# THE SENATE
## FEDERAL REPUBLIC OF NIGERIA
## NATIONAL ASSEMBLY

## COMMITTEE ON HEALTH

REPORT ON

*A BILL*

*FOR AN ACT TO REPEAL* THE NATIONAL HEALTH INSURANCE SCHEME *ACT*, *CAP* N42, LFN. 2004 AND TO ENACT THE NATIONAL HEALTH INSURANCE *COMMISSION* BILL, 2018.

OCTOBER, 2018

# REPORT OF THE SENATE COMMITTEE ON HEALTH ON A BILL FOR AN ACT TO REPEAL THE NATIONAL HEALTH INSURANCE SCHEME ACT, CAP N42, LFN. 2004 AND TO ENACT THE NATIONAL HEALTH INSURANCE COMMISSION BILL, 2018.

## 1.0 BACKGROUND:

The Bill For An Act To Repeal The National Health Insurance Scheme Act And To Enact The National Health Insurance Commission Bill, 2018 was sponsored by Senator Dr. OLANREWAJU A. Tejuoso (***Ogun Central Senatorial District***). After the debate on the general principles of the Bill, it was referred to the Senate Committee on Health on 8th March, 2017 for further legislative action.

## 2.0 MEMBERSHIP OF THE COMMITTEE:

| | | |
|---|---|---|
| 1. Sen. Dr. OLANREWAJU A. Tejuoso | – | Chairman |
| 2. Sen. Clifford Ordia | – | Vice Chairman |
| 3. Sen. Matthew Urhoghide | – | Member |
| 4. Sen. Theodore A. Orji | – | Member |
| 5. Sen. Jonah D. Jang | – | Member |
| 6. Sen. Mao Ohuabunwa | – | Member |
| 7. Sen. Andrew Uchendu, CON | – | Member |
| 8. Sen. Suleiman Nazif | – | Member |
| 9. Sen. Andy U. Uba | – | Member |
| 10. Sen. Kabir Marafa | – | Member |

## 3.0 OBJECTIVES OF THE BILL:

Mr. President, Distinguished Colleagues, the fundamental objectives of the Bill are as follows:

i. Repeal the existing National Health Insurance Scheme Act, 1999, enacted 19 years ago, which is considered inadequate, and to enact

the National Health Insurance Scheme Commission law that is adequate in ensuring a more effective implementation of a health insurance policy that enhances greater access to healthcare services by all Nigerians as well as promote and effectively regulate and integrate health insurance schemes in Nigeria; and

ii. Create a mix of health insurance scheme / plans regulated by the Commission in a more pro-active manner, thereby guaranteeing better universal access to healthcare services / coverage.

## 4.0 METHODOLOGY / COMMITTEE ACTION:

Following the Senate referral, the Committee met and resolved that in carrying out the assigned task, it must adopt the under-listed methods:

i. Make wider consultations on the justifications for the passage of the Bill;

ii. Organize / convene a One Day Public Hearing in order to collate views of stakeholders and members of the general public;

iii. Resort to use of other materials / related legislations; and

iv. Organize a Retreat to further analyze the views expressed at the Public Hearing and to also consider and adopt the draft report on the Bill.

4.1 In furtherance of its activities, especially relying on ***item 4.0*** above, the Committee met and resolved to conduct a one-day Public Hearing on Wednesday, 17th May, 2017, in order to collate opinions / views of stakeholders and the general public on the proposed legislation. This was in addition to the wide range of consultations with stakeholders as well as in-depth comparative analysis on the provisions of the Bill with other existing legislations.

