



EXPLORING FINANCIAL AND OPERATIONAL INTERVENTION STRATEGIES FOR SUSTAINING THE NATIONAL HEALTH INSURANCE SCHEME OF GHANA: AN EMPIRICAL REVIEW

Alexander Boateng
Opoku Ware Senior High School

ABSTRACT

Although imperative to Ghanaian citizens' well-being, the National Health Insurance Scheme faces many sustainability challenges. The Scheme faces financial and operational challenges that have limited its viability and healthy for all people. Therefore, this study aims to review the financial and operational changes and sustainability of the Ghana National Health Insurance Scheme to offer policy guidance. The outcome showed that the intensity of community education is a key method for ensuring the National Health Insurance Scheme's operational sustainability. Moreover, sourcing extra funding for the levies on large, profitable companies was found to be a possible strategy for ensuring financial sustainability. Finally, the study demonstrated that the existence of fraud and persistent corruption in health insurance schemes pose a threat to the sustainability of the Scheme. Conclusion and recommendations for future studies are discussed.

KEYWORDS: *Financial sustainability; Operational sustainability; Sustainability; National Health Insurance Scheme.*

1.0 INTRODUCTION

Access to affordable, high-quality healthcare is still challenging for international health systems. As a result, several health finance arrangements, including National Health Insurance (NHI), have been implemented by countries to ensure that everyone has access to basic, high-quality healthcare. Ghana is one of the few countries in Sub-Saharan Africa that allocates a sizable amount of its Gross Domestic Product (GDP) to health care. According to the World Bank, Ghana spent 5.4 percent of its GDP on health in 2013, compared to 3.9 percent in Nigeria, 4.5 percent in Kenya, and 4.6 percent in Benin. Similar to this, Ghana's government (GoG) budget allocation to health was 10.6% of all government spending (Ministry of Health, 2014), moving it closer to the Abuja aim of 15% (World Health Organization, 2016).

Several community-based health insurance programs in Africa have been implemented with varying degrees of success. But for many of Africa's low- and middle-income countries, particularly Ghana, these health insurance policies' operational and financial viability have been a major problem. The third Sustainable Development Goal (SDG) of the United Nations was created in order to ensure healthy lives and improve well-being for all people of all ages (World Health Organization, 2020). This universal goal obliges all nations to devote themselves and exert all effort in establishing and maintaining their national health insurance policy to ensure equitable access and adequate healthcare quality. Building a system that can be financially self-sufficient and give the populace better health results requires different methods and approaches in every country.

In this context, the term "sustainability" refers to the ability of Ghana's NHIS to function correctly and accomplish its goal without collapsing. To improve the quality of health care and insurance services and increase subscriber confidence and use of NHIS services, a sustainable NHIS would address problems such as insufficient funding for provider payments and administrative responsibilities. Capitation is specifically included as one of the provider



payment methods in the legislation, LI 1809, which also permits using other payment methods. This system acknowledges international best practices and that no provider payment method is fault-free.

A Parliamentary Act (ACT 650, Amended Act 852) states that Ghana was the first in Sub-Saharan Africa to adopt the NHIS, and full implementation started in 2004. Under the NHIS amended Act 852, every Ghanaian should participate in a health insurance program. However, this legislative framework is not enforced uniformly because of the size of Ghana's unorganized sector and the administrative prowess of the NHIA. Three stakeholders are considered critical to the NHIS' efficiency and long-term viability, i.e., the Scheme, service providers, and subscribers. The plan guarantees that monies are disbursed to providers promptly and efficiently. On the one hand, service providers must ensure that subscribers receive high-quality service, while subscribers are required to make premium payments as quickly as possible.

According to Addae-Korankye (2013), the NHIS does not receive enough financing; the amount spent on financing the free maternal health policy was nearly five times that of the donor-funded seed grant (Ankrah Odame et al., 2014). Hence, this study tries to identify the difficulties the NHIS's implementation faces. Sodzi-Tettey et al. (2012) found that the program was in danger due to administrative, budgetary, and organizational issues. To save the Scheme's future, the researchers proposed, among other things, using a more advanced payment method.

Despite the Scheme's subscriber expansion, the NHIS continues to confront significant challenges that might jeopardize its viability and sustainability after two decades of operation. One such obstacle that threatens the operations of the Scheme is financial sustainability. Previous studies have expressed concerns about the Scheme's ability to meet its financial obligations. Therefore, this study aimed to ascertain the national health insurance scheme's operational and financial sustainability intervention techniques, which have received limited attention in extant literature. The study's outcome would be relevant for improving healthcare delivery and SDG 3.

