



THE NATIONAL ASSEMBLY
FEDERAL REPUBLIC OF NIGERIA

NATIONAL HEALTH INSURANCE AUTHORITY BILL, 2021

(CONCURRED)

A BILL
FOR
AN ACT TO REPEAL THE NATIONAL HEALTH INSURANCE
SCHEME ACT, CAP. N42, LFN, 2004, AND TO ENACT THE
NATIONAL HEALTH INSURANCE AUTHORITY BILL, 2021

PASSED BY THE SENATE ON TUESDAY, 21ST JULY, 2020

CONCURRED BY THE HOUSE OF REPRESENTATIVES ON THURSDAY, 15TH JULY, 2021

RECOMMENDED AND PASSED BY THE SENATE ON WEDNESDAY 1ST DECEMBER, 2021

NATIONAL HEALTH INSURANCE AUTHORITY BILL 2021



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A BILL
FOR
AN ACT TO REPEAL
THE NATIONAL HEALTH INSURANCE SCHEME ACT, CAP. N42, LFN, 2004, AND TO ENACT THE NATIONAL HEALTH INSURANCE
AUTHORITY BILL, 2020

{ } Commencement

ENACTED by the National Assembly of the Federal Republic of Nigeria —

PART I –ESTABLISHMENT OF THE NATIONAL HEALTH INSURANCE AUTHORITY

1. (1) There is established a body to be known as the National Health Insurance Authority (in this Bill referred to as "the Authority").

(2) The Authority:

 - (a) shall be a body corporate with perpetual succession and an official seal;
 - (b) may sue and be sued in its corporate name;
 - (c) may for the performance of its functions under this Bill acquire, hold, or dispose of any moveable and immovable property; and
 - (d) may enter into contract or any other transaction in pursuance of its powers and functions under this Bill.

Establishment of
the National
Health Insurance
Authority
2. The object of the Authority shall:

 - (a) promote, regulate and integrate health insurance schemes;
 - (b) improve and harness private sector participation in the provision of health care services; and
 - (c) do such other things that will assist the authority in achieving Universal Health Coverage to all Nigerians.

Object of the
Authority
3. For the purpose of achieving this functions, the Authority shall:

 - (a) promote, integrate and regulate all health insurance schemes that operate in Nigeria;
 - (b) ensure that health insurance is mandatory for every Nigerian and legal residents;
 - (c) enforce the Basic Minimum package of health services for all Nigerians across all Health insurance schemes operating within the country, including Federal, States, FCT as well as private Health Insurance Schemes.
 - (d) promote, support, collaborate with States through State Health Insurance Schemes to ensure that Nigerians have access to quality health care that meets national health regulatory standards;
 - (e) ensure the implementation and utilization of the Basic Health Care Provision Fund as required under the National Health Act and any guidelines as approved by the Minister under that Act;
 - (f) grant accreditation and re-accreditation to Health Maintenance Organisations, Mutual Health Associations, Third Party Administrators and healthcare facilities and monitor their performance;
 - (g) subject to section 13, approve contributions to be made by members of the various health insurance schemes;
 - (h) provide or require the establishment of mechanisms for receiving and resolving complaints by

Functions of the
Authority

members of the schemes and healthcare facilities; Health Maintenance Organizations, Mutual Health Associations and Third Party Administrators;

(i) make proposals to the Council for the formulation of policies on health insurance;

(j) provide technical and other relevant support to State Health Insurance schemes;

(k) seek and advocate for funds for the Basic Health Care Provision Fund;

(l) provide and maintain information and communication technology (ICT) infrastructure and capability for the integration of all data on health schemes in Nigeria including but not limited to the State Health Insurance Schemes;

(m) undertake on its own or in collaboration with other relevant bodies a sustained public education on health insurance;

(n) devise a mechanism for ensuring that the basic healthcare needs of indigents are adequately provided for;

(o) maintain a register of licensed health insurance schemes and accredited healthcare facilities;

(p) evaluate any new proposals related to extending the coverage of a health insurance scheme to any group of Nigerians;

(q) in conjunction with the States, devise a mechanism for ensuring that the basic healthcare needs of vulnerable persons are adequately provided for;

(r) accredit insurance companies, insurance brokers and banks desirous of participating in health insurance schemes under the Authority;

(s) regulating all health insurance schemes in Nigeria in accordance with the provisions of this Bill;

(t) approving, after consultation with the Health Care Facilities formats of contracts for health service purchasing proposed by the health maintenance organizations and the mutual health associations for all health care facilities;

(u) approving, after consultation with Health Care Facilities and the bodies representing the Health Care Facilities capitation and other payments due to health care facilities by the Health Maintenance Organizations, Mutual Health Associations, etc.;

(v) undertake research and generate statistics on matters relating to the Authority;

(w) exchange information and data with the National Health Management Information System, financial institutions, the Federal Inland Revenue Service, the State Internal Revenue Services, National Bureau of Statistics, professional regulatory bodies and other relevant bodies and individuals for research purposes upon their request;

(x) ensure manpower development of the Authority;

(y) develop operational guidelines for the Authority and ensure it is reviewed at least once in five (5) years;

(z) sanction erring parties in accordance with the provisions of the operational guidelines;

(aa) ensure that tariffs agreed with Health Care Facilities are reviewed on a three-yearly basis to the mutual satisfaction of Health Care Facilities, Health Maintenance Organization, Health insurance Schemes and the Health Insurance Authority; and

(bb) carry out such other activities as are necessary or expedient for the purpose of achieving the objectives of the Authority under this Bill.

