

# 5 Financing Healthcare

♥ لا اله الا الله \*

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♥ الله أكبر \*

♥ الحمد لله \*

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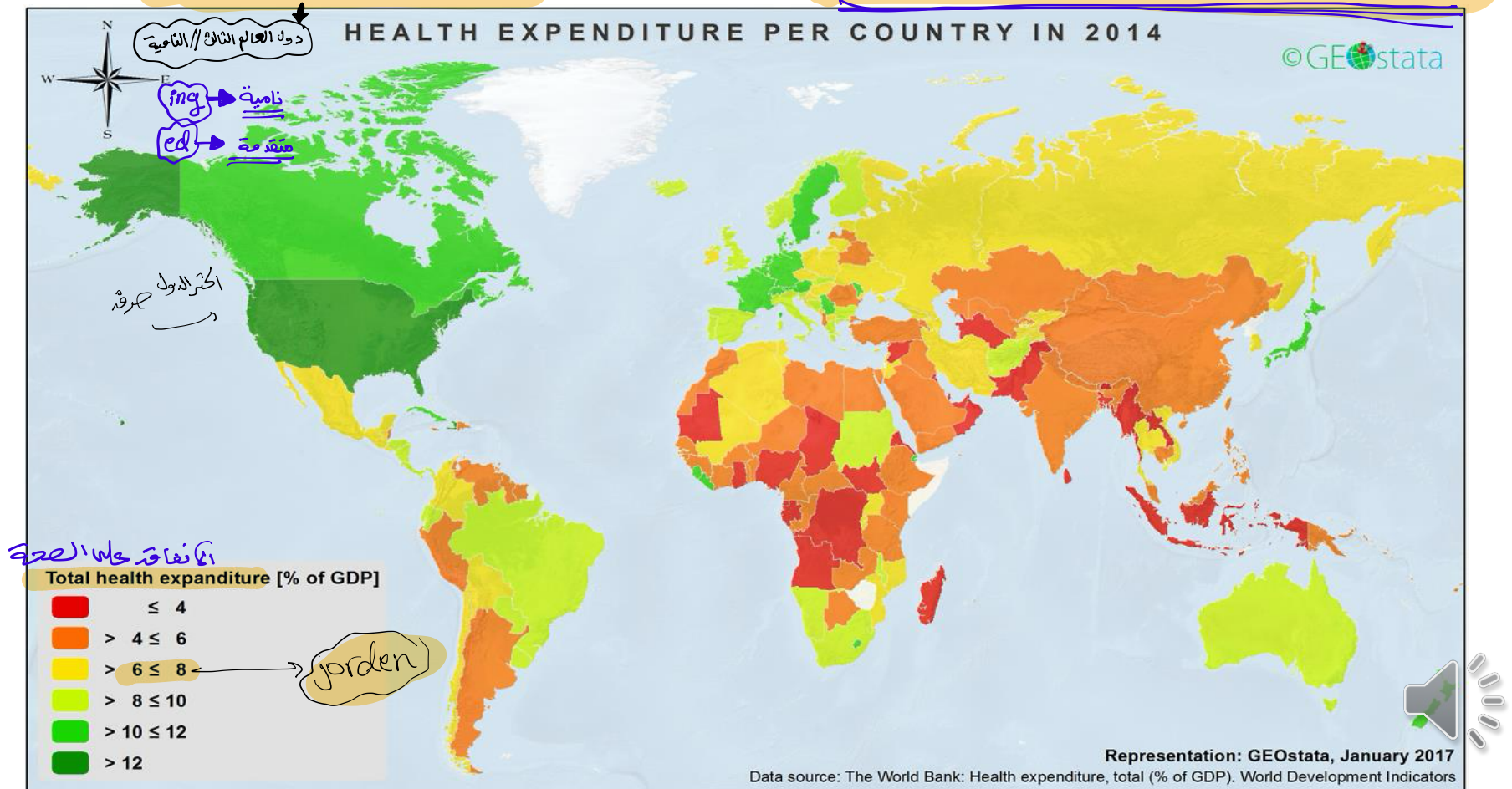
N.M ♥



# Introduction

تمويل

- Health financing is a core function of health systems.
- Expenditure levels vary between countries.
- The amount spent on healthcare depends on wealth. <sup>المبلغ الذي تم صرفه</sup> <sup>الثروة</sup>
- In developing countries, financing is a major barrier to health care delivery.



