NATIONAL HEALTH INSURANCE AUTHORITY

NHIS

Your access to healthcare

NATIONAL HEALTH INSURANCE FUND ALLOCATION FORMULA & BUDGET 2014

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NATIONAL HEALTH INSURANCE FUND ALLOCATION FORMULA-2014

1.0 INTRODUCTION

The Government of Ghana through the Ghana Poverty Reduction Strategy (GPRS) has outlined its policy strategy of dealing with poverty in Ghana. A major component of the GPRS is the strategy to deliver accessible and affordable health care to all resident in Ghana especially the poor and vulnerable.

To achieve the object of this strategy, the Government introduced a district-wide mutual health insurance scheme, now unified into a National Health Insurance Scheme, to enable residents in Ghana to have access to basic healthcare services without having to pay cash at the point of service used.

One major underlying principle of the National Health Insurance Scheme is equity, and it is in line with the Health Sector's desired objective of bridging the equity gap in the health status across regions in the country. In particular, it seeks to provide protection for the poor, which is achieved by ensuring that the rich support the poor.

The National Health Insurance Authority (NHIA) was first established by the National Health Insurance Act, 2003 (Act 650). In 2012, the Act was repealed and replaced by a new law (Act 852). The object of the Authority under Act 852 is to attain universal health insurance coverage in relation to persons resident in Ghana, and non-residents visiting Ghana, and to provide access to healthcare services to the persons covered by the Scheme.

Section 39 of Act 852 established the National Health Insurance Fund (NHIF) and the object of the Fund is to pay for the health care services for members of the National Health Insurance Schemes (NHIS).

For the purpose of implementing the object of the Fund, section 40 (2) of Act 852 stipulates that the monies from the Fund shall be expended as follows:

- to pay for the healthcare costs of members of the National Health Insurance Scheme;
- to pay for approved administrative expenses in relation to the running of the National Health Insurance Scheme;
- to facilitate the provision of or access to healthcare services; and
- to invest in any other facilitating programmes to promote access to health services as may be determined by the Minister in consultation with the Board.

The sources of money to the NHIF are provided under section 41 of the Act as follows:

- the National Health Insurance Levy (NHIL);

- 2.5 percentage points of each person's contribution to the Basic National Social Security Scheme;
- such moneys that may be approved for the Fund by Parliament;
- moneys that accrues to the Fund from investments made by the Authority;
- grants, donations, gifts, and any other voluntary contribution made to the Fund;
- fees charged by the Authority in the performance of its functions;
- contributions made by members of the Scheme; and
- moneys accruing from the National Insurance Commission under section 198 of the Insurance Act 2006 (Act 724).

2.0 MAJOR PLANNED ACTIVITIES FOR 2014

Section 3 of the National Health Insurance Act 2012, (Act 852) enjoins the Authority to undertake program that further the sustainability of the National Health Insurance Scheme, and also ensures the efficiency and quality of services under the national and private health insurance schemes. In light of this, the National Health Insurance Authority has earmarked the following major plans for the year 2014. These proposed plans are key variables in the determination of the allocation formula and planned expenditure for 2014. Key activities planned for 2014 are;

1. Undertake vigorous enrolment drive to grow the membership of the Scheme by 10.0% to reach 10.75 million in 2014.

2. Accelerating claims management within the context of e-claims and claims processing centers. The Authority shall complete the setting up of the additional two claims processing centers in Cape Coast and Kumasi. The year will also see the operation of the e-claim system in all the 4 claim processing centers.

3. The Authority plans to complete the upgrade of the ICT data center and extend the instant ID card and authentication system to cover 50% of the membership in 2014. This is expected to boost and enhance data integrity and subscriber authentication at point of access to health care.

4. In 2014 we shall expand the per capita payment across the country.

5. The Authority will intensify claims verifications and clinical auditing of claims from the service providers.

6. To organize regular forum ("Health Insurance Dialogue") to address public and stakeholder concerns on health insurance.

7. The Authority plans to reforms the financial management system to make it more robust, comprehensive and easily adaptable to the reporting needs of all stakeholders.

8. Post credentialing inspection

3.0 EFFICIENCY STRATEGIES

Increased membership of the scheme over the years has impacted on the utilization of health care services; and this is evident in the growth of outpatient utilization by over forty fold from 597,859 in 2005 to 25.3 million in the year 2013. This trend has had tremendous impact on the Scheme's expenditure which continues to exceed income since 2009; thereby threatening the sustainability of the Scheme.

In order to ensure scheme sustainability, the NHIA has initiated a number of efficiency strategies to help address the rising trend in cost of claims arising from fraud and abuse in the claims generation process. These measures include the following;

Clinical Audits & Claims Verification

To ensure quality care for NHIS subscribers and also minimize leakages and abuse, the NHIA set up Clinical Audit Division in 2009, which conducts regular clinical audits in all accredited service providers to review/audit the authenticity of claims submitted by accredited providers. This initiative has so far resulted in a detection of overpayment of GH¢21.6 million, which is being recovered. A Claims verification unit has also being established to undertake periodic claims authentication at provider sites.

Claims Processing Centre & E-Claims system

The significant growth in NHIS membership over the years has resulted in exponential growth in the volume of claims submitted by healthcare providers. To address the capacity gap at the scheme level for vetting claims, the NHIA established a state-of-the-art Claims Processing Center (CPC) in Accra, Kumasi, Tamale and Cape Coast to handle claims from all Tertiary Hospitals, Regional Hospitals, claims from all providers in Volta region, and some facilities from other regions. This initiative has reduced delays in claims vetting and payment as well as abuses and fraud in claims billing and vetting.

The Authority has introduced electronic claims management in 2013 to achieve the goal of capturing and validating claims electronically. This system is a further check against supply side fraud and abuses.

Linking Diagnoses to treatment

Linking diagnoses to treatment to improve quality of care and efficiency in claims processing.

In 2010, clinical audits of healthcare facilities across the country uncovered startling information of rampant diagnoses and treatments mismatch not in agreement with the Standard Treatment Guidelines (STG) of Ministry of Health (MOH). Additionally, some facilities were prescribing medicines not allowed for

their levels of care as stated in the Essential Medicines List (MOH). The consequences thereof leads to debasing the minimum standard and quality of care required of health facilities and cost implications for the Scheme as these tended to increase either utilization or quantity of services provided.

In view of this, a group of clinical consultants with specialty experience in their fields and in depth understanding of the NHIS benefit package were contracted to design standard protocols of diagnosis and treatment regimes that are in line with generally accepted standards and contemporary practices in clinical care. It is expected that clinicians in NHIS accredited facilities would follow these protocols and this would form the basis for claims vetting.

