

**Clause By Clause Analysis Of The Bill For An Act To Repeal The National Health Insurance Scheme Act, (Cap N.42, LFN 2004) And To Enact The National Health Insurance Commission Bill And The Extant National Health Insurance Scheme Act**

**By**



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**Clause by Clause Analysis of the National Health Insurance Scheme Act and A Bill for an Act to repeal the National Health Insurance Scheme Act, (Cap N.42, LFN 2004) and to enact the National Health Insurance Commission Bill. The review is on principal areas of divergence and where there is a lacuna in the Existing Law and Bill.**

PRINCIPAL ACT	REPEAL BILL	RECOMMENDATION	JUSTIFICATION
<p><b>Long Title</b> An Act to establish the National Health Insurance Scheme with the objectives of ensuring access to good health care services to every Nigerian and protecting Nigerian families from financial hardship of huge medical bills; and for matters connected therewith.</p>	<p>An Act to repeal the National Health Insurance Scheme Act, Cap N.42, LFN 2004 and to enact the National Health Insurance Commission Bill.</p>	<p>An Act to repeal the National Health Insurance Scheme Act, Cap N.42, LFN 2004 and to enact the National Health Insurance Commission Bill with the objectives of ensuring access to good health care services to every Nigerian and protecting Nigerian families from financial hardship of huge medical bills; and for matters connected therewith.</p>	<p>Even if there is the need to repeal the law or change the name of the National Health Insurance Scheme (hereinafter called Scheme) to a Commission, it does not vitiate the core objective of health insurance as a contributor to universal health coverage. By missing out on this long title, the bill starts on a wrong note which takes away focus from the core objective of the legislation. Thus, it can be an Act to repeal but it should reaffirm the core message.</p>
<p><b>Part 1, S.1: Establishment of the Scheme</b> There is hereby established a scheme to be known as the National Health Insurance Scheme (in this Act referred to as "the Scheme") for the purpose of providing health insurance which shall entitle insured persons and their dependents the benefit of prescribed good quality and cost-effective health services as set out in this Act.  The Scheme-</p>	<p><b>PART I – ESTABLISHMENT OF THE NATIONAL HEALTH INSURANCE COMMISSION</b>  <b>Establishment of the National Health Insurance Commission</b> <b>1. (1)</b> There is hereby established a body to be known as the National Health Insurance Commission (in this Bill referred to as "the Commission").  (2) The Commission -  (a) shall be a body corporate with</p>	<p>Retain the Name National Health Insurance Scheme and the affirmation of purpose contained in the Act.  This Bill should focus on amending the shortfalls of the current National Health Insurance Scheme, rather than introducing a new Insurance Commission.</p>	<p>The existing Scheme as established will serve the same purpose of providing insurance coverage for Nigerians. Retain the Scheme as there is no obvious stated benefit of changing the Scheme to a Commission. There is no need to attempt to fix an unbroken system. The proposed Commission will also attract more administrative and institutional costs to FGN and the insured.</p>

<p>(a) shall be a body corporate with perpetual succession and a common seal; and</p> <p>(b) may sue and be sued in its corporate name.</p>	<p>perpetual succession and an official seal;</p> <p>(b) may sue and be sued in its corporate name;</p> <p>(c) may for the performance of its functions under this Bill acquire, hold, or dispose of any moveable and immovable property;</p> <p>(d) may enter into contract or any other transaction.</p>	<p>Retain the provisions of the Act.</p>	<p>Nothing new is added by the provisions of the Bill. All the new provisions are attributes of a body corporate with perpetual succession.</p>
<p><b>S.5: Objects of the Scheme</b> The objectives of the Scheme shall be to-</p> <p>(a) ensure that every Nigerian has access to good health care services;</p> <p>(b) protect families from the financial hardship of huge medical bills;</p> <p>(c) limit the rise in the cost of health care services;</p> <p>(d) ensure equitable distribution of health care costs among different income groups;</p> <p>(e) maintain high standard of health care delivery services</p>	<p><b>Object of the Commission</b> <b>2. (1)</b> The principal object of the Commission shall be to ensure the effective implementation of a national health insurance policy that enhances access to healthcare services to all Nigerians and promote and regulate health insurance schemes in Nigeria.</p> <p><b>(2)</b> For the purpose of achieving this object, the Commission shall:</p> <p>(a) register, license and regulate all health insurance schemes that operate in Nigeria;</p> <p>(b) grant accreditation and re-accreditation to Health Maintenance Organizations,</p>	<p>Retain the Act but substitute the original section 5, subsection f with the following: <i>“ensure efficiency in health care services and in the administration of the health financing system”.</i></p> <p>Also add a subsection k to section 5 to read: <i>”improve transparency and accountability of the health care system to Nigerians”</i></p> <p>Move (a) to (c) of the Bill to the functions of the Scheme</p>	<p>Section 2 (2) (a) to (c) of the Bill do not qualify as objectives that will facilitate the realization of universal health coverage. They are at best functions and powers of the Commission. The objectives in section 5 of the Act are more representative of the aspirations of Nigerians on health care, for which health insurance is a mere vehicle to the destination. The principal objects should be the goal, the bigger picture which should be about universal health coverage through the policies of promoting universal protection against financial risk and promoting a more</p>

<p>within the Scheme</p> <p>(f) ensure efficiency in health care services;</p> <p>(g) improve and harness private sector participation in the provision of health care services;</p> <p>(h) ensure adequate distribution of health facilities within the Federation;</p> <p>(i) ensure equitable patronage of all levels of health care;</p> <p>(j) ensure the availability of funds to the health sector for improved services.</p>	<p>Mutual Health Associations and healthcare facilities and monitor their performance;</p> <p>(c) ensure that healthcare services rendered to beneficiaries of various health plans by accredited healthcare facilities are of good quality;</p>		<p>equitable distribution of the burden of funding the health system<sup>1</sup>. Health financing should be linked and contribute to the realization of overall health system goals.</p> <p>Health insurance should be made compulsory for all Nigerians. The fact that 90% of Nigerians pay out of their pocket for health care services has excluded the poor from enjoying affordable health care which is a part of the right to life.</p> <p>The objectives in the Principal Act provides a very holistic target for health insurance coverage.</p>
<p><b>6. Functions and powers of the Scheme</b></p> <p>The Scheme shall be responsible for –</p> <p>(a) registering health maintenance organisations and health care providers under the Scheme;</p> <p>(b) issuing appropriate guidelines to maintain the viability of the Scheme;</p>	<p><b>Functions of the Commission.</b></p> <p>(2) For the purpose of achieving this object, the Commission shall:</p> <p>(d) approve contributions that should be made by the members of the various health insurance schemes;</p> <p>(e) provide mechanisms for resolving complaints by members of the schemes and healthcare facilities;</p> <p>(f) make proposals to the Minister</p>	<p>The functions and powers of the Scheme should be expanded in accordance with the Bill. Also, the principal Act should be amended to include;</p> <p><i>“devise mechanisms for ensuring that the healthcare needs of indigent Nigerians are adequately provided for”.</i></p> <p>This should be added before the omnibus clause.</p>	<p>The section will meet the needs all Nigerians including the vulnerable and indigents who need health insurance.</p>

<sup>1</sup> See Health Financing Policy: A Guide for Decision Makers - Health Financing Policy Paper 2008/1, World Health Organization, Europe.

<p>(c) approving format of contracts proposed by the health maintenance organisations for all health care providers;</p> <p>(d) determining, after negotiation, capitation and other payments due to health care providers, by the health maintenance organisations;</p> <p>(e) advising the relevant bodies on inter-relationship of the Scheme with other social security services;</p> <p>(j) the research and statistics of matters relating to the Scheme;</p> <p>(g) advising on the continuous improvement of quality of services provided under the Scheme through guidelines issued by the Standard Committee established under section 46 of this Act;</p> <p>(h) determining the remuneration and allowances of all staff of the Scheme;</p> <p>(i) exchanging information and data with the National Health Management Information System, Nigerian Social Insurance Trust Fund, the Federal Office of Statistics, the Central Bank of Nigeria, banks</p>	<p>of Health for the formulation of policies on health insurance;</p> <p>(g) undertake on its own or in collaboration with other relevant bodies a sustained public education on health insurance;</p> <p>(h) devise a mechanism for ensuring that the basic healthcare needs of indigents are adequately provided for;</p> <p>(i) maintain a register of licensed health insurance schemes and accredited healthcare facilities;</p> <p>(j) evaluate any new proposals related to extending the health insurance coverage to any group of Nigerians;</p> <p>(k) issue appropriate regulations and guidelines to ensure viability of prepaid health insurance schemes whether private or public;</p> <p>(l) accredit insurance companies, insurance brokers and banks desirous of participating in health insurance schemes under the Commission;</p> <p>(m) maintain a national data bank on health insurance;</p>		
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<p>and other financial institutions, the Federal Inland Revenue Service, the State Internal Revenue Services and other relevant bodies;</p> <p>(j) doing such other things as are necessary or expedient for the purpose of achieving the objectives of the Scheme under this Act.</p>	<p>(n) monitor compliance with this Bill, regulate and pursue actions to ensure compliance; and</p> <p>(o) regulating all health insurance schemes in Nigeria in accordance with the provisions of this Bill;</p> <p>(p) approving formats of contracts for health service purchasing proposed by the health maintenance organizations and the mutual health associations for all health care facilities;</p> <p>(q) approving, after negotiation, capitation and other payments due to health care facilities by the Health Maintenance Organizations, Mutual Health Associations, etc;</p> <p>(r) undertaking research and producing statistics on matters relating to the Commission;</p> <p>(s) ensuring the continuous improvement in the quality of services provided by the various schemes through regulations and guidelines issued by the Council;</p> <p>(t) exchanging information and</p>		
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	<p>data with the National Health Management Information System, financial institutions, the Federal Inland Revenue Service, the State Internal Revenue Services and other relevant bodies;</p> <p>(u) ensuring manpower development of the Commission;</p> <p>(v) carrying out such other activities as are necessary or expedient for the purpose of achieving the objectives of the Commission under this Bill.</p>		
<p><b>2. Establishment of the Governing Council</b></p> <p>(1) There is hereby established for the management of the Scheme, a Governing Council (in this Act referred to as "the Council") which shall, subject to this Act, have general control of the Scheme.</p> <p>(2) The Council shall consist of the following members</p> <p>-(a) the chairman, who shall be appointed by the President, on the recommendation of the Minister;</p> <p>(b) one person to represent the</p>	<p><b>Establishment of the Governing Council</b></p> <p><b>3. (1) There is hereby established a Governing Council (in this Bill referred to as "the Council") which shall consist of:</b></p> <p>(a) the Chairman;</p> <p>(b) one representative each of:</p> <p>(i) the Federal Ministry of Health not below the rank of a Director;</p> <p>(ii) the Federal Ministry of Finance not below the rank of a Director;</p> <p>(iii) the Office of the Head of Service of the Federation not</p>	<p>The Governing Council as contained in the principal Act should be amended to include the new representatives in the Bill. But the representation of Health Maintenance Organisations in the Act should be expunged. There is no need for a Director-General, the position of Executive Secretary remains.</p>	<p>HMOs cannot be in the Council; they cannot be part of the regulator as well as being the regulated. There is a conflict of interest in the arrangement in the Principal Act.</p> <p>A Director General goes with a Commission and since the Commission has not been recommended, there is no basis for it here.</p>

