

## Hand in Hand with Jordanian Health Care Insurance: A Challenge of Improvements

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### Abstract

*Health sector policy formulation, assessment and implementation are an extremely complex task especially in a changing epidemiological, institutional, technological, and political scenario. Further, given institutional complexity of our health sector programmers and the pluralistic character of health care providers, health sector reform strategies in context of health insurance have evolved elsewhere may very little suitability to country situation. Proper understanding of Jordan health situation and application of the principles of insurance keeping in view the social realities and national objective are important. This paper presents review of health insurance situation in Jordan - opportunities it provides, the challenges it faces and it raises concerns. A discussion of the implications of privatization of insurance on health sector from various perspectives and how it will shape the character of our health care system is also attempted. The paper covers the areas of economic policy context, health financing in Jordan, health insurance scenario in Jordan, health insurance for all, consumer perspective on health insurance, challenges facing health insurance sector, models of health insurance in other countries.*

### Introduction

Jordan has achieved a lot in terms of improving at health sector, how ever there are many challenges all the way ahead to reach standards of at least many neighboring countries such as Saudia Arabia, United Arab Emirates and Kuwait, as their health sector obtained high potential physical indicator. **Jordanian labor movement report, (2009), Amman.** The government funded health care system, focusing on quality and access of services remained as its major concern, private sector initiatives has bridges and narrowing the gaps between what government can offers to people requires. However, with proliferation of various health care technologies and general price rise, the cost of care has become very expensive and unaffordable to large segment of Jordanian population. Government has sought with people to start exploring various health financing options to manage problems arising out set of complexities in private sector initiatives, resulting in increasing cost of care, and changing epidemiological pattern of diseases.

The new economic policy and liberalization process emboldening of investment to many business ventures followed by Government of Jordan since king Abdullah the second ascension throne at 1999 foster and paved a way for privatization investment in Jordan, where insurance sector in country improved a lot. Health insurance, remained highly underdeveloped and less significant segment product portfolios of nationalized insurance companies in Jordan, is now poised a fundamental change in its approach and management. The Insurance Regulatory and Development Authority contributed too many on those interesting in qualitative or quantitatively solicitous, is an important beginning of changes signified implications on health sector as hall.

The privatization of insurance constitute, envisage many paths to improve performance of kingdom ,insurance sector through increasing benefits of co petitioners in terms of reducing costs and increasing level of consumer satisfaction. However, implications entries of private insurance companies in health sector still not clear since recent policy changes have been far reaching and would have major implications for the growth and development of Jordan health sector. **Jordanian labor movement observatory,(2009) .Amman.** In this case applied by MOHID (Ministry of Health Insurance Department) a significant role in regulating these sectors as responsible to minimize their unintended consequences of this change.

### **1. Economic policy context and imperatives of liberalization of insurance sector**

There are several imperatives which took place for opening health insurance sector in Jordan for private investment, the economic policy reforms started in eighties and speeded up in nineties, but during new millennium many challenges aspect occur during phase of transformation and the defect of sever economic crises hit Jordanian economy and the world economy, it was very obvious clear that this financial storm has less influence due to idea based on liberalization of real (productive), Jordan economical financial sector has gone hand in hand at realm of economical life undisputed . The imperative to these sectors are consistent with policies of each other by which both functioned efficiently in equilibrium, it would be difficult to ensure appropriate economic growth. as of both sectors has to proceed simultaneously steady.

Jordan economic system has been developed on paradigm of mixed economy by which public and private enterprises co-exist. The past strategies of development based on liberalization thinking were focusing on the premise of strength, regulations and control and more on incentives to enter market driven forces. This affected national development process in many ways:

1- Government stood behind the economic liberalization paradigm changed from central planning, command and control to market driven development. Deregulation, decontrol, privatization, delicensing, and globalization became the key strategies to implement the new framework and encourage competition. **Civil Health Insurance law, (2004). Amman.**

2- Social sectors did not remain unaffected by this change the government control expenditure became a key tool to manage fiscal deficits in early nineteen, affected social sector spending in major way consequently controlling fiscal deficits and reduction in capital expenditure of non-salary component at many social sector programming. This has led to severe resource constraints in health sector in respect of non-salary expenditure and affected capacity credibility of government health care. It's notably noticed here that health system delivers good quality care over years with low salaries, lack of effective monitoring and lack of incentives to provide good quality services, providers in government sector became indifferent to clients. Clients also did not demand good quality and better access, as government services concerned on cost benefits between provider and consumers. Under this situation more and more clients turned to private sector health providers, causing slightly expanded in private healthcare sector. Given political thinking populist policy it has been generally difficult for any government to introduce cost recovery in public health sector and was unable to provide more resources for health care, institute cost recovery to reduce under-funding augments resources in the health sector so to encourage development of health insurance.

