

A BILL

FOR

AN ACT TO REPEAL THE NATIONAL HEALTH INSURANCE SCHEME ACT, CAP. N42, LFN 2004, AND TO ENACT THE NATIONAL HEALTH INSURANCE COMMISSION BILL, 2017

Sponsored by Senator Olarewaju Tejuoso

[] Commencement

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

1 PART I - ESTABLISHMENT OF THE NATIONAL HEALTH
2 INSURANCE COMMISSION

3 1.-(1) There is hereby established a body to be known as the Establishment
4 National Health Insurance Commission (in this Bill referred to as "the of the National
5 Commission"). Health Insurance
Commission

6 (2) The Commission-

7 (a) shall be a body corporate with perpetual succession and an
8 official seal;

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

10 (c) may for the performance of its functions under this Bill acquire,
11 hold, or dispose of any moveable and immovable property;

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

13 2.-(1) The principal object of the Commission shall be to ensure the Object of the
14 effective implementation of a national health insurance policy that enhances Commission
15 access to healthcare services to all Nigerians and promote and regulate
16 health insurance schemes in Nigeria.

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

18 (a) register, license and regulate all health insurance schemes that
19 operate in Nigeria;

20 (b) grant accreditation and re-accreditation to Health Maintenance

- 1 Organizations, Mutual Health Associations and healthcare facilities and
2 monitor their performance;
- 3 (c) ensure that healthcare services rendered to beneficiaries of various
4 health plans 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) provide mechanism for resolving complaints by members of the
8 schemes and healthcare facilities;
- 9 (f) make proposals to the Minister of Health for the formulation of
10 policies on health insurance;
- 11 (g) undertake on its own or in collaboration with other relevant bodies
12 a sustained public education on health insurance;
- 13 (h) devise a mechanism for ensuring that the basic healthcare needs of
14 indigents are adequately provided for;
- 15 (i) maintain a register of licensed health insurance schemes and
16 accredited healthcare facilities;
- 17 (j) evaluate any new proposals related to extending the health
18 insurance coverage to any group of Nigerians;
- 19 (k) issue appropriate regulations and guidelines to ensure viability of
20 prepaid health insurance schemes whether private or public;
- 21 (l) accredit insurance companies, insurance brokers and banks
22 desirous of participating in health insurance schemes under the Commission;
- 23 (m) maintain a national data bank on health insurance;
- 24 (n) monitor compliance with this Bill, regulate and pursue actions to
25 ensure compliance; and
- 26 (o) regulating all health insurance schemes in Nigeria in accordance
27 with the provisions of this Bill;
- 28 (p) approving formats of contracts for health service purchasing
29 proposed by the health maintenance organizations and the mutual health
30 associations for all health care facilities;

1 (g) approving, after negotiation, capitation and other payments due
2 to health care facilities by the Health Maintenance Organizations, Mutual
3 Health Associations, etc;

4 (r) undertaking research and producing statistics on matters
5 relating to the Commission;

6 (s) ensuring the continuous improvement in the quality of services
7 provided by the various schemes through regulations and guidelines issued
8 by the Council;

(t) exchanging information and data with the National Health
10 Management Information System, financial institutions, the Federal Inland
11 Revenue Service, the State Internal Revenue Services and other relevant
12 bodies;

13 (u) ensuring manpower development of the Commission;

14 (v) carrying out such other activities as are necessary or expedient
15 for the purpose of achieving the objectives of the Commission under this
16 Bill.

17 3.-(1) There is hereby established a Governing Council (in this Bill
18 referred to as "the Council") which shall consist of:

Establishment
of the Governing
Council

19 (a) the Chairman;

20 (b) one representative each of:

21 (i) the Federal Ministry of Health not below the rank of a Director;

22 (ii) the Federal Ministry of Finance not below the rank of a
23 Director;

24 (iii) the Office of the Head of Service of the Federation not below
25 the rank of a Director;

26 (iv) the Nigeria Employers Consultative Association;

27 (v) the Nigerian Labour Congress;

28 (vi) The Armed Forces and Police.

29 (c) one representative of the National Insurance Commission;

30 (d) two persons representing consumers (or public interest);

1 (e) Director General of the Commission who shall also serve as the
2 Secretary to the Council;

3 (f) A representative of the States and Local Governments.

4 (2) Members of the Council, other than the Director General, shall be
5 part-time members.

6 (3) All members shall within one month of appointment declare in
7 writing to the Council their personal interests as well as those of their family
8 members or close associates known to them in any Organization under this
9 Bill.

10 (4) The Chairman and other members of the Council shall be
11 appointed by the President and Commander-in-Chief of the Armed Forces of
12 the Federal Republic of Nigeria, on the recommendation of the Minister, and
13 shall be persons of relevant high education, experience and integrity.

Functions and
powers of the
Council

14 4.-The Council shall have the powers to-

15 (a) approve and register for the Commission all pre-paid public and
16 private health insurance organizations in any form;

17 (b) determine the overall policies of the Commission, including the
18 financial and operational procedures of the Commission;

19 (c) ensure the effective implementation of the policies and guidelines
20 of the Commission;

21 (d) regulate and supervise the various health insurance schemes
22 established under this Bill;

23 (e) issue guidelines for the administration of the funds under the
24 Commission;

25 (f) approve, license, regulate and supervise Health Maintenance
26 Organizations, Mutual Health Associations and other institutions relating to
27 the Commission as may be determined from time to time;

28 (g) establish standards, rules and guidelines for the management of
29 the various schemes under this Bill;

30 (h) approve the organizational structure of the Commission as well as

1 the appointments, promotions and discipline of all categories of the
2 Commission's staff and also their remuneration;

3 (i) receive and investigate complaints of impropriety levied against
4 any Health Maintenance Organization, Mutual Health Associations, and
5 other relevant institutions;

6 (j) discipline by way of temporary suspension, revocation of
7 license or imposition of fines to any erring operator (HMOs, HMAs,
8 facilities etc);

9 (k) appoint auditors and other consultants of the Commission;

10 (l) perform such other duties which, are necessary or expedient for
11 the discharge of its functions under this Bill.

