Ghana’s National Health Insurance Scheme: An Overview

Presentation to CABRI HEALTH DIALOGUE II

Date: July 9, 2012
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- Background & benefit package
- Membership, utilization and cost trends
- Accreditation
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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 growing stronger & healthier

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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

- Outpatient services include HIV/AIDS symptomatic treatment for opportunistic infections.
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

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

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*Note: Population based on provisional 2010 census figures*
Distribution of Active Members by Category 2011 (EOY)

- Under 18 years: 49.7%
- SSNIT contributors: 4.4%
- SSNIT pensioners: 0.4%
- Informal sector: 36.9%
- Indigents (18-69): 3.8%
- Aged 70 (+) 1: 4.8%

Note: Figures are provisional

Note: Growing stronger & healthier

Note: Pregnant Women 5.9%
Outpatient Utilization Trend (2005 – 2011)

Utilization (number of visits)

- 2005: 597,859
- 2006: 2,434,008
- 2007: 4,648,119
- 2008: 9,339,296
- 2009: 16,629,692
- 2010: 16,931,263
- 2011 (Provisional): 21,819,577

YEAR

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Inpatient Utilization

Utilization (number of visits)

Yearly utilization from 2005 to 2011 shows a significant increase.

2005: 28,906
2006: 135,221
2007: 303,930
2008: 627,795
2009: 973,524
2010: 724,440
2011 (Provisional): 1,044,047

Utilization is growing stronger & healthier.

The graph illustrates the utilization trend from 2005 to 2011, highlighting the increase in visits over the years.
Claims Payment Trend (GH₵ Million)

Data Source: Unaudited Financial Statement
Cash Flow of NHIS

**Income**
- Health Insurance Levy (2.5% of VAT)
- SSNIT contributions (2.5% of payroll)
- Interest on Fund
- Other Income

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

**Expenditure**
- Administration and logistical support to DMHIS
- Administration and general expenses of NHIA
- Support to MOH
- Payment of Claims to Healthcare Providers

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

**Consolidated Premium Account**

**Support to Partner**
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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

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Adaptable Lessons from NHIS (Ghana) (1)

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Premium</th>
<th>Proc. Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Informal sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 18 years</td>
<td></td>
<td></td>
</tr>
<tr>
<td>70 years and above</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SSNIT contributors</td>
<td></td>
<td></td>
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<tr>
<td>SSNIT pensioners</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pregnant women</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indigents</td>
<td></td>
<td></td>
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<tr>
<td>LEAP beneficiaries</td>
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</tbody>
</table>

- **Paying**
- **Non-Paying**

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Adaptable Lessons from NHIS (Ghana)

- 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

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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

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