

Nigeria's new government and public financing for universal health coverage



Nigeria has shown commitment to achieving universal health coverage (UHC), but progress has been slow.¹ The 2014 Presidential Summit Declaration affirms that UHC is key to ensuring equitable access to high-quality, affordable health care for all Nigerians. Although the summit was built on a highly participatory stakeholder engagement process, its concomitant momentum has waned.² The new government led by President Muhammadu Buhari can re-energise the drive towards achieving UHC in Nigeria.

A recent review of health-system financing for UHC in Nigeria shows high out-of-pocket expenses for health care, a very low budget for health at all levels of government, and poor health insurance penetration.³ According to WHO, general government expenditure on health as a percentage of total government expenditure was very low at 3.3% in 2002, increasing consistently per year to 9.4% in 2007, and dropped to 6.7% in 2012.⁴ Private expenditure on health as a percentage of total health expenditure remains high, dropping slightly from 74.4% in 2002 to 68.9% in 2012. Out-of-pocket expenditure as a percentage of private expenditure on health has consistently remained higher than 90% since 2002, and was 95.7% in 2012.

Less than 5% of Nigerians have health insurance coverage; most enrollees are in the formal sector with very poor coverage in the informal sector.^{3,5,6} Two states (Bauchi and Cross River) attempted enrolling their employees, but nine states (Abia, Enugu, Gombe, Imo, Jigawa, Kaduna, Lagos, Ondo, and Oyo) have indicated interest.³ Other states including Lagos, Kwara, Ogun, and Akwa Ibom are implementing state-led community-based health insurance programmes to reach the informal sector with varying levels of coverage and inherent sustainability challenges.⁷

The recently signed National Health Act is a viable framework, the implementation of which can fast-track progress towards UHC.⁸ This act sets the background to earmark adequate public resources to health towards strengthening primary health care through the Basic Healthcare Provision Fund. 50% of the fund will be managed by the National Health Insurance Scheme to ensure access to a minimum package of health services

for all Nigerians and 45% by the National Primary Healthcare Development Agency for primary health-care facility upgrade and maintenance, provision of essential drugs, and deployment of human resources to primary health-care facilities. The Federal Ministry of Health will manage the remaining 5% for national health emergency and response to epidemics.

Counterpart funding from state and local governments is at the core of the National Health Act implementation. Resource mobilisation and accountability are key factors for successful implementation of the National Health Act.⁶ Although there is substantial evidence that public financing is key to the achievement of UHC, government expenditure on health has been very low in Nigeria and domestic resource mobilisation is weak.^{6,9,10} The new government should creatively and aggressively explore innovative domestic financing despite attendant fiscal constraints. Tax avoidance and inefficient tax collection are major roadblocks that the new government should tackle to improve domestic revenue generation. Lagos successfully increased its monthly internally generated revenue from N600 million to N20 billion between 2000 and 2010.¹¹ Lagos's example should be adapted at the national and subnational levels in Nigeria to expand fiscal space and prioritise health investments.

In Nigeria, sufficient funds can be obtained through sin taxes on products that pose risk to health, such as tobacco and alcohol, progressive levies on phone calls or mobile phone purchases, and taxes on air tickets, foreign exchange transactions, and luxury goods.^{3,12} Nigeria could also generate substantial fiscal capacity to fund national health reforms by cutting the country's enormous budget for fuel subsidies.¹³ Additionally, Rwanda's exemplary health-system reforms offer important lessons for Nigeria: with a strong stance against corruption, the Buhari-led government can also "assert vision and control"¹⁴ to mobilise and align resources from domestic and external sources, and ensure efficient use of such resources to increase access to high-quality health care for Nigerians.^{8,14} The new government should commit itself to the 2001 Abuja declaration by allocating at least 15% of its budget to

health.¹⁷ This is one way the Buhari-led government can demonstrate its political will to achieve the 2014 Presidential Summit Declaration on UHC and secure the crucial public support needed for other reforms.

Evidence shows that no country has been able to achieve UHC with voluntary health insurance.¹² Stakeholders therefore agree that the government must make health insurance compulsory by facilitating the amendment of the 1999 National Health Insurance Scheme (NHIS) Act 35.¹⁵ The passage of Law 100 in Colombia to implement a national social security system greatly contributed to universal coverage.¹⁶ President Buhari should sign the amended NHIS Act passed by the Seventh National Assembly and ensure full implementation. Each state government should create its health insurance agency with guidance from the NHIS and implement innovative ways to capture the formal and informal sectors. These steps will greatly increase health insurance penetration across the country.

The Commission on Macroeconomics and Health¹⁸ and *The Lancet* Commission on Investing in Health¹⁹ show that investments contribute to economic growth and social development. Adequate public investments in health reduce financial impoverishment as a result of catastrophic cost of health care by shifting cost away from out-of-pocket expenditures and facilitating prepayment risk pooling mechanisms. Healthy citizens are productive. They work, earn, and save, and contribute to economic growth. UHC will catalyse a robust health-care market that will create many jobs for the Nigerian people within the public and private sectors. Also, governments that facilitate substantial progress towards or achieve UHC, as in Thailand and Rwanda, are perceived favourably by their citizens and are more likely to be re-elected.²⁰

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We declare no competing interests.

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