# A Strategic Assessment of the Issues and Prospects in the National Health Insurance Administration

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## ABSTRACT

*The study strategicallyassessed the Issues and Prospects in the National Health Insurance Administration.The findings made proved that health insurance scheme in Nigeria since its inception, has to a large extent positively affected the lives of its enrollees and with remarkable achievementssuch as reduction of the rising cost of health care among participant, leading to fair distribution of contribution of health, ensuring that socio economical groupings do not constitute a barrier to somebody to access health care where he wants, and restoration of confidence in primary and secondary level of health care. It was concluded that health insurance is a social security mechanism that guarantees the provision of needed health services persons on the payment of some amount at regular interval. It is mandatory for organization in both the public and private sectors employing up to ten (10) people to participate in the scheme. It also concluded that leadership and management of NHIS are provided through the national health insurance scheme, health maintenance organization (HMOs) and health care providers (HCPs).One of the recommendation was that more intensive public awareness programmes should be created to enlighten people and relevant groups on the scheme and that the attribute of the scheme should be well published by translating it into the major Nigerian languages to enable the people to understand and appreciate its values and objective.*

**KEY WORDS: Issues, Prospects, National Health Insurance Administration, Health Services Providers**

## Introduction

Health insurance is a social security mechanism that guarantees the provision of needed health services to persons on the payment of some amount at regular intervals. It is designed to pay the cost associated with health care by paying bills and therefore to protect people against high cost of health care by making payment by advance of falling ill. The scheme therefore protects people from financial hardship occasioned by large or unexpected medical bills. It saves

money on the short run, and protects the poor from medical conditions that can lead to greater loss of money on the long run. It involves pooling of resources from persons to different illness risk profiles and the cost of the risk of illness among those who are ill and those who are healthy, are shared. It has three main characteristics-pre-payment, resource polling and cost-burden sharing-pre-payment under the scheme are fixed either as a proportion of the payroll or as flat rate contributed by the participant. This means that payment is not proportional to the risk of illness of individual beneficiary (Adefolatu, 2014).

The health insurance scheme is government's response to the decay in the health care system in Nigeria. This manifest in government's acknowledgement of the poor state of the health care delivery system. These have a combined effect on the health care delivery system leading to the inability to deliver the optimum package of the quality health care, including routine immunization, emergency care, preventive and management of communicable and infectious diseases, especially malaria, tuberculosis and HIV/AIDS. This ultimately led to expression of dissatisfaction in the quality of health care services by the public. The poor state of health sector prompted the Federal government to initiate an all embracing reform policy presented as "a broad based purposeful and sustainable fundamental change in the function, structure and performance of the health system in order to deliver efficient, qualitative, affordable, effective and equitable health care services to the populace and ultimately improve the health status of the people". The main thrust of the health policy therefore is to provide a fundamental shift of government's perception of health, mode delivering the services and the roles and the responsibilities of each tier of government in providing better health care for Nigeria (Adesina, 2009).

Federal Ministry of Health (2000) observed that the National Health Insurance scheme was established under established the National Assembly Act No.25, 1999 by the Federal Government of Nigeria to improve the health status of Nigeria at an affordable cost. In establishing the, scheme, government adduced the following reasons:

- The state of the Nation's health care services was generally poor
- There was excessive dependence on government provided health facilities
- There was too much pressure on government owned health care facilities
- There was dwindling finding of health care in the face of rising costs
- There was poor integration of private facilities in the nation's health care delivery system.

Consequently, the following objectives were set for the scheme to achieve:

- To ensure that every Nigerian has access to good health care service
- To protect families from the financial hardship of huge medical bills
- To limit the rise in the cost of health care services
- To ensure equitable distribution of health care cost among different income groups
- To ensure high standard of care services delivery to Nigerians
- To ensure efficiency in health care services
- To improve and harness private sector participation in the health care services
- To ensure appropriate patronage of all levels of health care
- To ensure equitable distribution of health facilities within the federation, and

- To ensure the availability of funds to the health sector for improved services (FMOH,2000)

To ensure adequate coverage for various segment of society the scheme has the following programmes:

- Formal sector social health insurance programme
- Urban self employed social health insurance programme
- Rural community social health programme
- Children under-five social health insurance programme
- Permanently disable person's social insurance programme
- Prison inmate social health insurance progeamme.
- Tertiary institutions and voluntary participants social health insurance programme.
- Armed forces police and other uniformed services.
- Diaspora family and friends programme.
- International travel health insurance programme.
- The formal health insurance programme covers employees of the formal sector. That is the public sector and the organized private sector.

