

# NATIONAL HEALTH INSURANCE AUTHORITY



## NATIONAL HEALTH INSURANCE AUTHORITY OPERATIONAL BUDGET 2017

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## 1.0 INTRODUCTION

The Government of Ghana through the Ghana Poverty Reduction Strategy (GPRS) has outlined its policy strategy of dealing with poverty in Ghana. A major component of the GPRS is the strategy to deliver accessible and affordable health care to all resident in Ghana especially the poor and vulnerable.

To achieve the object of this strategy, the Government introduced a district-wide mutual health insurance scheme, now unified into a National Health Insurance Scheme, to enable residents in Ghana to have access to basic healthcare services without having to pay cash at the point of service used.

One major underlying principle of the National Health Insurance Scheme is equity, and it is in line with the Health Sector's desired objective of bridging the equity gap in the health status across regions in the country. In particular, it seeks to provide protection for the poor, which is achieved by ensuring risk pooling and cross subsidisation.

The National Health Insurance Authority (NHIA) was first established by the National Health Insurance Act, 2003 (Act 650). In 2012, the Act was repealed and replaced by a new law (Act 852). The object of the Authority under Act 852 is to attain universal health insurance coverage in relation to persons resident in Ghana, and non-residents visiting Ghana, and to provide access to healthcare services to the persons covered by the Scheme.

Section 39 of Act 852 established the National Health Insurance Fund (NHIF) and the object of the Fund is to pay for the health care services for members of the National Health Insurance Schemes (NHIS).

For the purpose of implementing the object of the Fund, section 40 (2) of Act 852 stipulates that the monies from the Fund shall be expended as follows:

- to pay for the healthcare costs of members of the National Health Insurance Scheme;
- to pay for approved administrative expenses in relation to the running of the National Health Insurance Scheme;
- to facilitate the provision of or access to healthcare services; and
- to invest in any other facilitating programs to promote access to health services as may be determined by the Minister in consultation with the Board.

The sources of money to the NHIF are provided under section 41 of the Act as follows:

- the National Health Insurance Levy (NHIL);
- 2.5 percentage points of each person's contribution to the Basic National Social Security Scheme;
- such moneys that may be approved for the Fund by Parliament;
- moneys that accrues to the Fund from investments made by the Authority;
- grants, donations, gifts, and any other voluntary contribution made to the Fund;
- fees charged by the Authority in the performance of its functions;
- contributions made by members of the Scheme; and
- Moneys accruing from the National Insurance Commission under section 198 of the Insurance Act 2006 (Act 724).

## **2.0 MAJOR PLANNED ACTIVITIES FOR 2017**

The strategic intent of the Authority as captured in the Medium term Strategic Plan, 2015-2018 is to consolidate the position of the NHIS as preferred financing mechanism for reducing financial barriers to health care in Ghana, through a social health insurance scheme.

Section 3 of the National Health Insurance Act 2012, (Act 852) enjoins the Authority to undertake program that further the sustainability of the National Health Insurance Scheme, and also ensures the efficiency and quality of services under the national and private health insurance schemes. In light of this, the National Health Insurance Authority has earmarked the following major plans for the year 2017. These proposed plans are key variables in the determination of the allocation formula and planned expenditure for 2017. Key activities planned for 2017 are;

1. Adopt pragmatic strategies to increase active membership coverage of the scheme from 39% in 2016 to 41% of the projected 2017 population of 28,409,576 million. The active membership in 2017 is therefore projected at **11,647,926**.
2. The Authority would continue to reform and implement efficiency gains measures in claims management and operating expenditure. The Authority completed the pilot of a claims vetting and submission application, called "Claim it". Full implementation of the application is expected to take place in 2017.
3. Accelerating claims management within the context of e-claims and claims processing centers. Strengthen systems to enhance efficiency and effectiveness of claims management within NHIA; and to increase the



capacity of the zonal claims centers to take scale up e-claims submission to 500,000/month in 2017.

4. In 2017 we shall extend the education and preparatory work for the roll out of the per capita payment module to six of the remaining regions, namely, Brong Ahafo, Western, Eastern, Central, Greater Accra and Northern Regions.
5. The Authority will intensify claims verifications and clinical auditing of provider claims. In 2017, we plan to audit 15% of the facilities.
6. We plan to intensify the post credentialing monitoring activities to ensure quality of health care at health facilities.
7. To continue to deploy NHIA staff to Provider sites to assist in authentication procedures and to handle complaints and enquiries of NHIS card bearers
8. To organize regular fora ("Health Insurance Dialogue") to address public and stakeholder concerns on health insurance.
- 9.
10. Revamp the financial management to improve efficiency and effectiveness in financial reporting and deploy accounting software to all the 165 district offices and the 10 regional offices.
11. Continue restructuring of the National Health Insurance Scheme to overcome its sustainability challenges.
12. To do a nationwide rollout of electronic collection system and on-site banking services to the remaining district offices for the collection of premium and processing fees
13. Consolidate all ongoing projects, programs and initiatives.
14. Intensify capacity building with greater emphasis at the Districts and Regional offices.
15. Implement Enterprise Risk Management strategy in the NHIA to help effectively manage risk.

