

NATIONAL HEALTH INSURANCE AUTHORITY

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
ACCRA



**NATIONAL HEALTH INSURANCE FUND
ALLOCATION FORMULA
2019**

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NATIONAL HEALTH INSURANCE FUND
ALLOCATION FORMULA-2019

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 In 2012, the Act was repealed and replaced by a new law (Act 852).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 programmes 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 2019

The strategic intent of the Authority as captured in the Medium term Strategic Plan, 2019-2021 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 this regard, the National Health Insurance Authority has earmarked the following major plans for the year 2019. These proposed plans are key variables in the determination of the allocation formula and planned expenditure for 2019. Key program and activities planned for 2019 are;

1. Intensify registration drive to increase active membership coverage of the scheme from approximately 35% of the population (29,614,337) in 2018 to 41% of the projected 2019 population of 30,280,810 million. The active membership in 2019 is therefore estimated at **12,415,133**.
2. The Authority would continue to reform and implement efficiency gains measures in claims management and operational activities. The Authority completed the pilot of a claims vetting and submission application, called "Claim it" and plan to ensure full implementation of the application in 2019.
3. Improve claims management processes with emphasis on e-claims and paperless systems at all three Claims Processing Centers and outsource part of medical claims for electronic vetting. It is expected that this initiative will enhance the capacity of the claims centers and the make the entire claims management process more efficient.
4. The Authority intend to intensify claims verifications and clinical audit of provider claims. In 2019, we plan to audit a cross section (640 facilities, including 20 E-Claims Facilities in 80 districts) of the total facilities (4,306 facilities), with the assistance of external resource persons. The value of medical claims to be audited is estimated at **GH¢ 743,560,000**, almost half the value of the budgeted claims amount for 2019.
5. We plan to intensify the post credentialing monitoring activities to ensure quality of health care at health facilities.
6. To continue to deploy NHIA staff to Provider sites to assist in authentication procedures and to handle complaints and enquiries of NHIS card bearers

7. Strengthen the processes and procedures for the registration, supervision, and monitoring of private health insurance schemes.
8. Continue to improve on the financial management system for efficiency and effectiveness in financial reporting and also arrange for support services for accounting softwares at the Head Office, Regional and District Offices.
9. Continue restructuring of the National Health Insurance Scheme to overcome its sustainability challenges.
10. To monitor and manage the electronic revenue collection system rolled out nationwide (E-Receipting and digital membership renewal) and on-site banking services deployed to some selected District Offices.
11. 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
12. To collaborate with MOH and Consultants to carry out stakeholder engagements and processes leading to the passage of the new Legislative Instrument by Parliament
13. Continue to Collaborate with MOH to review the system for pharmaceutical product supply
14. Produce draft 2019-2021 Strategic Plan to incorporate recommendations of the NHIA review and in line with NDPC directive
15. Continue to explore new investment avenue to enhance the financial sustainability of the Scheme and also to expand our investment cover.
16. To modify our MIS platform for a possible integration with that of the National Identification Authority (NIA) for membership registration, using the NIA Ghana-Card.

3.0 Some Major Activities

The NHIA has initiated a number of efficiency gains strategies to help address the rising trend in cost of claims and administration. These measures include the following;

CLAIM-it claims application: CLAIM-it is a 5-module claims management application comprising a **claims entry module**, (installed at the provider site and implements and enforces all the necessary claims generation rules and protocols of the NHIA, before submitting via the **submission system**, online or via store and forward option, a **receiving**

(aggregation) system that collates all submitted claims and produces critical reports, a **claims adjudication module** used by the CPCs to electronically vet and submit vetting reports to supervisors, and **Regional and District Health Director reporting module** that allows heads of health provider institutions to access reports on individual facilities

Mobile Claims Check Code: The Mobile Claims check code will serve as an alternate authentication option for providers. When implemented, providers will use the option to verify the status of a member before services are provided. This option will be crucial in circumstances where members are admitted in conditions which make it impossible to use the biometric machines.

Credentialing & Clinical Audit Software

Software applications will be developed to optimize the processes of credentialing and clinical Audits.

Provider Unique Identification: An alpha-numeric identification code for providers that uniquely identifies them in the NHIS system. It's designed to provide quick glance information on the type of facility, the region and district of location, the ownership type and the catering status. This number is also going to be utilized in automatic report generation of claims and credentialing status.

Provider Assistance Programme: Staff relieved from the paperless registration project are deployed to set up helpdesks at provider sites to assist NHIS members to navigate the facilities, and assist in the deployment of the biometric authentication machines

Clinical Audits & Claims Verification: To ensure quality care for NHIS subscribers and also minimize leakages and abuse, the NHIA set up a Clinical Audit Division in 2009; which conducts regular clinical audits of claims submitted by accredited providers. This initiative has so far resulted in a recovery of overpaid claims. In addition, a compliance unit has also been established to undertake periodic claims verification at provider sites.

Claims Processing Centre & E-Claims system: The significant growth in NHIS membership over the years has resulted in exponential growth in the volume of claims submitted by healthcare providers. To address the capacity gap at the scheme level in vetting these claims, the NHIA established a state-of-the-art claims processing centers in Accra, Kumasi, Tamale and Cape Coast to handle claims from all Tertiary Hospitals, Regional Hospitals, claims from all providers in Volta region, and claims from some facilities in other regions. This initiative has reduced delays in claims vetting and payment as well as abuses and fraud in claims billing. In addition, the Authority introduced electronic claims management in 2013 to ensure seamless and efficient process in claims processing. This system is a further check on supply side fraud and abuses.

Enforcing Prescribing Levels: Enforcing prescribing levels as stipulated in the Essential Medicines List of the Ministry of Health with the aim of minimizing fraud and abuse. As an efficiency gain measure and to ensure rational prescribing, the prescribing levels of medicines developed by the Ministry of Health (MOH) were introduced for the first time

unto the revised NHIS Medicines List (ML) in 2011, and we will continue to monitor its compliance.

The NHIA has collaborated with Ghana Health Service to put in place measures to enforce prescribing levels as stipulated in the Essential Medicines List of the Ministry of Health to ensure quality care for subscribers and minimize supply-side moral hazard.

Gatekeeper System: The NHIA is enforcing the Gatekeeper system within the health sector (referrals from primary to secondary then to tertiary levels).

Electronic Data Integration (EDI) Project: The integration of all NHIS data sources – from claims, to finance, to administration – to generate seamless reports and alerts based on an intelligent system built to all the connected sources.

4.0 ANALYTICAL REVIEW OF 2018 FINANCIAL PERFORMANCE & POSITIONS

4.1 A STATEMENT OF RECEIPTS & PAYMENTS AS AT DECEMBER 31, 2018

Total amount of **GH¢ 1,473.28 million** was received from MOFEP for the year ending December 31, 2018. Other receipts during the period amounted to **GH¢ 146.25 million**, giving total receipts of **GH¢ 1,619.53 million** for the period. Total payments for the 12 months ending December 31, 2018 was **GH¢ 1,585.38 million**. Excess receipts over payments as at the period ending December 31, 2018 was **GH¢ 34.15 million**.

