

# Policy Brief

**CUTS**

**OSIWA**  
Open Society Initiative for West Africa

## Improving Healthcare Delivery in Ghana

*Making the National Health Insurance Scheme  
Work for the People*

### Background and Overview

Healthcare is the backbone of every nation. Governments everywhere have taken the health sector as a priority sector. In the wake of the COVID-19, healthcare has received some level of attention. The global pandemic has exposed inefficiencies and



overwhelmed healthcare systems globally. In 2003, the Government of Ghana decided to improve health coverage and access and thereby introduced a social intervention known as the National Health Insurance Scheme (NHIS).

One of the primary goals of Ghana's NHIS was to increase the affordability and utilisation of drugs and health services in general and among the poor and most vulnerable populations, in particular. Ghana's NHIS was created by the National Health Insurance Act (Act 650) of 2003 and became one of very few attempts by a sub-Saharan African country to implement a national-level, universal health insurance program.

Since its introduction, the scheme has helped mobilize revenue for providers, thus helped in health financing.<sup>1</sup> Health service utilisation has increased significantly and out-patient visits per capita increased abruptly after 2005, the same year NHIS operations began.<sup>2</sup> The introduction of the NHIS experienced a massive improvement in life expectancy and infant mortality, under-5-year mortality, with the country having a lower burden of major diseases.<sup>3</sup> For life expectancy, Ghana had 58 and 59 years for males and females, respectively, in 2000, in 2010, it increased to 63 and 65 years for males and females, respectively.<sup>4</sup>

A recent survey indicated that about 50 percent of Ghanaians are registered on the scheme<sup>5</sup>. The majority of these are the working class, poor and vulnerable in the under-served rural communities who cannot afford an alternative scheme like the private mutual health insurance scheme. Some challenges have characterised the National Health Insurance Scheme during implementation. These include delay in transfer by the government and the NHIS to service providers, charging of unapproved fees, and abuse of clients by some health workers.

The challenges mentioned above persist even though the Government of Ghana continues to pump huge resources into the scheme, while subscribers in the formal sector whose 2.5 percent of their salaries are deducted also contribute. The recalibration of the 2.5 percent of the Valued Added Tax (VAT) has also increased revenue meant for the scheme.

As a result of these challenges, many companies have had to sign their workforce onto a private mutual insurance scheme, albeit more efficient, and provides a wider drug list. The private mutual scheme is costly, making it impossible for most middle class, the poor and the vulnerable to afford to enroll.



## Significance of Introducing the National Health Insurance Scheme (NHIS) in Ghana

- The NHIS is a pro-poor health financing policy aimed at improving universal health insurance coverage and making quality healthcare accessible to all Ghanaians, especially vulnerable groups, regardless of their socio-economic background.<sup>6</sup> The NHIS was established under Act 650 of 2003.<sup>7</sup>
- The healthcare scheme is part of a broader development plan called the Ghana Poverty Reduction Strategy (GPRS) to alleviate poverty and improve the standard of living in the country.
- The scheme also seeks to improve the standard of the healthcare delivery system in the country significantly.
- It seeks to replace the cash-and-carry system and reduce the out-of-pocket expenses in the erstwhile health regime.

