law stipulate a gradual increase in the mandatory participation of health insurance beneficiaries. In addition, health insurance benefits have been expanded, along with the simplification of administrative procedures, to achieve the goal of universal health insurance. In 2009, the first year of implementing the Health Insurance Law, the number of people participating in health insurance was 53.3 million, covering 57% of the population. By 2022, the figure had increased to 91.1 million, accounting for 92.04% of the population [6]. This means about 8% of the population has not yet joined health insurance, and they will have to bear the full cost of medical expenses when being ill. These are also the most "challenging" individuals to enroll in the program. Therefore, various measures need to be implemented to achieve universal health insurance coverage in Vietnam.

2. Literature review

Ensuring people's right to health care is the responsibility of nations, and to fulfill this responsibility, many countries have utilized Social Health Insurance as an effective tool. According to WHO, “Social Health Insurance (SHI) is a form of financing and managing health care based on risk pooling. SHI pools both the health risks of the people on one hand, and the contributions of individuals, households, enterprises, and the government on the other. Thus, it protects people against financial and health burden and is a relatively fair method of financing health care” [8].

In Vietnam, SHI is defined as "a type of insurance organized and managed by the state to mobilize contributions from individuals, groups and social communities to take care of people's health, medical examination and treatment" [3].

Social health insurance (SHI) is one of the possible organizational mechanisms for raising and pooling funds to financial health services, along with tax-financing, private health insurance, community insurance, and others. Typically, the SHI system requires mandatory contributions from groups of workers, including both employees and their employers, or self-employed individuals, who may also contribute for their family members that they are responsible for providing support. The government is responsible for contributing on behalf of those who are unable to pay, or for special target groups. Since SHI only ensures

basic healthcare packages for participants, the contribution levels to SHI do not differ significantly among groups of participants. The difference lies mainly in the regulation of contribution percentage based on income, which higher incomes result in higher contributions.

The objectives of implementing SHI in countries are: (i) improving health and reducing health inequalities, (ii) being responsive to people's expectations, and (iii) ensuring fairness of financing. Furthermore, WHO recently has also committed to efforts in implementing Primary Health Care, for which universal health insurance is a prerequisite.

Health Insurance ensures full or partial payment (depending on the socio-economic conditions of each country) of medical expenses, which can sometimes be substantial. This helps patients overcome disease risks, facilitate early recovery of health, as well as stabilize family life. Health insurance also ensures that participants and their family members have the means to prevent, detect early, and treat illnesses, as well as restore health after the occurrence of illness.

To protect workers and their relatives from health risks, the International Labor Organization (ILO) has issued Conventions and Recommendations on health care regimes, including regulations on the scope of health care coverage for countries to enforce or refer to when developing policies. Among these, ILO's Convention No. 102 in 1952 on social security C102 - Social Security (Minimum Standards) Convention, 1952 (No. 102), is considered the legal document basis stipulating minimum standards for 9 social security schemes, including the medical care regime. This regime specifies that those covered constitute at least 50% of the population and should receive health care for disease prevention and treatment. The minimum benefits must include care offered by general practitioners or healthcare specialists, as well as the provision of necessary pharmaceuticals, including both inpatient or outpatient treatment at home. The Social Protection Floors Recommendation, 2012 (No. 202) expresses the commitment of Member States to move towards building comprehensive social security systems and extending social security coverage by prioritizing the establishment of national floors of social protection, whereby all citizens have access to essential healthcare packages easily and with quality, without facing difficulties and the risk of impoverishment due to the financial consequences of using essential healthcare services. The financial mechanism that meets this requirement for healthcare for all citizens is Health Insurance.

With an independent financial mechanism based on contributions of participating parties, SHI plays a role in reducing the burden on the state budget for healthcare spending. On the other hand, it also reflects individuals' responsibility for their own health. Although Health Insurance was introduced with the aim of ensuring healthcare coverage for everyone, not many least-developed and low-middle-income countries have succeeded in adequately expanding coverage of SHI. The challenge for countries using SHI as the sole financial method for healthcare is how to achieve universal health coverage.