<p>Federal Ministry of Health;</p> <p>(c) one person to represent the Federal Ministry of Finance;</p> <p>(d) one person to represent the Office of Establishment and Management Services in the office of the head of Civil Service of the Federation;</p> <p>(e) one person to represent the Nigerian Employers Consultative Association;</p> <p>(f) one person to represent the Nigeria Labour Congress;</p> <p>(g) one person to represent the registered health maintenance organisations;</p> <p>(h) one person to represent the private health care providers;</p> <p>(i) two persons to represent public interest; and</p> <p>(j) the Executive Secretary of the Scheme who shall also be the Secretary to the Council.</p> <p>(3) The chairman shall be appointed from the private sector and be a person of relevant high education, knowledge and</p>	<p>below the rank of a Director;</p> <p>(iv) the Nigeria Employers Consultative Association;</p> <p>(v) the Nigerian Labour Congress;</p> <p>(vi) The Armed Forces and Police.</p> <p>(c) one representative of the National Insurance Commission;</p> <p>(d) two persons representing consumers (or public interest)</p> <p>(e) Director General of the Commission who shall also serve as the Secretary to the Council.</p> <p>(f) A representative of the States and Local Governments.</p> <p>(2) Members of the Council, other than the Director General, shall be part- time members.</p> <p>(3) All members shall within one month of appointment declare in writing to the Council their personal interests as well as</p>	<p>Amend the Act to include this that: <i>Members of the Council, other than the Executive Secretary shall be part- time members.</i></p> <p>Amend the principal Act to read:</p>	<p>This is to reduce the cost of running the Governing Council.</p> <p>Beyond this initial obligation, the duty to declare conflict of interest situations should be a continuing</p>
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<p>integrity.</p> <p>(4) The other members of the Council shall-</p> <p>(a) be persons of proven integrity; and</p> <p>(b) be appointed by the President on the recommendation of the Minister.</p> <p>(5) The supplementary provisions set out in the Schedule to this Act shall have effect with respect to the proceedings of the Council and the other matters contained therein.</p>	<p>those of their family members or close associates known to them in any Organization under this Bill.</p> <p>(4) The Chairman and other members of the Council shall be appointed by the President and Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria, on the recommendation of the Minister, and shall be persons of relevant high education, experience and integrity.</p>	<p><i>All members shall within one month of appointment and thereafter as conflict of interest situations arise, declare in writing to the Council their personal interests as well as those of their family members or close associates known to them in any matter or organization under this Act.</i></p> <p>Amend the Principal Act. The phrases “relevant high education, experience” should be defined in the interpretative section of the Act.</p>	<p>obligation because conflict of interest situations can arise at any time.</p> <p>Leaving this subsection as it is gives the appointing authority wide latitude of unguided discretion which may not deliver results in the public interest. Exercise of discretions is best guided by evidence based principles.</p>
<p><b>7. Functions of the Council</b></p> <p>The Council shall have power to-</p> <p>(a) manage the Scheme in accordance with the provisions of this Act;</p> <p>(b) determine the overall policies</p>	<p><b>Functions and Powers of the Council</b></p> <p><b>4.</b> The Council shall have the powers to –</p> <p>(a) approve and register for the Commission all pre-paid public and private health insurance</p>	<p>Retain the provisions of the Principal Act</p>	<p>The functions and powers of the Council are already covered in this and other sections of the Act.</p>

<p>of the Scheme, including the financial and operative procedures of the Scheme;</p> <p>(c) ensure the effective implementation of the policies and procedures of the Scheme;</p> <p>(d) assess, from time to time, the research, consultancy and training programmes relative to the Scheme;</p> <p>(e) arrange for the financial and medical audit of the Zonal Health Insurance Offices established under section 21 of this Act;</p> <p>(f) set guidelines for effective co-operation with other organisations to promote the objectives of the Scheme</p> <p>(g) coordinating quarterly returns from the Zonal Health Insurance Offices;</p> <p>(h) ensuring public awareness about the Scheme;</p> <p>(i) coordinating manpower training under the Scheme;</p> <p>(j) carry out such other activities as are necessary and expedient for the purpose of achieving the</p>	<p>organizations in any form;</p> <p>(b) determine the overall policies of the Commission, including the financial and operational procedures of the Commission;</p> <p>(c) ensure the effective implementation of the policies and guidelines of the Commission;</p> <p>(d) regulate and supervise the various health insurance schemes established under this Bill;</p> <p>(e) issue guidelines for the administration of the funds under the Commission;</p> <p>(f) approve, license, regulate and supervise Health Maintenance Organizations, Mutual Health Associations and other institutions relating to the Commission as may be determined from time to time;</p> <p>(g) establish standards, rules and guidelines for the management of the various schemes under this Bill;</p> <p>(h) approve the organizational structure of the Commission as</p>		
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<p>objectives of the Scheme as set out in this Act.</p>	<p>well as the appointments, promotions and discipline of all categories of the Commission's staff and also their remuneration;</p> <p>(i) receive and investigate complaints of impropriety levied against any Health Maintenance Organization, Mutual Health Associations, and other relevant institutions;</p> <p>(j) Discipline by way of temporary suspension, revocation of license or imposition of fines to any erring operator (HMOs, HMAs, facilities etc.);</p> <p>(k) appoint auditors and other consultants of the Commission;</p> <p>(l) perform such other duties which, are necessary or expedient for the discharge of its functions under this Bill.</p>		
<p>S.3: Tenure of office</p>	<p>(1) A member of the Council, other than an <i>ex-officio</i> member, shall hold office for a term of four years in the first instance and may be re-appointed for a further term of four years and no</p>		

	<p>more.</p> <p>(2) The members of the Council shall be paid such remuneration and allowances as the Federal Government may, from time to time, determine for the chairmen and members of statutory boards generally.</p> <p>(3) A member of the Council, other than an <i>ex-officio</i> member, may resign his appointment by notice, in writing under his hand, addressed through the Minister, to the President, which resignation shall take effect only on acknowledgement by the President.</p>			
4.Cess-ation of membership	<p>(1) A member of the Council shall cease to hold office if-</p> <p>(a) he becomes of unsound mind; or</p>	<p><b>Tenure of Office of Council Members</b></p> <p>(1) A member of the Council other than the Director General shall hold office for a term of 4</p>	Retain the provisions of the Principal Act.	The new provisions fall short of the provisions in the Principal Act.

