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# NATIONAL HEALTH ACCOUNTS 2007/2008 : EGYPT REPORT

HEALTH SYSTEMS 2020

## Mission

The Health Systems 20/20 **cooperative agreement,** funded by the U.S. Agency for International Development (USAID) for the period 2006-2011, helps USAID-supported countries address health system barriers to the use of life-saving priority health services. Health Systems 20/20 works to strengthen health systems through integrated approaches to improving financing, governance, and operations, and building sustainable capacity of local institutions.

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# MESSAGE FROM HIS EXCELLENCY THE MINISTER OF HEALTH

It gives me great pleasure to release the Egypt National Health Accounts for fiscal year 2007/08. Egypt has pioneered the production of National Health Accounts in the region. This National Health Accounts report provides critical information that will be extremely useful as we continue our efforts to reform the health sector.

In addition to showing the sources and uses of health resources within the country, the report highlights some key findings including the need to increase public investments in health; reduce the burden of out-of-pocket spending; pass comprehensive social insurance reform to expand access to quality health services; address the continued high spending on pharmaceuticals; and control and rationalize spending under the government's scheme to provide care for the uninsured.

The report also highlights the need for the government to institutionalize National Health Accounts so that information on health spending is available on a regular basis and becomes a routine activity of the government. Equally important, we need to put a structure in place to systematically track the flow of resources by program to better understand the cost of services. This information will be used to improve budgeting, planning and policymaking.

I would like to commend General Ahmed Farag, Dr. Meirvat Taha, and the National Health Accounts team at the Ministry of Health for their excellent work. I would also like to thank the National Health Accounts Steering Committee for the guidance and support they have provided for this effort. I would especially like to acknowledge the continued support of our development partners at the United States Agency for International Development and the World Health Organization, which have long supported the development of National Health Accounts in the country. I look forward to future collaborations with key partners to institutionalize National Health Accounts in Egypt.

Dr. Hatem El Gabaly
His Excellency, The Minister of Health

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# ACRONYMS

| | |
|---|---|
| **CCO** | Curative Care Organization |
| **EMRO** | Eastern Mediterranean Region Office |
| **FP** | Family Planning |
| **GDP** | Gross Domestic Product |
| **GOE** | Government of Egypt |
| **HIO** | Health Insurance Organization |
| **HS 20/20** | Health Systems 20/20 |
| **HQ** | Headquarters |
| **LE** | Egyptian Pound |
| **MOD** | Ministry of Defense |
| **MOF** | Ministry of Finance |
| **MOH** | Ministry of Health |
| **MOHE** | Ministry of Higher Education |
| **MOI** | Ministry of Interior |
| **MOT** | Ministry of Transport |
| **NGO** | Nongovernmental Organization |
| **NHA** | National Health Accounts |
| **OOP** | Out-of-Pocket |
| **PTES** | Discretionary Spending Account |
| **SIO** | Social Insurance Organization |
| **THE** | Total Health Expenditures |
| **THIO** | Teaching Hospitals and Institutes Organization |
| **UNDP** | United Nations Development Program |
| **UNFPA** | United Nations Population Fund |
| **UNICEF** | United Nations International Children's Emergency Fund |
| **USAID** | United States Agency for International Development |
| **WHO** | World Health Organization |

# ACKNOWLEDGEMENTS

The National Health Accounts (NHA) activity in Egypt is greatly indebted to the leadership, guidance, and support provided by the Minister of Health, His Excellency Dr. Hatem El Gabaly. He has inspired the NHA team to produce a work of excellent quality, ensured that the needed resources were made available, and championed the use of NHA in the internal planning of the Ministry of Health (MOH).

We would like to especially acknowledge the guidance and support provided by General Ahmed Farag, the Minister of Health's Assistant for Administration and Finance. The NHA team met regularly with General Farag and he was always willing to review their work and provide extremely useful feedback. He has been a strong advocate for the NHA activity.

The NHA Steering Committee, constituted by His Excellency the Minister of Health, was made up of the following members:

- G. Ahmed Farag. Minister's Assistant for Admin and Finance, MOH
- Dr. Said Rateb, Minister's Assistant for the Health Insurance Organization, MOH
- Dr. Nasr El Sayed, Minister's Assistant for Primary Health Care, Preventive Care, and Family Planning, MOH
- Dr. Nasr Rasmy, Minister's Assistant for Curative Care and Ambulatory Services, MOH
- Dr. Kamal Sabra, Minister's Assistant for the Pharmaceuticals, MOH
- Dr. Ibrahim Yousry, Head of Human and Social Development Sector, Ministry of Economic Development
- Dr. Mohamed Moeet, Minister's Assistant for Social Insurance, Ministry of Finance
- G. Ahmed Al Twancy, Prime Minister, Data for Decision Making office

The Steering Committee played an important role in reviewing and coordinating the NHA activity, assisted in building support for NHA study, and supported the NHA team in the collection of data and the interpretation of findings.

While a number of persons assisted with making information available, we would like to explicitly acknowledge the assistance provided by Mr. Mahdy Samy, Director of Budgeting at the MOH.

The United States Agency for International Development (USAID) has been a strong supporter of the NHA activity in Egypt since the first round of NHA in the mid-1990s. We want to acknowledge with sincere gratitude the continued cooperation between USAID and the MOH on the NHA and hope that this partnership will continue in the future. Technical assistance for this activity was provided by the USAID-funded Health Systems 20/20 project.

Over the years, the World Health Organization-Eastern Mediterranean Regional Office (WHO-EMRO) has been another institutional partner and supporter of NHA in Egypt. We wish to acknowledge with gratitude their continuing championship of this activity and thank them for making available Dr. Zine Eddineldrissi to provide technical assistance for this effort.

Finally, we wish to acknowledge the various institutions and individuals without whose assistance this study would not have been possible.

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# EXECUTIVE SUMMARY

This executive summary presents the key findings of Egypt's most recent round of National Health Accounts (NHA), for fiscal year 2007/08.

NHA is a powerful tool to inform health financing policy as well as monitor the impact of policy interventions. It is a globally accepted approach to collecting, cataloging, and estimating flows of funds in the health system. It is a rigorous classification of the types and purposes of expenditures and of the actors in the health system, and it provides an integrated picture of mobilization, management, and use of health funds in the health system.

Egypt was one of the first low- and middle-income countries in the world to conduct NHA. The first round of NHA was conducted in 1994/95, and the second one in 2001/02. Over the years, the United States Agency for International Development (USAID) and the World Health Organization (WHO) have supported this effort globally and in Egypt. The lack of institutionalization in Egypt has meant that NHA has been conducted sporadically.

Egypt has used findings from the previous NHA studies to inform health policy. For example, both country policymakers and donors used results from the first round to shape the health sector reform strategy. Similarly, the second round of NHA led to a focus on primary health care with a specific emphasis on establishing the Family Health Model.

## KEY FINDINGS

Egypt has a pluralistic and fragmented health system with multiple sources of financing, financing agents, and providers. The financing sources include government spending that comes from direct tax revenues, out-of-pocket spending by households as premium payments for insurance as well as direct spending on health, employers' spending on the health of their employees, a dedicated cigarette tax, and donor assistance. These resources flow through a large number of entities including the Ministry of Health (MOH), the Ministry of Higher Education, the Health Insurance Organization (HIO), other ministries, public sector entities, and nongovernmental organizations (NGOs). The provider market is equally fragmented; the MOH owns and operates a large network of hospitals and outpatient facilities. Other public sector entities, such as the HIO, the Curative Care Organization, and the Universities and Teaching Hospitals and Institutes Organization, all run their own facilities. There is a growing private market composed of hospitals, outpatient clinics, pharmacies, and traditional healers. An important characteristic of health financing in Egypt is the fact that the flow of funds from sources to financing agents and then on to providers occurs along almost mutually exclusive tracts (silos). This makes it difficult to effectively coordinate and manage across ministries, sectors (public and private), and entities.

In 2007/08, Egypt spent 42.5 billion Egyptian pounds (LE) on health, representing 4.75 percent of the country's gross domestic product (GDP). This translates to a per capita spending of 566.4 LE Household spending financed 60 percent of total health spending, followed by Ministry of Finance spending (35 percent); the rest is accounted for by public and private firms and external assistance. Spending on pharmaceuticals remains high, 26 percent of total health spending in the country.

## 1. OVERALL HEALTH SPENDING

- Egypt's health investments are declining and, compared with most other middle-income countries in the region, Egypt invests a smaller proportion of its GDP on health care.
    - In 2007/08, Egypt spent 4.75 percent of GDP on health.
    - The percentage of GDP spent on health is declining: between 1994/95 and 2001/02, spending as a percentage of GDP rose from 3.70 percent to almost 6 percent. However, between 2001/02 and 2007/08, the percentage declined, to 4.75 percent.
    - Only Algeria (4.49 percent), Libya (2.80 percent), and Syria (3.23 percent) spend less on health as a percentage of GDP, making Egypt one of the lowest spenders on health in the region.
    - Among middle-income countries in the region, only Syria spends less on a per capita basis than Egypt.

## 2. COMPOSITION OF HEALTH SPENDING

- Of the total health spending in 2007/08, 35.5 percent came from the Ministry of Finance (MOF), 1.7 percent from public firms, 2.2 percent from private firms, 60 percent from households, and 0.6 percent from external sources.
- The MOH is funded primarily by the MOF (93 percent), followed by self-funding (4 percent) and donor funding (3 percent).
- The MOH increased its central expenditures from 20 percent in 1994/95 to 52 percent in 2007/08, while it decreased its regional expenditures from 80 percent to 48 percent within the same time period.
- Public spending remains a small proportion of total health spending.
    - Public spending comprises only one-third of total health spending and has remained at practically the same level between 1994/95 and 2007/08. Typically, as the income of a country increases, so does the share of public spending on health, but this has not been the case in Egypt.
- As was found in earlier rounds of NHA, the MOH is not the major player in health spending.
    - Between 1994/95 and 2007/08, the share of the MOH spending to total health spending increased by only two percentage points (from 22 percent to 24 percent.)
    - Between 1994/95 and 2007/08, spending by the MOH increased from 1.2 billion LE to 10.27 billion LE, an increase of over 530 percent. While this appears significant, it is important to place this within the overall macroeconomic situation in Egypt. The fact remains that, between 2001/02 and 2007/08, the share of MOH expenditures to government of Egypt (GOE) expenditures has actually declined, from 3.87 percent to 3.53 percent.
    - Compared with other middle-income countries in the region, Egypt invests the lowest percentage of the government budget in health. Algeria (10.7 percent), Lebanon (12.4 percent), Iran (11.4 percent), and Jordan (11.4 percent) all spend a significantly higher proportion of the government's budget on health.
- The burden of household out-of-pocket spending remains high.
    - Out-of-pocket spending remains the single largest source of health care financing, accounting for 60 percent of total health spending.
    - Over the past 15 years, the share of out-of-pocket spending to total health spending has increased from 51 percent to 60 percent.
    - Of all the middle-income countries in the region, Egypt has the highest out-of-pocket spending on health.

## 3. RISK POOLING AND INSURANCE COVERAGE

- Between 1994/95 and 2007/08, the percentage of the population insured by the HIO increased from 35 percent to 55 percent. However, it is important to note that in the same period the role of the HIO as a financing agent declined from 12 percent to 8 percent, while the share of out-of-pocket spending to total health spending rose from 51 percent to 60 percent.
- The last major expansion of health insurance in Egypt was the introduction of the School Health Insurance Program in the mid-1990s.
- Between 1994/95 and 2007/08, HIO expenditures rose 317 percent, from 870 million LE to 2,760 million LE. This increase is associated with an increase in the number of beneficiaries and a 60 percent increase in the expenditure per beneficiary. Expenditures for pensioners and widows increased by more than six times in the same period.
- The HIO continues to have gaps between revenues and expenditures, for several reasons: the HIO administers a fragmented set of social health insurance programs established under different laws covering different population groups with separate rules for payment of premiums and management of benefits, leading to inefficiencies; benefits packages are broad and generous and include inpatient care, plastic surgery, and treatment abroad, while contribution and copayment rates are low, employers are able to opt out, and beneficiaries in low-income regions bear a larger cost burden than those in high-income regions.
- Tunisia (99 percent), Iran (98 percent), and Jordan (83 percent) all have achieved near universal coverage through social health insurance. Egypt was a pioneer in the early 1960s but now lags behind its peers in extending risk pooling to its population.

## 4. USES OF FUNDS

- In 2007/08, spending on pharmaceuticals and private clinics accounted for half of all health spending in Egypt (25.9 percent and 23.8 percent, respectively).
- In 2007/08, MOH facilities accounted for only 21 percent of total spending in Egypt, a decline from 25 percent of total spending in 2001/02.
- Between 2001/02 and 2007/08, the share of expenditures at public facilities has remained constant.
- Between 2001/02 and 2007/08, the GOE significantly increased investments in tertiary care. In 2001/02, expenditure on MOH hospitals was 3.8 billion LE and on university hospitals 1.5 billion LE. In 2007/08, expenditures at university hospitals had increased to 3.5 billion LE and those at MOH hospitals had dropped to 2.9 billion LE. This shows an increased focus on private sector provision of outpatient curative care.
- Between 2001/02 and 2007/08, the MOH more than tripled its spending on primary health care. Spending went from 1.1 billion LE in 2001/02 to 3.66 billion LE in 2007/08. A surprising finding is that increased outlays in primary health care have been accompanied by increased out-of-pocket spending.
- Since 1994/95, when the first NHA was conducted, the private sector has remained the major provider of outpatient services in Egypt.

### *5. DISCRETIONARY SPENDING ACCOUNT*

Ever since the 1990s, the government has had a special discretionary fund (the PTES) to pay for treatment abroad and for certain services within the country for people who cannot afford such services. Starting in 2001, the GOE significantly increased the nature and scope of this scheme. Today, over 1.75 million Egyptians, nearly 2.6 percent of the total population, benefit from the scheme. While there are policies and procedures for how these benefits can and should be accessed, recent developments indicate a possibility that this scheme is being misused.[1] The rapid increase in PTES spending coincides with the rapid expansion of Specialized Centers under the MOH. According to the World Bank, these two factors have contributed to the "rapid increase in health spending among the government authorities."[2]

Obtaining information on spending under PTES is extremely difficult due to a lack of transparency. However, it is estimated that PTES spending amounted to over 1.4 billion LE. Only 8.5 percent of the expenditures were incurred at private hospitals and another 2 percent on treatment abroad. The remaining expenditures were channeled to public facilities.

