National Health Insurance Authority

Ghana's National Health Insurance Scheme: An Overview

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Presentation to CABRI HEALTH DIALOGUE II

Date: July 9, 2012

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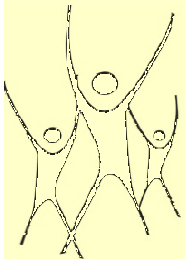


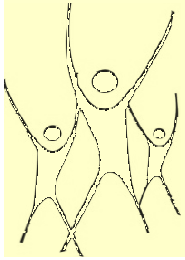
Background of NHIS (1)

- **Before NHIS was established, the health financing policy included reliance on user fees (better known as "cash & carry". The object of that policy was to recover 15% of the health sector's recurrent expenditure. As it turned out, this system was neither a social nor financial success.**

- **Established by an Act of Parliament in 2003 (Act 650)** in response to challenges posed by "Cash and Carry" system

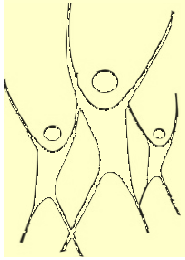
- **It is a Social Health Protection Policy** to secure financial risk protection against the cost of healthcare services for all residents in the country; particularly, the workers of the informal economy considering that over 90% of Ghana's workforce are in the informal sector.

- Act 650 makes provision for **3 types of schemes**
  - *District (Public) Mutual*
  - *Private Mutual*
  - *Private Commercial*



Background of NHIS (2)

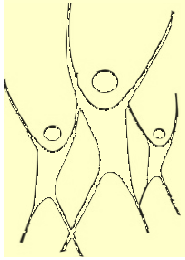
- **Innovative financing system with following components** that covers both the **formal and informal sectors**
  - *Tax-based financing (NHIL)*
  - *Social health insurance (Social security contributions of the formal sector)*
  - *Community-based health insurance (informal sector*
- **Contribution mechanism**
  - *National Health Insurance levy (NHIL) - 2.5% consumption tax*
  - *2.5 percentage points of SSNIT contributions*
  - *Graduated informal sector premium based on ability to pay and income status (GHC7.2 – GHC48)*
- NHIS started as pilot with in 45 districts but is now national programme



Benefit Package (1)

- 95% of disease conditions in Ghana
  - *In-patients services*
  - *Out-patient services*
  - *Maternal health services (Antenatal, Deliveries including Caesarean Section & Postnatal)*
  - *Emergencies*

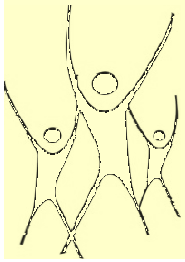
- **O**utpatient services include *HIV/AIDS symptomatic treatment for opportunistic infections.*



Benefit Package (2)

