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Egypt's Health Insurance: Legislative & Institutional Structure

Abbas Qabbari

Before the 2013 coup, various laws had affiliated all medical treatment authorities, councils, and institutions to the Ministry of Health; stressing dominance and mandate of the ministry over all medical and therapeutic terms of reference, technically, administratively and allegiantly¹.

This paper addresses the key transformations in the ministry's medical terms of reference, based on the Universal Health Insurance Law No. 2 of 2018, which established a new reality, stripping the Ministry of Health of its essential competencies in favor of economic and service bodies established by the law, within a new course adopted by the post-coup regime in pursuit of emptying ministries of their powers and competencies .the Universal Health Insurance (UHI) system, GAHI, GAH, GAHAR

According to Law No. 2 of 2018, an insurance system was established, including three bodies: the General Authority for Health Insurance (GAHI), an economic body that finances the system, manages, and invests its funds; the General Authority for Healthcare (GAH), a service body that monopolizes the government health service, converting it to a pre-paid service; and the General Authority for Healthcare Accreditation and Regulation (GAHAR), a service body that provides required funds to operate the system and the medical field activity in general, monitors and inspects its facilities and its personnel.

First: Powers and competencies of the universal health insurance bodies and their legal status

While addressing the role of the Universal Health Insurance (UHI) system bodies, the State Information System (SIS) stated that "The role of the Ministry of Health shall be limited to provision of ambulance services and preventive medicine after the new health insurance law enters into force!",² which contradicts what was settled in the old health insurance law, where the health

¹ Law No. 490 of 1955, Law No. 368 of 1956, Decree No. 135 of 1964, Decree No. 1581 of 1967, Law No. 51 of 1981, Law No. 153 of 2004, Law No. 141 of 2006, and Decree No. 1830 of 1964.

² Report on actual launch of the universal health insurance law in Egypt, SIS, 15 November 2020, [link](#).

insurance system was established as a body affiliated with the Ministry of Health³, headed by the Minister; and even when it was transformed into the 'Higher Council for Health Insurance'⁴, the Minister of Health was the head of the council.

New Law No. 2 of 2018, which established a universal health insurance system covering all citizens, not only civil servants as it was before, and operating through three bodies: the General Authority for Health Insurance (GAHI), the General Authority for Healthcare (GAH), and the General Authority for Healthcare Accreditation and Regulation (GAHAR).

The executive regulations organizing the law were issued by Ministerial Decree No. 909 of 2018.

The law and its executive regulations regulated the terms of reference and powers that the health insurance system acquired, where three bodies replaced the Egyptian Ministry of Health in essential matters of its core mission.

In addition to being universal, that is including all citizens, the law has major features, most notably:

Separation of financing from service provision.

Being a mandatory system.

The family is the unit of insurance coverage.

1) Powers

A: General Authority for Health Insurance

The General Authority for Health Insurance (GAHI) is to have its own legal personality, acting under the supervision of the Prime Minister. Its headquarters will be in Cairo, with different offices around Egypt. The main aim of this body is the collection of the premiums from citizens, and to invest this money safely, using returns to finance the two other bodies. Thus, it monopolizes investment of the system's funds, proposes required loans to finance its programs and projects⁵, and determines the

³ Decree No. 1209 of 1964

⁴ Decree No. 1830 of 1964

⁵ The World Bank reveals details of a \$ 400 million loan for health insurance in Egypt, Masrawy, 22 June 2020, [link](#).

prices of medical services provided by the system⁶ through a committee formed by its board of directors.

The General Authority for Health Insurance contracts with public and private hospitals and other medical facilities⁷ to provide services to the General Authority for Healthcare, in accordance with the quality standards set by the General Authority for Healthcare Accreditation and Regulation, in accordance with the prices, controls and procedures approved by its board of directors, without being bound by provisions of the government tenders and auctions laws in force!⁸, At the same time, it may dismiss service providers that violate requirements .It may also seek the assistance of local and foreign expertise.

B: General Authority for Healthcare

At the forefront of the General Authority for Healthcare (GAH) powers comes its right to establish entities (law amendment is underway to allow health insurance authorities to establish joint-stock companies) to assist it in performing its mission in managing healthcare facilities and manage the health services that they provide⁹. The GAH provides three levels of healthcare through the existing health units, hospitals, and hospitals specialized in heart diseases and tumors. In addition to the existing hospitals and health facilities of the Ministry of Health, GAH is entitled to establish or rent hospitals and care units .It can also appoint or contract medical and technical personnel.

