Healthcare Financing: Issues & Challenges in Nigeria

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INTRODUCTION

- Health Sector Reform has generally been defined as a sustained, purposeful change to improve the efficiency, equity and effectiveness of a nation's health system.
- It is imperative that for a sustainable socio-economic development there must be in place a well-funded and a well-planned or well-managed healthcare delivery system at all levels of governance.

Cause of Issues in Healthcare Financing

- Many countries of the world now carry out reforms within their healthcare system, which aim to bring about innovative changes in health policy formulation and institutional arrangements.
- Reduced life expectancy, and high maternal & child mortality rates (indices of health system performance)
- Duty of the Nigerian state to ensure provision of adequate healthcare for its citizenry as a right to which we are all entitled – large population

Issues of Health Financing

- Public healthcare delivery system in Nigeria has virtually collapsed due to Government funding constraints/poor management of the inadequate budgetary allocations at all levels
- Inefficiencies in current systems
- rapid population growth and
- Emergence of new diseases and challenges.

OBJECTIVES OF A HEALTH FINANCING SYSTEM

- **Equity**
- **Comprehensiveness**
- **Efficiency**
- **Accessibility**
- **Political Acceptability**
- **Sustainability**
- **Accountability**
- **Affordability & Pro poor**

Role of Government

Provision of enabling environment for alternative healthcare funding.

Sound knowledge or information of how health services are financed

What goods and services are being delivered and who is paying for them (health data/survey)

Sources of financing

- Taxes (income, property and consumption taxes)
- User charges (cost recovery fees charged at the point of service delivery)
- Mandates (forcing employers and individuals to contribute to insurance plans)
- Grants (direct transfers to the health system)
- Loans (from International Financial Institutions such as the World Bank)

Sources of financing - Private

- Out-of-pocket expenses (from individuals)
- Charitable contributions (from individuals, corporations and foundations)
- Private health programmes
- Loans (from banks and individuals to either build or implement)

National Health Accounts (NHA)

- An accepted tool for summarizing, describing and analyzing the financing of health systems generally either at local, state and national levels. The overall aim is to improve health system performance.
- Useful in supporting stewardship role and decision-making by both policy makers and stakeholders.
- Nigeria as a nation must have a well constructed National Health Accounts system in line with international standards and practice if we really have serious concerns for a sustainable health system

WHAT ARE THE OPTIONS

Need for a national social health insurance as a means of funding our healthcare system.

Contributory schemes by the employers and the employees to make it sustainable.

National Health Insurance Fund

NHIS

NHIS as a social financing scheme can generate more money for health care expenditure without overburdening individuals.

Health insurance assures the provision of quality and excellent medical care at all times for the insured.

Assures appropriate remuneration for health professional

Political will of governments to enforce its implementation according to laws setting up such schemes

Managed Care and HMO's

HMO's as middlemen?

Activities of the present crop of HMO's have resulted in payment of low rates of capitation paid to providers, low rates of fees for secondary care service and delay in payments that are often blamed on the organisations who patronisise the HMO's.

Resultant effect is low quality of service to the enrollees consequent upon the treatment from the HMO's.

In Nigeria, the majority of HMO's were initiated by inexperienced individuals, many of whom saw a lucrative opportunity and a way to generate considerable cash flow without understanding the long-term consequences.

Managed Care & HMOs

A Health Maintenance Organisation is a company that aims to ensure the health of its enrolled members by providing an appropriate, cost effective mix of curative and preventative medical services.

HMOs try to moderate unnecessary costs and expect appropriate care from providers that will prevent their patients from coming back for repeat treatments.

Role of Professional Bodies

Nigerian Medical Association, Lagos State Branch, came up with a Scale of fees/charges as the minimum for various services rendered in our hospitals and clinics, *for fee-for-service and also for capitation under managed care concept* through actuarial computations by various experts.