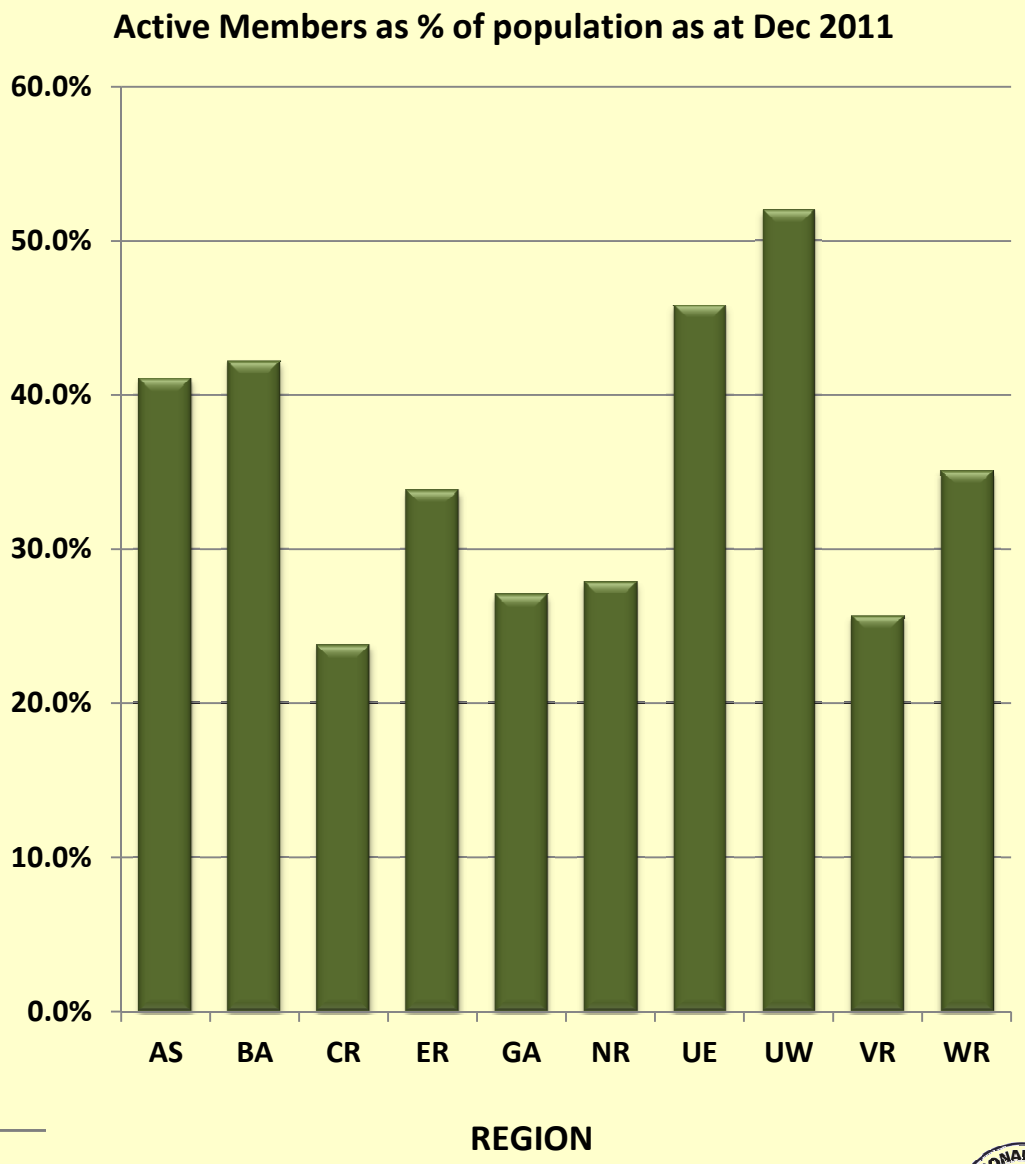
Exclusions

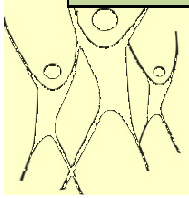
- Cosmetic surgeries
- Echocardiography
- Dialysis for chronic renal failure
- HIV Antiretroviral drugs
- Heart & Brain surgeries except resulting from accidents
- Mortuary services
- Organ transplant etc.



Active Membership (*New Members & Renewals*) by Region as at Dec 2011

Region	Population	Active Members (ie New Members & Renewals in 2011)	Active Members as percent of Population
ASHANTI	4,725,046	1,939,272	41%
BRONG AHAFO	2,282,128	962,453	42%
CENTRAL	2,107,209	500,617	24%
EASTERN	2,596,013	877,907	34%
GT. ACCRA	3,909,764	1,056,629	27%
NORTHERN	2,468,557	688,247	28%
UPPER EAST	1,031,478	472,429	46%
UPPER WEST	677,763	352,238	52%
VOLTA	2,099,876	538,847	26%
WESTERN	2,325,597	815,477	35%
TOTAL	**24,223,431**	**8,204,116**	**34%**





