

# 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, 2019

*Sponsored by Senator Oloriegbe*

[ ] Commencement

BE IT 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  
4 National Health Insurance Commission (in this Bill referred to as "the  
5 Commission").

Establishment  
of the National  
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  
14 the effective implementation of a national health insurance policy that

Object of the  
Commission

Function of the  
Commission

- 1 enhances access to healthcare services to all Nigerians and promote and  
2 regulate health insurance schemes in Nigeria.
- 3 (2) For the purpose of achieving this object, the Commission shall:
- 4 (a) register, license and regulate all health insurance schemes that  
5 operate in Nigeria;
- 6 (b) grant accreditation and re-accreditation to Health Maintenance  
7 Organizations, Mutual Health Associations and healthcare facilities and  
8 monitor their performance;
- 9 (c) ensure that healthcare services rendered to beneficiaries of various  
10 health plans by accredited healthcare facilities are of good quality;
- 11 (d) approve contributions that should be made by the members of the  
12 various health insurance schemes;
- 13 (e) provide mechanism for resolving complaints by members of the  
14 schemes and healthcare facilities;
- 15 (f) make proposals to the Minister of Health for the formulation of  
16 policies on health insurance;
- 17 (g) undertake on its own or in collaboration with other relevant bodies  
18 a sustained public education on health insurance;
- 19 (h) devise a mechanism for ensuring that the basic healthcare needs of  
20 indigents are adequately provided for;
- 21 (i) maintain a register of licensed health insurance schemes and  
22 accredited healthcare facilities;
- 23 (j) evaluate any new proposals related to extending the health  
24 insurance coverage to any group of Nigerians;
- 25 (k) issue appropriate regulations and guidelines to ensure viability of  
26 prepaid health insurance schemes whether private or public;
- 27 (l) accredit insurance companies, insurance brokers and banks  
28 desirous of participating in health insurance schemes under the Commission;
- 29 (m) maintain a national data bank on health insurance;
- 30 (n) monitor compliance with this Bill, regulate and pursue actions to

1 ensure compliance; and

2 (o) regulating all health insurance schemes in Nigeria in  
3 accordance with the provisions of this Bill;

4 (p) approving formats of contracts for health service purchasing  
5 proposed by the health maintenance organizations and the mutual health  
6 associations for all health care facilities;

7 (q) approving, after negotiation, capitation and other payments due  
8 to health care facilities by the Health Maintenance Organizations, Mutual  
9 Health Associations, etc;

10 (r) undertaking research and producing statistics on matters  
11 relating to the Commission;

12 (s) ensuring the continuous improvement in the quality of services  
13 provided by the various schemes through regulations and guidelines issued  
14 by the Council;

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

19 (u) ensuring manpower development of the Commission;

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

23 3. -(1) There is hereby established a Governing Council (in this  
24 Bill referred to as "the Council") which shall consist of:

Establishment of  
the Governing  
Council

25 (a) the Chairman;

26 (b) one representative each of:

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

28 (ii) the Federal Ministry of Finance not below the rank of a  
29 Director;

30 (iii) the Office of the Head of Service of the Federation not below

- 1 the rank of a Director;
- 2 (iv) the Nigeria Employers Consultative Association;
- 3 (v) the Nigerian Labour Congress;
- 4 (vi) the Armed Forces and Police.
- 5 (c) one representative of the National Insurance Commission;
- 6 (d) two persons representing consumers (or public interest)
- 7 (e) Director General of the Commission who shall also serve as the
- 8 Secretary to the Council.
- 9 (f) A representative of the States and Local Governments.
- 10 (2) Members of the Council, other than the Director General, shall be
- 11 part-time members.
- 12 (3) All members shall within one month of appointment declare in
- 13 writing to the Council their personal interests as well as those of their family
- 14 members or close associates known to them in any Organization under this
- 15 Bill.
- 16 (4) The Chairman and other members of the Council shall be
- 17 appointed by the President and Commander-in-Chief of the Armed Forces of
- 18 the Federal Republic of Nigeria, on the recommendation of the Minister, and
- 19 shall be *persons* of relevant high education, experience and integrity.
- 20 4. The Council shall have the powers to-
- 21 (a) approve and register for the Commission all pre-paid public and
- 22 private health insurance organizations in any form;
- 23 (b) determine the overall policies of the Commission, including the
- 24 financial and operational procedures of the Commission;
- 25 (c) ensure the effective implementation of the policies and guidelines
- 26 of the Commission;
- 27 (d) regulate and supervise the various health insurance schemes
- 28 established under this Bill;
- 29 (e) issue guidelines for the administration of the funds under the
- 30 Commission;

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

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

6 (h) approve the organizational structure of the Commission as well  
7 as the appointments, promotions and discipline of all categories of the  
8 Commission's staff and also their remuneration;

9 (i) receive and investigate complaints of impropriety levied against  
10 any Health Maintenance Organization, Mutual Health Associations, and  
11 other relevant institutions;

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

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

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

18 5. -(1) A member of the Council other than the Director General  
19 shall hold office for a term of 4 years in the first instance and may be re-  
20 appointed for a further term of 4 years and no more.

