

# National Health Insurance Bill 2003

## MEMORANDUM

The object of the Bill is to put in place a mechanism that will enable residents in the country obtain at least basic -health care services without having to pay any money at the point of delivery of the service.

Since 1970, successive Governments have struggled with the problem of financing the health sector. Several types of health financing strategies; from complete cost recovery, through partial cost recovery to fully subsidized medical care, have been practiced in the country, but these efforts have been plagued by inability to access health care services, inefficient service delivery and non-sustainability.

Past Governments have also considered the idea of introducing health insurance as a health financing mechanism in the country. The need to institute a National Health Insurance Programme, has however become even more urgent now, given the increasing public concerns about the inequities inherent in the system of cost recovery known as “cash and carry” that has been in place since 1985. Cost recovery in the health sector is unavoidable. Though the “Cash and Carry” system has its defects, it cannot be abolished without instituting a suitable replacement for cost recovery in the health sector. There is a need to look for and institute a more humane alternative to the direct out- of-pocket—at-point-of-service user payments, involved in the “Cash and Carry” system.

Whilst recognising that there is no perfect health financing system, a social health insurance programme that can cover all residents, if well implemented, is less regressive and more equitable in nature than the out-of-pocket-at-point-of-service payment mechanism. There is no doubt that a healthy working population will boost productivity and consummate the Government’s ‘Health is Wealth’ concept.

Health insurance, if not well regulated and designed, can create the same health inequities and barriers of access to healthcare as has occurred under the Cash and Carry system.

The Bill therefore, seeks to provide a policy and regulatory framework in the country for health insurance that will enable us, as a nation, to achieve the goal of equitable access to health care for all residents in relation to need rather than socio-economic or socio-cultural status.

The Bill provides a system by which there is to be established in every geographical area of a District Assembly, a district mutual health insurance scheme. Residents of these geographical areas are required to seek membership of the scheme in the relevant district in order to obtain the basic health care

Benefits that will be provided under the Bill

The community based district mutual health insurance scheme concept does not prevent the establishment of private mutual health insurance schemes nor private commercial health insurance schemes.

The Bill establishes a regulatory body that will license health insurance schemes, generally supervise licensed schemes and seek the assurance of the provision of at least a minimum level of quality health care.

The Bill is divided into VIII Parts which deal respectively with

- (i) establishment and functions of the National Health Insurance Council;
- (ii) types, registration and licensing of health insurance schemes;
- (iii) establishment and operation of district mutual health insurance schemes;
- (iv) establishment of private health insurance schemes, comprising private commercial and private mutual;
- (v) general provisions applicable to operation of all health insurance schemes;
- (vi) establishment of a National Health Insurance Fund;
- (vii) imposition of national health insurance levy; and
- (viii) administration and miscellaneous matters for the effective implementation of the provisions of the Bill

The regulatory Council, established under Part I. has the objective of securing the implementation of a national health insurance police that will ensure access to basic health care services to all residents. Among its functions for the achievement of its stated object are, registering, licensing and supervising health insurance schemes; granting accreditation to healthcare providers and monitoring their performance; determining in consultation with licensed district mutual health insurance schemes, contributions that should be paid to qualify for membership; providing a mechanism for the resolution of complaints by schemes, members of schemes and healthcare providers; undertaking a sustained public education on health insurance; ensuring that indigents are adequately catered for and managing the National Health Insurance Fund established under Part VI of the Bill

The membership of the Council is set out under clause 3 and includes representatives of stakeholders in the health delivery sector.

The Council is required under clause 8 to set up Health Complaint Committees which will hear and resolve complaints that may be submitted to the Council by members of health insurance schemes, the schemes themselves and providers of healthcare. The complaint committee is to be decentralized and established in the districts.

Part II permits the establishment of district mutual health insurance schemes and private health insurance schemes by an applicant who registers under the Companies Code; in the case of a district or private mutual health insurance scheme, as a company limited by guarantee or in the case of a private commercial scheme, as a limited liability company.

Further requirements for application are set out in clause 13. Inclusive in these is an indication to the Council of the healthcare benefits under the scheme and the facilities available to or proposed to be used by the scheme. Registration and licensing is effected by the Council which may impose a fee for registration and licensing.

A licence expires after two years and is renewable. The Council may for good reason vary the conditions of a licence. The Council under this Part may suspend or revoke a licence but may instead of revocation or suspension, arrange for the interim management of the scheme concerned.

There is right to make representations to the Minister where there is refusal to register; a licence is revoked or suspended, with further right of action to the courts.

Part III dwells at some length on district mutual health insurance schemes which form the main thrust of the Bill. It is intended that promoters identified by each District Assembly will start the process by promoting a company to seek the registration of the district mutual health insurance schemes.

Every person who is resident in a geographical area of a District Assembly is to seek membership of the relevant district mutual health insurance scheme upon payment of a contribution to be determined by the Council in consultation with the district schemes. Upon registration as a member, the person becomes entitled to the basic healthcare prescribed by the Minister.

There is provision that enables the continued enjoyment of the benefits upon transfer of residence. A list of indigents compiled through a means test of the Council is to be kept by each district mutual health insurance scheme.

The significant factor about district mutual health insurance schemes is that only they are entitled to subsidy from the National Health Insurance Fund.

Part IV is on private health insurance schemes. These can be private commercial or private mutual. A private commercial scheme is a business concern and will be required to pay a security deposit to the Bank of Ghana before licensing just like any other insurance company. Furthermore, as an insurance business many of the provisions in the Insurance Law 1989 (P.N.D.C.L. 227) under which the business of insurance is regulated are made applicable to private commercial health schemes (clause 45). Private mutual insurance schemes may be required by the Council to pay security deposits.

The private mutual insurance schemes are permitted under the Bill because it is considered that aside of the district and private commercial schemes, it should be possible for any group of people who want to form a private mutual health insurance scheme, exclusively for the benefit of its members, to do so.

Part V dwells on matters of general application to all health insurance schemes under the Bill. Inclusive in these are the need for all schemes to have governing bodies; managers, who could be independent bodies corporate or committees to manage the schemes; submission of annual reports; the keeping of accounts and proper records; the annual auditing of accounts; the statutory duty to provide the basic healthcare to its members; the provision of health identity cards to members; conditions under which membership may be terminated by a scheme; the provision by each scheme of a mechanism for the settlement of complaints from its members and healthcare providers; the need to provide quality healthcare service; matters on payment of tariff to healthcare providers; the appointment of actuaries by the Council to investigate and report to the Council on the activities of a scheme where the Council considers it necessary and the power of the Council to seek protection order to protect and preserve the contribution of members in the event of the revocation, suspension or expiry of the licence of a scheme.