## POLICY IMPLICATIONS OF NHA FINDINGS

The following observations represent actions that could be taken as a result of these findings.

- Increase public investments in health: There is an urgent need for Egypt to increase public investments in health overall and significantly increase its investments in the MOH.
- Address the issue of out-of-pocket spending: The continued high burden of out-of-pocket spending is a matter of serious concern. There is a need to understand why increased spending on primary health care as well as increase in insurance coverage has not led to a decrease in out-of-pocket spending.
- Fast-track comprehensive insurance reforms: There is a need to fast-track MOH efforts for comprehensive reforms of the health insurance systems. The increase in out-of-pocket spending, even as insurance coverage has expanded, signals the need to make social health insurance both responsive to consumer needs and sustainable in Egypt. The lack of efficiency in the current system that is due to fragmentation must be remedied by consolidating strategy and procedures into one system designed to cover the various population groups.
- Link investments to disease burden and demographic trends: Geographic or programmatic investments in health follow historical patterns and are tied to inputs (personnel, number of beds, etc.). Investments do not reflect the geographic distribution of disease burden (increased chronic diseases) or demographic trends (increased percentage of elderly). While such a change will continue to emphasize primary health care, it will lead to moving resources to high disease burden governorates, increased focus on prevention, and a focus on developing and implementing programs for the new population groups such as the elderly.
- Comprehensive pharmaceutical reforms: The MOH has undertaken various steps to streamline the procurement and distribution of pharmaceuticals. However, expenditures on pharmaceuticals remain high, with most spending incurred directly by households. Any attempt at reducing out-of-pocket spending and improving equity and efficiency of health spending has to include a continued emphasis on a comprehensive reform of the pharmaceutical sector.

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[1] In March, a series of articles was published in local newspapers criticizing the implementation of the scheme. This led to a stand-off between the Minister of Health, who wanted to reform the program, and the People's Assembly, which did not want any restriction put on their ability to provide care for their constituents.

[2] World Bank. January 2006. *Egypt Health Policy Note: Egypt Health Expenditure Review*. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2008/12/22/000333038_20081222033756/Rendered/INDEX/469380ESW0whit10Policy0Note010Final.txt

- Make the private sector a true partner: The private sector remains the single largest provider of outpatient care. Similarly, there has been an expansion in the number and types of private hospitals in the country. However, the government has not effectively leveraged the private sector to meet the health needs of the population by increasing access to quality health care services. On the contrary, some government actions, such as channeling government and HIO funds primarily to public facilities, stifle the growth of private markets.
- Control and rationalize spending under PTES: The government initiated PTES as a safety net for those who did not have insurance coverage. However, as the analysis has shown, expenditures under this scheme have grown exponentially and there is very little transparency in how resources are being spent. There is a clear need to control and rationalize spending under PTES.

## SUGGESTED IMPROVEMENTS TO THE HEALTH FINANCING SYSTEM WITHIN THE MOH

The following observations represent actions that could be taken as a result of these findings.

- Improve capacity in health policy and health economics at the MOH: The lack of technical capacity in health economics at the MOH Department of Planning is an obstacle to conducting health financing analyses (NHA, costing and efficiency studies, resource tracking, etc.). These analyses are needed to support the MOH's effort to reform Egypt's health system, including the major expansion of health insurance. While the Department of Planning has a Health Economics Unit, it is not operational. It lacks staff with necessary skills in health economics, health policy, statistics, management, and epidemiology.
- Institutionalize a structure to systematically collect and analyze information on financing and costs at the facility and program levels. Every round of NHA has highlighted the fact that the MOH cannot tell on a monthly basis what it spends by governorate, by hospital, by primary health care facility, or by program. This means that managers do not have the information to monitor and efficiently run their facilities and programs. Similarly, hospitals and primary health care centers do not have information on the cost and efficiency of services they produce. The MOH has undertaken an innovative expenditure tracking exercise to understand how family planning, maternal-child health, and infection control program expenditures are made by level (national, governorate, districts, and facilities), activity, and function. Similarly, costing exercises have been undertaken at a number of hospitals and primary health care centers. It is important to put a system in place whereby NHA, expenditure tracking, and costing become routine activities of the MOH and to ensure that this information is used for planning, budgeting, and policy formulation.

# 1. NATIONAL HEALTH ACCOUNTS: MAIN FINDINGS

## 1.1 OVERVIEW

Egypt has a pluralistic and fragmented health system with multiple sources of financing (see Annex A), financing agents (see Annex B), and providers (see Annex C). The multiple financing sources include government spending that comes from direct tax revenues, out-of-pocket spending by households as premium payments for insurance and direct spending on health, employers' spending on the health of their employees, a dedicated cigarette tax, and donor assistance. There are a large number of entities through which these resources flow, including the Ministry of Health (MOH), the Ministry of Higher Education (MOHE), the Health Insurance Organization (HIO), other ministries, public sector entities, and nongovernmental organizations (NGOs). The provider market is equally fragmented; the MOH owns and operates a large network of hospitals and outpatient facilities. Other public sector entities, such as the HIO, the Curative Care Organization (CCO), and Universities and Teaching Hospitals and Institutes Organization (THIO), all run their own facilities. There is a growing private market composed of hospitals, outpatient clinics, pharmacies, and traditional healers. An important characteristic of health financing in Egypt is the fact that the flow of funds from sources to financing agents and then on to providers occurs along almost mutually exclusive tracts (silos). This makes it difficult to effectively coordinate and manage across ministries, sectors (public and private), and entities.

Table 1 provides a summary of the main findings of the National Health Accounts (NHA) for fiscal 2007/08. In that year, Egypt spent 42.5 billion Egyptian pounds (LE) on health care, representing 4.75 percent of the country's gross domestic product (GDP). This translates to a per capita health spending of 566.4 LE. Household spending finances 60 percent of total health spending, followed by Ministry of Finance (MOF) spending at 35 percent, with the rest accounted for by public and private firms and external assistance. Spending on pharmaceuticals remains high, 26 percent of total health spending.

Between 1994/95 and 2001/02, total health spending rose from 7.5 billion LE to 42.5 billion LE. Public spending increased from 2.5 billion LE to 13.9 billion LE; of this, MOH expenditures rose from 1.6 billion LE to 10.2 billion LE. Prima-facie, these increases appear spectacular. However, a much more sobering picture emerges when these expenditures are viewed in the context of the country's overall macroeconomic situation.

Between 1994/95 and 2001/02, the percentage of the country's GDP going to health increased from 3.70 percent to 5.99 percent but has subsequently declined to 4.75 percent. Public spending on health as a percentage of total health spending has remained at 1994/95 levels, and government spending on health as a percentage of its budget has remained static at 5 percent. Between 1994/95 and 2007/08, MOH spending as a percentage of total health spending increased from 22 percent to 24 percent, representing an increase of just two percentage points.

The global experience has been that as a country's per capita income rises, so does the share of public spending on health. At the same time, the burden of private spending on heath declines. This is not the case with Egypt – out-of-pocket spending as a percentage of total health spending has increased. Given the continued high burden of infectious diseases, the emergence of chronic health conditions as a public health concern, and the aging of the population, there is a need for the country to increase its investments in health.

**TABLE 1: SUMMARY OF THE MAIN NHA FINDINGS, 1994/95, 2001/02, 2007/08**

| | 1994/95 | 2001/02 | 2007/08 |
|---|---|---|---|
| Total Population (Million) | 59.2 | 66.7 | 75.1 |
| GDP Estimates (LE Billion) | 203.135 | 385.020 | 896.500 |
| Total Health Expenditure (THE) (LE Billion) | 7.516 | 23.081 | 42.539 |
| Public Health Expenditures (LE Billion) | 2.490 | 6.835 | 13.866 |
| MOH Expenditures (LE Billion) | 1.620 | 5.199 | 10.226 |
| Household Expenditures (LE Billion) | 3.819 | 14.294 | 25.507 |
| Pharmaceuticals (LE Billion) | 2.716 | 8.585 | 11.012 |
| THE per Capita (LE) | 126.959 | 346.042 | 566.431 |
| Percent GDP Spent on Health | 3.70% | 5.99% | 4.75% |
| Public Health Expenditures Percent of THE | 33% | 30% | 33% |
| MOH Expenditures Percent of THE | 22% | 23% | 24% |
| Out-of-Pocket Expenditures as Percent of THE | 51% | 62% | 60% |
| Pharmaceuticals as Percent of THE | 36% | 37% | 26% |
| Public Expenditures as Percent of Government of Egypt Expenditures | | 5% | 5% |
| MOH Expenditures as Percent of Government of Egypt Expenditures | | 4% | 3% |

## 1.2 EGYPT IN COMPARISON WITH OTHER MIDDLE-INCOME COUNTRIES IN THE REGION

Table 2 presents information comparing Egypt with other middle-income countries in the Middle East and North Africa region. Egypt spends less of its GDP on health than most other countries in the region. Only Algeria, Libya, and Syria spend less on health as a percentage of GDP. Government spending as a percentage of total health spending is the lowest in Egypt, as is health spending by the government of Egypt (GOE) as a percentage of its total budget. Out-of-pocket spending as a percentage of total health spending is the highest in Egypt. In terms of per capita spending on health, only Syria and Djibouti spend less than Egypt. Therefore, in terms of health spending, Egypt does not compare favorably with other middle-income countries in the region. There is a need to increase both the percentage of GDP going to health as well as public investments in health.

**TABLE 2: EGYPT IN COMPARISON WITH OTHER MIDDLE-INCOME COUNTRIES IN THE REGION, 2008**

| | PERCENT GDP SPENT ON HEALTH | GOVERNMENT SPENDING AS THE PERCENTAGE | HEALTH SPENDING AS PERCENTAGE OF TOTAL GOVERNMENT BUDGET | OUT-OF-POCKET EXPENDITURE AS THE PERCENTAGE | PER CAPITA HEALTH SPENDING (CONSTANT 2005 US$) |
|---|---|---|---|---|---|
| Algeria | 4.49% | 83.85% | 10.65% | 15.30% | 205 |
| Djibouti | 8.54% | 76.07% | 14.15% | 23.60% | 81 |
| Egypt | 4.75% | 33.00% | 5.00% | 60.00% | 111 |
| Iran | 6.30% | 45.72% | 11.40% | 51.68% | 294 |
| Jordan | 9.10% | 62.20% | 11.35% | 33.40% | 273 |
| Lebanon | 8.76% | 48.99% | 12.39% | 39.95% | 551 |
| Libya | 2.80% | 75.88% | 5.38% | 24.12% | 383 |
| Morocco | 5.33% | 34.97% | 6.17% | 56.13% | 133 |
| Syria | 3.23% | 45.13% | 6.01% | 54.87% | 76 |
| Tunisia | 5.95% | 49.57% | 8.90% | 42.52% | 213 |

*Sources:* World Health Organization (WHO) NHA data, Egypt NHA results, Jordan NHA report

# 2. FLOW OF FUNDS

## 2.1 FINANCING SOURCES: WHO PAYS FOR HEALTH CARE?

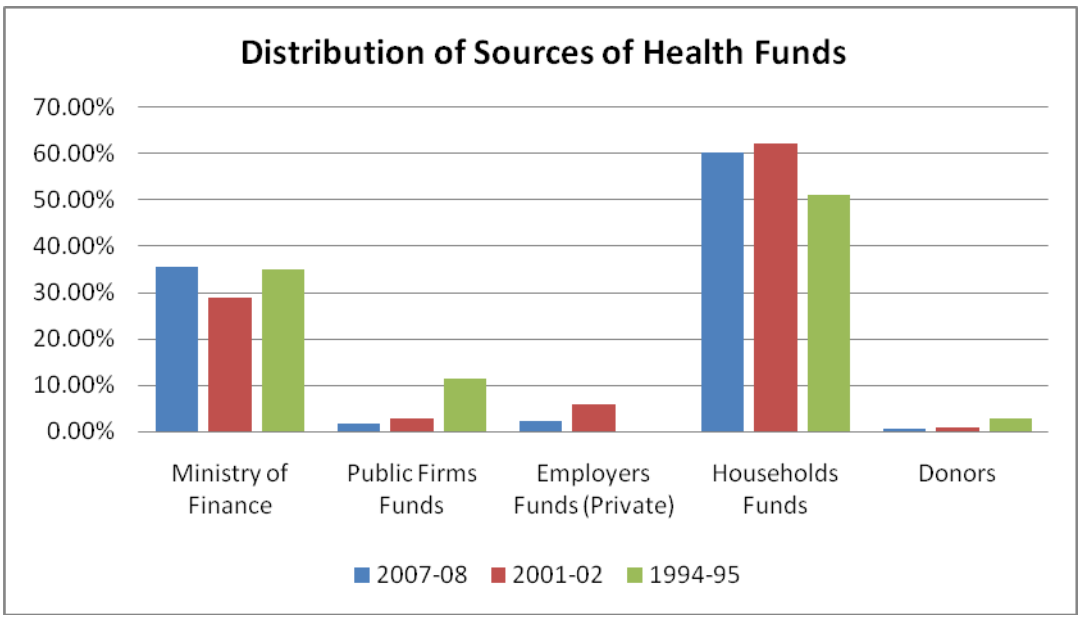
As shown in Table 3 and Figure 1, in 2007/08, the greatest contributor to health financing in Egypt is household out-of-pocket spending, at 60 percent of total health spending. The MOF contributes only 35.3 percent, which translates to 201 LE per capita.

**TABLE 3: FINANCING SOURCES OF THE EGYPTIAN HEALTH CARE SYSTEM, 2007/08**

| SOURCES | AMOUNT (LE) | PERCENT | PER CAPITA |
|---|---|---|---|
| Ministry of Finance | 15,102,740,752 | 35.5% | 201.11 |
| Public Firms Funds | 718,253,286 | 1.7% | 9.56 |
| Employer Funds (Private) | 944,218,992 | 2.2% | 12.57 |
| Household Funds | 25,507,964,370 | 60.0% | 339.67 |
| Donors | 266,133,922 | 0.6% | 3.54 |
| **Total** | **42,539,311,323** | **100%** | **566.46** |

Figure 1 also shows that, between 1994/95 and 2007/08, the donors' share of total health spending declined from 2.9 percent to 0.6 percent, out-of-pocket spending increased from 51.0 percent to 60.0 percent, and the contribution of public firms declined from 11.4 percent to 1.7 percent.