This was passed to all HMO's to serve as one of the basis for negotiating their premiums with corporate organisations.

Scale of fees, as we are all aware, is not peculiar to doctors alone as engineers, architects etc as professionals, also have their own scale of fees.

Monetisation

- Monetisation of healthcare access by some employers or governments
- Such monies will be diverted into other ventures by the beneficiaries and at the end of the day we would have contributed negatively into enhancing the health of the individual or his family.

Public and Private Partnerships (PPP)

- Environment for increased private sector and community involvement in service provision and finance of the health sector
- Accreditation of Private Providers to serve patient by providing service
  e.g. wet-leasing of high-end technology and technology intensive services (e.g. imaging, diagnostic and mortuary services, laboratory services include blood transfusion) as well as accounting services (banks) and non-clinical support services (catering services, laundry etc)
- Joint Ventures with private sector and NGOs to establish public health programmes
- Decentralisation of hospital management by inviting notable community leaders on board with appropriate legislation/policies for proper control and regulation.

USER CHARGES

- User Charges be introduced in our public health institutions.
- For example, fees can be introduced for laboratory services, ultrasound scanning, radiological services, cost of performing surgeries etc.
- If well managed it can even be self sustaining like the WHO recommended Drug Revolving Fund (DRF)

Equipment Leasing and Financial Institutions

- Any health facility either public or private should be able to attract funds from financial institutions for sustenance through equipment leasing facility
- Lower regular payments can be negotiated and there is little risk of retaining obsolete equipment while interest payments on sourced finance may be tax deductible as an operational expense.
- The facility may also negotiate the option of either returning the equipment at the end of the lease period, purchase the leased items at fair market value, or continue to lease equipment on a regular basis. For the aforementioned reasons, it is recommended that any healthcare institution that is investing in costly technological equipment should explore equipment-leasing option an affordable alternative to outright purchases.
- The banking industry and indeed our financial institutions can produce tailor-made products that will encourage governments, medical practitioners, in private and public practice and other stakeholders in the healthcare industry to have easier access to funds to improve service delivery.

Drug Revolving Fund

- An effective drug revolving fund management is advocated in our public health institutions so as to make essential drugs available and the DRF should be driven to make it self-sustaining and self accounting. It is usually a veritable source of revenue generation in the hospital setting.

Human Resources Development and Training Institutions

- Human Resource Development must be adequately addressed. Attention must be paid to training and retraining of healthcare professionals, doctors, nurses, pharmacists etc.
- Upgrading of our health and training institutions to meet the ever-increasing challenge must also be a deliberate government policy.

Conclusion & Recommendations

- Participation of all Nigerians in formal and informal sectors of the economy in a national social health insurance scheme.
- The contributions to the scheme should be made compulsory and funds pooled therefrom should be used equitably to provide for the healthcare of our citizenry.
- Managed Care concept using Health Maintenance Organisations with payment of appropriate capitation and fees for secondary care service to their network of carefully chosen network of providers
- Governments must increase budgetary allocations to health

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THANK YOU

ROLE OF THE NIGERIAN DOCTORS IN DIASPORA IN IMPROVING HEALTH IN NIGERIA

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Background

Health inequality across the world is extreme. The populations of low income countries like Nigeria from which some health professionals are migrating to the Uk, the USA and other high income countries suffers appalling high levels of morbidity and mortality, associated with very severe under funding of the health services.

