

A BILL

FOR

AN ACT TO REPEAL THE NATIONAL HEALTH INSURANCE SCHEME ACT NO
35 OF 1999 AND TO ENACT THE NATIONAL HEALTH INSURANCE
COMMISSION ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE
NATIONAL HEALTH INSURANCE COMMISSION, REGISTRATION OF HEALTH
MAINTENANCE PROVIDERS, PROMOTION AND REGULATION OF HEALTH
INSURANCE SCHEMES AND FOR RELATED MATTERS, 2016

Sponsored by Hon. Betty Apiafi

[] Commencement

ENACTED by the National Assembly of the Federal Republic of
Nigeria-

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- 1.-(1) There is hereby established a body to be known as the

National Health Insurance Commission (in this Bill referred to as "the

Commission").

(2) The Commission:

(a) shall be a body corporate with perpetual succession and an

official seal;

(b) may sue and be sued in its corporate name;

(c) may for the performance of its functions under this Bill acquire,

hold, or dispose of any moveable and immovable property;

(d) may enter into contract or any other transaction.

2.-(1) The principal object of the Commission shall be to ensure the

effective implementation of national health insurance policy that enhances

access to healthcare services to all Nigerians and promote and regulate

health insurance schemes in Nigeria.

(2) For the purpose of achieving this object, the Commission shall:

(a) register, license and regulate all health insurance schemes that

operate in Nigeria;
- Establishment of

the Commission

Object and

functions of the

Commission

- 1 (b) grant accreditation and reaccreditation to Health Insurance
2 Organizations, and monitor their performance;
- 3 (c) ensure that healthcare services rendered to beneficiaries of various
4 schemes by accredited healthcare facilities are of good quality.
- 5 (d) approve contributions that should be made by the members of the
6 various health insurance schemes.
- 7 (e) approve the form of identity cards for members of the schemes;
- 8 (f) provide mechanism for resolving complaints within the health
9 insurance system;
- 10 (g) make proposals to the Minister of Health for the amendment of
11 this Bill;
- 12 (h) undertake on its own or in collaboration with other relevant bodies
13 a sustained public education on health insurance;
- 14 (i) ensure that funds provided to the Commission for the care of
15 vulnerable groups are appropriately utilized;
- 16 (j) maintain a register of licensed health insurance organizations;
- 17 (k) evaluate any new proposals related to extending the health
18 insurance coverage to any group of Nigerians;
- 19 (l) issue appropriate regulations and guidelines to ensure viability of
20 prepaid health insurance plans whether private or public;
- 21 (m) accredit insurance companies, and insurance brokers desirous of
22 participating in health insurance business provided the objects of such
23 insurance companies and insurance brokers includes health insurance
24 business;
- 25 (n) maintain a national data bank on health insurance;
- 26 (o) monitor compliance with this Bill, regulate and pursue actions to
27 ensure compliance; and
- 28 (p) perform any other functions conferred on it under this Bill or that
29 are ancillary to the object of the Commission.

- 1 3. The Commission shall be responsible for- Responsibilities
2 (a) regulating all health insurance organizations in Nigeria in of the
3 accordance with the provisions of this Bill; Commission
4 (b) issuing appropriate regulations and guidelines to maintain the
5 viability of the health insurance system;
6 (c) registering and accrediting Health Maintenance Organizations,
7 Mutual Health Associations, etc;
8 (d) adopting all healthcare facilities registered by relevant
9 authorities;
10 (e) issuing appropriate guidelines for the management of the
11 Private Sector Health Insurance Funds.
- 12 4.-(1) There is hereby established a Governing Council (in this Bill Establishment
13 referred to as "the Council") which shall consist of: and Composition
14 (a) the Chairman; of the Governing
15 (b) two (2) Executive Commissioners; Council
16 (c) one representative each of:
17 (i) the Federal Ministry of Health not below the rank of a Director;
18 (ii) the Federal Ministry of Finance not below the rank of a
19 Director;
20 (iii) the Office of the Head of Service of the Federation not below
21 the rank of a Director;
22 (iv) the Nigeria Employers Consultative Association;
23 (v) the Nigerian Labour Congress;
24 (vi) the Armed Forces;
25 (vii) all Paramilitary Organisations;
26 (viii) licensed private mutual health insurance schemes including
27 community-based insurance schemes;
28 (d) two representatives each of:
29 (i) licensed private commercial health insurance schemes
30 including Health Maintenance Organizations (HMOs);

- 1 (ii) Association of healthcare facilities;
- 2 (e) one representative of the National Insurance Commission;
- 3 (f) two persons representing consumers (or public interest);
- 4 (g) Director General of the Commission who shall also serve as the
- 5 Secretary to the Council;
- 6 (h) a representative of the States and Local Governments;
- 7 (i) a non-voting Legal Adviser/Secretary who shall be an employee of
- 8 the Commission;
- 9 (j) a representative of Pharmaceutical Council of Nigeria.

10 (2) Members of the Council, other than the Director General, and the

11 two Executive Commissioners shall be part-time members.

Functions and
powers of the
Council

12 **5. The Council shall have the powers to:**

- 13 (a) approve and register for the Commission all pre-paid public and
- 14 private health insurance organizations in any form;
- 15 (b) determine the overall policies of the Commission, including the
- 16 financial and operational procedures of the Commission;
- 17 (c) ensure the effective implementation of the policies, guidelines and
- 18 procedures of the Commission;
- 19 (d) regulate and supervise the various health insurance organizations
- 20 established under this Bill;
- 21 (e) issue guidelines for the administration of the various funds under
- 22 the Commission;
- 23 (f) approve, license, regulate and supervise Health Maintenance
- 24 Organizations, Mutual Health Associations and other institutions relating to
- 25 the Commission as may be determined from time to time;
- 26 (g) establish standards, rules and guidelines for the management of
- 27 the various organizations under this Bill;
- 28 (h) approve the organizational structure of the Commission as well as
- 29 the appointments, promotions and discipline of all categories of the
- 30 Commission's staff and also their remuneration;

- 1 (i) ensure the maintenance of a national data bank on all health
2 insurance matters;
- 3 (j) carry out public awareness and education on the establishment
4 and management of the schemes;
- 5 (k) promote capacity building and institutional strengthening of
6 Health Maintenance Organization, Mutual Health Associations and other
7 relevant institutions;
- 8 (l) receive and investigate complaints of impropriety levied against
9 any Health Maintenance Organization, Mutual Health Associations, and
10 other relevant institutions;
- 11 (m) discipline by way of temporary suspension, revocation of
12 license or imposition of fines to any erring operator (HMOs, HMAs,
13 facilities etc);
- 14 (n) appoint auditors and other consultants of the Commission;
- 15 (o) perform such other duties which, in the opinion of the
16 Commission, are necessary or expedient for the discharge of its functions
17 under this Bill.

18 6.-(1) A member of the Council other than the Director General
19 shall hold office for a term of 4 years in the first instance and may be re-
20 appointed for a further term of 4 years and no more.

Tenure of Office
of Council members

21 (2) Where a member of the Council resigns, dies, removed from
22 Office or for sufficient reason unable to act as a member of the Council, the
23 Director General shall notify the President through the Minister, of the
24 vacancy and the President shall on the advice of the nominating authority,
25 where applicable, appoint another person to hold Office for the unexpired
26 portion of the member's term of office.

27 (3) A member of the Council may at any time resign from office in
28 writing addressed to the President through the Minister.

29 7.- (1) The Council shall meet at least once every three months for
30 dispatch of business.

Membership of
Council

1 (2) The Chairman shall at the request, in writing, of not less than half
2 of the membership of the Council convene an extraordinary meeting of the
3 Council at the place and time determined by the Chairman.

4 (3) The quorum at a meeting of the Council shall be eleven (11)
5 members including the Director General.

6 (4) The Chairman shall preside at the meeting of the Council and in his
7 absence, members present shall nominate a member to preside.

