

Country Name	Project of Development and Strengthening the Management of Provider Payment Methods and Basic Health Service Package Reimbursed by Health Insurance Fund in Vietnam
Socialist Republic of Viet Nam	

I. Project Outline

Background	<p>In Viet Nam, the high proportion of out-of-pocket (OOP) expenditure in total health expenditure was a serious economic burden among the people. In 2013, the Prime Minister approved the Roadmap toward the Universal Health Coverage (UHC) from 2012 to 2015 and 2020, and set a target of at least 80% health insurance coverage rate and less than 40% OOP expenditure/ rate by 2020 (the health insurance coverage target was later revised to at least 90%). Furthermore, in 2014, the Health Insurance Law was revised and a roadmap for the formulation of the Basic Health Service Package (BHSP) reimbursed by health insurance was established, which stipulated that an appropriate provider payment system shall be designed and services covered by public health insurance shall be identified by the end of 2017. Furthermore, in 2016, a Decision of the Ministry of Health (MOH) was issued establishing the National Advisory Council on Health Insurance Policy (NACHIP)¹ to advise on policy decisions related to health insurance. In these regards, the MOH requested Japan's assistance in strengthening management capacity and information technology (IT) development for the BHSP and the provider payment system. (Figures at the time of ex-ante evaluation.)</p>												
Objectives of the Project	<p>The project aims at strengthening the operational mechanism of provider payment methods and the BHSP reimbursed by health insurance fund and developing a strategic plan to improve the health insurance system in Viet Nam², thereby contributing to the improvement of the balance of health insurance fund, the increase in health insurance coverage rate, and the decrease in OOP expenditure, by way of operating the NACHIP functionally and continuously and putting the strategic plan into action.</p> <p>1. Expected Goals through the Proposed Plan³: Through the effective operation of the NACHIP, a mechanism to reform provider payment methods and the BHSP is functioning. In turn, this will contribute to the improvement of the health insurance system, such as improving the balance of the health insurance fund, increasing the health insurance coverage rate, and reducing OOP expenditure.</p>												
Activities of the Project	<p>1. Project site: Viet Nam (nationwide)</p> <p>2. Main activities:</p> <p>1) Evaluation of impact of free access regulation and proposal on various payment models, etc.; 2) Calculation of impact of benefit packages for the elderly, training to update and provide specific evidence for periodic adjustment of benefit packages, projection of the balance of the health insurance fund, etc.; 3) Survey on master codes for drugs, technical services, diseases, etc., examination of the direction of improvement of legal documents related to the application of IT, capacity building of IT-related staff, etc.; 4) Recommendation on the appropriate management method of the NACHIP, seminars on Japanese experiences, preparation and organization of the general assembly and some sub-council meetings, preparation of the draft of standard operation procedures (SOP) of the NACHIP's operation, etc.; 5) Review of the current status of health insurance claim review rules and protocols and advice on revision as necessary, review of the current status of the IT system and proposals for improvement, examination of the applicability of Japanese examination protocols to Viet Nam etc.; 6) Survey to identify the current status of health insurance participation and examination of intervention options to promote enrollment based on a survey of the current status; and 7) Compilation of good practices and lessons learned from project activities and development of a draft of the strategic plan to improve the health insurance system.</p> <p>3. Inputs (to carry out above activities)</p> <table border="0"> <tr> <td>Japanese Side</td> <td>Vietnamese Side</td> </tr> <tr> <td>1) Mission members: 9 persons</td> <td>1) Staff allocated: 13 persons</td> </tr> <tr> <td>2) Trainees received: 13 persons (Japan)</td> <td>2) Land and facility: Project Office</td> </tr> <tr> <td>Third country training in Thailand: 4 persons</td> <td></td> </tr> <tr> <td>3) Equipment: Office equipment</td> <td></td> </tr> </table>			Japanese Side	Vietnamese Side	1) Mission members: 9 persons	1) Staff allocated: 13 persons	2) Trainees received: 13 persons (Japan)	2) Land and facility: Project Office	Third country training in Thailand: 4 persons		3) Equipment: Office equipment	
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Project Period	(ex-ante) September 2017 – September 2019 (24 months) (actual) October 8, 2017 – April 7, 2020 (30 months) ⁴	Project Cost (Japanese side only)	(ex-ante) 300 million yen (actual) 351 million yen										
Implementing Agency	The Department of Health Insurance (DHI) and the Department of Planning and Finance (DPF)/the Ministry of Health (MOH); the Vietnam Social Security (VSS)												

