

# A BILL

## FOR

ACT TO PROVIDE FOR THE ESTABLISHMENT OF THE FEDERAL CAPITAL TERRITORY HEALTH INSURANCE AGENCY, TO INSTITUTE THE FEDERAL CAPITAL TERRITORY HEALTH INSURANCE SCHEME FOR ALL RESIDENTS OF THE FEDERAL CAPITAL TERRITORY AND FOR RELATED MATTERS, 2018

*Sponsored by Senator Tanimu Aduda*

[ ] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

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### PART I - PRELIMINARY

1. This Bill may be cited as the FCT Health Insurance Agency Bill, 2018.

Short Title

2. In this Bill, unless the context otherwise requires:

Interpretation

"Actuary" means a professional who calculates risk and probabilities for payment plan;

"Administrative Charge" means a portion of the fund pooled by the FCT Health Insurance Scheme, dedicated to managing the operations of the Scheme;

"Agency" means FCT Health Insurance Agency;

"Area Council Chairman" means the political head of an Area Council;

"Basic Health Plan" means an affordable plan providing a prescribed benefit package of accessible healthcare services;

"BPHCF": Means Basic Health Care Provision Fund;

"Board" means the Governing Board established under Section 4 of this Bill for the Agency;

"Capitation" means a payment to a health care provider in respect of covered services to be provided to an insured person registered with the healthcare provider, whether the person uses the services or not;

- 1 "Contribution" means a premium payable to Third Party Agent (TPA's) and  
2 FCT Health Insurance Scheme Fund (FHISF) or any other funds under this  
3 Bill;
- 4 "Executive Secretary" means the Executive Secretary of the Agency;
- 5 "Employee" means any person who is ordinarily resident in F C T and is  
6 employed in the public service or private sector;
- 7 "Employer" means an employer with five or more employees which includes  
8 the Federal, FCT and Area Council, any Extra-Ministerial Department or a  
9 person with whom an employee has entered into a contract of service or  
10 apprenticeship and who is responsible for the payment of the wages or salaries  
11 of the employee including the lawful representative, successor or assignee of  
12 that person;
- 13 "FCT" Means Federal Capital Territory;
- 14 "Fee-for-service" means payment made directly by TPAs, MHAs for  
15 completed healthcare services, not included in the capitation fees paid to  
16 healthcare providers following approved referrals and/ or professional services  
17 (specialist consultation, pharmaceuticals, laboratory and radiological  
18 investigations, optometric service sand similar services under the Health  
19 Scheme);
- 20 "FHIS" means FCT Health Insurance Scheme;
- 21 "Formal Sector" means the Public and the organized Private Sector Workers;
- 22 "HealthCare Provider (HCP)" means any government or private healthcare  
23 facility, hospital, maternity Centre, community pharmacies, and all other  
24 service providers registered by the Agency for the provision of prescribed  
25 health services for insured persons and their dependents under this Scheme;
- 26 "HIA" means health insurance agents, which refers to organizations tasked  
27 with discrete functions by the FHIS. Such functions may relate to serving as  
28 intermediaries between the FHIS and residents, enrolees or healthcare  
29 providers;
- 30 "Informal Sector" means workers not part of the Formal Sector;

1 "Insured person" means any person and eligible dependent who pays the  
2 required contribution under this Scheme;

3 "Marketing and Distribution charge" means a portion of the funds pooled by  
4 the FCT Health Insurance Scheme, dedicated to marketing and distribution  
5 of health plans to residents;

6 "Medical Practitioner" means a person with a degree registered with the  
7 Medical and Dental Council of Nigeria;

8 "MHA" means a Mutual Health Association registered under Section 20 of  
9 this Bill to provide healthcare services through healthcare providers  
10 approved by the Agency;

11 "Minister" means the Minister of FCT, Abuja;

12 "NHIS" means National Health Insurance Scheme as defined in the National  
13 Health Insurance Act of the Laws of the Federation of Nigeria;

14 "Persons" means any person corporate or individual;

15 "Premium" means the contribution from the persons covered under any  
16 benefit package of this scheme;

17 "Staff" means staff of the Agency;

18 "TPA" means Third Party Administrators;

19 "Vulnerable Group" refers to pregnant women, children under the age of 5,  
20 the aged as defined by the FCT HIS operational guidelines, the disabled, the  
21 poor and others in need of special care, support, or protection because of  
22 health status, age, disability, socio-economic status or risk of abuse or  
23 neglect;

## 24 PART II - ESTABLISHMENT OF THE FCT HEALTH INSURANCE

### 25 AGENCY AND BOARD

26 3.-(1) There is hereby established in the FCT a body to be known as  
27 FCT Health Insurance Agency (in this Bill referred to as "the Agency").

Establishment  
of the FCT Health  
Insurance Agency

28 (2) The Agency:

29 (a) shall be a body corporate with perpetual succession and a  
30 common seal;

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

2 (c) may acquire, hold or dispose of any moveable or immoveable  
3 property for the purpose of its functions under this Bill.

