THE NATIONAL HEALTH INSURANCE (NHI) SCHEME

UPDATE
BY: DR. FRANCIS RUNUMI
AG.DHS(P&D)
Outline of the presentation

• Introduction
• Draft Bill Highlights
• Challenges
• Next Steps
Introduction

Health care delivery is affected by:

1. High population growth rate (3.4%)
2. Changing partners of diseases and epidemics.
3. Push up effects from past investments in the sector
4. Inflation
5. External economic pressures leading to high commodity prices
Graph 1. The Financing Gap for the Ugandan Health Sector Strategic Plans I and II

Scenario 1: No real growth

All financing sources assumed to grow at 5% throughout the HSSP I and II period.
**Scenario 2: Conservative GoU budget growth**

GoU total budget grows at 6% per annum in real terms with health's share increasing to 15% in five years. Donor project funding remaining constant in real terms with global health funds replacing other projects. Costs grow in line with inflation after 2010/11

---

**Total resources** is the sum of GoU budget plus donor projects plus other contributions including SHI.
Social Health Insurance (SHI) is:

- One of the main methods used by many countries to raise resources for health and ensure access to health care through financial risk protection.

- Now a common means of health financing in many middle & higher income countries. Increasingly SHI is taking root in low income countries including the East African region.
Purpose Of The Scheme

- To diversify & strengthen health care financing and make a contribution to bridging the financing gap in the sector.
- To stimulate providers to avail good quality, accessible & affordable healthcare
- Increase welfare gain in healthcare through financial risk protection and ensure that everyone has financial access to health care.
Principles of SHI

Key principle is to promote social solidarity through a pooled financial risk mechanism for health care access where:

1. The rich can subsidise the poor
2. The single can subsidise families
3. The healthy can subsidise the unhealthy
4. The young can subsidise the old
Design was preceded by:

- Constitutional mandate. The 1995 Constitution Objective XX states: ‘The state shall take all practical measures to ensure the provision of basic medical services to the population’.

- 1999 National Health Policy: enlist promotion of sustainable alternative health financing mechanisms.

- 2006: GoU asked MoH to design SHI through a Cabinet minute No.63(CT 2006).
Scope Of The Bill

To Establish a NHIS for all residents in Uganda and Provides for:-

- Payment of contributions, accreditation of health care providers & payment of scheme health care providers
- The manner of establishing the scheme. Expansion to be done progressively as operational issues in the roll out of the scheme are addressed
- Concurrent operation with community, & private commercial health insurance schemes
Functions of the Scheme.

- Recruitment of membership and management of scheme funds
- Registering, licensing, supervision, and monitoring of health insurance schemes
- Accrediting its health care providers.
- Promoting an enabling environment for private sector growth in scope, volume & quality of health care they provide.
Status Of The Scheme

- A body corporate with perpetual succession powers - to hold, manage and dispose of any property, enter into contracts and do or suffer all other things as a body corporate may do or suffer
- Will have a Fund into which all contributions shall be paid. The fund shall in turn pay for its services in accordance with the law
- Will have Board of Directors to govern the Scheme
Board of Directors

- The Minister of Health shall appoint a Board of Directors based on stakeholder nominations.
- The Board shall consist of nine members in total; 4 members from Government, 2 from workers organisations, 1 from Employers and 2 members from the private sector.
- The Chairperson of the Board shall be appointed by the Minister in consultation with stakeholders.
The Board

The Board shall:

- Give policy direction to the Scheme
- Manage, control and administer the assets of the Scheme including funds
- Effect the functions of the Scheme as laid down in the bill.
- Formulate & implement guidelines on contributions & benefits, cost containment & quality assurance, providers & payment issues.
- Appoint all staff of the scheme including MD and Secretary to the scheme.
Membership Target

- Every employer with at least three employees shall register with the Scheme.
- Start is with Public Servants
  - Formal Private sector
  - Informal Private Sector
Scheme Finance Sources (1)

i. Members’ contributions
ii. Employers’ contributions
iii. Gifts, grants or donations
iv. Loans
v. Any other funds from a credible source.
Financing Potential

- At a rate of 8% of wages from the formal public sector, the scheme has a potential to generate Shs. 33 billion in 2010, gradually to Shs. 202 billion by 2015 onwards.
- Figures shall increase with more enrollment from formal private sector and the informal sector.
Management of Finances

- All scheme funds shall be subjected to all rules and regulations applicable to public funds.
- Accounts shall be audited by Auditor General and a report submitted to Parliament.
- Board shall submit audited accounts to the Minister for Health.
- Minister shall lay copy of the report together with the statement of accounts before Cabinet.
Other Health Insurance Schemes

- Private Commercial Health Insurance Schemes to offer a supplementary benefit package
- Community Health Insurance schemes (CHIs) for the informal sector to be encouraged
- CHIs to be registered with the zonal/regional health insurance offices for guidance on good management practices.
- CHIs are community-based exclusively operated to benefit members outside the SHI.
Scheme Membership Eligibility

- A contributor and four immediate dependants will be entitled to the healthcare benefits.
- Minister on recommendation by the Board may make regulations to increase the number of dependants where both spouses are contributing members of the Scheme.
Health Care Benefit Package

- Most outpatient Services as listed under the scheme
- Most Inpatient Services
- Drugs, preventive services
- All Referral Services within Ugandan Accredited Health Facilities
- Drugs from accredited hospitals and pharmacies
Benefits Exclude

- Health care services and drugs not prescribed in an accredited health provider;
- Illness or injuries arising from self destruction.
- Injuries or illness arising from occupational hazards or accidents provided for under other laws
- Cosmetic services for the normal members.
Health Care Providers

• Board shall set up an appropriate Accreditation Committee with a mix of relevant expertise & experience.
• Board shall accredit health providers who meet criteria after negotiation of service prices
• Board shall publish a list of accredited providers at least once every year
• Committee shall regularly review list of providers. Can remove some providers along the way.
Grievances and Appeals

- 5 member Appeals Tribunal shall be established.
- Members, dependants, or healthcare providers aggrieved by any decision of the implementers of the scheme and vice versa may seek redress by the tribunal, and if not satisfied may file a case in the High Court.
Grounds Include

1. Neglect of patient
2. Inappropriate treatment
3. Violation of the rights of the patients
4. Willful neglect of duties, that results in the loss or non-enjoyment of benefits
5. Unjustifiable delay in the processing of claims;
6. Any other action or neglect that tends to undermine or defeat the purposes of this Bill.
7. Penalties exist.
The Process (1)

- A comprehensive National Task Force of stakeholders, namely Government Ministries, Employees, Employers, Civil Society, Insurers Association, Private Sector, and Health Care Providers sits quarterly to review design progress
- Technical sub committees in place
- Consultations with WHO, WB made from time to time.
- Key studies undertaken.
- Consultations/sensitisation with key stakeholders made.
Next steps

- Tabling the Bill before Cabinet and Parliament
- Address identified gaps in the design process
- Determine the Financial Implications and sources of funding to roll out the scheme during this budgeting period.
THANK YOU