It is mandatory for every organization with (10) ten or more employees (FMOH, 2000)

**National Health Insurance Administration**

The National Health Insurance Scheme Act provides for the following in the Administration of the scheme:

**Membership/Registration:** It is mandatory for organization in both the public and private sectors employing up to ten (10) people to participate in the scheme. Leadership and management of the NHIS are provided through the National Health Insurance Scheme. Health Maintenance Organization (HMOs) and Health Care Providers (HCPs).

**National Health Insurance Scheme Council (NHISC):** According to the act, the council (NHISC) performs the following functions under the scheme:

- Regulation and supervision of the scheme established under the NHISC Act.
- Issuing guideline for remittance to Health, Maintenance Organizations (NMOs) and Health Services Providers (HSPs).
- Establishing standard, rules and guidelines for the management of the scheme.
- Approving, financing, regulating and supervising the Health Maintenance Organizations (HMOs) and Health Services Providers (HSPs).
- Receiving and investigation complaints of improperly against any HMOs or HSPs (Agunobi, 2006).

**Health Maintenance Organization (HMOs):** These are individual organization empowered by the NHIS Act to play the role of a contractor under the scheme by lessoning between the Management Health Service Providers. They directly coordinate and oversee the activities of the HSPs with respect to the provision of the service under the scheme.

The NHIS Act empowers the HMOs to carry out the following functions under the scheme:

- Open account for the Health Service Providers registered with (each of) them.
- Receive the contributions by the government and workers via the National Health Insurance Scheme Council.
- Make payment to health service providers for medical services provided for public servant registered with them.
- Oversee the activities of Health Service Providers (Ozuh, 2004).

**Health Services Providers (HSPs):** These are the health care institutions registered by the National Health Insurance Scheme Council to provide health services to the people under the scheme. These institution are classified into the following:

- Primary healthcare providers: These include community health centers, private clinics, hospitality and maternity.
- Secondary Health Providers: These include state government general hospital and the big private hospitals.
- Tertiary Health Providers: These include specialist and teaching hospital which serves essentially the scheme (Ozuh, 2004).

**Funding of the Scheme:** National Health Insurance Scheme (NHIS) is a contributory scheme in which both the employer and employees contribute to a common fund? Contribution are earning-related. In other each workers contributes a specific proportion of his/her monthly or annual basic salary to the fund. Initially, contribution represented 15 percent of basic salary. The government paid 10 percent while the workers paid 5 percent. But January 2007 workers have started paying the 15 percent. A monthly capitation is paid to the primary health services providers fee-for-service is paid to all secondary health service providers while per diem is paid for hospital bed space. There is also co-payment for drugs received from primary health services providers in which the recipient pays only 10 percent of the total cost of drugs received at instance (Agunobi, 2006).

**Operational Procedures and Coverage:** The National Health Insurance Scheme (NHIS) allows each individual worker to decide and choose a health service providers with which to register for medical or health services. For each worker, the scheme covers:

- Him/her (her insured known as the principal)
- A spouse (the wife or husband) and
- A biological child. The scheme does not provide coverage for dependent, and NHIS ID card is given to the principal and each of the registered member of the family with which the health service provider visited for medical attention and treatment (Nwosu, 2002).

**Right of Enrollees:** All participants in the scheme enjoy certain right which are as follows:

- Right to register and access medical care listed in the benefit package
- Right to change provider after six months of the receipts of an identity card, if not satisfied.
- Right to access care in any NHIS accredited provider in the country or emergency.
- Right to know the names of drugs given to the beneficiary.
- Right to know request and know the total cost of drugs.
- Access to genuine and efficacious drug.

- Right to identify the speciality of treating personnel and
- Right to complain about poor services from health care providers (Ransome Kuti, 1992).