Mr. President, Distinguished Colleagues, considering the importance of the legislation under reference, the Committee in order to keep fate with the usual tradition of the Senate and also in line with the 8th Senate Legislative Agenda of involving the general public, civil society organizations, etc. in the activities of the Senate, placed advertisements in Nigeria dailies and the internet and invited the stakeholders and the general public to submit memoranda. The Committee also sent invitation specifically to some key stakeholders for their input and appearance at the public hearing. The purpose of this was to enlighten and sensitize the public on the provisions of the proposed legislation ahead of the public hearing. It should be noted here that the response to the call for memoranda was encouraging. The Committee received submissions from the under-listed stakeholders:

1. National Health Insurance Scheme (NHIS)
2. Association of Senior Civil Servants of Nigeria
3. Trade Union Congress of Nigeria
4. Pharmaceutical Society of Nigeria
5. Health Management Care Association of Nigeria
6. Lagos State Ministry of Health
7. Sokoto State Ministry of Health
8. Novo Health
9. Association of General and Private Medical Practitioners of Nigeria
10. Nigeria Medical Association (NMA)
11. USAID/Nigeria
12. National Association of Nigerian Nurses and Midwives
13. Occupational Therapists Association of Nigeria
14. Nigerian Labour Congress (NLC)
15. Community Health and Research Initiative

16. Maayoit Health Care Ltd
17. Association of Clinical and Academic Physiotherapists
18. Nursing and Midwifery Council of Nigeria
19. Nigerian Optometric Association
20. Doctors Health Initiative
21. Association of Medical Social Workers of Nigeria
22. Healthcare Providers Association of Nigeria
23. Society for Public Health Professionals of Nigeria
24. Society for Family Physicians of Nigeria
25. Dr. Gyadele Jimeta Yola
26. Medical Laboratory Science Council of Nigeria
27. Private Medical Laboratory Proprietors Association o Nigeria
28. Radiographers Registration Board of Nigeria
29. Society for Public Health Practitioners of Nigeria
30. Pharmacists Council of Nigeria
31. Guild of Medical Laboratory Directors
32. Joint Health Sector Union (JOHESU)
33. Nigerian Union of Allied Health Professionals
34. Ophthalmological society of Nigeria
35. National Association of Resident Doctors (NARD)
36. Association of Radiologists of Nigeria
37. Health Records Officers Registration Board of Nigeria
38. Health Information Managers Association (HIMAN)
39. Medical & Health Workers Union of Nigeria
40. Association of Medical Laboratory Scientists of Nigeria
41. Association of Community Pharmacists
42. Nigerian Communication Commission
43. Nigeria Society of Physiotherapy
44. Health Sector Reform Coalition (HSRC)

45. Central Bank of Nigeria
46. Nigeria Insurers Association
47. Health and Human Services Secretariat, FCT
48. Medical and Dental Consultants Association of Nigeria (MDCAN)
49. National Insurance Commission (NAICOM)

It is also important to note here that apart from submission of memoranda, the Committee received oral presentations / submissions during the hearing from members of the public.

## 5.0 PUBLIC HEARING:

On Wednesday, 17th May, 2017, the Committee convened a one-day Public Hearing in the Senate Conference Room 022, New Wing. The Public Hearing was well attended by stakeholders and members of the general public. The Public Hearing was declared opened by the President of the Senate, His Excellency, Sen. (Dr.) Abubakar Olubukola Saraki, CON, who was represented by Senator Dino Melaye. In his keynote address, His Excellency, Senator (Dr.) Abubakar Olubukola Saraki, CON, the President of the Senate, welcomed stakeholders and invited guests to the Public Hearing organized by the Senate Committee on Health On A Bill For An Act To Repeal The National Health Insurance Scheme and to Enact The National Health Insurance Commission Bill, 2018 (SB 278). He stated that apart from other important purposes public hearings serve, they allow Committees to collate information on proposed legislations through exchange of ideas with stakeholders. He also stated that the National Health Insurance Scheme was conceived to abolish the cash and carry system of health care delivery which provided treatment only when patients pay for services. He stated that the intent of the current Bill is to address gaps and lacuna in the existing National Health Insurance Act such

as making health insurance mandatory as against its being optional; subsidizing premium payment for those who cannot afford it; and guaranteeing Nigerians an explicit basic package of health, especially making the provisions of the National Health Act, 2014 reflect in the implementation of the National Health Insurance Scheme.

In conclusion, he commended the sponsor of the Bill, Distinguished Senator Dr. OLANREWAJU A. Tejuoso and members of the Committee for the passion and charged the stakeholders to feel free to make positive contributions that would add value to the Bill. On that note, he formally declared the Public Hearing opened.