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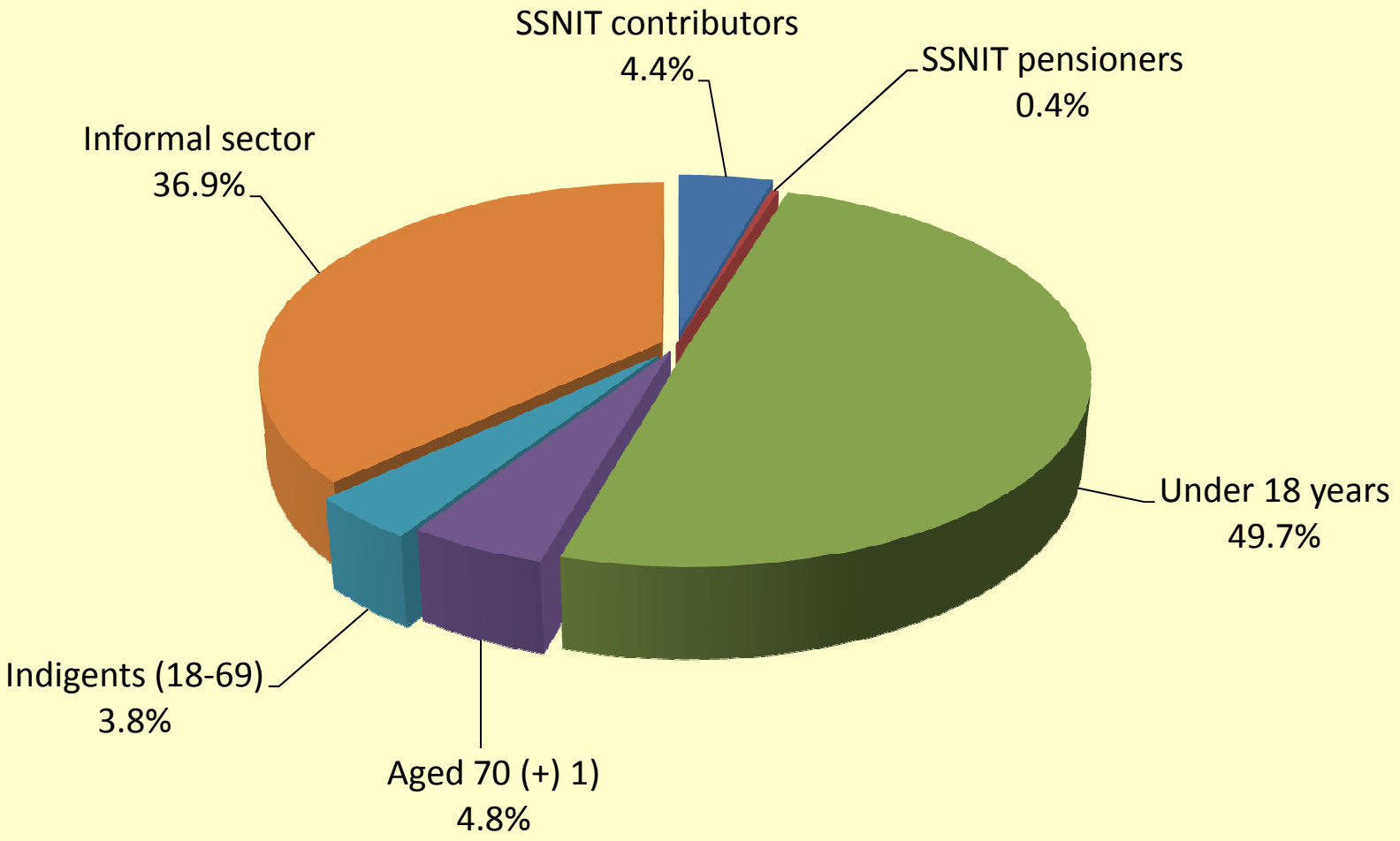
Note: Population based on provisional 2010 census figures