TABLE 4.1.1 RECEIPTS & PAYMENTS – 2018

	GH¢ million	GH¢' million
RECEIPTS		
NHIL (VAT & SSNIT) Releases for 2018	1,473.28	
Premium	53.52	
Processing fee Income	49.72	
Disinvestments	28.82	
Donor Receipt & Other Income	14.19	
Total Receipts		1,619.53
PAYMENTS		
Claims Paid	1,047.70	
Support to MOH & Partner Institutions	190.23	
Support to District Health Project & M & E	22.08	
Admin. Support to District Offices	12.30	
Authority Operations	178.53	
Nationwide ICT	7.91	
Biometric ID Cards & Authentication	82.97	
Purchase of Investment	17.72	
Archival Services & Digitization	10.56	
Claims Processing Centers	0	
Call Center	0.01	
Support for NHIS Related Research	0	
Office Building & other Assets	6.82	
Capitation Rollout	0	
Publicity & Communication	0.87	
NHIS Review	0	
NHIS Data Integration	7.68	
Assurance Service for Claims & Control	0	
Total Payments		1,585.38
Cash and Bank Balance as at Dec. 31, 2018		34.15

4.2 REVIEW OF 2018 BUDGET ALLOCATION & PERFORMANCE

On accrual basis, total budget expenditure for the year ending December, 2018 was **GH¢1,732.66 million**, against an annual budget of **GH¢2,375.24 million**, resulting in a positive budget variance of **GH¢ 642.58 million**. This represents a budget execution rate of **73%** for the same period.

Table 4.2.1: 2018 BUDGET ALLOCATIONS & PERFORMANCE

	2018 Annual Budget	2018 Actual Dec 31	Budget Variance	Execution Rate
	¢'m	¢'m	¢'m	%
Subsidies & Claims	1,581.74	1,140.00	441.74	72%
Support to MOH & Partner Institutions	164.81	164.81	0.00	100%
District Health Projects & M&E	27.38	27.38	0.00	100%
Admin. Support to District Offices	67.02	26.13	40.89	39%
Authority Operations	218.25	181.93	36.32	83%
Nationwide ICT System	52.09	36.48	15.61	70%
Biometric ID Card, Equipment & Authentication System	96.25	96.25	0.00	100%
Claims Archival System & Digitization	15.60	9.58	6.02	61%
Claims Processing Center	41.10	0.00	41.10	0%
Call Center	0.70	0.01	0.69	1%
Office Building	25.20	3.67	21.53	15%
Health Related Research	0.15	0.00	0.15	0%
Sensitization, Publicity & Marketing	7.60	0.43	7.17	6%
Claims Data Capturing	25.00	25.00	0.00	100%
NHIS Review	7.00	0.00	7.00	0%
NHIS Data Integration	24.95	12.95	12.00	52%
Assurance Services for Claims & Cont.	6.90	6.90	0.00	100%
Corporate Social Responsibility	3.00	1.14	1.86	38%
Contingency	10.50	0.00	10.50	0%
	2,375.24	1,732.66	642.58	73%

4.3 COMPARATIVE ANALYSIS OF NHIL/SSNIT COLLECTIONS & RECEIPT

The Authority's budget for NHIL/SSNIT for 2018 was **GH¢ 2,233.92** million, as derived from Government of Ghana budget statements. However NHIL/SSNIT collections for the year ending December 31, 2018 was **GH¢ 1,579.49** million. Of the total collections, a total of **GH¢ 506.80** million had been received by the Authority as at December 31, 2018.

Table 4.3.1

Annual Budget against Reported Collections (NHIL & SSNIT)- 2018

Year	Budgeted Collection GH¢'m	Reported Collections GH¢'m	Difference Gh¢'m	Difference %
2016	1,497.28	1,279.44	-217.84	-14.55%
2017	1,734.46	1,564.01	-170.45	-9.82%
2018	2,233.92	1,579.49	-654.43	-41.43%

Table 4.3.2

Reported Collection (NHIL & SSNIT) Against Actual Releases from MOFEP

Year	Reported Collections GH¢'m	Releases GH¢'m	Difference GH¢'m	Difference %
2016	1,279.44	742.11	-537.33	-42.00%
2017	1,564.01	660.40	-903.61	-57.78%
2018	1,579.49	506.80	-1,072.69	-67.91%

Table 4.3.3

Annual Budget Against Actual Releases from MOFEP

Year	Budgeted Collection GH¢'m	Releases	Difference GH¢'m	Difference %
2016	1,497.28	742.11	-755.17	-50.44%
2017	1,734.46	660.40	-1,074.06	-61.92%
2018	2,233.92	506.80	-1,727.12	-77.31%

4.4 COMPARATIVE ANALYSIS OF OTHER REVENUE

	Budget 2018 GH¢ million	Actual 2018 GH¢' million	% Execution
Premium	59.42	53.52	90.07%
Interest Income	15.73	8.85	56.26%
Processing Fee & Other Income	66.17	63.91	96.58%
Total	141.32	126.28	89.36%

4.5 REVIEW OF INVESTMENT PERFORMANCE & POSITION AS AT DECEMBER 31, 2018.

The Authority's Investments are in fixed deposits with financial institutions, mostly banks. The value of the Investment as at January 1, 2018 was **GH¢ 73.16 million**. The investment portfolio earned a total interest of **GH¢ 10.98 million** for the year 2018. The balance as at December 31, 2018, stood at **GH¢ 55.33 million**. The decrease in the investment balance was largely due to disinvestments. Dis-investments amounting to **GH¢ 28.82 million**, was applied to pay part of medical claims.

Investment cover for claims has been declining since the year 2009. Currently, the Fund's investment balance provides a cover for less than a month's claims indebtedness (**About GH¢ 95.00 million**). This situation poses serious threat to the sustainability of the Scheme.

SUMMARY OF INVESTMENT POSITION AS AT DECEMBER 31, 2018 (GH¢' million)

Period	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Opening Balance	73.16	71.04	67.92	54.57	73.16
Investments	0.00	0.00	0.00	0.00	0.00
Disinvestments	(5.39)	(6.24)	(15.94)	(1.25)	(28.82)
Interest Earned	3.27	3.12	2.59	2.01	10.98
Closing Balance	71.04	67.92	54.57	55.33	55.33

5.0 GENERAL PROJECTIONS UNDERLYING THE NHIF ALLOCATION FOR 2019

The following revenue projections underline the NHIF Allocation & Budget Allocation for 2019.

5.1 BUDGETED RECEIPTS

The Authority expects to receive a total amount of **GH¢2,534.89 million** in 2019 from NHIL/SSNIT and others to be able to execute its mandate in 2019. The composition is as follows:

- **Levies from NHIL and SSNIT**
On the basis of MOF Budget Statement for 2019, the National Health Insurance Fund expects to realize a total amount of **GH¢1,692.68 million** from NHIL and SSNIT.
- **Premium from Informal Sector**
The Premium from informal sector is budgeted at **GH¢62.20 million**. This represents an average premium of **GH¢17.60** approximately per member for projected membership of **3,534,346** for the informal sector in 2019.
- **Interest Income from Investment**
The Authority expects to earn total interest income of **GH¢ 12.38 million**. This is based on expected portfolio size of GH¢ 75 million at projected return of 16.50% p.a.
- **Processing Fees**
Processing fees from both the formal and informal sector is budgeted at **GH¢65.63 million**. This represents an average fees of **GH¢6.18** approximately per member for a projected membership of **10,619,128** from both sectors in 2019. The projected membership excludes the pregnant women and indigent categories.
- **Other Income**
The Authority expects to earn **GH¢2.00 million** from provider credential fees, motor insurance fees, sale of tender documents and donations from development partners. Also included is the net convenience fees from mobile renewals.
- **Mid-Year Govt Budget Support**
We anticipate an additional funding of **GH¢ 700 from** Government in the course of the year.

