



Journal Homepage: - www.journalijar.com

INTERNATIONAL JOURNAL OF ADVANCED RESEARCH (IJAR)

Article DOI: 10.21474/IJAR01/14341

DOI URL: <http://dx.doi.org/10.21474/IJAR01/14341>



RESEARCH ARTICLE

HEALTH INSURANCE REFORM

Dvir Levin

Manuscript Info

Manuscript History

Received: 25 December 2021

Final Accepted: 30 January 2022

Published: February 2022

Abstract

Copy Right, IJAR, 2022,. All rights reserved.

Introduction:-

State Health Insurance Law

The National Health Insurance Law is one of the most important laws in social legislation in Israel. Until the law was approved in 1994, about 15 bills were issued, some initiated by the government and some private bills by MKs from various parties, but none of the bills were finalized.

The health care law reform that began in 1994 contributed to a number of issues that ultimately led to this attempt at reform.

The main topics are:

1. The intensity of the crisis in the health system in the late 1980s and early 1990s.
2. Publication of the recommendations of the State Commission of Inquiry into the Functioning of the Health System (Netanyahu Committee)
3. Implementation of health care reforms in other Western countries.
4. Political backing, and the weakness of opponents of the law.
5. The pragmatism and willingness to compromise that characterized this legislative process.
6. The economic growth that characterized the early 1990s and contributed to public support for the law.

Beginning in the 1980s, the health care system in Israel was in a deep economic crisis, which worsened in the early 1980s. It was characterized by long queues, unrest strikes in labor relations and dissatisfaction in the insured public, this crisis was mainly in the general health fund.

In the early 1980s, the general health fund's debt amounted to more than three billion.

This deficit was mainly due to the high concentration of low-income members - until the reform each citizen paid to the HMO directly according to his income, unlike the other HMOs, Clalit's premium payments were wiped along with the Histadrut membership fees and part of the premium went to the Histadrut.

In addition, in the 1980s there was a decline in the insured in Clalit and the percentage of adults who consumed many health services was significantly higher than in the other funds.

Over the years, there have been many recovery plans for Clalit Health Fund that have not addressed the root cause problem and have been publicly criticized for wasting money and lacking support tests.

Publication of the recommendations of a committee of inquiry to examine the functioning and efficiency of the health system - The Netanyahu Committee In light of the deep crisis in which the health system finds itself, a state commission of inquiry was established in 1988 to examine the functioning and effectiveness of the Israeli health system.

The committee's recommendations were:

1. The enactment of a state health insurance law that will ensure universal coverage through health funds.
2. Creation of a central and dedicated financing system for the health system through the collection of taxes from the salaries of employees and employers, which will ensure financial stability.
3. Association of Government Hospitals - not implemented.
4. Regional structure of health services.

The committee had no political affiliation The lack of a political badge allowed both Olmert from the Likud and Haim Ramon from Labor to advance the committee's recommendations.

The report sharpened the failure of the main market in health insurance in Israel, and clarified the connection between the economic crisis in Clalit Health Fund and the choice of insureds that was customary in small health funds.

In the early 1990s, many countries in the Western world were undergoing processes of change and reform of the health system, a fact that contributed to the legitimacy of the reform process in the Israeli health system, and some of the committee's recommendations were influenced by reforms in other countries.

For example: the idea of financing the HMO according to an allocation formula adapted to the risk of coverage from the Dutch experience.

At the same time, the public's approach to the Histadrut has also changed: the public has come to the conclusion that the Histadrut's role is to focus on protecting workers' rights.

In the early 1990s, there was a consensus between the right and the left regarding the need for state health insurance legislation to exclude the ways in which the health system operates ,The severe crisis of the health system as well as the recommendations of the Netanyahu committee, which led Olmert and Haim Ramon to be elected health ministers.

After the Labor Party supported the Histadrut's position, which denied the collection of funds by the National Insurance Institute, and the abolition of the connection between Histadrut members and HMO members. Ramon resigned, ran for the position of secretary general of the Histadrut and thus paved the way for the approval of the law.

