Care Net Nigeria

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Towards Universal Health Coverage in Africa

For three days in March (15th - 17th), Health Economists in Africa gathered at the sea side resort of Saly in Senegal to deliberate on how the continent can achieve universal health coverage in the shortest possible time. The meeting, which was the 2nd conference of the *Africa Health Economics and Policy Association (AfHEA)*, examined various options for financing health care at the country level, in a way that "guarantees access to all - free at the point of delivery".

This became necessary as a result of the current inequalities within health systems in Africa, where in some cases out-of-pocket payments by patients account for over 70% of the total health expenditure.

As general tax revenue, which has been the traditional source of health care funding becomes inadequate owing to several factors including increase demand for modern health care, countries are searching for alternative financing mechanisms that are both equitable and can increase health service utilization.

Of particular interest is 'social health insurance' that promotes 'social solidarity' among participants and usually organized as National Health Insurance programmes. After years of implementation, findings from several countries indicate that these programmes are only able to cover those in formal employment that account for a very tiny proportion of citizens. The vast majority of people who operate in the informal sector especially those in traditional occupations of farming, trading and arts and crafts are usually excluded as their incomes, which are low and irregular can not sustain the premiums demanded.

An alternative model - Community-Based Health Insurance also patterned along social health insurance has also failed to reach a critical mass of ordinary people as

Dr Chris Atim - Executive Director of AfHEA speaking to the press at the Conference

this too faces enormous challenges including fragmentation of funding pools, financial insolvency, and weak management capacity among others.

Meanwhile, as the search for the means of attaining universal coverage in Africa continues, there is now a better understanding among policy makers that the issues involved are political as well as technical. Therefore bureaucrats who possess neither of these skills in a specialized area such as this stand little chance of making things happen ◊◊◊

HMOs in Nigeria: a poorly applied model?

The introduction of 'Managed Care' or Health Maintenance Organizations (HMOs) model in Nigeria as a strategy for financing and delivery of health care, was based on the premise that - in the face of decreasing public (government) expenditure on health, these organizations would be the drivers for the mobilization of alternative funding for healthcare.

But after over a decade and half of their existence, HMOs in Nigeria have failed to deliver on this promise.

The key issue is the inability of HMOs to actively enroll participants from across the country into pre-payment schemes - using all sorts of creative approaches as private sector organizations are known to employ. Rather, they are heavily dependent on government business that result from public sector employees enrolled in the National Health Insurance Scheme (NHIS) or government pre-paid programmes (also managed by the NHIS) targeted at vulnerable groups such as women and children.

In this instance, HMOs only act as 'third-party administrators' for the NHIS. And thus neglect their expected duty of raising and pooling contributions in a manner that allows cross-subsidization across income groups; and managing to share the financial risks of illness between the sick and the healthy.

As the country continues to search for viable means of achieving universal coverage, many observers are starting to note that this is yet another imported model that is either inappropriate or wrongly applied ◊◊◊

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Feedback...

Re: Proposed PHC Fund in Nigeria Ambushed By Vested Interests

Hi Tarry,

Thanks for the publication which you have consistently kept faith with. My comments are focused on the article titled: "Proposed PHC Fund in Nigeria Ambushed by vested interests"

First is to agree with your diagnosis that the PHC fund has been ambushed; this is however expected as we know, most people are in the business of "following the money" so that they can get their "cut" and not that the money should be transparently used to deliver the desired goods and services.

The following provide evidence that the fund is being ambushed as mentioned in your article: the overnight transfer of 5% of the fund to the FMOH without due consultations with other stakeholders; the recent rush by some states to establish Primary Health Care Agencies or Boards without adequate plans on the governance, funding and system strengthening and service delivery issues of these new structures; the leadership struggle regarding appointment of key officers in some of these boards; HMOs and health insurance issues. It may appear as an academic argument, but is being speculated that probably the delay in passage of the health bill is part of the grand design to ambush the fund. The latter could be attributed to forces trying to position themselves to manage the fund when the bill is finally passed.