Part VI sets up a National Health Insurance Fund to be used to subsidise district mutual health insurance schemes and to cater for payment in respect of indigents. The sources of monies for the Fund are set out under clause 79 and include the health insurance levy imposed under clause 87 of the Bill. The Council is responsible for disbursing payment from the Fund and the conditions for the disbursement are set out under clause 82. The Fund is to be managed by the Council which may with the approval of the Minister for Finance invest a portion of the Fund as it considers appropriate (clause 84).

Part VII of the Bill imposes a national health insurance levy. A national health insurance scheme is not possible unless it can be effectively financed and the money must come from the owners of the scheme hence the need to impose the levy.

Part VIII deals with matters such as staff to implement the Bill; financial output for the Council; annual report to Parliament by the Minister on the activities of the Council; offences; the making of Regulations by the Minister for the effective implementation of the Bill; interpretation, disapplication of the Insurance Law 1989 (P.N.D.C.L. 227) to insurance schemes established under the Bill except for specific provisions in respect of private commercial health insurers and transitional provision that allows six months, from the date of appointment of the Council, for persons operating any health insurance scheme before that date, to apply to the Council for the regularization of the scheme in conformity with the Bill.

There is a Schedule which sets out the expenditures and transaction that are exempt from the levy; those that are zero-rated and relief from the levy granted to specified persons and institutions.

HON. DR. KWAKU AFRIYIE  
Minister Responsible for Health  
Date: 26<sup>th</sup> June, 2003.

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A  
Bill  
Entitled  
**THE NATIONAL HEALTH INSURANCE ACT 2003**

AN ACT to secure the provision of basic healthcare services to persons resident in the country through mutual and private health insurance schemes; to put in place a body to register, license, and regulate health insurance schemes and to accredit and monitor healthcare providers operating under health insurance schemes; to establish a National Health Insurance Fund that will provide subsidy to licensed district mutual health insurance schemes; to impose a health insurance levy and to provide for purposes connected with these.

BE IT ENACTED by Parliament as follows:

**PART 1 – ESTABLISHMENT AND FUNCTIONS OF THE NATIONAL HEALTH  
NATIONAL INSURANCE COUNCIL**

**Establishment of the Council**

1. (1) There is established by this Act a body corporate to be known as the National Health Insurance Council referred to in this Act as the “Council”.  
(2) The Council shall have perpetual succession, an official seal and may sue and be sued in its own name.  
(3) The Council may for the discharge of its functions-acquire and hold movable and immovable property and may enter into contract or other transaction.

**Object and functions of the Council**

2. (1) The object of the Council is to secure the implementation of a national health insurance policy that ensures access to basic healthcare services to all residents.  
(2) For the purposes of achieving its object, the Council has the following responsibilities:
  - (a) register, licence and regulate health insurance schemes;
  - (b) supervise the operations of health insurance schemes;
  - (c) grant accreditation to healthcare providers and monitor their performance;
  - (d) ensure that healthcare services rendered to beneficiaries of schemes by accredited healthcare providers are of good quality;
  - (e) determine in consultation with licensed district mutual health insurance schemes, contributions that should be made by their members;
  - (f) approve health identity cards for members of schemes;
  - (g) provide a mechanism for resolving complaints by schemes, members of schemes and healthcare providers;
  - (h) make proposals to the Minister for the formulation of policies on health insurance;

- (i) undertake a sustained public education on health insurance;
- (j) devise a mechanism for ensuring that the basic healthcare needs of indigents are adequately provided for;
- (k) maintain a register of licensed health insurance schemes and accredited healthcare providers;
- (l) manage the National Health Insurance Fund established under Part VI;
- (m) monitor compliance with this Act and Regulations made under it and pursue action to secure compliance; and
- (n) perform any other function conferred upon it under this Act or that are ancillary to the object of the Council.

### **Membership of the Council**

3. (1) The Council is composed of
- (a) a chairperson;
  - (b) the Minister for Health or a representative of the Minister;
  - (c) the Director-General of the Ghana Health Service or a representative of the Director-General;
  - (d) one representative of the Society of Private Medical and Dental Practitioners;
  - (e) one representative of the Pharmaceutical Society of Ghana;
  - (j) one representative each of licensed
    - (i) mutual health insurance schemes;
    - (ii) private health insurance schemes;
  - (g) one representative of the Minister for Finance not below the rank of a Director;
    - (i) one legal practitioner with experience in health insurances nominated by the Ghana Bar Association;
    - (ii) one representative of the National Insurance Commission;
  - (j). one other person who has training and considerable experience ^ in insurance or health economics;
  - (k) one person representing consumers; and
  - (l) the Executive Secretary appointed under section 93.
- (2) The chairperson and the other members of the Council shall be appointed by the President in consultation with the Council of State.

### **Tenure of office of members**

4. (1) A member of the Council other than an ex-officio member shall hold office for a period not exceeding three years and is on the expiration of that period eligible for re-appointment but no person shall hold office for more than two terms in succession.
- (2) Where a member of the Council other than an ex-officio member resigns, dies, is removed from office or is for any reason unable to act as a member of the Council, the chairperson shall notify the President through the Minister, of the vacancy and the President shall on the advice of the nominating authority where

applicable, and acting in consultation with the Council of State appoint another person to hold office for the unexpired portion of the member's term of office.

(3) A member of the Council other than an ex-officio member may at any time resign his or her office in writing addressed to the President through the Minister.

(4) A member of the Council other than an ex-officio member who is absent from three consecutive meetings of the Council without sufficient cause shall cease to be a member of the Council.

(5) The President shall by letter addressed to a member nominated by a body as its representative on the Council revoke the appointment of that member on the request of the body.

(6) A member may be removed from the Council by the President for stated misbehaviour or for any just cause.

(7) The chairperson shall through the Minister notify the President in writing of any vacancy that occurs on the Council within thirty days of the occurrence of the vacancy.

### **Meetings of the Council**

5. (1) The Council shall meet for the despatch of business at such times and places as the chairperson may determine but shall meet at least once every three months.

(2) The chairperson shall at the request in writing of not less than one-third of the membership of the Council convene an extraordinary meeting of the Council at such place and time as the chairperson may determine.

(3) The quorum at a meeting of the Council shall be seven members of the Council including the Executive Secretary.

(4) Every meeting of the Council shall be presided over by the chairperson and in the absence of the chairperson, by a member of the Council elected by the members present from among their number.

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

(6) The Council may co-opt any person to attend a Council meeting but that person is not entitled to vote on any matter for decision by the Council.

(7) The proceedings of the Council shall not be invalidated because of a vacancy among the members or a defect in the appointment or qualification of a member.

