

## 15. Company Benefit Schemes

### 15.1 Private Company Schemes

#### Watania Bank Health Scheme

Setting up the scheme: The current form of the Watani Bank benefit scheme was implemented in early 2003. Before, the company paid yearly allowances of 50.000 YR to the staff (two rates of 25.000 YR each) as a general subsidy for health and especially drug expenditure. However, most employees used the money for other purposes and came to demand for further support when they or a family member were ill. Management considers the benefit scheme as an extra service for their staff for humanitarian reasons.

Members: The benefit scheme is compulsory for all of Watani-Bank staff and covers about 300 employees and their immediate families up to the maximum number of five children. Entitlement is proved by family photo ID cards, individual ID-cards are planned to introduce.

Financing: No special fund for health care expenditure is in place; and employees or beneficiaries do not contribute. The Company is the only payer for the health benefit scheme and applies a capitation rate model: Watani Bank transfers the amount of 50.000 YR paid before to the staff directly to the only contracted provider.

Total health expenditure	7,500,000 YR
Health expenditure per employee	50,000 YR

Benefits covered: Beneficiaries are entitled to all benefits available in the only contracted provider hospital, thus the most relevant primary and basic secondary care services are covered. In case of more complex treatments, when the Hadda Specialized Hospital refers the patient to another centre, the company pays a variable share of the costs according to a case-by-case decision.

Risk management: Financial risk management is basically achieved by the limitation of provider choice and benefits covered. The Watani-Bank acts as an implicit re-insurer of the scheme.

Services: Additional allowances for special events are paid by the company, which are not linked to health insurance coverage.

Health care providers: The Watani Bank has contracted one provider clinic, the Hadda Specialized Hospital that offers general and specialised outpatient care as well as 35 beds for inpatient treatment in surgery, internal medicine, gynaecology and paediatrics.

Provider payment: The Hadda-Hospital is paid according to a capitation-based yearly flat-rate. The Watani Bank transfers 25.000 YR twice a year for every employee contracted by the company, thus the Hadda Hospital receives approximately 7,5 million YR ( $\approx 35,000$  €) in January and in the second half of each year. Payment is independent from service production and no administration for claim processing and billing is needed.

#### Hayel Saeed Group

Setting up the scheme: The company insurance plan was created in the mid 1995ies and started to provide services in 1997, expanding the pre-existing benefit scheme of the company. The main interest

of the employers to introduce a health benefit package for employees was to release them from pressure to pay for health care in case of need, and to improve their work performance.

**Members:** The health insurance scheme of Yemen's largest Consortium is not mandatory for companies, but 13 out of 19 productive companies plus three administration offices in Taiz belonging to the Hayel Saeed Group are transferring monthly contributions to the insurance management located in the consortium-owned hospital in the capital of the Governorate of the same name. In 2004, about 96 % of the Hayel Saeed Group employees in Taiz were affiliated to the health benefit scheme, in 2004 the total number of enrollees was 9,773. About 1,800 employees working in six companies of the consortium outside Taiz are not covered by the insurance scheme.

Entitlement is restricted to employees only, family members and other dependents do not have access to benefits. Usually the employee's family members have to pay for treatment in the Hayel Saeed Hospital in Taiz; nonetheless, coverage of relatives through the company-owned social welfare fund depends on a case-to-case decision of the director. Retirees are not covered so far, but they also use get some coverage directly from the company or from the charity.

**Financing:** Resources rely mainly on shared monthly contributions - enrollees pay 1 % and employers 2 % of the salary. In case of debt, the company puts additional resources in order to assure the stability, but usually the insurance scheme achieves a small surplus (average  $\approx$  2 million YR per year) that is returned to the company (i.e. income between January and September 2005: 69 YR; expenditure in the same period: 67,2 YR).

Expenditure of Hayel Saeed Group Companies				
Type of benefit	Benefit	Cases	Expenditure (YR)	Exp./employee
Health Insurance	2 % Employer contribution	8,676	61,429,276	6,895 YR
		- Surplus	-1,604,042	
		Def. Exp.	59,825,234	
Company doctor/nurses		3	110,000	13 YR
Out-of-country treatment	Av. 750 US-\$	21	2,983,000	344 YR
<b>Total</b>			<b>62,918,234</b>	<b>7,252 YR</b>

**Benefits covered:** The Hayel Saeed fund offers a comprehensive health benefit package for all beneficiaries. Secondary and tertiary care requires prior authorisation by the company's GPs. For different types of services, a number of ceilings is in place. Cost coverage for inpatient treatment rises according to the income group of the beneficiary because the company wants to assure adequate services for their staff. Out-of-country treatment is also covered according to prior decision by the directory board.

**Risk management:** All Hayel Saeed companies apply a medical check before employing new staff; thus major risks might be excluded. An implicit risk equalisation mechanism is in place because the various companies belonging to Hayel Saeed Group contribute according to the salary level that depends on the company's revenue. In addition, entitlement restricted to residents in Taiz.

A series of exclusions, mainly of cost-intensive health services, ceilings and co-payments have been established in order to reduce the financial burden of the scheme. So chronic diseases are not covered at all, thus the scheme does not prevent people from catastrophic health care expenditures. Relevant exclusions and coverage restrictions are the following:

Exclusions: Dialysis, heart operations, operative and conservative treatment of cancer, communicable diseases (also tuberculosis), psychiatric and neurological diseases, congenital disability, plastic surgery, HIV/AIDS, chronic hepatitis, and any other chronic disease (the contracts name explicitly dialysis and kidney transplantation, heart surgery, cancer treatment (chemotherapy, surgery, etc.), communicable diseases (malaria, tuberculosis, etc.), psychiatric, neurological and congenital disorders, plastic surgery, HIV/AIDS, chronic hepatitis and other chronic diseases according to a specific list (not available in this moment).

Work accidents, labour diseases, traffic accidents (covered by other insurance plans).

Diagnosis of vision (myopy, hyperopy), eye glasses and contact lenses, hearing aids, squint correction.

### Dental prosthesis

Ceilings: eyeglasses once per employment, dental care limited to one bridge, etc. According to information from Hayel Saeed staff in Sana'a, the following ceilings are in place:

Drugs: 15,000 YR per family, 5,000 YR per unmarried beneficiary

Outpatient treatment: 15,000 YR per case

Surgery: 50,000 YR for enrolees, 25,000 YR for dependents

Co-payments: 30 % for drugs for out-patient treatment; all other services are free of user charges.

Hired GPs act as gatekeepers in order to reduce misuse. The Hayel Saeed Group is the implicit re-insurer of the scheme and offers a series of complementary health-related and social funds. GPs receive fix salaries have a gatekeeper and controlling function.

As the size and financial situation of companies belonging to the Hayel Saeed group varies, the insurance scheme is applying an implicit risk equalisation mechanism amongst them.

Services: The various companies belonging to the Hayel Saeed group offer also one-time allowances for weddings, child births, deaths, accidents, fire damages and others. The responsibility for these funds relies on the company directors, income is generated from different sources, i.e. from penalties deducted from the salaries.

Health care providers: The scheme has its own providers, hired physician are responsible for primary care and referral, and the Hayel Saeed Hospital in Taiz offers comprehensive health care. In case of need, beneficiaries are referred to other providers or even to hospitals abroad.

Provider payment: Medical company-staff is paid through fix salaries; the company hospital is financed through a certain budget and the income generated by attending the Hayel Saeed employees enrolled in the insurance scheme. Contracted providers are reimbursed according to a fee-for-service pattern, and the company pays directly to hospitals abroad.

### Yemeni Islamic Bank Medical Care

Setting up the scheme: The health benefit scheme of the Islamic Bank of Yemen was implemented since the creation of the bank in 1996 as an incentive for employees. And, the Labour Law enforces companies to implement life and health insurance for their staff.

Members: A total number of 373 employees (194 in Sana'a, 32 in Aden, 50 in Taiz, 68 in Hudeida Governorate, 29 in Sheik Osman) is affiliated to the Medical Care Plan. Coverage includes direct relatives up to four wives and all children of the enrolee. Employees have a company photo ID, but entitlement is usually controlled by personal knowledge of the beneficiaries.

Financing: The bank company finances 100 % of the resources of the Medical Care scheme.

Total health expenditure	8,900,000 YR
Health expenditure per employee	23,861 YR

Benefits covered: Medical Care covers a comprehensive benefit package of health care services, including dental care and treatment abroad.

Risk management: Ceilings for outpatient drugs: 20,000 YR for married and 10,000 YR for unmarried employees (inpatient drug consumption is not taken in account).

Fraud control is weak, as people can present as relatives of an employee, and control of invoices is lacking. The bank is an implicit re-insurance for the Medical Care scheme.

Services: Allowances for wedding (25,000 YR only once) and for circumcision (5,000 – 10,000 YR). Death is not covered, but for all employees the Bank pays the contribution for a life insurance that

covers up to 1,000,000 YR, but employees can upgrade voluntarily. Life insurance as well as protection against accidents and fire damage are offered by Mareb Insurance.