12 5.-(1) A member of the Council other than the Director General
13 shall hold office for a term of 4 years in the first instance and may be re-
14 appointed for a further term of 4 years and no more.

Tenure of
office of Council
members

15 (2) Where a member of the Council resigns, dies, is removed from
16 office or is for sufficient reason unable to act as a member of the Council, the
17 chairperson shall notify the President through the Minister, of the vacancy
18 and the President shall on the advice of the nominating authority, where
19 applicable, appoint another person to hold office for the unexpired portion
20 of the member's term of office.

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

23 6.-(1) The Council shall meet at least once every three months for
24 dispatch of business;

Meetings of
Council

25 (2) The Chairman shall at the request, in writing, of not less than
26 half of the membership of the Council convene an extraordinary meeting of
27 the Council at the place and time determined by the Chairperson;

28 (3) The quorum at a meeting of the Council shall be
29 two-third(2/3rd) of members of the Council including the Director General;

30 (4) The Chairman shall preside at the meeting of the Council and in

1 the absence of the Chairman, a member of the Council elected by the members
2 present from among their number shall preside;

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

6 (6) The Council may co-opt a person to attend a Council meeting but
7 that person is not entitled to vote on a matter for decision by the Council;

8 (7) Subject to the provisions of this section, the Council shall
9 determine the procedure for its meetings; and

10 (8) Minutes in proper form of each meeting shall be kept and shall be
11 adopted by the Council at the next meeting and signed by the Chairman and the
12 Secretary of the meeting.

Disclosure of
interest

13 7. A member of the Council who has an interest in a contract, or any
14 other transaction proposed to be entered into with the Commission, or an
15 application before the Council shall disclose in writing the nature of the interest
16 and is disqualified from participating in the deliberations of the Council in
17 respect of the contract, application or that transaction.

Committees of
the Council

18 8. The Council may, for the performance of its functions, appoint
19 committees composed of members of the Council or non-members or both and
20 assign to the committees any of its functions but a committee composed
21 entirely of non-members may only advise the Council. E.g. Technical
22 Committee.

Remuneration
of members

23 9.-(1) The members of the Council shall be paid such remunerations
24 and allowances as the Federal Government may, from time to time, determine
25 for the Chairman and members of Governing Council generally.

26 (2) The members of the Council, members of Committee of the
27 Council and persons co-opted to attend meetings of the Council shall be paid
28 the traveling and any other allowances as approved by Government.

Cessation of
membership

29 10.-(1) A member of the Council shall cease to hold office if he-
30 (a) becomes of unsound mind; or

- 1 (b) becomes bankrupt or makes a compromise with his creditors;
2 (c) is convicted of a felony or of any offence involving dishonesty;
3 (d) is guilty of serious misconduct in relation to his duties; or
4 (e) is found to have failed to declare his interests to the Council as

5 in Section 7 of this Bill.

6 (2) A member of the Council may be removed from office by the
7 President, on the recommendation of the Minister if he is satisfied that it is
8 not in the interest of the Commission or the interest of the public that the
9 member should continue in office.

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

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

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

20 (6) The Chairperson shall, through the Minister, notify the
21 President in writing of a vacancy that occurs on the Council within thirty
22 days of the occurrence of the vacancy.

23 (7) Upon dissolution of the Council and pending its reconstitution,
24 the Minister shall exercise the powers and functions of the Council under
25 this Bill.

Dissolution of
the Council

26 11. The Minister of Health may give to the Council directives of a
27 general nature on matters of policy and the Council shall comply with such
28 directives.

Ministerial
directives

	1	PART II - TYPES, REGISTRATION AND LICENSE OF THE HEALTH INSURANCE
	2	SCHEMES
Types of health insurance schemes	3	12. The following types of health insurance schemes shall be
	4	established and operated in the country:
	5	(a) the Public Sector social health insurance scheme to cover public
	6	sector employees and their dependants;
	7	(b) Organized Private Sector Social Health Insurance Scheme;
	8	(c) Mutual Health Insurance Schemes;
	9	(d) Vulnerable Group Funds;
	10	(e) any other health insurance schemes as may be approved under the
	11	provisions of this Bill.
Qualification for application	12	13. A person shall not qualify to apply to operate any form of health
	13	insurance scheme in the country unless it is registered as a company limited by
	14	guarantee or a limited liability company.
Application for accreditation and license	15	14. Application for accreditation and license to operate a health
	16	insurance scheme shall be made to the Commissions in a prescribed form.
Accreditation and issuance of license	17	15. A person shall not operate a health insurance scheme of any type
	18	in Nigeria unless it has been registered with the Commission and issued a
	19	license for that purpose.
Fee for issuance of license	20	16. Without prejudice to the provisions of section 15 herein, the
	21	Commission, in consultation with the Minister, may by Regulations impose
	22	fees for the issuance of a license under this Bill.
Duration and renewal of a license	23	17.-(1) A license to operate a health insurance scheme shall expire
	24	five years from the date of issuance of the license.
	25	(2) The license may on an application be renewed for further periods
	26	of three years at a time.
	27	(3) An application for renewal of a license shall be made not later
	28	than three months before the expiration of the license.
	29	(4) Where an application for renewal is made and the license expires
	30	before the Commission determines the application, the license shall be deemed

1 to be in force until the application for renewal is determined by the
2 Commission.

3 18.- (a) The Commission may refuse to register and issue a license
4 for a scheme, and it shall notify the applicant in writing of its decision,
5 stating the reasons for the refusal;

Refusal to
register and
license a scheme

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

9 19.- (a) The Commission may suspend or revoke the license of a
10 scheme where the Commission is satisfied that the scheme:

Suspension or
revocation of
license of a
scheme

11 (i) has in any manner acted fraudulently;

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

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

15 (iv) has failed to comply with a provision of this Bill, the
16 Regulations or any other enactment applicable to the scheme.

17 (b) the Commission shall before suspending or revoking the
18 license, give the scheme notice of the default and provide it an opportunity to
19 make representations to the Commission;

20 (c) where a license revoked, suspended or expires, the
21 Commission shall take steps to protect and preserve the contribution of
22 members and any other appropriate measures having regard to the best
23 interest of members of the scheme.