16. Conduct actuarial valuation to assess the financial status of the NHIS and to collaborate with the MOH to carry the recommendations of the NHIS review committee
17. To coordinate with MOH and Consultants to carry out stakeholder engagements and processes leading to the passage of the new Legislative Instrument by Parliament
18. Continue to Collaborate with MOH to review the system for pharmaceutical product supply
19. Produce draft 2018-2021 Strategic Plan to incorporate recommendations of the NHIA review and in line with NDPC directive
20. Continue to explore new investment avenue to enhance the funding of the NHIA

### 3.0 SUMMARY REVIEW OF 2016 BUDGET PERFORMANCE

The Authority's expenditure for the year to December 31, 2016 was **GH¢ 133.30 million** as against annual budget of **GH¢149.71 million**. The unspent budget is GH¢16.41 million, and budget execution performance to date is 89.04%.

Expenditure Item	Budget 2016	Actual 2016	% Execution
Compensation	115	108.78	94.59%
Goods & Services	31.04	24.58	79.19%
Assets	3.87	1.7	43.93%
<b>Total</b>	<b>149.91</b>	<b>135.06</b>	<b>90.09%</b>

#### 4.0 DETAILED REVIEW OF 2016 BUDGET PERFORMANCES

EXPENDITURE	BUDGET ANNUAL 2016	ACTUAL 2016	UNSPENT	EXECUTION RATE
Compensation	115,000,000.00	108,778,342.71	6,221,657.29	95%
Printing and Publication	300,000.00	206,186.11	93,813.89	69%
Office Supplies and Consumables	1,026,331.01	302,492.71	723,838.30	29%
Entertainment/Refreshment	180,000.00	233,032.92	-53,032.92	129%
Electricity charges	2,200,000.00	2,523,573.68	-323,573.68	115%
Water	146,752.47	109,828.56	36,923.91	75%
Telephone & Internet	120,000.00	114,947.48	5,052.52	96%
Postal /Courier services	91,339.53	90,355.76	983.77	99%
Rent - Office Accommodation	2,136,469.44	1,952,952.44	183,517.00	91%
Running Cost of Vehicle- Fuel	2,090,974.91	1,061,733.83	1,029,241.08	51%
Vehicle Rental	300,000.00	304,390.20	-4,390.20	101%
Travel Allowance	2,300,000.00	2,792,782.99	-492,782.99	121%
Travelling Expense: Local	305,000.00	135,436.02	169,563.98	44%
Maintenance - Office Buildings	400,000.00	117,344.52	282,655.48	29%
Maintenance - Vehicle	600,000.00	485,290.53	114,709.47	81%
Maintenance - Furniture & Fittings	75,000.00	32,357.09	42,642.91	43%
Maintenance - Office Equipment	200,000.00	118,354.76	81,645.24	59%
Maintenance - Plant & Machinery	399,031.43	115,719.57	283,311.86	29%
Maintenance - Elevator	80,000.00	56,734.25	23,265.75	71%
Local Trainings	1,000,000.00	948,359.47	51,640.53	95%
Staff Training- External Programmes	1,200,000.00	996,792.42	203,207.58	83%
Hotel Accommodation & Conference Package	1,500,000.00	1,311,368.39	188,631.61	87%
Local Consultants Fees	2,750,000.00	1,617,154.74	1,132,845.26	59%
External Consultants Fees	-	-		



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Board Monthly Allowances	184,800.00	177,700.00	7,100.00	96%
Board Committee Allowance	390,000.00	222,232.50	167,767.50	57%
Board General Sitting Allowances	312,000.00	240,260.00	71,740.00	77%
Board Visits (Local & External)	300,000.00	204,208.22	95,791.78	68%
Board Meeting Expenses	41,400.00	1,900.00	39,500.00	5%
Bank Charges	250,000.00	471,335.78	-221,335.78	189%
Audit Fees	900,000.00	855,360.00	44,640.00	95%
Insurance - Buildings	600,000.00	91,207.26	508,792.74	15%
Insurance - Equipment	210,600.00	42,643.59	167,956.41	20%
Insurance - Vehicles	401,727.98	711,323.65	-309,595.67	177%
Reg. M & E Expenses on District Offices	1,400,000.00	919,273.50	480,726.50	66%
Professional Subscription	227,120.00	64,793.73	162,326.27	29%
Professional fees	-	-	-	
Court Expenses	50,000.00	11,100.00	38,900.00	22%
Donations & Sponsorships	500,000.00	425,833.00	74,167.00	85%
Staff Welfare	301,463.78	178,737.33	122,726.45	59%
Staff Transfer Grant	1,000,000.00	685,096.22	314,903.78	69%
Honorarium	800,000.00	1,456,080.33	-656,080.33	182%
Security Services	850,000.00	407,309.87	442,690.13	48%
Cleaning/Sanitation	850,000.00	933,735.35	-83,735.35	110%
Allowance/Cost-Parliamentary Oversight Meetings	500,000.00	643,203.55	-143,203.55	129%
Publicity & Communication	312,629.30	100,867.06	211,762.24	32%
Maintenance - ICT Equipment & Accessories	261,182.21	110,745.83	150,436.38	42%
Contingency	1,000,000.00	0.00	1,000,000.00	0%
<b>TOTAL GOODS &amp; SERVICES</b>	<b>31,043,822.06</b>	<b>24,582,135.21</b>	<b>5,461,686.85</b>	<b>79%</b>
<b>ASSET</b>	<b>BUDGET ANNUAL</b>	<b>BUDGET ANNUAL</b>	<b>UNSPENT</b>	<b>EXECUTION RATE</b>
Plants & Machinery - Cost	315,954.70	-	315,954.70	
Office Vehicles	1,845,503.38	-	1,845,503.38	





