

NATIONAL HEALTH INSURANCE AUTHORITY

PARLIAMENT OF SRI LANKA
1988-2008



**NATIONAL HEALTH INSURANCE FUND
ALLOCATION FORMULA
2021**

3

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NATIONAL HEALTH INSURANCE FUND **ALLOCATION FORMULA-2021**

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 residents 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 risk pooling and cross subsidization.

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 In 2012, the Act was repealed and replaced by a new law (Act 852).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 2021

The strategic intent of the Authority as captured in the Medium term Strategic Plan, 2019-2021 is to consolidate the position of the NHIS as preferred financing mechanism for reducing financial barriers to health care in Ghana, through a social health insurance scheme.

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 this regard, the National Health Insurance Authority has earmarked the following major plans for the year 2021. These proposed plans are key variables in the determination of the allocation formula and planned expenditure for 2021. Key programs and activities planned for 2021 are;

1. Intensify registration drive to increase active membership coverage of the scheme from approximately 52.7% of the population (30,955,201) in 2020 to 55% of the projected 2021 population of 31,574,308 million. The active membership in 2021 is therefore estimated at **17,365,870**.
2. The Authority would continue to reform and implement efficiency gains measures in claims management and operational activities.
3. Improve claims management processes with emphasis on e-claims and paperless systems at all four Claims Processing Centres and integrate Claims processing and payments system with the Ghana Integrated Financial Management Information System (GIFMIS).
4. The Authority intends to intensify claims verifications and clinical audit of provider claims. In 2021, we plan to audit a cross section (600 facilities, including 16 E-Claims Facilities in 80 districts) of all the credentialed facilities, with the assistance of external resource persons. The value of medical claims to be audited is estimated at **GH¢ 901,680,000**, constituting about 65.90% of the value of the budgeted claims amount for 2021.
5. We plan to organize training for 100 external clinicians on clinical and compliance audit processes across the country
6. Collaborate with HeFRA for mapping of health Care Facilities across the country and train the data collectors for the mapping exercise
7. Organize stakeholder engagements to disseminate, clinical, compliance and credentialing findings and reinforce credentialing standards to stakeholders in

each zone of the country (Northern, middle and southern) and to credential all facilities via a Web-Based Credentialing platform.

8. Strengthen the processes and procedures for the registration, supervision, and monitoring of private health insurance schemes (PHIS). Among other things, we will conduct search of unlicensed PHISs and guide them regularize their operations and also engage with licenced PHISs on regulatory guidelines and procedures.
9. Continue to improve on the financial management system for efficiency and effectiveness in financial reporting and to deploy the GIFMIS application to the, Regional and District Offices and Claims processing Centers of the Authority.
10. Continue restructuring of the National Health Insurance Scheme to overcome its sustainability challenges and implement the new organizational structure.
11. To monitor, manage and enhance the electronic revenue collection system rolled out nationwide (E-Receipting and digital membership renewal).
12. To collaborate with MOH and Consultants to carry out stakeholder engagements and processes leading to the passage of the new Legislative Instrument by Parliament
13. Review and update the Enterprise Risk Management System in NHIA in compliance with Section 83(3b) of the Public Financial Management Act, (Act921) and to also audit a minimum of 50 district offices of the Authority.
14. Implement a standardized and digitized records management system across the Authority to enable easy referencing and accessing of records.
15. Collaborate with other government agencies to link NHIS membership to the provision of some critical services i.e. passport, school admissions, driver's license, Banks and also target the enrolment of formal sector workers unto the scheme.
16. Continue to explore new investment avenues to enhance the financial sustainability of the Scheme and also to increase the investment cover of the scheme.
17. To modify our MIS platform for a possible integration with that of the National Identification Authority (NIA) for membership registration, using the NIA Ghana-Card.

3.0 Some Major Activities and Achievements

The NHIA has initiated a number of efficiency gains strategies in the last five years to help address the rising trend in cost of claims and administration, some of which have stated as follows:

The NHIS Mobile Renewal: the NHIA successfully launched the mobile renewal in December 19, 2018. The solution allows members to renew their membership from the comfort of their homes, using mobile phone technology. Within a year of the launch, about **5.3 million** persons across the country used the electronic platform to renew their NHIA membership.

the year 2020, **6.6 million** renewals, constituting **81%** of total renewals, used the mobile renewal services. The first quarter of the year 2021 has already recorded about 2.3 million mobile renewals which is also averaging 81% of the total renewals for the said period. Currently, mobile renewal rate stands at **81%** as against office renewal rate of **19%**.

It is obvious that this innovation has increased membership renewal rate of the scheme.

CLAIM-it claims application: CLAIM-it is a 5-module claims management application comprising a **claims entry module, submission system, receiving (aggregation) system, a claims adjudication module and Regional and District Health Director reporting module.**

All CHAG facilities are currently using it. The Claim-it application is an NHIS owned application that allows facilities without their own electronic systems to submit claims. This works offline

Electronic Claims Management: 35% of the NHIA's claims are now electronic allowing better analysis to identify cost drivers and the disease burden. This information will enable the NHIS to collaborate with its stakeholders to improve health care in Ghana. We are working with a few Hospital Management Systems that are certified including the Government's flagship E-health project that links the major hospitals allowing for easy transfer of patient electronic medical records and continuity of care. The e-health project has a disease surveillance component which alerts the Public Health Units of impending epidemics.

Mobile Claims Check Code: The Mobile Claims check code has been implemented and serve as an alternate authentication option for healthcare Providers. It is used to verify the status of a member before services are provided. This option is crucial in circumstances where members are admitted in conditions which make it impossible to use the biometric machines to authenticate their active membership status.

Credentialing & Clinical Audit Software

Software applications has been developed to optimize the processes of credentialing and clinical Audits.

Provider Assistance Programme: Staff relieved from the paperless registration project are deployed to set up helpdesks at provider sites to assist NHIS members to navigate the facilities, and assist in the deployment of the biometric authentication machines.

Clinical Audits & Claims Verification: To ensure quality care for NHIS subscribers and also minimize leakages and abuse, the NHIA set up a Clinical Audit Division in 2009; which conducts regular clinical audits of claims submitted by accredited providers. This initiative has so far resulted in a recovery of overpaid claims. In addition, a compliance unit has also been established to undertake periodic claims verification 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 in vetting these claims, the NHIA established a state-of-the-art claims processing centers in Accra, Kumasi, Tamale and Cape Coast to handle claims from all Tertiary Hospitals, Regional Hospitals, claims from all providers in Volta region, and claims from some facilities in other regions. This initiative has reduced delays in claims vetting and payment as well as abuses and fraud in claims billing. In addition, the Authority introduced electronic claims management in 2013 to ensure seamless and efficiency in claims processing. This system is a further check on supply side fraud and abuses.

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 an efficiency gain 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, and we will continue to monitor its compliance.

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.

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

4.0 ANALYTICAL REVIEW OF 2020 FINANCIAL PERFORMANCE & POSITIONS

4.1 A STATEMENT OF RECEIPTS & PAYMENTS AS AT DECEMBER 31, 2020

Total amount of **GH¢ 2,302.82 million** was received from MOFEP for the year ending December 31, 2020. Other receipts during the period amounted to **GH¢ 216.33 million**, giving total receipts of **GH¢ 2,519.15 million** for the period. Total payments for the 12 months ending December 31, 2020 was **GH¢ 2,209.24 million**. Excess receipts over payments as at the period ending December 31, 2020 was **GH¢ 392.76 million**.