8 (5) Matters before the Council shall be decided by a simple majority
9 of the members present and voting, and in the event of a tie of votes, the person
10 presiding shall have the casting vote;

11 (6) The Council may co-opt any person to attend a Council meeting
12 but that person shall not vote on a matter for decision by the Council.

13 (7) Subject to the provisions of this section, the Council shall
14 determine the procedure for its meetings, and

15 (8) Minutes in proper form of each meeting shall be kept and shall be
16 confirmed by the Council at the next meeting and signed by the Chairman and
17 the Secretary of the meeting.

Disclosure of
interest

18 8. A member of the Council who has an interest in a contract, or any
19 other transaction proposed to be entered into with the Commission, or an
20 application before the Council shall disclose in writing the nature of the interest
21 and is disqualified from participating in the deliberations of the Council in
22 respect of the contract, application or that transaction.

Committees of
the Council

23 9. The Committee may for the performance of its functions constitute
24 Committees composed of members of the Council or members and non-
25 members of the Council or non-members of the Council alone and may assign
26 to such Committees any of its functions but a Committee composed of entirely
27 non-members may only advise the Council.

Remuneration
of members

28 10.-(1) The members of the Council shall be paid such remunerations
29 and allowances as the Federal Government may determine from time to time.

30 (2) The members of the Council, members of Committee of the

1 Council and persons co-opted to attend meetings of the Council shall be paid
2 travelling allowance and any other allowances as approved by the Federal
3 Government.

4 **11.-(1)** A member of the Council shall cease to hold office if he: Cessation of
5 (a) becomes of unsound mind; membership;
6 (b) becomes bankrupt or makes a compromise with his creditors;
7 (c) is convicted of a felony or of any offence involving dishonesty;
8 (d) is guilty of serious misconduct in relation to his duties; or
9 (e) is found to have failed to declare his interests to the Council as
10 in section 10 of this Bill.

11 (2) A member of the Council may be removed from office for
12 wrong doing by the President, on the recommendation of the Minister if he
13 is satisfied that it is not in the interest of the Commission or the interest of the
14 public that the member should continue in office.

15 (3) Where a vacancy occurs in the membership of the Council, it
16 shall be filled by the appointment of a successor to hold office for the
17 remainder of the term of office of his predecessor, however, the successor
18 shall represent the same interest and shall be appointed by the President.

19 (4) The Council may in the public interest be dissolved by the
20 President and all its members, excluding the Director General, shall cease to
21 hold office as Council members.

22 (5) A member of the Council who is absent from three consecutive
23 meetings of the Council without sufficient cause shall cease to be a member
24 of the Council.

25 (6) A member nominated by a body as its representative on the
26 Council may have his appointment revoked by the President for good
27 reasons advanced by the body through the office of the Minister.

28 (7) A member may be removed from the Council by the President
29 for stated misbehavior or for any other just cause.

30 (8) The Chairman or the Director General (as the case may be)

1 shall, through the Minister, notify the President in writing of any vacancy that
2 • occurs on the Council within thirty days of the occurrence of the vacancy.

3 (9) Upon dissolution of the Council and pending its reconstitution, the
4 Minister shall exercise the powers and functions of the Council under this
5 Bill.

Ministerial
directives

6 12. The Minister of Health may give to the Council directives of a
7 general nature on matters of policy and the Council shall comply with such
8 directives, so long as the said directives are in conformity with the National
9 Health Insurance Commission Bill.

Types of Health
Insurance plans

10 13. The following types of health insurance plans shall be established
11 and operated in the country:

12 (a) the public sector health insurance plans to cover public sector
13 employees and their dependants as well as the vulnerable groups;

14 (b) private commercial/'not for profit' health insurance plans
15 including various forms of commercial pre-paid health plans;

16 (c) private mutual health insurance plans, including group, work and
17 community based and urban self-employed health insurance plans;

18 (d) any other health insurance plans as may be approved under the provisions of
19 this Bill.

Qualification for
application

20 14. A person shall not qualify to apply to operate any form of Health
21 Insurance Scheme in the country unless it is registered as a company limited by
22 guarantee or a limited liability company.

Application for
accreditation and
license

23 15.-(a) Application for accreditation and license to operate a health
24 insurance organization shall be made to the Commission in a prescribed form.

25 (b) The application shall be submitted along with the following
26 documents, information and particulars:

27 (i) evidence of registration with the Corporate Affairs Commission
28 including certificate of incorporation;

29 (ii) a copy of the Constitution, Memorandum and Article of

1 Association, Bye-laws or rules intended to govern the operation of the
2 organization;

3 (iii) the names and particulars of the members of the governing
4 body of the proposed organization;

5 (iv) the executive management proposed to manage or administer
6 the scheme and their qualifications;

7 (v) the healthcare benefits available under the plans;

8 (vi) the proposed minimum contribution for membership; and

9 (vii) the evidence of availability of any minimum financial
10 security, where applicable, required in respect of the type of plans.

11 (c) Additional information considered necessary as may be
12 required by the Commission.

13 16.-(a) The Commission may register an applicant and issue it a
14 license to operate the relevant plan applied for where in the opinion of the
15 Commission:

Accreditation and
issuance of license

16 (i) the applicant qualifies to be registered and licensed having
17 regard to the plan to which the application relates;

18 (ii) the applicant has qualified officers to manage and administer
19 the organization;

20 (iii) the applicant will only carry out activities related to the
21 organization applied for;

22 (iv) the applicant has complied with the requirements under the
23 Bill and any other enactment applicable to the type of insurance
24 organization applied for;

25 (b) A person shall not operate a health insurance organization of
26 any type in Nigeria unless it has been registered with the Commission and
27 issued a license for that purpose.

28 17. The Commission may, as a condition for issuing a license,
29 impose any other terms and conditions that are prescribed by the
30 Regulations issued by the Commission.

Further conditions

Fee for issuance
of license

1 **18.** Without prejudice to the provisions of section 18 herein, the
2 Commission, may by regulations impose fees for the issuance of a license
3 under this Bill.

Duration and
renewal of a
license

4 **19.** A health insurance organization granted a license under the Bill
5 shall continue to operate, unless such license is suspended or withdrawn under
6 the provisions of this Bill.

Variation of
conditions of a
license

7 **20.**-(1) Subject to conditions prescribed by the regulations, the
8 Commission may, on giving reasonable written notice to an organization:

9 (a) vary or revoke any condition of a license; or

10 (b) impose new conditions.

11 (2) An organization may apply to the Commission in writing for a
12 condition of a license to be revoked or varied.

13 (3) Where, on an application made under subsection (2), the
14 Commission is satisfied that the condition for a license is no longer necessary
15 or should be varied, it may revoke or vary the condition.

16 (4) Where the Commission revokes or varies a condition for a license
17 or imposes a new condition, the organization shall deliver its license to the
18 Commission for the license to be varied accordingly.

Refusal to register
and license an
organization

19 **21.**-(a) The Commission may refuse to register and issue a license for
20 an organization, and it shall notify the applicant in writing of its decision,
21 stating the reasons for the refusal.

22 (b) Where the refusal to register and issue a license is as a result of
23 non- material defect in the application, the Commission may in the notice
24 require the applicant to rectify the application within six (6) months.

Suspension or
revocation of
license of an
organization

25 **22.**-(a) The Commission may suspend or revoke the license of an
26 organization where the Commission is satisfied that the organization:

27 (i) has in any manner acted fraudulently;

28 (ii) has lost its financial ability to continue to operate;

29 (iii) is not operating in accordance with good administrative and
30 accounting practices and procedures; or

1 (iv) has failed to comply with a provision of this Bill, the
2 regulations or any other enactment applicable to the organization.

3 (b) The Commission shall before suspending or revoking the
4 license, give the organization notice of the default and provide it an
5 opportunity to make representations to the Commission.

6 (c) where a license expires is revoked or suspended, the
7 Commission shall take steps to protect and preserve the contribution of
8 members and any other appropriate measures having regard to the best
9 interest of members of the organization.

10 **23.** The Commission, after notifying the board of Directors of an
11 organisation may on suspending or revoking the license:

Interim
management of a
scheme

12 (a) place the organisation under an interim management team for a
13 period of 3 months; or

14 (b) arrange for the transfer of the activities or business of the
15 organisation to another organisation subject to conditions approved by the
16 Commission.

