

**SPECIAL
POINTS
OF INTER-
EST:**

- The Health sector is a significant producer of economic goods and services
- Improved health status leads to increased productivity of the workforce
- The Nigerian health sector needs to be targeted for the country to achieve Vision 2020

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Health Insurance Report

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Nigeria can't make 20:20 without a good health system

Nigeria aspires to be one of the top 20 economies in the world by the year 2020.

This is the new economic vision that is giving hope to present day Nigerians both here and in the Diaspora. Why not? Giving the level of audacity and self-confidence in the people such a vision is within reach in the next 12 years.

It is not about rhetoric or government slogan. We need to understand elements that constitute a top economy. Apart from a high and sustainable level of productivity in the real sectors leading to a corresponding degree of standard of living; the quality of the people in terms of the human develop-

ment indicators must be first world standards.

But the country also needs a reasonable crop of well educated, talented and healthy people to achieve the level of economic growth that can put it in the 'premier league' of nations.

At the present moment, the Nigerian health system is not up to the job of supporting this vision let alone be associated with one of the strongest global economies.

Secondly, the health sector does not exist only to provide social services. It

is also a potential growth area for a country with 140 million people and still counting.

Conservative estimate has put the annual turnover of about 150 billion Naira for the health insurance sub-sector alone. Add this figure to the value of drugs consumed by this 'giant' together with the myriads of jobs and the purchasing power of consumers from this sector - a sensible economic planner would target this sector to account for 20% of Gross Domestic Product (GDP).

These are actually the figures from member countries in the 'club' Nigeria wants to join. Therefore an effective health system will be vital to reaching this national goal. This can only happen if those driving the 2020 Vision can make an economic case for the sector.♦♦♦



Prof Soludo: Governor Central Bank of Nigeria Needs to make an economic case for the health sector

Ghana: 40 % Coverage in Three Years

Despite the numerous challenges faced by Ghana's NHIS, it has achieved 41% coverage of its 20 million population. In some districts the figure is as high as 54%.

The programme which started in December 2004 has achieved this level of success through three types of operations. These are: District-Wide and Private non-for profit Mutual health insurance schemes and private commercial health insurances schemes.

The programme is funded from 2.5% contribution from workers salary, 2.5% VAT levy on selected good and services, a vote from parliament and other donations.

Those exempted from paying but benefit from the programme include: children under 18 years, persons over 70 years, pensioners and the indigent.

The benefit package is comprehensive and includes out-patient consultations, admission, sur-

gery and referral to teaching hospitals.

Some difficulties have been encountered - large exempt group (60-70%), poor weak gate-keeper system, delayed claims settlement, high adverse selection (men and single mothers) and mistrust between providers and the staff of the scheme.

There are so many parallels with other programmes in the sub-region but Ghana is making steady progress♦♦♦

Matters Arising: Nollywood Paradigm



What lessons can the Health Insurance industry learn from the rapid growth of the Nigerian home video industry? Issue 11, April 2007.

The following is a dialogue that ensued between Dr Emmanuel Sokpo and Dr Tarry Asoka (Publisher/Editor):

Thanks for this edition of the Health Insurance Report. The Nollywood paradigm makes an interesting reading.

My quick comment on the article is to ask whether the health insurance market and the Nollywood market are the same. I am a green snake in this area but would want to ask whether we are not comparing apples and oranges. It will be interesting to x-ray the two industries from the beginning to the end then putting them side by side.

I will be interested in getting the views, particularly of marketing experts, on this. Thanks for keeping the lights on health insurance on through your journal

Thanks for your feedback. The focus here is not on the industries but rather on the difficult and challenging environment - Nigeria - where nothing seems to work and where

opportunities are very difficult to come by.

Now to my thesis - It is possible for every sector in Nigeria to adopt the 'Nollywood Paradigm' rather than the traditional (western) model of development as currently being pursued. What the indigenous home video makers have done is to see how the legion of problems in Nigeria can be circumvented and provide a product/service that the market is ready to take.

To your question - Yes apples and oranges are different but they are all fruits. So, what is it that apples are doing that oranges cannot do? If apples can achieve so much even for a poor hungry man - what is stopping oranges from doing the same for this same man? What the man is looking for is a fruit that can meet his nutritional needs. Yes again - it is all about 'markets' and a 'business model' that can drive the whole process. And what works for one business (in terms of approach) is likely to work for others in a given place (environment).