24 20. A health insurance scheme registered and licensed under this
25 Bill shall not carry on any activity other than securing provision of
26 healthcare to its members.

Limitation to
provision of
health insurance

27 21. A person shall not provide health insurance service or operate a
28 health insurance scheme unless the scheme is registered with the
29 Commission and issued with a license for that purpose by the Commission.

Prohibition of
provision of
health insurance
service without
license

Display of
license

1 22. A licensed scheme, institutions or organizations, groups etc. shall
2 display its license in a prominent place at its offices, where the license is visible
3 to the general public.

Prohibition on
use of name
unless licensed

4 23.-(1) A person shall not conduct an activity under a name which
5 includes "health scheme", "medical insurance scheme", "health maintenance
6 organization", "health insurance scheme" or similar name which is calculated
7 or likely to lead people to believe that person operates a health insurance
8 scheme unless the scheme is registered and licensed under this Bill.

9 (2) A person who acts contrary to subsection (1) commits an offence
10 and is liable on conviction to a fine not less than N100,000 (One hundred
11 thousand Naira) or to a term of imprisonment of not less than six months or
12 both.

Transfer and
Joint Operations

13 24.-(1) A health insurance scheme licensed under this Bill shall not
14 transfer its activities or operate its activities jointly with another scheme unless
15 it has the prior written approval of the Commission.

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

19 (3) Before determining an application for approval under subsection
20 (1), the Commission shall cause to be conducted an investigation into the
21 desirability of the change having regard to the best interest of the members of
22 the scheme.

23 (4) The Commission may conduct a hearing before determining an
24 application under this section and may hear the representatives of the scheme,
25 members of the scheme and any person the Commission considers is
26 sufficiently concerned in the matter to entitle that person to a hearing by the
27 Commission.

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

30 (6) A person dissatisfied with the decision of the Commission may

1 apply to the Minister for a review of the decision.

2 25. On the licensing, suspension or revocation of the license of a
3 scheme, the Commission shall publish the name and particulars of the
4 scheme in the Gazette and/or newspapers of national circulation that the
5 Commission shall determine.

Gazette
Notification

6 PART III - ESTABLISHMENT OF HEALTH INSURANCE SCHEMES:

7 SPECIFIC PROVISIONS AND REGULATIONS

8 26.-(1) There is hereby established schemes to be known as the
9 Public Sector Social Health Insurance Schemes (in this Bill referred to as
10 "the public sector schemes") for the purpose of providing health insurance
11 coverage which shall entitle persons and their dependants the benefits of
12 prescribed good quality and cost effective health services as set out in this
13 Bill.

Establishment of
the Public Sector
Social Health
Insurance Schemes

14 (2) A public sector scheme may be established by the Federal
15 Government, a State Government including the Federal Capital
16 Development Authority or a Local Government to cover all its employees
17 and their dependants.

18 (3) All Public Sector Social Health insurance Schemes shall be
19 regulated by the Commission.

20 (4) A Public Sector Scheme shall be operated and managed by a
21 Public Sector Health Insurance Fund as set out in this Bill.

22 27.-(1) There is hereby established a scheme to be known as the
23 Organized Private Sector Social Health Insurance Schemes (in this Bill
24 referred to as 'Organized Private Sector Scheme') for the purpose of
25 providing health insurance which shall entitle ensured persons and their
26 dependants the benefit of prescribed good quality and cost effective health
27 services as set out in this Bill.

Establishment of
Organized Private
Sector Scheme

28 (2) The Organized Private Sector Scheme shall cover all
29 employees of organizations in the private sector that employ at least five

1 workers as well as to those individuals who may want to voluntarily join the
2 scheme.

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

7 (4) A registered employer under the organized private sector scheme
8 shall cause to be deducted from his employees' wages the approved amount of
9 contribution payable by the employee. This contribution along with that of the
10 employer shall be collected by or remitted to the organized private sector fund
11 insurer for the purchase of a defined package of health care benefits for the
12 enrollees.

Establishment
of Private Health
Insurance Schemes,
including HMO
prepaid plans

13 28.-(1) There is hereby established schemes to be known as the
14 Private Health Insurance schemes (in this Bill referred to as 'The Private Health
15 Schemes') for the purpose of providing private health insurance plans which
16 shall entitle insured persons the benefit of prescribed good quality and cost
17 effective health services as set out in this Bill.

18 (2) A private health insurance scheme /plan shall cover interested
19 individuals, employers or employees of organizations in the private sector who
20 may want to join the scheme /plan.

21 (3) A body corporate registered as a limited liability company under
22 the Company and Allied Matters Act 1990 and accredited by the Commission
23 as a health managed care organization may operate a private health insurance
24 scheme/plan.

25 (4) (a) A private health insurance scheme/plan shall be required as a
26 condition for registration and licensing by the Commission to deposit with a
27 Bank accredited by the Commission an amount of money in an interest
28 yielding account that the Commission shall prescribe as security for its
29 members;

30 (b) The security referred to under subsection (a) shall be maintained

1 throughout the period that the business of the private health insurance is
2 carried on;

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

4 (5) (a) Where a private health insurance scheme/plan suffers a
5 substantial loss, arising from liability to members and the loss cannot
6 reasonably be met from its available resources, the Commission may, after
7 ascertaining the nature of the claim, and on application made to it by the
8 scheme, approve the withdrawal from the security deposit of the scheme of
9 an amount sufficient to meet the liability, and an amount withdrawn shall be
10 replaced by the scheme not later than ninety days after the date of the
11 withdrawal;

12 (b) The security deposit is the asset of the private health insurance
13 scheme/plan, but except as provided in subsection (a), it shall be available to
14 the scheme only in the event of the closure or winding up of the health
15 insurance business for the discharge of the liabilities arising out of policies
16 transacted by the insurer and remaining un-discharged at the time of the
17 closure or winding up of the insurance business.

18 (6) All Private Health Insurance Schemes/Plans shall be regulated
19 by the Commission.

20 29.-(1) There is hereby established a scheme to be known as the
21 mutual health insurance scheme (in this Bill referred to as 'the mutual health
22 scheme) for the purpose of providing health insurance coverage to its
23 enrollees as set out in this Bill.

