

REPORT OF THE FINANCE COMMITTEE ON  
THE NATIONAL HEALTH INSURANCE  
(AMENDMENT) BILL 2018

**1.0 INTRODUCTION**

The National Health Insurance (Amendment) Bill 2018 was presented to Parliament and read the first time on Friday 20<sup>th</sup> July, 2013. The Bill was subsequently referred to the Finance Committee for consideration and report in accordance with the 1992 Constitution and Order 169 of the Standing Orders of the House.

A Deputy Minister for Finance, Hon. Kwaku Kwarteng and officials from the Ministry of Finance and the Ghana Revenue Authority (GRA) attended upon and assisted the Committee in its deliberations on the Bill.

The Committee is grateful to the Hon. Deputy Minister and the officials from the Ministry of Finance and the GRA for attending upon the Committee.

**2.0 REFERENCES**

The Committee referred to the following documents *inter alia* during its deliberations on the Bill:

- a. The Constitution of the Republic of Ghana, 1992.
- b. The Standing Orders of the Parliament of Ghana.

- c. National Health Insurance Act, 2012 (Act 852)
- d. Interpretation Act, 2009 (Act 792)
- e. Ghana Revenue Authority Act, 2009 (Act 791)

### **3.0 BACKGROUND**

The National Health Insurance Scheme exists to ensure that citizens obtain quality health care at all times. Studies have indicated that the current revenue sources do not guarantee the sustainability of the Health Insurance Fund given that, enrolment on the scheme has increased over the years.

Government therefore seeks to delink the National Health Insurance Levy from the Value Added Tax by removing the option of deductibility of input tax. This will continue to be two and half percent (2.5%) of value of goods and services and imports supplied.

### **3.1 URGENCY OF THE BILL**

In accordance with article 106(13) of the 1992 Constitution and Order 119 of the Standing Orders of the House, the Committee determined and hereby certifies that the Bill is of an urgent nature and may therefore be taken through all its stages of passage in one day.

### **4.0 PURPOSE OF THE BILL**

The object of the Bill is to convert the National Health Insurance Levy unto a Levy which is not subject to the input-output method of computation for Value Added Tax.

### **5.0 CONTENTS OF THE BILL**

The Bill contains 4 clauses.

*Clause 1* of the Bill amends Section 40 of the National Health Insurance Act, 2012 (Act 852). The clause revises the object of the fund to cover the payment of other medical care cost that may be determined by the Ministry responsible for Health in consultation with the

Minister responsible for Finance. In the light of the foregoing amendment, clause 1 further amends Section 40 of Act 852 to expand the definition of non-core activities.

Clause 2 seeks to amend Section 47 of Act 825, by the substitution for subsection (3) of that Section to exclude the Levy from the application of input tax deduction and exclude the application of the Levy on goods subject to value added tax flat rate.

Clause 3 amends Section 51 of Act 825 to provide for the collection and administration of the Levy.

Clause 4 repeals the National Health Insurance (Amendment) Act, 2015 (Act 888)

## 6.0 **OBSERVATIONS**

### 6.1 Expected Revenue

The Committee noted that the estimated additional revenue from the passage of the Bill into law is ***Two Hundred and Eighty-Five Million Ghana Cedis (GH¢285,000,000.00)*** for the period August to December 2018.

### 6.2 Ineligible goods

The Committee observed that upon the passage of the Bill into law, the National Health Insurance Levy (NHIL) will not be applicable to any goods on which the Value Added Tax (VAT) Flat Rate Scheme is imposed.

## 7.0 **AMENDMENTS PROPOSED**

The Committee respectfully recommends the following amendments to the Bill:

- i. **Clause 1– Amendment Proposed – Delete**  
***Reason: The Committee does not agree that the coverage of the National Health Insurance Fund should be expanded since the Fund is already over-burdened.***

- ii. **Long Title – Amendment Proposed** – *Delete* “straight levy, expand the coverage of the National Health Insurance Fund” and insert “a levy which is not subject to the input-output method of computation”

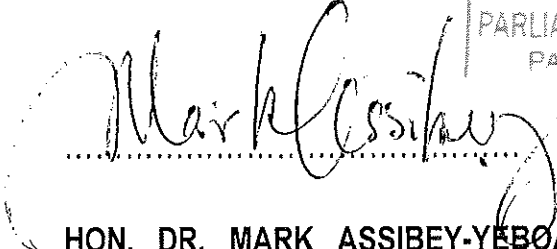
**Reason:** *The Committee does not agree that the coverage of the National Health Insurance Fund should be expanded since the Fund is already over-burdened. Also, “straight levy” should be properly described as a levy which is not subject to input-output method of computation.*

## 8.0 CONCLUSION


The Committee has thoroughly examined the Bill and finds that its passage would help provide improved revenue into the National Health Insurance Fund (NHF).

The Committee therefore recommends to the House to adopt this report and **pass** the **National Health Insurance (Amendment) Bill, 2018** into law *subject to the amendments proposed* in accordance with Article 106(13) of the 1992 Constitution and the Order 119 Standing Orders of the House.

Respectfully Submitted.

  
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HON. DR. MARK ASSIBEY-YEBOAH  
(CHAIRMAN, FINANCE COMMITTEE)

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MS. EVELYN BREFO-BOATENG  
(CLERK, FINANCE COMMITTEE)

23<sup>rd</sup> July, 2018