**Issues in the National Health Insurance Administration**

Since the establishment of the National Health Insurance (NHIS)s, it's challenges have always been blamed on the National Health Insurance Authority (NHIA) because of the latter's mandate and oversight responsibility in ensuring the success of the scheme. However, the Universal Access to Health Centers Campaign (UHCC) acknowledges that the success of the NHIS hinges not only on the NHIA, but also in important role of health service providers in fulfilling their part of the contracts signed with the NHIA- provision of quality health services in a manner that addresses the health needs of each and every patients that seeks health care on the ticket of the NHIS. Hence, poor service delivery by health care providers under the NHIS is an act rhat defeats the purpose of which the scheme was establish.

**Underpayment of Professionals:** In Nigeria, doctors and other health professionals are severely underpaid. Routine strikes disrupt the delivery of health services and lower overall quality of healthcare. Because the government refuses to award Nigerian doctors with the salary they deserve. Nigerian citizens have to resort to traditional medicine because they are unable to get an appointment with a professional doctor if a strike is so. Boosting salaries would give doctors the reason to stay in Nigeria. Too many good Nigerian doctors move to other countries to get better salaries.

**Engagement of Unqualified Staff:** Use of unqualified staff by some private health facilities. For example, in May of 2015, scam artist admitted to forging the medical and academic credentials that enabled him to masquerade as a doctor for 9 years. Ugwu not only soaked up a paycheck for nearly a decade while posing as a doctor, he also manage to become the chairman of a branch of the Nigerian Medical Association. NHIS Nigeria must somehow restore the public's trust, or the healthcare situation will never improve.

**Lack of Government Spending:** Nigeria only spends 1.1% of it's GPD on health care services. Without adequate money to fund hospitals and pay for medical staff, Nigeria will never be able to build an effective healthcare programme for the people. Before the government injects more money into the system, though, reform needs to happen first to insure that the cash doesn't find it's way into the pocket of corrupt officials.

**Poor Accessibility:** In it's mission statement, the NHIS state that every Nigerian is entitled to healthcare- yet only 5 million people out of the over 170 million people living in the Nigeria receive adequate care. Lack of bureaucratic coordination and poor funding are to blame.

These issues are many and varied, and have contributed to reducing the confidence of the section of the general public in the NHIS. Even though these malpractices have been observed across the country, they are more prevalent in the urban health facilities.

Other issues are noted by Sanusi and Awe (2009) include:

- Weaker provider network compromised of many solo and uncoordinated healthcare provider.

- Inadequate, weak and unreliable ICT system.
- Shortage of skilled personnel.
- Inadequate funding.

Adefolatu (2014) observed that the scheme is the beset with lot of issues which constitute obstacles to the attainment of it's laudable objectives. Most of the challenges of the scheme are located within the wider health sector of the economy. He however identifies the challenges in the health sector there include:

- Poor implementation of programmes.
- Poor health facilities and lack of infrastructures such as good road network, water and electricity supply.
- Rural/urban and class differential in access to quality health care, the poor and rural population are less likely to access quality healthcare than the rich and the urban dwellers, and
- Traditional and religious belief precluding many Nigerians from taking advantage of health service delivery. Apart from the above stated challenges facing the health sector in general, the NHIS specifically has the following as challenges/obstacles to its activities.
- Inadequate Legislation: The law that set up the scheme appears inadequate especially as it makes participation in it optional, thereby restricting participation. This could account for the participation of only federal civil servants and those of only two out of thirty-six (36) states at present.
- Practice of federalism: Nigerian operate a federal, as well as a three -tier system of government. This means that each of the tier-Federal, state and local government - is relatively autonomous of each other and therefore can take independent decisions within their domain. Hence the apparent reluctance of the state and local governments to buy into the scheme.
- Problem of distribution and provision of medical facilities: Over 90 percent of the disease burdens are in the rural areas, with a corresponding less than 10 percent of the facilities. Moreover many of the health human resources are based in the urban areas and are not ready to move to the rural area to work.
- This is due to the death of infrastructures such as schools for the children, portable water and electricity among others.
- Lack of public awareness: Some people do not want to know or buy into the scheme because they are dogmatic. Some people question is contributory nature, believing that it is the responsibility of the government to take care of the health needs of it's citizens.
- Labour resistance: Labour organizations across the country are fiercely opposed to the scheme. Adefolatu (2014) reported that in cross river state, labour unions refused participations for fear or failure of the scheme. According to him, they cite examples of previous scheme that failed and made workers to lose their investments. Such schemes are the National Providence Fund (NPF) and the National Housing Scheme. Efforts by the Governor Oni's administration in Ekiti State, for instance, to ensure the enrollment of public servant in the state into the scheme was rebuffed by the labour union who insisted that government should be responsible for the full payment.