Principal objective  
of the Agency

4 (3) The principal objective of the Agency shall be to, supervise and  
5 ensure the effective administration of the FCT Health Insurance Scheme.

Establishment  
of the Board

6 4.-(1) There is hereby established for the FCT Health Insurance  
7 Agency Governing Board (in this Bill referred to as "the Board").

8 (2) The Board shall comprise of:

9 (a) a Chairman;

10 (b) the Chairman of Association of Local Governments of Nigeria  
11 (ALGON), FCT Chapter;

12 (c) Chairman of the FCT Traditional Council;

13 (d) one representative each of:

14 (i) the Health and Human Services Secretariat, not below the rank of a  
15 Director;

16 (ii) the FCT Hospitals Management Board, not below the rank of a  
17 Director;

18 (iii) the Executive Secretary, FCT Primary Health Care Board;

19 (iv) the Department of FCT economic Planning Research and  
20 Statistics, not below the rank of a Deputy Director;

21 (v) the Department of Treasury, not below the rank of a Deputy  
22 Director;

23 (vi) the Nigeria Employers Consultative Association, FCT Chapter;

24 (vii) Nigeria Labour Congress, FCT Chapter;

25 (viii) Trade Union Congress, FCT Chapter;

26 (ix) Health Care Providers Association of Nigeria, FCT chapter;

27 (x) FCT Co-ordinator, National Health Insurance Scheme; and

28 At least two of the members of the board should be female.

29 (e) the Executive Secretary of the Agency, who shall also be the  
30 Secretary to the Board.

1           (3) The Board members other than the Executive Secretary shall be  
2 on part time and to be appointed by the Minister based on the  
3 recommendation of the Secretary HHSS.

4           (4) The Chairman shall be a person of integrity with a minimum  
5 qualification of first degree or its equivalent and a minimum of ten (10)  
6 years professional experience.

7           (5) The other members of the Board shall be persons of proven  
8 integrity.

9           (6) The supplementary provisions set out in the schedule to this Act     Schedule  
10 shall have effect with respect to the proceedings of the Board and the other  
11 matters contained therein.

12           5.-(1) All members of the Board shall hold office for a term of four     Tenure of office  
13 years and may be re-appointed for another term of four years only;     of Board members  
and cessation of  
membership of  
the Board

14           (2) The office of a member of the Board shall become vacant if the  
15 member:

16           (a) resigns by notice in writing under his hand, addressed to the  
17 Minister and submitted through the Secretary of the Board to the Secretary  
18 HHSS, which resignation shall take effect only on acknowledgement by the  
19 Minister;

20           (b) becomes bankrupt or enters into composition with creditors;

21           (c) is convicted of a criminal offence; or

22           (d) becomes incapable of discharging duties assigned by reason of  
23 mental or bodily infirmity.

24           (3) A member of the Board may be removed from office by the  
25 Minister, if he is satisfied that it is in the interest of the Agency or the interest  
26 of the public that the member should not continue in office.

27           (4) Where a vacancy occurs in the membership of the Board, it  
28 shall be filled by the appointment of a successor to hold office for the  
29 remainder of the term of office of his predecessor, provided that the  
30 successor shall represent the same interest as the predecessor.

## 1 PART III - OBJECTIVES, FUNCTIONS AND POWERS

Objective of  
the Agency

## 2 6. The Agency Shall:

3 (1) Regulate, supervise, implement and ensure effective  
4 administration of the FCT Social Health Insurance scheme.5 (2) Ensure that all residents of the FCT have financial protection,  
6 physical access to quality and affordable health care services;7 (3) Regulate the cost of healthcare services provided under the  
8 scheme;9 (4) Ensure equitable distribution of health care costs across all  
10 residents of the FCT;11 (5) Maintain high standard of health care delivery services within the  
12 Health Scheme;13 (6) Ensure efficiency in health care service delivery provided under  
14 the scheme;15 (7) Improve and harness private sector participation in the provision  
16 of health care services;

17 (8) Facilitate adequate distribution of health facilities within the FCT;

18 (9) Ensure appropriate patronage at all levels of the health care  
19 delivery system;20 (10) Ensure the availability of alternative sources of funding to the  
21 health sector for improved services;22 (11) In cases where residents do not have available medical and other  
23 health services, to take such measures as are necessary to plan, organize and  
24 develop medical and other health services commensurate with the needs of the  
25 residents; and26 (12) Facilitate access to emergency ambulance or ancillary services,  
27 with emergency services provider or under a private-public partnership  
28 arrangement for the benefit of residents of the FCT.Functions of  
the Agency