## Benefits of the NHIS to Subscribers'



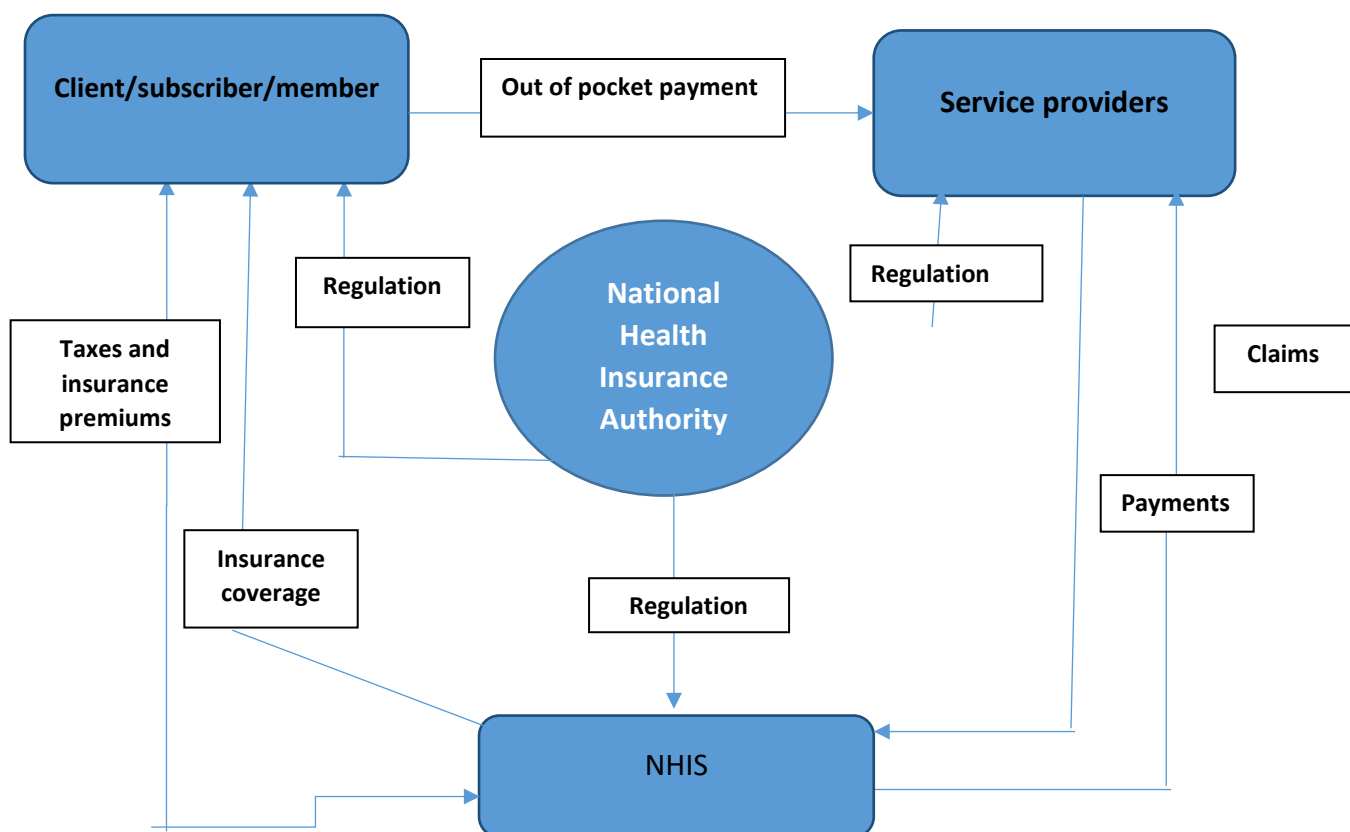
- Subscribers' benefit from a single package that covers about 95% of all diseases likely to inflict a Ghanaian. These diseases include malaria, STIs, asthma, typhoid, ulcer, hypertension, diarrhea, rheumatism, anemia, among others<sup>8</sup>
- The NHIS covers out-patient services which include diagnostic testing and operations such as hernia repair.
- Most in-patient services, including specialist care, most surgeries, hospital accommodation (general ward), and oral health treatments, are all covered under the scheme.
- All maternity care services, including caesarean deliveries, are covered under the scheme.
- Subscribers can enjoy emergency care and services as well as all drugs on the NHIA Medicines List under the scheme.<sup>9</sup>
- It is important to note that very expensive procedures and services such as certain surgeries, cancer treatments (other than breast and cervical cancer), organ transplants, and dialysis; non-vital services such as cosmetic surgery, and



items such as HIV antiretroviral drugs are excluded under the NHIS.<sup>10</sup> A detailed list of a benefits package can be found at the NHIA website at [nhis.gov.gh/benefits.aspx](http://nhis.gov.gh/benefits.aspx).



## NHIS Service Delivery System



*Source: Adapted from National Health Insurance Policy*

The NHIS is implemented by pulling financial resources from different sources to keep the scheme operating from the figure above. Subscribers' can then enjoy access to healthcare when sick from an accredited facility or service provider. Service providers render services and claim their expenses from the National Health Insurance Authority (NHIA). The Authority then pays service providers for their services. The National Health Insurance Authority regulates and coordinates the activities of subscribers, service providers and the scheme. However, when a resident refuses to subscribe to the scheme, he/she must pay directly (out of pocket payment) to the service provider at the point of service to access healthcare.