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Office Equipments	400,000.00	-	400,000.00	
Furniture & Fittings	606,577.34	1,702,627.32	(1,096,049.98)	281%
Authority ICT- Equipment & Accessories	500,000.00	-	500,000.00	
<b>TOTAL ASSETS</b>	<b>3,668,035.42</b>	<b>1,702,627.32</b>	<b>1,965,408.10</b>	<b>46%</b>
<b>TOTAL BUDGET</b>	<b>149,711,857.48</b>	<b>135,063,105.24</b>	<b>13,648,752.24</b>	<b>90%</b>

### 5.0 SUMMARY OF 2017 BUDGET

The total budgetary allocation for the Authority's operations for 2017 is **GH¢ 173.20 million**. This covers the operational cost of the Head Office, Regional Offices and the District offices.

Expenditure	GH¢ millions
Compensation	132.63
Goods & Services	35.63
Assets	4.49
<b>Total</b>	<b>172.75</b>

### 6.0 DETAILED BUDGET – 2017

EXPENDITURE	NOTES	MONTHLY GH¢	ANNUAL GH¢
<b>COMPENSATION</b>	9.1.0		
Compensation	9.1.1	11,052,477.66	132,629,731.93
<b>GOODS AND SERVICES</b>	9.2.0		
Printing and Publication	9.2.1	28,850.00	346,200.00
Office Supplies and Consumables	9.2.2	90,365.42	1,084,385.00
Entertainment/Refreshment	9.2.3	25,643.33	307,720.00



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Electricity charges	9.2.4	317,983.08	3,815,796.98
Water	9.2.5	14,112.70	169,352.35
Telephone & Internet	9.2.6	11,054.12	132,649.39
Postal /Courier services	9.2.7	8,175.57	98,106.81
Rent - Office Accommodation	9.2.8	187,808.93	2,253,707.12
Running Cost of Vehicle- Fuel	9.2.9	182,583.38	2,191,000.51
Vehicle Rental	9.2.10	45,938.86	551,266.29
Travel Allowance	9.2.11	246,857.39	2,962,288.64
Travelling Expense: Local	9.2.12	29,330.83	351,970.00
Maintenance - Office Buildings	9.2.13	38,466.67	461,600.00
Maintenance - Vehicle	9.2.14	57,700.00	692,400.00
Maintenance - Furniture & Fittings	9.2.15	7,212.50	86,550.00
Maintenance - Office Equipment	9.2.16	19,233.33	230,800.00
Maintenance - Plant & Machinery	9.2.17	30,040.19	360,482.27
2218507 Maintenance - Elevator	9.2.18	7,693.33	92,320.00
Local Trainings	9.2.19	96,166.67	1,154,000.00
Staff Training- External Programmes	9.2.20	115,400.00	1,384,800.00
Hotel Accommodation & Conference Package	9.2.21	127,583.33	1,531,000.00
Local Consultants Fees	9.2.22	181,125.00	2,173,500.00
External Consultants Fees	9.2.23	0.00	0.00
Board Monthly Allowances	9.2.24	18,352.45	220,229.36
Board Committee Allowance	9.2.25	37,505.00	450,060.00
Board General Sitting Allowances	9.2.26	30,004.00	360,048.00
Board Visits (Local & External)	9.2.27	28,850.00	346,200.00
Board Meeting Expenses	9.2.28	3,981.30	47,775.60
Bank Charges	9.2.29	24,041.67	288,500.00
Audit Fees	9.2.30	86,550.00	1,038,600.00
Insurance - Buildings	9.2.31	57,700.00	692,400.00
Insurance - Equipment	9.2.32	20,252.70	243,032.40
Insurance - Vehicles	9.2.33	68,405.62	820,867.49
Reg. M & E Expenses on District Offices	9.2.34	76,931.36	923,176.34
Professional Subscription	9.2.35	21,841.37	262,096.48