TABLE 4.1.1 RECEIPTS & PAYMENTS – 2020

| | GH¢ million | GH¢ million |
|---|-------------|-----------------|
| Cash and Bank Balance as at Jan. 1st, 2020 | | 82.85 |
| RECEIPTS | | |
| NHIL (VAT & SSNIT) Releases for 2020 | 2,302.82 | |
| Premium and Processing Fees | 127.69 | |
| Cash Receipt on Investment Income | 26.51 | |
| Disinvestments | 27.56 | |
| Donor Receipt | 33.42 | |
| Other Income | 1.15 | |
| | | 2,519.15 |
| Total Cash and Bank Available | | 2,602.00 |
| PAYMENTS | | |
| Claims Paid | 1,313.20 | |
| Support to MOH & Partner Institutions | 285.84 | |
| Support to District Health Project & M & E | 31.95 | |
| Admin. Support to District Offices | 26.71 | |
| Authority Operations | 323.61 | |
| Nationwide ICT | 77.45 | |
| Biometric ID Cards & Authentication | 27.33 | |
| Purchase of Investment | 33.63 | |
| Archival Services & Digitization | 26.13 | |
| Call Center | 0.01 | |
| Office Building & other Assets | 23.85 | |
| Claims Data Capturing | 17.82 | |
| Publicity & Communication | 6.23 | |
| NHIS Data Integration | 10.23 | |
| Corporate Social Responsibility | 5.25 | |
| Total Payments | | 2,209.24 |
| Cash and cash equivalents as at December 31, 2020 | | 392.76 |
| Note: Other Income includes Accreditation fees, Navis ID Card Authentication proceeds National Insurance Commission proceeds and Sale of Tender Document | | |

4.2 REVIEW OF 2020 BUDGET ALLOCATION & PERFORMANCE

On accrual basis, total budget expenditure for the year ending December, 2020 was **GH¢1,947.17 million**, against an annual budget of **GH¢2,372.30 million**, resulting in a positive budget variance of **GH¢ 425.13 million**. This represents a budget execution rate of **82%** for the same period.

Table 4.2.1: 2020 BUDGET ALLOCATIONS & PERFORMANCE

| | 2020 Annual Budget | Dec 2020 31-Actual | Budget Variance | Execution Rate |
|--|--------------------------|-----------------------|--------------------|-------------------|
| | ¢'m | ¢'m | ¢'m | % |
| Subsidies & Claims | 1,303.11 | 1,015.72 | 287.39 | 78% |
| Support to MOH & Partner Institutions | 244.00 | 238.68 | 5.32 | 98% |
| District Health Projects & M&E | 34.50 | 34.50 | 0.00 | 100% |
| Admin. Support to District Offices | 43.79 | 29.10 | 14.69 | 66% |
| Authority Operations | 294.54 | 247.89 | 46.65 | 84% |
| Nationwide ICT System | 122.17 | 115.99 | 6.18 | 95% |
| Biometric ID Card, Equipment & Authentication System | 87.40 | 87.39 | 0.01 | 100% |
| Claims Archival System & Digitization | 30.03 | 26.13 | 3.90 | 87% |
| Claims Processing Center | 33.40 | 0.00 | 40.20 | 0% |
| Call Center | 1.19 | 0.01 | 1.18 | 1% |
| Office Building | 94.31 | 87.82 | 6.49 | 93% |
| Health Related Research | 0.20 | 0.00 | 0.20 | 0% |
| Sensitization, Publicity & Marketing | 7.60 | 6.23 | 1.37 | 82% |
| Claims Data Capturing | 42.00 | 41.99 | 0.01 | 100% |
| NHIS Review & Restructuring | 8.09 | 0.00 | 8.09 | 0% |
| NHIS Data Integration | 12.20 | 10.23 | 1.97 | 84% |
| Corporate Social Responsibility | 5.50 | 5.49 | 0.011 | 100% |
| Contingency | 8.27 | 0.00 | 8.27 | 0% |
| | 2,372.30 | 1,947.17 | 425.13 | 82% |

NB: 1. Expenditure is reported based on actual liability incurred and accrued for the period January – December 2020.

2. Total claims paid in 2020 amounted to **GHS 1,313.20 million**, out of which **GH¢418.18 million** relates to the year 2020.

3. A total of **GH¢ 31.95 million** was paid for District Health Projects, out of which **GH¢19.16 million** relates to the year 2020.

4.3 COMPARATIVE ANALYSIS OF NHIL/SSNIT COLLECTIONS & RECEIPT

The Authority's budget for NHIL/SSNIT for 2020 was **GH¢ 2,191.62** million, as derived from Government of Ghana budget statements. However NHIL/SSNIT collections for the year ending December 31, 2020 was **GH¢ 2,337.28** million. Of the total collections, a total of **GH¢ 790.29** million had been received by the Authority as at December 31, 2020. It should however be noted that total funds received in 2020 from Government amounted to **GH¢ 2,303.98** million out of which **GH¢ 790.29** million is for the year 2020.

Table 4.3.1
Annual Budget against Reported Collections (NHIL & SSNIT)- 2020

| Year | Budgeted Collection GH¢'m | Reported Collections GH¢'m | Difference Gh¢'m | Difference % |
|------|---------------------------|----------------------------|------------------|--------------|
| 2018 | 2,233.92 | 1,579.49 | -654.43 | -41.43% |
| 2019 | 1,692.68 | 1,262.92 | -429.76 | -25.39% |
| 2020 | 2,191.62 | 2,337.28 | 145.66 | 6.65% |

Table 4.3.2
Reported Collection (NHIL & SSNIT) Against Actual Releases from MOFEP

| Year | Reported Collections GH¢'m | Releases GH¢'m | Difference GH¢'m | Difference % |
|------|----------------------------|----------------|------------------|--------------|
| 2018 | 1,579.49 | 506.80 | -1,072.69 | -67.91% |
| 2019 | 1,262.92 | 721.09 | -541.83 | -42.90% |
| 2020 | 2,337.28 | 790.29 | -1,546.99 | -66.19% |

Table 4.3.3
Annual Budget Against Actual Releases from MOFEP

| Year | Budgeted Collection GH¢'m | Releases | Difference GH¢'m | Difference % |
|------|---------------------------|----------|------------------|--------------|
| 2018 | 2,233.92 | 506.80 | -1,727.12 | -77.31% |
| 2019 | 1,692.68 | 721.09 | -971.59 | -57.40% |
| 2020 | 2,191.62 | 790.29 | -1,401.33 | -63.94% |

4.4 COMPARATIVE ANALYSIS OF OTHER REVENUE

| | Budget 2020 GH¢ million | Actual 2020 GH¢' million | % Execution |
|---------------------------|-------------------------|--------------------------|-------------|
| Premium & Processing Fees | 146.74 | 127.69 | 87% |
| Interest Income | 6.05 | 5.18 | 86% |
| Other Income | 27.89 | 35.45 | 127% |
| Total | 180.68 | 168.32 | 93% |

4.5 REVIEW OF INVESTMENT PERFORMANCE & POSITION AS AT DECEMBER 31, 2020.

The Authority's Investments are in fixed deposits with financial institutions, mostly banks. The value of the Investment as at January 1, 2020 was **GH¢ 68.88 million**. The investment portfolio earned a total interest of **GH¢ 5.18 million** for the year 2020. The balance as at December 31, 2020, stood at **GH¢ 80.13 million**. The increase in the investment balance was largely due to additional investments of **GH¢ 33.63**.