	<p>(b) he becomes bankrupt or makes a compromise with his creditors; or</p> <p>(c) he is convicted of a felony or of any offence involving dishonesty; or</p> <p>(d) he is guilty of serious misconduct in relation to his duties.</p> <p>(2) A member of the Council may be removed from office by the President on the recommendation of the Minister if he is satisfied that it is not in the interest of the Scheme or the interest of the public that the member should continue in office.</p> <p>(3) Where a vacancy occurs in the membership of the Council, it shall be filled by the appointment of a successor to hold office for the remainder of the term of office of his predecessor, so</p>	<p>years in the first instance and may be re-appointed for a further term of 4 years and no more.</p> <p>(2) Where a member of the Council resigns, dies, is removed from office or is for sufficient reason unable to act as a member of the Council, the chairperson shall notify the President through the Minister, of the vacancy and the President shall on the advice of the nominating authority, where applicable, appoint another person to hold office for the unexpired portion of the member's term of office.</p> <p>(3) A member of the Council may at any time resign from office in writing addressed to the President through the Minister.</p>		
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	<p>however, that the successor shall represent the same interest and shall be appointed by the President.</p>			
<p>Both the Principal Act and the Bill have no provisions that make health insurance compulsory. It is therefore recommended that a new provision should be created in the Principal Act to make health insurance compulsory for all income earners. The suggested provisions to be included in S.16 of the Principal Act are:</p> <p><i>(3) Subject to the provisions of this Act, any person -</i></p> <p><i>(a) who is ordinarily resident in Nigeria;</i></p> <p><i>(b) who has attained the age of 18 years;</i></p> <p><i>(c) whose total income whether derived from salaried or self-employment is not less than the minimum wage</i></p> <p><i>shall be liable to contribute to the Scheme, at such rate and in such a manner as may be determined from time to time, by the Council.</i></p>				
<p><b>Meetings of the Council</b></p>		<p><b>Meetings of the Council</b></p> <p>(1) The Council shall meet at least once every three months for dispatch of business;</p> <p>(2) The Chairman shall at the request, in writing, of not less than half of the membership of the Council convene an extraordinary meeting of the Council at the place and time determined by the Chairperson;</p> <p>(3) The quorum at a meeting of the Council shall be two/third(2/3<sup>rd</sup>) of members of</p>	<p>Move this provision to the Schedule as contained in the Principal Act.</p>	<p>There is no need to clog the body of the legislation with mundane procedural issues of the Governing Council.</p>

		<p>the Council including the Director General;</p> <p>(4) The Chairman shall preside at the meeting of the Council and in the absence of the Chairman, a member of the Council elected by the members present from among their number shall preside;</p> <p>(5) Matters before the Council shall be decided by a simple majority of the members present and voting, and in the event of a tie of votes, the person presiding shall have the casting vote;</p> <p>(6) The Council may co-opt a person to attend a Council meeting but that person is not entitled to vote on a matter for decision by the Council;</p> <p>(7) Subject to the provisions of this section, the Council shall determine the procedure for its meetings; and</p> <p>(8) Minutes in proper form of each meeting shall be kept and shall be adopted by the Council at the next meeting and signed by the Chairman and the</p>		
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<p><b>S.8: Executi ve Secreta ry and other staff of the Scheme</b></p>	<p>(1) There shall be appointed by the President, on the recommendation of the Minister, an Executive Secretary.</p> <p>(2) The Executive Secretary shall-</p> <p>(a) be a person with relevant qualification and experience;</p> <p>(b) be the chief executive and accounting officer of the Scheme;</p> <p>(c) hold office-</p> <p>(i) for a period of five years in the first instance and may be re-appointed for a further term of five years and no more; and</p> <p>(ii) on such terms and conditions as may be specified in his letter of appointment.</p> <p>(3) The Executive Secretary shall, subject to the general direction of the Council, be responsible for-</p> <p>(a) the day-</p>	<p>Secretary of the meeting.</p> <p>The equivalent provision is S.48 of the Bill which provides for the Director General of the Commission.</p>	<p>Retain the position of Executive Secretary of the Scheme</p>	<p>There is no defect in the existing law which the position of a Director General will cure.</p>
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<p>to-day administration of the Scheme;</p> <p>(b) keeping the books and proper records of the proceedings of the Council</p> <p>(c) the administration of the secretariat of the Council; and</p> <p>(d) the general direction and control of all other employees of the Scheme.</p> <p>(4) The Council shall-</p> <p>(a) appoint, for the Scheme, such number of directors and other employees as may, in the opinion of the Council, be required to assist the Council in the discharge of any of its functions under this Act; and pay to persons so appointed such remuneration (including allowances) as the Council may, after consultation with the Federal Civil Service Commission, determine.</p>			
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		<p>PART II – TYPES, REGISTRATION AND LICENSE OF THE HEALTH INSURANCE SCHEMES</p> <p><b>Types of health insurance schemes.</b></p> <p>12. The following types of health insurance schemes shall be established and operated in the country:</p> <p>(a) the Public Sector Social Health Insurance Scheme to cover public sector employees and their dependants;</p> <p>(b) Organized Private Sector Social Health Insurance Scheme</p> <p>(c) Mutual Health Insurance Schemes</p> <p>(d) Vulnerable Group Funds</p> <p>(e) any other health insurance schemes as may be approved under the provisions of this Bill.</p>	<p>Reconcile the provisions of S. 12 (a) to (d) with sections 26 - 30 of the Bill.</p> <p>The following are recommended:</p> <p>(a) Compulsory Social Health Insurance Scheme;</p> <p>(b) Optional Private Health Insurance Scheme;</p> <p>(c) any other health insurance schemes as may be approved by the Council from time to time under the provisions of this Bill.</p>	<p>The two schemes being the Compulsory and Optional schemes will cover all classes of Nigerians and residents in Nigeria. The Vulnerable Group Health Insurance Scheme and Mutual Health Insurance Scheme can all be subsumed by the Compulsory Scheme. However, 50% of the Basic Health Care Provisions Fund which is provided by the National Health Act<sup>2</sup> and other sources of funding to be indicated in the latter parts of this Bill will be used to pay the premium of indigent and vulnerable persons.</p>
		<p><b>PART III – ESTABLISHMENT OF HEALTH INSURANCE SCHEMES: SPECIFIC</b></p>		

<sup>2</sup> The Basic Health Care Provision Fund is a minimum of 1% of the Consolidated Revenue Fund of the Federal Government.

		<p style="text-align: center;"><b>PROVISIONS AND REGULATIONS</b></p> <p><b>Establishment of the Public Sector Social Health Insurance Schemes</b></p> <p><b>26.</b> (1) There is hereby established schemes to be known as the Public Sector Social Health Insurance Schemes (in this Bill referred to as “the public sector schemes”) for the purpose of providing health insurance coverage which shall entitle persons and their dependants the benefits of prescribed good quality and cost effective health services as set out in this Bill.</p> <p>(2) A public sector scheme may be established by the Federal Government, a State Government including the Federal Capital Development Authority or a Local Government to cover all its employees and their dependants;</p> <p>(3) All Public Sector Social Health insurance Schemes shall be regulated by the Commission.</p>	<p>Change to: “There is hereby established Compulsory Social Health Insurance Schemes for the purpose of providing health insurance coverage which shall entitle all Nigerians of prescribed good quality and cost effective health services as set out in this Bill”.</p> <p>In line 1, use the word “shall” to replace “may” and delete “or a Local Government”.</p> <p>Change to <i>“All Compulsory Social Health Insurance Schemes shall be pooled and integrated by the Scheme through a defined equalization and subsidy mechanism”.</i></p>	<p>The recommendation for the establishment of Compulsory Social Health Insurance Scheme is consistent with the requirements of universal health coverage since everyone will be under obligation to contribute to the Scheme with the exception of vulnerable and indigent persons who have no source of livelihood and whose premiums will be paid by Government.</p> <p>“Shall” introduces the mandatory nature of the provision rather than “may” which is about the exercise of discretion. This will create a mandatory pool of funds at the state and federal levels.</p> <p>The integration, pooling and equalization facilitates universal health care coverage. Services will be accessed based on need rather than ability to pay. This is in tandem with one of the objectives in section 5 of the Scheme which</p>

		(4) A Public Sector Scheme shall be operated and managed by a Public Sector Health Insurance Fund as set out in this Bill.	Delete this provision	is to “ensure equitable distribution of healthcare cost among different income groups”.  The new bureaucracy is an unnecessary cost centre that adds no value to the Scheme.
		<p><b>Establishment of Organized Private Sector Scheme</b></p> <p>27. (1) There is hereby established a scheme to be known as the Organized Private Sector Social Health Insurance Schemes (in this Bill referred to as ‘Organized Private Sector Scheme’) for the purpose of providing health insurance which shall entitle ensured persons and their dependants the benefit of prescribed good quality and cost effective health services as set out in this Bill.</p> <p>(2) The Organized Private Sector Scheme shall cover all employees of organizations in the private sector that employ at least five workers as well as to those individuals who may want to voluntarily join the scheme.</p> <p>(3) An employer who has a minimum of five employees shall together with the persons in his employment, pay contributions,</p>	Expunge the whole of section 27.	There is no need for a new Scheme specifically dedicated to the private sector as it fragments funds and detracts from getting a large pool of funds which will be big enough to attend to the health care needs of the population through cross subsidies. Private sector operatives are to contribute to the state pool of funds where they operate from.