## 29 7. The Agency shall:

30 (1) ensure the effective implementation of the policies and procedures

- 1 of the health scheme;
- 2 (2) issue appropriate regulations and guidelines, as approved by
- 3 the board, to maintain the viability of the health scheme;
- 4 (3) manage the health scheme in accordance with the provisions of
- 5 this Act;
- 6 (4) approve formats of contracts for the Third - Party
- 7 Administrations and all Health Care Providers;
- 8 (5) carry out public awareness and education on the establishment
- 9 and management of the health scheme;
- 10 (6) promote the development of other programs for wider
- 11 participation in the scheme including developing new Health Plans;
- 12 (7) implementation of the basic minimum benefit package as
- 13 defined under the National Health;
- 14 (8) the definition of benefit packages to be provided under the
- 15 Health Plans as provided in Section 6 of this Act;
- 16 (9) registering NHIS accredited Third - Party Administrations,
- 17 FCT accredited health care facilities and other relevant institutions;
- 18 (10) classify healthcare facilities and providers in a manner that
- 19 shall help improve health outcomes in the FCT as required under the
- 20 National Health Act;
- 21 (11) reimburse health care providers in line with services delivered
- 22 under the scheme;
- 23 (12) determining the percentage of the premiums or other
- 24 contributions from private health plans that shall be payable as cross subsidy
- 25 to the Fund for the purpose of financing the Health Equity Plan under
- 26 Section 16 for the poor and vulnerable;
- 27 (13) approving format of contracts for the Third - Party
- 28 Administrations and all health care providers;
- 29 (14) determine, after due consideration capitation, fee-for service
- 30 and other payment mechanisms due to health care providers, by the Third-

- 1 Party Administrators;
- 2 (15) advise the relevant bodies on inter-relationship of the agency  
3 with other social security services;
- 4 (16) coordinate research and statistics;
- 5 (17) establish quality assurance for all stakeholders;
- 6 (18) ensure the collection, collation, analysis, and reporting on  
7 quarterly returns from the Third - Party Administrations and other scheme  
8 stakeholders;
- 9 (19) exchange information and data with the National Health  
10 Insurance Scheme, FCT Health Management Information System, relevant  
11 financial institutions development partners, Non-government organisations;  
12 and other relevant bodies;
- 13 (20) ensure the training and development of staff of the Agency;
- 14 (21) receive and investigate complaints of impropriety leveled  
15 against any Third - Party Administrations, Health Care Provider Enrollee and  
16 other relevant institutions and ensure appropriate sanctions are given.
- 17 (22) carry out such other activities as are necessary or expedient for  
18 the purpose of achieving the objectives of the Agency under this Act;
- 19 8.-(1) The Agency shall have powers to regulate, implement and issue  
20 guidelines for:
- 21 (i) the registration of employers and employees liable to contribute  
22 under this Act;
- 23 (ii) the registration of dependents of employees covered by the  
24 Agency;
- 25 (iii) the compulsory payment of contributions by employers and  
26 employees,
- 27 (iv) the amount of contributions to be paid by each employee;
- 28 (v) the compulsory payment of contributions by self-employed  
29 persons and other persons and rates of such contributions;
- 30 (vi) the maintenance of the records to be kept for the Agency and the

Powers of the  
Agency



- 1 records to be kept by employers in respect of contributions payable under  
2 this Act and in respect of their employees;
- 3 (vii) the methods of receiving contributions under this Law;
- 4 (viii) the imposition of surcharges in respect of late payment of  
5 contributions by employers or employees;
- 6 (ix) the manner and circumstances under which contributions may  
7 be remitted and refunded;
- 8 (x) negotiated fees and charges payable for medical, dental,  
9 pharmaceutical and all other health services provided under the scheme;
- 10 (xi) the nature and amount of benefits to be provided under this  
11 Scheme, the circumstances and the manner under which the benefits shall be  
12 provided;
- 13 (xii) the nature and amount of capitation, fee-for-service, per-diem  
14 or other payment options under this Scheme.
- 15 (xiii) the reduction, suspension or withdrawal of any payment  
16 under this Scheme;
- 17 (xiv) the submission of returns by employers regarding the  
18 employers and their employees;
- 19 (xv) the procedure for assessment of contributions made under this  
20 Scheme;
- 21 (2) Any other matter whatsoever on which, in the opinion of the  
22 Agency, is necessary or desirable to make regulation and issue guidelines  
23 for giving effect to this Act.
- 24 (3) The guidelines issued under subsection (i) (iii) and (iv) of this  
25 Section may provide for different levels of contributions payable by  
26 different classes of persons.
- 27 9. For the purpose of carrying out the functions of the Agency, the  
28 Board shall, subject to the direction of the Minister, have powers to:
- 29 (i) determine the organizational structure of the Agency,  
30 (ii) approve for the Agency private health maintenance,

- 1 organizations operating in the FCT and their private health plans,
- 2 (iii) determine the overall policies of the Health Scheme, including
- 3 the financial and operative procedures of the Scheme,
- 4 (iv) ensure the effective implementation of the policies and
- 5 procedures of the Scheme,
- 6 (v) regulate and supervise the Scheme established under this Act,
- 7 (vi) establish standards, rules and guidelines for the management of
- 8 the Health Scheme under this Act,
- 9 (vii) approve, License, Regulate and supervise Third-Party
- 10 Administrators and other institutions relating to the Health Plan as the Agency
- 11 may from time to time determine,
- 12 (viii) develop or approve mechanisms for identification of the poor
- 13 and vulnerable persons who will benefit from the Health Equity Plan as
- 14 provided under Section 16 of this Act,
- 15 (ix) issue guidelines and approval for the administration and release
- 16 of funds under the Scheme,
- 17 (x) approve Health Plans as might be determined and put forward by
- 18 the Agency from time to time,
- 19 (xi) approve the recommendation of the Agency relating to research,
- 20 consultancy and training in respect of the Scheme,
- 21 (xii) keep and update a database on all scheme activities,
- 22 (xiii) perform such other duties which, in the opinion of the Agency,
- 23 are necessary or expedient for the discharge of its functions under this Act,
- 24 (xiv) determine the remuneration and allowances of all staff of the
- 25 Agency,
- 26 (xv) engage the various ministries and levels of government,
- 27 stakeholders and the public during strategy development, policies and
- 28 procedures of the health scheme, and
- 29 (xvi) approve annual reports and statement of accounts of the Agency.

