**MINORITY PRESS CONFERENCE ON THE NEED TO SAVE THE NATIONAL HEALTH INSURANCE SCHEME FROM IMMINENT COLLAPSE.**

Ladies and gentlemen of the Media, welcome to today’s press conference by the Minority in Parliament on the failing National Health Insurance Scheme.

Today’s NHIS has travelled far from the late 1990s when a secretariat was formed under the Rawlings regime and pilot mutual health insurance schemes were rolled out in Damongo and Dodowa, to the 2003 enactment that attempted to provide funding for district mutual health insurance schemes across the country and finally to its current form as established by the 2012 legislation that unified the various district mutual health insurance schemes into the National Health Insurance Scheme.

The mandate of the National Health Insurance Scheme has also changed over the years from the 2003 financing of basic healthcare services to persons resident in the country to the 2012 objective of providing universal health insurance coverage for all residents and persons on a visit to the country.

Although the scheme has struggled since its inception to meet claims of active members from service providers, the recent misapplication of funds collected as levies and SSNIT contributions for other government projects in addition to increases in non-core activities of the fund has placed the fund into medical comatose. Every health insurance scheme requires a constant flow from its funding streams and elbow room to invest a portion of its inflows if it were to stay viable, whilst meeting its mandate. We will demonstrate to you that the actions of this government are undermining this crucial objective.

Under President Nana Akufo-Addo, lodging of the NHIL and 2.5% of SSNIT contributions into the National Health Insurance Fund has been left to the dictates of the Finance Minister in contravention of section 52(1) of the National Health Insurance Act 852 which states that **“The Minister responsible for Finance shall within thirty days after collection of the levy cause the levy to be paid directly into the fund and furnish the Minister responsible for Health and the Authority with evidence of the payment.”**

Neither has the Minister accounted to parliament bi-annually (every 6months) as expressly required by section 52(2) which also states that **“The Minister responsible for Finance shall present to Parliament every six months a report on payment of levies into the Fund.”**

Whilst in Opposition, the then flagbearer of the New Patriotic Party, Nana Akufo-Addo, claimed that the National Health Insurance Scheme was dead and that he was coming to revive it. However, his annual payments towards the National Health Insurance Scheme tell a different story.

A study of the National Health Insurance Fund Allocation Formula for 2022 shows that of the GHc2.056billion collected from Ghanaians as NHIL in 2021, only GHc127.47million or 6% of the total collected was released by this government to address obligations of the year. It is thus not surprising that providers of services under the scheme (hospitals, pharmacies, laboratories etc.) are often outraged claiming arrears in reimbursement.

This is however not unique to 2021. In 2020 out of the GHc2.337billion Ghanaians paid as NHIL and SSNIT contributions for the fund, only GHS790.29m or 31% was released to address claims for the year (2020). 2019 figures were GHS721.09m out of GHS1,262.92 or 57%. 2018 figures were GHS506.80 out of 1,579.49m or 32%. We will want to emphasize that since Nana Akufo-Addo took over as President an average of 41.2% of collections due to the NHIS has been released compared to 73.25% under President Mahama. How anyone can expect the scheme to pay its providers and have funds to invest is a question only the President through his Finance Minister can answer.

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| **Year** | **2013** | **2014** | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** |
| Collected | 830.69 | 980.31 | 1,162.7 | 1,279.44 | 1,564.01 | 1,579.49 | 1,262.92 | 2,337.28 | 2,056.06 |
| Released | 492.98 | 731 | 846.64 | 1,101.85 | 1,205.38 | 506.8 | 721.09 | 790.29 | 127.47 |
| % Released | **59%** | **75%** | **73%** | **86%** | **77%** | **32%** | **57%** | **34%** | **6%** |

We can only conclude that there is a concerted effort to build arrears into the future by paying very little to cover current claims on the fund. This situation is untenable as if not addressed could accelerate and gradually collapse the fund.

Because the government has failed to transmit NHIL funds collected from Ghanaians into the NHIF, the fund has resorted to disinvestment or withdrawals from its investment fund to deal with current liabilities. This has resulted in a situation in which an investment fund that had GHc104.32 million as the closing balance for 2014 reduced to as low as GHc80.13million in 2020 with interest income following the same trend of reducing from GHc21.7million to GHc5.18million in 2020.

The GHc104.32million closing balance for 2014 could at the time address 1.25 months of claims should the fund rely on its investments only without addition. Today same cannot be said of the fund. The balance of 80.13million can at best cover claims for less than a month or 3 weeks. If the depreciation of the Cedi between 2014 and now is factored in, the true value of the investment fund can be said to be even worse.