3. Basic content of Health Insurance in Vietnam

- Regarding the participants

After Vietnam transformed its economic management mechanism from centralized planning to a market economy, reforms have been undertaken in the healthcare financial system since 1992. Instead of the state subsidizing all healthcare costs, SHI operates on the principle of "contribute-enjoy benefits", which mobilizes financial resources from the public for healthcare as well as ensures quality health services packages for all people, including both inpatient and outpatient care for health insurance card holders. At that time, health insurance was implemented in two forms: mandatory and voluntary. The mandatory form applies to state officials, people working in state-owned enterprises, and employees of private enterprises with a scale of 10 employees or more. The voluntary form applies to the remaining population.

To achieve the goal of universal health insurance, in 2008, the National Assembly passed Health Insurance Law No. 25/2008/QH12, dividing the population into 25 target groups and outlining a phased implementation of mandatory participation for each target group. In 2014, Law No. 46/2014/QH13, which was passed by the National Assembly, was amended and supplemented some provisions of the 2008 Health Insurance Law. It stipulates mandatory participation in health insurance for all citizens. Participants are categorized into 5 groups, based on their contribution responsibilities, including: (i) group paid by employees and employers, (ii) group paid by Social Insurance Organizations, (iii) group paid by the state budget, (iv) group whose contributions are supported partially by the state budget, (v) group participating in health insurance through family households. Group (i) applies to all salaried employees with labor contracts lasting for 3 months or more. Group (ii) applies to people receiving monthly social insurance benefits, and they are not required to contribute, as it is considered a right of social insurance participants. Group (iii) applies to those with revolutionary contributions, those under social protection, children under 6 years old, and people in poor households. Group (iv) includes participants contributing, with the state providing partial support, such as those in near-poor households, students and scholars. Group (v) includes participants contributing entirely, but the fees gradually decrease from the second member onward. Moreover, depending on economic and social conditions, the State would consider expanding the target groups and increasing the level of support for individuals having economic difficulties so they can purchase health insurance.

- Regarding the contribution rates

Health insurance premiums have remained stable since January 2010. The monthly contribution rate of group (i) is 4.5% of the salary, of which the employee pays 1/3 and the employer pays 2/3. For group (ii), the rate is 4.5% of the allowance. The remaining groups also have a 4.5% contribution rate of the base salary. For groups contributing based on the base salary, the annual health insurance premium is approximately $40 USD, including state support if available. In addition to support from the state budget, provinces provide additional support for economically disadvantaged individuals, such as near-poor people and people with disabilities.

- Regarding the entitlements

The scope of health insurance coverage includes medical examination, treatment, functional rehabilitation, regular prenatal check-ups, and childbirth. When receiving medical

examination and treatment with a health insurance card, the patients will have 80% to 100% of the medical expenses covered by the health insurance fund for each visit, depending on specific different groups. Individuals undergoing medical examination and treatment with a health insurance card are not restricted in terms of the number of visits or the total amount covered by health insurance. The coverage rate is considered to increase for those with economic difficulties. Health insurance also specifies cases that it does not cover expenses, such as the use of assisted reproductive technologies, cosmetic services, or certain high-tech medical services and specialized drugs.

4. Current status of health insurance participation

In addition to perfecting policies and laws on health insurance to expand coverage, the simplicity and convenience of policy implementation also encourage people to willingly participate in health insurance. The primary organization responsible for policy implementation is Vietnam Social Security. Although participation in health insurance is mandatory for all citizens, there is currently no mandatory sanction for group (v) that mainly consist of workers in the non-official areas. Therefore, in order to increase the number of participants in health insurance and move towards universal coverage, Vietnam Social Insurance has undertaken extensive communication and dissemination of policies and laws on health insurance, simplified administrative procedures, and enhanced the application of information technology to facilitate people's participation in health insurance in the most convenient way. Vietnam Social Security has integrated the registration for medical examination and treatment, and health insurance participation registration on the National Public Service Portal. The system can receive and process the renewal of participation in health insurance/extension of health insurance cards by households.

