Care Net Nigeria

Health Insurance Affairs

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INSIDE THIS ISSUE:

NIGERIA at 50...slowly but surely

Many people in Nigeria especially rural folks now wonder how they ever lived their lives without mobile telephones. And this has happened within a decade after a Minister of Communications told the nation that telephones were not meant for the common man - as the then national telephone monopoly, NITEL failed to improve both the quality and quantity of their services.

In search of more Nollywood moments to excel.

At about the same time the home grown movie industry grew to become one of the bright spots in the nation's economy even in the face of non-existent economic opportunities. By re-imagining how films are made, Nigerian film makers combined amateur technology and raw talent to produce films at very low costs, some of them in a week - enjoyed by over half the population of the continent and still get noticed by the world. And yes, at a huge profit too.

The fact that the Nigerian home video industry is both profitable and self-sufficient is a clear indication that you can still win without cheating in Nigeria.

Could this be the development model Nigeria and indeed the rest of Africa have been waiting for?

While we continue to ponder about the 'Nollywood Paradigm', the music industry has taken up the challenge and is said to have achieved the same commercial status. Similar progress has also been observed around ICT with the phenomenon of 'computer village' clusters in most cities in the country. What about 'pure water'? Sachet water commercially produced and marketed has contributed more to the reduction of diarrhoeal diseases than all the boreholes that have been dug by government and donors in the last five decades.

So, what is the health sector waiting for? - when there are 'home grown' options for getting healthcare services to everyone. This at least is meant for the common man in Nigeria ◊◊◊

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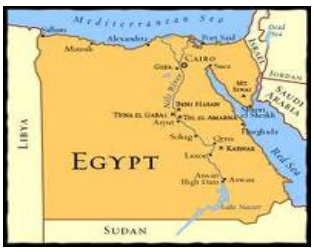
Egypt: Government acts to cover all citizens - presents new bill



The government of Egypt is presenting a new health insurance draft bill to the People's Assembly and the Shoura Council in the current parliamentary session.

This decision was taken after a meeting between Prime Minister - Ahmed Nazif, Minister of Finance - Yousef Boutros Ghali, and Minister of Health - Hatem El-Gabaly; where they discussed the expansion of health insurance coverage to every citizen, as well as strengthening the primary care units throughout the country.

Under the new bill, health insurance will be extended to cover all citizens and subscription will be made compulsory. The government will pay the subscriptions of the lower income groups under a social solidarity system. In addition, the new health insurance system will be implemented gradually in governorates around Egypt, starting with places where an infrastructure to accommodate the programme already exists.

Prime Minister Ahmed Nazif has highlighted the importance of having a well-integrated health insurance system in order to meet the desired objectives and having proper primary health care units and public hospitals that are of high quality.

This is certainly a useful pointer to all other African countries to begin to remove all forms of financial barriers to healthcare ◊◊◊

Your Feedback...

Dear Editor

Many thanks for sending me a copy of the current edition of Health Insurance Affairs.

I must commend your effort in this area, as one has been dismissive of Health Insurance in Nigeria because of the paucity of honest leadership at all tiers of governance and across sectors. While kleptocracy remains a national past time, the foundation is simply not there to build on laudable programmes such as Health Insurance.

Nevertheless, it is better to light a candle than to curse the darkness. Some state governments are making concerted efforts towards improving the broad determinants of health, albeit for different reasons. With the persistence of Health Insurance advocates like you, a day will come when "hospital and health centre contracts" will run side by side with sustainable approaches to health care.

Overall, I think that we must push for the non-health determinants of health, disease prevention and health promotion with lifestyle interventions. When our governments have made an inroad into these areas, we would have shown the required seriousness in the public sector to give more than lip service to Public Health Insurance.

In the meantime, private sector health insurance developments or pilot public sector projects may be our best hope.

Best wishes
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Have you got any opinion on this....?

....I can't hear you.

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Kenya: New contribution rates causes fracas with Labour Union

The umbrella workers' body in Kenya, the Central Organization of Trade Unions (COTU) has rejected the move by the National Hospital Insurance Fund (NHIF) to increase the contributions of its members - the bulk of which are employees in the formal sectors.