Sources	Amount Gh¢ million	%
Levies - NHIL	1,206.76	48.00
- SSNIT	485.92	19.00
Premium (Informal)	62.20	2.00
Income on Investment	12.38	0.49
Processing Fees	65.63	2.60
Other Income	2.00	0.08
Mid-Year Govt Budget Support	700.00	28.00
Total	2,534.89	100.0

• **Allocation for Non-core Activities and Trends in Funding Gap – 2015 - 2018**

in line with section 40(3) of the National Health Insurance Act, 2012 (Act 852), the Authority is mandated to release up to **10%** of its annual funding amount (Statutory and IGF Funds) to cover non-core activities. The Act defines core activities to cover claims cost and administrative expenses (Sec 40 (2)) of the Authority. Support to MOH and District Health Projects and other payments which fall outside Section 40(2) of the Act, constitute expenditure on non-core activities. The table below shows trends in the proportion of annual funding amount allocated to non-core activities as well as trends in budgetary funding gap between 2015 and 2019, with 2018 and 2019 showing a balanced budget. In other words there was no funding gap in 2019.

Details	2015 (Gh¢ million)	2016 (Gh¢ million)	2017 (Gh¢ million)	2018 (Gh¢ million)	2019 (Gh¢ million)
Statutory & IGF Funds	1,285.16	1,669.83	1,882.05	2,375.24	2,534.89
MOH & Health Projects	64.88	166.55	163.27	354.85	268.41
Proportion of Non Core Expenditure (%)	5.05%	9.97%	8.68%	14.94%	10.59%
Funding Gap - Trend	887.35	337.06	379.69	0.00	0.00
Total Receipt, Including Funding Gap	2,172.51	2,006.89	2,261.73	2,375.24	2,534.89
Total Expenditure	2,172.51	2,006.89	2,261.73	2,375.24	2,534.89

Included in the release to MOH (Gh¢354.85 million) in 2018, is payment in respect of Nursing Training Allowance of GH¢163.66 million

5.2 REGISTRATION COVERAGE

The population of Ghana in 2018 was estimated at **29.614 million**; but in 2019, it is projected to be **30.280 million**. Current registration figures for the period ending **December 31, 2018**, indicates an active membership of **10.410 million**, constituting approximately 35% of the projected population.

The Authority plans to intensify efforts through membership drive and policy reforms to encourage enrolment and renewal of membership. We therefore project that **41%** of the population or **12.415 million** will constitute active membership of the NHIS in 2019. This represents about **19.%** increase over the active membership of 2018.

The proposed allocation of the Fund is therefore based on expected active membership of **12,415,133** in 2019.

Table 5.2.1 Registration Coverage Distribution by Category

Category	2018	2019		
	Active Membership	Population est.	Target Membership	Target Rate
Informal	3,264,531	11,563,358	3,534,346	31%
SSNIT Contributors	570,094	1,238,502	636,011	51%
SSNIT Pensioners	41,686	181,980	68,536	38%
Indigents	390,545	1,664,631	999,702	60%
Children (Under 18)	4,893,442	13,819,704	5,789,756	42%
Aged (70 yrs +)	490,174	888,012	590,378	66%
Pregnant Women	759,948	924,623	796,303	86%
	10,410,420	30,280,810	12,415,133	41%

Table 5.2.2 Registration Coverage Distribution by Regions

	Region	2018			2019 (projected)		
		Population	Active Members	%Rate	Population	Target Rate%	Active Members
1	Ashanti	5,661,728	1,914,655	34	5,792,187.00	44	2,552,711
2	Ahafo	586,317	276,030	47	599,852.00	50	301,844
3	Bono	1,116,817	525,783	47	1,142,506.00	50	574,906
4	Bono East	1,083,266	509,987	47	1,108,249.00	50	557,668
5	Central	2,521,118.00	751,468	30	2,563,228.00	43	1,103,906
6	Eastern	3,171,740.00	1,179,452	37	3,244,834.00	37	1,194,919
7	Gt. Accra	4,831,710.00	1,394,931	29	4,943,075.00	33	1,622,314
8	Northern	1,731,649.00	559,755	32	1,770,913.00	37	656,537
9	North East	562,660.00	181,880	32	575,887.00	37	213,501
10	Oti	725,752.00	227,717	31	742,664.00	39	291,021
11	Savannah	699,580.00	226,139	32	716,083.00	37	265,476
12	Upper East	1,244,983.00	648,968	52	1,273,677.00	52	658,659
13	Upper West	829,984.00	440,413	53	849,123.00	53	446,376
14	Western	2,116,494.00	700,788	33	2,165,241.00	40	872,941
15	Western North	907,035.00	300,327	33	927,960.00	40	371,403
16	Volta	1,823,504.00	572,157	31	1,865,332.00	39	730,952
	TOTAL	29,614,337.00	10,410,450.00	35	30,280,811.00	41	12,415,133

Target rate is based on trend analysis of growth in previous years

5.3 AVERAGE PREMIUM PER HEAD

The national average premium rates per member (informal sector) in 2018 was **GH¢17.60**. In 2019, we plan to strengthen controls over the Consolidated Premium Account (CPA) system to improve premium collections and reduce leakages. We intend to complete a nationwide rollout of the electronic receipt and on-site banking system for the collection of premium and processing fees.

We do not anticipate any increase in premium rates in 2019. However, in view of the anticipated increase in premium proceeds, premium per member is expected to average around **GH¢17.60**.

5.4 AVERAGE ENCOUNTER PER MEMBER PER YEAR

The average encounter per member in 2018 was estimated at 2.80. In 2019, we expect that the average encounter rate for membership will be 2.70.

5.5 AVERAGE CLAIM PER MEMBER

The average claims cost per active member in 2018 was **GH¢103.18**. In 2019, it is projected to increase to about **GH¢123.82** per member (20% increase).

6.0 ALLOCATION FORMULA

Section 42 (1) of Act 852 stipulates that the Authority shall allocate and disburse moneys from the Fund in order to achieve the object of the Fund. The Authority shall in the preparation of the formula and disbursement of moneys from the Fund ensure the sustainability of the Scheme.

7.0 DETERMINATION OF ALLOCATION OF FUNDS

Based on the objectives of the fund, the following criteria for the allocation of the fund as described by Act 852 shall be applied;

7.1 SUBSIDY FOR PREMIUM FOR THE EXEMPT GROUP

For the purpose of implementing the object of the Fund, section 29 of Act 852 stipulates the setting aside of some monies from the fund to provide for health care for the indigents, and by extension, the exempt group.

The law (Act 852) exempts the following groups from paying premium and thereby enjoins the Authority to make payment of the premium on behalf of the exempt group

to cover their health care cost. The income subsidy required by the Authority to meet this provision in 2019 is proposed at **GH¢156,301,839.90**.