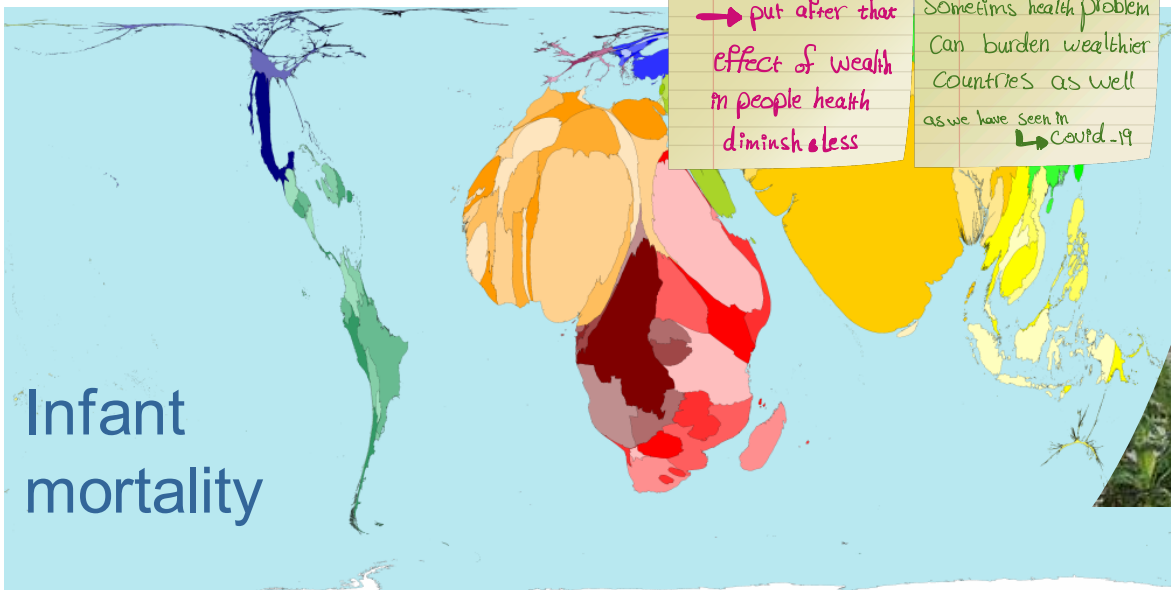




**“wealthier countries are healthier countries”**

**WHAT DO YOU THINK??** →

True • in certain level	صحة الشعوب الغنية أفضل من الفقيرة
→ put after that effect of wealth in people health diminish less	Sometimes health problem can burden wealthier countries as well as we have seen in Covid-19



# Why Healthcare Financing Matters

- Healthcare financing is the backbone of strong health systems.

In 2025, critical challenges need funding solutions:

- Aging Populations:** Rising chronic diseases strain budgets (e.g., Jordan's elderly projected to reach 8% of population by 2025).  
*المشاكل* *المشكلة* *health needs* *تقديم خدمات خاصة بهم* *more financing directed towards there need*
- Pandemics & Climate Crises:** COVID-19 exposed gaps in emergency funding; climate-related health costs are escalating.  
*مشاكل المناخ* *حضرته المشاكل ما في تمويل للحالات الطوارئ* *ترتفع* *التطور التكنولوجي بحاجة لاستثمار مستدام*
- Technological Advancements:** AI, telemedicine, and precision medicine require sustainable investment. *in longer term*
- Equity Gaps:** 30% of Jordanians lack health insurance (DOS 2023); OOP payments increase poverty.  
*تأمين صحي* *ممكن الشعب* *access health care* *there is inequity* *الدفع المباشر* *الاستخدام الي مو* *مأمنين أو ما يسميهم راحة المتأثرين*

Without financing, health systems collapse.





# Objectives when funding healthcare

## 1. Equity in Access

Ensure all individuals receive needed care, regardless of:

- \* Income level
- \* Geographic location
- \* Social status

صحة للجميع

Without equitable financing, health becomes a privilege—not a right.

## 2. Efficiency in Spending

الإنفاق في الصحة

الشفافية → الرشاقة  
دكية

Deliver **best value for money** by:

- \* Prioritizing cost-effective interventions
- \* Reducing waste (e.g. unnecessary procedures)
- \* Using evidence-based resource allocation

تدبير الأولويات  
هو ضروي المخلو  
cover my need

quality effectiveness = cost

الإنفاق = حسب الاحتياج

تقليل الهدر  
مثل لو طلبت نصحات  
موصورة للمرضى  
كيفية بتوزيع الامداد العالمية  
على القطاع الصحي  
المرأة الحامل السلمية  
تعمل مكتب التوليد  
بين لو أكثر كفاءة  
تتبع حالة المرضى

## 3. Financial Protection

Prevent catastrophic health expenditures that push households into poverty.

Achieved through:

- \* Risk-pooling (insurance systems)
- \* Government supports for vulnerable groups

منه طريقة

الب  
دخلهم ما يسمح انهم ينفقوا  
أولادنا نطروا يدفعو هذا خوسهم  
بمن لو لخطر الفقر

خصوصاً الفئات التي ممكنة تصير فقيرة بسبب امساك الصحة

السعيول يستد على

3 اهداف رئيسية

\* يوجب لكل  
\* احسن value بمصرف + تقليل الهدر  
\* نأمن الفئات الفقيرة ونحميهم مالياً



# Definitions



## Financing:

- The process of securing and managing funds to pay for health services and systems.