4. (1) There is established a Governing Council (in this Bill referred to as "the Council") which shall consist of:
- (a) the Chairman;
 - (b) one representative each of:
 - (i) the Federal Ministry of Health not below the rank of a Director;
 - (ii) the Federal Ministry of Finance not below the rank of a Director;
 - (iii) the Nigeria Employers Consultative Association;
 - (iv) Two representatives of Organised Labour
 - (v) the Armed Forces.
 - (d) Director General of the Authority who shall also serve as the Secretary to the Council;
 - (e) a representative of each geo-political zone to represent the States, such representation to be rotated between States every two years within the zone;
 - (f) representative of a Civil Society Organisation whose main activities focus on health.
- (2) Members of the Council, other than the Director General, shall be part- time members.
- (3) All members shall within one month of appointment declare in writing to the Council their personal interests known to them in any Organization under this Bill.
- (4) If upon declaration a member is found to hold personal interests in conflict with the object of this Bill in whatever form, the appointment shall be withdrawn.
- (5) The Chairman and other members of the Council shall be appointed by the President of the Federal Republic of Nigeria on the recommendation of the Minister, and shall be persons of relevant high education, experience and integrity.
5. The Council shall have the powers to :
- (a) approve and register for the Authority third party administrators in any form;
 - (b) determine the overall policies of the Authority, including the financial and operational procedures of the Authority;
 - (c) ensure the effective implementation of the policies and guidelines of the Authority;
 - (d) regulate and supervise the various health insurance schemes established under this Bill;
 - (e) promote, oversee, collaborate and provide guidance to State Health Insurance Schemes
 - (f) issue guidelines for the administration of the funds under the Authority;
 - (g) approve, license, regulate and supervise Health Maintenance Organisations, Mutual Health Associations and other institutions relating to the Authority as may be determined from time to time;

Establishment of
the Governing
Council.

Functions and
powers of the
Council.

(h) establish standards, rules and guidelines for the management of the various schemes under this Bill;

(i) approve the organisational structure of the Authority as well as the appointments, promotions and discipline of all categories of the Authority's staff and also their remuneration;

(j) receive and investigate complaints of impropriety levied against any Health Maintenance Organisation, Mutual Health Associations, and other relevant institutions;

(k) discipline by way of temporary suspension, revocation of license or imposition of fines to any erring operator (HMOs, MHAs, HCPs and other relevant institutions);

(l) appoint auditors and other consultants for the Authority; and

(m) do such other things which are necessary or expedient for the performance of its functions under this Bill.

6. (1) A member of the Council other than the Director General and Chief Executive Officer:

Tenure of office
of Council
Members.

(a) shall hold office for a term of 4 years in the first instance, and

(b) may be re-appointed for a further term of 4 years and no more.

(2) Where a member of the Council resigns, dies, is removed from office or is, for sufficient reason, unable to act as a member of the Council, the chairperson shall notify the President through the Minister, of the vacancy, and the President shall, on the advice of the nominating authority, where applicable, appoint another person to hold office for the unexpired portion of the member's term of office.

(3) A member of the Council may at any time resign from office in writing addressed to the President through the Minister.

7. (1) The Council shall meet at least once every three months for dispatch of business.

Meetings
of Council.

(2) The Chairman shall at the request, in writing, of not less than half of the membership of the Council convene an extraordinary meeting of the Council at the place and time determined by the Chairman.

(3) The quorum at a meeting of the Council shall be one third of members of the Council including the Director General.

(4) The Chairman shall preside at the meeting of the Council and, in the absence of the Chairman, a member of the Council elected by the members present from among their number shall preside.

(5) Matters before the Council shall be decided by a simple majority of the members present and voting. In the event of a tie of votes, the person presiding shall have the casting vote;

(6) The Council may invite a person acting in an expert capacity, but that person is not entitled to vote on a matter for decision by Council.

(7) Subject to the provisions of this section, the Council shall determine the procedure for its meetings; and

(8) Minutes in proper form of each meeting shall be kept and shall be adopted by the Council at the next meeting and signed by the Chairman and the Secretary of the meeting.

8. A member of the Council who has an interest in a contract, or any other transaction proposed to be entered into with the Authority, or an application before the Council shall disclose in writing the nature of the interest and is disqualified from participating in the deliberations of the Council in respect of the contract, application or that transaction.

