

*Extraordinary*



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**NATIONAL HEALTH INSURANCE AUTHORITY ACT, 2022**



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**NATIONAL HEALTH INSURANCE AUTHORITY ACT, 2022**

**ACT No. 17**

AN ACT TO REPEAL THE NATIONAL HEALTH INSURANCE SCHEME ACT, CAP. N42, LAWS OF THE FEDERATION OF NIGERIA, 2004, AND ENACT THE NATIONAL HEALTH INSURANCE AUTHORITY ACT, 2022 TO PROVIDE FOR THE PROMOTION, REGULATION AND INTEGRATION OF HEALTH INSURANCE SCHEMES IN NIGERIA ; AND FOR RELATED MATTERS

[19th Day of May, 2022]

Commence-  
ment.

ENACTED by the National Assembly of the Federal Republic of Nigeria—

**PART I—ESTABLISHMENT OF THE NATIONAL HEALTH INSURANCE AUTHORITY**

**1.** There is established the National Health Insurance Authority (in this Act referred to as “the Authority”).

Establishment  
of the  
National  
Health  
Insurance  
Authority.

(2) The Authority—

(a) shall be a body corporate with perpetual succession and an official seal ;

(b) may sue and be sued in its corporate name ;

(c) may, for the performance of its functions under this Act acquire, hold, or dispose of any moveable and immovable property ; and

(d) may enter into contract or any other transaction in pursuance of its powers and functions under this Act.

**2.** The objects of the Authority are to—

Objects  
of the  
Authority.

(a) promote, regulate and integrate health insurance schemes ;

(b) improve and harness private sector participation in the provision of health care services ; and

(c) do such other things that will assist the authority in achieving Universal Health Coverage to all Nigerians.

**3.** The Authority shall—

Functions  
of the  
Authority.

(a) promote, integrate and regulate all health insurance schemes that operate in Nigeria ;

(b) ensure that health insurance is mandatory for every Nigerian and legal resident ;

(c) enforce the basic minimum package of health services for all Nigerians across all health insurance schemes operating within the country, including Federal, States, and the Federal Capital Territory (FCT) as well as private health insurance schemes ;

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Act No. 8,  
2014.

(d) promote, support and collaborate with States through State health insurance schemes to ensure that Nigerians have access to quality health care that meets national health regulatory standards ;

(e) ensure the implementation and utilisation of the Basic Health Care Provision Fund as required under the National Health Act and any guidelines as approved by the Minister under that Act ;

(f) grant accreditation and re-accreditation to Health Maintenance Organisations, Mutual Health Associations, Third Party Administrators and Health Care Facilities and monitor their performance ;

(g) subject to section 13, approve contributions to be made by members of the various health insurance schemes ;

(h) provide or require the establishment of mechanisms for receiving and resolving complaints by members of the schemes and Health Care Facilities, Health Maintenance Organisations, Mutual Health Associations and Third-Party Administrators ;

(i) make proposals to the Council for the formulation of policies on health insurance ;

(j) provide technical and other relevant support to State health insurance schemes ;

(k) seek and advocate for funds for the Basic Health Care Provision Fund ;

(l) provide and maintain Information and Communication Technology (ICT) infrastructure and capability for the integration of all data on health schemes in Nigeria including the State health insurance schemes ;

(m) undertake on its own or in collaboration with other relevant bodies a sustained public education on health insurance ;

(n) devise a mechanism for ensuring that the basic health care needs of indigents are adequately provided for ;

(o) maintain a register of licensed health insurance schemes and accredited health care facilities ;

(p) evaluate any new proposal in relation to extending the coverage of a health insurance scheme to any group of Nigerians ;

(q) in conjunction with the States, devise a mechanism for ensuring that the basic health care needs of vulnerable persons are adequately provided for ;

(r) accredit insurance companies, insurance brokers and banks desirous of participating in health insurance schemes under the Authority ;

(s) regulating all health insurance schemes in Nigeria in accordance with the provisions of this Act ;

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(t) approve, after consultation with the Health Care Facilities, formats of contracts for health service purchasing proposed by the Health Maintenance Organisations and the Mutual Health Associations for all Health Care Facilities ;

(u) approve, after consultation with Health Care Facilities and the bodies representing the Health Care Facilities, capitation and other payments due to Health Care Facilities by the Health Maintenance Organisations and Mutual Health Associations ;

(v) undertake research and generate statistics on matters relating to the Authority ;

(w) exchange information and data with the National Health Management Information System, financial institutions, Federal Inland Revenue Service, State Internal Revenue Services, National Bureau of Statistics, professional regulatory bodies and other relevant bodies and individuals for research purposes upon their request ;

(x) ensure manpower development of the Authority ;

(y) develop operational guidelines for the Authority and ensure it is reviewed at least once in five years ;

(z) sanction erring parties in accordance with the provisions of the operational guidelines ;

(aa) ensure that tariffs agreed with Health Care Facilities are reviewed on a three-yearly basis to the mutual satisfaction of Health Care Facilities, Health Maintenance Organisations, Health Insurance Schemes and the Authority ; and

(bb) carry out such other activities as are necessary or expedient for the purpose of achieving the objectives of the Authority under this Act.

4.—(1) There is established a Governing Council (in this Act referred to as “the Council”) which shall consist of —

Establishment  
of the  
Governing  
Council.