The exempt groups are;

- a) Indigents
- b) Children, under 18 years of age
- c) Pensioners under the SSNIT Scheme
- d) Aged (70 years of age and above)
- e) SSNIT Contributors
- f) Pregnant Women

7.2 INCOME SIDE/PREMIUM SUBSIDY DISTRIBUTION

Category	Active Members	Active Members Estimate for 2019	
	Number =N ₂₀₁₈	Number N ₂₀₁₉	Income Subsidy =C*N _{exempt} (GH¢)
Informal	3,264,531	3,534,346	-
SSNIT Contributors	570,094	636,011	11,193,789.55
SSNIT Pensioners	41,686	68,536	1,206,233.60
Indigents	390,545	999,702	17,594,761.18
Children (under 18 yrs)	4,893,442	5,789,856	101,901,464.72
Aged (over 70+)	490,174	590,378	10,390,657.73
Pregnant Women	759,948	796,303	14,014,933.11
	10,410,420	12,415,133	156,301,839.90

SUBSIDY FOR CLAIMS EQUALIZATION

The expenditure side risk equalization takes account of financing gap between the average cost of claims per active member and the average premium per active member. The expenditure side risk equalization formula is given by:

- Given that:
 - ✓ average claim cost per member in 2018 = GH¢ 103.18
 - ✓ average claims per encounter in 2018 = GH¢ 38.21
 - ✓ est. average claims per encounter in 2019 = GH¢ 45.86
 - ✓ est. average encounter in 2019 = 2.70
 - ✓ est. average claim cost per member in 2019 = GH¢ 123.82
 - ✓ average premium per member in 2019, = GH¢ 17.60
 - ✓ claims subsidy per member estimated for 2019 = GH¢ 106.22
 - ✓ estimated number of active member in 2019 = 12,415,133

- Amount accruing to the National Health Insurance Scheme as claims subsidy for expenditure side equalization is **GH¢ 1,318,735,388.79**

7.3 ALLOCATION OF CLAIMS SUBSIDY BY CATEGORY

Category	Active Members Estimated 2019	
	Number	Claims Subsidy GH¢
Informal	3,534,346	375,418,261.86
SSNIT Contributors	636,011	67,557,063.99
SSNIT Pensioners	68,536	7,279,893.92
Indigents	999,702	106,188,382.55
Children (Under 18)	5,789,856	614,998,499.01
Aged (70 yrs +)	590,378	62,709,980.90
Pregnant Women	796,303	84,583,306.55
Total	12,415,133	1,318,735,388.79

7.4 ALLOCATION OF CLAIMS & PREMIUM SUBSIDY BY REGIONS

	Region	Membership 2019			Premium Subsidy GH¢	Claims Subsidy GH¢	Total Subsidy GH¢
		Total	Exempt	Informal			
1	Ashanti	2,752,711	1,969,068	783,643	34,655,592	292,392,964	327,048,556
2	Ahafo	301,844	215,915	85,929	3,800,103	32,061,877	35,861,980
3	Bono	574,905	411,242	163,663	7,237,857	61,066,580	68,304,437
4	Bono East	557,668	398,910	158,758	7,020,814	59,235,364	66,256,178
5	Central	1,186,906	849,017	337,889	14,942,704	126,073,204	141,015,908
6	Eastern	1,194,919	854,749	340,170	15,043,583	126,924,329	141,967,912
7	Gt. Accra	1,622,314	1,160,473	461,841	20,424,321	172,322,197	192,746,518
8	Northern	656,538	469,634	186,904	8,265,562	69,737,440	78,003,002
9	North East	213,501	152,721	60,780	2,687,891	22,678,025	25,365,916
10	Oti	300,136	217,288	82,848	3,757,601	32,265,728	36,023,329
11	Savannah	265,476	189,900	75,576	3,342,242	28,198,853	31,541,095
12	Upper East	658,659	471,152	187,507	8,292,267	69,962,752	78,255,019
13	Upper West	446,376	319,301	127,075	5,843,981	47,414,057	53,258,039
14	Western	672,941	481,368	191,573	8,472,083	71,479,811	79,951,894
15	Western North	288,403	206,300	82,103	3,630,882	30,634,120	34,265,002
16	Volta	721,836	513,749	208,087	8,884,356	76,288,087	85,172,443
	TOTAL	12,415,133	8,880,787	3,534,346	156,301,839	1,318,735,388	1,475,037,228

**7.5 OTHER MANDATORY AND ADMINISTRATIVE COMMITMENTS
OF THE NATIONAL HEALTH INSURANCE AUTHORITY**

Disbursement will be made in 2019 fiscal year for the following mandatory and administrative expenditure;

- a) Operational costs of the Head office, Regional offices and District offices;
- b) Administrative & Logistical Support to 165 District Offices.
- c) Support to MOH – Public Health & Preventive Care& Health Service Investment
- d) Support for MPs sponsored District Health Projects and M&E
- e) Maintenance & Upgrade of the NHIS Nationwide ICT Network
- f) Biometric ID Card & Authentication System
- g) Claims Processing Centers and the E-Claims system
- h) Deployment of Claim it' application to manage and pay for claims
- i) Document Archival System and Claims Digitization
- j) Publicity, Sensitization and Marketing of NHIS programs.
- k) Complete the nationwide rollout of electronic receipt system
- l) Restructuring of the NHIS for sustainability.
- m) Capturing of claims data into a computerized system and a paperless claims processing system.

7.6 DETAILS OF 2019 NHIF ALLOCATIONS

No.	ITEM	Amount GH¢ 'm	% of Fund	Details	2019 GH¢	2018 GH¢
1.0	Claims for 2019 <i>Total</i>	1,537.24 ----- 1,537.24	60.64%	<i>Claims Arrears: 2019/2018</i>	0.00	181.74
				<i>Claims Payment for 2019</i>		
				1.1 Premium Subsidy- Formal	156.30	196.30
				1.2 Claims Subsidy	1,318.74	1,144.28
				1.3 Premium- Informal	62.20	59.42
2.0	NHIA Operational Cost	265.61	10.48%	2.1 Compensation 2.2 Goods & Services 2.3 Assets	211.78 49.24 4.59	168.10 44.76 5.39
3.0	Support to District Offices	56.90	2.24%	3.1 Admin Support to District Offices 3.2 District Staff Training & Dev't. 3.3 District Vehicles- 50 no.	41.62 4.42 10.86	51.62 6.00 9.40
4.0	Support to MOH	238.65	9.41%	<i>Public Health & Preventive Care</i> 4.1 Malaria Control Programs 4.2 Cancer Screening (Prostate, Cervical & Breast) 4.3 Sickle Cell Screening 4.4 ARV Medicines & Counterpart Funds 4.5 Ambulance Service 4.6 Support for Allied Health Professional Council Project 4.7 Expanded Prog on immune (EPI) Vaccines (Outstanding for 2016 & Addition for 2019) 4.8 Rabbits Vaccines 4.9 Malaria Vector Control: Labiofam 4.10 Psychotherapeutic Medicines 4.11 Contraceptives 4.12 Tetanus Immunization 4.13 Anti-snake W/African Polyvalent Sera (PFR) 4.14 CSM Vaccines & Medicines 4.15 Commodities for TB 4.16 Blood Collection Bags & Reagents For NBTS 4.17 Ebola Emergency Ope Centre 4.18 Fellowship for Continuing Students <i>Health Service Investment</i> 4.20 Const. Health Training Schools 4.21 Supply of Lift to Hosp. (Finl Pmt) 4.22 Health Provider Sys. Integration	51.00 0.00 2.00 18.00 6.00 0.00 73.00 2.20 0.00 7.35 2.10 2.10 15.00 2.10 2.10 1.05 0.00 4.00 10.65 0.00 40.00	45.90 0.52 0.52 21.00 7.35 21.00 2.20 1.75 7.35 2.10 1.05 2.10 2.10 1.05 1.05 0.52 13.65 11.55 14.71
5.0	Support for District Health Projects	31.13	1.23%	5.1 District Health Projects 5.2 Special Projects 5.3 Monitoring & Evaluation	19.25 5.00 6.88	17.88 4.00 5.50
7.0	Claims Processing	40.20	1.59%	7.1 Const of Ultra Modern CPC	30.00	30.90

