NATIONAL HEALTH INSURANCE AUTHORITY

NHIS

Your access to healthcare

NATIONAL HEALTH INSURANCE FUND ALLOCATION FORMULA 2015

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ALLOCATION FORMULA-2015

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 In 2012, the Act was repealed and replaced by a new law (Act 852).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 2015

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 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 2015. These proposed plans are key variables in the determination of the allocation formula and planned expenditure for 2015. Key activities planned for 2015 are;

1. Adopt pragmatic strategies to increase active membership coverage of the population by 2% to reach 10.92 million in 2015.

2. The Authority plans to reform and implement efficiency gains measures in claims management and operating expenditure.

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 on increased volumes of claims; to 70% in 2015.

4. Complete the implementation and rollout of the biometric membership registration system across the country. This is expected to boost and enhance data integrity and subscriber authentication at point of access to health care.

5. In 2015 we shall extend the per capita payment module to three other regions, namely, Volta Region, Upper East & Upper West.

6. The Authority will intensify claims verifications and clinical auditing of provider claims. In 2015, we plan to audit 5% of the facilities.

7. We plan to intensify the post credentialing monitoring activities to ensure quality of health care at health facilities.

8. To organize regular fora ("Health Insurance Dialogue") to address public and stakeholder concerns on health insurance.

9. Strengthen the processes and procedures for the registration, supervision, and monitoring of private health insurance schemes.

10. Revamp the financial management to improve efficiency and effectiveness in financial reporting

11. Commence restructuring of the National Health Insurance Scheme to overcome its sustainability challenges.

12. Introduce e-payment system for premium collections

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. Review the benefit package to include family planning, prostate cancer and support for promotive and preventive service.

17. Collaborate with MOH to review the system for pharmaceutical product supply

18. Continue to explore new investment avenue to enhance the funding the NHIA

3.0 EFFICIENCY STRATEGIES

Increased membership of the scheme over the years has impacted on the utilization of health care services; and this is evident in the growth of outpatient utilization by over forty fold from 597,859 in 2005 to 28.2 million, projected for year-end 2014. This trend has had tremendous impact on the Scheme's expenditure which continues to exceed income since 2009; posing sustainability challenge to the Scheme.

In order to ensure the scheme sustainability, the NHIA has initiated a number of efficiency gains strategies to help address the rising trend in claims cost of claims. These measures include the following;

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 overpaid claims. In addition, a compliance unit has also being 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.

Linking Diagnoses to treatment

Linking diagnoses to treatment to improve quality of care and efficiency in claims processing.

In 2010, clinical audits of healthcare facilities across the country uncovered startling revelations of rampant mismatch of diagnoses and treatments inconsistent with the Standard Treatment Guidelines (STG) of the Ministry of Health (MOH). Additionally, some facilities were prescribing medicines not allowed for their levels of care as stated in the Essential Medicines List (MOH). The consequences thereof leads to debasing the minimum standard and quality of care required of health facilities and cost implications for the Scheme as these tended to increase either utilization or quantity of services provided.

In view of this, a group of clinical consultants with specialty experience in their fields and in depth understanding of the NHIS benefit package were contracted to design standard protocols of diagnosis and treatment regimes that are in line with generally accepted standards and contemporary practices in clinical care. It is expected that clinicians in NHIS accredited facilities would follow these protocols and this would form the basis for claims vetting.

Modified Procedures in Free Maternal Care program

The free maternal care policy of the NHIS was introduced as part of the measures to reduce maternal and infant mortality. The enrolment procedure was fraught with abuse, misrepresentation and misapplication with consequential cost implications to the NHIS. The NHIA has addressed some of these challenges by introducing reforms in the Fee Maternal Care Program to reduce abuse.

Consolidated Premium Account

Prior to 2011, the premiums collected and managed by the district schemes/offices were not properly accounted for, amidst fraud and misapplication. Management has introduced a Consolidated Premium Account (CPA) system, where all premiums collected nationwide are deposited into the CPA and controlled by the Authority. These measures have blocked leakages and improved accountability and management of premiums collected by the schemes. The next step is to introduce a point of sale device for greater efficiency in premium collection.

Prescription Form

The NHIA is supporting the MOH to implement uniform prescription form as a result of the rising cost of medicines which was equally threatening the sustainability of the NHIS.

This unique prescription forms have been introduced and piloted in some facilities, and would be implemented across the country in 2015. The overall goals of introducing the prescription forms are; to improve rational use of drugs, to improve quality of care; to contain escalating drug cost; and to track prescribing and dispensing patterns of providers.

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 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.

Capitation

NHIA has introduced per capita payment (Capitation) as a complementary payment mechanism in Ashanti Region. The pilot covers primary outpatient care in Ashanti Region whilst maintaining Ghana Diagnostic Related Groupings (G-DRG) as payment mechanism for specialist outpatient care and inpatient care at District, Regional and Teaching Hospitals.

Capitation as a provider payment mechanism has helped in containing cost by; sharing the financial risk between schemes, providers and subscribers; correcting some imbalances created by the G-DRG; promoting managed

competition for providers and choice for patients, and Improving efficiency and effectiveness of the health service delivery.

Gatekeeper System

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

Affordable Medicines Facility- Malaria (AMFm) programme

The NHIA liaised with the Global fund/ Malaria Control Programme office to benefit from the Affordable Medicines Facility- Malaria (AMFm) programme. This initiative has greatly reduced the prices of ACTs, which form the bulk of medications dispensed to NHIS members because of the endemic nature of malaria in Ghana.

