

REVIEW ARTICLE

HEALTH INSURANCE SYSTEM IN DEVELOPED COUNTRIES AND WHAT EXISTS IN PAKISTAN: A REVIEW OF THE LITERATURE

Sajida Mazhar¹, Syed Hassan Boo Mohammad Jaffry², Mishgan-E-Fatima³, Mohammad Ayaz⁴,
Jawad Ahmed Shezad⁵

ABSTRACT

Introduction: It is essential to compare health insurance plans across the world in order to identify best practices and enhance the delivery of health insurance. With a comparison to Pakistan's health insurance system, this review seeks to better understand health insurance throughout the world and assist policymakers in raising quality and availability.

Material & Methods: To examine health insurance policies globally, a comprehensive review of the literature was carried out, incorporating information from official websites, and academic databases. The comparison of these results with Pakistan's health insurance system was the main objective. We looked for patterns and similarities in the policies of other nations, considering factors like accessibility, features, coverage, and exclusions. In order to identify discrepancies and possible areas where Pakistan's health insurance system could be strengthened, the final stage of the study comprised a thorough comparison of international and domestic health insurance plans.

Results: Private health insurance dominates in the US and the UK, but Norway's publicly funded system, supported by the Patients' Rights Act, provides complete coverage, including free healthcare services for children under sixteen while on the other hand in Pakistan, citizens have restricted access to medical treatments due to inadequate healthcare coverage provided by both the government and private sectors.

Conclusion: The Forbes statistics shows that 92.1% of Americans are covered by health insurance, indicating a comparatively high level of coverage in the US. On the other hand, Norway's government-funded healthcare system, which is backed by the Patients' Rights Act, guarantees healthcare services for all its residents. However, the grave situation in Pakistan, where a small fraction of the population is covered by health insurance programs. The study highlights the urgent need for improved medical coverage and access in the nation.

Key Words: Health Insurance Systems, Health Policy, Pakistan Health Care

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Authors' Affiliation

¹Assistant Professor, PhD Scholar, Institute of Physical Medicine and Rehabilitation, Khyber Medical University, Peshawar

²Student MBBS, Nowshera Medical College, Nowshera

³Student MBBS, Khyber Girls Medical College, Peshawar

⁴Physiotherapist, Lady Reading Hospital, Peshawar

⁵Executive Director Clinical Informatics, Nowshera Medical College

Corresponding Author

Sajida Mazhar

Assistant Professor, PhD Student, Institute of Physical Medicine and Rehabilitation, Khyber Medical University, Peshawar

Email: sajidamazhar@kmu.edu.pk

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INTRODUCTION

In several countries like the United States and the United Kingdom, Health insurance is essential for providing people with financial security during emergencies with healthcare and ongoing health conditions.¹ Healthcare costs in the US are a complicated issue, and health insurance firms are a major contributor to high costs by engaging in a number of unethical practices including price gouging and refusing to cover pre-existing diseases. On the other hand, the UK has dedicated a significant portion of its Gross Domestic Production (GDP) to the expansion of its healthcare system, which the government mainly controls.^{1,2} In Pakistan, access to health insurance is limited, with most of the plans being sponsored by the government. There is a need for an increased awareness and accessibility of private health insurance in Pakistan, and the government should take steps to provide subsidies and support for the development of the health infrastructure.

In addition, nations need free emergency medical services. First off, it prevents fatalities by giving quick access to life-saving medications. By lessening the strain on the healthcare system, it also safeguards the public's health. Thirdly, by guaranteeing equal access to emergency treatment, irrespective of financial circumstance, it advances fairness and social justice.³ Additionally, it defends fundamental human rights and reflects a humanitarian duty. It also reduces expenses and complications while boosting the resilience and well-being of the community. In general, free emergency medical services are essential for society's welfare and equity.^{4,5}