Before the planned increase, contributions ranged from 30 Kenyan Shillings (Ksh) for those earning 1000 Ksh per month to a maximum of 320 Ksh for those receiving a monthly salary of 15,000 Ksh and above. Voluntary contributors, especially self employed persons pay a flat rate of 160 Ksh per month. The new rates aim to bring the maximum subscriptions to Ksh 2,000.

COTU secretary general, Francis Atwoli thinks the NHIF is not competent to handle that kind of money, which could amount to Ksh 10 billion annually from the current Ksh 5 billion. Moreover, the union refers to the new Constitution, which clearly states that the provision of healthcare is the responsibility of government. The union therefore called on the government to stick to the Abuja Declaration that binds signatories to allocate 15% of their national budgets to health.

In the meantime, COTU has secured a temporary suspension of the monthly deductions from the workers salaries through a successful application to the High Court, pending the determination of the case, which has been fixed for hearing on the 24th of November, 2010.

The NHIF which started in 1966 as a department under the Ministry of Health was restructured in 1998 after an act of parliament transformed the fund into a state corporation. Although it is managed by an all inclusive board representing various stakeholders and interest groups, including COTU, National Union of Teachers, National Farmers Union and NGOs - civil society is very critical of the operations of the fund.

According to the Human Rights Advocacy Forum (HERAF), the poorest sections of society are unable to access the NHIF, as they cannot afford the full cost of insurance; and the government has insufficient resources to subsidize the cost. Similarly, the large informal sector has remained untouched, due to lack of systematic methods to reach informal workers. Coverage is also limited to in-patient hospital treatment.

COTU Secretary General, Francis Atwoli leading workers to reach consensus with government on NHIF reforms

At current membership of 1.5 million principals and 8 million dependants, the NHIF has defended its action to increase contribution rates in order to give added benefits to its members such as out-patient care, as well as expand coverage to reach more people. But COTU insists that workers alone cannot cater for the entire Kenyan 40 million population. They see their contribution only as a supplement to an increasing government budget health that moves closer to the Abuja target.

Meanwhile, the government has contracted the International Finance Corporation (IFC), the private sector lending arm of the World Bank to look at the capacity of the NHIF in its new role and advise it on the best way forward. A report is expected in a few months ◊◊◊

Ghana: Coverage reaches over 60 % of population

Speaking at the 10th Annual Lecture of the Ghana Medical Association in September, the Chief Executive Officer of the National Health Insurance Authority, Mr. Sylvester Mensah indicated that starting from a membership base of 1.3 million in 2004, the scheme today, has a database of over 15.5 million registered members. And utilisation rates have grown exponentially from 9.9 million in 2008 to 17.6 million in 2009, representing a 75% increase.

He noted that currently, over 60 per cent of the population has joined the health insurance scheme, which has evolved to become the funding source for healthcare for many Ghanaians - both rich and poor. Mr Mensah pointed out that the scheme has also grown in various aspects of its operations, and is perceived as a model social health insurance programme in Africa, and beyond.

While figures, and reports from independent studies, suggest a growing confidence in the scheme as demonstrated by its numerous subscribers, several people had expressed some concern that after years of the National Health Insurance Scheme, maternal and infant mortality figures have stagnated, in addition, delays in payments of NHIS claims was crippling the operations of several health institutions.

The Authority counters this allegation in insisting that since the beginning of the year, it has consistently endeavoured to pay claims within 60 days of submission, and had made repeated calls to service providers, to submit their claims properly, and promptly, Furthermore, it claims that the free maternal care program, which was instituted in 2008, saw an increase of about 100% in the number of expectant mothers accessing antenatal care between 2008 and 2009 alone.

