

Module 11 - Cost of implementation of scenarios for “Health”

Scenario 1: Extension of PHCP to uncovered poor people

Assumptions:

- Target group = the uncovered poor, i.e. 52 per cent of the poor population;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Per capita cost of the PHCP = COD2,500 in 2011;
- Per capita cost increases every year in proportion to the average wage increase;
- Administrative cost of PHCP is assumed to be 15 per cent of the cost of benefits every year (targeted programme).

Results:

According to the calculations in the RAP model, extending PHCP to all uncovered poor people is expected to cost an additional 0.04 per cent of GDP or 0.21 per cent of Government expenditures in 2020.

Scenario 2: Extension of PHCP to all informal economy workers

Assumptions:

- Target group = the uncovered informal economy population;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Per capita cost of the PHCP = COD2,500 in 2011;
- Per capita cost increases every year in proportion to the average wage increase;
- Administrative cost of PHCP is assumed to be 5 per cent of the cost of benefits every year (non-targeted programme).

Results:

According to the calculations in the RAP model, extending PHCP to all informal economy workers is expected to cost an additional 0.69 per cent of GDP or 3.66 per cent of Government expenditures in 2020.

Scenario 3: Extension of PHCP to all uncovered poor (scenario 1) and transportation allowance for all poor people

Assumptions:

- Target group of the transportation allowance = all poor people;
- Take-up rate (progressive coverage of the target group) = 25 per cent in 2014, 50 per cent in 2015, 75 per cent in 2016, and 100 per cent as of 2017;
- Average cost of the transportation allowance = COD400 (COD100 per visit * 4 visits per year on average);
- Average cost of transportation increases every year in proportion to the average wage increase;
- Administrative cost of the transportation allowance is assumed to be 15 per cent of the cost of benefits every year (targeted programme).

Results:

According to the calculations in the RAP model, providing a transportation allowance to all poor people in addition to benefits under scenario 1 would cost 0.05 per cent of GDP or 0.28 per cent of Government expenditures in 2020.



Closing the SPF gap for the health care guarantee in Coresia would cost between 0.04 per cent and 0.69 per cent of GDP in 2020, where 0.04 per cent is the cost of the lowest scenario (scenario 1) and 0.69 per cent is the cost of the highest scenario (scenario 2).

Table 1: Results of the costing exercise for health care

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Scenario 1: Extension of PHCP to uncovered poor people										
Cost of scenario 1 (COD million)	0	0	0	2 007	4 056	6 138	8 273	8 351	8 442	8 519
Cost as % of GDP	0.00	0.00	0.00	0.02	0.03	0.04	0.05	0.05	0.04	0.04
Cost as % of Government expenditures	0.00	0.00	0.00	0.08	0.15	0.20	0.26	0.24	0.23	0.21
Scenario 2: Extension of PHCP to all informal economy workers										
Cost of scenario 2 (COD million)	0	0	0	25 727	54 737	87 177	123 574	131 117	139 300	147 703
Cost as % of GDP	0.00	0.00	0.00	0.20	0.39	0.57	0.74	0.72	0.71	0.69
Cost as % of Government expenditures	0.00	0.00	0.00	1.00	1.97	2.91	3.83	3.77	3.72	3.66
Scenario 3: Extension of PHCP to all uncovered poor (scenario 1) and transportation allowance for all poor people										
Cost of scenario 3 (COD million)	0	0	0	2 625	5 303	8 027	10 819	10 920	11 040	11 141
Cost as % of GDP	0.00	0.00	0.00	0.02	0.04	0.05	0.06	0.06	0.06	0.05
Cost as % of Government expenditures	0.00	0.00	0.00	0.10	0.19	0.27	0.34	0.31	0.29	0.28