Health care providers: The Medical Care scheme has contracted the Dr. Shaher- Al-Shaebani-Surgery Centre for general care and Dr. Houida Banafe for gynaecological cases. Medical Care has contracted two pharmacies –one in the Dr. Shaher clinic and one in front of the bank – where enrolees can receive prescribed drugs. Beneficiaries are entitled to treatment in other providers, but only after referral by the Dr.-Shaher-Hospital or for emergency (therefore, the bank has to send a message confirming coverage). In very few cases (1 per year), out-of-country treatment is covered as well.

Provider payment: On the one hand, both contracted physicians receive regular basic salaries (30,000 YR per month in case of Dr. Shaher). For examinations and other low-cost benefits, the enrolees have to pay and get reimbursed by the bank. Pharmacies get reimbursed 95 % of the commercial price of the delivered drugs by the Medical Care scheme that has negotiated a 5 % discount with both providers. Surgery and other treatments in the contracted hospitals are reimbursed directly by the bank according to claims, and other providers used by the enrolees are also paid according to their claims after control through Dr. Shaher. Medical covers the costs for emergency care for enrolees after approval of Dr. Shaher, while for dependents the employee has to pay the bill and gets reimbursed by the bank health benefit scheme. All provider payment obeys to a fee-for-service mechanism.

#### Tadhamon International Islamic Bank

Setting up the scheme: The TIIB does not have implemented a health insurance scheme for employees, but the first planning and a survey have been performed.

Members: The health benefit scheme of the TIIB would cover approximately 400 employees and their direct families, including up to four wives and all children of the employee.

Financing: The bank pays 100 % of the benefits granted to employees. The idea is to implement an insurance scheme with shared contributions.

Benefits covered: The bank reimburses health care expenditures up to a certain ceiling according to the bills presented by their employees. Thus, it is the beneficiary himself who decides which services he wants to have covered.

Risk management: Risk is managed through relatively low reimbursement ceilings: 25,000 YR per year for married and 12,500 YR for unmarried employees.

Services: The bank has also a “charity box” that pays for allowances for death, wedding, child birth etc.

Health care providers: Employees can select the providers according to their priorities, entitlement is not reduced to certain health care facilities.

Provider payment: The bank reimburses the beneficiaries, but it does not perform any direct provider payment.

#### Al-Watania Health Benefit Package

Setting up the scheme: Support for medical expenses was implemented when the company started to work.

Members: All 50 employees in the headquarter and branches of Al-Watania insurance are entitled to receive the company’s health benefits.

Financing: The Al-Watani company is the only payer of services granted.

Benefits covered: The company reimburses health care expenditures up to certain ceilings according to bills presented by the employees. Thus, it is the beneficiary himself who decides which services he prefers to have covered.

Risk management: Risk is managed through relatively low reimbursement ceilings: 25,000 YR per year for health and 10,000 YR for dental care.

Services: Al-Watani insurance pays a life insurance for their employees.

Health care providers: Enrolees can select providers according to their own priorities, entitlement is not restricted to certain health care facilities.

Provider payment: The insurance company reimburses the beneficiaries, but it does not perform any direct provider payment for their own staff.

#### Yemen Islamic Insurance Health Benefit Scheme

Setting up the scheme: Support for medical expenses was implemented when the company started to work.

Members: All 30 employees in the headquarter and branches of Yemen Islamic Insurance are entitled to receive the company's health benefits.

Financing: The company is the only payer of services granted.

Benefits covered: The company pays a monthly lump sum of 3,000 YR for health care expenditures. The beneficiaries decide what they dedicate the allowance for.

Risk management: No risk management is needed because the maximum expenditure of  $\approx$  90,000 YR per month or 1,080,000 YR per year is predictable and constant.

Services: The Yemen Islamic Insurance does not pay any other allowance to employees.

Health care providers: Enrolees can select providers according to their own priorities, the use of the lump sum is not even restricted to health care.

Provider payment: The insurance company reimburses the beneficiaries, but it does not perform any direct provider payment for their own staff.

#### Mareb Insurance Benefit Plan for Employees

Setting up the scheme: Support for medical expenses was implemented since 1973.

Members: All 138 employees in headquarter and branches of Mareb insurance are entitled to receive the company's health benefits.

Financing: The Mareb insurance company is the only payer of services granted.

Benefits covered: The company pays a quarterly lump sum of 5,000 YR for health care expenditures, and the beneficiaries decide what they dedicate the money for. For those employees who need more complex procedures, the company pays 2,000 US-\$ plus two tickets for treatment abroad after prior approval by the national Medical Committee. And for treatment in Yemen, the company pays 50 or 100 % of the costs, according to decision of the director.

Type of benefit	Benefit (YR)	Nr. of cases	Expenditure (YR)
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Yearly allowance	20,000 YR	138	2,760,000
Treatment in Yemen	50-100 % of costs	Variable	350,000*
Out-of-country treatment	2000 US-\$		500,000
Contribution for Life & Health Insurance	100% employees; 50 % directors	138	565,000**
Death and health Insurance	Death	3	3,450,000***
	Health	3	350,000***
Total expenditure			7,975,000
Real company expenditure			3,825,200
Yearly health expenditure per employee			27,719

\* Covered by company's Life and Medical Insurance

\*\* Due to higher salaries of directors, their 50%-share equals  $\approx$  60 % of the total expenditure for premiums of 1,430,000 YR in 2004.

\*\*\* Covered by international re-insurance company

**Risk management:** No risk management is in place because the payer has to finance mostly predictable lump sums, and expensive out-of-country treatments are rare and restricted.

**Services:** Mareb pays 75 % of a voluntary life insurance offered by Frankona and Arish (Bahrein) to the employees; up to 10 % of the insured sum (500,000 – 4 million YR) can be used for medical treatment of work accidents.

**Health care providers:** Enrolees can select providers according to their own priorities, the use of the lump sum is not even restricted to health care. Also for more expensive care in Yemen and out-of-country treatment, beneficiaries can select the provider.

**Provider payment:** The insurance company reimburses the beneficiaries, but it does not perform any direct provider payment for services delivered to their own staff.

#### Arab Insurance Medical Benefit Scheme for Employees

**Setting up the scheme:** The special benefit scheme for employees was implemented from the beginning of the company in order to relieve their individual burden of disease.

*In order to improve protection against the financial effects of health problems, Arab Insurance is planning and designing a health insurance scheme for its employees.*

**Members:** All employees working in the Arab Insurance Company are entitled to receive. Altogether, 35 – 40 persons are working in headquarter and other branches.

*The future company health plan will be compulsory for employees and open for the affiliation of after companies according to the rules of group insurance.*

**Financing:** Currently, the company pays all health care oriented expenditure delivered to the employees.

*The design of the health insurance scheme foresees a flat-rate contribution 170 and 210 US-\$ per year, according to further actuarial calculations, and will be shared equally between employer and employee. For covering dependents, the employee has to spend about 80 US-\$ for his/her spouse and maximum 60 US-\$ per child.*

**Benefits covered:** The Arab Insurance pays a yearly amount of 25,000 to employees with family and 20,000 to singles for covering health care expenditure, and payment is independent from need and use. Additionally, the company gives financial support to those employees who are going for out-of-country treatment, the decision about the grant and the volume is made case-by-case and relies on the director.

Type of benefit	Benefit	Cases	Expenditure (YR)	Exp./employee
Yearly allowance	20,000 YR	10	200,000	
	25,000 YR	30	750,000	
Out-of-country treatment	2000 US-\$	1	≈ 400,000	
Total			1,350,000	33,750 YR

*According to the design, the Arab Insurance health plan will cover a comprehensive benefit package with some exclusion that might be comparable to those in the private insurance plans offered by the company.*

Risk management: Payment of a lump sum and of occasional allowances does not request a proper risk management.

*The future employee's health plan will define deductibles for every provider contact and ceilings for health care coverage. No medical check is performed prior affiliation, but enrolment is restricted to persons under 60 years. Each beneficiary has to pay an individual age-related premium. The new scheme will be re-insured in the same British re-insurer that covers the other products of Arab Insurance.*

Services: No additional services are in place or foreseen so far.

Health care providers: As Arab Insurance belongs to the partners of the German-Saudi Hospital, the future company health insurance scheme will contract it as preferential provider. Enrolled employees of Arab Insurance and potentially of other companies will be entitled to use all health care benefits delivered in the German-Saudi Hospital, in case of need a referral system is planned.

Provider payment: Currently, the company does not transfer resources to any provider, because employees get generally prepaid or reimbursed.

*Proper claim processing procedures will be implemented with the main provider that counts on a special department for medical insurance. On the company side, invoice revision and claim control will rely on an employed physician supported by the department already in place. The company expects to negotiate preferential fares.*

### Arab Bank Medical Insurance

Setting up the scheme: The company insurance scheme was implemented from the very beginning of the bank's activities in Yemen in 1967. The Jordan based Company has the policy to cover the staff against financial risks of disease in all branches and countries.

Members: All 310 employees of Arab Bank are entitled to receive the health care benefits covered by the Medical Insurance. Coverage includes the core family – spouse and children – in the case of male employees; but it is limited to female employees only (30-35 % of the staff). Enrolees identify by the photo Bank ID card, in case of emergency treatment providers can check entitlement contacting the human resources department.

Financing: The Bank defines a yearly budget for health care expenses of the employees; however, additional resources are freed if the funds are insufficient. Employees do not contribute, the medical insurance is financed by the company only.

