

# **34<sup>th</sup> Annual Conference of Association of Health Service Administrators of Ghana (AHSAG)**

**National Health Insurance Policy: The journey so far and some thoughts about sustaining the policy**

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# Outline of presentation

- Part 1: The journey so far
  - Membership enrolment
  - Service utilisation
  - Some other major achievements
- Part 2: Issues about sustainability
  - Existing cash inflows
  - Distribution of inflows by sources
  - Distribution by expenditure as per budget items
- Part 3: Medium-term outlook
  - Proposed cash inflows
  - Envisaged vision by 2012



# THE JOURNEY SO FAR



## ACT 650

The Act establishes a corporate body, **The National Health Insurance Authority**, governed by **The National Health Insurance Council**...

AN ACT to secure the provision of basic healthcare services to persons resident in the country through mutual and private health insurance schemes; to put in place a body to register, license, and regulate health insurance schemes and to ~~accredit and monitor~~ healthcare providers operating under health insurance schemes; to establish a **National Health Insurance Fund** that will provide subsidy to licensed district mutual health insurance schemes; to impose a health insurance levy and to provide for related matters.

...to **register, license and regulate** Health Insurance Schemes, and **grant accreditation** to healthcare providers and **monitor** their performance, amongst others



## SUMMARY STATISTICS (AS OF JUNE 2010)

Schemes in operation	145
Total Registered Members (% of population)	15,555,816 (66.4%)
Total ID Card Bearers (% of population)	13,943,414 (59.5%)
ID Card Bearers as % of Total Registered	89.6%
Medical Conditions Covered	About 95%
Number of Service Providers	Over 5,000

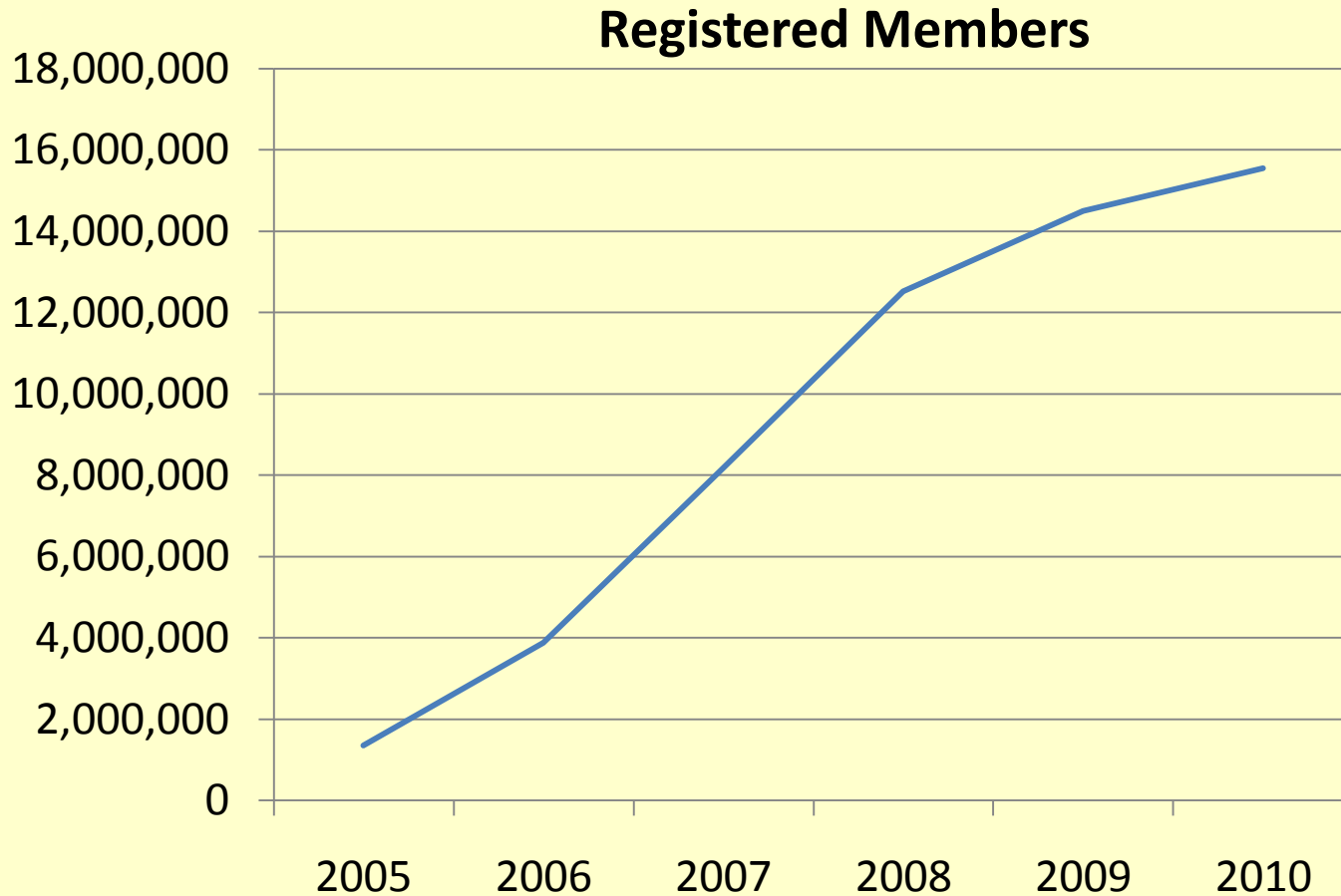
### DISTRIBUTION OF REGISTERED MEMBERS BY CATEGORY

