THE MOST PROFITABLE HEALTH INSURANCE “COMPANY”
IN TURKEY

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**Objectives**

The Health Transformation Program commenced in 2002 by Ministry of Health (MoH) in Turkey. Today, Turkey has a well-established health system mostly dominated by government as healthcare provider and payer. Social Security Institution (SSI) is the only government payer covering 99% of the Turkish population. There are private health insurance (PHI) companies covering only 3% of the population. The aim of the analysis is to compare the profitability of health insurance in Turkey.

**Methodology**

The most updated data of revenue and cost of PHI data was obtained from Turkish Private Insurance Association for years 2009-2013. The official revenue and cost of government health insurance data was obtained from SSI for the same years. Descriptive analysis were conducted with the revenue and cost data of government and private health insurers

**Results**

The total revenue and costs of Private Health Insurance companies were 2.3 billion TL and 1.7 billion TL and per capita revenue and cost of private health insurance companies were 822 TL and 631 TL in 2013, respectively. The gross profit of all PHI companies was 0.6 billion or 26%. The SSI’s revenue and cost for health insurance were 53.1 million TL and 49.9 million TL per capita revenue and cost of health insurance were 691 TL and 650 TL in 2013, respectively. The gross profit of SSI health insurance was 4.1 billion and 5%.

**Conclusion**

The SSI has become the monopsonic payer in the Turkish health system with mandatory health insurance premium collection from all Turkish citizen. The SSI determines its revenues and costs. Based on this power, the SSI has 4.1 billion gross revenue in total. This shows the success of SSI’s management while covering the whole population for a very comprehensive health care package. However, the SSI’s per capita revenue is lower and its cost is higher than private sector averages. This raises an efficiency question that should be analysed in detail.

References:

2) Helal Atay, (2014). Presentation of Social Security Institute, Department of Health Technology Assessments, Ankara, Turkey