Disclosure
of Interest

9. The Council may, for the performance of its functions, appoint committees composed of members of the Council or non-members or both and assign to the committees any of its functions but a committee composed entirely of non-members may only advise the Council. Committees of the Council.
10. (1) The members of the Council shall be paid such remunerations and allowances as the Federal Government may, from time to time, determine for the Chairman and members of Governing Council. Remuneration of members.
- (2) The members of the Council, members of Committee of the Council and persons invited to attend meetings of the Council shall be paid the traveling and any other allowances as approved by the Government.
11. (1) A member of the Council ceases to hold office if he: Cessation of membership.
- (a) becomes of unsound mind; or
- (b) becomes bankrupt or makes a compromise with his creditors; or
- (c) is convicted of a felony or of any offence involving dishonesty; or
- (d) is guilty of serious misconduct in relation to his duties; or
- (e) fails to declare his interests to the Council as required by section 8 of this Bill.
- (2) A member of the Council may be removed from office by the President, on the recommendation of the Minister if he is satisfied that it is not in the interest of the Authority or the interest of the public that the member should continue in office.
- (3) Where a vacancy occurs in the membership of the Council, it shall be filled by the appointment of a successor to hold office for the remainder of the term of office of his predecessor, however, the successor shall represent the same interest and shall be appointed by the President.
- (4) The Council may in the public interest be dissolved by the President and all its members, excluding the Director General, shall cease to hold office as Council members.
- (5) A member of the Council who is absent from three consecutive meetings of the Council without sufficient cause shall cease to be a member of the Council.
- (6) The Chairperson shall, through the Minister, notify the President in writing of a vacancy that occurs on the Council within thirty days of the occurrence of the vacancy.
- Dissolution of the Council.
- (7) Upon dissolution of the Council and pending its reconstitution, the Minister shall exercise the powers and functions of the Council under this Bill.
12. The Minister of Health may give to the Council directives on matters of policy. Ministerial Directives.

PART II – TYPES OF HEALTH INSURANCE SCHEMES

13. (1) Every State of the Federation and the Federal Capital Territory may, for the purposes of providing access to health services to its residents, establish and implement a State health insurance and contributory scheme, to cover all residents of the State and Federal Capital Territory; the coverage of which shall be at the minimum the scope of coverage as outlined in the Basic Minimum Package of the National Health Act. Establishment of State Health Insurance / Contributory Scheme.
- (2) The Authority shall establish a Scheme for the coverage of employees of Ministries, Departments, Agencies in the Federal Civil Service and other relevant groups;

(3) For the purpose of the implementation of a Scheme provided for under subsection (2), the Authority shall, with the approval of the Council set out operational guidelines for the scheme

(4) State health insurance/contributory schemes and the Federal Capital Territory Scheme established under subsection (1) shall comply with the requirements under this Bill, to ensure that any Health Maintenance Organisations, Health Care Facilities, Mutual Health Associations or third party administrators employed in State health insurance schemes or the Federal Capital Territory health insurance Scheme are registered by the Authority in accordance with the provisions of this Bill;

(5) Every State and the Federal Capital Territory Scheme shall establish an Information and Communication Technology (ICT) infrastructure for the management of data and such ICT infrastructure shall be integrated with and provide information in the requisite format to the ICT infrastructure of the Authority;

(6) A State and the Federal Capital Territory shall provide coverage for vulnerable persons under the State health insurance and contributory scheme through the Basic Health Care Provision Fund (BHCPF) and other sources and not require the payment of premiums for such coverage by vulnerable persons defined by this Bill.

(7) Every State which has established a State health Insurance / contributory scheme and which complies with the requirements of this Bill shall be eligible to participate in the Basic Health Care Provision Fund as established under the National Health Act and its guidelines.

14. (1) Subject to the provisions of this Bill, every person resident in Nigeria shall be required to obtain health insurance.

Participation in Health Insurance to be Mandatory.

(2) Residents under this Bill shall include all employers and employees into public and private sectors with five staff and above; informal sector employees and all other residents of Nigeria.

(3) Subject to subsection (2), nothing under the provisions of this Bill shall be construed to preclude a resident in Nigeria from obtaining private health insurance provided such a person participates in any State mandated health scheme.

(4) A person who obtains private health insurance shall not be eligible to receive free coverage as a vulnerable person as provided under section 12 of this Bill.

15. (1) Without prejudice to the power of a State to establish a health scheme, under section 12 of this Bill, a person shall not qualify to apply to operate any form of health insurance scheme in the country unless it is registered as a company limited by guarantee or a limited liability company and complies with the provisions of all relevant laws in Nigeria.

Qualification for application.

(2) A private health insurance scheme/plan shall cover interested individuals, employers or employees of organizations in the private sector who may want to buy the plans for supplementary benefits.

(3) A body corporate registered as a limited liability company under the Companies and Allied Matters Act, Cap.C20, LFN, 2004 and accredited by the Authority as a Health Managed Care Organisation may operate a private health insurance scheme, subject to compliance with the provisions of law.

(4) A private health insurance scheme/plan shall be required as a condition for registration and licensing by the Authority to deposit with a Bank accredited by the Authority an amount of money in an interest yielding account that the Authority shall prescribe as security for its members

(5) The security referred to under subsection (4) shall be maintained throughout the period that the business of the private health insurance is carried on

(6) The Authority may review the level of the security deposit.

(7) Where a private health insurance scheme/plan suffers a substantial loss, arising from liability to members and the loss cannot reasonably be met from its available resources, the Authority may, after ascertaining the nature of the claim, and on application made to it by the scheme, approve the withdrawal from the security deposit of the scheme of an amount sufficient to meet the liability, and an amount withdrawn shall be replaced by the scheme not later than ninety days after the date of the withdrawal.

