ASSESSING THE EFFICACY OF HEALTH INSURANCE SCHEMES IN NIGERIA: BENEFITS, CHALLENGES AND RECOMMENDATIONS

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Abstract

The need to access health care is of immense importance to every nation for with good health care, the viability of development may be improved and asserted. This paper examined the effort of government to improve access to health care through health insurance especially in the light of the available legislation enacted in that regards. This study sought to show an in-depth analysis of the health insurance scheme in Nigeria and this was achieved by an analysis of the legislations that has been enforceable for the purpose of the scheme since its inception. This extends to appreciating diverse challenges that has been occasioned and thereby necessitating a redirection in the system. The study was undertaken by doctrinal methodology by a comparative analysis of legislations for the health insurance scheme in Nigeria. The study found that there have been some legislative developments towards addressing the practical issues that has affected the scheme over the years and may be seen through the newly enacted National Health Insurance Authority Act. It has been recommended amongst others that Health insurance must be made seamlessly accessible to engender public interest in the scheme.

Keywords: *Assessing, Efficacy, Health Insurance, Nigeria, Benefits, Challenges, Recommendations*

Introduction

The wealth of any country depends on the health of its citizens. Therefore, any country seeking to develop its economy should strive to improve the health of its citizens so they can contribute to economic development. [1] Health, as a social service, is very important to the teeming population of any country as the health sector in any country has been recognized as the primary engine of growth and development. However, health care in Nigeria is financed by a combination of tax revenue, out-of-pocket payments, donor funding, and health insurance. Nigeria's health expenditure is relatively low, even when compared with other African countries.[2] The total health expenditure (THE) as a percentage of the gross domestic product (GDP) from 1998 to 2000 was less than 5%, falling behind THE/GDP ratio in other developing countries. It is often said that health is wealth. This obviously because the availability of health determines capacity to effectively live and survive in the social space. The importance of health as a nation cannot be over emphasized. Thus, it is important every possible means towards ensuring easy access to health is undertaken by any responsible government for its people. For Nigeria, it is the intention of government to provide stakeholders with a comprehensive framework for harnessing all resources for health development towards the achievement of Universal Health Coverage as encapsulated in the National Health Act.[3] One of the numerous ways governments all over the world has

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1 United Nations Department of Social and Economic Affairs. SDG Actions Platform. Accessed 11th February 2024

2 Federal Ministry of Health. National Health Insurance Scheme Handbook: Operational Guidelines on National Health Insurance Scheme. Accessed 11th February 2024

3 National Health Policy P.17

made effort to make health care accessible to its growing populace is health insurance.[4] Although there is an ongoing debate as to the efficacy of health insurance in the improvement of health statutes [5] one cannot ignore its possible impact in a developing country like Nigeria. This paper analysed the Health Insurance Scheme in Nigeria especially in the light of developments that has occurred over the years. This will be achieved through an appreciation of legal improvements that have been introduced in the legal space of Nigeria. These improvements and their practical implications were considered in this paper.

The Concept of Health Insurance

The insurance industry is one of the major players in the Nigerian financial sector. Insurance, is a risk transfer mechanism whereby risks and other perils of life are insured upon the happening of the events insured against. There is a plethora of insurance laws in Nigeria and health insurance is one of them. A Health insurance scheme has been defined as an arrangement in which contributions are made by or on behalf of individuals or groups (members) to purchasing institution (a fund) which is responsible for purchasing covered services from providers on behalf of the members of the scheme.[5] The national health Insurance scheme (NHIS) is established under Section 35 of the 1999 Constitution.

Ordinarily, the concept of health insurance is derived from the general idea of insurance. Hence, health insurance has been described as "a contract between a company and a consumer. The company agrees to pay all or some of the insured person's healthcare costs in return for payment of a monthly premium."[6] It is therefore a social health insurance programme designed by the Federal Government of Nigeria to complement sources of financing the health sector and to improve access to health care for the majority of Nigerians[7]

There are two ways by which the insurance company compensate for medical expenses:

1. Cashless Treatment: Here, the policyholder or patient is not supposed to pay anything to the network hospital. As the insurance company pays the hospital directly.
2. Reimbursement: Here, the policyholder or patient is supposed to settle their medical expenses first and later ask for reimbursement from the insurance company.

According to a report from Dataphtye, about 3% of Nigerians have health insurance which is provided mostly by employers. Of this 3%, men have more insurance coverage than women as 56.7% of those covered are male against 43.3% of the women.[8] This report seems to align with a 2018 Nigeria Demographic and Health Survey which indicated that about 97% of Nigerians lack any form of health insurance[9]. Obviously, this is grossly low and solidifies the need to enhance efforts in an insurance system for Nigerians.[10]

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4 *Ibid* p. 30

5 Helen Levy, David Meltzer, '*The Impact of Health Insurance on Health*' Annual Review of Public Health, (2008:29) p. 399-409

6 Gbadegesin O. Alawode, David A. Adewole, *Assessment of the Design and Implementation Challenges of the National Health Insurance Scheme in Nigeria*: A Qualitative Study Among Sub-National Level Actors, Healthcare and insurance providers, BMC Public Health [2021] (21), 124

7 <https://www.investopedia.com/terms/h/healthinsurance.asp>

8 O.O. Akinyemi, O.F. Owopetu, I.O. Agbejule, National Health Insurance Scheme: Perception and Participation of Federal Civil Servants in Ibadan Annals of Ibadan Postgraduate Medcine, (2021) 19 (1), 49-55

9 https://www.leadway.com/insurance-nigeria-statistics/#:~:text=According%20to%20a%20report%20from%20Dataphtye%2C%20about%203%25%20of%20Nigerians,against%2043.3%25%20of%20the%20women.> accessed on 15th February, 2024 at 6:08am.