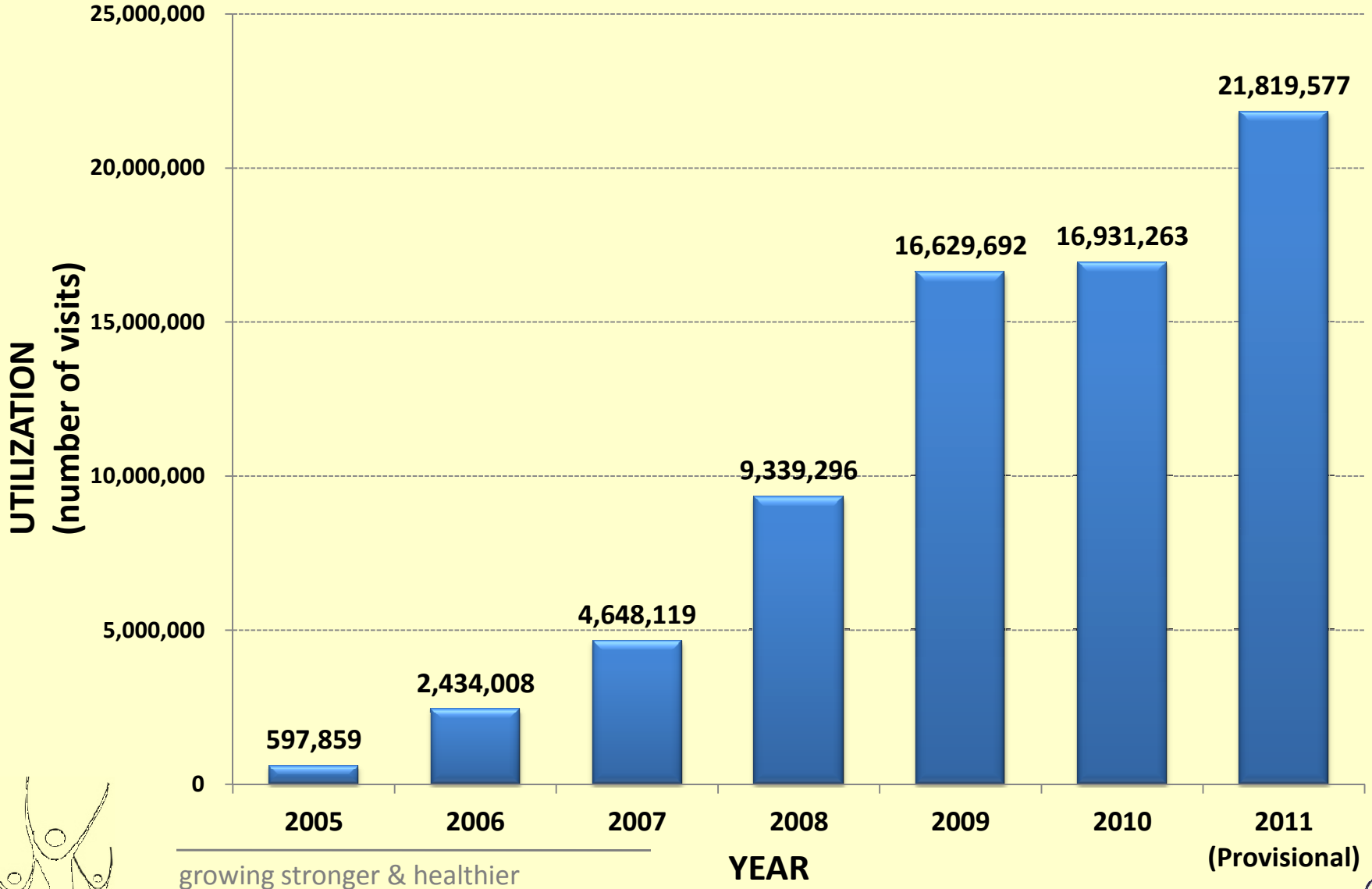
Distribution of Active Members by Category 2011 (EOY)