2019

No.	ITEM	Amount GH¢ 'm	% of Fund	Details	2019 GH¢	2018 GH¢
	Centers & E-Claims			7.2 CPC Software Enhancement & Support 7.3 CPC Data Center Maintenance	9.80 0.40	9.80 0.40
8.0	Biometric ID Cards & Authentication System	111.51	4.40%	8.1 Enrolment Kit & Smart Printers – 250 no. Scheme Reg. Set @ GH¢42,500.00 8.2 Colour Ribbons 8.3 Health Provider Auth. 8.4 Biometric ID Card (6.0 million) 8.4 ID Cards Printing Consumables - 9,000 no. ribbons @ Ghc 390 8.5 Rollout of Authentication Solution	10.60 13.90 2.00 81.50 3.51 0.00	6.80 0.00 6.75 65.00 8.70 9.00
9.0	Nationwide ICT Network	81.38	3.21%	Licensing & Application Support 9.1 ERP & Application License 9.2 ISO Security Certification Nationwide Network Maintenance 9.3 Document Management System 9.4 Infrastructure & SLA mgt tool & Hardware maintenance 9.5 ICT Solution (EBS, BMS,DC/DR ICT Equipment & Accessories 9.6 Computers & Access -500 no. 9.7 Mobile Platform 9.8 LAN switches & firewalls 50 no 9.9 VSAT relocation-new reg.cent. 30 no. 9.10 Multi-Function Printer, Projectors and Scanners 9.11 WAN & Internet (MTN,Vodafon MAINONE and NITA) 9.12 Provider Stamp- M & D Council 9.13 Multi-year Reg. & E-Receipt 9.15 E-Claims/Claim IT Implementation 9.16 POS Printers (50 No), Net BK (20 No), & Consumables (Ghc 7,920/District Office. 9.17 System Modification for NIA Integration 9.18 License, Mainte & Support (SAGE Accounting Software	7.70 0.55 2.50 3.50 38.00 2.25 0.90 0.50 0.30 0.30 2.50 0.30 8.63 2.32 10.00 1.13	5.50 0.35 0.95 1.00 28.75 1.80 0.90 0.40 0.69 0.20 1.80 1.50 0.45 2.00 1.80 4.00 0.00
10.0	Office Buildings	57.72	2.28%	10.1 Ongoing Projects (9 no. District Offices, 6 no. District Offices Yet to be awarded and 4 Units Washrooms) 10.3 New Projects (6 no. Regional Offices) 10.4 New Projects (20 no. New District Offices)	20.72 12.00 25.00	25.20 0.00 0.00
11.0	Call Center	1.00	0.04%	11.1 Call Center Operational Cost	1.00	0.70

No.	ITEM	Amount GH¢ 'm	% of Fund	Details	2019 GH¢	2018 GH¢
12.0	Archival System & Document Management	17.60	0.69%	12.1 Materials, Storage, & Services 12.2 Document Digitization	14.00 3.60	12.00 3.60
13.0	Support for NHIS Related Research	0.15	0.01%	13.1 Support for NHIS-related Research work	0.15	0.15
14.0	Sensitization, Publicity & Marketing	7.60	0.30%	14.1 Sensitization, publicity, publicity tools, and marketing programs	7.60	7.60
15.0	Claims Data Capturing	42.00	1.66%	15.1 To capture 60 million claims data	42.00	25.00
16.0	NHIS Restructuring	10.00	0.39%	16.1 Policy, Operational & System Reforms	10.00	7.00
17.0	Data Integration	12.00	0.47%	17.1 Data Integration (EDI Solution)	12.00	24.95
18.0	Assurance Services for Claims & Control Systems Strengthening	8.10	0.32%	18.1 Assurance Services for Claims & Control System Strengthening	8.10	6.90
19.0	Corporate Social Responsibility	5.11	0.20%	Corporate Social Responsibility	5.11	3.00
20.0	Contingency	11.00	0.43%	20.1 Amount allocated for contingencies	11.00	10.50
	Total	2,534.89	100%	Total	2,534.89	2,375.25

7.7 SUMMARY OF PROPOSED ALLOCATION OF FUNDS FOR 2019

	Notes	GH¢'m	%
Claims Arrears 2018	8.1	0.00	
Claims -2019	8.1	1,537.24	60.64
NHIA Operational Expenses	8.2	265.61	10.48
Support to District Offices	8.3	56.90	2.24
Support to MOH	8.4	238.65	9.41
Support for District Health Projects & M&E	8.5	31.13	1.23
Per Capita Payment System – Rollout	8.6	0.00	0.00
Claims Processing Centers & E-Claims	8.7	40.20	1.59
Biometric ID Cards & Authentication System	8.8	111.51	4.40
Nationwide ICT System	8.9	81.38	3.21
Office Buildings	8.10	57.72	2.28
Call Center	8.11	1.00	0.04
Archival System & Document Digitization	8.12	17.60	0.69
Support for Health-related Research	8.13	0.15	0.01
Sensitization, Publicity, tools & Marketing	8.14	7.60	0.30
Claims Data Capturing	8.15	42.00	1.66
NHIS Re-Structuring	8.16	10.00	0.39
NHIS Data Integration	8.17	12.00	0.47
Assurance Services for Claims & Systems Strengthening	8.18	8.10	0.32
Corporate Social Responsibility	8.19	5.11	0.20
Contingency	8.21	11.00	0.43
		2,534.89	100.00

7.8 COMPARATIVE & COMMON SIZED ANALYSIS OF BUDGETED FUNDS FOR 2018 & 2019

Expenditure Line	2019		2018	
	GH¢'m	% of Total	GH¢'m	% of Total
Claims Arrears- 2018	0.00	60.64	181.74	
Claims - 2019	1,537.24		1,400.00	66.59
NHIA Operational Expenses	265.61	10.01	218.25	9.19
Support to District Offices	56.90	2.24	67.02	2.82
Support for MOH Programs	238.65	9.41	164.81	6.94
Support for District Health Projects & M&E	31.13	1.23	27.38	1.15
Per Capita Payment System – Rollout	0.00	0.00	0.00	0.00
Claims Processing Centers & E-Claims	40.20	1.59	41.00	1.73
Biometric ID Cards & Authentication System	111.51	4.40	96.25	4.05
Nationwide ICT System	81.38	3.21	52.09	2.19
Office Buildings	57.72	2.28	25.20	1.06
Call Center	1.00	0.04	0.70	0.03
Archival System & Document Digitization	17.60	0.69	15.60	0.66
Support for Health-related Research	0.15	0.01	0.15	0.1
Sensitization, Publicity, tools & Marketing	7.60	0.30	7.60	0.32
Claims Data Capturing	42.00	1.66	25.00	1.05
NHIS Reforms	10.00	0.39	7.00	0.29
Data Integration	12.00	0.47	24.95	1.05
Assurance Services for Claims & Control Systems Strengthening	8.10	0.32	6.90	0.29
Corporate Social Responsibility	5.11	0.20	3.00	0.08
Contingency	11.00	0.43	10.50	0.44
	2,534.89	100.00	2,375.24	100.0

