

NATIONAL HEALTH INSURANCE AUTHORITY



NATIONAL HEALTH INSURANCE FUND (NHIF)

ALLOCATION FORMULA 2010

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TABLE OF CONTENT

	PAGE
1.0 Introduction	1
2.0 Analytical Review of Financial Performance	4
2.1 Review of Receipts & Payments	4
2.2 Disbursement Variance	5
2.3 Comparative Analysis of Expenditure Budget	5
2.4 Comparative Analysis of Collections & Receipts	6
2.5 Investments of Funds	6
3.0 General Assumptions for 2010 Allocation	7
3.1 Budgetary Allocation	7
3.2 Registration Coverage	7
3.3 Number of Schemes	7
3.4 Per Head Subsidy	8
4.0 Determination of Allocation of Funds	8
4.1 Subsidies for the Exempt Groups	8
4.2 Registration Figures for 2009 & 2010	10
4.3 Other mandatory & Administrative Commitment	10
5.0 Summary of Proposed Allocation of Funds for 2010	12
5.1 Comparative Analysis of Funds Allocation	13
6.0 Explanatory Notes	14
6.1 Subsidy	15
6.2 Authority's Operations	15
6.3 Supports for Preventive Care Programs	15
6.4 Health Service Investments	16
6.5 Reinsurance Allocation	16
6.6 Administrative & logistics Support for Schemes	16
6.7 Head Office Building	17
6.8 MIS & ICT Maintenance	17
6.9 Construction of Regional & District Offices	18
6.10 District Health Projects	18
6.11 Contingency	18
6.12 College of Physicians & Surgeons	18
6.13 Support for Health-related Research	18
6.14 Supports to NYEP	19
6.15 Claims Management Center	19

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1.0 INTRODUCTION

The Government 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 the National Health Insurance Scheme, a district-wide mutual 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 and to be achieved by ensuring that the rich help support the poor.

The National Health Insurance Authority (NHIA) was established by the National Health Insurance Act, 2003 (Act 650). The object of the Council under Act 650 is to secure the implementation of a national health insurance policy that ensures access to basic healthcare services to all residents.

Section 76 of Act 650 established the National Health Insurance Fund (NHIF) and places responsibility of its management on the shoulders of the Council. The object of the Fund is to provide finance to subsidize the cost of provision of healthcare services to members of District Mutual Health Insurance Schemes (DMHISs) licensed by the Council.

For the purpose of implementing the object of the Fund, section 77 (2) of Act 650 stipulates that the monies from the Fund shall be expended as follows:

- to provide subsidy of such level as the Council shall determine to DMHISs;
- to reinsure DMHIS against random fluctuations of cost under conditions to be determined by the Council;
- to set aside some monies from the Fund to provide for the health care cost of indigents;
- to provide support to facilitate provision of or access to health 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 Council.

The sources of money to the NHIF are provided under section 78 of the Act as follows:

- the National Health Insurance Levy (NHIL);
- 2.5% of each person's 17.5% contribution to SSNIT pension fund;
- such money that may be allocated to the Fund by Parliament;
- money that accrues to the Fund from investments made by the Council; and
- Grants, donations, gifts, and any other voluntary contributions made to the Fund.

2.0 ANALYTICAL REVIEW OF 2009 RECEIPT AND PAYMENTS

Total Collections reported for the year is **GH¢316.03 million**. Funds received in the year amounted to **GH¢263.48 million**, out of which **GH¢115.57million** was in respect of 2008.

Funds due from MOFEP at the end of the year 2009 was **GH¢168.12 million** out of which **GH¢141.07 million** was converted to Promissory Notes, leaving an outstanding balance of **GH¢27.05 million**.

Total payments for the year 2009 was **GH¢323.39m**, and Claims payments outstanding at the end of year was **GH¢ 102.0 million**.

The Cash position of the Authority recorded a deficit of **GH¢ 165.48 million** as at the end of the year. This excludes an amount of **GH¢102.0 million** owed to Service Provider as at December 31, 2009.

The cash deficit was financed partly with **GH¢49.91 million** from the Reserve funds and partly from the utilization of prior year (2008) funds of **GH¢115.57million** received in 2009..