10 The Federal Republic of Nigeria - National Population Commission, U.S. Government - Intermediate Care Facilities. Nigeria Demographic and Health Survey 2018. NPC, ICF; 2019. <https://www.dhsprogram.com/pubs/pdf/FR359/FR359.pdf> accessed on the 15th February, 2024 at 11:54am

As rightly argued by Pitacco, [11] at an individual level, the demand for health care reflects personal education and attitude towards health. As a consequence, the utilization of health services can significantly differ among individuals belonging to the same population. This therefore strengthens the need for a viable health insurance scheme devoid of deflating factors that can in turn become hampers for access to adequate health care.

Another aspect of health insurance is the economic impact. Generally, it is a universal cliche that a healthy nation is a wealthy nation. It has been argued that health insurance helps to reduce the financial vulnerability of households, release precautionary savings of residents, and improve overall health levels by guiding residents' behaviours.[12]While this may be true it is still relevant to point out health insurance is not operated at a general scale so that irrespective of one's financial ability, one could access it. On the contrary, most Nigerians are living far below the expected means to enable them gain access to health insurance.

Notably, health insurance as an important part of the financial service industry, collects funds and creates added value with more professional risk management and fund management means, thus promoting the accumulation of all kinds of capital and promoting the growth of national income.[13] This consequently means that health insurance also has its own investment input in the economy. As patients pay, finance is circulated and by that there is a contribution to the financial base of the nation. It is however important to note that the viability of the health insurance contributing to national economy through the circulation of money will largely depend on the managerial ability of the those placed with the power to regulate its impact. In Nigeria where corruption and professional ineptitude reigns, it may not be out of place to state that this may not become the reality. This is more so the situation where the Nigerian government is heavily involved.

Benefits of Health Insurance Scheme

At this point, it is important to draw out some benefits of the health insurance scheme as practically seen even within the jurisdictions of other countries. They include:

1. With the aid of Health Insurance, there is an opportunity to make specific plans for the future against unexpected health challenges. This may even extend to cost for accidents. Health Insurance therefore aids in spread of risk.
2. Health insurance allows for planned expenditures. Hence, policyholders are armed with a general financial budget which may not be negatively affected by other head cost.
3. Health Insurance payments are usually considered as allowable deductions for the purpose of ascertainment of tax liability.
4. Health insurance could also be used as a strategy to maintain, encourage and manage employment as it will be seen as part of an employment package for employees.

Health Insurance Scheme in Nigeria

The Nigerian constitution also commendably guarantees everyone the right to sufficient medical and health care. On 15th October, 1997, the National Health Insurance Scheme was inaugurated in Nigeria, and it was approved into law in May 1999.[14]The National Health Insurance Scheme Act of 1999, the National Health Insurance Act of 2014, and the amended

11 Ermanno Pitaco, Health Insurance (Springer International Publishing, 2014) p. 1

12 *Ibid*.

13 *Ibid*.

14 T.M Ipinnimo, K.A Durowade, C.A Afolayan, etal, The Nigeria National Health Insurance Authority Act and its Implications Towards Achieving Universal Health Coverage, *Nigerian Postgraduate Medical Journal* (2022:29) p. 281

National Health Policy of 2016, are some of the laws and policies that the government have implemented to ensure access to health care for all Nigerians However, on 24th May, 2022, the President of the Federal Republic of Nigeria passed the National Health Insurance Act bill, which was developed to replace the 2014 National Health Act The National Health Insurance Scheme's major goal is to provide affordable healthcare to insured people and their dependents, allowing for simple access to healthcare in the pursuit of universal health coverage for all.[15] It is a prepayment system that provides a minimal level of economic security in the event of unfavorable losses due to accidents, sickness, old age, unemployment, and other factors. Some states in Nigeria have developed state health insurance agencies; however, only about 3% of individuals were expected to be covered, owing to the mandatory enlistment of government employees, leaving many civilians uninsured.[16]

In 1999, Nigeria established the National Health Insurance Scheme (NHIS) under decree 35 of the 1999 constitution, however, the scheme did not become operational until about 6 years later on the 6 June, 2005 when it was officially launched and commencement of services to enrollees started in September of the same year. It operates as a tripartite public-private arrangement among three main stakeholder operators; the NHIS, the health maintenance organizations (HMOs) and the healthcare providers. The other stakeholders are the enrollees under the scheme. The target of the scheme was to achieve Universal Health Coverage for Nigerians by the year 2015 through improving the health of all Nigerians at an affordable cost.[17]

Health Insurance in Nigeria was regulated by the National Health Insurance Scheme Act (NHIS Act) which remained in force until 19th May, 2022. Amongst other things, the Act provided for 10 objectives of the scheme which includes:

1. ensure that every Nigerian has access to good health care services.
2. protect families from the financial hardship of huge medical bills.
3. improve and harness private sector participation in the provision of health care services.
4. ensure equitable patronage of all levels of health care.
5. ensure the availability of funds to the health sector for improved services.