4.0 ANALYTICAL REVIEW OF 2013 FINANCIAL PERFORMANCE & POSITIONS

4.1A STATEMENT OF RECEIPTS & PAYMENTS FOR THE YEAR ENDING DECEMBER 31, 2014

Total amount of **GH¢1,063.20 million** was received from MOFEP for the year ending December 31, 2014. Of this amount, **GH¢332.20 million** relates to 2013. Other receipts during the year amounted to **GH¢41.08 million**; giving total receipts of **GH¢1,104.28 million** for the year. Total payments for the year ending December 31, 2014 was **GH¢1,192.50 million.** Deficit for the year 2014 was **GH¢88.22 million**. Net change in cash and bank balance for the year to December 31, 2014 was **GH¢ 9.10 million**.

TABLE 4.1.1 RECEIPTS & PAYMENTS - 2014

	GH¢ million	GH¢' million
RECEIPTS		
NHIL Releases – 2013 Arrears	332.20	
NHIL Releases for 2014[1]	731.00	
Premium	33.74	
Donor Receipt & Other Income	7.34	
Total Receipts		1,104.28
PAYMENTS		
Claims Paid – 2013 Arrears	362.37	
Claims Paid – Jan- June 2014	441.64[2]	
Loan paid	73.61	
Support to MOH & Partner Institutions	16.43	
Support to District Health Project & M & E	17.25	
Admin. Support to District Offices	4.48	
Authority Operations	125.04	
Nationwide ICT	19.58	
ID Card Production	52.61	
Biometric Equipment & Accessories	38.96	
Purchase of Investment	20.02	
Archival Services & Digitization	5.65	
Claims Processing Centers	1.05	
Call Center	1.87	
Office Building	10.40	
Capitation Rollout	0.28	
Publicity & Communication	1.26	
Total Payments		1,192.50
Deficit		(88.22)
Deficit financed from:		
Proceeds from Disinvestment		97.32
		9.10

[1]Additional amount of GH¢138.20 million was released this year for 2014 as at Mar 16, 2015
[2]Claims GH¢526.6 million for the period July - Dec 2014 is yet to be paid as at 31st Dec.2014. As at Mar 2015, the claims indebtedness for 2014 stood at Gh¢456.4 million.

4.1B: STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDING DECEMBER 31, 2014

On accrual basis, the financial performance for the year to December 31, 2014 showed total revenue of **GH¢999.59 million** against total expenditure of **GH¢1,312.26 million**; resulting in deficit in performance of **GH¢312.67 million.**

ABLE 4.1.2 REVENUE & EXPENDITURE - 2014

	GH ¢'m	GH ¢m
REVENUE		**999.59**
NHI Levies Collected	936.12	
Premium	33.75	
Investment Income	21.70	
Donor Receipt & Other Income	8.02	
EXPENDITURE		**1,312.26**
2014 Claims Paid	441.64	
Claims Arrears: July- Dec. 2014	526.84	
Loan Repayment	73.61	
Support to MOH & Partner Institutions	15.73	
District Health Projects & M&E	13.43	
Admin. Support to District Offices	4.48	
Authority Operations	113.31	
Nationwide ICT System	25.58	
Biometric ID Card, Equipment & Authentication System	76.57	
Claims Archival System & Digitization	5.65	
Claims Processing Center	1.05	
Call Center	1.87	
District Offices & Head Office Annex	10.40	
Health Related Research	-	
Capitation Roll-out	0.28	
Sensitization, Publicity & Marketing	1.82	
Deficit		**312.67**

4.2 REVIEW OF 2014 BUDGET ALLOCATION & PERFORMANCE

On accrual basis, total expenditure for the period to December, 2014 was **GH¢ 1,312 million** against annual budget of **GH¢1,336.31 million.** Budget variance is **GH¢24.05 million**, giving budget execution rate of **98.2%.**

Table 4.2.1: 2014 BUDGET ALLOCATIONS & PERFORMANCE

	2014 Annual Budget	2014 Dec 31	Budget Variance	Execution Rate
	¢'m	¢'m	¢'m	%
Subsidies & Claims	813.47	968.48[1]	-155.01	119.1
Loan Repayment	118.00	73.61	44.39	62.4
Support to MOH & Partner Institutions	43.00	15.73	27.27	36.6
District Health Projects & M&E	17.95	13.43	4.52	74.8
Admin. Support to District Offices	37.30	4.48	32.82	12.0
Authority Operations	122.19	113.31	8.88	92.7
Nationwide ICT System	34.19	25.58	8.61	74.8
Biometric ID Card, Equipment & Authentication System	64.45	76.57	-12.12	118.8
Claims Archival System & Digitization	7.00	5.65	1.35	80.7
Claims Processing Center	10.90	1.05	9.85	9.6
Call Center	2.00	1.87	0.13	93.5
District Offices & Head Office Annex	37.36	10.40	26.96	27.8
Health Related Research	1.00	-	1.00	-
Capitation Roll-out	6.50	0.28	6.22	4.3
Sensitization, Publicity & Marketing	4.00	1.82	2.18	45.5
Contingency	17.00	-	17.00	-
	1,336.31	**1,312.26**	**24.05**	**98.2**

[1]Included in Claims amount is claims expense of GH¢526.6 million unpaid for the period July to December 2014 as at 31st December 2014. As at 16-Mar-2015, outstanding claims for 2014 is GH¢425.56 million.

4.5 REVIEW OF INVESTMENT PERFORMANCE & POSITION AS AT SEPTEMBER 30, 2014.

The Authority's Investments are in fixed deposits with financial institutions, mostly banks. The value of the Investment as at January 1, 2014 was **GH¢159.92 million**. The investment portfolio earned a total interest of **GH¢21.7 million** for the year. The balance as at December 31, 2014, stood at **GH¢104.32 million**. The decline in the investment balance was largely due to dis-investments amounting to **GH¢97.32 million**, which was applied against payment of claims.