Modified Procedures in Free Maternal Care program

The free maternal care policy of the NHIS was introduced as part of the measures to reduce maternal and infant mortality. The enrolment procedure was fraught with abuse, misrepresentation and misapplication with consequent cost implications to the NHIS. The NHIA has introduced operational and administrative changes in the Free Maternal Care Program which require pregnant women to register, free of charge, with NHIS district offices before accessing health care. The effect of the operational and administrative changes is intended to reduce abuse in the implementation, where "non-expectant" mothers are billed on the scheme for payment.

Consolidated Premium Account

Prior to 2010, the premiums collected and managed by the district offices schemes were not properly accounted, amidst fraud and misapplication. Management has introduced a Consolidated Premium Account (CPA) system, where all premiums collected nationwide are deposited into the CPA and controlled by the Authority to minimize abuse. This measure has blocked the leakages and improved accountability and management of premiums collected by the schemes. The next step is to introduce a point of sale device for greater efficiency in premium collection.

Prescription Form

The NHIA will support the MOH to implement uniform prescription form as a result of the rising cost of medicines which was equally threatening the sustainability of the NHIS.

This unique prescription forms have been introduced and piloted in ten facilities in the Greater Accra Region, and would be implemented across the country in 2014. The overall goals of introducing the prescription forms are; to contain escalating drug cost, to improve rational use of drugs, to improve quality of care; and to track prescribing and dispensing patterns of providers.

Enforcing Prescribing Levels

Enforcing prescribing levels as stipulated in the Essential Medicines List of the Ministry of Health with the aim of minimizing fraud and abuse. As a cost containment measure and to ensure rational prescribing, the prescribing levels of medicines developed by the Ministry of Health (MOH) were introduced for the first time unto the revised NHIS Medicines List (ML) in 2011.

The NHIA has collaborated with Ghana Health Service to put in place measures to enforce prescribing levels as stipulated in the Essential Medicines List of the Ministry of Health to ensure quality care for subscribers and minimize supply-side moral hazard.

Capitation

NHIA has introduced per capita payment (Capitation) as a complementary alternative payment mechanism in Ashanti Region. The pilot covers primary outpatient care in Ashanti Region whilst maintaining Ghana Diagnostic Related Groupings (G-DRG) as payment mechanism for inpatient care at District, Regional and Teaching Hospitals.

Capitation as a provider payment mechanism has helped in containing cost by; sharing of financial risk between schemes, providers and subscribers; correcting some imbalances created by the G-DRG; promoting managed competition for providers and choice for patients, and improving efficiency and effectiveness of the health service delivery.

Gatekeeper System

The NHIA is enforcing the Gatekeeper system within the health sector (referrals from primary to secondary then to tertiary levels).

Affordable Medicines Facility- Malaria (AMFm) programme

The NHIA liaised with the Global fund/ Malaria Control Programme office to benefit from the Affordable Medicines Facility- Malaria (AMFm) programme. This initiative has greatly reduced the prices of ACTs, which form the bulk of medications dispensed to NHIS members because of the endemic nature of malaria in Ghana.

4.0 ANALYTICAL REVIEW OF 2013 FINANCIAL PERFORMANCE & POSITIONS

4.1 RECEIPTS & PAYMENTS FOR THE PERIOD ENDING DECEMBER 31, 2013

Total amount of **GH¢833.89 million** was received from MOFEP for the period ending December 31, 2013. Of this amount, **GH¢335.41 million** relates to arrears for 2012. Other receipts during the period amounted to **GH¢124.21 million**; giving total receipts for the period as **GH¢958.10 million**.

Total payments for the period ending December 31, 2013 was **GH¢953.61 million.** The cash position of the Authority as at the end of December 31, 2013 increased by **GH¢ 4.49 million**.

	GH¢ million	GH¢' million
RECEIPTS		
MOFEP – Releases for 2012 arrears	335.41	
- Releases for 2013	498.48	
Premium	30.60	
Disinvestment	92.86	
Other Income	0.75	
Total Receipts		**958.10**
PAYMENTS		
Claims Paid – 2012 Arrears	220.52	
- 2013 (to July)	425.76	
Loan paid	74.83	
Support to MOH-Health Sector Investment	4.59	
Support to MOH-Primary & Preventive care	18.52	
Support to District Health Project & M & E	8.28	
Authority Operations	90.36	
Nationwide ICT	18.84	
Instant ID Card & Authentication	56.91	
Investment	22.89	
Archival Services	2.14	
Call Center	1.93	
Regional Office Building	0.50	
Corporate Social Responsibility	0.52	
Contingency (Head office Annex)	7.02	
Total Payments		**953.61**
Change in Call & Bank Balance		**4.49**

NB: - NHIL of GHS 102.0 million was received in February 2014, and was applied to pay claims for August and part of September 2013.

4.2 REVIEW OF 2013 BUDGET ALLOCATION

On accrual basis, total expenditure for the period to December 31, 2013 was **GH¢ 975.79 million** against annual budget of **GH¢1,128.76 million.** Unspent budget is **GH¢152.97 million**, giving budget execution rate of **86.8%.**

Table 4.2.1: 2013 BUDGET ALLOCATION

	2013 Budget	2013 Actual Dec 31	Bal.	Exec.
	¢'m	¢'m	¢'m	%
Subsidies & Claims	832.63	731.25[1]	101.38	87.8
Authority' Operations	107.97	94.14	13.83	87.2
MOH – Public Health & Preventive Service	27.00	13.02	13.98	48.2
MOH - Health Service Investment	6.30	4.59	1.71	72.9
District Health Projects & M&E	15.40	7.15	8.25	46.4
Claims Processing Centers	7.85	0.25	7.60	3.2
Archival & Storage System	2.75	2.14	0.61	77.8
Instant ID Card & Authentication system	53.71	56.91	(3.20)	105.9
Nationwide ICT System	38.22	18.02	20.20	47.2
Per Capita Payment System	6.50	-	6.50	-
Call Center	1.50	1.93	(0.42)	128.0
Completion of Regional Offices	1.00	0.50	0.50	50.0
Construction of District Offices	5.25	-	5.25	-
Health related research	0.50	-	0.50	-
Corporate Social Responsibility	1.00	0.52	0.48	52.0
Contingency	21.18	7.02	14.16	33.4
Loan Interest paid	-	38.35	(38.35)	-
	1,128.76	975.79	152.97	86.5

[1]This include accrued claims of GH¢178.20 million for the months of October to December 2013. This is outstanding and not yet paid.