3-Another imperative for liberalization of insurance sector was the need for long-term financial resources on sustainable basis for development infrastructure sector such as roads, transports etc. It was realized that during course of economic liberalization, funds development infrastructure became a major constraint since country certainly needed infrastructure development. For this reasons finances are major constraint investments benefits more social than private, so major concern was how these finances can be made available at low costs?.

Past event shows that developments of social sector were financed by using government channeled funds through various semi-government and financial institutions; under liberalized economy this may not be possible, one hope is that if insurance sector develops rapidly under privatization then it can provide long-term finance to infrastructure sector. The nature of the financial sectors situation here it consists of banks, financial institutions, insurance companies, provident funds schemes, mutual funds all were under government regulation, with less competition across these units. As a result these institutions remained significantly and less developed in their approach and management, the insurance sector however has been most affected by government control over formulating their insurance policies companies could offer and utilization resources mobilized by insurance companies.

The fact that realism avert revealed here that most of insurance products, (e.g., life insurance products) ,were promoted as mechanisms to improve savings and tax shelters rather than risk coverage instruments. Other segments of insurance products grew was statutory obligations (e.g., Motor Vehicle, Marine and Fire) under various acts. The management and organization of insurance sector company's policies remained less developed as they neglected new product marketing development. Thus one of the hopes in opening of the insurance sector, private and foreign companies would rapidly develop the sector to improve coverage of the population with insurance using new products and better management. **National health strategy,(2008-2012),Jordan.**

## ***2. Financial Scenario at Jordanian Health sector; present scene are issues for the future***

Jordanian economy had been facing many challenges since independence, but of most important recent events occur in region and neighboring countries is "Palestinian issue" and "first and second Gulf war" occurred with other events accrued at Middle East has its massive effects on Jordan economic stability. Jordan is across road area between East and West, the hit of world economic crisis suffered by various countries has its heavy consequences leading to more economic drop down during the first half 2008, the general revenue rate which stood at 4.2% compared with mid 2008, general budget deficit was significantly to reach 626 Million dinars, compared to (38) million dinars in the mid-2008, it exceeded to one billion dinars at 2009, the rising accompanied in public debt increased by (5.5%) in 2008 with accompanied by economic growth rates already noted in recent years signified, it measured by increasing the rates of inflation at an annual rate up to (7%) for the coming five years ahead.

Jordanian economy service economies, accounting for services sector as main engine of economic growth in terms of per capita income as a percentage of GDP, amounts to (3400) dollars, according to 2008 figures. **Naylor CD, Jha P, Woods J, and Sheriff A, (1999).**

#### **-Features of the Jordanian labor market:**

The revised rate of participation in economic activity among Jordanians labor market aged 15 years and over are low in comparison with majority of other countries, mounts to (39.5%) of the total population, distributed participation between males (64%) compared to (14.2%) among females. Comparing the rate of economic activity in Jordan, we find it less than emerging economy. The private sector is the largest economic sectors with 47 % rate of Jordanian labor, as it employs (45.5%) of the workforce, followed by public sector running to (36.4%) of total Jordanian labor force, while employed others are distributed on several categories, including self-employed or private employer or working for his family or working without pay. Regarding to wages, the rate is generally low 90% of the Jordanian workforce getting monthly salaries less than (300) JD (Equivalent to 422 U.S. dollars) rose to minimum wage during 2008 to (150) dinars (Equivalent to \$ 212). Jordan is one of the low-income countries. (100. J.D. Equivalent to U.S. \$ 70).

Since it was approved for first time as (80) dinars in 2000, then increased year-after to (150) diners. The minimum wage is still low, especially if we take into account rises large and successive prices of goods and basic services. In the same context, the trade union movement calls from time to time linking wage inflation rates, however, this requirement is not dealt seriously in recent years, and did not deal the labor movement as one of the priorities. In 2005, number of cadres at Ministry of Health has 25144 employees a budget of 190 million diners, representing approximately proportion spending on primary health care with total public sector expenditure on health 27% and 7.5% total state budget, it includes 65 Comprehensive health centers with 375 primary health centers and 240 sub-centers pulse 419 Motherhood and Childhood health centers , 313 dental clinics ,the number of Jordanian hospitals 95 divided to different the ratio of physicians / 10000 individual 26.7 the ratio of pharmacist /10000 is 14.1 the ratio of dentist /10000 is 14.1 the rate of nurse (legal, viable, Assistant) /10000 individual 33.6 and the number of hospitals for medical services 2 university hospitals with 844 bed capacity rate and 10 military hospitals with bed capacity rate of 2012 though the private sector also share with 56 hospitals and total bed capacity rate mounted to 3569 beds, including 29 hospitals belonging to public sector (Ministry of Health) with 3632 bed rate. **MOH,(2008),: Annual Statistical Report of the Ministry of Health, Jordan .**