(8) The security deposit is the asset of the private health insurance scheme or plan, but except as provided in subsection (7), it shall be available to the scheme only in the event of the closure or winding up of the health insurance business for the discharge of the liabilities arising out of policies transacted by the insurer and remaining un-discharged at the time of the closure or winding up of the insurance business.

(9) All Private Health Insurance Schemes or Plans shall be regulated by the Authority.

16. (a) Without prejudice to the right of a State to establish a health scheme under section 13 of this bill, a person, or group shall not operate a health insurance scheme of any type in Nigeria unless it has been registered with the Authority and issued a license for that purpose. Application for accreditation and license.
- (b) Application for accreditation and license to operate a health insurance scheme shall be made to the Authority in a form to be prescribed by the Authority.
17. Without prejudice to the provisions of section 16 herein, the Authority, may by Regulations impose fees for the issuance of a license under this Bill, except in the case of a Government Health Insurance Scheme / Authority. Fee for issuance of license.
18. (a) The Authority may refuse to register and issue a license for a scheme, and it shall notify the applicant in writing of its decision, stating the reasons for the refusal. Refusal to register and issue a license.
- (b) Where the refusal to register and issue a license is as a result of non-material defect in the application, the Authority may in the notice require the applicant to rectify the application within six (6) months.
19. (1) The Authority may refuse to register or revoke the license of a scheme if it is in breach of relevant provisions of the Operational Guidelines and has failed to comply with a provision of this Bill, the Regulations or any other enactment applicable to the scheme. Suspension or revocation of license of a scheme.
20. A licensed scheme, institutions, organizations or groups shall display its (their) license in a prominent place at its offices, where the license is visible to the general public. Display of license.
21. (1) Without prejudice to the right of a State to establish a health scheme, a person shall not conduct an activity under a name which includes "health scheme", "medical insurance scheme", "health maintenance organization", "health insurance scheme" or similar name which is calculated or likely to lead people to believe that person operates a health insurance scheme unless the scheme is registered and licensed and complies with other provisions under this Bill. Prohibition on use of name unless licensed.
- (2) A person who acts contrary to subsection (1) commits an offence and is liable on conviction to a fine not less than N2,000,000 (Two Million Naira) or to a term of imprisonment of not less than Five (5) years or both.
22. (1) Subject to the provisions of section 12 of this Bill, a health scheme licensed under this Bill shall not transfer its activities or operate its activities jointly with another scheme unless it has the prior written approval of the Authority. Transfer and Joint Operations.
- (2) An application for approval under subsection (1) shall be made jointly to the Authority by the schemes involved and shall contain the information prescribed by regulation made by the Authority under this Bill.

PART III – ESTABLISHMENT OF VULNERABLE GROUP FUND

23. (1) The Commission shall work in conjunction with the States to provide a basic minimum package of care to all residents of Nigeria. Implementation of the Basic Health Care Provision Fund.
- (2) For the purpose of subsection (1), the Authority shall implement the Basic Health Care Provision Fund as set out in the National Health Act 2014 and any guidelines developed in that regard.
- (3) The Commission shall work in conjunction with the States to achieve the objectives of the Fund and to provide a basic minimum package of care as defined in the guidelines developed for the implementation of the Fund.
- (4) The Commission shall provide general guidance for the operation of the Fund. For this purpose, the Commission shall:
- (a) make regulations covering accreditation, quality of care and complaints handling;
- (b) collaborate with the State Health Schemes and including through State-owned institutions, to accredit and empanel primary and secondary health care facilities using criteria as may be contained in relevant guidelines; and
- (c) provide for the administration of an Ombudsman to handle complaints of enrollees under section 54.
- (5) States health schemes shall be responsible for disbursements, management of the Fund, and monitoring and evaluation of the implementation of the Fund in the State in line with the relevant guidelines issued by the Commission.
- (6) Where a State has not yet established a State Health Scheme, it may contact a Third Party Administrator, as defined in this Bill for a temporary period, prior to establishing a State Health Scheme.
24. (1) The object of this fund is to provide finance to subsidize the cost of provision of health care services to vulnerable persons in Nigeria. Object of the Fund.
- (2) For the purpose of implementing the object, the monies from the Fund shall be expended as follows:
- (a) To provide subsidy for Health Insurance coverage of vulnerable persons as determined by Council;
- (b) To provide for the payment of health insurance premium for indigents.
25. (1) There is established the Vulnerable Group Fund. Sources of money for the Fund.
- (2) The sources for the Vulnerable Group Fund includes:
- (a) Basic Health Care Provision Fund to National Health Insurance Authority (NHIA);
- (b) Health insurance levy;
- (c) Special intervention fund allocated by Government and appropriated to the Vulnerable Group Fund;
- (d) Money that accrues to the Vulnerable Group Fund from investments made by the council; and
- (e) Grants, donations, gifts and any other voluntary contributions made to the Vulnerable Group Fund.
- (3) The Council may by regulations review the sources of funding to keep pace with development in the health insurance industry.
26. (1) The Council shall from time to time determine and submit to the Minister for approval, the criteria for disbursement of subsidies to be paid to State Health Insurance Schemes for health care of the vulnerable and indigents in Nigeria. Formula for disbursement from the Fund.