Benefits covered: The health insurance scheme of Arab Bank covers a comprehensive benefit package including out- and inpatient care, drugs, and treatment abroad. Coverage is 100 % except for dental care and eye glasses what the Bank pays yearly lump sums.

Total health expenditure in 2004	32,140,850 YR
Yearly expenditure per employee	103,680.16 YR

**Risk management:** The Arab Bank Medical Insurance does not exclude any of the employees, and restriction of coverage of female enrollees to the employees reflects the fact that they are usually not the breadwinners for dependents. Risk management is mainly performed by a contracted provider who plays the role of a gatekeeper. The Bank acts as implicit re-insurance for the health scheme.

**Services:** According to national legislation, the company offers insurance for work accidents. The medical insurance exists in all branches in the country, and entitlement, claim processing and reimbursement are performed in the beneficiaries' branch.

**Health care providers:** In the four towns in Yemen where the Arab Bank has a branch, one specific hospital provider who offers in- and outpatient services is contracted. Enrolees are entitled to get preventive, diagnostic and curative services free of charge in the preferential health facility. For emergencies and benefits that are not available in the main provider, enrolees can apply in other hospitals, in the latter case after referral by the preferential health provider or the human resources of the Bank.

**Provider payment:** The preferential clinic is paid directly and within 3 days according to the monthly invoices confirmed by the users' signature. The Bank itself does not revise the claims from the main provider. Other provider is also reimbursed according to a fee-for-service modality, but only after claim revision and controlling by the preferential provider. Payment is made through bank transfers.

### Hunt Oil Company Medical Plan

**Setting up the scheme:** Medical plan started in 1998.

**Members:** The medical plan is compulsory, and currently 1,083 employees and their dependents are entitled to benefits. Dependents are up to 4 wives and all children up to 23 years who are not working and not married. Altogether, the scheme covers approximately 8,000 beneficiaries. Every employee and dependent has a medical plan photo ID with date of birth and status (employee or dependent), address, validity (usually 2 years) and unique medical plan number – different for Yemeni, Americans, and other ex-patriots.

**Financing:** Financing relies exclusively on the company that raises the needed resources from general company funds.

Health expenditure Hunt Oil Company 2004		
2004	Cases/Episodes of care	Costs (YR)
Total expenditure for health		49,000,000 (1,024,000 US-\$)
Average expenditure per employee per year		45,245 YR

Health expenditure Hunt Oil Company 1 <sup>st</sup> semester 2005		
I – VI/2005	Cases/Episodes of care	
Treatment in Yemen	39,400	
Treatment outside Yemen (9 cases)		37,800 US-\$
1 work-related case		5,680 US-\$
Total expenditure for health		36,000,000 (518,000 US-\$)
Estimated average expenditure per employee per year		60,000

**Benefits covered:** All benefits available in the own medical centre in Sana'a and in the field clinics are delivered free of charge. All inpatient drugs are covered by the scheme. In theory, patients don't get paid if they bypass the company gate-keeping doctor. In case of emergency, beneficiaries have to be

seen by a company doctor one day after the treatment. As cost coverage is linked to prior authorisation by the company doctor, a referral system is formally in place.<sup>1</sup>

**Risk management:** Co-payment: Beneficiaries have to pay 5% of all medical fees, which are deducted from salary (except for work-related diseases). No cost-sharing is foreseen for out-of-country treatments up to 5,000 US-\$. Carriers of chronic diseases are exempted (asthma, DM, hypertension, heart disease, epilepsy – but not cancer!).

**Exclusion of benefits:** Multivitamins and cosmetic creams etc., orthodontic care (decided case by case by Medical Director), gold fillings, cosmetic surgery, contact lenses (except if medically indicated).

**Coverage ceilings:** Eyeglasses every 2 years, with ceiling of 12,000 YR, bifocals 20,000 YR, orthodontic treatment usually not more than 500 US-\$/case, maximum five porcelain fillings. **Drugs:** no ceiling for employees, for dependents 30000 YR/year. **Treatment abroad:** Maximum 5,000 US-\$, but exemptions made for special cases, e.g. cancer therapy, cardiac surgery.

The gatekeeper function of contracted GP is supposed to reduce misuse. The company acts as implicit re-insurer for the health benefit scheme.

**Services:** Independent from health benefits, the Hunt Oil Company offers work accident and life insurance for workers and employees.

**Health care providers:** The Hunt Oil Company has an own medical centre in Sana'a and several clinics in the field that are granting benefits covered by the Medical Plan. Additionally, the company has contracted private clinics and hospitals all over the country, the only public hospital contracted is the Al-Thawra in Sana'a. Contracts only define basics (e.g. don't accept people without photo ID, should not accept cases unless emergency or with referral letter from the company, should invoice on monthly basis, should not prescribe multivitamins or cosmetics, etc.). Contracts are not reinforced, and many of the conditions above are ignored.

**Provider payment:** Claim processing relies on monthly reports from the hospitals on what has been done. Invoices received from doctors or hospitals are revised by the Medical Plan staff, and after approval the providers receive fee-for-service reimbursement via bank account transfer. Only in Hadramaut patients have to pay for treatment and get reimbursed after presenting the bills.

Fraud is only discovered if obvious, and communicated to the responsible manager of employee to take action. Penalties depend on regions (e.g. in Mareb the scheme does not reinforce, as people are considered "difficult").

## 15.2 Public Company Schemes

### Yemen Oil Company Aden

**Setting up the scheme:** The Company's health insurance scheme existed already during the socialist regime in South Yemen. In former times, coverage is mentioned to have been better than today. A decree of the Prime Minister from 1995/96 reduced mainly the coverage of treatments abroad.

**Members:** The health benefit scheme covers all employees of the Yemen Oil Company – 1,300 in Aden und 5,400 all over Yemen - and their families: spouses, children and parents of the enrollee. Since two years, entitlement is proved by a family booklet that contains the names, dates of birth and photos of an entire family. Before, employees had to show their ID cards for to be registered as enrollees of the Oil Company scheme.

**Financing:** The public oil company receives 6% of the total national oil revenue for covering investment and running costs. These resources cover also the health care expenditure for the staff, but

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<sup>1</sup> Expensive surgery such as renal transplants is covered, but the entitled has to provide kidney donor (so far 2 cases, both brothers donated).

no special fund is in place. Employees do not pay any contribution, and no direct transfer or payroll deduction has been implemented.

Health care expenditure for Aden staff	
Total health expenditure	118,800,000 YR
Health expenditure per employee	91,385 YR

Benefits covered: The health insurance scheme covers a comprehensive benefit package according to the current need of the employees and their families:

Outpatient care	All diagnostic and treatment procedures indicated and realised by contracted providers.
Drugs	Normal: Up to 30,000 for married and 15,000 YR for single employees per year. Chronic diseases: Additional coverage of drug costs up to 12,000 YR per month.
Inpatient care	Full coverage of treatment costs including diagnostic procedures after approval by the Company's representative in public hospitals, and after approval by the Company in case of private hospitals. For inpatient drugs, the general lump-sum is defined as deductible, thus beneficiaries have to pay up to 30,000 YR (15,000 for singles) per year before the scheme covers medicine delivered in the hospital.
Out-of-country treatment	Up to 120,000 YR + 2 air tickets + 500 US-\$; in case of more expensive treatments abroad (cancer, heart surgery, etc.), the board of the Company decides case by case whether they give an additional grant of 500-1,000 US-\$.

Risk management: The scheme does not apply administrative or financial selection of the target group; however, as employees of the Oil Company do not belong to the poorest population share, the pool has a relatively positive risk-structure. Users do not have to pay user fees (cost-sharing), and moral hazard on the provider side is reduced by the obligation to make patient sign all procedures performed.

Services: The Yemen Oil Company is also covering 100 % of medical care after work accidents and due to labour diseases according to the national Labour and Pension Legislation.

In case of the death of an employee, the company deducts once 500 YR from the salary of each employee who is working in the same branch in order to give the family some financial support.

Health care providers: The Oil Company has contracted a mix of public and private health care providers. A series of specialised physicians (paediatricians, gynaecologists, etc.) and laboratories deliver all available outpatient care. Beneficiaries can apply for inpatient treatment in all public and in two private hospitals. Provider selection relies on quality and equipment criteria and is regularly revised by visits to the facilities.

Provider payment: The Oil Company applies various types of payment according to the type of provider. Contracted outpatient clinic physicians receive a regular salary that varies between 20,000 and 30,000 YR per month. Laboratories and hospitals are reimbursed according to their price lists and the invoices presented to the company's insurance scheme. The scheme negotiates the fee schedule with private hospitals and achieves normally a 20-40 % discount. Payment depends on approval by the representative in public and by the company itself in private hospitals. As the scheme does not have its own medical administration staff, no strict invoice control is performed; revision is essentially limited to prices and to some extent the patient's signatures on claims. For reimbursement the scheme applies a fee-for-service mechanism for all services, and payment is delivered monthly by check.

#### Health Benefit scheme for the staff of the Yemen Re-Insurance Company

Setting up the scheme: Support for medical expenses of the staff has been implemented after unification, but the scheme seems to have undergone certain adjustments.

Members: All employees are entitled to receive health benefits offered by the Company. Currently, about 200 employees and their families can benefit from the scheme.