4.3 COMPARATIVE ANALYSIS OF NHIL/SSNIT COLLECTIONS & RECEIPT

The Authority budget for NHIL/SSNIT for 2013 was **GH¢917.86 million**. However collection reports received from the revenue agencies as at **December 31, 2013**, showed total collection of **GH831.45 million** (including estimates of SSNIT collection for November & December 2013). Of this collections, **GH¢ 622.54million** (74.9%) has been received by the Authority to date.

Table 4.3.1

Annual Budget against Reported Collections (VAT & SSNIT)

Year	Budgeted Collection GH¢'m	Reported Collections GH¢'m	Variance GH¢'m	Variance
2011	477.67	557.58	79.91	16.7%
2012	682.21	713.48	31.27	4.6%
2013	917.86	831.45	86.41	-9.4%

Table 4.3.2

Reported Collection (VAT & SSNIT) Against Actual Releases from MOFEP

Year	Reported Collections GH¢'m	Releases GH¢'m	Variance GH¢'m	Variance per Reported Collection
2011	557.58	557.58	-	-
2012	713.48	713.48	-	-
2013	831.45	498.48	332.97	-40.0%

Table 4.3.3

Annual Budget Against Actual Releases from MOFEP

Year	Budgeted Collection GH¢'m	Releases GH¢'m	Variance GH¢'m	Variance
2011	477.67	557.58	79.91	16.7%
2012	682.21	713.48	31.27	4.6%
2013	917.86	498.48	419.38	-45.7%

NB: - NHIL of GHS 102.0 million was received in February 2014, and was applied to pay claims for August and part of September 2013.

4.4 COMPARATIVE ANALYSIS OF OTHER REVENUE

	Budget 2013 GH¢ million	Actual 2013 GH¢' million	% Execution
Premium	43.15	30.60	70.9%
Interest Income	31.27	39.73	127.0%
Processing Fee & Other Income	18.23	20.33	111.5%
Total	**92.65**	**90.66**	**97.8%**

4.5 REVIEW OF INVESTMENT PERFORMANCE & POSITION AS AT DECEMBER 31, 2013.

The Authority's Investments are in fixed deposits with financial institutions, mostly banks. The value of the Investment as at January 1, 2013 was **GH¢190.16 million**. The investment portfolio earned a total interest of **GH¢39.73 million** for the year. The balance as at December 31, 2013, stood at **GH¢159.92 million**. The decline in the investment balance was largely due to dis-investments of **GH¢92.86 million**, which was applied against payment of claims.

Acceptable international practice requires that for an insurance scheme to be sustainable, the scheme should have not less than 18 months investment cover. But currently, the fund investment balance provides cover for only **2.4 months**. This situation poses serious threat to the sustainability of the National Health Insurance Scheme.

SUMMARY OF INVESTMENT POSITION AS AT DECEMBER 31, 2013
(GHC' million)

Period	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total
Opening Balance	190.16	199.48	210.23	160.74	**190.16**
Investments	-	-	10.00	12.89	**22.89**
Disinvestments	(0.25)	-	(70.92)	(21.69)	**(92.86)**
Interest Earned	9.57	10.75	11.43	7.98	**39.73**
Closing Balance	199.48	210.23	160.74	159.92	**159.92**

5.0 GENERAL PROJECTIONS UNDERLYING THE NHIF ALLOCATION FOR 2014

The following revenue projections underline the NHIF Allocation & Budget Allocation for 2014.

5.1 BUDGETED RECEIPT

The Authority expects to receive a total amount of **GH¢1,036.40 million** in 2014 from NHIL/SSNIT and other sources to be able to execute its mandate in 2014. The composition is as follows:

- **Levies from NHIL and SSNIT**
  On the basis of MOF Budget Statement for 2014, the National Health Insurance Fund expects to realize a total amount of **GH¢926.61 million** from NHIL and SSNIT.

- **Premium from Informal Sector**
  The Premium from informal sector is budgeted at **GH¢43.99 million.** This represents an average premium of **GH¢12.50** per member for expected active membership of **3,518,433** for the informal sector in 2014.

- **Interest Income from Investment**
  The Authority expects to earn total interest income of **Gh¢28.80 million.**

- **Processing Fees & Other Income**
  The Authority expects to earn a total amount of **GH¢37.00 million** on processing fees, provider credential fees, motor insurance fees, and sale of tender documents.

- **Funding gap**

  The funding gap is **GH¢299.18 million.** This is expected to be financed by government from its contingency vote.

Sources	Amount Gh¢ million	%
NHIL	765.19	57.3
SSNIT	161.42	12.1
Premium (Informal)	43.99	3.3
Income on Investment	28.80	2.2
Processing Fees & Other Income	37.00	2.8
Funding Gap	299.18	22.4
Total	1,335.58	100.0

5.2 REGISTRATION COVERAGE

The population of Ghana in 2013 was estimated at **26.16 million**; and the projection for 2014 is **26.69 million**. Current registration figures indicate that active membership of the Scheme was **9.78 million** and that constituted 36.6% of the population.

The Authority plans to intensify efforts through massive membership campaigns and policy reforms to encourage enrolment and renewal of membership. We therefore estimate that **40.3%** of the population or **10.75 million** shall constitute the active membership of the NHIS in 2014. This constitutes about **10%** increase over the active membership base in 2013.

The proposed allocation of the Fund is therefore based on expected active membership of 10.75 million in 2014.

Table 5.2.1 **Registration Coverage *Distribution by Category*[1]**

Category	2013 Active Members	2014 Target Population	2014 Active Members (target)	2014 Target rate %
Informal	3,303,168	10,592,556	3,718,433	35.1
SSNIT Contributors	344,247	1,091,681	460,918	42.2
SSNIT Pensioners	23,385	160,408	57,800	36.0
Indigents	1,101,106	1,482,295	1,253,281	84.6
Children (Under 18)	4,414,931	12,481,433	4,533,698	37.9
Aged (70 yrs +)	362,390	882,740	447,014	50.6
Pregnant Women	239,481	515,012	278,962	54.2
	9,788,708	**26,691,113**	**10,750,106**	**40.3**

Table 5.2.2 **Registration Coverage *Distribution by Regions***

	2013			2014 (projected)		
Region	Population	Active Members	% Rate	Population	Target rate %	Active Members
ASHANTI	5,087,202	1,767,680	34.7	5,198,546	33.7	1,753,915
BRONG AHAFO	2,449,641	1,203,838	49.1	2,468,633	58.5	1,444,606
CENTRAL	2,333,974	819,275	35.1	2,380,653	40.0	953,339
EASTERN	2,791,143	996,658	35.7	2,846,965	42.0	1,195,990