(8) Subject to this section the Council shall determine the procedure for its meetings.

### **Disclosure of interest**

6. (1) A member of the Council who has an interest in any contract, or other transaction proposed to be entered into with the Council or any application before the Council shall disclose in writing the nature of the interest and shall be disqualified from participating in any deliberations of the Council in respect of the contract, application or other transaction.

(2) A member who infringes subsection (1) is liable to be removed from the Council.

## **Committees of the Council**

7. The Council may for the discharge of its functions appoint committees composed of members of the Council or non-members or both and assign to the committees such of its functions as it may determine except that a committee composed entirely of non-members may only advise the Council.

## **Health Complaint Committee of the Council**

8. (1) Without limiting the scope of section 7, there is hereby established a committee of the Council to be known as the Health Complaint Committee.  
(2) The composition of the Health Complaint Committee shall be determined by the Council except that the chairperson shall be a member of the Council.  
(3) The Health Complaint Committee shall,
  - (a) be responsible for hearing and resolving complaints that may be submitted to the Council by members of health insurance<sup>1)</sup> schemes, the schemes and healthcare providers; and
  - (b) • perform such other functions as the Council may determine.  
(4) The Health Complaint Committee shall be decentralized and established in every district office of the Council.  
(5) The procedure of the Committee and sanctions that may be imposed by the Council upon recommendation of the Committee shall be prescribed by Regulations.

## **Allowances for members**

9. There shall be paid to the members of the Council, members of a committee of the Council and persons co-opted to attend meetings of the Council, such travelling and other allowances as may be approved by the Minister in consultation with the Minister for Finance.

## **Ministerial directives**

10. The Minister may give to the Council directives of a general nature on matters of policy and the Council shall comply with the directives.

## **PART II—TYPES, REGISTRATION AND LICENSING OF HEALTH INSURANCE SCHEMES**

### **Types of health insurance schemes**

11. The following types of health insurance schemes may be established and operated in the country:
  - (a) district mutual health insurance schemes; and
  - (b) private health insurance schemes which may be commercial or mutual.
12. A person does not qualify to apply to operate a health insurance scheme in this country unless,

- (a) in the case of a district mutual or private mutual health insurance scheme, it is registered as a company limited by guarantee; or
- (b) in the case of a private commercial health insurance scheme, it is registered as a limited liability company under the Companies Code 1963 (Act 179).

### **Application for registration and licence**

13. (1) Application for registration and licence to operate any health insurance scheme shall be made to the Council in the prescribed form.
- (2) The application shall be submitted with the following documents, information and particulars as are relevant:
- (a) two copies of the constitution, bye-laws or rules intended to govern the operation of the scheme;
  - (b) the names and particulars of members of the governing body of the proposed scheme;
  - (c) the persons proposed to manage or administer the scheme and the qualifications of the persons;
  - (d) a statement of the minimum number of persons to be covered by the scheme;
  - (e) the proposed healthcare providers and healthcare facilities available to or proposed to be used by the scheme;
  - (f) the healthcare benefits available under the scheme;
  - (g) the proposed minimum contribution for membership; and
  - (h) evidence of the availability of any minimum financial security, where applicable, required in respect of the type of scheme.
- (3) The Council may require an applicant to furnish it with such other information as the Council considers necessary to determine the application.

### **Registration and issue of licence**

14. (1) The Council may register an applicant and issue it a licence to operate the relevant scheme applied for, where the Council is of the opinion that,
- (a) the applicant qualifies to be registered and licensed having regard to the scheme to which the application relates;
  - (b) the applicant has qualified officers to manage and administer the scheme;
  - (c) the applicant intends not to carry on any other activity except the operation of the health insurance scheme applied for; and
  - (d) the applicant has complied with all requirements under this Act and any other enactment applicable to the type of health insurance scheme applied for.
- (2) A person shall not operate a health insurance scheme of any type in this country unless it has been registered with the Council and issued a licence for the purpose.

### **Further conditions**

15. Notwithstanding section 14 the Council may, as a condition for issuing a licence, impose such other terms and conditions as it may determine.

### **Fee for issue of licence**

16. The Council may impose a fee it considers appropriate for issuing a licence except that the Council may exempt such schemes as it may determine from payment of the fee.

### **Duration and renewal of a licence**

17.
  - (1) A licence to operate a health insurance scheme expires two years from the date of issue of the licence.
  - (2) The licence may on an application be renewed for further periods of two years at a time.
  - (3) An application for renewal of a licence shall be made not later than three months before the expiry of the licence.
  - (4) Where an application for renewal is made and the licence expires before the Council determines the application, the licence shall be deemed to be in force until the application for renewal is determined by the Council.

### **Variation of conditions of licence**

18.
  - (1) The Council may, upon giving reasonable written notice to a scheme,
    - (a) vary or revoke any condition of a licence; or
    - (b) impose new conditions.
  - (2) A scheme may apply to the Council in writing for a condition of a licence to be revoked or varied.
  - (3) Where, on an application made under subsection (2), the Council is satisfied that the condition for a licence is no longer necessary or should be varied, it may revoke or vary the condition.
  - (4) Where the Council revokes or varies a condition for a licence or imposes a new condition, the scheme shall deliver its licence to the Council for the licence to be varied accordingly.

### **Refusal to register and licence a scheme**

19.
  - (1) The Council may refuse to register and issue a licence for a scheme and it shall notify the applicant in writing of its decision, stating the reasons.
  - (2) Where the refusal to register and issue a licence is as a result of a non-material defect in the application; the Council may in the notice require the applicant to rectify the application within a specified period.

### **Suspension or revocation of licence of a scheme**

20. (1) The Council may suspend or revoke the licence of a scheme where the Council is satisfied that the scheme
- (a) has in any manner acted fraudulently;
  - (b) has lost its financial ability to continue to operate;
  - (c) is not operating in accordance with good administrative and accounting practices and procedures; or
  - (d) has failed to comply with provisions of this Act, Regulations made under this Act or any other enactment applicable to the scheme.
- (2) The Council shall before suspending or revoking the licence, give the scheme notice of the default and provide it an opportunity to make representations to the Council.

### **Interim management of a scheme**

21. The Council, after consultation with the governing body of a scheme, may instead of suspending or revoking the licence.
- (a) place the scheme under an interim management team; or
  - (b) arrange for the transfer of the activities or business of the scheme to another scheme subject to conditions that are agreed upon by the parties and approved by the Council.

### **Representations to the Minister**

22. (1) A person refused registration or whose licence is suspended or revoked by the Council may within sixty days after the date of receipt of notification of refusal, suspension or revocation make representations to the Minister for a determination.
- (2) The Minister shall make a determination within thirty days of receipt of the representations.
- (3) A person dissatisfied with the determination of the Minister may seek such remedy as is open to the person in the courts.