Investment cover for claims has been declining since the year 2009. Currently, the Fund's investment balance provides a cover for less than a month's claims indebtedness (**About GH¢ 95.00 million**). This situation poses serious threat to the sustainability of the Scheme.

SUMMARY OF INVESTMENT POSITION AS AT DECEMBER 31, 2020
(GH¢' million)

| Period | Quarter 1 | Quarter 2 | Quarter 3 | Quarter 4 | Total |
|------------------------|--------------|--------------|--------------|--------------|----------------|
| Opening Balance | 68.88 | 70.05 | 69.79 | 72.25 | 68.88 |
| Investments | 0.00 | 0.00 | 0.00 | 33.63 | 33.63 |
| Disinvestments | 0.00 | (1.22) | 1.22 | 27.56 | (27.56) |
| Interest Earned | 1.17 | 0.96 | 1.24 | 1.81 | 5.18 |
| Closing Balance | 70.05 | 69.79 | 72.25 | 80.13 | 80.13 |

5.0 GENERAL PROJECTIONS UNDERLYING THE NHIF ALLOCATION FOR 2021

The following revenue projections underline the NHIF Allocation & Budget Allocation for 2021.

5.1 BUDGETED RECEIPTS

The Authority expects to receive a total amount of **GH¢2,664.16 million** in 2021 from NHIL/SSNIT and others to be able to execute its mandate in 2021. The composition is as follows:

- **Levies from NHIL and SSNIT**
On the basis of MOF Budget Statement for 2021, the National Health Insurance Fund expects to realize a total amount of **GH¢1,903.91 million** from NHIL and SSNIT.
- **Premium from Informal Sector**
The Premium from informal sector is budgeted at **GH¢111.77 million**. This represents an average premium of **GH¢18.00** approximately per member for projected membership of **4,489,445**, expected to register and renew within the year 2021 from the informal sector.
- **Processing Fees**
Processing fees from both the formal and informal sector is budgeted at **GH¢85.29 million**. This represents an average fees of **GH¢5.55** approximately per member for a projected membership of **15,362,830** from both sectors in 2021. The projected membership excludes the pregnant women and indigent categories.
- **Interest Income from Investment**
The Authority expects to earn total interest income of **GH¢ 6.18 million**. This is based on expected portfolio size of GH¢ 50.00 million at projected return of 12.36% p.a.
- **Road Accident Fund (NIC)**
We expect to receive **GH¢0.51 million** from the National Insurance Commission to cushion the NHIA against claims costs, arising from emergency cases involving road accident patients.
- **Receivable from Government**
The Authority intends to apply part of the receivable due from Government to finance projects that were budgeted for in 2020, but due to liquidity constraints were not executed and have been rolled over into 2021. An amount of **GH¢554.69 million** out of a total receivable of **GH¢1,546.99 million** due from Government will be used to fund the said rollover projects.

- **Other Income**

The Authority expects to earn **GH¢1.81 million** from provider credentialing fees (**GH¢1.07 million**), sale of tender documents (**GH¢0.04 million**), NAVIS Application fees (**GH¢0.64 million**), Licensing Fees–PHIS (**GH¢ 0.06 million**).

- **National COVID-19 Response**

An amount of **GH¢ 598.00 million** is earmarked by the Government, as part of response strategies to fight the COVID-19 pandemic and related health issues in the year 2021.

The following table summarizes the revenue sources for the fiscal year 2021:

| Sources | Amount Ghc million | % |
|----------------------------|--------------------------|--------|
| Levies - NHIL & SSNIT | 1,903.91 | 71.46 |
| Premium (Informal) | 111.77 | 4.20 |
| Processing Fees | 85.29 | 3.20 |
| Income on Investment | 6.18 | 0.23 |
| Road Accident Fund | 0.51 | 0.02 |
| Other Income | 1.81 | 0.07 |
| 2020 Receivable | 554.69 | 20.82 |
| Total NHIS Fund | 2,664.16 | 100.00 |
| National Covid-19 Response | 598.00 | 18.33 |
| Grand Total | 3,262.16 | |

5.2 REGISTRATION COVERAGE

The population of Ghana in 2020 was estimated at **30,955 million**; but in 2021, it is projected to be **31,574 million**. Current registration figures for the period ending **December 31, 2020**, indicates an active membership of **16,310 million**, constituting approximately 52.70% of the projected population of 2020.

The Authority plans to intensify efforts through membership drive and policy reforms to encourage enrolment and renewal of membership. We therefore project that **55%** of the projected population or **17,365 million** will constitute active membership of the NHIS in 2021. This represents about **6.5%** increase over the active membership of 2020.

The proposed allocation of the Fund is therefore based on expected active membership of **17,365,870** in 2021.

Table 5.2.1 Registration Coverage Distribution by Category

| Category | 2020 | 2021 | | |
|---------------------|-------------------|-------------------|-------------------|-------------|
| | Active Membership | Population est. | Target Membership | Target Rate |
| Informal | 5,831,693 | 12,057,308 | 6,209,062 | 51% |
| SSNIT Contributors | 660,184 | 1,291,407 | 702,905 | 54% |
| SSNIT Pensioners | 98,188 | 189,754 | 104,542 | 55% |
| Indigents | 1,294,434 | 1,735,738 | 1,378,197 | 79% |
| Children (Under 18) | 6,840,254 | 14,410,037 | 7,282,887 | 46% |
| Aged (70 yrs +) | 745,212 | 925,945 | 793,435 | 86% |
| Pregnant Women | 840,457 | 964,120 | 894,843 | 93% |
| | 16,310,421 | 31,574,308 | 17,365,870 | 55% |

Table 5.2.2 Registration Coverage Distribution by Regions

| | Region | 2020 | | | 2021 (projected) | | |
|----|---------------|--------------------|-------------------|-------------|-------------------|--------------|-------------------|
| | | Population | Active Members | %Rate | Population | Target Rate% | Active Members |
| 1 | Ashanti | 5,921,186 | 2,898,711 | 49 | 6,042,988 | 51 | 3,086,287 |
| 2 | Ahafo | 613,211 | 388,978 | 63 | 625,310 | 66 | 414,149 |
| 3 | Bono | 1,167,951 | 956,009 | 82 | 1,192,183 | 85 | 1,017,873 |
| 4 | Bono East | 1,132,931 | 774,615 | 68 | 1,156,443 | 71 | 824,740 |
| 5 | Central | 2,620,314 | 1,193,834 | 46 | 2,657,602 | 48 | 1,271,087 |
| 6 | Eastern | 3,317,100 | 1,851,541 | 56 | 3,385,230 | 58 | 1,971,353 |
| 7 | Gt. Accra | 5,053,163 | 2,179,042 | 43 | 5,157,001 | 45 | 2,320,048 |
| 8 | Northern | 1,810,353 | 969,901 | 54 | 1,987,891 | 52 | 1,032,664 |
| 9 | North East | 588,713 | 352,096 | 60 | 600,576 | 62 | 374,881 |
| 10 | Oti | 795,204 | 277,321 | 37 | 774,995 | 38 | 295,266 |
| 11 | Savannah | 732,031 | 317,012 | 43 | 606,606 | 56 | 337,526 |
| 12 | Upper East | 1,302,043 | 954,424 | 73 | 1,328,772 | 76 | 1,016,185 |
| 13 | Upper West | 868,034 | 664,448 | 77 | 885,849 | 80 | 707,445 |
| 14 | Western | 2,213,464 | 983,730 | 44 | 2,258,953 | 46 | 1,047,387 |
| 15 | Western North | 948,627 | 539,250 | 57 | 968,076 | 59 | 574,145 |
| 16 | Volta | 1,906,875 | 1,009,508 | 53 | 1,945,833 | 55 | 574,145 |
| | TOTAL | 30,,955,202 | 16,310,421 | 52.7 | 31,574,308 | 55 | 17,365,870 |

Target rate is based on trend analysis of growth in previous years

5.3 AVERAGE PREMIUM PER HEAD

The national average premium rate per member (informal sector) in 2020 was **GH¢18.00**.