[1] *Target rate is based on trend analysis of growth in previous years*

GT. ACCRA	4,250,657	1,463,349	34.4	4,335,670	32.2	1,397,057
NORTHERN	2,628,228	881,233	33.5	2,680,792	35.4	949,480
UPPER EAST	1,109,337	579,569	52.2	1,131,524	58.9	666,504
UPPER WEST	744,236	386,234	51.9	759,121	58.5	444,169
VOLTA	2,245,347	799,580	35.6	2,290,254	41.9	959,496
WESTERN	2,518,583	821,292	35.4	2,568,955	38.4	985,550
TOTAL(NATIONAL)	**26,158,348**	**9,788,708**	**34.5**	**26,691,113**	**40.3**	**10,750,106**

5.3 AVERAGE PREMIUM PER HEAD

Average premium rates per member (informal sector) in 2013 was **GH¢10.58**. In 2014, we plan to strengthen controls over the CPA system in order to improve premium collections and accountability, and also to reduce leakages. This measure is expected to improve the average premium per member in 2014 to **GH¢12.50.**

5.4 AVERAGE ENCOUNTER PER MEMBER

The average encounter per member declined in 2012 from 3.1 to 2.8 in 2013. In 2014, we expect growth in membership to occur evenly throughout the year. We also anticipate the encounter rate for existing members to remain unchanged at 2.8, whilst that of new members is expected to be proportional to the time of joining the Scheme in 2014. Under these assumptions, the average encounter rate per member is projected at 2.594 in 2014.

5.5 AVERAGE CLAIM PER ACTIVE MEMBER

The average claims per active member in 2012 was **GH¢74.12**. In 2013 the cost increased to **GH¢74.84** per active member. For 2014, we project a medical inflation of 14% and this is expected to increase medical cost and tariff in 2014. The Authority plan to pursue vigorous cost efficiency reforms in 2014 and this is expected to yield cost savings of 6.5% in claims for 2014. Claims cost is therefore projected at **GH¢79.77** per member in 2014.

6.0 ALLOCATION FORMULA

Section 42 (1) of Act 852 stipulates that the Authority shall allocate and disburse moneys from the Fund in order to achieve the object of the Fund. The Authority shall in the preparation of the formula and disbursement of moneys from the Fund ensure the sustainability of the Scheme.

6.1 DETERMINATION OF THE FORMULA

Allocation of funds for the provision of subsidy to cover the payment of claim is based on a risk equalization formula. Risk equalization mechanism was applied in the allocation formula to neutralize insurance risks confronting the Scheme.

The formula is based on risk equalization from both the income and expenditure sides.

Income Side Risk Equalization

The income side risk equalization accounts for the financing gap arising from the non-payment of premium by the exempt group and the deviation of actual premium per each territorial district from the national average premium.

The following are the definition for the various notations used in the formula.

D_i^{prem} = total number of the premium paying active members for territorial district *i*,
N^{exempt} = total number of the premium exempted active members in the National Scheme,
C_i = total amount of premium received by territorial district *i*,
N^{prem} = total number of members paying premium across all territorial districts $(=\sum_i D_i^{prem})$
C = total amount of premium received by all territorial districts $(= \sum_i C_i)$
c_i = average premium received by territorial district *i*
c = average premium across all territorial districts.

The overall average premium across all territorial districts is given by:

$$c = \sum_i C_i / \sum_i D_i^{prem} \quad \text{.....(1)}$$

Subsidy, S^1 (to cater for premium for exempt members in the National Scheme) is given by:

$$S^1 = c * N^{exempt} \quad \text{.....(2)}$$

Subsidy, S_i^2, (for equalizing the average premium to the overall average premium for all territorial districts) is given by:

$$S_i^2 = (c - c_i) * D_i^{prem} \quad \text{.....(3)}$$

As a national unitary scheme, the sum of equalizing the district average premium to the overall national premium is zero.

$$\sum_i S_i^2 = \text{zero}$$

Therefore, the risk equalization formula on the income side for the National scheme is given by

$$\boxed{S^{inc} = c * N^{exempt} + (c - c_i) * D_i^{prem}} \quad \text{.....(4)}$$

$$S^{inc} = c * N^{exempt} + Zero \quad \text{.....(5)}$$

Expenditure Side Risk Equalization

The expenditure side risk equalization takes account of financing gap between the average cost of claims per active member and the average premium payable per active member.

N	=	total number of active members in the National Scheme
E	=	total claims amount payable by the National scheme
K = (E/N)	=	average claim amount per active member in the National scheme
c	=	average premium payable in the National Scheme.

The risk equalization formula on the expenditure side for the National Scheme is given by

$$S^{exp} = (K - c) * N \quad \text{.....(6)}$$

$$S^{exp} = \{E/N - (\sum_i C_i / \sum_i D_i^{prem})\} * N \quad \text{..... (7)}$$

6.2 SUBSIDY ALLOCATION FORMULA

The overall allocation to the National Scheme is given by

$$S = S^{inc} + S^{exp} \quad \text{..... (8)}$$

$$S = c * N^{exempt} + (c - c_i) * D_i^{prem} + (K - c) * N \quad \text{..... (9)}$$

Where, $c = \sum_i C_i / \sum_i N_i^{prem}$ and $K = E / N$

And $(c - c_i) * D_i^{prem} = zero$

6.3 SUBSIDY ALLOCATION FORMULA - AGGREGATE

The total Subsidy expected to accrue to the National Scheme in 2013 to cater for risk is given by:

$$\sum S_i = c * N^{exempt} + \sum_i (c - c_i) * D_i^{prem}) + (K - c) * N) \quad \text{..... (10)}$$

Where, $c * N^{exempt}$ - represents income side equalization subsidy (premium for exempt group)

$((K - c) * N)$ - represents expenditure side equalization subsidy (claims subsidy) and

$\sum((c - c_i) * D_i^{prem})$ - is applied to equalize average premium for territorial districts overall national average premium. The sum across all territorial districts is zero.

7.0 DETERMINATION OF ALLOCATION OF FUNDS

Based on the above allocation formula and the objectives of the fund, the following criteria for the allocation of the fund as described by Act 852 shall be applied;

7.1 SUBSIDY FOR PREMIUM FOR THE EXEMPT GROUP

For the purpose of implementing the object of the Fund, section 77 (2) of Act 852 stipulates the setting aside of some monies from the fund to provide for health care for the indigents, and by extension, the exempt group.