¹ The NACHIP was modeled the Central Social Insurance Medical Council of Japan (Chuikyo), with the Deputy Minister of Health as the Chairperson, the Deputy Director General of VSS as the Vice Chairperson, the Department of Health Insurance (DHI)/MOH as the Secretariat, and members from related organizations.

² More specifically, they consisted of seven Outputs: 1) Define the optimal provider payment methods and the development roadmap is adjusted accordingly to strengthen health insurance systems; 2) Suggest the benefit packages related to the Aging Population, to be reimbursed by health insurance fund; 3) Strengthen capacity and efficiency of IT application in the management of service providing and health insurance payment; 4) Develop functions and improve the capacity of the NACHIP; 5) Improve Health Insurance Claim Review Information System; 6) Improve population's enrollment in social health insurance; and 7) Develop Strategic plan options for further improving health insurance system.

³ The degree of achievement of expected goals is not to be assessed in principle at the time of ex-post evaluation, since it is defined as the medium-to-long-term goals which will be attained as a result of crystallizing the proposed plan ("output" of the project).

⁴ The actual completion date (April 2020) is based on the information from the Sectoral Department of JICA headquarters. For reference, it is September 2020 according to the workflow of the project in the Final Report (FR) of the project issued in July 2020. The FR also contains the information as of May 2020.

II. Result of the Evaluation

<Constraints on Evaluation>

- Information regarding Sustainability could not be obtained from the VSS despite repeated requests from JICA Viet Nam Office, because, according to the VSS, the project has been completed already, and all the health insurance related tasks are routine work of VSS so they perform as required but they are not particularly based on project results.

<Special Perspectives Considered in the Ex-Post Evaluation >

- Output 6 (“Improve population’s enrollment in social health insurance”) was interpreted to mean “Propose measures to improve population’s enrollment in social health insurance”, considering (i) the activities of Output 6 planned in the Record of Discussions (R/D) (July 2017, revised in June 2019) i.e. assessment of the current situation and identification of intervention options and (ii) the description of Output 6 in of Japanese Final Report (FR) (“Propose measure to improve population’s enrollment...”).
- Status of Achievement for the Objectives at the Time of Project Completion was judged by comparing the latest activities of each Output planned in the revised R/D and the actual results stated in the FR.
- According to the Ex-ante Evaluation Sheet, “Indicators to be used at the Time of Ex-post Evaluation (Utilization Status of the Proposed Plan)” are “The NACHIP will operate functionally and continuously, and the strategic plan for improving the health insurance system developed in this project will be put into action. In turn, this is expected to contribute to the increase of health insurance coverage, reduction of OOP expenditure rate, and improvement of the balance of the health insurance fund”. In this evaluation, “The NACHIP will operate functionally and continuously” and “the strategic plan for improving the health insurance system developed in this project will be put into action” of the first sentence were respectively regarded as Indicator 1 and Indicator 2 of Utilization Status of Proposed Plan. The second sentence was considered as part of the Expected Goals through the Proposed Plan (“Through the effective operation of the NACHIP, a mechanism to reform provider payment methods and BHSP is functioning. In turn, this will contribute to the improvement of the health insurance system, such as improving the balance of the health insurance fund, increasing the health insurance coverage rate, and reducing OOP expenditure”).
- The Expected Goals through the Proposed Plan consist of two sentences. The achievement status of the second sentence was confirmed by checking the listed elements of the improvement of the health insurance system (i.e., the improvement of the balance of the health insurance fund, the increase of the health insurance coverage rate, and the reduction of OOP expenditure).
- As for Sustainability, more weight was placed on the MOH than on the VSS because the MOH was the responsible organization of NACHIP and the main responsible organization of the draft of the Strategic Plan for Improving the Health Insurance System (SPIHIS) developed in the project.