How do we overcome this ambush? There are several ways to address this but I will limit myself the following few: We all need to put our hands on deck for the passage of the health bill by the present national assembly. If the bill on another social issue like the minimum wage can bill can go so fast why not the health bill?

NPHCDA should initiate the process of developing guidelines for effective application of the PHC fund in line with the health bill. The disbursement must be transparent and accountable ensuring that performance is the corner stone for disbursement.

At a recent workshop organized by NPHCDA on Primary Health Care Funding, PHC fund from the health bill was a key source for PHC fund. The issue of constituting a committee to develop the guidelines for accessing the PHC fund was discussed and this should be taken forward as a priority for the NPHCDA. It is essential to ensure that the committee is broad based as was discussed and should use lessons from other funds like the MDG fund, GAVI fund, UBE fund, etc to produce suitable guidelines

It is essential that these guidelines are widely discussed, finalized and circulated to ensure that health consumers, providers and policy makers are conversant with modalities to assess these funds. Providing adequate mechanisms for voice and accountability in the administration of the fund is very important to ensure that people are empowered to ask questions and push for the right thing to be done. This will scare away those willing to turn the fund into their milking cows

Once again thanks for introducing such a topical issue that is so important to improving health service delivery.

*~ **Dr Emmanuel Sokpo** - Adviser to the Partnership for Revitalizing Routine Immunization in Northern Nigeria (PPRRINN) Programme funded by the UK Department for International Development. (DFID)*

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Dear Tarry,

I am one of those who think that the national Health Bill is bad legislation, and should be withdrawn for better consultation.

Members of the Health Schematic Group of Vision 20, 2020 were supposed to be some of the most highly qualified professionals who had been playing important roles in the health sector in the recent past. They represented nearly all the professional groups in health. The private sector also had delegates. They were supposed to have been carefully hand-picked by the Federal Government and given the job of producing a blueprint for developing Nigeria's health sector in such a way that, by the year 2020, our health services would be ranked among the best 20 in the world. That was the theory.

Placed before the groups were voluminous working papers—plenty of them—but there was no mention of the National Health Bill (NHB). I, the chairman of the group, had heard of it and started asking questions. All my colleagues had also heard of it, but none had seen a copy, not to talk of participating in its formulation. The only delegates who were fairly confident were the representatives of the Federal Ministry of Health, but they were unable to provide the group with a copy. It was at this stage that I considered the work to be high among the top secret documents of the nation. Information of this nature should have been widely disseminated right from the stage of Public Hearing, giving members of the public ample opportunity to thoroughly discuss and contribute to its creation. Finally, I was able to procure a copy from the National Planning Commission (NPC) during the last session of our meetings. I analyzed it overnight and presented it to the Health Schematic Group. My analysis alleged many serious defects, and when the Minister of Health visited the group, we raised the matter with him.

The Minister was not at all familiar with the issue, but said several versions of the NHB existed, and wondered whether we had the correct version. He promised to send the correct one to us once he returned to his office (which was next door). When that copy came two days later, it was identical to the one we had obtained from the NPC. The Health Schematic Group could not start work on the document because our time was up, and the issues were too serious to rush through. We had been warned there would be no extension of time.

Continued on Page 3

Feedback... cont'd

Continued from page 2

I forwarded my analysis to the Minister and advised him that the NHB should be withdrawn for wider consultation within the Nigerian population, particularly the major players in the health sector so that we could correct the defects. I did not receive any reaction from the Ministry.

Last year, I raised the matter up again at the forum of Chairmen of the Boards of Federal Tertiary Hospitals, and we requested the new Minister of Health for urgent action. He sent us an electronic copy of the Bill. It was far less malignant than the draft I got from the NPC, but it still needed serious attention.