### **Prohibition of provision of health insurance service without licence**

23. (1) A person shall not provide health insurance service or operate a health insurance scheme unless the scheme is registered with the Council and issued with a licence for the purpose by the Council.
- (2) A person who acts contrary to subsection (1) commits an offence and is liable on summary conviction to imprisonment for a minimum term of 3 months.

### **Limitation to provision of health insurance**

24. A health insurance scheme registered and licensed under this Act shall not carry on any activities other than securing provision of healthcare to its members.

### **Prohibition in use of name unless licensed**

25. (1) A person shall not conduct any activity under a name which includes “health scheme” “medical insurance scheme”, “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 under this Act.
- (2) A person who acts contrary to subsection (1) commits an offence and is liable on summary conviction to a fine not exceeding 100 penalty units or imprisonment not exceeding 3 months.

### **Transfer and joint operations**

26. (1) A health insurance 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 Council.
- (2) An application for approval under subsection (1) shall be made jointly to the Council by the schemes involved and shall contain such information as shall be prescribed under this Act.
- (3) Before determining an application for approval under subsection (1), the Council shall cause to be conducted an investigation into the desirability of the change having regard to the best interest of the members of the schemes.
- (4) The Council may conduct a hearing before determining an application under this section and may hear the representatives of the schemes, members of the schemes and any person the Council considers is sufficiently concerned in the matter to entitle the person to a hearing by the Council.
- (5) The Council after the hearing shall make a determination which shall be binding on all parties and their members.

### **Gazelle notification**

27. Upon the licensing, suspension or revocation of the licence of a scheme, the Council shall publish the name and particulars of the scheme in the Gazette and newspapers of national circulation that the Council shall determine.

### **Display of licence**

28. A licensed scheme must display its licence in a prominent place at its offices and the licence must be visible to all members and prospective members.

## **PART III—DISTRICT MUTUAL HEALTH INSURANCE SCHEMES**

### **Establishment of district mutual health insurance scheme**

29. (1) There shall be established in every district in the country a mutual health insurance scheme for the residents of the district.



(2) Every District Assembly shall identify promoters to initiate action for the registration of the scheme as a company limited by guarantee under the Companies Code 1963 (Act 179) for the relevant district within sixty days of the coming into force of this Act or within such further period as the Council may direct.

(3) The Council may permit the establishment of units of a scheme within a district as it considers necessary for the effective management of the scheme.

### **Head office of a district mutual health insurance scheme**

30. A district mutual health insurance scheme shall have its headquarters in the district capital of the relevant district and shall notify the Council of the addresses and other particulars of the headquarters as the Council may prescribe,

### **Application for membership**

31. Any person resident in a district shall apply to be enrolled as a member of the district mutual health insurance scheme in the relevant district.

### **Members of district mutual health insurance schemes**

32. A district mutual health insurance scheme established in a district shall be composed of the enrolled members and shall be operated in accordance with this Act and Regulations made under this Act.

### **Benefit of members and subsidy**

33. (1) A district mutual health insurance scheme is to be operated exclusively for the benefit of the members.

(2) A district mutual health insurance scheme shall be provided with subsidy from the National Health Insurance Fund.

### **Contribution by members**

34. (1) A person seeking membership of a district mutual health insurance scheme shall as a prior condition for membership pay the membership contribution determined by the scheme in accordance with guidelines provided by the Council.

(2) The mode and time of payment of the contribution shall be prescribed in Regulations.

### **Investments and management of funds of a district mutual health insurance scheme**

35. (1) A district mutual health insurance scheme shall not invest the funds of the scheme unless the investment is made with the prior authorisation of the Council.

(2) The Council shall determine the rules and procedures that govern the management of the funds of a district mutual health insurance scheme.

### **Minimum membership**

36. (1) A district mutual health insurance scheme shall at all times have such minimum members as the Council may determine.
- (2) Notwithstanding subsection (1) a district mutual health insurance scheme may be licensed on the condition that the number of its members shall reach the minimum determined by the Council within a specified period and upon failure the Council may revoke its licence.
- (3) Every licensed district mutual health insurance scheme shall provide a clear method of enrolment of members and give such assistance as may be necessary to illiterate or other disadvantaged applicants.
- (4) Membership takes effect within six months from the date of enrolment of the applicant upon the payment of the initial contribution.

### **Transfer of residence**

37. A member of a district mutual health insurance scheme who moves to reside in an area other than the area where the scheme on which the member is enrolled, is entitled to have the membership transferred to the district mutual health insurance scheme in the new area of residence.

### **Indigent members**

38. (1) The Minister on the advice of the Council shall prescribe a means test for determining persons who are indigent.
- (2) A district mutual health insurance scheme shall on the basis of the means test, identify and keep a list of members registered with it who are indigent.
- (3) The list shall be submitted to the Council at such time as the Council shall determine.
- (4) The Council shall in consultation with the managers of district mutual health insurance schemes determine the method to secure the provision of the basic health care benefits to indigents.

## **PART IV – PRIVATE HEALTH INSURANCE SCHEMES**

### **SUB PART I—PRIVATE COMMERCIAL HEALTH INSURANCE SCHEMES**

#### **Establishment of private commercial health insurance schemes**

39. A body corporate registered as a limited liability company under the Companies Code 1973 (Act 179) may operate as a private commercial health insurance scheme.

#### **Membership**

40. Any person may enrol to be a member of a private commercial health insurance scheme.

## **Business venture**

41. A private commercial health insurance scheme is a business venture.

## **Contribution of members**

42. The contribution of members to a private commercial health insurance scheme shall be determined by the governing body of the scheme and shall be paid in such manner and at such time as the governing body of the scheme shall determine.

## **Provision of security**

43. (1) A private commercial health insurance scheme shall be required as a condition for registration and licensing by the Council to deposit with the Bank of Ghana such amount of money as the Council shall prescribe as security for its members.
- (2) The security referred to under subsection (1) shall be maintained throughout the period that the business of private commercial/health insurance is carried on.
- (3) The Council may review the level of the security deposit.

## **Withdrawal from the security deposit**

44. (1) Where a private commercial health insurance scheme suffers a substantial loss, arising from liability to members and the loss is such that it cannot reasonably be met from its available resources, the Council may, after ascertaining the nature of the claim, and upon application made to it by the scheme, approve the withdrawal from the security deposit of the scheme of an amount of not more than ten per cent of the security deposit, and any amount withdrawn shall be replaced by the scheme not later than ninety days after the date of the withdrawal.
- (2) The security deposit is the assets of the private commercial health insurance scheme, but except as provided in subsection (1), it shall be available to the scheme only in event of the closure or winding up of the health insurance business for the discharge of any liabilities arising out of policies transacted by the insurer and remaining undischarged at the time of the closure or winding up of the insurance business.