A health insurance system is significant because it offers financial security against the high expenses of medical care, hence enhancing the accessibility and affordability of healthcare services.⁶ People who have insurance coverage have access to routine checkups, and prompt treatments, which improve health outcomes and lower mortality rates.^{7,8} In order to share the financial burden across a larger population and protect people from excessive medical bills during unforeseen health crises, health insurance operates on the principles of risk pooling and cost-sharing.^{9,10}

Additionally, increasing insurance coverage contributes to a reduction in healthcare

inequalities between various socioeconomic groups. Overall, the data emphasize the significance of health insurance in fostering equity in healthcare, and facilitating access to care.^{11,12} However, limited data exists regarding the health care insurance policies of Pakistan. Moreover, a comparison is required to highlight the differences between the national and international health care policies.

MATERIAL AND METHODS

This study includes a comparative literature review, incorporating existing research and policy documents related to health insurance in Pakistan and developed countries. The literature review was conducted over a period of 6 months. This study included the general population covered under health insurance in selected countries, policymakers and health insurance providers. The papers published in peer-reviewed journals were included in the inclusion criteria. A total of 45 publications, policy documents, and reports from US, UK, Europe and Norway were examined in this review. The study utilized document analysis to capture data on health insurance including accessibility, features, coverage, and exclusions while addressing confounding variables such as socioeconomic status, geographic location and health status. Ethical considerations guarantee compliance with ethical standards for data use, source confidentiality, and proper citation techniques. Reliance on secondary data and possible biases in the literature selection were among the limitations. Adhering to ethical rules without directly involving human subjects, unfavorable findings were disclosed to guarantee a fair assessment of the data.

RESULTS

HEALTH CARE COST

Ranking of the nation based on health care spending as a proportion of its GDP per person, is shown Fig 1.¹³

HEALTH INSURANCE BUSINESS MODELS

- Fee-for-service model
- Managed care model
- Consumer-driven health plan (CDHP)

FEE-FOR-SERVICE MODEL

This is one of the most commonly used models in which insurance companies charge their customers a premium and then pay out claims as they are submitted.¹⁴

MANAGED CARE MODEL

In this business model the Health Insurance Company contacts health care providers which

then provide health care services to the Insurance company customers at a discounted rate in exchange for a large customer base.^{15,16}

CONSUMER-DRIVEN HEALTH PLAN (CDHP)

In this business model the employee and the insurer share the cost of the healthcare. In this model, the employee is given control over on how the healthcare funds are spent.^{15,17}

RANKING OF COUNTRIES ON BASIS OF HEALTH INSURANCE COVERAGE

The world's health insurance policies differ greatly from one country to another. Access to healthcare is still difficult in underdeveloped nations because of inequities, and scarce resources. There are continuous initiatives to increase coverage through community-based programs. Europe, on the other hand, has a strong system that prioritizes universal health coverage (UHC). Fair access to healthcare services for all citizens, irrespective of financial situation or nationality, is a top priority for the majority of European nations. Europe has been successful in obtaining UHC in part because of the combination of public funding, social security, and private insurance. Keep in mind that every country has a different circumstance. Health insurance outcomes are significantly shaped by specific policies on a global scale.

DISCUSSION

HEALTH INSURANCE ROLE IN PHYSICAL, EDUCATIONAL, AND MENTAL DEVELOPMENT AND PREVENTION OF CHILD LABOUR

Child labor is the employment of children under 18. It has divested the educational, physical, and mental health of the children of developing world. Study conducted by Andreas Landmann and Markus Frölich showed that micro insurance can play a role in reducing child labor in developing countries.¹⁹ The study provides evidence that the extension of a health and accident insurance scheme, accompanied by household panel surveys and assistance with claim procedures, reduced the incidence of child labor and hazardous occupations. Overall, the journal highlights the importance of addressing economic shocks and vulnerability as a factor in child labor

and the potential for micro insurance as a tool for reducing these negative impacts.^{19,20}

US CENSUS BUREAU REPORT

According to US Census Bureau in 2021, about 91% of the population in the country had health insurance coverage which increased to 92.1% by the year 2022 according to Forbes.²¹ However, there are many variations. i.e. 5.4% of the children under the age of 18 were uninsured while 11.5% of the adults between the age of 18 and 64 were uninsured.²²

ROLE OF HEALTH INSURANCE IN THE UNITED STATES

In the US health insurance plays a crucial role in the healthcare system. By spreading the cost of healthcare over a large population, it makes it more affordable for individuals. It ensures the access of quality healthcare to individuals regardless of their ability to pay.

