



Project Note

Title: National Health Insurance Project for Grenada

Summary Data:

Applicant

Ministry of Health

Ministry of Implementation

Focal Point: David S. Phillip – NHI Coordinator

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Implementing Partners

Ministry of Health

Ministry of Implementation

National Insurance Board

Executing Agency

United Nations Development Program (Barbados office)

Focal Point: To be determined

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Theme

Universal health care could help bring an end to extreme poverty



Project Title	National Health Insurance, the vehicle to provide individuals and families with necessary health benefits without sacrificing other areas of life or worrying about forcing them back into poverty.
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Sectors	Health and Social Security
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Objectives

- To improve access to and affordability of health care services for all Grenadians
- To improve the health care system which would lead to a healthier and more productive Grenada.
- To protect individuals and families from financial hardships that can result from health care expenses
- To provide for a more equitable and sustainable method of financing health care

Target Beneficiaries	All Grenadians and Legal Residents
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Project Duration	One (1) Year
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Funds Required	USD\$653,916.00
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Background

Grenada is a small island developing nation in the Eastern Caribbean, with a population of approximately 105,500, of which 30 percent live below the poverty line. Total fertility has fallen to 2.19 births per woman (World Bank 2012), but about 43 percent of the population is under the age of 25 (United States Census Bureau 2013). Public sector health services are delivered through four hospitals, six health centers, and 30 medical stations. There are also three small private hospitals and more than 30 private physician practices in Grenada. Although 61 percent of the population lives in non-urban areas (WHO 2013), there is good geographic coverage of public health services. Citizens of Grenada may obtain care at public facilities for a small consultation fee and receive drugs at public pharmacies at subsidized prices. To promote access to services for vulnerable population groups, children under 17 and adults over 60 are exempted from all user fees, as are individuals considered "indigent" (Tayag 2013). Basic reported health indicators, such



as births attended by a skilled health care worker and immunization coverage, are higher than in other countries in the region. Chronic and non-communicable diseases (NCDs) now account for the majority of reported health problems in Grenada, with diseases of the circulatory system among the leading causes of morbidity and mortality in adults.

Grenada has a mandatory social security scheme, known as the National Insurance Scheme, which provides old-age pensions, stipends for those unable to work due to disability or sickness, funeral and survivors' benefits, and employment injury compensation, but there currently is no national health insurance (NHI) scheme in Grenada. However, there is interest in establishing such a scheme in the future. In preparation for the development of NHI, the Government of Grenada commissioned a Pre-Feasibility Health Financing Assessment (Theodore et al 2012). Selected findings include:

- Grenada, like the other countries of the Organization of the Eastern Caribbean States, has limited fiscal space, indicating limited ability to increase Government spending on health or other functions;
- The function of the NHI will be mainly one of reallocating resources already being expended;
- The country's income base as a whole-government, employers and employees-suggests that initial affordability will not be the primary issue when establishing an **NHI** scheme. The most pressing issue will be sustainability, given the expectations of the population and the normal tendency of health care costs to rise;
- The expectation of an improved quality of care and the widening of the range of effective access to care will certainly put a strain on the NHI;
- Prior to NHI design, it is necessary that additional tasks be performed, including macroeconomic analysis, health insurance industry analysis, health services costing, and information technology infrastructure assessment, among others.

The project is intended to develop frameworks and models which are critical to achieving the implementation of National Health Insurance, (NHI) in Grenada. The World Health Organization resolution 58.33 from 2005 says everyone should be able to access health services and not be subject to financial hardship in doing so. On both counts, the world is still a long way from universal coverage.

In its drive towards national health insurance, the Government of Grenada recognizes the critical need to strengthen primary care services to deliver National primary care with the removal of cost as a barrier to access for patients. In this regard, it sees the move to strengthening the primary care service



as an essential prerequisite to implementing National Health Insurance.

