

The Nigerian Health Insurance Authority (NHIA) Act, its impact on Nigerians and key actions required for implementation

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HEALTH STRATEGY AND
DELIVERY FOUNDATION

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KEY POINTS FROM THE NHIA ACT



1. Role of the NHIA as a Legal entity

The National Health Insurance Authority is a legal entity tasked with, among other things, regulating, promoting & integrating health insurance programs present in Nigeria, and putting health scheme policies into effect.

The NHIA Act is aligned with establishment of the State Health Insurance Schemes (SHIS) and provides a legal framework for the Basic Healthcare Provision Fund (BHCPF).



2. Mandatory Health Insurance

The Act mandates health insurance for every Nigerian and legal resident to engender the achievement of Universal Health Coverage (UHC). The law does not prevent Nigerian residents from obtaining private health insurance provided such person also participates in any mandated state health scheme.

KEY POINTS FROM THE NHIA ACT



3. Operational Modification

- Private health insurance to handle supplementary benefits (top-up) to be regulated by the Authority
- The Authority retains power to sanction and resolve disputes among parties under the Act
- Tariffs to be reviewed every 3 years by the Authority to the mutual satisfaction of Healthcare providers (HCP), Health Maintenance Organisations (HMOs), SHIS and the Authority
- Development of the Operational Guidelines for the Authority and review at least once in five (5) years by the Authority



4. Vulnerable Group Fund (VGF)

The Act establishes the Vulnerable Group Fund, prioritizing children under 5 years, pregnant women, senior citizens and all those deemed to be vulnerable. It outlines funding sources (BHCPF, Health Insurance Levy, Special Intervention Fund, Return on investment, Grants, Donation, Gifts, Voluntary contributions), disbursement, management, investment and expenses of the fund.

Criteria for disbursement of Vulnerable Group Funds

- The NHIA Council formulates fund policies, develops disbursement criteria and submits them for approval to the Minister of Health for disbursement to SHIA
- The Authority may invest the fund in securities and deposits, subject to NHIA Governing Council approval

WHAT IMPACT WILL THE NHIA ACT HAVE?

Standardized health insurance is likely to lead to an increase in the following society outcomes....



Access to quality healthcare



Financial Risk Protection for Lives & Livelihoods



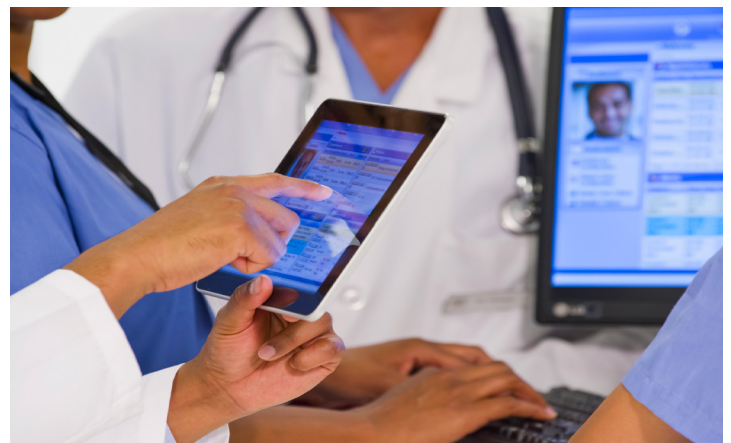
Economic Output



Life Expectancy for Nigerians



Improve health equity



Revenue for health providers and job opportunities

IMPORTANT GUIDELINES FOR HEALTHCARE PROVIDERS



Accreditation of Healthcare Providers

- Accreditation is the evaluation and recognition of healthcare facilities based on predetermined standards and criteria.
- It aims to ensure that facilities meet certain quality standards and provide safe, effective and reliable healthcare services to patients.
- Certain minimum requirements must be met for HCPs to become eligible for obtaining and retaining contracts with NHIA and SHIA
- HCPs must be licensed, accredited and/or certified as elaborated in the subsequent section
- Licensing, accreditation and certification reviews are carried out annually to determine if facilities have earned the right to remain on the list of service providers.

Licensing

Facilities have the minimum equipment and qualifications necessary

Accreditation

Considers performance of facilities. Allows providers to demonstrate their ability to meet defined quality-related standards

Certification

Required if provider would like to offer care at a specialty level or use special techniques (determines if both primary & secondary care can be offered)

IMPORTANT GUIDELINES FOR HEALTHCARE PROVIDERS



Payment Mechanism for HCPs

Capitation Payment



- This involves providing quality healthcare services to insured individuals for a fixed fee per head, per month, as determined by the NHIA.
- HCPs must allocate funds based on anticipated utilization, prioritizing resources for frequently used services while finding savings in other areas to ensure funds remain available for enrollees throughout the month

Fee-for-Service



- HCPs receive payment for services rendered to each insured individual based on the NHIA's approved fee and benefit package
- Adhering to the highlighted claims management practices below is crucial for HCPs as compliance will result in a smooth reimbursement process



Claims Management

- HCPs must submit claims within the agreed timeframe for services provided
- Services rendered must align with patient diagnosis or differential diagnosis
- Accountability mechanisms and policy manuals should be leveraged to support expenditure and fund management
- Digital technologies like electronic health records and data analytics can reduce administrative burden and increase efficiency in claims management



About HSDF:

The Health Strategy and Delivery Foundation (HSDF) is a not-for-profit firm established in December 2013 to improve the quality of decision-making and execution in the health and social sectors. HSDF supports key stakeholders at all levels of government and private sector to achieve measurable and sustainable impact.



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