- Inadequate funding: It is apparent that government resources are limited in the case of Nigeria, the revenue is dwindling, due to many factors, in the face of competing demands from various sectors of the economy. Funding the health insurance scheme by government alone is a daunting challenge.

**Prospect of the National Health Insurance Administration**

The purpose of health insurance scheme in Nigerian population has access to qualitative health services; To guard families against financial hardship of huge emergency medical bills; To control the rise in the cost of health services. To ensure equitable distribution of health care cost among different income group and social class; To improve and harness wider private sector participation in the provision of qualitative health care services. To ensure proper distribution of health facilities within the federation and equitable patronage of all levels of health care; To ensure the availability of funds to the health sector for improved services (Mgbe and Kelvin, 2014)

There is no doubt that the health insurance scheme in Nigeria since its inception, has to a large extent positively affected the lives of its enrollees.

Adefolatu (2014) noted that some of the achievement of the programme are:

- It has reduced the rising cost of health care among participant
- It has led to fair distribution of contribution of health
- It has ensured that socio economical groupings do not constitute a barrier to somebody to access health care where he wants, and
- It has restored confidence in primary and secondary level of health care.

## CONCLUSION

Health insurance is a social security mechanism that guarantees the provision of needed health services persons on the payment of some amount at regular interval. It is mandatory for organization in both the public and private sectors employing up to ten (10) people to participate in the scheme. Leadership and management of NHIS are provided through the national health insurance scheme, health maintenance organization (HMOs) and health care providers (HCPs). Issues in the national administration (NHIA) as noted by Sanusi and Awe (2009) include: Weaker provider network comprised of mainly solo and uncoordinated health care provider, inadequate, weak and unreliable ICT system, shortage of skilled personnel and inadequate funding.

Adefolatu (2004) noted that some of the achievements of programme are: It has reduced the rising cost of health care amo9bng participants, it has led to fair distribution of contributions for health, it has ensured that socio-economic grouping do not constitute a barrier to somebody to access health care where he wants, and it has restored confidence in primary and secondary level of health care.

## RECOMMENDATION

Based on the above observations, the following are recommended:

- **Intensive public awareness:** More intensive public awareness programmes should be created to enlighten people and relevant groups on the scheme. The attribute of the scheme should be well published by translating it into the major Nigerian languages to enable the people to understand and appreciate its values and objective.
- **Diversify source of funding:** it should be noted that payroll contributions by employees are not the only way possible to fund the provision of health for the people. People's health care can also be insured through special tax contribution.
- **Increased coverage:** the scheme should be expanded to ensure that basic health needs of all citizens, irrespective of their social class and status are met. There is therefore the need for a legislation to make the scheme compulsory for all Nigerians. In furtherance of this, a community health insurance scheme should be put in place for implementation by all there tiers of government – federal, state and local government as well as Non-Governmental Organization (NGOs) and community based organizations (CBOs).
- **Information communication technology:** It is vital that health information and communication system are strengthened, as a matter of urgency, and this will require strong political will and commitment on government to ensure this this is achieved.
- **Shortage of skilled workers:** In the short term, strategies such as re-evaluation of reward system to ensure that health workers are provided with incentives sufficient to discourage migration and encourage health workers to go to the rural, and the use of substitute workers (taking into consideration quality concern) may be considered. In the long term, more workers will be considered to be trained and conducive working environment provided for them.
- **inadequate funding:** the Nigerian health care system is grossly underfunded budgetary allocation to the health sector need to be increased
- Health care providers must improve the quality of their service to client by providing prompt and more efficient service.
- Deal with all the corrupt practices that affect the scheme
- Monitoring of health care providers should be done.

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