17 **24.** A health insurance organisation registered and licensed under
18 this Bill shall not carry on any activity other than securing provision of
19 health insurance to its members.

Limitation to
provision of health
insurance

20 **25.** A person shall not provide health insurance service or operate a
21 health insurance organisation unless the organisation is registered with the
22 Commission and issued with a license for that purpose by the
23 Commission.

Prohibition of
provision of health
insurance service
without license

24 **26.** Licensed institutions or organisations, groups etc shall display
25 its license in a prominent place at its offices, where the license is visible to
26 the general public.

Display of license

27 **27.-(1)** A person shall not conduct an activity under a name which
28 includes "health scheme," "medical insurance scheme," "health
29 maintenance organization," "health insurance scheme" or similar name
30 which is calculated or likely to lead people to believe that person operates a

Prohibition on use
of name unless
licensed

1 health insurance organization unless the organisation is registered and licensed
2 under this Bill.

3 (2) A person who acts contrary to subsection (1) commits an offence
4 and is liable on conviction to a fine not exceeding N100,000 (One hundred
5 thousand Naira) or to a term of imprisonment not exceeding six months or
6 both.

Transfer and joint
operations

7 **28.-(1)** A health insurance organisation licensed under this Bill shall
8 not transfer its activities or operate its activities jointly with another
9 organisation unless it has the prior written approval of the Commission.

10 (2) An application for approval under subsection (1) shall be made
11 jointly to the Commission by the schemes involved and shall contain the
12 information prescribed by regulation made by the Commission under this Bill.

13 (3) Before determining an application for approval under subsection
14 (1), the Commission shall cause to be conducted an investigation into the
15 desirability of the change having regard to the best interest of the members of
16 the organisation.

17 (4) The Commission may conduct a hearing before determining an
18 application under this section and may hear the representatives of the
19 organisation, members of the organisation and any person the Commission
20 considers is sufficiently concerned in the matter to entitle that person to a
21 hearing by the Commission.

22 (5) The Commission after the hearing shall make a determination
23 which shall be binding on the parties and their members.

24 (6) A person dissatisfied with the decision of the Commission may
25 appeal the decision under the provisions of this Bill.

Publications in
gazette or
newspaper

26 **29.** Upon the grant, suspension or revocation of License of an
27 organization, the Commission shall publish the name and particulars of the
28 organisation in the Gazette and/or two newspapers of wide circulation that the
29 Commission shall determine.

1 30.-(1) There is hereby established schemes to be known as the
2 public sector health insurance plans (in this Bill referred to as "the public
3 sector plans") for the purpose of providing health insurance coverage which
4 shall entitle persons and their dependants the benefits of prescribed good
5 quality and cost effective health services as set out in this Bill.

Establishment of
the Public Sector
Health Insurance
Scheme

6 (2) A public sector plans may be established by the Federal
7 Government, a State Government including the Federal Capital
8 Development Authority or a Local Government to cover all its employees
9 and their dependants as well as the vulnerable group;

10 (3) All Public Sector Health insurance plans shall be regulated by
11 the Commission.

12 (4) A Public Sector plans shall be operated and managed by a
13 Public Sector Health Insurance Fund as set out in this Bill.

14 31.-(1) There is hereby established schemes to be known as the
15 private commercial health insurance schemes (in this Bill referred to as 'the
16 private commercial schemes') for the purpose of providing health insurance
17 programme(s) which shall entitle insured persons and their dependants the
18 benefit of prescribed good quality and cost effective health services as set
19 out in this Bill.

Establishment of
private commercial
health insurance
plans, including
HMO prepaid
plans

20 (2) A private commercial plan shall cover all employees of
21 organizations in the private sector that employ at least five workers as well
22 as to those individuals who may want to voluntarily join the scheme.

23 (3) A body corporate registered as a limited liability company
24 under the Companies and Allied Matters Act 2004 may operate a private
25 commercial health insurance plan.

26 (4) An employer who has a minimum of five employees shall
27 together with the persons in his employment, pay contributions, of such rate
28 and in such manner as may be determined from time to time, in accordance
29 with the provisions of this Bill.

30 (5) A registered employer under a private commercial health

1 insurance scheme shall cause to be deducted from his employees' wages the
2 approved amount of contribution payable by the employee. This contribution
3 along with the employer's shall be collected by or remitted to the commercial
4 private health insurer for the purchase of a defined package of health care
5 benefits for the enrollees.

6 (6) A person not liable to pay contributions under this Bill may apply
7 to be registered as a voluntary contributor under a private commercial health
8 insurance scheme and shall, after being so registered be liable to pay the
9 specified contributions as required under this Bill and be entitled to a clearly
10 defined package of health services.

11 (7) (a) A private commercial health insurance scheme shall be
12 required as a condition for registration and licensing by the Commission to
13 deposit with a bank accredited by the Commission an amount of money in an
14 interest yielding account that the Commission shall prescribe as security for its
15 members;

16 (b) The security referred to under subsection (a) shall be maintained
17 throughout the period that the business of private commercial health insurance
18 is carried on;

19 (c) The Commission may review the level of the security deposit.

20 (8) (a) Where a private commercial health insurance scheme suffers a
21 substantial loss, arising from liability to members and the loss cannot
22 reasonably be met from its available resources, the Commission may, after
23 ascertaining the nature of the claim, and on application made to it by the
24 scheme, approve the withdrawal from the security deposit of the scheme of an
25 amount of not more than ten percent of the security deposit, and an amount
26 withdrawn shall be replaced by the scheme not later than ninety days after the
27 date of the withdrawal.

28 (b) The security deposit is the asset of the private commercial health
29 insurance scheme, but except as provided in subsection (a), it shall be available
30 to the scheme only in the event of the closure or winding up of the health

1 insurance business for the discharge of the liabilities arising out of policies
2 transacted by the insurer and remaining undischarged at the time of the
3 closure or winding up of the insurance business.

4 (9) All Private Commercial Health Insurance Schemes shall be
5 regulated by the Commission.

6 32.-(1) There is hereby established schemes to be known as the
7 private mutual health insurance scheme (in this Bill referred to as 'the private
8 mutual scheme') for the purpose of providing health insurance coverage to
9 its enrollees as set out in this Bill.

Establishment of
private mutual
health insurance
schemes including
group-community
based plans

10 (2) A group of persons resident in the country may form and
11 operate a private mutual health insurance scheme.

12 (3) (a) A private mutual health insurance scheme shall have its
13 headquarters at the place that the governing body of the scheme shall
14 determine;

15 (b) The address and any other particulars of the headquarters shall
16 be notified in writing to the Commission.

17 (4) (a) A private mutual health insurance scheme may be managed
18 by an independent manager appointed by its governing body and approved
19 by the Authority;

20 (b) The manager of a private mutual health insurance organization
21 may be a body corporate registered by guarantee or limited liability
22 company under the Companies and Allied Matters Act 2004.

23 (5) (a) The Commission may require a private mutual health
24 insurance scheme to maintain a reserve fund equivalent to six months
25 operational income as the Commission may determine;

26 (b) The reserve fund shall be constituted within three years after the
27 commencement of the scheme.

28 (6) A private mutual health insurance scheme shall be operated
29 exclusively for the benefit of the members and shall provide the members

1 with the health benefits that the governing body of the scheme shall determine.

2 (7) (a) A private mutual health insurance scheme shall have the
3 minimum membership that the governing body of the scheme shall determine;

4 (b) A private mutual health insurance scheme shall provide a clear
5 method of enrolment of members.;

6 (c) Membership shall take effect from the date that the governing
7 body may determine on the payment of the initial contribution;

8 (8) All private mutual health insurance schemes shall be regulated by
9 the Commission.