The live births and life expectancy increased from 55 to 75.4, (2005). However, many challenges remain and these are: life expectancy 4 years below world average, high incidence of communicable diseases, increasing incidence of non- communicable diseases, neglect of women's health, considerable regional variation and threat from environment degradation. **Social Security Law,(2009) Jordan** It is estimated that at any given point of time 500,000 people are on medication for major sickness in Jordan. Survey data indicate that about 39% people use private health providers for outpatient treatment while 54 % use government providers for indoor treatment. The average expenditure for care is 2-5 times more in private sector than in public sector. In comparison to most of its neighbors, Jordan has quite advanced health care system, although services remain highly concentrated in Amman. Government figures have put total health spending in 2002 at some 7.5 percent gross domestic products (GDP), while international health organizations place figure even higher, at approximately 9.3 percent but now grow to 9% GDP in 2009.

The country's health care system is divided between public and private institutions. In public sector "Ministry of Health" operates 1,245 primary health-care centers and 27 hospitals, accounting for 37% percent of all hospital beds in the country; the Military Royal Medical Services runs 10 hospitals, providing 24% percent of beds; Jordan University Hospital accounts for 3% percent of total beds in the country, Private sector provides 36% percent of all hospital beds, distributed among 56 hospitals. As yet Jordan health financing scene raises number of challenges combined with:

- **Increasing health care costs,**
- **High financial burden on poor eroding to their incomes,**
- **Increasing burden of new diseases and health risks,**
- **Neglecting of preventive and primary health care and public health functions due to under funding of the government health care.**

Given the above scenario exploring health-financing options becomes critical. Health Insurance is considered one of the financing mechanisms to over come some of the problems of our system.

### **3. Jordan Health Insurance scenario**

Health insurance can be defined in very narrow sense where individual or group purchases in advance health coverage by paying a fee called "premium".

But it can be also defined broadly by including all financing arrangements where consumers can avoid or reduce their expenditures at time of use of services. Health insurance in Jordan covers a very wide spectrum of arrangements hence latter- broader interpretation of health Insurance is more appropriate. Health insurance is very well established in many countries. But in Jordan it is a new concept except for the organized sector employees. In Jordan only about 2 per cent of total health expenditure is funded by public/social health insurance while 18 per cent is funded by government budget. In many other low and middle income countries contribution of social health insurance is much higher.

### Total health expenditure

(Table I):

Percentage of total health expenditure funded through public/social insurance and direct government revenue.

Country	Social Health Insurance	Government Budget
Algeria	37	36
Bolivia	20	33
China	31	13
Korea	23	10
Vietnam	2	20

Naylor CDP, Woods J, and Sheriff A, (1999).

It is estimated that Jordan health care industry worth (597.800.000) J.D including 9.6% of the output of domestic market, amounting to per-capita expenditure (115.4) J.D, per capita national local income was 1221 J.D. The proportion of health expenditure shows highest among countries in region after Lebanon, in light challenges facing health sector such as rising in population growth ,economic burden caused rising in chronic diseases, requires comprehensive development strategies. An examination health survey the health spending in 2000 indicates that citizens pay out of pocket on an average of 33 dinars per year for treatment outside hospitals as Out-patient Care, and 75% on medicines price, it was found that female share spending higher than males about 37 dinars for females compared with 28 J.D for males while proportion paid by normal citizen from his pocket proportional higher in cities than in rural areas, illiterate citizens are paying twice amount paid with higher levels of education in terms of health insurance coverage. For those without health insurance pay twice the amount paid annually. To meet treated cases at hospital in-patient care, most Jordanian citizen pays from there pocket an average of 8.2 dinars per year, while females pay three times as much as males and parcel of this a agreement commensurate with age income level while those non-believers to pay 3.5 times more than other. The cost of payment made per patient in hospitals in the ministry of health hospitals 373 dinars, which slightly less than in Royal Medical Services, amounted to 510 dinars, and Jordan university hospital, which amounted to 1411 J.D. **Civilian Health Insurance Regulations, (2004).Jordan**

#### 4. Analysis of current insurance environment "health for all":

According to 2008 estimates, prevalence rate of human immunodeficiency virus/acquired immune deficiency syndrome (HIV/AIDS) is less than 0.1 percent. According to a United Nations Development Programme Report, Jordan has been considered malaria-free since 2001; cases of tuberculosis declined to half during the 1990s, tuberculosis remains an issue and an area needing improvement. Jordan experienced a brief outbreak of bird flu in March 2006. Non communicable diseases like cancer also are a major health issue in Jordan. Childhood immunization rates have increased steadily over past 15 years; in 2002 immunizations and vaccines reached more than 95 percent of children under five. Despite the dip, and rising legitimate concerns the perpetuation of investment in social services sector, including health.