## Revenues (إيرادات/عائدات):

- Funds received or expected by a healthcare facility, primarily from:
- Patient services (e.g. consultations, procedures)
- Third-party payers (e.g. insurance reimbursements)
- Other sources (e.g. government subsidies, donations)

الدعم الحكومي

أدوية الخ

تبرعات





# Business structure

- **For Profit:**
- A for-profit organization objective is to maximize profit by generating revenue that exceeds costs.

تحقيق الربح

**Profit = Total Revenue - Total Expenditures**

الربح

العائدات

النفقات

- Once the amount of revenue exceeds expenditures, this is called **profit**.
- **Revenue > Expenditures:**
  - ↳ Must cover expenses (salaries, equipment, taxes) and generate excess.
- **Breaking Even:**
  - Revenue = Expenditures (no profit/loss).
- **Investor Returns:**
  - Profits distributed to shareholders/owners.

الأرباح يتوزع

إعطاء بولاشهم  
للمستثمرين المساهمين

المالكين



# Business structure

## • Not-for-Profit:

- Break even while reinvesting all excess to improve services and expand access.  
*أهدافنا تكون في حالة Revenue = expedit ← Breaking even  
إذا جاري ربح بوجه لتطوير الخدمات*
- The difference between a **not-for-profit** and a **for-profit** company is that:

1. Profits are reinvested, not distributed.  
*خبر خاصة للربحية*
2. A not-for-profit corporations are tax-exempt (do not pay taxes).  
*مخصص من المربح بد فلو*
3. Fund sources: Patient fees (if applicable), Grants, government subsidies, and charitable donations.  
*الدعم الحكومي مدوح تبرعات*

Donations are often tax-deductible for the donor.

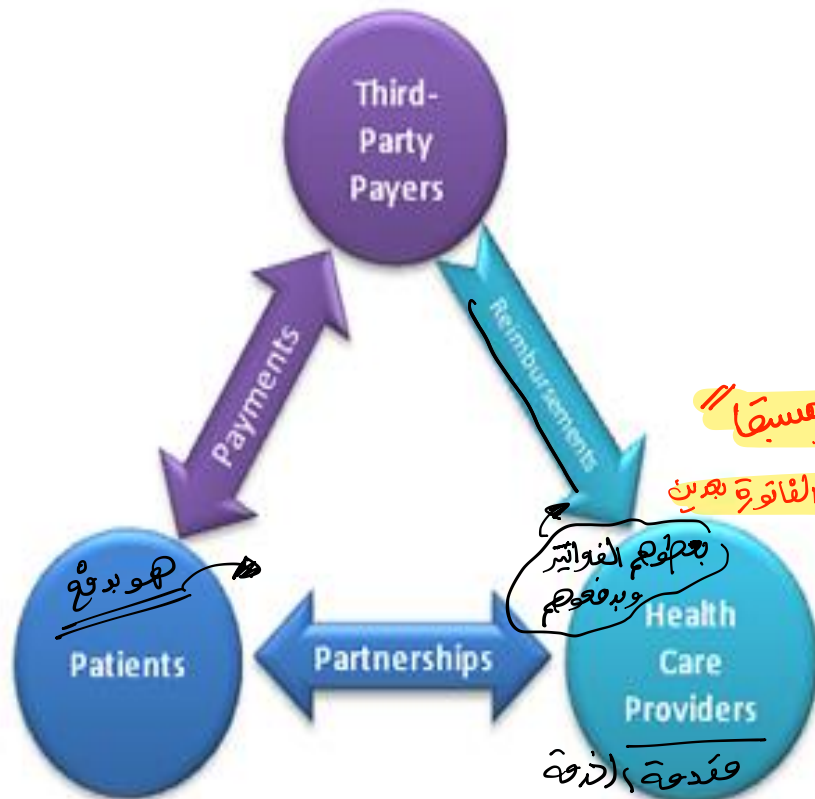


المؤسسة المتبرعة  
\* تحصل على امتيازات من الدولة  
\* تسن تحفيز من الضرائب التي تدفعها





# Business structure



## • **Third-Party Payers:**

Organizations (other than patients) that finance healthcare services by:

\* Covering costs directly (pre-payment) مدفوع مسبقاً

\* Reimbursing costs (post-service payment) يأتين بأثر الفاتورة بعد دفعهم

## Types of Third-Party Payers:

### • **Public Payers**

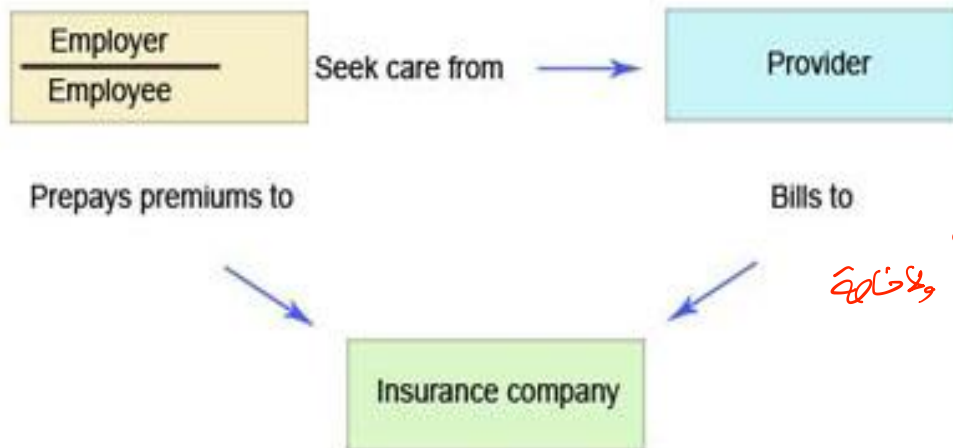
- Government programs (e.g., Jordan's Ministry of Health) جهاز حكومية
- Social health insurance systems الضمان الاجتماعي