1 Relevance/Coherence

[Relevance]

<Consistency with the Development Policy of Viet Nam at the Time of Ex-Ante Evaluation >

The project was consistent with the development policy of Viet Nam at the time of ex-ante evaluation. In addition to the Health Insurance Law (2014) stated in “Background” above, in the Five-Year Health Sector Plan (2016-2020), health financing reforms to achieve UHC, which include an increase of the health insurance coverage rate, revision of medical fees and pilot activities of payment methods, is considered as one of the main issues to be addressed.

<Consistency with the Development Needs of Viet Nam at the Time of Ex-Ante Evaluation >

The project was consistent with the development needs of Viet Nam for the management of provider payment methods and the BHSP reimbursed by health insurance at the time of ex-ante evaluation as shown in “Background” above.

<Appropriateness of Project Design/Approach>

The project design/approach was appropriate. No problems attributed to the project design/approach were confirmed. Effectiveness/Impact and Sustainability of the project have been affected by an external factor (i.e., the abolishment of the NACHIP after the project completion) and challenges in the implementation process (see footnote 8).

<Evaluation Result>

In light of the above, the relevance of the project is ③⁵.

[Coherence]

<Consistency with Japan’s ODA Policy at the Time of Ex-Ante Evaluation>

The project was consistent with the Japan’s ODA policy to Viet Nam at the time of ex-ante evaluation. The Country Assistance Policy for the Socialist Republic of Viet Nam (2012) set forth support in the health sector to achieve UHC through improving medical services and strengthening the health insurance system under one of the priority areas of “Response to Fragility (Response to the Negative Impacts Brought by Economic Development)”.

<Collaboration/Coordination with JICA’s Other Interventions>

Although the collaboration/coordination between the project and JICA’s Health Policy Advisor to the MOH was planned during the project period and was implemented, any positive effects were not confirmed at the time of ex-post evaluation.

<Cooperation with Other Institutions/ Coordination with International Framework>

No collaboration/coordination between the project and other donors, international frameworks, etc., was clearly planned at the time of ex-ante evaluation and during the project period.

<Evaluation Result>

In light of the above, the coherence of the project is ②.

[Evaluation Result of Relevance/Coherence]

In the light above, the relevance/coherence of the project is ③.

2 Effectiveness/Impact

⁵ ④ : very high, ③ : high, ② : moderately low, ① : low.

<Status of Achievement for the Objectives at the Time of Project Completion>

The project objectives were mostly achieved as planned. Defining the optimal provider payment methods and adjusting the development roadmap to strengthen health insurance systems was mostly achieved. Various payment models were proposed instead of proposing a model of “best mix” for the standard provider payment method; however, reasons for the gap between the plan and actual results are not available in the existing documents (Output 1). The benefit packages related to the aging population, to be reimbursed by the health insurance fund, were suggested (Output 2). The capacity and efficiency of IT application in the management of service providing and health insurance payment was mostly strengthened. Instead of developing and implementing legal documents related to the application of IT, the relevant guidelines in Japan were introduced, and the direction of improvement was examined; however, reasons for the gap between the plan and actual results are not available in the existing documents (Output 3). Developing functions and strengthening the capacity of the NACHIP were mostly achieved. It is noted that the activities of the NACHIP were stagnant because the MOH’s Decision to establish the NACHIP was inconsistent with the situation at that time. The members of the Secretariat were not appointed, either. These affected some activities planned under Output 5. For example, instead of modifying the functions of the NACHIP, the project recommended the appropriate management method for the NACHIP in which the Secretariat takes the lead based on the experiences of Japan and the past experiences of other councils in Viet Nam. A general assembly and some sub-council meetings were prepared and organized only once in March 2020 to extract issues and sort out points of reflection etc. for the next meetings although preparing and organizing regular and irregular general assemblies and sub-council meetings was planned to monitor, review, and revise provider payment methods and BHSP covered by the health insurance (Output 4). The Health Insurance Claim Review Information System of VSS was improved (Output 5). A measure to improve the population’s enrollment in social health insurance was proposed (Output 6). The best practices and lessons learned from the project activities were compiled, and a draft SPIHIS⁶ was developed (Output 7). The FR of the project has been officially received by the MOH and the VSS, but it is not clear when it was received. It is presumed that the FR was received after the project completion (April 2020), considering the publication of the FR (July 2020).