(2) The Council shall in disbursement of moneys from the Fund make specific provisions towards the health needs of indigents and prescribe the methods for determining who is indigent in Nigeria.

27. (1) The Council shall give directives to the Authority for the management of the Fund.

Management of
the Fund.

(2) The Council in the Management of the Fund shall have the following functions;

(a) formulate and implement policies towards achieving the objects of the Fund;

(b) approve methods for the collection of monies lawfully due to the Fund;

(c) account for the money in the Fund;

(d) provide formula for the disbursement of moneys from the Fund;

(e) approve any other expenditure charge on the fund under this Bill or any other enactment;

(f) perform any other function ancillary to the object of the Fund.

28. Subject to the approval of Council, the Authority may invest a part of the Fund that it considers appropriate in securities and deposits.

Investment of
the Fund.

29. The expenses attendant to the management of the Fund shall be charged to the Fund.

Expenses of the
Fund.

PART IV - CONTRIBUTIONS UNDER THE HEALTH INSURANCE SCHEMES

30. (1) Contributions under :

Payment of
contributions.

(a) Formal sector shall be paid by the employers and employees at rates determined from time to time by the council of the various State Health Insurance Schemes.

(b) Informal sector shall be paid by individuals, groups and family at rates determined from time to time by the council of the various State Health Insurance Schemes.

(2) The contributions for the vulnerable person not otherwise covered by other schemes, shall be made on their behalf by one or a combination of the three levels of government, development partners and/or non- governmental organisations.

(3) Contributions from the Federal Government for vulnerable persons shall be made from the Basic Health Care Provision Fund.

(4) State shall be eligible to access these funds upon establishing their State Health Insurance Schemes as required under this Bill and other relevant provisions of the Guidelines of the Authority.

(5) Individuals and or employers may pay additional premiums for voluntary supplementary or complementary private health insurance plans.

31. (1) Subject to such guidelines and regulations as may be made under this Bill, an employer shall register itself and its employees and pay into the account of States Social Health Scheme funds, its contributions and the contributions in respect of its employees, at such time and in such manner as may be specified, from time to time, in the State Health Insurance Scheme Laws and guidelines issued thereunder.

Registration of
employers,
employees, etc.

(2) Subject to such guidelines and regulations as may be made under this Bill, an individual and/or employer may register himself or herself, and the people under him/her with a private health insurer pay into designated accounts of such insurer the necessary premium in respect of himself and others under supplementary or complementary private health insurance schemes.

PART V - HEALTH MAINTENANCE ORGANISATIONS, MUTUAL HEALTH ASSOCIATIONS AND THIRD-PARTY ADMINISTRATORS

32. (1) The Authority shall accredit
- (a) Health Maintenance Organizations (HMOs) (hereinafter referred to as organizations);
 - (b) Mutual Health Associations (MHAs) (hereinafter referred to as MHA);
 - (c) Third Party Administrators (hereinafter referred to as TPAs).
- (2) The accreditation of organizations, MHAs, and TPAs shall be in such form and manner as may be determined by the Operational Guidelines of the Authority;
- (3) The Authority is empowered to withdraw licence of any accredited Organization, MHA, and TPA where the Organization, MHA, and TPA breaches its provision(s) as provided in the operational guideline.
- (4) When the accreditation of an Organisations, MHAs, and TPAs is withdrawn, the Authority shall decide on the best way to keep its activities going either temporarily or permanently to safeguard the interest of the enrollees.
- (5) The Authority may refuse to register and issue a license to an Organisations, MHAs, and TPAs, and it shall notify the applicant in writing of its decision.
33. (1) An Organisation referred to in this Bill shall have the following functions:
- (a) roles as may be assigned to it by the State Health Insurance Schemes (SHIS) including but not limited to the role of third party administrator;
 - (b) where employed to collect contributions, ensure prompt remittance of contributions to State pools;
 - (c) perform other administrative actions as required under this Bill;
 - (d) pay administrative charges to the Authority for purposes of regulation and related issues.
 - (e) the payment for services rendered by healthcare providers accredited under the Authority, for private Health Insurance.
 - (f) establish a Quality Assurance system to ensure that qualitative care is given by the healthcare providers to enrolees, and
 - (g) render to the Authority returns on its activities as may be required by the Council.
 - (h) any other function as may be determined by the Authority from time to time
- (2) Any private Health Insurance plans marketed by Organizations, shall be subject to approval by the Authority.
- (3) Notwithstanding any provisions contained in this Bill, a Health Maintenance Organisation shall not be involved in the direct delivery of health care services
- (4) The Mutual Health Associations shall have the following functions:
- (a) continuous community mobilization and sensitisation;
 - (b) negotiation with providers and purchasing of services for its members and their families in consultation with the Authority.
 - (c) ensuring prompt remittance of contribution, collected on behalf of the members to the State

Accreditation of
Health
Maintenance
Organisations,
Mutual Health
Associations and
Third-Party
Administrators.

Functions of
Health
Maintenance
Organisations,
Mutual Health
Associations and
Third Party
Administrators.

Health Insurance Scheme.