### **Private Payers**

- Commercial insurance companies شركات تأمين خاصة
- Employer-sponsored health plans

### **Hybrid/Other**

- \* Non-governmental organizations (NGOs) كل المؤسسات الخاضعين للتأمين في مؤسسة معينة
- \* International donors (e.g., WHO, UNICEF) لا هيئات حكومية ولا خاصة



# Flow of finances

تجميع الإيرادات

Revenue collection



نظم يمكن واحد ونسوقه حيث و نأخذهم

Pooling of resources



Resource allocation





# 1. Revenue collection

- **Revenue collection:** How health systems gather funds from various sources.
- Revenue collection concerned with the *sources of revenue (who pays)* for health care, *the type of payment (what are the contribution mechanism?)*, and *the agents that collect these revenues (who collects?)*.



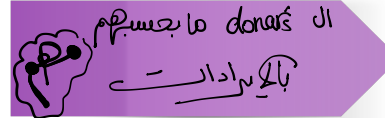
## Who Pays?

الضرائب عنها ١٥٪ حصة منها للقطاع الصحي

كيفه اخطي المواطنين يدفعون

- General population (taxes)
- Subgroups (insurance premiums)
- External sources (loans) (e.g. from World Bank).
- 'excluding donor contributions'

## Collection Mechanisms?



- Taxation (e.g., income tax) → من الضرائب بنظم من راتبه حصة للتأمين
- Social insurance (e.g., payroll deductions) → من الراتب كسوة من الراتب (التأمين) ويرجع جزء منه للإيرادات
- Private insurance premiums \* تأمين الشركة الخاصة
- Out-of-pocket payments (direct payments made by a patient to a provider) → patient pay directly ضل على العملية يدفع طوال

## Who collects?

poolers = collector

Collection agents (which in most cases also pool the funds and purchase health care services from providers):

- Governments or independent public agencies (such as a social security agency) → مؤسسة التأمين
- Insurance funds → شركات التأمين
- Healthcare providers (hospitals and health centers).





# Pooling of resources

Pooling: Combining prepaid funds to share financial risk across populations.

When pooling resources:

- **Prepayment contribution:** Funds collected *before* need arises.
- **Equity:**
  - Contributions based on ability to pay
  - Access based on health needs
- **Risk Sharing:**
  - Healthy subsidize the sick
  - Wealthy subsidize the poor

**We pool two things: Funds and risk**

A mix of contributors is needed  
(contribution > need, contribution = need,  
contribution < need and zero contribution  
with need).



قبل بارية السنة ضللاً

كل واحد يدفع يساهم في pool  
حسب قدرته على الدفع  
بمن الـ access على حسب الحاجة  
هذه لا يعني اننا نلزم دفع 10 ليرة خذقة  
حصة بتطلي ظهور اكثر ما تتقدملة  
الـ pool مشاركون  
contribution وفارية الـ  
risk or health needs

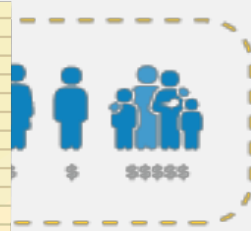
الي دفع 200 مئة ما يحتاجها

risk sharing

الـ اداء به يفيدو المرضى  
الاعتداء به يفيدو الفقراء

pooling as a umbrella to  
protect all population  
from health catastrophe

↓ ضل  
children



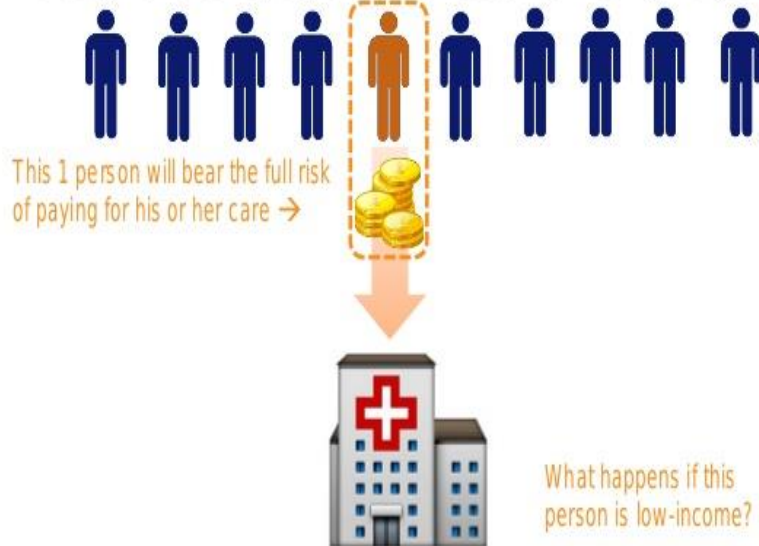
## 2. Pooling of resources

Sharing financial risk between contributors.



