

## Chapter 5. Recommendations to drive the administrative simplification strategy in the Mexican Institute of Social Security

*This chapter includes a summary of the key findings. Additionally, it compares the reduction of administrative burdens that the IMSS achieved to similar experiences in OECD countries. The final section presents a list of recommendations to boost the Institute's administrative simplification strategy.*

## Key findings

Since 2012 the IMSS has implemented procedures simplification actions, which have benefited users, including citizens and companies. In 2013, the IMSS introduced the IMSS Digital strategy responding to the need to simplify and facilitate procedures and services to rights-holders, pensioners, retirees, employers and citizens in general. This made it possible to carry out procedures remotely, through the IMSS website and/or the mobile application, freely available to any person in possession of a smartphone, offering digital solutions through modern attention channels.

This report measures the administrative burdens of 87 IMSS procedures, in order to calculate their simplification and digitisation impact. IMSS rights-holders or companies can currently carry out these procedures or request IMSS service through four modes: in person at one of the offices or medical facilities (86 procedures), through an Internet portal (27 procedures), through the mobile application downloadable free of charge on any smartphone (3 procedures) or through a call centre (27 procedures).

The term administrative burdens refers to the monetary value of time that citizens and entrepreneurs devote to comply with government procedures, which includes filling formats, collecting required documents and other requirements, visiting government institutions offices to inquire about the procedure, and the time needed to make the corresponding payments. The calculation of administrative burdens is based on monetising the time devoted by citizens or companies to gather, prepare and deliver the information requested by regulatory authorities. Burdens are estimated building upon the time invested by users in activities required to carry out a procedure – the time to handle the procedure – multiplied by the cost related to the time invested by users based on their profile. The time cost is measured as the salary received by the company's employee or the salary the citizen does not receive due to the procedure's fulfilment.

Five hundred and four surveys were applied to users of 28 of the 87 procedures, to measure administrative burdens and the handling time invested in carrying out the procedure. Administrative burdens were calculated using the information gathered as well as qualitative and quantitative techniques.

The total administrative burden of the procedures analysed was MXN 14 123 million, 98% of which derived from procedures carried out in the in person format y 2% by digital procedures.

This report also measures the impact of simplification and digitisation processes implemented by the IMSS. Burden reductions due to simplification and digitisation of a procedure are reflected in the decrease of person-hours that citizens, companies or company owners invest, requirements, format improvement or possibility to send information is available from home or the office using a computer or a mobile phone, demands less hours.

This report concludes that the use of IMSS digital procedures is beneficial for users, since administrative burdens they face to perform procedures through this means is much lower. The report shows that, on average, an IMSS in-person mode procedure generates MXN 94.4 administrative burdens; on the other hand, average administrative burdens of online processes is MXN 9.5 and MXN 8.7 on mobile devices. Therefore, on average, an in-person procedure generates 10 times more administrative burdens to the user than the online mode and 10.8 times more than mobile application.

In addition, the IMSS procedure simplification and digitisation impact is estimated as a 25%-40% decrease of total administrative burdens, according to the analysed scenario.

It was necessary to estimate a range because, although the procedures digitisation proved to result in the decrease of significant administrative burdens for their users, it was reasonable to foresee that the decrease was higher than that arising from the use of information technologies, since the collected evidence suggests that the IMSS undertook simplification actions. The benefits of the simplification have led to reduce the number of requirements demanded to the rights-holders or company during the procedures processing, simplify formats, and use ordinary citizen language, among others. Therefore, 25% should be considered as a “floor” and it is likely that actual savings are above this lower limit.

Additionally, this report calculates the additional savings that could be obtained with a more intense use of the procedures digital modes, and with the digitisation of those that are not still available through this means. The administrative burdens faced by citizens and entrepreneurs users of IMSS procedures could be reduced 11% with a strategy that would imply digitising 27 additional procedures – for a total of 58 procedures available in digital mode – and an increase in the use of these means by users from 19% to 25.8%.

The targets of implementing 27 additional digital procedures and of achieving the digital procedures use targets were defined by the IMSS, in consultation with the OECD. The definition of these targets was based on balancing the foreseen availability of resources to carry out these actions, on the profiles of IMSS procedures users and their potential to use their digital versions, and on realistic goals to be achieved within the next 2 to 4 years.

