ACHIEVING UNIVERSAL HEALTH COVERAGE THROUGH NATIONAL HEALTH INSURANCE IN GHANA

Charles Gerhardt & Irene Akua Agyepong
The Ghanaian health system
Key players
Main causes of underperformance

• Gap between policy and implementation, despite large number of policy documents
• Outdated/conflicting legislation
• Weak MOH with strong network players
• Complex business structures (→ duplication of functions and fragmentation)
• Centralized and complex resource mobilization, management and allocation systems and processes
Key funding flows in Ghana

Adapted from Enemark et al 2005
Nature of the efficiency problem (1)

The goal: Universal Health Coverage

• Equitable access to effective health services
• Acceptable quality
• Paid with available national resources
• No impoverishing expenditures by households

\textit{i.e. Inter-related dimensions of effectiveness, equity and efficiency}
Nature of the efficiency problem (2)

The case study:
- Explore efforts to attain this goal through the introduction of National Health Insurance
Manifestation of the problem

- Increasing insurance coverage
- Over 80% of Ghanaians have ever registered in the National Health Insurance Scheme (NHIS)
- But only about 40% are actively registered at any given time
- Persisting gap in insurance coverage is an equity as well as an efficiency problem
Old method of estimating active membership was invalid. New method introduced in 2010: more realistic results.
NHS registration and membership

Results of MICS 2012 confirm results of routine monitoring with the new method.
Causes of the efficiency problem

• Health insurance coverage is compulsory by law but enrolment and regular renewal are *de facto* voluntary.

• NHIS requires annual renewal of registration with payment of registration fees (about US$ 1.50) for all and payment of premium (About US$ 10/head) for non exempt groups

• People are not renewing their registration annually – even some people in premium exempt categories
Framework for analysing the causes

- Contextual factors
  (Historical, Social, economic, demographic, political, legal)

- Subscriber factors

- Scheme factors

- Provider factors

- Outcomes
  - Enrolment
  - Renewal
Contextual factors

- Socio-demographic change
- Historical
- Political
- Economic

Per Capita Gross National Income (current US$ – Atlas Method)
http://www.indexmundi.com/facts/ghana/gni-per-capita
Insurance scheme factors (1)

- Registration arrangements and the cost on subscribers (premium and registration fee; transport costs; opportunity costs of going to a registration centre and returning later for the insurance card)
- Inadequate insurance scheme office space and equipment,
- Difficulties in identifying and granting exemptions to the poor
Insurance scheme factors (2)

- Low skills and capacity to administer the scheme because of:
  - rapid introduction of the scheme
  - low capacity and inadequate systems at district level
  - ambivalence towards decentralisation
  - complicated annual registration process
  - high financial risk and limited fiscal space of the National Health Insurance Fund
Subscriber factors: barriers

- Enrolment is voluntary, inconvenient and has a cost
- Registration has to be renewed each
- Poverty, traditional concepts of risk sharing, poor quality of service (providers and insurance scheme offices), unfriendly /hostile behaviours of health care providers, unauthorised cash charges for insured health services and drugs, shortages of medicines, political perceptions of the NHIS.
Subscriber factors: enablers

- Perception that the NHIS provides financial protection from out-of-pocket payments, prompt and efficient services at the insurance scheme offices for issuing insurance cards, and health services that are perceived to be of high quality.
Provider factors

- Successful expansion of infrastructure, but still gaps in some areas
- Shortages of human resources, especially in rural areas
- Perceptions of inadequate reimbursement of services by the insurance scheme
- Shortage of medicines and supplies
- Heavy workloads and delays in claim payments influence staff negative attitudes to the scheme and its clients
Consequences of the efficiency problem (1)

- **Low rates of insurance renewal (as presented)**
- **Distributional consequences (who benefits?)**
  - Those who are registered (40% of the population) benefit from a system paid for 75% by national taxes
  - Lower income quintiles enrol less than middle quintiles
  - However once enrolled, utilisation is equitable
Consequences of the efficiency problem (2)

*Ever registered by income quintiles (from MICS 2012)*
Addressing the problem (1)

• Access to health services became a top issue in 2008 elections
• Newly elected government promised a “one time premium payment for registration with the NHIS”
• Lack of clarity as to what this meant
• Up front payment of an actuarial determined life time premium clearly not feasible
Affordable one time contribution to the NHIS would not address recurrent financing needs

Concept of a tax-financed system not problematic (70% of National Health Insurance Fund already financed from VAT)

But concerns about source of taxes – intense public political debate.
Implementing the reform

The reform was never implemented because it did not appear to be administratively feasible to implement it at that point in time.
The reform was never implemented, but

- It sparked an international debate about health insurance
- It led to a re-examination of how coverage was calculated and more thinking about how to finance the scheme
- It kept up lively debates and social engagement in trying to find ways to achieve UHC in Ghana
- It encouraged a focus on how to efficiently use available resources to make UHC possible in the future
Lessons learned (1)

• It is difficult to achieve universal health insurance when enrolment and renewal of insurance coverage is voluntary and left to the individual decisions of subscribers;

• The processes and arrangements for enrolment and for issuing identification cards need to be carefully planned so they do not become a barrier to subscription.
Lessons learned (2)

- The country’s ability to deliver an agreed package of services at an acceptable quality is critical for encouraging trust and enrolment in the insurance scheme.