**FIGURE 1: FINANCING SOURCES OF THE EGYPTIAN HEALTH CARE SYSTEM, 1994/95, 2001/02, 2007/08**



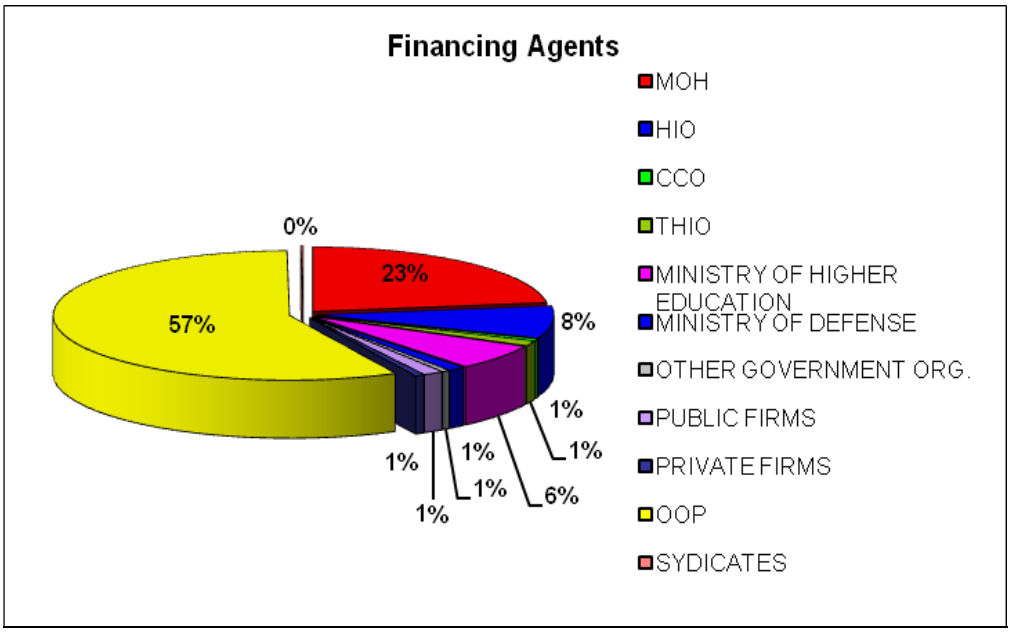
## 2.2 FINANCING AGENTS: WHO MANAGES HEALTH FUNDS?

Financing agents are the institutions or entities that channel the funds received from financing sources and use these funds to pay for or purchase health services and activities. Table 4 and Figure 2 show that 57 percent of the funds in the Egyptian health system are managed through households' out-of-pocket expenditures. The second major manager is the MOH, at 23 percent. The Ministry of Defense (MOD) and MOHE also play a significant role in the Egyptian health system, together managing almost 8 percent of funds. There are also minor financing agents, managing less than 6 percent (CCO, THIO, firms, and syndicates).

**TABLE 4: FINANCING AGENTS OF THE EGYPTIAN HEALTH SYSTEM, 2007/08**

| FINANCING AGENT | VALUE (LE) | PERCENT | PER CAPITA (LE) |
|---|---|---|---|
| MOH | 9,696,512,715 | 22.79 | 129.12 |
| HIO | 3,427,461,731 | 8.06% | 45.64 |
| CCO | 206,522,627 | 0.49% | 2.75 |
| THIO | 529,957,479 | 1.25% | 7.06 |
| MOHE | 2,715,019,644 | 6.38% | 36.15 |
| MOD | 500,000,000 | 1.18% | 6.66 |
| Other Govt. Orgs | 218,079,931 | 0.51% | 2.90 |
| Public Firms | 580,746,930 | 1.37% | 7.73 |
| Private Firms | 262,514,457 | 0.62% | 3.50 |
| Household Out-of-Pocket | 24,329,113,741 | 57.19% | 323.97 |
| Syndicates | 73,382,068 | 0.17% | 0.98 |
| **Total** | **42,539,311,323** | **100.00%** | **566.46** |

**FIGURE 2: FINANCING AGENTS OF THE EGYPTIAN HEALTH SYSTEM, 2007/08**



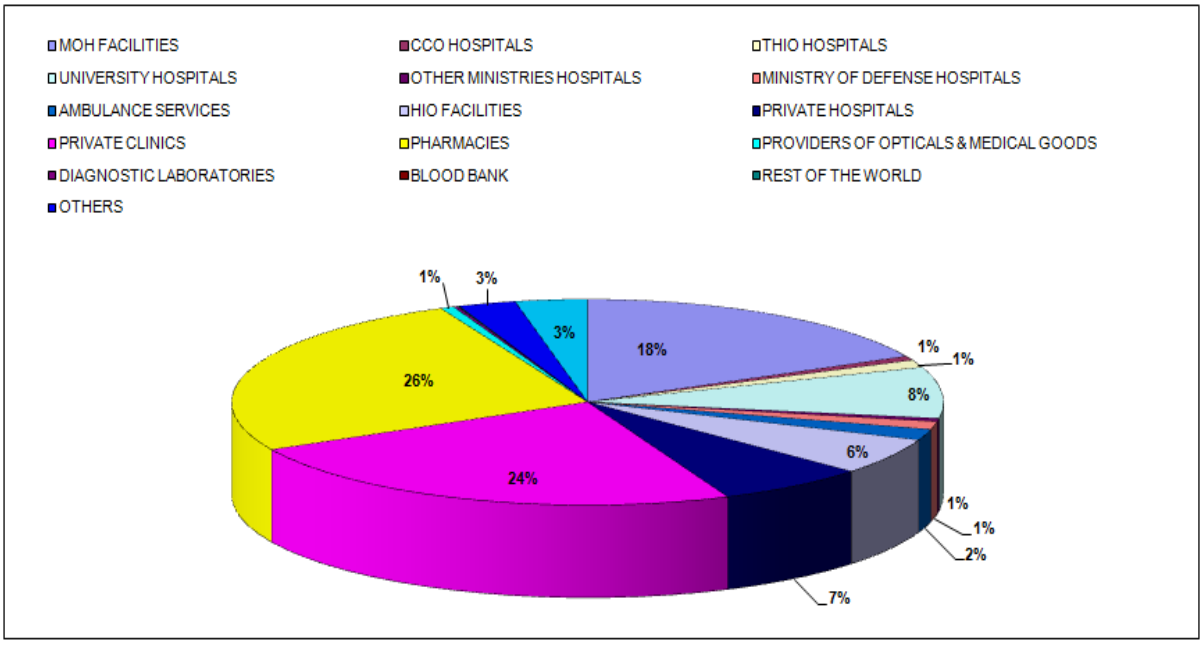
## 2.3 PROVIDERS OF HEALTH CARE

As shown in Table 5 and Figure 3, expenditures at private facilities (hospitals and clinics) and pharmacies, 31 percent and 26 percent respectively, account for half of all health spending in Egypt. MOH facilities represent 18 percent, followed by university hospitals at 8 percent and HIO facilities at about 6 percent.

**TABLE 5: EXPENDITURE BY TYPE OF PROVIDER AND OWNERSHIP, 2007/08**

| PROVIDERS | AMOUNT (LE) | PERCENT | PER CAPITA |
|---|---|---|---|
| MOH Facilities | 7,513,250,114 | 17.7% | 100.05 |
| CCO Hospitals | 283,292,347 | 0.7% | 3.77 |
| THIO Hospitals | 505,562,558 | 1.2% | 6.73 |
| University Hospitals | 3,417,477,947 | 8.0% | 45.51 |
| Other Ministries' Hospitals | 220,117,840 | 0.5% | 2.93 |
| MOD Hospitals | 522,630,000 | 1.2% | 6.96 |
| Ambulance Services | 732,835,000 | 1.7% | 9.76 |
| HIO Facilities | 2,441,294,977 | 5.7% | 32.51 |
| Private Hospitals | 2,900,397,771 | 6.8% | 38.62 |
| Private Clinics | 10,107,977,487 | 23.8% | 134.60 |
| Pharmacies | 11,012,310,074 | 25.9% | 146.64 |
| Providers of Optical & Medical Goods | 264,018,296 | 0.6% | 3.52 |
| Diagnostic Laboratories | 78,530,505 | 0.2% | 1.05 |
| Blood Bank | 5,525,000 | 0.0% | 0.07 |
| Rest of the World | 33,134,621 | 0.1% | 0.44 |
| Others | 1,109,109,250 | 2.6% | 14.77 |
| Govt Administration of Health | 1,391,847,535 | 3.3% | 18.53 |
| **Total** | **42,539,311,323** | **100.0%** | **566.46** |

**FIGURE 3: EXPENDITURE BY TYPE OF PROVIDER AND OWNERSHIP, 2007/08**



## 2.4 EXPENDITURES AT A SUB-SYSTEM LEVEL

### 2.4.1 MINISTRY OF HEALTH

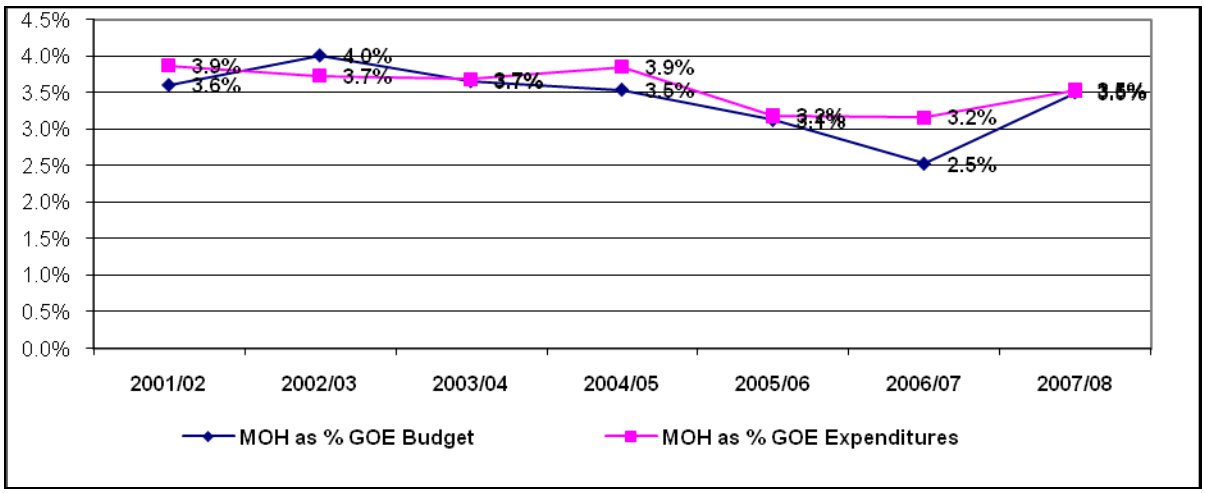
#### *2.4.1.1. MOH EXPENDITURE FROM 2001 TO 2007*

Table 6 and Figure 4 show that the MOH share of both the GOE budget and GOE expenditures has remained low, between about 3 percent and 4 percent, from 2001/02 to 2007/08.

**TABLE 6: MOH BUDGET AND EXPENDITURE IN RELATION TO GOE BUDGET AND EXPENDITURE, 2001/02-2007/08**

| | 2001/02 | 2002/03 | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 |
|---|---|---|---|---|---|---|---|
| GOE Budget | 126,853 | 141,000 | 159,600 | 177,427 | 214,672 | 274,169 | 269,618 |
| GOE Exp. | 134,403 | 149,315 | 164,884 | 179,813 | 236,280 | 251,060 | 293,708 |
| MOH Budget | 4,572 | 5,654 | 5,838 | 6,283 | 6,709 | 6,929 | 9,449 |
| MOH Exp. | 5,199 | 5,570 | 6,075 | 6,931 | 7,535 | 7,946 | 10,367 |
| | | | | | | | |
| MOH as % GOE Budget | 3.6% | 4.0% | 3.7% | 3.5% | 3.1% | 2.5% | 3.5% |
| MOH as % GOE Exp | 3.9% | 3.7% | 3.7% | 3.9% | 3.2% | 3.2% | 3.5% |
| | | | | | | | |
| GDP Value | 385,020 | 417,500 | 485,000 | 538,500 | 617,700 | 744,800 | 896,500 |
| GOE Exp. as % GDP | 34.9% | 35.8% | 34% | 33.4% | 38.3% | 33.7% | 32.8% |
| MOH Exp. as % GDP | 1.4% | 1.3% | 1.3% | 1.3% | 1.2% | 1.1% | 1.2% |

**FIGURE 4: MOH BUDGET AND EXPENDITURE SHARE OF THE GOE BUDGET AND EXPENDITURE, 2001/02–2007/08**

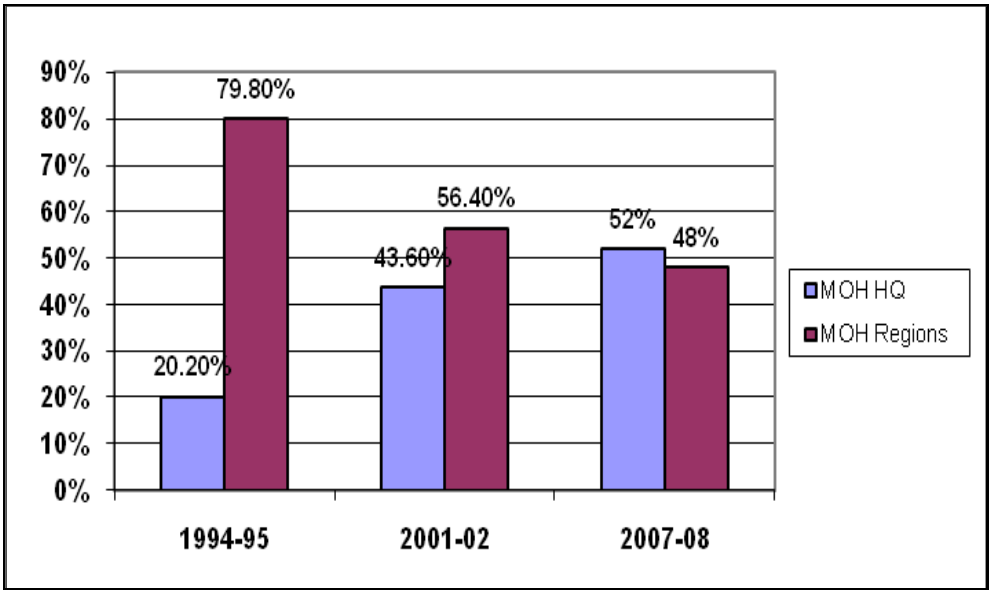



As was seen above in Table 2, among all middle-income countries in the region, Egypt spends the lowest proportion of its budget on health. In addition, the MOH expenditure on average represents only 1 percent of the total GDP and one-fifth of the Egypt's total health spending.