1 PART IV - ADMINISTRATIVE STRUCTURE AND CONTROL

2 10. The Executive Secretary shall:

Qualification  
and Tenure of the  
Executive Secretary

3 (a) be the Chief Executive and Accounting officer of the Agency  
4 and shall be responsible for the day to day management of the affairs of the  
5 Agency;

6 (b) be a person of integrity with relevant qualifications in Health  
7 Management, Health Economics or Public Health with a minimum of ten  
8 (10) years professional experience;

9 (c) hold office for a term of four years on such terms and conditions  
10 as may be specified in their letters of appointment and may be reappointed  
11 for another term of four years only.

12 11. The Agency shall have the power to establish and maintain  
13 such Departments, offices, subsidiary divisions, sections and units and  
14 make other administrative arrangements as may, in its opinion, be necessary  
15 or expedient for the performance of its functions.

Organogram

16 12. Without prejudice to extant legislation, Public Service Rules,  
17 Scheme of Service and Operational Guidelines of the Agency, the Agency  
18 shall:

Employees of  
the Agency

19 (a) have the power to appoint or employ such contract or  
20 permanent employees whether professional or non-professional, including  
21 reputable and competent external consultants, as it may require to carry out  
22 its functions;

23 (b) determine the allowances and other terms and conditions of  
24 service of staff.

25 13.-(1) Employment in the Agency shall be scheduled service for  
26 purposes of the Pensions Act (2) Employees of the Agency shall be entitled  
27 to pensions and other retirement benefits in accordance with the Pension  
28 Reform Act 2014 or such other Act as may be in force to regulate pension  
29 matters.

Pensions

Confidentiality  
and Non-disclosure

1                   14.-(1) Members of the Board, employees and other persons engaged  
2 to work for the Agency shall:

3                   (a) not make use of any information which may come to their  
4 knowledge in the exercise of their powers or which may be obtained by them in  
5 the ordinary course of duty for personal gain or otherwise than for the purpose  
6 of their functions under this Act;

7                   (b) treat as confidential any information which may be obtained by  
8 them in the performance of their functions under this Act; and

9                   (c) not disclose any information referred to under paragraph (a) of this  
10 subsection except when required to do so by an Arbitration, litigation or similar  
11 panel of the court or in such other circumstances as may be prescribed by the  
12 Board, from time to time.

13                   (2) Any person who contravenes the provisions of subsection (1) of  
14 this section, commits an offence and is liable on conviction to penalties  
15 contained in Section 43 (3) of this Act.

16                   PART V - ESTABLISHMENT OF THE FCT HEALTH INSURANCE SCHEME

Establishment  
of the FCT Health  
Insurance Scheme

17                   15. There is hereby established the FCT Health Insurance Scheme (in  
18 this Act referred to as the "Scheme").

Components of  
the FCT Health  
Insurance Scheme

19                   16.-(1) The FCT Health Insurance Scheme shall comprise of the  
20 following:

21                   (a) The FCT Equity Health Plan (EHP)- This shall be a basic plan for  
22 vulnerable groups as defined in this Act. Other criteria for eligibility into the  
23 health plan shall be as approved by the FCT Executive Committee on the  
24 recommendation of the Agency. The point of entry shall be designated Primary  
25 Health Care Facilities;

26                   (b) The Informal Health Plan (IHP) - This shall be an 'affordable' Plan  
27 providing a prescribed package of healthcare services at an agreed contribution  
28 accessible to all residents of the FCT employed or engaged in the informal  
29 sector. The point of entry shall be designated Public and Private health  
30 facilities;

1 (c) The Formal Health Plan (FHP) - This shall be a contributory  
2 plan for all public and organized private formal sector employees wherein  
3 the employer and employees shall make contributions as determined by the  
4 Board.

5 (d) Any other component as may be developed by the Agency with  
6 the approval of the Board.

7 (2) The operational guideline shall explicitly define the content of  
8 each Health plan.

9 (3) The Scheme shall be compulsory and apply to all residents of  
10 the FCT except those already covered by the National Health Insurance  
11 Scheme (NHIS).

Applicability of  
the Scheme

12 17.-(1) The Agency shall appoint a licensed actuary on such terms  
13 and conditions as the Board may determine.

