

# Towards a National Health Insurance Scheme for Uganda

Quality healthcare for all Ugandans : Leaving No One Behind

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Proposed Rate of Enrollment for 1<sup>st</sup> year of implementation



## General Context

On 22 August 2019 the Minister of Health tabled the National Health Insurance Scheme (NHIS) Bill, 2019 before Parliament for the first reading. National Health Insurance Schemes are some of the smartest gateways to achieving Universal Health Coverage (UHC) in any country. UHC implies having all people accessing quality health services without suffering the financial hardship associated with paying for health services from out of pocket. NHIS enhances economic growth and protects families from sliding into poverty.

There is consensus that Uganda's health sector is underfunded and cannot deliver the National Minimum Health Care Package (UNMHCP) to all. This underpins the need to use the limited resources and essential services and create health risks pooling schemes like the currently proposed National Health Insurance Scheme. Uganda remains the only East African country without a semblance of national health insurance. Ugandans are anxiously looking up to government to finally have this Insurance scheme in place.

Discussions about this scheme started way back in the early 1990's and notions of the Bill have slowly evolved over the years. The feasibility of developing social health insurance in Uganda was spearheaded by the Makerere School of Public Health (MUSPH) and Harvard University School of Public Health in 2002. Several versions of the Bill were developed including; the 2012 Social Health Insurance (SHI) that targeted Civil Servants, the 2014 (NHIS targeting formal public and private employees and indigents) and subsequently the current NHIS Bill, 2019.

On several occasions especially during the Africa Regional Parliamentarians' meetings hosted by the Network of African Parliamentary Committees of Health (NEAPACOH) in Uganda, the

Rt. Hon Speaker of Parliament and the Chairperson of the Parliamentary Committee on Health committed to seeing this Bill passed by Parliament of Uganda.

In April 2017 the Ministry of Finance, (MoFPED) issued a certificate of financial implication as a clearance of the 2014 Bill to be presented to Parliament but this did not happen until 22 August 2019, when the Minister of Health tabled the bill to Parliament.

The Bill once passed into law will encourage quality services for the facilities which will in turn get innovative to offer quality healthcare. A method to minimize unnecessary hospital visits by insured members is being suggested; to have an inbuilt system of co-payment requiring all clients to pay a minimum of UGX 1000/= every time a patient goes to the hospital.

## Major components of the bill

The Bill proposes among others to; establish a National Health Insurance Scheme for Uganda, provide the objectives and functions of the scheme as well as establishing a Board of Directors and staff, and provide for contributions and benefits to the subscribed members.

This Bill sets forth the general structure of a first-ever national health insurance in Uganda. The policy and implementation details of this scheme will evolve through a series of regulations after Parliament has passed the bill into law. Those details include; benefits package,

insurance scheme contributions and financing mechanisms, how providers are paid for which services, and many other important details and decisions of critical interest to the public.

### In addition the Bill proposes the following;

- A social health insurance model which will be financed by employee contributions from the formal and informal sectors as opposed to taxes or community based health insurance.
- A progressive resource pooling mechanism where the rich subsidize for the poor, the healthy subsidize the treatment of the sick, and the young subsidize the treatment of the elderly.
- A mandatory percentage contribution by all salaried, formally employed adults to be deducted from their total monthly wage/salary.
- Self-employed and informal sector workers to contribute a fixed lump sum payable annually.
- Establishment of a National Health Insurance Scheme as a new nationally-led entity and its administrative functions.
- A Chief Executive Officer (CEO) and a Board of Directors composed of eleven members to be appointed by the Minister of Health to run the administrative functions of the Scheme.
- A centralized administration structure and subnational/regional health insurance.
- The Board will determine appropriate subcommittees for smooth running of the scheme.
- All government/public health facilities; hospitals and health centres, to automatically be service providers under the Scheme.
- Private (PFPs) and NGO, faith based facilities (PNFPs) to be official providers under the Scheme after an accreditation process.
- All accredited providers be paid by the Scheme for services rendered under the benefits package to the scheme card bearers.

## Considerations



### An attractive Benefits Package:

The bill positively includes a very comprehensive list of

preventative, promotive and curative services based on the Uganda National Minimum Health Care Package (UNMHCP) as well as a wide range of Family Planning information and services.



### Benefits of pooling resources through an insurance scheme:

- Seeing this bill finally in Parliament and through the first reading is an extremely commendable effort on the part of government. It manifests commitment and political will towards a key move to achieve Universal Health Coverage in a progressive way to honouring both national and international commitments.
- Following the lead of countries like—Kenya, Ghana, Zambia and South Africa, Uganda has

the opportunity to create an exemplary scheme and pave the way for other African countries to offer quality health care, leaving no one behind.