Establishment of
mutual health
insurance schemes
including group
and community
based schemes

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

26 (3) (a) a mutual health insurance scheme shall have its
27 headquarters at the place that the governing body/BOT of the scheme shall
28 determine;

29 (b) the address and any other particulars of the headquarters shall
30 be notified in writing to the Commission.

1 (4) (a) a mutual health insurance scheme shall be managed by a Board
2 of Trustee (BOT) appointed by members and approved by the Commission;

3 (b) The BOT of a mutual health insurance scheme may be a body
4 corporate registered by guarantee under the Companies and Allied Matters Act
5 1990.

6 (5) (a) The Commission may require a mutual health insurance
7 scheme to maintain a reserve fund as the Commission may determine;

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

10 (6) A mutual health insurance scheme shall be operated exclusively
11 for the benefit of the members and shall provide the members with health
12 benefits of the scheme.

13 (7) (a) A mutual health insurance scheme shall have the minimum
14 membership that the Commission shall determine;

15 (b) A mutual health insurance scheme shall provide a clear method of
16 enrollment of members;

17 (c) membership shall take effect from the date of payment of
18 contribution and access to care based on a waiting period to be determined by
19 the Board of Trustee (BOT).

20 (8) All mutual health insurance schemes shall be regulated by the
21 Commission.

Establishment
of a National
Vulnerable Groups
Health Insurance
Fund

22 30. There is established by this Bill a National Vulnerable Groups
23 Health Insurance Fund.

Object of the
Fund

24 31.-(1) The object of this fund is to provide finance to subsidize the
25 cost of provision of health care services to vulnerable persons in Nigeria.

26 (2) For the purpose of implementing the object, the moneys from the
27 Fund shall be expended as follows:

28 (a) To provide subsidy of a level determined by the Council for Health
29 Insurance coverage of vulnerable person;

30 (b) To reinsure mutual health insurance schemes against random

1 fluctuations on cost under conditions to be determined by the Council;

2 (c) To provide for the payment of health insurance premium for
3 indigents.

4 32.-(1) The Sources of money for the Fund are as follows:

Sources of
Money for the
Fund

5 (a) Health insurance levy;

6 (b) Telecommunications tax;

7 (c) The money that may be allocated to the Fund by the
8 Government(s);

9 (d) Money that accrues to the fund from investments made by the
10 council; and

11 (e) Grants, donations, gifts and any other voluntary contributions
12 made to the fund.

13 (2) The Council may by Regulations review the sources of funding
14 to keep pace with development in the health insurance industry.

15 33.-(1) The Council shall from time to time determine and submit
16 to the Minister for approval, the criteria for disbursement of subsidies to be
17 paid to mutual health schemes and for health care of vulnerable and
18 indigents in Nigeria.

Formula for
disbursement
from the Fund

19 (2) The Council shall in disbursement of moneys from the Fund
20 make specific provisions towards the health needs of indigents and
21 prescribe the methods for determining who is indigent in Nigeria.

22 34.-(1) The Council shall give directives of a general nature for the
23 management of the Fund.

Management
of the Fund

24 (2) The Council in the Management of the Fund shall have the
25 following functions:

26 (a) formulate and implement policies towards achieving the
27 objects of the Fund;

28 (b) collect or arrange to be collected monies lawfully due to the
29 Fund;

30 (c) account for the money in the Fund;

- 1 (d) provide formula for the disbursement of moneys from the Fund;
2 (e) approve any other expenditure charge on the fund under this Bill or
3 any other enactment;
4 (f) set aside an amount for indigents;
5 (g) perform any other function ancillary to the object of the Fund.

Investment of
the Fund

6 35. The Commission may invest a part of the Fund that it considers
7 appropriate in the securities and deposits approved by the Council.

Expenses of
the Fund

8 36. The expenses attendant to the management of the Fund shall be
9 charged to the Fund.

10 PART IV - CONTRIBUTIONS AND FUNDS OF THE VARIOUS HEALTH
11 INSURANCE SCHEMES

Payment of
contributions

12 37.--(1) An employer who has a minimum of five employees shall,
13 together with every person, pay contributions at such rate and in such a manner
14 as may be determined, from time to time, in accordance with the provisions of
15 the Bill.

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

21 (3) Individuals and or employers may pay premiums for private
22 health insurance plans.

23 (4) The contributions for the vulnerable groups - the permanently
24 disabled, the aged, prisoners, and those (children under 5 and pregnant women)
25 not otherwise covered by other schemes- shall be made on their behalf by one
26 or a combination of the three levels of government, development partners
27 and/or non-governmental organizations.

Registration of
employers,
employees, etc

28 38.--(1) Subject to such guidelines and regulations as may be made
29 under this Bill, a public employer shall register itself and its employees and pay
30 into the account of a Public Sector Social Health Insurance Fund (PuHIF) its

1 contributions and the contributions in respect of its employees, at such time
2 and in such manner as may be specified, from time to time, in the guidelines
3 issued by the Commission.

4 (2) Subject to such guidelines and regulations as may be made
5 under this Bill, a private employer of at least five persons, shall register itself
6 and its employees and pay into the organized private sector social health
7 insurance fund, its contributions and the contributions in respect of its
8 employees, at such time and in such manner as may be specified, from time
9 to time, in the guidelines issued by the Commission.

10 (3) Subject to such guidelines and regulations as may be made
11 under this Bill, an individual and/ or employer may register himself or
12 herself, and the people under him/her with an Health Maintenance
13 Organisation (HMO) and pay into designated accounts of the HMO, the
14 necessary premium in respect of himself and others under the private health
15 insurance scheme , at such time and in such manner as may be specified,
16 from time to time, in the Operational Guidelines.

17 (4) Subject to such guidelines and regulations as may be made
18 under this Bill, a member of a community (group-based, religious- based or
19 work-based) may register himself and his dependants with the mutual health
20 organization and pay into the account of the organization the necessary
21 premium in respect of himself and others, at such time and in such manner as
22 may be specified from time to time, in the Guidelines of the Commission.

23 39,-(1) Public Health Insurance Funds are hereby established by
24 this Bill.

