IN THE FOURTH SESSION OF THE FIFTH PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA

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REPORT

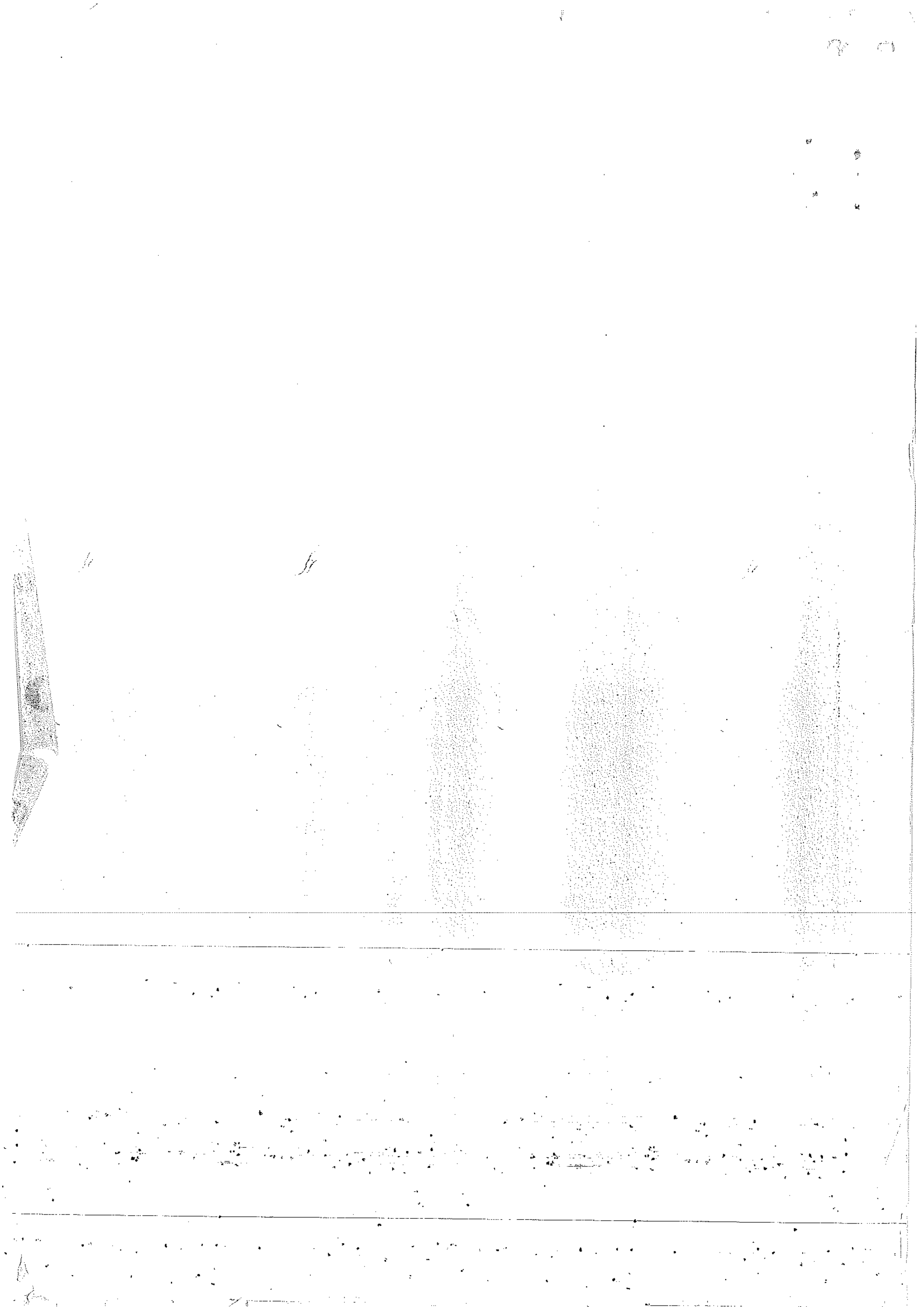
OF THE

COMMITTEE ON HEALTH

ON THE

NATIONAL HEALTH INSURANCE BILL, 2012

JULY, 2012



REPORT OF THE COMMITTEE ON HEALTH ON THE NATIONAL HEALTH INSURANCE BILL

1.0 INTRODUCTION

In accordance with Article 103 of the 1992 Constitution of Ghana, the Minister of Roads and Highways, Hon. Joe Kwashie Gidisu on behalf of the Minister of Health, Hon. Alban S.K. Bagbin, on 22nd March 2012 laid before Parliament, the National Health Insurance Bill. Pursuant to Article 106 of the Constitution and Standing Orders 125 and 178, the Bill was referred to the Committee on Health for consideration and report to the House.

