

**SECRET**

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**MEMORANDUM OF THE HONOURABLE COMMISSIONER FOR HEALTH, LAGOS STATE ON THE INTEGRATION OF VERTICAL PROGRAMMES ON THE LAGOS STATE HEALTH SCHEME**

**Purpose:**

The purpose of this memorandum is to inform the Council on the integration of Vertical Programmes within Lagos State Health Scheme, and consider for adoption, the initiative as a national policy for all State's implementing State Health Insurance Scheme.

**Introduction:**

The Lagos State Health Scheme (LSHS) was established by law in May 2015, and is a major health financing reform targeted at ensuring that all residents of the State have access to quality, affordable and equitable health care. This will lead to improved health outcomes for all residents of Lagos State and target improving Maternal and child mortality amongst other health indices.

The LSHS was established as part of Government's strategy to attain Universal health coverage. The sole aim being to improve access, provide quality health services and ensure that no person has to undergo financial hardship in order to access services for their health. As part of the LSHS Strategy, the State set up a fund called the equity fund that comprises of 1% of the Consolidated Revenue Fund (CRF) to cover the premiums for the poor and vulnerable and also provided funds to subsidize 75% of the premium of the Civil Servants.

**Background:**

Nationally, there has been a heavy reliance on external funding for the provision and delivery of some health programmes such as HIV services, TB services, malaria and family planning. There has been heavy dependence on international donor funding with very little or no counterpart funding from government.

It is expected that with the implementation of the Lagos State Health Scheme, there would be increased population demand for and access to health care services specifically those on the benefit package. This triggered the need to address the issue of vertical programme and the feasibility of including them in the benefit package to be accessed under the LSHS.

**Content**

The Lagos State Ministry of Health with the support of implementing partners developed an implementation framework for the integration of vertical programs into the LSHS. This framework focused on providing answers to these critical questions:

1. What are the operational requirements for achieving a seamless delivery of HIV/AIDS and other vertical programme services onto the LSHS?
2. What is the technical capacity of the LSHS provider network to deliver these services.

3. What is the financial impact on the premium of adding HIV/AIDS services to the LSHS benefits package?

The framework looks at two approaches:

1. Integration of the donor funded vertical programmes into the LSHS benefit package
2. For sustainability purposes, the absorption of these programmes into the premium for the LSHS.

The process for the development of the framework was multipronged and included:

1. Active engagement of the partners involved in the delivery of vertical programmes to jointly explore the feasibility of the transition of these programmes into the LSHS benefit package and further include in the LSHS premium,
2. Service availability mapping to determine the facilities on the LSHS provider network or around these facilities who already offer one or more of the donor funded health care services in order to develop a cluster of health care facilities that can provide care for those on the LSHS who require such services
3. Actuarial analysis to actually cost some of these services specifically HIV/AIDs and TB to determine the needed fund in the premium needed to cover the integration of this services into the LSHS.
4. Development of an integrated implementation plan phased into immediate and medium term has been developed to address identified issues around the delivery of commodities and supplies, diagnostics and service delivery, monitoring and evaluation, capacity building, provider payment and service quality assurance.

In the immediate term, the State Government has made some funds available for the procurement of commodities for vertical programmes such as tuberculosis, family planning and malaria so that this would be at no extra cost to the empaneled providers.

### **Prayers**

**Council is hereby invited to note:**

1. That Lagos State's effort in integrating vertical programmes into its State Health Insurance Scheme (LSHS)
2. The need as a nation to reduce dependency on donor funding and begin to develop and adapt strategies to increase Government funding for health services.
3. And consider for adoption, the initiative as a national policy for all State's implementing State Health Insurance Scheme.

**Honourable Commissioner for Health, Lagos State**

**June, 2018.**