We do not anticipate any increase in premium rates in 2021. Therefore, the national average premium rate per member is expected to remain at **GH¢18.00**.

5.4 AVERAGE ENCOUNTER PER MEMBER PER YEAR

The average encounter per member in 2020 was estimated at 2.75. In 2021, we expect that the average encounter rate for membership will remain the same at 2.75.

5.5 AVERAGE CLAIM PER MEMBER

The average claims cost per active member in 2020 was **GH¢65.11**. In 2021, it is projected to increase to about **GH¢78.79** per member (21% increase).

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.

7.0 DETERMINATION OF ALLOCATION OF FUNDS

Based on 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 29 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 2020 is proposed at **GH¢200,822,542.82**

The exempt groups are;

- a) Indigents
- b) Children, 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

7.2 INCOME SIDE/PREMIUM SUBSIDY DISTRIBUTION

| Category | Active Members | Active Members Estimate for 2021 | |
|-------------------------|------------------------------|----------------------------------|---|
| | Number =N ₂₀₂₀ | Number N ₂₀₂₁ | Income Subsidy =C*N _{exempt} (GH¢) |
| Informal | 5,831,693 | 6,209,062 | - |
| SSNIT Contributors | 660,184 | 702,905 | 12,652,281.55 |
| SSNIT Pensioners | 98,188 | 104,542 | 1,881,751.48 |
| Indigents | 1,294,434 | 1,378,197 | 24,807,543.68 |
| Children (under 18 yrs) | 6,840,254 | 7,282,887 | 131,091,967.53 |
| Aged (over 70+) | 745,212 | 793,435 | 14,281,824.52 |
| Pregnant Women | 840,457 | 894,843 | 16,107,174.05 |
| | 16,310,421 | 17,365,870 | 200,822,542.82 |

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 per active member. The expenditure side risk equalization formula is given by:

- Given that;

| | | |
|--|---|------------|
| ✓ average claim cost per member in 2020 | = | GH¢ 65.11 |
| ✓ average claims per encounter in 2020 | = | GH¢ 23.68 |
| ✓ est. average claims per encounter in 2021 | = | GH¢ 28.66 |
| ✓ est. average encounter in 2021 | = | 2.75 |
| ✓ est. average claim cost per member in 2021 | = | GH¢ 85.70 |
| ✓ average premium per member in 2021 | = | GH¢ 18.00 |
| ✓ claims subsidy per member estimated for 2021 | = | GH¢ 67.70 |
| ✓ estimated number of active member in 2021 | = | 17,365,870 |

- Amount accruing to the National Health Insurance Scheme as claims subsidy for expenditure side equalization is **GH¢ 1,175,669,399**

7.3 ALLOCATION OF CLAIMS SUBSIDY BY CATEGORY

| Category | Active Members Estimated 2021 | |
|---------------------|----------------------------------|----------------------|
| | Number | Claims Subsidy GH¢ |
| Informal | 6,209,062 | 420,353,502 |
| SSNIT Contributors | 702,905 | 47,586,637 |
| SSNIT Pensioners | 104,542 | 7,077,476 |
| Indigents | 1,378,197 | 93,303,928 |
| Children (Under 18) | 7,282,887 | 493,051,456 |
| Aged (70 yrs +) | 793,435 | 53,715,529 |
| Pregnant Women | 894,843 | 60,580,871 |
| Total | 17,365,870 | 1,175,669,399 |

7.4 ALLOCATION OF CLAIMS & PREMIUM SUBSIDY BY REGIONS

| | Region | Membership 2021 | | | Premium Subsidy GH¢ | Claims Subsidy GH¢ | Total Subsidy GH¢ |
|----|---------------|-------------------|-------------------|------------------|---------------------|----------------------|----------------------|
| | | Total | Exempt | Informal | | | |
| 1 | Ashanti | 3,086,287 | 1,982,803 | 1,103,483 | 35,690,462 | 208,941,605 | 244,632,067 |
| 2 | Ahafo | 414,149 | 266,072 | 148,076 | 4,789,300 | 28,037,857 | 32,827,158 |
| 3 | Bono | 1,017,873 | 653,938 | 363,934 | 11,770,892 | 68,909,980 | 80,680,872 |
| 4 | Bono East | 824,740 | 529,859 | 294,881 | 9,537,470 | 55,834,922 | 65,372,392 |
| 5 | Central | 1,271,087 | 816,618 | 454,470 | 14,699,118 | 86,052,604 | 100,751,722 |
| 6 | Eastern | 1,971,355 | 1,266,509 | 704,846 | 22,797,158 | 133,460,720 | 156,257,879 |
| 7 | Gt. Accra | 2,320,048 | 1,490,529 | 829,519 | 26,829,521 | 157,067,264 | 183,896,785 |
| 8 | Northern | 1,032,664 | 663,441 | 369,223 | 11,941,939 | 69,911,336 | 81,853,275 |
| 9 | North East | 374,881 | 240,844 | 134,036 | 4,335,198 | 25,379,417 | 29,714,615 |
| 10 | Oti | 295,266 | 189,696 | 105,571 | 3,414,523 | 19,989,541 | 23,404,065 |
| 11 | Savannah | 337,526 | 216,845 | 120,680 | 3,903,217 | 22,850,485 | 26,753,701 |
| 12 | Upper East | 1,016,185 | 652,854 | 363,331 | 11,751,376 | 68,795,727 | 80,547,102 |
| 13 | Upper West | 707,445 | 454,502 | 252,943 | 8,181,037 | 47,894,001 | 56,075,038 |
| 14 | Western | 1,047,387 | 672,900 | 374,487 | 12,112,199 | 70,908,085 | 83,020,284 |
| 15 | Western North | 574,145 | 368,863 | 205,282 | 6,639,533 | 38,869,616 | 45,509,149 |
| 16 | Volta | 1,074,834 | 690,533 | 384,300 | 12,429,601 | 72,766,239 | 85,195,839 |
| | TOTAL | 17,365,870 | 11,156,808 | 6,209,062 | 200,822,543 | 1,175,669,399 | 1,376,491,942 |

**7.5 OTHER MANDATORY AND ADMINISTRATIVE COMMITMENTS
OF THE NATIONAL HEALTH INSURANCE AUTHORITY**

Disbursement will be made in 2021 fiscal year for the following mandatory and administrative expenditure;

- a) Operational costs of the Head office, Regional offices and District offices;
- b) Administrative & Logistical Support to 165 District Offices.
- c) Support to MOH – Public Health & Preventive Care & Health Service Investment
- d) Support for MPs sponsored District Health Projects and M&E
- e) Maintenance & Upgrade of the NHIS Nationwide ICT Network
- f) Biometric ID Card & Authentication System
- g) Claims Processing Centers
- h) Deployment of Claim it' application to manage and pay for claims
- i) Document Archival System and Claims Digitization
- j) Publicity, Sensitization and Marketing of NHIS programs.
- k) Restructuring of the NHIS for sustainability.
- l) Capturing of claims data into a computerized system and a paperless claims processing system.