(d) assisting in ensuring quality assurance`

(e) any other functions as may be determined by the Authority

34. (1) A Third-Party Administrator shall:

Third Party
Administrators.

(a) be a company duly incorporated as a limited liability company under the Companies and Allied Matters Act;

(b) be registered by the Authority to perform such functions as are specified under this Bill; and

(c) comply with all the requirements for Third Party Administrators under the regulations to be made by the Authority.

(2) An Organisation may act as a Third-Party Administrator if:

(a) it meets the requirements for doing so under this Bill; and

(b) it is contracted to do so.

(3) A Third-Party Administrator established under this Bill shall perform the following functions:

(a) carry out continuous quality assurance;

(b) ensuring patient satisfaction through relevant mechanisms, including the operation of call centres; and

(c) any other administrative functions which they are required to carry out to facilitate implementation of a State health scheme.

(d) any other function as may be required by the Authority

35. (1) The accreditation of health care providers shall be in such form and manner that complies with the Operational Guidelines of the Authority which shall be determined by the Authority, from time to time.

Accreditation/Fu
nctions of
healthcare
providers

(2) A health care provider accredited under the Authority shall:

(a) In consideration for a capitation payment made in respect of each insured person registered with it, render quality healthcare services in accordance with the approved benefit package.

(b) for payment of approved fee for service as may be determined by council from time to time, render quality healthcare services to insured persons in accordance with the benefit package.

(c) any other function as may be determined by the Authority from time to time.

36. The Authority shall ensure that beneficiaries receive quality health care services as shall be provided in the Operational Guidelines.

Quality
assurance.

37. The Authority shall:

Appoint a licenced Actuary on such terms and conditions as may be determined from time to time.

Appointment of
Actuary.

38. The Authority may direct a scheme or an officer of a scheme to comply with the directives of the Authority specified in writing and where there is failure to comply, the Authority may apply sanctions as provided for in its Operational Guidelines.

Directives of the
Authority.

PART VI - STAFF OF THE AUTHORITY

39. (1) The President shall appoint a Director – General and Chief Executive Officer for the Authority, subject to confirmation by the Senate.

Director-General
and Chief

(2) The Director General and Chief Executive Officer shall -

(a) be a person of integrity with relevant professional qualifications and expertise.

(b) be the Accounting Officer of the Authority.

(c) hold office:

(i) for a period of 5 years in the first instance and may be re-appointed for a further term of 5 years and no more; and

(ii) on such terms and conditions as may be specified in the letter of appointment.

(3) The Director General and Chief Executive Officer shall-

(a) organize and direct the day-to-day operation of the Authority in accordance with the Bill;

(b) be responsible for the general direction and control of all other employees of the Authority;

(c) be responsible for the administration of the Secretariat of the Council; and

(d) be responsible for keeping of the books and proper records of the Authority.

(4) The Director-General and Chief Executive Officer shall be a voting member of the Council as well as its Secretary-

(5) The Council shall:

(a) appoint, for the Authority, such number of directors and other employees as may, in the opinion of the Council, be required to assist the Authority in the discharge of any of its functions under this Bill; and

(b) pay to persons so appointed such remuneration (including allowances) as the Council may, after consultation with the National Salaries, Incomes and Wages Commission determines.

40. (1) The Authority shall with the approval of the Council, establish in each State of the federation and Federal Capital Territory, an office for the Authority.

Establishment of
Offices in States
and FCT

(2) The Administration, finances and other functions of the States and FCT Offices shall be determined by the Authority.

PART VII – FINANCIAL PROVISIONS

41. (1) The Authority shall establish and maintain a fund from which all its expenses shall be defrayed.

Establishment of
fund for the
Commission

(2) The fund established under subsection (1) of this section shall consist of:-

(a) annual subvention from the Federal Government;

(b) such monies as may be due to the Authority as administrative charge from private health insurance plans;

(c) fees, fines and commissions charged by the Authority;

(d) income from any investments of the Authority;

(e) such money as may be received from time to time or be from international or donor organisations and Non-Governmental organisations; and

(f) all other monies which may, from time to time, accrue to the Authority.

(3) The Authority shall, from time to time, apply the funds at its disposal -

(a) to the cost of administration of the Authority;

(b) to the payment of allowances and benefits of members of the Council;

(c) to the payment of salaries, allowances and benefits of officers and employees of the Authority;

(d) for the maintenance of any property vested in the Authority or under its administration; and

(e) for and in connection with the objectives of the Authority under this Bill.

(4) The Authority shall invest any money not immediately required by it in the Federal Government securities or in such other securities and deposit as the Council may determine.

42. (1) The Authority may accept gifts of land, money or other property on such terms and conditions, if any, as may be specified by the person or organisation making the gift. Power to Accept Gifts.

(2) The Authority shall not accept any gift if the conditions attached by the person or organization offering the gift are inconsistent with the objectives and functions of the Authority under this Bill.

43. (1) The Authority shall cause to be prepared, not later than 30th September in each year, an estimate of the expenditure and income of the Authority during the succeeding year and when prepared, they shall be submitted to the National Assembly for appropriation. Annual Accounts.