	Jan – Dec 2009
	¢'million
RECEIPTS	
MOFEP – Total Releases in 2009	263.48
Less Releases Due in Prior Year	(115.57)
MOFEP Releases for the Year 2009	147.91
Funds Release for Free Maternal Care	10.00
	<u>157.91</u>
PAYMENTS	
Subsidy – Exempt Group	225.34
Admin. Support & Logistic	9.12
Reinsurance	39.85
Support to Partner Institutions	24.89
Support to District Projects	2.68
Authority Operations	7.18
MIS & ICT Solutions	9.98
Head Office Building	4.35
Regional Offices Constructions	-
	<u>323.39</u>
Deficit/Surplus	(165.48)
FINANCED FROM:	
Releases Due in Prior Year	115.57
Reserved Fund	<u>49.91</u>
	<u>165.48</u>

2.2 DISBURSEMENT VARIANCE

Total disbursement for 2009 was **GH¢ 323.39 million** against a budget of **GH¢467.54 million** giving a reported variance of **144.55 million** as at December 31, 2009. This constitutes 30.83% of budget for 2009.

	2009 Budget	2009 Actual	2009 Variance	Comments
	¢'m	¢'m	¢'m	
Subsidy – Exempt Group	246.30	225.34	20.96	Only 67% of the 75% registration coverage was achieved
Admin. Support & Logistic	32.10	9.12	22.98	Procurement of additional logistics processes is almost completed.
Support to District Project	4.60	2.68	1.92	
Reinsurance	40.00	39.85	0.15	Provision almost utilized
Support for Preventive Care	41.50	11.89	29.61	Funds allocated for preventive activity will be released when funds are received
Health Service Investment (MOH)	68.52	13.00	55.52	
Authority Operations	12.26	7.18	5.08	The restructuring could not be completed & the related services
MIS & ICT Solutions	10.08	9.98	0.1	The project will be completed by the end of 2009.
Head Office Building	6.18	4.35	1.83	The project has commenced, & initial payment made.
Construction of Regional Office	6.00	-	6.00	Proc. Process not completed.
	<u>467.54</u>	<u>323.39</u>	<u>144.15</u>	

2.3 COMPARATIVE ANALYSIS OF EXPENDITURE BUDGET

	2009 Budget	2009 Actual	2009 Variance	2008 Budget	2008 Actual	2008 Variance
	¢'m	¢'m	¢'m	¢'m	¢'m	¢'m
Subsidy – Exempt Group	246.30	225.34	20.96	133.30	129.55	3.75
Admin. Support & Logistic	32.10	9.12	22.98	21.82	13.68	8.14
Reinsurance	40.00	39.85	0.15	8.55	8.32	0.23
Support for Preventive Care	41.50	11.89	29.61	6.50	6.50	-
Health Service Investment	68.52	13.00	55.52	36.34	36.34	-
Authority Operations	12.26	7.18	5.08	10.49	5.71	4.78
Support to District Projects	4.60	2.68	1.92			
MIS & ICT Solutions	10.08	9.98	0.1	11.28	10.06	1.22
Head Office Building	6.18	4.35	1.83	3.00	1.99	1.01
Construction of Regional Office	6.00	-	6.00	3.71	0	3.71
	<u>467.54</u>	<u>323.39</u>	<u>144.15</u>	<u>234.99</u>	<u>212.15</u>	<u>22.84</u>

2.4 COMPARATIVE ANALYSIS OF COLLECTIONS AND RECEIPTS

Year	Budgeted Collection GH¢'m	Reported Collections GH¢'m	Releases GH¢'m	Variance GH¢'m	Variance per Reported Collection	Variance per Budgeted Collection
2008	235.42	277.72	162.15	115.57	41.61%	49.09%
2009	375.21	316.03	288.98*	27.05	8.55%	7.20%

* The Releases include Gh¢ 141.07m which was converted to Promissory Notes.