(a) the Chairman ;

(b) one representative each of —

(i) the Federal Ministry of Health not below the rank of a Director,

(ii) the Federal Ministry of Finance not below the rank of a Director,

(iii) the Nigeria Employers Consultative Association, and

(iv) the Armed Forces ;

(c) two representatives of organised labour ;

(d) Director-General of the Authority who shall also serve as the Secretary to the Council ;

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(e) a representative of each geo-political zone to represent the States, such representation to be rotated between States every two years within the zone ; and

(f) a representative of a Civil Society Organisation whose main activities focus on health.

(2) Members of the Council, other than the Director-General, shall be part-time members.

(3) All members shall within one month of appointment declare in writing to the Council their personal interests known to them in any organisation under this Act.

(4) If upon declaration a member is found to hold personal interests in conflict with the objects of this Act in any form, the appointment shall be withdrawn.

(5) The Chairman and other members of the Council shall be appointed by the President of the Federal Republic of Nigeria on the recommendation of the Minister, and shall be persons of relevant high education, experience and integrity.

Functions  
and powers  
of the  
Council.

**5. The Council shall—**

(a) approve and register for the Authority Third Party Administrators in any form ;

(b) determine the overall policies, including the financial and operational procedures of the Authority ;

(c) ensure the effective implementation of the policies and guidelines of the Authority ;

(d) regulate and supervise the various health insurance schemes established under this Act ;

(e) promote, oversee, collaborate and provide guidance to State health insurance schemes ;

(f) issue guidelines for the administration of the funds of the Authority ;

(g) approve, license, regulate and supervise Health Maintenance Organisations, Mutual Health Associations and other institutions relating to the Authority as may be determined ;

(h) establish standards, rules and guidelines for the management of the various schemes under this Act ;

(i) approve the organisational structure, appointments, promotions and discipline of all categories of the Authority's staff as well as their remuneration ;

(j) receive and investigate complaints of impropriety levied against any Health Maintenance Organisation, Mutual Health Association, or other relevant institutions ;

(k) discipline by way of temporary suspension, revocation of license or imposition of fine to any erring Health Maintenance Organisation, Mutual Health Association, Health Care Provider or other relevant institution ;

(l) appoint auditors and other consultants for the Authority ; and

(m) do other things which are necessary or expedient for the performance of its functions under this Act.

6.—(1) A member of the Council other than the Director General and Chief Executive Officer—

Tenure of office for members of the Council.

(a) shall hold office for a term of four years in the first instance, and

(b) may be re-appointed for a further term of four years and no more.

(2) Where a member of the Council resigns, dies, is removed from office or is, for sufficient reason, unable to act as a member of the Council, the Chairman shall notify the President through the Minister of the vacancy, and the President shall, on the advice of the nominating authority, where applicable, appoint another person to hold office for the unexpired portion of the member's term of office.

(3) A member of the Council may at any time resign from office in writing addressed to the President through the Minister.

7.—(1) The Council shall meet at least once every three months for dispatch of business.

Meetings of Council.

(2) The Chairman shall, at the request in writing of not less than half of the membership of the Council, convene an extraordinary meeting of the Council at the place and time determined by the Chairman.

(3) The quorum at a meeting of the Council shall be one third of members of the Council including the Director-General.

(4) The Chairman shall preside at the meeting of the Council and, in the absence of the Chairman, a member of the Council elected by the members present from among their number shall preside.

(5) Matters before the Council shall be decided by a simple majority of the members present and voting and in the event of a tie of votes, the person presiding shall have the casting vote.

(6) The Council may invite a person acting in an expert capacity, but that person is not entitled to vote on a matter for decision by the Council.

(7) Subject to the provisions of this section, the Council shall determine the procedure for its meetings.

(8) Minutes of each meeting shall be kept in proper form, and as adopted by the Council at the next meeting and signed by the Chairman and the Secretary of the meeting.

Disclosure  
of Interest.

8. A member of the Council who has an interest in a contract or any other transaction proposed to be entered into with the Authority, or an application before the Council shall disclose in writing the nature of the interest and is disqualified from participating in the deliberations of the Council in respect of the contract, application or that transaction.

Committees  
of the  
Council.

9. The Council may, for the performance of its functions, appoint committees composed of members of the Council, non-members or both and assign to the committees any of its functions but a committee composed entirely of non-members may only advise the Council.

Remuneration  
of members.

10.—(1) The Chairman and members of the Council shall be paid such remuneration and allowances as the Federal Government may determine.

(2) The members of the Council, committees of the Council and persons invited to attend meetings of the Council shall be paid traveling and other allowances as approved by the Federal Government.

Cessation of  
membership  
and  
dissolution  
of the  
Council.

11.—(1) A member of the Council ceases to hold office if he—

(a) becomes of unsound mind ;

(b) becomes bankrupt or makes a compromise with his creditors ;

(c) is convicted of a felony or any offence involving dishonesty ;

(d) is guilty of serious misconduct in relation to his duties ; or

(e) fails to declare his interests to the Council as required under section 8 of this Act.

(2) A member of the Council may be removed from office by the President, on the recommendation of the Minister if he is satisfied that it is not in the interest of the Authority or the public that the member should continue in office.

(3) Where a vacancy occurs in the membership of the Council—

(a) the President shall appoint a successor ; and

(b) the successor shall—

(i) hold office for the remainder of the term of office of his predecessor, and

(ii) represent the same interest as that of his predecessor.

(4) The Council may in the public interest be dissolved by the President and all its members, excluding the Director-General, shall cease to hold office as Council members.