(2) The Authority shall cause to be kept proper accounts of the Authority and proper records in relation thereto and such accounts shall be audited by auditors appointed by the Authority from the list and in accordance with the guidelines supplied by the Auditor-General of the Federation.

(3) Any member, agent or employee of the Authority who fails, without reasonable cause, to comply with a requirement of an auditor under subsection (2) of this section, commits an offence and is liable on conviction to a fine not exceeding Two million Naira (N2,000,000) or imprisonment for a term not exceeding three years or to both such fine and imprisonment.

44. The Council shall not later than 6 months immediately following the end of a year - Annual Reports.

(a) submit to the Minister a report on the activities and the administration of the Authority during the immediately preceding year and shall include in the report the audited accounts of the Authority and the auditor's report on the accounts; and

(b) present and publish the audited annual accounts, auditor's report on the accounts and reports on the activities of the Authority to the Minister.

45. (1) The Authority shall be exempted from the payment of tax on any income accruing from investments made by the Council for the Authority or otherwise. Exemption from Tax.

(2) The provisions of any enactment relating to the taxation of companies or trust funds shall however not apply to the Authority or the Council.

PART VIII - ARBITRATION

46. (1) Whenever there is dispute amongst parties under this Bill, the dispute shall first be referred to the Authority for mediation and conciliation in accordance with the Operational Guideline. Where conciliation fails, parties may result to arbitration. Mediation/Arbitration.

(2) The parties referred to in subsection (1) include, the Organisations, the Health Care Providers, the contributors or the Authority or its agents.

(3) The applicable arbitral procedure shall be as provided in the Arbitration and Conciliation Act.

(4) No action shall lie against the Authority, its agents, employees without prior notice in writing given one month before the institution of a legal action.

PART IX – OFFENCES, PENALTIES AND LEGAL PROCEEDINGS

47. (1) Any person or organisation who:

(a) fails to pay into the account of the Authority and/or a State Health Insurance Scheme, or any health insurance fund under this Bill, within the specified period; or

(b) deducts the contribution from the employee's wages and withholds the contribution or refuses or neglects to remit the contribution to the appropriate fund concerned within the specified time; or

(c) fails to remit payments to Healthcare Providers within the specified period indicated in the Operational Guidelines; or

(d) fails to settle fee-for-service or other claims from the Healthcare Providers within the stipulated time allowed in the Operational Guidelines;

(e) manipulates the enrollee register for the benefit of other parties before or after the release of the register by the Health Insurance Schemes;

(f) fails to provide care to a duly registered enrollee; or

(g) issues dud cheque(s), commits an offence.

(2) A person who commits an offence under subsection 1 (g) is liable on conviction:

(a) in the case of first time offence, to a fine of not less than N1,000,000 or imprisonment for a term not exceeding two years or to both such fine and imprisonment; and

(b) in the case of a second or subsequent offender, to a fine of not less than N2,000,000 or for a term not exceeding five years or to both such fine and imprisonment.

(3) A person who commits any offence in subsection 1 is liable to prosecution under the relevant laws guiding financial transactions

48. Notwithstanding anything contained in any other provisions of the sections under Part VII of this Bill, the Authority shall at all times retain the power to sanction erring Health Maintenance Organizations, Health Care Providers, Mutual Health Associations, Insurance Brokers, Insurance Companies, Banks, or any other operator or Manager licensed or accredited person in line with the Operational Guidelines as may from time to time be issued by the Authority.

49. (1) Subject to the provisions of this Bill, the provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against any officer or employee of the Authority.

(2) No suit shall be commenced against the Authority, a member of the Council, the Director General, of the Authority before the expiration of a period of one month after written notice of intention to commence the suit shall have been served upon the Authority by the intending plaintiff or his agent(s).

(3) The notice referred to in subsection (2) shall clearly and explicitly state the cause of action, the particulars of the claims, the name and place of abode of the intended plaintiff and the relief which he claims.

50. A notice, summon or other document required or authorised to be served on the Authority under the provisions of this Bill or any other enactment of law may be served by delivering it to the Director

Offences and penalties.

Powers to Sanction.

Limitation of suit against the Authority.

Service of Documents.

General or by sending it by registered post and addressed to the Director General at the Head Office of the Authority.

51. A member of the Council, the Director General and Chief Executive Officer, any officer or employee of the Authority shall be indemnified out of the assets of the Authority against any liability incurred by him in defending any proceeding, whether civil or criminal, if such proceeding is brought against the person in his capacity as a member, Director General and Chief Executive Officer, officer or other employee of the Authority. Indemnity of Officers.

PART X – MISCELLANEOUS PROVISIONS

52. Contributions payable to the Authority shall be inalienable and shall not be assets for the benefit of creditors in the event of the bankruptcy or insolvency of a contributor or an organization. Contributions to be Inalienable.

53. Notwithstanding anything in any law or enactment, contributions whether by an employer or an employee under this Bill shall form part of tax deductible expenses in the computation of tax payable by an employer or, as the case may be, by an employee, under any other relevant law applicable to Income Tax. Contributions to form Part of Tax Deductible Expense.