<i>Category</i>	<i>Number Registered</i>	<i>% of Total Registered</i>
Informal Adult	4,546,059	29.2%
Aged (>=70 years)	1,006,529	6.5%
Under 18 years	7,604,324	48.9%
SSNIT Contributors	915,924	5.9%
SSNIT Pensioners	81,604	0.5%
Indigents	350,035	2.3%
Pregnant Women	1,051,341	6.7%



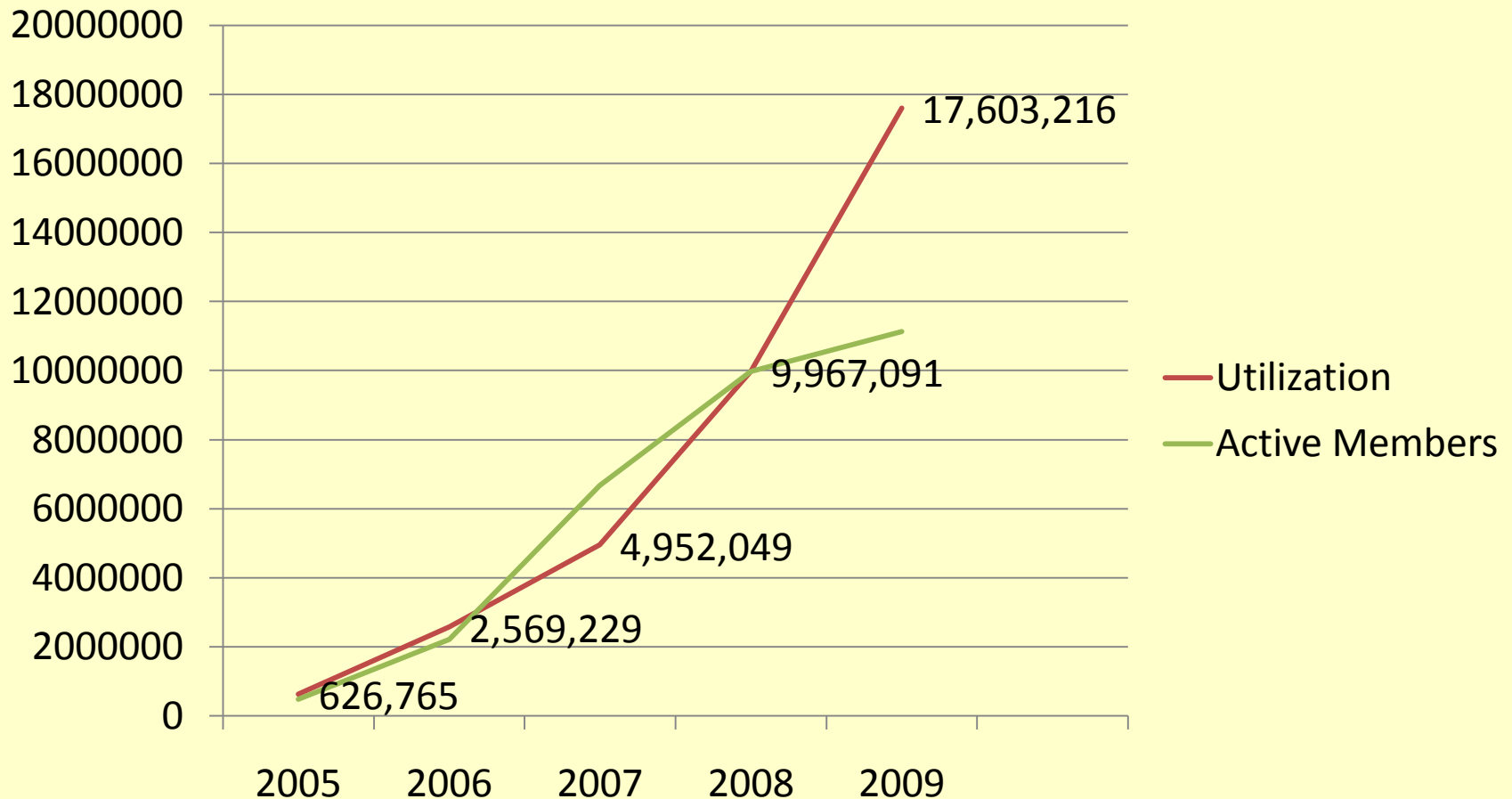
# REGISTERED MEMBERS

Current registered members of 15.5 M represents a 24% increase over and above registration as at 2008



# UTILIZATION & ACTIVE MEMBERSHIP

Escalating utilization rates, as measured by the number of out-patient encounters, is an attribute of the growing confidence in the scheme



# EXEMPT GROUP

Exempt groups increased from 5 to 6 in 2008; expectant mothers and indigents access healthcare absolutely free, when registered

	Card Processing Fee	Renewal Fee	Annual Premium	Waiting Period
<b>Expectant Mothers (and Newly-born)</b>	No	No	No	Immediate
<b>Children Under 18 yrs</b>	Yes	Yes	No	3 months
<b>Aged - 70 and Above</b>	Yes	Yes	No	3 months
<b>SSNIT Contributors</b>	Yes	Yes	No	3 months
<b>SSNIT Pensioners</b>	Yes	Yes	No	3 months
<b>Indigents</b>	No	No	No	3months

**Effective 25<sup>th</sup>. October 2010, the test to confirm pregnancy is covered, if confirmed pregnant**



# MAJOR ACHIEVEMENTS

- Restructured the Authority
- Reviewed ICT Implementation & Engaged Key ICT staff
- Strengthened and re-oriented the Internal Audit Division
- Set up Clinical Audit Division
- Instituted comprehensive regional verification/ spot audit checks (Financial/ Clinical Audit Checks)



## MAJOR ACHIEVEMENTS (CONT'D)

- Established a Claims Processing Centre
- An operational centralized claims management centre for teaching & regional hospital claims processing
- Introduced operational changes in the free maternal care policy



# FORMALLY-ACCREDITED FACILITIES TO DATE

Formal accreditation started in 2009 (3 batches inspected)

Type of facility	No. of facilities accredited
CHPS Zone	727
Maternity Home	211
Health Centers	658
Eye Clinic	6
Clinics	260
Polyclinics	12
Primary Hospital	273
Secondary Hospital	9
Tertiary Hospital	1
Pharmacies	237
Chemical Shops	180
Laboratories	60
Ultrasound	30
Diagnostic Centers	19
<b>Total</b>	<b>2,685</b>