Acceptable international practice requires that for an insurance scheme to be sustainable, the scheme should have not less than 18 months investment cover. But currently, the fund investment balance provides cover for only **1.25 months**. This situation poses serious threat to the sustainability of the National Health Insurance Scheme.

SUMMARY OF INVESTMENT POSITION AS AT DECEMBER 31, 2014
(GH¢' million)

Period	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Opening Balance	159.92	88.55	93.11	105.17	**159.92**
Investments	5.00	-	15.02	-	**20.02**
Disinvestments	(82.30)	-	(10.00)	(5.00)	**(97.32)**
Interest Earned	5.93	4.56	7.06	4.15	**21.70**
Closing Balance	88.55	93.11	105.17	104.32	**104.32**

The loan amount of **GH¢57.7 million** will mature on March 6, 2015. We shall disinvest in 2015 to redeem the loan. This is expected to reduce the principal portion of the investment to GH¢46.62 million as from March 7, 2015.

5.0 GENERAL PROJECTIONS UNDERLYING THE NHIF ALLOCATION FOR 2015

The following revenue projections underline the NHIF Allocation & Budget Allocation for 2015.

5.1 BUDGETED RECEIPTS

The Authority expects to receive a total amount of **GH¢2,103.13 million** in 2015 from NHIL/SSNIT and other sources to be able to execute its mandate in 2015. The composition is as follows:

- **Levies from NHIL and SSNIT**
  On the basis of MOF Budget Statement for 2015, the National Health Insurance Fund expects to realize a total amount of **GH¢1,185.67 million** from NHIL and SSNIT.

- **Premium from Informal Sector**
  The Premium from informal sector is budgeted at **GH¢43.66 million.** This represents an average premium of **GH¢12.00** per member for projected membership of **3,638,742** for the informal sector in 2015.

- **Interest Income from Investment**
  The Authority expects to earn total interest income of **GH¢15.95 million.** This is based on expected portfolio size of GH¢55.0 million at projected return of 26.4% p.a.

- **Processing Fees & Other Income**
  The Authority expects to earn a total amount of **GH¢39.88 million** on processing fees, provider credential fees, motor insurance fees, and sale of tender documents.

- **Additional GOG support required**

  The funding gap for 2015 is projected at **GH¢817.97 million.** Additional support is therefore required from Government contingency vote to bridge this gap.

Sources	Amount Gh¢ million	%
Levies - NHIL	1,003.09	47.7
- SSNIT	182.58	8.7
Premium (Informal)	43.66	2.1
Income on Investment	15.95	0.8
Processing Fees & Other Income	39.88	1.9
Gap- Additional funds required	817.97	38.9
Total	**2,103.13**	**100.0**

5.2 REGISTRATION COVERAGE

The population of Ghana in 2014 was estimated at **26.69 million**; and the projection for 2015 is **27.22 million**. Current registration figures indicate that active membership of the Scheme is **10.25 million** and that constituted 38.4% of the population.

The Authority plans to intensify efforts through membership drive and policy reforms to encourage enrolment and renewal of membership. We therefore project that **40.1%** of the population or **10.926 million** shall constitute the active membership of the NHIS in 2015. This constitutes about **6.6%** increase over the active membership base in 2014.

The proposed allocation of the Fund is therefore based on expected active membership of **10.926 million** in 2015.

Table 5.2.1 **Registration Coverage *Distribution by Category*[1]**

Category	2014	2015		
	Active Membership	Population est.	Target Membership	Target Rate
Informal	3,144,992	10,396,407	3,638,742	35.0
SSNIT Contributors	371,006	1,113,515	501,082	45.0
SSNIT Pensioners	40,858	163,616	71,991	44.0
Indigents	1,491,491	1,496,641	1,077,581	72.0
Children (Under 18)	4,430,051	12,425,049	4,597,268	37.0
Aged (70 yrs +)	404,704	798,395	498,997	62.5
Pregnant Women	373,760	831,312	540,353	65.0
	10,256,862	**27,224,935**	**10,926,015**	**40.1**

Table 5.2.2 **Registration Coverage *Distribution by Regions***

Region	2014			2015 (projected)		
	Population	Active Members	% Rate	Population	Target[1] rate %	Active Members
ASHANTI	5,198,546	1,703,307	32.7	5,302,517	31.8	1,686,988
BRONG AHAFO	2,468,633	1,507,244	61.1	2,548,606	55.1	1,404,222
CENTRAL	2,380,653	663,581	27.9	2,428,266	41.9	1,017,588
EASTERN	2,846,965	1,003,192	35.2	2,903,904	40.1	1,166,257
GT. ACCRA	4,335,670	1,142,290	26.4	4,422,383	30.4	1,342,951
NORTHERN	2,680,792	1,138,575	42.5	2,734,408	39.8	1,086,850
UPPER EAST	1,131,524	627,644	55.5	1,154,154	60.7	701,354
UPPER WEST	759,121	427,296	56.3	774,303	59.9	463,481
VOLTA	2,290,254	1,000,362	43.7	2,336,059	44.5	1,039,454
WESTERN	2,568,955	1,038,371	40.4	2,620,334	38.8	1,016,872
TOTAL(NATIONAL)	**26,691,113**	10,256,862	38.4	**27,224,935**	40.1	**10,926,015**

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

Table 5.2.3 Biometric Membership Registration

For the period to December 31, 2014, the number of registered members on the biometric membership database was 3.5 million. Break down by region is as follows;

	Biometric Membership
Ashanti Region	815,618
Central Region	609,345
Eastern Region	839,632
Accra Region	1,192,719
Upper East	20,535
Upper West	31,016
	3,508,865

5.3 AVERAGE PREMIUM PER HEAD

Average premium rates per member (informal sector) in 2014 was **GH¢10.73**. In 2015, we plan to strengthen controls over the Consolidate Premium Account (CPA) system to improve premium collections and reduce leakages. We intend to introduce the e-payment system for premium. Average premium per member in 2015 is therefore projected at **GH¢12.00.**

5.4 AVERAGE ENCOUNTER PER MEMBER PER YEAR

The average encounter per member in 2014 is estimated at 2.8. In 2015, we expect that the average encounter rate for membership will remain unchanged at 2.8.