7.6 DETAILS OF 2021 NHIF ALLOCATIONS

| No. | ITEM | Amount GH¢ 'm | % of Fund | Details | 2021 GH¢ | 2020 GH¢ |
|-----|--|------------------|--------------|--|---|--|
| 1.0 | | | | | | |
| | Claims for 2021 | 1,488.26 | | Claims Payment for 2021 | | |
| | <i>Total</i> | 1,488.26 | 55.86% | 1.1 Premium Subsidy- Formal 1.2 Claims Subsidy 1.3 Premium- Informal | 200.82 1,175.67 111.77 | 179.38 1,052.34 71.39 |
| 2.0 | NHIA Operational Cost | 364.63 | 13.69% | 2.1 Compensation 2.2 Goods & Services 2.3 Assets | 283.18 60.52 20.93 | 221.83 60.52 12.19 |
| 3.0 | Support to District Offices | 45.89 | 1.72% | 3.1 Admin Support to District Offices 3.2 District Staff Training & Dev't. 3.3 District Vehicles- 50 no. | 30.61 4.42 10.86 | 41.62 4.42 10.86 |
| 4.0 | Support to MOH | 266.48 | 10.00% | Public Health & Preventive Care 4.1 Malaria Contol Programs 4.2 Malaria Commodities 4.3 Sickle Cell Screening 4.4 ARV Medicines & Counterpart Funds 4.5 Ambulance Service 4.6 Expanded Prog on immune (EPI) Vaccines 4.7 Rabbies Vaccines 4.8 Psychotherapeutic Medicines 4.9 Contraceptives 4.10 Tetanus Immunization 4.11 Anti-snake W/African Polyvalent Sera (PFR) 4.12 CSM Vaccines & Medicines 4.13 Commodities for TB 4.14 Blood Clllection Bags & Ragents For NBTS 4.15 Fellowship for Continuiuing Students Health Service Investment 4.16 Const. Health Training Schools 4.17 Health Provider Sys. Integration | 65.00 11.93 0.50 24.35 10.00 72.00 2.00 5.00 3.00 2.00 15.00 2.00 1.70 2.00 3.00 7.00 40.00 | 60.00 0.00 1.00 18.00 10.00 68.00 2.00 5.00 3.00 2.00 15.00 2.00 3.00 2.00 6.00 7.00 40.00 |
| 5.0 | Support for District Health Projects | 34.50 | 1.29% | 5.1 District Health Projects 5.2 Special Projects 5.3 Monitoring & Evaluation | 19.25 7.00 8.25 | 19.25 7.00 8.25 |
| 6.0 | Claims Processing Centers | 40.00 | 1.50% | 6.1 Const of 2 no. CPC Buildings | 40.00 | 30.00 |
| 7.0 | Biometric ID Cards & Authentication System | 89.50 | 3.36% | 7.1 BMS Enrolment Kits (ID Card Printer & Other Peripherals; | 16.20 | 16.00 |

| No. | ITEM | Amount GH¢ 'm | % of Fund | Details | 2021 GH¢ | 2020 GH¢ |
|-----|----------------------------------|------------------|--------------|--|---|--|
| | | | | 400 no @ Ghc 40,500.00 | | |
| | | | | 7.2 Colour Ribbons/Polychrome (5000 no. @ Ghc 550.00) | 2.75 | 2.50 |
| | | | | 7.3 Biometric ID Card (4.0 million no. Ghc 17.50) | 70.00 | 68.40 |
| | | | | 7.4 Monochrome Ribbons (1000 no. @ Ghc 550.00) | 0.55 | 0.50 |
| 8.0 | Management Information System | 205.33 | 7.71% | Software (Ghc 42.81) 8.1 E-Claims Software Enhancement 8.2 Claim IT Software 8.3 ERP Oracle & Application License 8.4 License, Maintenance & Support (SAGE Accounting Software 8.5 Software licence for ManageEngine, ServiceDesk/OP Manage Suite | 15.00 14.40 12.20 1.00 0.21 | 3.00 11.00 10.20 1.00 0.00 |
| | | | | Hardware (Ghc 20.92) 8.6 Computers & Access 1,500 no. @ GHS 6,500 each 8.7 Multi-Function Scanner/Copires 8.8 ID Card Printers & docu Printers, PC hardware maintenance (Contractual) 8.9 Maintenance for Power Inventers (Contractual) 8.10 POS Printers (50 no.), Net Book (20 no.) & Cons.(Ghc 7,920/Dist) | 9.75 0.75 6.60 1.20 2.32 | 3.75 0.00 4.50 1.20 2.32 |
| | | | | Network (Ghc 27.00) 8.11 WAN Backup for Dist & Reg Operations (Contractual) 8.12 WAN & Internet (MTN, Vodafone, MainOne, NITA, Comsys | 25.00 2.00 | 5.00 2.00 |
| | | | | System (Ghc 52.90) 8.13 Provide ongoing maintenance of Nationwide ICT solution (Contractual) 8.14 Mobile Application Solution 8.15 Mobile Renewal, USSD & SMS & Authentication (Contractual) 8.16 Document Management system 8.17 Maintenance & Enhance data (EDI) | 45.00 0.40 5.00 2.50 0.00 | 45.00 0.40 4.00 2.50 3.60 |
| | | | | Infrastructure (Ghc 57.20) 8.18 Equipment & systems modifications for NIA Integration 8.19 Upgrade Data Centre to Tier 4 8.20 Provide Consolodated Data Storage System 8.21 CPC Data Centre Maintenance (Contractual) 8.22 Support set-up of new District and Regional Offices | 3.20 21.00 30.00 0.80 2.20 | 2.00 21.00 0.00 0.40 1.20 |

