

 Early Warning System

ADB-57204-001

Strengthening Universal Health Coverage through Health Insurance



## Quick Facts

Countries	Nepal
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	C
Voting Date	2024-02-26
Borrower	Government of Nepal
Sectors	Education and Health, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	\$ 1.50 million
Project Cost (USD)	\$ 1.50 million



### Project Description

According to the Bank's website, the proposed TA aims to assess issues hampering implementation of National Health Insurance Program (NHIP), identify systemic, policy, procedural, and technical causes, and provide, institutional capacity building, and information management solutions to overcome those challenges. The focus is on both NHIP implementation as well as on the information architecture underpinning the NHIP and other social protection schemes.

Nepal's Current Health Expenditure (CHE) per person of \$58 is significantly lower than the South Asia average of \$174. The 54% share of out-of-pocket (OOPS) health expenditures of this CHE is slightly higher than the South Asia average of 48%. The share of the government's health expenditure of CHE is 30%, 12% lower than the South Asia average. Nepal spends less on health, and of this low amount is a large part, making households more vulnerable to catastrophic health expenditures and subsequent impoverishment.

To address this, the Government of Nepal has committed to achieve universal health coverage by (i) improving financial risk protection, (ii) providing free quality basic health-care services, and (iii) providing quality and affordable essential medicines for all. The constitution guarantees the fundamental right to access basic health services free of charge, including essential health services due to unforeseen health emergencies, and provides the basis for the Health Insurance Act 2018 ensuring financial risk protection and reducing OOPs. The NHIP is the main instrument to improve financial risk protection for families. All Nepali families can enroll in the NHIP. Those below the poverty line are exempted from paying premium. The Health Insurance HIB) implements the NHIP. In addition, the Social Security Fund provides health insurance to employees, not their families, in the formal sector.



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### Early Warning System Project Analysis

Risk Categorization: Low



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### Investment Description

- Asian Development Bank (ADB)

The TA financing amount is \$1,500,000, which will be financed on a grant basis by the Japan Fund for Prosperous and Resilient Asia and the Pacific (JFPR) and administered by ADB.



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## Contact Information

### Contact Information

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### ACCESS TO INFORMATION

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### Bank Documents

- [Project Disclosure PDF](#)
- [Strengthening Universal Health Coverage through Health Insurance: Technical Assistance Report](#)