Care Net Nigeria

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World Health Organization advocates for universal coverage

The World health Organization (WHO) insists that the fundamental step towards achieving equitable access to a full range of personal and non-personal health services for all is for health systems to adopt social health protection mechanisms.

In its annual *World Health Report 2008,* the agency notes that the means of achieving universal coverage is irrelevant as long as people are protected from financial risk of ill health. And people should have access to a comprehensive package of essential health care services.

Primary Care...now more than ever?

Arguing that irrespective of the arrangements for reaching this health system goal - general taxation, social health insurance or a combination of both, the principles are the same: *pooling pre-paid contributions collected on the basis of ability to pay, and using these funds to ensure that services are available, accessible and produce quality care for those who need them, without exposing them to the risk of catastrophic expenditures.*

In recognition of the time it took for some economically advanced countries to achieve universal coverage, the WHO proposes a step wise approach. First, is the establishment of pre-paid social health protection schemes, as well as programmes to protect vulnerable groups and those who are likely to be exposed to financial risk of accessing health services, and finally coordinating or combining these schemes or programmes into a 'coherent whole' that ensures full coverage to all population groups.

Nonetheless, the ultimate aim of moving towards universal coverage is not just about achieving health equity but also in improving health outcomes of the people, which is the benefit valued by the citizens of every country. And this beneficiary performance indicator should be the basis on which the effectiveness of social protection schemes should be evaluated ◊◊◊

MDGs Fund channeled through NHIS

The savings from the debt relief granted to Nigeria by the Paris Club and other creditors has become a major source of funding for health care in the country. The Office of the Special Assistant to the President on MDGs has been saddled with the responsibility of managing this fund. This Office in the usual attitude common among Federal agencies had attempted to design and implement parallel health programmes in the States by directly engaging in so called 'MDGs projects'.

However, in response to good counsel the Office reviewed its operational mode from that of an implementer to a funder. In doing so it also recognized the need to put these funds on the demand side - paying for health care services rather than on the traditional supply side - buildings, equipment, manpower etc. Further more the MDGs Office delegated the function of actual fund administration to another specialized Federal agency - the National Health Insurance Scheme (NHIS).

Through this approach the health services of six (6) out of the 36 States selected for the initial phase are expected to benefit from additional funding of a total of Seven Hundred Million Naira each per annum. This amount will be used in increasing health care access for children under five years of age and pregnant mothers in three Local Government Areas (LGAs) in each State.

While this development is quite laudable, we have started to see noticeable 'Nigerian factor' in its implementation.

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For Enquiries Contact:

CARE - NET LTD

Plot 16 Ibaa Street

TMC Estate, Abuloma

Port Harcourt 500001

Rivers State, Nigeria

Tel: +234 - 84 - 770232

E-mail: info@carenet.info

Website: www.carenet.info

Where are the Private Health Funds?

The faulty design of the National Health Insurance Scheme (NHIS) in Nigeria - where there are no established 'Health Funds' that could purchase healthcare services on behalf of beneficiaries was noted as a major impediment in its implementation - by the health sector reform programme of the Federal Ministry of Health in 2004. Subsequently, a review of the scheme provided for the establishment of both 'social health insurance' and 'private health insurance' funds.

Social health insurance funds are expected to be pooled contributions from public sector employees and their employers, voluntary contributions from self-employed persons and contributions made on behalf of indigent persons. It is assumed that government agencies linked to the Ministry of health at the Federal or State level would be responsible for managing these funds. Whereas private health funds are meant to be put in place by health insurance companies and health maintenance organisations (HMOs) - with health insurance premiums from the commercial private sector including small-scale and informal businesses, and from individuals willing and able to make monthly or annual health insurance premium payments.

Private Health Funds are critical options in achieving universal coverage

While none of these funds have been deliberately set up, the main source of NHIS funds is made up of contributory premiums from workers in the employment of the Federal Government of Nigeria. The NHIS directly purchases healthcare services for these enrollees and their dependants from healthcare providers both in the public and the private sectors using health insurance companies and HMOs as third-party administrators. With such management contracts from the NHIS where enrollees are allocated rather than competed for, there is little incentive for HMOs to focus on setting up and growing their respective health funds. This situation has even deteriorated to the point where there is a proliferation of HMOs without a concomitant increase in the number of enrollees. At the last count, there are close to 50 HMOs catering for just 4 million beneficiaries - less than 2 per cent of the total population of Nigeria. And all manner of persons and organisations - serving Senators, retired and serving civil servants, politicians, commercial banks and mainstream insurance companies - have jumped into the party.