Financing: Employers do not have to contribute for being entitled. The insurance company pays the benefits granted to the staff from the revenue; thus, the scope of coverage varies according to the financial situation.

Type of service	Amount per service (YR)	Number/year	Expenditure (YR)
Allowances	12,000	200	2,400,000
Support expensive treatment	15,000	20	300,00
Treatment abroad	2,000 US-\$	5	1,900,000
Total			4,600,000
Expenditure per employee and year			23,000

Benefits covered: Once a year, all employees receive 12,000 YR extra allowance for health care expenditures. Those employees or relatives who suffer from a chronic disease can apply for additional grants of 10,000 – 20,000 YR when they are facing expensive treatments. And, for catastrophic diseases, the company's administrative committee can decide to pay two tickets plus 500 US-\$ per case; however, this support depends on the financial situation, and lately the expenses for treatment abroad were taken from the employee's life insurance.

Risk management: The scheme does not apply any risk management; high expenditure is controlled by case-by-case decision of the company.

Services: Additionally to health benefits, the Yemen Reinsurance Company offers the employees a life insurance; however, contributions are deducted from the salaries and the company does not pay for life insurance. Eventually, the insured sum is applicable for health care of catastrophic illnesses.

Health care providers: As the grants paid to employees do not depend on the chosen providers, the beneficiaries have free provider choice.

Provider payment: The scheme does not have any direct contact with providers because payment for health benefits goes directly to the employees.

#### Health Benefit Scheme of the National Bank of Yemen

Setting up the scheme: The current benefit scheme of the Bank started after the national unification in 1991. It fulfils national legislation upon Government institutions, although enforcement became weaker and the National Bank of Yemen is practically running a special scheme as they belong to the very few public companies who apply the respective laws.

Members: All the staff working in the National Bank of Yemen is entitled to benefits, regardless if they are fix employees or contracted personnel, and no difference is made between the groups. Currently, the Bank has 578 employees and 105 contracted persons. The scheme covers the whole family of the enrollees, including spouses, children and parents.

Financing: The Bank is covering health benefits partly from the general salary budget. For covering expensive treatments in and outside the country, the Bank has created special funds 12 million (care in Yemen) and 8 million (treatment abroad). Additionally, the can allocate a part of a fund for cultural issues - 3 % of net revenue – to cover higher health care expenditures.

Benefits covered: Each employee and contracted worker receives quarterly an allowance of 4,000 YR for married persons and 2,000 YR for singles. The Bank can decide to give an additional support to beneficiaries with chronic diseases, mostly 30,000 – 40,000 YR per year. For inpatient treatment in Yemen, the Bank pays also 30,000 – 40,000 YR per case, and for out-of-country treatment employees

and contracted personnel can apply for a financial support of 500 – 1,000 US-\$ (in few cases up to 2000 US-\$) plus the cost of two tickets.

All benefits except the regular lump-sum require the prior approval by a committee formed by the chairman, the general directors of the administration and human resources department and one representative of the workers syndicate. Entitlement is restricted for those employees and their relatives who have received health benefits the year before in order to achieve a fair distribution of benefits over the staff.

National Bank of Yemen			
Type of service	Amount per service	Number/year	Expenditure (YR)
Quarterly allowance married	16,000 YR	480	7,680,000
Quarterly allowance singles	8,000 YR	200	1,600,000
Chronic diseases	35,000 YR	45	1,575,000
Treatment in Yemen	30,000 – 40,000 YR	200-250	12,000,000
Treatment abroad	500-1,000 \$, 2 tickets	35-50	8,000,000
Total			30,855,000
Expenditure per employee and year		683 Enrolees	45175,70

*According to a project for the near future, the Bank will revise its benefit scheme and offer more specific benefits according to different diseases.*

**Risk management:** The most relevant risk management mechanism applied by the National Bank of Yemen is the requirement of prior approval by the Bank committee in charge; however, this committee does not have trained medical staff. Fix allowances and the (case-by-case) ceilings reduce the financial risk of the scheme.

**Services:** The Bank offers also coverage for work accidents and labour-related disability. A part of the fund for cultural issues is applicable for health care benefits. And, in order to make out-of-country treatment payable for employees, the Bank offers the staff special loans with low interests.

**Health care providers:** Until today, the health benefit scheme of the National Bank of Yemen does not contract any provider.

*The Bank has the project to hire a specialised physician for outpatient treatment as a kind of “gate keeper” who will be also involved in referral, controlling and claim processing.*

The Bank does not have direct contracts or other relationships to health care providers.

**Provider payment:** No provider payment is in place for health benefits; only in case of work accidents the Bank reimburses the providing hospital according to their fee schedules. Financial transfers of the health benefit scheme exist only between the company and its staff who receive regular payments and need-related financial support.

### Health Benefit Scheme of the Public Corporation of Telecommunication

**Setting up the scheme:** The health benefit scheme started when the Ministry of Telecommunication transferred its commercial activities and created the Corporation of Telecommunication in 1982. The package covered was continuously expanded until achieving its current scope.

**Members:** All 5,700 employees currently working in the Telecommunication Corporation are entitled to the health benefit package granted by the company. Enrolment is proved by the corporation’s medical card with photos of the employee and all dependents; however, some employees refuse to hand out a photo of their wives. The scheme covers the whole direct family of the employee, including up to four wives and an unlimited number of children. The employee’s parents are also entitled to health services, but coverage is limited. Half of the national staff is working in Sana’a.

**Financing:** The Corporation is the only payer for employees’ health care. Married employees receive a yearly allowance of 30,000 (in 2004: 20,000), and unmarried employees 16,000 (in 2004: 15,000).

The company offers their staff a very comprehensive benefit package without any relevant exclusion for the employee and his direct family, including dental care and out-of-country treatment in case of need and after approval by the company medical committee. However, for the parents of the enrolee, coverage is limited to 80,000 YR per episode and up to three episodes per year. For this group of dependents, dental care is covered up to a ceiling of 40,000 YR, and optical glasses are excluded.

Type of care	Amount (YR)
Company doctors' salaries	300,000
Drugs allowances (80 % married)	108,300,000
Treatment in Yemen (OPT and IPT)	191,700,000
Out-of-country treatment	50,000,000
Total	350,300,000
Yearly expenditure per employee	61,456

**Benefits covered:** The benefit package comprises general allowances dedicated to expenditure for drugs; in 2004 the company paid 20,000 YR to married and 15,000 YR to unmarried employees, since 2005 the amounts rose to 30,000 and 16,000 YR, respectively.

**Risk management:** The Telecommunication Corporation does not apply any risk management; however, the fact that coverage ends when the personnel retires relieves the scheme from increasing old age costs. Beneficiaries of the scheme have to sign every single investigation and treatment, however, fraud detection is weak and limited to occasional controls by administrative staff.

**Services:** The company pays also a 30 % contribution share for life insurance that pays for disability (200,000 YR or parts of this sum according to the degree) and death of the employee (750,000 plus 680,000, and in case of death due to work accident even 1,500,000 plus 680,000 YR).

**Health care providers:** The Corporation has a total number of 17 company physicians who are mainly responsible for controlling referral processes and some specific question concerning provider claims; however, they also offer primary health care for those employees or dependents who demand it. Company doctors are paid according to the number of employees they are responsible for; thus, the contracted physician in the Sana'a branch earns 90,000 YR per month, while the remaining professionals receive 8,000-15,000 YR.

In general, beneficiaries have free provider choice. Thus, no distinction is made between public and private providers because the selection relies exclusively on the enrolees who tend to prefer private providers even though they have sometime to deposit guarantees in emergency cases. Except the mentioned ceilings and limitations of coverage, the Public Corporation of Telecommunication covers all health care costs of the employees and their families. If the company has approved the treatment – for instance check-up investigation or inpatient care, enrolees have cost-free access to health care. They can also pay the bill for a consultation or investigation in advance and become reimbursed after approval by the company. In case of emergency, the contacted provider uses to contact the chief of the Insurance Department in order to get “green light” for treatment and later reimbursement.

**Provider payment:** Claim processing is foreseen once a month and is based on the set of letters of approval, individual bills for each beneficiary treated during the last month and the corresponding medical reports with the beneficiaries' signatures.

### Public Corporation of Electricity

**Setting up the scheme:** Until 1975, the Electricity Corporation was a private company that was nationalised and overtaken by the Yemenite Government. The health benefit scheme started about 15 years ago and was continuously adapted. The motivation is to protect employees from the burden of disease in order to improve the quality of work; additional support beyond the defined coverage limits is made according to quality, confidentiality and commitment of the worker: Better health implies

better performance. Recently, the Corporation has developed plans to contract a private health insurance company.

**Members:** The health benefit scheme of the Electricity Corporation covers 10,000 of the total 13,000 employees because short term workers and day labourers are excluded from benefits (3,700 staff in the largest branch in Sana'a). Affiliation includes up to four wives and to 14 children as well as the employee's parents; for female employee coverage does not include the husband. Entitlement is proved by a membership card with photos of all beneficiaries, independent from the provider chosen, the employee does not have to pay for health care in advance, and providers receive reimbursement at a later stage.

**Financing:** The Corporation pays 100 % of the health benefit costs for employees out of a special budget defined for medical care; no contribution of employees is in place.