		<p>of such rate and in such manner as may be determined from time to time, in accordance with the provisions of this Bill.</p> <p>(4) A registered employer under the organized private sector scheme shall cause to be deducted from his employees' wages the approved amount of contribution payable by the employee. This contribution along with that of the employer shall be collected by or remitted to the organized private sector fund insurer for the purchase of a defined package of health care benefits for the enrollees.</p>		
		<p><b>Establishment of Private Health Insurance Schemes, including HMO prepaid plans.</b></p>		
		<p><b>28.</b> (1) There is hereby established Schemes to be known as the Private Health Insurance schemes (in this Bill referred to as 'The Private Health Schemes') for the purpose of providing private health insurance plans which shall entitle insured persons the benefit of prescribed good quality and cost effective health services as set out in this Bill.</p>	<p>(1) "There is hereby <i>established schemes to be known as the <b>Optional</b> (Private) Health Insurance Schemes (in this Bill referred to as ("The Private Health Plans") for the purpose of providing private health insurance plans which shall entitle insured persons the benefit of prescribed good quality</i></p>	<p>It is deemed optional or voluntary because any person can get the plan after subscription to the Compulsory Social Health Insurance Scheme in section 26 of the Bill. The objectives of the Scheme in section 5 of the NHIS Act include ensuring equitable distribution of healthcare costs among different income groups. The optional nature of this section and the compulsory contribution in section 26 expands the pool of</p>

		<p>(2) A private health insurance scheme/plan shall cover interested individuals, employers or employees of organizations in the private sector who may want to join the scheme/plan.</p> <p>(3) A body corporate registered as a limited liability company under the Company and Allied Matters Act 1990 and accredited by the Commission as a health managed care organization may operate a private health insurance scheme/plan</p> <p>(4) (a) A private health insurance scheme/plan shall be required as a condition for registration and licensing by the Commission to deposit with a Bank accredited by the Commission an amount of money in an interest yielding</p>	<p><i>and cost effective health services as set out in the health plans”</i></p> <p>2) <i>“A Private Health Insurance Scheme/Plan shall cover additional or supplementary benefits for interested individuals, employers or employees of organizations in the public or private sector who may want to join the scheme for benefits beyond the basic package of services delivered in the Compulsory Social Health Insurance Scheme ”.</i></p> <p>Retain</p> <p>Retain</p>	<p>funds available to meet the right to health. This cannot be achieved with separate pool of funds.</p> <p>This expands the options for individuals and organisations who want some extra health care services, more than the basic package (which meets the minimum core obligation of the state) offered by the Compulsory Social Health Insurance Scheme.</p>
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		<p>account that the Commission shall prescribe as security for its members</p> <p>(b) The security referred to under subsection (a) shall be maintained throughout the period that the business of the private health insurance is carried on.</p> <p>(c) The Commission may review the level of the security deposit.</p> <p>(5) (a) Where a private health insurance scheme/plan suffers a substantial loss, arising from liability to members and the loss cannot reasonably be met from its available resources, the Commission may, after ascertaining the nature of the claim, and on application made to it by the scheme, approve the withdrawal from the security deposit of the scheme of an amount sufficient to meet the liability, and an amount withdrawn shall be replaced by the scheme not later than ninety days after the date of the withdrawal.</p> <p>(b) The security deposit is the asset of the private health insurance scheme/plan, but except as provided in subsection (a), it shall be available to the</p>	<p>Retain</p> <p>Retain</p>	
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		<p>scheme only in the event of the closure or winding up of the health insurance business for the discharge of the liabilities arising out of policies transacted by the insurer and remaining undischarged at the time of the closure or winding up of the insurance business.</p> <p>(6) All Private Health Insurance Schemes/Plans shall be regulated by the Commission.</p>	Retain	
		<p><b>Establishment of Mutual Health Insurance Schemes including Group and Community Based Schemes.</b></p> <p>29. (1) There is hereby established a scheme to be known as the Mutual Health Insurance Scheme (in this Bill referred to as ‘the Mutual Health Scheme) for the purpose of providing health insurance coverage to its enrollees as set out in this Bill.</p> <p>(2) A group of persons resident in the country may form and operate a mutual health insurance scheme.</p> <p>(3) (a) a mutual health insurance scheme shall have its headquarters at the place that the governing body/BOT of the</p>	Expunge this provision from the Bill.	The Compulsory Social Health Insurance Scheme covers the field. Mutual Health Insurance Schemes will fragment the pool of funds and will not facilitate the attainment of universal health coverage. Every person from the community to the city, professionals and informal sector operatives will be covered by the Compulsory Social Health Insurance Scheme.



		<p>scheme shall determine.</p> <p>(b) the address and any other particulars of the headquarters shall be notified in writing to the Commission.</p> <p>(4) (a) a mutual health insurance scheme shall be managed by a Board of Trustees (BOT) appointed by members and approved by the Commission.</p> <p>(b) The BOT of a mutual health insurance scheme may be a body corporate registered by guarantee under the Companies and Allied Matters Act 1990.</p> <p>(5) (a) The Commission may require a mutual health insurance scheme to maintain a reserve fund as the Commission may determine.</p> <p>(b) The reserve fund shall be constituted within three years after the commencement of the scheme.</p> <p>(6) A mutual health insurance scheme shall be operated exclusively for the benefit of the members and shall provide the members with health benefits of the scheme.</p>		
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		<p>(7) (a) A mutual health insurance scheme shall have the minimum membership that the Commission shall determine.</p> <p>(b) A mutual health insurance scheme shall provide a clear method of enrollment of members.</p> <p>(c) membership shall take effect from the date of payment of contribution and access to care based on a waiting period to be determined by the Board of Trustee (BOT).</p> <p>(8) All mutual health insurance schemes shall be regulated by the Commission .</p>		
		<p><b>Establishment of a National Vulnerable Groups Health Insurance Fund.</b>  <b>30.</b> There is established by this Bill a National Vulnerable Groups Health Insurance Fund.</p>	<p><b>Nigerian Universal Health Coverage Fund</b>  Change to: “There is established by this Bill a Nigerian Universal Health Coverage Fund.”</p>	<p>The establishment of the Scheme is inter alia to take care of the governmental obligation to fulfill the right to health for vulnerable and indigent groups who cannot afford healthcare due to no fault of theirs.</p>
		<p><b>Object of the Fund.</b>  <b>31.</b> (1) The object of this fund is to provide finance to subsidize the cost of provision of health care services to vulnerable persons in Nigeria.</p>	<p>Retain the Bill’s provisions except subsection (2) (b) which refers to Mutual Health Insurance Schemes which has been expunged.</p>	<p>This is in accordance with the governmental obligation to fulfill the right to health of indigent and vulnerable persons.</p>

		<p>(2) For the purpose of implementing the object, the moneys from the Fund shall be expended as follows;</p> <p>(a) to provide subsidy of a level determined by the Council for Health Insurance coverage of vulnerable persons;</p> <p>(b) to reinsure mutual health insurance schemes against random fluctuations on cost under conditions to be determined by the Council</p> <p>(c) to provide for the payment of health insurance premium for indigents.</p>	<p>Change (b) with the following</p> <p>“To guarantee the provision of the minimum package of health services as defined in the National Health Act to every Nigerian “</p>	
		<p><b>Sources of Money for the Fund.</b></p> <p><b>32.</b> (1) The Sources of money for the Fund are as follows:</p> <p>(a) Health insurance levy</p>	<p>It is recommended that a 2% levy be imposed on all imports of goods and services and supply of goods and services in Nigeria except medicals and pharmaceuticals, books, renewable energy products and such other goods and services as the Minister of Finance in consultation with the Council may determine</p>	<p>Health insurance levy is hanging. On what item should there be a levy and at what rate? Or is it a rate payable by every worker or income earner? This recommendation concretizes the provision.</p>

			from time to time <sup>3</sup> .	
		(b) Telecommunications tax	(b) It is recommended that a tax of 1% on all telecommunication tariffs should be charged to the Fund and this shall be payable by subscribers of telecommunication services <sup>4</sup> .	Telecommunication tax is hanging. Who should pay - companies or individual users of telecommunication services and at what rate? The recommendation concretizes the provision.
		(c) The money that may be allocated to the Fund by the Government(s)	Provide for new (c) and renumber accordingly; and this should read: "50% of the Basic Health Care Provisions Fund allocated to the National Health Insurance Scheme under the National Health Act" <sup>5</sup> .	
		(d) Money that accrues to the fund from investments made by the council; and	Retain	
		(e) Grants, donations, gifts and any other voluntary contributions made to the fund	Retain	

<sup>3</sup> See the National Health Insurance Act 2003 of the Ghana.

<sup>4</sup> This is a burden telecommunications consumers can afford to bear considering that it is very low but can raise substantial funds. Companies are already burdened by taxes and rates and imposing a further tax on them will not facilitate the ease of doing business or attract new investments.

<sup>5</sup> The Basic Health Care Provision Fund is a minimum of 1% of the Consolidated Revenue Fund of the Federal Government.