## **Application of Insurance Law 1989 (P.N.D.C.L. 227)**

45. (1) Subject to the provisions of this Act, the following provisions of the Insurance Law 1989 (P.N.D.C.L. 227) shall apply to private commercial health insurance schemes:
- (a) section 21(1)(b) (relating to margin of solvency);
  - (b) section 23 (1) and (2) (relating to reserves);
  - (c) section 24 (relating to payment of dividend);
  - (d) section 25 (relating to credit on payment of premium);

- (e) section 26(1) and (2) (b) (relating to investments);
  - (f) section 35 (relating to standards of principal officers);
  - (g) section 38 (relating to records of business transacted in and outside the country);
  - (h) section 45 (relating to payment of commission to unregistered intermediaries);
  - (i) section 48 (relating to winding up of insurance companies);
  - (j) Part V (relating to insurance intermediaries);
  - (k) section 57 (relating to duty to disclose material facts);
  - (l) sections 58 and 59 (relating to test of materiality and effect of misstatements); and
  - (m) sections 65 and 66 (relating to avoidance of conflict of interest and inspection of documents in custody of the Council).
- (2) A reference to the National Insurance Commission in any of the provisions of the Insurance Law 1989 (PNDCL 227) applied by this Act, shall be read as a reference to the Council established under section 1 of this Act.

## **SUB-PART II—PRIVATE MUTUAL HEALTH INSURANCE SCHEME**

### **Establishment of private mutual health insurance scheme**

46. Any group of persons resident in the country may form and operate a private mutual health insurance scheme.

### **Headquarters of a private mutual health insurance schemes**

47. A private mutual health insurance scheme shall have its headquarters at such place as the governing body of the scheme shall determine and the address and other particulars of the headquarters shall be notified in writing to the Council.

### **Management of a private mutual health insurance scheme**

48. (1) A private mutual health insurance scheme may be managed by an independent manager appointed by its governing body and approved by the Council.
- (2) The manager of a private mutual health insurance scheme may be a body corporate registered as a limited liability company under the Companies Code, 1963 (Act 179).

### **Security deposit**

49. The Council may require a private mutual health insurance scheme to pay such security deposit as the Council may determine.

### **Benefit of members**

50. A private mutual health insurance scheme is to be operated exclusively for the benefit of the members and shall provide the members with such health benefits as the governing body of the scheme shall determine.

### **Contribution by members**

51. (1) Contribution of members shall be determined by the governing body of the scheme.  
(2) The contribution shall be paid in such manner as the governing body of the scheme shall direct.

### **Minimum membership**

52. (1) A private mutual health insurance scheme shall have such minimum membership as the governing body of the scheme shall determine.  
(2) Every private mutual health insurance scheme shall provide a clear method of enrolment of members.  
(3) Membership takes effect from such date as the governing body may determine upon the payment of the initial contribution.

### **No subsidy for private mutual scheme**

53. A private mutual health insurance scheme is not entitled to receive subsidy from the National Health Insurance Fund established under Part VI of this Act.

## **PART V – GENERAL PROVISIONS APPLICABLE TO OPERATION OF HEALTH INSURANCE SCHEMES**

### **Governing body, appointment of scheme managers and other employees**

54. (1) Every scheme shall have a governing body which shall be responsible for the direction of the policies of the scheme and appointment of employees.  
(2) Every scheme shall have a scheme manager who shall be responsible for the management of the scheme.  
(3) A scheme manager may be an independent body corporate or a committee.  
(4) Every scheme shall in addition to the scheme manager, appoint other officers and employees for the effective management of the scheme.  
(5) Where a scheme manager or any person on the management team of a scheme ceases to be employed by the scheme the governing body of the scheme shall inform the Council in writing and take immediate steps to appoint a new manager or other person for the scheme.  
(6) The Minister may by legislative instrument provide further for the qualifications of directors, scheme managers and other principal employees of schemes. ;

### Participation by dependants

55. The dependants of a member may, in accordance with the constitution of the scheme, participate in the scheme and receive the same benefits as the member subject to such reasonable variation in the level of contribution by the member, based on the number of the dependants.

### Financial obligation of schemes

56. (1) The Council shall determine the financial security deposit, if any, that should be deposited by a scheme as security to meet any liabilities of the scheme.  
(2) Regulations may provide further in respect of financial security deposit of schemes.

### Annual reports, accounts and audit of schemes

57. (1) A licensed scheme shall keep books of account and proper record in respect of the accounts.  
2) Notwithstanding the provisions in the Companies Code, a licensed scheme shall submit an annual report in a prescribed form to the Council covering its activities for the period from 1<sup>st</sup> January and ending on 31<sup>st</sup> December within three months after the 31<sup>st</sup> December of the preceding year.  
(3) A licensed scheme shall have its accounts audited by its auditors and a copy of the audit report shall be submitted with its annual report to the Council,  
(4) An auditor shall not be an employee, manager, or director of the scheme.  
(5) The Council may without notice cause to be audited the accounts of a scheme which receives subsidy from the National Health Insurance Fund.

### Amendment of annual report

58. (1) Where in the opinion of the Council an annual report furnished by a scheme to the Council is incorrect or is not prepared as prescribed, the Council may, by notice in writing call upon the scheme to amend the report or to furnish a correct report.  
(2) Where the scheme fails to comply with a notice referred to in sub-section (1) to the satisfaction of the Council, the Council may itself either amend the report and give the scheme particulars of the amendment or it may reject the report.  
(3) A report amended by a scheme or the Council under this section shall be treated as if it had been originally submitted in its amended form.  
(4) Where the Council amends a report under this section, the scheme if dissatisfied with the amendment may appeal to the Minister.  
(5) The appeal shall be lodged with the Minister within thirty days after receipt by the scheme of the amended report. (1

### Standards of principal officers of scheme

59. (1) A scheme shall have at all times high calibre directors, principal officers and expert technical and professional staff and shall maintain such standards as may from time to time be prescribed or as may be directed by the Council.

- (2) Without prejudice to subsection (1) a person does not qualify to be a director, manager, secretary or other officer of a health insurance scheme if the person
- (a) is certified by a medical practitioner to be a person suffering from mental disorder;
  - (b) is adjudged or otherwise declared bankrupt by a court;
  - (c) compounds with his or her creditors; or
  - (d) is convicted by a court of an offence involving fraud or dishonesty.
- (3) Except with the express authority of the Council, a person who has participated in the management or direction of an insurance company which has been wound up pursuant to an order of a court, shall not participate in the management or direction of a health insurance scheme.