Tenure of office  
of Council  
members

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

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

29 6. -(1) The Council shall meet at least once every three months  
30 for dispatch of business;

Meetings of  
Council

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

4 (3) The quorum at a meeting of the Council shall be two-third(2/3<sup>rd</sup>) of  
5 members of the Council including the Director General;

6 (4) The Chairman shall preside at the meeting of the Council and in  
7 the absence of the Chairman, a member of the Council elected by the members  
8 present from among their number shall preside;

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

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

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

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

Disclosure of  
interest

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

Committees of  
the Council

24 8. The Council may, for the performance of its functions, appoint  
25 committees composed of members of the Council or non-members or both and  
26 assign to the committees any of its functions but a committee composed  
27 entirely of non-members may only advise the Council. E.g. Technical  
28 Committee.

Remuneration  
of members

29 9. -(1) The members of the Council shall be paid such remunerations  
30 and allowances as the Federal Government may, from time to time, determine

1 for the Chairman and members of Governing Council generally.

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

5 10. -(1) A member of the Council shall cease to hold office if he-

Cessation of  
membership

6 (a) becomes of unsound mind; or

7 (b) becomes bankrupt or makes a compromise with his creditors;

8 (c) is convicted of a felony or of any offence involving dishonesty;

9 (d) is guilty of serious misconduct in relation to his duties; or

10 (e) is found to have failed to declare his interests to the Council as

11 in Section 7 of this Bill.

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

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

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

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

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

29 (7) Upon dissolution of the Council and pending its reconstitution,  
30 the Minister shall exercise the powers and functions of the Council under

Dissolution of  
the Council

1 this Bill.

Ministerial  
directives

2 **11.** The Minister of Health may give to the Council directives of a  
3 general nature on matters of policy and the Council shall comply with such  
4 directives.

5 PART II - TYPES, REGISTRATION AND LICENSE OF THE HEALTH

6 INSURANCE SCHEMES

Types of health  
insurance  
schemes

7 **12.** The following types of health insurance schemes shall be  
8 established and operated in the country-

9 (a) the Public Sector social health insurance scheme to cover public  
10 sector employees and their dependants;

11 (b) Organized Private Sector Social Health Insurance Scheme

12 (c) Mutual Health Insurance Schemes

13 (d) Vulnerable Group Funds

14 (e) any other health insurance schemes as may be approved under the  
15 provisions of this Bill.

Qualification  
for application

16 **13.** A person shall not qualify to apply to operate any form of health  
17 insurance scheme in the country unless it is registered as a company limited by  
18 guarantee or a limited liability company.

Application for  
accreditation  
and license

19 **14.** Application for accreditation and license to operate a health  
20 insurance scheme shall be made to the Commissions in a prescribed form.

Accreditation  
and issuance  
of license

21 **15.** A person shall not operate a health insurance scheme of any type  
22 in Nigeria unless it has been registered with the Commission and issued a  
23 license for that purpose.

Fee for issuance  
of license

24 **16.** Without prejudice to the provisions of section 15 herein, the  
25 Commission, in consultation with the Minister, may by Regulations impose  
26 fees for the issuance of a license under this Bill.

Duration and  
renewal of a  
license

27 **17.** -(1) A license to operate a health insurance scheme shall expire  
28 five years from the date of issuance of the license.

29 (2) The license may on an application be renewed for further periods  
30 of three years at a time.



1 (3) An application for renewal of a license shall be made not later  
2 than three months before the expiration of the license.

3 (4) Where an application for renewal is made and the license  
4 expires before the Commission determines the application, the license shall  
5 be deemed to be in force until the application for renewal is determined by  
6 the Commission.

7 **18. -(a)** The Commission may refuse to register and issue a license  
8 for a scheme, and it shall notify the applicant in writing of its decision,  
9 stating the reasons for the refusal.