2.5 INVESTMENT OF FUNDS IN 2009

FIXED DEPOSITS

The Authority's Investments are in Fixed Deposits with Banks and Promissory Notes. As at 31st December 2009, the investment value in fixed deposits with various banks is **GH¢ 315.13million** and Promissory Notes of **GH¢ 141.07 million** issued by MOFEP.

INTEREST EARNED ON INVESTMENT

Interest earned on the funds as at the close of December 2009, was **GH¢63.76million**. The interest amount is provisional awaiting reconciliation with the banks.

3.0 GENERAL ASSUMPTIONS FOR THE 2010 ALLOCATION

The following assumptions underline the Budget allocation.

3.1 BUDGETARY ALLOCATION

On the basis of MOFEP Budget Statement for 2010, the National Health Insurance Fund is expected to realize an amount of **GH¢480.90 million** in the year 2010. This amount represents an increase of 28.17% over last year's budgetary allocation of **GH¢375.21 million**.

The projected budgetary receipt of **GH¢480.90 million** is expected to flow from the NHIL, and SSNIT contributions, Premium collection of **GH¢19.23 million**, and Accreditation fees of **GH¢0.25 million**. There is additional allocation of **GH¢10.0 Million** from the British Grant, and **GH¢70.45million** from the Reserve Fund, bringing the total expected receipts for the year to **GH¢580.83million**.

Sources	Amount Gh¢ 'million	%
VAT& SSNIT	480.90	84.81
Premium	19.23	3.39
British Grant(DFID)	10.00	1.76
Accreditation fees	0.25	0.04
Reserve Fund/Allocation	70.45	10.00
Total	580.83	100.00

3.2 REGISTRATION COVERAGE

The Authority set a target of 75% coverage for 2009. Current registration figures indicate that 14.44 million of the population had been registered. Based on available statistics on performance, a registration target of 75% has been set for the year 2010 based on projected population of 23.5 million in 2010. The allocation of the Fund is therefore based on the assumption that 75% of the population in Ghana will access benefits under the scheme in 2010.

3.3 NUMBER OF SCHEMES

As at the end of 2009, one hundred and forty-five (145) Schemes were fully operational. No additional provision has been made to cover any more Schemes in 2010, except for the establishment of Satellite Offices in the newly created districts. The allocation of the Fund is therefore based on the assumption that 145 schemes will be operating in 2010.

3.4 PER HEAD SUBSIDY

An amount of GH¢18.00 was paid as subsidy per head to the exempt group members and SSNIT contributors in the year 2009. However, given the rising cost of medical bills which is evident from the bills submitted by service providers and the Review of the Medicines List and Tariff Structure, we have proposed to increase the subsidy from GH¢18.00 to GH¢22.40 per person for 2010 fiscal year.

This figure is supported by data received from the various schemes as at the end of 2009 which indicate an average national per capita cost of an encounter with a health service providers is Gh¢10.20 and this is expected to increase to GH¢ 11.20.

We also maintain the assumption that, on the average a person makes two encounters with health service providers in a year. These two encounters per person per year gives an average national per capita cost of GH¢22.40

4.0 DETERMINATION OF ALLOCATION OF FUNDS

Based on the objectives of the fund, the following criteria as described by Act 650 shall be applied;

4.1 SUBSIDIES FOR THE EXEMPT GROUPS

The law (Act 650) proposes subsidies to DMHIS to cover the health care cost of those exempted by law. 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

Premiums of contributors to the SSNIT Pension Scheme are to be paid from the NHIF by virtue of the payment of 2.5% of SSNIT contribution to the NHIF. The rest are also exempted by law (Act. 650)

The calculation of the subsidy below for each category of the exempt is based on certain assumptions indicated in the explanatory notes under 7.0