## **NHIS Financing**

The National Health Insurance Fund is funded through four main sources:

- 2.5 percent of taxes on goods and service collected under the Value Added Tax (VAT) termed National Health Insurance Levy (NHIL);
- 2.5 percent of monthly contributions under the Social Security and National Insurance Trust (SSNIT);
- Returns on the National Health Insurance Fund investments (government budgetary allocation and donor funding); and
- Premium paid by informal subscribers.<sup>11</sup>



The NHIL is the largest source of funding, constituting about 70 percent of the funds, SSNIT constitutes 23 percent, premium constitutes 5 percent and the remaining sources the 5 percent.<sup>12</sup>



## Challenges Impeding the Effectiveness of the National Health Insurance Scheme

Findings from a research work conducted in 2021 by CUTS International, Accra, entitled: ***"Making the National Health Insurance Scheme Work for the People,"*** revealed the following challenges from different stakeholders of the scheme:

### Government's Perspective

- Funding problems emanating from difficulties in tax mobilisation and premiums have contributed to the delay in payments by the government
- Fraudulent and dishonest activities by some subscribers and service providers by making claims for unsubscribed relatives or conniving with healthcare workers to make claims for services not provided.
- These fraudulent activities contribute to inefficiencies and a lack of trust in the scheme

### Service Providers' Perspective (Pharmacies & Health Facilities)

- Delays in government payments to service providers;
- Non-transparency and lack of information on the coverage of the scheme;
- Frequent policy review under successive governments has contributed to the lack of clear policy direction of the scheme;

- Price quote difference between pharmaceutical and the NHIS regarding the sale of drugs; and
- Cumbersome claim processes and procedures.

### **Subscribers' Perspective**

- Poor service delivery from health workers to NHIS subscribers;
- More out-of-pocket expenses mainly for drug prescription, laboratory test and scan;
- No redress mechanism for lodging concerns and addressing same;
- Refusal of health facilities to offer services, including drugs that fall under the scheme;
- Fraud and collection of unapproved fees by healthcare workers;
- Lack of information on key terms, conditions, subscribers' rights and entitlement under scheme; and
- There is limited coverage of diseases under the scheme, delays in registering and receiving the NHIS card, and limited NHIS registration centres in rural areas.



### **Way Forward & Action Points**



### **Government & National Health Insurance Authority (NHIA)**

- Increase funding and prompt disbursement of funds to health facilities as this will reduce the out-of-pocket-payments significantly for subscribers;
- Establish a Monitoring & Evaluation desk to check activities of health facilities and registration centres;
- Conduct a regular needs assessment to identify lasting goals and insurance needs of subscribers' and to constantly design products to meet these goals and needs;
- Establish a clear redressal mechanism to resolve concerns and challenges of subscribers and engage with all stakeholders regularly to know first-hand their concerns and address them promptly;
- Expand the coverage of the scheme to cover life-threatening diseases and major surgeries like prostate cancer, dialysis, diabetes, kidney/ renal/ liver tests and treatment;
- There is the need to include more drugs in the free drug book and drugs that require part payment should be stopped and rather paid; and
- Sensitize subscribers on their rights and entitlements under the scheme.



### **Healthcare Workers**

- Healthcare workers should desist from charging subscribers' an extra fee especially when services being delivered falls under the coverage of the scheme; and
- Provide good customer service and delivery to subscribers.

## Endnotes

- <sup>1</sup> Carrin G (2002) Social health insurance in developing countries: a continuing challenge. *International Social Security Review*, 55(2):57.
- <sup>2</sup> Witter S, Garshong B. (2009) Something old or something new? Social health insurance in Ghana. *BMC Int Health Hum Rights*. 9, 20.
- <sup>3</sup> Odeyemi, I., & Nixon, J. (2013). Assessing equity in health care through the national health insurance schemes of Nigeria and Ghana: a review-based comparative analysis. *International journal for equity in health*, 12(1), 9.
- <sup>4</sup> *Ibid*
- <sup>5</sup> <http://citifmonline.com/2016/11/17/status-of-the-nhis-the-bare-facts-infographic/>
- <sup>6</sup> National Health Insurance Scheme [nhis.gov.gh/about.aspx](http://nhis.gov.gh/about.aspx)
- <sup>7</sup> Ghana National Health Insurance (2003) Act (Act 650).
- <sup>8</sup> National Health Insurance Act, Act 650, (August 2003).
- <sup>9</sup> NHIA. NHIS website. Available at: <http://www.nhis.gov.gh/>
- <sup>10</sup> NHIA. NHIS website. Available at: <http://www.nhis.gov.gh/>
- <sup>11</sup> National Health Insurance Scheme [nhis.gov.gh/about.aspx](http://nhis.gov.gh/about.aspx)
- <sup>12</sup> Yankah B. (2009) Financial sustainability of NHIS based on recent financial assessment of the scheme. Presentation at Health Summit. 2009 November 16-20.

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