

## Viewpoints

# The National Health Insurance Scheme (NHIS) in Nigeria: current issues and implementation challenges

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The National Health Insurance Scheme (NHIS) in Nigeria, despite its critical role in aiming for Universal Health Coverage, faces significant challenges. Initiated in 2005 with the goal of universal healthcare access by 2015, the scheme has struggled with low enrolment rates, fluctuating numbers of healthcare professionals, and substantial out-of-pocket expenditures for citizens. Current statistics indicate less than 5% of Nigerians are enrolled in NHIS, while 70% still finance their healthcare independently. Major issues include inefficient service delivery, inadequate healthcare infrastructure, and poor resource management, leading to substandard care quality. Recommendations for improvement focus on enhancing hospital efficiency, motivating and retaining healthcare workers, adopting appropriate technology, and clarifying prepayment mechanisms. Increased state contributions and robust evaluation metrics are also suggested to facilitate better adaptation to Nigeria's diverse and growing population. Addressing these challenges is crucial for achieving the intended goals of the NHIS and moving closer to universal health coverage in Nigeria. Extensive discussions and strategic policy adjustments are essential to overcome these barriers, ensuring effective healthcare service delivery and financial protection for the Nigerian population.

## BACKGROUND

The deployment of National Health Insurance Scheme (NHIS) across countries potentially contributes to Universal Health Coverage (UHC).<sup>1,2</sup> UHC aims to ensure that all individuals have access to a full spectrum of high-quality health services whenever and wherever they need them without financial hardship. The NHIS has been successfully implemented not only in high-income countries but also in low- and middle-income countries.<sup>3,4</sup> In Nigeria, the development of health insurance has been a gradual process marked by various initiatives over the years, albeit with their positives and setbacks.

The journey towards establishing a health insurance system in Nigeria began in 1962 when the initial bill proposing a health insurance scheme was rejected in Lagos.<sup>5</sup> In 1988, the then health minister, Professor Olikoye Ransome Kuti, appointed a committee that recommended a template for the NHIS.<sup>6</sup> This led to the government signing the NHIS into law in May 1999, under the NHIS Act 35 of 1999. The NHIS was officially launched in 2005 with the goal of achieving universal coverage for all Nigerians by 2015.<sup>7</sup>

Despite the establishment of the NHIS, the financial burden of healthcare on Nigerian households has continued to rise, and a significant portion of the population in the informal sector remains excluded from the scheme. As of recent estimates, only about 5% of Nigerians have health

insurance, and 70% still finance their healthcare through out-of-pocket (OOP) expenditure.<sup>8</sup>

In 2014, the Presidential Summit on Universal Health Coverage (UHC) was held to address various challenges hindering universal health coverage at both federal and state levels. These challenges include inequitable resource distribution, decaying infrastructure, poor management of human resources, and weak referral systems. The summit emphasized the implementation of financing initiatives such as conditional cash transfers, free healthcare for vulnerable groups, health insurance for the formal sector, and community-based health insurance (CBHI) schemes for the informal sector.<sup>9</sup> The fundamental concept of health insurance is to pool the risks of a large number of people and distribute the financial burden of unexpected adverse events through prepayment of contributions. This process ensures that little to no payment is needed at the point of care when medical needs arise, effectively redistributing resources from those who remain healthy to those who become ill.<sup>10</sup>

The primary objective of the NHIS was to address the ongoing healthcare crises faced by the Nigerian public.<sup>11</sup> However, several critical questions remain unanswered: Has the scheme met its ambitious goals? Has the NHIS facilitated widespread access to healthcare in Nigeria? Is healthcare now more affordable for the Nigerian public? Has the quality of healthcare services improved as intended by the scheme? Are there now more available funds to enhance

services within the health sector? This opinion paper aims to explore the implementation of the Nigerian health insurance scheme by examining factors that influence the implementation and understanding the current issues and challenges.

## CURRENT ISSUES AND CHALLENGES

The introduction of Nigeria's health insurance history dates back to 1962 with several amendments and initiatives leading to the NHIS Act 35 of 1999. Despite some progress, the current system faces significant challenges with multiple reports indicating social, economic, and political factors contributing to the decline in health service delivery. For instance, it was reported that there were 39,912 doctors in Nigeria in 2017, which increased to 44,021 in 2018 but then drastically decreased to 24,640 in 2019.<sup>12</sup> A recent World Health Organization (WHO) report indicates that Nigeria has only four doctors available per 10,000 people,<sup>4(p10,000)</sup> which is far below the WHO recommendation of one doctor per 600 people.<sup>1(p600),13</sup>

The number of additional people anticipated to gain access to essential services without experiencing financial hardship is projected to reach 14.9 million by 2025, up from 3.3 million in 2020 (Figure 1, Panels A-D).<sup>10,13</sup> Furthermore, the number of individuals expected to enjoy better health and well-being is projected to rise to 54.3 million by 2025 compared to 16 million in 2020.<sup>13</sup> It is important to understand that public funds account for 25% of total health spending, while the private sector contributes 75%, with out-of-pocket (OOP) expenditures by families making up 95% of the private sector's share.<sup>14</sup> Dr. Francis Faduyile, President of the Nigerian Medical Association (NMA), criticised the enrolment rate of less than 5% of Nigeria's population in the NHIS after 15 years since its launch as unfortunate and shameful.<sup>15</sup> Refer to Figure 1 for further details.