Finance Minister Shochat also supported this law despite opposition from professional bureaucrats in the Ministry of Finance.

Towards the 1980s, the Histadrut's power weakened, globalization and competition processes changed the labor market, and reduced the Histadrut's dominance in economic activity in the economy. During this period, many of the Histadrut's enterprises ran into difficulties and many of them were sold, and public support for the Histadrut and also among the leaders of the Labor Party diminished.

In addition, members of the Maccabi and Meuhedet HMOs accounted for about a third of the insured during this period, and whose members were characterized by a higher-than-average socio-economic profile, and who were the main losers from the law. Failed to mobilize their members to oppose the enactment of the law.

The process of completing the law took about two years The legislative process was largely characterized by the postponement of decisions on individual issues to the work of future professional committees, this approach also contributed to the success of the legislative process in a relatively short time.

The high rate of economic growth in the early 1990s and the sense of economic well-being made it easier for decision-makers to enact the enactment of the National Health Insurance Law.

Summary:

According to the National Health Insurance Law, the division is by age, and not as in the past, which was collected from each insured and transferred to the HMO according to income, so that some funds had most of the insured who had working age, such as the Maccabi HMO, Was as low as a general health insurance fund.

Below is an up-to-date segmentation of the number of insured persons in each fund and how the payment is calculated according to the State Health Insurance Law for each up-to-date insured for July 2017

Calculation of the key to the distribution of health insurance funds between the health funds as of 1.8.17

An amendment to the State Health Insurance Law, which entered into force on August 1, 2006, stipulates that the National Insurance Institute will calculate for each HMO the rate from the amount divided into once a month instead of once every three months as is customary until then.

The monthly calculation of the weighted number of insured is performed according to the updated data held by the National Insurance Institute in matters of births, deaths and new insured, and while adjusting the data as stated to the age of the insured at the time of calculation.

In addition, Amendment 1 to the National Health Insurance Regulations (Allocation to the HMOs), which entered into force on 1 February 2017, stipulates that in calculating the weighted number of insureds, weight will be given to each of the HMOs' insureds by age, sex, and place of residence.).

Below is the new weight table:

| weights as of 1/2/2017 | | | | The age of the insured |
|-----------------------------|--------|---------------------------------|--------|------------------------|
| A resident of the periphery | | Not a resident of the periphery | | |
| Male | Female | Male | Female | |
| 1.90 | 1.44 | 1.85 | 1.40 | To 1 |
| 0.99 | 0.80 | 0.94 | 0.75 | 1to 5 |
| 0.46 | 0.43 | 0.42 | 0.39 | 5to 15 |
| 0.41 | 0.48 | 0.37 | 0.44 | 15to 25 |
| 0.48 | 0.78 | 0.43 | 0.74 | 25to 35 |
| 0.63 | 0.83 | 0.58 | 0.79 | 35to 45 |
| 1.03 | 1.18 | 0.99 | 1.14 | 45to 55 |
| 1.83 | 1.73 | 1.78 | 1.69 | 55to 65 |
| 3.14 | 2.64 | 3.10 | 2.60 | 65to 75 |
| 4.12 | 3.40 | 4.07 | 3.35 | 75to 85 |
| 4.21 | 3.52 | 4.17 | 3.47 | Over 85 |

Total persons included in the capitation by age and fund.

| Meuhedet | Maccabi | leumit | clalit | total | age group |
|------------------|------------------|----------------|------------------|------------------|--------------|
| 1,173,682 | 2,154,095 | 711,026 | 4,435,195 | 8,473,998 | total |
| 28,776 | 41,254 | 15,464 | 98,632 | 184,126 | To 1 |
| 113,625 | 162,096 | 59,062 | 378,837 | 713,620 | 1 to 5 |
| 256,741 | 388,310 | 136,847 | 784,944 | 1,566,842 | 5 to 15 |
| 184,233 | 284,128 | 113,301 | 570,224 | 1,151,886 | 15 to 25 |
| 150,895 | 274,071 | 96,452 | 645,208 | 1,166,626 | 25 to 35 |
| 139,576 | 287,713 | 78,399 | 558,748 | 1,064,436 | 35 to 45 |
| 115,871 | 283,838 | 73,004 | 394,473 | 867,186 | 45 to 55 |
| 88,084 | 202,289 | 65,440 | 399,611 | 755,424 | 55 to 65 |
| 60,581 | 143,019 | 42,586 | 327,116 | 573,302 | 65 to 75 |
| 26,377 | 66,104 | 21,971 | 188,290 | 302,742 | 75 to 85 |

