



**FEMI JOHNSON & COMPANY LIMITED**  
*Incorporated Insurance Brokers Rc7415*



## Review of the 1999 Health Insurance Scheme Decree

**April 2005**



Member,  
Nigerian Corporation of  
Registered Insurance Brokers

***1999 Health Insurance Scheme Decree***

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## *Objectives of the Decree*

**To establish a Health Insurance Scheme which will entitle Insured persons and their dependants to the benefits of good quality and cost effective health services as set out in the decree.**

**For effective management of the scheme, the decree establishes a governing council.**



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## *Objectives of the scheme*

- ◀ Ensure that every Nigerian has access to good Health Care services
- ◀ Protect families from the financial hardship of huge medical bills and ensure equitable distribution of health care costs among different income groups
- ◀ Maintain high standards of health care delivery services within the Scheme and ensure the availability of funds to the health sector for improved services
- ◀ Improve and harness Private Sector participation in the provision of health care services
- ◀ Ensure adequate distribution of health facilities within the Federation;



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## *Contributors to the Scheme*

Two classes of people may benefit from the Scheme subject to their contributions.

☒ An employer (with a minimum of ten persons in his employment) together with his employees **and**

☒ A voluntary contributor.

The employer shall register itself and its employees under the scheme

and pay into the account of a designated Health Maintenance Organization, its contribution and the contributions of its employees. .

The Employer's contribution is at a rate determined from time to time

by the Council, whilst the employee's contribution is a negotiated amount deducted from his wages.



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*Contributors to the scheme....contd*

**An Employer shall deduct from the employee's wages the negotiated amount of contribution to be made by the employee.**

**He shall not however, by reason of his liability for any contribution (or penalty) reduce, whether directly or indirectly the remuneration or allowances of the employee in respect of whom contribution is payable.**



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*Health Care Providers*



**Health Care Providers under this scheme are to be registered as determined by the Council and in consideration for a capitation payment in respect of each insured person registered with it, is expected to provide the following services**

- ❏ **Defined elements of Curative care**
- ❏ **Prescribed drugs and Diagnostic tests**
- ❏ **Maternity care for up to four live births for every insured person**
- ❏ **Preventive care, including immunization, family planning, ante natal and post natal care**
- ❏ **Consultation with defined range of specialists**
- ❏ **Hospital care in a public or private hospital in a standard ward during a stated duration of stay for physical or mental disorders**
- ❏ **Eye examination and care, excluding test and the actual provision of spectacles**
- ❏ **A range of prosthesis and dental care**



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## *Registration of HMOs*

The Council is to register Private and Public Health maintenance Insurance Organizations in the form and manner **determined** by the Council, using the under listed guidelines:

- ⌘ **Financial viability before and after registration**
- ⌘ **Complete disclosure of the ownership structure and composition of the organization**
- ⌘ **Have an account with one or more banks approved by the Council**
- ⌘ **Be insured with an insurance company acceptable to the Council**
- ⌘ **Give an undertaking that the organization shall manage and invest the funds accruing to it from contributions received pursuant in accordance with guidelines to be issued, from time to time, by the Council**

**This registration is valid for a period Determined by the Council and renewable on expiration subject to its compliance with the guidelines stated above**



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## *Responsibilities of HMOs*

- ◀ **Collection of contributions from eligible employers and employees under this Decree**
- ◀ **Collection of contributions from voluntary contributors under subsection (3) of section 17 of this Decree**
- ◀ **Payment of capitation fees for services rendered by health care providers registered under the Scheme**
- ◀ **Rendering to the Scheme returns on its activities as may be required by the Council**
- ◀ **Contracting only with the health care providers approved by the Scheme for the purpose of rendering health care services under this Decree**
- ◀ **Ensuring that contributions are kept in accordance with guidelines issued by the Council and in banks approved by the Council**
- ◀ **Establishing a quality assurance system to ensure that qualitative care is given by the health care providers.**



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## *Arbitration Boards*



**The Decree also establishes Arbitration Boards as and when necessary. The Arbitration Board is to consider complaints by an aggrieved party with regards to**

- ⌂ Violation of any of the provisions of this Decree; or**
- ⌂ Against any of the agents of the Scheme; or**
- ⌂ Against an organization or a health care provider.**



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## *Conclusion*



Offenders under this Decree are liable to prosecution by the Attorney-General of a state (or of the Federation in respect of the Federal Capital Territory); and upon conviction, liable to fines and imprisonment imposed by this Decree.

Jurisdiction to entertain issues under this Decree is vested with the State High Court or the High Court of the FCT.