Public Health
Insurance Funds
(PuHIF)

25 (2) The object of the Funds is to collect contributions from public
26 sector employers and employees at all levels of government to finance the
27 provision of quality health services to their employees and their families.

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

30 (a) to provide a defined package of services to government

1 employees and their families from funds contributed for that purpose;

2 (b) payment of agreed amounts to the Commission as administrative
3 charge.

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

6 (a) contributions from public sector employees and employers which
7 shall include the Federal, the State and the Local Governments including the
8 Federal Capital Territory;

9 (b) other appropriation made purposely for the implementation of
10 health insurance schemes;

11 (c) 2% of each person's 15% contribution to the National Pension
12 Scheme for retirees;

13 (d) money that accrue to the Fund from investments made by the
14 Fund;

15 (5) (i) The Public Health Insurance Fund at the Federal level shall be
16 operated and managed by an independent Board of Trustees appointed by the
17 President of the Federal Republic of Nigeria upon the recommendation of the
18 Minister of Health for a period of four years subject to a renewal for another
19 term of four years and no more;

20 (ii) The Board of Trustees shall consist of stakeholders (public sector
21 employers, National Health Insurance Commission and enrollees) with a size
22 of not more than seven.

23 The Board shall have a Chairman.

24 (6) The Fund shall invest any money not immediately required by it in
25 Federal Government Securities, or in any other Securities and Deposits as the
26 Commission may determine with the approval of the Minister of Health, from
27 time to time.

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

30 (8)(i) The BOT shall cause to be prepared, not later than 30th

1 September in each year, an estimate of the expenditure and income of the
2 Fund during the next succeeding year and when prepared, they shall be
3 submitted to the Commission for Scrutiny;

4 (ii) The Board of Trustees shall cause to be kept proper accounts
5 and proper records in relation thereto and such accounts shall be audited by
6 auditors appointed by the Board from the list and in accordance with the
7 guidelines supplied by the Accountant General of the Federation.

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

12 (10) The Commission shall regulate all the Public Health
13 Insurance Funds.

14 40.-(1) The Health Maintenance Organizations and Mutual Health
15 Associations shall establish private health insurance funds.

Private Health
Insurance Funds

16 (2) The sources of money for the organized private sector social
17 health insurance fund shall be the private sector employees/employers
18 contributions which shall be paid into the organized private sector social
19 health insurance Fund. Payment of an agreed amount as administrative cost
20 shall be made to the Commission.

21 (3) The sources of funds for HMOs running private health
22 insurance schemes/plans are premiums by members who subscribe to the
23 health insurance plans. Administrative costs of the HMOs shall be met from
24 these funds at the rate approved by the Commission. Similarly, the HMOs
25 will pay the commission an agreed amount as regulative fees whilst the
26 excess funds shall be invested in the portfolios approved by the
27 Commission.

28 (4) Mutual Health Associations shall use their funds to finance the
29 provision of health benefits to members and their families as well as defray
30 other expenses related to capacity building, advocacy and sensitization

Operation and
Management of
Private Health
Insurance Funds

1 among others.

2 (5)(a) An independent Board of Trustee appointed by the organized
3 private sector with the approval of the Commission shall operate and manage
4 the organized private sector social health insurance fund in accordance with the
5 guidelines provided by the Commission;

6 (b) The Board of Trustees of the mutual health association shall
7 operate and manage their mutual health association funds in accordance with
8 the guidelines provided by the Commission.

9 (6) Moneys from all the funds shall be paid into the accounts
10 approved for the organizations by the Commission.

11 (7) The HMOs and MHAs shall invest any money not immediately
12 required by them in such portfolios as approved by the Commission and/or
13 covered by the guidelines issued by the Commission.

14 (8) The HMOs and MHAs shall keep proper accounts and records on
15 the management of their funds in line with the guidelines provided by the
16 Commission and such accounts shall be audited by auditors approved by the
17 Commission. The audited accounts and reports shall be submitted to the
18 Commission in accordance with the guidelines provided.

19 PART V - HEALTH MAINTENANCE ORGANIZATIONS, MUTUAL HEALTH
20 ASSOCIATIONS, AND HEALTH CARE PROVIDERS

Accreditation
of Organizations

21 41.-(1) The Commission shall accredit Health Maintenance
22 Organizations, Mutual Health Associations and other prepaid health insurance
23 organizations (in this Bill herein after referred to as "Organizations")

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

27 (3) When the accreditation of an Organization (purchasing
28 organization or health care provider) is withdrawn, the Commission shall
29 decide on the best way to keep its activities going either temporarily or
30 permanently to safeguard the interest of the enrollees.

1 them for its members and their families in consultation with the Commission;

2 (e) ensuring prompt payment for provider services;

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

5 (g) defining benefit package/premium in consultation with the
6 community members and the Commission;

7 (h) health promotion.

8 (4) Any prepaid private health insurance plans marketed by health
9 maintenance organizations, shall be subject to approval by the Commission.

Accreditation
of healthcare
providers

10 **43.-(1)** The accreditation of health care providers shall be in such
11 form and manner as may be determined by the Commission, from time to time,
12 under this Bill.

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

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

20 (ii) the provisions of the Operational Guidelines.

Quality assurance

21 **44.** The Commission shall endeavour through the means determined
22 by the Commission, including accreditation, that healthcare providers put in
23 place programmes that secure quality assurance, utilization review and
24 technology assessment to ensure that:

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

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

29 (c) the use of medical technology and equipments are consistent with
30 actual need and standards of medical practice;

1 (d) medical procedures and the administration of drugs are
 2 appropriate, necessary and comply with accepted medical practice and
 3 ethics; and

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

7 **45.** The Council may:

Appointment
of Actuary

8 (a) where it has reasonable grounds to believe that a licensed
 9 health insurance scheme or a manager of the scheme has contravened a
 10 provision of this Bill or of the Regulations and the contravention adversely
 11 affects the interest of the members, appoint an actuary or

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

14 **46.-(1)** The Commission may for the purposes of supervision of
 15 health insurance schemes carry out inspections as may be prescribed.

Inspection of
schemes

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

18 (3) The Commission shall ensure that inspection of licensed health
 19 insurance schemes is carried out at intervals to be determined by the
 20 Council.