2.0 EMPIRICAL REVIEW

2.1 Financial sustainability practices for national health insurance systems

The National Health Insurance Fund (NHIF) was created by Act 650, and its main objective is to provide funding to assist district mutual health insurance plan members with their medical bills. Instead of covering the medical expenses of district MHIS participants, the NHIF was reprogrammed to cover those of NHIS participants. The National Health Insurance Levy, which consists of a 2.5 percent VAT and a 2.5 percent contribution from each person to the National Basic Social Security Scheme, provides more than 90% of the Fund's revenue. The primary funding source for the program is the National Insurance Levy, which accounts for 2.5 VAT and 70% of the Scheme's profits (Blanchet et al., 2012). Funds from the NHIF will be utilized to pay claims made by healthcare providers for treating program members.

2.2 Financial Sustainability Challenges

Various healthcare payment systems have been developed to enhance access to healthcare services while ensuring financial sustainability. This began with removing all user fees in government health institutions upon independence in 1957. Without additional funding sources to supplement the present ones, the NHIF is expected to be depleted by the end of 2016. As a result, more funding sources for the plan are required, as are cost-cutting methods to reduce operational expenses (Agbanyo, 2020). According to the 2013 NHIA report, there is mostly a delay in payment of claims to health service providers; the reason due to this is that almost 80 percent of the operational funds go to the service providers. Inconsistencies in the processing and payment claims at the District Mutual Health Insurance Schemes have been identified as a major concern for the program in the Auditor General Report 2012.

2.3 Threat to Operational Sustainability of the National Health Insurance System

Ghana is one of the few countries in sub-Saharan Africa with a GDP that is quite high in relation to health expenditures. According to the World Bank, Ghana's overall health expenditure as a percentage of GDP was 5.4 percent in 2013. In the larger African context, a number of health insurance programs have been implemented with varying degrees of effectiveness. However, these health insurance policies' practical and financial viability has been a major worry for many of Africa's low- and middle-income countries, including Ghana. The three kinds of threats to the NHIS's operational, financial, and political viability were identified by Fusheini et al. (2012). Health insurance fraud and



corruption, abuse of the gatekeeper system, which mandates that patients visit their primary care physician first and then be referred to a higher-level facility when necessary, low premium payments, and a broad range of benefits without a co-payment are all threats to the financial sustainability of the system. Another key sustainability challenge noted in the literature is the low quality of healthcare provided by institutions with NHIS accreditation. (Alhassan et al., 2015; Alhassan et al., 2016) noticed this issue in their examination of 64 NHIS-accredited clinics and health centres and more than 1,900 houses near the catchment areas of these medical institutions.

2.4 Sustainability Challenges

The literature review and debate revealed that the NHIS faces a variety of sustainability difficulties. The risks are divided into financial (Fenny et al., 2014) and operational (Mensah et al., 2010). The main challenges are equal premium payment (Macha et al., 2012), alternative payment systems, and the perceived and measured impact of health insurance on health outcomes (Blanchet et al., 2012) were also explored. The literature shows few studies discussing client-centred tactics to protect Ghana's NHIS. Additionally, none of the studies examined the perspectives of the three primary NHIS stakeholders—clients, providers, and insurers—through a comprehensive analysis of databases. Future scientific projects must fill a gap in their explanations of the roles played by providers, clients, and insurers in preserving the Scheme. Customer satisfaction with the services offered by medical facilities that have earned NHIS accreditation is considered a measure of health care quality in this setting. Patients' opinions of waiting times and lines, the availability of medications, staff attitudes, and the facility's physical surroundings are all used as proxies for the quality of health services.

2.5 Operational Sustainability Challenges

The institutional setup provided by the NHIS Act is another issue that NHIS deals with. Governing, operational, administrative, and financial challenges have arisen due to the framework's implementation. It is asserted that while the NHIS increased the use of formal health care services, the standard of treatment provided in NHIS-accredited medical facilities has not always improved. Patients' opinions of waiting times and lines, the availability of medications, staff attitudes, and the facility's physical surroundings are all used as proxies for the quality of health services. The study found that the implementation of the NHIS contributed to greater strain on health infrastructure and staff and that this increased pressure resulted in longer wait times, unauthorized fee collection, and a lack of adherence by health employees to standard professional practices. Patient satisfaction with the quality of healthcare at NHIS-accredited medical facilities is still low, especially when it comes to staff attitudes and lengthy wait times, different treatment of clients with NHIS insurance and those without it, the standard of the drugs the NHIS covers, and the low level of client/community involvement in NHIS activities (Dzakpasu et al., 2012).