**Benefits covered:** The Corporation pays monthly allowances for drugs, 1,000 YR for married and 500 YR for singles (70% are married). Additionally, all employees and their dependents are entitled to receive a yearly support up to 10,000 YR for outpatient and up to 40,000 for inpatient treatment in Yemen; if they have to face higher costs, the director of the insurance department can authorise an additional payment or a special credit deducted stepwise from the salary (up to 10% per month). Dental care is also covered up to an annual ceiling of 5,000 YR, but here further support is available too. In both cases, decision is made according to the workers quality, confidentiality and commitment, with the participation of the director of the department where the employee works.

Type of care	Amount (YR)
Drugs allowances (70 % married)	102,000,000
Treatment in Yemen (OPT and IPT)	
Out-of-country treatment	
Total	300-400,000,000
Yearly expenditure per employee	

**Risk management:** The scheme does not apply any risk management; however, the financial burden is reduced because coverage ends when employees retire; thus, the scheme is relieved from higher health care costs of the elderly. Enrolees have to sign for every single procedure they receive in order to prevent fraud from the provider-side.

**Services:** The Corporation pays for a life insurance of the employees that pays 500,000 YR in case of death and even 1,000 YR in case of death due to labour accidents. The company also allowances for marriage, child birth and other events.

**Health care providers:** The Electricity Corporation has contracted five physicians for revision and control of claims. It has contracts with a series of private clinics for outpatient care, and with several hospital providers for inpatient services (five in Sana'a: Al-Thawra, Ibn-Sina, Al-Horeeby, Al-Gomud and ?). Inpatient care requires prior approval by the company according to the treatment plan sent by the hospital.

**Provider payment:** Claim processing starts with the monthly presentation of invoices by the providers; they include the number of enrolees treated, medical records and the patient's signature. Revision of claims and invoices relies on the administrative staff of the insurance department and the medical committee that meets twice a month. Provider payment is realised by check.

#### Public Board for Meteorology & Aviation

**Setting up the scheme:** The health benefit scheme was reinitiated since 2000 after the former system had been interrupted for several problems, mainly due to the complete lack of the control of benefit consumption by the employees.

Members: All 2,300 members and their extended families – wife/ves, children and parents – are covered by the Board’s Health Care scheme. Beneficiaries identify by the green Medical Card of the company with photos of all entitled persons.

Financing: The Board for Meteorology & Aviation is the only payer of the health benefit scheme, employees do not have to contribute in order to become entitled.

Type of care	Amount (YR)
General dugs allowances	41,400,000
Drug allowances for chronic ill	10,200,000
Salaries for consultants	≈ 600,000
Treatment in Yemen (OPT and IPT)	15,400,000
Out-of-country treatment	3,000,000
Total	70,000,000
Yearly expenditure per employee	30,435

Obviously, the Meteorology & Aviation scheme’s coverage is focussing on medicine as total drug expenses (51,600,000 YR) amount to almost 74 % of overall expenditure for health care.

Benefits covered: The Board for Meteorology & Aviation pays monthly allowances of 1,500 YR for directed automatically added to the salary of all employees. Those enrolees who are suffering from a chronic or psychiatric (!) disease (50-100 employees) are entitled to an additional monthly allowance of 8,500 YR so that this group gets 10,000 YR per month for drugs.

The Meteorology & Aviation scheme covers all out- and inpatient treatments available in Al-Jumhuri Hospital. However, as drug allowances are supposed to cover all out- and inpatient pharmaceuticals, in case of hospital admission the Board does not pay for medicine. Until one year ago, beneficiaries could apply to any provider and were reimbursed according to fares of Al-Jumhuri Hospital.

The scheme of the Public Board for Meteorology & Aviation covers also 100 % of out-of-country treatment (usually 5-6 cases per year) including travel expenditures and two tickets. This is conditioned to prior approval by the Board’s medical committee, who is appointed to make these decisions because decisions of the MoH-committee take very long, often up to one year.

Risk management: Restriction of provider choice, a control system in the provider location controlling entitlement, access and referral, as well as controls and attempts of fraud detection through a medical committee are the most relevant mechanism of risk management. Referrals to specialised providers and out-of-country treatment depend on prior approval by the health benefit scheme. Beneficiaries have to sign for all services they receive during out- and inpatient care.

Services: As the health benefit package of the Public Board for Meteorology & Aviation is rather comprehensive, other protection mechanisms like life insurance do not interfere directly into health affairs; no distinction between work-related and other health problems was mentioned.

Health care providers: Currently, the only provider of the Board’s scheme is the Al-Jumhuri Hospital in Sana’a providing out- and inpatient care for employees. The Board has negotiated a 20 % discount for all health benefits. Only if needed services are not available, enrolees are referred to specialised providers; in this case the scheme pays the full costs according to the price lists.

Consultant specialists get a monthly salary of 20,000 YR plus extra allowances for attending regular and irregular committee meetings.

Provider payment: The Al-Jumhuri hospital sends invoices every three months containing all out- and inpatient treatments granted to enrolees. Both the Board’s staff in the hospital and the specialised personnel in the headquarter (from Administration and Controlling Departments) control and revise the claims, the first comparing the listed benefits with their daily (hand-written) registers of services granted to beneficiaries, the latter comparing mainly the fees with the price lists and agreed discount rates. Controlling relies mainly on hand-written documentation: “Much control = much paper!”

The Board has its own medical committee built by the director of the main provider (Al-Jumhuri Hospital), one consultant surgeon, one consultant specialist of internal medicine, the General Director of Administration and the General Director of Controlling. In addition, the Board for Meteorology & Aviation has its own office with 4 trained employees paid by the Board in Al-Jumhuri Hospital. Other providers attending enrolees of the Board's scheme can send their invoices directly after having treated an employee or one of his dependents, and in case beneficiaries have to apply to new providers the Board pays in advance before discharge. All provider payment relies on a fee-for-service modality and is made by check.

### Agriculture Co-operative Credit Bank

Setting up the scheme: The health benefit scheme of the Bank started about 20 years ago in order to support employees to face diseases and health related costs, and to improve work performance and quality.

Members: The total 1,100 staff in all 42 branches of the Agriculture Co-operative Credit Bank in Yemen is entitled to the benefits granted by the scheme. The affiliation unit is the core family – including up to 4 wives and an unlimited number children – plus the employee's parents for whom benefits are limited to 50 %. Enrolees and beneficiaries identify with the Bank ID, in case of investigations and inpatient treatment also by a letter from the bank, and in case of emergency treatment providers can call the director of the medical committee.

Financing: The Agriculture Co-operative Credit Bank finances 100 % of the health care benefits granted to employees. Therefore, the Bank has a separate budget health care that is defined yearly by the directory board.

Type of care	Amount (YR)
Drugs allowances (75 % married)	20,000,000
Treatment in Yemen (OPT and IPT)	13,000,000
Out-of-country treatment	2,000,000
Total expenditure in 2004	35,000,000
Yearly expenditure per employee 2004	31,820

Benefits covered: The Bank scheme pays

Inpatient treatment in Yemen is covered 100 % without any ceiling.

For treatment outside Yemen the scheme pays 120,000 YR plus 2 tickets ( $\approx$  70,000 YR each); in case of higher costs the medical committee of the Bank can approve additional payment.

Risk management: In order to reduce provider-side fraud, beneficiaries have to sign all benefits they receive. Due to fraud the Bank is planning to introduce a family card with pictures of all beneficiaries. And the Bank gets rid of old age enrolees when they retire.

Services: No additional health related services are covered by the Bank.

Health care providers: The Bank scheme has contracted several hospital for out- and inpatient treatment; in Sana'a it is Al-Thawra, Al-Jumhuri and the German-Yemen-Hospital. Health services are covered 100 %. Since the latter was contracted, beneficiaries made excessive use of outpatient services, mainly check-ups, because waiting queues are very short or even inexistent in the private hospital.

Until 2004, the Bank had contracted private clinics (5-6 physicians in Sana'a) for outpatient care of employees; the doctors saw the patients and referred them to a hospital in case of need.

Provider payment: Providers send monthly reports to the Bank. The medical committee revises the incoming claims by comparing the invoices with the hospital price lists. and reimburses provider after approval that is practically always given.

The medical scheme has negotiated a 20 % discount for outpatient care and examinations (laboratories, x-ray, etc.), 15 % for operations and 10 % for hospital admission. Provider payment is made effective by check.

### TeleYemen Medical Insurance

Setting up the scheme: The TeleYemen health benefit scheme started 20 years ago when the Government of Yemen took over the company from the British Cable&Wirelss. In order to protect the vested rights of employees, the nationalised company did not fall under national regulations, but specific right were implemented for the staff, including comprehensive health care coverage.

Members: All employees in the various branches in the country (Sana'a, Aden, Taiz, Hudaida, Mukhalla, etc.) are entitled to the benefits of the TeleYemen Medical Insurance. The insured unit comprises the whole core family - the wife/wives and all children; parents are not covered. Enrolees identify with a company photo ID.

Financing: The only payer for employees' health care benefits is the company, no employee contribution is in place.