4.1 SUBSIDY DISTRIBUTION TABLE FOR 2010

**2010 Estimated Population of Ghana is about 23.5m*

Category	Estimated Total Number	% of Pop.	Estimated Registered Number for 2010	Amount per Person GH ¢	Total Amount GH¢'m	Remarks
Indigents	1,244,729	5.31	840,000	22.40	18.82	10% on 23.50m population less the Aged and children population (i.e. 10% of 23.5m-(0.7m+10.3m)=1.24m. An amount of GH¢18.82m has been allocated to meet the premium of 67% of the indigent estimated to be registered in 2010
Under 18 years	10,332,016	44.04	10,200,000	22.40	228.48	Children Under 18 years of age are estimated to constitute about 44% of the country's population. 98.72% of this population is estimated to be registered for 2010. An amount of GH¢228.48m is allocated to meet their contributions to HISs.
SSNIT Pensioners	95,000	0.40	94,000	22.40	2.11	98.95% of the 95,000 estimated SSNIT Pensioners are estimated to be registered for 2010. A total amount of GH¢2.11m has been allocated for their premium.
Aged (70 years and above)	679,501	2.90	900,000	22.40	20.16	An amount of GH¢20.16m has been allocated to meet the premium of the aged estimated to be registered in 2010
SSNIT Contributors	950,000	4.05	940,000	22.40	21.05	An amount of GH¢21.05m has been allocated to meet the premium of 98.95% SSNIT contributors expected to be registered in 2010.
Pregnant Women	980,000	4.18	975,000	22.40	21.84	An amount of GH¢21.84m has been allocated to meet the premium of 99.5% Pregnant Women expected to be registered in 2010
TOTAL	14,281,246	60.88	13,949,000		312.02	

4.2 REGISTRATION FIGURES OF 2009 AND TARGET FOR 2010

**2010 Estimated Population of Ghana is about 23.5m*

Category	Estimated Total Population of the exempt	% of Population	Actual Registration of Exempt in 2009	Estimated Registered Number for 2010	Amount per Person GH ¢	Total Amount GH¢'m
Indigent	1,244,729	5.31	335,477	840,000	22.40	18.82
Under 18 years	10,332,016	44.04	7,149,825	10,200,000	22.40	228.48
SSNIT Pensioners	95,000	0.40	76,745	94,000	22.40	2.11
Aged (70 years & above)	679,501	2.90	970,216	900,000	22.40	20.16
SSNIT Contributors	950,000	4.05	878,613	940,000	22.40	21.05
Pregnant Women	980,000	4.18	786,721	975,000	22.40	21.84
Total	14,281,246	60.88%	10,197,597	13,949,000		312.02m

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

Disbursement will be made in 2010 fiscal year for the following other mandatory and administrative expenditures;

- a) Authority's Operations
- b) Support for Preventive Care Programs
- c) Health Service Investment
- d) Reinsurance Claim
- e) Administrative and Logistical Support to the Schemes
- f) Headquarters Building
- g) MIS & ICT Solution (Completion & Maintenance)
- h) Construction of Regional Offices
- i) Support for District Projects on Health
- j) Claims management Centre

4.3 OTHER MANDATORY AND ADMINISTRATIVE COMMITMENTS OF 2010 ALLOCATION TABLE

ITEM	AMOUNT Gh¢ million	% OF FUND	REMARKS	GH ¢m
Authority's Operations	19.31	3.32	2010 Budget	
Support to Primary Health and Preventive Care	38.00	6.54	i. Vaccinations ii. Sanitation Program iii. Malaria Control Program Support iv. Sickle Cell Screening Program v. Cervical, Breast & Prostrate Cancer vi. Support Family Planning vii. Healthy Lifestyle & Nutrition	6.5 12.0 15.0 1.0 2.0 1.0 0.5
Claims Management centre (Accra)	4.00	0.70	The establishment of claims management centre	4.0
Health Service Investment	36.00	6.20	i. Equipments for Teaching Hospitals ii. National Ambulance Service 100 Vans iii. Private Hosp. & Maternity Board iv. Expansion & Rehab. Of Health Fac.	15.0 5.0 1.0 15.0
NYEP	9.10	1.57	To provide Support for training & maintenance of Health Assistants	9.1
Support for Health – related Research work	1.00	0.17	To provide support for Health related Research work	1.0
Reinsurance Claim	72.50	12.48	Average support of GH¢500,000 each to the 145 number Schemes.	72.5
Administrative and Logistical Support to the Schemes	32.96	5.67	i. Computers and Accessories-300 number @2,200 ii. To provide Administrative Support of an average amount of GH¢100,000 to each scheme. iii. Provision to cover allowance/cost for 1000 service personnel for the schemes: iv. Financing of I D Cards v. To undertake capacity building of the schemes Vi. Marketing/ Publicity	0.66 14.50 1.0 8.8 5.0 3.0
Support for District Projects on Health	6.90	1.19	To enable MPs to under-take health related Project GH¢6.9m	6.90
Head Office Building	8.00	1.38	For the continuation of the Construction of Head Office building.	8.0
MIS & ICT Solution	6.00	1.03	An amount of \$4m is allocated for the maintenance & completion of the installation of Integrated MIS Solution, IT Infrastructure, PABX etc. (this project is nationwide in character).	6.0
Construction of Regional Offices	6.00	1.03	Const. of 10 number Regional Offices	6.0
Contingency	29.04	5.00	Amount for contingencies GH¢29.04m.	29.04
Total	268.81	46.28		

