

## Summary of Justifications Health- Accident Insurance Package for staff

### I/ Accident Insurance

I/ Accident Insurance	Government Insurance	Private Insurance
<p><b>LEGISLATION: 2012 Labor Code/Article 144 &amp; 145</b>  <b>If occupational accidents &amp; diseases happens, employer:</b></p> <ul style="list-style-type: none"> <li>- Must <i>cover all expenses</i> unless otherwise covered by Gov Health insurance</li> <li>- Making <b>full payment of salary</b> under the labor contract to the employee suffering the occupational accident and disease if having to <i>take leave during treatment</i></li> <li>- Pay from 1.5 month to <b>29.5 month salary</b> as allowance to employee suffered from occupational accident and disease (if working capacity reduced from 5 – 80%)</li> <li>- Pay <b>30 month salary</b> as allowance to employee (or his/her relative) suffered from occupational accident and disease (if working capacity reduced from 81% or more and death)</li> </ul>	<p><b>some part covered under compulsory Gov Social-health insurance</b></p> <ul style="list-style-type: none"> <li>- Cover up to limit and within Gov health insurance only</li> <li>- cover 75% of salary for days off work due to accidents <b>BUT NOT</b> occupational accidents</li> <li>- not cover any for this</li> <li>- not cover any for this <b>BUT</b> death by <b>OTHER</b> reasons, Social Insurance will pay some allowance depending on number of years contributing to Gov. Social Security Fund</li> </ul>	<p><b>NOT MENTIONED as compulsory</b> but Should buy to cover expenses compulsorily-regulated by law incurred if/when it happens:</p> <ul style="list-style-type: none"> <li>- Cover expenses up to ???USD/year</li> <li>- Cover up to ???USD/year or ??? month salary</li> <li>- Cover as per % regulated by insurance policy by Bao Viet dated-20 May-2015 but maximum ???USD with current contract</li> <li>- ???USD/case – for accidents of all causes</li> </ul>
<b>COST</b>	covered under Social-Health Insurance : 26% of monthly salary	???USD/ year

**Comment [A1]:** Employer may choose to a suitable accident insurance package so the insurance cover for all employer's liability, once risk happens (1). OR buy a medium one, then subsidise the difference once risk happens.

**Comment [A3]:** Ideally, This over up to 12-24 staff monthly salary (as per salary requires)

**Comment [A2]:** Ideally, private accident insurance should be high enough to cover this. Or alternatively, buy a medium one, then employer pay the difference

**Comment [A4]:** Ideally, private accident insurance should be high enough to cover this. Or alternatively, buy a medium one, then employer pay the difference

**Comment [A5]:** Depending one the package employer choose to buy/use(1)

## II/ Health Insurance

	Government insurance	Private Insurance
<b>LEGISLATION</b>	2012 Labor Code/Article 6/item 2d 2012 Labor Code/Article 186/Item 1	Not compulsory But encouraged by 2012 Labor Code/Article 186/Item 2
<b>COST</b>	4.5% of month salary	??USD/ year
<b>ADVANTAGES-</b> <b>DISADVANTAGES</b> - Hospital	Pros: - 80% of treatment cost unlimited amount of total cost for insurance but within LISTED medicine and services, and up to 2000USD/time of treatment by high technology treatment. Cons: - Only applied at a one hospital pre-registered in insurance card. - Must use 01 registered hospital for all medical service for 01 year. Normally, the hospital that staff can register is hospital at grassroot level (district level) with limited capacity and poor services. Sometimes, registration can be done at provincial level but it is always overloaded (2-3 patients/hospital bed) - When suffering serious illness, staff has to follow the procedure to be transferred to upper level hospital. That procedure takes a lot of time and paperwork - Even if you are able to follow the procedure and be able to do a treatment at upper lever hospital, there are 2 difference systems with different treatment quality and services at the hospital for those who use Gov. insurance and for those who use voluntary (self-paid) services treatments. - And if staff can't wait to follow the transferring procedure to use the Gov. insurance and decide to use service at another hospital (either at the same level or at upper level, staff has to pay 100% of treatment cost.	Pros: - Staff is able to use services at any hospital with good quality service - The service is immediate which is important, especially for emergency cases - Direct billing system also assists staff to take care of the health whenever they need/have to, even when they do not have cash in hand - The insurance firm will cover 100% of treatment cost ??USD/year for in-patient and ??USD/year for out-patient Cons: Health insurance money is up to limit as contracted annually (currently as above) but additional to the Gov. one.
- Medicine	Cons: - Limited medicine. Only medicine listed by health ministry is provided to patient using Gov. health insurance.	Pros: - Staff is able to use any good medicine for treatment.

	<ul style="list-style-type: none"> <li>- That listed drugs only cure minor illness.</li> <li>- If using listed drugs, patient pays 20%, insurance pay 80%.</li> <li>- Patient has to pay 100% cost if his treatment requires or is prescribed by doctors to use drugs/medicines NOT listed or would like to take better drugs.</li> </ul>	<ul style="list-style-type: none"> <li>- Insurance covers 100%</li> </ul>
<ul style="list-style-type: none"> <li>- Services</li> </ul>	<ul style="list-style-type: none"> <li>- Patient is not able to use private room, has to share with many people (normally 10-20 people/room and 2-3 patients/single bed) at many hospitals, patients have to lie on corridor/hall as there is not enough room inside</li> <li>- Patient is not able to meet private doctor for consultation</li> </ul>	<ul style="list-style-type: none"> <li>- Patient is able to use private room.</li> <li>- Patient is able to meet private doctor...</li> <li>-</li> </ul>
<ul style="list-style-type: none"> <li>- Life insurance</li> </ul>	<ul style="list-style-type: none"> <li>- Not applicable</li> </ul>	<ul style="list-style-type: none"> <li>- ???USD/person if death by all reasons (excluding accidents)</li> </ul>

In general, the purpose of insurance from private company is to cover the negative-side of Gov insurance in order to ensure that staff is able to access to appropriate health care services and protect staff against financial risk in case of serious illness.

**III/ OTHER REFERENCE**

- a. NGO Resouse Center’s Salary & benefits Survey
  - 2009: 94% of total 33 INGOs participating provide additional insurances (accident, health or combination of both) to staff
  - 2012: 87% of total 57 INGOs participating provide additional insurances (accident, health or combination of both) to staff
  - 2015: 90% of total 61 INGOs participating provide additional insurances (accident, health or combination of both) to staff
- b. From other INGOs
  - Some INGOs provide additional insurances not only to staff but their close relatives (parents, spouse, children)
  - Some even provides Pension and/or Gratuity to staff
  - INGOs provides these extra insurance as one of benefits to retain staff, and as the Personnel Policies of their organization either nationally, Regionally or globally
  - INGOS have provided these extra insurances from their start in Vietnam: 5-10-15-20 years depending when they started