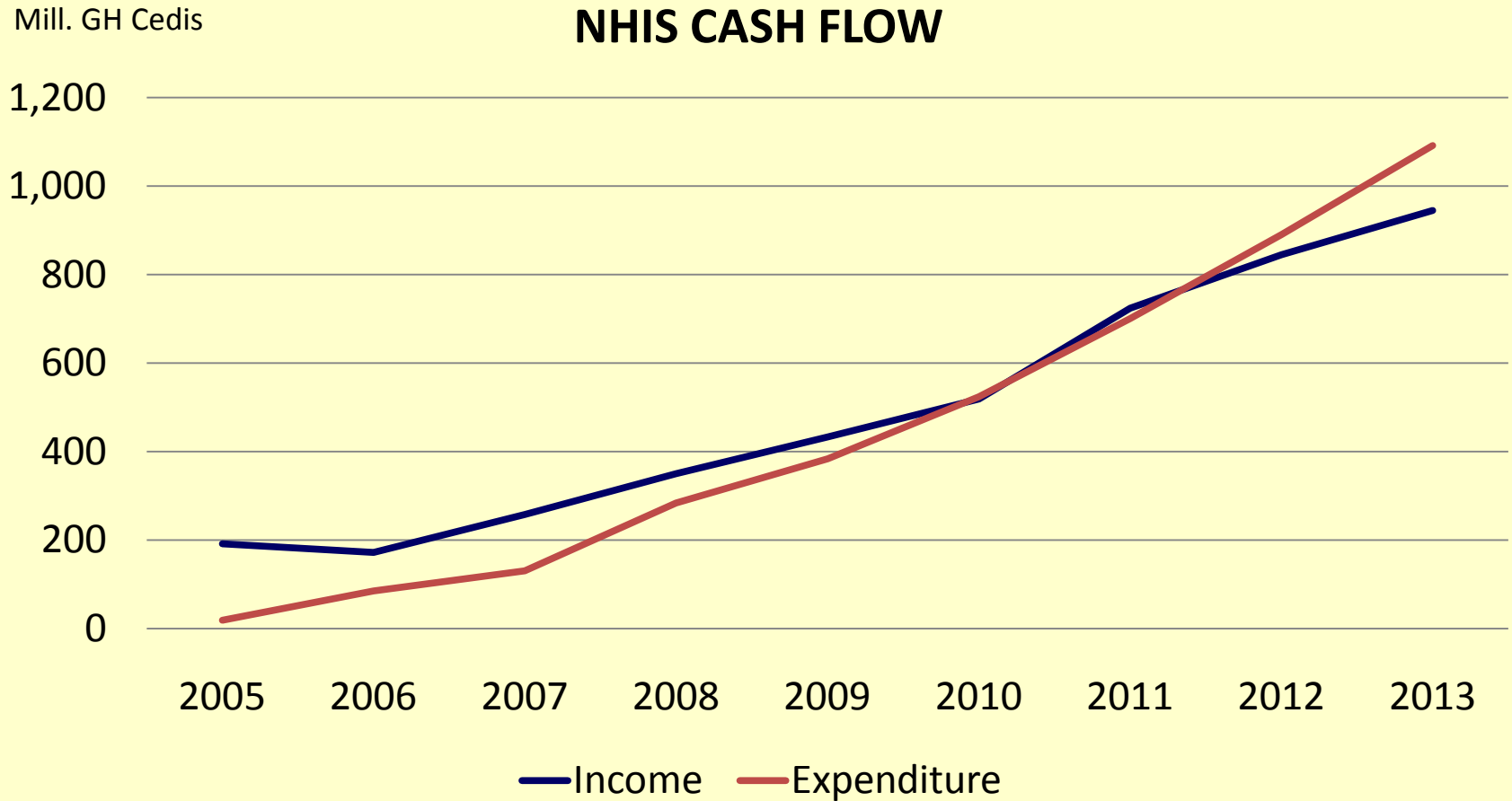


# SUSTAINABILITY



# CASH FLOW

Rising utilization rates and growing free packages pose sustainability challenges



# Cash Flow of NHIS (EXISTING)

## INCOME

Health Insurance Levy  
(2.5% of VAT)

SSNIT contributions  
(2.5% of payroll)

Interest on Fund

Other Income

**Ministry of Finance  
and Economic  
Planning**

**National Health  
Insurance Fund  
(NHIF)  
Managed by NHIA**

Subsidies

Reinsurance

Premium and  
registration fees  
(informal sector)