54. Where, under section 591 of the Companies and Allied Matters Act 1990, an order is made by a court under subsection (3) of that section which includes the transfer to the company of the whole or any part of the undertaking and of the property and liabilities of a transfer or company, the order shall include provisions for the taking over, as from such date as may be specified in the order, of any liability for any contribution which has become due and payable under this Bill (together with any accrued interest thereon) in respect of the employees concerned in the undertaking, property or liability transferred. Transfer of liability.

55. The provisions of the Trustee Investment Act shall not apply to any investment made by the Authority under this Bill. Exclusion from the Trustee Investment Act.

56. The Federal Government may enter into a reciprocal agreement with the government of any other country in which an Authority similar to that establishment by this Bill has been established, and the provisions of the agreement shall be read in conformity with the provisions of this Bill. Reciprocal agreement with other countries.

57. In this Bill unless the context otherwise requires: Interpretation.

“Administrative Charge” means the deduction from contributions or premiums set aside for operations of the Authority;

“Authority” means the National Health Insurance Authority established under section 1 of this Bill;

“Benefit” means a benefit or advantage of any kind whatsoever derived from a Scheme;

“Benefit packages” these are services that the authority defines as within its scope of coverage.

“Capitation” this is a payment made to a primary healthcare provider on behalf of a contributor for services to be rendered by the healthcare provider. This payment is made regularly and in advance irrespective of whether the enrollee utilizes the service or not,

“Council” means the Governing Council established under section 3 of this Bill for the Authority

“Employee” means any person who is ordinarily resident in Nigeria and is employed in the public service or private service or an apprenticeship with an employer whether the contract is express or implied, oral or in writing;

“Employer” means an employer with five or more employees which includes the Federal, State and Local Government or any Extra-Ministerial Department or a person with whom an employee has entered into a contract of service or apprenticeship and who is responsible for the payment of the wages or salaries of the employee including the lawful representative, successor or assignee of that persons;

"Enrollee" means a person who has enrolled with NHIA and who being up to date with payment of premium is entitled to access health care in accordance with the benefit package;

"Fee-For-Service" means payment made directly for completed health care services, not included in the capitation fees and paid to health care facility or prescription following appropriate referrals or professionals following appropriate referrals or prescriptions sent to them by health care providers under this Bill.

"Functions" includes powers and duties.

"Health Care Facility" means any government or private health care facility, hospital, maternity centre, pharmacy, physiotherapy, etc. and includes all primary healthcare facility, secondary healthcare facility and tertiary healthcare facility accredited by the Authority for the provision of prescribed health services for insured persons and their dependants under this Bill.

"Health Maintenance Organization" means an organization accredited under section 37 of this Bill to carry out the functions as stipulated in this bill.

"Informal Sector Programme" means health insurance plans designed to cover people not on regular income;

"Insured Person" means any person and eligible dependant who pays the required contribution or for whom contribution is made under this Bill;

"Mandatory State Social Health Insurance Scheme" means social health insurance schemes designed to cover residents in a State;

"Minister" means the Minister charged with responsibility for matters relating to health;

"Ministry" shall be construed accordingly;

"Mutual Health Association" means a group accredited by the Authority to perform such roles as defined in the Bill

"Persons" means persons, organisations, institutions, groups etc.

"Premium" means a contribution payable for health coverage under this Bill;

"Public Service of the Federation" and "Public Service of State" have the meaning respectively assigned to them in the Constitution of the Federal Republic of Nigeria 1999;

"Scheme" means any Health Insurance scheme approved by the Authority;

"States and FCT Office" means offices established by the Authority in the States of the Federation and FCT.

"Third Party Administrators" means any organization with expertise and capability to administer all or a portion of the insurance claims process, including administration of claims, collection of premiums, enrolment and other administrative activities, and which is registered by the Authority

"Vulnerable Group" include children under 5, pregnant women, the aged, the physically and mentally challenged and the indigent; as may be defined from time to time

"Wage" means remuneration in money paid to an employee under his contract of service or apprenticeship, as the case may be and whether agreed to be paid at fixed or determined intervals of time;

58. (1) The National Health Insurance Scheme Act Cap N42, Laws of the Federation of Nigeria, 2004 is repealed. Repeal of NHI Act.

(2) The repeal shall not:

(a) affect the previous operation of the enactment or anything duly done or suffered under the enactment;

(b) affect any right, privilege, obligation or liability accrued or incurred under enactment;

(c) affect any penalty, forfeiture or punishment incurred in respect of any offence committed under the enactment; or

(d) affect any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment, and any such investigation, legal proceeding or remedy in respect of any such right.

59. This Bill may be cited as the National Health Insurance Authority Bill, 2020.

Citation.

EXPLANATORY MEMORANDUM

This Bill seeks to repeal the existing National Health Insurance Scheme Act, Cap. N42, LFN Laws of the Federation of Nigeria 2004 and to enact the National Health Insurance Authority Bill to ensure an effective implementation of a national health insurance policy that ensures the attainment of Universal Health Coverage in Nigeria.

PASSED BY THE SENATE ON TUESDAY, 21ST JULY, 2020

CONCURRED BY THE HOUSE OF REPRESENTATIVES ON THURSDAY, 15TH JULY, 2021

RECOMMITTED AND PASSED BY THE SENATE ON WEDNESDAY 1ST DECEMBER, 2021