Appointment of  
Licenses Actuary  
for the Agency

14 (2) The actuary shall review the services package and evaluate it  
15 actuarially, including the rates of contributions payable for the service and  
16 make appropriate recommendation to the Agency.

17 (3) If having regard to the review and evaluation carried out by the  
18 Actuary under subsection (2) of this section, the Agency considered that the  
19 rates of contributions have not retained their value in relation to the general  
20 level of earning in Nigeria, the Agency shall in consultation with the Actuary  
21 modify the rates to the extent considered appropriate and bring the new rates  
22 to the notice of the persons affected by the modification.

23 18. Subject to such guidelines and regulations as may be made  
24 under this Act:

Registration of  
all FCT Residents

25 (a) all residents of the FCT shall be registered under the Scheme;  
26 and

27 (b) all employers and their employees in both public and private  
28 sectors shall register with the Agency and obtain a Corporate Identification  
29 Number (CIN).

Registration and  
services of health  
care providers

1           **19.**-(1) Without prejudice to existing legislations regulating the  
2 Professional Practices of Health Care Providers:

3           (a) the accreditation and registration of participating health care  
4 providers under the Scheme shall be in accordance with guidelines as the  
5 Agency shall issue under the Act; and

6           (b) only the health care providers registered with the Health and  
7 Human Services Secretariat shall be accredited and registered to participate  
8 under this Scheme.

9           (2) A health care provider registered under subsection (1) of this  
10 section shall, in consideration for an approved capitation payment or fee for  
11 service and any other form of payment, to the extent and manner prescribed  
12 herein, provide services in accordance with:

13           (a) the approved Health Plan as shall be actuarially determined and  
14 reviewed annually by the Board;

15           (b) Approved Treatment Guideline; and

16           (c) Approved Drug Formulary.

Registration of  
Third Party  
Administrators  
and other Health  
Insurance Agents

17           **20.**-(1) The Agency shall register NHIS accredited Third-Party  
18 Administrators (TPAs) and other Health Insurance Agents.

19           (2) Approval for the registration of a TPA or HIA and other allied  
20 Agency under the Agency shall be in accordance with guidelines issued by the  
21 Board, requiring the TPA, and other HIA to:

22           (a) be financially viable before and after registration;

23           (b) have a track record of sustained relationship with private  
24 healthcare providers;

25           (c) make a complete disclosure of the ownership structure and  
26 composition of the organization;

27           (d) have account(s) with one or more banks as maybe designated by  
28 the Agency;

29           (e) comply with other accreditation requirements of the NHIS (in the  
30 case of HMOs);

1 (f) give an undertaking that the organization shall perform  
2 activities outsourced to it pursuant to this Act in accordance with the  
3 guidelines to be issued, by the Agency.

4 (g) the organization must be registered with the Corporate Affairs  
5 Commission (CAC) or other legislations.

6 (3) Registration of TPA, and other HIAs shall be renewed annually.

7 21.-(1) The Agency may refuse to issue a license to any applicant  
8 pursuant to an application made under Section 20 of this Act if it is satisfied  
9 that:

Refusal of  
License

10 (a) the information contained in the application for a license is false  
11 in any material particular; or

12 (b) the application does not meet the requirements prescribed by  
13 the Agency for grant of a license;

14 (2) Where the Agency refuses to register any organization, it shall  
15 forthwith notify the applicant in the prescribed form, specifying the reasons  
16 for such refusal if need be. However, such an organization may re-apply at a  
17 time it has fulfilled all the necessary conditions for registration.

18 22.-(1) The Agency may revoke a license issued to an organization,  
19 if:

Revocation of  
License

20 (a) it discovers after the grant of license that a statement was made  
21 in connection with the application thereof which the applicant knew to be  
22 false in any material particular;

23 (b) the organization is subject to any insolvency proceedings or is  
24 to be wound up or otherwise dissolved;

25 (c) the conduct of affairs of the organization does not conform with  
26 the provisions of this Act or any regulations made pursuant to or any  
27 directive issued under this Act;

28 (d) any event occurs which renders the organization ineligible to  
29 perform its duties;

1 (e) the organization is in breach of any condition attached to its  
2 license, and

3 (f) the organization fails or neglects to disclose the accurate data of its  
4 private health plan enrollee to the Agency.

5 (2) The Agency shall, before revoking the license of thirty (30) days'  
6 notice of its intention and shall consider any representations made to it in  
7 writing by the organization within that period before the revocation.

Functions of  
TPAs and HIAs

8 23.-(1) The organizations referred to in subsection (1) of section 20 of  
9 this Act shall have responsibility for:

10 (a) sensitization of the populace on the scheme;

11 (b) management of their Private Health Plan;

12 (c) remittance of one percent (1%) of total collection from their  
13 Private Health Plan to the FCT Health Insurance Scheme Fund;

14 (d) Supervision of healthcare providers;

15 (e) Processing of claims;

16 (f) the payment approved by the TPAs, Health care providers which  
17 shall be in accordance with operational guidelines released by the Scheme;

18 (g) rendering to the Agency, returns on its activities as may be  
19 required by the Board;

20 (h) contracting only with the health care providers approved under the  
21 Scheme for the purpose of rendering health care services as provided by this  
22 Act;

23 (i) ensuring that all monies received from the commission, are kept in  
24 accordance with guidelines issued by the Board;

25 (j) establishing and maintaining of a quality assurance

Direct delivery  
of health care  
services

26 24. Notwithstanding anything contained in this Act, TPAs shall not be  
27 involved in the direct delivery of health care services.