There is a general agreement that one of the most effective methods of improving the health of developing nations is to establish effective primary health care. I therefore expected the subject to receive serious consideration in the NHB, and the creation and role of NPHCDA considered in detail. The creation, membership and functions of the Agency are absent in the version I have. It simply mentions that the Agency would be responsible for disbursing of the funds accruing to PHC. A body responsible for disbursement of funds for implementation of a project should have some authority of sanctioning the recipient or implementer of the project. Such powers are not spelt out in my version of the NHB, indicating that the NPHCDA would merely be playing the part of an intermediary in the transfer of money from government to whoever is given the responsibility of implementation, providing more avenues for operation of the Nigerian Factor.

The story of certain people preparing to ambush the funds is not at all surprising to me. I believe they will succeed unless we amend the NHB.

I suspect that the NHB was produced by some body, possibly the FMOH with insufficient consultation and publicity. I am convinced that it should be withdrawn from wherever it is and subjected to better consultation and discussion. If this is not done, it would compound the country's problems in health. Perhaps the version of the national Health Bill I have is not, after all, the ultimate final one.

*~ **Prof Shima Gyoh** - Fomer DG, Federal Ministry of Health & Chair, Medical and Dental Council of Nigeria is Professor of Surgery at Benue State University .*

Tarry,

Thanks for this but just to inform that the bill provided for what the fund will be paying for, who will lead the development of regulations and guidelines for disbursement. Mechanisms for disbursement and accounting are also provided for in the bill. What I believe are acute challenges that should draw immediate stakeholders response are:

1. Passage of the bill (we have only about 5 weeks to achieve this or the effort will go up in smoke as it will require starting afresh when the new parliament is sworn in in June 2011).

2. NPHCDA leading the development of guidelines for the administration, disbursement and monitoring of the fund as provided for in the bill (I believe that NPHCDA has actually started this with on-going broad consultations around PHC Financing, her work on re-organizing the PHC system dubbed PHC under one Roof [PHCUOR] and a Memo on this awaiting approval and adoption by the NCH).

Reproduced below (See Page 4) are the contents of the section of the health bill dealing with National Primary Care Development Fund for information.

I believe the above provisions are adequate.

*~ **Dr Ben Ayene** - Chairman, Health Reform Foundation of Nigeria (HERFON) & Policy Advisor to Partnership for Revitalizing Routine Imunisation in Northern Nigeria (PPRRINN) Programme funded by UK Department for International Development.*

Dear Tarry

A few comments on the caption: "Proposed PHC Fund in Nigeria Ambushed by Vested Interests". Clearly a lot of water has gone under the bridge on this matter of the National Health Bill. I will not go into the politics of the matter. Ordinarily politics is not a bad thing, if motivated by altruism, as opposed to the jostling for shares of the pie. So let the people have their say, through any channels.

Please I think you need to clarify for your readers which is which: is the 2% coming from what you called Consolidated Funds of the Federation (I suppose AKA, the Federation Accounts?) which is shared monthly between the three tiers of governments? Or is the source from the Consolidated Federal Revenue, which is the Federal Govt. share of the Federation Account? I think it is the latter. On that premise, therefore, it is easy to see why the funds and the disbursement apparatus that have emerged, ostensibly in the rush to create State PHCDA, were embarked upon as funds receptacles for States, without corresponding contribution from the States and LGAs….even though PHC is a not a Federal Government mandate.

I believe that the original idea was for the 2% to come from the Federation Account…but a lack of will, responsibility and the rush to make compromise, has brought the matter to the present quagmire, violating the principles of shared roles and responsibilities, the very heart of the proposed Bill

I think you may further need to re-think your apparent undisguised dislike for ring-fencing part of the fund as a set aside, at Federal level, to deal with perennial cross-cutting and devastating health emergencies and epidemics (outbreaks of CSM, Cholera, measles, etc), for which the states have completely abdicated responsibilities, and which, as a result of a deficient budget framework cannot, and perhaps should not be expected to be adequately provided for in a regular Federal Ministry of Health budget. Hence, every year without fail, Nigeria suffers from this health emergencies and epidemics. This after-thought provision, which does not meet the test of "vested interest", is novel, imaginative, responsible and responsive, as well as praiseworthy. In fact WHO Africa Region is in the process of requiring African Govts. to fund such extra-budget continental fund, to be managed by the WHO African Regional Office, to address health emergencies and epidemics outbreak, without prejudice to their regular budget.