		<p>(2) The Council may by Regulations review the sources of funding to keep pace with development in the health insurance industry.</p>	<p>This should read that:  <i>The Council may review the sources of funding and make recommendations to the appropriate authorities to keep pace with developments in the health insurance industry.</i> The authorities should be defined in the interpretative section to include the legislature and the Ministers of Finance and Health.</p>	<p>Creation of new taxes and levies cannot be done without the approval of the legislature. The Council has no powers to levy a tax.</p>
		<p><b>Formula for disbursement from the Fund.</b>  <b>33.</b> (1) The Council shall from time to time determine and submit to the Minister for approval, the criteria for disbursement of subsidies to be paid to mutual health schemes and for health care of vulnerable and indigents in Nigeria.</p> <p>(2) The Council shall in disbursement of moneys from the Fund make specific provisions towards the health needs of indigents and prescribe the methods for determining who is indigent in Nigeria.</p>	<p>Retain the section but delete “to be paid to mutual health schemes and” in subsection (1).</p>	<p>It is in line with fit and good practices.</p>
		<p><b>Management of the Fund.</b>  <b>34.</b> (1) The Council shall give directives of a general nature for the management of the Fund.</p>	<p>Retain the section</p>	<p>It is in line with fit and good practices.</p>

		<p>(2) The Council in the Management of the Fund shall have the following functions;</p> <p>(a) formulate and implement policies towards achieving the objects of the Fund;</p> <p>(b) collect or arrange to be collected monies lawfully due to the Fund;</p> <p>(c) account for the money in the Fund;</p> <p>(d) provide formula for the disbursement of moneys from the Fund;</p> <p>(e) approve any other expenditure charge on the Fund under this Bill or any other enactment;</p> <p>(f) set aside an amount for indigents;</p> <p>(g) perform any other function ancillary to the object of the Fund.</p>		
		<p><b>Investment of the Fund.</b>  <b>35.</b> The Commission may invest a part of the Fund that it considers appropriate in the securities and deposits approved</p>	Retain	It is in line with fit and good practices.

		by the Council.		
		<b>Expenses of the Fund.</b> 36. The expenses attendant to the management of the Fund shall be charged to the Fund.	Retain	It is in line with fit and good practices.
16. Payment of contributions under the Scheme (1) An employer who has a minimum of ten employees may, together with every person in his employment, pay contributions under the Scheme, at such rate and in such manner as may be determined, from time to time, by the Council. (2) An employer under the Scheme shall cause to be deducted from an employee's wages the negotiated amount of any contribution payable by the employee and shall not, by reason of the employer's liability for any contribution (or penalty thereon) made under this Act, reduce, whether directly or indirectly, the	<b>PART IV – CONTRIBUTIONS AND FUNDS OF THE VARIOUS HEALTH INSURANCE SCHEMES</b>  <b>Payment of contributions.</b> 37. (1) An employer who has a minimum of five employees shall, together with every person, pay contributions at such rate and in such a manner as may be determined, from time to time, in accordance with the provisions of the Bill.  (2) A registered employer under the Commission shall cause to be deducted from an employee's wages the approved amount of any contribution payable by the employee and shall not, by reason of employer's liability for any contribution (or penalty thereon) made under this Bill, reduce, whether directly or indirectly, the remuneration or allowances of the employee.  (3) Individuals and or employers	Change to: "Every employer shall pay contributions at such rate and in such a manner as may be determined, from time to time by the Council in accordance with the provisions of the Bill".  Retain  Change to:	Since health insurance is to be made compulsory, the number of workers under an employer cannot be a restricting factor for payment of premiums and health insurance coverage.  In accordance with fit and good practices.	

	<p>remuneration or allowances of the employee in respect of whom the contribution is payable under this Act.</p>	<p>may pay premiums for private health insurance plans.</p> <p>(4) The contributions for the vulnerable groups – the permanently disabled, the aged, prisoners, and those (children under 5 and pregnant women) not otherwise covered by other schemes- shall be made on their behalf by one or a combination of the three levels of government, development partners and/or non- governmental organizations.</p>	<p>3) Individuals who are not in paid employment shall pay premiums to the Compulsory Social Health Insurance Scheme in accordance with Guidelines laid down by Council.</p> <p>Change to:  <i>“The contributions for vulnerable groups, as defined from time to time by the Council shall be made on their behalf by one or a combination of the three levels of government, development partners and or non-governmental organizations”</i></p>	<p>This is to ensure that everyone is on board whether the persons are in paid employment or self-employment.</p> <p>This provision is in tandem with the provision of section 33 of the Bill which gives the Council the power to set criteria for disbursement of subsidies subject to the approval of the Minister.</p>
S.38		<p><b>Registration of Employers, Employees, etc</b></p> <p>(1) Subject to such guidelines and regulations as may be made under this Bill, a public employer shall register itself and its employees and pay into the account of a Public Social Health Insurance Fund (PuHIF) its contributions and the contributions in respect of its employees, at such time and in such manner as may be</p>	<p>Change to the following by omitting the word “public” in the third line:</p> <p>(1) Subject to such guidelines and regulations as may be made under this Bill, an employer shall register itself and its employees and pay into the account of a Compulsory Social Health Insurance Fund its contributions and the contributions in respect of its</p>	<p>There is no fragmentation between the public and organized private sector health insurance scheme again as the two have been merged.</p>



		<p>specified, from time to time, in the guidelines issued by the Commission.</p> <p>(2)“Subject to such guidelines and regulations as may be made under this Bill, an individual and/ or family shall register himself and the people under him/her with a State Social health insurance scheme and pay into designated accounts of the Scheme, the necessary contribution in respect of himself and others, at such time and in such manner as may be specified, from time to time, in the Operational Guidelines. “</p> <p>(3) Subject to such guidelines and regulations as may be made under this Bill, an individual and/ or employer may register himself or herself, and the people under him/her with an Health Maintenance Organization (HMO) and pay into designated accounts of the HMO, the necessary premium in respect of himself and others under the health insurance, at such time and in such manner as may be specified, from time to time, in the Operational Guidelines</p>	<p>employees, at such time and in such manner as may be specified, from time to time, in the guidelines issued by the Council.</p> <p>Expunge</p> <p>Change to the following</p> <p><i>3) Subject to such guidelines and regulations as may be made under this Bill, an individual and/ or employer may register himself or herself, and the people under him/her with an Health Maintenance Organization (HMO) and pay into designated accounts of the HMO, the necessary premium in respect of himself and others under the</i></p>	<p>This provision serves no useful purpose.</p> <p>It is no longer compulsory but optional to register with the HMO.</p>
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		<p>4. "Subject to such guidelines and regulations as may be made under this Bill, a member of a community (group-based, religious- based or work-based) may register himself and his dependants with the mutual health organization and pay into the account of the organization the necessary premium in respect of himself and others, at such time and in such manner as may be specified from time to time, in the Guidelines of the Commission"</p>	<p><i>optional private health insurance, at such time and in such manner as may be specified, from time to time, in the Operational Guidelines.</i></p> <p>Expunge from the bill</p>	<p>In line with earlier recommendations.</p>
		<p><b>Public Health Insurance Funds (PuHIF).</b>  <b>39.</b> (1) Public Health Insurance Funds are hereby established by this Bill.</p> <p>(2) The object of the Funds is to collect contributions from public sector employers and employees</p>	<p>Change to the following:</p> <p>Compulsory Social Health Insurance Funds are hereby established by this Bill.</p> <p>Change to the following:</p> <p>2) The object of the Funds is to collect contributions from public and private sector</p>	<p>This is in line with earlier recommendations.</p> <p>This is in line with earlier recommendations and best practices.</p>

		<p>at all levels of government to finance the provision of quality health services to their employees and their families.</p> <p>(3) For the purpose of implementing the object, the monies from the Funds shall be expended as follows:</p> <p>(a) to provide a defined package of services to government employees and their families from funds contributed for that purpose;</p> <p>(b) payment of agreed amounts to the Commission as administrative charge;</p> <p>(4) The sources of money for the Funds shall include but not limited to:</p> <p>(a) contributions from public sector employees and employers which shall include the Federal, the State and the Local Governments including the Federal Capital Territory;</p>	<p>employers and employees, self-employed individuals and vulnerable persons to finance the provision of quality health services to their employees and their families.</p> <p>Change to the following  (a) to provide a defined package of services to contributors and vulnerable persons and their families from funds contributed for that purpose;</p> <p>Retain</p> <p>Expunge subsections 4 -10 of the Bill.</p>	<p>Pension funds should stand on their own and health insurance should be appropriately developed to pay for itself. All the other subsections add no value but increase the bureaucracy and cost of administering the Scheme.</p>
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		<p>(b) other appropriation made purposely for the implementation of health insurance schemes;</p> <p>(c) 2% of each person's 15% contribution to the National Pension Scheme for retirees;</p> <p>(d) money that accrue to the Fund from investments made by the Fund;</p>		
		<p>(5) (i) The Public Health Insurance Fund at the Federal level shall be operated and managed by an independent Board of Trustees appointed by the President of the Federal Republic of Nigeria upon the recommendation of the Minister of Health for a period of four years subject to a renewal for another term of four years and no more.</p> <p>(ii) The Board of Trustees shall consist of stakeholders (public sector employers, National Health Insurance Commission and enrollees) with a size of not more than seven. The Board shall have a Chairman.</p> <p>(6) The Fund shall invest any money not immediately required by it in Federal Government Securities, or in any other</p>	Expunge subsections 5 -10 as stated above	Change cannot be for the sole sake of change. There is no mischief in the existing law to be cured by this new proposal. The dichotomy between the public and private has been removed and this is therefore unnecessary.