### **Notification of certain changes**

60. A scheme shall, within two months after the end of each financial year notify the Council in writing of any change in the senior executive personnel or technical operation of the scheme which occurred in that financial year and of any particulars relating to the change.

### **Furnishing of information to Council**

61. A scheme shall furnish the Council with all essential information concerning, its capitalization, its reserves, and such other information as the Council may require.

### **Inspection of annual report**

62. (1) A member of a scheme may inspect a copy of the annual report of the scheme at any time during normal business hours at the principal office of the scheme.
- (2) No fee shall be paid to the scheme for an inspection under subsection (1).
- (3) Upon a request by a member for a copy of the annual report and on payment to the scheme of any fee, the scheme shall supply a copy of the report to the member.

### **Financial year**

63. The financial year of a scheme shall be from 1st January to 31st December.

### **Basic health care benefits**

64. Every licenced scheme shall provide to its members such basic health care benefits as the Minister may on the advice of the Council by legislative instrument prescribe.

## **Health insurance identity card**

65. (1) Upon the registration by a scheme of any individual as a member, the scheme shall issue to the member a health insurance identity card referred to in this Act as Health ID Card within such period as shall be prescribed.
- (2) The following shall be issued with the Health ID Card:
- (a) a booklet containing membership rights, obligations and privileges;
  - (b) a list of the healthcare benefits available under the scheme;
  - (c) a list of healthcare providers and health institutions. accredited by the Council to the scheme and the periods or time of their availability,
- (3) The Health ID Card shall have a number which shall be unique to the member and shall be assigned permanently to the member notwithstanding that the member may change his or her place of residence.
- (4) In the event of loss, the Health ID Card shall be replaced upon payment of a prescribed fee.
- (5) A member who applies for the replacement of a Health ID Card for a reason other than the expiration or loss of the card shall be required to surrender the unexpired card.
- (6) Notwithstanding any provision of this section, the Council may accept the use of any identity card authorised under any enactment to be used for all purposes of identification in this country.

## **Termination or suspension of membership**

66. A scheme may terminate or suspend a member on any of the following grounds only:
- (a) failure to pay contribution within the stipulated time;
  - (b) submission of false or fraudulent claim;
  - (c) commission of any act of fraud in relation to the scheme; or
  - (d) non-disclosure of material information requested by the scheme.
- (2) A district mutual health insurance scheme shall not suspend the membership of an indigent without the scheme first informing the Council within such period as the Council may direct.
- (3) Where a member dies, any dependant of the deceased member may, subject to the payment of the deceased member's contribution, continue to receive the benefits available to the deceased member until; the marriage or attainment of the age of eighteen years of the dependant and subject to such other conditions as are provided in the constitution of the scheme.
- (4) Regulation may provide further for matters relating to termination or suspension of members of schemes.

## **Settlement of complaints**

67. Every scheme shall provide a procedure for settlement of complaints from its members and its healthcare providers and ensure that the members and healthcare providers are aware of their right to submit complaint to the Council where there is failure to settle any complaint raised with the scheme.



## **Quality assurance**

68. (1) The Council shall endeavour through such means as the Council may determine, including accreditation, that healthcare providers put in place programmes that secure quality assurance, utilization review and technology assessment to ensure that
- (a) the quality of healthcare services delivered are of reasonably good quality and high standard;
  - (b) the basic healthcare services are of standards that are uniform throughout the country;
  - (c) the use of medical technology and equipments are consistent with actual need and standards of medical practice;
  - (d) medical procedures and the administration of drugs are appropriate, necessary and comply with accepted medical practice and ethics; and
  - (e) drugs and medication used for the provision of healthcare in the country are those included in the Essential Drug List of the Ministry of Health.

## **Safeguards to prevent over or under use of healthcare services**

69. Every scheme must comply with the Essential Drugs List to prevent
- (a) over or under use of healthcare services;
  - (b) unnecessary diagnostic and therapeutic procedures and intervention;
  - (c) irrational medication and prescriptions; and
  - (d) inappropriate referral practices.

## **Accreditation of healthcare providers and health facilities**

70. (1) A scheme shall not use the services of any healthcare provider or any health facility in the operation of the scheme unless the healthcare provider or the health facility has been approved and accredited to the scheme by the Council.
- (2) Regulations may prescribe the qualifications, requirements and such other matters as the Council considers necessary in respect of healthcare providers and healthcare facilities that operate under the schemes.

## **Tariffs payable to healthcare providers**

71. (1) Tariffs payable to healthcare providers shall be paid by schemes to the healthcare providers directly.
- (2) Regulations may prescribe further for matters relating to the payment of tariffs to healthcare providers.
- (3) A scheme may deny or reduce the tariff claim of a healthcare provider where,
- (a) the scheme considers that the claim is false, incorrect or there is provision of insufficient information; or
  - (b) the healthcare provider without just cause fails to comply with any provision of this Act or Regulations made under this Act.

## **Actuary**

72. The Council may
- (a) where it has reasonable grounds to believe that a licensed health insurance scheme or a manager of such a scheme has contravened a provision of this Act or Regulations made under this Act and the contravention is such as to adversely affect the interest of the members;
  - or
  - (b) at the request of a health insurance scheme appoint an actuary to investigate and report to the Council the activities and affairs of the scheme.

## **Powers of actuary**

73. An actuary appointed under subsection 72
- (a) shall have access to any information or document in the possession, or under the control, of the scheme where the actuary reasonably requires access for the proper performance of the actuary's functions and duties;
  - (b) may require any manager or employee of the scheme to answer questions or produce documents for the purpose of enabling the actuary perform properly the actuary's functions and duties.
  - (c) may attend meetings of the governing body of the scheme on matters that relate or affect the financial affairs of the scheme;
- and
- (d) shall have and exercise other powers necessary for the effective performance of the actuary's duties and functions.

## **Inspection of schemes**

74. (1) The Council may, at any time, for the purposes of supervision of health insurance schemes,
- (a) inspect the premises, business and affairs, including the procedures and systems of a scheme;
  - (b) inspect the assets, including cash, belonging to or in the possession or control of any person who has any relation with the scheme;
  - (c) examine and make copies of documents, including accounting records, that belong to or are in the possession or control of a person who in the opinion of the Council has activities that relate to the activities of a scheme.
- (2) The Council may employ suitably qualified and experienced persons to assist it or carry out any inspection on its behalf.
- (3) Without limiting subsection (1), the Council shall ensure that an inspection is carried out in respect of a licensed health insurance scheme at least once in every twelve months.
- (4) The Council shall after any inspection compile a report stating the status of the scheme and shall submit a copy of the report including its recommendations to the scheme for compliance where applicable.