(5) A member of the Council who is absent from three consecutive meetings of the Council without sufficient cause shall cease to be a member of the Council.

(6) The Chairman shall, through the Minister, notify the President in writing of a vacancy that occurs on the Council within 30 days of the occurrence of the vacancy.

(7) Upon dissolution of the Council and pending its reconstitution, the Minister shall exercise the powers and functions of the Council under this Act.

12. The Minister of Health may give directives to the Council on matters of policy.

Ministerial directives.

PART II—TYPES OF HEALTH INSURANCE SCHEMES

13.—(1) Every state of the Federation and the Federal Capital Territory may, for the purpose of providing access to health services to its residents, establish and implement a State health insurance and contributory scheme, to cover all residents of the State and Federal Capital Territory respectively.

Establishment of State health insurance or contributory scheme. Act No. 8, 2014.

(2) The coverage under subsection (1) shall be at the minimum scope of coverage as outlined in the Basic Minimum Package of the National Health Act.

(3) The Authority shall establish a scheme for the coverage of employees of Ministries, Departments, Agencies in the Federal Civil Service and other relevant groups.

(4) For the purpose of the implementation of the scheme under subsection (3), the Authority shall, with the approval of the Council, set out operational guidelines for the scheme.

(5) State health insurance or contributory schemes and the Federal Capital Territory Scheme established under subsection (1) shall comply with the requirements under this Act, to ensure that any Health Maintenance Organisation, Health Care Facility, Mutual Health Association or Third Party Administrator employed in State health insurance schemes or the Federal Capital Territory Health Insurance Scheme are registered by the Authority in accordance with the provisions of this Act.

(6) Every State and the Federal Capital Territory scheme shall establish an Information and Communication Technology (ICT) infrastructure for the management of data and such ICT infrastructure shall be integrated with and provide information in the requisite format to the ICT infrastructure of the Authority.

(7) A State and the Federal Capital Territory shall provide coverage for vulnerable persons under the State health insurance and contributory scheme through the Basic Health Care Provision Fund and other sources and not require the payment of premiums for such coverage by vulnerable persons defined by this Act.

Act No. 8,  
2014.

(8) Every State which has established a state health insurance or contributory scheme and which complies with the requirements of this Act shall be eligible to participate in the Basic Health Care Provision Fund as established under the National Health Act and its guidelines.

Participation  
in health  
insurance to  
be  
mandatory.

**14.**—(1) Subject to the provisions of this Act, every person resident in Nigeria shall be required to obtain health insurance.

(2) Residents under this Act include—

(a) all employers and employees in the public and private sectors with five staff and above ;

(b) informal sector employees ; and

(c) all other residents of Nigeria.

(3) Subject to subsection (2), nothing under this Act shall be construed to preclude a resident in Nigeria from obtaining private health insurance provided such a person participates in any State mandated health scheme.

(4) A person who obtains private health insurance shall not be eligible to receive free coverage as a vulnerable person as provided under section 13 (7) of this Act.

Qualification  
for  
application.

**15.**—(1) Without prejudice to the power of a State to establish a health scheme under section 13 of this Act, a person shall not qualify to apply to operate any form of health insurance scheme in the country unless the scheme is registered as a company limited by guarantee or a limited liability company and complies with the provisions of all relevant laws in Nigeria.

(2) A private health insurance scheme or plan shall cover interested individuals, employers or employees of organisations in the private sector who may want to buy the scheme for supplementary benefits.

Act No. 3,  
2020.

(3) A body corporate registered as a limited liability company under the Companies and Allied Matters Act and accredited by the Authority as a Health

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Management Organisation may operate a private health insurance scheme, subject to compliance with the provisions of law.

(4) A private health insurance scheme or plan shall be required as a condition for registration and licensing by the Authority to deposit with a bank accredited by the Authority an amount of money in an interest yielding account that the Authority shall prescribe as security for its members.

(5) The security referred to under subsection (4) shall be maintained throughout the period that the business of the private health insurance is carried on.

(6) The Authority may review the level of the security deposit.

(7) Where a private health insurance scheme or plan suffers a substantial loss, arising from liability to members and the loss cannot reasonably be met from its available resources, the Authority may, after ascertaining the nature of the claim, and on application made to it by the scheme, approve the withdrawal from the security deposit of the scheme of an amount sufficient to meet the liability, and an amount withdrawn shall be replaced by the scheme not later than 90 days after the date of the withdrawal.

(8) The security deposit is the asset of the private health insurance scheme or plan, but except as provided under subsection (7), it shall be available to the scheme only in the event of the closure or winding up of the health insurance business for the discharge of the liabilities arising out of policies transacted by the insurer and remaining un-discharged at the time of the closure or winding up of the insurance business.

(9) All private health insurance schemes or plans shall be regulated by the Authority.

**16—(1)** Without prejudice to the right of a State to establish a health scheme under section 13 of this Act, a person or group shall not operate a health insurance scheme of any type in Nigeria unless it has been registered with the Authority and issued a license for that purpose.

Application for accreditation and license.

(2) Application for accreditation and license to operate a health insurance scheme shall be made to the Authority in a form to be prescribed by the Authority.

**17.** Without prejudice to the provisions of section 16 of this Act, the Authority may, by regulations, impose fees for the issuance of a license under this Act, except in the case of a Government health insurance scheme or Authority.

Fee for issuance of license.

Refusal to register and license a scheme.

**18.**—(1) The Authority may refuse to register and issue a license for a scheme, and it shall notify the applicant in writing of its decision, stating the reason for the refusal.