Payment of
contributions of
the various
schemes

10 33.-(1) An employer who has a minimum of five employees shall,
11 together with every person, pay contributions at such rate and in such a manner
12 as may be determined, from time to time, in accordance with the provisions of
13 the Bill. Subject to the approval of the Commission established under section
14 10 of this Bill, the contribution for any employee to which this Bill applies shall
15 be made in the following circumstances relating to his monthly emoluments:

16 (a) in the case of the Public Service of the Federation and Federal
17 Capital Territory:

18 (i) a minimum of ten per cent by the employer;

19 (ii) a minimum of five per cent by the employee; or

20 (b) in the case of the Military:

21 (i) a minimum of twelve and a half per cent by the employer;

22 (ii) a minimum of two and half per cent by the employee;

23 (2) A registered employer under the Commission shall cause to be
24 deducted from an employee's wages the approved amount of any contribution
25 payable by the employee and shall not, by reason of employer's liability for any
26 contribution (or penalty thereon) made under this Bill, reduce, whether directly
27 or indirectly, the remuneration or allowances of the employee.

28 (3) The contributions of the self-employed as well as other people in
29 the informal sector shall be made by the individuals and/or their families.

30 (4) The contributions for the vulnerable groups - the permanently

1 disabled, the aged, prisoners, and those (children under 5 and pregnant
2 women) not otherwise covered by other schemes - shall be made on their
3 behalf by one or a combination of the three levels of government,
4 development partners and/or non- governmental organizations.

5 **34.-(1)** Subject to such guidelines and regulations as may be made
6 under this Bill, a public employer shall register itself and its employees and
7 pay into the account of a Public Sector Health Insurance Fund (PuHIF) its
8 contributions and the contributions in respect of its employees, at such time
9 and in such manner as may be specified, from time to time, in the guidelines
10 issued by the Commission.

Registration of
employers,
employees and
others

11 **(2)** Subject to such guidelines and regulations as may be made
12 under this Bill, a private employer of at least ten persons shall register itself
13 and its employees and pay into designated accounts of an HMO, its
14 contributions and the contributions in respect of its employees, at such time
15 and in such manner as may be specified, from time to time, in the guidelines
16 issued by the Commission.

17 **(3)** Subject to such guidelines and regulations as may be made
18 under this Bill, a self-employed person shall register himself or herself and
19 the people under him/her with an HMO and pay into designated accounts of
20 the HMO the necessary premium in respect of himself and others, at such
21 time and in such manner as may be specified, from time to time, in the
22 guidelines of the Commission.

23 **(4)** Subject to such guidelines and regulations as may be made
24 under this Bill, a member of a community (group-based, religious- based or
25 work-based) shall register himself and his dependants with the private
26 mutual health organization and pay into the account of the organization the
27 necessary premium in respect of himself and others, at such time and in such
28 manner as may be specified from time to time, in the guidelines of the
29 Commission.

Public Health
Insurance Funds
(PuHIF)

1 • 35. -(1) Public Health Insurance Funds are hereby established by this
2 Bill.

3 (2) The object of the Funds is to collect contributions from public
4 sector employers and employees and governments at all levels to finance the
5 provision of quality health services to their employees and their families as
6 well as to the vulnerable groups.

7 (3) For the purpose of implementing the object, the monies from the
8 Funds shall be expended as follows:

9 (a) to provide a defined package of services to government employees
10 and their families as well as to the vulnerable groups;

11 (b) to reinsure schemes against random fluctuations on cost under
12 conditions to be determined by the Commission;

13 (c) to invest in any other facilitating programmes to promote access to
14 health services determined by the Commission in accordance with the
15 Minister.

16 (4) The sources of money for the Funds shall include but not limited
17 to:

18 (a) contributions from public sector employees and employers which
19 shall include the Federal, the State and the Local Governments including the
20 Federal Capital Territory;

21 (b) contributions made by governments purposely for the
22 implementation of vulnerable group health insurance programmes;

23 (c) other appropriation made purposely for the implementation of
24 health insurance schemes;

25 (d) 2% of each person's 15% contribution to the National Pension
26 Scheme for retirees;

27 (e) donations or grant-in-aid

28 (f) proceeds of taxes from luxury goods, tobacco alcoholic beverages
29 etc. as well as any health insurance levy;

1 (g) money that accrue to the Fund from investments made by the
2 Fund;

3 (5) (i) The Public Health Insurance Fund at the Federal level shall
4 be operated and managed by an independent Board of Trustees appointed by
5 the President of the Federal Republic of Nigeria upon the recommendation
6 of the Minister of Health for a period of four years subject to a renewal for
7 another term;

8 (ii) The Board of Trustees shall consist of relevant stakeholders
9 (public sector employers, National Health Insurance Commission and
10 Health Maintenance Organizations) with a size of not more than seven with
11 a Chairman.

12 (6) The Fund shall invest any money not immediately required by it
13 in Federal Government Securities or in any other Securities as the
14 Commission may determine with the approval of the Minister of Health,
15 from time to time.

16 (7) The expenses attendant to the management of the Fund shall be
17 charged on the Fund.

18 (8) (i) The Fund shall cause to be prepared, not later than 30th
19 September in each year, an estimate of the expenditure and income of the
20 Fund during the next succeeding year and when prepared, they shall be
21 submitted to the Commission for scrutiny;

22 (ii) The Fund shall cause to be kept proper accounts and proper
23 records in relation thereto and such accounts shall be audited by auditors
24 appointed by the Fund from the list and in accordance with the guidelines
25 supplied by the Accountant General of the Federation.

26 (9) The operation and management of State and Local
27 Governments' Public Sector Health Insurance Funds shall be guided by the
28 provisions in (5) - (8) above for the Public Sector Health Insurance Fund at
29 the Federal level.

30 (10) The Commission shall regulate all the Public Health

Private Health
Insurance Funds
(PrHIF)

1 Insurance Funds.

2 **36.-(1)** The Health Maintenance Organizations and Mutual Health
3 Associations shall establish private health insurance funds.

4 (2) The sources of money for the Health Maintenance Organization
5 and other health insurance firms shall be the private sector
6 employees/employers' contributions which shall be collected by them (the
7 HMOs) while the sources of money for the Mutual Health Associations
8 (MHAs) shall be from contributions of members of such associations,
9 donations/grants from governmental and non-governmental organizations,
10 including private companies.

11 (3) In the case of private health insurance funds with the HMOs,
12 money shall be made available to purchase benefits, as approved by the
13 Commission, for employees and their families for whom contributions have
14 been made by the employers. Administrative costs of the HMOs shall be met
15 from these funds at the level approved by the Commission. Similarly, the
16 HMOs will pay the Commission an agreed amount whilst the excess funds
17 shall be invested in portfolios approved by the Commission.

18 (4) Money shall be made available from the private health insurance
19 funds with MHAs to finance the provision of benefits to members and their
20 families as well as to defray other expenses related to capacity building,
21 advocacy and sensitization, among others.

22 (5) The HMOs shall operate and manage their private health
23 insurance funds whilst the Board of Trustees of the MHAs shall operate and
24 manage their private health insurance funds in accordance with the guidelines
25 provided by the Commission.

26 (6) Moneys of the private health insurance funds managed by the
27 HMOs and MHAs shall be paid into the bank accounts approved for the
28 organizations by the Commission.

29 (7) The HMOs and MHAs shall invest any money not immediately
30 required by them in such portfolios as approved by the Commission and/or

1 covered by the guidelines issued by the Commission.

2 (8) The HMOs and MHAs shall keep proper accounts and records
3 on the management of their funds in line with the guidelines provided by the
4 Commission and such accounts shall be audited by auditors approved by the
5 Commission. The audited accounts and reports shall be submitted to the
6 Commission in accordance with the guidelines provided.

7 37.-(1) The Commission shall accredit Health Maintenance
8 Organizations, Mutual Health Associations and other prepaid health
9 insurance organizations (in this Bill herein after referred to as
10 "Organizations").