<Utilization Status of the Proposed Plan at the Time of Ex-post Evaluation>

The proposed plan has not been utilized by the time of ex-post evaluation. “The NACHIP will operate functionally and continuously” has not been achieved. The MOH issued a Decision to abolish the NACHIP in October 2022 because the NACHIP had not had any performance since its Decision to establish it in 2016. Another reason to abolish the NACHIP was the establishment of the Social Insurance Management Council through a Government Decree (higher than an MOH’s Decision) in August 2020, which regulates the tasks, mission, and operation of the VSS⁷. According to the DHI/MOH, this project has no relation to the establishment of the Social Insurance Management Council (Indicator 1). The draft SPIHIS has not been put into action because it has not been approved by the MOH and the VSS. It is not even in the approval process. According to the DHI/MOH, some of the proposed strategies and actions in the draft SPIHIS need more clarifications to improve feasibility⁸, and therefore, the draft SPIHIS has not been finalized. There is no plan to finalize the draft SPIHIS for approval and implementation. It is noted that three out of 28 proposed strategies (not necessarily actions under strategies) have been materialized in different government documents,⁹ and the draft SPIHIS has been used as a reference source in the formulation of these documents. The DHI/MOH confirmed that it would use the draft SPIHIS as a reference source in the future as well. (Indicator 2).

<Status of Achievement for Expected Goals through the Proposed Plan at the Time of Ex-post Evaluation>

The expected goals through the proposed plan have not been achieved at the time of ex-post evaluation. The first sentence of the expected goal (“A mechanism to reform provider payment methods and the BHSP is functioning through the effective operation of the NACHIP”) has not been achieved because the NACHIP has been abolished as explained earlier. The second sentence of the expected goal (“In turn, this will contribute to the improvement of the health insurance system, such as improving the balance of the health insurance fund, increasing the insurance coverage rate, and reducing OOP expenditure”) has been partially achieved. The balance of the health insurance fund has been improved, and the health insurance coverage rate has been increased, but the reduction of OOP expenditure was not verifiable due to a lack of information. It is noted that the improvement of the balance of the health insurance fund and the increase of health insurance coverage were not caused by the contribution of the project¹⁰.

<Other Impacts at the Time of Ex-post Evaluation>

No other positive impacts and negative impacts of the project have been observed.

<Evaluation Result>

⁶ The draft SPIHIS, covering approximately 10 years from 2021, sets seven goals ((1) Improving quality of health care; (2) Improving accessibility to medical facility; (3) Promotion of self-profitability of health facility; (4) Improving credibility for health insurance system and expanding coverage; (5) Strengthening operation of health insurance fund and stabilizing finance; (6) Promoting use of evidence for policy making and strengthening the function of the NACHIP; and (7) Consideration of measurements towards super-aged society), and proposes strategies for achieving each goal. The draft SPIHIS consists of 28 strategies and actions under each strategy. The strategies are categorized into short-term, medium-term, and long-term, respectively, and the time when they should be addressed is also specified.

⁷ For reference, the Law on Social Insurance, which was adopted in June 2024 and will come into effect in July 2025, includes an article on the organization of the Social Insurance Management Council at the national level, which is responsible for assisting the Government and the Prime Minister in directing and supervising the activities of social insurance agencies and advising on social insurance, unemployment insurance, and health insurance policies. The Chairperson of the Council is the Minister of Finance and appointed by the Prime Minister (PM), the Standing Vice Chairperson is the Director General of VSS, and members are Deputy Ministers from other relevant ministries, including the MOH.

⁸ According to the DHI/MOH, the draft SPIHIS has not been finalized/approved because some of the strategies and actions of the draft SPIHIS need more clarifications since the collecting input from the counterparts was not enough to adapt into the draft while, according to the FR, “Comments of the MOH and the VSS were obtained and all of them were reflected” in developing the draft.

