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HEALTH ECONOMICS

HEALTH EVALUATIONS

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Health care financing system is a process by which revenues are collected from primary and secondary sources, e.g., out-of-pocket payments (OOPs), indirect and direct taxes, donor funding, co-payment, voluntary prepayments, mandatory prepayment, which are accumulated in fund pools so as to share risk across large population groups and using the revenues to purchase goods and services from public and private providers for identified needs of the population, e.g., fee for service, capitation, budgeting and salaries.

Ultimately, whether through OOPs, taxation or health insurance, financing for the health system originates mostly from the households. Therefore in a most basic form, health care financing represents a flow of funds from patients to health care providers in exchange for services. The way a health system is financed shows if the people get the needed health care and whether they suffer financially at the point of receiving care. A good healthcare financing strategies must be able to mobilize resources for healthcare; achieve equity and efficiency in use of healthcare spending; ensure that healthcare is affordable and of high quality; ensure that essential healthcare goods and services are adequately provided for and most recently ensure that the money is spent wisely so that the millennium development goals (MDGs) could be achieved.

A health care financing mechanism should provide sufficient financial protection so that no household is impoverished because of a need to use health services. One-way of providing such protection is by incorporating a risk-sharing plan in the health care financing mechanism, whereby the risk of incurring unexpected health care expenditure does not fall solely on an individual or household. One aim of universal health coverage (UHC) is how to ensure that all have adequate access to their health care needs without making significant OOP at the point of receiving care. One-way to achieve this is through risk pooling either through tax-funded or social health insurance (SHI). Introduction of National Health Insurance Scheme (NHIS): A SHI program, is one-way countries can enhance universal coverage. The NHIS was introduced in Nigeria in 2005 to guarantee accessibility to healthcare for Nigerians. Since the inception NHIS, only those employed in federal formal sector, which <5% of the working population of Nigeria have been enrolled. The plan was that state governments will adopt the program for their employees, and this action promise to expand the coverage of the insurance scheme. However, 9 years after its inauguration, only two states have adopted the program. Therefore, efforts are being made to devise a strategy to extend the coverage to other states as well as those employed in other formal sector outside this federal formal sector, as well as those employed in the informal sector. If such is achieved, the primary aim of NHIS, which is universal coverage, can then be achieved. Several approaches have been suggested of how to improve universal coverage in areas where those employed in formal sector are small. Among the options are "contributory schemes" like community-based health insurance (CBHI), where households in a particular community contribute to insurance scheme; another is tax-funded health scheme, where health services for those outside are funded from tax.

The way a country finances its health care system is a critical determinant for reaching UHC. This is so because they determine whether health services exist and are available and whether people can afford to use health services when they need them. This can be achieved by a well-planned combination of all healthcare financing mechanisms, which include: Tax-based financing, OOPs, donor funding, health insurance exemptions, deferrals and subsidies. The main thrust is how to generate adequate revenue to finance health services from a diversified group of people, without over tasking the formal sector workers. Since in Nigeria, the formal sector workers are the group that their contributions are its tax or agreed deduction, can easily be access from source and this constitutes 47% of the working population. The situation is different when informal sector (about 53% of the working population) is considered, due to infective tax collection system, inefficient formula to calculate the amount to collect, and lack of confidence on those that will be mandated to collect the fund.

In Nigeria, revenue for financing the health sector is collected majorly from pooled and un-pooled sources. The pooled sources are collected from budgetary allocation, direct and indirect taxation as well as donor funding. However, the un-pooled sources contribute over 70% of total health expenditure (THE) and this can be: OOPs in the forms of fees (informal or formal direct payments to healthcare providers at the time of service) about 90% and payments for goods (medical products such as bed-nets, or condoms) and about 10%. Despite these health financing options in Nigeria, the finances are still disproportionately distributed across the health system and with regional inequity in healthcare expenditure.

Therefore, achieving successful health care financing system continues to be a challenge in Nigeria.

I thank God for the opportunity to serve my country as well as my fellow citizens. I am a man of few words so I’ll get straight to the point. The following are the steps and actions I plan on implementing immediately to combat the COVID-19 virus:

1. Taskforces in every state to enforce 10 days total lockdown with the exemption of essential workers such as farmers and supermarket staff.
2. Create availability of testing kits in each state to as well as Rapid Response teams to ensure immediate action when a suspected case is reported.
3. Creation of health centers in each state to ensure availability of recovery centers
4. Issuance of N15,000 to citizens as relief funds to help with the lockdown. This would be issued through the Bank Verification Number. Those without a BVN would go to their local government offices with a valid ID card where social distancing would be observed. The name on the ID card would be verified to be sure that the recipient hasn’t collected the relief funds through the BVN.
5. Subsidy for staff of essential businesses so as to ensure their efficiency and as a stipend for the risk they are taking to keep the nation moving.
6. Sensitization of the citizens on the cause and effect of the COVID 19 virus to the general populace.
7. Order for the financial institutions to review their terms on loans as customers are not working and money is not flowing.