Meanwhile, the real job of expanding coverage through the mobilisation of pre-paid contributions consolidated into private health funds has been relegated. Even the banks that have set up HMOs see this - what they call the 'HMO business' - as a form of deposit mobilisation for their core business of onward lending rather than bringing commercial financial experience to help solve a national socio-economic problem.

Many observers have insisted that this state of affairs is due to the weak regulatory framework. But even then the management fees from the NHIS are too lucrative for the HMOs to set these aside or work alongside in actively soliciting for increased enrolment from the general population. ◊◊◊

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Management Development for Healthcare: The Missing Link

There is an increasing realization that improving service delivery in healthcare to a large extent depends on the ways resources and services are managed. The lack of managerial capacity at all levels of healthcare system in Nigeria has been noted as the 'binding constraint' to scaling up services and achieving the Millennium Development Goals (MDGs).

While training using traditional 'chalk and talk' academic delivery of courses - remain a key element, management capacity cannot be strengthened by this method alone. More developmental approaches involving team building and ways of improving personal managerial competence in line with agreed management competency framework are effective interventions.

Nonetheless, it has also been recognized that any approach purely based on giving skills and competences to managers will not improve performance unless there is a supportive managerial environment. A WHO study identified such an enabling environment to include systems for financial management, management of information, and human resources etc. It is also essential that the entire health system is driven by principles of good governance and decisions making is based on rationality.

> "Management in healthcare needs to be recognized both as a role and as a profession that equally contribute to patients' well being as clinical care "

Moreover, it is important that recognition be given to management in healthcare both as a role and as a profession that equally contribute to patients' well being as clinical care. Management needs to be perceived as a valid and equal alternative to top clinical posts. And managerial roles in the health sector should be occupied by the most able members of staff. At present, clinicians get automatically promoted into management posts due to length of service and selection is not based on managerial potential or ability.

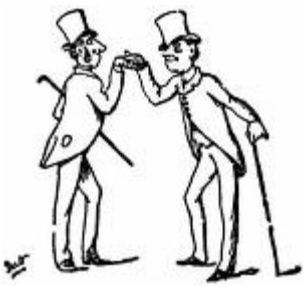
Management Development is more like a jigsaw - getting it right is vital.

Meanwhile, we have to be clear about the supply of managers to the healthcare service sector and the potential demand for them. In Nigeria managerial positions are not easily identifiable from the human resource databases. Without knowing the total number of managers required, it is very difficult to undertake a manpower planning exercise. In addition, it is also necessary to have some indication of how many managers are already in existence; what are the retention and attrition rates and what is their age profile? ◊◊◊

Rivers Commences Contract Management of Health Facilities

Since the beginning of 2008 the Government of Rivers State has embarked on a programme of re-vitalizing primary health care. Following widespread consultations with various stakeholders including a State Health Summit and 'Town Hall Meetings', the State Government decided to re-build the primary care infrastructure from scratch. Using a standardized model, a minimum of five primary health care (PHC) centers in each of the 23 Local Government Areas are expected to be built and equipped. After which all existing PHC centers will cease to exist.

At the time of going to press, three out of the target 105 or so primary health care facilities have been commissioned and put to use. The challenges of operating these facilities using the usual bureaucratic model of government health service delivery that has often led to poor quality care have started to become obvious. Therein lies the need to look for an alternative means of service management that will guarantee sustainable delivery on the long run. One of such is the contracting of administrative management of these facilities to private partners - mainly healthcare management firms. The model being piloted involves the transfer of responsibility for routine functions such as daily operations - staff schedules, patient appointment, billing and collection; procurement of supplies and services - including personel services; and facility and equipment maintencence - scheduling and implementing a maintenance programme. The State Ministry of Health (SMoH) still retains full responsibilty and authority over service pricing, staffing and investment in new equipment.



This management arrangement provides the SMoH with the flexibility to acquire professional management expertise to address the lack of managerial competence inherent in the system without sacrificing policy control or ownership ◊◊◊

Working with private sector to improve services should be a 'win - win' situation: everyone is happy.