⁹ A strategy under Goal 1 has been materialized through the Law of Examination and Treatment and its guiding Decree (January 2024). A strategy under Goal 2 materialized through the Directive of the Communist Party Secretariat (October 2023) on continuing to consolidate, complete, and improve the quality of grassroots health operations in the new situation. A strategy under Goal 4 materialized through the PM’s Decision (April 2022) on the assignment of targets for health insurance coverage in the period of 2022-2025.

¹⁰ The balance of health insurance fund has been improved because, during the spread of Coronavirus disease 2019 (COVID-19) in 2020 and 2021, the use of medical services was limited due to social distancing, and, in 2022, there were a lot of difficulties in drug and consumable procurement so the hospital could not provide drugs and consumables to patients. The increase in insurance coverage rate has been promoted by a PM’s Decision (May 2020) to set a target of the health insurance coverage for all 63 provinces/cities and the mass awareness raising campaign conducted by the VSS.

In light of the above, the effectiveness/impact of the project is ②.

Status of Achievement of Utilization Status of the Proposed Plan and Expected Goals through the Proposed Plan

Aim	Indicators	Results	Source
(Utilization Status of the Proposed Plan) The NACHIP will operate functionally and continuously, and the SPIHIS developed in this project will be put into action.	Indicator 1: The NACHIP will operate functionally and continuously.	Status of Achievement: Not achieved. (Ex-post Evaluation) -The NACHIP has not been operated. It was abolished by the MOH's Decision in October 2022.	MOH
	Indicator 2: The SPIHIS developed in this project will be put into action.	Status of Achievement: Not achieved. (Ex-post Evaluation) -The SPIHIS has not been put into action because the draft developed in this project has not been finalized/approved. -Three out of 28 strategies of the draft SPIHIS have been used as a reference source in the formulation of different government documents.	MOH
(Expected Goals through the Proposed Plan) Through the effective operation of the NACHIP, a mechanism to reform provider payment methods and the BHSP is functioning. In turn, this will contribute to the improvement of the health insurance system, such as improving the balance of the health insurance fund, increasing the health insurance coverage rate, and reducing OOP expenditure.		Status of Achievement: Not achieved. (Ex-post Evaluation) -“Through the effective operation of the NACHIP, a mechanism to reform provider payment methods and BHSP is functioning” has not been achieved because the NACHIP had been abolished (see the results of Indicator 1 of Utilization Status of the Proposed Plan). -“Improvement of the health insurance system” has been partially achieved. The balance of health insurance improved from Vietnamese Dong (VND) 32,991 billion in 2020 to VND 55,930 billion in 2022 (no official data for 2023), and the insurance coverage rate increased from 91% in 2020 to 93% in 2023. The reduction in OOP expenditure is not verifiable due to a lack of relevant data. The improvement/increase in health insurance balance/insurance coverage rate was not caused by the contribution of the project.	MOH and VSS

3 Efficiency

The project cost slightly exceeded the plan (the ratio against the plan: 117%) due to combined factors and the project period exceeded the plan (the ratio against the plan: 125%) mainly due to responses to achieve results (i.e., the development of strategic plan options fully aligned with the revision of the Health Insurance Law and the implementation of precise situation analysis and actuarial analysis for better policy making by using the existing data). Outputs were produced as planned.

	Project Cost (Japanese side only, yen)	Project Period (months)
Plan (ex-ante)	300 million	24
Actual	351 million	30
Ratio (%)	117	125

In the light above, the efficiency of the project is ③.

4 Sustainability

<Policy Aspect>

There is policy support for the improvement of the health insurance system. For example, the revised Health Insurance Law (2024) and the latest Five-year Health Sector Plan (2021-2025) set forth the increase in the proportion of public expenditure on health and 95% of the population participating in health insurance. It is noted that the MOH's Decision to establish the NACHIP (2016) is not effective anymore because the MOH issued the Decision to abolish it in 2022. The draft SPIHIS has not been finalized and approved. There is no plan to finalize the draft for approval and implementation. However, the draft SPIHIS has been used as a reference source in making health insurance-related policies (see “Effectiveness/Impact”), and the DHI/MOH confirmed that it would continue to do so in the future.