Accreditation of
organization

11 (2) The accreditation of an Organization shall be in such form and
12 manner as may be determined by the Operational Guidelines of the
13 Commission;

14 (3) The Commission may refuse to accredit any applicant pursuant
15 to an application made under this section if it is satisfied that-

16 (a) the information contained in the application for accreditation is
17 false or untrue in any material particular; or

18 (b) the application does not meet the requirements prescribed by
19 the Commission for accreditation

20 (c) the accreditation of the applicant had earlier been revoked by
21 the Commission under any of the conditions mentioned in the Operational
22 Guidelines and has not been corrected.

23 (4) Where the Commission refuses to accredit any Organization,
24 it shall forthwith notify the applicant in the prescribed form, specifying the
25 reasons for such refusal.

26 (5) The Commission may withdraw accreditation issued to an
27 Organization, if:

28 (a) it discovers after the accreditation that a statement(s) made in
29 connection with the application thereof was found to be false or untrue in
30 any material particular;

1 (b) the Organization is subject to any insolvency proceedings or is
2 likely to be wound up or otherwise dissolved;

3 (c) the conduct of affairs of the Organization does not conform with
4 the provisions of this Bill or any regulations made pursuant to or any direction
5 issued under this Bill;

6 (d) any event occurs which renders the Organization ineligible to
7 perform its duties; and

8 (e) the Organization is in breach of any conditions of the Operational
9 Guidelines issued by the Commission;

10 (6) The Commission shall, before withdrawing the accreditation of an
11 Organization give the Organization at least 90 days' notice of its intention and
12 shall consider any representations made to it in writing by the Organization
13 within that period before the withdrawal.

14 (7) When the accreditation of an Organization (purchasing
15 organization or health care provider) is withdrawn, the Commission shall
16 decide on the best way to keep its activities going either temporarily or
17 permanently to safeguard the interest of the enrollees.

Functions of health
maintenance
organisation,
mutual health
associations, etc.

18 **38.-(1)** An Organization referred to in subsection (1) of section 37 of
19 this Bill shall have responsibility for:

20 (a) the collection of premiums from employers and employees for the
21 private sector;

22 (b) the collection of capitation and other payments from Public Health
23 Insurance Funds for health care services to be purchased for enrollees;

24 (c) management of private health insurance funds for health insurance
25 plans they have initiated;

26 (d) purchasing of services from accredited healthcare providers from
27 both private and public sectors for those covered by the public sector health
28 insurance scheme as well as those covered by the private commercial health
29 insurance schemes;

30 (e) payment of contributions to the Commission for purposes of

1 regulation and related issues;

2 (f) the payment for services rendered by healthcare providers
3 accredited under the Commission in accordance with the Operational
4 Guidelines;

5 (g) production and issuance of identity cards with the general
6 guidelines provided by the Commission;

7 (h) establishing a Quality Assurance system to ensure that
8 qualitative care is given by the healthcare providers to enrollees;

9 (i) ensuring that all financial transactions shall be through banks
10 accredited by the Commission;

11 (j) submitting to the Commission reports of its activities as well as
12 annual audited accounts;

13 (k) establishing call centres to address enrollee complaints.

14 (2) Notwithstanding any provision contained in this Bill, a Health
15 Maintenance Organization shall not be involved in the direct delivery of
16 health care services.

17 (3) The Mutual Health Associations shall have the following
18 responsibilities:

19 (a) continuous community mobilization and sensitization;

20 (b) day to day administration of its health insurance plan as well as
21 the management of private health insurance funds for its health insurance
22 funds;

23 (c) registration of members and collection of contributions;

24 (d) negotiation with providers; and purchasing of services from
25 them for its members and their families;

26 (e) ensuring prompt payment for provider services;

27 (f) gate keeping i.e. ensuring that services rendered are in
28 compliance with the benefit package of the Commission;

29 (g) defining benefit package in consultation with the community
30 members;

1 (h) fixing of premium (based on ability of community members to
2 pay);

3 (i) medical auditing/quality assurance; and health promotion.

4 (4) Any other prepaid health insurance plans marketed by health
5 maintenance organizations, shall be subject to approval by the
6 Commission.

Accreditation of
healthcare providers

7 **39.-(1)** The accreditation of health care providers shall be in such
8 form and manner as may be determined by the relevant authorities.

9 (2) A health care provider accredited under the Commission shall, in
10 consideration for a capitation payment in respect of each insured person
11 registered with it, or for payment of approved fees for services rendered and to
12 that extent and in the manner prescribed by this Bill, provide services in
13 accordance with:

14 (i) the approved benefit packages as shall be determined from time to
15 time by the Commission; and

16 (ii) the provisions of the Operational Guidelines.

17 (3) The Commission may exclude a provider from providing services
18 under this Bill, if:

19 (a) it discovers after the accreditation that a statement(s) made in
20 connection with the application thereof was found to be false or untrue in any
21 material particular;

22 (b) the provider is subject to any insolvency proceedings or is likely to
23 be wound up or otherwise dissolved;

24 (c) the conduct of affairs of the provider does not conform with the
25 provisions of this Bill or any provision of the Operational Guidelines;

26 (d) any event occurs which renders the provider ineligible to offer
27 service to its enrollees; and

28 (e) the provider is in breach of any conditions of the Operational
29 Guidelines.

1 **40.-(1)** A scheme shall have a governing body which shall be
2 responsible for the direction of the policies of the scheme and appointment
3 of employees.

Governing body,
appointment of
scheme managers
and other
employees

4 (2) A scheme shall have a scheme manager who shall be
5 responsible for the management of the scheme.

6 (3) A scheme manager may be an independent body corporate or
7 committee.

8 (4) A scheme shall in addition to the scheme manager, appoint
9 other officers and employees for the effective management of the scheme.

10 (5) Where a scheme manager or a person on the management
11 team of a scheme ceases to be employed by the scheme, the governing body
12 of the scheme shall inform the Commission in writing and take immediate
13 steps to appoint a new manager or any other person for the scheme.

14 (6) The Commission may provide further for the qualifications of
15 directors, scheme managers and any other employees of schemes.

16 **41.-(1)** A licensed scheme shall keep books of account and proper
17 record in respect of the accounts.

Annual reports,
accounts and
audit of schemes

18 (2) In addition to the provisions in the Companies and Allied
19 Matters Act 2004, a licensed scheme shall submit an annual report in a
20 prescribed form to the Commission covering its activities for the period
21 from 1st January and ending on 31st December within three months after the
22 31st December of the preceding year.

23 (3) A licensed scheme shall have its accounts audited by its
24 auditors and a copy of the audit reports shall be submitted with its annual
25 report to the Council.

26 (4) An auditor shall not be an employee, manager, or director of
27 the scheme.

28 (5) The Commission may without notice cause to be audited and or
29 inspected the accounts of any scheme operating under the Commission.

Standards of
Principal Officers
of organization

1 **42.**-(1) A scheme shall have at all times high caliber directors,
2 principal officers and expert technical and professional staff and shall maintain
3 the standards prescribed or as may be directed by the Council.

4 (2) Without prejudice to subsection (1), a person does not qualify to
5 be a director, manager, secretary or any other officer of a health insurance
6 scheme if that person:

7 (a) is certified by a medical practitioner to be a person suffering from
8 mental disorder;

9 (b) is adjudged or otherwise declared bankrupt by a Court;

10 (c) is convicted by a Court of an offence involving fraud or
11 dishonesty.

12 (3) Except with the express authority of the Council, a person who has
13 participated in the management or direction of an insurance company which
14 has been wound up pursuant to an order of a Court shall not participate in the
15 management or direction of a health insurance scheme.

Notification of
certain changes

16 **43.** A scheme shall, within 30 days after the occurrence of the change
17 notify the Commission in writing of the change and of the particulars relating
18 to the change.

Inspection of
annual report

19 **44.**-(1) A staff of the Commission may inspect a copy of the annual
20 report of the scheme during normal business hours at the principal office of the
21 scheme.

22 (2) A fee shall not be paid to the scheme for an inspection under
23 subsection (1).

24 (3) On a request by a staff member of the Commission for a copy of
25 the annual report and on payment to the scheme of the relevant fee, the scheme
26 shall supply a copy of the report to the staff member.