The grant is intended to:

- examine innovations necessary for implementing National Health Insurance
- facilitate the preparation of the legal environment necessary for the establishing of NHI
- engage stakeholders and encourage feedback and buy in to the process
- prepare the necessary systems needed for the implementation of NHI
- coordinate specialist interventions
- guide in the implementation of NHI

Proposed Activities:

- Drafting of facilitating legislation
- Costing of the proposed basket of services
- Determining the financing option(s) that would be adopted
- Developing the NHI **organization structure** with appropriate job descriptions
- Projecting the Administrative costs of NHI
- Discussion and design of **contracts with health care providers** – public and private – in terms of participation, payments, and utilization reviews
- Preparation and implementation of a **Communications strategy** and public education programme to take the NHI to the Grenadian people
- Review and collate information collected from consultation
- Design of an **Information Technology system** for registration, claims processing and production of reports
- Business meetings with **key stakeholders** to discuss the operational implications of NHI and their roles in the programme
- Preparation of **cooperation agreements** to guide the relationships with various agencies which will interface with the NHI. These include the Ministries of Finance, Health, Social Services; National Insurance Scheme; private insurers
- Development of an integrated framework of objectives and performance measures



to monitor and evaluate the progress of NHI

- Preparation of an implementation plan
- NHI will ensure a more responsive and accountable health **system** that is likely to improve user satisfaction, lead to a better quality of life of the citizens and improved health outcomes across all socioeconomic groups.
- This will contribute towards improved human capital, labour productivity, economic growth, social stability and social cohesion.
- NHI is consistent with the Constitutional commitment for the state to take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of the right to have access to health care services.
- Implementation of NHI is a reflection of the kind of society we wish to live in: one based on the **values of justice, fairness and social solidarity**.
- Implementation of NHI is consistent with the vision that health care should be seen as a **social investment** and not be subjected to market forces.

Meeting IBSA Criteria:

The purpose of the IBSA fund is to aid in the alleviation of poverty and hunger. The project proposal is to fund the operations of a National Health Insurance Secretariat which has the mandate to put in place all the necessary structures leading up to the launch of the NHI programme. The decision of the Government of Grenada to introduce a National Health Insurance plan is in keeping with the Sustainable Development Goals 2030. Former UN Secretary General Ban Ki Moon is credited with the following quote: “This is the People’s Agenda, a plan of action for ending poverty in all its dimensions, irreversibly, everywhere, and leaving no one behind.” SDG Goal 3: **Ensure healthy lives and promote well-being for all ages**. “To promote physical and mental health and well-being, and to extend life expectancy for all, we must achieve universal health coverage and access to quality health care.”

SDG Target 3.8 Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.

Reduction of poverty and Hunger

Universal health care in all countries could help bring an end to extreme poverty. Health issues are a major reason people are in extreme poverty, putting 100 million people into extreme poverty as well as creating severe financial stress for an additional 150 million people around the world each year. For the poorest people around the world, even what would seem like small costs to visit a doctor or receive a vaccine can be detrimental to a family’s financial stability, and could push some people back into poverty or extreme poverty. With National Health Insurance, these individuals and families can receive these necessary health benefits without sacrificing other areas of life or worrying about being forced back into poverty.



According to the World Health Organization, 100 million people fall into poverty each year due to medical expenses. National Health Insurance is intended to ensure that the use of health services does not result in financial hardships for individuals and families. It is in this context that the proposal fits the IBSA objectives and modalities.

South -South Cooperation /IBSA Country Capacities

The world has adopted the Sustainable Development Goals (SDG). This is an agenda which calls for a new and inclusive global partnership, of which South-South cooperation forms a major part. This is intended to complement North-South Cooperation. During the past decades, South-South cooperation has demonstrated their contribution to development results through a variety of flexible cooperation modalities, including knowledge exchanges, technology transfers, financing, peer support, and neighbourhood initiatives, as well as countries forming common development agendas and seeking collective solutions. Both India and Brazil have progressed to Universal Health Care. South Africa on the other hand is well on its way to achieving National Health Insurance and we can learn from their experience. We would welcome avenues of cooperation with IBSA countries as we move towards the implementation of National Health Insurance.

Stakeholders Consulted

Consultation was done with the following stakeholders; Grenada Trade union Council, Inter Agency Group of Development Organizations (IAGDO), Grenada Chamber of Industry and Commerce, Association of General Insurance Companies (AGIC), Grenada Employers Federation, Grenada Medical Association and Grenada Public Health Association.

We have made initiated contact with UNDP, Barbados office with a view to having them partner with us as the executing Agency.

National Ownership and Leadership / Government Support

A letter of support has been provided by the Government of Grenada and is attached for reference.