2.0 PROCEDURE FOR CONSIDERING THE BILL

The Committee on Health as part of its mandate under Article 106 (4) of the Constitution of Ghana and Standing Orders 125 and 178 published in the media requests for written memoranda on the National Health Insurance Bill.

The Committee after receipt of memoranda on the Bill met with persons who presented the memoranda to deliberate on their proposals.

The Committee thereafter met with officials of the Ministry of Health, National Health Insurance Authority (NHIA) and other stakeholders for detailed deliberation on the Bill.

The Committee after ten (10) sittings put together a report for the consideration and adoption by the House.

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3.0 ACKNOWLEDGEMENT

The Committee is grateful to the following for their invaluable inputs and support during deliberations on the bill:

1. Hon. Joseph Yieleh Chireh, Immediate Past Minister of Health
2. Hon. Robert Mettle-Nunoo, Deputy Minister of Health
3. Directors from the Ministry of Health and the Ghana Health Service
4. Hon. E.K.D Adjaho, Chairperson, National Health Insurance Board
5. Mr. Sylvester Mensah, Chief Executive Officer, National Health Insurance Authority
6. Officials from the National Health Insurance Authority
7. Officials from the Attorney General's Department

3.0 REFERENCE DOCUMENTS

The Committee made reference to the following documents during deliberations on the bill:

1. The 1992 Constitution of the Republic of Ghana
2. The Standing Orders of the Parliament of Ghana
3. Memoranda from the Public
4. The National Health Insurance Act, 2003 (Act 650)
5. The National Health Insurance Bill, 2011

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5.0 BACKGROUND

Prior to the enactment of the National Health Insurance Act, 2003, healthcare was financed through the "cash and carry" system. The system required persons who needed healthcare to pay at the point of service. This created a barrier to access to healthcare for the poor because the exemption scheme instituted to facilitate access for the poor and vulnerable had operational difficulties.

To mitigate this problem, the National Health Insurance Act (Act 650) was enacted in 2003 and it formed the legislative framework to finance healthcare. The Act requires the payment of a small contribution to ensure access to healthcare by the poor. It further makes provision for an exempt group to access healthcare free of charge.

Act 650 also makes provision for three types of health insurance schemes; **The District Mutual Health Insurance scheme**, the **Private Commercial Health Insurance Scheme** and the **Private Mutual Health Insurance Scheme**. There are currently one hundred and forty-five (145) District Mutual Health Insurance Schemes, four (4) licensed Private Mutual Health Insurance Schemes and one (1) Private Mutual Health Insurance Scheme pending consideration.

There is also established under the law a National Health Insurance Council that superintends the administrative operations of the National Health Insurance Authority (NHIA) and whose function is to implement National Health Insurance policies that ensure access to basic healthcare services.

The implementation of Act 650 has been successful but numerous challenges have constrained the realisation of its full potential.

The District Mutual Health Insurance Schemes established under the Act have governance, institutional, operational, implementation, administrative and financial problems. These problems have prevented the schemes from meeting their fundamental object to provide access to healthcare services for their clients.

It has again been realised that although the District Mutual Health Insurance Schemes depend on the Authority for their funding, they assert their legal and operational independence when issues of accountability arise. There is also ambiguity regarding the level of oversight since the District Mutual Insurance Schemes are registered under the Companies Act (Act 179) and also have independent Boards.

All the one hundred and forty-five (145) District Mutual Insurance Schemes process claims although most of them do not have the expertise in claims processing. As a result claims remain unprocessed for several months and service providers deny service to clients.

All these problems have necessitated the repeal of Act 650 rather than an amendment. It is believed that the new bill would mitigate the current challenges that impede the effective implementation of the scheme or bring them to their barest minimum. This is because it provides for new governance, institutional, operational, administrative and financial framework.