#### *2.4.1.2 TRENDS IN MOH EXPENDITURE*

The MOH has moved toward increasing its central expenditures; as Figure 5 illustrates, expenditures by the MOH headquarters (HQ) have risen from 20 percent in 1994/95 to 52 percent in 2007/08. During the same time period, regional expenditures decreased from 80 percent to 48 percent.

**FIGURE 5: MOH TRENDS OF EXPENDITURE, 1994/95, 2001/01, 2007/08**




### 2.4.1.3 MOH SOURCES OF FUNDS

Table 7 shows that 93 percent of MOH activity is funded by the MOF, followed by self-funding at 4 percent. Funding from donors represents only 3 percent of MOH sources of funding.

**TABLE 7: MOH SOURCES OF FUNDS, 2007/08**

| SOURCE | HQ | REGIONS | TOTAL | PERCENT |
|---|---|---|---|---|
| MOF | 4,245,867,166 | 4,167,275,490 | 8,413,142,656 | 93% |
| Self Funds | 192,945,029 | 144,760,523 | 337,705,552 | 4% |
| Donors | 250,803,050 | | 250,803,050 | 3% |
| **TOTAL** | **4,689,615,245** | **4,312,036,013** | **9,001,651,258** | **100%** |

### 2.4.1.4 USES OF MOH FUNDS

As shown in Table 8, 20.2 percent of MOH funds go to MOH hospitals, followed by Family Planning Centers (17.5 percent) and MOH Health Centers (14.6 percent). The MOH spends 11.5 percent on pharmacies and 15.4 percent on health care system administration.

**TABLE 8: USES OF MOH FUNDS, 2007/08**

| USE | HQ | REGIONS | TOTAL | PERCENT |
|---|---|---|---|---|
| MOH Hospitals | 490,766,711 | 1,331,230,243 | 1,821,996,954 | 20.2% |
| HIO Hospitals | 25,707,537 | -- | 25,707,537 | 0.3% |
| University Hospitals | 225,355,326 | -- | 225,355,326 | 2.5% |
| THIO Hospitals | 94,444,079 | -- | 94,444,079 | 1.0% |
| CCO Hospitals | 43,080,102 | -- | 43,080,102 | 0.5% |
| MOD Hospitals | 20,000,000 | | 20,000,000 | 0.2% |
| MOH Specialized Hospitals | 459,603,802 | | 459,603,802 | 5.1% |
| Private Hospitals | 126,736,530 | | 126,736,530 | 1.4% |
| Family Planning Centers | 14,191,000 | 1,561,827,661 | 1,576,018,661 | 17.5% |
| Ambulance Services | 732,835,000 | | 732,835,000 | 8.1% |
| Blood and Organ Banks | 5,525,000 | | 5,525,000 | 0.1% |
| Pharmacies | 453,866,325 | 583,099,758 | 1,036,966,083 | 11.5% |
| Other Providers of Medical Goods | 104,773,142 | | 104,773,142 | 1.2% |
| Gov. Administration of Health | 1,099,741,691 | 287,128,092 | 1,386,869,783 | 15.4% |
| Rest of the World | 28,060,000 | | 28,060,000 | 0.3% |
| **Total** | **4,689,615,245** | **4,312,036,013** | **9,001,651,258** | **100%** |

### 2.4.2 SPECIALIZED CENTERS OF EXCELLENCE

As illustrated in Figure 6, the MOF is the main source of funding for the Specialized Centers of Excellence, at 88.2 percent. This is followed by self-funding, at 11.4 percent. Donors, at only 0.4 percent, are a minor source of funding.

**FIGURE 6: SPECIALIZED CENTERS OF EXCELLENCE SOURCES OF FUNDS, 2007/08**

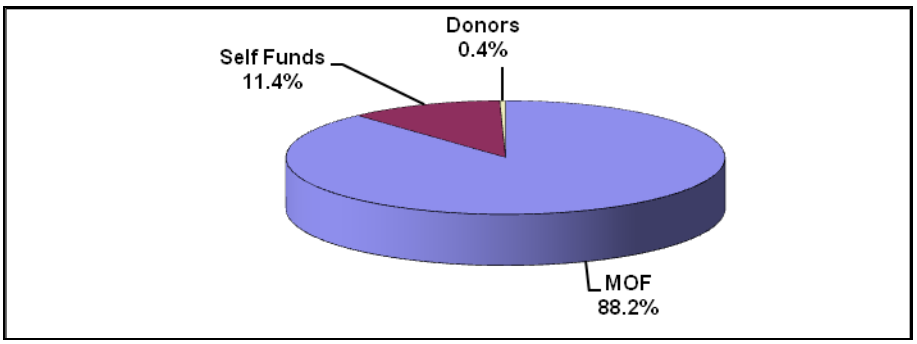



Table 9 shows that 64 percent of funds for Specialized Centers of Excellence is used for MOH Specialized Hospitals and 36 percent is used for pharmaceuticals.

**TABLE 9: USES OF SPECIALIZED CENTERS OF EXCELLENCE FUNDS, 2007/08**

| USE | VALUE IN LE | PERCENT |
|---|---|---|
| MOH Specialized Hospitals | 441,856,469 | 64% |
| Pharmacies | 253,004,988 | 36% |
| **Total** | **694,861,457** | **100%** |

### 2.4.3 HEALTH INSURANCE ORGANIZATION

Students, who are covered by Law 99, represent the highest percentage (43 percent) of HIO beneficiaries (see Figure 7). The next largest group is infants, covered by Decree 380; they represent 30 percent of HIO beneficiaries. Twenty-one percent of HIO beneficiaries are workers covered by both Laws 32 and 79. Pensioners and widows (included in Laws 32 and 79) comprise 6 percent of HIO beneficiaries.

**FIGURE 7: HIO BENEFICIARIES, BY INSURANCE LAW, 2007/08**

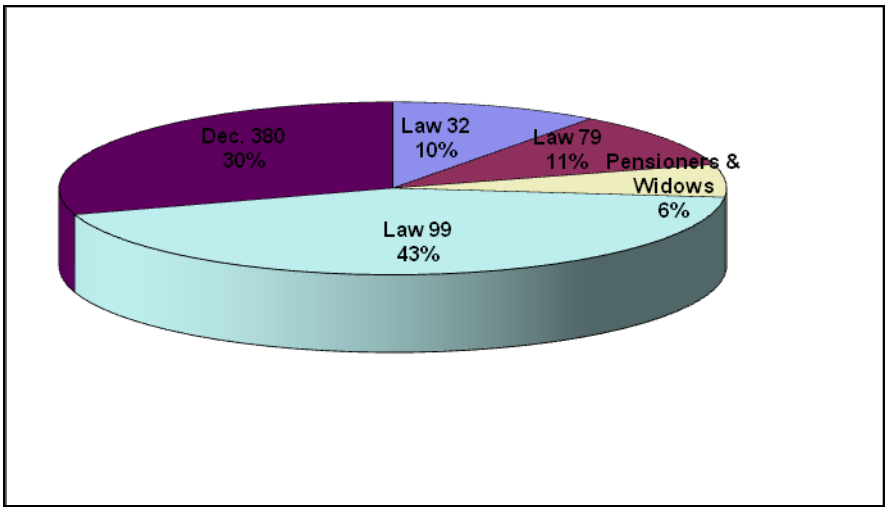
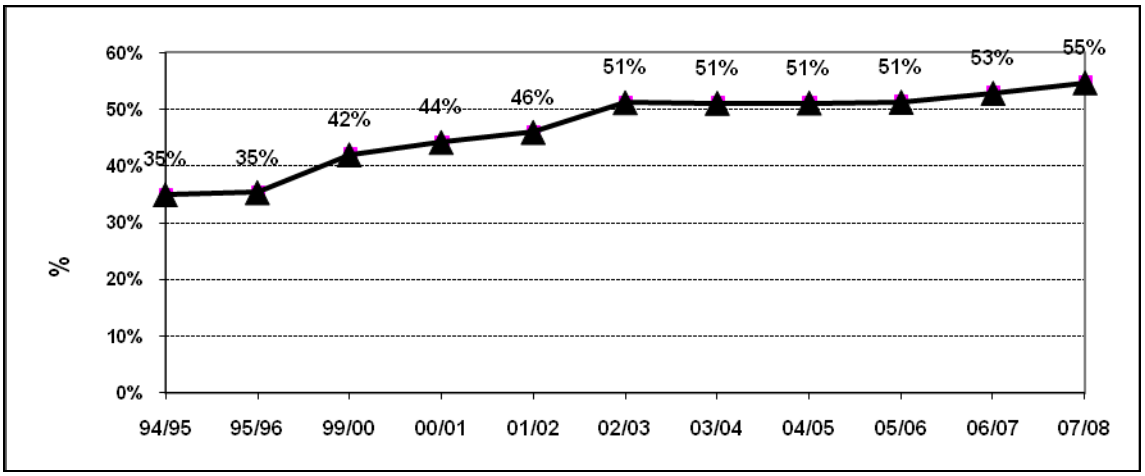


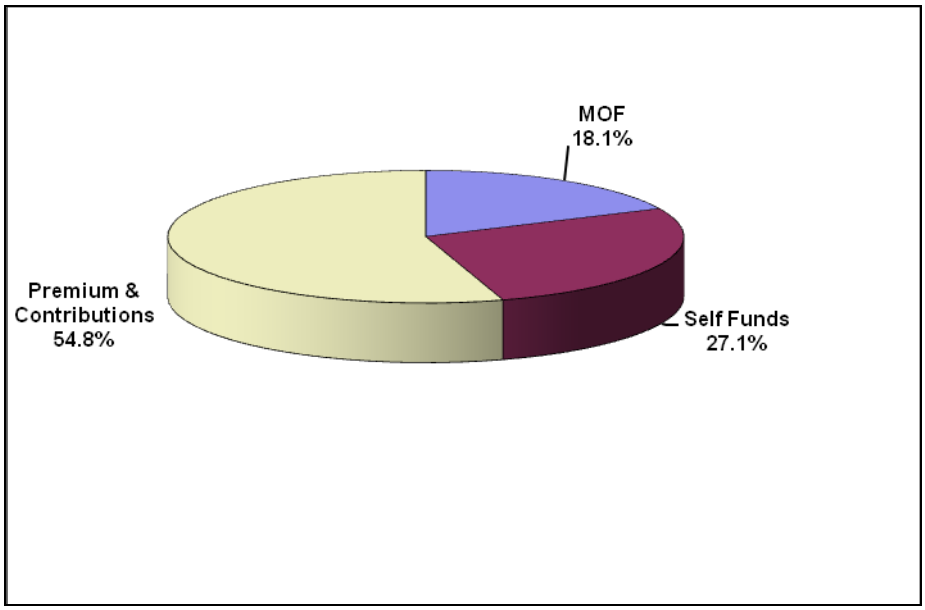

Figure 8 shows how the percentage of the population insured by the HIO has grown, from 35 percent in 1994/95 to 55 percent in 2007/08.

**FIGURE 8: PERCENTAGE OF POPULATION INSURED BY HIO, 1994/95-2007/08**




The HIO depends on premiums and insured copayments as its main source of finance. Figure 9 illustrates that these sources together represent 55 percent of the HIO's total revenue. Earnings from the HIO as a provider for other organizations represent 27 percent of revenue and MOH allocations to the HIO represent 18 percent of its funds.

**FIGURE 9: HIO SOURCES OF FUNDS, 2007/08**




As shown in Table 10, the HIO uses its funds primarily to finance its hospitals (56.1 percent of HIO funding) followed by pharmaceuticals, at 19.1 percent. The HIO also purchases health care services on behalf of its beneficiaries from non-HIO facilities: MOH hospitals (4.8 percent), dialysis centers (3.4 percent), university hospitals (3.1 percent), and private hospitals (2.0 percent).

**TABLE 10: HIO USES OF FUNDS, 2007/08**

| USE | AMOUNT (LE) | PERCENT |
|---|---|---|
| MOH Hospitals | 166,000,000 | 4.8% |
| HIO Hospitals | 1,923,967,351 | 56.1% |
| University Hospitals | 107,440,000 | 3.1% |
| THIO Hospitals | 42,080,000 | 1.2% |
| CCO Hospitals | 43,140,000 | 1.3% |
| MOD Hospitals | 2,630,000 | 0.1% |
| Private Hospitals | 67,960,000 | 2.0% |
| Dialysis Centers | 117,630,000 | 3.4% |
| MOH Health Centers | 1,510,000 | 0.0% |
| Other Health Centers | 94,800,000 | 2.8% |
| Medical and Diagnostic Laboratories | 47,610,000 | 1.4% |
| Pharmacies | 655,979,468 | 19.1% |
| Other Providers of Medical Goods | 156,714,912 | 4.6% |
| **Total** | **3,427,461,731** | **--** |

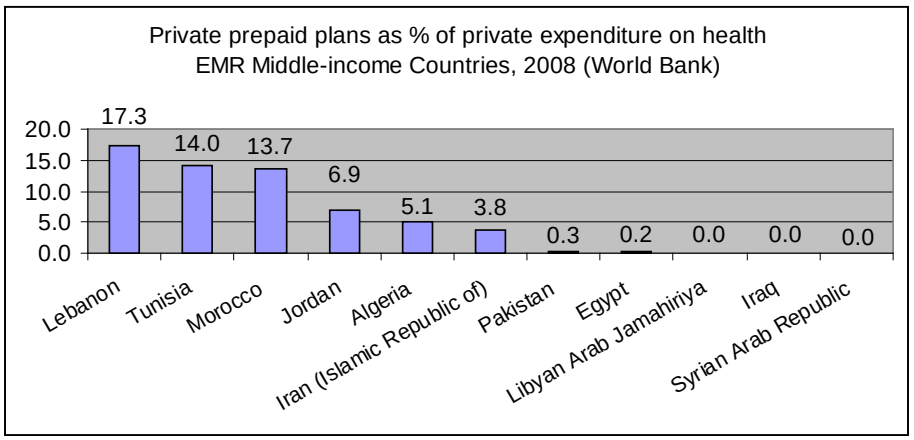
As shown in Table 11, total HIO expenditure doubled between 1994/95 and 2001/02, going from 870 million LE to 1,715 million LE. It grew by another 60 percent by 2007/08, reaching 2,760 million LE. This increase is associated with an increase in the number of beneficiaries and a 60 percent increase in the expenditure per beneficiary from 1994 to 2007. It is remarkable that the expenditure covering pensioners and widows has increased by more than six times in the same period, going from 121 million LE in 1994/95 to 775 million LE in 2007/08.