| No. | ITEM | Amount GH¢ 'm | % of Fund | Details | 2021 GH¢ | 2020 GH¢ |
|------|---------------------------------------|------------------|--------------|---|---|---|
| | | | | Security (Ghc 4.50) 8.23 ICT Security Enhancement 8.24 DC LAN Switches & Firewalls (10 no. @ GHS 30,000 each) | 3.80 0.70 | 1.00 0.50 |
| 9.0 | Office Buildings | 25.20 | 0.95% | 9.1 Ongoing Projects (9 no. District Offices, 6 no. District Offices awarded and 4 Units Washrooms) 9.2 New Projects (6 no. Regional Offices, Contractual) 9.3 New Projects (4 no. New District; 31 contracts awarded out of the 35 no in 2020) 9.4 Settlement of Car Park 9.5 New Projects (10 no. New District) | 0.00 0.00 7.20 0.00 18.00 | 20.81 12.00 52.50 9.00 0.00 |
| 10.0 | Call Center | 1.19 | 0.04% | 10.1 Call Center Operational Cost | 1.19 | 1.19 |
| 11.0 | Archival System & Document Management | 16.92 | 0.64% | 11.1 Materials, Storage, & Services 11.2 Document Digitization | 13.60 3.60 | 13.32 3.60 |
| 12.0 | Support for NHIS Related Research | 0.30 | 0.01% | 12.1 Support for NHIS-related Research work | 0.30 | 0.20 |
| 13.0 | Sensitization, Publicity & Marketing | 7.60 | 0.29% | 13.1 Sensitization, publicity, publicity tools, and marketing programs | 7.60 | 7.60 |
| 14.0 | Claims Data Capturing | 42.00 | 1.58% | 15.1 To capture 60 million claims data | 42.00 | 42.00 |
| 15.0 | NHIS Restructuring | 8.09 | 0.30% | 15.1 Policy, Operational & System Reforms | 8.09 | 8.09 |
| 16.0 | Data Integration | 0.00 | 0.00% | 16.1 Data Integration (EDI Solution) | 0.00 | 12.20 |
| 17.0 | Corporate Social Responsibility | 20.00 | 0.75% | 17.1 Corporate Social Responsibility | 20.00 | 5.50 |
| 18.0 | Contingency | 8.27 | 0.31% | 18.1 Amount allocated for contingencies | 8.27 | 8.27 |
| | Total NHIS Allocation | 2,664.16 | 100% | Total | 2,664.16 | 2,372.30 |
| 19.0 | National Covid-19 Response | 598.00 | 18.19% | National Covid-19 Response | 598.00 | 0.00 |
| | Grand Total | 3,262.16 | | | 3,262.16 | |

7.7 SUMMARY OF PROPOSED ALLOCATION OF FUNDS FOR 2021

| | Notes | GHC'm | % |
|---|-------|-----------------|------------|
| Claims -2021 | 8.1 | 1,488.26 | 55.86% |
| NHIA Operational Expenses | 8.2 | 364.63 | 13.69% |
| Support to District Offices | 8.3 | 45.89 | 1.72% |
| Support to MOH | 8.4 | 266.48 | 10.00% |
| Support for District Health Projects & M&E | 8.5 | 34.50 | 1.29% |
| Claims Processing Centers | 8.6 | 40.00 | 1.50% |
| Biometric ID Cards & Authentication System | 8.7 | 89.50 | 3.36% |
| Nationwide ICT System | 8.8 | 205.33 | 7.71% |
| Office Buildings | 8.9 | 25.20 | 0.95% |
| Call Center | 8.1 | 1.19 | 0.04% |
| Archival System & Document Digitization | 8.11 | 16.92 | 0.64% |
| Support for Health-related Research | 8.12 | 0.30 | 0.01% |
| Sensitization, Publicity, tools & Marketing | 8.13 | 7.60 | 0.29% |
| Claims Data Capturing | 8.14 | 42.00 | 1.58% |
| NHIS Re-Structuring | 8.15 | 8.09 | 0.30% |
| Corporate Social Responsibility | 8.16 | 20.00 | 0.75% |
| Contingency | 8.17 | 8.27 | 0.31% |
| Grand Total | | 2,664.16 | 100 |

7.8 COMPARATIVE & COMMON SIZED ANALYSIS OF BUDGETED FUNDS FOR 2021 & 2020

| Expenditure Line | 2021 | | 2020 | |
|---|-----------------|------------|-----------------|------------|
| | GH¢'m | % of Total | GH¢'m | % of Total |
| Claims - 2021 | 1,488.26 | 55.86 | 1,303.11 | 54.93 |
| NHIA Operational Expenses | 364.63 | 13.69 | 294.54 | 12.42 |
| Support to District Offices | 45.89 | 1.72 | 56.90 | 2.4 |
| Support for MOH Programs | 266.48 | 10.00 | 234.00 | 10.29 |
| Support for District Health Projects & M&E | 34.50 | 1.29 | 34.50 | 1.45 |
| Claims Processing Centers | 40.00 | 1.50 | 33.40 | 1.41 |
| Biometric ID Cards & Authentication System | 89.50 | 3.36 | 87.40 | 3.68 |
| Nationwide ICT System | 205.33 | 7.71 | 122.17 | 5.19 |
| Office Buildings | 25.20 | 0.95 | 94.31 | 3.98 |
| Call Center | 1.19 | 0.04 | 1.19 | 0.05 |
| Archival System & Document Digitization | 16.92 | 0.64 | 16.92 | 0.71 |
| Support for Health-related Research | 0.30 | 0.01 | 0.20 | 0.01 |
| Sensitization, Publicity, tools & Marketing | 7.60 | 0.29 | 7.60 | 0.3 |
| Claims Data Capturing | 42.00 | 1.58 | 42.00 | 1.66 |
| NHIS Reforms | 8.09 | 0.30 | 8.09 | 0.34 |
| Data Integration | 0.00 | - | 12.00 | 0.51 |
| Corporate Social Responsibility | 20.00 | 0.75 | 5.50 | 0.23 |
| Contingency | 8.27 | 0.31 | 8.27 | 0.35 |
| | 2,664.16 | 100 | 2,372.30 | 100 |
| National Covid-19 Response | 598.00 | 18.18 | - | - |
| Grand Total | 3,262.16 | 100 | 2,372.30 | 100 |

7.9 Medium Term Income & Expenditure Plan – 2021 - 2024

Based on the budgetary provisions for the year 2021 and trends in income and expenditure outturns for the past three years (2018 to 2020) of the NHIA and expected trends in inflation for the next three years, income and expenditure targets for 2022 to 2024 are projected as follows:

Medium Term Income & Expenditure Plan: 2021 - 2024

| Details | 2021 | 2022 | 2023 | 2024 |
|--|-----------------|-----------------|-----------------|-----------------|
| Income | GHC'm | GHC'm | GHC'm | GHC'm |
| Levies – NHIL & SSNIT | 1,903.91 | 2,195.39 | 2,413.14 | 2,463.91 |
| Premium (Informal) | 111.77 | 120.00 | 99.09 | 103.54 |
| Processing Fees | 85.29 | 99.55 | 94.03 | 98.73 |
| Income on Investment | 6.18 | 6.49 | 6.81 | 7.15 |
| Road Accident Fund | 0.51 | 0.54 | 0.57 | 0.60 |
| Other Income | 1.81 | 1.90 | 2.00 | 2.10 |
| Receivable from Government | 554.69 | 549.49 | 639.29 | 887.84 |
| National Covid-19 Response | 598.00 | - | - | - |
| Total | 3,262.16 | 2,973.36 | 3,254.93 | 3,563.87 |
| Expenditure | | | | |
| Claims Cost | 1,488.26 | 1,637.09 | 1,800.80 | 1,980.88 |
| NHIA Operational Expenses | 364.63 | 401.09 | 441.20 | 485.32 |
| Support to District Offices | 45.89 | 50.48 | 55.53 | 61.08 |
| Support to MOH | 266.48 | 321.39 | 353.53 | 388.88 |
| Support for District Health Projects & M&E | 34.50 | 36.23 | 38.04 | 39.94 |
| Claims Processing Centers | 40.00 | 59.85 | 62.84 | 65.98 |
| Biometric ID Cards & Authentication System | 89.50 | 93.98 | 98.68 | 103.61 |
| Management Information System | 205.33 | 225.86 | 248.45 | 273.30 |
| Office Buildings | 25.20 | 27.30 | 28.67 | 30.10 |
| Call Center | 1.19 | 1.25 | 1.31 | 1.38 |
| Archival System & Document Digitization | 16.92 | 27.27 | 28.63 | 30.06 |
| Support for Health-related Research | 0.30 | 0.32 | 0.34 | 0.36 |
| Sensitization, Publicity & Marketing | 7.60 | 7.98 | 8.38 | 8.80 |
| Claims Data Capturing | 42.00 | 44.10 | 46.31 | 48.63 |
| NHIS Re-Structuring | 8.09 | 8.49 | 8.91 | 9.36 |
| Corporate Social Responsibility | 20.00 | 22.00 | 24.20 | 26.62 |
| National Covid-19 Response | 598.00 | - | - | - |
| Contingency | 8.27 | 8.68 | 9.11 | 9.57 |
| Total | 3,262.16 | 2,973.36 | 3,254.93 | 3,563.87 |