Contribution to  
be inalienable

28 25. Contributions payable under this Act shall be inalienable and  
29 shall not be assets for the benefit of creditors in the event of the bankruptcy or  
30 insolvency of a contributor or an organization.



- 1                   26. Where, under Section 591 of the Companies and Allied  
2 Matters Act (CAMA) 1990, an order is made by a court under subsection (3)  
3 of that section of mergers which include the transfer to the company of the  
4 whole the property and liabilities of a transferor company, the order shall  
5 include provisions for the taking over, as from such date as may be specified  
6 in the order, of any liability for any contribution which has become due and  
7 payable under this Act (together with any accrued interest thereon) in  
8 respect of the employees concerned in the undertaking, property or liability  
9 transferred.
- 10                   27. The FCT Executive Committee shall collaborate with relevant  
11 Federal Government Agencies in the realization of the set objective of this  
12 Act.
- 13                   28. Health care providers shall be required to take professional  
14 indemnity cover from a list of insurance companies as may be designated by  
15 the Agency in consultation with NHIS.
- 16                   29. Any person who is proven to be indigent in the FCT and who is  
17 not insured with the Agency and has a pre-existing critical medical condition  
18 which he/she cannot pay for shall have access to the fund of the Agency to  
19 the extent
- 20                   30. Early retirees shall have access to the fund to the extent of  
21 available fund Retirees.
- 22                   31. No person or group of persons in the FCT with a pre-existing  
23 medical condition shall be discriminated against to the extent of allotted  
24 funds.
- 25                   32. An Area Council Chairman may in consultation with the  
26 Primary Healthcare Board respectively appoint focal persons who shall be  
27 senior serving officers in the services of the Area Council's Department of  
28 Health to coordinate and collaborate with the Agency.

Provisions of the  
CAMA on  
liabilities

Role of the FCT  
Executive  
Committee

Professional  
indemnity

Immediate access  
to the fund insured  
individuals with  
pre-existing  
conditions

Reinsurance for  
early retirees

Non-  
Discrimination

Participation of  
Area Councils  
through the  
appointment of  
focal persons

## PART VI - FINANCIAL PROVISIONS

Establishment  
of the FCT Health  
Insurance Scheme  
Fund (PHISF)

- 1  
2                   **33.**-(1) There is hereby established the FCT Health Insurance Scheme  
3 Fund (hereinafter referred to as 'the Fund') (2) The fund shall consist of:  
4                   (a) the scale up grant from the FCT Administration for operational  
5 expenses and administration of the Agency;  
6                   (b) Equity fund contribution of not less than 2% of the consolidated  
7 revenue of the FCT Administration on behalf of vulnerable persons;  
8                   (c) 1% of the total value of each contract executed by/for the Federal  
9 Capital Territory Administration;  
10                  (d) Funds from NHIS;  
11                  (e) Funds from the BHCPF;  
12                  (f) such money as may be due from HMOs;  
13                  (g) Contributions received from the formal and informal enrolees and  
14 their employers including the FCT A and Area Councils for public sector  
15 enrolees;  
16                  (h) fees, fines and commission charged by the Agency;  
17                  (i) Donations or Grants-in-Aid from private organizations,  
18 philanthropists, International donor organizations and Non-Governmental  
19 organizations;  
20                  (j) interests from investments and;  
21                  (k) all other monies which may accrue to the Agency.  
22                  (3) The fund shall be ringfenced from other government funds and not  
23 subject to virement for other purposes other than listed below in section 35.  
24                  (4) The funds will be rolled over at the end of the financial year and  
25 not subject to refund to the treasury.

Disbursement  
of Fund

- 26                   **34.**-(1) The Agency shall disburse at least 80% of premium funds  
27 directly to the healthcare providers from the fund.  
28                   (2) The Agency shall on approval of the Governing Board, apply  
29 administrative funds at its disposal-  
30                   (a) for and in connection with the non-medical objectives of the

1 Agency under this Act;

2 (b) to the cost of administration of the Agency;

3 (c) to the payment of fees, allowances and benefits of members of  
4 the Board;

5 (d) marketing and distribution costs directly or indirectly payable  
6 to health insurance agents;

7 (e) Reserve to cater for future liabilities.

8 35.-(1) All contributions not immediately required shall be  
9 invested by the Agency in non-speculative short-term instruments with the  
10 objectives of safety and maintenance of fair returns on amount invested and  
11 in accordance with the regulations and guidelines issued by the Agency,

Investment of  
Funds

12 (2) Subject to guidelines issued by the Agency, the fund shall be  
13 invested in any of the following:

Modes of  
Investment of  
Funds

14 (b) bonds, bills and other securities issued or guaranteed by the  
15 Federal Government and the Central bank of Nigeria;

16 (c) bonds, bills and other securities issued by the FCT and Area  
17 Councils;

18 (d) bank deposits.