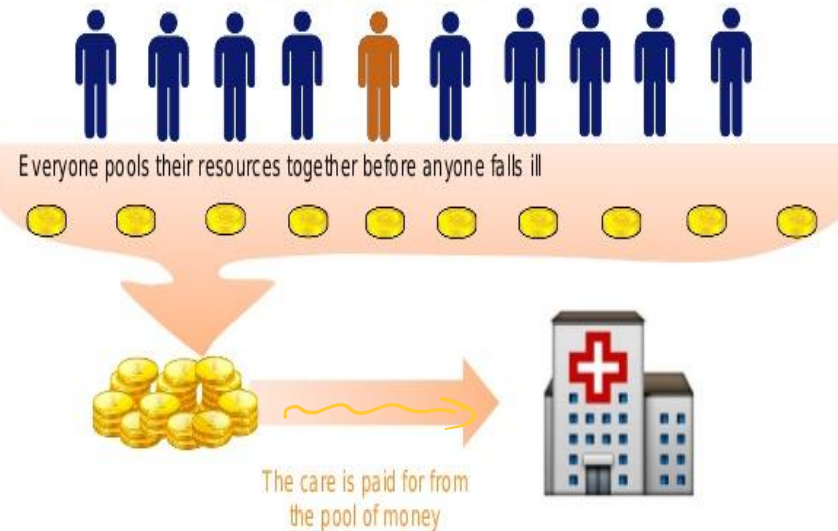
### Without Risk Pooling

Let's say we have 10 people. 1 person becomes ill during the year.



### With Risk Pooling

When someone falls ill...



ان population کو یکدم جٹو



oop → not involve in  
pooling of resources

الضرائب

التأمين

- Both tax-based health financing and health insurance involve pooling while fee-for-service (out-of-pocket) user payments do not involve the pooling of resources (each pays for own care).

- How Pooling Works:**

الدعم المتبادل

- Pooling allows for cross-subsidization from low-to high-risk people (example: charging more than the cost of production for a service or a group → less than the cost of production can be charged for another service or to another group).

ليس باخذ وهاري زيادة ←



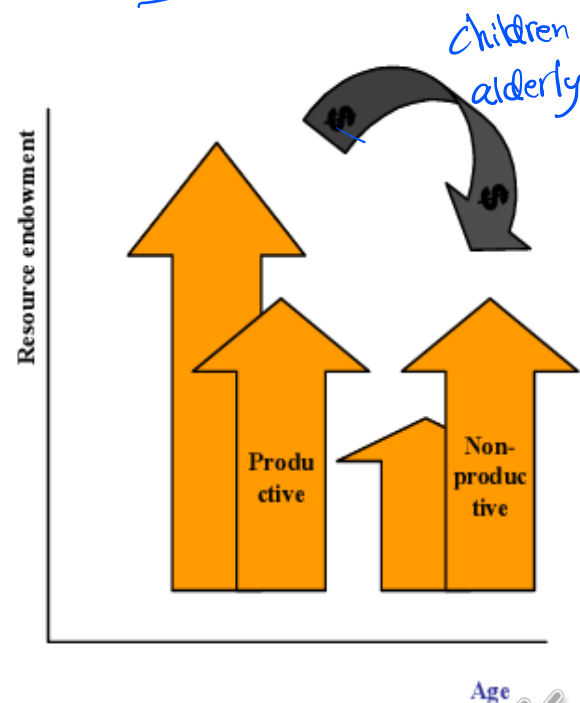
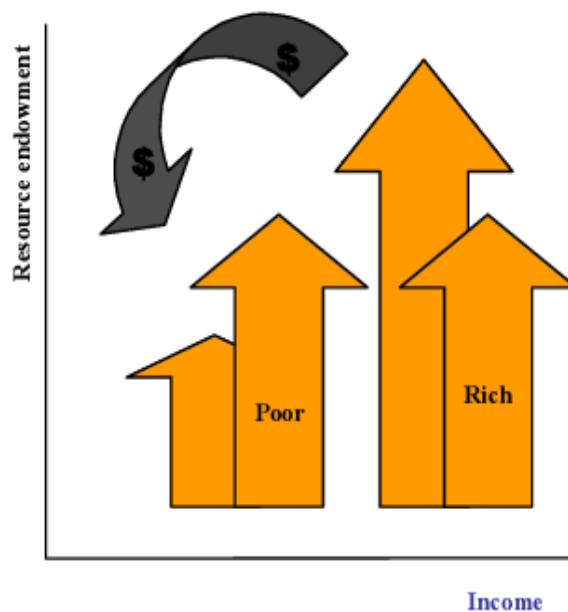
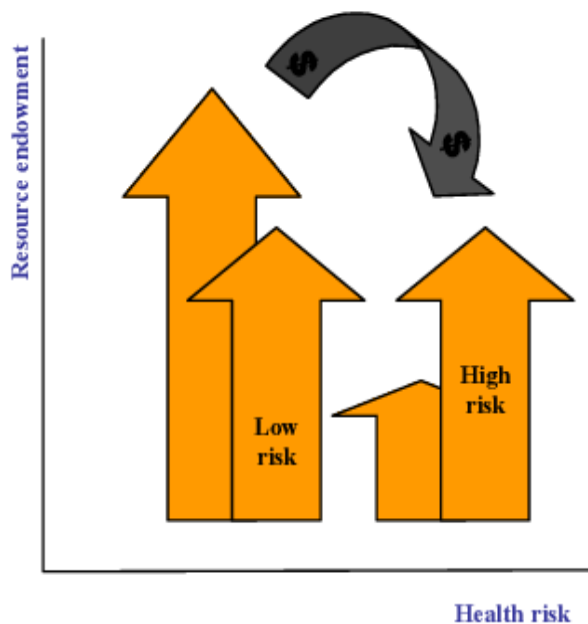