Refusal to register  
and license a  
scheme

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

13 **19. -(a)** The Commission may suspend or revoke the license of a  
14 scheme where the Commission is satisfied that the scheme-

Suspension or  
revocation of  
license of a  
scheme

15 (i) has in any manner acted fraudulently;

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

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

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

21 (b) the Commission shall before suspending or revoking the  
22 license, give the scheme notice of the default and provide it an opportunity to  
23 make representations to the Commission.

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

28 **20.** A health insurance scheme registered and licensed under this  
29 Bill shall not carry on any activity other than securing provision of  
30 healthcare to its members.

Limitation to  
provision of  
health insurance

Prohibition of  
provision of  
health insurance  
service without  
license

1                   **21.** A person shall not provide health insurance service or operate a  
2 health insurance scheme unless the scheme is registered with the Commission  
3 and issued with a license for that purpose by the Commission.

Display of  
license

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

Prohibition on  
use of name  
unless licensed

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

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

Transfer and  
Joint Operations

16                   **24.** -(1) A health insurance scheme licensed under this Bill shall not  
17 transfer its activities or operate its activities jointly with another scheme unless  
18 it has the prior written approval of the Commission.

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

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

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

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

3 (6) A person dissatisfied with the decision of the Commission may  
4 apply to the Minister for a review of the decision.

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

Gazette  
Notification

9 PART III - ESTABLISHMENT OF HEALTH INSURANCE SCHEMES: SPECIFIC  
10 PROVISIONS AND REGULATIONS

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

Establishment of  
the Public Sector  
Social Health  
Insurance  
Scheme

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

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

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

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

Establishment of  
Organised Private  
Sector Scheme

1 (2) The Organized Private Sector Scheme shall cover all employees of  
2 organizations in the private sector that employ at least five workers as well as to  
3 those individuals who may want to voluntarily join the scheme.

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

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

Establishment  
of Private Health  
Insurance  
Schemes,  
including HMO  
prepaid plans

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

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

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

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

1 (b) The security referred to under subsection (a) shall be  
2 maintained throughout the period that the business of the private health  
3 insurance is carried on;

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

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

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

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

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

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

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

30 (b) the address and any other particulars of the headquarters shall

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

1 be notified in writing to the Commission;

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

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

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

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

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

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

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

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

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

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

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

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

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

Establishment of  
a National  
Vulnerable  
Groups Health  
Insurance Fund

Object of the  
Fund

1 (b) To reinsure mutual health insurance schemes against random  
2 fluctuations on cost under conditions to be determined by the Council.

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

5 32.-(1) The sources of money for the Fund are as follows:

Sources of  
Money for the  
Fund

6 (a) Health insurance levy;

7 (b) Telecommunications tax;

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

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

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

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

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

Formula for  
disbursement  
from the Fund

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

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

Management of  
the Fund

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

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

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

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

Investment of  
the Fund

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

Expenses of the  
Fund

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

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

Payment of  
contributions

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

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

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

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

Registration of  
employers,  
employees

29 **38.-(1)** Subject to such guidelines and regulations as may be made  
30 under this Bill, a public employer shall register itself and its employees and pay



1 into the account of a Public Sector Social Health Insurance Fund (PuHIF) its  
2 contributions and the contributions in respect of its employees, at such time  
3 and in such manner as may be specified, from time to time, in the guidelines  
4 issued by the Commission.

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

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

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

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

Public Health  
Insurance Funds  
(PuHIF)

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

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

1 (a) to provide a defined package of services to government employees  
2 and their families from funds contributed for that purpose;

3 (b) payment of agreed amounts to the Commission as administrative  
4 charge;

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

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

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

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

14 (d) money that accrues to the Fund from investments made by the  
15 Fund;

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

21 (ii) The Board of Trustees shall consist of stakeholders (public sector  
22 employers, National Health Insurance Commission and employees) with a size  
23 of not more than seven. 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 30<sup>th</sup> an

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 Insurance  
13 Funds.

14 40.-(1) The Health Maintenance Organizations and Mutual  
15 Health 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

1 among others.

Operation and  
Management of  
Private Health  
Insurance Funds

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 operate and  
7 manage their mutual health association funds in accordance with the guidelines  
8 provided by the Commission.

9 (6) Money's 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 Organisations

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                   **42.** -(1)An HMO Organization referred to in subsection (1) of  
2 Section 41 of this Bill shall have responsibility for:

Functions of  
Health  
Maintenance  
Organisations,  
Mutual Health  
Associations

3                   (a) the collection of premiums from individuals and/or employers  
4 for private health insurance plans initiated by them;

5                   (b) the collection of capitation and other payments from public  
6 health insurance funds for health care services to be purchased for enrollees;

7                   (c) management of private health insurance plans they have  
8 initiated;

9                   (d) purchasing of services from accredited health care providers;

10                  (e) payment of administrative charges to the Commission for  
11 purposes of regulation and related issues.

