
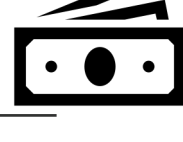



Nigeria

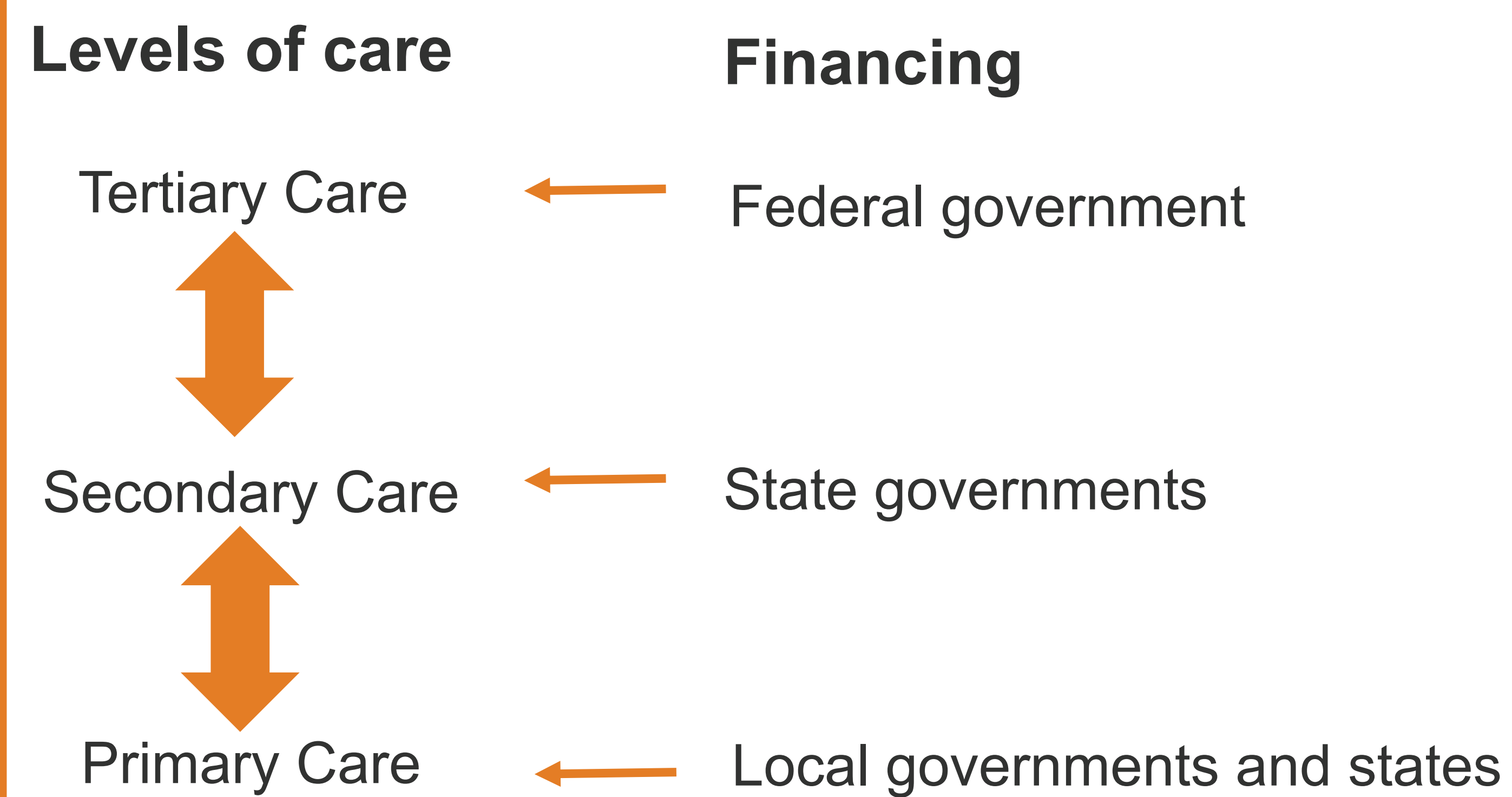
Making Provider Payment Mechanisms More Strategic: Removing the Roadblocks to Implementation

Dr Daniel Ogbuabor
Prof. Obinna Onwujekwe
Dr Uchenna Ewelike

Context:

Population	198M (NBS, 2018)	
GDP/ Capita	\$2,412 (2017)	
CHE/ Capita	\$97.31 (GHE Database, 2015) Gov't spending in THE: 4.5% (NHA 2014)	

Organization of the Health System



Financing sources: households, public sector, donors and insurance.

- Major source of health financing is households (73% of THE, NHA 2016).
- Nigeria has an inverted pyramid in health spending, most spending is at federal level with little emphasis on PHC.

Monitoring

HIMS Indicators are analyzed using the following rules and triggers:

- High volume claims for FFS
- Over referrals for capitation
- Same pattern of claims in a particular hospital
- Onsite investigation random review findings
- Recurrent report about a facility
- Excessive surgical interventions
- Excessive high tech investigations

Provider Payment Mechanisms

PPMs by source of financing

- Central government - line items for salary and overheads
- NHIS - capitation for primary care, fee-for-service (FFS) for secondary care, with oversight from the HMOs
- State HIS – varies by state
- BHCPF – modified FFS anchored on efficiency
- Households – FFS

Innovations

Basic Health Care Provision Fund (BHCPF)

- Earmarked funds aimed at financing PHC
- Funds appropriated in 2018 budget but yet to be released
- Major challenge is lack of public spending

Performance Based Financing (PBF)

- Piloted in three states (Adamawa, Ondo, Niger)
- Driven by World Bank and supported by Government of Nigeria
- Objectives were to increase demand, cost containment and efficiency.
- Major challenge was getting state buy-in

Lessons Learned

- ✓ Introduced Efficiency
- ✓ Cost Savings
- ✓ Improved health outcomes including demand for health services

PPM reform challenges

- Payment of providers through HMOs is enshrined in law and difficult for NHIF to by-pass.
- Capitation associated with inefficiency and under provision. Leading to dissatisfaction in the implementation of the NHIS formal sector program.
- Delay in payments associated with FFS and sometimes nonpayment of providers by HMOs.
- The use of HMOs in PPM in NHIS is a wrong practice that should be discouraged.
- Non-investment in ICT for PPM reform is a major challenge.

Progress for UHC

Earmarked funds for BHCPF aimed at financing primary health care.

Next Steps

- Introduction of PBF in the BHCPF from 2018. The PPM reform is critical to drive the BHCPF, thus emphasis is on efficiency, and the use of ICT to reduce corruption, fraud, non-application of set rules in PPM. The PPM reform is expected to save cost, improve coverage and reduce corruption in the value chain.
- Use of ICT to drive PPM reforms - heavy investment in ICT planned in 2018-2019 fiscal year to follow up on the PPM reform.
- Removal of HMOs role in payment.