Furthermore, to ensure the rights of participants, the Social Security agency signs contracts with hospitals/healthcare facilities and processes payments to patients through healthcare facilities (people do not need to pay in cash when seeking medical treatment). Inhabitants can use their national ID or install application software to receive medical examination and treatment without presenting the health insurance card. Thanks to these measures, the number of participants and health insurance coverage in Vietnam have increased rapidly over the years, which can be seen in the following data table:

Table 1: Health insurance participation rate compared to the population

	Content/Year	Units	2009	2015	2020	2021	2022
1	Number of participants in health insurance	Million people	53.3	69.68	87.96	88.83	91.1
2	Participation rate	%	57	74.7	90.85	91.01	92.04

Source: Vietnam Social Security

Year 2009 marked the first year of implementing the Health Insurance Law. The participation rate in health insurance reached 57% in that year. After the amendment of the Health Insurance Law in 2014, by the end of 2015, the number of participants in health insurance was 69.68 million people, a growth of 16.58 million people compared to 2009, with a coverage rate of 74.7% of the population. In 2020, the coverage rate reached 90.85%. However, from 2021, the coverage rate was expected to rise slowly for several reasons. Firstly, the impact of the Covid-19 pandemic has led to difficulties in the lives of people and businesses. Secondly, approximately 8% of the population who have not participated in health insurance are the most challenging to enroll participation, either due to their low income or a lack of awareness of the role of health insurance.

Within the 8% of the population participating in health insurance, according to a report from Vietnam Social Security, the group with the lowest participation rate is group (v) or the family-based participation group. This group mainly includes workers in non-official areas, the elderly, children not attending school, and those not belonging to target groups (ii), (iii), (iv). In 2021, the coverage rate for the family-based participation group was reported to be 76.5% of the total number of eligible participants [10]. The remaining people belong to group (i) and group (iv). Group (i) includes workers who have stopped working without receiving a salary, individuals whose labor contracts are interrupted, and those with labor contracts lasting less than 3 months. Additionally, about 4% of students have not yet participated. Therefore, although Vietnam is approaching the goal of universal health insurance coverage, achieving this goal still requires the implementation of various solutions.

5. Implementation of universal Health Insurance solutions

To successfully implement the universal health insurance program in Vietnam, the following fundamental solutions can be considered:

First, perfecting the legal framework for health insurance.

Health insurance policy not only encompassess a broad scope of regulation beyond the function of "ensuring social security" but also addresses issues related to fund balance, the organization of healthcare examination and treatment, and specialized healthcare matters. Therefore, after nearly 9 years of implementing the amended and supplemented Health Insurance Law of 2014, it is necessary to undertake revisions to align with the country's socio-economic conditions, especially after the Covid-19 pandemic. Regarding the expansion of coverage, the article focuses on three main aspects:

- Amend regulations on participants: Currently, the five participant categories in health insurance cover almost the entire population. However, to quickly achieve the goal of "universal" coverage, it is necessary to consider amendments to the target group of salaried workers (health insurance fees are paid by both employees and employers), aligning the regulations with those compulsory for social insurance participants. Presently, there are many individuals who fall under compulsory social insurance participation but are not included in group (i), such as employees working under labor contracts from 1 to less than 3 months, business managers, and non-specialized commune-level officials. Harmonizing regulations between social insurance and health insurance will be advantageous for the Social Insurance agency during collection as well as simplify the management of participant categories. In addition, a review of individuals facing economic hardship should be conducted to include them in the group covered fully or supported partially by the state budget.
- Amend regulations on handling health insurance

violations: Currently, certain violations related to health insurance, such as the evasion of health insurance contributions for employees by businesses or fraudulent activities benefiting from and misusing the health insurance fund, have specified penalties. However, there is no specific regulation on penalties for individuals who do not contribute to health insurance. According to the amended and supplemented Health Insurance Law of 2014, citizens' participation in health insurance is mandatory, so individuals who do not comply with the Law will face penalties, which may include administrative measures such as fines, or conditions restricting the execution of other administrative procedures of citizens. They may also be refused to receive certain support from the government. If violations persist over an extended period, more severe measures, such as imprisonment, may be considered.