5.5 AVERAGE CLAIM PER MEMBER

The average claims per active member in 2013 was **GH¢80.03**. In 2014 the cost is estimated at **GH¢95.02.** Our projection for 2015 is **GH¢112.83** per member. Our projection is based on expected medical inflation of 16.3%, which together with other factors are expected to increase medicine prices and service tariff by 25% in 2015. The Authority plans to pursue vigorous cost efficiency reforms in 2015 and this is expected to yield cost savings of 5.0% in claims cost for 2015.

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.

6.1 DETERMINATION OF THE FORMULA

Allocation of funds for the provision of subsidy to cover the payment of claim is based on a risk equalization formula. Risk equalization mechanism was applied in the allocation formula to neutralize insurance risks confronting the Scheme.

The formula is based on risk equalization from both the income and expenditure sides.

Income Side Risk Equalization

The income side risk equalization accounts for the financing gap arising from the non-payment of premium by the exempt group and the deviation of actual premium per each territorial district from the national average premium.

The following are the definition for the various notations used in the formula.

D_i^{prem} = total number of the premium paying active members for territorial district *i*,
N^{exempt} = total number of the premium exempted active members in the National Scheme,
C_i = total amount of premium received by territorial district *i*,
N^{prem} = total number of members paying premium across all territorial districts $(=\sum_i D_i^{prem})$
C = total amount of premium received by all territorial districts $(= \sum_i C_i)$
c_i = average premium received by territorial district *i*
c = average premium across all territorial districts.

The overall average premium across all territorial districts is given by:

$$c = \sum_i C_i / \sum_i D_i^{prem} \quad \text{.....(1)}$$

Subsidy, S^1 (to cater for premium for exempt members in the National Scheme) is given by:

$$S^1 = c * N^{exempt} \quad \text{.....(2)}$$

Subsidy, S_i^2, (for equalizing the average premium to the overall average premium for all territorial districts) is given by:

$$S_i^2 = (c - c_i) * D_i^{prem} \quad \text{.....(3)}$$

As a national unitary scheme, the sum of equalizing the district average premium to the overall national premium is zero.

$$\sum_i S_i^2 = \text{zero}$$

Therefore, the risk equalization formula on the income side for the National scheme is given by

$$S^{inc} = c * N^{exempt} + (c - c_i) * D_i^{prem} \quad \text{.....(4)}$$

$$S^{inc} = c * N^{exempt} + \text{Zero} \quad \text{.....(5)}$$

Expenditure Side Risk Equalization

The expenditure side risk equalization takes account of financing gap between the average cost of claims per active member and the average premium payable per active member.

N = total number of active members in the National Scheme
E = total claims amount payable by the National scheme
K = (E/N) = average claim amount per active member in the National scheme
c = average premium payable in the National Scheme.

The risk equalization formula on the expenditure side for the National Scheme is given by

$$S^{exp} = (K - c) * N \quad \text{.....(6)}$$

$$\boxed{S^{exp} = \{E/N - (\sum_i C_i / \sum_i D_i^{prem})\} * N} \quad \text{..... (7)}$$

6.2 SUBSIDY ALLOCATION FORMULA

The overall allocation to the National Scheme is given by

$$S = S^{inc} + S^{exp} \quad \text{..... (8)}$$

$$\boxed{S = c * N^{exempt} + (c - c_i) * D_i^{prem} + (K - c) * N} \quad \text{..... (9)}$$

Where, $c = \sum_i C_i / \sum_i N_i^{prem}$ **and** $K = E / N$

And $\boxed{(c - c_i) * D_i^{prem} = \text{zero}}$

6.3 SUBSIDY ALLOCATION FORMULA - AGGREGATE

The total Subsidy expected to accrue to the National Scheme in 2013 to cater for risk is given by:

$$\sum S_i = c * N^{exempt} + \sum_i (c - c_i) * D_i^{prem}) + (K - c) * N) \quad \text{..... (10)}$$

Where, $c * N^{exempt}$ - represents income side equalization subsidy (premium for exempt group)

$((K - c) * N)$ - represents expenditure side equalization subsidy (claims subsidy) and

$\sum((c - c_i) * D_i^{prem})$ - is applied to equalize average premium for territorial districts overall national average premium. The sum across all territorial districts is zero.