Finally, this report estimates a wide-ranging simulation where the IMSS could reduce administrative burdens by up to 32%. To achieve these savings it would be required that the 84 procedures included in this report are available in digital versions, and that at least 66% of users use the procedure digital options.

This simulation is considered as wide-ranging because its achievement requires intense efforts that would demand using significant resources, as well as a period of time that would certainly exceed five years.

### Decrease of IMSS burdens from an OECD countries perspective

The decrease in administrative burdens generated by the IMSS as a result of its procedures improvement, of at least 25%, favourably compares with the international experiences reported by OECD countries, which set out as a target decreasing procedures burdens in 20%- 25% (see Box 5.1).

#### **Box 5.1. International experience in the use of the Standard Cost Model (SCM) to measure administrative burdens**

Denmark has used the SCM to measure administrative burdens and made the commitment to reduce them 25% between 2001 and 2010. Denmark recently developed two new projects: one aimed at facing the most onerous regulations, and the other to further adapt its burden reduction policy to the companies’ actual needs.

Germany chose the SCM to measure administrative costs arising from the information obligations included in its federal laws. It set out the target to reduce such costs 25% between 2006 and the end of 2011, which was one of the pillars of its bureaucracy reduction and legislation improvement programme.

Sweden announced as a national target for 2010 the net decrease of 25% of administrative burdens for companies, arising from the fulfilment of information obligations established in the law. Sweden measured the burden using the SCM methodology.

Portugal aimed at reducing 25% of the administrative burdens for companies in 2012. The target considered all laws and regulations that had an impact on the companies' life cycle. The exercise was based on a SCM adapted version and focused on key legislation that would be subject to administrative simplification. The SCM adaptation included the total costs of complying with the regulation as well as the burdens for citizens. It focused on information obligations and integrated the delays and the time spent waiting for an official response.

In 2009, Finland adopted, among other measures, one of the most recent programmes addressed to reduce 25% administrative burdens for companies by 2012. This strategy came up after a pilot measurement of the VAT legislation using the SCM. The action plan focused on eight priorities: taxes, statistics, procedures for agricultural subsidies, food safety and quality, employers procedures, financial reports obligation, public procurement and environmental authorisation procedures. The development of e-government services for companies is a horizontal priority of the action plan.

Source: OECD (2010), *Why Is Administrative Simplification So Complicated?: Looking beyond 2010*, Cutting Red Tape, <http://dx.doi.org/10.1787/9789264089754-en>.

## Recommendations to drive the administrative simplification strategy

To reach the additional 11% reduction of administrative burdens, the IMSS will need to digitise 27 procedures and increase the share of procedures users that choose the digital mode from 19% to 25.8%.

The procedures that must be digitised are shown in Table 5.1.

**Table 5.1. Procedures to be digitised by the IMSS to reach the potential 11% savings**

Code	Name of the procedure	Co-ordination in charge
IMSS-02-025-B	Request for certificate of acknowledged weeks Mode B) Certificate of acknowledged periods IMSS-ISSSTE	Coordinación de Clasificación de Empresas y Vigencia de Derecho
IMSS-02-025-C	Request for certificate of acknowledged weeks Mode C) Certificate of listed weeks at the IMSS	Coordinación de Clasificación de Empresas y Vigencia de Derecho
IMSS-03-002-A	Request for Mexican physicians to join the Mexican Social Security Institute as interns Mode A) Candidates external to the IMSS for direct entry specialties	Coordinación de Educación en Salud
IMSS-03-002-B	Request for Mexican physicians to join the Mexican Social Security Institute as interns Mode B) Candidates IMSS workers for direct entry specialties	Coordinación de Educación en Salud
IMSS-03-002-C	Request for Mexican physicians to join the Mexican Social Security Institute as interns Mode C) Candidates children of IMSS workers for direct entry specialties	Coordinación de Educación en Salud
IMSS-03-003-A	Request for foreign physicians to join the Mexican Social Security Institute as interns Mode A) Candidates for direct entry specialties	Coordinación de Educación en Salud
IMSS-03-003-B	Request for foreign physicians to join the Mexican Social Security Institute as interns Mode B) Candidates for branch specialties	Coordinación de Educación en Salud
IMSS-03-005-A	Request for enrolment in the BA in nursing in the Mexican Social Security Institute schools Mode A) External candidates to the Mexican Social Security Institute	Coordinación de Educación en Salud

