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Reform of Health Insurance in the Federation of Bosnia and Herzegovina

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The aim of this report is to provide an overview of the reform of health insurance in the Federation of Bosnia and Herzegovina (FBH). Health financing and resource allocation policies in the FBH are also summarized. Health financing should be ensured through three types of health insurance: compulsory, supplementary, and voluntary. The revenues for the compulsory health insurance will be ear-marked through payroll taxation. Facing the scarcity of resources, the Federation authorities have decided to raise the proportion of the payroll contribution as compared to the pre-war level and engage in various arrangements of cost-sharing and priority setting in health care. The resource allocation policy underlines two key parts of the health care reform: contracting mechanisms and payment systems. We also discuss the optimal correlation between solidarity and competition in the course of the ongoing reform of the health insurance in the Federation. The social function of a competent health system, where the well-being of the population is viewed as a sociological category of the overall society's concern, requires considerable subsidization. Incentive-based market mechanisms may be introduced into some of the segments of health care system but only under government-led control of the effects of such measures.

Key words: Bosnia and Herzegovina; health care; health expenditures; health insurance; health plan implementation; hospital costs; insurance, health; planning, health and welfare; resource allocation reform