**District Mutual Health  
Insurance Schemes  
(DMHIS)**

## EXPENDITURE

Administration and  
logistical support to  
DMHIS

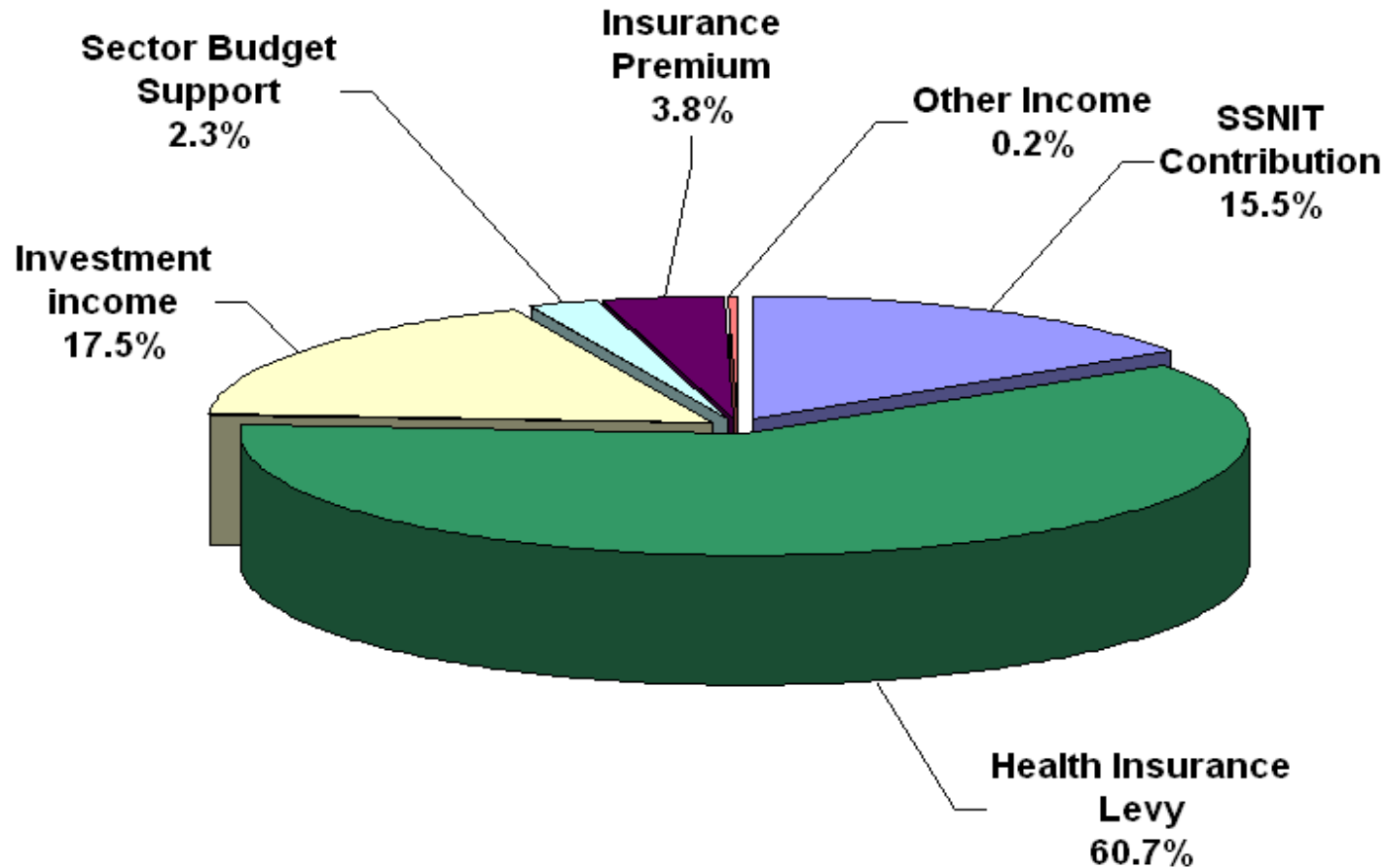
Administration and  
general expenses of  
NHIA