- Increase the State's support for low-income individuals participating in health insurance: Currently, in addition to those covered all health insurance premiums by the state budget, there is also support for various groups such as near-poor people, students, etc. However, a limitation arises when the poor receive full state support, and when they transition to the "near-poor" group, whose income may be slightly higher than the poverty threshold, yet they only receive 30% support. For many individuals, this level of support is insufficient for them to participate, as their income is not enough to cover basic living needs. Therefore, the State should consider adjusting the level of support for purchasing health insurance for citizens based on an income-proportional rate, with a limited support duration. This approach aims to ensure fairness while providing an incentive for individuals to increase their income.

Second, establishing a database to manage people who have not participated in health insurance.

Facing the global trend of robust digital transformation, the Vietnam Social Security has promoted the application of information technology in the field of health insurance to enhance management efficiency. After the national population database was established and operated, Vietnam Social Security integrated with this database to create a national insurance database, covering 94% of participants in social insurance and health insurance. Based on this database, Vietnam Social Security can easily manage individuals who have not participated in health insurance by categorizing them into target groups to determine contribution responsibilities, or implement supportive measures to encourage their enrollment in health insurance. Within the existence of a comprehensive database, every citizen is managed by identification code and a record, facilitating the implementation of corrective measures when individuals fail to fulfill their responsibilities or obligations regarding health insurance participation.

Third, raising public awareness of health insurance.

Participation in health insurance can only be effective when citizens are clearly aware of their rights and obligations. Many individuals are unaware that participating in health insurance is mandatory, and some show little interest in this policy until they experience illness or disability and have to bear medical expenses on their own. Therefore, it is essential to raise public awareness through communication measures. Despite numerous health insurance policy communication programs being implemented, traditional one-way information and conventional communication methods still dominate. To enhance the effectiveness of communication efforts, improvements are needed in both content and format. Targeting communication efforts towards specific groups, particularly laborers in the informal sector, is crucial as they possess economic potential and play a decisive role in purchasing health insurance for their family members. Regarding the content, it is vital to select the most relevant and practical information for participants in terms of their rights and responsibilities when participating in health insurance, with specific evidence of benefits. In terms of format, instead of organizing seminars and discussions on health insurance on radio or television, it can be integrated into movies and entertainment programs or utilizing platforms preferred by many people, such as social media channels like Facebook, Tiktok, Zalo. Additionally, creating memorable and understandable slogans in collaboration with insurance businesses could leave a lasting impression on the public.

Fourth, improving the quality of healthcare services.

The quality of services provided to health insurance participants significantly influences their "willingness to engage in the program" attitude in the future. Furthermore, it can stimulate others to participate through word-of-mouth communication. Although participating in health insurance is mandatory, the key is to foster public unity with the state's policies. Service quality is evaluated through patients' satisfaction. Therefore, it is necessary to strengthen the physical infrastructure of healthcare facilities, modernize medical equipment, adopt new and advanced medical techniques to improve the quality of healthcare services, and focus on the district-level healthcare facilities to provide primary healthcare for the population. In addition, it is vital to train a skilled and ethical team of doctors, nurses, and medical professionals.

6. Conclusion

Ensuring human rights in healthcare has been a priority in Vietnam since the country's establishment, and the financial mechanism for healthcare has evolved with economic management changes. In the market-oriented economy, the health insurance system in Vietnam is recognized as an efficient financial mechanism for healthcare, as health insurance mobilizes social resources, ensures equity in healthcare access, and reduces the rich-poor disparities, contributing to social stability and serving as a solid basis for economic development. To extend the coverage of health insurance to the entire population, in addition to the Government's efforts, there should be active participation from the citizens.

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