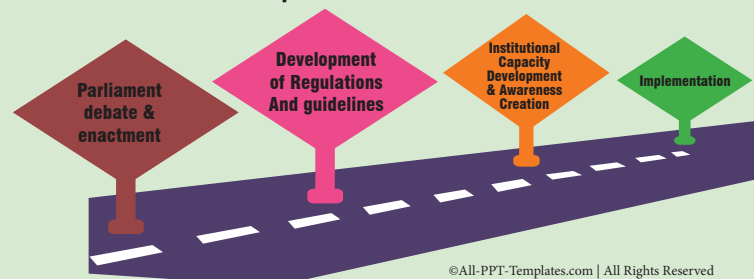
### Is NHIS a magic bullet to achieving Universal Health Coverage?

- The creation of a NHIS does not automatically equal Universal Health Coverage—but the resultant financial protection system is a critical foundational step.
- The creation of a National Health Insurance Scheme is a type of

risk-pooling model that is meant to reduce reliance on out-of-pocket spending for health. Funds are collected in advance as opposed to paying at the point of care.

- The gold standard risk-pooling approaches are “one pool”, which collects funds for health in one central place – the Scheme; as opposed to multiple “pools” or several health insurances that do not have the advantage of volume, and cover fewer people, with less services, and at the highest cost-sharing rate.

### Roadmap for NHIS establishment



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## What do experts consider as key to a successful scheme?

1

Given its benefits and catalytic nature in health and social economic development, Family Planning language should be included in the language of the bill even outside the benefits package mention.

2

Board of Directors as well as the technical subcommittees of the Board should include a seat for CSOs.

3

The composition of the Board should be formed basing on existing and relevant institutions rather than individuals.

4

Government will need to increase budgetary contribution to the health sector and any funding through the NHIS should be wholly for treatment of diseases and not infrastructural development.



### What is the Ideal Health Financing Model for Universal Health Coverage?

Government input of 15% of national budget which then reduces out of pocket from 41% to below 15% as the NHIS absorbs the reduced donor funding. Competition by service providers is enhanced and leads to improved quality. Special programs should target vulnerable populations so that no one is left behind.

## Broad views on general concerns:



### How do you ensure equitable access by rich and the poor?

Insurance levels the ground as long as everyone is covered. Hospitals will only claim reimbursements for services rendered to clients of whatever category or status.



### Will public health sector give way to the scheme?

On the contrary, government needs to increase funding to the health sector. Health care is so expensive that it is practically impossible for private care and the scheme to afford all healthcare equipment, have top surgeons, ensure referral facilities.



### What about Private compared National Health Insurance?

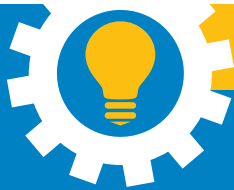
The two can co-exist. National insurance covers what is not covered under private insurance. Where costs are not covered under NHI then this is covered under private insurance. Some services are not paid fully, therefore NHI pays part. Health education should be part of the coverage under the scheme.

Uganda National Health Insurance Stakeholders discussing with Parliamentarians in October 2019 in Munyonyo during an Africa Parliamentary meeting on Health .



### What are the possible sources of funds to run this scheme?

- The bill proposes to cover employees, spouses and children, but there isn't enough revenue and financing sources to cover all these beneficiaries.
- It is important to diversify innovative funding sources including; existing funds from taxes or a percentage of VAT.
- Another SMART source of funding is through revenues from VAT on items like; cigarettes, Alcohol, traffic Penalties etc.)
- The Scheme can mobilize resources, receive donations as well as invest the funds.



## Recommendations

- 1 Eleven members as recommended in Clause 8 to sit on the Board is quite a large number and proper coordination might not be realized.
- 2 The composition of the Board should encompass other stakeholders like the civil society organizations, health rights advocates among others.
- 3 There is need to define "self-employed person".
- 4 Strong consideration should be put on ensuring that the composition of the Board is by institutional representation of relevant organs like; health workers associations, unions, and other interest groups rather than individual outsourced personalities.
- 5 The Board should be appointed by the Minister with approval of Cabinet
- 6 The Board, rather than the Minister, should appoint the Chief Executive Officer (CEO)
- 7 The Board should ensure policy direction and let the Secretariat to implement the scheme.
- 8 Consider creating an independent Secretariat, parastatal unit or Authority where the NHIS will operate from especially outside the Ministry of Health.



Speaker of Parliament, Rt. Hon. Rebecca Kadaga and the Chairperson of the Parliamentary Committee on Health, Dr. Michael Bukenya in a NEAPACOH session chaired by Minister Chris Baryomunsi committing to passing a National Health Insurance Scheme for Uganda.



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