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Professional fees	9.2.36	0.00	0.00
Court Expenses	9.2.37	4,808.33	57,700.00
Donations, Sponsorships & Corporate social Responsibility	9.2.38	48,083.33	577,000.00
Staff Welfare	9.2.39	25,422.25	305,067.05
Staff Transfer Grant	9.2.40	57,091.35	685,096.22
Honorarium	9.2.41	126,924.74	1,523,096.89
Security Services	9.2.42	81,741.67	980,900.00
Cleaning/Sanitation	9.2.43	81,741.67	980,900.00
Allowance/Cost-Parliamentary Oversight Meetings	9.2.44	61,417.87	737,014.41
Publicity & Communication	9.2.45	30,064.52	360,774.21
Maintenance - ICT Equipment & Accessories	9.2.46	25,117.02	301,404.27
Contingency	9.2.47	83,333.33	1,000,000.00
<b>TOTAL GOODS &amp; SERVICES</b>		<b>2,969,486.17</b>	<b>35,633,834.10</b>
<b>ASSETS</b>	9.3.0		
Plants & Machinery - Cost	9.3.1	30,384.31	364,611.72
Office Vehicles	9.3.2	177,475.91	2,129,710.90
Office Equipment	9.3.3	38,466.67	461,600.00
Furniture & Fittings	9.3.4	79,669.58	956,034.94
Authority ICT- Equipment & Accessories	9.3.5	48,083.33	577,000.00
<b>TOTAL ASSETS</b>		<b>374,079.80</b>	<b>4,488,957.56</b>
<b>TOTAL BUDGET</b>		<b>14,396,043.63</b>	<b>172,752,523.59</b>

**7.0 COMPARATIVE ANALYSIS OF BUDGET 2017 & ACTUALS FOR 2016**

EXPENDITURE	BUDGET 2016	BUDGET 2017	% Difference
<b>Compensation</b>	<b>115,000,000.00</b>	<b>132,629,731.93</b>	<b>15%</b>
<b>GOODS AND SERVICES</b>			
Printing and Publication	300,000.00	346,200.00	15%
Office Supplies and Consumables	1,026,331.01	1,084,385.00	6%
Entertainment/Refreshment	180,000.00	307,720.00	71%
Electricity charges	2,200,000.00	3,815,796.98	73%
Water	146,752.47	169,352.35	15%
Telephone & Internet	120,000.00	132,649.39	11%
Postal /Courier services	91,339.53	98,106.81	7%
Rent - Office Accommodation	2,136,469.44	2,253,707.12	5%
Running Cost of Vehicle- Fuel	2,090,974.91	2,191,000.51	5%
Vehicle Rental	300,000.00	551,266.29	84%
Travel Allowance	2,300,000.00	2,962,288.64	29%
Travelling Expense: Local	305,000.00	351,970.00	15%
Maintenance - Office Buildings	400,000.00	461,600.00	15%
Maintenance - Vehicle	600,000.00	692,400.00	15%
Maintenance - Furniture & Fittings	75,000.00	86,550.00	15%
Maintenance - Office Equipment	200,000.00	230,800.00	15%
Maintenance - Plant & Machinery	399,031.43	360,482.27	-10%
Maintenance - Elevator	80,000.00	92,320.00	15%
Local Trainings	1,000,000.00	1,154,000.00	15%
Staff Training- External Programmes	1,200,000.00	1,384,800.00	15%
Hotel Accommodation & Conference Package	1,500,000.00	1,531,000.00	2%
Local Consultants Fees	2,750,000.00	2,173,500.00	-21%
External Consultants Fees	0.00	-	
Board Monthly Allowances	184,800.00	220,229.36	19%
Board Committee Allowance	390,000.00	450,060.00	15%



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Board General Sitting Allowances	312,000.00	360,048.00	15%
Board Visits (Local & External)	300,000.00	346,200.00	15%
Board Meeting Expenses	41,400.00	47,775.60	15%
Bank Charges	250,000.00	288,500.00	15%
Audit Fees	900,000.00	1,038,600.00	15%
Insurance - Buildings	600,000.00	692,400.00	15%
Insurance - Equipment	210,600.00	243,032.40	15%
Insurance - Vehicles	401,727.98	820,867.49	104%
Reg. M & E Expenses on District Offices	1,400,000.00	923,176.34	-34%
Professional Subscription	227,120.00	262,096.48	15%
Professional fees	0.00		
Court Expenses	50,000.00	57,700.00	15%
Donations, Sponsorships & Corporate social Responsibility	500,000.00	577,000.00	15%
Staff Welfare	301,463.78	305,067.05	1%
Staff Transfer Grant	1,000,000.00	685,096.22	-31%
Honorarium	800,000.00	1,523,096.89	90%
Security Services	850,000.00	980,900.00	15%
Cleaning/Sanitation	850,000.00	980,900.00	15%
Allowance/Cost-Parliamentary Oversight Meetings	500,000.00	737,014.41	47%
Publicity & Communication	312,629.30	360,774.21	15%
Maintenance - ICT Equipment & Accessories	261,182.21	301,404.27	15%
Contingency	1,000,000.00	1,000,000.00	0%
<b>TOTAL GOODS &amp; SERVICES</b>	<b>31,043,822.06</b>	<b>35,633,834.10</b>	<b>15%</b>
<b>ASSETS</b>			
Plants & Machinery - Cost	315,954.70	364,611.72	15%
Office Vehicles	1,845,503.38	2,129,710.90	15%
Office Equipment	400,000.00	461,600.00	15%
Furniture & Fittings	606,577.34	956,034.94	58%
Authority ICT- Equipment & Accessories	500,000.00	577,000.00	15%
<b>TOTAL ASSETS</b>	<b>3,668,035.42</b>	<b>4,488,957.56</b>	<b>22%</b>