ROLE OF HEALTH INSURANCE COMPANIES IN HIGH HEALTH CARE COST

High health care cost in the US is a complex issue with many causing factors such as the high cost of pharmaceutical drugs, and high administrative expenditures for hospitals and healthcare providers; however, health insurance companies have also played a significant role in uplifting the health care prices in order to increase their gains by expanding the customer base.

One method involves the "price gouging" practice, which entails charging inflated rates for medical procedures and services. Insurance companies also contribute to excessive healthcare expenses through price negotiations with healthcare providers like hospitals and pharmaceutical firms. To boost their personal earnings, they might advocate for higher prices. Denying coverage or increasing prices for people with pre-existing diseases is another way health insurance firms contribute to excessive healthcare expenses. People may find it difficult to pay for the care they require as a result, driving up overall expenditure.

HEALTH SYSTEM OF THE UNITED KINGDOM

Following the US, the UK has dedicated the biggest share of GDP to expanding of the health infrastructure. The government in the UK controls most of the healthcare system. In 2008, the UK invested \$4000, or nearly 9% of the GDP per Capita in the development of its health infrastructure. The average life expectancy in the UK was 81.3 years while in the United

States was 78.6 years these figures show the superiority of the UK health system over the US system.²³

HEALTH CARE SERVICES IN NORWAY

According to Velocity Globe, Norway has one of the best healthcare systems in the world, mostly because to its Patients' Rights Act. This law guarantees all residents, regardless of socioeconomic background, unrestricted access to healthcare services. Norway's dedication to universal healthcare and the welfare of its youngest population is exemplified by its unique policy of providing free healthcare services to children under the age of sixteen. This all-encompassing approach to healthcare sets a global standard for healthcare delivery while simultaneously promoting a healthy society and a sense of security and equity among its citizens.²⁴

HEALTH INSURANCE POLICY IN PAKISTAN

In Pakistan general public does not have adequate access to Health insurance plans. Most of the plans under action are sponsored by the government. Private insurance companies are also major stakeholders in the market.

After evaluating health insurance in Pakistan under the following subsections a) Revenue Collection enrollment, b) Pooling of resources, and c) services, Jooma R, Jalal S came up to the conclusion that the health Insurance model designed in Pakistan must take following points as its focus. It must provide easy communication between Insurers in rural areas and insurance providers in order to provide government subsidies in the respective insurance policies.²⁵

POLITICAL INTEREST TOWARD DEVELOPMENT OF HEALTH INFRASTRUCTURE

After the transfer of power to the public sector, a study was conducted by Abrejo F, Shaikh, B in 2008.²⁶ It was concluded that due to political will to improve their public standing, government subsidies were significantly leveled up which resulted in an ideal environment to start a pilot initiative at the district level to check the effectiveness of the health insurance policies in developing the country's health infrastructure and gradually increase the amount of

government-sponsored health insurance subsidies by evaluating the results of the pilot study.

AWARENESS ABOUT PRIVATE HEALTH INSURANCE IN PAKISTAN

In 2007, the World Health Organization declared that Pakistan has very small health Organization sectors which are not enough to handle the ever-increasing population of Pakistan.²⁷ The study was conducted in Pakistan and about 380 questionnaires were filled out by the general public. The main motive of the research was to examine the level of awareness related to private health insurance. Pakistan, as a nation, has maintained its underdeveloped situation when it comes to financial medical care, as stated by Lashari.²⁸ The conclusion made from the above findings was that about 82% of the general public was aware of health insurance and the main source of this information was mostly their friends, Insurance agents, television, and family. A medium relationship between buying health insurance and the occupation of respondents was formed as a result of the chi square test performed during the research.²⁸

FREE MEDICAL CARE SERVICES IN PAKISTAN

There are various ways to get free emergency care in Pakistan. In hospitals and healthcare facilities that are run by the government, emergency medical care is free. These public hospitals are ready to manage a variety of emergency situations and offer patients in need the appropriate treatments and interventions.