19 36.-(1) The Agency may accept gifts of land, money or other  
20 property on such terms and conditions, if any, as may be specified by the  
21 person or organization making the gift.

Powers to accept  
gifts

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

25 37.-(1) The Board shall cause to be prepared, not later than the 30th  
26 day of September in each year, an estimate of the income and expenditure of  
27 the Agency during the next succeeding year and when prepared, they shall  
28 be submitted to the FCT Treasury/Department of Economic Planning  
29 through the HHSS Secretary.

Annual estimates,  
Accounts and  
external audit

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

1 and proper records in relation thereto and when certified by the Board, the  
2 accounts shall be audited by external auditors appointed by the Board

Inspection of  
Audit and record  
books of HCPs  
and HIAs

3 38. The Agency through her appointed Officers may enter, inspect  
4 and audit any premises, books, accounts and records of any HCP, HIAs that  
5 have received payments under this Act at any time and may require the scheme  
6 stakeholder to verify in a manner prescribed, any information submitted to the  
7 Agency.

Failure to keep  
record books

8 39. Where a HCP or HIA fails to keep the books, records and returns  
9 required under this Act or any Regulations made there under, the Agency may  
10 levy appropriate sanction against the HCP or HIA including withholding  
11 payments due to it until the HCP or HIA complies with the provisions of this  
12 Act and the registration made here under.

Pooling of  
contribution  
under the Scheme

13 40.-(1) The FCT Health Insurance Scheme Fund (FHISF) shall be  
14 administered through carefully selected banks as approved by the Board, for  
15 the pooling of all contributions.

16 (2) The Agency shall cause HIA's to pay or remit contributions or  
17 agreed proportions of contributions received from private health plans to  
18 designated Agency bank accounts.

19 (2) The Agency shall cause HIAs to produce, in a recognized format,  
20 and subject to guidelines to be issued by it performance/security bond from  
21 accredited banks or insurance companies.

#### 22 PART VII - MISCELLANEOUS

#### 23 RESOLUTIONS, OFFENCES AND PENALTIES, PROCEEDINGS IN COURT,

#### 24 PROCEEDINGS OF THE BOARD ETC

Dispute  
Resolution

25 41.-(1) Whenever there is a dispute amongst parties under this Act, it  
26 shall first be referred to Arbitration, Mediation or Conciliation before resorting  
27 to litigation.

28 (2) The membership of the panel and the applicable Arbitration and  
29 Conciliation Act, Laws of the Federation of Nigeria, 2004.

1                   42.-(1) Any person who produces to an admitting official of a     Offence and  
2     healthcare facility or a Medical Practitioner or a member of his staff or to a     Penalties  
3     person authorized by Act to provide other health services or a member of his  
4     staff, a registration card:

5                   (a) knowing that the person named therein is at the time of the  
6     production thereof, not covered under the Act commits an offence and is  
7     liable on conviction to a fine of not less than One Hundred Thousand Naira  
8     (N100,000.00) or imprisonment for a term not exceeding two years or both.

9                   (b) knowing that the person on behalf of whom and to facilitate  
10    whose treatment it is produced is not the person named therein or a  
11    dependent of that person; commits an offence and shall on conviction pay a  
12    fine of one hundred thousand naira (N100,000.00) or such sum as may be  
13    specified by the Board, in addition to the bills incurred.

14                  (2) Any member or agent of the Agency who fails, without  
15    reasonable cause, to comply with a requirement of an auditor under Section  
16    39 of this Act, commits an offence and is liable on conviction to a fine not  
17    exceeding N100,000 or imprisonment for a term not exceeding three months  
18    or both.

19                  (3) A person guilty of an offence under subsection (1) of Section  
20    14(1) of this Act is liable on conviction:

21                  (a) in the case of a first offender, to a fine of not less than One  
22    Hundred Thousand Naira (N100,000.00) or imprisonment for a term not  
23    exceeding two years or both; and

24                  (b) in the case of a second or subsequent offender, to a fine of not  
25    less than Two Hundred and Fifty Thousand Naira not exceeding five years  
26    or less than two years or both.

27                  43.-(1) Where an offence under this Act has been committed by a     Offences by  
28    body corporate or firm or other association of individuals, a person who at     Bodies  
29    the time of the offence:

1 (a) was an officer of the body corporate, firm or other association; or  
2 (b) was purporting to act in the capacity of an officer or the body  
3 corporate, firm or other association, is deemed to have committed the offence  
4 and liable to be prosecuted and punished for the offence in like manner as if he  
5 had himself committed the offence.

6 (2) In this section, "officer" includes:

7 (a) in the case of Ministries, Departments and Agencies (MDAs) the  
8 accounting officer;

9 (b) in the case of a body corporate, Chief Executive, a Director, by  
10 whatever name called, Manager and Secretary of the body corporate;

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

13 (d) in the case of any other association of individuals, a person  
14 involved in the management of the affairs of the association.