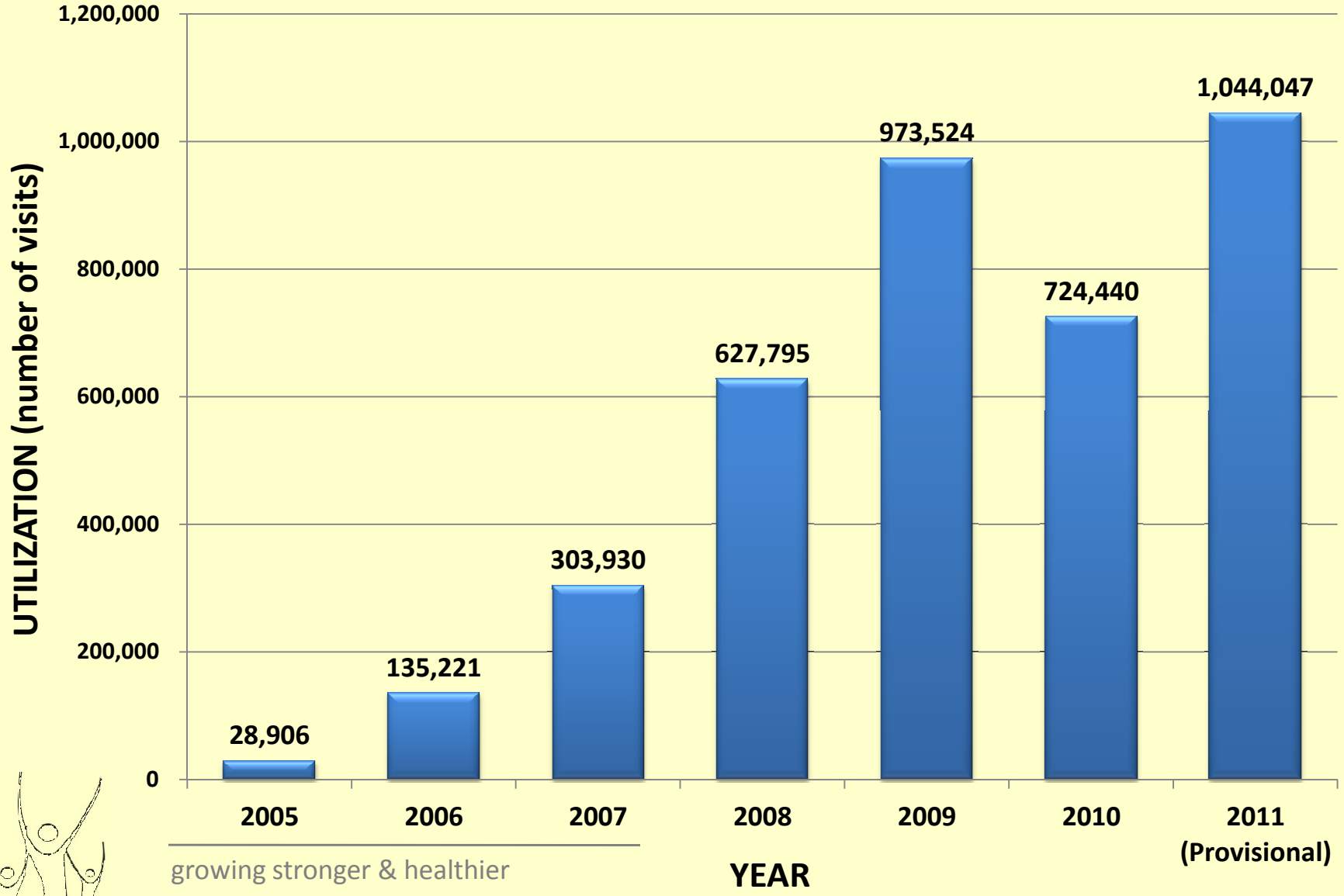
Note: Pregnant Women 5.9%

Note: Figures are provisional

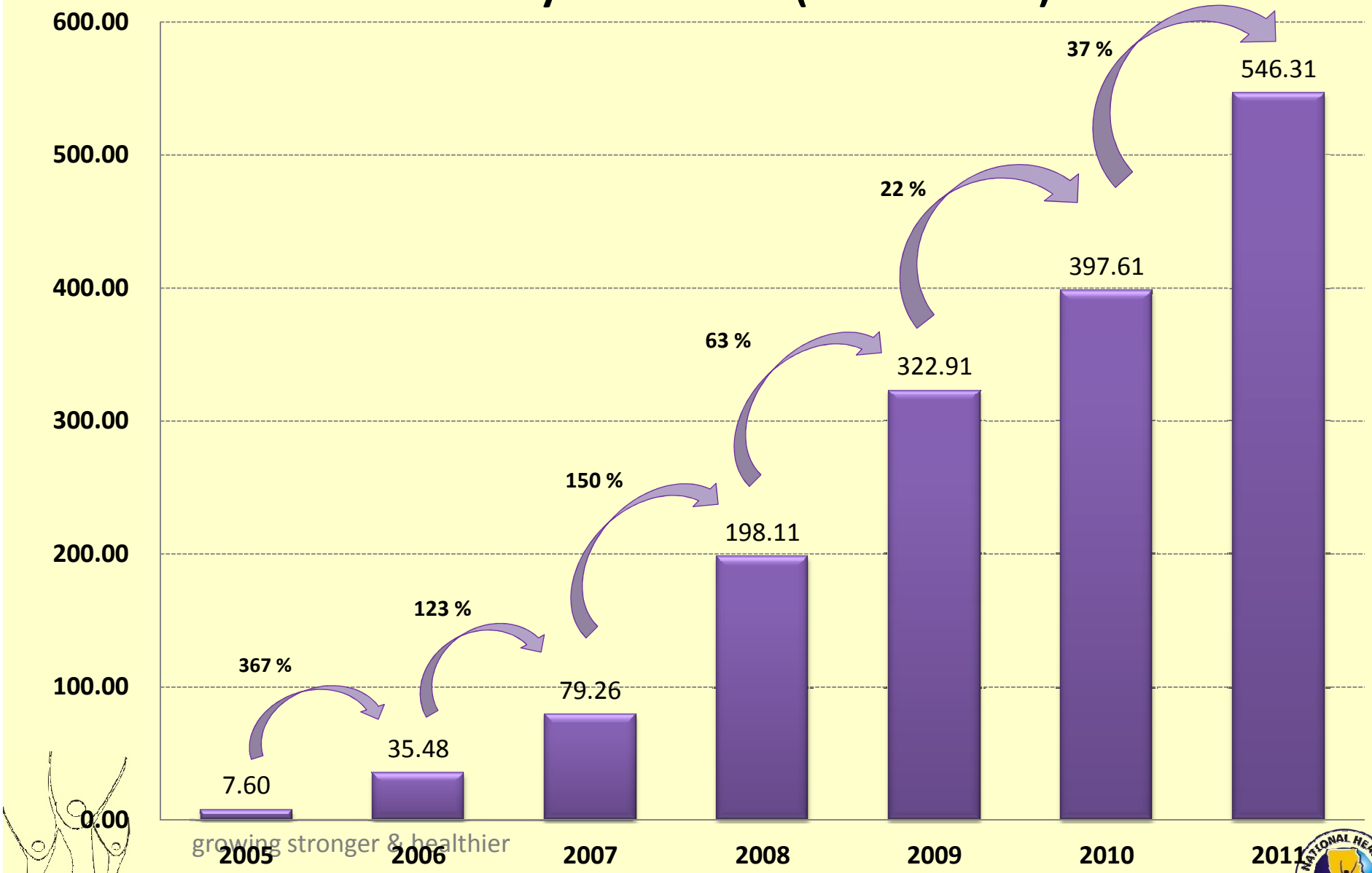
Outpatient Utilization Trend (2005 – 2011)



Inpatient Utilization



Claims Payment Trend (GH¢ Million)