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<b>TOTAL BUDGET</b>	<b>149,711,857.48</b>	<b>172,752,523.59</b>	<b>15%</b>
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**8.0 COMPARATIVE ANALYSIS OF ACTUAL 2016 & BUDGET 2017**

<b>EXPENDITURE</b>	<b>ACTUAL 2016</b>	<b>BUDGET 2017</b>	<b>% Difference</b>
<b>Compensation</b>	<b>108,778,342.71</b>	<b>132,629,731.93</b>	<b>22%</b>
<b>GOODS AND SERVICES</b>			
Printing and Publication	206,186.11	346,200.00	68%
Office Supplies and Consumables	302,492.71	1,084,385.00	258%
Entertainment/Refreshment	233,032.92	307,720.00	32%
Electricity charges	2,523,573.68	3,815,796.98	51%
Water	109,828.56	169,352.35	54%
Telephone & Internet	114,947.48	132,649.39	15%
Postal /Courier services	90,355.76	98,106.81	9%
Rent - Office Accommodation	1,952,952.44	2,253,707.12	15%
Running Cost of Vehicle- Fuel	1,061,733.83	2,191,000.51	106%
Vehicle Rental	304,390.20	551,266.29	81%
Travel Allowance	2,792,782.99	2,962,288.64	6%
Travelling Expense: Local	135,436.02	351,970.00	160%
Maintenance - Office Buildings	117,344.52	461,600.00	293%
Maintenance - Vehicle	485,290.53	692,400.00	43%
Maintenance - Furniture & Fittings	32,357.09	86,550.00	167%
Maintenance - Office Equipment	118,354.76	230,800.00	95%
Maintenance - Plant & Machinery	115,719.57	360,482.27	212%
Maintenance - Elevator	56,734.25	92,320.00	63%
Local Trainings	948,359.47	1,154,000.00	22%
Staff Training- External Programmes	996,792.42	1,384,800.00	39%
Hotel Accommodation & Conference Package	1,311,368.39	1,531,000.00	17%
Local Consultants Fees	1,617,154.74	2,173,500.00	34%



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External Consultants Fees	0.00	-	
Board Monthly Allowances	177,700.00	220,229.36	24%
Board Committee Allowance	222,232.50	450,060.00	103%
Board General Sitting Allowances	240,260.00	360,048.00	50%
Board Visits (Local & External)	204,208.22	346,200.00	70%
Board Meeting Expenses	1,900.00	47,775.60	2415%
Bank Charges	471,335.78	288,500.00	-39%
Audit Fees	855,360.00	1,038,600.00	21%
Insurance - Buildings	91,207.26	692,400.00	659%
Insurance - Equipment	42,643.59	243,032.40	470%
Insurance - Vehicles	711,323.65	820,867.49	15%
Reg. M & E Expenses on District Offices	919,273.50	923,176.34	0%
Professional Subscription	64,793.73	262,096.48	305%
Professional fees	0.00	-	
Court Expenses	11,100.00	57,700.00	420%
Donations, Sponsorships & Corporate social Responsibility	425,833.00	577,000.00	35%
Staff Welfare	178,737.33	305,067.05	71%
Staff Transfer Grant	685,096.22	685,096.22	0%
Honorarium	1,456,080.33	1,523,096.89	5%
Security Services	407,309.87	980,900.00	141%
Cleaning/Sanitation	933,735.35	980,900.00	5%
Allowance/Cost-Parliamentary Oversight Meetings	643,203.55	737,014.41	15%
Publicity & Communication	100,867.06	360,774.21	258%
Maintenance - ICT Equipment & Accessories	110,745.83	301,404.27	172%
Contingency	0.00	1,000,000.00	
<b>TOTAL GOODS &amp; SERVICES</b>	<b>24,582,135.21</b>	<b>35,633,834.10</b>	
<b>ASSETS</b>			
Plants & Machinery - Cost	0.00	364,611.72	
Office Vehicles	0.00	2,129,710.90	
Office Equipment	0.00	461,600.00	



NATIONAL HEALTH INSURANCE AUTHORITY  
2017 OPERATIONS BUDGET

Furniture & Fittings	1,702,627.32	956,034.94	-44%
Authority ICT- Equipment & Accessories	0.00	577,000.00	
<b>TOTAL ASSETS</b>	<b>1,702,627.32</b>	<b>4,488,957.56</b>	164%
<b>TOTAL BUDGET</b>	<b>135,063,105.24</b>	<b>172,752,523.59</b>	28%

## **9.0 BUDGET – 2017 JUSTIFICATION**

The total budget for the Authority for 2017 was **GH¢172.75 million**. This amount is the total allocation for the Head Office, CPCs, District and Regional Office operations.