7.0 DETERMINATION OF ALLOCATION OF FUNDS

Based on the above allocation formula and 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 77 (2) 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 2015 is proposed at **GH¢87,447,276.00.**

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

7.1 INCOME SIDE/PREMIUM SUBSIDY DISTRUBUTION

Catergory	Active Members	Active Members Estimate for 2015	
	Number $=N_{2014}$	Number N_{2015}	Income Subsidy $=C*N^{exempt}$
Informal	3,144,992	3,638,742	-
SSNIT Contributors	371,006	501,082	6,012,984
SSNIT Pensioners	40,858	71,991	863,892
Indigents	1,491,491	1,077,581	12,930,972
Children (under 18 yrs)	4,430,051	4,597,268	55,167,216
Aged (over 70+)	404,704	498,997	5,987,964
Pregnant Women	373,760	540,353	6,484,236
	10,256,862	**10,926,015**	**87,447,276**

7.2 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:

$$= (K_{2015} - C_{2015}) * N_{2015}$$

- Given that;
  - ✓ average claim cost per member in 2014, K_{2014} = GH¢95.02
  - ✓ average claims per encounter in 2014 E_{2014} = GH¢ 33.93
  - ✓ expected increase in medicine & service tariff 2015 = 25.0%
  - ✓ estimated cost savings in 2015 = 5%
  - ✓ est. average claims per encounter in 2015 K_{2015} = GH¢40.29
  - ✓ est. average encounter in 2015 = 2.8
  - ✓ est. average claim cost per member in 2015 K_{2015} = GH¢112.83
  - ✓ average premium per member in 2015, C_{2015} = GH¢12.00
  - ✓ claims subsidy per member estimated for 2015 = GH¢100.83
  - ✓ estimated number of active member in 2015, N_{2015} = 10,926,015
- Amount accrue to the National Scheme as claims subsidy for expenditure side equalization is **GH¢1,101,670,092.45**

7.3 ALLOCATION OF CLAIMS SUBSIDY BY CATEGORY

Category	Active Members Estimated 2015	
	Number =N	Claims Subsidy GH¢ $(K_{2015} - C_{2015}) * N)$
Informal	3,638,742	366,894,356
SSNIT Contributors	501,082	50,524,098
SSNIT Pensioners	71,991	7,258,953
Indigents	1,077,581	108,652,492
Children (Under 18)	4,597,268	463,542,532
Aged (70 yrs +)	498,997	50,313,868
Pregnant Women	540,353	54,483,793
Total	**10,926,015**	**1,101,670,092**

7.4 ALLOCATION OF CLAIMS & PREMIUM SUBSIDY BY REGIONS

REGION	Membership 2015			Premium Subsidy GH¢	Claims Subsidy GH¢	Total Subsidy GH¢
	Total	Formal	Informal			
ASHANTI	1,686,988	1,141,822	545,166	13,701,864	170,099,000	183,800,864
BRONG AHAFO	1,404,222	963,216	441,006	11,558,592	141,587,704	153,146,296
CENTRAL	1,017,588	678,701	338,887	8,144,412	102,603,398	110,747,810
EASTERN	1,166,257	794,510	371,747	9,534,120	117,593,693	127,127,813
GT. ACCRA	1,342,951	895,708	447,243	10,748,496	135,409,749	146,158,245
NORTHERN	1,086,850	691,593	395,256	8,299,116	109,587,086	117,886,202
UPPER EAST	701,354	457,791	243,563	5,493,492	70,717,524	76,211,016
UPPER WEST	463,481	309,128	154,353	3,709,536	46,732,789	50,442,325
VOLTA	1,039,454	693,285	346,169	8,319,420	104,808,147	113,127,567
WESTERN	1,016,872	661,520	355,351	7,938,240	102,531,204	110,469,444
TOTAL	**10,926,015**	**7,287,273**	**3,638,742**	**87,447,288**	**1,101,670,294**	**1,189,117,582**

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

Disbursement will be made in 2015 fiscal year for the following mandatory and administrative expenditure;

a) Repayment of the balance of the Syndicated Loan

b) Operational costs of the Head office, Regional offices and District offices;

c) Administrative & Logistical Support to 165 District Offices.

d) Support to MOH – Public Health & Preventive Care& Health Service Investment

e) Support for MPs sponsored District Health Projects and M&E

f) Maintenance & Upgrade of the NHIS Nationwide ICT Network

g) Biometric ID Card & Authentication System

h) Claims Processing Centers and the E-Claims system

i) Call Center operations

j) Document Archival System and Claims Digitization

k) Publicity, Sensitization and Marketing of NHIS programs.

l) Introduction of e-payment system

m) Restructuring of the NHIS for sustainability.

7.6 DETAILS OF 2015 NHIF ALLOCATIONS

No.	ITEM	Amount GH¢ 'm	% of Fund	Details	2015 GH¢	2014 GH¢
1.0	Claims Arrears-2014	456.40		*Claims Arrears: August – Dec. 2014*	456.40	-
	Claims for 2015	1,232.78		*Claims Payment for 2015*		
		----------		1.1 Premium Subsidy- Formal	87.45	90.38
				1.2 Claims Subsidy	1,101.67	723.09
	Total	1,689.18	77.7%	1.3 Premium- Informal	43.66	-
2.0	Loan Repayment	57.70	2.7%	2.1 Principal Repayment	50.80	118.00
				2.2 Interest payment	6.90	-
3.0	NHIA Operational Cost	133.35	6.1%	3.1 Compensation	98.78	87.39
				3.2 Goods & Services	29.35	30.80
				3.3 Assets	5.22	4.00
4.0	Support to District Offices	40.55	1.9%	4.1 Admin Support to District Offices	28.25	33.10
				4.2 District Staff Training & Dev't.	6.00	-
				4.3 District Vehicles- 40 no.	6.30	4.20
5.0	Support to MOH	45.00	2.1%	*Public Health & Preventive Care*		
				5.1 Vaccination	3.00	3.00
				5.2 Sanitation Programs	-	10.00
				5.3 Cancer Screening (Prostate, Cervical & Breast)	1.00	2.00
				5.4 Sickle Cell Screening	1.00	1.00
				5.5 Support to ARV	5.00	5.00
				5.6 Ambulance Service	5.00	5.00
				5.7 Support for Allied Health Profession Council Project	5.00	-
				Health Service Investment		
				5.7 Const. Health Training Schools	15.00	10.00
				5.8 New Prescription Forms & Provider stamp	10.00	7.00
6.0	Support for District Health Projects	19.88	0.9%	6.1 District Health Projects	15.13	13.75
				6.2 Special Projects	2.00	2.00
				6.3 Monitoring & Evaluation	2.75	2.20
7.0	Per Capita Payment System	5.50	0.3%	7.1 Implementing Capitation in 3 Regions	5.50	6.50
8.0	Claims Processing Centers & E-Claims	10.00	0.5%	8.1 Infrastructure Enhancement	2.00	7.30
				8.2 CPC Software Enhancement & Support	0.45	5.80
				8.3 CPC Data Center Maintenance	1.00	1.00
				8.4 CPC Vehicles – 4 no.	0.63	0.80
				8.5 Const. of 4 CPC Offices	5.92	4.80
9.0	Biometric ID Cards &	68.00	3.1%	9.1 Enrolment Kit & Smart Printers – 220 kits @ ghc45,450	10.00	26.45

