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**SECRET**

**JUNE 2018**

**NCH/61/007A**

**MEMORANDUM OF THE HONOURABLE MINISTER OF HEALTH ON UPDATE ON THE OPERATIONALIZATION OF THE BASIC HEALTHCARE PROVISION FUND (BHCPF) AND DEVELOPMENT OF AN OPERATION MANUAL**

**1. PURPOSE**

The purpose of this memo is to formally update Council on the status of operationalizing the Basic Healthcare Provisions Fund in line with the provisions of the National Health Act - 2014 and to seek Council's approval for the adoption of the operations manual as the blueprint to implement the BHCPF.

**2. BACKGROUND**

2.1. Nigeria's Commitment to Universal Health Coverage was heralded by a Presidential commitment following a Universal Health Coverage summit in 2014. This was further symbolized with the enactment of the National Health Act in 2014 which serves as a legal framework for galvanizing the activities of all stakeholders in the health sector as well as providing an additional stream of predictable financing for health. Part one, section eleven of the Act established a BHCPF for the provision of a basic minimum package of healthcare services as defined by the Honourable Minister of Health for all Nigerians. The Funds will be sourced from an at least 1% of the consolidated revenue funds, grants from international donors and funds from any other sources. The funds shall be disbursed through three gateways – National Health Insurance Scheme (NHIS), National Primary Health Care Development Agency (NPHCDA) and the Emergency Medical Treatment (EMT) gateways in ratio 50%, 45% and 5% respectively.

2.2. As part of strategies to operationalize the provisions of the Act, a benefit package has been defined by the Honourable Minister of health and an Operations Manual which outlines the governance structures, disbursement pathways including monitoring and evaluation strategies as well as a complaints and redress mechanism has been jointly developed by the FMOH, NHIS and the NPHCDA. The Operations Manual also established a National Steering Committee to provide oversight for the implementation of the BHCPF in line with Section 60 of the National Health Act, 2014.

2.3. The Federal Government, since the enactment of the Act has been unable to finance the implementation of the BHCPF. In the absence of Government's commitment to finance the BHCPF, some development partners (the World Bank, Bill and Melinda Gates Foundation and the Global Financing Facility for RMNCAH+N) have decided to support the Federal Ministry of Health to operationalize the BHCPF through a proof of concept in three states. However, there are some conditions precedents to accessing the funds.

2.4. Conditions precedent as stipulated by the donor partners include but not limited to; conducting an environmental safeguard, posting of a project accountant from the Office of accountant general of the federation's office, developing clear strategies for capacity building for the states, a robust operations manual that outlines the governance and funds disbursement pathway in a transparent and accountable manner. To coordinate the implementation process, a National Steering Committee for the BHCPF has been constituted by the Minister as mandated by the Act. Membership of the NSC comprises of the HMH, HMSH, PSH, ES-NHIS, ED-NPHCDA, Chairman Committee of Commissioners of Health, Representative of the CSO community, Development Partners contributing to the fund, and an independent observer.

2.5. To kick-start the implementation of the BHCPF, three start-up states have been selected for the initial phase which will facilitate the generation of evidence for the final roll out of the BHCPF in the 36+1 States. Niger, Osun, and Abia States will be used for the start-up phase. As part of the evidence generation for the start-up phase, baseline assessment of selected health facilities in a number of Local government areas in the States are currently on-going.

2.6. The BHCPF as an instrument for accelerating Universal Health Coverage in Nigeria forms a basis for a national health insurance program that aggregates premiums from the informal sector to build a national social insurance scheme. It will complement the larger National Social Safety as well as facilitate our PHC strengthening for service delivery readiness. It will further address access to quality care for the poor while preventing them from falling into financial catastrophe and package of health services maybe reviewed at intervals as defined by the Minister.

### **3. Prayers:**

Council is invited to note:

- I. The NAct -2014 provides for a basic healthcare provision fund.
- II. To fast track the operationalization of the provisions of the Act, a basic minimum package of healthcare services has been defined by the Minister as stipulated in the Act.
- III. To guide the administration, disbursement and ensure accountability and transparency in utilization of the Fund, an operations manual has been developed.
- IV. The start-up phase for the operationalization of the Act will be funded by donor contributions – BMGF, WB and GFF.

Council is further invited to approve:

- I. The Operations manual which has been jointly developed by the FMOH, NHIS and NPHCDA technical teams for the implementation of the BHCPF Start-up phase.

**Honourable Minister of Health**

**JUNE 2018**