**TABLE 11: HIO EXPENDITURE BY LAW, 1994/95, 2001/02, 2007/08 (MILLION LE)**

| EXPENDITURE, BY LAW | | | | | | TOTAL EXPEN-DITURE | NO. OF BENEFICI-ARIES | EXPENDITURE / BENEFICIARY |
|---|---|---|---|---|---|---|---|---|
| | LAW 79 | PENSIONERS/ WIDOWS | LAW 32 | LAW 99 | DECR-EE 380 | | | |
| 1994/95 | 240 | 121 | 219 | 290 | -- | 870 | 20,670 | 4,209 |
| 2001/02 | 391 | 334 | 304 | 598 | 88 | 1,715 | 30,633 | 5,599 |
| 2007/08 | 583 | 775 | 501 | 752 | 149 | 2,760 | 41,073 | 6,720 |

Of the 11 middle-income countries in WHO's Eastern Mediterranean region (EMR), eight have less than 10 percent of the private expenditure on health covered by private prepaid plans. Egypt is at the low end of that group, at 0.2 percent, as shown in Figure 10.

**FIGURE 10: PRIVATE PREPAID PLANS AS A PERCENT OF PRIVATE EXPENDITURE ON HEALTH, 2007/08**

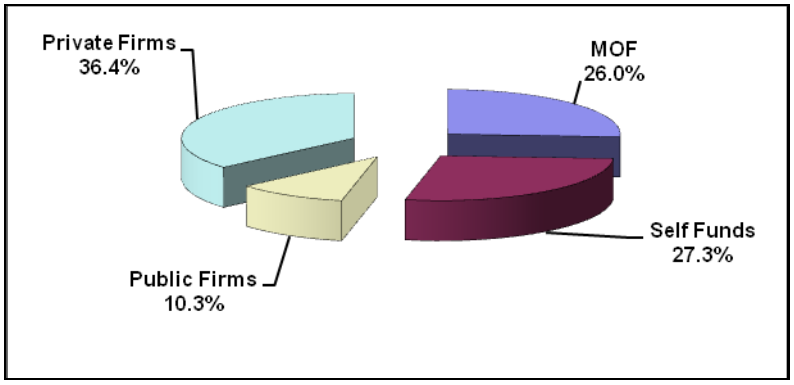



*Source*: World Bank

### 2.4.4 CURATIVE CARE ORGANIZATION

Figure 11 shows that an appreciable share – nearly one half – of CCO revenue is from private firms (36.4 percent) and public firms (10.3 percent). Revenues from other institutes and individuals in the form of self funds is at 27.3 percent. MOH allocations to the CCO represent 26.0 percent of its funds.

**FIGURE 11: CCO SOURCES OF FUNDS, 2007/08**



As shown in Table 12, the CCO uses most of its funds (95 percent) to finance its hospitals, followed by funding for pharmaceuticals (3 percent). The CCO uses only 2 percent of it sources for its administration.

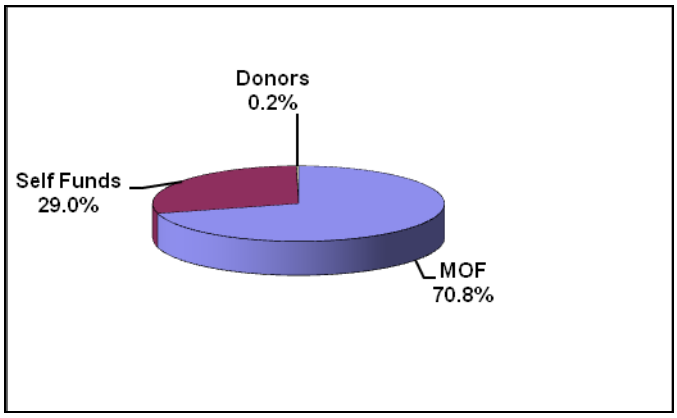
**TABLE 12: CCO USES OF FUNDS, 2007/08**

| Use | Value (LE) | Percent |
|---|---|---|
| CCO Hospitals | 195,699,043 | 95% |
| Pharmacies | 5,845,832 | 3% |
| Administration | 4,977,752 | 2% |
| Total | 206,522,627 | -- |

### 2.4.5 TEACHING HOSPITALS AND INSTITUTES ORGANIZATION

As illustrated in Figure 12, the THIO depends mainly on MOH fund allocations for the largest share of its resources (70.8 percent). Its second source of funding (29.0 percent) comes from providing health care services to institutes and individuals. The donors' share is very minor, 0.2 percent.

**FIGURE 12: THIO SOURCES OF FUNDS, 2007/08**




The THIO uses 69 percent of its funds to finance its hospitals and the remaining 31 percent for pharmaceuticals, as shown in Table 13.

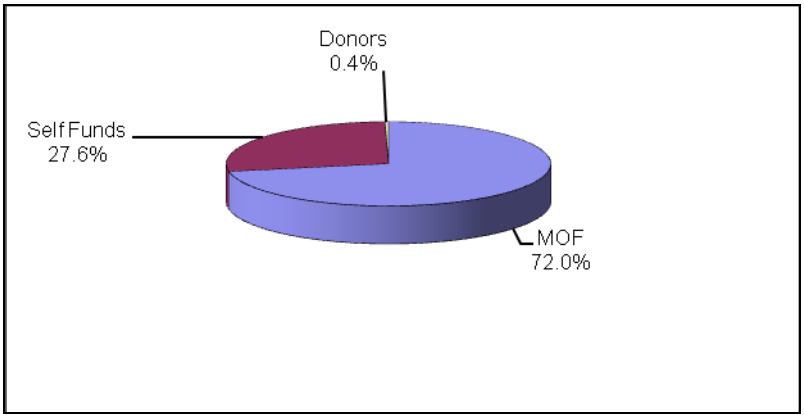
**TABLE 13: THIO USES OF FUNDS, 2007/08**

| Use | Value (LE) | Percent |
|---|---|---|
| THIO Hospitals | 367,738,479 | 69% |
| Pharmacies | 162,219,000 | 31% |
| Total | 529,957,479 | 100% |

### 2.4.6 MINISTRY OF HIGHER EDUCATION HOSPITALS

As illustrated in Figure 13, MOF allocations are the main source of funding for MOHE hospitals (72 percent). The second source of funding (27.6 percent) is revenues from providing health care services to institutes and individuals. The donors' contribution to funding of MOHE hospitals is 0.4 percent.

**FIGURE 13: MOHE HOSPITALS SOURCES OF FUNDS, 2007/08**




The MOHE uses 87 percent of its funds to finance its university hospitals. Thirteen percent is used for pharmaceuticals, as indicated in Table 14.

**TABLE 14: MOHE HOSPITALS USES OF FUNDS, 2007/08**

| USE | VALUE (LE) | PERCENT |
|---|---|---|
| University Hospitals | 2,364,176,644 | 87% |
| Pharmacies | 350,843,000 | 13% |
| Total | 2,715,019,644 | -- |

### 2.4.7 PUBLIC AND PRIVATE FIRMS

This section covers the sources and uses of funds by public and private firms. The data used in this section are not comprehensive due to the time constraints for data collection. This section is supplementary and not the main focus of NHA 2007/08.

#### *2.4.7.1 PUBLIC FIRMS*

As illustrated in Table 15, public firms depend mainly on self-funding, which represents 97 percent of their total funding, followed by premiums and contributions, which represent only 3 percent. Sixty-six percent of public firms participate in an insurance program for their employees while 34 percent contract directly with health care providers. Sixty-eight percent of public firm funds go to private hospitals, followed by 10 percent going to pharmacies and 7 percent going to other health centers. The MOH and medical diagnostic labs each represent 4 percent of the public firms' uses of funds.

**TABLE 15: PUBLIC FIRMS SOURCES AND USES OF FUNDS, 2007/08**

| PUBLIC FIRMS SOURCE OF FUNDS (LE) | | | | |
|---|---|---|---|---|
| | **OFFERING INSURANCE PROGRAM** | **NOT OFFERING INSURANCE** | **TOTAL** | **PERCENT** |
| Firm | 364,321,612 | 197,327,818 | 561,649,430 | 97% |
| Premiums & Contributions | 19,097,500 | | 19,097,500 | 3% |
| Total | 383,419,112 | 197,327,818 | 580,746,930 | 100% |
| Percentage | 66% | 34% | 100% | |
| **USES OF PUBLIC FIRMS FUNDS (LE)** | | | | |
| | **OFFERING INSURANCE PROGRAM** | **NOT OFFERING INSURANCE** | **TOTAL** | **PERCENT** |
| MOH Hospitals | 3,844,774 | 20,833,831 | 24,678,605 | 4.2% |
| HIO Hospitals | -- | 13,518,856 | 13,518,856 | 2.3% |
| University Hospitals | -- | -- | -- | 0.0% |
| THIO Hospitals | -- | -- | -- | 0.0% |
| CCO Hospitals | -- | 935,000 | 935,000 | 0.2% |
| Other Ministries' Hospitals | -- | 950,000 | 950,000 | 0.2% |
| Private Hospitals | 286,382,863 | 108,600,634 | 394,983,497 | 68.0% |
| Offices of Physicians | 1,845,285 | 8,974,498 | 10,819,783 | 1.9% |
| Offices of Dentists | 341,199 | 32,000 | 373,199 | 0.1% |
| MOH Health Centers | -- | 105,600 | 105,600 | 0.0% |
| Other Health Centers | 41,000,000 | | 41,000,000 | 7.1% |
| Medical and Diagnostic Laboratories | 13,911,555 | 10,064,435 | 23,975,990 | 4.1% |
| Pharmacies | 27,432,006 | 28,746,146 | 56,178,152 | 9.7% |
| Providers of Optical Glasses | -- | -- | -- | 0.0% |
| Other providers of Medical Goods | -- | 839,356 | 839,356 | 0.1% |
| Rest of the World | 1,591,211 | 1,900,000 | 3,491,211 | 0.6% |
| Others | 7,070,219 | 1,827,462 | 8,897,681 | 1.5% |
| | 383,419,112 | 197,327,818 | 580,746,930 | 100.0% |

### *2.4.7.2 PRIVATE FIRMS*

As Table 16 illustrates, private firms depend solely (100 percent) on self-funding. Fifty-seven percent of public firms participate in an insurance program for their employees. The remaining 43 percent either provide services directly or through contracting with health care providers. Fifty-four percent of the private firms' funds go to private hospitals, 14 percent to private clinics/physicians' offices, and 8 percent to pharmacies.

**TABLE 16: PRIVATE FIRMS SOURCES AND USES OF FUNDS, 2007/08**

| PRIVATE FIRMS SOURCE OF FUNDS (LE) | | | | |
|---|---|---|---|---|
| | **OFFERING INSURANCE PROGRAM** | **NOT OFFERING INSURANCE** | **TOTAL** | **PERCENT** |
| Firm | 149,522,947 | 112,991,510 | 262,514,457 | 100% |
| Premiums & Contributions | -- | -- | - | -- |
| Total | 149,522,947 | 112,991,510 | 262,514,457 | 100% |
| Percentage | 57% | 43% | 100% | |

| USES OF PRIVATEFIRMS FUNDS (LE) | | | | |
|---|---|---|---|---|
| | **OFFERING INSURANCE PROGRAM** | **NOT OFFERING INSURANCE** | **TOTAL** | **PERCENT** |
| MOH Hospitals | 850,000 | 2,406,120 | 3,256,120 | 1.2% |
| HIO Hospitals | -- | -- | -- | 0.0% |
| University Hospitals | -- | 1,150,000 | 1,150,000 | 0.4% |
| THIO Hospitals | -- | 1,300,000 | 1,300,000 | 0.5% |
| CCO Hospitals | -- | 438,202 | 438,202 | 0.2% |
| Other Ministries' Hospitals | 200,000 | -- | 200,000 | 0.1% |
| Private Hospitals | 77,047,799 | 64,466,320 | 141,514,119 | 53.9% |
| Offices of Physicians | 31,675,171 | 5,697,174 | 37,372,345 | 14.2% |
| Dentists' Offices | 867,044 | 200,000 | 1,067,044 | 0.4% |
| MOH Health Centers | -- | -- | -- | 0.0% |
| Other Health Centers | -- | 95,489 | 95,489 | 0.0% |
| Medical and Diagnostic Laboratories | 722,582 | 6,221,933 | 6,944,515 | 2.6% |
| Pharmacies | 4,401,942 | 17,295,594 | 21,697,536 | 8.3% |
| Providers of Optical Glasses | 60,000 | -- | 60,000 | 0.0% |
| Other Providers of Medical Goods | 12,000 | 1,618,886 | 1,630,886 | 0.6% |
| Rest of the World | -- | 1,583,410 | 1,583,410 | 0.6% |
| Others | 33,686,409 | 10,518,382 | 44,204,791 | 16.8% |
| | 149,522,947 | 112,991,510 | 262,514,457 | 100.0% |

### *2.4.7.3 TOTAL FIRMS*

As shown in Table 17, firms depend mainly (98 percent) on self-funding, followed by premiums and contributions, which represent only 2 percent. Sixty-three percent of firms participate in an insurance program for their employees, while 43 percent either directly provide health care services or contract directly with other providers.

Firms spend 64 percent of their resources on private hospitals, whether through insurance programs or direct contracts. This is followed by pharmacies, which receive 9 percent of firm funding through insurance programs (3.8 million LE) or directly purchased (46 million LE). Physicians' clinics consume 6 percent of funds, through insurance programs (33.5 million LE) or direct contracts (14.7 million LE).