There are also emergency rescue services available in Pakistan, such as the Rescue 1122 service, which offers free emergency medical attention as well as transportation to hospitals. People can obtain these services and get the necessary emergency care by calling the emergency helpline number. Additionally, those who qualify may have their emergency medical bills paid for by Pakistan's Benazir Income Support Program (BISP)²⁹, a social welfare initiative. This program offers low-income families financial assistance and, in some cases, may even assist in paying for emergency medical care.

A Patient Support Program has been developed by the Punjab Healthcare Commission in the province of Punjab to provide free emergency medical treatments to worthy individuals who cannot afford treatment.³⁰ No matter their financial condition, everyone will be able to

obtain emergency treatment.

Finally, there are several non-governmental organizations (NGOs) in Pakistan that strive to offer free emergency medical care, particularly in impoverished areas. These organizations usually manage hospitals or mobile medical units that offer individuals in need of emergency care.

It is important to remember that the availability and standard of free emergency medical care may vary throughout Pakistani locations. Therefore, in order to access the free emergency medical services provided in their area, citizens should get in contact with their local government, hospitals, or assistance lines in the event of an emergency.

CONCLUSION

Significant differences in healthcare access are highlighted by a comparative study of health insurance systems in Pakistan and around the world. Pakistan's private health insurance market is notably less developed than that of the US and the UK, and the country's government-sponsored health insurance schemes are not as strong as those in Norway. The findings of this study highlight the critical need for Pakistan to improve its healthcare system by increasing funding for government-sponsored subsidies and broadening the availability of reasonably priced health insurance policies. To develop Private Health Insurance plans, the following actions are required: regulatory reforms to make the environment favorable for private insurers; public-private partnerships to leverage resources; offering incentives for participation; initiating public education campaigns; creating customized insurance products; investing in digital solutions; guaranteeing quality assurance; and putting risk management strategies into practice. By taking these steps, Pakistan may close the healthcare gap and guarantee that all its residents have fair access to high-quality healthcare services that meet the same standards as those found in healthcare systems with more development.

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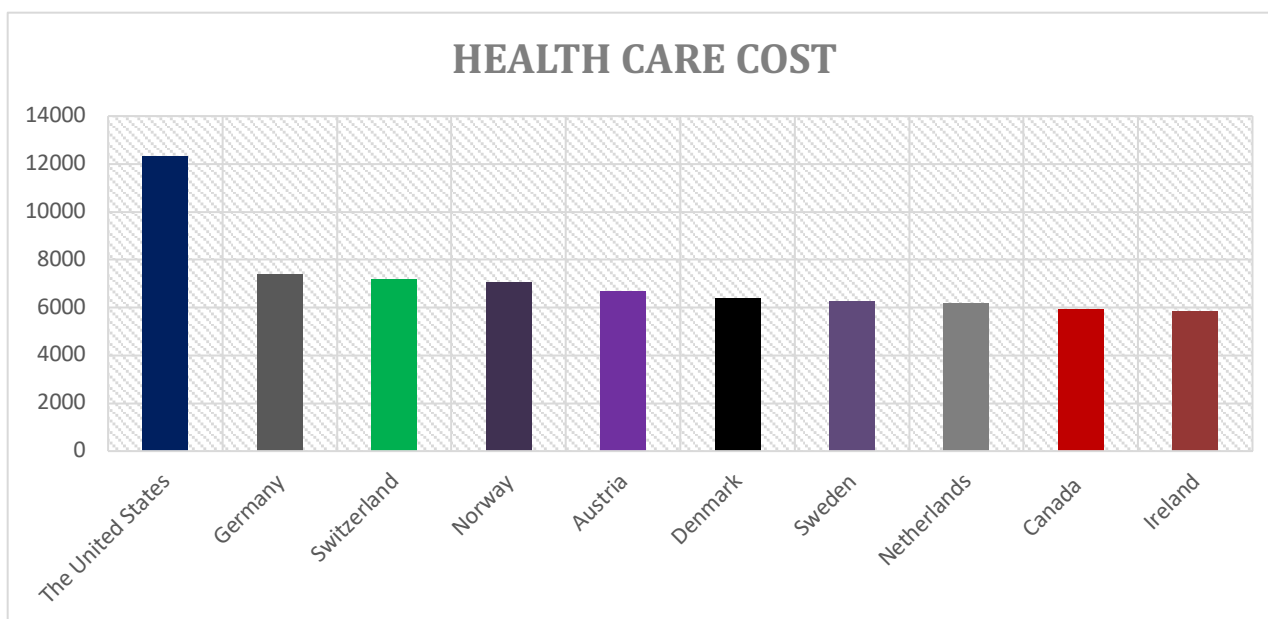