(2) Where the refusal to register and issue a license is as a result of non-material defect in the application, the Authority may in the notice require the applicant to rectify the application within six months.

Refusal to register or revocation of license of a scheme.

**19.** The Authority may refuse to register or revoke the license of a scheme if it is in breach of relevant provisions of the operational guidelines and has failed to comply with a provision of this Act, the regulations or any other enactment applicable to the scheme.

Third Party Administrator.

**20.**—(1) A Third Party Administrator shall—

(a) be registered by the Authority to perform such functions as are specified under this Act ; and

(b) comply with all the requirements for Third Party Administrators under the regulations to be made by the Minister.

(2) A Health Maintenance Organisation may act as a Third Party Administrator if it—

(a) meets the requirements for doing so under this Act ; and

(b) is contracted to do so.

(3) A Third Party Administrator established under this Act shall—

(a) manage the providers including continuous quality assurance ;

(b) ensure patient satisfaction through relevant mechanisms, including the operation of call centres ; and

(c) perform other administrative functions which they are required to perform to facilitate the implementation of a State health scheme or functions as required by the Authority.

Display of license.

**21.** A licensed scheme, institution, organisation or group shall display its license in a prominent place at its offices, where the license is visible to the general public.

Prohibition on use of name unless licensed.

**22.**—(1) Without prejudice to the right of a State to establish a health scheme, a person shall not conduct an activity under a name which includes “health scheme”, “medical insurance scheme”, “health maintenance organisation”, “health insurance scheme” or similar name which is calculated or likely to lead people to believe that the person operates a health insurance scheme unless the scheme is registered and licensed and complies with other provisions under this Act.

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(2) A person who contravenes subsection (1) commits an offence and is liable on conviction to a fine of at least ₦2,000,000 or imprisonment for a term of at least five years or both.

23.—(1) Subject to the provisions of section 12 of this Act, a health scheme licensed under this Act shall not transfer its activities or operate its activities jointly with another scheme unless it has the prior written approval of the Authority.

Transfer and joint operations.

(2) An application for approval under subsection (1) shall be made jointly to the Authority by the schemes involved and shall contain the information prescribed by regulation made by the Authority under this Act.

PART III—IMPLEMENTATION OF THE BASIC HEALTH CARE PROVISION FUND AND ESTABLISHMENT OF VULNERABLE GROUP FUND

24.—(1) The Authority shall work in conjunction with the States to provide a basic minimum package of care to all residents of Nigeria.

Implementation of the Basic Health Care Provision Fund.

(2) For the purpose of subsection (1), the Authority shall implement the Basic Health Care Provision Fund as set out in the National Health Act and guidelines developed in that regard.

Act No. 8, 2014.

(3) The Authority shall work in conjunction with the States to achieve the objectives of the Basic Health Care Provision Fund and to provide a basic minimum package of care as defined in the guidelines developed for the implementation of the Basic Health Care Provision Fund.

(4) The Authority shall provide general guidance for the operation of the Basic Health Care Provision Fund and for that purpose—

(a) make regulations covering accreditation, quality of care and complaints handling ;

(b) collaborate with the State health schemes and State-owned institutions to accredit and empanel primary and secondary health care facilities using criteria as may be contained in relevant guidelines ; and

(c) provide for the administration of an Ombudsman to handle complaints of enrollees.

(5) States health schemes shall be responsible for disbursements, management of the Basic Health Care Provision Fund, and monitoring and evaluation of the implementation of the Basic Health Care Provision Fund in the States in line with the relevant guidelines issued by the Authority.

(6) Where a State has not yet established a State health scheme, it may contract a Third Party Administrator, as defined in this Act for a temporary period, prior to establishing a State health scheme.

Establishment and sources of the Vulnerable Group Fund.

**25.**—(1) There is established the Vulnerable Group Fund.

(2) The sources for the Vulnerable Group Fund include—

(a) Basic Health Care Provision Fund to the Authority ;

(b) health insurance levy ;

(c) Special Intervention Fund allocated by the Government and appropriated to the Vulnerable Group Fund ;

(d) money that accrues to the Vulnerable Group Fund from investments made by the Council ; and

(e) grants, donations, gifts and any other voluntary contribution made to the Vulnerable Group Fund.

(3) The Council may by regulations review the sources of funding to keep pace with developments in the health insurance industry.

Object of the Vulnerable Group Fund.

**26.**—(1) The object of the Vulnerable Group Fund is to provide finance to subsidize the cost of provision of health care services to vulnerable persons in Nigeria.

(2) For the purpose of implementing the object, the money from the Vulnerable Group Fund shall be expended to provide—

(a) subsidy for health insurance coverage of vulnerable persons as determined by the Council ; and

(b) for the payment of health insurance premium for indigents.

Formula for disbursement from the Vulnerable Group Fund.

**27.**—(1) The Council shall determine and submit to the Minister for approval, the criteria for disbursement of subsidies to be paid to State health insurance schemes for health care of the vulnerable and indigents in Nigeria.

(2) The Council shall, in disbursing money from the Vulnerable Group Fund make specific provisions towards the health needs of indigents and prescribe the methods for determining who is indigent in Nigeria.

Management of the Vulnerable Group Fund.