8.0 EXPLANATORY NOTES EXPENDITURE

8.1 CLAIMS

8.1.2. CLAIMS – 2021

A total amount of **GH¢ 1,488.26 million** is allocated for the payment of claims of health service providers for 2021 for a projected active membership base of **17,365 million**, the budgeted amount has factored in expected medical inflation and 20% increase in tariffs. This expenditure shall be funded from earmarked allocation from premium and claims subsidies in 2021 and premium contributions from the informal sector.

8.1.3 PREMIUM SUBSIDY

This represents subsidy payable by Government on behalf of the 11,156 million members of the exempt category of the NHIS. The total expected subsidy for 2021 is **GH¢200.82 million**. Details are as follows;

Indigents

Ghana's estimated population for 2021 is about **31.574 million**. The indigent population for 2021 is estimated at **1,735,738**. It is estimated that 79% of indigents (i.e. **1,378,197** indigents) shall be covered under the scheme in 2021. An amount of GH¢18.00 is allocated as premium for each indigent and hence, a total amount of **GH¢24.81 million** will be required as premium subsidy for the indigents in 2021.

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 7,282 million in 2021. A provision of **GH¢131.09 million** has therefore been made to cover for the premium of this exempt group.

SSNIT Pensioners

The number of SSNIT pensioners is estimated at 189,754 in 2021. It is estimated that 55% of this number (i.e. 104,542) will be covered under the scheme in 2021. An amount of **GH¢1.88 million** is allocated to cover the premium of SSNIT pensioners in 2021.

The Aged

Those considered to be the aged population are those of 70 years and above. 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 925,945 of the estimated 31,574 million of the population will constitute the aged population in Ghana in 2021. About 86% or 793,435 of the estimate is expected to be covered by the Scheme in 2021. An estimated amount of **GH¢14.28 million** is allocated for the payment of premium for the 793,435 aged expected to be covered under the scheme in 2021.

SSNIT Contributors

SSNIT contributors are automatically covered under the law because of their 2.5% monthly contribution to the NHIF. It is estimated that 702,905 SSNIT contributors representing 54.0% of the expected number of SSNIT contributors will be covered under the scheme in 2021. An amount of **GH¢12.65 million** is therefore allocated to cover their premium under the Scheme in 2021.

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 894,843 pregnant women in 2021. An amount of **GH¢16.11 million** is allocated for the payment of their premium under the Scheme in 2021.

8.1.4 CLAIMS SUBSIDY

The claim subsidy is based on total estimated active membership of **17,365 million** in 2021. Average claim cost per head in 2021 is estimated at **GH¢70.79**. Against expected average premium of **GH¢18.00** per head per year, the shortfall of **GH¢60.79** constitute the estimated claims subsidy for each expected active member in 2021.

Based on this, an amount of **GH¢1,175.67million** is allocated to the Scheme as claims subsidy in 2021.

8.1.5 INFORMAL PREMIUM EARMARKED FOR CLAIMS

Premium of **GH¢111.77 million** expected from the informal sector in 2021 is also allocated for the payment of claims in 2021.

8.2 NHIA OPERATIONAL EXPENSES

The National Health Insurance Act, 2012 (Act 852) unified the 165 Schemes into a unitary National Scheme under the National Health Insurance Authority. The budget of the Authority's operations for 2021 covers activities of the Head office, the 16 Regional offices, and activities of the 165 District 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 2021, a total amount of **GH¢364.63 million** representing 14.11% of total expected receipts is earmarked as expenditure for the Authority's operations (Compensation, Goods & Services and Assets. Details of this amount are captured in the 2021 NHIA Operational Budget Document.

8.3 SUPPORT TO DISTRICT OFFICES

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

A total amount of **GH¢45.89 million** will be required by the 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 50 of such vehicles would be replaced at a total cost of **GH¢10.86 million**.
- ii. An amount of **GH¢4.42 million** has been allocated for the training and development needs of all District Staff across the country. The allocation covers course fees, conference packages, training materials for workshops, seminars and special capacity building programs for District Offices. Per Diems of participants are excluded from this budget.
- iii. Provision of administrative and logistical support will average **GH¢0.155million** per District Office. This amounts to **GH¢30.61 million**. Of this amount, **GH¢5.66 million** will be administered directly from the head office on behalf of the District Offices to cater for office rent, logistics for newly created offices, insurance policies etc. The remaining **GH¢24.95 million**, will be released or disbursed to the District Offices on quarterly basis to cover the following:
 - Marketing and publicity programs
 - Per Diems for attending training and other programs organized by the Head Office
 - Creation of cubicles for bank teller in-plant
 - Printing, stationery and office consumables
 - Maintenance and repair works
 - Membership drive
 - Travelling expenses and allowances
 - Fuel & Vehicle running cost.
 - Utilities
 - Etc

8.4 SUPPORT FOR MINISTRY OF HEALTH PROGRAMS

8.4.1 Public Health & Preventive Care

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¢266.48 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 2021 allocations are:

| Ministry of Health Budget Provision 2021 | GH¢'m |
|---|---------------|
| Malaria Control Program | 65.00 |
| Malaria Commodities | 11.93 |
| Sickle Cell Screening Program | 0.50 |
| Antiretroviral Medicines & Counterpart Funds | 24.35 |
| Ambulance Service | 10.00 |
| Expanded Program on Immunization (EPI) Vaccines | 72.00 |
| Rabies Vaccines | 2.00 |
| Psychotherapeutic Medicines | 5.00 |
| Contraceptives | 3.00 |
| Tetanus Immunization | 2.00 |
| Anti-snake West African Polyvalent Sera (PFR) | 15.00 |
| CSM Vaccines & Medicines | 2.00 |
| Commodities for TB | 1.70 |
| Blood Collection Bags and Reagents for NBTS | 2.00 |
| Fellowship for Continuing Students | 3.00 |
| Total | 219.48 |

| | |
|--|---------------|
| Health Service Investment | |
| 4.15 Const. Health Training Schools | 7.00 |
| 4.16 Health Provider E-Health Solution | 40.00 |
| | |
| Grand Total | 266.48 |

8.4.2 Health Service Investment

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

The Authority is supporting the construction of buildings in some health facilities and some health training schools in the country. In 2020, an amount of **GH¢7.00 million** is allocated to support these projects. The projects are as follows;

- Akatsi District Health Hospital
- Pantang Health training school
- Sampa Health training school
- Hohoe Midwifery Training school
- Korle-bu Per-operative facility
- Bibiana Anhiaso Bekwai

An amount of **GH¢40.00 million** is also allocated to support health provider system integration.