	Authentication System			9.2 Maintenance & Enhancement 9.3 Biometric ID Card (4million) 9.4 ID Cards Printing Consumables 9.5 Professional Service fees	8.00 44.00 6.00 -	- 32.00 5.50 0.50
10.0	**Nationwide ICT Network**	**43.45**	2.0%	***Licensing & Application Support*** 10.1 ERP & Application License 10.2 MIS System Support ***Nationwide Network Maintenance*** 10.3 Bandwidth & CPC Internet 10.4 Relocation & Maintenance of Satellite Equipment 10.5 ITIL Implementation ***ICT Equipment & Accessories*** 10.6 Computers & Access -600 no. 10.7 PC/Printer Inverter Access. & Maintenance. 10.8 Mobile Platform 10.9 Data Warehouse **Financial System Dev't & Upgrade** 10.9 Oracle Financial Configuration & Upgrade 10.10 District Financial System ***Magnetic ID Cards*** 10.11 ID Cards – 1.5 million 10.12 Renewal Stickers ***Disaster Recovery*** 10.13 Disaster Recovery Hosting 10.14 Power Generators 40 no.	 6.00 4.39 10.47 0.20 - 1.00 1.00 0.40 0.50 4.00 3.00 8.44 0.30 0.75 3.00	 7.90 1.82 5.80 - 0.50 1.00 3.00 - - - 2.37 8.00 0.80 -
11.0	**Office Buildings**	**29.25**	1.35%	11.1 Head Office Annex 11.2 Const. of 50 no. District Office 11.3 Regional Offices Maintenance	3.75 25.00 0.50	11.86 25.00 0.50
12.0	**Call Center**	**3.20**	0.15%	12.1 Call Center Operational Cost	3.20	2.00
13.0	**Archival System & Document Management**	**10.00**	0.5%	13.1 Materials, Storage, & Services 13.2 Document Digitization	7.00 3.00	5.00 2.00
14.0	**Support for Health-Related Research**	**1.00**	0.1%	14.1 Support to Health-related Research work	1.00	1.00
15.0	**Sensitization, Publicity & Marketing**	**5.00**	0.2%	15.1 Sensitization, publicity, publicity tools, and marketing programs & CSR	5.00	4.00
16.0	**Contingency**	**11.45**	0.5%	Amount allocated for contingencies	11.45	17.00
	Total	**2,103.13**	**100%**	**Total**	**2,103.13**	**1,336.31**

7.7 SUMMARY OF PROPOSED ALLOCATION OF FUNDS FOR 2015

	Notes	GH¢'m	%
Claims Arrears 2014	8.1	456.40	
Claims -2015	8.1	1,232.78	77.7
Loan Repayment	8.2	57.70	2.7
NHIA Operational Expenses	8.3	133.35	6.1
Support to District Offices	8.4	40.55	1.9
Support to MOH	8.5	45.00	2.1
Support for District Health Projects & M&E	8.6	19.88	0.9
Per Capita Payment System – Rollout	8.7	5.50	0.25
Claims Processing Centers & E-Claims	8.8	10.00	0.5
Biometric ID Cards & Authentication System	8.9	68.00	3.1
Nationwide ICT System	8.10	43.45	2.0
Office Buildings	8.11	29.25	1.35
Call Center	8.12	3.20	0.15
Archival System & Document Digitization	8.13	10.00	0.5
Support for Health-related Research	8.14	1.00	0.1
Sensitization, Publicity, tools & Marketing	8.15	5.00	0.2
Contingency	8.16	11.45	0.5
		2,172.51	**100.00**

7.8 COMPARATIVE ANALYSIS OF FUNDS ALLOCATION FOR 2015 & 2014

Expenditure Line	2015		2014	
	GH¢'m	% of Total	GH¢'m	%of Total
Claims Arrears- 2014	456.40		-	-
Claims Payments	1,232.78	77.7	813.47	60.9
Loan Repayment	57.70	2.7	118.00	8.8
NHIA Operational Expenses	133.35	6.1	122.19	9.1
Support to District Offices	40.55	1.9	37.30	2.8
Support for MOH Programs	45.00	2.1	43.00	3.2
Support for District Health Projects & M&E	19.88	0.9	17.95	1.3
Per Capita Payment System – Rollout	5.50	0.25	6.50	0.5
Claims Processing Centers & E-Claims	10.00	0.5	10.90	0.8
Biometric ID Cards & Authentication System	68.00	3.1	64.45	4.8
Nationwide ICT System	43.45	2.0	34.19	2.6
Office Buildings	29.25	1.35	37.36	2.8
Call Center	3.20	0.15	2.00	0.15
Archival System & Document Digitization	10.00	0.5	7.00	0.5
Support for Health-related Research	1.00	0.1	1.00	0.07
Sensitization, Publicity, tools & Marketing	5.00	0.2	4.00	0.3
Contingency	11.45	0.5	17.00	1.3