**28.**—(1) The Council shall give directives to the Authority for the management of the Vulnerable Group Fund.

(2) The Council in the managing of the Vulnerable Group Fund shall—

(a) formulate and implement policies towards achieving the objects of the Vulnerable Group Fund ;

(b) approve methods for the collection of money lawfully due to the Vulnerable Group Fund ;

(c) account for the money in the Vulnerable Group Fund ;

(d) provide formula for the disbursement of money from the Vulnerable Group Fund ;

(e) approve any other expenditure charged on the fund under this Act or any other enactment ; and

(f) perform any other function ancillary to the objects of the Vulnerable Group Fund.

29. Subject to approval of the Council, the Authority may invest a part of the Vulnerable Group Fund that it considers appropriate in securities and deposits.

Investment of the Vulnerable Group Fund.

30. The expenses attendant to the management of the Vulnerable Group Fund shall be charged to the Vulnerable Group Fund.

Expenses of the Vulnerable Group Fund.

PART IV—CONTRIBUTIONS UNDER HEALTH INSURANCE SCHEMES

31.—(1) Contributions under —

Payment of contributions.

(a) formal sector shall be paid by the employers and employees at rates determined by the Councils of the various State health insurance schemes.

(b) informal sector shall be paid by individuals, groups and families at rates determined by the Councils of the various State health insurance schemes.

(2) The contributions for vulnerable persons, not otherwise covered by other schemes, shall be made on their behalf by one or a combination of the three levels of government, development partners or non-governmental organisations.

(3) Contributions from the Federal Government for vulnerable persons shall be made from the Basic Health Care Provision Fund.

(4) States shall be eligible to access these funds upon establishing their State health insurance schemes as required under this Act and other relevant provisions of the guidelines of the Authority.

(5) Individuals or employers may pay additional premiums for voluntary supplementary or complementary private health insurance plans.

32.—(1) Subject to such guidelines and regulations as may be made under this Act, an employer shall register itself and its employees and pay into the account of States Social Health Scheme Funds, its contributions and the contributions in respect of its employees, at the time and in the manner as may be specified in the State health insurance scheme laws and guidelines issued thereunder.

Registration of employers and employees.

(2) Subject to guidelines and regulations as may be made under this Act, an individual or employer may register himself and the people under him with a private health insurer, pay into designated accounts of such insurer the necessary premium in respect of himself and others under supplementary or complementary private health insurance schemes.

PART V—HEALTH MAINTENANCE ORGANISATIONS, MUTUAL HEALTH ASSOCIATIONS AND THIRD-PARTY ADMINISTRATORS

Accreditation  
of Health  
Maintenance  
Organisations,  
Mutual  
Health  
Associations  
and Third-  
Party  
Administrators.

33.—(1) The Authority shall accredit—

- (a) Health Maintenance Organisations ;
- (b) Mutual Health Associations ; and
- (c) Third Party Administrators.

(2) The accreditation of Health Maintenance Organisations, Mutual Health Associations, and Third Party Administrators shall be in such form and manner as may be determined by the operational guidelines of the Authority.

(3) The Authority may withdraw the licence of any accredited Health Maintenance Organisation, Mutual Health Association, and Third Party Administrator where they breach the provisions of the operational guidelines.

(4) Where the license of a Health Maintenance Organisation, Mutual Health Association or Third Party Administrator is withdrawn, the Authority shall decide on the best way to keep its activities going either temporarily or permanently to safeguard the interest of the enrollees.

(5) The Authority may refuse to register and issue a license to a Health Maintenance Organisation, Mutual Health Association or Third Party Administrator, and it shall notify the applicant in writing of its decision.

Functions of  
Health  
Maintenance  
Organisations,  
and Mutual  
Health  
Associations.

34.—(1) A Health Maintenance Organisation shall—

- (a) have roles as may be assigned to it by a State health insurance schemes including the role of Third Party Administrator ;
- (b) where employed to collect contributions, ensure prompt remittance of contributions to State pools ;
- (c) perform other administrative actions as required under this Act ;
- (d) pay administrative charges to the Authority for purposes of regulation and related issues ;
- (e) pay for services rendered by health care providers accredited under the Authority, for private health insurance ;
- (f) establish a quality assurance system to ensure that qualitative care is given by the health care providers to enrollees ;

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(g) render to the Authority returns on its activities as may be required by the Council ; and

(h) perform any other function as may be determined by the Authority.

(2) Any private health insurance plans marketed by a Health Maintenance Organisation shall be subject to approval by the Authority.

(3) Notwithstanding the provisions of this Act, a Health Maintenance Organisation shall not be involved in the direct delivery of health care services

(4) A Mutual Health Associations shall—

(a) have continuous community mobilisation and sensitisation ;

(b) negotiate with providers and purchase services for its members and their families in consultation with the Authority ;

(c) ensure prompt remittance of contributions collected on behalf of the members to the State health insurance scheme ;

(d) assist in ensuring quality assurance ; and

(e) perform any other function as may be determined by the Authority.

35.—(1) A Third Party Administrator shall—

(a) be a company duly incorporated as a limited liability company under the Companies and Allied Matters Act ;

(b) be registered by the Authority to perform such functions as are specified under this Act ; and

(c) comply with all the requirements for Third Party Administrators under regulations made by the Authority.

(2) An Organisation may act as a Third-Party Administrator if it —

(a) meets the requirements for doing so under this Act ; and

(b) is contracted to do so.

(3) A Third-Party Administrator established under this Act shall —

(a) carry out continuous quality assurance ;

(b) ensure patient satisfaction through relevant mechanisms, including the operation of call centres ; and

(c) carry out other administrative functions which they are required to perform to facilitate implementation of a State health scheme ;

(d) perform any other function as may be required by the Authority.