Type of care	Amount (YR)
Drugs allowances (x % married)	
Treatment in Yemen (OPT and IPT)	
Out-of-country treatment	
Total expenditure in 2004	
Yearly expenditure per employee 2004	

Benefits covered: The company pays a yearly allowance for health care costs of 40,000 YR per employee for drugs; in case he and his family consume a medicine for more than that amount, the corresponding sum is deducted from his salary. A broad range of health care services is available for TeleYemen employees, obviously neither exclusions nor ceilings are defined. Treatment outside Yemen is also covered 100 % without any ceiling.

Risk management: Revision and control of invoices relies mainly on the director of the Human Resources Department, he gets support from the company doctors with regard to medical questions. If problems with provider claims arise, the responsible director for health care of the TeleYemen Medical Insurance meets directly with the hospital whose invoice is not accepted.

Services: Several additional services are in place like work accident and life insurance, but they seem to be clearly separated from Medical Insurance benefits. The headquarter is in Sana'a, but in every branch a responsible person for health care is available.

Health care providers: TeleYemen has contracted company doctors responsible for medical checks, outpatient treatment and referral in case of need, as well as contracted specialists, pharmacies and other providers for outpatient care and investigations. For inpatient care the company has contracted a series of hospitals in Yemen as well as the Islamic hospital in Amman/Jordan. All health care providers are private; TeleYemen does not have contracts with any public health care facility.

Provider payment: Applying to one of the many contracted health care providers, TeleYemen employees do not have to pay for services. The company reimburses contracted private doctors and hospitals according to their invoices. Provider payment relies on a fee-for-service modality according to given price lists, but hospitals in Yemen use to grant discounts and special offers to TeleYemen. Payment is realised by cheque.

### Central Bank Health Care

Setting up the scheme: The Health Care scheme started in 1962 when the Central Bank of Yemen initiated its activities. The Bank followed the international system of employee benefit schemes, and the main motivation was to improve work performance through better health. As the scope of additional coverage of inpatient treatment is related to the reputation of an employee, health care coverage turns out to be an incentive for the workforce.

Members: All 2,000 employees (1,100 in the Sana'a headquarter, rest in 22 branches) of the Central Bank of Yemen are automatically affiliated to the Health Care scheme of the institution. The membership unit is the core family that means the wife/wives and all children of the enrollee. Until one year ago, coverage had included also the employee's parents. Beneficiaries identify by the Health Care card including photos of all family members.

Financing: The Central Bank finances 100 % of all health care costs; employees do not contribute to the scheme.

Type of care	Amount (YR)
Drugs allowances (80 % married)	44,000,000
Treatment in Yemen (OPT and IPT)	80,000,000
Out-of-country treatment	20,000,000
Expenditure in Sana'a (1,100 staff)	115,000,000
Yearly expenditure per employee	104,545
Expenditure outside Sana'a (900 staff)	30,000,000
Yearly expenditure per employee	33,333
Total	145,000,000
Yearly expenditure per employee	72,5000

In 2005, the headquarter pays exactly 15,931,639 YR for drug allowances.

Benefits covered: The Health Care scheme of the Central Bank covers a broad range of out- and inpatient benefits including out-of-country treatment. The Bank pays a yearly allowance of 25,000 YR for married employees and 10,000 YR for singles, paid in three instalments (9,000 – 8,000 – 8,000 and 4,000 – 3,000 – 3,000, respectively) for drug expenses; until one year ago, these payments were conditioned to bills that were reimbursed to the employees up to the mentioned ceiling. Outpatient treatment services provided to employees and their families are paid directly by the Bank to contracted providers – private clinics and hospitals - and reimbursed to the employees whenever they go to another private clinic. Inpatient care is covered up to a ceiling of 100,000 YR, but in case of higher costs the chairman of the Bank can authorise higher grants; an important criteria is the quality and performance of the employee. Out-of-country treatment is covered up to 30,000 + 3 times 20,000 YR per case, but in special cases the Health Care Scheme can reimburse a higher amount.

Risk management: No mechanism for cost containment and reducing the risk of provider- or consumer-driven demand increase is in place. On the contrary, the way outpatient providers are paid induces an increasing demand and additional expenditures. Fraud control relies on both the administrative staff and the medical committee of the scheme who can appeal invoices and claims.

Services: The Central Bank pays part of the contributions to other insurances like life-insurance, but no health-related extra service is in place. Health Care staff is concentrated in Sana'a, but also present in each branch.

Health care providers: For out-patient treatment Bank employees can visit several private clinics, radiologists and laboratories as well as specialised providers, i.e. Al-Hakimi Medical Centre for ENT in Sana'a and others. The Central Bank Health Care has contracts with a series of hospital providers all over the country, in Sana'a with Alt-Thawra, Al-Jumhuri, Al Medina, Ibn Sina, Al-Irani and the

Military Hospital. Treatment outside the country is covered after prior indication by the company doctors and approval by the Bank health committee.

Provider payment: Private clinics present their claims on the end of each month listing all services granted to beneficiaries of the Health Care scheme. Payment of hospitals and private clinics is made according to a fee-for-service mechanism. Private clinics get 500 – 700 YR per consultation, and ENT visits are even free of charge. The reason why providers accept fares lower than usual derives from the possibility to receive a certain percentage of any service they refer beneficiaries to; the incentive for ENT doctors seems to be the chance to indicate further interventions and operations covered by the Bank scheme. Payment is realised through the bank account each provider has in the Central Bank.

### 15.3 Public Institutions

#### University of Taiz

Setting up the scheme: Since 2005, the University of Taiz started to provide health insurance scheme replacing the former system paying drug allowances of 25,000 YR per year. The idea was to get broad coverage for a reasonable price contracting the Hayel-Saeed Insurance Fund.

Membership: Until now, coverage is restricted to the higher educational staff, namely full and associated professors, and their families. Affiliation of each single beneficiary is voluntary, but none of the target group refused to enrol together with all dependents. An employee can decide to enrol up to four wives, all children and his parents. Currently, 1066 enrollees are inscribed in the insurance company belonging to Hayel Saeed Group, 130 of them are employees.

Financing: The Taiz University pays a monthly contribution of 950 YR to the insurance company contracted. The contribution flat-rate arises for each single beneficiary, independent if he/she is employee or any affiliated dependent.

Expenditure	Amount
Contributions Hayel Saeed Insurance	13,000,000 YR
Treatment outside Yemen	9,900,000 YR
Total	22,900,000 YR

Benefits covered: The Hayel Saeed Insurance Fund covers a well defined benefit package according to the coverage of company employees of Hayel Saeed Group. This includes all outpatient and inpatient treatments available at the preferred provider, the Al-Saeed Hospital in Taiz, as well as drugs for acute treatment. However, most chronic diseases, especially cancer, are excluded from coverage.

In addition to the benefits offered by Hayel Saeed Insurance, the university pays an average number of 18 out-of-country treatments per year: 2,000 US-\$ plus two tickets ( $\approx$  800 US-\$ for employees, 1,200 US-\$ for wives and children, and 800 US-\$ for parents. Patients get reimbursed after treatment abroad if the special committee approves. The impact of out-of-country health care tends to decrease since health care has improved in Yemen.

Risk management: Employees represent a relatively good risk structure because they are relatively young and wealthy; however, the parents deteriorate the risk pool. The financial risk falls on the contracted insurance company that applies a series of risk management strategies, mainly the exclusion of expensive and work-related services and co-payments in order to guarantee financial viability. Regarding coverage of out-of-country treatment, the university reserves the right to restrict the number of cases or to reduce the reimbursement according to the total number of cases.

According to the company contracts of Hayel Saeed Insurance Fund, a series of exclusions, mainly of cost-intensive health services, ceilings and co-payments have been established in the contract with the university in order to reduce the financial burden of the scheme. So chronic diseases are not covered at all, thus the scheme does not prevent people from catastrophic health care expenditures. Relevant exclusions and coverage restrictions are the following:

Exclusions: Dialysis, heart operations, operative and conservative treatment of cancer, communicable diseases (also tuberculosis), psychiatric and neurological diseases, congenital disability, plastic surgery, HIV/AIDS, chronic hepatitis, and any other chronic disease (the contracts name explicitly dialysis and kidney transplantation, heart surgery, cancer treatment (chemotherapy, surgery, etc.), communicable diseases (malaria, tuberculosis, etc.), psychiatric, neurological and congenital disorders, plastic surgery, HIV/AIDS, chronic hepatitis and other chronic diseases according to a specific list (not available in this moment).

Work accidents, labour diseases, traffic accidents (covered by other insurance plans).

Diagnosis of vision (myopy, hyperopy), eye glasses and contact lenses, hearing aids, squint correction.

Dental prosthesis

Ceilings: eyeglasses once per employment, dental care limited to one bridge, etc. According to information from Hayel Saeed staff in Sana'a, the following ceilings are in place:

Drugs: 15,000 YR per family, 5,000 YR per unmarried beneficiary

Outpatient treatment: 15,000 YR per case

Surgery: 50,000 YR for enrolees, 25,000 YR for dependents

Co-payments: 30 % for drugs for out-patient treatment; all other services are free of user charges.

Services: The University of Taiz pays regularly contributions for work insurance for all employees.

Health care providers: Coverage is restricted to the preferred provider of the insurance company in Taiz. Enrolees are entitled to go to other providers only for services that are not available in the AL-Saeed-Hospital.