5.0 SUMMARY OF PROPOSED ALLOCATION OF FUNDS FOR 2010

PROPOSED ALLOCATION OF FUNDS TO VARIOUS ACTIVITIES

ACTIVITY	ALLOCATION GH ¢'million	(%)
Subsidy for Exempt Groups	312.02	53.72
Authority's Operations	19.31	3.32
Claims Management Centre	4.00	0.70
Primary Health & Preventive Care	38.00	6.54
NYEP (Training of Health Assistants)	9.10	1.57
Support for Health-related Research	1.00	0.17
Health Service Investment	36.00	6.20
Reinsurance Claim	72.50	12.48
Administrative/Logistics to the Schemes	32.96	5.67
Head Office Building	8.00	1.38
MIS & ICT Solution	6.00	1.03
Construction of Regional Offices	6.00	1.03
Support for District Projects on Health	6.90	1.19
Contingency	29.04	5.00
Total	580.83 million	100

Subsidy's variables:

- a) Indigent
- b) Under 18 years
- c) SSNIT Pensioners
- d) Aged
- e) SSNIT Contributors
- f) Pregnant Women

Allocation Formula

Allocation = ((a + b + c + d + e + f) x GH¢22.40)+Admin Support to the Schemes

5.1 COMPARATIVE ANALYSIS OF FUNDS ALLOCATION

ACTIVITY	2010		2009		CHANGE GH¢'million
	ALLOCATION 2010 GH¢'million	(%)	ALLOCATION 2009 GH¢' million	(%)	
Subsidy for Exempt Groups	312.02	53.72	246.30	53.20	65.72
Authority's Operations	19.31	3.32	12.26	2.65	7.05
Claims Management Centre	4.00	0.70			4.00
Primary Health & Preventive Care	38.00	6.54	41.50	8.96	-3.50
Health Service Investment	36.00	6.20	66.00	14.26	-30.00
NYEP	9.10	1.57			5.00
Re-insurance Claim	72.50	12.48	40.00	8.64	32.50
Administration/Logistics	32.96	5.67	27.50	5.94	7.56
Headquarters Building	8.00	1.38	6.18	1.33	1.82
MIS & ICT Solution	6.00	1.03	12.60	2.72	- 6.60
Construction of Regional Offices	6.00	1.03	6.00	1.30	0
Supp. for District Proj. on Health	6.90	1.19	4.60	0.99	0
Support for Health related Research work	1.00	0.17			
Contingency	29.04	5.00			18.50
Total	580.83	100	462.94	100	206.05

6.0 EXPLANATORY NOTES

6.1 SUBSIDY

6.1.1 Indigents

Indigents as described by law are people who are very poor. The Ghana Living Standard Survey puts the poverty rate in Ghana at 40%. It must be stated that most of those considered very poor cannot afford the annual highly subsidized premium of GH¢7.20. 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 2010 is about 23.5 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 DMHISs. Consequently, 679,501 people constituting the aged population (i.e. 2.90% of 23.5 million) and another 10,332,016 representing the population of those less than 18 years (i.e. 44.04% of 23.5 million) are subtracted from the total population. The remaining population will be 12.44 million.