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

25 **47.** The Commission may direct a scheme or an officer of a scheme
 26 to comply with the directives of the Commission specified in writing and
 27 where there is failure to comply, the Commission may apply sanctions as
 28 provided for in its Operational Guidelines.

Directives of the
Commission

29 **PART VII - STAFF OF THE COMMISSION**

30 **48.-(1)** There shall be appointed by the President, on the

Director-General
and other staff of
the Commission

1 recommendation of the Minister of Health, a Director General for the
2 Commission following the conduct of a competitive selection process initiated
3 by the Governing Council of the Commission.

4 (2) The Director General shall-

5 (a) be a person of integrity with relevant professional qualifications
6 and expertise.

7 (b) be the accounting officer of the Commission.

8 (c) hold office-

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

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

13 (3) The Director General shall:

14 (a) organize and direct the day-to-day operation of the Commission in
15 accordance with the Bill;

16 (b) be responsible for the general direction and control of all other
17 employees of the Commission;

18 (c) be responsible for the administration of the Secretariat of the
19 Council; and

20 (d) be responsible for keeping of the books and proper records of the
21 Commission.

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

24 (5) The Council shall:

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

28 (b) pay to persons so appointed such remuneration (including
29 allowances) as the Council may, after consultation with the Federal Salaries
30 and Wages Commission, determine.

1 49.-(1) Employment in the Commission shall be in line with
2 approved service for purposes of the Pension Reform Act.

Employment in
the Commission
is pensionable

3 (2) Employees of the Commission shall be entitled to retirement
4 benefits as provided under the Pension Act.

5 (3) Nothing in subsections (1) and (2) of this section or in this Bill
6 shall prevent the appointment of a person to any office on terms which
7 preclude the grant of pension and gratuity in respect of that office.

8 (4) For the purposes of the application of the provisions of the
9 Pension Reform Act, any power exercisable there under by a Minister or
10 other authority of the Government of the Federation, other than the power to
11 make regulations under the existing Pension Act, is hereby vested in and
12 shall be exercisable by the Council and not by any other person or authority.

13 50.-(1) The Commission with approval of the Council shall divide
14 the country into such number of zones as it may, from time to time
15 determine, and establish in each Zone, a Zonal Office of the Commission.

Establishment of
zones and zonal
offices of the
Commission

16 (2) The Administration, finances and other functions of the Zonal
17 offices shall be determined by the Commission.

18 PART VI - FINANCIAL PROVISIONS

19 51.-(1) The Commission shall establish and maintain a fund from
20 which all its expenses shall be defrayed.

Establishment of
fund for the
Commission

21 (2) The fund established under subsection (1) of this section shall
22 consist of:

23 (a) annual subvention from the Federal Government;

24 (b) such monies as may be due to the Commission as
25 administrative charge on the Public Health Insurance Funds, organized
26 private social health insurance fund and other private health insurance
27 plans;

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

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

30 (e) such money as may be received from time to time or be from

1 international or donor organizations and Non Governmental organizations;

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

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

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

7 (b) to the payment of allowances and benefits of members of the
8 Council;

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

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

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

15 (4) The Commission shall invest any money not immediately
16 required by it in the Federal Government securities or in such other securities
17 and deposit as the Council may determine.

Power to
accept Gifts

18 52.-(1) The Commission may accept gifts of land, money or other
19 property on such terms and conditions, if any, as may be specified by the person
20 or organization making the gift.

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

Annual Accounts

24 53.-(1) The Council shall cause to be prepared, not later than 30th
25 September in each year, an estimate of the expenditure and income of the
26 Commission during the next succeeding year and when prepared, they shall be
27 submitted to the Minister of Health for approval.

28 (2) The Council shall cause to be kept proper accounts of the
29 Commission and proper records in relation thereto and such accounts shall be
30 audited by auditors appointed by the Council from the list and in accordance

1 with the guidelines supplied by the Auditor-General of the Federation.

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

7 54. The Council shall not later than 6 months immediately Annual Reports
8 following the end of a year-

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

13 (b) present and publish the audited annual accounts, auditor's
14 report on the accounts and reports on the activities of the Commission to
15 Annual General Meeting comprising all stakeholders.

16 55.-(1) The Commission shall be exempted from the payment of Exemption
17 tax on any income accruing from investments made by the Council for the from Tax
18 Commission or otherwise.

19 (2) The provisions of any enactment relating to the taxation of
20 companies or trust funds shall however not apply to the Commission or the
21 Council.

22 PART VII - ARBITRATION

23 56.-(1) Whenever there is dispute amongst parties under this Bill, Establishment
24 the dispute shall first be referred to Arbitration, mediation or conciliation and functions of
25 before resorting to litigation. Arbitration Panel

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

28 (3) The parties shall by mutual consent appoint a 3-man panel of
29 arbitrators (herein after referred to as "the panel").

30 (4) The applicable Arbitral procedure shall be as provided in the

1 Arbitration and Conciliation Act.

2 (5) No action shall lie against the Commission without prior notice in
3 writing given one month before the institution of a legal action against the
4 Commission and the adoption of Arbitration as contained in the Bill.

5 PART VIII - OFFENCES, PENALTIES AND LEGAL PROCEEDINGS

Offences and
penalties

6 57.-(1) Any person who-

7 (a) fails to pay into the account of the Commission and /or a health
8 insurance fund or HMO and within the specified period any contribution liable
9 to be paid under this Bill;

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

14 (c) fails to remit capitation to Healthcare Providers after receiving
15 such from the Health Insurance Fund within the specified period indicated in
16 the Operational Guidelines;

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

20 (e) deliberately manipulates the enrollee register for the benefit of
21 other parties before or after the release of the register by the Health Insurance
22 Schemes;

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

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

28 (2) A person guilty of an offence under subsection (1) of this section
29 order 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 or

1 imprisonment for a term not exceeding two years or to both such fine and
2 imprisonment; and

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

6 (3) A person guilty of any offence in subsection 57(1)(g) is liable
7 to prosecution under the relevant laws guiding financial transactions.