	2,172.51	100.00	1,336.31	*100.0*

8.0 EXPLANATORY NOTES

8.1 CLAIMS

8.1.1 CLAIMS ARREARS – 2014

Claims arrears of **GH¢526.84 million** was outstanding as at December 31, 2014 for the months of June- December 2014. In the first quarter of 2015, some of the arrears were redeemed leaving outstanding arrears of **GH¢456.4 million** for 2014. The balance represents claims arrear for the months of July to December 2014, which has been factored into the Allocation Formula for 2015.

8.1.2. CLAIMS – 2015

A total amount of **GH¢ 1,232.78 million** is allocated for the payment of claims of health service providers for 2015. This expenditure shall be funded from earmarked allocation for premium and claims subsidies in 2015 and premium contributions from the informal sector.

8.1.2.1 PREMIUM SUBSIDY

This represents subsidy payable by Government on behalf of the 7.287 million members of the exempt category of the NHIS. The total expected subsidy for 2015 is **GH¢87.45 million**. Details are as follows;

Indigents

Indigents as described by law are people who are very poor. A recently completed Ghana Standard Survey (GLSS-5) confirmed the joint World Bank and IMF report, showing that national poverty headcount was 28.5% by the end of 2006. It must be stated that most of those considered very poor cannot afford the annual subsidized premium. Without relevant statistical data certain assumptions were made in arriving at a proportion of the population who would be considered indigents. Ghana's estimated projected population estimates for 2015 are about 27.22 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, 798,395 people constituting the aged population and another 12.45 million representing the estimated population of those less than 18 years are subtracted from the total population. The remaining population will be 13.97million.

It is assumed that 10.7% of the net population of 13.97million or 5.5% of the total estimated population of 27.22 million would constitute the indigent population. Hence the indigent population for 2015 is estimated at 1,496,641. It is estimated that 72% of indigents (i.e. 1,077,581 indigents) shall be covered under the scheme in 2015. An amount of GH¢12.0 is allocated as premium for each indigent and hence, a total amount of **GH¢12.93 million** will be required as premium subsidy for the indigents in 2015.

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 4.597 million in 2015. A provision of **GH¢55.17 million** has therefore been made to cover for the premium of this exempt group.

SSNIT Pensioners

The number of SSNIT pensioners is estimated at 163,616 in 2015. It is estimated that 44% of this number (i.e.71, 991) will be covered under the scheme in 2015. An amount of **GH¢0.86 million** is allocated to cover the premium of SSNIT pensioners in 2015.

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 798,395 of the estimated 27.22 million of the population will constitute the aged population in Ghana in 2015. About 62.5% or 498,997 of the estimate is expected to be covered by the Scheme in 2015. An estimated amount of **GH¢5.98 million** is allocated for the payment of premium for the 498,997 aged expected to be covered under the scheme in 2015.

SSNIT Contributors

Available data indicate that the total number of SSNIT contributors is 1,000,112 as at June 2013, and this is expected to hit 1.113 million in 2015. SSNIT contributors are automatically covered under the law because of their 2.5% monthly contribution to the NHIF. It is estimated that 501,082 SSNIT contributors representing 45.0% of the expected number of SSNIT contributors will be covered under the scheme in 2015. An amount of **GH¢6.01 million** is therefore allocated to cover their premium under the Scheme in 2015.

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 540,353 pregnant women in 2015. An amount of **GH¢6.48 million** is allocated for the payment of their premium under the Scheme in 2015.

8. 1.2 CLAIMS SUBSIDY

The claim subsidy is based on total estimated active membership of **10.926 million** in 2015. Average claim cost per head in 2015 is estimated at **GH¢112.83.**

Against expected average premium of **GH12.00** per head per year, the shortfall of **GH¢100.83** constitute the estimated claims subsidy for each expected active member in 2015.

Based on this, an amount of **GH¢1,101.67million** is allocated to the Scheme as claims subsidy in 2015.

8.1.3 INFORMAL PREMIUM EARMARKED FOR CLAIMS

Premium of **GH¢43.66 million** expected from the informal sector in 2015 is also allocated for the payment of claims in 2015.

8.2 LOAN REPAYMENT

The Authority borrowed an amount of GH¢140.0 million in 2012 to support payment of claims, and to bridge the funding gap. The Authority has paid part of the loan plus interest, leaving a balance of **GH¢57.70 million** (including interest) to be paid by March 2015. The Authority, therefore, allocates an amount of GH¢57.70 million from its expected receipts in 2015 to pay off the loan.

8.3 AUTHORITY'S OPERATIONS

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 2015 covers activities of the Head office, the 10 Regional offices, and activities of the 155 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 2015, a total amount of **GH¢133.35 million** representing 6.1% of total expected receipts is earmarked as expenditure for Authority's operations.

8.4 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¢40.55 million** will be required by 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 40 of such vehicles would be replaced at a total cost of **GH¢6.30 million.**

ii. Provision of administrative and logistical support will average **GH¢0.17 million** per district office. This amounts to **GH¢34.25 million**. This amount covers the following expenses at the district offices;

- Marketing and publicity programs
- Training and Capacity building
- Commission for premium collecting agents
- Printing, stationery and office consumables
- Maintenance and repair works
- Office rents
- Membership drive
- Travelling expenses and allowances
- Fuel & Vehicle running cost.
- Utilities
- Etc.

