

SECRET

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MEMORANDUM OF THE HONOURABLE MINISTER OF HEALTH ON THE COMPLETION OF THE NATIONAL HEALTH ACCOUNTS STUDY 2010-2016 AND COMMENCEMENT OF THE 2017 NHA STUDY

Purpose

This memo is to inform the National Council on Health of the completion the National Health Account Health study 2010 -2016 and commencement of National Health Accounts Study 2017.

Background

The Federal Ministry of Health of Nigeria (FMOH) has conducted National Health Account studies for the periods 1998 – 2002, 2003 – 2005, 2006 – 2009, 2010-2014, and currently finalized the 2015-2016 NHA study. This became necessary in order to close the gap in Nigeria's conduct of NHA studies and to put Nigeria on the global map of NHA front-runners.

Findings from the studies will be used by policy makers, researchers, and other health stakeholders in informing health policy and practice in Nigeria and beyond. Additionally, results from the NHA study will provide essential baselines for Nigeria's UHC Agenda and will be pivotal for major decisions in resource mobilization, allocation, reprioritization as well as utilization within the health sector at all levels.

The NHA 2010-2016 is the first of its kind in Nigeria, as it not only deployed the newly introduced System of Health Accounts (2011), it is in addition the first to be conducted in all the 36 States and FCT. We hope that skills acquired and built during the process will make Nigeria a hub for the learning of strategies for conducting NHA studies in the sub-region in the coming years and most importantly in the conduct of the sub-national (state) Health Accounts (SHA).

Findings from the NHA 2010 -2016 reveal a weak performance of the healthcare financing system as follows;

- Total health expenditure to GDP ratio averaged 3.6% for the period, still below the target range of 4-5%.
- Government health expenditure to total government expenditure increased from 2.8% in 2010 to 5.1% in 2016 but remains far below the Abuja declaration target of 15%.
- Out-of-Pocket household spending was very high at average of 69.7% of THE compared to the benchmark of 30-40%. This portends both elevated levels of exposure of households to catastrophic health spending and high welfare losses as more than 99% of OOP is spent on curative care, leaving no room for preventive care.
- Social health insurance as a proportion of THE remained very low at 1.6%, compared to the UHC target of 90%
- These findings will contribute immensely to resource mobilization, allocation and overall decision making in the health sector especially as we are currently working towards revitalizing and strengthening our health system.

As part of efforts towards strengthening our health system, strategies have being articulated towards institutionalizing the NHA in Nigeria, proactive efforts are being made to conduct routine NHA in the FMOH and State Ministries of Health. Although the challenges of conducting routine NHA are enormous, ranging from inadequate technical capacity and structures to manage NHA, unavailability of data, poor priority setting by policymakers, and poor funding, the importance of establishing sustainable mechanisms to surmount these would not be over-emphasized. At the moment, plans have commenced to jettison the very episodic, periodic and non-efficient practice of NHA and embrace routine conduct of the study that will ensure provision of real-time evidence for health planning and resource mobilization in the health sector.

To this end, the NHA 2017 is being planned and will commence in the coming weeks. We solicit your usual cooperation with the provision of relevant information to our NHA officers and data collectors whenever they come around.

Prayers

Council is invited to note that:

- I. NHA 2017 is planned to commence in the month of August and this will be cascaded to the States; and as such maximum cooperation is requested from all stakeholders.

**Honourable Minister of Health,
June, 2018.**