**TABLE 17: PUBLIC AND PRIVATE FIRMS SOURCES AND USES OF FUNDS, 2007/08**

| PUBLIC AND PRIVATE FIRMS SOURCE OF FUNDS (LE) | | | | |
|---|---|---|---|---|
| | OFFERING INSURANCE PROGRAM | NOT OFFERING INSURANCE PROGRAM | TOTAL | PERCENT |
| Firm | 513,844,559 | 112,991,510 | 824,163,887 | 98% |
| Premiums & Contributions | 19,097,500 | -- | 19,097,500 | 2% |
| Total | 532,942,059 | 112,991,510 | 843,261,387 | 100% |
| Percentage | 63% | 43% | | |

| USES OF PUBLIC AND PRIVATE FIRMS FUNDS (LE) | | | | |
|---|---|---|---|---|
| | OFFERING INSURANCE PROGRAM | NOT OFFERING INSURANCE | TOTAL | PERCENT |
| MOH Hospitals | 4,694,774 | 23,239,951 | 27,934,725 | 3% |
| HIO Hospitals | - | 13,518,856 | 13,518,856 | 2% |
| University Hospitals | - | 1,150,000 | 1,150,000 | 0% |
| THIO Hospitals | - | 1,300,000 | 1,300,000 | 0% |
| CCO Hospitals | - | 1,373,202 | 1,373,202 | 0% |
| Other Ministries' Hospitals | 200,000 | 950,000 | 1,150,000 | 0% |
| Private Hospitals | 363,430,662 | 173,066,954 | 536,497,616 | 64% |
| Offices of Physicians | 33,520,456 | 14,671,672 | 48,192,128 | 6% |
| Offices of Dentists | 1,208,243 | 232,000 | 1,440,243 | 0% |
| MOH Health Centers | -- | 105,600 | 105,600 | 0% |
| Other Health Centers | 41,000,000 | 95,489 | 41,095,489 | 5% |
| Medical and Diagnostic Laboratories | 14,634,137 | 16,286,368 | 30,920,505 | 4% |
| Pharmacies | 31,833,948 | 46,041,740 | 77,875,688 | 9% |
| Providers of Optical Glasses | 60,000 | -- | 60,000 | 0% |
| Other Providers of Medical Goods | 12,000 | 2,458,242 | 2,470,242 | 0% |
| Rest of the World | 1,591,211 | 3,483,410 | 5,074,621 | 1% |
| Others | 40,756,628 | 12,345,844 | 53,102,472 | 6% |
| | 532,942,059 | 310,319,328 | 843,261,387 | 100% |

## 2.5 SPECIAL TREATMENT FUND

Since the 1990s, the GOE has had a special discretionary fund (PTES) to pay for treatment abroad and for certain services delivered within the country for those who could not otherwise afford to access the services. Starting in 2001, the government significantly increased the nature and scope of this scheme. Today, over 1.75 million Egyptians, 2.6 percent of the total population, benefit from this scheme. While there are policies and procedures in place on how these benefits can and should be accessed, recent developments indicate a possibility that this scheme is being misused.[3] The rapid increase in PTES spending coincides with the rapid expansion of Specialized Centers under the

[3] In March, a series of articles was published in local newspapers criticizing the implementation of the scheme. This led to a stand-off between the Minister of Health, who wanted to reform the program, and the People's Assembly, which did not want any restriction put on their ability to provide care for their constituents.

MOH. According to the World Bank, these two factors have contributed to the "rapid increase in health spending among the government authorities."[4]

Obtaining information on spending under PTES is extremely difficult due to a lack of transparency. However, it is estimated that spending amounted to over 1.4 billion LE. Only 8.5 percent of the expenditures were incurred at private hospitals and another 2 percent on treatment abroad. The remaining expenditures were channeled to public facilities.

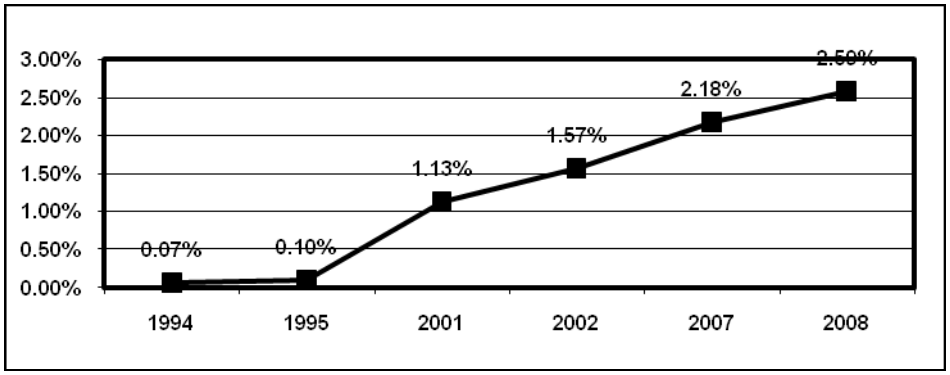
Table 18 demonstrates that the number of beneficiaries of the special treatment decrees increased steadily and significantly – by 4,565 percent – between 1994 and 2008. This demonstrates an increasing need for the special treatment decrees for accessing the health care services.

**TABLE 18: NUMBER OF BENEFICIARIES OF THE SPECIAL TREATMENT DECREES, 2007/08**

| YEAR | LOCAL | ABROAD | TOTAL | PERCENT INCREASE |
|---|---|---|---|---|
| 1994 | 38,547 | 312 | 38,859 | -- |
| 1995 | 62,121 | 392 | 62,513 | 61% |
| 2001 | 751,949 | 175 | 752,124 | 1,103% |
| 2002 | 1,069,459 | 50 | 1,069,509 | 42% |
| 2007 | 1,601,613 | 83 | 1,601,696 | 50% |
| 2008 | 1,759,815 | 79 | 1,759,894 | 10% |

Figure 14 shows the increase in the percentage of special treatment beneficiaries in the population, which grew from .07 percent in 1994 to 2.59 percent in 2008.

**FIGURE 14: SPECIAL TREATMENT BENEFICIARIES AS A PERCENTAGE OF THE POPULATION, 2007/08**




As shown in Table 19, 63 percent of the PTES fund was used to finance MOH hospitals. University hospitals received 15 percent, private hospitals received 9 percent, and CCO hospitals received 3 percent.

[4] World Bank. January 2006. *Egypt Health Policy Note: Egypt Health Expenditure Review*. http://www-wds.worldbank.org/external/default/WDSContentServer/WDSP/IB/2008/12/22/000333038_20081222033756/Rendered/INDEX/469380ESW0whit10Policy0Note010Final.txt

**TABLE 19: USES PTES OF FUNDS, 2007/08**

| TREATMENT EXPENDITURES | AMOUNT (LE) | PERCENT |
|---|---|---|
| MOH Hospitals | 937,150,592 | 62.77% |
| University Hospitals | 225,355,326 | 15.09% |
| Private Hospitals | 126,736,530 | 8.49% |
| CCO Hospitals | 43,080,102 | 2.89% |
| HIO Hospitals | 25,707,537 | 1.72% |
| Military Hospitals | 20,000,000 | 1.34% |
| Abroad | 28,060,000 | 1.88% |
| Vacsera (vaccine producer and blood bank) | 6,626,292 | 0.44% |
| Liver (intervention) | 62,950,243 | 4.22% |
| Prosthesis | 17,393,378 | 1.16% |
| **Total** | **1,493,060,000** | |

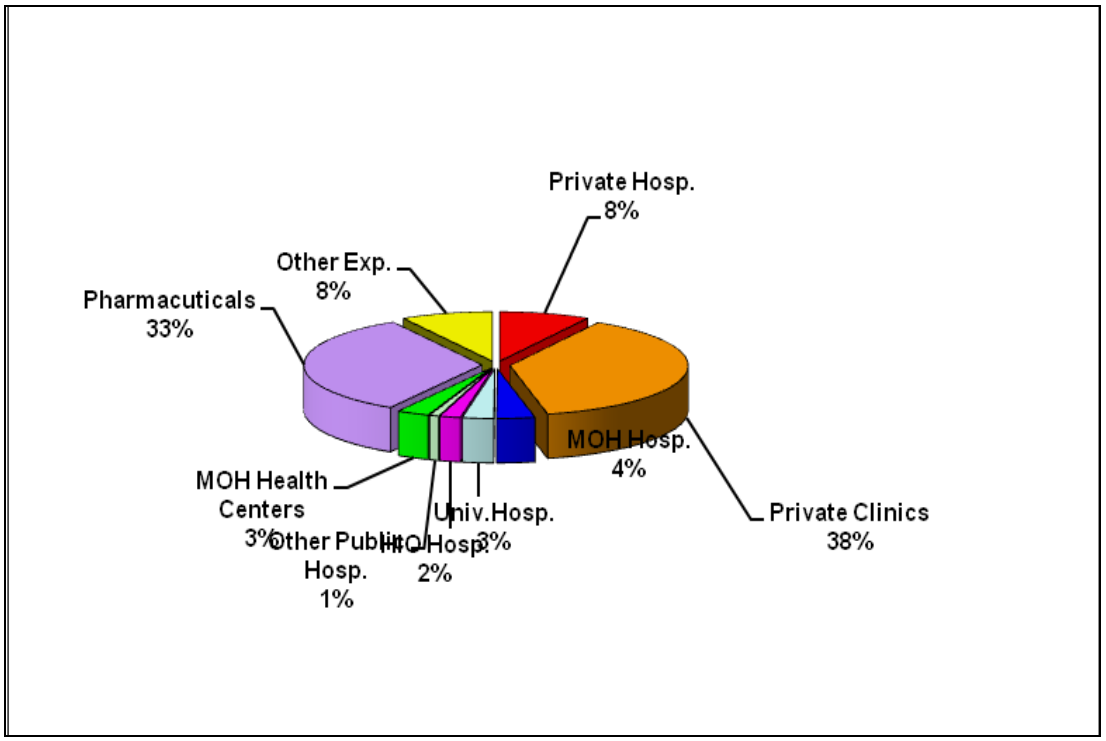
## 2.6 HOUSEHOLDS

Out-of-pocket spending represents 60 percent of total health spending in Egypt and accounts for the management of approximately 57 percent of the funds. As shown in Table 22 and Figure 15, private clinics consume the greatest share (38.4 percent) of household out-of-pocket expenditures on health, followed by pharmacies, at 33.1 percent. For hospitalization services, private hospitals receive the chief share, 8.2 percent, followed by MOH hospitals at 3.5 percent.

**TABLE 20: OUT-OF-POCKET EXPENDITURE BY PROVIDER, 2007/08**

| OUT-OF-POCKET EXPENDITURES | VALUE IN L.E | PERCENT | PER CAPITA |
|---|---|---|---|
| Private Hospitals | 2,095,869,057 | 8.2% | 27.91 |
| Private Clinics | 9,796,647,822 | 38.4% | 130.45 |
| MOH Hospitals | 882,804,930 | 3.5% | 11.76 |
| University Hospitals | 719,355,977 | 2.8% | 9.58 |
| HIO Hospitals | 478,101,233 | 1.9% | 6.37 |
| Other Public Hospitals | 218,967,840 | 0.9% | 2.92 |
| MOH Health Centers | 749,217,191 | 2.9% | 9.98 |
| Pharmaceuticals | 8,445,711,515 | 33.1% | 112.46 |
| Other Exp. | 2,121,288,804 | 8.3% | 28.25 |
| **Total** | **25,507,964,370** | **100%** | **339.67** |

**FIGURE 15: HEALTH CARE PROVIDERS' SHARE OF OUT-OF-POCKET EXPENDITURE, 2007/08**




## 2.7 HEALTH SPENDING SILOS

Table 21 demonstrates the parallel streams (silos) of revenue flows from financing agents to providers. This is an important characteristic of the Egyptian health system. Public spending goes primarily to public providers and private spending to private providers. The MOH spends very little on other public providers including the HIO and university facilities. The HIO in turn spends largely on its own facilities. What this means is that the government does not view the private sector as a true partner in increasing access to health services. Public spending, whether at the MOH, HIO, or university hospitals, is not linked to performance but rather based on historical budgets, the number of personnel employed, and the infrastructure (number of beds). If the government desires to exploit the potential of the entire health care system to improve access, reduce inequities, and improve efficiency, there is a need to reconfigure the payer-provider relationship.

**TABLE 21: THE PAYER-PROVIDER SILO, 2007/08**

| CATEGORIES | MOH | HIO | HOUSEHOLDS |
|---|---|---|---|
| MOH Hospitals | 17.4% | 4.8% | 3.5% |
| HIO Hospitals | 0.2% | 56.1% | 1.9% |
| University Hospitals | 2.2% | 3.1% | 2.8% |
| THIO Hospitals | 4.4% | 1.2% | 0.0% |
| CCO Hospitals | 0.4% | 1.3% | 0.0% |
| MOD Hospitals | 0.2% | 0.1% | 0.0% |
| MOH Specialized Hospitals | 9.3% | 0.1% | 0.0% |
| Private Hospitals | 1.2% | 2.0% | 8.2% |
| Family Planning Centers | 15.1% | 0.0% | 0.0% |
| Dialysis Centers | 0.0% | 3.4% | 0.0% |
| MOH Health Centers | 12.6% | 0.0% | 2.9% |
| Other Health Centers | 0.1% | 2.8% | 0.0% |
| Private Clinics | 0.0% | 0.0% | 38.4% |
| Medical and Diagnostic Labs | 0.0% | 1.4% | 0.0% |
| Ambulance Services | 7.0% | 0.0% | 0.0% |
| Blood and Organ Banks | 0.1% | 0.0% | 0.0% |
| Pharmacies | 14.1% | 19.1% | 33.1% |
| Other Providers of Medical Goods | 1.0% | 4.6% | 0.0% |
| Government Administration of Health | 13.3% | 0.0% | 0.0% |
| Rest of the World | **0.3%** | **0.0%** | **0.0%** |
| Others | 1.1% | 0.0% | 9.2% |
| Total | 100.0% | 100.0% | 100.0% |

*Source:* World Bank

## 2.8 STUDY LIMITATIONS

This third round of NHA in Egypt responds to the MOH's need to understand the status of the country's health spending. It uses available data. As such, this round did not cover all sectors (i.e. NGOs), and it used estimates for household spending. The lack of costing data means that it was not possible to estimate expenditures by types of service and functions. An extensive costing study is being undertaken and a Household Health Care Utilization and Expenditure survey is currently being conducted by the Central Agency for Public Mobilization and Statistics (CAPMAS). The next round of NHA (for fiscal 2008/09), to be completed by October 2010, will be more rigorous and comprehensive. However, even with these limitations, a number of key findings emerge that have policy implications.

