Overview
The coverage and quality of Turkey's health sector was lagging behind other middle-income countries despite solid economic success in recent years, but by turning to IBRD expertise and funding, the government expanded health insurance coverage by 75% in three years among indigent families (and helped bring about deep cuts in health care costs for all as well as it helped bring about increased utilization of health services and enhanced consumer satisfaction.)

Challenge
In 2003, the government of Turkey launched its Health Transformation Program, a 10-year health reform initiative designed to bring Turkey's health indicators in line with other middle-income countries and those in the Organization for Economic Cooperation and Development (OECD). At the time, Turkey's health financing system was fragmented, contributing to inefficiency and inequity, and insurance coverage for the poor was scarce. Health care in rural areas was expensive and hard to access.

Approach
Through the Health Transition Project (the first phase of the 10-year initiative), IBRD helped the government of Turkey build the capacity of its Ministry of Health and Social Security Institute to expand health insurance coverage to include pharmaceuticals and outpatient benefits; improve family medicine service delivery; and increase hospital autonomy.

A new pay-for-performance program introduced at all 850 Ministry of Health hospitals enhanced accountability. Reforms also gave hospital directors more autonomy over hospital budgets; introduced outsourcing of diagnostic care in hospitals to the private sector; introduced quality assurance mechanisms; and streamlined processes for managing patient load.
Results

The number of government health insurance card-holders jumped to 10.2 million in 2006 from 2.5 million in 2003, a 75 percent increase in three years. Additionally, the percentage of people reporting difficulty in meeting the cost of pharmaceutical and other health expenses dropped to 19 percent in 2008 from 50 percent in 2003.

Following introduction of an administrative law allowing health insurance scheme mergers, Turkey’s three social insurance schemes were integrated, and a single claims system for insurees was put in place. In 2008, 57.7 million people, representing 82 percent of the population, were insured under the new Social Security Institute of Turkey.

Toward the Future

IBRD approved the second-phase Health Transformation and Social Security Reform project in May 2009. The project, which will run through 2013, supports the Ministry of Health’s next round of reforms to increase hospital autonomy, expand family medicine services nationwide, and introduce performance management and pay-for-performance initiatives. One innovation will establish output-based financing to enable the Ministry of Health to fight non-communicable diseases.

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