By virtue of the repealed Act, NHIS was structured into three sectors, comprising:

1. The Formal sector: The formal sector has two categories, namely: the Formal Sector Social Health insurance Programme (FSSHIP) and Voluntary Contributors Social Health insurance Programme.
2. The Informal: The informal sector includes the Tertiary institution Social Health insurance Programme (TlSHlP), Community Based Social Health insurance Programme (CBSHIP) and Public Primary Pupil Social Health insurance Programme (PPPSHIP).
3. The Vulnerable sectors: The third sector is for the vulnerable group, which is designed to provide health security for permanently disabled persons aged and children under age five.

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15 Paulinus Okah, Chinyere Onalu, Uzoma Okoye, National Health Insurance Scheme in Nigeria: Exploring Limitations to Utilisation by Adult Enrollee Journal of Social Service Research, 49:6, 715-730- available at <https://www.tandfonline.com/doi/full/10.1080/01488376.2023.2265417> accessed on 15th February, 2024

16 Francisca E. Onosu, Challenges Nigeria Faces in Implementing the National Health Insurance Scheme (NHIS) M.sc Dissertation Faculty of the department of Public policy and admn8 2014)

17 *Ibid*, p 31-32

The repealed Act was the starter legislation for the scheme in Nigeria over the years. As its years of operation passed, the NHIS Act revealed its shortcomings and inadequacies. Most of these inadequacies became a source of challenge for the scheme and it was therefore in need for urgent reforms and rearrangements. It has been observed that despite the introduction of the National Health Insurance Scheme aimed at ensuring easy access and affordable healthcare services to Nigerians, evidence abounds that most enrollees still find it difficult to access healthcare because of some factors militating against the smooth and easy access to the scheme. As a result, many people continue to die of preventable diseases as they cannot afford the catastrophic medical bills outside the National Health Insurance Scheme, while those who can afford the out-of-pocket medical expenses spend most of their budgets on healthcare services.[18] Prior to this time, the National Health Insurance Scheme (NHIS) Act empowered the scheme to determine the overall policies of the scheme, including; the financial and operative procedures of the scheme, ensures the effective implementation of the policies and procedures of the scheme, assesses the research, consultancy, and training programs relative to the scheme, arranges for the financial and medical audit of the scheme, sets guidelines for effective cooperation with other organizations to promote the objectives of the scheme, ensures public awareness about the scheme, coordinates manpower training under the scheme; and carries out other such activities as are necessary and expedient for the purpose of achieving the objectives of the scheme as set out in this Act.

Challenges of the NHIS Act

1. **Over growing population of the Nation:** One of the identified challenges with the scheme prior to this time is the over growing population of the Nigerian people. The scheme was fraught with several challenges, with less than 7% of the entire population under coverage. Figures obtained from the NHIS showed that just 13.5 million Nigerians were covered under the scheme out of population of about 200 million more than two decades after the scheme commenced.

2. **The shortage of manpower to pull through the scheme.** The challenge of a growing population was complicated further by issues of shortage of manpower. It was reported that the costs in managing COVID-19 disease patient make it clearly outside what health insurance can cover in Nigeria but countries with well-developed insurance schemes may offer limited coverage.

3. **Poor or unavailable health facilities with health provider:** The lack of social infrastructure and the multi-cultural nature of Nigeria with it's specific cultural impacts and peculiarities was also a challenge. According to some enrolees, health providers under NHIS offered inferior treatment to their patients while those who pay for their healthcare get better treatment. Jame Olatayo, who narrated his experience at a forum, said, "Early this year, I registered myself and my wife in NHIS. We choose our hospitals based on recommendations, and the place looked good, clean and fine, with many doctors.

However, for the times we have visited the hospital, I have noticed that they don't give good drugs. For malaria and typhoid treatment, a test was done for my wife when she was sick and they gave her drugs, which I found at a pharmacy cost around N400 and N600, and Paracetamol tablets.

[18] David A. Adewole, Kayode O. Osungbade, 'Nigeria National Health Insurance Scheme: A Highly Subsidized Health Care Program for a Privileged Few' *International Journal of TROPICAL DISEASE* [2016] (19) (3) p. 1-11; Felicia N. Monye, An Appraisal of the National Health Insurance Scheme of Nigeria Commonwealth Law Bulletin [2006] (32) (3) 415-427

Olatayo added, "Just some weeks ago, my colleague took ill (malaria symptoms) and he went to his NHIS hospital (not the same as mine). They conducted a test and it was confirmed that he had malaria and typhoid. He was given 'cheap' drugs and they were not effective as the symptoms continued. He went back to complain and they told him they don't have other drugs.

Meanwhile, before he joined NHIS, they used to give him better drugs at that same hospital.[19] After many years, NHIS suffers low patronage, complaints, corruption, etc"

4. Unawareness of insurance scheme by informal sector: Another identified challenge is the inability of the informal sector to gain access to the scheme. This is majorly due to unawareness, illiteracy, poverty, and other relevant factors. Onosu argued that majority of the poor health indices we have in the country today come from the rural areas. Unless the government carries the scheme to the rural areas, the indices will continue to be poor.

Also, Adewole and Osungbade,[20] advanced the same position noting that awareness of insurance schemes, and UHC through prepayment schemes, such as a SHI is low, with an attendant gross inequity in healthcare utilization.[21] A high level of awareness among the potential beneficiaries, better understanding of the basic concepts and of the benefit package of a SHI is essential to ensure acceptance of a scheme and thus, facilitate universal Health Cover scheme.