5.0 OBJECT OF THE BILL

The object of the Bill is to provide for universal health insurance coverage for persons resident in the country and persons not resident in the country but who visit to the country regularly. It is also aimed at providing access to healthcare service to persons covered by the insurance.

6.0 CONTENTS OF THE BILL

The Bill is made up of four parts and one hundred and seventeen clauses. The issues as captured in the bill are as follows:

1. **Part One (Clauses 1 – 23)**

   It provides for the establishment of a National Health Insurance Authority charged to operate a Unitary National Health Insurance Scheme for the entire country.

   It again provides for a governing board as well as the appointment of staff and agents of the Authority. It further establishes offices in the district, regional and national level.

2. **Part Two (Clauses 24 to 50)**

   This part establishes a single National Health Insurance Scheme to be operated by the National Health Insurance Authority. The scheme would provide financial access to basic healthcare services for all residents.

   The part also provides for exemptions, credentialing, medicines list, claims payment, a National Health Insurance Fund, and National Health Insurance Levy.

3. **Part Three (Clauses 51-109)**

This part provides for the membership, contributions and benefits of the members of the national Health Insurance Scheme. It also captures the graduated benefit packages by for instance allowing an insured to belong to more than one insurance scheme. It further allows for the accreditation and monitoring of service providers.

4. **Part Four (Clauses 110-117)**

It deals with a number of issues including the complaints adjudication Committee, offences and the power of the Minister to make Regulations and transitional provisions, repeals and the commencement date of the Act.

7.0 OBSERVATIONS AND RECOMMENDATIONS

7.1 CLAIMS MANAGEMENT

The Committee was pleased to observe that the Bill makes room for the establishment of more claims processing centres in the country. It further enjoins the Authority to communicate rejection of claims to healthcare providers stating reasons for the rejection. It is envisaged that these provisions would create mutual understanding between the Authority and the healthcare providers, cut down on time for claims processing and ensure easy access to healthcare.

7.2 EXEMPTIONS TO CONTRIBUTIONS

The Bill exempts various categories of persons including pregnant women, children, persons with mental disorder, indigents, differently-abled persons and contributors to the Social Security and National Insurance Trust. The exempt group constitutes about

two thirds of the members of the National Health Insurance Scheme. Some of these people can however afford to pay premiums to access healthcare. There may for instance be pregnant women and differently-abled persons who are gainfully employed and can afford to pay for their healthcare. If these persons can be identified then the National Health Insurance Authority could obtain additional revenue for its operations. It may also result in improved equity and better targeting of the poor.

It may further be necessary to encourage informal sector workers to enroll through social sector marketing and provision of attractive benefit packages.

7.3 DECENTRALISATION OF THE SCHEME

The National Health Insurance Act 2003 (Act 650) provides for a decentralized healthcare financing system. It resulted in the establishment of 145 District Mutual Health Insurance schemes, Private Mutual Health Insurance Schemes and Private Mutual Health Insurance Schemes. The vastness of the scheme has made its management difficult and has brought to bear a lot of challenges that the National Health Insurance Authority has had to grapple with. The schemes have been unable to among others meet administrative, financial and implementation challenges.

The bill therefore recommends that the District Mutual Health Schemes should be made branches of the National Health Insurance Authority with staff employed by the Authority. It is believed that the proposal would ensure discipline and better management of the schemes.

With the backdrop of the challenges that resulted from complete decentralization of the scheme, the Committee recommends the establishment of Regional and District Offices of the Authority by

the Board of the Authority in the Regions and Districts. A National Health Insurance scheme may constitute about two or more districts put together. These offices shall perform functions of the Authority. In the view of the Committee the proposal would ensure fewer offices and better control of operations of the schemes.

7.4 OBJECT OF THE BILL

The object of the National Health Insurance Bill is to provide for universal health insurance coverage for persons resident in the country and persons not resident in the country but who visit the country regularly. The insurance coverage as provided in the object of the Bill would thus ensure comprehensive regulation and supervision of all the types of schemes enumerated in the Bill.

The Committee considers the provision appropriate since it would ensure that all schemes are appropriately supervised to ensure efficiency and satisfactory healthcare services to society.

7.5 CHANGE IN THE NAME OF THE "NATIONAL HEALTH INSURANCE SCHEME"

The Committee noted that the Bill provides the framework for the regulation and supervision of the National Health Insurance Scheme, Private Mutual Health Insurance Schemes and Private Commercial Health Insurance Schemes. Since there is currently a shift towards universal health coverage, it is necessary that all the insurance schemes play complementary roles to ensure an effective health insurance regime.