		<p>Securities and Deposits as the Commission may determine with the approval of the Minister of Health, from time to time.</p> <p>(7) The expenses attendant to the management of the Fund shall be charged on the Fund.</p> <p>(8) (i) The BOT shall cause to be prepared, not later than 30th September in each year, an estimate of the expenditure and income of the Fund during the next succeeding year and when prepared, they shall be submitted to the Commission for Scrutiny.</p> <p>(ii) The Board of Trustees shall cause to be kept proper accounts and proper records in relation thereto and such accounts shall be audited by auditors appointed by the Board from the list and in accordance with the guidelines supplied by the Accountant General of the Federation.</p> <p>(9) The operation and management of State and Local Governments' Public Sector Health Insurance Funds shall be guided by the provisions in (5)-(8) above for the Public Sector Health Insurance Fund at the Federal level.</p>		
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		(10) The Commission shall regulate all the Public Health Insurance Funds.		
		<p><b>Private Health Insurance Funds.</b></p> <p><b>40.</b> (1) The Health Maintenance Organizations and Mutual Health Associations shall establish private health insurance funds.</p> <p>(2) The sources of money for the organized private sector social health insurance fund shall be the private sector employees/employers contributions which shall be paid into the organized private sector social health insurance Fund. Payment of an agreed amount as administrative cost shall be made to the Commission.</p> <p>(3) The sources of funds for HMOs running private health insurance schemes/plans are premiums by members who subscribe to the health insurance plans. Administrative costs of the HMOs shall be met from these funds at the rate approved by the Commission. Similarly, the HMOs will pay the</p>	<p>Change to the following by deleting Mutual Health Associations:</p> <p>1) The Health Maintenance Organizations shall establish private health insurance funds.</p> <p>Delete this subsection</p> <p>Delete this subsection</p>	<p>It is consistent with the earlier expunging of Mutual Health Associations.</p> <p>This has been overtaken by our earlier recommendations.</p> <p>This has been overtaken by our earlier recommendations.</p>

		<p>commission an agreed amount as regulative fees whilst the excess funds shall be invested in the portfolios approved by the Commission.</p> <p>(4) Mutual Health Associations shall use their funds to finance the provision of health benefits to members and their families as well as defray other expenses related to capacity building, advocacy and sensitization among others.</p>	Delete this subsection	This has been overtaken by our earlier recommendations.
		<p><b>Operation and management of Private Health Insurance Funds.</b></p> <p>(5) (a) An independent Board of Trustee appointed by the organized private sector with the approval of the Commission shall operate and manage the organized private sector social health insurance fund in accordance with the guidelines provided by the Commission.</p> <p>(b) The Board of Trustees of the mutual health association shall operate and manage their mutual health association funds in accordance with the guidelines provided by the Commission.</p> <p>(6) Moneys from all the funds shall be paid into the accounts</p>	Delete subsections 4, 5, 6 and 7	There is no need for another layer of bureaucracy that adds no value. It rather increases costs.

		<p>approved for the organizations by the Commission.</p> <p>(7) The HMOs and MHAs shall invest any money not immediately required by them in such portfolios as approved by the Commission and/or covered by the guidelines issued by the Commission.</p> <p>(8) The HMOs and MHAs shall keep proper accounts and records on the management of their funds in line with the guidelines provided by the Commission and such accounts shall be audited by auditors approved by the Commission. The audited accounts and reports shall be submitted to the Commission in accordance with the guidelines provided.</p>	<p>Change to the following by removing MHAs:</p> <p>(8) The HMOs shall keep proper accounts and records on the management of their funds in line with the guidelines provided by the Council and such accounts shall be audited by auditors approved by the Council. The audited accounts and reports shall be submitted to the Council in accordance with the guidelines provided.</p>	
<p><b>19. Registration: Health Maintenance Organisations</b></p> <p>(1) The Council shall approve and register for the Scheme private and public health maintenance insurance organisations (in this Act referred to individually as "organisation") for the purposes of this Act.</p>	<p><b>PART V - HEALTH MAINTENANCE ORGANIZATIONS, MUTUAL HEALTH ASSOCIATIONS, AND HEALTH CARE PROVIDERS</b></p> <p><b>Accreditation of Organizations</b></p> <p><b>41.</b> (1) The Commission shall accredit Health Maintenance Organizations, Mutual Health</p>	<p>Retain the Principal Act with the amendments proposed hereunder.</p> <p>Change to the following:</p> <p>(1) The Council shall accredit and register Health Maintenance Organizations,</p>	<p>Remove Mutual Health Associations in line with earlier recommendations.</p>	



<p>(2) The registration of an organisation under the Scheme shall be in such form and manner as may be determined, from time to time, by the Council, using guidelines which shall include provisions requiring the organisation to -</p> <p>(a) be financially viable before and after registration;</p> <p>(b) make a complete disclosure of the ownership structure and composition of the organisation;</p> <p>(c) have account with one or more banks approved by the Council;</p> <p>(d) be insured with an insurance company acceptable to the Council; and</p> <p>(e) give an undertaking that the organisation shall manage and invest the funds accruing to it from contributions received pursuant to this Act in accordance with guidelines to be issued, from time to time, by the Council.</p> <p>(3) The registration of an organisation under the Scheme -</p>	<p>Associations and other prepaid health insurance organizations (in this Bill herein after referred to as “Organizations”)</p> <p>(2) The accreditation of an Organization shall be in such form and manner as may be determined by the Operational Guidelines of the Commission;</p> <p>(3) When the accreditation of an Organization (purchasing organization or health care provider) is withdrawn, the Commission shall decide on the best way to keep its activities going either temporarily or permanently to safeguard the interest of the enrollees.</p>	<p>and other prepaid health insurance organizations as the Council may approve from time to time.</p> <p>Retain subsection 2 and 3 of the Principal Act. But there should be slight amendments to subsection 2 (b) of the Principal Act by adding the word beneficial as follows:</p> <p><i>“Make a complete disclosure of the beneficial ownership structure and composition of the organization”;</i></p>	<p>The provisions of the Principal Act are more detailed and cover more ground than the new provisions.</p> <p>This is in line with international best practices.</p>
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<p>(a) shall be valid for such period as may be determined by the Council; and</p> <p>(b) may be renewed at the expiry of every registration, so however that, no registration shall be renewed unless the organisation concerned has complied with guidelines issued under this Act.</p>			
<p><b>S.20: Functions of Organisations</b></p> <p>An organization referred to in subsection (1) of section 19 of this Act shall have responsibility for:</p> <p>(a) the collection of contributions from eligible employers and employees under this Act;</p> <p>(b) the collection of contributions from voluntary contributors under subsection (3) of section 17 of this Act;</p> <p>(c) the payment of capitation fees for services rendered by health care providers registered under the Scheme;</p> <p>(d) rendering to the Scheme</p>	<p><b>S. 42 Functions of Health Maintenance Organisations and Mutual Health Associations</b></p> <p>(1) "An HMO Organization referred to in subsection (1) of Section 41 of this Bill shall have responsibility for:</p> <p>(a) the collection of premiums from individuals and/or employers for private health insurance plans initiated by them.</p> <p>(b) the collection of capitation and other payments from public health insurance funds for health care services to be purchased for enrollees.</p>	<p>Change all references to the Commission to the Council</p> <p>Retain the Bill's provisions</p> <p>Expunge</p>	<p>In line with earlier recommendations.</p> <p>In line with fit and good international standards and coherent with other sections of the Bill.</p> <p>Collection of capitation will no longer be the business of HMOs. Considering the experience with the existing Scheme, the system is better off without the meddling</p>

<p>returns on its activities as may be required by the Council;</p> <p>(e) contracting only with the health care providers approved by the Scheme for the purpose of rendering health care services under this Act;</p> <p>(f) ensuring that contributions are kept in accordance with guidelines issued by the Council and in banks approved by the Council; and</p> <p>(g) establishing a quality assurance system to ensure that qualitative care is given by the health care providers.</p>	<p>(c) management of private health insurance plans they have initiated.</p> <p>(d) purchasing of services from accredited health care providers</p> <p>(e) payment of administrative charges to the Commission for purposes of regulation and related issues.</p> <p>(f) the payment for services rendered by healthcare providers accredited under the Commission in accordance with the Operational Guidelines;</p> <p>(g) establishing a Quality Assurance system to ensure that qualitative care is given by the healthcare providers to enrollees;</p>	<p>Retain the Bill's provisions</p> <p>Retain the Bill's provisions</p> <p>Retain the Bill's provisions</p> <p>Retain the Bill's provisions</p> <p>Retain the Bill's provisions</p>	<p>of HMOs.</p> <p>In line with fit and good international standards and coherent with other sections of the Bill.</p> <p>In line with fit and good international standards and coherent with other sections of the Bill.</p> <p>In line with fit and good international standards and coherent with other sections of the Bill.</p> <p>In line with fit and good international standards and coherent with other sections of the Bill.</p> <p>In line with fit and good international standards and coherent with other sections of the Bill.</p>
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		<p>(h) rendering to the Commission returns on its activities as may be required by the council”.</p> <p>Subsections (2) and (3) are on Mutual Health Associations.</p> <p>Any prepaid private health insurance plans marketed by health maintenance organisations, shall be subject to approval by the Commission</p>	<p>Retain the Bill’s provisions</p> <p>Add a new omnibus subsection (i) which reads:</p> <p><i>(i) Perform such other roles and functions and as may be assigned to it by Council from time to time.</i></p> <p>Delete subsections (2) and (3) on Mutual Health Associations.</p> <p>Retain the Bill’s provisions</p>	<p>the Bill.</p> <p>In line with fit and good international standards and coherent with other sections of the Bill.</p> <p>This is coherent with other sections of the Bill</p>
S.18	<p><b>Registration: Health Care Providers:</b></p> <p>A health care provider registered under the Scheme shall, in consideration for a capitation payment in respect of each insured person registered with it, or for payment of</p>	<p><b>Accreditation of Healthcare Providers.</b></p> <p><b>43.</b> (1) The accreditation of health care providers shall be in such form and manner as may be determined by the Commission, from time to time, under this Bill.</p> <p>(2) A health care provider accredited under the</p>	<p>Retain the provisions of the Principal Act except subsection (c) which should be changed to read:</p> <p>(c) maternity care</p>	<p>Section 18 of the Principal Act is more detailed and lists what Health Care providers are supposed to do. The provision in the Bill seems to be after thought and it is just perfunctory.</p> <p>Covering four live births makes eminent sense. However, we are living in a country where families give birth to more than four children. The Guidelines also</p>