# Risk Pooling: Cross-Subsidy / Redistribution

Cross-subsidy from low-risk to high-risk

Cross-subsidy from rich to poor

Cross subsidy from productive to non-productive part of the life cycle



شراء الخدمات

### 3. Resource allocation (Purchasing of health services)

- Distributing pooled funds to providers for services.  
اورع المهارى الى جمعهم لتوفير الخدمات
- Purchasing of health services is done by public or private agencies that spend money either **to provide services directly** or **to purchase services for their beneficiaries**.  
للمستفيدين
- In many cases, the purchaser is also the agent that pools the financial resources.

purchaser = pooler

وممكن نقسم الى  
Collector



### 3. Resource allocation (Purchasing of health services)

- Purchasers of health services are typically the MOH, social security agency, district health boards, insurance organizations, and individuals or households (who pay out of pocket at time of using care). *oof = involve in resource allocation*

Purchasing can be either **passive** or **strategic**;

**Passive purchasing** → follows predetermined budgets or pays bills when they are presented,

**Strategic purchasing** → Value-based payments and Negotiate quality/price

*more flexible*

*بنقدرة توفيره أكثر*

*أفضل خدمة بأقل أسعار*

*highly efficiency = low cost*



# Patient Cost-Sharing Mechanisms

اجبو ارشيفه (التميز بـ)

- 1. Co-payment:** a fixed amount paid by the patient to the provider for each encounter regardless of what is provided during the visit.
- 2. Coinsurance:** patient pays a percentage of the allowed amount, while the insurer pays the rest. For example, with an 80/20 policy, the third-party payer reimburses 80% and the patient pays 20 %.

## Co-pay:

The fixed amount you pay for a service.

### Example:



you  
pay \$20

Insurance  
pays \$80

\$20 co-pay

## Co-insurance:

The percentage you pay for a service.

### Example:



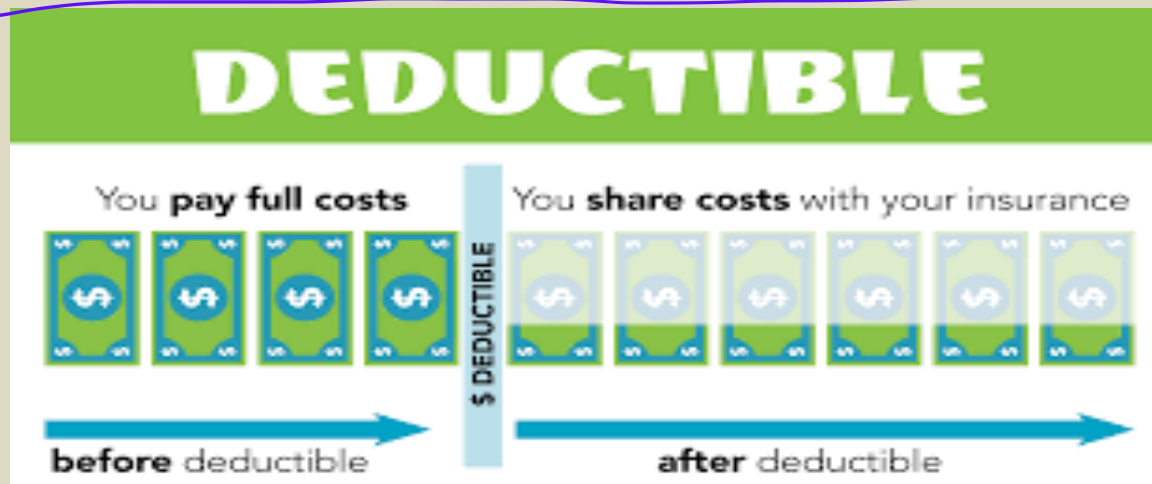
30% co-insurance





الاقتطاعات

**3. Deductible:** This is the amount of money that a patient must pay out of pocket each year before third-party payer benefits begin <sup>covering</sup> and is stated in the policy agreement between the policy-holder (the patient) and the third-party payer. **Annual out-of-pocket. threshold** before insurance activates.