It is assumed that 10% of the net population of 12.44 million would constitute the indigent population and hence the indigent population estimated to be 1,244,729. 67% of indigents (i.e. 840, 000 indigents) are estimated to be covered under the scheme in 2010. An amount of GH¢22.40 is allocated as premium for each indigent and hence, a total amount of **GH¢18.82 million** will be required as subsidy to DMHISs for the indigents in 2010.

6.1.2 Children under 18 years

The law prescribes that those under 18 years be catered for by government. The 2010 estimated population put the strength of this category to be 10.33million. It is estimated that 98.72 % of this number will be covered under the scheme in 2010. A provision of **GH¢228.48 million** has been made to cover the premium of the 10,200,000 under 18 years estimated to be covered under the scheme in 2010.

6.1.3 SSNIT Pensioners

From data available at SSNIT the number of SSNIT pensioners is estimated to be 95,000. It is estimated that 98.95% of this number (i.e. 94, 000) will be covered under the scheme in 2010. An amount of **GH¢2.11 million** is allocated to cover the premium of the 94,000 SSNIT pensioners expected to be covered under the scheme in 2010.

6.1.4 The Aged

Those considered to be the aged population are those of 70 years and above. The 2010 projected population estimated that the aged population is about 2.90% of the total population of the country (i.e. 678,501). 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 that 900,000 Aged will be covered under the scheme in 2010. An estimated amount of **GH¢20.16 million** is allocated for the premium of the 900,000 Aged expected to be covered under the scheme in 2010.

6.1.5 SSNIT Contributors

From data available at SSNIT, the total number of SSNIT contributors is estimated at 940,000 for 2010. SSNIT contributors are automatically covered under the law because of their 2.5% monthly contribution to the NHIF. It is estimated that 940,000 SSNIT contributors representing 98.95% of the total number of SSNIT contributors will be covered under the scheme in 2010. An amount of **GH¢21.06 million** is therefore allocated to cover their premium under the Scheme in 2010.

6. 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. Data available to the Authority from Ghana Health Service in respect of targeted women expected to be pregnant in 2010 is estimated to be about 975,000. An amount of **GH¢21.84 million** has been allocated to pay for their premium to the Schemes.

6. 2. AUTHORITY'S HEAD OFFICE & REGIONAL OFFICES OPERATIONS

The Council has directed that expenditure on Authority and its Regional Offices should not exceed 5% (in line with international best practices) of total revenue to the Authority. A total of **GH¢19.31 million** has been earmarked for the activities of the Authority in 2010 (Including the 10 number Regional Offices). Expenditure on the Authority's operations covers both recurrent and capital expenditure. The Authority's budget represents 3.32% of total expected receipts for the year 2010.

6.3 SUPPORTS FOR PRIMARY HEALTH & PREVENTIVE CARE PROGRAMS

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¢38.00 million** for procurement of vaccines to immunize Ghanaian children and to protect other segments of the

population against certain preventable diseases like cholera, diarrhoea and water born diseases.

	GH¢ 'million
-Vaccination Program	6.5
-Sanitation Program	12.0
-Malaria Control Program	15.0
-Sickle Cell Screening Program	1.0
-Cervical, Breast & Prostrate Cancer	2.0
-Family Planning	1.0
-Nutrition & Healthy Lifestyle	0.5

6.4 HEALTH SERVICE INVESTMENT

As support to the Ministry of Health to expand health services in the country, an amount of **GH¢36.00 million** is provided for health service investment. The investment is to be made in following areas:

	GH¢' million
i. Equipments for Teaching Hospital	- 15.0
ii. National Ambulance Service - 100 no. Van	- 5.0
iii. Support for Private Hospitals & Maternity Boards –	1.0
iv. Expansion & Rehab of Health Facilities –	15.0

6.5 REINSURANCE ALLOCATION

For DMHIS that are financially distressed, Act 650 mandates the Council to provide them with the necessary assistance to enable them adjust their economic position to make them viable and sustainable provided they operate under sound management and financial practices. It is estimated that 145 Schemes will be financially distressed in 2010. It is estimated that schemes that will be distressed will need an average amount of **GH¢500,000.00** each to enable them adjust their financial situation. A total amount of **GH¢72.50 million** has therefore been set aside to enable the Authority fulfill this mandate. It is important to recognize that all 145 DMHIS have the possibility of being financially distressed.