<Institutional/Organizational Aspect>

The organizational structure of MOH to promote the improvement of the health insurance system has been continued, and the minimum necessary number of staff has been allocated. The MOH and the VSS have signed a Joint Regulation (dated September 3, 2020) on the Coordination in formulating and implementing policies and laws on health insurance. They are not functioning to operate the NACHIP and to implement actions based on the SPIHIS because the NACHIP has been abolished, and the draft SPIHIS has not been finalized and approved. However, they are functioning in terms of using the draft SPIHIS as a reference source for making health insurance-related policies and/or implementing the policies that have been formulated. The organizational structure and the number of staff of VSS in this regard could not be confirmed due to a lack of information. As of ex-post evaluation, the VSS and the MOH are taking the roles that were expected of the NACHIP through the Social Insurance Management Council although the Council is not related with this project (see “Effectiveness/Impact”) as the VSS is in charge of managing the health insurance fund and the MOH is in charge of developing the policies.

<Technical Aspect>

The DHI/MOH has the necessary capacity to formulate health insurance-related policies. It appears that the level of skills and knowledge of the DHI/MOH is enough to implement the SPIHIS if it were approved. It is difficult to confirm if the DHI/MOH has the capacity to operate the NACHIP, which was abolished in 2022. The technical capacity of VSS for the implementation of the relevant part of the draft SPIHIS could not be confirmed due to a lack of information.

<Financial Aspect>

The MOH has secured the necessary budget to promote the improvement of the health insurance system from the government budget and various donors. The necessary budget is likely to be secured in the future because health care is a priority of the Government of Viet Nam.

No budget has been allocated for the operation of the NACHIP and the implementation of actions based on the SPIHIS because the NACHIP has been abolished, and the draft SPIHIS has not been finalized and approved. However, the necessary budget has been secured to implement the policies that have been formulated using the draft SPIHIS as a reference source. The situation will be the same in the future. (It should be noted that the abolition of NACHIP and non-approval of SPIHIS are not due to a lack of budget.) The budget of VSS for the implementation of actions based on the draft SPIHIS could not be confirmed due to a lack of information.

<Environmental and Social Aspect>

No issue on environmental and social aspects has been observed, and it has not been necessary to take any countermeasures.

<Evaluation Result>

In light of the above, some problems have been observed in terms of the policy/institutional/organizational/technical/financial aspects of the implementing agency. Therefore, the sustainability of the project effects is ②.

5 Summary of the Evaluation

The project strengthened the operational mechanism of the medical fee payment system and the insurance coverage BHSP mostly as planned, and developed the draft SPIHIS. After the project completion, the proposed plan has not been utilized because the NACHIP has been abolished by the government and the draft SPIHIS has not been finalized/approved for implementation. It is noted that some strategies of the draft SPIHIS have been used as a reference source in formulating health insurance-related policies. As for the Sustainability, some problems have been observed in terms of policy, institutional/organizational, technical and financial aspects because the NACHIP has been abolished; the draft SPIHIS has not been finalized/approved/implemented and there is no plan to finalize the draft for approval and implementation; but the draft SPIHIS has been utilized as a reference source in formulating health-insurance related policies. Considering all of the above points, this project is evaluated to be partially satisfactory.

III. Recommendations & Lessons Learned

Recommendations for Implementing Agency:

- The draft SPIHIS was developed as a proposed plan of the project and the DHI/MOH has used it as a reference source in making health insurance-related policies and confirmed that it would continue to do so. So, it is expected that this document will be continuously considered as a reference document for developing a better health insurance system.

Lessons Learned for JICA:

- During this project, the problem of a lack of information necessary for the study and evaluation of the current situation was identified due to the incomplete information infrastructure and data sources. There were also difficulties in accessing the data of VSS despite repeated requests from the expert team of Japanese side and JICA Viet Nam Office. So, the project had to implement the related activities based on the available information system. Some of the original activities were officially modified or deleted in the second year “due to difficulty in collecting related data”. Intervention at policy making through a technical cooperation project is not easy in Viet Nam due to the difference of the socio-economic situation. Therefore, it is recommended that, during the stage of planning of a technical cooperation project in Viet Nam that includes the analysis and/or evaluation of the current situation for policy making, JICA study deeply and carefully about the necessary elements, taking into account the accessibility/availability of related data, to ensure the smooth implementation of the project.