Minimum health
care benefits

27 **45.** A licensed scheme shall provide to its members the minimum
28 healthcare benefits that the Commission may, by regulation, prescribe.

Settlement of
complaints

29 **46.** A scheme shall provide a procedure for settlement of complaints
30 from its members and its healthcare providers and ensure that the members and

1 healthcare providers are aware of their right to submit complaint to the
2 Commission where there is failure to settle a complaint raised with the
3 scheme.

4 **47.** The Commission shall endeavour through the means Quality assurance
5 determined by the Commission, including accreditation, that healthcare
6 providers put in place programmes that secure quality assurance, utilization
7 review and technology assessment to ensure that:

8 (a) the quality of healthcare services delivered are of reasonably
9 good quality and high standard;

10 (b) the basic healthcare services are of standards that are uniform,
11 throughout the country;

12 (c) the use of medical technology and equipment are consistent
13 with actual need and standards of medical practice;

14 (d) medical procedures and the administration of drugs are
15 appropriate, necessary and comply with accepted medical practice and
16 ethics; and

17 (e) drugs and medication used for the provision of healthcare in
18 the country are those included in the Essential Drug List of the Federal
19 Ministry of Health.

20 **48.** The Council may: Actuary

21 (a) where it has reasonable grounds to believe that a licensed
22 health insurance scheme or a manager of the scheme has contravened a
23 provision of this Bill or of the Regulations and the contravention adversely
24 affects the interest of the members, appoint an actuary; or

25 (b) at the request of a health insurance scheme, appoint an actuary
26 to investigate and report to the Council the activities and affairs of the
27 scheme.

28 **49.-(1)** The Commission may for the purposes of supervision of Inspection of
organization
29 health insurance schemes:

30 (a) inspect the premises, business and affairs, including the

1 procedures and systems of a scheme;

2 (b) inspect the assets, including cash, belonging to or in the
3 possession or control of a person who has a relationship with the scheme;

4 (c) examine and make copies of documents, including accounting
5 records, that belong to or are in the possession or control of a person who in the
6 opinion of the Commission has activities relating to the functions of a scheme.

7 (2) The Commission may employ suitably qualified and experienced
8 persons to assist or carry out an inspection on its behalf.

9 (3) Without limiting subsection (1), the Commission shall ensure that
10 an inspection is carried out in respect of a licensed health insurance scheme at
11 least once in every twelve months.

12 (4) The Commission shall after an inspection compile a report stating
13 the status of the scheme and shall submit a copy of the report including its
14 recommendations to the scheme for compliance where applicable.

Directives of the
Commission

15 **50.** The Commission may direct a scheme or an officer of a scheme to
16 comply with the directives of the Commission specified in writing and where
17 there is failure to comply, the Commission may apply sanctions as provided for
18 in its Operational Guidelines.

Director General
and other staff of
the Commission

19 **51.-(1)** There shall be appointed by the President, on the
20 recommendation of the Minister of Health, a Director General for the
21 Commission following the conduct of a competitive selection process initiated
22 by the Governing Council of the Commission.

23 (2) The Director General shall:

24 (a) be a person of integrity with relevant professional qualifications
25 and a minimum of 15 years cognate experience in any of the following fields:
26 Economics, Health Economics, Medicine, Accountancy, Insurance, Actuarial
27 Sciences, Business Administration or Public Sector Management with a strong
28 record of academic and professional achievements;

29 (b) be the Chief Executive and Accounting Officer of the
30 Commission;

1 (c) hold office:

2 (i) for a period of 5 years in the first instance and may be re-
3 appointed for a further term of 5 years and no more; and

4 (ii) on such terms and conditions as may be specified in the letter of
5 appointment.

6 (3) The Director General shall:

7 (a) represent the National Health Insurance Commission in Nigeria
8 and abroad;

9 (b) organize and direct the day-to-day operation of the
10 Commission in accordance with the Bill;

11 (c) be responsible for the general direction and control of all other
12 employees of the Commission;

13 (d) be responsible for the administration of the Secretariat of the
14 Council; and

15 (e) be responsible for keeping of the books and proper records of
16 the Commission.

17 (4) The Director-General shall be a voting member of the Council
18 as well as its Secretary.

19 (5) The Council shall:

20 (a) appoint, for the Commission, such number of directors and
21 other employees as may, in the opinion of the Council, be required to assist
22 the Council in the discharge of any of its functions under this Bill; and

23 (b) pay to persons so appointed such remuneration (including
24 allowances) as the Council may, after consultation with the National
25 Income, Salaries and Wages Commission, determine.

26 **52.-(1)** Employment in the Commission shall be in line with
27 approved service for purposes of the Pension Reforms Act.

Employment in
the Commission
is pensionable

28 (2) Employees of the Commission shall be entitled to retirement
29 benefits as provided under the Pensions Act.

30 (3) Nothing in subsections (1) and (2) of this section or in this Bill

1 shall prevent the appointment of a person to any office on terms which preclude
2 the grant of pension and gratuity in respect of that office.

3 (4) For the purposes of the application of the provisions of the Pension
4 Reforms Act, any power exercisable there under by a Minister or other
5 authority of the Government of the Federation, other than the power to make
6 regulations under the existing Pension Act, is hereby vested in and shall be
7 exercisable by the Council and not by any other person or authority.

Units of the
Commission

8 **53.-(1)** The Units of the Commission shall be as follows:

9 (i) the Governing Council and its committees;

10 (ii) the Director General; and

11 (iii) the Heads of Departments.

12 (2) The Governing Council, on the recommendation of the
13 management of the Commission, may create or merge departments, divisions
14 and units as the need arises to facilitate the operations of the Commission.

Establishment of
zones and zonal
offices of the
Commission

15 **54.-(1)** The Commission with approval of the Council shall divide the
16 country into such number of zones as it may, from time to time, determine, and
17 establish in each Zone, a Zonal Health Insurance Commission Office (in this
18 Bill referred to as "Zonal Office").

19 (2) The Administration, finances and other functions of the Zonal
20 offices shall be determined by the Council.

Establishment of
Fund for the
Commission

21 **55.-(1)** The Commission shall establish and maintain a fund from
22 which all its expenses shall be defrayed.

23 (2) The fund established under subsection (1) of this section shall
24 consist of:

25 (a) annual subvention from the Federal Government;

26 (b) such money as may be due to the Commission as administrative
27 charge on the Public Health Insurance Funds and the commercial private health
28 insurance funds;

29 (c) fees, fines and commissions charged by the Commission;

30 (d) income from any investments of the Commission;

1 (e) such money as may be received from time to time or be from
2 international or donor organizations and Non-Governmental organizations;

3 (f) all other monies which may, from time to time, accrue to the
4 Commission.

5 (3) The Commission shall, from time to time, apply the funds at its
6 disposal-

7 (a) to the cost of administration of the Commission;

8 (b) to the payment of fees, allowances and benefits of members of
9 the Council;

10 (c) to the payment of salaries, allowances and benefits of officers
11 and employees of the Commission;

12 (d) for the maintenance of any property vested in the Commission
13 or under its administration; and

14 (e) for and in connection with the objectives of the Commission
15 under this Bill.

16 (4) The Commission shall invest any money not immediately
17 required by it in the Federal Government securities or in such other
18 securities as the Council may determine with the approval of the Minister,
19 from time to time.

20 56.-(1) The Commission may accept gifts of land, money or other
21 property on such terms and conditions, if any, as may be specified by the
22 person or organization making the gift.

Power to accept
gifts

23 (2) The Commission shall not accept any gift if the conditions
24 attached by the person or organization offering the gift are inconsistent with
25 the objectives and functions of the Commission under this Bill.

26 57.-(1) The Council shall cause to be prepared, not later than 30th
27 September in each year, an estimate of the expenditure and income during
28 the next succeeding year and when prepared, they shall be submitted to the
29 Minister of Health for approval.

Annual accounts

30 (2) The Council shall cause to be kept proper accounts of the

1 Commission and proper records in relation thereto and when certified by the
2 Council and such accounts shall be audited by auditors appointed by the
3 Council from the list and in accordance with the guidelines supplied by the
4 Auditor-General of the Federation.