The sources of financing health sector are

- 1- The public sector, including general taxation,
- 2- The contributions of public institutions
- 3- The contributions of NGOs by approximately 45% in addition to what comes from citizens spending, including deductions from their salaries to fund health insurance.
- 4- Compensation for treatment purchasing of medicines treatment ranged about 43% in addition 8% contributions of donor agencies such as the refugee agency, 4% contribution by private companies purchased of health insurance service for their employees.

Jordan Government aware of working through Ministry of Health committed to provide subsidized health services for all citizens, whether they are covered by umbrella of health insurance or not, it estimates indicate approximately up to 54% of total population are not covered by umbrella of health insurance, but with access of health service as subsidized health provided by hospitals and health centers,

the ministry of health deployed in all regions of kingdom available to everyone at a cost may be less than contingency contributes to health insurance. **Landmine Survivors,(2002)**. By offered free health services such as immunization against communicable diseases, school health, reproductive health, treatment of children under age of six and treatment of cancer, and dialysis. Health insurance funds in other hand operate at Jordan in a wake of civil insurance fund, covers around 31% of the population, including a large segment of poor, health insurance fund covers by military 26% of population, and funds refugee agency, and private companies, staff of Jordanian universities. The Civil health insurance is compulsory system for all civil servants, isn't particular to a specific ceiling type of service that can be obtained for a monthly 3% of salary to the employee a maximum of 30 dinars (50.\$ dollars per year) for the employee to contribute a symbolic contribution upon receipt of the service immediately. Yet Military health insurance plays a central and essential role to the expansion of the scope of beneficiaries mandatory for all military personnel and retirees in Jordan Armed Forces with their families, including parents, brothers and sisters until age 18 and non-heads sister's as well special needs. It provide services to civil servants in provinces civilian under a special agreement with Ministry of Health covered by health insurance by Jordan University Hospital, university staff and their families also, with other university students make up 1.3% of population.

The UN Relief Agency Health insurance for Palestine Refugees includes 8.5% of the population as it covers primary health care services only, a special Palestinians registered as refugees. As the case of Private health **Firstly**; by managing all health insurance companies, insurance covers 6% of the population is of two types: third party and other companies insured workers to secure their own staff directly with doctors and hospitals **Secondly**; banking sector covering 100% of its staff, while transport sector covers 28% in the private sector. private education sector covers 22% of industrial sector ,retail sector (Retail) covering 13% of its staff. In general, a rate of only 14% of workers in private sector have health insurance, 34% of companies offer voluntary health insurance for its employees provide service to members of their families. It was also noted 68% of companies do not offer service of health insurance for their employees would like to buy this service from public sector institutions, providing reasonable prices and service. **Human Development Report, (2004), Jordan.**

### **5. Health Insurance for poor by NGOs:**

With nearly 50 percent of populations in Jordan living in rural areas, 92 % percent of working-force are posted at deferent sectors. The disproportionately large percentage of populations living below poverty line, there has been strong need to develop social security mechanisms on this population segment, which Leeds for security further increased to poor segment of nation as they are most vulnerable for ill health, accidents, death, desertion, social disruptions, and loss of housing, job and other means of livelihood. Great efforts were made at this junction by providing social security to poor by a few NGOs.

Other scheme prepared by government insurance companies developed to focus on . <http://www.hid.gov.jo/> poor, called "self insured policy" was firstly introduced in 2002, by ministry of health allowing people to pay to obtain self insurance covers expenditure up to (1000 J..D), for a premium of (23 J..D), per annum. It is estimated that about 2% of the total population can benefit from this covered insurance under various insurance schemes. The experiences from other countries suggest that in developed countries such as USA, UK, their health insurance have grown out of small non-profit schemes. A large share of health insurance market in for example in USA is not-for-profit sector. There is need in Jordan to promote these schemes as they address the needs of poor many of these schemes are designed to meet the needs of the poorer segments of community, it resulted in developing several innovations described below:

- A Mechanism of monitoring the performance,
- Apprising of various services,
- An Integration of various risks in one single product,
- A linking of insurance schemes with savings,
- A coverage of many services not included in market based schemes such as maternity services, transportation, coverage of risks such as Earth quake, floods etc.