Provider payment: The insurance pays the providers directly according to the invoices presented monthly. Claim processing relies on a computerised system where all beneficiaries are registered by name, date of birth and insurance number. Whenever an enrolee applies to the preferred provider, personal data, medical history and all services provided are digitalised and automatically processed. The insurance fund personnel has direct access to the data and performs payment according to a fee-for-service mechanism. All other providers are reimbursed on the basis of invoices sent to the insurance fund.

## 15.4 Mixed Companies

### Yemenia health benefits scheme

Setting up the scheme: The health benefit plan started in 1998.

Members: The Yemenia health benefit scheme is compulsory and covers currently 3897 employees. Spouses and children - up to 4 wives in the case of male employees and all children – are also covered with regard to treatment in the company facilities and outpatient care, and entitled for health related credits without interests. Parents and brothers or sisters are applicable to a special credit scheme for health care financing. Entitlement has to be proved by the Yemenia photo ID.

Financing: The Yemenia company finances all covered health care costs alone, employees do not pay contributions for to be entitled. In 2004, total expenditure for health care amounted to 93 million YR (= 484,375 US-\$).

Total health expenditure	93,000,000 YR
Health expenditure per employee	23,864,51 YR

Benefits covered: The Yemenia health scheme covers a comprehensive benefit package available free of charge for all beneficiaries in the own medical centre (8 doctors) in Sana'a, including diagnostic procedures and drugs. In case of more complex health problems, the Yemenia scheme grants the

employed practically all needed health benefits with an co-payment that varies between 75 and 80 %. For dependents, Yemenia also covers health care benefits according to need after referral; however, coverage of relatives is limited to a credit scheme because the company pays hospital costs, but recovers them afterwards by deducting 15% from salary until the money is recovered.

Risk management: The Yemenia health benefit scheme foresees a co-payment of 20% for outpatient, and of 25% for inpatient treatment and operations that are deducted directly from the salary (only for work related health problems coverage is 100%). The gatekeeper function of contracted GP reduces misuse.

For dependents, a 10.000 YR ceiling for drugs is established; and Yemenia reduces coverage to a loan for treatment costs. For parents or brothers and sisters a credit scheme has to be agreed individually (e.g. 50%). Fraud is unlikely to happen because everything above the ceiling will be deducted from the employee's salary.

Services: Monthly contribution of 200 YR from employees for a company-based life insurance that pays 675.000 YR in case of death for the family; undelivered resources go into a fund for medical care that offers free treatment and drugs for retired.

Employees contribute 300 YR per month for receiving a one-time payment 150.000 on retirement (monthly income of this fund: 1.02 million), and 200 YR for to receive the same amount of money when they leave the company for other reasons.

Yemenia puts the money of the various funds into a bank and gets 30% interest payment.

Health care providers: Yemenia runs its own medical centre in Sana'a, and has contracts with 66 health care providers in Yemen, mainly in Sana'a, Aden and Taiz (e.g. heart centres, Yemen German hosp., etc.). A referral system is in place, and Yemenia medical staff physicians decide where to refer a beneficiary. The company has also contracted out-of-country hospitals are also contracted, but treatment abroad requires prior decision of the Yemenia board (doctor, director of medical centre, administration director of medical centre, and human resources director).

Provider payment: Health care services delivered in the own centre are paid through the centre's budget, and doctors receive fix salaries: specialists 55,000 YR/month, general practitioner 25,000, professor consultant 90,000 for eight hrs a day. Other providers are reimbursed according to a fee-for-service pattern by Yemenia.

## 15.5 HMO/PPO-like schemes

### Hadda Specialized Hospital

Setting up the scheme: Since almost 10 years, the Hadda Hospital is providing HMO-like health insurance coverage to citizens and private companies. At the same time, the hospital is acting as franchiser for three international insurance companies: International Health Insurance Denmark (DK), BUPA (UK), and GMC (F) that insures international bank staff.

Members: The Hadda insurance scheme is open for individuals as well as for companies. The following Yemenite enterprises have collective contracts with Hadda: Arab Bank ( $\approx$  50 employees), Yemen Commercial Bank, Watania Bank ( $\approx$  150), Arab Insurance ( $\approx$  50), Mesar Construction Company ( $\approx$  10), Yemen Drug Company ( $\approx$  50), Global and Al-Nassim Travel Agencies (together  $\approx$  20). Employees of Watania Bank and Arab Insurance have to identify with a photo ID card; in other cases identification relies on personal knowledge of the staff, in some cases confirmation is achieved through a direct contact to the company. All core family members are entitled to get health benefits covered.

Financing: The Hadda Hospital offers two different types of group insurance. Watania Bank and Arab Insurance have prepayment contracts financed by a monthly capitation rate of 20,000 to 30,000 YR

according to the number of employees enrolled. All other contracts rely on a fee-for-service financing mechanism so that the hospital's income depends on the use rate of the facilities by the company staff. Benefits covered: The Hadda Hospital offers outpatient treatment as well as medium surgery, internal medicine, gynaecology, paediatrics, ophthalmology, ENT and dental care. Three different benefit packages are available:

1. The full coverage package is available for larger companies and includes all services delivered in the Hadda Hospital as well as specialised treatment in other health care facilities; in the latter case, Hadda has negotiated special fares with other providers ( $\approx$  below normal tariffs), and most contracts rely on the interchange of benefits that are not available in the own facility.
2. The half full package includes comprehensive coverage except surgical interventions and dental care.
3. The discount package is available for smaller enterprises and entitles enrolees to receive health care services in Hadda with a discount of 20 – 30 %, according to the contract.

Risk management: The hospital relies mainly on a network of personal friends, thus fraud control is not developed. Invoices from other providers are usually accepted without revision, and fraud can only be detected occasionally, for instance if employees whose contract with the insuring company has stopped still use Hadda health benefits. For prepayment contracts, the financial risk falls back on the HM-like provider, and misuse is often observed. For other contracts, it is theoretically passed to the companies; a re-insurance is not in place.

Services: The Hadda health benefit scheme does not include additional services and is only available in Sana'a.

Health care providers: The main provider is the hospital offering health insurance coverage. All services that are not available in Hadda Specialised Hospital are only accessible after referral by the clinicians of the facility or through direct intervention of the company management.

Provider payment: For all available health care services, health insurance and provider payment are identical, either in the form of prepayment or as fee-for-service reimbursement, relying partly on old fee schedules with very low tariffs. When other providers deliver services to enrolees of the Hadda scheme, the HMO-hospital reimburses granted services without revision on a fee-for-service payment. Reimbursement relies on the received invoices and is realised through bank transfers.

### Aden Hospital

Setting up the scheme: Since 1999 and 2000, the Aden Hospital has established contractual relations with several companies in Aden. The main reason was to raise additional income for the chronically under financed public hospital.

Members: Beneficiaries are the workers and employees of the companies who have signed contracts or agreed special conditions with the 500-beds hospital.

Financing: The Aden Hospital offers three different types of contracts or relationships to companies:

1. The company pays a monthly lump-sum according to the number of workers and employees (Electricity Comp. 100,000, Electric Power Plant 80,000, Water & Sanitation 40,000, Tobacco Factory 40,000 YR). The companies reimburse the hospital, and the staff has the right to be treated without being charged immediately. They also bypass waiting-lists for surgery because they are entitled for operation theatres during "private" hours; they get full-coverage benefits including drugs as well as extra services like special food etc.
2. With other companies, the Aden Hospital has agreed to deliver health services to employees who present a letter of request and are referred by the employer. These contracts signed with Yemenia, the Governorate offices, a TV station and others foresee reimbursement with higher than usual fees for each service.

3. With other companies like, e.g. the National Bank of Yemen, a referral system has been established. After diagnostic evaluation, the hospital makes a fee calculation and sends it to the company. After approval the employee is directly reimbursed and pays the provider.

*The Aden Hospital plans to establish comparable contracts with NGO's and charities.*

**Benefits covered:** According to the different contracts, the hospital offers a comprehensive benefit package under the described condition; even diagnostic procedures in other facilities are included.

**Risk management:** No risk management is in place because the hospital gets reimbursed all granted benefits independent from the agreed lump-sum or higher fees.

**Services:** Additional services like special food delivery and uncomplicated access to drugs are included in the benefit scheme offered by the hospital.

**Health care providers:** The Aden Hospital is the main provider and acts as health maintenance organisation (HMO) with vertical integration of a minor part of financing and health care delivery. If needed services are not available in the hospital, it buys them from other public and from private providers.

**Provider payment:** The Aden Hospital receives the monthly lump-sum according to the company contract for granting the described preferential access and care to their employees. Independent from this regular payment, all benefits delivered are reimbursed on a fee-for-service basis.

The Aden hospital pays all services that are not available in the facility directly to other providers. Therefore, it has negotiated special fees that are about 20-30 % less expensive than in the normal schedule list. A specific invoice revision is not realised because the Aden hospital reimburses only demanded services; payment is realised through bank transfers.

## **15.6 Private Health Insurance Companies**

### Al-Watani Health Insurance Plans

**Setting up the scheme:** Private health insurance is a new market in Yemen, and until this year the Al-Watani Insurance has been a broker for international insurance companies, mainly for International Health Insurance Denmark. Currently 125 persons are covered through a package offered by the Danish re-insurance, the market segment is estimated in about 400 people. Additionally, Al-Watani offers general insurance, group life insurance, and travel insurance that is pretended to cover Hadsh.