### **RECURRENT EXPENDITURE**

#### **9.1.0 COMPENSATION – GH¢132.71 million**

The proposed budget for Compensation for the 2017 fiscal year is **GH¢ 132.63 million**. The amount covers cost of personnel emolument, payroll allowances, 5% provident fund and 13.0% employer's SSNIT contribution.

The budget for 2017 provides for increase in staff strength by about 5%. The budget also makes provision for expected rise in salary by 20% in 2017 to cushion staff against expected rise in general price levels. The current staff strength of the Authority is 3,711; comprising 2,974 in the District Offices and 737 in the Head offices and Regional offices.

#### **9.2.0 GOODS & SERVICES – GH¢36.63 million**

The Authority proposed to spend **GH¢ 35.63 million** on the procurement of Goods and Services in 2017. Details of the budget for goods and services are as follows:

##### **9.2.1 Printing & Publication:**

An amount of **GH¢346,200.00** is allocated for printing and publication in 2017. This budget is expected to adequately cover the printing materials and publications that will be required in 2017.





**9.2.2 Office Supplies and Consumables:**

An amount of **GH¢1,084,385.00** has been budgeted for stationery and office supplies in 2017. We expect that proper monitoring and efficient use of stationery and office supplies will help manage the 2017 budget provision within the budgeted limit.

**9.2.3 Entertainment/ Refreshment:** We propose to spend **GH¢307,720.00** to meet the entertainment/refreshment needs at meetings with stakeholders, Board members, and other meetings involving staff and key visitors to the office

**9.2.4 Electricity Charges -** A total amount of **GH¢3,815,796.98** has been allocated to meet the payment of the Electricity in 2017. During the year, the Authority exceeded its budget by 15% amounting to **GH¢323,573.68** in excess of a budget of **GH¢2,200,000**. Electricity tariffs increased astronomically in the year leading to the overrun. The amount covers Electricity for the Head Office Regional Offices and the CPCs. The amount also takes account of the expected increase in tariffs in 2017.

**9.2.5 Water:** A total amount of **GH¢169,352.35** has been budgeted for water. This budget is expected to adequately cover the water that will be required in 2017

**9.2.6 Telephone & Internet:** An amount of **GH¢132,649.39** is allocated for telephone & internet in 2017. This budget is expected to adequately cover the internet services that will be required in 2017

**9.2.7 Postal and Courier Services:** A budgetary allocation of **GH¢98,106.81** is planned for postal and courier services in 2017. Courier service rates are expected to increase in 2017 in line with general rate of inflation, and consistent with expected increase in the level of operations in 2017.

**9.2.8 Rent-Office Accommodation:** An amount of **GH¢2,253,707.12** have been allocated for rental charges for CPCs and some District offices whose rent will become due for renewal in 2017.

**9.2.9 Running Cost off Vehicles - Fuel:** An amount of **GH¢2,191,000.51** has been allocated for running cost of official vehicles in 2017. The budgetary allocation was determined based on expected increase in the level of operational activities across the country. This includes monitoring activities in respect of enrolment, claims, financial management, MIS, compliance and quality assurance audit, and human resources and administrative issues.

**9.2.10 Vehicle Rental:** In 2016 the Authority embarked on a number of crucial monitoring and evaluation trips which required the need to hire additional



vehicles since the existing fleet of vehicles of the Authority could not meet the requirements for transport services, thereby causing the budgeted amount to be exceeded by **GH¢4,390.20 (1%)**. As part of cost cutting strategies, the Authority intends to streamline the monitoring activities of all Directorates to improve efficiency. An amount of **GH¢551,266.29** is allocated for rental of vehicles for official use in 2017. This is to supplement the use of Authority's own vehicle.

**9.2.11 Traveling Allowance:** An amount of **GH¢2,962,288.64** has been allocated for the traveling allowance for staff operational duties in 2016. Operational activities are expected to increase in 2017 due to the expected implementation of various policies and policy reforms and increase supervision over the district offices. These activities will be well-coordinated and harmonized to ensure efficient use of this budget. In 2016 the Authority embarked on a number of crucial monitoring and evaluation trips which required the need for staff to travel across the District and Regional offices leading an overrun of **12% (GH¢266,974.56)**.

**9.2.12 Traveling Expense: Local:** An amount of **GH¢351,970.00** has been allocated for the traveling expense for staff operational duties in 2017.