So on the revenue side government is paying less and less for current claims on the fund, disinvestment is reducing closing balances to the extent that should there be any shock the fund will find it very difficult to cover claims. Consequent to the reduction in balances, interest income has also reduced significantly from GHS21.7m in 2014 to GHS5.18m in 2020. This is a fund that is clearly on life support.

Unfortunately, the mismanagement of the NHIS is affecting the survival of health facilities that offer treatment to national health insurance cardholders.

As of the end of March 2022, service providers were owed over GHS2.5bn due to non-payment of claims filed as far back as July 2021. If you consider the fact that we are experiencing a hyperinflationary period with March inflation year-on-year being reported to have inched closer to 20% one wonders how service providers who are owed as far back as last year are supposed to manage to keep their businesses afloat.

Ghanaians are losing hope in the NHIS contrary to what the Akufo-Addo government wants us to believe. The average use of the scheme or Average Encounter per member per year has reduced from 2.87 a year in 2016 to 2.75 times a year in 2021 due to several factors including the fact that most private service providers are not prepared to offer services to cardholders.

NHIS cards are now reduced to being used for primary or basic services at most health facilities. This is clearly expressed in the average claim per member reducing from GHS97.70 in 2016 to GHS69.02 in 2021. Cardholders have no faith that they will receive good service should they use their cards for secondary or tertiary health services.

In addition, total annual claims and subsidies grew with utilization from GHS731.25m in 2013 to GHS1.4bn in 2017 only for same to drop to GHS1.0bn in 2020. Clearly, service providers are opting to treat patients who pay cash or use private health insurance to patients who rely on the NHIA card.

The fast-diminishing value of the Cedi also affects most inputs required within the health sector. As of March 2022, the Cedi had lost 14.6% of its value. If the fund owed you GHc100,000 in December 2021 by the close of March (a period of 3 months) you would have lost close to GHc14,600 in dollar terms within two months and yet still praying that your claims are paid.

However, tariffs for Health Service Providers have stayed stagnant since 2020 e.g. OPD consultation remains steadfast at GHS19.50. Dental OPD consultation: GHS14.36. Fasting blood sugar: GHS5.18. VCT or (HIV voluntary counseling and testing): GHS2.52. Meanwhile, reports by the Ghana Statistical Service establish that Consumer Price Inflation Index since January 2020 has changed by some 33%. Tariffs are lagging behind rising inflation and service providers are denying NHIS cardholders services because they cannot sustain their operations at these low rates.

Consequently, the low tarrifs has led to a situation in which service providers are not ready to offer services to cardholders resulting in significant reduction of claims on the fund (if one compares the 2020 total claims to those of 2014), and this is well expressed in the low encounter per active member per year and low average claim per member per year. The scheme is gradually becoming a white elephant.

Last but not least is the impact of capping on receipts of collections into the funds. The implementation of the Earmarked Funds Capping and Realignment Act of 2017 has led to a situation in which the already under-funded NHIF is having to contribute to the consolidated fund to be utilized at the discretion of the finance minister instead of being used to manage the health needs of Ghanaians.

As usual of Vice President Bawumia and his story of lies, his address to young elephants (TESCON) this year included several untruths. He said among other things that integration of the National ID card to the NHIA card is being done at no cost to the scheme. And that the Scheme is going to benefit from savings made through this integration process. However, the fact remains within the 2022 National Health Insurance Fund Allocation Formula document that NHIA is expected to pay some GHS10.64million to the NIA for data integration.

What makes matters even worse is that his lies about the replacement of NHIA cards with Ghana Card are also false. This Year’s allocation provides some GHS54.60million for the printing of some 2.6million NHIA cards at GHS21.00 each.

We cannot continue to lie our way into solving critical national problems. We cannot also continue to ignore flagrant violations of laws enacted to ensure good healthcare for all Ghanaians. We cannot allow the future of the scheme to be hijacked by Nana Akufo-Addo and his law-breaking Finance Minister.

The National Health Insurance Scheme is collapsing not because of inadequate funds or inadequate legislation but purely as the result of poor public financial management of the fund.

In concluding we will like to remind our bible quoting Finance Minister to read what Jesus said in Mark 12:17, “…Give back to Caesar what is Caesar’s and to God what is God’s…” and do accordingly. Give funds collected in the name of the National Health Insurance Scheme to the National Health Insurance Scheme period.

Thank you all.

**Kwabena Mintah Akandoh**

**(Ranking Member, Parliamentary Select Committee on Health)**

09/05/2022