C: General Authority for Healthcare Accreditation and Regulation

The key powers of the General Authority for Healthcare Accreditation and Regulation (GAHAR) include setting the standards for the quality of health units and hospitals, as well as accrediting the establishments that abide to these standards. The GAHAR also carries out routine inspections of the establishments. It is also responsible for cooperating and coordinating with similar bodies abroad.

⁶ The new health insurance system reveals the completion of the pricing of 1595 services, Youm7, 11 August 2011, [link](#).

⁷ Law No. 151 of 1981 regulating medical facilities

⁸ The current legal system has always excluded the bodies emerging after the coup from the basic law provisions, especially the Tenders and Auctions Law, which was replaced by Law 182 of 2018 regulating contracts concluded by public authorities.

⁹ Ministry of Finance reveals details of new amendments to the Universal Health Insurance Law, Ahram, 12 October 2020, [link](#).

The GAHAR has mandatory authority to grant accreditation certificates to medical facilities that provide health service within the insurance system or those that are not included in the system, to renew them for further periods, or to suspend and cancel them .The GAHAR also forms permanent committees to settle disputes to adjudicate complaints related to accreditation.

The three bodies have the power to express their views on international agreements, draft laws and regulations related to their work, or related activities.

2) Terms of reference:

According to the Law 2 of 2018, the Universal Health Insurance (UHI) system, with its three bodies, has taken over the Ministry of Health and Population's entire mission of the curative and health service.

A: General Authority for Health Insurance

The General Authority for Health Insurance (GAHI) enjoys financial independence, as it will be clarified in detail in the second topic, being an economic body concerned with managing the funds of the universal health insurance system. In addition to its financial aspect, it carries out several administrative and supervisory roles for following up the treatment service provided to beneficiaries, including:

- Pricing services
- Follow-up of the treatment service of health service providers.
- Purchase of the health services for owners of insurance systems or health programs by contracting with health care service providers and treatment systems covered by the General Healthcare Authority or any other party.
- The General Authority for Health Insurance issues certificates of disabilities resulting from work injuries.

B: General Healthcare Authority

The General Healthcare Authority has replaced the Ministry of Health in providing treatment, insurance, and health care services at their three levels (preventive, diagnostic, and rehabilitative), as it is specialized in the following:

- Management of the medical facilities it has received from the health insurance system, or the Ministry of Health in governorates. Therefore, it monopolizes the governmental treatment services that had been provided by the Ministry of Health¹⁰, as the role of the Ministry of Health has been limited to providing ambulance and preventive medicine services.
- Undertaking medical examination for job candidates or those at risk of infection during performance of their work duties.
- Providing the medical, technical, and administrative personnel and other professionals required for GAH's performance of its mission through appointment or contracting.
- Providing the required drugs and medical supplies needed for provision of health care services, where the Egyptian Authority for Unified Procurement (UPA) will purchase these drugs¹¹.

C: General Authority for Healthcare Accreditation and Regulation

The main competence of the General Authority for Healthcare Accreditation and Regulation (GAHAR) is to set the quality standards for health and insurance services, and to regulate safety rules for the health sector, including:

- Accreditation and registration of medical facilities that it has received from the Ministry of Health¹² or private facilities, which provide service within the UHI system, and supervise and control them, in addition to having the authority to suspend accreditation or registration in the event that the medical facility violates the terms of operation.

¹⁰ Report on actual launch of the universal health insurance law in Egypt, SIS, 15 November 2020, [link](#)

¹¹ Article 23 of Law 2 of 2018

¹² Al-Ahram Gate reveals number of hospitals and health units in the first phase of the health insurance system, Al-Ahram Gate, 19 November 2020, [link](#)

- Accreditation and registration of members of the medical profession working in the medical and health sector and supervising them.

3) Legal status of bodies:

The investment orientation of the General Authority for Health Insurance is evident from the legal form stated by the law as an economic organization, where Article 4 of Law 2 of 2018 stipulates that: the General Authority for Health Insurance is an economic authority with an independent budget, which is subject to the supervision of the Prime Minister. The main role of the GAHI is to finance the universal health insurance scheme through the collected funds and to manage such funds. The GAHI shall invest such funds based on a pre-determined investment strategy. The GAHI shall also be involved in financing medical services and pricing medical services.¹³

The funds collected from citizens by GAHI are also considered private funds¹⁴, enjoying all aspects and forms of protection prescribed for public funds.