5. The challenge of accountability and transparency which in turn occasioned distrust amongst users. The implication is that there is little or no interest shown towards the programme as there is doubt that the law in fact and practice provides for proper remediations where there are defaults. Despite the immense benefits, some people, especially in developing countries, are sceptical about the insurance business.[22]

6. Poor regulatory implementation and inconsistency. Ammo *et al.* pointed out that the implementation of the scheme is also constrained by some institutional arrangements that allows for conflict of interest or responsibilities. There appears to be non-clarity of mandate between NHIS and HMO. For example, NHIS, which is a regulatory body, doubles as the implementer of the scheme. Similarly, the membership of the HMO, with a voting power in the NHIS board that regulates HMO constitutes conflicts of interest. This creates the perception of weak regulatory effectiveness, abuse of rules and standard, inefficiency.[23]

In 1999, when the NHIS Decree was signed into law, the decree targeted the formal sector. Several policies conceived by successive administrations to increase interests were aborted after each leadership change at the NHIS. In a space of 16 years, the NHIS has been headed by 10 individuals (2004-2019)

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19 Punch Newspaper 31 Dec 2021

20 David A. Adewole, Kayode O. Osungbade, *'Nigeria National Health Insurance Scheme: A Highly Subsidized HealthCare Program for a Privileged Few' International Journal of TROPICAL DISEASE* [2016] (19) (3) p. 1-11; Felicia N. Monye, An Appraisal of the National Health Insurance Scheme of Nigeria Commonwealth Law Bulletin [2006] (32) (3) 415-427.

21 Onyedika-Ugoeze N. NHIA pledges to ensure that all Nigerians have access to affordable, good quality health care.

22 Shobiye HO, Dada I, Ndili N, Zamba E, Feeley F, de Wit TR. *Determinants, and perception of health insurance participation among healthcare providers in Nigeria: a mixed-methods study.*

23 *Ibid.*

7. Corruption: Aside from inconsistencies in government policies, there have been several reported cases of embezzlement in the system. The healthcare providers have often had clashes with the HMOs over issues about capitation withheld or underpaid. Prof Mohammed Sambo the ES/CEO of NHIS from 2019 said NHIS recovered N5 billion Naira funds missing from the scheme. He said "when I got to the health insurance scheme, billions of naira were missing for no just viable reasons" According to Prof Sambo, they were moving from pillar to post to the accountant-General's office, to the EFCC and were able to recover N5bn from the money which has gone to the coffers of NHIS.[24]

NHIS also recovered N2bn debts from the HMOS for unpaid bills to some healthcare providers who lodged complaints based on the above challenges that were observed, there was indeed a very critical need for a change in the direction of scheme. A reform was therefore inevitable. Thus, the National Health Insurance Authority Act was enacted to bring some changes to the scheme which will in turn redefine the process. We shall therefore examine the new NHIA Act in a bid to appraise the developments that has taken been effected through the legislation. There were also the challenges of rise of hospitalization expenses, out-patient services, heaps treatments, add-on cost by hospitals, minimum cost coverages, Health insurance covers for small group of peoples, and inability of NHIS to cover for injury due to conflicts and war, etc.

Developments in the Legal Framework for the National Health Insurance in Nigeria

On the 19th of May, 2022, Former President Muhammadu Buhari signed into law the National Health Insurance Authority Act.[25]This Act, which repeals the existing NHIS Act, has 10 parts which is divided into 60 sessions and several sub-sessions The NHIA replaces the National Health Insurance Scheme Act of 1999, which failed to enroll more than 10% of the population.[26] The NHIA seeks to promote, regulate and integrate health insurance schemes. It aims to secure mandatory health insurance for every Nigerian and legal resident, and establishes a fund for the vulnerable groups, which will provide 'subsidy for health insurance coverage for vulnerable persons and payment of health insurance premiums for indigents.[27]

Comparing the NHIS and the NHIA

Unlike the NHIS which is a scheme, the NHIA is an authority and has an expanded function to regulate, promote, manage and integrate all health insurance schemes and practices in Nigeria.

Mandatory health insurance for every person in Nigeria: The majority (70%) of Nigerians make out-of-pocket payments for health.[28] A 2018 Nigeria Demographic and Health Survey indicated that about 97% of Nigerians lack any form of health insurance 5; thus NHIA brings hope to over 83 million Nigerians living in poverty.

Basic health care provision fund: The inclusion of vulnerable groups will increase health seeking behavior and access to quality healthcare among this group; though, there is a need for an explicit definition of this vulnerable group and who qualifies to be included.[29]

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24 Corruption (24) Vanguard newspaper 21 July 2021.

25 Federal Republic of Nigeria Official Gazette, No.95,Vol 109,Act no.19'p. A625-652

26 P. Okah and Onalu, *National health insurance scheme in Nigeria* p 31-32

27 *Section I* NHIA

28 Amoo, Bandede A, Adedap T. Adwikan National Health Insurance Scheme (NHIS) Implementation in Nigeria: Issues challenge and way forward.