Plan pays  
100% of costs  
after you  
reach your  
out-of-pocket  
limit

Coinurance

Your Deductible

# إليك تدفع عنك نفسك

## ما هو الخصم (Deductible)؟

هو المبلغ الذي يجب على المريض دفعه من ماله الخاص كل سنة قبل أن يبدأ التأمين الصحي بتغطية التكاليف الطبية. بمعنى آخر، إذا كان لديك تأمين صحي وكنت بحاجة إلى علاج أو فحص طبي، فلن يدفع التأمين أي شيء حتى تدفع أولاً مبلغ "الخصم" المحدد في وثيقة التأمين الخاصة بك.

## كيف يعمل؟

1. قبل دفع الخصم: يتحمل المريض جميع التكاليف بنفسه حتى يصل إلى الحد المحدد للخصم.
2. بعد دفع الخصم: يبدأ التأمين في تغطية جزء من التكاليف، لكن المريض قد يظل مسؤولاً عن نسبة معينة من الفاتورة (تسمى "التأمين المشترك" أو Coinsurance).
3. بعد الوصول إلى الحد الأقصى للنفقات الشخصية: يدفع التأمين 100% من التكاليف المتبقية خلال السنة التأمينية.

من هو الذي يطلب أقرب



لأنه الترسب باخذ وقت كثير

# دفع Payment Methods

- The payment mechanisms are the following:

- **Global budgets** صياغة سنوية محدد لك A fixed annual amount allocated by governments to healthcare providers, covering:

- Hospitals 
- Clinics 
- Physicians  \$ 

Allocations depend on:

The type of facility, its historical budget, number of beds (for hospitals), per capita rates, or utilization rates for past years.

كما ان هناك  
الاستراتيجيات مع وجود  
المرضى او الخدمة مثلا



يطلب هذا المستند توزيع  
المبالغ حسب ايرادات الاشياء  
مما اذا بطاها المبلغ الكامل  
يطلبها تنصرفة

- **Line-item budgets** A detailed budgeting method where funds are allocated to specific expense categories *more*

LINE ITEM BUDGET

			PROP
<b>Personnel Services</b>			\$
Classification	Hours	Wage/Hour	
Principal Engineer		\$	
Senior Engineer		\$	
<b>Operating Expenses (Prorated for Project)</b>			\$
• Includes:			
• Travel Expenses			
• Supplies (less than \$5,000 per item)			
<b>Equipment (\$5,000 or more per item)</b>			\$
• Itemize each piece of equipment			





(اجوار شيفه)



General  
Physician

بحدود مع كل دكتور عدد المرضى  
وكل مريض له Budget فعيه  
وبالسنه

عندما مريض \* Budget  
of one patient

# Capitation

عند الاخصاص

Fixed annual payment per enrolled patient (e.g., \$200/person/year).

Paid to primary care providers (GPs, clinics) regardless of service usage.

200/year x 1,000 patients = 200,000 annual budget

Per diem payment Fixed daily rate paid to hospitals for each patient stay (e.g., \$500/day).

Rates vary by: بخلافه لكل حالة

Department (ICU vs. general ward)

Hospital type (public vs. private)

Meals:	\$100
Hotel:	\$200
Transportation:	\$50
<b>Total:</b>	<b>\$350</b>



- **Case-based payment** Fixed payment for treating a specific condition (e.g., \$3,000 for a knee replacement).

- **Covers all standard interventions** (surgery, meds, rehab) for that episode of care.

- **Fee for service** Payment per service (e.g., 50 for a consultation, 50 for a consultation, 200 for an X-ray).

- Paid by:
  - Patients (out-of-pocket)
  - Insurers (reimbursement)

Key Trend: Jordan mixes global budgets (public) + fee-for-service (private).

الرجوع للمتابعة على  
صفحة ال  
Condition  
بأنه



# Key Health Financing Indicators

مجموع (صروف) الصحة للمواطن

- **Total Health Expenditure (THE) per Capita**

Definition:

للمواطن

- THE per capita = (Government + Private + Donor + Household Spending) / Population

Purpose:

مقارنة مع الدول

- Compare spending across countries
- Track healthcare investment over time

العائد قومي  
population

استوف التغيرات غير الكوان

e.g.

Jordan: \$327

Saudi Arabia: \$1,045

Egypt: \$150

Turkey: \$480

حسب ان  
economic level  
البحر



# National Income Metrics

كل الصروف حسب المقياس

- National income is usually expressed as GDP (Gross Domestic Product) or GNI (Gross National Income) .