The law (Act 852) exempts the following groups from paying premium and thereby enjoins the Authority to make payment of the premium on behalf of the exempt group to cover their health care cost. The income subsidy required by the Authority to meet this provision in 2014 is proposed at **GH¢87,895,913.00.**

The exempt groups are;

a) Indigents
b) Under 18 years of age
c) Pensioners under the SSNIT Scheme
d) Aged (70 years of age and above)
e) SSNIT Contributors
f) Pregnant Women

INCOME SIDE/PREMIUM SUBSIDY DISTRUBUTION

Catergory	Active Members	Active Members Estimate for 2014	
	Number $=N_{2013}$	Number N_{2014}	Income Subsidy $=C*N^{exempt}$
Informal	3,303,168	3,718,433	-
SSNIT Contributors	344,247	460,918	5,761,475
SSNIT Pensioners	23,385	57,800	722,500
Indigents	1,101,106	1,253,281	15,666,013
Children (under 18 yrs)	4,414,931	4,533,698	56,671,225
Aged (over 70+)	362,390	447,014	5,587,675
Pregnant Women	239,481	278,962	3,487,025
	9,788,708	**10,750,106**	**87,895,913**

7.2 SUBSIDY FOR CLAIMS EQUALIZATION

The expenditure side risk equalization takes account of financing gap between the average cost of claims per active member and the average premium payable per active member.

The expenditure side risk equalization formula is given by:

$$(K - c) * N$$

- Given that;
  - estimated average claim cost per member in 2014, **K**, is = **GH¢79.77**
  - estimated average premium per member in 2014, **c** is = **GH¢12.50**
  - claims subsidy per member estimated for 2014 is therefore = **GH¢67.27**
  - estimated number of active member in 2014, **N**, is **=10,750,106**
- The amount payable to the National Scheme as claims subsidy for expenditure side equalization is **GH¢723,159,631.00.**

DISTRIBUTION OF CLAIMS SUBSIDY BY CATEGORY

Category	Active Members 2013	Active Members Estimated 2014	
	Number =N	Number =N	Claims Subsidy GH (K – c) * N)
Informal	3,303,168	3,718,433	250,138,988
SSNIT Contributors	344,247	510,918	31,005,954
SSNIT Pensioners	23,385	57,800	3,888,206
Indigents	1,101,106	1,253,281	84,308,213
Children (Under 18)	4,414,931	4,533,698	304,981,864
Aged (70 yrs +)	362,390	447,014	30,070,632
Pregnant Women	239,481	278,962	18,765,774
Total	**9,788,708**	**10,750,106**	**723,159,631**

7.3 REGIONAL DISTRIBUTION OF FUNDS ALLOCATION FOR CLAIMS PAYMENTS

	No. of Informal Members Expected 2014	No. of Formal Members Expected 2014	Total No. of Members Expected 2014	Premium Subsidy GH¢	Claim Subsidy GH¢	Total Subsidy GH¢
ASHANTI	642,132	1,101,783	1,743,915	13,772,288	117,313,162	**131,085,450**
BRONG AHAFO	458,205	1,006,401	1,464,606	12,580,013	98,524,046	**111,104,058**
CENTRAL	345,878	627,461	973,339	7,843,263	65,476,515	**73,319,777**
EASTERN	378,921	767,069	1,145,990	9,588,363	77,090,747	**86,679,110**
GT. ACCRA	522,805	934,252	1,457,057	11,678,150	98,016,224	**109,694,374**
NORTHERN	321,478	618,002	939,480	7,725,025	63,198,820	**70,923,845**
UPPER EAST	214,417	432,087	646,504	5,401,088	43,490,324	**48,891,412**
UPPER WEST	175,091	269,078	444,169	3,363,475	29,879,249	**33,242,724**
VOLTA	323,848	635,648	959,496	7,945,600	64,545,296	**72,740,896**
WESTERN	335,658	639,892	975,550	7,998,650	65,625,249	**73,623,899**
TOTAL	**3,718,433**	**7,031,673**	**10,750,106**	**87,895,913**	**723,159,631**	**811,055,543**

7.4 OTHER MANDATORY AND ADMINISTRATIVE COMMITMENTS OF THE NATIONAL HEALTH INSURANCE AUTHORITY

Disbursement will be made in 2014 fiscal year for the following mandatory and administrative expenditure;

a) Operational costs for the Head office, Regional offices and District offices;

b) Construction of 4 no. claims processing centers in Kumasi, Cape Coast, Accra & Tamale, and provision of logistical support for the centres.

c) Administrative & Logistical Support for 165 District Offices.

d) Extend the e-claims system to cover 1,000 service providers.

e) Rollout of per capita payment mechanism in the remaining nine regions.

f) Extend the Instant ID Card & Authentication system to cover 50% of the members;

g) Maintenance & Upgrade of Nationwide ICT Infrastructure;

h) Repayment of Loan Facility

i) Support to MOH - Public Health & Preventive Care programs (MOH)

j) Support to MOH – Health Service Investments

k) Support for District Health Project

l) Support for Parliamentary M & E Activities

m) Construction of 50 no. District Offices

n) Construction of the Head Office Annex

o) Completion of the Central Regional office

MANDATORY AND ADMINISTRATIVE COMMITMENTS OF 2014 ALLOCATION TABLE

No.		2014	%		2014	2013
1	Claims	813.47	60.9%	Claims - Premium Subsidy	90.38	91.53
				Claims Subsidy	723.09	741.10
2	Loan Repayment	118.00	8.8%	Repayment of Loan plus Interest	118.00	-
3	NHIA Operational Cost	122.19	9.1%	Compensation	87.39	70.86
				Goods & Services	30.80	31.71
				Assets	4.00	5.40
4	Support to District Offices Operations	37.30	2.8%	Administrative Support to District Offices	33.10	-
				Vehicles for District Offices 40 no. @ 105,000 ghc	4.20	
5	Support for Government Programmes	43.00	3.2%	Support to Public Health & Preventive Service (MOH)		
				1. Vaccinations (Polio, HPV, etc)	3.00	3.00
				2. Malaria Program	10.00	10.00
				4. Cancer Screening (Prostate, Breast, Cervical)	2.00	-
				4. Sickle Cell Screening	1.00	-
				5. Support for ARV	5.00	1.00
				6. Ambulance Service	5.00	3.00
				7. Sanitation	-	10.00
				Support for Health Service Investment (Construction of Health Training Institutes etc)	10.00	6.30
				New MOH Prescription form	7.00	-
6	Support for District Health Project & M & E	17.67	1.3%	Support for District Health Projects		
				Support to MPs- District Health Projects – 275 @ GH¢50,000 & Special Project of GHS2,000,000	15.75	13.75