12                  (f) the payment for services rendered by healthcare providers  
13 accredited under the Commission in accordance with the Operational  
14 Guidelines;

15                  (g) establishing a Quality Assurance system to ensure that  
16 qualitative care is given by the healthcare providers to enrollees;

17                  (h) rendering to the Commission returns on its activities as may be  
18 required by the council.

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

22                  (3) The Mutual Health Associations shall have the following  
23 responsibilities:

24                  (a) continuous community mobilization and sensitization;

25                  (b) be responsible for the day to day administration of their mutual  
26 health insurance funds;

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

28                  (d) negotiation with providers; and purchasing of services from  
29 them for its members and their families in consultation with the  
30 Commission;

1 (e) ensuring prompt payment for provider services;

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

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

6 (h) health promotion.

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

Accreditation  
of healthcare  
providers

9 **43.** -(1) The accreditation of health care providers shall be in such  
10 form and manner as may be determined by the Commission, from time to time,  
11 under this Bill.

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

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

19 (ii) the provisions of the Operational Guidelines.

Quality  
assurance

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

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

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

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

30 (d) medical procedures and the administration of drugs are

1 appropriate, necessary and comply with accepted medical practice and  
2 ethics; and

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

6 45. The Council may:

Appointment of  
Actuary

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

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

Directive of the  
Commission

29 PART VI - 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 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 30<sup>th</sup>  
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 from  
Tax  
17 tax on any income accruing from investments made by the Council for the  
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  
and functions of  
Arbitration Panel  
24 the dispute shall first be referred to Arbitration, mediation or conciliation  
25 before resorting to litigation.

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;

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

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

29 (a) in the case of a first offence, to a fine of not less than N100,000 or  
30 imprisonment for a term not exceeding two years or to both such fine and

1 imprisonment; and

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

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

7 **58. -(1)** Where an offence under this Bill has been committed by a  
8 body corporate or firm or other association of individuals, a person who at  
9 the time of the offence:

Offences by  
Corporate Bodies

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

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

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

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

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

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

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

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

Prosecution of  
offenders

29 **60. -(1)** The Federal High Court and the High Court of a State and  
30 that of the Federal Capital Territory, Abuja shall have-

Jurisdiction

1 (a) jurisdiction to try offenders under this Bill: and  
2 (b) power, notwithstanding anything to the contrary in any other  
3 enactment, to impose the penalties provided for the offence in this Bill.

Court to order  
Payment of  
Contributions

4 **61. -(1)** The High Court before which a person is convicted of an  
5 offence under this Bill may, without prejudice to any civil remedy, order a  
6 person to pay to the Commission the amount of any contributions together with  
7 interest and penalty thereon, certified by the Commission to be due and payable  
8 at the date of the conviction and such amount shall be paid into the account of  
9 the Commission for its credit, where applicable or of the employee concerned.

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

Commencement  
of Proceedings

13 **62. -(1)** Proceedings for an offence under this Bill may be commenced  
14 at any time after the commission of the offence.

Powers to  
Sanction

15 **63.** Notwithstanding anything contained in any other provisions of  
16 the sections under Part VII of this Bill, the Commission shall at all times retain  
17 the power to sanction erring Health Maintenance Organizations, Health Care  
18 Providers, Mutual Health Associations, Insurance Brokers, Insurance  
19 Companies, Banks, or any other operator or Manager licensed or accredited  
20 person in line with the Operational Guidelines as may from time to time be  
21 issued by the Commission.

Limitation of  
suit against the  
Commission

22 **64. -(1)** Subject to the provisions of this Bill, the provisions of the  
23 Public Officers Protection Act shall apply in relation to any suit instituted  
24 against any officer or employee of the Commission.

25 (2) No suit shall be commenced against the Commission, a member  
26 of the Council, the Director General, officer or employee of the Commission  
27 before the expiration of a period of one month after written notice of intention  
28 to commence the suit shall have been served upon the Commission by the  
29 intending plaintiff or his agent(s).

30 (3) The notice referred to in subsection (2) of this section shall clearly

1 and explicitly state the cause of action, the particulars of the claims, the  
 2 name and place of abode of the intended plaintiff and the relief which he  
 3 claims.