\* الإنتاج المحلي

## GDP vs. GNI

نتائج الدخل القومي

Metric	Definition	Key Difference
GDP	Value of goods/services produced <u>within</u> a country عائدات أو الناتج داخلي لدولة	Measures domestic production
GNI	GDP + net income <u>from abroad (remittances, investments)</u> صافي ربح من الخارج	Reflects citizens' income

ملكو صايجين دا  
بشتغلوا برابره  
دجاري هوية

- GDP depends where the economic activity is located while GNI depends on where the people (owners of the labour and capital) are located

share in





# Jordan's Healthcare Expenditure:

بشيرة 8% من الناتج المحلي الإجمالي

## 2023

- **THE/GDP: 8%** (JD 2.85B / \$4B) The total expenditure on health is considered high for a middle-income country.
- **Per Capita:**
  - Health: JD 260 (\$366) ▲ 12% since 2013
  - GDP: JD 3,210 ▲ 9%
- **The Percent of Governmental Budget Allocated to Healthcare is: 10.7%** النسبة المئوية للميزانية القطاعية للصحة
- **Regional Rank:**
  - ▶ 2nd highest THE/GDP in Levant (after Lebanon's 8.4%)

الأرقام المطلوبة فقط بالأصفر



# In Jordan, health care is funded by the following sources:

1.

MOF is the major source of health care funds




The household → the second largest source

القطاع غير الربحي

Sector	Share	Key Details
<u>Public</u> <u>الحكومة</u>	<u>68.2% (+2.5%)</u>	<u>وزارة الاقتصاد</u> <u>Ministry of Finance (40.1%)</u> , <u>3</u> <u>Social Security (18.3%)</u> <u>التأمين الاجتماعي</u>
<u>Private</u>	29.4% (-2.2%)	<u>2</u> <u>Household OOP (30.5%)</u> , <u>4</u> <u>Private Insurance (15.8%)</u> <u>التأمين الخاص</u>
<u>Donors/NGOs</u> <u>3</u>	2.4% (-0.3%)	<u>6</u> <u>Excludes UNRWA (0.6%)</u>

MoF → OOP → Social → private → Donors → UNRWA

# Health expenditures by function

- Spending Allocation (2022)
- Curative Care: **72% (-3%)** 
- Preventive (PHC): **19% (+3%)**  *(Still below WHO's 30% target)*
- Drugs: **24.1%** of THE (JD 620M)  (Down from 26.6%)
- Digital Health: **1.9%** *دسي نظام صحت* (New category since 2020)
- The rest spent on administrative activities, training, and other activities.



# Health Insurance Coverage in Jordan (2023)

- **Total population: 62% covered (+7% since 2013)**
- **Jordanian citizens: 75% covered**
- **Exclusions: ~5% (Royal Court exemptions)**

المأمنين  
1/25 حتى  
عاصمين

## Health Insurance available for:

- all civil servants and their dependents
- Children under six years old
- Segments of society that have been classified as poor by the Ministry of Social Development.
- Areas classified as least fortunate and remote areas
- Health insurance is issued to one member of the family of an organ donor (valid for five years)
- Health insurance is issued for a blood donor (valid for six months).
- for patients who suffer from certain medical conditions (certain infectious diseases, cancer, kidney diseases, tuberculosis, AIDS, and addiction to alcohol and drugs) regardless of their ability to pay

ما يتضمن التأمين  
من الديوان الملكي

بعض منظر عنه الجندرية

المناطق الفقيرة التي جوبت بفترة التوقع

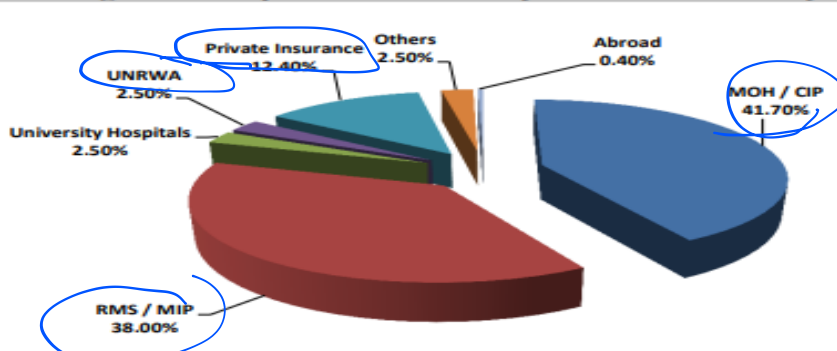
الأقل حظاً

تأمين عيالت (الحماس للشعب) مادة التبرع بعضاء كبدية

صريح بالذات

بعض منظر لها قادرين يدفعوا أو لا

Figure 17: Population covered by health insurance by insurer



**Target: Reach 80% coverage by 2025 (UHC goals).**

الهدف  
80%





الترتيب ٨٩

MoH

→ RUS

→ private  
insurance

→ UNRUA

+ University  
hospital

وزارة الصحة

الترتيب رقم ١١  
الأوراق

# Readings:



- <https://applications.emro.who.int/docs/9789290226949-eng.pdf?ua=1>
- <https://andp.unescwa.org/plans/1159>



الحمد لله



دعواتكم

عن