## FINANCIAL BURDEN AND LOW ENROLMENT

One of the most significant issues facing the NHIS is the financial burden on Nigerian households. Despite the existence of the NHIS, many Nigerians still face high out-of-pocket expenses for healthcare. This is particularly problematic for the informal sector, which constitutes a large portion of the Nigerian population. The low enrolment rate in the NHIS is a major concern. With only about 5% of Nigerians enrolled, the scheme has not achieved its goal of universal health coverage. The low enrolment rate is partly due to the inefficiency of the healthcare system and the poor quality of services provided.

## HEALTHCARE INFRASTRUCTURE

The healthcare infrastructure in Nigeria is plagued by several issues, including inequitable resource distribution, decaying infrastructure, poor management of human resources, and weak referral systems. These challenges have hindered the effective implementation of the NHIS. For instance, the number of doctors in Nigeria is significantly be-

low the WHO recommendations. In 2019, there were only 24,640 doctors in Nigeria, which is far below the WHO recommendation of one doctor per 600 people<sup>13</sup>.

## RECOMMENDATIONS FOR NHIS IMPLEMENTATION

To effectively implement the NHIS, it is essential to align with the World Health Organization's (WHO) definition of Universal Health Coverage (UHC), which ensures that all individuals have access to a full spectrum of high-quality health services whenever and wherever they need them without financial hardship.<sup>13</sup> UHC not only promotes health and well-being but also addresses socio-economic challenges by reducing poverty and inequalities. The 2015 United Nations Sustainable Development Goal 3 (UN SDG 3) emphasizes ensuring healthy lives and promoting well-being for all ages.<sup>16</sup> Therefore, any national health insurance scheme that fails to satisfactorily incorporate UHC is incomplete.

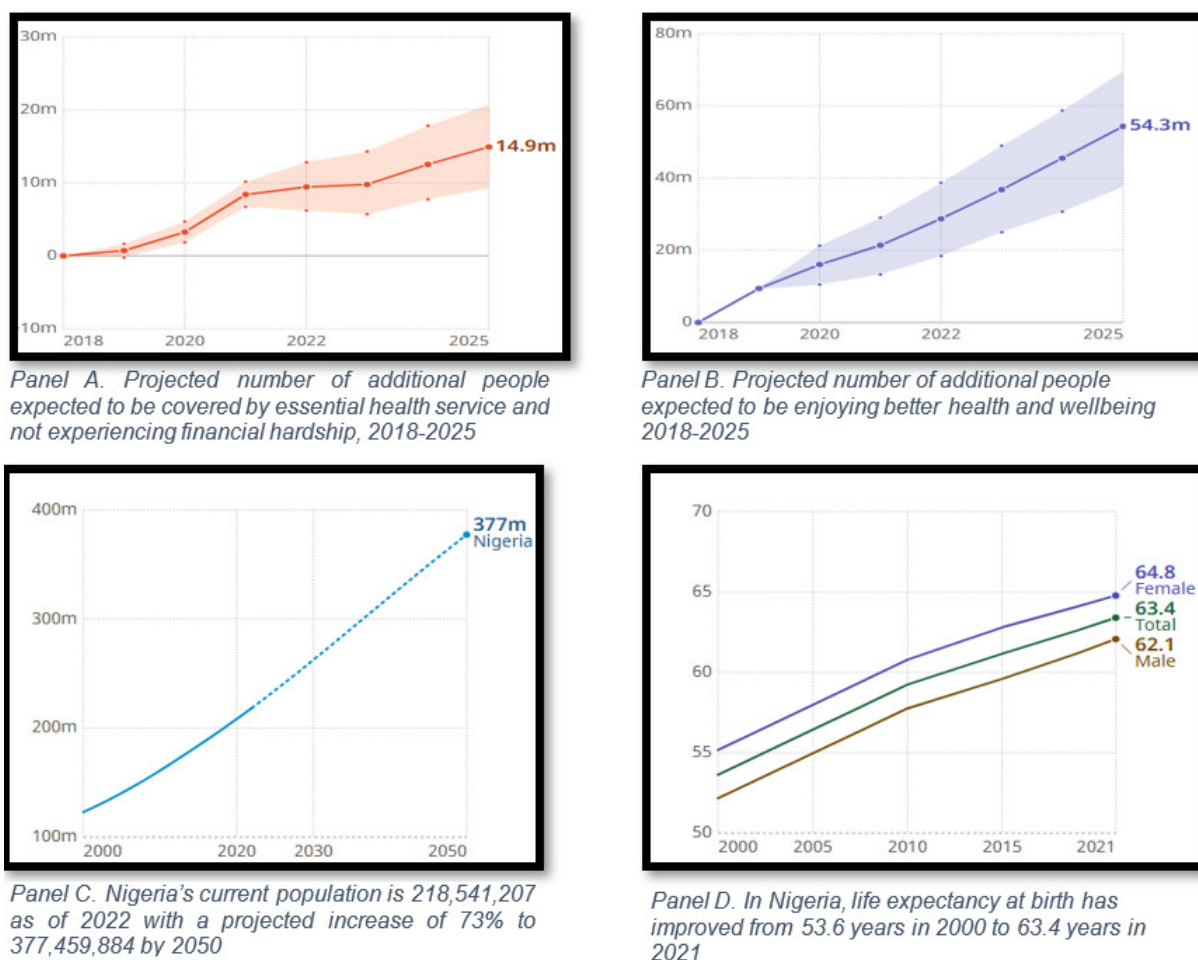
*Improve service quality:* To enhance the uptake of NHIS enrolment, it is crucial to recognize that membership is closely linked to the quality of health services provided. Poor quality services will deter enrolment. For instance, the current inefficiency of health services in Nigeria is a significant issue.<sup>17</sup> To address this, it is recommended to improve the efficiency of hospitals, train, motivate, and retain health workers, utilize appropriate technology, and provide early and prompt care. These measures will significantly enhance the quality of health services, making NHIS membership more attractive and effective in achieving its goals. A functional health system must continuously improve drug availability, human resources for health, and overall quality.