7.9 Medium Term Income & Expenditure Plan – 2019 - 2021

Based on the budgetary provisions for the year 2019 and trends in income and expenditure outturns for the past three years (2016 to 2018) of the NHIA and expected trends in inflation for the next two years, income and expenditure targets for 2020 and 2021 are projected as follows:

Medium Term Income & Expenditure Plan – 2019 - 2021

Details	2019	2020	2021
Income	GH¢'m	GH¢'m	GH¢'m
Levies - NHIL	1,206.76	1,853.67	1,936.95
SSNIT	485.92	633.1	699.72
Premium (Informal)	62.2	64.9	67.72
Income on Investment	12.38	18.23	20.21
Processing Fees	65.63	68.5	70.56
Other Income	2.00	2.95	3.61
Mid-Year Govt Budget Support	700		
Total	2,534.89	2,641.35	2,798.77
Expenditure			
Claims Cost	1,537.24	1,633.55	1,679.11
NHIA Operational Expenses	265.61	310.5	369.49
Support to District Offices	56.9	62.54	68.79
Support to MOH	238.65	250.72	260.89
Support for District Health Projects & M&E	31.13	31.31	34.43
Claims Processing Centers & E-Claims	40.2	43.16	45.31
Biometric ID Cards & Authentication System	111.51	71.72	75.3
Nationwide ICT System	81.38	98.23	111.39
Office Buildings	57.72	27.72	30.49
Call Center	1.00	0.53	0.55
Archival System & Document Digitization	17.6	18.88	20.77
Support for Health-related Research	0.15	0.18	0.19
Sensitization, Publicity, tools & Marketing	7.60	6.16	6.78
Claims Data Capturing	42.00	33.00	36.3
NHIS Re-Structuring	10.00	7.35	7.72
NHIS Data Integration	12.00	17.45	20.07
Assurance Services for Claims & Systems Strengthening	8.10	8.35	9.19
Corporate Social Responsibility	5.11	5.00	5.00
Contingency	11.00	15.00	17.00
Total	2,534.89	2,641.35	2,798.77
Gap/Surplus	-	-	-

It should be noted that the above projections were based on trends in average growth rates in each income and expenditure line items from the year 2016 to 2018, except for statutory incomes (NHIL & SSNIT), which were sourced directly from the annual budget statements of 2019 of Ghana. It is anticipated that cost of items will not go beyond 20% of the preceding year's expenditure line items.

8.0 EXPLANATORY NOTES EXPENDITURE

8.1 CLAIMS

8.1.2. CLAIMS – 2019

A total amount of **GH¢ 1,537.24 million** is allocated for the payment of claims of health service providers for 2019 for a projected active membership base of **12.415 million**. This amount includes a provision of **GH¢1,200 million** for primary health care to facilitate the Government resolve to declare and actualize Universal Health Coverage (UHC) at the primary healthcare level in 2019. Again, the budgeted amount has factored in expected medical inflation and 20% increase in tariffs. This expenditure shall be funded from earmarked allocation from premium and claims subsidies in 2019 and premium contributions from the informal sector.

8.1.3 PREMIUM SUBSIDY

This represents subsidy payable by Government on behalf of the 8.880 million members of the exempt category of the NHIS. The total expected subsidy for 2019 is **GH¢156.30 million**. Details are as follows:

Indigents

Ghana's estimated population for 2019 are about **30,280 million**. To estimate the indigent population, there is the need to avoid double counting, considering the fact that certain population groups are already covered under the NHIS. Consequently, 888,012 people constituting the aged population and another 13.81 million representing the estimated population of those less than 18 years are subtracted from the total population. The remaining population will be **15.57 million**.

It is assumed that 11% of the net population of 15.57 million or 5% of the total estimated population of 30,280 million would constitute the indigent population. Hence the indigent population for 2019 is estimated at 1,664,631. It is estimated that 60% of indigents (i.e. 999,702 indigents) shall be covered under the scheme in 2019. An amount of GH¢17.59 is allocated as premium for each indigent and hence, a total amount of **GH¢17.59 million** will be required as premium subsidy for the indigents in 2019.

Children under 18 years

The law prescribes that those under 18 years be catered for by government. The active membership of children under 18 years is estimated at 5,789 million in 2019. A provision of **GH¢101.90 million** has therefore been made to cover for the premium of this exempt group.

SSNIT Pensioners

The number of SSNIT pensioners is estimated at 181,980 in 2019. It is estimated that 38% of this number (i.e.68,536) will be covered under the scheme in 2019. An amount of **GH¢1.20 million** is allocated to cover the premium of SSNIT pensioners in 2019.

The Aged

Those considered to be the aged population are those of 70 years and above. The 2010 population estimated that the aged population is about 2.9% of the total population of the country. Considering the fact that the aged suffer a number of chronic diseases such as hypertension, diabetes, cancers, heart diseases etc, and the fact that they are economically vulnerable makes them a very important population group to be considered in the development of the health insurance formula.

It is estimated that 888,012 of the estimated 30,280 million of the population will constitute the aged population in Ghana in 2019. About 66% or 590,378 of the estimate is expected to be covered by the Scheme in 2019. An estimated amount of **GH¢10.39 million** is allocated for the payment of premium for the 590,378 aged expected to be covered under the scheme in 2019.

SSNIT Contributors

SSNIT contributors are automatically covered under the law because of their 2.5% monthly contribution to the NHIF. It is estimated that 636,011 SSNIT contributors representing 51.0% of the expected number of SSNIT contributors will be covered under the scheme in 2019. An amount of **GH¢11.19 million** is therefore allocated to cover their premium under the Scheme in 2019.

Pregnant Women

The allocation to this category is as a result of Government policy to grant premium payment exemption to pregnant women in the country. The Scheme is expected to cater for 796,303 pregnant women in 2019. An amount of **GH¢14.01 million** is allocated for the payment of their premium under the Scheme in 2019.

8.1.4 CLAIMS SUBSIDY

The claim subsidy is based on total estimated active membership of **12.415 million** in 2019. Average claim cost per head in 2019 is estimated at **GH¢123.82**. Against expected average premium of **GH¢17.60** per head per year, the shortfall of **GH¢106.22** constitute the estimated claims subsidy for each expected active member in 2019.

Based on this, an amount of **GH¢1,318.74 million** is allocated to the Scheme as claims subsidy in 2019.

8.1.5 INFORMAL PREMIUM EARMARKED FOR CLAIMS

Premium of **GH¢62.20 million** expected from the informal sector in 2019 is also allocated for the payment of claims in 2019.

8.2 NHIA OPERATIONAL EXPENSES

The National Health Insurance Act, 2012 (Act 852) unified the 165 Schemes into a unitary National Scheme under the National Health Insurance Authority. The budget of the Authority's operations for 2018 covers activities of the Head office, the 10 Regional offices, and activities of the 165 District and 10 satellite offices across the country.