8.5 SUPPORT FOR DISTRICT HEALTH PROJECTS & M&E ACTIVITIES

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 2021 and therefore propose to allocate an amount of **GH¢70,000.00** for each district health project, plus an amount of **GH¢7.00 million** for special projects. The allocation for 2021 is therefore **GH¢26.25 million**.

The Authority also allocates **GH¢8.25 million** for health related monitoring and evaluation activities of the 275 members of Parliament in their respective constituencies. Each member is allocated **GH¢30,000.00**. These activities are expected to contribute towards the improvement of health services in their respective constituencies.

8.6 CLAIMS PROCESSING CENTRES

A total amount of **GH¢ 40.00 million** is allocated for the construction of two (2) claims processing centers with state-of-the-art facilities. 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 project is anticipated to take three years to complete and the budgetary provision is meant to cover the following for the year 2021;

- The Building structure.

- Infrastructure, furniture and fittings

8.7 INSTANT BIOMETRIC ID CARD & AUTHENTICATION SYSTEM

The Authority has deployed an instant biometric ID card and authentication system in all its district offices across the country. This system will enhance data integrity and subscriber authentication at point of access to health care, as well as ensure greater checks and control in the claims payment system. This is also expected to reduce provider shopping, subscriber abuse and fraud. In 2021, the NHIA intends to provide the necessary accessories, consumables and maintenance support to improve and sustain the efficient and effective running of this system.

In this regard, an amount of **GH¢89.50 million** is allocated to cover the following:

- cost of replacing worn out enrollment kits and smart printers for district offices and sub offices. We intend to procure 400 no smart printers and accessories at an estimated per unit cost of **GH¢40,500.00**.
- provision of 4 million biometric ID cards at a cost **GH¢17.50** per card.
- Polychrome ribbons (5000 no at a unit cost of **GH¢550.00**) worth **GH¢2.75** million will be delivered. Additional 1,000 monochrome ribbons (**GH¢ 550** per unit) are expected to be contracted in 2021.

8.8 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 meet and sustain these objectives, a total amount of **GH¢205.33 million** is allocated for the equipment, maintenance and upgrade of the Nationwide ICT system. The breakdown of the expenditure is as follows;

- An amount of **GH¢12.20 million** to upgrade the Oracle ERP Applications and license renewal for Oracle and **GH¢ 4.20 million** for ISO Certification, to enhance the security of our ICT platform.

- A total amount of **GH¢6.60 million** is earmarked for infrastructure and SLA management tools and hardware maintenance (ID card and document printers, computers, etc) across the country.
- A total amount of **GH¢ 45.00 million** is allocated to provide for ongoing contract on maintenance of nationwide ICT solution (BMS, Data Center etc)
- An amount of **GH¢9.75 million** is earmarked for the purchase and installation of 1,500 computers to replace broken down machines at the district and head offices.
- An amount of **GH¢2.32 million** is allocated for the cost of 50 no. POS printers, 20 no netbook computers and consumables (**GH¢7,920/Dist Office**) to operationalize and maintain Electronic Receipting system implemented across the country and **GH¢14.40 million** to provide for Claim-IT software upgrade and maintenance and back-end hardware infrastructure.
- An amount of **GH¢3.20 million** is allocated for the provision of IT systems changes in the NHIA for integration with the IT systems of the National Identification Authority (NIA)
- An amount of **GH¢5 million** is provided for the cost of USSD and SMS for mobile renewal services. The amount includes arrears from the year 2021.
- An amount of **GH¢25.00 million** is provided for back-up links for the NHIA Wide Area Network to improve network availability across the country.
- The NHIA Data Center experienced multiple shutdowns in 2019 due to inadequate power protection system and over aged infrastructure. To improve services, an amount of **GH¢21.00 million** is provided to upgrade the Data Center from Tier 1 to Tier 3. This activity was not executed in 2020.
- An amount of **GH¢15 million** is provided for the enhancement and maintenance of of E-Claims software by Nearshoring for the year 2021.
- An amount of **GH¢30 million** is provided for two (2) consolidated central data storage system to replace end-of-life siloed data storage systems. This includes servers and switching equipment to be installed at the data center and disaster recovery (DR) sites.
- An amount of **GH¢11.66 million** is allocated for document management (to improve workflow efficiencies), mobile platform solution, LAN switches and firewalls, , subscribed telecom services (MTN, VODAFONE, NITA, COMSYS, and MAINONE), SAGE support and maintenance services, ICT set-ups for the new District and Regional Offices and maintenance for Power Inverters.

8.9 CONSTRUCTION OF DISTRICT AND REGIONAL OFFICES

In the year 2021, the Authority intends to award and construct 14 new District offices. This includes the remaining 4 new district offices ((**GH¢ 7.20 million**) that were part of the 35 no district offices approved for the commencement of construction in 2020. A provision of **GH¢18.00 million** is made for the construction of the 10 additional district offices, bring the total cost of the said 14 district offices to **GH¢25.20 million**. Currently, Contracts for the constructions of 40 no district offices and 6 no regional offices have been awarded and construction is ongoing.

8.10 CALL CENTRE

The Authority proposes a budget of **GH¢ 1.19 million** for the operation of call centers in 2021.

8.11 ARCHIVAL SYSTEM & DOCUMENT DIGITIZATION SYSTEM

The Authority has earmarked an amount of **GH¢16.92 million** for the operation of the archival services for the millions of claims documents from over 4,000 credentialed health providers. The amount will cover the cost of materials, storage, transportation, handling and services. An additional amount of **GH¢6.33 million** is allocated for the cost of claims digitization. This amount includes **GH¢2.82 million** unpaid liability for the year 2020.

8.12 HEALTH RELATED RESEARCH

An amount of **GH¢0.30 million** is earmarked as donation for health related research to be undertaken by external entities and individuals.

8.13 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 through the media, subscriber hand books etc. The aim is to increase public confidence in the Scheme and also sensitize the public on national preventive care campaigns being undertaken by the NHIA. A total amount of **GH¢ 7.60 million** is set aside for this purpose.

8.14 NHIS Re-Structuring

In 2021, we intend to implement the recommendations of the technical sub-committee on the review and re-structuring of the entire NHIS, in collaboration with the Ministry of Health. An actuarial study of the recommendations of the technical committee was undertaken in 2019. A total of **GH¢8.09 million** has been allocated towards this end.

8.15 Claims Data Capturing

The Authority intends to capture paper-based claims data onto a software. This is meant to ensure analysis of claims data to facilitate strategic decision making in the management and control of claims cost. A total quantity of 50 million data on claims will be captured in 2020 at a cost of **GH¢ 42.00 million**.

8.16 Corporate Social Responsibility

In 2021 the Authority will continue to contribute towards programs aimed at ensuring social and environmental sustainability. An amount of **GH¢ 20.00 million** has been earmarked to cater for this move.

8.17 CONTINGENCY

For the purpose of meeting unexpected commitments of the Authority and price increases within the year, an allocation of **GH¢ 8.27 million** has been earmarked.

8.18 National COVID-19 Response

As part of measures to curb and fight the COVID-19 pandemic and related health issues, the Government has made a provision of **GH¢ 598.00 million** for disbursement through the Authority in the year 2021.