29 *Supra*

Introduction of a state health insurance and contributory scheme: The NHIA will create health insurance schemes in states that do not have them and the accreditation of primary and secondary healthcare facilities that are more accessible to the population. These healthcare facilities are imperative in achieving universal health coverage (UHC), given their proximity and easy accessibility by people living in rural and semi-urban areas, with the majority of these facilities owned by the government. They provide comprehensive, good quality care that meets patients' needs and covers basic health services for disease prevention, health promotion and health maintenance, including offering basic diagnostic tests and supplying safe, affordable medicines and vaccines, and so aiding in the attainment of UHC.[30]

Undoubtedly, the NHIA has the prospect of increasing the life expectancy of Nigerians, contributing to economic growth and job creation, boosting national productivity, and reducing poverty. It will greatly halt the catastrophic and impoverishing health payments by vulnerable people, who would be able to now adequately access health services without suffering financial hardship. It is hoped that it will promote health-seeking behavior, decrease self-medication, prevent serious illnesses, and decrease mortality from preventable deaths that were hitherto widespread. With an increase in demand, there will be pressure to increase health service delivery. The government and its partnersis expected to increase the capacities of their existing facilities in terms of healthcare workforce and equipment, expand facilities, and improve the quality of health services. There will be centralization of health information through technology deployment, which will aid in measuring health indicators and ease planning and rolling out of health programs.

Overall, the government should ensure sustainable funding for NHIA. In addition to ensuring compliance by the private sector in enrolling their workers, there should be a sustained public awareness campaign for the Act, especially on the inclusion of vulnerable people. An increase in the quality and efficiency of health services will guarantee the maximum realization of the benefits of the Act. The full implementation of NHIA will oversee the progress of Nigeria towards achieving universal health coverage and health security.

Benefits and Challenges of the new NHIA Act

Benefits of the New Act

As a result of the development of the National Health Insurance Act bill and the ensuing target of providing health insurance to all Nigerians by 2030, efforts to combat the high prevalence of poverty caused by out-of-pocket medical expenses while engaging with state health insurance agencies are now more feasible than ever.[31] The new National Health Insurance Act bill was passed to promote, regulate, and integrate health insurance programs in Nigeria, as well as to increase and harness private sector engagement in healthcare delivery. Health insurance is now required for all Nigerians and legal residents under the new law, which also establishes a basic minimum package of health care for all Nigerians across all health insurance schemes functioning in the country. The new Act also creates a Vulnerable Group Fund for children under the age of five, pregnant women, the elderly, individuals with physical and mental disabilities, and the impoverished, thus ensuring equity in healthcare access.[32]

30 *Ibid*

31 *Ibid*

32 *Section* 1 (c) and (d) NHIA

Affordable healthcare for the people living in low- and middle-income countries is a recurring developmental challenge. Health financing for the cause of universal health coverage has helped to achieve great strides in the health sector in some developing countries, including Thailand, Mexico, Moldova, Rwanda, and Ghana. Thailand attained universal coverage in 2002, following the newly elected government's introduction of the "30-Baht for All Diseases Policy" in 2001. The 30-Baht policy established a universal coverage scheme to cover over 45 million Thais who were not already insured by the civil servant medical benefits package and the social security scheme and only required a 30-Baht (about $1) copayment for each visit. One of the main objectives of Ghana's national health insurance scheme was to improve access to and utilization of pharmaceuticals and other health services, especially among vulnerable populations.[33] Witter and Garshong reported a dramatic increase in the number of outpatient visits shortly after the commencement of the health insurance in discussing the developments in the legal framework for the National Health Insurance Scheme in Nigeria, a good start point is the establishment of a National Health Insurance Authority as against the National Health Insurance Scheme. This Authority now is empowered to hold interest in properties as well as enter into contracts for the purpose of advancing its objectives and functions.[34] The objectives of the authority have notably been streamlined to three. This is obviously to redirect the authority to the key aspects that are necessary for the efficacy of the scheme in Nigeria. Interestingly, while reducing the objects of the Authority, its functions are well expanded to include to "provide and maintain Information and Communication Technology (ICT) infrastructure and capability for the integration of all data on health schemes in Nigeria including the State health insurance schemes".[35]

Also, the Act establishes the Governing Council which shall consist of a reviewed membership strength of Fifteen members including a representative of the Armed Forces which was never provided for.[36] All members of the Council are deemed to be part-time members by the Act except the Director General of the Authority who is to double as the Secretary to the Council.[36] Interestingly, the statutory condition that the Chairman of the Council must be appointed from the private sector has been removed. Thus, the President is at liberty to appoint a chairman from any sector provided the person is well educated and possess integrity. A member of the Council can be removed by the President for failing to declare his assets upon appointment.[37] This council may also be dissolved unconditionally by the President in "public interest".[38] Upon the dissolution of the Council, the Minister[39] shall exercise the powers of the Council pending its reconstitution.[40]

Another notable development in the health insurance scheme of Nigeria is the introduction of a a "State health insurance and contributory scheme" for the purpose of providing access to health services to its residents in the states and the Federal Capital Territory.[41] It is interesting to note that although the Act grants states the powers to have their own health insurance schemes, the Health Maintenance Organisation, Health Care Facility, Mutual

33 *Section* 3
34 *Section* 1 (c) and (d)
35 *Section* 3 NHIA [36]*Section* 4
36 *Section* 4 (2)
37 *Section* 11 (1) (e)
38 *Section* 11 (4)
39 *Section* 59 defines "Minister" as "the Minister responsible for health"
40 *Section* 11 (7)
41 *Section* 11 (1)

Health Association or Third Party Administrator shall all be registered with the Authority.[42] While this may seem to be a Greek gift, it may however be seen as a legal attempt to drive all the relevant stakeholders through a single route for easy regulation. Thus, it may be safe to say that there are two types of health insurance schemes in Nigeria:

1. The National Health Insurance Scheme
2. State Health Insurance and Contributory Scheme

Again, the Act seems to have provided for what may be seen as the boldest step towards an effective health insurance scheme in Nigeria. The Act provides that health insurance shall be mandatory for every person in Nigeria.[43] Towards achieving this, the Act provides that even where a person resident in Nigeria opts to be contract for health insurance with a private health insurance provider, the person must participate in the state health insurance scheme where he is resident.[44]

As part of the developments for the health insurance scheme in Nigeria, the Act provided for the operation of a Private Health Insurance scheme[45] which must be by a registered company under the Companies and Allied Matters Act as well as meeting under requirements of the law such as depositing with an accredited bank an amount of money in an interest yielding account.[46] Such a company must be issued a Licence to enable it operate a private health insurance scheme pursuant to the Act.[47] It must however be noted that the Authority reserve the right to refuse the registration[48] or revoke the licence of a private health insurance scheme.[49]

Furthermore, the Act has permitted what is described as "Third Party administrator" defined as "any organisation with expertise and capability to administer all or a portion of the insurance claims process, including administration of claims, collection of premiums, enrolment, and other administrative activities, which is registered by the Authority and has the acronym 'TPA'" A T.P.A must be accredited by the Authority.

The Third-Party Administrator shall carry out the following responsibilities:

1. Manage the providers including continuous quality assurance.
2. Ensure patient satisfaction through relevant mechanisms, including the operation of call centres.
3. Perform other administrative functions which they are required to perform to facilitate the implementation of a state health scheme or functions as required by the Authority.[50]

Another development in the health insurance scheme is the implementation of the Basic Health Care Provision Fund. The basic health care provision fund is aimed at providing a basic minimum package of care to all residents of Nigeria.[51] Also the Act established the Vulnerable Group Fund is to provide finance to subsidize the cost of provision of health care

42 *Section* 13 (5)
43 *Section* 14 (1)
44 *Section* 14 (3)
45 *Section* 15 (1)
46 *Section* 15 (4)
47 *Section* 16 NHIA
48 *Section* 18 NHIA
49 *Section* 19 NAHI
50 *Section* 20 (3)
51 *Section* 24

services to vulnerable persons in Nigeria.[52] The Council is to manage the fund and give directives as to its usage.[53]All these are targeted to get the scheme to the least of the society so that it may be effective for universal health coverage.

It is also worthy to mention the development in dispute resolution as has been occasioned under the Act. Under the NHIS Act regime, disputes are directly presented before the Arbitration Board for resolution. However, the NHIA Act provides that where there is a dispute arising from the health insurance, the complaint must first be reported to the Authority for resolution by mediation, conciliation before it may be referred for arbitration pursuant to the Arbitration and Conciliation Act.[54]

Also, offences in the Scheme have been extended. The Act provides for additional circumstances that will be considered an offence such as:

1. fails to remit payments to Health Care Providers within the specified period indicated in the operational guidelines.
2. fails to settle fee-for-service or other claims from the Health Care Providers within the stipulated time allowed in the operational guidelines.
3. manipulates the enrollee register for the benefit of other parties before or after the release of the register by the Health Insurance Schemes
4. fails to provide care to a duly registered enrollee.
5. issues a dud cheque.

The developments in the Nigerian health insurance sector are numerous. The ones highlighted above are crucial and if well implanted may become a game changer in the quest to improve the health insurance scheme in Nigeria. It is hopeful that with the sure of political on the part of government as well as the authority, the aim of improved health care system will be achieved.

Challenges of the New NHIA

Notwithstanding how fantastic and promising the NHIA Act appears, some obstacles are envisaged. Possible bottlenecks might be encountered in the implementation considering the past occurrences as regard to the state of Nigeria's healthcare system, the economy, and future projections.

Funding: The first challenge is funding; would it be possible to pull the Authority through considering the current economic state and government's low priority to healthcare funding in Nigeria? To procure a health insurance package for the 83 million vulnerable and indigent Nigerians at the current premium of N 15,000 annually, the country requires about N 1.3 trillion ($ 3.1 billion) yearly, which is about twice the 2022 Nigeria Federal Ministry of Health budget.[55] Although the NHIA Act has a well-laid plan to pool resources and enhance risk pooling, nevertheless, these plans may not be feasible enough to mobilize this huge amount of money. Additionally, it has been revealed that a major setback to health insurance scheme in the country is poor financing.[56] The proportion of the year 2022 budget allocated to healthcare in Nigeria is one of the lowest globally at 4.2% which is low against the 5% recommendation by the United Nation for developing countries and ridiculously low against

52 *Section* 25
53 *Section* 28
54 *Section47* (1)
55 T.M. Akande, '*Referral System in Nigeria: Study of a Tertiary Health Facility*' (2004) Ann Afr Medical 3(3): 103-3
56 *Ibid*

the 15% that was recommended in the Abuja declaration of 2001. The Nigeria government's priority to healthcare has been consistently < 4% of the gross domestic product in the last decade, this has been marked by very high OOP payment from the citizen compared with Egypt and the United States.[57]

With such little support coming from the federal purse that should spearhead the Authority, the success of its implementation has been greatly narrowed and except the situation is rescued on time, the NHIA might be on its way down even before its implementation. The Federal government requires a huge financial healthcare investment increase from the current state to move the country to achieve UHC. Also, a past study revealed that achieving UHC is inversely associated with the proportion of a population living below the poverty line.[58] The enrollees are expected to pay a quota into the scheme; however, the majority of Nigerians may not be able to pay their deductions as about 4 in 10 are living below the poverty line. Apart from this, retrieving payment from those in the informal sector may also prove difficult, all of which will affect the pool of funds needed for the scheme to pull through. There is also the issue of corruption in Nigeria and the NHIA fund may not be absolutely insulated or immune against this as it represents a microcosm of the larger Nigerian society.