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

Service of  
Documents

9 **66. -(1)** In any action or suit against the Commission no execution  
 10 or attachment of process in the nature thereof shall be issued against the  
 11 Commission unless not less than 3 months notice of intention to execute or  
 12 attach has been given to the Commission.

Restriction on  
execution against  
property of the  
Commission

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

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

Indemnity of  
officers

23 **68. -(1)** A member of the Council, the Director General, officer or  
 24 other employee of the Commission shall-

Oath of Secrecy

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

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

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

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

9 PART IX - MISCELLANEOUS PROVISIONS

Contributions  
to be inalienable

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

Contributions  
to form part of  
tax deductible  
expense

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

Transfer of  
liability

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

Exclusion from  
the Trustee  
Investment Act  
Cap. 449 LFN

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

Reciprocal  
agreement with  
other countries

29 73. The Federal Government may enter into a reciprocal agreement  
 30 with the government of any other country in which a Commission similar to



1 that establishment by this Bill has been established, and the provisions of the  
2 agreement shall be read in conformity with the provisions of this Bill.

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

Payment of  
Contributions of  
Members of the  
Armed Forces  
and the Police

8 75. A Health Care Provider shall be required to take a professional  
9 indemnity cover from an insurance company approved by the Council.

Insurance  
indemnity of  
Health Care  
Providers

10 76. The Minister may, give to the Council directives of a general  
11 nature with respect to any of the functions of the Council and it shall be the  
12 duty of the Council to comply with such directives or cause them to be  
13 complied with.

Powers of the  
Minister to give  
directives

14 77. -(1) The Commission shall make regulations and issue  
15 guidelines for the-

Commission to  
issue Regulations  
Guidelines

16 (a) registration of employers and employees liable to contribute  
17 under the Scheme;

18 (b) registration of dependants of employees covered by the  
19 Scheme;

20 (c) compulsory payment of contributions by employers and  
21 employees, the rates of those contributions and the deduction by the  
22 employers of contributions payable by employees under the public and  
23 organized private sector social health insurance scheme;

24 (d) voluntary payment of premiums by employers for private  
25 health insurance for private health insurance plan and rates of such  
26 premiums;

27 (e) maintenance of the records to be kept for the Commission and  
28 the records to be kept by employers in respect of premiums payable under  
29 the public and organized private sector health insurance scheme;

30 (f) methods of payment of contributions into the health insurance

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

1 "Benefit" means a benefit or advantage of any kind whatsoever derived  
2 from a Scheme;

3 "Council" means the Governing Council established under section 3 of this  
4 Bill for the Commission;

5 "Commission" means the National Health Insurance Commission  
6 established under section 1 of this Bill;

7 "Premium" means a contribution payable to the National Health Insurance  
8 Fund under this Bill and any other fund;

9 "Employee" means any person who is ordinarily resident in Nigeria and is  
10 employed in the public service or private service or an apprenticeship with  
11 an employer whether the contract is express or implied, oral or in writing;

12 "Employer" means an employer with five or more employees which  
13 includes the Federal, State and Local Government or any Extra-Ministerial  
14 Department or a person with whom an employee has entered into a contract  
15 of service or apprenticeship and who is responsible for the payment of the  
16 wages or salaries of the employee including the lawful representative,  
17 successor or assignee of that persons;

18 "Fee-For-Service" means payment made directly for completed health care  
19 services, not included in the capitation fees and paid to health care facility or  
20 prescription following appropriate referrals or professionals following  
21 appropriate referrals or prescriptions sent to them by health care providers  
22 under this Bill;

23 "Public Sector Social Health Insurance Scheme" means health insurance  
24 plans designed to cover public sector employees and their dependants;

25 "Organized Private Sector Social Health Insurance Schemes" means health  
26 insurance plans designed to cover private sector employees and their  
27 dependants;

28 "Mutual Health Insurance Schemes" means health prepaid plans organized  
29 for the informal sector (eg. communities, work- or group- based  
30 organizations, etc.) by mutual health associations and other such bodies;

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

1 physical and mentally challenged and the indigent; etc.

2 “Wage” means remuneration in money paid to an employee under his  
3 contract of service or apprenticeship, as the case may be and whether agreed  
4 to be paid at fixed or determined intervals of time;

5 “Zonal Office” means a Zonal National Health Insurance Commission  
6 Office established under Section 50 of this Bill.

7 79. The National Health Insurance Scheme Act No. 35 1999 is Repeal of NHIS  
Act  
8 hereby repealed.

9 80. This Bill may be cited as the National Health Insurance Citation  
10 Commission Bill, 2019.

#### 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.

