

## Quality Healthcare for all Ugandans: Leaving No One Behind.



Pictorial presentation of an Ideal NHIS -Courtesy of Save for Health Uganda and MoH  
*"National solidarity for equitable access to quality healthcare by all"*

### The National Health Insurance Scheme (NHIS) Bill

Health care financing is one of the most important components of a health system. Essentially, all the other health system building blocks such as human resources, medicines, health information, service delivery and leadership and governance depend on it. National Health Insurance (NHI) is one of the main methods used by many countries to raise resources to finance health service delivery. NHI ensures access to health care for majority of the citizens, and especially the poor and elderly who cannot afford to pay for medical expenses. Indeed, NHI is a common means of health financing in many countries, including most of the East African countries. Uganda is the only country among the East African countries that does not have a NHI scheme.

To actualize the goals envisioned in the Health Sector Development Plan II (HSDP) and the Health Financing Strategy (HFS), the Ugandan government embarked on steps to introduce the National Health Insurance Scheme (NHIS) as a strategy for financing health. The Universal Health Coverage (UHC) is anchored on NHIS framework.

The NHIS is intended to increase access to quality health services without increasing financial hardship for those paying directly for health services through out-of-pocket expenses. The NHIS establishes a social health insurance model financed by employee contributions from the formal and informal sectors. It is modelled along the insurance schemes in Kenya, Ghana, Zambia and South Africa. Uganda's NHIS will help protect households from falling into poverty due to increasing Out-of-Pocket expenses.

The process for establishing the NHIS in Uganda started in 1995. This process was triggered by the formulation of the Constitution of the Government of Uganda (GoU). The 1999 National Health Policy provided further impetus to NHIS process as it routed for the sustainable alternative health financing mechanisms. On 29th August 2019, the Government of Uganda tabled the NHIS Bill in Parliament. The Bill was referred to the committee of health for scrutiny and further consultations so that it is passed into law. The committee for health held fine-tuning discussions with MoH before a report was finalized and presented to Parliament for a second reading, debate and eventual passing into law.

On March 31st 2021, the 10th parliament passed the National Health Insurance Scheme (NHIS) Bill. The passing of the bill brought to an end a long political and technocratic process. However, the bill awaits the presidential assent to become a law. The NHIS will anchor Universal Health Coverage (UHC). The NHIS/UHC will provide a sustainable mechanism for financing health. Its actualization will help majority of Ugandans to access health without falling into poverty due to out-of-pocket expenditure. Ideally, the NHIS is intended to increase access to quality health services without increasing financial hardship for those paying for health services through out-of-pocket expenses.

## What is the bill all about and what does it propose?

The Bill proposes among others to; establish a National Health Insurance Scheme for Uganda, provide the object 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 the President has assented to the bill and passed it 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.

## The NHIS and how it will be financed and managed?

People will make contributions (preferably based on their ability to pay). Those who are unable to pay (Indigents), will get a subsidy from government and donations. All beneficiaries will get services from approved service providers by presenting a membership card instead of cash. This scheme will have a Board with members composed of key stakeholders and Technical / Secretariat team led by the Managing Director.

- The Scheme 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 or as deemed effective.
- Establishment of a National Health Insurance Scheme as a new nationally-led entity and its administrative functions.
- A CEO and a Board of Directors to be appointed by the Minister of Health to run the administrative functions of the Scheme.
- A centralized administration structure and regional health insurance offices to aid regulation, appeals and compliance of providers.
- The Board will determine appropriate sub-committees for smooth running of the scheme.
- All government/public health facilities; hospitals and health centres, will be accredited (as opposed to automatic qualification) to be service providers under the Scheme.
- Private (PFPs) and NGO, faith-based facilities (PNFPs) will be official providers under the NHIS after an accreditation process.
- All accredited providers will be paid by the NHIS for services rendered under the Scheme's benefits package to the scheme card bearers.

The Bill positively includes a very comprehensive list of preventive, 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 Health Insurance

Where general tax revenue financing mechanism is not effective, prepayment mechanisms such as NHIS have been identified as the most effective way of reducing high costs (financial barriers) of accessing health care by households and individuals if benefits are not tied to contributions i.e., include subsidies for those who cannot afford.

The insurance scheme has several other benefits as listed below;

### Benefits to the Citizens,

- Timely use of services (no financial barriers) since people do not need cash to be treated.
- Reduced or no payments from individual pockets (out of pocket expenditure) when people seek services.
- Reduced expenses limited impoverishments
- Solidarity among members who contribute due to cross- subsidisation
- *The poor are subsidised by the rich, the old are subsidised by the young and the sick are subsidised by the healthy.*
- *Feeling a sense of social protection*
- Enables communities to spend on saving life other than on burial expenses
- Under NHIS both resources and health risks are pooled and share – Burden
- All members (rich or poor) are entitled to a defined package equally when they are sick.
- Citizens can demand a defined package of entitlement that can be claimed and the provider makes sure services are available or else they lose business (or accreditation)
- To the contrary, the current system of free services that are provided on first come first served basis.
- *If you go to a facility and you are told the X-ray films are finished, you do not put the health worker or anybody to task, you stop at complaining and go away.*

### Government/ Economy.

- The NHIS scheme brings additional funding to the health basket/Pool- especially from individuals who can afford.
- NHIS fund also attracts development partners, Global financing initiatives and Private donors (Philanthropists) who can buy cards for general population or a particular group

- of the population that cannot afford –like in Ghana, Kenya and Rwanda.
- The NHIS reduces conflicts amongst social classes (working class, informal sector, public or private, rich or poor and urban -rural) since all members are entitled to a specified package that is available and accessible
- **“All will have a health card”**
- Increased demand for quality services and accountability by citizens since they will have contributed under the scheme thereby reducing the burden of government of supervising service providers.
- Competition among health service providers in NHIS will keep prices of health care services low (for the government and purchaser) and to provide a good package of services.
- *Currently anybody can charge any price for any service with very big variations from one provider to another without provider justification and regulation.*
- Enables government to improve quality and expand service coverage fairly (equity in access) and better identification /targeting of vulnerable members.
- **We can determine who deserves assistance** through needs-based targeting compared to the current situation.
- Stimulate private sector development of the economy and a healthy population that is productive.
- NHIS will demonstrate Uganda’s commitment to regional and international frameworks with regard to Universal Health Coverage.

## Private sector services providers, employers and employees

There will be;

- Increased participation by private sector in the provision of health care to the insured population (investment opportunities in health Insurance activities).
- Increased accountability and responsiveness by those who provide services to clients to attract more clients and remain in business.
- Employees who are assured of health care and can access it easily are more likely to be more productive due to limited absenteeism, more concentration and commitment to work.

## Policy Makers and Legislators

- The NHIS separates roles and responsibilities for purchaser/buyer), fund holder (**NHIS Fund**), Regulator-MoH & other relevant bodies and Service providers –**hospitals and clinics**.
- This reduces inefficiencies and increases accountability by the various players.
- NHIS reduces the burden of demand by electorates from legislators and other leaders for medical bills