Third Party  
Administrators.  
Act No. 3,  
2020.

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Accreditation and functions of healthcare providers.

**36.**—(1) The accreditation of health care providers shall be in such form and manner that complies with the operational guidelines of the Authority which shall be determined by the Authority.

(2) A Health Care Provider accredited under the Authority shall—

(a) in consideration for a capitation payment made in respect of each insured person registered with it, render quality healthcare services in accordance with the approved benefit package ;

(b) for payment of approved fee for service as may be determined by the Council, render quality health care services to insured persons in accordance with the benefit package ; and

(c) perform any other function as may be determined by the Authority.

Quality assurance.

**37.** The Authority shall ensure that beneficiaries receive quality health care services as shall be provided in the operational guidelines.

Appointment of Actuary.

**38.** The Authority shall appoint a licenced Actuary on such terms and conditions as may be determined from time to time.

Directives of the Authority.

**39.** The Authority may direct a scheme or an officer of a scheme to comply with the directives of the Authority specified in writing and where there is failure to comply, the Authority may apply sanctions as provided for in its operational guidelines.

#### PART VI—STAFF OF THE AUTHORITY

Director-General and other staff of the Authority

**40.**—(1) The President shall appoint a Director-General and Chief Executive Officer for the Authority, subject to confirmation by the Senate.

(2) The Director-General and Chief Executive Officer shall—

(a) be a person of integrity with relevant professional qualifications and expertise ;

(b) be the accounting officer of the Authority ; and

(c) hold office—

(i) for a term of five years in the first instance and may be re-appointed for a further term of five years and no more ; and

(ii) on such terms and conditions as may be specified in the letter of appointment.

(3) The Director-General shall—

(a) organise and direct the administration of the Authority in accordance with the Act ;

(b) be responsible for the general direction and control of all other employees of the Authority ;

(c) be responsible for the administration of the Secretariat of the Council ; and

(d) be responsible for keeping of the books and proper records of the Authority.

(4) The Director-General shall be a voting member of the Council as well as its Secretary.

(5) The Council shall—

(a) appoint, for the Authority, such number of directors and other employees as may, in the opinion of the Council, be required to assist the Authority in the discharge of any of its functions under this Act ; and

(b) pay to persons so appointed such remuneration, including allowances, as the Council may, after consultation with the National Salaries, Incomes and Wages Commission, determine.

41.—(1) The Authority shall with the approval of the Council, establish in each State of the Federation and Federal Capital Territory, offices for the Authority.

Establishment  
of offices in  
States and  
FCT.

(2) The administration, finances and other functions of the States and Federal Capital Territory offices shall be determined by the Authority.

#### PART VII—FINANCIAL PROVISIONS

42.—(1) The Authority shall establish and maintain a fund (in this Act referred to as “the Fund”) from which all its expenses shall be defrayed.

Establishment  
of the Fund  
of the  
Authority.

(2) The Fund established under subsection (1) shall consist of —

(a) annual subvention from the Federal Government ;

(b) such money as may be due to the Authority as administrative charges from private health insurance plans ;

(c) fees, fines and commissions charged by the Authority ;

(d) income from any investments of the Authority ;

(e) such money as may be received from international or donor organisations and non-governmental organisations ; and

(f) all other money which may accrue to the Authority.

(3) The Authority shall apply the Funds at its disposal—

(a) to the cost of administration of the Authority ;

(b) to the payment of allowances and benefits of members of the Council ;

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(c) to the payment of salaries, allowances and benefits of officers and employees of the Authority ;

(d) for the maintenance of any property vested in the Authority or under its administration ; and

(e) for and in connection with the objectives of the Authority under this Act.

(4) The Authority shall invest any money not immediately required by it in the Federal Government securities or in such other securities and deposit as the Council may determine.

Power to  
accept gifts.

**43.**—(1) The Authority may accept gifts of land, money or other property on such terms and conditions as may be specified by the person or organisation making the gift.

(2) The Authority shall not accept any gift if the conditions attached by the person or organisation offering the gift are inconsistent with the objects and functions of the Authority under this Act.

Annual  
accounts.

**44.**—(1) The Authority shall cause to be prepared, not later than 30th September in each year, an estimate of the expenditure and income of the Authority during the succeeding year and when prepared, they shall be submitted to the National Assembly for appropriation.

(2) The Authority shall cause to be kept proper accounts of the Authority and proper records in relation to it and such accounts shall be audited by auditors appointed by the Authority from the list and in accordance with the guidelines supplied by the Auditor-General for the Federation.

(3) Any member, agent or employee of the Authority who fails, without reasonable cause, to comply with a requirement of an auditor under subsection (2), commits an offence and is liable on conviction to a fine not more than ₦2,000,000 or imprisonment for a term not more than three years or both.

Annual  
reports.

**45.** The Council shall not later than six months immediately after the end of a year —

(a) submit to the Minister a report on the activities and the administration of the Authority during the immediate preceding year and shall include in the report the audited accounts of the Authority and the auditor's report on the accounts ; and

(b) present and publish the audited annual accounts, auditor's report on the accounts and reports on the activities of the Authority to the Minister.



46.—(1) The Authority shall be exempted from the payment of tax on any income accruing from investments made by the Council for the Authority or otherwise. Exemption from tax.

(2) The provisions of any enactment relating to the taxation of companies or trust funds shall however not apply to the Authority or the Council.

