

# The Health Insurance Bill in Uganda

Carol Natukunda reports on civil society engagement towards the enactment of this important legislation

Health insurance is a contract that requires an insurer to pay some or all of a person's healthcare costs in exchange for a premium. More specifically, health insurance typically pays for medical, surgical, prescription drug, and sometimes dental expenses incurred by the insured. Health insurance can reimburse the insured for expenses incurred from illness or injury, or pay the care provider directly.<sup>1</sup>

Health insurance is intended to reduce the financial burden of purchasing health care by pooling funds and sharing the risk of unexpected health events. Risk sharing mechanisms are particularly important in Sub-Saharan Africa where most countries dedicate insufficient resources to health services and health care, including medicines, is mostly financed through out-of-pocket expenditures.<sup>2</sup> In Uganda there are many social, private, and community-based health insurance schemes emerging and expanding, however there is currently no National Health Insurance scheme.

The process of developing the National Health Insurance Scheme (NHIS) in Uganda has been an incremental one, characterised by gradual changes and repeated adjustments through various stakeholder engagements during the five phases of development: from 1995 to 1999; 2000 to 2005; 2006 to 2011; 2018 to 2021 and 2022 to onwards.

Despite the political will by the government of Uganda as expressed in the Health Strategic Plans and Health Financing Strategy, progress towards enactment of the NHIS Bill has been slow.

The goal of the HFS 2015-2025 goal is "To facilitate the attainment of Universal Health Coverage (UHC) in Uganda by enabling the effective/efficient delivery of and access to the essential package of health services while reducing exposure to financial risk, by 2025."<sup>3</sup> To actualise this agenda, the government embarked on steps to introduce a national health insurance scheme as its major health financing reform toward the achievement of UHC.

Although Parliament had passed the NHIS Bill in March 2021, the Ministry of Health (MOH) later requested to withdraw the Bill in order to ensure more consultations needed to be done.

The NHIS is currently at re-submission stage, getting stakeholders inputs, re-drafting the Bill and tabling the Bill to Cabinet and Parliament. As in

previous attempts, the bottlenecks in passing the Bill include varied stakeholder interests with little or no compromise, political economy of the NHIS (majority with less voice vs few powerful ones), unwillingness and ability to pay or contribute, subsidies needed and/or lack of innovations in resource mobilisation, and low level of awareness on the benefits of NHIS. These concerns were reported at a civil society engagement meeting held on 22 February 2022 to discuss the National Health Insurance Bill in Uganda. The event was organized by the Reproductive Maternal, Newborn, Child and Adolescent Health (RMNCAH) platform.

## Why the national health insurance?

Civil society organisations (CSOs) stated that "NHIS is a pathway to pivotal health systems reform that can support the pursuit to UHC. Progress towards Universal Health Coverage (UHC) depends on three critical dimensions: extending **coverage** to more people, provision of **priority services**, and **pooling resources** to avoid catastrophic out-of-pocket expenditures. Effective NHIS should facilitate the provision of efficient, equitable, accessible, affordable and quality health care to all. It should also improve health-seeking-behaviors due to timely use of services."

Uganda's expenditure on health is currently driven by three key contributions: out-of-pocket expenditure (41.4%), contributions by donors (41.4%) and contributions by the Government (17.2%). The high out-of-pocket expenditure remains a barrier to access to services and a major contributor to household poverty.

Among other issues, the RMNCAH CSO platform strongly reiterated the need to fast-track the enactment of a NHIS Bill in Uganda. Such a Bill should be able to incorporate a wide range of RMNCAH services in the proposed healthcare benefits package and should also consider alternative innovative financing strategies, such as donations, investments, sin-taxes and increased government financing for the health budget.

## Nature of NHIS

The CSOs noted that the NHIS is multifaceted and should consider multiiform reforms, including financing, social, Health system and economic reforms that promotes investment in health, as well as financial risk protection. The meeting highlighted strategic interventions, implementation arrangements for pooling resources and purchasing, and the proposed roadmap for the government tax and public budget. It noted that there are many NHIS stakeholders including: government and public actors such as parliament, cabinet

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and line ministries like Finance and Labour and Public Service; the pensions sector; private sector, civil society, donors and consumers. Each of these entities have their interest and roles and it was acknowledged that the use of stakeholder analysis on the NHIS policy proposals is an effective strategy for avoiding potential pitfalls and obstacles in policy implementation.

### The role of the private sector

The private sector representatives at the meeting raised the following concerns:

- Effect on NHIS on the cost of employment given the proposal to make a percentage contribution through salary deductions and employer contributions
- Identification and definition of indigents to be catered for
- Whether to create one pool or pool funds based on contributors,
- Accreditation of facilities
- Mechanisms for sustainability
- How will the model blend, accommodate and operate alongside Community Health and Private Insurance?
- Implementation risks, including: insufficient data to inform sustainable pricing, skilling of health workers, lack of health information systems to automate the scheme, fluctuating prices of essential medicines, inconsistent supplies and

counterfeits, financing and poor leadership and governance, and regulation issues among others.

Steps listed by the MOH towards achievement of success:

- Financial analyses to inform choices on premiums
- Develop strategic framework for NHIS management/operations
- Prioritise developments in the supply side
- Infrastructure that supports Health System & NHIS
- Upgrades, construction, equipment in Underserved areas.
- Digitisation of health and patient records
- Staffing levels – restructuring – for adequate specialists and PHC cadres
- Strengthening health governance structures
- Public awareness, advocacy, national dialogue and partnerships

In conclusion, Uganda is getting closer to passing the NHIS Bill and engagements of this nature are important in moving forward with the process.

### References

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