# 3. POLICY IMPLICATIONS OF NHA FINDINGS

The following observations represent possible actions that could be taken as a result of these findings.

Increase public investments in health: There is an urgent need for Egypt to increase public investments in health overall and significantly increase its investments in the MOH.

The MOH has moved toward increasing its central expenditures, expenditures by the MOH headquarters (HQ) have risen from 20 percent in 1994/95 to 52 percent in 2007/08. During the same time period, regional expenditures decreased from 80 percent to 48 percent.

Address the issue of out-of-pocket spending: The continued high burden of out-of-pocket spending is a matter of serious concern. There is a need to understand why increased spending on primary health care as well as increase in insurance coverage has not led to a decrease in out-of-pocket spending.

Fast-track comprehensive insurance reforms: There is a need to fast-track MOH efforts for comprehensive reforms of the health insurance systems. The increase in out-of-pocket spending, even as insurance coverage has expanded, signals the need to make social health insurance both responsive to consumer needs and sustainable in Egypt. The lack of efficiency in the current system that is due to fragmentation must be remedied by consolidating strategy and procedures into one system designed to cover the various population groups.

Link investments to disease burden and demographic trends: Geographic or programmatic investments in health follow historical patterns and are tied to inputs (personnel, number of beds, etc.). Investments do not reflect the geographic distribution of disease burden (increased chronic diseases) or demographic trends (increased percentage of elderly). While such a change will continue to emphasize primary health care, it will lead to moving resources to high disease burden governorates, increased focus on prevention, and a focus on developing and implementing programs for the new population groups such as the elderly.

Implement comprehensive pharmaceutical reforms: The MOH has taken steps to streamline the procurement and distribution of pharmaceuticals. However, these expenditures remain high, with most spending incurred directly by households. Any attempt at reducing out-of-pocket spending and improving equity and efficiency of health spending has to include a continued emphasis on a comprehensive reform of the pharmaceutical sector.

Make the private sector a true partner: The private sector remains the single largest provider of outpatient care in Egypt. Similarly, there has been an expansion in the number and types of private hospitals in the country. However, the government has not effectively leveraged the private sector to meet the health needs of the population by increasing access to quality health care services. On the contrary, some government actions, such as channeling government and HIO funds primarily to public facilities, stifle the growth of private markets.

Control and rationalize spending under PTES: The government initiated PTES as a safety net for those who did not have insurance coverage. However, as the analysis has shown, expenditures

under this scheme have grown exponentially and there is very little transparency regarding how resources are being spent. There is a clear need to control and rationalize spending under PTES.

# 4. SUGGESTED IMPROVEMENTS TO THE HEALTH FINANCING SYSTEM WITHIN THE MINISTRY OF HEALTH

The following observations represent possible actions that could be taken as a result of these findings.

- Improve capacity in health policy and health economics at the MOH: The lack of technical capacity in health economics at the MOH Department of Planning is an obstacle to conducting the health financing analyses (NHA, costing and efficiency studies, resource tracking, etc.). These types of analyses are needed to support the MOH's effort to reform the health system in Egypt, including the major expansion of health insurance. While the Department of Planning has a Health Economics Unit, it is not operational. The unit lacks the staff with the necessary skills in health economics, health policy, statistics, management, and epidemiology.
- Institutionalize a structure to systematically collect and analyze information on financing and costs at the facility and program levels. Every round of NHA has highlighted the fact that the MOH cannot tell on a monthly basis what it spends by governorate, by hospital, by primary health care facility, or by program. This means managers do not have the information to monitor and efficiently run their facilities and programs. Similarly, hospitals and primary health care centers do not have information on the cost and efficiency of services they produce. The MOH has undertaken an innovative expenditure tracking exercise to understand how family planning, maternal-child health, and infection control program expenditures are made, by level (national, governorate, districts, and facilities), activities, and functions. Similarly, costing exercises have been undertaken at a number of hospitals and primary health care centers. It is important to put a system in place whereby NHA, expenditure tracking, and costing become routine activities of the MOH and to ensure that this information is used for planning, budgeting, and policy formulation.

# ANNEX A: TABLE ES-1 OVERVIEW OF EGYPTIAN HEALTH SECTOR

| BENEFITS BY HEALTH SUBSYSTEMS | COVERAGE/ SPECIAL CATEGORIES | PRINCIPAL FINANCING SOURCES | PROVIDER–PAYER RELATIONSHIP | PERCENTAGE OF POPULATION COVERED OR ELIGIBLE | SIZE OF OPERATION |
|---|---|---|---|---|---|
| Describes types of services and benefits available | Describes coverage and eligibility criteria, special programs for specific population groups | Describes main sources of financing | Describes relationship between financing and service delivery functions | No. of people covered or eligible by health system nationwide | As indicated by staff, beds, or number of facilities |
| **GOVERNMENT(PUBLIC) SECTOR** | | | | | |
| **MINISTRY OF HEALTH (MOH)** | | | | | |
| MOH facilities provide comprehensive public health services and preventive and curative care services at the primary, secondary, and tertiary levels | Coverage: all citizens and residents<br><br>Highly subsidized care services for the entire population | Ministry of Finance (MOF) (general tax revenues)<br>Household spending (out-of-pocket [OOP])<br>Donors (through grants and loan for vertical programs) | MOH services financed through the budget, derived from general revenue (tax) and donations from donors;<br>80% of services provided by MOH; providers are free and 20% paid | All Egyptian citizens are eligible | Operates:<br>441 general and district hospitals (62,943 beds) incl. 80 hosp. in Cairo, Giza, Helwan, Qaliobia, and 6th of October governorates, 31 in urban gov's, 162 in delta gov's, 128 in Upper Egypt gov's, 40 in frontier gov's.<br><br>Also: 342 urban health care centers: 55 in Cairo, 30 in Helwan, 13 in Alexandria, and 2 in both Matrouh gov. and New Valley (Al Wadi Al Jedid) gov.; 175 maternal-child health and 324 health offices; 3,893 rural health units |
| **TEACHING HOSPITALS AND INSTITUTES ORGANIZATIONS (THIO)** | | | | | |
| THIO is a separate body under the authority of the Minister of Health. Provides primary, secondary, and tertiary services | Coverage: MOH patients, HIO patients, patients from private firms, private patients | MOF<br>MOH (through contract)<br>HIO (through contract)<br>Private firms (through contract)<br>International donors (through grants and loans)<br>Households (OOP spending) | 50% of services provided by THIO providers are free and 50% paid | Serves only small percentage of the population | Runs 8 general teaching hospitals and 10 research institutes (5,347 beds): 8 in Cairo, 5 in Giza, and 5 in other governorates |

| HEALTH INSURANCE ORGANIZATION (HIO) | | | | | |
|---|---|---|---|---|---|
| HIO is an independent government organization under the authority of the Minister of Health | Provides compulsory insurance to workers in the formal sector.<br>Covers 5 major groups:<br>Law 32: Government employees;<br>Law 79: Govt, public, and private employees and labor accident compensation; also widows and pensioners;<br>Law 99: School children and students (under 18 yrs)<br>Decree 380: Newborns | Principally funded through a system of premiums and copayments (by households)<br>Premium collection through:<br>Social Insurance Organization (SIO): mandated premium collected by the SIO<br>Pensions and Insurance Organization (PIO): premium collected from pensioners<br>MOF occassionally covers operating losses | Contracted providers include MOH, CCOs, and private providers | 41 million registerd in 2007/08 (approx 55% of total population).<br>This excludes citizens over 65 years who did not register. | Organized into 19 regional branches supervised by headquarters in Cairo. Runs a nationwide network of hospitals, clinics, and pharmacies:<br>38 hospitals (9,699 beds): 14 in urban governorates, 17 in Lower Egypt, and 7 in Upper Egypt.<br>59 injury centers<br>Clinics: 8,078 inside schools, 305 outside schools, 1,429 for employees<br>452 pharmacies in addition to contracted pharmacies<br>Employs 6,748 full-time physicians, 1,482 dentists, 681 nurses, and 1,217 pharmacists |
| **CURATIVE CARE ORGANIZATIONS (CCO)** | | | | | |
| CCO comprises 3 independent autonomous organizations providing health care services under the authority of the Minister of Health | Coverage:<br>HIO patients,<br>MOH patients (agreed to give a number of beds for MOH, paid in a lump sum)<br>Public and private firms' patients<br>Households | MOF<br>Self-financing for recurrent costs<br>HIO (via contract to serve HIO beneficiaries)<br>MOH (via contract) Public firms (via contract)<br>Households (by providing services to household) | Contracts services to HIO, MOH, and companies.<br>Provides services to private households.<br>Free emergency services for poor under arrangement with govt. of Egypt (GOE) (via grants from MOH budget).<br>20% of services provided by THIO providers are free. | 100% cost recovery, no subsidies from GOE<br>Only urban patients | Runs 11 CCO hospitals (2,146 beds): 6 in Cairo, 4 in Alex. , and 1 in Qaliobia |

| BENEFITS BY HEALTH SUBSYSTEMS | COVERAGE/ SPECIAL CATEGORIES | PRINCIPAL FINANCING SOURCES | PROVIDER–PAYER RELATIONSHIP | PERCENTAGE OF POPULATION COVERED OR ELIGIBLE | SIZE OF OPERATION |
|---|---|---|---|---|---|
| **UNIVERSITY HOSPITALS** | | | | | |
| Facilities for teaching and research Autonomous facilities affiliated to individual universities and falling under the responsibility of the Ministry of Higher Education (MOHE) | Provides high-quality care mostly in Cairo area and generates significant resources through user fees. 70% of the coverage is for medical faculty and students; 30% for private households. | MOF through MOHE budget User fees paid directly by households | Primary, secondary, and tertiary treatment | Used predominately by the non-poor population | Operates: 76 hospitals (25,742 beds): 42 in Urban Governorates, 26 in Lower Egypt, and 8 in Upper Egypt |
| **OTHER MINISTRIES** | | | | | |
| Ministry of Interior (MOI) provides free health and medical care for police and prisoners. Ministry of Transport (MOT) provides services for railway employees. Ministry of Defense (MOD) provides services for the armed forces as well as for local civilians. | MOI: main insured must be a police or prisoner. MOT: main insured must be railway employees. MOD (separate scheme for the armed forces): all primary and secondary covered under this fund | GOE via MOF (general tax revenues) Households | Primary, secondary, and tertiary services (outpatient and inpatient, including medicines) | Interior security forces and their families Railway employees and their families Armed forces and their families | No data available for police hospital. 3 railway hospitals (351) beds. Not possible to ascertain number of hospitals, beds, or doctors employed in the armed forces, but more than 10% of Egyptian physicians are assumed to working in the armed forces. Others operate: 19 other hospitals (1,888 beds) |
| **NONGOVERNMENTAL ORGANIZATIONS (NGOS)** | | | | | |
| NGOs mostly provide health-related programs; in some cases they provide primary health care medicine and first aid kits to urban and rural organizations to raise public awareness and public health care | All citizens, provided that an application proposal has been lodged through a NGO; sometimes religious organization providing proof that they have the capacity to carry out such activities | Mainly from international NGOs, donors, and donations from large employers, corporations, and companies locally as well as fundraising organized by NGOs. All fundraising activities must be approved. | Primary health care activities and first aid kits mainly through grants and donations from international NGOs | Specific target audiences | The NGO sector as a whole is very tightly regulated by the GOE under law 32 – all NGOs required to have official Ministry of Social Affairs approval to operate. However, only small proportion are registered. Facilities accounted for a total of 401 NGOs. |

| BENEFITS BY HEALTH SUBSYSTEMS | COVERAGE/ SPECIAL CATEGORIES | PRINCIPAL FINANCING SOURCES | PROVIDER – PAYER RELATIONSHIP | PERCENTAGE OF POPULATION COVERED OR ELIGIBLE | SIZE OF OPERATION |
|---|---|---|---|---|---|
| **FOREIGN DONORS** | | | | | |
| International aid paid to government and govt employees as population and capital investments. Under authority of the Ministry of International Cooperation | Everyone covered through these programs. Egypt's health sector and donor-supported projects. | Mainly external governments and organizations | Funds primary health care programs and secondary health services. Much of the aid and vertical programs are in the form of non-economic assistance and are not transferred to the social sectors. | Specific target audiences | Difficulties in compiling information. Foreign donors believed to be insignificant. Multilateral donors: mainly WHO, World Bank, UNFPA, UNICEF, UNDP, African Development Bank, Social Fund for Development. Bilateral donors: mainly USAID, Finland, Holland, and European Union |

**PRIVATE SECTOR**

| | | | | | |
|---|---|---|---|---|---|
| **PRIVATE INSURANCE** | | | | | |
| Private or voluntary health insurance market is small – the 3 firms offering insurance are all govt-owned parastatals. Many companies make their own arrangements to provide medical care to their employees | All citizens are eligible to use this insurance provided they can afford the premiums | Mainly household OOP spending and employers | Primary and secondary treatment (drugs, outpatient, and inpatient) | All citizens (can choose to access services provided that they can meet the associated cost. | Private insurance companies contract services to public and private providers. |
| **OCCUPATIONAL SYNDICATES** | | | | | |
| Several groups of professionals and workers organized into occupational association (syndicate). Major syndicates are: medical, commercial, agricultural, and engineering | All members of associations and families are eligible to use services provided by relevant syndicate. Membership is voluntary and is increasing very quickly. | Member of each syndicate and dependents. | Drugs, outpatient and inpatient care | All employees or professionals and their dependents who are syndicate members can access services. | All syndicates contract services to public and private providers. |

| **PRIVATE HOSPITALS AND PHARMACIES** | | | | | |
|---|---|---|---|---|---|
| Owned by individuals and operate in the private sector | All citizens are eligible to use services. Cost of drugs is expensive compared to public pharmacies. | Mainly household OOP spending | Hospital care and drugs | All citizens can access these services offered provided they can pay. | Operates: 1,305 private hospitals (26,814 beds) including: 318 in Cairo, 64 in Helwan, 45 in 6th of October, 187 in Giza, 108 in Alex., 3 in Matrouh, 3 in Luxor, 1 in South Sinai |
| **HOUSEHOLD (OOP)** | | | | | |
| Spending by people on health services provided by health providers | All citizens | Mainly from disposable income | Primary, secondary, and tertiary care | All citizens | |