The central theme of my argument is that if change must come - it has to come from within and be sustained. The 'Nollywood

Paradigm' appears to be in the right direction.

A good debate - operating a business model. I suppose part of Nollywood success is the pure private sector involvement. Our health insurance scheme is modelled around government bureaucracy and so fort, with very little private sector involvement.

How much room do we have for competition, innovation as it is operating in the communication sector? Government should only regulate the scheme. How far is the revised legislation and policy gone in meeting this model. You have current information on the changes being undertaken in this sector. What is your take on this?

You will recall that up until the current economic reform programme of the federal government, all the sectors of the economy were modelled around government bureaucracy - there was little or no private sector involvement. Government role was both as 'an umpire' and as 'a player'. There was also little or no room for competition and innovation.

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“And what works for one business (in terms of approach) is likely to work for others in a given place (environment) ”



Your Letters.....

Tarry,

Thanks for sending this copy (Issue 11, April 2007). It is indeed insightful.

I have a hunch that it is about time we held a stakeholders meeting on the NHIS. With the experience of different stakeholders on the implementation so far, one can anticipate that such a meeting will be very fruitful and

beneficial. A stakeholders meeting will also help to review the NHIS basket of what constitute the different levels of care, the exempted cases and improving the referral mechanisms.

Consistent with your Open letter to the NHIS, such periodic review will allow for a more dynamic NHIS operation so that we can consolidate on the gains

of a good initiative.

Thanks
Gbenga

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Dr Olugbenga Mokuolu is a Consultant Paediatrician / Lecturer and former Chairman Medical Advisory Committee (CMAC) of the University of Ilorin Teaching Hospital (UIH).

Dear Tarry,

Thanks for the latest edition of your newsletter (Issue 12, June 2007). The edition provides good reading and raises quite some critical issues related to the achievement of the MDGs.

I do agree with the assertion that the nature and scope of existing payment mechanisms can promote the achievement of the MDGs; what is perhaps more critical especially for our country situation is the combination of two often missing factors-pragmatic leadership at relevant levels and community based actions. These are critical missing links in

“Given our particular situation, there is need also to improve stewardship in the health sector to enhance financial risk protection for poor households especially.”

our health jig-saw puzzle!

Given our particular situation, there is need also to improve stewardship in the health sector to enhance financial risk protection for poor households especially.

My warm regards and keep up the good work

Martins

Dr Martins Ovberejo is a Senior Medical Officer at the WHO Office in Zanzibar



.....Nollywood Paradigm.....

...continued from page 2

It took a powerful government with the political-will to open up the economy in the face of strong vested interest - first telecommunications, followed by pension, power and so on. This was undertaken on the basis of a 'private sector led economy' with government regulation.

This new economic philosophy should also apply to the health sector in all its ramifications from financing, through purchasing to service provision - government's role should be limited to 'regulation'. What the home video industry did was to recognise the obstacles created by the huge government control, but did not allow it to get in the way. Working through informal but collaborative networks often financed by private money, the operators changed the way their industry worked for good. Government's role has been limited to regulation through the Films Censors Board and other related agencies.

The current policy and legislation for health insurance is far from having this understanding and that is why we all need to watch closely and push for the necessary reforms in line with the current socio-economic policies of the country. The scheme must be seen as 'a

system' for prepaid health insurance for 'all citizens' irrespective of employment or social status - operated by the private sector but with government regulation. The current mode of government micro-management will not achieve even mediocre results and will be more like 'groping in the dark'.

You have spoken my mind. My impression has been that even the current health insurance act/bill or whatever name it is called has government playing the role of a regulator and implementer. How can it work? Changing management is just one step, changing the system and getting the right people with the right orientation and drive to meet the needs of all Nigerians is key. It means we are very far away from the end of a long pipe.

How do we proceed from here? Such advocacy role your newsletter is promoting is good but we

need something bigger. Secondly, we should encourage private insurance companies to move in. I understand some oil companies have started doing that. Is there a way to promote that practice?