Support to Partner  
Institutions

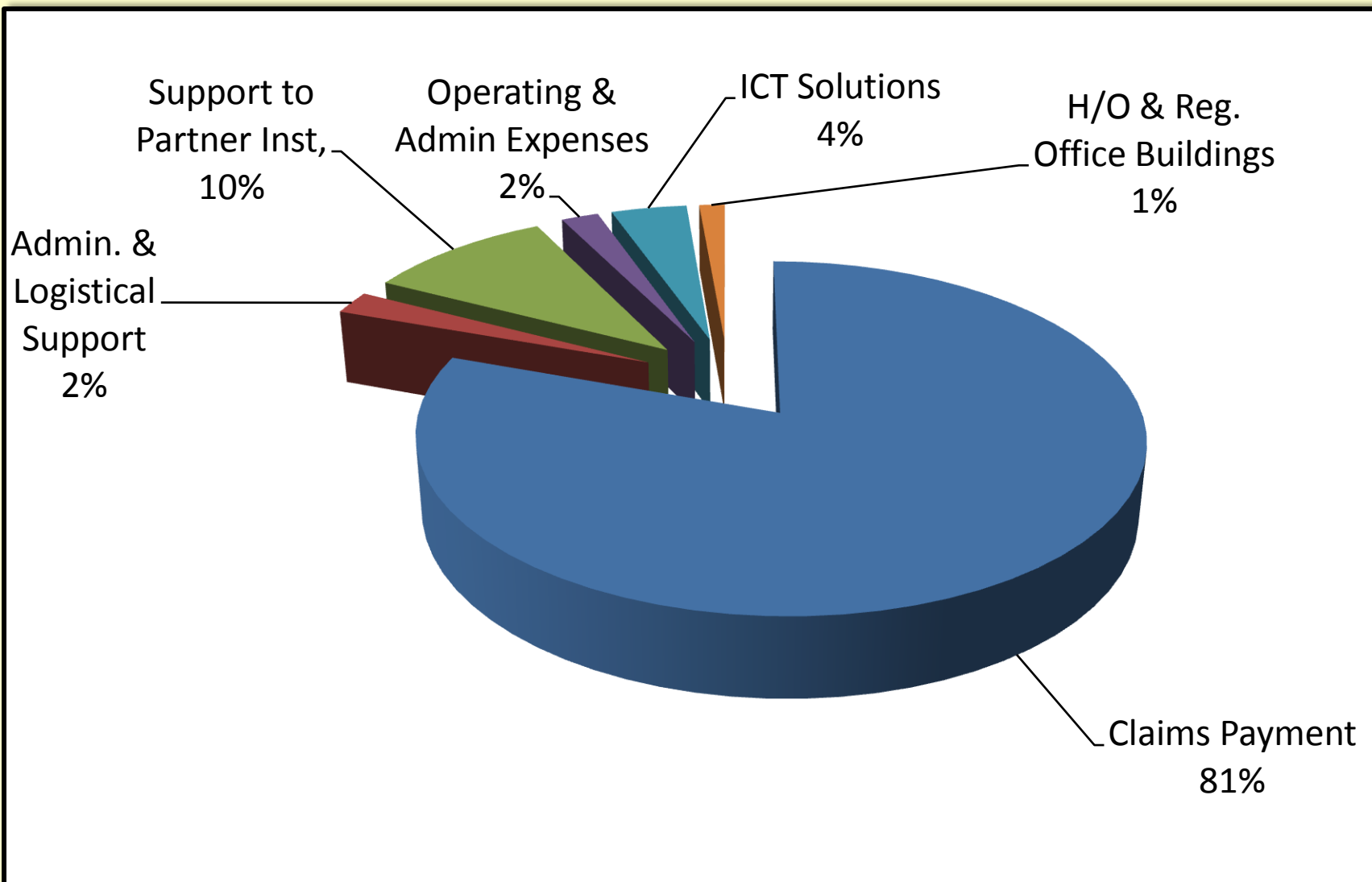
Payment of Claims  
to Healthcare  
Providers



# DISTRIBUTION OF NHIS INCOME BY SOURCE (2009)



# DISTRIBUTION OF EXPENDITURE (2009)



# CHALLENGES

- Breach of the gatekeeper system
- High claims from providers
- Moral hazard
- Autonomy of DMHIS
- Inadequate capacity to vet claims at scheme level