8 58.-(1) Where an offence under this Bill has been committed by a
9 body corporate or firm or other association of individuals, a person who at
10 the time of the offence-

Offences by
Corporate Bodies

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

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

18 (2) 'Officers' of Government Ministries or Agencies and/or
19 Parastatals in this section, includes-

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

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

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

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

Prosecution of
offenders

Jurisdiction	1	60. -(1) The Federal High Court and the High Court of a State and that
	2	of the Federal Capital Territory, Abuja shall have -
	3	(a) jurisdiction to try offenders under this Bill; and
	4	(b) power, notwithstanding anything to the contrary in any other
	5	enactment, to impose the penalties provided for the offence in this Bill.
Court to order payment of contributions	6	61. -(1) The High Court before which a person is convicted of an
	7	offence under this Bill may, without prejudice to any civil remedy, order a
	8	person to pay to the Commission the amount of any contributions together with
	9	interest and penalty thereon, certified by the Commission to be due and payable
	10	at the date of the conviction and such amount shall be paid into the account of
	11	the Commission for its credit, where applicable or of the employee concerned.
	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 to
	14	receive the contribution.
Commencement of Proceedings	15	62. -(1) Proceedings for an offence under this Bill may be commenced
	16	at any time after the commission of the offence.
Powers to sanction	17	63. Notwithstanding anything contained in any other provisions of
	18	the sections under Part VII of this Bill, the Commission shall at all times retain
	19	the power to sanction erring Health Maintenance Organizations, Health Care
	20	Providers, Mutual Health Associations, Insurance Brokers, Insurance
	21	Companies, Banks, or any other operator or Manager licensed or accredited
	22	person in line with the Operational Guidelines as may from time to time be
	23	issued by the Commission.
Limitation of suit against the Commission	24	64. -(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.
	27	(2) No suit shall be commenced against the Commission, a member
	28	of the Council, the Director General, officer or employee of the Commission
	29	before the expiration of a period of one month after written notice of intention
	30	to commence the suit shall have been served upon the Commission by the

1 intending plaintiff or his agent(s).

2 (3) The notice referred to in subsection (2) of this section shall
3 clearly and explicitly state the cause of action, the particulars of the claims,
4 the name and place of abode of the intended plaintiff and the relief which he
5 claims.

6 65. A notice, summon or other document required or authorized to
7 be served on the Commission under the provisions of this Bill or any other
8 enactment of law may be served by delivering it to the Director General or
9 by sending it by registered post and addressed to the Director General at the
10 Head office of the Commission.

Service of
Documents

11 66.-(1) In any action or suit against the Commission no execution
12 or attachment of process in the nature thereof shall be issued against the
13 Commission unless not less than 3 months notice of intention to execute or
14 attach has been given to the Commission.

Restriction on
execution against
property of the
Commission

15 (2) Any sums of monies which may by the judgment of any court
16 be awarded against the Commission shall, subject to any directions given by
17 the court where notice of appeal of the said judgment has been given, be paid
18 from the Fund of the Commission.

19 67. A member of the Council, the Director General, any officer or
20 employee of the Commission shall be indemnified out of the assets of the
21 Commission against any liability incurred by him in defending any
22 proceeding, whether civil or criminal, if any such proceeding is brought
23 against him in his capacity as a member, Director General, officer or other
24 employee of the Commission.

Indemnity of
officers

25 68.-(1) A member of the Council, the Director General, officer or
26 other employee of the Commission shall-

Oath of Secrecy

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

30 (b) treat as confidential any information which has come to his

1 knowledge in the exercise of his powers or obtained by him in the performance
2 of his functions under this Bill;

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

7 (2) Any person who contravenes the provisions of subsection (1) of
8 this section commits an offence and is liable on conviction to a fine of not less
9 than N20,000 or imprisonment for a term not exceeding two years or to both
10 such fine and imprisonment.

11 PART IX - MISCELLANEOUS PROVISIONS

Contributions
to be inalienable

12 69. Contributions payable to the Commission shall be inalienable
13 and shall not be assets for the benefit of creditors in the event of the bankruptcy
14 or insolvency of a contributor or an organization.

Contribution
to form part of
tax deductible
expense

15 70. Notwithstanding anything in any law or enactment, contributions
16 whether by an employer or an employee under this Bill shall form part of tax
17 deductible expenses in the computation of tax payable by an employer or, as the
18 case may be, by an employee, under any other relevant law applicable to
19 income tax.

Transfer of
liability

20 71. Where, under section 591 of the Companies and Allied Matters
21 Act 1990, an order is made by a court under subsection (3) of that section which
22 includes the transfer to the company of the whole or any part of the undertaking
23 and of the property and liabilities of a transfer or company, the order shall
24 include provisions for the taking over, as from such date as may be specified in
25 the order, of any liability for any contribution which has become due and
26 payable under this Bill (together with any accrued interest thereon) in respect
27 of the employees concerned in the undertaking, property or liability
28 transferred.

Exclusion from
the Trustee
Investment Act
Cap. 449 LFN

29 72. The provisions of the Trustee Investment Act shall not apply to
30 any investment made by the Commission under this Bill.

1 73. The Federal Government may enter into a reciprocal agreement Reciprocal
2 with the government of any other country in which a Commission similar to agreement with
3 that establishment by this Bill has been established, and the provisions of the other countries
4 agreement shall be read in conformity with the provisions of this Bill.

5 74. The Federal Government shall be responsible for payment of Payment of
6 the full contributions in respect of members of the Armed Forces, the Members of the
7 Nigeria police Force, Nigerian Customs Service, Nigeria Immigration Armed Forces
8 Service, Nigeria Prisons Service and such other Federal uniformed services and the Police
9 as the Minister may by order in the Gazette specify.

10 75. A Health Care Provider shall be required to take a professional Insurance
11 indemnity cover from an insurance company approved by the Council. indemnity of
12 Health Care
13 Providers

14 76. The Minister may, give to the Council directives of a general Powers of the
15 nature with respect to any of the functions of the Council and it shall be the Minister to give
16 duty of the Council to comply with such directives or cause them to be directives
17 complied with.