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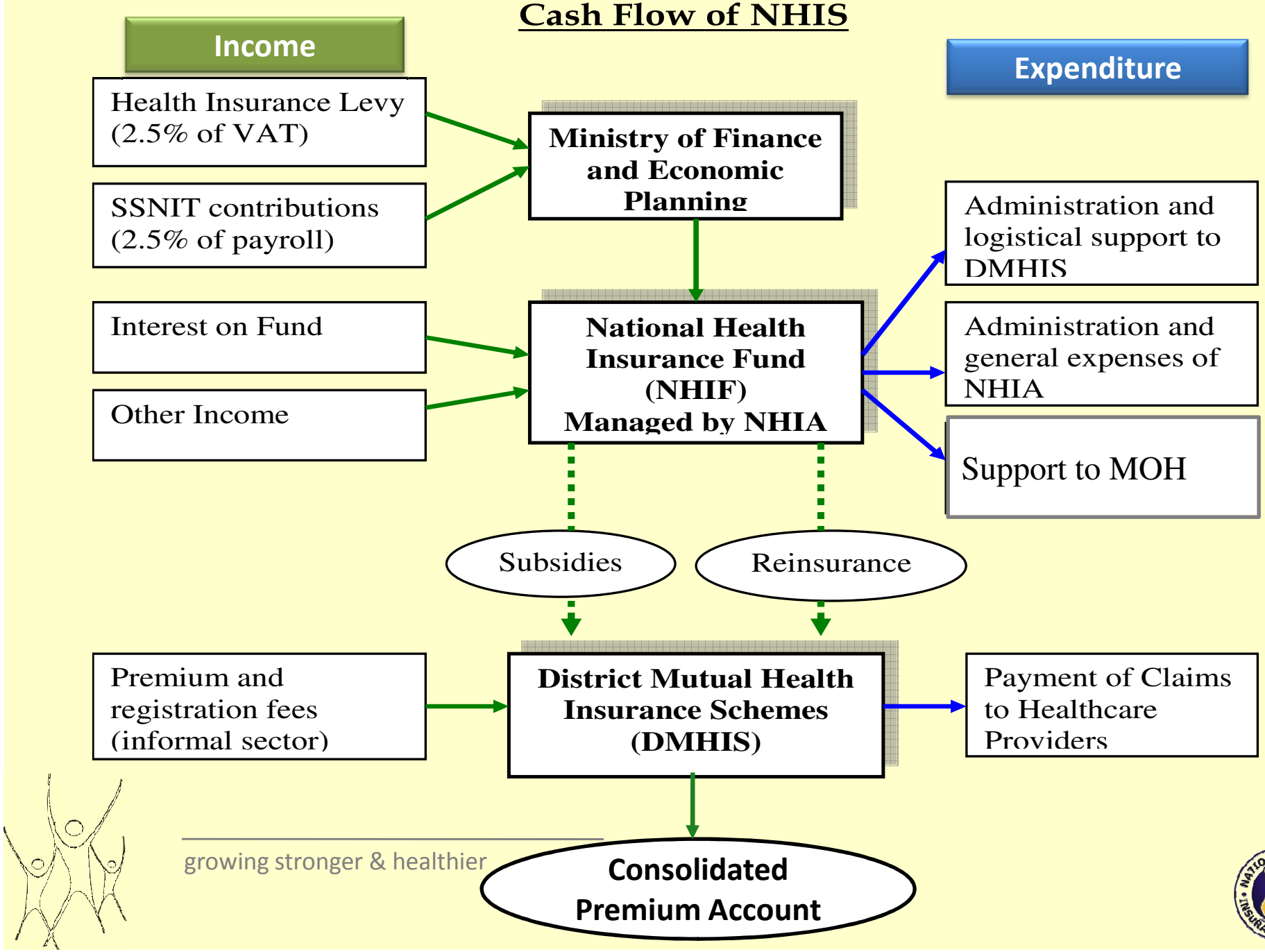
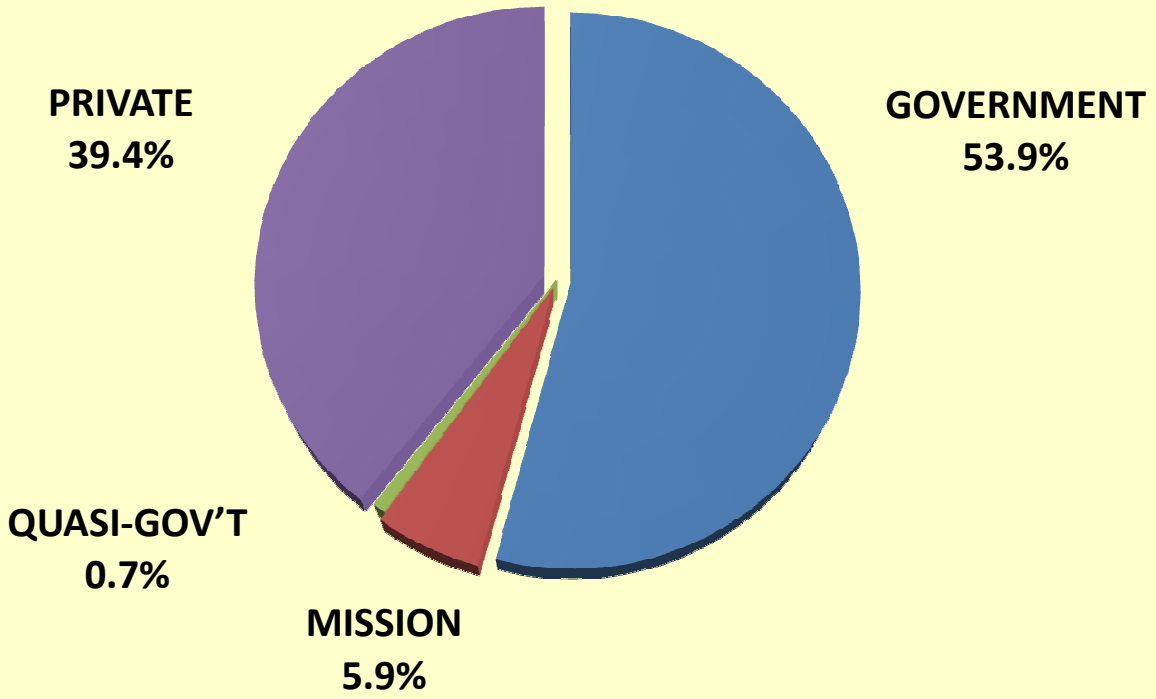
Data Source: Unaudited Financial Statement