Poor Healthcare Delivery as Healthcare Facilities: Furthermore, the existing supply challenges of poor healthcare coverage in Nigeria may serve as a hindrance to the accomplishment of reaching 83 million beneficiaries in 10 years. There is inequitable access to healthcare delivery as healthcare facilities available in the rural areas and some urban localities are grossly low in counts compared to the population of dwellers. Besides, the ones available are barely functioning owing to a variety of reasons such as the lack of skilled and essential manpower, inadequate materials and infrastructure and low acceptability of the healthcare system by the population.[59] Currently, Nigeria has 0.4 doctor, 1.5 nurses and 0.5 hospital bed to 1000 of her population which is relatively low when compared with Egypt and the United States. These healthcare delivery indicators in Nigeria are much lower than the values recommended by the WHO[61] and based on the current rate of supply of about 5,000 doctors yearly, (based on the Medical and Dental Council of Nigeria register) it would take the country over a century to meet this target. This low ratio of healthcare workers to the population is to a greater extent affected by the mass emigration of the healthcare profession due to poor remuneration, poor working conditions among other reasons. The NMA[60] noted in 2020 that 75,000 Nigerian doctors were registered with the MDCN,[61] but over 33,000 have left the country.[62] The problem of inadequate coverage is further compounded by conflict and serious insecurity from Boko Haram terrorism, kidnapping, banditry, communal as well as farmers-herders clashes. Currently, Nigeria is ranked 143 on the 2022 global peace index out of 163 independent nations and territories.[65]

Low Enrolment: Additionally, despite the enrolment being mandatory and binding on all legal residents of the country, demand related issues remain a challenge, Nigerian government might not be able to fully enforce the Act on the people. Implementation and

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57 *Ibid*

58 World Health Organization

59 R.A. Abimbola, 'How Tertiary Hospital Can Strengthen Primary Healthcare in Nigeria' (2014) Niger Med Journal
61*Ibid*.

60 Nigerian Medical Association

61 Medical and Dental Council of Nigeria

62 R.A. Abimbola, 'How Tertiary Hospital Can Strengthen Primary Healthcare in Nigeria' (2014) Niger Med Journal

enforcement of laws binding on Nigerians by the government have always been a difficult task. Getting everyone to enroll to benefit from the health insurance may not be that easy, especially considering the unpleasant experiences of past enrollees.by having to pay OOP for some investigations and medications, inability to access healthcare during industrial disharmony, inability to access some specialized care as well as dissatisfaction in the quality of care experienced by enrollees. These factors are disincentives to the populace and might affect enrollment.

Also, implementing a mandatory health insurance scheme for all Nigerians will require a lot of resources to carry out its activities such as awareness creation and education, enrollment of participants, licensing, supervision, and monitoring of healthcare providers, HMOs, as well as providing quality of healthcare services. These activities would require quite a huge number of human, material and other resources which are currently not available to deal with that volume of enrollees.

Coverage of Health Insurance: The implementation of the NHIS which reportedly catered for less than 5% of Nigerians encountered such a bottleneck, how much more is the NHIA that is proposed to serve over seven times that population. Over and above that, the population growth rate in Nigeria is 2.5%, which is very high compared with the global average of 0.9%. This shows that the population of the country is expanding rapidly and this may impact the coverage of health insurance. Available data also showed that an average of 5 million people is added to the country every year[63] and enrolling extra 5 million people yearly in addition to meeting up with the current target may require much more planning and resources. The rate of enrolment must meet up and surpass that population growth in order to achieve UHC.

Unwillingness of the Private Healthcare: The Act also plans to incorporate and ensure the proper functioning of the private healthcare providers who account for a significant proportion of the Nigerian health system. However, there may be some challenges in getting these players on board and failure to get them may constitute a setback to a successful implementation of the Act.[67] One of the issues with the private health facilities is the possibility of having only a few of them pass the accreditation process to be on the scheme. A national study revealed that less than two-thirds of private health facilities have been accredited by the NHIS and almost half of these have <100 enrollees. Another concern with this group is that they may have a lower willingness to participate because of the unpleasant experiences that have been encountered by those who ventured into the previous scheme, particularly in the aspect of receiving payments from HMOs. More than half (57.2%) of the private healthcare providers expressed regrets in accepting the scheme in a study done in Lagos State, Nigeria.[68] Thus, getting them to work with the insurance scheme through NHIA may require a lot more effort than envisaged in the Act.

Ensuring Equitable Patronage: there may be challenges with ensuring equitable patronage of all levels of healthcare in Nigeria, considering the state of the health system with the primary and secondary levels of the healthcare system barely functioning optimally in most states. This would also affect accrediting these health facilities. And even if they scale through the accreditation process, enrollees may, however, not be convinced to go to them to access

63 T. Kelsall, T Hart & E. Laws, '*Political Settlement and Pathways to Universal Health Coverage*'

67 *Ibid*. 68

healthcare, given that some needed healthcare services may not be available. This and other challenges must be addressed.