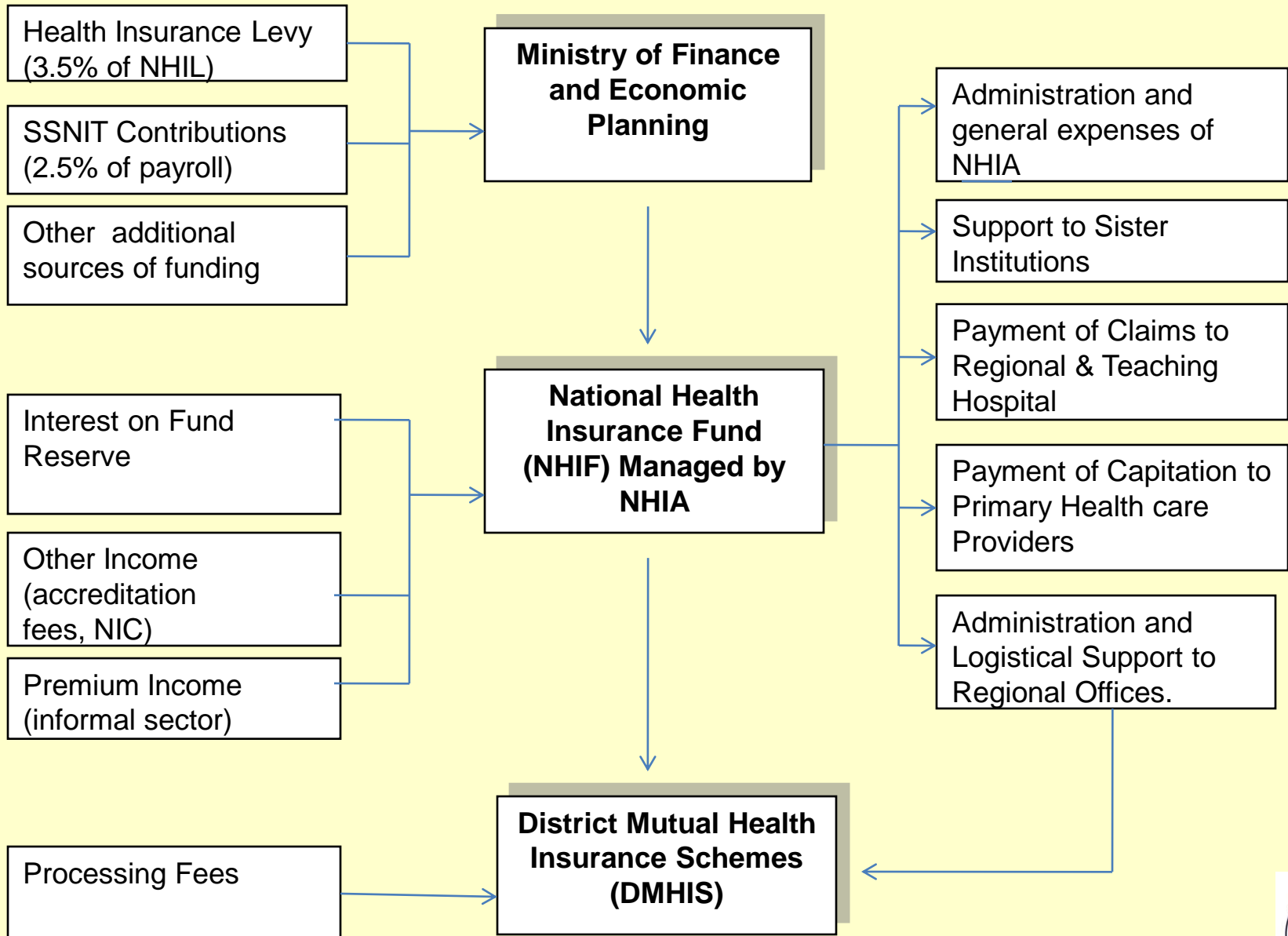
# FUTURE OUTLOOK



# NHIS CASH FLOW (PROPOSED)

## INCOME

## EXPENDITURE



## VISION 2012

- A reviewed legal regime
- Operational one time premium payment
- Improved portability
- Improved processing and timely payment of claims
- Improved client satisfaction
- Capitation for primary outpatient care introduced
- Enforcing the Gatekeeper system



## VISION 2012 (CONT'D)

- Improved internal financial system with adequate controls
- Improved communication strategy (NHIA brand)
- Consolidated Premium Account in operation
- An operational centralized payment mechanism
- Unique prescription forms introduced and prescribing levels enforced
- An operational call centre



## VISION 2012

- Robust ICT system in place
- Improved data integrity
- Restructured regional/ scheme offices
- Increased / additional (internal) funding sources
- **Improved health status of Ghanaians**



THANK YOU