International best practices recommend that between 8% and 12% of total receipts of a typical health insurance fund are earmarked for operational overheads. For the year 2019, a total amount of **GH¢265.61 million** representing 10.01% of total expected receipts is earmarked as expenditure for Authority's operations (Compensation, Good & Services and Assets. Details of this amount are captured in the 2019 NHIA Operational Budget Document.

8.3 SUPPORT TO DISTRICT OFFICES

The District Offices will require financial support to meet their administrative and logistic expenditure. To ensure effective administration of the Scheme at the district levels, the District Offices will be assisted to build effective administrative and logistical capacity on continuous basis to meet expanding responsibilities.

A total amount of **GH¢56.90 million** will be required by the Authority to provide technical, administrative and logistical support to the District Offices. The following are expected to be covered under this budget:

- i. Some of the existing scheme vehicles are due for replacement due to old age and frequent breakdowns. It is estimated that 50 of such vehicles would be replaced at a total cost of **GH¢10.86 million**.
- ii. An amount of **GH¢4.42 million** has been allocated for the training and development needs of all District Staff across the country. The allocation covers course fees, conference packages, training materials for workshops, seminars and special capacity building programs for District Offices. Per Diems of participants are excluded from this budget.
- iii. Provision of administrative and logistical support will average **GH¢0.250million** per District Office. This amounts to **GH¢41.62 million**. Of this amount, **GH¢6.66 million** will be administered directly from the head office on the behalf of the District Offices to cater for office rent, logistics for newly created offices, insurance policies etc. The remaining **GH¢34.96 million**, will be released or disbursed to the District Offices on quarterly basis to cover the following:
 - Marketing and publicity programs
 - Per Diems for attending training and other programs organized by the Head Office
 - Creation of cubicles for bank teller in-plant
 - Printing, stationery and office consumables

- Maintenance and repair works
- Membership drive
- Travelling expenses and allowances
- Fuel & Vehicle running cost.
- Utilities
- Etc

8.4 SUPPORT FOR MINISTRY OF HEALTH PROGRAMS

8.4.1 Public Health & Preventive Care

The Act enjoins the Authority to facilitate activities that are in the larger interest of the Scheme. To help promote preventive care and to improve the long-term sustainability of the program, through reduced medical claims, the Authority in consultation with the sector ministry is proposing to allocate an amount of **GH¢238.65 million** to support public health and preventive care programs which are aimed at protecting segments of the population against certain preventable diseases like HIV, malaria, cholera, diarrhoea and water born diseases etc.

Details of the 2019 allocations are;

	GH¢'m
Malaria Control Program	51.00
Cancer Screening (Cervical, Breast, & prostate)	0.00
Sickle Cell Screening	2.00
Support for National Ambulance Service	6.00
ARV Medicines & Counterpart Funds	18.00
Support for Allied Health Profession Project	0.00
Expanded Program on immunization (EPI) Vaccines (outstanding for 2016 and additions for 2019)	73.00
Rabies Vaccines	2.20
Malaria Vector Control: Labiofam	0.00
Psychotherapeutic Medicines	7.35
Contraceptives	2.10
Tetanus Immunization	2.10
Anti-snake West African Polyvalent Sera (PFR)	15.00
CSM Vaccines & Medicines	2.10
Commodities for TB	2.10
Blood Collection Bags and Reagents for NBTS	1.05
Ebola Emergency Operation Centre	0.00
Fellowship for Continuing Students	4.00
Total	188.00

8.4.2 Health Service Investment

Section 40 (2d) of Act 852 stipulates that a proportion of the Fund shall be allocated to cater for investments in any facilitating program to promote access to health service as determined by the Minister of Health in consultation with the Board.

The Authority is supporting construction of buildings in some health facilities and some health training schools in the country. In 2019, an amount of **GH¢10.65 million** is allocated to support these projects. These projects are;

- Akatsi District Health Hospital
- Pantang Health training school
- Sampa Health training school
- Hohoe Midwifery Training school
- Korle-bu Per-operative facility

An amount of **GH¢40.00 million** is also allocated to support health provider system integration.

8.5 SUPPORT FOR DISTRICT HEALTH PROJECTS & M&E ACTIVITIES

The NHIA is financing a number of health related projects undertaken by Members of Parliament in their respective constituencies. These projects are aimed at improving the health service delivery in their respective constituencies. The Authority will continue to support these projects in 2019 and therefore propose to allocate an amount of **GH¢70,000.00** for each district health project, plus an amount of **GH¢5.00 million** for special projects. The allocation for 2019 is therefore **GH¢24.25 million**.

The Authority also allocates **GH¢6.88 million** for health related monitoring and evaluation activities of the 275 members of Parliament in their respective constituencies. Each member is allocated **GH¢25,000.00**. These activities are expected to contribute towards the improvement of health services in their respective constituencies.

8.6 CLAIMS PROCESSING CENTRES & E-CLAIMS SYSTEM

A total amount of **GH¢ 40.20 million** is allocated for the construction of ultra modern claims processing centers with state-of-the-art facilities, and to fully deploy the e-claims system to all the claims centers and additional provider sites. It will also cater for logistics support for the centers. The operation of these centers is expected to modernize and improve the time and quality of claim processing across the country, and also to reduce both subscriber and provider induced fraud. The project is anticipated to take three years to complete and the budgetary provision is meant to cover the following for the year 2019;

- Infrastructure and Paperless Systems for claims processing
- Software Enhancement & Support
- CPC Data Center Maintenance

8.7 INSTANT BIOMETRIC ID CARD & AUTHENTICATION SYSTEM

The Authority has deployed an instant biometric ID card and authentication system in all its district offices across the country. This system will enhance data integrity and subscriber authentication at point of access to health care, as well as ensure greater checks and control in the claims payment system. This is also expected to reduce provider shopping, subscriber abuse and fraud. In 2019, the NHIA intends to provide the necessary accessories, consumables and maintenance support to improve and sustain the efficient and effective running this system.

In this regard, an amount of **GH¢111.51 million** is allocated to cover the following:

- ~~cost of replacing worn out enrollment kits and smart printers for district offices and sub offices. We intend to procure 250 no smart printers and accessories at an estimated per unit cost of **GH¢42,500.00**.~~
- provision of 6 million biometric ID cards at a cost 13.58 per card.
- A contract was signed in December, 2018, for delivery and payment in 2019 of colour ribbons worth **GH¢13.90 million**. Additional 9,000 monochrome ribbons (**GH¢ 390** per unit) are expected to be contracted in 2019.
- To rollout authentication solution to over 4,000 healthcare providers

8.8 NATIONWIDE ICT SYSTEM – EQUIPMENT, MAINTENANCE & UPGRADE

The Nationwide ICT system facilitates the day to day operations of the Authority in the Head office, the Regional offices and in the District offices. The system ensures that:

- There is effective communication between the District offices, the Regional offices, the Head office and Service Providers for data collection and analysis, which is critical for meeting the objectives of the Scheme;
- There is financial and operational accountability on the part of the various offices of the Scheme.
- Managing risk, controlling fraud and ensuring financial and operational sustainability; and
- Addressing the portability requirement and claims management.

To meet and sustain these objectives, a total amount of **GH¢81.38 million** is allocated for the equipment, maintenance and upgrade of the Nationwide ICT system. The breakdown of the expenditure is as follows:

- An amount of **GH¢7.70 million** to upgrade the Oracle ERP Applications and license renewal for Oracle and **GH¢ 0.55 million** for ISO Certification.