Code	Name of the procedure	Co-ordination in charge
IMSS-03-005-B	Request for enrolment in the BA in nursing in the Mexican Social Security Institute schools Mode B) Candidates workers of the Mexican Social Security Institute	Coordinación de Educación en Salud
IMSS-03-005-C	Request for enrolment in the BA in nursing in the Mexican Social Security Institute schools Mode C) Candidates children of workers of the Mexican Social Security Institute	Coordinación de Educación en Salud
IMSS-03-007-A	Request for dental surgeons to join the Mexican Social Security Institute as maxillofacial surgery interns Mode A) Mexican candidates, external to the Mexican Social Security Institute	Coordinación de Educación en Salud
IMSS-03-007-B	Request for dental surgeons to join the Mexican Social Security Institute as maxillofacial surgery interns Mode B) Foreign candidates, external to the Mexican Social Security Institute	Coordinación de Educación en Salud
IMSS-03-007-C	Request for dental surgeons to join the Mexican Social Security Institute as maxillofacial surgery interns Mode C) Candidates workers of the Mexican Social Security Institute	Coordinación de Educación en Salud
IMSS-03-007-D	Request for dental surgeons to join the Mexican Social Security Institute as maxillofacial surgery interns Mode D) Candidates children of workers of the Mexican Social Security Institute	Coordinación de Educación en Salud
IMSS-01-001	Request for a disability pension	Co-ordination of Economic Benefits
IMSS-01-002	Request for an unemployment at and advanced age and old-age pension	Co-ordination of Economic Benefits
IMSS-01-003-A	Request for a widow or widower's pension Mode A) Widow-Wife or Common-law wife	Co-ordination of Economic Benefits
IMSS-01-003-B	Request for a widow or widower's pension Mode B) Widower-husband or Common-law husband	Co-ordination of Economic Benefits
IMSS-01-004-A	Request for an orphan's pension Mode A) Son or daughter under 16 years of age	Co-ordination of Economic Benefits
IMSS-01-004-B	Request for an orphan's pension Mode B) Son or daughter over 16-25 years old, student	Co-ordination of Economic Benefits
IMSS-01-004-C	Request for an orphan's pension Mode C) Son or daughter over 16 years old, disabled	Co-ordination of Economic Benefits
IMSS-01-005	Request for an ascendant's pension	Co-ordination of Economic Benefits
IMSS-01-010	Request for help for funeral expenses	Co-ordination of Economic Benefits
IMSS-01-015	Request for a loan against a pension under the 1973 Social Security Law regime	Co-ordination of Economic Benefits
IMSS-01-016	Request for a permanent disability pension	Co-ordination of Economic Benefits
IMSS-01-018	Request for a retirement pension	Co-ordination of Economic Benefits
IMSS-01-022	Request for a retirement, unemployment at an advanced age or at old age pension through the transfer of IMSS-ISSSTE rights	Co-ordination of Economic Benefits

The target to meet by procedure as to the share of users that use the digital mode is shown in Table 5.2.

**Table 5.2. Target to meet regarding digital procedures to reach the potential 11% savings**

Code	Population by current procedure mode		Population target by procedure mode		Necessary change	
	Online	Mobile application	Online	Mobile application	Online	Mobile application
<b>Co-ordination of Affiliation</b>						
IMSS-02-001-A	50%	-	66%	-	16%	
IMSS-02-001-C	21%	-	34%	-	13%	
IMSS-02-008	84%	3%	85%	4%	1%	1%
<b>Co-ordination of Comprehensive Health Care at the First Level (CAISPN)</b>						
IMSS-03-011	0.30%	2%	1%	5%	0.7%	3%
<b>Co-ordination of Companies Classification and Validity of Rights (CCEVD)</b>						