**9.2.13 Maintenance- Office Building:** An annual amount of **GH¢461,600.00** has been allocated for maintenance of office building (main and annex) in 2017.

**9.2.14 Maintenance - Vehicles:** An annual amount of **GH¢692,400** has been allocated for maintenance of official vehicles in 2017

**9.2.15 Maintenance-Furniture & Fittings:** An annual amount of **GH¢86,550.00** has been allocated for maintenance of Furniture & Fittings in 2017

**9.2.16 Maintenance-Office Equipment:** An annual amount of **GH¢230,800.00** has been allocated for maintenance of office Equipment

**9.2.17 Maintenance-Plant & Machinery:** An annual amount of **GH¢360,482.27** has been allocated for maintenance of official vehicles of the Authority

**9.2.18 Maintenance-Elevator:** An annual amount of **GH¢92,320.00** has been allocated for maintenance of the elevators of the main office building and the annex

**9.2.19 Local Trainings-:** In 2017 fiscal year, Staff of the Authority at the Head Office is expected to attend various local training programs and Workshops to acquire new skills to enhance their productivity and effectiveness. We expect rise in these activities in 2017 due to the need to modernize the general

operations of the Scheme. A budgetary amount of **GH¢1,154,000.00** is allocated to finance these activities.

**9.2.20 Staff Training- External Programs:** A budgetary allocation of **GH¢1,384,800.00** is earmarked for management and staff external training programs in 2017. It covers travelling per diem, accommodation, course fees, and air ticket. It is expected that persons will attend various training programs abroad.

**9.2.21 Hotel Accommodation & Conference Package:** The Authority plans to continue with, and execute a number of projects and programs in 2017. This will require the use of conferences, seminars and meetings as tools for planning, execution and monitoring of these projects. The organization of these conferences requires the provision of hotel accommodations, conference rooms and facilities, and meals. For the year 2017, the Authority plans to spend an amount of **GH¢1,531,000.00** on conference packages.

**9.2.22. Local Consultants Fees-** A budgetary allocation of **GH¢2,173,500.00** has been earmarked for local consultancy services in 2016 fiscal year. We expect to contract various consultancy services in various areas of the Authority's activities namely: Claims, membership registrations and renewal, Operations, Financial Management, Audit, MIS, Actuary, etc. Specifically, the budget will cover financial management, Review of financial and operational manuals, Internal Audit and MIS related consultancy

**9.2.23 Board Monthly Allowances:** An annual amount of **GH¢220,229.36** budgetary provision has been allocated for Board Members monthly allowance for the 2017 fiscal year. An amount of **GH¢18,352.44** will be expended per month to pay Board members

**9.2.24 Board Committee Allowances:** A budgetary allocation of **GH¢450,060.00** has been provided for all Board committee meetings. The above allocation was determined, taking into consideration the number of Committees of the Board, such as the Executive Oversight Committee, Finance Committee, Accreditation Committee, ARIC, ICT committee, HR and Ad hoc Committees. We project that each of these committees will meet 9 times on average in the year. The cost per meeting is projected at **GH¢50,006.65** per each meeting.

**9.2.25 Board General Sitting Allowances:** A budgetary allocation of **GH¢360,048.00** has been provided to cover the cost and allowances for Board sitting allowances for meetings. The amount is based on the assumption that the Board will have 12 regular meetings and 8 emergency meetings for whole year

2017, bringing the total number of meetings to 20 times. An average monthly amount of **GH¢18,002.40** has been estimated to meet expense allowance for each meeting.

**9.2.26. Board's Working Visits (Local & External):**— An amount of **GH¢346,200.00** is allocated to meet the cost of Board members' visits for both Local and External. Members are expected to pay working visits abroad to acquaint themselves with recent developments in the Health insurance industry as well as visits to the District Offices. We believe these visits will inform members in their deliberations and policy formulation.

**9.2.28 Board Meeting Expenses:** An amount of **GH¢47,775.60** is allocated to meet the cost of Board Meeting expenses such as refreshment, food and drinks, stationery etc for the 2017 fiscal year

**9.2.29 Bank Charges:** An amount of **GH¢288,500.00** is allocated for the payment of various banking services including transfer charges. In 2017, we plan to increase the number of cashless transactions and leverage on transaction volume to reduce COT charges.

**9.2.30 Audit fees:** An amount of **GH¢1,038,600.00** is allocated for external audit fees in relation to the 2017 financial statements of the Authority.

**9.2.31 Insurance Building:** A budgetary allocation of **GH¢692,400.00** is allocated for the insurance of the head office and regional office buildings including chattels.

**9.2.32 Insurance Equipment:** A budgetary allocation of **GH¢243,032.40** is allocated for insurance of Authority's Equipments

**9.2.33 Insurance – Vehicle:** A budgetary allocation of **GH¢820,867.49** is earmarked for insurance in 2017. The amount is expected to pay for comprehensive Insurance for all existing vehicles plus those expected to be purchased in 2017

**9.2.34 Reg. M & E Expenses on District Offices- GH¢923,176.34** The Authority plans to undertake effective and frequent monitoring and evaluation exercises in the various district offices and providers across the country in 2017. These activities are expected to enhance the Authority's control and to ensure the smooth running of the Scheme in the various district operations

**9.2.35. Professional Fess and Subscription:** A budget of **GH¢ 262,096.48** has been allocated for professional subscriptions of Staff who are members of professional bodies, which are of benefit to the Authority.