## 6.0 PRESENTATIONS / SUBMISSIONS:

**Highlights of Presentations / Submissions by Stakeholders.**

The Public Hearing witnessed large turnout of stakeholders, especially practitioners in the health sector, the media, the civil society organization, the labour unions, the development partners, etc. The Public Hearing examined every aspect of the Bill with stakeholders making reasonable suggestions for certain amendments and inclusions to the Bill. Some of these suggestions have direct effect to what the Committee finally considered and produced the report which is before the Senate for consideration and approval today. It should be noted that some of the amendments proposed by the participants were taken / adopted while other which were seen not to have further enriching effects on the Bill were set aside.

Generally, the Committee as well as participants at the Public Hearing agreed with the intention of the Bill. Thus the current Bill is a product of several stakeholders' engagements and input. This was evident from the

deliberation and submissions at the Public Hearing where majority of views expressed were for the repeal and re-enactment of an inclusive piece of legislation. However, it is noteworthy to state here that even though majority of the stakeholders unanimously agreed to the enactment of the law in its current form, that is, as a Commission, few stakeholders objected to that. These are the NAICOM, NLC and HSRC / CCG4HF (CSO). These stakeholders are of the views that the proposed legislation is more appropriate as an Agency. That under general legal and functional concepts, a Commission is Advisory while an Agency is Executive in function.

## 7.0 ANALYSIS OF THE BILL / SUMMARY:

The summary seeks to provide the highlights of the provision of the Bill. It provides the underlining reasoning of the Committee as well as participant's observations / findings and recommendations. The Bill contain Ten (10) parts and Eighty Four (84) sections / clauses with some modifications. Some of these modifications are grammatical and re-arrangement of Parts and Clauses.

**Part One (I):**

Part One of this Bill provides for the establishment of the National Health Insurance Commission, the object and functions of the Commission; establishment of Governing Council, its functions and powers, tenure and meetings of Council. What some of the provisions in this part, especially the object of the Commission, in effect means, is to promote, regulate and integrate health insurance schemes in Nigeria in order to enhance access to healthcare to all Nigerians. Clause 3(1)(f) of this part in the wisdom of stakeholders and the Committee agreed to further enrich the clause by including a "representative of each geo-political zone to represent the

States and Local Government Areas, such representation to be rotated between States every two years". Also clause 3(1)(g), was further enriched with the inclusion of representative of a Civil Society Organization".

**Part Two (II):**

The provisions in part two (2) of this Bill are substantially covered by the types of health insurance schemes with emphasis on state health insurance scheme and the participation in health insurance to be mandatory.

**Part Three (III):**

This part provides for the establishment of health insurance schemes with specific provisions and regulations for example, establishment of Private Health Insurance Schemes, National Universal Healthcare Coverage, Basic Healthcare Provisions Fund, etc.

**Part IV):**

Part four (4) of the Bill contains provisions regarding contribution and funds of the health insurance schemes. It requires that contributions shall be made by individuals, employers, and employees as required under Health Insurance Schemes and any other schemes approved by the Council. In addition, the provisions in this Part Four (IV), especially clause 39(2) proposed contributions for the vulnerable persons and prescribed conditions for access to the funds by the states, that is, establishment of State Health Insurance Scheme as required under Section 12 of the Bill.

**Part Five (V):**

Part Five (V) deals with the aspects of accreditation of Health Maintenance Organizations, Mutual Health Associations, and Healthcare Providers and their functions/responsibilities including the quality assurance to ensure

that the quality of health care services delivered are of reasonably good quality and high standard.

**Part Six (VI):**

Part Six (VI) deals with the Staff of the Commission, that is, the processes of appointment of the Director-General and recruitment of other staff of the Commission in line with the approved service scheme. It also deals with the establishment of zones/zonal offices in each of the geo-political zones of the country.