Some NGOs have developed special linkages with public health systems, private facilities and also accessed resources through insurance companies.

### **6- Current Jordan private health insurance scenario:**

There are many importance factors took apart for emerging private health insurance her in Jordanian market as it emerged in recent years for following reasons:

1. Absence of total comprehensive government health insurance policy for all citizens and transformation of many health insurance funds to health insurance contracts resulting in heavy losses due to lack of experience in management and increase of public awareness of importance health insurance, thus increasing demand of private health insurance contracts, collective insurance, as is one of the additional features that given to staff method of controlling medical claims to reduce the losses as much as possible.
2. Weakness of outlook on health insurance formulation of policy.
3. The Private health insurance in Jordan considered as great importance to Jordanian market. The size of health insurance premiums of insurance sector in Jordan in 2003 – 2004, according to recent studies prepared by Insurance Commission in Jordan last year's were 31,656,229 million of premiums for each branch, and amounted to a total value of 191,423,990 million dinars at a rate of 17% of the total premiums, compared with 2003 with total health insurance premiums 31,175. 770 million J.D. of the total premiums of \$ 171,524,856 million and by 18% of the total premiums and this percentage will increase by 20.7% in 2002. <http://www.hid.gov.jo>. <http://www.moh.gov.jo>.

### **Medical Insurance**

The number of insurance companies operating in Jordan for the year 2004 reached to 26 companies, including 19 companies with leave to health insurance, According to the statistics 2004 shows 9 health insurance management companies emerged a portfolio of health insurance companies compared with seven companies in 2003. The positive signs about the future of health insurance industry in Jordan is that; insurance firms should work to create an infrastructure which makes this industry a success is characterized by health insurance from other types of insurance for the following facts:

- 1- It deals with the rights for both beneficiaries, patient and service provider.
- 2- There is constant evolution of this sector, shows high medical development, "cost and modern technology, entry to new medical procedures".
- 3- Misuse of health insurance with a view of good faith intensity claims, "frequent visits", the paradox of due to lack of experience working in this field methods controlling medical has its consciences claims at two levels:

#### **1-At Official level:**

Development of health insurance legislation for reunited under one umbrella .NGO working to coordinate efforts between all providers for medical services both in public and private access to a unified model dealing with medical expenses in terms for adoption numbering of diseases, procedures, laboratory tests, drugs, salaries of doctors and hospitals prices, operations, services, etc. .... Increase awareness among citizens about the importance of health insurance and how to deal with the awareness by all available means in cooperation with other specialized agencies (schools, universities, service provider and the media, etc....and methods of controlling medical claims.

#### **2-At Service provider level :**

Doctor and patient are two main decision makers which perform health claim , when doctor realizes importance of expenses resulting from medical services provided , patient can live up to concept of health insurance, so it is very important to raise awareness importance of medical procedures, plans on which they depend to deal with patient (patient insurance in general have unnecessary services by 25 - 40% more than other average patient) are made aware of doctor in this regard by Provider Profiling. Other service providers of pharmacists, laboratories and hospitals are also very important to adjust the claims for example medicines, testing unnecessary prolongation of hospitalization can create clear contractual relationships between service providers and insurance companies on management basics for health insurance through a list of certain prices agreed by union wage committed by physicians, pharmacists, laboratories and any hospitals. According to pricing statue it can ensure the right service provider and facilitate payment to him(patient) in high quality for out patient and to facilitate their procedures to reflect professionalism. **Yara halasa. MS, BDS Schneider, (2008).**

#### **3-Outside hospital commitments (community base force):**

The idea of data collection; study benefit from development of insurance contracts and insurance coverage and use of scientific cadres my effect insurance experience foretelling , like scientific medical process may deal with impartial and objective claims. Choosing medical network specifications depending on the specific scientific competence, the provision of high quality modern equipment, as the value of approved medical services depends on high quality and lower cost application of prior approvals to emergency cases can covers services, but outside hospital it may lead to incorrect reduce number of cases entered hospital, thus reducing average stay at hospital thereby reducing final cost of hospitalization (Utilization Review).



#### **4-Using of technology management in health insurance:**

The world is moving now to deal with Internet to manage health insurance and there are multiple benefits of electronic medical network if it was dealt with to provide health services and these benefits:

##### **1.For service providers:**

A. The provider can enter the patient's medical file to make sure the lock time to give service, to study the medical file of the former and prevent the recurrence of the claims is not necessary.