Renovation and appropriate staffing of the abandoned and dilapidated health facilities: the renovation and appropriate staffing of the abandoned and dilapidated health facilities should be ensured by the state governments in collaboration with the National Primary Healthcare Development Agency to allow adequate coverage of the unreached areas in the country in such a way that healthcare can be made accessible to all. Benefits and bonuses should be made available for healthcare workers and other human resources that are willing to work in remote and rural areas as well as ensuring the provision of basic infrastructural facilities in these areas to enhance the pulling of skilled workers. To meet the demand for health workforce, the federal government must work to retain healthcare professionals working within the country by providing the pull factors such as job opportunities and good working conditions while improving upon the push factors such as poor emolument and insecurity. The supply of health professionals may be increased by collaboration between the Federal Ministry of Health and Federal Ministry of Education to create and accredit more medical schools and training colleges, give educational subsidies and scholarship to those in training, as well as task shifting and task sharing among professionals.

Furthermore, private healthcare providers' participation could be harnessed through engagement with appropriate stakeholders including collaboration with the AGPMPN[64] and the NMA. Efforts should not be spared by the NHIA in advocating the bye-in of private healthcare providers to ensure their unreserved participation and in correcting the bottlenecks that were encountered with their capitation and other payments in the previous scheme to encourage their full cooperation in the system.

The NHIA Governing Council and Director General of the Authority must be accountable to all the stakeholders (enrollee, private and public healthcare providers, HMOs and other third-party administrators) to build confidence in the scheme. They must conduct regular performance appraisals and apply immediate corrective measures to erring sections, implement and make sure the feedback pathway works and feedback is received from participants on their satisfaction and perception of the system and its activities at all levels.

The federal government must adopt and implement policies that will reduce the current population growth. Population control measures such as promoting and expanding access to family planning, female education and raising the status of women, as well as incorporate population growth and family planning into secondary school and university curriculum could be adopted and implemented. To ensure every citizen participates in health insurance, widespread continuous publicity of the NHIA is necessary[65] by the National Orientation Agency, media houses, civil society organizations and the Authority itself. Public enlightenment must focus on the benefits offered by NHIA and showcase these as the incentive for enrollment, as people tend to partake in programs with incentives.

64 Association of General and Private Medical Practitioners of Nigeria
65 National Health Insurance Act

Criticism

There have been a few criticisms of the NHIA since it was established in 2019.

One criticism is that the NHIA has not been able to achieve Universal Health Coverage in view of the fact that the NHIA was set up with the goal of ensuring that all Nigerians have access to quality healthcare. However, there are still many people who are not covered by the NHIS which is run by the NHIA. This is partly due to the fact that not all states have implemented the scheme, and partly due to the fact that many people cannot afford to pay the premiums. The result is that many people are still unable to access the healthcare they need, which was one of its main goals.

Another criticism is that the NHIA has been slow to implement reforms such as increasing the number of people covered by the health insurance scheme.

Finally, there have been concerns about the transparency and accountability of the NHIA. Under the NHIA, there are a few illnesses or conditions that are excluded from coverage. These include cosmetics surgeries, infertility treatments, and experimental treatments that have not been approved by the National Health Insurance plan that you have. In addition, any illness or condition that is caused by the use of illegal drugs is also excluded from the coverage. However, the list of excluded conditions can vary depending on the particular health insurance plan that you have.

Recommendations

1. The National Health Insurance Authority must make the process of accessing health insurance very seamless. This will enhance public confidence in the scheme as it is already bad enough that there is a public apathy to the scheme.
2. Both Federal and State Governments must create a surveillance system that will ensure that all private stakeholders in scheme are supervised so that their capitalization capacity remains within the expected limits.
3. The Nigerian Health Insurance Authority should put in place a robust and viable remediation process to handle complaints and dissatisfaction with services arising from the scheme. Where complaints are reported and they are handled with kid gloves, the confidence in the scheme will decline.
4. For NHIA Act to transform the Nigeria's health system, the federal government health spending must improve from the current value to at least 15% of the budget in line with the 2001 Abuja declaration. Furthermore, the NHIA Governing Council and each of the state health insurance schemes must put in place a workable, transparent, and accountable plan to mobilize adequate revenue to ensure the system is adequately funded and kept running. Revenue generation methods may include investment by the Governing Council on behalf of the system as this is backed by the Act, getting committed voluntary donors that will contribute on regular basis, and by creating platform where people will be financial shareholders in the system. The Governing Council and Director General of the Authority need to create a standard workable means of retrieving deductions from enrollees, especially those in the informal sector even if it means using non-monetary premium contribution methods such as farm produce and in-kind payment with a convenient frequency of payment while ensuring that the existing means of funding are reinforced for better mobilization of funds to ensure adequate fund is pooled for the scheme.

Conclusion

In conclusion, the signing of the NHIA Act was a welcoming and assuring development for the Nigerian health system. The Act addressed some of the drawbacks of the previous NHIS by making it mandatory for all Nigerians and making provisions for VGF to cover the indigent and vulnerable individuals. Although the Act appears promising in accomplishing the UHC, some constraints are expected. These challenges include low government funding priority to health, shortage of healthcare workers and poor healthcare coverage compounded by insecurity, the problem of full enforcement and reduced likelihood of getting everyone to participate. Others are unavailability of resources for full-scale implementation, problems meeting up with the rapidly expanding population, poor commitment of private healthcare providers and inequitable patronage. These problems must be overcome and all hands must be on deck by all the participants to ensure the Act accomplishes its objectives.