Article 15 of Law 2 of 2018 stipulates that the General Authority for Healthcare (GAH) is a public service authority with an independent budget, which is subject to the 'supervision' of the Ministry of Health and Population. The main role of the GAH is to regulate the healthcare service providers and supervise the provision of healthcare services¹⁵. Although it is a service, it provides paid investment services, and is entitled to establish joint-stock companies to manage its hospitals and its administrative and technical activities.

Article 26 of Law 2 of 2018 stipulates that the General Authority for Healthcare Accreditation and Regulation (GAHAR) is a public service authority, with a legal personality and an independent budget, which is subject to the supervision of the President of the Republic¹⁶.

¹³ Formation of the Board of Directors of the General Authority for Health Insurance, AlBorsa News, 1 February 2019, [link](#)

¹⁴ The essential difference between the public and private money is the ease of rules and conditions for disposing of the private money

¹⁵ The Board of Directors of the Health Care Authority was formed by Prime Minister Decree No. 2041 of 2018, Youm7, 8 October 2018, [link](#)

¹⁶ Formation of the Board of Directors of the General Authority for Accreditation and Regulation by Prime Minister Decree No. 2040 of 2018, Youm7, 8 October 2018, [link](#)

Each of the three bodies has a board of directors with a chairman, where the board of directors, according to the articles regulating each body,¹⁷ is the supreme authority that dominates the body's affairs and manages it, and sets and implements the required policies to achieve its goals and objectives. The board of directors has the right to take the final decisions it deems necessary to carry out its functions, without the need to be approved by any other party.

Second: Administrative and financial independence of the universal health insurance bodies from the Ministry of Health

It is clear from above that the Ministry of Health's administrative role has diminished, and its financial terms of reference have disappeared according to the new universal health insurance system.

1) Administrative independence

While the Minister of Finance is the head of the board of directors of the Universal Health Insurance system, the role of the Minister of Health is limited to general supervision of the General Healthcare Authority; and there is no mandate for the Ministry of Health over the three health insurance bodies, as their boards of directors are independent and do not need approval of their decisions by any other party; and do not submit reports of their performance or financial position except to the Council of Ministers and the House of Representatives.

The Ministry of Health has no role in setting the policies or defining the strategies of the GAHI, GAH, GAHAR. The three bodies alone express their views on treaties or agreements, laws and regulations related to their missions.

In the absence of the Ministry of Health, the health insurance bodies manage the existing government hospitals that they receive successively from the Ministry of Health¹⁸ and establish new hospitals or rent them according to the contracting, accreditation and registration system.

¹⁷ Articles 6, 18, 30 of Law 2 of 2018

¹⁸ Ministry of Health reveals phases of implementation of the universal health insurance system in all governorates, Youm7, 5 January 2020, [link](#)

According to Law 2 of 2018, all employees of the Ministry of Health shall be transferred to the three bodies, according to the field of work of each.

As mentioned above with respect to the terms of reference, the General Authority for Healthcare Accreditation and Regulation (GAHAR) manages the quality control, inspection and accreditation system for medical facilities, and supervises them, cancels their contracts, and decides on their grievances and complaints through its dispute settlement committees only!

However, the most prominent aspect of independence is the requirement to re-register doctors and members of medical professions and their need to obtain accreditation certificates from the universal health insurance system as a precondition for practicing the profession. The universal health insurance system also has the right to suspend their accreditation in the event of irregularities, despite the licenses given to them by the Ministry of Health and the Doctors Syndicate for practicing their profession in their private clinics, or public and private hospitals.

2) Financial independence

The three health insurance bodies enjoy financial independence and acquire financial privileges that may exceed those of the Ministry of Health itself.

A: Financial privileges

The General Authority for Health Insurance (GAHI) manages and invests the funds of premiums collected from citizens according to the ratios set by the law, and it finances all the services rendered by the system according to prices determined by the GAHI pricing committees.

Given the fact that participation in the UHI system is mandatory, the General Authority for Health Insurance obtains fixed monthly premiums from all citizens, and it also obtains premiums from employers on behalf of employees at their facilities, in addition to the money that citizens pay for the services they receive.

Those proceeds and premiums that have undermined the idea of subsidies on health services, and converted them to prepaid services, are completely owned by the General Authority for Health Insurance, where GAHI is entitled to invest according to the investment strategy determined by its board of directors, and receive its returns.