Code	Population by current procedure mode		Population target by procedure mode		Necessary change	
	Online	Mobile application	Online	Mobile application	Online	Mobile application
IMSS-02-020-B	45%	-	63%	-	18%	-
IMSS-02-025-B	0%	-	71%	-	71%	-
IMSS-02-025-C	0%	-	33%	-	33%	-
IMSS-02-066-A	0.4%	-	1%	-	0.6%	-
IMSS-02-066-B	2%	-	3%	-	1%	-
IMSS-02-066-C	0.4%	-	1%	-	0.6%	-
IMSS-02-066-D	0.4%	-	1%	-	0.6%	-
IMSS-02-066-E	2%	-	3%	-	1%	-
IMSS-02-066-F	0.4%	-	1%	-	0.6%	-
IMSS-02-066-G	0.8%	-	1%	-	0.2%	-
IMSS-02-066-H	2%	-	3%	-	1%	-
IMSS-02-066-I	0.5%	-	1%	-	0.5%	-
IMSS-02-066-J	0.6%	-	9%	-	8.4%	-
IMSS-02-066-K	1.3%	-	4%	-	2.7%	-
IMSS-02-066-L	0.1%	-	1%	-	0.9%	-
IMSS-02-066-M	21%	-	26%	-	5%	-
IMSS-02-066-N	2%	-	3%	-	1%	-
IMSS-02-066-O	0.2%	-	1%	-	0.8%	-
<b>Co-ordination of Collection</b>						
SIPARE	30%	-	70%	-	40%	-
<b>Co-ordination of Health Education</b>						
IMSS-03-002-A	0%	-	100%	-	100%	-
IMSS-03-002-B	0%	-	100%	-	100%	-
IMSS-03-002-C	0%	-	100%	-	100%	-
IMSS-03-003-A	0%	-	100%	-	100%	-
IMSS-03-003-B	0%	-	100%	-	100%	-
IMSS-03-005-A	0%	-	100%	-	100%	-
IMSS-03-005-B	0%	-	100%	-	100%	-
IMSS-03-005-C	0%	-	100%	-	100%	-
IMSS-03-007-A	0%	-	100%	-	100%	-
IMSS-03-007-B	0%	-	100%	-	100%	-
IMSS-03-007-C	0%	-	100%	-	100%	-
IMSS-03-007-D	0%	-	100%	-	100%	-
<b>Co-ordination of Economic Benefits</b>						
IMSS-01-001	0%	-	70%	-	70%	-
IMSS-01-002	0%	-	80%	-	80%	-
IMSS-01-003-A	0%	-	70%	-	70%	-
IMSS-01-003-B	0%	-	70%	-	70%	-
IMSS-01-004-A	0%	-	70%	-	70%	-
IMSS-01-004-B	0%	-	70%	-	70%	-
IMSS-01-004-C	0%	-	70%	-	70%	-
IMSS-01-005	0%	-	70%	-	70%	-
IMSS-01-010	0%	-	25%	-	25%	-
IMSS-01-015	0%	-	80%	-	80%	-
IMSS-01-016	0%	-	75%*	-	75%*	-
IMSS-01-018	0%	-	85%*	-	85%*	-
IMSS-01-022	0%	-	85%*	-	85%*	-
<b>Co-ordination of Day-care Services for Comprehensive Child Development</b>						
IMSS-01-006-A	50%	-	80%	-	30%	-
IMSS-01-006-B	47%	-	80%	-	33%	-

Code	Population by current procedure mode		Population target by procedure mode		Necessary change	
	Online	Mobile application	Online	Mobile application	Online	Mobile application
IMSS-01-006-C	53%	-	80%	-	27%	-
IMSS-01-006-D	73%	-	80%	-	7%	-

\* Including 5% of use of the procedure by telephone.

IMSS must prioritise the following procedures improvement efforts, since they concentrate 82% of potential savings:

- IMSS-02-020-B, pertaining to the Co-ordination of Companies Classification and Validity of Rights
- SIPARE, pertaining to the Co-ordination of Collection
- IMSS-03-011, pertaining to the Co-ordination of Comprehensive Health Care at the First Level
- IMSS-02-008, pertaining to the Co-ordination of Affiliation

IMSS should consider establishing a strategic plan to identify the challenges to address and the resources required to reach the 32% savings target in administrative burdens, which will demand undertaking the following actions

- Having the digital version of the 84 procedures included in this report available
- At least 66% of the users use the digital option of the procedure

In future procedures improvement actions, the IMSS should ensure that it systematically gathers the reports of implemented actions and keep them in order to provide evidence that facilitates an accurate evaluation of the improvements impact.

Technical reports may include the formats of the procedures to improve, minutes of meetings, work documents and submissions, and, ideally, white papers, among others.

## Reference

OECD (2010), *Why Is Administrative Simplification So Complicated?: Looking beyond 2010*, Cutting Red Tape, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264089754-en>.



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