Hossam Sadek – CEO, Universal Health Insurance Authority (UHIA), Egypt

All stakeholders want to see this project succeed because it will positively affect every citizen and family in the country

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The CEO of Egypt's Universal Health Insurance Authority (UHIA) Hossam Sadek outlines the country's strategy to provide healthcare coverage for the entire population by 2030, explains how the system will be financed, the first results from pilot programs across a few governorates, and the main challenges ahead, including a change of perception of the quality of public health services.

Can you start by providing context about the roots of the Universal Health Insurance Authority and the scope of its responsibilities to build the new Egyptian healthcare system?

In fact, we have had universal health insurance since 1967. Back then it was called Health Insurance Organisation (HIO) and was designed to cover specific segments of the population such as government employees or students. However, the new system aims to cover all Egyptians, which is why it is called universal or comprehensive health insurance. There is no opting out of the system, it is mandatory, and the entire population should be engaged and covered, as well as pay contributions to get services.

A positive side of the new system is that, after 50 years of having scattered health systems, where organisations looked for either private insurance companies or built their own facilities, there is

now an option that includes everyone.

The national government was building healthcare facilities for the population – mainly vulnerable and poor people – but most of the society did not trust the quality of the services offered in those facilities, which had deteriorated through decades due to a lack of funds. Therefore the new law issued in 2018 made a separation between the regulator in charge of providing standards and accreditation to health facilities – the General Authority for Healthcare Accreditation and Regulation (GAHAR), which reports directly to the president's office, and the Universal Health Insurance Authority (UHIA), which is responsible for financing and managing the system itself and reports directly to the prime minister, and the public main service provider – Egyptian Health Authority (EHA), which reports to the minister of health. We at UHIA do not have hospitals or primary care units but rather acquire services for citizens from public or private healthcare providers.

With responsibility for financing the system, we are the body responsible for putting together the benefit package, services as well as drugs that will be offered to the population. As the payer, the UHIA is also responsible for pricing. We negotiate with the pharma industry when it comes to dispensing medicines within the system. We do plenty of business with the industry because, in the end, it is not just the price tag; the philosophy of the new system is about getting better outcomes for patients rather than looking for the cheapest medicines. UHIA wants to build agreements based on outcomes and price is just one component; the technical part is more important for the agency, which is why we have created a health technology assessment (HTA) department responsible for assessing rare diseases and innovative medicines.

What are the main challenges faced by the UHIA in the implementation of the new system?

The main challenge that we have been facing during the last couple of years has been changing the mindset of the Egyptian population to deal with a new public health insurance system. The system is based on a new concept of referrals which works with family physicians that act as the gatekeepers of the system. They can diagnose more than 80 percent of typical diseases.

The second challenge is to convince people that pay out-of-pocket that there is now a better public system. We have great facilities, good doctors, machines that work and global standards. So far, we have succeeded in Port Said, Luxor and Ismailia, which are the first governorates to implement the new system.

In addition, a positive element of the new approach is that private providers can be contracted to provide services and compete with the public sector for better service if they have accreditation from GAHAR.

The private sector is always a challenge since they are looking to maximise profits. UHIA has a pricing committee, made up of expertise coming from both the private and public sides, that uses a certain methodology to set prices. The methodology, not the price tag, is the key player. The committee uses the pricing methodology for each inpatient and outpatient service included in our benefit package.

Participating in the new system will be key to private providers because the entire population will be covered in ten years.

A common concern in universal health systems is the issue of financing and long-term sustainability. How will the system be funded in the case of Egypt?

We have created a variety of income resources for the system. On one hand, it will receive direct contributions from citizens as a percentage of their income and from employers as well. We also have the Ministry of Finance taking charge of contributions for vulnerable people. Additionally, other resources are coming in from taxes on tobacco products, for example, or fees from cars and drivers' licenses. The tax on tobacco is updated every three years and it is tied to inflation and the growth of the market. We also have a solidarity contribution coming from business organizations and other revenues coming from providers themselves.

What has been the response from employees and companies to the new fees?

Business organizations were having some concerns about the solidarity contribution due to some unclarity on how it is calculated, but now it is much clearer for them as they understand now that it is a contribution that goes directly into the healthcare system financing.

The positive side is that the system is being gradually implemented, starting in three governorates. The objective is to fully cover the population by 2030. Along the way, we will build financial reserves to ensure the sustainability of the system. Those reserves are reinvested to obtain the best investment income.

An interesting element of the financing so far has been the contribution of international organisations such as the World Bank and foreign governments.

Most countries have looked at the healthcare reform in Egypt with enthusiasm seeing the project succeeding where they can invest in and see tangible outcomes from. Donors and lenders want to see exactly where the money goes and how it translates into positive results for the population. They came to see the pilot programs in action, the infrastructure, the training of HCPs, and were very encouraged.

International organizations seek the support of the government in implementing the health care reform project successfully by providing technical assistance and the development of staff.

What is your view on the importance of having a digitalised system?

Digitalisation is not a luxury anymore. In fact, my information technology background might be one of the reasons they selected me for the job. Our plan is to have a data warehouse that contains the electronic medical records of citizens. We are requiring all medical providers to have hospital and electronic management systems. This will be a mandatory item for healthcare providers in the future.

It is a core part of UHIA because we are a financial planner and must rely on accurate data during the planning phases.

How will the system ensure the introduction of innovative products and procedures?

The new system has tried to address this concern by distributing responsibilities amongst different authorities. The Unified Procurement Authority (UPA) is the strategic purchaser for the whole country, and for the public sector. The Egyptian Drug Authority (EDA) oversees licencing drugs that can be sold in the Egyptian market and sets the end user price tag for those paying out-of-pocket.

The UHIA oversees the decision-making as to which drugs are reimbursed by the public system. We also work with drug manufacturers and sign managed entry agreements that are not price oriented; they are done in specific areas like rare diseases and new technologies.

Is there a final message you would like to share with our audience?

While there are many obstacles that must be cleared, we are seeing our dream come true. Fortunately, we have the full support of the government and parliament. All stakeholders want to see this project succeed because it will positively affect every citizen and family in the country. This kind of support at all levels was unthinkable just a few years ago.

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