B. Service provider can follow up health claims have been paid or rejected.

C. Approvals prior introduction of patients to hospitals via Internet fill out a form that input directly from clinic saves time and effort and money.

D. The provider can log on to a medical specialist to keep up with latest in medical drugs and procedures, studies, and this raises the quality of medical services provided.

##### **2. For insurance companies:**

Using sites on internet to give all details of all types of companies and their health insurance marketing and types of policyholders with there prices.

##### **3.For the seekers of medication:**

Providing services to insurers via internet and through mobilization of insurance applications, requests for medical examination, checking eligibility for certain medical services (for example, pregnancy and birth), and availability to open Conversation with the representative of insurance company to inquire about any other things "Chatting", they can also enter the site to read about his health statues, medicines and other important information on other available medical network, telephone. Yet there are many benefits of the web:

- Using web quick and easy can help users- on friendly manners thus includes value-added services to the user.
- Its unique in terms of ability to all parties to enter it each separately.
- Protected high efficiency, "a private medical file".
- The information system shall able to locate uniform grid system by using it from other authorities as a global Turn B.B.Code properly to enable all government and private agencies to analysis any related information, and develop health insurance programs leading to expanding health insurance coverage to include all segments of society.

#### **7. The Core Challenges facing Jordanian health insurance:**

Health is based on constitution itself, as "a state of complete physical, mental, social, and not merely the absence of disease or infirmity". Efforts and programs has been made by health ministry and national campaigns vaccination against disease in eradication of many serious diseases such as ,poliomyelitis, diphtheria disease, people not inclusive at registered cases since 1995. As a result number of injuries serious diseases of measles disease, was 1212 cases in 1979 dropped to 28 cases in 2005. It has seen rates of vaccination coverage among children improved significantly, increasing coverage of measles vaccines from 45% in 1982 to 100% in 2005, increasing coverage poliomyelitis / third dose of 74% in 1982 to 95% in 2005. There is no doubt that high proportion of immunized different coverage for children clearly indicates two ideas first; great efforts were made by Health Ministry on one hand, second; by increasing health awareness In spite of these efforts and in about seriousness of childhood illness between families (mothers in particular). spite of these difficult conditions, it remains on the aspirations and remaining pinned on a number of challenges facing the delivery of health insurance scoters in both size and demography due to certain proclaims:

- High population growth rate and increased life expectancy at birth.
- The absence of comprehensive health insurance system.
- Lack of economic and actuarial studies.
- Height and worsening the causes and risk factors for chronic diseases, accidents and injuries and substance abuse
- High cost of service treatment.
- Rise of drug bill.
- Change standard of disease.

**Objectives access on health insurance:**

- The actuarial studies and economic levels to determine main cost and participation.
- Ensuring equity in access to health services regardless of ability to pay.
- Ranking the application of comprehensive health system and set bases for participation in cost of service and not increase burden on resources of treasury.
- Strengthening partnership with other sectors and activating role of General Organization for Social Security in area of health insurance.
- Developing a system of health insurance to all attendant legislation.
- Development of health insurance management to an independent financially and administratively to act as an .moh.gov.jo) <http://www.hid.gov.jo> future. umbrella for all health insurance funds operating in Jordan (Yet despite many other third world countries of the world Jordan consistency of still adapting comprehensive development that reflected national positive effects on quality of life of the community to provide a decent living for every citizen in this country depends mainly on extent on economic and social challenges in present phase, which is witnessing many changes around Jordan aspects and to achieve Jordan's ambitious to meet with modern progress and prosperity concerted efforts in all public and private sectors, but yet these challenges all the away ahead still as bellow

**Firstly; Roles and Regulation:**

With Releasing of first health insurance system in 1965, the government distributed services provided treatments within its hospitals and public health centers to all participants, beneficiaries, dependant as for free. This system was modified in 1966 which was adopted in most important resources on mandatory contribution for govt. employees and participation voluntary rest public to pay a subsistence allowance and subsistence. In 1979 the system, where main mode features three levels development added possibility of providing treatment services outside ministry of health hospitals.

**Ajluni, M., (2005). Jordan.**

Article No. 4 of the system indicated resources health insurance fund financial as follows:

- 1- Prices of medicines: Any fee established in accordance with the provisions of this system.
  - 2- Investment Fund returns.
  - 3-Grants and donations received by the fund subject to approval by the council of ministers of non-Jordanian.
- The following table show statistical average value of total amounts and distributed fund in **2003 – 2005**.

