

Write make a Presentation

Group 4: Egypt

Highlight how the country;

- Raises revenue
- Pools funds
- Purchases services
- Designs Benefits
- Deals with provider payment mechanisms
- Provides financial protection healthcare users

What lessons did you learn from this that you can apply in the South African context?

Health Financing Reforms in Egypt

Raising

Revenue

Egypt's health care system remains heavily dependent on out-of-pocket (OOP) payments, which account for approximately 60% of total health expenditure (Fasseeh et al., 2022). This reliance places a disproportionate financial burden on lower-income households, often leading to delayed care, financial hardship, or complete exclusion from essential services. Such a model exacerbates health inequities and undermines the principle of universal health coverage.

To mitigate these disparities, the Egyptian government supplements health financing through multiple public mechanisms. These include contributions to the national health insurance scheme and direct subsidies from the Ministry of Finance (Rashad and Sharaf, 2015). While these efforts signal a commitment to equity, the scale and efficiency of public funding remain constrained by fiscal pressures and competing national priorities. Strengthening domestic revenue mobilization through progressive taxation, earmarked health levies, or sin taxes could offer more sustainable pathways to reduce OOP reliance and expand coverage.

Pooling Funds

Egypt's health financing landscape benefits from a diverse array of pooled resources. These include foreign direct investment (FDI), revenues from natural resources such as oil and gas, and growing

contributions from clean energy initiatives (Ibrahiem and Sameh, 2021). Pooling funds from multiple sources enhances financial risk protection and enables cross-subsidization between population groups.

However, the fragmentation of funding streams can pose challenges to efficiency and accountability. To optimize pooling, Egypt could consider consolidating fragmented schemes under a unified health financing framework, ensuring that funds are equitably distributed and strategically aligned with national health priorities. Transparent governance and robust regulatory oversight are essential to maintain public trust and maximize the impact of pooled resources.

Purchasing

Services

The purchasing of health services in Egypt reflects a mixed model. The government remains a dominant purchaser, particularly through public hospitals and primary care facilities. At the same time, insurance-based mechanisms both social and private play an expanding role, alongside commercial providers operating on a fee-for-service basis (Ibrahiem and Sameh, 2021).

Strategic purchasing, where funds are allocated based on performance, quality, and population health needs, is still emerging. Strengthening this approach could improve service delivery and incentivize providers to prioritize value over volume. Egypt's move toward universal health insurance offers a critical opportunity to embed strategic purchasing principles, including contracting with both public and private providers, setting clear service packages, and linking payments to outcomes.

Benefits

Design

Egypt's Universal Health Insurance (UHI) law, passed in 2018, marked a transformative step in extending health coverage and reducing inequities (World Bank, 2020). The benefits package is being implemented gradually across governorates, with the aim of offering comprehensive services. However, the exact composition of the package, including services covered and co-payment rules, has not always been clearly defined, leading to uncertainty for households (World Health Organization, 2021).

Analysts stress that transparency in governance and regular updates to the package are crucial for ensuring accountability and alignment with fiscal capacity (Barroy et al., 2019). Moreover, integration between preventive services (funded through taxes) and curative services (funded by the UHI) remains critical, as misalignment could skew priorities toward curative rather than preventive care (World Bank, 2020). To ensure sustainability, actuarial studies and costing exercises are essential to balance affordability with the breadth of coverage (Barroy et al., 2019).

Provider	Payment	Mechanisms
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Provider payment in Egypt has traditionally been fragmented, relying on a mix of salaries, line-item budgets, and fee-for-service systems, which generate conflicting incentives and weaken efficiency (World Bank, 2020). Under the UHI, reforms aim to move towards strategic purchasing through capitation payments at primary care level and Diagnosis-Related Groups (DRGs) for hospitals (WHO, 2021).

These mechanisms are designed to incentivise efficiency, promote gatekeeping, and reduce unnecessary hospital use (Cashin et al., 2017). However, international evidence warns of potential risks such as upcoding and quality reduction if these mechanisms are poorly regulated (Cashin et al., 2017). Egypt is therefore developing tariffs, robust claims systems, and quality monitoring frameworks, with technical assistance from the World Bank and development partners (World Bank, 2020).

Financial	Protection
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Egypt's reforms were driven by historically high out-of-pocket (OOP) expenditure, which accounted for more than 60% of total health spending and led to catastrophic costs for households (OECD, 2020). The UHI law aims to expand financial protection by pooling risks, reducing OOP payments, and subsidising contributions for poor and vulnerable groups (World Health Organization, 2021).

The government committed to fully covering contributions for those unable to pay, while introducing progressive contributions for formal sector workers (OECD, 2020). Early evidence from pilot governorates suggests some improvements in access to care, though informal payments and gaps in service quality persist (World Bank, 2020). The degree of financial protection ultimately depends on the clarity of the benefits package, efficiency of payment mechanisms, and strong implementation and enforcement (Barroy et al., 2019).

Key	Considerations	for	Reform
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Egypt's experience demonstrates that reforms cannot simply be imported but must be tailored to local context. Clear definition of benefits, harmonised payment mechanisms, and robust actuarial and fiscal planning are essential. Strong governance and accountability structures, supported by modern information systems, are equally critical to ensure reforms achieve their intended goals of equity, efficiency, and financial protection (World Bank, 2020; WHO, 2021)

From Egypt's health financing reforms, South Africa can draw key lessons for its NHI plans. First, the benefits package must be transparent and clearly defined so people know exactly what is covered and

so that preventive services like HIV, TB, and maternal health aren't neglected. Second, payment systems such as capitation for primary care and DRGs for hospitals must be backed by strong regulation and quality oversight to prevent misuse and ensure good care. Third, financial protection must go beyond free public services: while poor and vulnerable groups are already subsidised in South Africa, indirect costs like transport, medicine stock-outs, and long waiting times still push many into private care and out-of-pocket spending. Fourth, strong governance, accountability, and reliable health information systems are essential to avoid corruption and make reforms effective. Finally, South Africa must tailor reforms to its own context phasing them in carefully, matching them to fiscal reality, and addressing deep inequalities and disease burdens.

References

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