8.5 SUPPORT FOR MINISTRY OF HEALTH PROGRAMS

8.5.1 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¢20.00 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 2014 allocations are;

	GH¢'m
Vaccination (Polio, HPV)	3.00
Cancer Screening (Cervical, Breast, & prostate)	1.00
Sickle Cell Screening	1.00
Support for National Ambulance Service	5.00
Support for ARV	5.00
Support for Allied Health Profession Project	5.00
Total	**20.00**

8.5.2 Health Sector 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 2015, an amount of **GH¢15.0 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¢10.0 million** is also allocated for the printing of new standardized prescription forms for the health facilities and

8.6 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 2015 and therefore propose to allocate an amount of **GH¢55,000.00** for each district health project, plus an amount of **GH¢2.0 million** for special projects. The allocation for 2015 is therefore **GH¢17.125 million.**

The Authority also allocates **GH¢2.75 million** for health related monitoring and evaluation activities of the 275 members of Parliament in their respective constituencies. Each member is allocated **GH¢10,000.00**. These activities are expected to contribute towards the improvement of health services in their respective constituencies.

8.7 ROLL-OUT OF PER CAPITA (CAPITATION) PAYMENT SYSTEM

The Authority plans to roll out the per capita payment system across three regions, namely, Volta Region, Upper East and Upper West Regions. An amount of **GH¢5.5 million** is allocated to meet the cost of implementation.

8.8 CLAIMS PROCESSING CENTRES & E-CLAIMS SYSTEM

A total amount of **GH¢ 10.00 million** is allocated for the construction of office buildings for the 4 claims processing centers, 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 amount will cover the following expected expenditure;

- Construction of office buildings for 4 no. claims centers
- Infrastructure enhancement
- Software Enhancement & Support
- Purchase of 4 no. vehicles for the CPCs
- CPC Data Center Maintenance

8.9 INSTANT BIOMETRIC ID CARD & AUTHENTICATION SYSTEM

The Authority is overhauling its membership database by introducing an instant biometric ID card and authentication system in four of the regions. In 2015, the Authority intends to extend the system to cover the remaining regions. This system will enhance data integrity and subscriber authentication at point of access to health care. The introduction of this improved system will also ensure greater checks and control in the claims payment system. This is also expected to reduce provider shopping, subscriber abuse and fraud.

An amount of **GH¢68.00 million** is earmarked for the system and shall cover the following;

- cost of providing enrollment kits for the district offices in the remaining regions,
- maintenance and enhancement of the system
- provision of 4.0 million biometric ID cards
- consumables for printing instant ID cards, colour ribbons and cleaning kits.

8.10 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 sustain these objectives, a total amount of **GH¢43.45 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¢10.39 million** to upgrade the Oracle ERP Applications and license renewal for Oracle, Microsoft, and to support the MIS system.

- A total amount of **GH¢10.67 million** is earmarked for the Network bandwidth & CPC internet, relocation and maintenance of the satellite equipment across the country.

- An amount of **GH¢2.40 million** is earmarked for the purchase and installation of 600 computers to replace broken down machines at the district and head offices, purchase of power inverters for the district offices, undertake hardware maintenance and purchase of mobile platform kits for the consolidated premium account system.

- An amount of **GH¢0.50 million** is allocated for the cost of developing data warehouse for the Authority.

- An amount of **GH¢7.00 million** for reconfiguration of the Oracle financial modules, and automation of financial systems at the district offices.

- An amount of **GH¢8.74 million** is earmarked for the production of 1.5 million magnetic ID cards and renewable stickers.

- An amount of **GH¢0.70 million** is allocated for the hosting of Disaster recovery, and ISO certification.

- An amount of **GH¢3.0** million is allocated for the purchase of 40 no. power generating sets for some of the District Offices to support the operations of the Scheme at the local level.

8.11 CONSTRUCTION OF HEAD OFFICE ANNEX & DISTRICT OFFICES

The Authority proposes to spend a total amount of **GH¢29.25 million** on the furnishing of the Head Office Annex and construction of 50 no. district offices. The breakdown is given as follows; GH¢3.75 million for the furnishing of the Head Office Annex, GH¢25.0 million for the district offices, and GH 0.50 million for improvement cost for some regional offices. The district offices construction were not undertaken in 2014 due to cash constraint. The budget for the construction of district offices is projected same for 2015.

8.12 CALL CENTRE

The Authority proposes a budget of **GH¢ 3.2 million** for the operation of the call center in 2015.

8.13 ARCHIVAL SYSTEM & DOCUMENT DIGITIZATION SYSTEM

The Authority has earmarked an amount of **GH¢7.00 million** for the operation of the archival services for the millions of claims documents from over 3,000 health providers. The amount will cover the cost of materials, storage, transportation, handling and services. An additional amount of **GH¢3.0 million** is allocated for the cost of claims digitization.

8.14 HEALTH RELATED RESEARCH

An amount of **GH¢1.00 million** is earmarked for health related research.

8.15 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 and to help shore up public confidence in the Scheme. It shall also include corporate social responsibility projects. A total amount of **GH¢ 5.00 million** is set aside for this purpose. This amount include **GH¢1.20 million** earmarked for publicity tools and equipment.

8.16 CONTINGENCY

For the purpose of meeting unexpected commitments of the Authority within the year, an allocation of **GH¢ 11.45 million** has been earmarked