



Photo credit: Ayenew Haileselassie, Abt Associates

A CBHI member who accessed referral surgery at Debre Markos Referral Hospital and had the costs covered by the East Gojjam zonal pool

Zonal CBHI scheme in Amhara improves access to referral hospitals

For poor and low-income families, the biggest roadblock to adequate health care is having enough money to pay for it. In systems where payment is required at the time of care, many avoid or delay seeking treatment because they are unable to pay or fear impoverishing costs. To improve financial protection and use of health services, the Ethiopian government has introduced community-based health insurance (CBHI) across the country. The program makes health care services more accessible by reducing the financial risk and burden of obtaining it.

CBHI members and their dependents are entitled to access curative health services without incurring out-of-pocket expenses when obtaining them at contracted health facilities. Households can join the program by paying an annual premium. These funds are then pooled together along with government subsidies, and used by woreda-level CBHI schemes to reimburse health facilities for the services obtained by CBHI beneficiaries.

Until fairly recently, there were only woreda-level CBHI schemes in Ethiopia. The Amhara regional health bureau (RHB) started to pilot Ethiopia's first zonal-level CBHI pooling in 2018, to systematize financial protection for CBHI members using hospital services when following the referral system, and to address some of the efficiency and sustainability challenges of the program. The work was conducted with technical support from the USAID Health Financing Improvement Program.

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▶▶ WHAT ARE THE CHALLENGES WITH WOREDA-BASED CBHI SCHEMES?

Size matters. A fundamental premise of health insurance is that it allows the higher medical costs of the less healthy to be offset by the relatively lower costs of the healthy. In general, the larger the number of people enrolled in a CBHI scheme, the more stable and financially viable it will be.

Because woredas are relatively small, the number of members and amount of funds a single CBHI scheme can pool is also small. Therefore, there is a risk that a scheme might not have enough financial resources to cover reimbursements if, for example, several CBHI members have high-cost medical procedures at the same time. This situation puts at risk the woreda-level CBHI schemes' ability to sustainably pay for the health care of its members.

Administrative costs. Woreda-level CBHI schemes enter into contracts with nearby health facilities, mainly health centers, to enable their members to access health services. When CBHI members are referred to a hospital, however, it can be administratively complex and burdensome for woreda-level CBHI schemes to manage contracts with them. Proper contract management including evaluating medical services during claims processing often becomes hard for woreda-level schemes. Similarly, it is cumbersome for hospitals to operate contracts with individual woreda-level CBHI schemes.

▶▶ WHAT ARE THE ADVANTAGES OF ZONAL-LEVEL CBHI SCHEMES?

Adding zonal-level schemes like the one piloted in East Gojjam, and making them responsible for managing referral hospital contracts and transactions, can alleviate the administrative burden woredas and hospitals currently experience. **Zones have better administrative capacity to easily engage with hospitals** both in and outside of their region. Once a CBHI beneficiary is referred to a hospital, all transactions related to that visit are managed by the zonal-level CBHI scheme.

Having several woreda-level schemes networked into a single zonal-level scheme also means the financial risks of the individual woredas are shared amongst them. They each transfer a percentage of their pooled funds to the zonal-level scheme, creating an overall **larger pool of funds to cover referral hospital-based care**.

The zonal-level CBHI scheme in East Gojjam contracts with three referral hospitals in Amhara and one in Addis Ababa. In the first two years of the scheme, over 173,000 CBHI beneficiaries were able to easily access the services of these hospitals, according to Dr. Hiwot Debebe, Head of the Amhara RHB. Twenty-one woreda-level and town administration-level CBHI schemes are associated with the zonal-level scheme.

The USAID Health Financing Improvement Program in collaboration with Ethiopian Health Insurance Agency (EHIA), the Amhara RHB, and the East Gojjam Zonal Health Department, is currently conducting an in-depth assessment of the East Gojjam zonal-level pilot. Findings will be used to inform the future implementation in East Gojjam and to design zonal, regional, or other higher-level CBHI schemes in Amhara and across the country.

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