**9.2.37. Court Expenses:** A budget of **GH¢ 57,700.00** has been allocated for legal and professional services. This budget takes care of filing fees, retainer fees, and payment of legal services for cases involving the Authority.

**9.2.38 Donation and Sponsorship:** The Authority plans to assist individuals and societies with donations and assistance aimed at building good public image. For the year 2017, the Authority plans to spend **GH¢577,000.00**

**9.2.39 Staff Welfare:** A budgetary allocation of **GH¢305,067.05** has been earmarked for general welfare of staff of the Authority. The breakdown are as follows:

Expenditure item	No. of Staff	Unit Price/Fee (GH¢)	Amount (GH¢)
Medical Lenses Reimbursement	120	250	30,000.00
Funeral Grant – Relatives of Staff	30	1,000.00	30,000.00
Funeral Grant – Deceased Staff	6	4,000.00	24,000.00
Weddings	25	200	5,000.00
Workman's Compensation	12	12,000.00	144,000.00
Staff End-of-Year Party	759	94.95	72,067.05
<b>Total</b>			<b>305,067.05</b>

**9.2.40 Staff Transfer Grant:** The Authority anticipates a minimum of about 90 staff transfers in 2017. This arrangement will attract a budgeted expenditure of **GH¢685,096.22** as transfer grants to staff.

**9.2.41 Honorarium:** An amount of **GH¢1,523,096.89** is allocated for the payment of honorarium and allowances to facilitators and resource persons who

participate in NHIA programs and meetings including that of the Entity Tender committee.

**9.2.42 Security Services:** A budgetary allocation of **GH¢980,900.00** has been earmarked for the engagement of 24 security guards for the Head Office, Claims centers amounting to **GH¢238,464.00** and 30 guards for the regional offices at a cost of **GH¢298,080.00** Also included in this provision is an amount of **GH¢ 444,356.00** for CCTV Camera maintenance.

**9.2.43 Cleaning & Sanitation:** An amount of **GH¢980,900.00** has been allocated for office cleaning and sanitation. It is estimated that the monthly cleaning expenses for the head office, the CPCs and the Regional office is **GH¢81,741.66** per month

**9.2.44. Allowance/ Cost-Parliamentary Oversight Meetings.** There are two sub-committees of Parliament that deal directly with the Authority; Health and Finance sub-committees. To enable them carryout their oversight responsibilities, series of meetings will be organized to discuss progress and way forward for the Scheme. In addition, members may travel across the country to see at first hand issues confronting the Scheme. An amount of **GH¢737,014.21** is therefore allocated for this expenditure.

**9.2.45 Publicity & Communication:** The Authority expects significant increase in advertising activities in 2017 on account of operational policies and procedures relating to the ongoing projects of the Authority and the need to advertise the related changes in operations. A budgetary allocation of **GH¢360,774.21** has been earmarked for Publicity and Communication activities in 2017.

**9.2.46 Maintenance-ICT Equipment & Accessories:** An amount of **GH¢301,404.27** has been allocated for maintenance of ICT Equipment & Accessories

#### **9.2.47 Contingency**

For the purpose of meeting unexpected commitments of the Authority within the year, an allocation of **GH¢ 1,000,000.00 million** has been earmarked.

### **9.3.0. CAPITAL EXPENDITURE**

Total Assets Budget for the year 2017 is **GH¢4,488,957.56**. Details of the Capital expenditure are;

#### **9.3.1 PLANT & MACHINERY – GH¢364,611.72**



An amount of **GH¢ 364,611.72** is allocated for the purchase of office machinery, generator sets and related accessories and spare parts.

**9.5.4 OFFICE VEHICLES – GH¢2,129,710.90**

**Motor Vehicles for Head Office:** An amount of **GH¢2,129,710.90** has been allocated for the purchase of vehicles and pick-ups for the head office and regional office respectively.

**9.3.3. OFFICE EQUIPMENT.** An amount of **GH¢461,600.00** is budgeted for the acquisition of office equipment (Air Conditioners, Fridges, Microwaves, Water Dispensers, Shredders etc.) for the head office, regional offices and the claims processing centers for the year 2017.

**9.3.4 FURNITURE, FITTINGS.** An amount of **GH¢956,034.94** is allocated for the acquisition of various kinds of office furniture and fittings for the head office, CPCs, and the regional offices.

**9.3.5 AUTHORITY ICT-EQUIPMENT & ACCESSORIES:** An amount of **GH¢577,000.00** has been allocated for the purchase of Computers and ICT related expenditure for the Authority.