In this regard the Committee proposes a change in the name of the scheme established under Clause 24 from "National Health Insurance Scheme" to "Social Health Insurance Scheme" to capture the actual provisions of the bill as well as the standard or type of healthcare to be provided by the schemes.

7.6 TECHNICAL OVERSIGHT COMMITTEES

The Bill provides for the establishment of Technical Oversight Committees to supervise the operation of both the National Health Insurance Scheme and the Private Health Insurance Schemes. It is expected that the oversight Committee, would ensure a level playing fields for both the national and private schemes.

The Committee is satisfied with this provision and hopes that the membership of the Committees would bring their expertise to bear on the operations of the schemes and ensure effective regulation and supervision.

7.7 COMPLAINTS ADJUDICATION COMMITTEE

Considering the varied nature of stakeholders that the bill covers, it is appropriate that complaints that arise in the course of the operations of health insurance schemes be resolved in a way that assures independence and eliminates conflicts of interest.

It is the hope of the Committee that the Committee when established will ensure a level playing field and deal with conflicts expeditiously to prevent delays or suspension in service delivery.

7.8 REPEAL OF ACT 650

The Committee noted that a repeal of Act 650 has been necessitated by governance, institutional, operational, implementational, administrative and financial challenges bedeviling the schemes. Some members are however not in favour of the repeal and would have preferred an amendment as regards the District Mutual Health Insurance schemes.

The Committee is however of the view that the repeal provides for a new governance, institutional, operational, administrative and financial framework that would mitigate the current challenges that

impede the effective implementation of the scheme or bring them to their barest minimum.

8.0 AMENDMENTS

The Committee after deliberation on the bill proposes the following amendments for the consideration of the House:

1. Clause 3 - Amendment proposed - insert the following new paragraphs.

(o) provide basic financial risk protection through the social health insurance scheme;

(p) ensure the efficiency and quality of services under the social protection scheme;

(q) foster an efficient and competitive private health insurance industry;

(r) protect the interest of members of the private insurance scheme;

(s) ensure the prudential safety of private health insurance schemes;

(t) ensure that private health insurance schemes, members of the social health insurance scheme, members of private health insurance schemes and healthcare providers are informed about the Complaints Adjudication Committee and its functions.

- 2. Clause 9 - Amendment proposed – Sub-clause (2) paragraph (a) after "Chairperson" insert "appointed from amongst the members"

- . Clause 25 - Amendment proposed – Insert the following new sub-clauses:

1. An Employer shall ensure that each worker employed by that employer is registered under the National Health Insurance Scheme.
2. An employer who contravenes Sub-clause (1) commits an offence and is liable on summary conviction to a fine of not more than two hundred penalty units for each employee who is not registered under the scheme.
3. For the purposes of this clause, "employer" means:

   I. The owner of an establishment or the person who, or the Board that, has the ultimate control over the affair of the establishment, and where the affairs are entrusted to a manager, managing director or managing agent, director or agent.

   II. In any other case, the person with whom the worker entered into a contract or service or apprenticeship, whether parole, in writing or by conduct and who is responsible for the payment of the salary of the worker.

4.	Clause 26	-	Amendment proposed – Sub-clause (1) line 3 delete "prescribe" and insert "determine"
5.	Clause 26	-	Amendment proposed – Sub-clause (2) line 2 delete "in accordance with regulations made" and substitute "determined by the Minister on the advice of the Board".
6.	Clause 39	-	Amendment proposed – paragraph (f) delete
7.	Clause 52	-	Amendment proposed – Paragraph (g) delete and substitute the following: "Three persons appointed by the Minister two of whom shall be women"
8.	Clause 57	-	Amendment proposed – Sub-clause (2) paragraph (a) line 1 delete "constitution" and substitute "regulations"
9.	Clause 58	-	Amendment proposed – Sub-clause (1) line 1 delete "may" and substitute "shall and in line 2 delete "of the opinion" and substitute "satisfied"
10.	Clause 59	-	Amendment proposed – delete and substitute the following: "The Minister may by legislative instrument make regulations to prescribe further terms and conditions for issuing a license"