Fig-I: Ranking of the nation based on health care spending as a proportion of its GDP per person

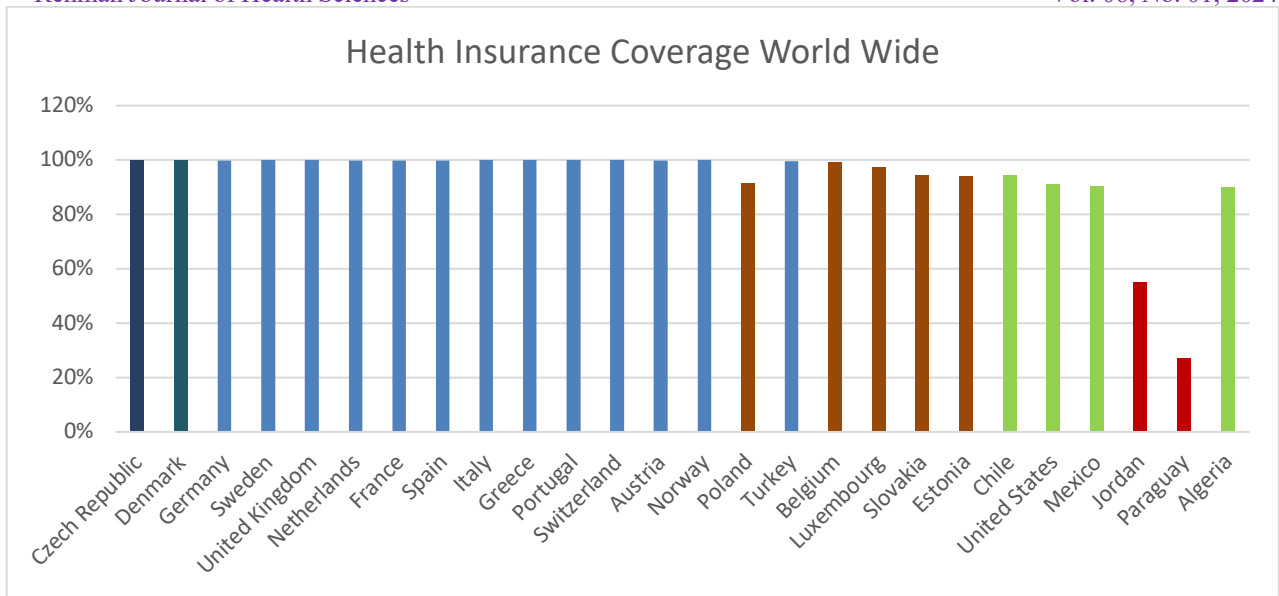


Fig-II Health Insurance Coverage