5 (3) Any member, agent or employee of the Commission who fails,
6 without reasonable cause, to comply with a requirement of an auditor under
7 subsection (2) of this section, commits an offence and is liable on conviction to
8 a fine not exceeding N10,000 (ten thousand naira) or imprisonment for a term
9 not exceeding three months or to both such fine and imprisonment.

Annual reports

10 **58.** The Council shall not later than 6 months immediately following
11 the end of a year-

12 (a) submit to the Minister a report on the activities and the
13 administration of the Commission during the immediately preceding year and
14 shall include in the report the audited accounts of the Commission and the
15 auditor's report on the accounts; and

16 (b) present and publish the audited annual accounts, auditor's report
17 on the accounts and reports on the activities of the Commission to annual
18 meeting comprising all stakeholders.

Exemption from
tax

19 **59.-(1)** The Commission shall be exempted from the payment of tax
20 on any income accruing from investments made by the Council for the
21 Commission or otherwise.

22 (2) The provisions of any enactment relating to the taxation of
23 companies or trust funds shall not apply to the Commission or the
24 Council.

Establishment
and functions of
Arbitration Panel

25 **60.-(1)** Whenever there is dispute amongst parties under this Bill, the
26 dispute shall first be referred to Arbitration, mediation or conciliation before
27 resorting to litigation.

28 (2) The parties referred to in (1) above include, the Organizations, the
29 Health Care Providers, the contributors or the Commission or its agents.

30 (3) The parties shall by mutual consent appoint a 3-man panel of

1 arbitrators (herein after referred to as "the panel").

2 (4) The applicable Arbitral procedure shall be as provided in the
3 Arbitration and Conciliation Act.

4 (5) No action shall lie against the Commission without prior notice
5 in writing given thirty (30) days before the institution of a legal action
6 against the Commission and the adoption of Arbitration as contained in the
7 Bill.

8 **61.-(1)** Any person who-

9 (a) fails to pay into the account of the Commission or an
10 organization and within the specified period any contribution liable to be
11 paid under this Bill;

12 (b) deducts the contribution from the employee's wages and
13 withholds the contribution or refuses or neglects to remit the contribution to
14 the National Health Insurance Fund or an Organization concerned within the
15 specified time;

16 (c) fails to remit capitation to Healthcare Providers after receiving
17 such from the Commission within the specified period indicated in the
18 Operational Guidelines;

19 (d) fails to settle fee-for-service or other claims from the
20 Healthcare Providers after receipt and verification within the stipulated time
21 allowed in the Operational Guidelines;

22 (e) deliberately manipulates the enrollee register for the benefit of
23 other parties before or after the release of the register by the Commission;

24 (f) deliberately refuses to provide care to a duly registered enrollee
25 after receiving payments from the relevant organization on behalf of such
26 enrollee; or

27 (g) deliberately issues dud cheque(s), shall be guilty of an offence.

28 (2) A person guilty of an offence under subsection (1) of this
29 section other than paragraph (g), is liable on conviction-

30 (a) in the case of a first offence, to a fine of not less than N100,000

Establishment of
offences and
penalties by
individuals

1* (one hundred thousand naira) or imprisonment for a term not exceeding two
2 years or to both such fine and imprisonment; and

3 (b) in the case of a second or subsequent offence, to a fine of not less
4 than N200,000 (two hundred thousand naira) or imprisonment for a term not
5 exceeding five years or not less than two years or to both such fine and
6 imprisonment.

7 (3) A person guilty of any offence in subsection (1) (g) is liable to
8 prosecution under the relevant laws guiding financial transactions.

Offences by
corporate bodies

9 **62.**-(1) Where an offence under this Bill has been committed by a
10 body corporate or firm or other association of individuals, a person who at the
11 time of the offence-

12 (a) was an officer of the body corporate, firm or other associations; or

13 (b) was purporting to act in the capacity of an officer of the body
14 corporate, firm or other association, is deemed to have committed the offence
15 and shall be liable to be prosecuted and punished for the offence in like manner
16 as if he had himself committed the offence, unless he proves that the
17 commission or omission constituting the offence took place without his
18 knowledge, consent or connivance.

19 (2) Officers of Government Ministries, Agencies, Parastatals,
20 Commission or any other in this section, includes:

21 (a) in the case of Government, Ministry, Agency and/or Parastatals,
22 the accounting officer;

23 (b) in the case of a body corporate, a director, chief executive by
24 whatever name called, manager and secretary of the body corporate;

25 (c) in the case of a firm, a partner, manager and secretary of the firm;

26 (d) in the case of any other association of individuals, a person
27 concerned in the management of the affairs of the association.

Prosecution of
offenders

28 **63.** Any person who contravenes any of the provisions of this Bill
29 shall be prosecuted by the Attorney General of the Federation.

Jurisdiction

30 **64.** The Federal High Court and the High Court of a State and that of

1 the Federal Capital Territory, Abuja shall have-

2 (a) jurisdiction to try offenders under this Bill; and

3 (b) power, notwithstanding anything to the contrary in any other
4 enactment, to impose the penalties provided for the offence in this Bill.

5 65.-(1) The High Court before which a person is convicted of an
6 offence under this Bill may, without prejudice to any civil remedy, order a
7 person to pay to the Commission the amount of any contributions together
8 with interest and penalty thereon, certified by the Commission to be due and
9 payable at the date of the conviction and such amount shall be paid into the
10 account of the Commission for its credit, where applicable or of the
11 employee concerned.

Court to order
payment of
contribution

12 (2) Any contribution paid into the Fund of the Commission under
13 subsection (1) of this section shall be refunded to the Organization entitled
14 to receive the contribution.

15 66. Proceedings for an offence under this Bill may be commenced
16 at any time after the commission of the offence.

Commencement
of proceedings

17 67. Notwithstanding anything contained in any other provisions of
18 this Bill, the Commission shall at all times retain the power to sanction
19 erring Health Maintenance Organizations, Health Care Providers, Mutual
20 Health Associations, Insurance Brokers, Insurance Companies, Banks, or
21 any Other Operator or Manager licensed or accredited person in line with the
22 Operational Guidelines as may from time to time be issued by the
23 Commission.

Powers to
sanction

24 68.-(1) Subject to the provisions of this Bill, the provisions of the
25 Public Officers Protection Act shall apply in relation to any suit instituted
26 against any officer or employee of the Commission.

Limitation of
suit against the
Commission

27 (2) Notwithstanding anything contained in any other enactment,
28 no suit shall lie against the Commission, any member of the Council, the
29 Director General or any other officer or employee of the Commission for
30 anything done in pursuance or execution of this Bill or any other enactment

1 or law, or of any public duty or authority or in respect of any alleged neglect or
2 default in the execution of this Bill or such enactment or law, duty or authority,
3 shall lie or be instituted in any court unless it is commenced:

4 (a) within three months after the act of neglect or default complained
5 of; or

6 (b) in the case of a continuation of damage or injury, within six
7 months next after the ceasing thereof.

8 (3) No suit shall be commenced against the Commission, a member of
9 the Council, the Director General, officer or employee of the Commission
10 before the expiration of a period of one month after written notice of intention
11 to commence the suit shall have been served upon the Commission by the
12 intending plaintiff or his agent(s).

13 (4) The notice referred to in subsection (3) of this section shall clearly
14 and explicitly state the cause of action, the particulars of the claims, the name
15 and place of abode of the intended plaintiff and the relief which he claims.

Service of
documents

16 69. A notice, summon or other document required or authorized to be
17 served on the Commission under the provisions of this Bill or any other
18 enactment of law may be served by delivering it to the Director General or by
19 sending it by registered post and addressed to the Director General at the Head
20 office of the Commission.

Restriction on
execution against
property of the
Commission

21 70.-(1) In any action or suit against the Commission no execution or
22 attachment of process in the nature thereof shall be issued against the
23 Commission unless not less than 3 months' notice of intention to execute or
24 attach has been given to the Commission.