## **Directives of Council**

75. The Council may direct a scheme or an officer of a scheme to comply with such directions as the Council may specify in writing and where there is failure to comply, the Council may seek an order from the High Court to order the person to comply.

## **Protection order**

76. Where a licence is revoked, suspended or expires, the Council may apply to a court for an order to protect and preserve the contribution of members and for such other orders as the court may consider appropriate having regard to the best interest of members of the scheme.

## **PART VI—NATIONAL HEALTH INSURANCE FUND**

### **Establishment of a National Health Insurance Fund**

77. There is established by this Act a National Health Insurance Fund referred to in this Act as the “Fund”.

### **Object of the Fund**

78. (1) The object of the Fund is to provide finance to subsidize the cost of provision of healthcare services to members of district mutual health insurance schemes licensed by the Council.
- (2) For the purpose of implementing the object, the monies from the Fund shall be expended as follows:
- (a) to provide subsidy of such level as the Council shall determine to district mutual health insurance schemes;
  - (b) to reinsure district mutual health insurance schemes by payment of any deficit between contribution of members and the claims made by healthcare providers; and
  - (c) to set aside some monies from the Fund to provide for the health care cost of indigents.

### **Sources of money for the Fund**

79. (1) The sources of money for the Fund are as follows:
- (a) the health insurance levy provided for under section 87;
  - (b) two and one half percent of each person’s contribution to the Social Security and National Insurance Trust Fund;
  - (c) such other money that may be allocated to the Fund by Parliament;
  - (d) money that accrues to the Fund from investments made by the Council; and

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

(2) The Director-General of the Social Security and National Insurance Trust shall at the end of each month cause to be transferred to the Fund two and one half percent of all social security contributions for the preceding month.

### **Formula for disbursement from the Fund**

80. (1) The Council shall annually submit to the Minister for approval, the formula for distribution of subsidies to be paid to licensed district mutual health insurance schemes.
- (2) The Council shall in the disbursement of monies from the Fund make specific provision annually towards the health needs of indigents and prescribe the method for distributing the monies involved.

### **Bank account for the Fund**

81. (1) Monies of the Fund shall be paid into such bank accounts as the Council may determine with the approval of the Accountant-General.

### **Conditions for provision of subsidy to district mutual health insurance schemes**

82. (1) Subject to subsection (2), the Council shall provide subsidies from the Fund to licensed district mutual health insurance schemes that offer the basic healthcare benefits prescribed by the Minister.
- (2) Subsidy shall not be granted under subsection (1) unless the Council is satisfied that,
- (a) the district mutual health insurance scheme is open to the residents in the geographical area of the relevant District Assembly;
  - (b) the scheme is operated in such a manner that it is answerable to its members;
  - (c) the annual report and financial accounts submitted to its governing body and copied to the Council are acceptable to the Council;
  - (d) no person is excluded from enrolment on the scheme because of physical disability, social or economic status;
  - (e) the scheme allows for portability, namely, availability of the benefits to a member who moves outside the geographical area of the scheme of which the person is a member; and
  - (f) the tariff payable to healthcare providers under the scheme are in accordance with guidelines set by the Council.
- (3) A district mutual health insurance scheme must apply for subsidy from the Fund in a form and at a time directed by the Council.

## **Management of the Fund**

83. (1) The Fund shall be managed by the Council.  
(2) The Council in the management of the Fund shall have the following powers and functions:
- (a) formulate and implement policies towards achieving the object of the Fund;
  - (b) Collect or arrange to be collected monies lawfully due to the Fund;
  - (c) account for the money in the Fund;
  - (d) provide a formula for the distribution of monies from the Fund;
  - (e) approve any other expenditure charged on the Fund under this Act or any other enactment;
  - (f) set aside an amount for indigents; and
  - (g) perform any other function ancillary to the object of the Fund.

## **Investments**

84. The Council may invest such part of the Fund as it considers appropriate in such securities as the Minister for Finance may approve.

## **Expenses of the Fund**

85. The expenses attendant to the management of the Fund shall be charged on the Fund.

## **Accounts, auditing and annual report**

86. The provisions in sections 101 and 102 on accounts, auditing and annual report to Parliament apply to the Fund.

## **PART VII—NATIONAL HEALTH INSURANCE LEVY**

### **Imposition of national health insurance levy**

87. (1) There is imposed by this Act a national health insurance levy in the sum of two and one half percent which shall be paid on all expenditures and all transactions unless otherwise provided in this Part.  
(2) The levy is payable at the time of incurring the expenditure or making the transaction.  
(3) For the purposes of this Part “expenditure” or “transaction” means a commercial expenditure or commercial transaction.

### **Exempt expenditure or transaction**

88. A commercial expenditure or transaction in respect of any of the matters set out in Schedule I Part 1 are exempt from the levy imposed under section 87(1).

### **Zero-rated expenditure or transaction**

89. An expenditure or transaction in relation to any of the matters specified in Schedule I Part II is zero-rated.

### **Relief from levy**

90. There is hereby granted relief from the payment of the levy to the individuals, organisations and in respect of the matters specified in Schedule 1 Part III.

### **Collection of the levy**

91. (1) The levy shall be collected by such revenue agency as the Council shall determine.  
(2) Upon the determine by the Council of the revenue agency to collect the levy, the enactment of the relevant revenue agency for the collection of tax or levy shall, with such modifications as one necessary apply for the collection of the levy imposed under this Act.

### **Payment of levy into the Fund**

92. The agency charged with the collection of the levy shall within thirty days of collection of the levy, pay the levy directly into the Fund.

## **PART VIII—ADMINISTRATIVE, FINANCIAL AND MISCELLANEOUS PROVISIONS**

### **Executive Secretary of the Council**

93. (1) There shall be appointed for the Council by the President in accordance with the advice of the Council given in consultation with the Public Services Commission, an Executive Secretary of the Council who shall be the chief executive of the Council.  
(2) The Executive Secretary shall hold office on terms and conditions specified in his or her letter of appointment.  
(3) Subject to the directions of the Council, the Executive Secretary shall be responsible for the day to day administration of the Council and implementation of the decisions of the Council.  
(4) The Executive Secretary may delegate some functions of his or her office to any other officer of the secretariat of the Council except that the Executive Secretary shall not be relieved from ultimate responsibility for the discharge of the delegated function.

## **Units of the Council**

94. (1) For the purposes of implementing its functions under this Act. The Council may establish such units or divisions of the Council as it considers necessary.
- (2) Without limiting the effect of subsection (1), the following are hereby established as units of the Council:
- (a) Registration and Licensing Unit;
  - (b) Planning, Monitoring and Evaluation Unit; and
  - (c) Administration, Management Support and Training Unit.
- (3) Each unit shall have as its head a technical director who shall subject to the direction of the Executive Secretary, be responsible for overseeing and implementing the functions assigned to the unit.
- (4) The staff strength and the detailed functions of each unit shall be determined by the Council.