*Increase enrolment:* Streamlining the registration process and making NHIS membership more attractive through improved service quality are essential steps. Public awareness campaigns and incentives for enrolment can also play a significant role in increasing the uptake of health insurance.

*Clarify prepayment mechanisms:* The prepayment mechanism remains unclear, and the extent of the state's contribution to promoting the scheme at the local level is also uncertain. With Nigeria's population projected to exceed 377 million by 2050,<sup>18</sup> extensive discussions are necessary to determine the most suitable insurance structure for the country's diverse future. Clear guidelines on prepayment mechanisms and state contributions are crucial for the successful implementation of the NHIS.

*Extensive discussions and stakeholder engagement:* It is recommended to engage in more debate and deliberation on the effective implementation of NHIS. Extensive discussions are needed to determine a suitable insurance structure for Nigeria's diverse and growing population. Stakeholder engagement, including input from healthcare providers, policymakers, and the general public, is essential for creating a robust and sustainable health insurance system.

*Establish evaluation metrics:* Developing metrics for success and outcomes as part of the evaluation strategy will



**Figure 1. Health data overview for the Federal Republic of Nigeria.**

Source: WHO.<sup>10,13</sup>

allow for adjustments based on identified strengths and weaknesses, paving the way towards universal health coverage. Establishing robust evaluation metrics will enable ongoing monitoring and assessment of the NHIS, ensuring continuous improvement and adaptation to changing healthcare needs.

## CONCLUSIONS

The NHIS aims to provide essential health services to all citizens without financial hardship, contributing to overall well-being and addressing socio-economic challenges. However, the NHIS faces significant challenges, including inefficient health service delivery, inadequate drug availability, insufficient human resources, and poor service quality. These issues are exacerbated by unclear prepayment mechanisms and low enrolment rates.

To overcome these obstacles, it is recommended to streamline the registration process, improve hospital efficiency, motivate health workers, and adopt appropriate technology. Additionally, enhancing the clarity of the prepayment mechanism and increasing state contributions at the local level is crucial. Extensive discussions are needed to determine a suitable insurance structure for Nigeria's di-

verse and growing population. Establishing robust evaluation metrics will allow for ongoing adjustments and improvements, paving the way towards achieving universal health coverage and ensuring the NHIS fulfils its potential.

By addressing these critical issues, Nigeria can make significant strides towards achieving universal health coverage. The NHIS has the potential to significantly improve the health and well-being of Nigerians, but it requires comprehensive reforms and sustained efforts to overcome the current challenges. Through improved service quality, increased enrolments, clear prepayment mechanisms, and extensive stakeholder engagement, the NHIS can become a cornerstone of Nigeria's healthcare system, ensuring that all citizens have access to high-quality healthcare without financial hardship.

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#### AUTHORSHIPS

OIE wrote the first draft with contributions from AI. DA revised the draft and checked for intellectual content. All authors approved the manuscript as submitted.

#### COMPETING INTERESTS

None.

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