# ANNEX B: TABLE ES-2 SOURCES TO FINANCING AGENTS

| FINANCING AGENTS | | SOURCES OF FUNDS | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | FS.1 Public Funds | | | | | | FS.2 Private Funds | | | | FS.3 Rest of the World | | TOTAL |
| | | FS.1.1 Territorial Government Funds | | FS.2.1.1 Central government as employers' funds | FS.2.1.2 Ministry Of Defence as employers' funds | FS.2.1.3 Ministry of Interior as employers' funds | FS.2.1.4 Public Firms Funds | FS.2.1 Employers Funds | FS.2.2 Households Funds | | FS.2.3 Non-profit Institutions | F.S.3.1 Donors Funds Grant | F.S.3.2 Other External Funds | |
| | | FS.1.1.1 Central | FS.1.1.2 Self | | | | | FS.2.1.5 Private Employers Funds | FS 2.2.1 Premiums and Contributions | FS 2.2.2 Out-Of-Pocket | | | | |
| Codes | HF | | | | | | | | | | | | | |
| HF.1 | Public Sector | | | | | | | | | | | | | |
| HF.1.1 | Territorial Government | | | | | | | | | | | | | |
| HF.1.1.1 | Central Government | | | | | | | | | | | | | |
| HF. 1.1.1.1 | MOH | | | | | | | | | | | | | |
| H.F.1.1.1.1.1 | HQ | 4245867166 | 192945029 | | | | | | | | | 250658261 | 144789 | 4689615245 |
| H.F.1.1.1.1.2 | Governorates | 4167275490 | 144760523 | | | | | | | | | | | 4312036013 |
| H.F.1.1.1.1.3 | Center of Excellancy & Specialized Institutions | 612987775 | 78904598 | | | | | | | | | 2969084 | | 694861457 |
| H.F.1.1.1.1.4 | CCO | 53680188.93 | 56367438.73 | | | | 21334829.89 | 75140169.45 | | | | | | 206522627 |
| H.F.1.1.1.1.5 | THIO | 375,032,507 | 153,623,576 | | | | | | | | | 1,301,396 | | 529957479 |
| H.F.1.1.1.1.6 | Other Government Org. | 160698257 | 21938317 | | | | | 33997464 | | | | 1445893 | | 218079931 |
| HF. 1.1.1.2 | Ministry of Higher Education | 1,955,320,561 | 750,084,584 | | | | | | | | | 9,614,499 | | 2715019644 |
| HF.1.2 | Social Security Funds | | | | | | | | | | | | | 0 |
| HF.1.2.1 | HIO | 849286620.2 | | 761,415,621.59 | | | 109303760.6 | 572566901.6 | 1134888827 | | | | | 3427461731 |
| HF.1.2.2 | Ministry of Defence Health Insurance Schemes | | | | 500000000 | | | | | | | | | 500000000 |
| HF.1.2.3 | Ministry of Interior Health Insurance Schemes | | | | | | | | | | | | | 0 |
| HF.2 | Privat Sector | | | | | | | | | | | | | 0 |
| HF. 2.1 | Private Employers Insurance Programmes | | | | | | | | | | | | | 0 |
| HF.2.1.1 | Syndicates Insurance Programmes | | | | | | | | | | | | | 0 |
| HF.2.1.1.1 | Medical | | | | | | 39553766 | | 1046532 | | | | | 40600298 |
| HF.2.1.1.2 | Agriculture | | | | | | 1964000 | | 1582000 | | | | | 3546000 |
| HF.2.1.1.3 | Engineering | | | | | | 7000000 | | 22235770 | | | | | 29235770 |
| HF.2.1.2 | Firms Insurance Programmes | | | | | | | | | | | | | 0 |
| HF.2.1.2.1 | Company manages Insurance Programmes for Public firms | | | 22552500 | | | 341769112 | | 19097500 | | | | | 383419112 |
| HF.2.1.2.2 | Company manages Insurance Programmes for Private Firms | | | | | | | 149522947 | | | | | | 149522947 |
| HF.2.2 | Private Health Insurance xx | | | | | | | | | | | | | 0 |
| HF.2.3 | Household OOP | | | | | | | | | 24,329,113,741 | | | | 24329113741 |
| HF.2.4. | Non profit institutions (NGOs) xx | | | | | | | | | | | | | 0 |
| HF.2.5 | Private Firms (other than insurance programmes) | | | | | | | | | | | | | 0 |
| HF. 2.5.1 | Public Firms | | | | | | 197327818 | | | | | | | 197327818 |
| HF.2.5.2 | Private Firms | | | | | | | 112991510 | | | | | | 112991510 |
| HF.3 | Rest of the World | | | | | | | | | | | | | 0 |
| TOTAL | | 12420148565 | 1398624066 | 783968121.6 | 500000000 | 0 | 718253286.4 | 944218992.1 | 1178850629 | 24329113741 | 0 | 265989133 | 144789 | 42539311322.979 |
| % | | 29.2% | 3.3% | 1.8% | 1.2% | 0.0% | 1.7% | 2.2% | 2.8% | 57.2% | 0.0% | 0.6% | 0.0% | 100.0% |

# ANNEX C: TABLE ES-3 FINANCING AGENTS TO PROVIDERS

| PROVIDERS | | FINANCING AGENTS | | | | | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | HF.1 Public Sector | | | | | | | | | | | | HF.2 Non public Sector | | | | | | | | | HF.3 Rest of the World | TOTAL |
| | | HF.1.1 Territorial Government | | | | | | | | | HF.1.2 Social Security Funds | | | HF . 2.5.1 Public Firms | HF. 2.1 Private Employers Insurance Programmes | | | | | | HF.2.2 Private Health Insurance | HF .2.3 Households OOP | HF.2.4. Non profit Institutions (NGOs) | HF .2.5.2 Private Firms | | |
| | | HF.1.1.1 Central Government | | | | | | | | | | | | | HF.2.1.1 Syndicates Insurance Programmes | | | | HF.2.1.2 Firms Insurance Programmes | | | | | | |
| | | HF. 1.1.1.1 MOH | | | | | | | | | | | | | | | | | | | | | | | |
| Codes | HP | H.F.1.1.1.1.1 HQ | H.F.1.1.1.1.2 RHA | H.F.1.1.1.1.3 Center of Excellancy | H.F.1.1.1.1.4 CCO | H.F.1.1.1.1.5 THIO | H.F.1.1.1.1 .6 Other Governme nt Org. | HF. 1.1.1.2 Ministry of Higher Education | HF. 1.1.1.3 Ministry of El Aokaf | HF. 1.1.1.4 Other Ministries | HF.1.2.1 HIO | HF.1.2.2 Ministry of Defence Health Insurance Schemes | HF.1.2.3 Ministry of Interior Health Insurance Schemes | | HF .2.1.1.1 Medical | HF .2.1.1.2 Agriculture | HF .2.1.1.3 Engineering | HF.2.1.1.4 Other Syndicates | HF.2.1.2.1 Public Firms Insurance Programmes | HF.2.1.2.2 Private Firms Insurance Programmes | | | | | | |
| HP.1 | Hospitals | | | | | | | | | | | | | | | | | | | | | | | | |
| HP.1.1 | General Hospitals | | | | | | | | | | | | | | | | | | | | | | | | |
| HP. 1.1.1 | Public Hospitals | | | | | | | | | | | | | | | | | | | | | | | | |
| HP.1.1.1.1 | MOH Hospitals | 490,766,711 | 1331230243 | | | | | | | | 166000000 | | | 20833831 | | | | | 3844774 | 850000 | | 882,804,930 | | 2406120 | | 2,890,736,608.780 |
| HP.1.1.1.2 | HIO Hospitals | 25,707,537 | | | | | | | | | 1923967351 | | | 13518856 | | | | | | | | 4781012333.2 | | | | 2,441,794,977.196 |
| HP.1.1.1.3 | University Hospitals | 225,355,326 | | | | | | 2,364,176,644 | | | 107440000 | | | | | | | | | | | 719355977 | | 1150000 | | 3,417,477,947.044 |
| HP.1.1.1.4 | THIO Hospitals | 94,444,079 | | | | 367738479 | | | | | 42080000 | | | | | | | | | | | | | 1300000 | | 505,562,558.000 |
| HP.1.1.1.5 | CCO Hospitals | 43,080,102 | | | 195699043 | | | | | | 43140000 | | | 935000 | | | | | | | | | | 438202 | | 283,292,347.000 |
| HP.1.1.1.6 | Ministry of Defence Hospitals | 20,000,000 | | | | | | | | | 2630000 | 500000000 | | | | | | | | | | | | | | 522,630,000.000 |
| HP.1.1.1.7 | Other ministries Hospitals | | | | | | | | | | | | | 950000 | | | | | | 200000 | | 218967840.3 | | | | 220,117,840.333 |
| HP.1.1.1.8 | MOH Specialized Hospitals | 459,603,802 | | 441856469 | | | 72522523 | | | | | | | | | | | | | | | | | | | 973,982,794.000 |
| HP.1.1.2 | Private Hospitals | 126,736,530 | | | | | | | | | 67960000 | | | 108600634 | 40552790 | 3546000 | 29235770 | | 206382863 | 77047799 | | 2095069057 | | 64466320 | | 2,900,397,771.279 |
| HP.3 | Providers of Ambulatory Health Care | | | | | | | | | | | | | | | | | | | | | | | | |
| HP.3.1 | Offices of Physicians | | | | | | | | | | | | | 8974498 | | | | | 1845285 | 31675171 | | 9796647822 | | 5697174 | | 9,844,839,949.602 |
| HP.3.2 | Offices of Dentists | | | | | | | | | | | | | 32000 | | | | | 341199 | 867044 | | | | 200000 | | 1,440,243.000 |
| HP.3.4 | Outpatient Care Centres | | | | | | | | | | | | | | | | | | | | | | | | |
| HP.3.4.1. | FP Centres | 14191000 | 1561827661 | | | | | | | | | | | | | | | | | | | | | | | 1,576,018,661.044 |
| HP.3.4.4. | Dialysis Centres | | | | | | | | | | 117630000 | | | | | | | | | | | | | | | 117,630,000.000 |
| HP.3.4.5 | All other outpatient multi-specialty | | | | | | | | | | | | | | | | | | | | | | | | |
| HP.3.4.5.1 | MOH Health Centres | 764929000 | 548750259.3 | | | | | | | | 1510000 | | | 105600 | | | | | | | | 749217191.3 | | | | 2,064,512,050.592 |
| HP.3.4.5.2 | HIO Health Centres | | | | | | | | | | | | | | | | | | | | | | | | | 0.000 |
| HP.3.4.5.3 | Other Public Health Centres | | | | | | | | | | | | | | | | | | | | | | | | | 0.000 |
| HP.3.4.5.4 | Other Health Centres | | | | | | 8171805 | | | | 94800000 | | | | | | | | 41000000 | | | | | 95489 | | 144,067,294.000 |
| HP.3.4.9. | Other Centres (chemlo Therapy ...) | | | | | | | | | | | | | | | | | | | | | | | | | 0.000 |
| HP.3.5 | Medical and Diagnostic Laboratories | | | | | | | | | | 47610000 | | | 10064135 | | | | | 13911555 | 722582 | | | | 6221933 | | 78,530,505.000 |
| HP.3.9 | Other Providers of Ambulatory Health Care | | | | | | | | | | | | | | | | | | | | | | | | | |
| HP.3.9.1. | Ambulance Services | 732835000 | | | | | | | | | | | | | | | | | | | | | | | | 732,835,000.000 |
| HP.3.9.2 | Blood and Organ Banks | 5525000 | | | | | | | | | | | | | | | | | | | | | | | | 5,525,000.000 |
| HP.3.9.3 | Alternative or Traditional Practitioners | | | | | | | | | | | | | | | | | | | | | | | | | 0.000 |
| HP.4 | Retail sale & other providers of medical goods | | | | | | | | | | | | | | | | | | | | | | | | | |
| HP.4.1 | Pharmacies | 453,866,325 | 583099758 | 253004988 | 5845832 | 162219000 | 23817000 | 350843000 | | | 655979468 | | | 28746146 | 47500 | | | | 27432006 | 4401942 | | 8445711515 | | 17295594 | | 11,012,310,074.000 |
| HP.4.2 | Providers of Optical Glasses | | | | | | | | | | | | | | | | | | | 60000 | | | | | | 60,000.000 |
| HP.4.9 | Other providers of Medical Goods | 104,773,142 | | | | | | | | | 156714912 | | | 839356 | | | | | | 12000 | | | | 1618886 | | 263,958,296.000 |
| HP.5 | Provision & Adm. of Public Health Programmes | | | | | | | | | | | | | | | | | | | | | | | | | 0.000 |
| HP.6 | General Health Administration and Insurance | | | | | | | | | | | | | | | | | | | | | | | | | |
| HP.6.1 | Government Administration of Health | 1099741691 | 287128091.6 | | 4977752 | | | | | | | | | | | | | | | | | | | | | 1,391,847,534.632 |
| HP.6.2 | Social Security Administration | | | | | | | | | | | | | | | | | | | | | | | | | 0.000 |
| HP.6.3 | Other Social Insurance Administration | | | | | | | | | | | | | | | | | | | | | | | | | 0.000 |
| HP.6.4 | Private Insurance Administration | | | | | | | | | | | | | | | | | | | | | | | | | 0.000 |
| HP.8 | Institutions Providing Health-Related Services | | | | | | | | | | | | | | | | | | | | | | | | | 0.000 |
| HP.9 | Rest of the World | 28,060,000 | | | | | | | | | | | | 1900000 | | | | | 1591211 | | | | | 1583410 | | 33,134,621.000 |
| HP. Nsk | Others | | | | | | 113568603 | | | | | | | 1827462 | | | | | 7070219 | 33686409 | | 942438175.5 | | 10518382 | | 1,109,109,250.472 |
| TOTAL | | 4689615245 | 4312036013 | 694861457 | 206522627 | 529957479 | 218079931 | 2715019644 | 0 | 0 | 3427461731 | 500000000 | 0 | 197327818 | 40600298 | 3546000 | 29235770 | 0 | 383419112 | 149522947 | 0 | 24329113741 | 0 | 112991510 | 0 | 42,539,311,322.979 |
| % | | 11.0% | 10.1% | 1.6% | 0.5% | 1.2% | 0.5% | 6.4% | 0.0% | 0.0% | 8.1% | 1.2% | 0.0% | 0.5% | 0.1% | 0.0% | 0.1% | 0.0% | 0.9% | 0.4% | 0.0% | 57.2% | 0.0% | 0.3% | 0.0% | 100.0% |