In 2004, the insurance company started to offer two own health insurance packages re-insured by the British United Provident Association in London. Experiences are recent and preliminary so far.

**Members:** Until now, only 10 persons have affiliated to one of the national private health insurance packages, for most of them renewal of contracts is imminent.

**Financing:** The health insurance packages are paid by enrolees only, basic fares are 160 (module 1) and 275 US-\$ (module 2), respectively. Premiums are adapted to age, but not to the number of dependent beneficiaries. For members of the Diplomatic Corps, Al-Watani offers a special insurance package.

**Benefits covered:** Both national plans cover inpatient treatment in Yemen, module 1 up to 3,000 and module 2 up to a ceiling of 7,500 US-\$. Outpatient treatment, dental care and drugs are not covered.

**Risk management:** The company reduces fraud by excluding outpatient treatment that is considered more likely to hazardous use and falsifications. New enrolees have to accept a waiting period of 1 month before being entitled. However, no prevention against adverse selection is implemented because affiliation does not require a medical check, and applicants with pre-existing and chronic diseases are accepted without additional premiums. Reinsurance relies on a company in the London market.

**Services:** Enrolees are not entitled to additional services.

Health care providers: Beneficiaries have free provider choice. The insurance company has not yet agreed special contracts or preferential fees with any provider.

Provider payment: Al-Watani starts to reimburse providers according to invoices, but no proper claim processing procedure has been implemented yet. Facing complex administrative tasks, a specialised department for medical control and accounting is needed.

### Mareb Health Insurance

Setting up the scheme: The Mareb company came into the Yemeni market in 1973 as a broker for international insurance companies.

Members: Only high-income groups are able to afford contributions to the health care plan offered, thus affiliates belong to the best-off population share.

Financing: Beneficiaries pay for health care coverage on their own, premiums are high ( $\approx$  1,000 US-\$ per year) and depend on the risk of enrolees. Thus, individual health care plans are only accessible for the best-off population share. Aside three individual plans, Mareb offers one company policy.

Benefits covered: All private insurance plans offer comprehensive coverage except some exclusions that vary amongst the different policies. Expensive procedures and out-of-country treatment is also covered.

Risk management: All applicants have to pass a medical check before enrolling. All policies are re-insured in European insurance companies, the individual policies by Munich-Re (D), and the collective one by BUPA (UK).

Services: No other service is in place for beneficiaries of private health insurance policies.

Health care providers: Enrolees can select providers according to their own priorities, entitlement is not reduced to certain health care facilities.

Provider payment: The insurance company reimburses the beneficiaries, but it does not perform any direct provider payment for their own staff.

### Arab Insurance Private Medical Plans

Setting up the scheme: After several years of experience as a broker for international insurance companies, Arab insurance started to implement private health insurance company plans in 2002. The idea behind was to offer health care plans directly to those people who appealed for international re-insurance contracts.

Members: Currently, only the Australian company Oil Search and the public Refinery Company have contracted a collective Arab Insurance health plan for a total number of 20 employees, coverage is restricted to the enrolees.

*Additionally, Arab Insurance Company is acting as broker for the Willis Insurance London, for example for Yemenia staff and other companies.*

Financing: The petrol company transfers the total amount of contributions for all enrolees covered by group insurance; no data are available in the insurance company if contributions are shared amongst employer and employees. Arab Insurance is offering two policies for a price of 170 and 270 US-\$, respectively, for the enrolee; spouses can be covered for additional 170 US-\$, and children between ten days and seventeen years for 100 US-\$.

**Benefits covered:** The benefit packages are relatively comprehensive and cover “100 % of normal, usual and customary charges related to treatment for surgery, including anaesthesia, operating theatre fee and pre- as well as post-surgical care, hospital fees, intensive care, miscellaneous inpatient charges, accidental damage to teeth and local ambulance service. The cheaper plan restricts coverage to in-country treatment, while the more expensive policy includes out-of-country treatment.

**Risk management:** Beneficiaries have to pay deductibles of 50 US-\$ per provider contact in Yemen and of 250 US-\$ abroad. Dental care (except after accidents), other benefits and expressly the treatment of pre-existing diseases are excluded. The policies foresee maximum coverage ceilings of 3,000 US-\$ and 7,500US-\$, respectively, and coverage of room and bed is limited to 100 US-\$ per day. Affiliation is limited to enrollees between 18 and 65 years. Willis London is re-insuring the national company benefit packages offered by Arab Insurance.

**Services:** The health plan is combined with a life insurance that pays a benefit of 1,000 US-\$ per person and year.

**Health care providers:** Beneficiaries have free provider choice in Yemen and, in case of the more expensive plan, and outside the country; however, inpatient treatment has to be agreed by the insurance company

**Provider payment:** The insurance company reimburses directly the providers. Claim processing relies on invoices from the provider side; and medical controlling as well as accounting relies on the specialised department of the life insurance branch.

### Hayel Saeed Insurance Company

**Setting up the scheme:** The Hayel Saeed Group started to implement a health insurance scheme since 1997. It was initially planned to cover the employees of companies belonging to the consortium and located in the Taiz area. Since two years, the schemes started to open towards other companies and institutions and to act as an independent health insurance provider.

**Members:** One private company not belonging to the group has enrolled its employees in the insurance scheme, and since 2005 the University of Taiz is affiliating best high-ranking educational staff and their families.

**Financing:** The insurance schemes is financed by regular contributions transferred monthly to from the affiliated companies and institutions to the bank account administered and managed by the insurance staff located in the headquarter in the Al-Saeed-Hospital in Taiz.

<b>Hayel Saeed Insurance</b>			
	Income	Expenditure	Revenue
Hayel Saeed Group Companies	93747956	92143914	1604042
University of Taiz	7999992	7244845	755147
Colour Company	477904	288209	189695
Total	102225852	99676968	2548884

## **15.7 Ministry Health Benefit Schemes:**

### Military Medical Benefit Scheme

**Setting up the scheme:** The military scheme was implemented after the revolution in 1962 in North Yemen, and since the independence in 1967 in the Southern part of the country in order to grant

medical treatment free of charge to all members of the Armed Forces and their families. Apparently, no specific epidemiological or financial study was performed prior to the creation of the scheme.

*Since 1995, the Army has presented four times a project for a Law for Military Health Insurance Scheme to the legislative institutions. The intention is to create an independent health insurance fund for all staff of the Army.*

**Members:** The scheme covers automatically all military and civil servants of the Yemeni Army from the first day of service, no formal inscription is needed and affiliation can be considered as mandatory. In the beginning, all relatives of a member of the Armed Forces were entitled to the benefits granted by the military scheme; according to the traditional concept of families living in the house of the grandfather, even extended families had cost-free access to health care in military facilities. The Military Service Law limited coverage on husband and wife, dependent children as long as they do not have their own income, parents, brothers and sisters under 18 and as long as they rely economically on the member.

*The intended fund will cover all soldiers and official in active service, other employees of the Army and the pensioners, including the whole family of all enrolees. Additionally, the relatives of victims of accidents or other reasons of death during duty will be covered.*

**Financing:** Enrolees do not pay any contribution; health care costs for all beneficiaries are financed by the Ministry of Finance according to an annual budget plan that relies on expenditure of the last year. The scheme runs resources aside for covering emergency expenses. If resources turn out to be insufficient, the Ministry of Defence increases the budget according to need.

*According to the last version of the, soldiers will contribute 3 % and officials 5 % of their basic wage for health insurance; contributions will be deducted automatically from the salary. For the families of victims, the government will pay the contributions. And the Ministry of Defence as employer will co-finance the scheme with a relevant amount of money that is still to define.*

**Benefits:** All active military and civil staff of the Army is entitled to a comprehensive benefit package including expensive diagnostic and curative procedures and treatment abroad for services that are not available in the country. For direct relatives (spouses, dependent children), the benefit package is restricted and excludes expensive diagnostic (e.g. CT, MRI, Echocardiography and Angiography) and curative services. All other relatives have the right to receive the complete package available in Yemen co-paying 50 % of the tariffs specified in the fee schedule of military hospitals.

*The project foresees comprehensive coverage of all members without relevant co-payments.*

**Risk management:** Coverage ends when enrolees retire from active service. Thus, the military scheme applies risk selection excluding the elderly who present higher health risks. The financial risk is reduced by a series of exclusions and limited coverage for all dependent beneficiaries. The Ministry of Health acts as an implicit re-insurance of the scheme.

**Services:** The scheme does not cover other than health care services.

**Health care providers:** The scheme relies mainly on an own countrywide provider network of 12 hospitals and a large number of health units in all military installations. Amongst military providers, a strict referral system is implemented. For providing health care services that are not available in military facilities (invasive cardiology, heart surgery, transplants etc.), the scheme contracts public hospitals (Al-Thawra, Al-Jumhuri) or specific private centres, or covers the cost of treatment abroad.

**Provider payment:** The military scheme negotiates biannually or yearly the tariffs for needed services with every single non-institutional provider according to the local price level the costs of treatment abroad. Claims are controlled by the military representative in the contracted hospital first; afterwards the medical staff and the accounting department in the scheme's headquarter revise all billings. Approved claims are reimbursed according to a fee-for-service pattern, and payment is transferred via bank account.