**Part Seven (VII):**

Part Seven (VII) deals with the Financial Provisions of the Commission. This provision accord/allow the Commission to apply the funds accrued for all its expenses be it annual subvention from Federal Government or fees, fines, incomes from any investments, international or donor organizations and Non-Governmental Organizations, or gifts. The provisions in *Part Seven (VII)* also cover preparation of Annual Accounts and Annual Reports of the Commission.

**Part Eight (VIII):**

Part Eight (VIII) contain provisions regarding the establishment of Arbitration Panel for the settlement of disputes amongst the parties before resorting to litigation.

**Part Nine (IX):**

Part Nine (IX) deals with provisions regarding offences and stronger penalties and legal procedures for offenders under the law. It gives mandate for application of punishment to anyone/party who fails to comply with the provisions of the law.

**Part Ten (X):**

Part Ten (X) contains miscellaneous provisions for example, interpretation, repeal of NHIS Act, Transitional and savings / provision, citation and explanatory memorandum.

## 8.0 OBSERVATIONS/FINDINGS:

Mr. President, Distinguished Colleagues, it is important to note that from the submissions / presentations made at the public hearing and the subsequent considerations of the Bill by the Committee, especially at the Retreat, we observed as follows:

1. That the consensus of opinion of stakeholders at the public hearing favoured the repeal of the extant law/principal Act and the enactment of the new Bill. The National Health Insurance Scheme (NHIS) Act, Cap N42, LFN, 2004, enacted in 1999, about 18 years ago which is inadequate, was long overdue;

2. That in the global world, where universal health coverage is key, the passage of the Bill in its present form was perceived as a step in the right direction – a step that would lead the country towards national and global health targets for Universal Health Coverage. The principal Act has obvious limitations which from the on-set limited the scheme from providing universal coverage;

3. That the principal Act did not provide expressly for a mix of health insurance plans in recognition of the fact that there is widespread informal economy, extreme poverty, structural inequality and high rates of unemployment and disability;

4. That the absence of adequate legal framework has greatly affected the nation in gaining global recognition as the application of the principal Act is perceived to obviate the fundamental rights of citizens to health;

5. That almost all the health professionals / regulatory bodies requested for their inclusion in the governing council, and even Health Maintenance Organizations (HMOs). In the opinion of the Committee, this was seen as unwieldy. The Committee also observed that the inclusion of HMOs as members of the governing council would amount to the regulated being appointed a regulator; and

6. That the proposed legislation / Bill did not create/establish a new agency or department that would make the Federal Government to incur extra costs or expenses to manage. The NHIS office is already an established government institution.

## 9.0 RECOMMENDATION:

The Committee on Health to which was referred A Bill For An Act To Repeal The National Insurance Act, CAP, N42, LFN 2004, And To Enact the National Health Insurance Commission, Bill, having considered same, reports and accordingly recommends as follows:

> ***"That the Senate do consider and pass The Bill For An Act To Repeal The National Health Insurance Act, CAP N42, LFN, 2004 and To Enact The National Health Insurance Commission Bill, 2018".***

WE SO MOVED.

## 10.0 CONCLUSION:

On behalf of members of the Committee, I wish to express our gratitude for this opportunity to serve you, our Colleagues and our nation, Nigeria.

.....

**Senator Dr. OLANREWAJU A. Tejuoso**
***Chairman.***

.....

**Danladi Angulu**
***Committee Clerk***

## 11.0 ENDORSEMENT:

| | | | |
|---|---|---|---|
| Sen. Dr. OLANREWAJU A. Tejuoso | | Chairman | ..... |
| Sen. Clifford Ordia | – | Vice Chairman | ..... |
| Sen. Matthew Urhoghide | – | Member | ..... |
| Sen. Theodore A. Orji | – | Member | ..... |
| Sen. Jonah D. Jang | – | Member | ..... |
| Sen. Mao Ohuabunwa | – | Member | ..... |
| Sen. Andrew Uchendu, CON | – | Member | ..... |
| Sen. Suleiman Nazif | – | Member | ..... |
| Sen. Andy U. Uba | – | Member | ..... |
| Sen. Kabir Marafa | – | Member | ..... |
| Danladi Angulu | – | Committee Clerk | ..... |