As for the largest financial returns that the GAHI collects, they are manifested in taxes and fees stated by the law at fixed percentages on some products and services, such as cigarettes, some traffic services, and the fees on the medical facilities upon contracting for registration in the system and others¹⁹.

The General Authority for Healthcare (GAH) gets paid for the medical and non-medical services according to prices set by the system itself, in addition to the GAH investment returns and the funds allocated by the state as its main tool for controlling and regulating the provision of insurance health services²⁰.

The General Authority for Healthcare Accreditation and Regulation (GAHAR) charges a fee for issuance of accreditation and registration certificates as well as the services it provides in the form determined by its board of directors.

The three bodies share the ability to propose loans, and accept grants, gifts, donations, subsidies, and bequests; and the three bodies are exempt from taxes and fees of all kinds²¹.

B: Administrative and treatment assets²²

All the administrative assets of the Health Insurance Authority, except for those related to therapeutic assets and quality and accreditation assets, shall go to the General Authority for Health Insurance (GAHI).

All health facilities specified by law²³ shall go to the General Healthcare Authority (GAH) after they have been accredited by the universal health insurance system.

¹⁹ Imposing fees on cigarette prices and other products and services in accordance with the Universal Health Insurance Law, Youm7, 11 June 2018, [link](#)

²⁰ Article 15 of the Universal Health Insurance Law

²¹ Article 52 of the Universal Health Insurance Law

²² Article 50 of Ministerial Decree No. 909 of 2018

²³ Article 22 of Law No. 2 of 2018

All appropriate assets and headquarters of the Ministry of Health and its directorates shall go to the General Authority for Healthcare Accreditation and Regulation (GAHAR).

Finally, the budget of the General Authority for Health Insurance has been estimated at more than EGP 23 billion²⁴.

Conclusion

The Universal Health Insurance (UHI) system, including GAHI, GAH, GAHAR, is a treatment system that is independent from the mandate of the Ministry of Health, dominating all its tools, and administered by an economic authority, authorized to collect premiums from all citizens; and it is allowed to invest these funds independently without any interference in its decisions from any party or scrutiny of any kind, and without being subject to control or public tenders laws, in addition to having the right to establish competing companies and entities that can assist them in performance of their tasks.

Under this new system, doctors and all members of the medical profession are prompted to re-register themselves and their facilities in the three UHI bodies and obtain accreditation certificates as soon as the system enters into force in their governorates, otherwise they would be prevented from practicing their profession or operating their own clinics and hospitals!

According to this system, the three UHI bodies undertake pricing their services themselves without oversight from any other party, reject issuance of new accreditation certificates, or cancel the already existing ones, and refrain from providing their services to those who delay in repayment of their due premiums until they pay the arrears.²⁵

According to this system, the GAHI, GAH, GAHAR are exempt from any taxes, fees or insurance of any kind, while they are entitled to engaging in competitive investments; receiving gifts, donations, bequests; and obtaining loans.

²⁴ GAHI budget for FY 2019/2020, Manshurat, [link](#)

²⁵ Article 48 of Law No. 2 of 2018

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This health insurance system manages its transactions according to the controls of private money owned by the state while it benefits from the protection of the public money! According to the system, the three UHI bodies shall receive all government hospitals that provide health care after the Ministry of Health qualifies them out of its own budget to meet the accreditation standards.

Under this health insurance system, each of its three affiliated bodies has its own budget independent from the Ministry of Health, and a special account within the unified treasury account at the Central Bank of Egypt, where its funds are deposited and be at the disposal of their boards of directors without any restrictions or conditions.

As mentioned above, the three bodies have dominated the essence of the medical and therapeutic terms of reference of the Ministry of Health, amid absence of the ministry from most of the law articles except for a narrow margin of ineffective tasks.

According to the Universal Health Insurance system, the role of the ministries and ministers of finance²⁶, planning²⁷, war production²⁸, and defense²⁹ has become more influential, with respect to the state's treatment system, than the Ministry of Health and its minister!

²⁶ Finance Minister: The political leadership is the biggest supporter of the universal health insurance system, Al Borsa News, 25 November 2020, [link](#)

²⁷ Planning Minister: No postponement of the universal health insurance system, Alraees, 17 June 2020, [link](#)

²⁸ Head of the Ministry of Military Production's Information Systems Center explains the center's role in the universal health insurance system, ON TV, 3 December 2020, [link](#)

²⁹ Cooperation protocol between GAHI and the armed forces' medical services for treatment of their beneficiaries, Youm7, 17 June 2019, [link](#)