Table 1: New registrations of nurses in the UK, numbers of doctors on the UK register, and selected health indicators, for selected African and other countries

Country	Nurses: no. joining register 2003/4	Doctors: no. on register 1.1.04	Life expectancy at birth 2002	Total health expenditure /head ($) 2002
Sub-Saharan Africa				
South Africa	1,482	6,208	50.7	222
Nigeria	511	1,461	46.8	15
Zimbabwe	391	117	37.3	45
Ghana	354	250	57.6	12
Zambia	159	78	39.7	19
Kenya	140	60	50.9	29
Botswana	90	0	40.4	150
Malawi	64	18	40.2	13
South and SE Asia				
Philippines	4,338	14	69.2	30
India	3,673	14,000	61.0	24
Pakistan	140	3,907	61.4	16
Sri Lanka	36	1,903	70.3	32
High income commonwealth				
Australia	1,326	2,548	80.4	1,192
Total overseas (non-EU)	**14,122**			
Total overseas (non-UK)	**15,182**	**81,891**		
UK	19,455	130,602	78.2	1,[illegible]
Total registrants	**34,637**			
Total on register	**660,480**	**212,356**		

Source: NMC 2004, GMC 2004, WHO [illegible] accessed 3.2.05

Table 2: Selected indicators of health need, health service staffing and performance, Ghana and UK, last available year

Indicator	Ghana	UK
Need indicators		
Mortality < 5 / 1,000 boys	100	7
Mortality < 5 / 1,000 girls	99	6
TB cases notified/ 100,000 population	57	2
Staffing		
Nurses/ 100,000 population	64	497
Nurses and midwives/ 100,000 population	84	540
Physicians/ 100,000 population	9	166
Outputs		
Births with a skilled attendant (%)	44	100
Immunisation against polio (%)	80	91
Immunisation against diptheria ++ (%)	80	91

Source WHO www.who.int accessed 3.2.05

The migration of health care professionals is an aspect of rapid international integration and commercialisation of health service labour markets, in the context of high level of inequity. These processes are cumulative and self reinforcing, and hard to reverse. Therefore we need to develop a policy of collaboration to work with and not to against the gains of these development. This collaboration will be best done within a political framework that accepted that health professional migration blurs the boundaries between countries of origin and destination countries health services.

The best way forward is therefore to make these boundaries permeable (Globalisation) and create links between institutions, professional associations, like trade unions and individuals, so that professionals increasingly accept that they are colleagues in a joint enterprise of health service development that can only be done ethically if it explicitly addresses, overtime, inequalities of services and conditions.

Specific Roles Doctors in Diaspora can play

1. Training and Teaching Support in Medical Schools and Health Institutions; e.g. exchange of students, examiners and Doctors on an institution – institution arrangements

2. Infrastructural Support e.g. build new or renovate structures, provide LCD Projectors and screen, books, surgical equipments, consumables e.t.c. some equipments that are obsolete in developed countries may find use in Nigeria e.g. reusable instruments still appropriate here because we can not support the cost for disposable equipments.

3.Strengthening of trade unions and NGOs at home. The Diaspora can help their Nigerian counterparts ability to defend and improve the terms and conditions of the Nigerian Health workers – in effect, improving the conditions that can encourage people to stay or return to Nigeria.

4. Support for research and developments: Assist to bring in funds for research and support initiatives for the overall improvement of the Health systems.

5. Information Sharing. Doctors in Diaspora can help to address the isolation of their colleagues especially those bin the rural areas by letting them know about new research and innovations. Such resources could include clinical guidelines, medical and management journals and development of library twinning programmes. Diaspora Doctors can also sponsor the attendance of Nigerian Doctors at relevant conferences.

6. Diaspora Doctors can encourage their collegues to come on voluntary work in Nigeria by supporting them financially and materially. These volunteers may not necessarily be Nigerians, but many are keen on adventures and they need to be supported

6. Doctors in Diaspora can organise special, adhoc training for their collegues at home for the purpose of continuing professional developments (CPDs) or continuing Medical Education (CME). The Nigerian Postgraduate Medical College and the Medical Council must be encouraged to develop criteria for the recognition of such training.

Finally, Government, the Nigerian Medical Association (NMA), Medical and Dental Council of Nigeria (MDCN) and the Postgraduate Medical College of Nigeria, must be ready to work together to provide information, meeting facilities and provide other environment for the voluntary work by the Diaspora.

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