| | | | | | |
|-------|--------|-------|--------|---------|---------|
| 8,923 | 21,273 | 8,500 | 89,112 | 127,808 | Over 85 |
|-------|--------|-------|--------|---------|---------|

A. Calculating the division key

As stated, the distribution key is calculated according to the persons weighted by age, sex and place of residence. The following is the distribution of weighted persons by fund:

| | |
|-----------------|------------------|
| <u>total</u> | <u>8,917,590</u> |
| clalit | 4,888,568 |
| leumit | 715,334 |
| Maccabi | 2,226,083 |
| meuhedet | 1,087,605 |

The results of the calculation in percentages are:

| 1.7.2017-31.7.2017 | 1.8.2017 | HMO |
|---------------------------|-----------------|-----------------|
| 100.000 | 100.000 | total |
| 54.864 | 54.819 | clalit |
| 8.022 | 8.022 | leumit |
| 24.935 | 24.963 | Maccabi |
| 12.179 | 12.196 | meuhedet |

Compared with the previous month, the results indicate a decrease in the share of the Clalit HMO and a corresponding increase in the weight of the Maccabi and Meuhedet HMOs.

Health insurance funds and additional amounts defined in section 13 of the Health Insurance Law will be distributed under this new key as of August 1, 2017.

Bibliography:-

1. Ben Nun, C., Berlowitz, J., Shani M. (2005) The Health System in Israel Ministry of Defense - Publishing.
2. Cohen G (2014). Instead of the health plans: the soldiers are returning to the military health care clinics [Hebrew]. Haaretz, March 19 [Hebrew language newspaper] (<http://www.haaretz.co.il/news/politics/1.2274501>, accessed 10 December 2015).
3. Donchin M et al. (2006). Implementation of the healthy cities' principles and strategies: an evaluation of the Israel Healthy Cities network. Health Promotion International, 21:266–273.
4. Efrati I (2014). The Health Committee has given its approval: pharmacists will now be able to dispense prescriptions for chronic care. Ha'aretz March 4 [Hebrew language newspaper] (<http://www.haaretz.co.il/news/health/.premium-1.2259738>, accessed 10 December 2015).
5. Ekke-Zohar A, Greenbaum-Arison A, Binder-Bachrach I (2015). Patient experience survey in general hospital inpatient wards [Hebrew]. Jerusalem, Ministry of Health.
6. Filc D, Cohen N (2014). Blurring the boundaries between public and private health care services as an alternative explanation for the emergence of black medicine: the Israeli case. Health Economics, Policy and Law, 10:293–310.
7. Gay JG et al. (2011). Mortality amenable to health care in 31 OECD countries: estimates and methodological Issues. Paris, Organisation for Economic Co-operation and Development [OECD Health Working Paper 55].
8. Glazer J, Kendall E (2014). The Advisory Committee for Strengthening the Public Health System (German Committee): minority report [Hebrew]. Jerusalem, Ministry of Health (<http://health.gov.il/Services/Committee/German/Pages/default.aspx>, accessed 10 December 2015). Glick SM (1997). Unlimited human autonomy: a cultural bias? New England Journal of Medicine, 336:954–956.
9. Report of the State Commission of Inquiry into the Functioning and Efficiency of the Health System in Israel (1990). Netanyahu Report, Jerusalem. The Government Printer.

10. Schwartz, S., Doron, H., Davidovich, N. (2007). Between vision and the deficit of the political struggle over the enactment of the law. From a book at a conference of the National Institute for 2006.
11. Social Security website <https://www.btl.gov.il/>