18 77. -(1)The Commission shall make regulations and issue Commission to
19 guidelines for the- issues Regulations
20 Guidelines

21 (a) registration of employers and employees liable to contribute
22 under the Scheme;

23 (b) registration of dependants of employees covered by the
24 Scheme;

25 (c) compulsory payment of contributions by employers and
26 employees, the rates of those contributions and the deduction by the
27 employers of contributions payable by employees under the public and
28 organized private sector social health insurance scheme;

29 (d) voluntary payment of premiums by employers for private
30 health insurance for private health insurance plan and rates of such
premiums

(e) maintenance of the records to be kept for the Commission and
the records to be kept by employers in respect of premiums payable under

- 1 the public and organized private sector health insurance scheme;
- 2 (f) methods of payment of contributions into the health insurance
3 fund;
- 4 (g) imposition of surcharges in respect of late payment of
5 contributions by employers or employees;
- 6 (h) manner and circumstances in which contributions may be
7 refunded;
- 8 (i) fees which may be charged for medical and dental examinations
9 and services provided and other things done for the purpose of the Scheme;
- 10 (j) nature and amount of benefits to be provided under a Scheme, the
11 circumstances and the manner in which the benefits shall be provided;
- 12 (k) nature and amount of capitation payment under a Scheme, the
13 circumstances and the manner in which health care providers shall receive the
14 capitation payment made under a Scheme;
- 15 (l) reduction, suspension or withdrawal of any payment under a
16 Scheme;
- 17 (m) submission of returns by employers regarding the employers and
18 their employees;
- 19 (n) the procedure for assessment of contributions made under a
20 Scheme; and
- 21 (o) any other matter whatsoever for which, in the opinion of the
22 Commission, it is necessary or desirable to make regulation and issue
23 guidelines for giving effect to a Scheme.
- 24 (2) The guidelines issued under subsection (1) (c) of this section may
25 provide for different levels of contributions to be payable by different classes
26 of persons.
- 27 (3) The guidelines issued under this section may not be published in
28 the Gazette but the Commission shall ensure that they are brought to the notice
29 of the persons affected by the regulations and guidelines.

1 78. In this Bill unless the context otherwise requires- Interpretation

2 "Administrative Charge" means the deduction from contributions or

3 premiums for the purpose of regulating by the Commission.

4 "Benefit" means a benefit or advantage of any kind whatsoever derived from

5 a Scheme;

6 "Council" means the Governing Council established under section 3 of this

7 Bill for the Commission;

8 "Commission" means the National Health Insurance Commission

9 established under section 1 of this Bill;

10 "Premium" means a contribution payable to the National Health Insurance

11 Fund under this Bill and any other fund;

12 "Employee" means any person who is ordinarily resident in Nigeria and is

13 employed in the public service or private service or an apprenticeship with

14 an employer whether the contract is express or implied, oral or in writing;

15 "Employer" means an employer with five or more employees which

16 includes the Federal, State and Local Government or any Extra-Ministerial

17 Department or a person with whom an employee has entered into a contract

18 of service or apprenticeship and who is responsible for the payment of the

19 wages or salaries of the employee including the lawful representative,

20 successor or assignee of that persons;

21 "Fee-For-Service" means payment made directly for completed health care

22 services, not included in the capitation fees and paid to health care facility or

23 prescription following appropriate referrals or professionals following

24 appropriate referrals or prescriptions sent to them by health care providers

25 under this Bill;

26 "Public Sector Social Health Insurance Scheme" means health insurance

27 plans designed to cover public sector employees and their dependants;

28 "Organized Private Sector Social Health Insurance Schemes" means health

29 insurance plans designed to cover private sector employees and their

30 dependants;

- 1 "Mutual Health Insurance Schemes" means health prepaid plans organized for
2 the informal sector (eg. communities, work- or group- based organizations,
3 etc.) by mutual health associations and other such bodies;
- 4 "Functions" includes powers:
- 5 "Health Care Facility" means any government or private health care facility,
6 hospital, maternity centre, pharmacy, physiotherapy etc. and includes all
7 primary, healthcare facility, secondary healthcare facility and tertiary
8 healthcare facility accredited by the Commission for the provision of
9 prescribed health services for insured persons and their dependants under this
10 Bill;
- 11 "HMO" means any Health Maintenance Organization accredited under section
12 41 of this Bill to purchase health care services through health care providers
13 approved by the Commission;
- 14 "Informal Sector Programme" means health insurance plans designed to cover
15 people not on regular income;
- 16 "Insured Person" means any person and eligible dependant who pays the
17 required contribution or for whom contribution is made under this Bill;
- 18 "Member Of The Council" means any person, including the Chairman
19 appointed as such;
- 20 "Minister" means the Minister charged with responsibility for matters relating
21 to health and "Ministry" shall be construed accordingly;
- 22 "Public Service Of The Federation" and "Public Service Of State" have the
23 meaning respectively assigned to them in the Constitution of the Federal
24 Republic of Nigeria 1999;
- 25 "Scheme" means any scheme approved by the Commission;
- 26 "Voluntary Contributors" means individuals who fall into the following
27 groups:
- 28 (a) political appointees who are excluded from the Public Sector
29 Health Insurance Programme;
- 30 (b) employers of labour with less than five employees; and

- 1 (c) individuals ordinarily in the informal sector.
- 2 "Persons" means persons, organizations, institutions, groups etc.
- 3 "Vulnerable Group" means children under 5, pregnant women, the aged, the
4 physical and mentally challenged and the indigent; etc.
- 5 "Wage" means remuneration in money paid to an employee under his
6 contract of service or apprenticeship, as the case may be and whether agreed
7 to be paid at fixed or determined intervals of time;
- 8 "Zonal Office" means a Zonal National Health Insurance Commission
9 Office established under Section 50 of this Bill.

10 79. The National Health Insurance Scheme Act No. 35 1999 is
11 hereby repealed.

Repeat of NHIS
Act

12 80. This Bill may be cited as the National Health Insurance
13 Commission Bill, 2017.

Citation

EXPLANATORY MEMORANDUM

This Bill seeks to repeal the existing National Health Insurance Scheme Act, Cap. N42, LFN 2004, and to enact the National Health Insurance Commission Act to ensure a more effective implementation of a national health insurance policy that enhances access to healthcare services to all Nigerians, as well as promote and effectively regulate health insurance schemes in Nigeria.