Meanwhile, close observers of health insurance programmes in Sub-Saharan Africa, have attributed the critical success factor of the Ghana scheme to the existence of a distinct 'health insurance fund', which adopts innovative funding mechanisms - apart from pooling individual contributions, the fund obtains a 2.5% top-up from Value Added Tax (VAT) to secure a funding base that can sustain the scheme on a continuous basis ◊◊◊

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Nigeria @ 50: KEY NHIS MILESTONES

- **1984** - *National Council on Health under the then Health Minister, Admiral Patrick Koshoni, set up a committee under Prof. Victor Diejomaoh to advise government on the scheme. Panel recommended NHIS as a viable funding mechanism for healthcare in the country.*
- **1985** - *Dr Emmanuel Nsan as Health Minister, set up an NHIS review committee, under Mr. L. Lijadu. Also submitted that the scheme was viable.*
- **1988** - *Health Minister, Prof. Olukoye Ransome-Kuti set up another committee led by Dr Emmanuel Umez-Eronini to recommend a more realistic and acceptable model for the implementation of the scheme.*
- **1991** - *The Federal Government of Nigeria signed an agreement with the United Nations Development Programme (UNDP) and the International Labour Organisation (ILO) for the planning and implementation of the scheme.*
- **1993** - *Dr Christopher Okojie, the Health Secretary in Interim National Government (ING) presented a memorandum to the Traditional Council (TC) asking for immediate take-off of the scheme.*
- **1995** - *Maiden Health Summit held in Abuja recommended private sector involvement with the introduction of Health Maintenance Organisations (HMOs).*
- **1997** - *Former Head of State, Late Gen. Sanni Abacha launched the scheme on October 15th*
- **1999** - *Former Head of State, Gen. Abdulsalam Abubakar signed NHIS Decree 35 in May.*
- **2000** - *House of Representative Committee on Health of the National Assembly held a Public Hearing on NHIS between February 21st – 24th necessitated by calls for amendments to the enabling laws (NHIS Decree No. 35 of 1999)*
- **2001** - *Extraordinary National Council on Health with NHIS as sole agenda item held in July at Port Harcourt.*
- **2002** - *Re-launch of NHIS by Mrs. Stella Obasanjo, wife of the President of the Federal republic of Nigeria (FRN) at Ijah community, Tafa LGA, Niger State on March 22nd.*
- **2003** - *Health Minister, Prof Eyitayo Lambo commissioned a Ministerial Committee to develop a blueprint for the revitalization of NHIS*
- **2005** - *Former President, Olusegun Obasanjo flags off the formal sector programme covering Federal Government Employees across the country, with progressive addition of other segments of the population.*
- **2015** *Universal Coverage ??*

Health Insurance Affairs is a quarterly Newsletter, linking health financing to the business of health care in Nigeria and elsewhere in the continent.

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.

Readers are invited to contribute views, articles, and letters. Opinions and views expressed in letters and articles do not necessarily reflect the views of CARE-NET. Information supplied in *Health Insurance Affairs* is checked as thoroughly as possible, but cannot accept responsibility should any problem arise.

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Reducing fragmentation of Funding Pools

In a bid to halt and begin to reverse the unacceptable health indicators, many countries in the sub-region have renewed their interest in improving access to health care for all citizens 'free at the point delivery'. This has led to a litany of programmes ranging from free healthcare plans for pregnant women, breast feeding mothers and children under five years of age - through community-based health insurance, to private and social health insurance.

In most countries, each of these programmes targeting different segments of the population operate independent of each other - without aggregating the risks to protect poor families, even when they are undertaken by the same agency. For example, the National Health Insurance Scheme (NHIS) in Nigeria, which runs a separate programme for employees of the federal government, is now promoting a programme for students in tertiary institutions, another for retired persons, and yet another for those in the informal sector. In the absence of a dedicated national health insurance fund, each of these programmes are constituting themselves into individual pools of funds mainly domiciled with health maintenance organizations (HMOs). While there is an anticipation that all these may one day coalesce into one - the lack of plans to have consolidated health Insurance funds points to a non progressive future.

Some commentators may argue that what is happening are steps in the right direction, but we cannot continue to promote social solidarity among poor people. We should rather aim for 'universal schemes' that promote fair financing among all income groups in Africa.

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