Provider Facilities Limit Universal Coverage

Apart from the difficulty of mobilizing adequate prepaid contributions to cover everyone with a minimum package of health care services, inadequacy of provider facilities is a critical issue in achieving universal coverage in Nigeria.

Despite huge investments in the recent past, a significant proportion of government health facilities in many parts of the country are still in a deplorable state. Similarly the private sector has failed to make substantial investments that will bring health care facilities in this sector to a level that delivers quality service on a sustainable basis.

Overall service delivery in the health sector has been reported as laughable. And such a perception does not encourage the general population to voluntarily enroll in the programmes of the NHIS and other prepaid schemes.

Furthermore there is still some resistance on the part of providers in accepting capitation payments as the dormant provider payment mechanism - as opposed to fee-for-service payment - due to poor understanding of the concept of managed care by many operators of health insurance programmes in the country. This lack of knowledge especially among providers also creates serious problems in rapidly expanding health insurance benefits to majority of the people ◊◊◊

> "Overall service delivery in the health sector has been reported as laughable...such a perception does not encourage the general population to voluntarily enroll in the programmes of the NHIS and other prepaid schemes"

MDGs Fund channeled through NHIS...Cont'd

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Rather than getting on with the job of enabling beneficiaries access vital health care services free at the point of delivery, the NHIS embarked on a media propaganda - in what the agency called 'flag-offs'. These events more like 'jamborees' of speeches of intent made target States to incur costs that were not directly related to increasing access to care. For instance, one State spent Thirty-Five million Naira for this exercise lasting just two hours. Meanwhile, many of the health facilities in the State from which beneficiaries would be receiving services are not up to minimum standards of service delivery for the programme. Beneficiaries are also being exposed to additional costs that they can ill afford in the form of registration photographs.

It would also appear that the NHIS is micro-managing the entire programme from Abuja with no direct linkage with the Ministries of Health in the participating States. The NHIS contracts Health Maintenance Organizations (HMOs) who act as third-party administrators for the disbursement of funds to providers. The States in effect have no clear role in the management of the programme, other than their health facilities being used as providers.

These observations, which are re-occurring - are failures of the NHIS to maintain an appropriate regulatory role in health insurance matters in Nigeria. The agency's meddling in operations is counter productive to achieving universal coverage ◊◊◊

Health Insurance Affairs is a quarterly Newsletter on Health Insurance, linking Health Systems in Nigeria.

CARE-NET, publishers of *Health Insurance Affairs*, hope that it will provide information, education and guidance to all stakeholders – government regulators, doctors, nurses, pharmacists and professions allied to medicine, employers, labour unions and patients about their responsibilities and rights in an insurance based health care system.

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Redefining Health Insurance

Guaranteeing every citizen access to a package of healthcare services is a major responsibility of the government of every country irrespective of the level of economic development. The way and manner this is done depends on the particular circumstances of individual countries. But the critical determinant has been the approach adopted by any given country to finance healthcare services.

With worsening economic conditions and the failure of tax-based funding of health services to provide sustainable access to healthcare services - many developing countries have been forced to look for alternative health financing mechanisms. Consequently, health insurance whether private or its social variety is increasingly being considered as a suitable approach to raise additional funds for financing healthcare services as well as protect people from the financial hardship they face when they need healthcare.

Nonetheless, the word 'insurance' evokes certain unpleasant emotions in many cultures and thus create a situation for an excuse to reject the concept of health insurance altogether. Moreover, models of health insurance that embraced cost cutting measures that introduced new terms such as 'managed care' seem to suggest a deviation from health insurance principles of indemnity. Furthermore, many professionals, policy makers and even politicians with 'social welfare' leanings prefer the phrase 'social health protection' to health insurance, which they equate with commercial insurance.

Meanwhile the notion of health insurance has been expanded to include ***any mechanism, method or approach that allows people to protect themselves from the high cost of curative healthcare by making pre-payments based on their individual risk of becoming ill.*** So the idea of financial risk protection against ill-health could be more robust than is previously thought. It would therefore appear that the term health insurance would now be widely applied to all pre-paid options that facilitate financial access to healthcare services.

Dr Tarry Asoka
Editor
tarry@carenet.info

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