**(Table: 2)  
Sources of funding insurance sector:**

Category contribution rate	Turnout
-Participation of the faithful healthy	52.78%
-Income wage treatment	28.9%
-Prices for Drugs	15.76%
-Contributions	2.56%

**Jordan Statistical Department .2005.**

As shown above, adoption of Fund's main resources is allocated in the budget and staff it entitlement to Expanded services to facilitate medical services in public, private or even abroad if required and necessary. the beneficiaries will get health insurance for both horizontal and vertical expansion evolved to include Kingdom provinces, will led to create new job opportunities and increased demand for medical professionals and medical support. Present health insurance system leads to increase exposure to competition between different medical institutions in order to attract recipients service leading to provide medical services with excellent quality, it should be noted her that health insurance covers 31% of civil .The proportion in all sectors amounting 75.8% of total population number participants beneficiaries of health insurance system for civil citizen ranged to 1750000, included groups who under health insurance umbrella to ensure access of The evolution of health insurance fund system was modified to include other categories comprehensive health. umbrella insurance improved by level of services provided to contracts cover by private sector at shortage of treatment services development has increased expenses and obligations fund noted large increase in expenses offset a small increase revenues The following table shows the evolution of income and expenditures of Fund during the years 2001 – 2005. **Ajluni, M., (2005).Jordan**



Table No. 3

## Expenditures and Income in 2001 - 2005:

Category	Year	Income	Expenditure
Common	2001	30692787	28438005
Common	2001	38016750	38312151
Common	2003	37425103	37127977
Common	2004	39376309	40916139
Common	2005	46841109	45435078

The expenditure shown in table above the amounts paid and not receivables from fund, it can be notified her that there are unpaid amount for following years deficit has been reorganized expenditures in 2005 with approximately 10,000000 (ten million dinars) **Second; Objectives of the Fund** The main objective of establishing Civilian Health Insurance Fund is to provide care and services covered by insurance umbrella against monthly contributions to provide free treatment to all citizens for following cases: Preventive services (serums and vaccines) Treating patients with natural disasters, epidemics of communicable diseases, injuries maternal and child health care.

The following are most important key future objectives plans in health insurance fund:

1. Expansion of health insurance coverage to include civil new categories of citizens and access to comprehensive health insurance
2. Develop and improve levels of services provided by government hospitals and health centers
3. Contracting with private sector on basis of calculated to cover any shortfall in health services specially the health insurers.
4. Ensure the right to health service obtaining required high level of care.
- 5- Avoid any waste that could happen in funding and expenditure directly or other objectives fund to improve services.

**Thirdly; Financial Challenges**

The most important challenges facing the health insurance fund to achieve multiple objectives like:

**Firstly;** Actual income of funds, represents contributions, wages prices of medicines treatment if income is low when compared with actual expenditure. High rate of population growth, high rate of human life Continuous raise the cost and prices of medicines in health services. Lack of integrated computing system linking government hospitals and health centers with the Department of health insurance to facilitate access to The government information and preparation of studies and research at different pattern for diseases control. established Insurance Regulatory and Development Authority (IRDA) as it statutory body for regulation the whole insurance industry. They would be granting licenses to private companies and will regulate insurance business. The health insurance is in its very early phase, role of IRDA will be very crucial to ensure that the sector develops rapidly and the benefit of the insurance goes to the consumers. But it has to guard against the ill effects of private insurance. The main danger in the health insurance business we see is that the private companies will cover the risk of middle class who can afford to pay high premiums. Unregulated reimbursement of medical costs by insurance companies will push up prices in favor of private care. It's desirable to note here that large sections of Jordanian population are not insured but will be at a relative disadvantage as they will included in future by paying much more for private care checking increasing costs. of medical care as it emphasizes important roles of the IRDA

**Secondly;** IRDA will need to evolve mechanisms by which it puts some kind of statue in place that private insurance companies do not skin the market by focusing on rich and upper- class clients in the process neglect a major section of Jordanian population. They must ensure that companies develop products for such poorer segments of the community and possibly build an element of cross-subsidy for them. Government companies can take the lead in this matter and catalyze new products for the poor and lower middle class as they have done in the past .

**Thirdly;** the regulators should also encourage NGOs, Co-operatives and other collectives to inter into the health insurance business and develop products for the poor as well as for the middle class employed in services sector such as education, transportation, retailing etc and the self employed.