Provisional

Cash Flow of NHIS



NHIS ACCREDITED HEALTH SERVICE PROVIDERS BY OWNERSHIP



A total 3,347 facilities had been accredited as at December, 2011

Measures to ensure financial Sustainability

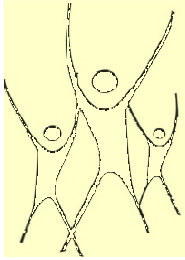
Cost containment

- ✓ Clinical Audits
- ✓ Consolidated premium account
- ✓ Uniform prescription form with prescriber identification
- ✓ Link diagnosis to treatment
- ✓ Electronic claims management
- ✓ Support disease prevention activities

Capitation **-** Piloting in the Ashanti Region

Proposed additional funding sources

- ✓ Increase in Health Insurance Levy (NHIL)
- ✓ Levy on Petrochemical industry
- ✓ Review NHIL exemptions policy
- ✓ Road Fund

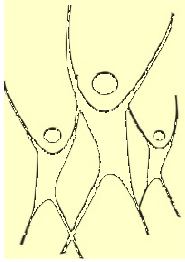


Adaptable Lessons from NHIS (Ghana) (1)

- Innovative ways of covering the poor and vulnerable through exemptions policy

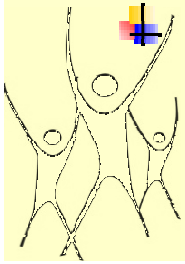
Category	Premium	Proc. Fee
Informal sector		
Under 18 years		
70 years and above		
SSNIT contributors		
SSNIT pensioners		
Pregnant women		
Indigents		
LEAP beneficiaries		

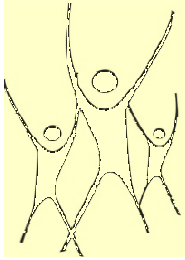
Paying Non-Paying



Adaptable Lessons from NHIS (Ghana) (2)

- Innovative funding:
  - *Earmarked fund – NHIL (2.5% VAT)*
  - *2.5 percentage points of 18.5% Social Security Contributions*
  - *Informal sector contributions*
- Promotion of acceptability through community ownership using district based sub-schemes
- Non-partisan political will of Government and entire population
- Comprehensive Accreditation system
  - *Public, Private & Mission facilities*
  - *Assess staffing, management systems (including quality and safety)*
  - *Health care delivery systems and processes*
  - *Well accepted due to participation by all stakeholders*
- Involvement of both public and private health care providers



Way Forward

- **Enhance financial sustainability** through additional sources of funding and cost containment
- **Increase membership** through coverage of the poor and increasing enrolment of the informal sector
- **Contribute to securing universal access** to healthcare through a mandatory health insurance scheme
- **Improve computerization of operations**
- **Link diagnosis to treatment**