<p>approved fees for services rendered and to that extent and in the manner prescribed by this Act, provide -</p> <p>(a) defined elements of curative care;</p> <p>(b) prescribed drugs and diagnostic tests;</p> <p>(c) maternity care for up to four live births for every insured person;</p> <p>(d) preventive care, including immunization, family planning, ante natal and post natal care;</p> <p>(e) consultation with defined range of specialists;</p> <p>(f) hospital care in a public or private hospital in a standard ward during a stated duration of stay for physical or mental</p>	<p>Commission shall, in consideration for a capitation payment in respect of each insured person registered with it, or for payment of approved fees for services rendered and to that extent and in the manner prescribed by this Bill, provide in accordance with:</p> <p>(i) the approved benefit packages as shall be determined from time to time by the Commission; and</p> <p>(ii) the provisions of the Operational Guidelines.</p>		<p>define family in terms of a monogamous union whilst polygamous unions are also recognized by law. So, there is a lacuna that needs to be filled through the interrogation and re-definition of basic concepts. The recommendation is necessary if we are to attain universal health coverage, so that no life will be left behind. But, this should not be seen as a licence for population explosion.</p>
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	<p>disorders;</p> <p>(g) eye examination and care, excluding test and the actual provision of spectacles; and</p> <p>(h) a range of prosthesis and dental care as defined.</p> <p>(2) The registration of health care providers under the Scheme shall be in such form and manner as may be determined by the Council, from time to time, under this Act.</p> <p>(3) In this section, "defined" means defined by the Council.</p>			
		<p><b>Annual Reports.</b>  <b>54.</b> The Council shall not later than 6 months immediately following the end of a year -</p> <p>(a) submit to the Minister a report</p>	<p><b>54.</b> The Council shall not later than 6 months immediately following the end of a year -</p> <p>(a) submit to the National Assembly and the Minister a</p>	<p>The National Assembly should receive the report to aid its</p>

		<p>on the activities and the administration of the Commission during the immediately preceding year and shall include in the report the audited accounts of the Commission and the auditor's report on the accounts; and</p> <p>(b) present and publish the audited annual accounts, auditor's report on the accounts and reports on the activities of the Commission to Annual General Meeting comprising all stakeholders.</p>	<p>report on the activities and the administration of the Commission during the immediately preceding year and shall include in the report the audited accounts of the Commission and the auditor's report on the accounts; and</p> <p>(b) present and publish the audited annual accounts, auditor's report on the accounts and reports on the activities of the Commission on the Schemes website and to the Annual General Meeting comprising all stakeholders.</p>	<p>oversight activities.</p> <p>Publication in the website enables access to information by all stakeholders.</p>
S. 28	<p><b>Offences</b></p> <p>(l) Any person who -</p> <p>(a) fails to pay into the account of an organisation and within the specified period any contribution liable to be paid under this Act; or</p> <p>(b) deducts the contribution from the</p>	<p><b>PART VIII: OFFENCES, PENALTIES AND LEGAL PROCEEDINGS</b></p> <p><b>Offences and penalties.</b></p> <p><b>57.</b> (1) Any person who –</p> <p>(a) fails to pay into the account of the Commission and /or a health insurance fund or HMO and within the specified period any contribution liable to be paid under this Bill; or</p> <p>(b) deducts the contribution from the employee's wages and</p>	<p>Change to read as follows:</p> <p><b>57.</b> (1) Any person who –</p> <p>(a) fails to pay into the account of any Scheme, Health Insurance Fund or organisation established under this Act within the specified period any contribution liable to be paid under this Bill; or</p> <p>(b) deducts the contribution</p>	<p>Payments are expected from several institutions and agencies beyond those mentioned in the subsection. Thus, the language needs to be expanded.</p> <p>Expanded to include the</p>

	<p>employee's wages and withholds the contribution or refuses or neglects to remit the contribution to the organisations concerned within the specified time, commits an offence.</p>	<p>withholds the contribution or refuses or neglects to remit the contribution to the appropriate Health Insurance Fund or an Organization concerned within the specified time; or</p> <p>(c) fails to remit capitation to Healthcare Providers after receiving such from the Health Insurance Fund within the specified period indicated in the Operational Guidelines; or</p> <p>(d) fails to settle fee-for-service or other claims from the Healthcare Providers after receipt and verification within the stipulated time allowed in the Operational Guidelines; or</p> <p>(e) deliberately manipulates the enrollee register for the benefit of other parties before or after the release of the register by the Health Insurance Schemes;</p>	<p>from the employee's wages and withholds the contribution or refuses or neglects to remit the contribution to the appropriate Scheme, Health Insurance Fund or an Organization concerned within the specified time; or</p> <p>Expunge</p> <p>Retain the subsection but expunge the words "after receipt and verification"</p> <p>Retain</p>	<p>organisations, funds and agencies in subsection (a).</p> <p>This has been overtaken by earlier recommendations.</p> <p>The contemplation of the law is that verification should be done within a reasonable time and should not take forever. So, the timeframe to be put in the guidelines will provide a reasonable lead time for verification by a diligent operator.</p> <p>It was not there in the Principal Act. So, it is in order.</p>
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	<p>(2) A person guilty of an offence under subsection (1) of this section is liable on conviction-</p> <p>(a) in the case of a first offence, to a fine of N100,000 or 500 <i>per centum</i> of the amount of the contribution involved, together with accrued interest on the contribution, whichever is higher, or imprisonment for a term not exceeding two years or less than one year or to</p>	<p>(f) deliberately refuses to provide care to a duly registered enrollee after receiving payments from the relevant organization on behalf of such enrollee; or</p> <p>(g) deliberately issues dud cheque (s),</p> <p>shall be guilty of an offence.</p> <p>(2) A person guilty of an offence under subsection (1) of this section order than paragraph (g), is liable on conviction -</p> <p>(a) in the case of a first offence, to a fine of not less than N100,000 or imprisonment for a term not exceeding two years or to both such fine and imprisonment; and</p> <p>(b) in the case of a second or subsequent offence, to a fine of not less than N200,000 or imprisonment for a term not exceeding five years or to both</p>	<p>Retain</p> <p>Change to read as follows:</p> <p><i>(a) in the case of a first offence, to a fine of not less than N500,000 or 500 per centum of the amount involved together with accrued interest on the contribution, whichever is higher, or imprisonment for a term not exceeding two years or to both such fine and imprisonment; and</i></p> <p><i>(b) in the case of a second or subsequent offence, to a fine of not less than N1,000,000 or 1000 per centum of the amount involved together</i></p>	<p>It was not there in the Principal Act. So, it is in order.</p> <p>It was not there in the Principal Act. So, it is in order.</p> <p>Money has lost value and there is need for deterrence; and reducing the fines in the Principal Act cannot be justified in the circumstances.</p> <p>There is the need for penalties to be commensurate with the offence.</p>
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	<p>both such fine and imprisonment; and</p> <p>(b) in the case of a second or subsequent offence, to a fine of N200,000 or 1,000 <i>per centum</i> of the amount of the contribution involved together with accrued interest on the contribution, whichever is higher, or imprisonment for a term not exceeding five years or less than two years or to both such fine and imprisonment.</p>	<p>such fine and imprisonment.</p> <p>(3) A person guilty of any offence in subsection 57(1) (g) is liable to prosecution under the relevant laws guiding financial transactions.</p>	<p><i>with accrued interest on the contribution, whichever is higher, or imprisonment for a term not exceeding three years or to both such fine and imprisonment; and</i></p> <p>Retain the Bill as in subsection (3).</p>	
	<p><b>29. Offences by bodies corporate, etc.</b></p> <p>(l) Where an offence under this Act has been committed by a body corporate or firm or other association of individuals, a person who at the time of the commission of the</p>	<p><b>Offences by Corporate Bodies. 58.</b> (1) Where an offence under this Bill has been committed by a body corporate or firm or other association of individuals, a person who at the time of the offence –</p> <p>(a) was an officer of the body corporate, firm or other association; or</p> <p>(b) was purporting to act in the capacity of an officer of the body</p>	<p>Retain the Bill's provisions in this section.</p>	<p>It is in tandem with best practices.</p>

