

# Health Insurance: New Beginning to Health Care in Nepal

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‘Health Insurance’ is a relative term that relates to a contract wherein the individual contributes a regular premium with the expectation that if something happens to the individual in question (insure), the insurer will provide for the individual.

USA seems to be the first country to seek Health Insurance. In the early 1847 Boston's Massachusetts offered Health Insurance policies with a relatively comprehensive list of benefits.

In 1929, a group of Dallas based teachers formed a partnership with a hospital to provide a set amount of sickness and hospitalization days in exchange a fixed prepaid fee.

The first individual insurance became available in USA during Civil war. The plans were to provide accidental insurance coverage for injury related to travel by railroad or steamboat.

Although the term sickness insurance was used earlier specially in USA, the term ‘Health Insurance’ got favored and used when British passed their Health Insurance Act in 1911.

Although from the beginning of 20th century various interest groups began developing relationship with Health Insurance plans, but it was only in 1965 when American Congress came with solid proposal and enacted Medicare and Medicaid.

Medicare provides compulsory hospital insurance for the patients aged above 65 years and subsidized medical insurance. While Medicaid provides care for low income group people through Federal state program which vary from state to state depending upon the states' per capita income.

Similarly UK's Health Care System came a long way. In 1911, David Lloyd introduced National Insurance Act which provided benefit to only employee but not the general public.

Five decade later in the year 1946, the British Parliament passed the Health Act known as National Health Services (NHS) which came in operation in 1948. Hence from that day UK' Health care system is the responsibility of the Government.

NHS is founded under the principle of universality, free at the point of delivery, and paid by central funding that cares for the people on the basis of need and not on ability to pay. This scheme is funded by taxes and national insurance contributors. UK's health care system is considered one of the most efficient in the world. NHS is largest employer in UK with over three million staffs and 90 billion pound budget. In 2008, England alone employed 132,662 doctors and 408,160 nursing staffs for the care of their people.

UK provides health care to 58 million people. Eighteen percentage of citizen's income tax goes towards health care which is about 4.5% of average citizen's income.

Although Nepal has a wide network of health facilities, only two-thirds of population has easy access to health care. Moreover, great discrepancy existed in achieving desired health among various communities mainly due to illiteracy, poverty, and topography of the land. In the past, the government launched various popular plans and programs

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such as Free Health services, Safer Motherhood, and Universal Health Coverage yet out of pocket expenditure remained principal means of health care. Those who could not afford remained unattended although the constitution declared health is the fundamental right of the people.

In response and to meet the expectation of the people, in Feb 2015, the Government of Nepal formed a Social Health Security Development Committee as a legal framework to start implementing a social health security scheme (SHS) following the National Health Insurance Policy 2013. The program has

aimed to provide health services to all.

The health insurance scheme will be implemented phase wise throughout the country. The first phase covered three districts and now the second phase is being implemented which includes additional five districts including Palpa. Lumbini Medical College is one of the stakeholder in this scheme and has been providing health care to those insured under this scheme.

The editorial board wishes congratulation to the Government of Nepal.