#### PART VIII—ARBITRATION

47.—(1) Whenever there is dispute amongst parties under this Act, the dispute shall first be referred to the Authority for mediation and conciliation in accordance with the operational guidelines and where conciliation fails, parties may resort to arbitration. Mediation, conciliation and arbitration.

(2) The parties referred to in subsection (1) include, the Health Maintenance Organisations, the Health Care Providers, the contributors or the Authority or its agents.

(3) The applicable arbitral procedure shall be as provided in the Arbitration and Conciliation Act. Cap. A18, LFN, 2004.

(4) No action shall lie against the Authority, its agents or employees without prior notice in writing given one month before the institution of a legal action.

#### PART IX—OFFENCES, PENALTIES AND LEGAL PROCEEDINGS

48.—(1) A person or Health Maintenance Organisation who— Offences and penalties.

(a) fails to pay into the account of the Authority, State health insurance scheme, or any health insurance fund under this Act, within the specified period ;

(b) deducts the contribution from the employee's wages and withholds the contribution or refuses or neglects to remit the contribution to the appropriate fund concerned within the specified time ;

(c) fails to remit payments to Health Care Providers within the specified period indicated in the operational guidelines ;

(d) fails to settle fee-for-service or other claims from the Health Care Providers within the stipulated time allowed in the operational guidelines ;

(e) manipulates the enrollee register for the benefit of other parties before or after the release of the register by the Health Insurance Schemes ;

(f) fails to provide care to a duly registered enrollee ; or

(g) issues a dud cheque,

commits an offence.

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(2) A person who commits an offence under subsection 1 (g) is liable on conviction—

(a) in the case of a first time offender, to a fine of at least N1,000,000 or imprisonment for a term not more than two years or both ; and

(b) in the case of a second or subsequent offender, to a fine of at least ₦2,000,000 or imprisonment for a term not more than five years or both.

(3) A person who commits any offence under subsection 1 is liable to prosecution under the relevant laws guiding financial transactions.

Powers to  
Sanction

**49.**—(1) Notwithstanding anything contained in any other provision or the sections under Part VII of this Act, the Authority shall at all times retain the power to sanction erring Health Maintenance Organisations, Health Care Providers, Mutual Health Associations, insurance brokers, insurance companies, banks, or any other operator or manager licensed or accredited person in line with the operational guidelines as may from time to time be issued by the Authority.

Limitation  
of suit  
against the  
Authority.  
Cap. P41,  
LFN, 2004.

**50.**—(1) Subject to the provisions of this Act, the provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against any officer or employee of the Authority.

(2) No suit shall be commenced against the Authority, a member of the Council or the Director-General of the Authority before the expiration of a period of one month after written notice of intention to commence the suit shall have been served upon the Authority by the intending plaintiff or his agent.

(3) The notice referred to in subsection (2) shall clearly state the –

(a) cause of action ;

(b) particulars of the claims ;

(c) name and place of abode of the intended plaintiff ; and

(d) relief which he claims.

Service of  
documents.

**51.** A notice, summon or other document required or authorised to be served on the Authority under the provisions of this Act or any other enactment or law may be served by delivering it to the Director-General or by sending it by registered post and addressed to the Director-General at the Head Office of the Authority.

Indemnity  
of officers.

**52.** A member of the Council, the Director-General, any officer or employee of the Authority shall be indemnified out of the assets of the Authority against any liability incurred by him in defending any proceeding, whether civil or criminal, if such proceeding is brought against the person in his capacity as a member, Director-General, officer or other employee of the Authority.

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## PART X—MISCELLANEOUS PROVISIONS

- 53.** Contributions payable to the Authority shall be inalienable and shall not be assets for the benefit of creditors in the event of the bankruptcy or insolvency of a contributor or an organisation. Contributions to be inalienable.
- 54.** Notwithstanding anything in any law or enactment, contributions whether by an employer or an employee under this Act shall form part of tax deductible expenses in the computation of tax payable by an employer or, as the case may be, by an employee, under any other relevant law applicable to income tax. Contributions to form part of tax deductible expense.
- 55.** Where, under section 591 of the Companies and Allied Matters Act, an order is made by a court under subsection (3) of that section which includes the transfer to the company of the whole or any part of the undertaking and of the property and liabilities of a transfer or company, the order shall include provisions for the taking over, as from such date as may be specified in the order, of any liability for any contribution which has become due and payable under this Act, together with any accrued interest on it, in respect of the employees concerned in the undertaking, property or liability transferred. Transfer of liability. Act No. 3, 2020.
- 56.** The provisions of the Trustee Investment Act shall not apply to any investment made by the Authority under this Act. Exclusion from the Trustee Investment Act. Cap. T22, LFN, 2004.
- 57.** The Federal Government may enter into a reciprocal agreement with the government of any other country in which an Authority similar to that establishment by this Act, and the provisions of the agreement shall be read in conformity with the provisions of this Act. Reciprocal agreement with other countries.
- 58.—**(1) The National Health Insurance Scheme Act Cap N42, Laws of the Federation of Nigeria, 2004 is repealed. Repeal.
- (2) The repeal shall not affect—
- (a) the previous operation of the enactment or anything duly done or suffered under the enactment ;
- (b) any right, privilege, obligation or liability accrued or incurred under the enactment ;
- (c) any penalty, forfeiture or punishment incurred in respect of any offence committed under the enactment ; or
- (d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture or punishment, and any such investigation, legal proceeding or remedy in respect of any such right.

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Interpretation.