				Parliamentary M & E Activities		
				Monitoring and evaluation activities by MPs: GH¢275@GH¢7,000	1.93	1.65
7	Provider Payment - Capitation Rollout	6.50	0.5%	ICT Solution to support PPP rollout rollout and cost of implementation in remainint regions.	6.50	6.50
8	Claims Processing Centres	10.90	0.8%	OFFICE EQUIPMENT:		
				Office Fixtures, Furniture & Equipment	1.10	1.45
				200 no. Computers & Accessories	0.40	0.70
				ICT EQUIPMENTS & ACCESSORIES		
				6 No. High speed scanners	2.80	2.00
				2. Servers/Large screen monitors/ICT solutions	-	2.70
				Disaster Recovery Site	1.00	1.00
				VEHICLES		
				CPC Vehicles - 4 no. @ ghc200,000	0.80	
				CPC BUILDINGS		
				Construction of 3 no. CPC Buildings	4.80	-
9	Call Center	2.00	0.1%	Call center - Operational cost	2.00	1.50
10	Support for Health related Research	1.00	0.1%	To provide support for Health related Research work	1.00	0.50
11	Instant ID Cards & Authentication System	64.45	4.8%	Scheme Enrollment Kit, Smart Card Printers	19.20	32.00
				Provider Kits for Authentication, 1,000@ ghc 7,250	7.25	6.21
				Professional Services & Training	0.50	
				Biometric ID Cards- 4.00m@Gh8.00	32.00	12.00
				Consumables for Printing Biometric ID Cards(colour ribbons and cleaning kits)	5.50	3.50

12	Construction of Head Office Annex & District Offices	37.36	2.8%		11.86	-
				Contruction and Furnishing of Head Office Annex		
				Construction of 50 no. District Offices	25.00	5.25
				Central Regional Offices completion	0.50	1.00
13	Nationwide ICT Solution	34.19	2.6%			29.84
				ICT EQUIPMENTS & SYSTEM		
				Membership Magnetic ID Cards- 2m@¢4.00	8.00	
				Oracle ERP Application upgrade and Licenses	5.50	
				Oracle Financial Module Upgrade	1.50	
				Infrastructure for ITIL System	0.50	
				Automation of Financial Systems @ District offices	0.87	
				Computers & Accessories for Region & District Offices - 500 pcs	1.00	
				Power Inverters for District Offices	1.20	
				MAINTENANCE OF ICT EQUIPMENT & ACCESS		8.38
				E-Claims System Management	2.00	
				WAN maintence and enhancement	5.80	
				Applications Licence Renewal	2.40	
				Maintenance of PCs and Printers etc	1.80	
				DR and DC Maintenance and Support	1.82	
				Claims Register	1.00	
				Renewable Stickers - 8 million	0.80	
14	Sensitization, Publicity & Marketing	4.00	0.3%	Sensitization Programs, Publicity & Marketing	4.00	1.00
					-	-
15	Archival System	7.00	0.5%	Supply of Starage materials & Services	5.00	2.00
				Documents digitisation	2.00	0.75
17	Contingency	17.00	1.3%	An amount of GHC 17.00 million is allocated for unforeseen events.	17.00	21.18
	Total	1,336.03	100.0%		1,336.03	1,128.76

7.5 SUMMARY OF PROPOSED ALLOCATION OF FUNDS FOR 2014

ACTIVITY	Notes	Amount GHS Million	%
Subsidy – Premium for Exempt Category	8.1	90.38	6.76
Subsidy – Claims	8.2	723.09	54.12
Loan Repayment	8.3	118.00	8.83
NHIA Operational Expenses	8.4	122.19	9.15
Support to District Offices	8.5	37.30	2.79
Support for Government Programmes	8.7	43.00	3.22
Support for District Health Projects & MP's M&E	8.8	17.67	1.32
Construction of Head Office Annex & District Offices	8.9	37.36	2.80
Provider Payment- Capitation Rollout	8.1	6.50	0.49
Claims Processing Centers	8.11	10.90	0.82
Call Center	8.12	2.00	0.15
Support for Health Related Research	8.13	1.00	0.07
Nationwide ICT System	8.14	34.19	2.56
Instant ID Card & Authentication system	8.15	64.45	4.82
Sensitization, Publicity, & Marketing	8.16	4.00	0.30
Archival System	8.17	7.00	0.52
Contingency	8.18	17.00	1.27
		1,336.03	**100.00**

7.6 COMPARATIVE ANALYSIS OF FUNDS ALLOCATION FOR 2014 & 2013

ACTIVITY	2014 GH¢'m	(%)	2013 GH¢'m	(%)	CHANGE GH¢'m
Subsidy- Premium For Exempt Group	90.38	6.76	91.53	8.11	1.26
Subsidy – Claims	723.09	54.12	741.10	65.66	2.43
Loan Repayment	118.00	8.83	-	-	8.83
Authority's Operations	122.19	9.15	107.97	9.57	-13.17
Admin. & Logistical Support to District Offices	37.30	2.79	-	-	2.79
Support for Government Programmes (Public Health & Preventive Care)	26.00	1.95	27.00	2.39	3.70
Support for Government Programmes (Health Service Investment)	17.00	1.27	6.30	0.56	-169.84
Support for Government Programmes (District Health, M&E and Special Projects)	17.67	1.32	15.40	1.37	-14.74
Provider Payment- Capitation Rollout	6.50	0.49	6.50	0.58	-
Claim Processing Centres	10.90	0.82	7.85	0.70	-38.85
Call Center	2.00	0.15	1.50	0.13	-33.33
Support for Health Related Research	1.00	0.07	0.50	0.04	-100.00
Instant ID Card & Authentication System	64.45	4.82	53.71	4.76	-20.00
Nationwide ICT System	34.19	2.56	38.22	3.39	10.54
Head Office Annex & District Offices	37.36	2.80	6.25	0.55	-497.76
Sensitization, Publicity & Marketing	4.00	0.30	1.00	0.09	-300.00
Archival System	7.00	0.52	2.75	0.24	-154.55
Contingency	17.00	1.27	21.18	1.88	19.74
Total	**1,336.03**	**100.00**	**1,128.76**	**100.00**	**-18.36**

8.0 EXPLANATORY NOTES

8.1 PREMIUM SUBSIDY

This represents subsidy payable by Government on behalf of the 6.75 million members of the exempt category of the NHIS. The total expected subsidy for 2013 is **GHS90.38 million**. Details are as follows;

8.1.1 Indigents

Indigents as described by law are people who are very poor. The recently completed Ghana Standard Survey (GLSS-5) confirmed the joint World Bank and IMF report, showing that national poverty headcount was 28.5% by the end of 2006. It must be stated that most of those considered very poor cannot afford the annual subsidized premium. Without relevant statistical data certain assumptions were made in arriving at a proportion of the population who would be considered indigents. Ghana's estimated projected population estimates for 2014 are about 26.69 million.