6.6 ADMINISTRATIVE AND LOGISTICS SUPPORT FOR SCHEMES

To ensure an effective administration of the schemes, the schemes need to be assisted to build their administrative and logistical capacity on continuous basis to meet expanding responsibilities.

A total amount of **GH¢32.96 million** will be required by Authority to provide administrative and logistical support to the Schemes. The following are expected to be covered under this budget:

- i. Provision of Computers & Accessories-300 number @ **GH¢2,200: GH¢0.66m.**
- ii. Provision of administrative support will average **GH¢100,000.00** per scheme: giving a total budget of **GH¢14.50m**

The **GH¢100,000.00** per scheme is expected to cover the following

- Salaries of staff - GH¢40,000.00 ; and
- General administrative expenses - GH¢60,000.00

- iii. Provision of **GH¢ 1.0m** to cover allowance/cost of 1000 service personnel for the schemes:
- iv. Cost of financing new I D Cards & renewable stickers for Pregnant women, Indigents and Children under 18 years- **GH¢8.80m**
- v. Capacity building of the schemes through training: **GH¢5.00m.**
- vi. Adverts/publicity of schemes: **GH¢3.0 m**

6.7 HEADQUARTERS BUILDING

The National Health Insurance Authority is currently housed in a rented accommodation with inadequate office spaces. This is putting a lot of constraints on the effective operations of the Authority. Some key positions as well as other supporting staff positions at the Authority are yet to be filled and therefore the need for adequate office space.

A budget of **GH¢8m** has been allocated for the continuation of the project in 2010.

The Authority plans to continue the construction of the Head Office in 2010, and for that reason a budgetary allocation of **GH¢8.00 million**. The project active execution is in an advanced state and expected to be completed in 2010 fiscal year.

6.8 MIS & ICT SOLUTION (Maintenance)

ICT solutions are required to facilitate the day to day operations of the Headquarters and the Schemes. The business activities will be performed to ensure that:

- There is effective communication between the Schemes, the Headquarters and Service Providers for data collection and analysis, which is critical for meeting the objectives of the Scheme;
- Managing risk, controlling fraud and ensuring financial sustainability; and
- Addressing the portability requirement and claims management.

A total amount of **GH¢6m (GH¢1.50x\$4 million)** is allocated for the Maintenance of the ICT Project (Integrated MIS Solution, IT Infrastructure, PABX (VOIP Solution) etc. and has been made for the year-2010 (This is a nationwide Project)

6.9 CONSTRUCTION OF REGIONAL AND DISTRICT OFFICES

Construction of 10 number Regional Office **GH¢6.00 million**

6.10 DISTRICT PROJECTS ON HEALTH

Support for District Projects on Health **GH¢6.9m**. This is to enable Members of Parliament (**MP**) to finance health related projects in their constituencies

6.11 CONTINGENCY

For the purpose of meeting unexpected commitments of the **Authority** within the year, an allocation of **GH¢ 29.04 million** has been earmarked. The provision for contingency is to cover undeterminable expenses such as increased administrative expenses upon the passing of the proposed revised law and the consequent unifying of the district schemes with the Authority, expenditure relating to the proposed one-time premium payment policy.

6.12 HEALTH RELATED RESEARCH

An amount of **GH¢ 1.00m** is allocated for Health related research work to research into areas that will lead to the efficient use of health insurance funds and the reduction in the disease burden for which health insurance funds are used.

6.14 SUPPORT TO NYEP

For the purpose of supporting **National Youth Employment Programme**, **GH¢ 9.10m** has been allocated for the training of Health Assistants which is a project under the **NYEP**.

6.15 CLAIMS MANAGEMENT CENTRE

GH¢ 4m has been budgeted for the establishment of the claims management centre(s) for the purpose of managing large volumes of claims which require the direct attention of the claims management unit under the NHIA.