59. In this Act—

“*administrative charge*” means the deduction from contributions or premiums set aside for operations of the Authority ;

“*Authority*” means the National Health Insurance Authority established under section 1 of this Act ;

“*benefit*” means a benefit or advantage of any kind derived from a scheme ;

“*benefit packages*” means the services that the Authority defines as within its scope of coverage ;

“*capitation*” means a payment made to a primary health care provider on behalf of a contributor for services to be rendered by the Health Care Provider and this payment is made regularly and in advance irrespective of whether the enrollee utilises the service or not ;

“*Council*” means the Governing Council established under section 4 of this Act ;

“*employee*” means any person who is ordinarily resident in Nigeria and is employed in the public or private service or an apprenticeship with an employer whether the contract is express or implied, oral or in writing ;

“*employer*” means an employer with five or more employees which includes the Federal, State and Local Government or any extra-ministerial department or a person with whom an employee has entered into a contract of service or apprenticeship and who is responsible for the payment of the wages or salaries of the employee including the lawful representative, successor or assignee of that person ;

“*enrollee*” means a person who has enrolled with the Authority and who, being up to date with payment of premium, is entitled to access health care in accordance with the benefit package ;

“*fee-for-service*” means payment made directly for completed health care services, not included in the capitation fees and paid to a health care facility or prescription following appropriate referrals or professionals following appropriate referrals or prescriptions sent to them by health care providers under this Act ;

“*functions*” includes powers and duties ;

“*Health Care Facility*” means any government or private health care facility, hospital, maternity centre, pharmacy or physiotherapy and includes all primary health care facility, secondary health care facility and tertiary health care facility accredited by the Authority for the provision of prescribed health services for insured persons and their dependants under this Act ;

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“*Health Maintenance Organisation*” means an organisation accredited under section 33 of this Act to perform the functions stipulated under this Act and has the acronym ‘HMO’ ;

“*informal sector programme*” means health insurance plans designed to cover people not on regular income ;

“*insured person*” means any person and eligible dependant who pays the required contribution or for whom contribution is made under this Act ;

“*Minister*” means the Minister responsible for health ;

“*Ministry*” means the Federal Ministry of Health ;

“*Mutual Health Association*” means a group accredited by the Authority to perform such roles as defined in the Act and has the acronym ‘MHA’ ;

“*persons*” includes persons, organisations, institutions or groups ;

“*premium*” means a contribution payable for health coverage under this Act ;

“*Public Service of the Federation*” and “Public Service of a State” have the meaning respectively assigned to them in the Constitution ;

“*scheme*” means any Health Insurance Scheme approved by the Authority ;

“*States and Federal Capital Territory Office*” means offices established by the Authority in the States of the Federation and the Federal Capital Territory ;

“*Third Party Administrators*” means any organisation with expertise and capability to administer all or a portion of the insurance claims process, including administration of claims, collection of premiums, enrolment and other administrative activities, which is registered by the Authority and has the acronym ‘TPA’ ;

“*vulnerable group*” include children under five, pregnant women, the aged, physically and mentally challenged and the indigent as may be defined from time to time ; and

“*wage*” means remuneration in money paid to an employee under his contract of service or apprenticeship, as the case may be and whether agreed to be paid at fixed or determined intervals of time.

**60.** This Act may be cited as the National Health Insurance Authority Act, 2022. Citation.

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I, certify, in accordance with Section 2 (1) of the Acts Authentication Act, Cap. A2, Laws of the Federation of Nigeria 2004, that this is a true copy of the Bill passed by both Houses of the National Assembly.

OJO O. A., fnia, fcia  
*Clerk to the National Assembly*  
*21st Day of April, 2022.*

EXPLANATORY MEMORANDUM

This Act repeals the National Health Insurance Scheme Act, Cap. N42, Laws of the Federation of Nigeria, 2004 and enacts the National Health Insurance Authority Act, to ensure an effective implementation of a national health insurance policy that ensures the attainment of Universal Health Coverage in Nigeria.

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**SCHEDULE TO THE NATIONAL HEALTH INSURANCE AUTHORITY BILL, 2022**

(1) <i>Short Title of the Bill</i>	(2) <i>Long Title of the Bill</i>	(3) <i>Summary of the Contents of the Bill</i>	(4) <i>Date Passed by the Senate</i>	(5) <i>Date Passed by the House of Representatives</i>
National Health Insurance Authority Bill, 2022.	An Act to repeal the National Health Insurance Scheme Act, Cap. N42, Laws of the Federation of Nigeria, 2004, and to enact the National Health Insurance Authority Act, 2022 to provide for the promotion, regulation and integration of health insurance schemes in Nigeria ; and for related matters.	This Bill repeals the National Health Insurance Scheme Act, Cap. N42, Laws of the Federation of Nigeria, 2004, and to enacts the National Health Insurance Authority Act, 2022 to provide for the promotion, regulation and integration of health insurance schemes in Nigeria.	1st December, 2021.	3rd March, 2022.

I certify that this Bill has been carefully compared by me with the decision reached by the National Assembly and found by me to be true and correct decision of the Houses and is in accordance with the provisions of the Acts Authentication Act Cap. A2, Laws of the Federation of Nigeria, 2004.

I ASSENT



OJO O. A., fma, fcia  
*Clerk to the National Assembly*  
21st Day of April, 2022.

MUHAMMADU BUHARI, GCFR  
*President of the Federal Republic of Nigeria*  
19th Day of May, 2022.