Again, health service providers focus on non-insured subscribers willing to pay cash for services. As a result, non-scheme members spend less time obtaining health care than scheme subscribers. Dalinjong and Laar (2012) demonstrated that there are several other key challenges confronting health insurance. Adogla (2013) cites verbal abuse and undue delays by the service providers, which consequently lower the quality of service to the subscribers. Moreover, the findings state that the scheme does not contract with some private medical health facilities not contracted by the scheme. Operational issues, particularly in relation to claims processing and payment, are present in the National Health Insurance Scheme at the regional and district levels. The volume of claims submitted by providers, manual screening processes, and delays in distributing subsidies and reinsurance prevent many schemes from processing claims for rapid payment to providers. Inadequate systems and human capacity for claims administration, audit, and fraud control are further issues that must be addressed.

3.0 SUMMARY OF FINDINGS

The study investigated the operational and financial sustainability strategies and challenges associated with implementing the NHIS in Ghana. One of the study's objectives was to assess the operational sustainability intervention strategies of the NHIS in terms of clients, providers, and insurers' perspectives. In line with the objective, the intensity of community education is a key method for ensuring the NHIS's operational sustainability at all regional and district levels. Again, human resource capacity development at National Health Insurance Authority regional and district offices as a means to sustain the operations of the NHIS is a significant contributor to ensuring the NHIS's operational sustainability. Further, intensifying efforts toward involving community members in quality service monitoring and improvement ensured operational sustainability.



Moreover, in line the objective two, the research sought to investigate the possible financial sustainability intervention strategies of the NHIS. The need for policy reforms on the generous broad benefits package under the current NHIS is of great relevance. Again, sourcing extra funding for the levies on large, profitable companies was revealed as a possible strategy for ensuring financial sustainability. Also, improving referral systems is a significant strategy for ensuring financial sustainability in the research district. Moreover, there is a need for policy reforms on low premiums and generous broad benefits.

The research objective three sought to investigate the potential threat to the sustainability of the NHIS. The existence of fraud in the Scheme, persistent corruption in health insurance schemes, the appointment of the Chief Executive Officer (CEO) by the sitting president of Ghana, political interference, and a broad benefits package without co-payment are the key challenges associated with implementing the NHIS.

4.0 CONCLUSION

This study aimed to assess the sustainability intervention strategies of the National Health Insurance Scheme. To identify these sustainability intervention strategies, subscribers and health providers were selected to give answers to the structured questionnaires. The National Health Insurance Scheme has become an important tool in providing Ghanaians with inexpensive and accessible access to excellent health care.

The program has made health care accessible and cheap for affluent and poor people in urban and rural areas. However, the study revealed that improving human resource capacity development, community education, and efforts toward involving community members in quality service monitoring and improvement were some of the key strategies to ensure the operational sustainability of the NHIS at the district level. Participation of the community members in NHIS activities will not only raise knowledge of new policies but will also foster stakeholder support and goodwill for the National Health Insurance Scheme.

Again, the need for policy reforms on the generous broad benefits package, sourcing for extra funding for the levies on large profitable companies, and improving referral systems were some of the primary measures for ensuring the operational viability of the NHIS at the district level.

However, key challenges such as the appointment of the Chief Executive Officer (CEO) by the sitting president of Ghana, which could breed political interference, the existence of fraud in the Scheme, persistent corruption in health insurance schemes, and broad benefits packages without co-payment were also revealed to undermine the suitability of the National Health Insurance Scheme at the district level.

5.0 RECOMMENDATION

The following suggestions are made based on the study's conclusions. The study highlighted that intensifying community education is a key strategy for ensuring the operational sustainability of the health insurance program. Therefore, the Scheme's management should intensify community and district-level education on the need for everyone to subscribe to the NHIS. This might be accomplished by organizing seminars and radio programs for all stakeholders to discuss the significance and importance of the national health insurance scheme in the country's socioeconomic growth.

Second, efforts should be increased to involve community members in National Health Insurance activities, as this is an important factor in improving customer interest and compliance with health insurance regulations. This will also assist in increasing service providers' responsibility to clients and health professionals' motivation levels and client relationships.

Furthermore, the report proposes the necessity for a secondary source of financing for National Health Insurance operations, such as appealing to company owners and other philanthropists. Lastly, strong procedures should be implemented to expose providers that scam the NHIS of payments. There should also be disciplinary mechanisms to check and reduce corrupt behavior.



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