To ensure the viability of the program, an actuarial study will detail the cost of the basket of services to be provided under NHI. The study will formulate medium-term (10 years) projections of the actuarial cost, and provide for stipulations to be included in the Financial Regulations of the proposed program. The NHI bill details how the fund is to be used and provides strict guidelines as to the collection and spending of the funds. The program would be mandatory which would satisfy the risk equalisation principle. With mandatory contributions, there is a larger pool of funds to satisfy the health care needs of contributors. In addition, the program would be reinsured to protect against unforeseen losses. As an added precaution, arrangements are being made to reinsure the fund to protect it from catastrophic losses. This would help to ensure sustainability.

The program also corresponds to national priorities (Grenada Health Sector Strategic Plan 2015-2025). In its strategic plan for health for the period 2015 – 2025, the Ministry of Health has identified National Health Insurance as a health financing mechanism that will transform health systems in Grenada. A copy of the strategic plan is attached.

The introduction of a National Health Insurance program was a key feature in the Government's 2017 budget. The Government have given its full support for the project and this is reflected in its budget allocation for a NHI secretariat which was given the mandate to move towards beginning the implementation process by July 2017. The support from the leadership of the Government was further cemented when the Prime Minister brought the NHI project directly under his supervision through the Ministry of Implementation.

Strengthening Local Capacity

Grenada is one of the few countries that have succeeded in advancing the National Health Insurance agenda by largely using local capacities. The development and preparation of the NHI concept paper was done by a broad based National Health Insurance Advisory Committee. The work of the committee led to the establishment of a locally established NHI Secretariat. Both the advisory committee and the NHI Secretariat rely on technical expertise from both local technocrats and external technocrats.

The ability of local institutions and individuals to perform functions, solve problems and achieve goals is essential in building resilience spurring broad economic growth. We recognize that developing capacity takes time and requires sustained political will. Short terms capacity objectives would therefore be incorporated into long term strategies aimed towards the development of a sustainable National Health Insurance program.

Ownership

The National Insurance Board, which currently administers our Social Security program, is the entity that is charged with the responsibility for the National Health Insurance Program. This iconic national entity has gained the respect and institutional reputation to effectively champion the implementation of the



NHI program. As an institution, responsible for long term benefits of contributors, the NIB is well placed to provide a long-term perspective to the program.

Identifiable Impact

1. Improves access to Health Care:
 - (a) NHI gives people that can't afford health care the services they need. This health care system allows basic health care services for all citizens and it doesn't discriminate against anyone.
 - (b) Every Grenadian can be able to access health care no matter his social status. Since no single human life is greater than another, the poor can be able to receive exactly the type of health care that could only be afforded by rich under normal circumstances.
2. NHI Improves Public Health
 - (a) The entire population spreads around the cost of the health care so everyone can get the basic care that they need.
 - (b) It will help to improve the health of general population, since every member of the society has an equal access to medical health care. Hence, it will lead to reduction in the amount of illness suffered by general population; create healthier people and increased productivity.
 - (c) Citizens can get free treatments for basic conditions without the fear of not being able to afford them. This can help reduce the spread of infectious diseases and other common health problems that people may ignore if they can't afford health care.
3. Stop Medical Bankruptcies

With NHI, medical bankruptcy will be a thing of the past leading to a healthier and richer nation.
4. Boosts the Economy

People work more when they live healthier lives which allow them to contribute as much they can to the nation's economy. NHI will raise the standard of living of every individual in the society which will lead to more economic productivity.

Replicability

Most developing countries have either committed to or are examining the possibility of introducing National Health Insurance as a path to Universal Health Care in keeping with the Sustainable Development Goals. Grenada is the first Country in the OECS to have progressed to the stage of



committing to begin the implementation of National Health Insurance. The experience of Grenada can be used by other OECS countries to inform their progress towards Universal Health Care.

Innovation

In its pronouncements on the use of National Health Insurance as a path to Universal Health Coverage, the World Health Organisation have advised countries to adapt rather than adopt models used in other countries. It is generally accepted that each country would have to chart their own course in their quest to provide accessible, affordable health care. While studying, models used in other developing countries, Grenada has been innovative in the way it is approaching the designing of its NHI program. We have ensured that our legislation takes into consideration our local conditions and the present state of our health system. In addition, we are aiming to include overseas care as part of the basket of services and to this end, we have been negotiating with Countries and organizations that provide quality healthcare at competitive rates.