	<p>offence-</p> <p>(a) was an officer of the body corporate, firm or other association; or</p> <p>(b) was purporting to act in the capacity of an officer of the body corporate, firm or other association,</p> <p>is deemed to have committed the offence and liable to be prosecuted and punished for the offence in like manner as if he had himself committed the offence, unless he proves that the act or omission constituting the offence took place without his knowledge, consent or connivance.</p> <p>(2) In this section, "officer", includes-</p> <p>(a) in the case of a body corporate, a</p>	<p>corporate, firm or other association,</p> <p>is deemed to have committed the offence and shall be liable to be prosecuted and punished for the offence in like manner as if he had himself committed the offence, unless he proves that the commission or omission constituting the offence took place without his knowledge, consent or connivance.</p> <p>(2) 'Officers' of Government Ministries or Agencies and/or Parastatals in this section, includes -</p> <p>(a) in the case of Government, Ministry, Agency and/or Parastatals, the accounting officer</p> <p>(b) in the case of a body corporate, a director, chief executive by whatever name called, manager and secretary of the body corporate;</p> <p>(c) in the case of a firm, a partner, manager and secretary of the firm;</p> <p>(d) in the case of any other association of individuals, a</p>	<p>Change the opening of subsection 2 to read:</p> <p><i>In this section, officer includes –</i></p> <p>Retain</p> <p>Retain</p> <p>Retain</p> <p>Retain</p>	<p>The draft in the Bill makes no meaning within the context of the whole of subsection (2).</p> <p>In tandem with best practices</p> <p>In tandem with best practices</p> <p>In tandem with best practices</p> <p>In tandem with best practices</p>
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	<p>director, chief executive by whatever name called, manager and secretary of the body corporate;</p> <p>(b) in the case of a firm, a partner, manager and secretary of the firm; and</p> <p>(c) in the case of any other association of individuals, a person concerned in the management of the affairs of the association.</p>	<p>person concerned in the management of the affairs of the association.</p>		
S.30	<p><b>30. Prosecution of offenders</b></p> <p>Any person who contravenes any of the provisions of this Act shall be prosecuted by-</p> <p>(a) the Attorney-General of the State or any legal officer in the Ministry of Justice of</p>	<p><b>Prosecution of offenders.</b></p> <p><b>59.</b> Any person who contravenes any of the provisions of this Bill shall be prosecuted by the Attorney General of the Federation.</p>	<p>Retain the provisions of the Principal Act:</p> <p><i>Any person who contravenes any of the provisions of this Act shall be prosecuted by-</i></p> <p><i>(a) the Attorney-General of the State or any legal officer in the Ministry of Justice of the State; and</i></p>	<p>The provision of the Principal Act is more realistic and comprehensive. It is very practical in the sense that contributors will come from all states of the federation and offences will also be committed across the federation. Centralizing the prosecution to the Attorney General of the Federation will create unnecessary bottlenecks and red tape.</p>

	<p>the State; and</p> <p>(b) in the case of the Federal Capital Territory, Abuja, by the Attorney-General of the Federation or any legal officer in the Federal Ministry of Justice</p>		<p><i>(b) in the case of the Federal Capital Territory, Abuja, by the Attorney-General of the Federation or any legal officer in the Federal Ministry of Justice</i></p>	
		<p><b>Powers to Sanction</b>  <b>63.</b> Notwithstanding anything contained in any other provisions of the sections under Part VII of this Bill, the Commission shall at all times retain the power to sanction erring Health Maintenance Organizations, Health Care Providers, Mutual Health Associations, Insurance Brokers, Insurance Companies, Banks, or any other operator or Manager licensed or accredited person in line with the Operational Guidelines as may from time to time be issued by the Commission.</p>	<p>Change to read as follows:  <b>63.</b> Notwithstanding anything contained in any other provisions of the sections under Part VII of this Bill, the Council shall at all times retain the power to sanction erring Health Maintenance Organizations, Health Care Providers, Insurance Brokers, Insurance Companies, Banks, or any other operator or Manager licensed or accredited person in line with the Operational Guidelines as may from time to time be issued by the Council.</p>	<p>The power to issue binding administrative sanctions is a good development.</p>
		<p><b>Oath of Secrecy</b>  <b>68.</b> (1) A member of the Council, the Director General, officer or other employee of the Commission shall –</p>	<p>In subsection (1) of Section 68 of the Bill, retain only paragraph (a) and delete the rest.</p>	<p>Conflict of interest should be separated from issues of secrecy. The provisions of the Freedom of Information Act should be taken into consideration. This oath is unnecessary.</p>

		<p>(a) not, for his personal gain, make use of any information which has come to his knowledge in the exercise of his powers or is obtained by him in the ordinary course of his duty under this Bill;</p> <p>(b) treat as confidential any information which has come to his knowledge in the exercise of his powers or obtained by him in the performance of his functions under this Bill;</p> <p>(c) not disclose any information referred to under paragraph (b) of this subsection except when required to do so by an Arbitration or similar panel or the court or in such other circumstances as may be prescribed by the Council, from time to time.</p> <p>(2) Any person who contravenes the provisions of subsection (1) of this section commits an offence and is liable on conviction to a fine of not less than N20,000 or imprisonment for a term not exceeding two years or to both such fine and imprisonment.</p>	Retain	
		<b>Interpretation.</b>	Change to read:	

		<p><b>78.</b> In this Bill unless the context otherwise requires –</p> <p>“Administrative Charge” means the deduction from contributions or premiums for the purpose of regulating by the Commission.</p> <p>“Benefit” means a benefit or advantage of any kind whatsoever derived from a Scheme;</p> <p>“Council” means the Governing Council of the scheme established under section 2 of the Act;</p> <p>“Commission” means the National Health Insurance Commission established under section 1 of this Bill;</p> <p>“Premium” means a contribution payable to the National Health Insurance Fund under this Bill and any other fund;</p> <p>“Employee” means any person who is ordinarily resident in Nigeria and is employed in the public service or private service or an apprenticeship with an employer whether the contract is express or implied, oral or in writing;</p>	<p>In this Bill except the context otherwise requires-</p> <p>“Administrative Charge” means the deduction from contributions or premiums for the purpose of regulation by the Council.</p> <p>Please delete the word “a Scheme” in line three and change to “the Scheme”</p> <p>“Council” means the Governing Council of the Scheme established under section 2 of the Bill;</p> <p>Delete</p> <p>Retain</p>	
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		<p>“Employer” means an employer with five or more employees which includes the Federal, State and Local Government or any Extra-Ministerial Department or a person with whom an employee has entered into a contract of service or apprenticeship and who is responsible for the payment of the wages or salaries of the employee including the lawful representative, successor or assignee of that persons;</p> <p>“Fee-For-Service” means payment made directly for completed health care services, not included in the capitation fees and paid to health care facility or prescription following appropriate referrals or professionals following appropriate referrals or prescriptions sent to them by health care providers under this Bill.</p> <p>“Public Sector Social Health Insurance Scheme” means health insurance plans designed to cover public sector employees and their dependants.</p>	<p>Change to read as follows:</p> <p>Employer” means an employer with one or more employees which includes the Federal, State and Local Government or any Extra-Ministerial Department or a person with whom an employee has entered into a contract of service or apprenticeship and who is responsible for the payment of the wages or salaries of the employee including the lawful representative, successor or assignee of that persons;</p> <p>Delete</p>	
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		<p>“Organized Private Sector Social Health Insurance Schemes” means health insurance plans designed to cover private sector employees and their dependants.</p>	Delete	
		<p>“Mutual Health Insurance Schemes” means health prepaid plans organized for the informal sector (e.g. communities, work- or group- based organizations, etc.) by mutual health associations and other such bodies;</p>	Delete	
		<p>“Functions” includes powers:</p>		
		<p>“Health Care Facility” means any government or private health care facility, hospital, maternity centre, pharmacy, physiotherapy etc. and includes all primary healthcare facility, secondary healthcare facility and tertiary healthcare facility accredited by the Commission for the provision of prescribed health services for insured persons and their dependants under this Bill;</p>		
		<p>“HMO” means any Health Maintenance Organization accredited under section 41 of this Bill to purchase health care services through health care</p>		

	<p>providers approved by the Commission;</p> <p>“Informal Sector Programme” means health insurance plans designed to cover people not on regular income;</p> <p>“Insured Person” means any person and eligible dependant who pays the required contribution or for whom contribution is made under this Bill;</p> <p>“Member Of The Council” means any person, including the Chairman appointed as such;</p> <p>“Minister” means the Minister charged with responsibility for matters relating to health and “Ministry” shall be construed accordingly;</p> <p>“Public Service Of The Federation” and “Public Service Of State” have the meaning respectively assigned to them in the Constitution of the Federal Republic of Nigeria 1999;</p> <p>“Scheme” means any scheme approved by the Commission;</p> <p>“Voluntary Contributors” means</p>	<p>Retain</p> <p>Retain</p> <p>Retain</p> <p>Retain</p> <p>Retain</p> <p>Retain</p> <p>Delete</p>	
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		<p>individuals who fall into the following groups:</p> <p>(a) political appointees who are excluded from the Public Sector Health Insurance Programme;</p> <p>(b) employers of labour with less than five employees; and</p> <p>(c) individuals ordinarily in the informal sector.</p> <p>“Persons” means persons, organizations, institutions, groups etc.</p> <p>“Vulnerable Group” means children under 5, pregnant women, the aged, the physical and mentally challenged and the indigent; etc.</p> <p>“Wage” means remuneration in money paid to an employee under his contract of service or apprenticeship, as the case may be and whether agreed to be paid at fixed or determined intervals of time;</p> <p>“Zonal Office” means a Zonal National Health Insurance</p>	<p>Change to “Vulnerable Group” includes children under 5, pregnant women, the aged, the physical and mentally challenged, the indigent and all persons declared by the Council as vulnerable.</p> <p>Retain</p> <p>Retain</p>	
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		Commission Office established under Section 50 of this Bill.		
		<p><b>Repeal of NHIS Act.</b>  <b>79.</b> The National Health Insurance Scheme Act No. 35 1999 is hereby repealed.</p> <p><b>Citation.</b>  <b>80.</b> This Bill may be cited as the National Health Insurance Scheme (Amendment) Act, 2017</p>		
		<p><b>EXPLANATORY MEMORANDUM</b></p> <p>This Bill seeks to amend the existing National Health Insurance Scheme Act, Cap. N42, LFN 2004, to ensure a more effective implementation of a national health insurance policy that enhances access to healthcare services to all Nigerians, as well as promote and effectively regulate health insurance schemes in Nigeria.</p>		