It is my prayers and in everyone's vested interest that the Bill gets passed correctly, if and when it does.

*~ **Dr Mohammed Lecky** - Immediate Past Director of Planning, Research, & Statistics, Federal Ministry of Health*

Health Insurance Affairs is a quarterly Newsletter, linking Health Systems and Healthcare Providers 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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Matters Arising: National Primary Health Care Fund in Nigeria

The proposed National Primary Health Care (PHC) Fund in Nigeria that would be set up as soon as the National Health Bill is singed into Law is generating so much interest not only because of its status of being ring-fenced from unforeseen budgetary cuts to health that may happen in the future. But also because of its potential to serve as one reliable domestic resource to wean the country off international donor funding of primary health care.

This Fund, which aims to finance both supply and demand side inputs on an equal basis provides a huge opportunity to re-vitalize primary health care in the country. While the principle behind this Fund appears relatively simple, the actual implementation is proving to be complex. With so many vested interests all asking the same question - *what is in there for me?* - the Fund in our opinion is already open to capture by these powerful groups. Our anxiety was confirmed by many readers who sent in their feedback when we first raised this issue in our last edition - pointing out that the design of the features of the Fund is faulty and should therefore be reworked. Nevertheless, there were also others who also sent in their letters insisting that despite its vulnerability, the Fund is the best thing that is about to happen to the country as far as financing health care is concerned and therefore should be fully supported.

No doubt, support for the National PHC Fund is waxing rather than waning, but the pitfalls in its implementation as identified by various stakeholders cannot just be wished away. Apart from continuous dialogue on the issues raised by us and others to find the best technical solution, a political strategy is also required within the framework of a 'collaborative federalism' that is fair to all.

Dr Tarry Asoka
Editor
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Section of the National Health Bill dealing with the Establishment of the National Primary Health Care Development Fund

(1) There is hereby established a Fund to be known as the National Primary Health Care Development Fund (in this Act referred to as "the Fund").

(2) The Fund shall be financed from—

(a) the consolidated fund of the Federation, an amount not less than two per cent of its value;
(b) grants by international donor partners; and
(c) funds from any other source.

(3) Money from the fund shall be used to finance the following:-
(a) 50% of the fund shall be used for the provision of basic minimum package of health services to all citizens, in primary health care facilities through the National Health Insurance Scheme (NHIS);
(b) 25 per cent of the fund shall be used to provide essential drugs for primary healthcare;
(c) 15 per cent of the fund shall be used for the provision and maintenance of facilities, equipment and transport for primary healthcare; and
(d) 10 per cent of the fund shall be used for the development of Human Resources for Primary Health Care. *(this has been reduced to 5 per cent with the amendment intrduced by FMOH in Sept 10, that provides for FMOH using 5 per cent of this to fund Emergency response)*

(4) The National Primary Health Care Development Agency shall disburse the funds for items 3 (b, c, d) above through State Primary Health Care Boards for distribution to Local Government Health Authorities.

(5) For any State or Local Government to qualify for Federal Government block grant pursuant to sub-section 1(1) of this section, such State or Local Government shall contribute -
(a) in the case of a State not less than 10 per cent of the total cost of projects; and
(b) in the case of a Local Government not less than five per cent of the total cost of projects as their commitments in the execution of such projects.

(6) The National Primary Health Care Development Agency shall not disburse money to any-

(a) Local Government Health Authority if it is not satisfied that the money earlier disbursed was applied in accordance with the provisions of this Act; and

(b) State and Local Government that fails to contribute its counterpart funding.

(7) The National Primary Health Care Development Agency shall develop appropriate guidelines for the administration, disbursement and monitoring of the fund.

~ As made available by Dr Ben Ayene ***(See Page 3)***