Management of National Health Insurance Schemes
- the Nigeria Example

Presented by

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Order of Presentation

• Definitions
• NHIS Efforts to UHC (2005 to 2018)
• Why Health Insurance
• National Health Insurance Scheme (NHIS) – Nigeria and its evolution
• Principles of NHIS Nigeria
• Design Features
Definitions

- HMOs – Health Maintenance Organizations
- HCFs – Healthcare facilities
- NHIS – National Health Insurance Scheme
- **Capitation** – predetermined premiums paid regularly in advance to HCFs by HMOs
- **Fee-for-service** – amount paid to the HCFs after healthcare services have been rendered.
NHIS efforts to UHC (2005 to 2018)

• Coverage of Formal Sector population – less than 2%.
• Coverage of the Informal Sector population – less than 300,000 lives
• Piloted the Mobile Health Insurance Programme
• Now implementing the State Social Health Insurance Initiative.
Why Health Insurance?

• Hedge against catastrophic illnesses
• Healthcare Cost containment
• Provides steady cash flow to the Healthcare systems
• Ensure good quality healthcare delivery through monitoring
• Guarantees access to healthcare services
NHIS Nigeria

• Established by Legislative Act 35 of 1999
• Mandate is to achieve Universal Health Coverage
• Covered 95% of all Federal Government employees
• Developed programmes to cover the informal Sector and Vulnerable persons
• Reforming to decentralize implementation to States for coverage expansion

National Health Insurance Scheme.....easy access to healthcare for all
Principles of NHIS

- Key mandate is to secure universal health coverage (UHC) for all Nigerians and Residents.
Principles of NHIS - 2

- A financing mechanism using social health insurance principles
- Social solidarity as a cardinal feature
- Established to provide financial protection to the people in the event of falling sick
- Health risks and financial contributions of people are pooled
- Contributions are based on ability to pay and access to services based on need.
Design features -1

- Contributions are wage – related (formal sector)
- Operated on Public – Private Partnership basis.
- Contributions pooled into a single fund for Formal sector programmes.
- Financing separate from health service delivery.
- Regulated benefit package based on primary, secondary and Tertiary care.
Design features - 2

• Capitation of N750 or $2 per life per month is paid to the healthcare facilities on primary care services.

• There is fee-for-service reserve (10% of contributed funds) with the HMOs to be paid to the healthcare facilities for secondary and tertiary referrals.
Current Health Insurance Model in Nigeria

**Revenue Collection**

**Fund Pooling**

**Purchasing**

**Provision**

- PHCFs - Gatekeepers for secondary care
- Public and Private hospitals as SHCF and THCF

National Health Insurance Scheme.....easy access to healthcare for all
Key Challenges with present structure

• Lack of an effective National ID system leading to duplication of effort and fraudulent access to healthcare services
• Multiple fragmented system hampering cross subsidies
• Inefficiency due to weak purchasing structures
• Non mandatory nature of the NHIS thereby affecting resource mobilization capacity
### Reform Model with Implementation at Sub regional levels

**Revenue Collection, Pooling & Allocation**

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<th>State B</th>
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- **NHIS & UHC Fund**
- **GPs - Gatekeepers for secondary care**
- **Public and Private hospitals**

*National Health Insurance Scheme.....easy access to healthcare for all*
ROLE OF TECHNOLOGY

• Deployment of Health Insurance Management Information System (HIMIS): web based end-to-end health insurance business process automation – includes enrolment, premium collection, accreditation, claim processing, payment, encounter data management etc.
Take Home messages

• NHISs mechanism remains the most cost effective way of funding an equitable, affordable, accessible and qualitative health care, the world over.

• An efficient ID system and deployment of relevant ICT are key to a well managed NHIS

• There should be legal and legislative backing to the formation of health insurance schemes

• Participation in health insurance schemes should be made mandatory within the population.
Thank you!