- A total amount of **GH¢3.50 million** is earmarked for infrastructure and SLA management tools and hardware maintenance across the country.
- A total amount of **GH¢ 38.00 million** ICT solution on **EBS, BMS and DC/DR**
- An amount of **GH¢2.25 million** is earmarked for the purchase and installation of 500 computers to replace broken down machines at the district and head offices, and purchase of mobile platform kits for the consolidated premium account system.
- An amount of **GH¢2.32 million** is allocated for the cost of 50 no. POS printers, 20 no netbook computers and consumables (**GH¢7,920/Dist Office**) to operationalize and maintain Electronic Receipting system implemented across the country and **GH¢8.63 million** for the implementation of the 'Claim it' application and outsourcing of E-Claims services for the vetting and payment of claims.
- An amount of **GH¢10.00 million** is allocated for the provision of IT systems changes in the NHIA for integration with the IT systems of the National Identification Authority (NIA)
- An amount of **GH¢8.43 million** is allocated for 50 no. LAN switches and firewalls, VSAT relocation, multi-function printers, projectors and scanners, WAN and internet connectivity, and software, provider stamps, Print Control & Software etc.

8.9 CONSTRUCTION OF DISTRICT OFFICES

In 2018, the Authority proposed to spend a total amount of **GH¢25.20 million** for the construction of 15 no. district offices and 9 no. 4 Units wash rooms. Contract for the nine district offices and the nine wash rooms were signed and works were expected to commence and completed within 8 months. However due to cash constraint the projects were put on hold in 2018. We anticipate to continue and complete these projects in 2019.

The details of the ongoing projects are stated below:

No.	Description	Contract Amount (GH¢)	Amount Paid	Outstanding
1	Construction of Gomoaman NHIA District Office	1,275,542.44	147,659.63	1,127,882.81
2	Construction of Bantama NHIA District Office	1,358,780.17	271,756.03	1,087,024.14
3	Construction of Adaklu – Anyigbē NHIA District Office	1,043,201.82	210,562.68	832,639.14
4	Construction of Asawase NHIA District Office	1,241,391.97		1,241,391.97

5	Construction of Pusiga NHIA District Office	1,300,426.33	290,535.87	1,009,890.46
6	Construction of La NHIA District Office	1,100,981.09	220,196.22	880,784.87
7	Construction of Upper West Akim NHIA District Office at Adeiso	1,493,890.20	132,008.86	1,361,881.34
8	Construction of Awutu-Effutu-Senya NHIA District Office	1,498,911.43	299,782.29	1,199,129.14
9	Construction of Akatsi NHIA District Office	1,497,458.48	122,458.62	1,374,999.86
10	Construction supervision of Gomoaman, Bantama, Adaklu-Anyigbe, Asawase, Pusiga NHIA district offices	582,307.38		582,307.38
11	Construction supervision of Akatsi, Awutu-Effutu-Senya, Upper West Akim, Kassena-Nankana and La NHIA district offices	582,307.38		582,307.38
12	Construction of four washrooms	252,272.21	84,802.30	167,469.91
13	Construction of five washrooms	342,203.65	68,440.43	273,763.22
14	Sekyere East - Ashanti	1,500,000.00		1,500,000.00
15	Kwaeibibirem - Eastern	1,500,000.00		1,500,000.00
16	New Juaben - Eastern	1,500,000.00		1,500,000.00
17	Ejisu - Ashanti	1,500,000.00		1,500,000.00
18	Jaman North - BA	1,500,000.00		1,500,000.00
19	Bibiana Anhiaso Bekwai	1,500,000.00		1,500,000.00
	Total	22,569,674.55	1,848,202.93	20,721,471.62

A provision for additional 20 no District Offices (**GH¢25 million**) and 6 no Regional Offices (**GH¢12 million**) for the newly created regions has also been made to partly cover the full cost of these projects. The amount provided is to help kick start the projects in the year 2019. A total amount of **GH¢ 57.72 million** is therefore proposed building projects in 2019.

8.10 CALL CENTRE

The Authority proposes a budget of **GH¢ 1.00 million** for the operation of call centers in 2019.

8.11 ARCHIVAL SYSTEM & DOCUMENT DIGITIZATION SYSTEM

The Authority has earmarked an amount of **GH¢14.00 million** for the operation of the archival services for the millions of claims documents from over 3,500 accredited health providers. The amount will cover the cost of materials, storage, transportation, handling and services. An additional amount of **GH¢3.60 million** is allocated for the cost of claims digitization.

8.12 HEALTH RELATED RESEARCH

An amount of **GH¢0.15 million** is earmarked for health related research.

8.13 SENSITIZATION, PUBLICITY, TOOLS, AND CORPORATE SOCIAL RESPONSIBILITY

The Authority plans to undertake vigorous sensitization and publicity programs to inform and educate the public on issues about the Scheme via the media, subscriber hand books etc aimed at increasing public confidence in the Scheme, including initiatives for national preventive care campaigns. It shall also include corporate social responsibility projects. A total amount of **GH¢ 7.60 million** is set aside for this purpose.

8.14 NHIS Re-Structuring

In 2019, we intend to implement the recommendations of the technical sub-committee on the review and re-structuring of the entire NHIS, in collaboration with the Ministry of Health and to undertake an actuarial study of the recommendations of the technical committee. A total of **GH¢10.00 million** has been allocated towards this end.

8.15 NHIS Data Integration

As part of efforts to improve the availability of data for decision making, in 2016, approval was granted the NHIA for the provision of an Electronic Data Interchange (EDI).

The EDI Solution is expected, among others, to deliver the following:

1. A Business Intelligence (BI) platform that incorporates advanced analytics with the ability to track and report KPIs.
2. A Claims Processing System integrated to the Finance and Membership systems
3. An enhanced Biometric Membership System (BMS) detached from the Oracle E-business Suite (EBS) - based membership system.

4. Health Provider engagement solutions (Claims Tracking, Member Verification, Case Management)
5. An integrated Payroll system
6. Security and Business Continuity to improve resilience

An amount of **GH¢ 12 million** has been earmarked for the completion of this project in 2019 in line with terms of the contract covering this project.

8.16 Assurance Services for Claims & Control Systems Strengthening

The NHIA claims submission system is prone to abuse and this exposes the Authority to high claims costs. There is the need to strengthen controls to ensure that claims are properly reviewed and authenticated in order to save cost. We intend to continue to engage a group of consultants within the short to medium term to assist us carry out the above stated control measures.

An amount of **GH¢8.1 million** is provided to fund these engagements aimed at ensuring data integrity and genuineness of claims submitted for payments in 2018.

8.17 Claims Data Capturing

The Authority intend to capture paper-based claims data onto a computerized system. This is meant to ensure easy retrieval and analysis of claims data to facilitate strategic decision making in the management and control of claims cost. A total quantity of 60 million data on claims will be captured in 2019 at a cost of **GH¢ 42.00 million**.

8.18 Corporate Social Responsibility

In 2019 the Authority will continue to operate in an economically, socially and environmentally sustainable way. An amount of **GH¢ 5.11 million** has been earmarked to cater for this move.

8.19 CONTINGENCY

For the purpose of meeting unexpected commitments of the Authority, price increases and salary rationalization within the year, an allocation of **GH¢ 11.00 million** has been earmarked