25 (2) Any sums of monies which may by the judgment of any court be
26 awarded against the Commission shall, subject to any directions given by the
27 court where notice of appeal of the said judgment has been given, be paid from
28 the Reserve Fund of the Commission.

Indemnity of
officers

29 71. A member of the Council, the Director General, any officer or
30 employee of the Commission shall be indemnified out of the assets of the

1 Commission against any liability incurred by him in defending any
2 proceeding, whether civil or criminal, if any such proceeding is brought
3 against him in his capacity as a member, Director General, officer or other
4 employee of the Commission.

5 72.-(1) A member of the Council, the Director General, officer or Oaths of secrecy
6 other employee of the Commission shall-

7 (a) not, for his personal gain, make use of any information which
8 has come to his knowledge in the exercise of his powers or is obtained by
9 him in the ordinary course of his duty under this Bill;

10 (b) treat as confidential any information which has come to his
11 knowledge in the exercise of his powers or obtained by him in the
12 performance of his functions under this Bill;

13 (c) not disclose any information referred to under paragraph (b) of
14 this subsection except when required to do so by an Arbitration or similar
15 panel of the court or in such other circumstances as may be prescribed by the
16 Council, from time to time.

17 (2) Any person who contravenes the provisions of subsection (1) of
18 this section commits an offence and is liable on conviction to a fine of not
19 less than N20,000 (twenty thousand naira) or imprisonment for a term not
20 exceeding two years or to both such fine and imprisonment.

21 73. Contributions payable to the Commission shall be inalienable Contribution to
22 and shall not be assets for the benefit of creditors in the event of the be inalienable
23 bankruptcy or insolvency of a contributor or an organization.

24 74. Notwithstanding anything in any law or enactment, Contributions
25 contributions whether by an employer or an employee under this Bill shall form part of tax
26 form part of tax deductible expenses in the computation of tax payable by an deductible expense
27 employer or, as the case may be, by an employee, under any other relevant
28 law applicable to income tax.

29 75. Where, under section 591 of the Companies and Allied Matters Transfer of
30 Act 1990, an order is made by a court under subsection (3) of that section liability

	1	which includes the transfer to the company of the whole or any part of the
	2	undertaking and of the property and liabilities of a transfer or company, the
	3	order shall include provisions for the taking over, as from such date as may be
	4	specified in the order, of any liability for any contribution which has become
	5	due and payable under this Bill (together with any accrued interest thereon) in
	6	respect of the employees concerned in the undertaking, property or liability
	7	transferred.
Exclusive from the Trustee Investment Act	8	76. The provisions of the Trustee Investment Act shall not apply to
	9	any investment made by the Commission under this Bill.
Reciprocal agreement with other Countries	10	77. The Federal Government may enter into a reciprocal agreement
	11	with the government of any other country in which a Commission similar to
	12	that establishment by this Bill has been established, and the provisions of the
	13	agreement shall be read in conformity with the provisions of this Bill.
Payment of contribution of members of the Armed Forces and the Police	14	78. The Federal Government shall be responsible for payment of the
	15	full contributions in respect of members of the Armed Forces, the Nigeria
	16	Police Force, Nigerian Customs Service, Nigeria Immigration Service, Nigeria
	17	Prisons Service and such other Federal uniformed services as the Minister may
	18	by order in the Gazette specify.
Insurance indemnity of health care providers	19	79. A Health Care Provider shall be required to take a professional
	20	indemnity cover from an insurance company approved by the Council.
Power of the Minister to give directives	21	80. The Minister may, give to the Council directives of a general
	22	nature with respect to any of the functions of the Council and it shall be the duty
	23	of the Council to comply with such directives or cause them to be complied
	24	with.
Commission to issue regulations and guidelines	25	81.-(1) The Commission shall make regulations and issue guidelines
	26	for the-
	27	(a) registration of employers and employees liable to contribute under
	28	the Scheme;
	29	(b) registration of dependants of employees covered by the Scheme;
	30	(c) compulsory payment of contributions by employers and

1 employees, the rates of those contributions and the deduction by the
2 employers of contributions payable by employees under the Scheme from
3 any salary, wage or other money payable;

4 (d) voluntary payment of contributions by self-employed and other
5 persons and rates of such contributions;

6 (e) maintenance of the records to be kept for the Commission and
7 the records to be kept by employers in respect of contributions payable
8 under the Scheme and in respect of their employees;

9 (f) methods of receiving contributions under a Scheme by the
10 Organizations;

11 (g) imposition of surcharges in respect of late payment of
12 contributions by employers or employees;

13 (h) manner and circumstances in which contributions may be
14 refunded;

15 (i) fees which may be charged for medical and dental examinations
16 and services provided and other things done for the purpose of the Scheme;

17 (j) nature and amount of benefits to be provided under a Scheme,
18 the circumstances and the manner in which the benefits shall be provided;

19 (k) nature and amount of capitation payment under a Scheme, the
20 circumstances and the manner in which health care providers shall receive
21 the capitation payment made under a Scheme;

22 (l) reduction, suspension or withdrawal of any payment under a
23 Scheme;

24 (m) submission of returns by employers regarding the employers
25 and their employees;

26 (n) the procedure for assessment of contributions made under a
27 Scheme; and

28 (o) any other matter whatsoever for which, in the opinion of the
29 Commission, it is necessary or desirable to make regulation and issue
30 guidelines for giving effect to a Scheme.

1 (2) The guidelines issued under subsection (1)(c) of this section may
2 provide for different levels of contributions to be payable by different classes
3 of persons.

4 (3) The guidelines issued under this section shall not be published in
5 the Gazette but the Commission shall ensure that they are brought to the notice
6 of the persons affected by the regulations and guidelines.

Repeal of the
NHIS Act

7 **82.** The National Health Insurance Scheme Act No. 35 1999 is hereby
8 repealed.

Interpretation

9 **83.** "administrative charge" means a mutually agreed levy on
10 contributions or premiums for the purpose of regulations by the Commission
11 including its programmes;
12 "benefit" means a benefit or advantage of any kind whatsoever derived from a
13 health insurance plan;
14 "employer" means an employer with five or more employees;
15 "health care facility" means any government or private health care facility,
16 hospital, maternity centre, pharmacy, physiotherapy etc. and includes all
17 primary healthcare facility, secondary healthcare facility and tertiary
18 healthcare facility registered by the relevant authorities for the provision of
19 prescribed health services for insured persons and their dependants under this
20 Bill;
21 "HMO" means any health maintenance organization accredited under section
22 16 of this Bill to purchase health care services through health care providers
23 approved by the relevant authorities;
24 "Public sector health insurance plans" means health insurance plans designed
25 to cover public sector employees and their dependants as well as vulnerable
26 groups;
27 "Private commercial health insurance plans" means health prepaid plans which
28 are organized by Health Maintenance Organizations and other private
29 organizations to cover people in private employment (formal) as well as
30 individuals who join on voluntary basis;

- 1 "Private mutual health insurance plans" means health prepaid plans
2 organized for the informal sector (e.g. communities, work- or group- based
3 organizations, etc.) by mutual health associations and other such bodies;
4 "plan" means any scheme approved by the Commission;
5 "relevant authority" means any Federal, State, Federal Capital Territory or
6 Local Government Agency which has a function relevant to the operation of
7 this Bill;
8 "Vulnerable Group" means children under 5, pregnant women, the aged, the
9 physically and mentally challenged, the unemployed and the indigent, etc.
10 "Voluntary Contributors" means individuals who fall into the following
11 groups:
12 (a) political appointees who are excluded from the Public Sector
13 Health Insurance Programme;
14 (b) employers of labour with less than five employees; and
15 (c) individuals ordinarily in the informal sector.
16 84. This Bill may be cited as the National Health Insurance
17 Commission Bill, 2016.

EXPLANATORY MEMORANDUM

This Bill seeks to repeal the National Health Insurance Scheme Act No 35 of 1999 and to enact the National Health Insurance Commission Act to provide for the establishment of the National Health Insurance Commission, registration of health maintenance providers, promotion and regulation of health insurance scheme and for related matters