That is yet another angle to the lessons we can learn from 'Nollywood Paradigm' - getting multiple players with different roles but having a common platform for

collaborative networking. Already private insurance companies such as UNIC have started making in-roads, but most of them have focused on the middle-class market. Like in the rest of the economy other than the retail market for household consumables such as beverages, soap etc no one has given a thought to providing health insurance coverage to the population at the 'bottom of the pyramid' (BOP). So called community-based schemes would not do. It would require the same effort and sophistication as it is with formal sector social health insurance, but with plenty of creativity to provide coverage for rural dwellers and those in informal employment.

This is why government's role should be limited to providing an environment that increases the business confidence of the private commercial sector to invest in this potentially lucrative business. Here I refer to the private commercial sector as broadly defined to include - banks, insurance companies, investment houses, venture capitalist and business angels.

So you can see that it is more than a health sector thing. It is a financial service that leads to health gain, increased productivity as well as poverty alleviation.

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.....Nollywood Paradigm cont'd



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You are dead right on both points! How can we proceed with this vision of getting the business sector invest into the health insurance as they are doing in housing, banking, electricity and so on. I know your journal is creating some awareness on the issue but the issues require wider knowledge, understanding and action at especially the policy level. How I wish we had the right persons at the federal or even state level with 'fire in their eyes' to support this push.

What is happening at the NIHS reforms, if there are any reforms initiatives there at all, to address this issue of regulation and not delivery of insurance packages?

That understanding of sticking to their core business of regulation and allowing the rest of the other players to undertake their respective roles is what we are pushing the Council of the NHIS to do. If they heed the call then success will come otherwise they have failed even before they started.

I agree with you that we need a critical mass of actors to make these changes happen. But we must not wait till everybody is ready and everything is set.

I agree that we need to move on while looking for the critical mass of like-minded persons and groups. One step to get more information on the NHIS

law/operational guidelines

I will be glad to get a copy. Do you have an e-copy?

See NHIS link and Decree on this web page <http://www.carenet.info/Resources.html>

Thanks for the quick response. I will do
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Dr Emmanuel Sokpo is State Team Leader for Kano and Jigawa States on the Partnership for Transforming Health Systems (PATHS) project funded by the UK Department for International Development (DFID)

STOP PRESS!
 This will be last issue in this format.
 ...more pages, glossy hard copies, useful tips,
 classified adverts, and many more.

The National Assembly - the legislative arm of government in Nigeria - is made up of two chambers (houses). These are: *The Senate* – the upper house, and *The House of Representatives* – the lower house. The committee structure is the 'engine room' of the National Assembly. Nearly every work in the National Assembly is done in the committees.

For the National Assembly to achieve much therefore, its committees must be very functional and efficient. Fundamentally, the legislature exists to make laws that provide effective framework for governance.

It directs the executive branch of government (through motions) to certain issues requiring urgent measures; domesticates certain international treaties and conventions; confirms nominations made by the President for appointments into some executive offices; and conducts investigation for the purpose of exposing corruption and cutting waste.

Editorial

Tasks before National Assembly Health Committees

The Health Committees are responsible for providing an oversight role over the health sector on behalf of the National Assembly. The current Committees are being inaugurated at a time when the country is keen on reversing the negative health trends in the country as well as making significant progress towards achieving the health-related Millennium Development Goals (MDGs). The desire of these Committees therefore is to align with this national aspiration in addition to making the health sector contribute to achieving the new economic vision of the country, which aspires to become one of the biggest economies in the world by the year 2020.

Because the health situation of the Country is so bad, there may be the ten-

dency to engage in so many activities that nothing is really achieved. It would be wise for Distinguished Senators and Honourable Members to observe the 'Law of Vital Few'. This implies that effort should be concentrated on those areas that would lead to greater impact.

First on this list is the passage of the National Health Bill. This would create the legal framework for the national health system that assigns roles and responsibilities to various actors. Next is the review and amendment of the National Health Insurance Decree No 35 of 1999 - to make it more robust to respond to changes in the dynamic healthcare environment. Finally and also very important is to ensure that annual budgetary allocations to the health sector is at least increased by 50% by the time they are leaving in 2011.

The next Committees will carry on from there. But the present Committees would have made their mark◇◇◇