[http://www.moh.gov.jo:7778/reports/headermain.jsp?firstjsp=primaryhealthcare\\_emenu&lang\\_parameter=Health Indicators:](http://www.moh.gov.jo:7778/reports/headermain.jsp?firstjsp=primaryhealthcare_emenu&lang_parameter=Health Indicators)

### 8. Experience of health insurance in other countries: US & German

Various developed countries have differing insurance system to cover health risks. It is useful to contrast the American private health insurance system to German Social health insurance system. Table 4 gives this comparison. It is clear from the above that the German system is clearly superior to the American system. German system is social health insurance based on some key principles of solidarity, delegation and free choice, while American system is based on private market philosophy. Thus the German system is much more suited to the needs of the developing countries. But some of the prerequisites of the German system are not present in Jordan. For example for social health insurance to work the work force has to be organized and working in formal sector so that their incomes are clear and there is a mechanism for payroll deduction of the contribution. It also needs a well-developed regulatory framework and culture of solidarity and self-regulation so that well off section of the community is willing to pay for the costs of sickness.

(Table-4)

Key Features	American system	German System
Owners of health insurance	Private companies	Sickness funds composed of Members who are workers of one type - as in a cooperative
Coverage, and access to health care	70 % of population covered, Access to health care unequal	99.5% of population covered and access to every one is equal
Premium based on	Actuarial risk (Age, sex, disease)	Income - % of pay roll. Shared equally by employer and employees
Selection and refusals	Do occur	Not allowed by law
Reimbursement to providers Nature of subsidy (risk pooling)	Based on costs and per cases/procedure basis From healthy to sick	Outpatient is on prospective per capita basis, in-patient per day, Per case basis. Healthy to sick, high income to low income, young to old, small families to big families
Choice of providers	Yes - but being restricted in HMO system	Yes - wide choice
Coverage & co-Payments	Limited to medical care and co- payments high	Coverage very wide and co- payment low
Nature of competition	Between companies	Not much - recently between sickness funds.
Nature of regulation	Minimal by government, mostly by market forces	Self-regulation by autonomous bodies under overall framework of social legislation
Effect of medical costs	Highly inflationary - recently this effect is reduced due to various controls	Inflationary effect limited due to prospective per capita payment.

### Conclusion:

There are several contentious issues pertaining to development in this sector, which need critical examination. Both health insurance sectors highlighted a critical need for policy formulation and assessment, unless privatization and the developments of health insurance seen is managing well then only it or may have negative impact of delivering health care especially to a large segment of population in the country at high quality and according to satisfying peoples needs of having decent service then it can improve the access of ease care to all thus reflecting on the over all health status in the country rapidly. Jordanian health insurance scenario different from other segments of other insurance business as more complex, because of its serious conflicts arising out of adverse selection, moral hazard, and information gap problems. For example, experiences from other countries suggest that the entry of private firms into the health insurance sector, if not properly regulated, does have adverse consequences for the costs of care, equity, consumer satisfaction, fraud and ethical standards

**Recommendation**

The efficiency levels of health services had to promote inclusion coverage to reach all classes of citizens connected to health insurance through following points:

- 1• Amendment of legislation and laws so that insurance can covers not only state employees, armed forces, but also include such a segment of people with limited income and private business owners.
- 2• Imposition of a health insurance scheme to all companies in private sector mandatory, for employee and his family.
- 3• Establishment of new insurance programs providing to be relatively cheap and easy to access, roof coverage that subscriber can have access to satisfied available medical care services inside and outside the hospital, so all people can afford it and enjoy it.
- 4• It is very important to disseminate health awareness among the people of the importance of health insurance.
- 5• To ensure the success of health insurance industry, both public and private sectors must achieve peacefully progressiveness, to ensure right equation obtained to all people best medical care since they need right service provider by obtaining the rights for these services without delay or injustice to insurance companies resulted obtain satisfactory results to reduce losses as much as possible to ensure continuity.
- 6• Establishing of a Third Party Administrators (TPA) is needed to emerge in Jordan. Here we can learn from the models, which have emerged elsewhere. But their applicability to Jordanian situation needs to be examined carefully. These aspects of the health sector will need detailed study. Lacking adequate information operates insurance schemes at large scale. The insurance mechanism prevalent at many developed countries has their history. Health reforms experiences in many countries are replete with the suggestion that the systems cannot be replicated easily. Self-regulation is an important in any market driven system. The regulation from outside does not work, as implementation of regulation in this sector is so difficult, then we significantly lack mechanisms and institutions, which would ensure self- regulation and continuing education of provides and to various stakeholders. The accreditation systems are hard to implement without mechanisms to self-regulate, for example it took 35 years in US to put the accreditation system effectively in place, but has been difficult for Jordanian culture to put nursing homes legislation in place. Given the deterioration on standards in medical education, lack of regulation by medical council and rising expectations of the community it is difficulty to ensure quality standards in Jordanian health care system

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