To estimate the indigent population, there is the need to avoid double counting, considering the fact that certain population groups are already covered under the NHIS. Consequently, 882,740 people constituting the aged population and another 12.48 million representing the estimated population of those less than 18 years are subtracted from the total population. The remaining population will be 13.33 million.

It is assumed that 11.1% of the net population of 13.73 million or 5.5% of the total estimated population of 26.69 million would constitute the indigent population. Hence the indigent population for 2014 is estimated at 1,482,295. It is estimated that 78.6% of indigents (i.e. 1,253,281 indigents) shall be covered under the scheme in 2014. An amount of GH¢12.50 is allocated as premium for each indigent and hence, a total amount of **GH¢15.66 million** will be required as premium subsidy for the indigents in 2014.

8.1.2 Children under 18 years

The law prescribes that those under 18 years be catered for by government. The active membership of children under 18 years is estimated at 4.53 million in 2014. A provision of **GH¢56.67 million** has therefore been made to cover for the premium of this exempt group.

8.1.3 SSNIT Pensioners

The number of SSNIT pensioners is estimated at 160,408 in 2014. It is estimated that 36% of this number (i.e.57, 800) will be covered under the scheme in 2014. An amount of **GH¢0.72 million** is allocated to cover the premium of SSNIT pensioners in 2014.

8.1.4 The Aged

Those considered to be the aged population are those of 70 years and above. The 2010 population estimated that the aged population is about 2.9% of the total population of the country. Considering the fact that the aged suffer a number of chronic diseases such

as hypertension, diabetes, cancers, heart diseases etc, and the fact that they are economically vulnerable makes them a very important population group to be considered in the development of the health insurance formula.

It is estimated 882,740 of the estimated 26.69 million of the population will constitute the aged population in Ghana in 2014. About 50.6% or 447,014 of the estimate is expected to be covered by the Scheme in 2014. An estimated amount of **GH¢5.59 million** is allocated for the premium of the 447,014 aged expected to be covered under the scheme in 2014.

8.1.5 SSNIT Contributors

Available data indicate that the total number of SSNIT contributors is 1,000,112 as at June 2013, and this is expected to hit 1.09 million in 2014. SSNIT contributors are automatically covered under the law because of their 2.5% monthly contribution to the NHIF. It is estimated that 460,918 SSNIT contributors representing 42.2% of the expected number of SSNIT contributors will be covered under the scheme in 2014. An amount of **GH¢5.76 million** is therefore allocated to cover their premium under the Scheme in 2014.

8. 1.6 Pregnant Women

The allocation to this category is as a result of Government policy to grant premium payment exemption to pregnant women in the country. The Scheme is expected to cater for 278,962 pregnant women in 2014. An amount of **GH¢3.49 million** is allocated for the payment of their premium under the Scheme in 2014.

8. 2 CLAIMS SUBSIDY

The claim subsidy is based on total estimated active membership for 2014. Expected active membership in 2014 is estimated at **10.75 million.** Average claim cost per head in 2014 is estimated at **GH¢79.77.**

Against expected average premium of **GH12.50** per head per year, the shortfall of **GH¢67.27** constitute the estimated claims subsidy for each expected active member in 2014.

Based on this, an amount of **GH¢723.09 million** is allocated for the provision of claims subsidy to the Scheme in 2014.

8.3 LOAN REPAYMENT

The Authority borrowed an amount of GH¢140.0 million to support the payment of claims in 2012, and to bridge the funding gap. The Authority has paid part of the loan plus interest, leaving a balance of **GH¢118.0 million** including interest to be paid in March 2014. The Authority, therefore, allocates an amount of GH¢118.0 million from its expected receipts in 2014 to pay off the loan.

8.4 AUTHORITY'S OPERATIONS

The National Health Insurance Act, 2012 (Act 852) unified the 155 Schemes into a unitary National Scheme under the National Health Insurance Authority. The budget of the Authority's operations for 2014 covers activities of the Head office, the 10 Regional offices, the four CPC's and some selected activities of the 155 District and 10 satellite offices across the country.

International best practices recommend that between 8% and 12% of total receipts of a typical health insurance fund are earmarked for operational overheads. For the year 2014, a total amount of **GH¢122.19 million** representing 9.15% of total expected receipts is earmarked for expenditure on Authority's operations.

8.5 SUPPORT TO DISTRICT OFFICES

The district offices will require financial support to meet their administrative and logistic expenditure. To ensure effective administration of the schemes, the schemes will be assisted to build effective administrative and logistical capacity on continuous basis to meet expanding responsibilities.

A total amount of **GH¢37.30 million** will be required by Authority to provide technical, administrative and logistical support to the district offices. The following are expected to be covered under this budget:

i. Some of the existing scheme vehicles are due for replacement due to old age and frequent breakdowns. It is estimated that 40 of such vehicles would be replaced at a total cost of **GH¢4.20 million.**

ii. Provision of administrative and logistical support will average **GH¢0.18 million** per district office. This amounts to **GH¢33.1 million**. This amount covers the following expenses at the district offices;

- Marketing and publicity programs
- Training and Capacity building
- Commission for premium collecting agents
- Printing, stationery and office consumables
- Maintenance and repair works
- Office rents
- Outreach programs
- Travelling expenses and allowances
- Fuel & Vehicle running cost.
- Utilities
- Etc.

8.6 Support for Government Programmes (Vaccination & Screening)

The Act enjoins the Authority to facilitate activities that are in the larger interest of the Scheme. To help promote preventive care and to improve the long-term sustainability of the program, through reduced medical claims, the Authority in consultation with the sector ministry is proposing to allocate an amount of **GH¢26.00 million** to support public health and preventive care programs which are aimed at protecting segments of the population against certain preventable diseases like HIV, malaria, cholera, diarrhoea and water born diseases etc.

