

MINISTERIAL STATEMENT

ON

NATIONAL HEALTH INSURANCE SCHEME

BY

THE HON. MINISTER OF HEALTH, DR CHILUFYA, MP

Mr Speaker, I thank you more sincerely for allowing me this opportunity to render a ministerial statement on the National Health Insurance Scheme (NHIS).

Sir, on 9th April, 2018, His Excellency the President, Mr Edgar Chagwa Lungu, signed into law the National Health Insurance Act No. 2 of 2018. This Act provides for the establishment of the compulsory NHIS under the management of the National Health Insurance Management Authority (NHIMA). However, recognising the need for increased domestic mobilisation for health, this scheme forms the integral part of our healthcare financing strategy. Indeed, the Government acknowledges that the attainment of our national goal for universal health coverage relies broadly on the sustainable mobilisation of revenue, adequate pooling of resources and responsible purchase of health services and commodities. As such, the NHIS forms an integral part of the path towards the attainment of universal health coverage.

Mr Speaker, the National Health Insurance Act No. 2 of 2018 provides for the establishment of the NHIMA which will implement the insurance scheme. The authority will manage the National Health Insurance Fund into which all the eligible citizens, based on the progressive principle of ability to pay, will contribute a monthly premium. The authority will in turn purchase, on behalf of the Zambian people, a defined package of healthcare services from accredited public and private healthcare providers.

Sir, we have not been resting on our laurels. Over the past year, the enabling legislation was passed, a number of critical milestones have been reached and the technical team has also been working hard to finalise the operational modalities.

Mr Speaker, I will go through the milestones:

Organisation and Governance Structures

The board of the NHIMA was inaugurated on 15th March, 2019, in accordance with the National Health Insurance Act.

Staff Recruitment

The Director General of NHIMA has been appointed and he is in place to lead the implementation of the scheme. The staff recruitment is underway and up to date. So far, seven initial staff have been recruited.

Business Case

We have concluded the feasibility and actuarial studies. We have conducted thorough research and assessments. We have also developed a sustainable business case that fits our needs. The analysis and assessment will continue as we gain actual utilisation data during the implementation phase and the system will be adjusted to iron out any kinks over time.

Regulations

Working with various stakeholders and the Ministry of Justice, we are now finalising the regulations which will provide for the efficient administration of the National Health Insurance Act No. 12 of 2018. The regulations will provide the detail procedures governing the registration of employers and beneficiaries, contributions, records and various related provisions.

Contributions

In line with the signed collective agreement of 2018, deductions of 1 per cent of earnings of formal employees and matched by a 1 per cent employer contribution will begin in August, 2019. These contributions will be paid into the National Health Insurance Fund. In sticking to the

actuarial valuation that supports the business case, a four months waiting period is needed before commencement of service provision. This period allows for final preparations and testing of the systems as well as accumulates reserves for solvency of the scheme. Further, also note that funds are not immediately required for payments will be invested in short term instruments to enhance solvency of the fund.

The scheme will be phased, starting with the formally employed both in public and private sectors and will be expanded to include informal sectors and vulnerable groups. The Government will make contributions on behalf of indigent persons as identified by existing systems under the Ministry of Community Development and Social Welfare. The details of contribution rates for the informal sector will be informed by further analytical work from the first phase to ensure sustainability of the fund.

Communication Strategy

Mr Speaker, as we embark on this important work, we recognise the need to continue to educate and inform the nation of the system and design, requirements, and benefits. A public education campaign will continue to be rolled out over the next several months to provide more information and address concerns as they arise. We have continued to engage key stakeholders, unions, associations and the public. This engagement has been heightened, leading to the commencement of the deductions next month end. A deliberate effort will be made to communicate on local language platforms in all the ten provinces of the country.

Systems Capability

Sir, a third party administration company is being sourced in order to enhance Information Communication Technology (ICT) capability and implementation efficiency in the establishment and management of the scheme. The NHI ICT system will offer capability monitoring and administering of the NHI system, carrying out registration of beneficiaries, issuing smart cards, maintaining a record of all beneficiaries and contributors, collecting contributions, processing

claims and paying from the NHI fund benefits as agreed between healthcare providers and the authority, and providing checks and balances to prevent fraud.

Essential Health Care Benefit Package

Mr Speaker, members will have access to an essential health care benefit package at primary, secondary, tertiary and specialised level. This will include medical services ranging from registration or consultation fees, investigations, pharmaceuticals, inpatient services, surgical services, ambulance, mobile and referral services, annual medical checkups, medical health, mental health, health promotion activities, maternal and paediatric services, dental and vision care.

Accreditation and Publication of Accredited Facilities

Sir, arrangements have been put in place to facilitate accreditation and contracting of public and private providers. In conjunction with the Health Professionals Council of Zambia (HPCZ), a list of accredited public health care facilities will be published in the print media. These are the facilities to which members will go for services. Members will further be able to access services countrywide from accredited public and private providers.

Registration of Members

Mr Speaker, following the commencement of deductions, a registration drive will aim to capture in excess of 700,000 formally employed individuals in both public and private sectors in the initial phase. This exercise will subsequently be expanded to a community based registration of self employed individuals. Further, we plan to work with associations of people in the informal sector for registration and capturing of contributions.

Sir, let me conclude by emphasising that health care is a basic human right and investing in health is an important and crucial undertaking in ensuring that we achieve national social economic development. The NHI scheme is just one component of a comprehensive strategy to

steer our health system in a new direction towards greater efficiency, improved quality and financial sustainability. The NHI will also remove the need for out of pocket payments.

Mr Speaker, I would like to end by encouraging citizens that the NHI is not a tax but a subsidy as the pooled funds will result in reduced premiums for all. It will remove the out of pocket payment which is a barrier to health care. I encourage the entire nation and hon. Members of Parliament to get on board and be part of this transformation. Let us focus our collective energy on ensuring the successful implementation of the NHI scheme as it will assure universal health coverage.

Mr Speaker, I thank you.