Prosecution by  
the Agency

15 **44.** Any person who contravenes any of the provisions of this Act  
16 shall be prosecuted by the legal officers of the Agency with the necessary fiat of  
17 the Attorney General of the Federation.

Jurisdiction

18 **45.**-(1) The High Court of the FCT shall have jurisdiction:

19 (a) to try offenders under this Act; and

20 (b) to impose the penalties provided for the offences in this Act,  
21 notwithstanding anything to the in other enactment.

Commencement  
of Proceedings

22 **46.** Proceedings for an offence under this Act may be commenced at  
23 any time after the commission of the offence.

Limitation of  
Suits against  
the Agency

24 **47.**-(1) Subject to the provisions of this Act, 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 Agency.

27 (2) No suit shall be commenced against the Agency, a member of the  
28 Board, the Executive Secretary, officer or employee of the Agency before the  
29 expiration of a period of one month after written notice of intention to  
30 commence the suit shall have been served upon the Agency by the intending

1 plaintiff or his agent.

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

6 48. The Court before which a person is convicted of an offence  
7 under this Act may, without prejudice to any civil remedy, order a person to  
8 pay to the fund of the Scheme the amount of any contributions or other  
9 payments together with interest and penalty thereon, certified by the Agency  
10 to be due and payable at the date of the conviction and such amount shall be  
11 paid into the Fund.

Court Order

12 49. A notice, summons or other document required or authorized  
13 to be served on the Agency under the provisions of this Act or any other  
14 enactment may be served by delivering it to the Executive Secretary or by  
15 sending it by registered post and addressed to the Executive Secretary at the  
16 principal office of the Agency.

Notices, summons  
and other documents

17 50.-(1) In any action or suit against the Agency no attachment or  
18 process in the nature thereof shall be issued against the Agency unless 90  
19 days' notice of intention to execute or attach has been given to the Agency.

Restriction of  
Execution on the  
Property of the  
Agency

20 (2) Any sum of monies which may by the judgment of any court be  
21 awarded against the Agency shall, subject to any directions given by the  
22 court where notice of appeal of the said judgment has been given, be paid  
23 from the general reserve fund of the Agency.

24 (3) No judgment sum or debt shall be attached or issued against the  
25 funds of the Health Scheme established under section 33 (1) of this Act.

## 1 SCHEDULE

2 (Section 4 (6))

## 3 SUPPLEMENTARY PROCEEDINGS RELATING TO THE BOARD

4 *Quorum*5 1.-(1) Subject to this Act and Section 27 of the Interpretation Act, the  
6 Agency may make standing orders regulating its proceedings and those of any  
7 of its committees.8 (2) The quorum of the Board shall be the Chairman or the member  
9 presiding at the meeting and five (5) other members and the quorum of any  
10 Committee of the Board shall be determined by the Board.11 *Meeting of the Board*12 2.-(1) The Board shall meet quarterly in a year, and subject thereto,  
13 the Board shall meet whenever it is summoned by the Chairman, and if the  
14 Chairman is required to do so, by notice given to him by not less than seven (7)  
15 other members, he shall summon a meeting of the Board to be held within  
16 fourteen (14) days from the date on which the notice is given.17 (2) At any meeting of the Board, the Chairman shall preside but if he is  
18 absent, the members present at the meeting shall appoint one of their members  
19 to preside at the meeting.20 *Power to Co-opt*21 3. Where the Board desires to obtain the advice of any person on a  
22 particular matter, the Board may co-opt him to the Board for such period as it  
23 thinks fit; but a person who is in attendance by virtue of this sub-paragraph  
24 shall not be entitled to vote at any meeting of the Board and shall not count  
25 towards a quorum.26 *Committee*27 4.-(1) The Board may constitute one or more committees to carry out,  
28 on behalf of the Board such of its functions as it may determine.29 (2) A committee appointed under this Paragraph shall consist of such  
30 number of persons (not necessarily members of the Board as may be



1 determined by the Board), and a person other than a member of the Board  
2 shall hold office on the Committee in accordance with the terms of his  
3 appointment.

4 *Miscellaneous*

5 5.-(1) The seal of the Agency shall be authenticated by the  
6 signature of the Executive Secretary.

7 (2) that any contract or instrument, which if made or executed by a  
8 person not being a body corporate, would not be required to be under seal  
9 may be made or executed on behalf of the Board by the Executive Secretary  
10 or any person authorized to for that purpose by the Board.

11 (3) Any document purporting to be a document duly executed  
12 under the seal of the Agency shall be received in evidence and shall, unless  
13 and until the contrary is proved, be presumed to be so executed.

14 (4) The validity of any proceeding of the Board or of a committee  
15 thereof shall not be adversely affected by any vacancy in the membership of  
16 the Board or committee, or by reason that a person not entitled to do so took  
17 part in the proceedings of the Board or committee.

EXPLANATORY MEMORANDUM

This Bill seeks to provide for the establishment of the Federal Capital Territory Health Insurance Agency, to institute the Federal Capital Territory Health Insurance Scheme for all residents of the Federal Capital Territory.