Details of the 2014 allocations are;

	GH¢'m
Vaccination (Polio, HPV)	3.00
Malaria Control Program	10.00
Cancer Screening (Cervical, Breast, & prostate)	2.00
Sickle Cell Screening	1.00
Support for National Ambulance Service	5.00
Support for ARV	5.00
Total	**26.00**

8.7 Support for Government Programmes (Health Sector Investment)

Section 40 (2d) of Act 852 stipulates that a proportion of the Fund shall be allocated to cater for investments in any facilitating programme to promote access to health service as determined by the Minister of Health in consultation with the Board.

As support to the Ministry of Health to expand health services in the country, an amount of **GH¢17.0 million** is allocated to support health service investment by the MOH in the country. This includes an amount of GH¢7.0 million for the new MOH standardized prescription forms, and GH¢10.0 for the construction of some selected Health Assistants Training Institutions in;

- Pantang (GH¢1.99 million),
- Sampa (GH¢2.23 million),
- Korle Bu Peri-Operative and Critical Care School (GH¢3.50 million), and
- Hohoe Midwifery Training School (GH¢2.33 million).

8.8 Support for Government Programmes (District Health Projects, Monitoring & Evaluation and Special Initiatives)

The NHIA is financing a number of health related projects undertaken by Members of Parliament in their respective constituencies. These projects are aimed at improving the health service delivery in their respective constituencies. The Authority will continue to support these projects in 2014 and therefore propose to allocate an amount of **GH¢50,000.00** for each MP's project. The total allocation for 2014 is therefore **GH¢15.75 million.**

The Authority also allocates **GH¢1.93 million** for health related monitoring and evaluation activities of the 275 members of Parliament in their respective constituencies. Each member is allocated GH¢6,000.00 and an amount of **GH¢2.0m** for Special projects. It is expected that these activities will contribute towards the improvement of health services in their respective constituencies.

8.9 CONSTRUCTION OF HEAD OFFICE ANNEX & DISTRICT OFFICES

The Authority proposes to spend a total amount of **GH37.36 million** for the construction of the Head Office Annex and 50 no. District offices. An amount of GH13.86 million is allocated for the Head Office Annex, GH25.0 million for the district offices, and GH 0.50 million for the completion of the Central Regional Office.

8.10 ROLLOUT OF PER CAPITA (CAPITATION) PAYMENT MECHANISM

The Authority plans to roll out the per capita payment system across the remaining nine regions starting with PPP enrollment in 2014. An amount of **GH¢6.5 million** is set aside to meet the cost of implementation, publicity and software solution.

8.11 CLAIMS PROCESSING CENTRES & CLAIMS SYSTEM

A total amount of **GH¢ 10.90 million** is allocated for the construction of 4 claims processing centers in the Kumasi, Tamale, Cape Coat and Accra. It will also cater for logistics support for the centers. The operation of these centers is expected to modernize and improve the time and quality of claim processing across the country, and also to reduce both subscriber and provider induced fraud. The amount will cover the following expected expenditure;

- Construction of 4 claims centers
- Purchase of 4 no. vehicles for the CPCs
- Office furniture, fixtures and fittings
- 200 no. Computers and Accessories
- 6 no. High Speed Scanners

8.12 CALL CENTRE

The Authority proposes a budget of **GH¢ 2.0 million** for the call center is operation in 2014.

8.13 HEALTH RELATED RESEARCH

An amount of **GH¢1.00 million** is earmarked for health related research.

8.14 NATIONWIDE ICT SYSTEM – EQUIPMENT, MAINTENANCE & UPGRADE

The Nationwide ICT system facilitates the day to day operations of the Authority in the Head office, the Regional offices and in the District offices. The system ensures that:

- There is effective communication between the District offices, the Regional offices, the Head office and Service Providers for data collection and analysis, which is critical for meeting the objectives of the Scheme;
- There is financial and operational accountability on the part of the various offices of the Scheme.
- Managing risk, controlling fraud and ensuring financial and operational sustainability; and
- Addressing the portability requirement and claims management.

To achieve the above objectives, a total amount of **GH¢34.19 million** is allocated for the equipment, maintenance and upgrade of the Nationwide ICT system. This breakdown of the expenditure is as follows;

- A total amount of **GH¢9.37 million** for maintenance and upgrade of the nationwide ICT system, data center management and support and to implement system change request.
- An amount of **GH¢5.50 million** to upgrade the Oracle ERP Applications and license renewal for Oracle, Microsoft, and Anti-virus.
- An amount of **GH¢2.37 million** for reconfiguration of the Oracle financial modules, and automation of financial systems at the district offices.
- An amount of **GH¢2.0 million** is earmarked for E-claims system management.
- An amount of **GH¢1.0 million** will be expended to procure and install 500 computers to replace old ones in the district and regional offices.
- An amount of **GH¢8.80 million** is earmarked for the production of 2 million magnetic ID cards and 5 million renewable stickers.
- an amount of **GH¢1.2 million** is allocated for the purchase of power inverters for the district offices.
- An amount of **GH¢0.5 million** is allocated for the provision of infrastructure for implementing ITIL system.
- An amount of **GH¢2.4 million** is allocated for application license renewal & development tools & enhancement.

- An amount of **GH¢1.0 million** is allocated for the rollout of the claims register across the country.

8.15 INSTANT ID CARD & AUTHENTICATION SYSTEM

The Authority has begun the overhaul of the membership database by introducing an instant ID card and authentication system in four of the regions. In 2014, the Authority intends to extend the system to cover the remaining regions. The system will enhance data integrity and subscriber authentication at point of access to health care. The introduction of this improved system will also ensure greater checks and control in the claims payment system. This is also expected to reduce provider shopping, subscriber abuse and fraud.

An amount of **GH¢64.45 million** is earmarked for the Biometric Registry Membership system to cover the following;

- cost of providing enrollment kits for the district offices in the remaining regions,
- provision of 1,000 no. authentication kits at provider sites,
- provision of 4.0 million biometric ID cards
- consumables for printing instant ID cards, colour ribbons and cleaning kits.
- cost of project management, training, rollout, and other professional services.

8.16 SENSITIZATION, PUBLICITY AND MARKETING

The Authority plans to undertake vigorous sensitization and publicity programs to inform and educate the public on issues about the Scheme and to help shore up public confidence in the Scheme. A total amount of **GH¢ 4.00 million** is set aside for this purpose.

8.17 ARCHIVAL SYSTEM

The Authority has earmarked an amount of **GH¢7.00 million** for the provision of archival services for claims documents from over 4,000 health providers, and cost of claims digitization. The amount will cover the cost of materials, storage, transportation, handling and services.

8.18 CONTINGENCY

For the purpose of meeting unexpected commitments of the Authority within the year, an allocation of **GH¢ 17.0 million** has been earmarked.