## **Appointment of internal auditor**

95. (1) There shall be appointed an internal auditor for the Council who shall be responsible to the Executive Secretary in the performance of his or her duties.
- (2) The internal auditor shall at the end of every three month submitted a report of the audit of the Fund carried out by the internal auditor in respect of that period to the Council.
- (3) The chairperson of the Council shall submit a copy of the report to the Minister and the Minister responsible for Finance.

## **Appointment of other staff**

96. (1) The President shall in accordance with the advice of the Council given in consultation with the Public Services Commission and on such terms and conditions as the President may determine appoint other staff for the Council.
- (2) Other public officers may be transferred or seconded to the Council or may otherwise give assistance to it.

## **Delegation of appointment**

97. The President may in accordance with article 195(2) of the Constitution delegate the power of appointment of public officers under this Act.

## **District offices of the Council**

98. (1) There shall be established in each district, a district office of the Council.
- (2) A district office of the Council shall be provided with such public officers as the President acting in accordance with the advice of the Council given in consultation with the Public Services Commission shall determine.
- (3) A district office of the Council shall perform such functions of the Council in the district as the Council may direct.

## **Engagement of consultants and experts**

99. The Council may engage the services of consultants or other experts on terms and conditions determined by the Council.

## **Expenses of the Council**

100. (1) The salaries of employees of the Council shall be the same as those applicable to employees of equivalent status in the Public Service and shall be paid out of such monies as may be allocated by Parliament from the Fund on the recommendation of the Minister for Finance.
- (2) All administrative expenses of the Council shall be paid out of the Fund subject to the approval of the Minister acting in consultation with the Minister for Finance.

## **Accounts and audit**

101. (1) The Council shall keep books of account and proper records in relation to them and the accounts and records of the Council shall be in a form approved by the Auditor-General.
- (2) The accounts of the Council shall be audited within six months after the end of each financial year by the Auditor-General or an auditor appointed by the Auditor-General.
- (3) The Auditor-General shall, not later than six months after the end of each financial year, forward to the Minister a copy of the audited accounts of the Council for the preceding financial year.
- (4) The financial year of the Council shall be the same as the financial year of the Government.

## **Annual Report and other reports of the Council**

102. (1) The Council shall as soon as practicable after the expiry of each financial year but within eight months after the end of the year submit to the Minister an annual report covering the activities of the Council for the year to which the report relates.
- (2) The annual report submitted under subsection (1) shall include,
- (a) the report of the Auditor-General;
  - (b) a report of the effect of the implementation of the national health insurance policy on the nation; and
  - (e) a report on the Fund specifying the total disbursement, reserve and the average cost provided from the Fund to beneficiaries under the schemes.
- (3) The Minister shall within two months of the receipt of the annual report submit the report to Parliament with such statement as the Minister considers necessary.
- (4) The Council shall also submit to the Minister such other reports as the Minister may in writing require.



## **No cancellation of a scheme registered with Registrar of companies**

103. The registration of a scheme licensed under this Act shall not be cancelled or altered by the Registrar of companies without the prior written authorisation of the Council.

## **Offences**

104. Any licensed scheme which

- (a) carries on any other activity other than the provision of healthcare services to its members contrary to section 24;
- (b) without the prior approval of the Council transfers or jointly operates the scheme with another scheme contrary to section 26;
- (c) operates a mutual health scheme for profit except for its members;
- (d) fails to keep books of account and proper records in respect of the accounts;
- (e) fails to provide the basic healthcare benefits specified by or Regulations made under this Act;
- (f) falsifies or connives with any person to falsify tariffs payable to any healthcare provider; or
- (g) obstructs an actuary, an inspector or any person authorised by the Council or this Act in the performance of a function under this Act;

commits an offence and is liable on summary conviction to a fine not exceeding 25,000 penalty units; and every principal officer or manager of the scheme shall also be deemed to have committed the offence unless it is proved that the offence was committed without the knowledge or connivance of the principal officer or manager.

## **Regulations**

105. (1) The Minister on the advice of the Council may by legislative instrument make Regulations for the effective implementation of this Act.

(2) Without limiting the scope of subsection (1), Regulations may:

- (a) provide further for registration and licensing of schemes;
- (b) prescribe reports to be submitted to the Council;
- (c) prescribe matters relating to health ID cards;
- (d) prescribe the mode of payment of contributions by members of district mutual health insurance schemes;
- (e) prescribe the qualification of managers and principal officers of schemes;
- (f) prescribe financial deposit or other financial security, if any, to be paid by schemes;
- (g) provide for matters relating to healthcare benefits;
- (h) prescribe the means test for indigents;
- (i) prescribe accreditation of healthcare providers and health facilities;
- (j) provide procedure for resolution of disputes and complaints by the Council;
- (k) provide further for matters relating to suspension and termination of a

- member from a scheme;
- (l) prescribe matters relating to quality assurance;
- (m) provide for matters relating to the payment of tariffs to healthcare providers and health institutions within the schemes;
- (n) prescribe further conditions for grant of subsidy from the Fund;
- (o) provide for matters relating to accounts of district mutual health insurance schemes;
- (p) prescribe the basic healthcare benefits; and
- (q) provide for forms.

## **Interpretation**

106. In this Act unless the context otherwise requires, "actuary" means an insurance risk analyst;

"accreditation" means a process by which the qualification and capability of a healthcare provider is verified for the purpose of enabling the person provide healthcare services under a scheme:

"beneficiary" means a person entitled to healthcare services under this Act;

"contribution" means the amount of money paid by or on behalf of a member to a scheme for membership of the scheme;

"dependant" in relation to a beneficiary or member means:

- (a) a spouse of a member;
- (b) unmarried and unemployed child below eighteen years;
- (c) a child who is eighteen years or above but suffering from congenital disability, either physical or mental, or any disability that renders the person totally dependent on the member for support or is still in school or teaming a trade;
- (d) a parent of sixty years old or above and whose monthly income if any, is below an amount determined by the Council;

"district" means the geographical area of a District Assembly;

"District Assembly" includes a Metropolitan and Municipal Assembly;

"healthcare facility" includes a hospital, nursing home, maternity home, dental clinic, polyclinic and dispensary;

"healthcare provider" means a healthcare professional or practitioner licensed to practice in Ghana in accordance with any enactment in force;

"indigent" means a person who by the means test of the Council qualifies as an indigent;

“member” means a person registered by a scheme as a beneficiary of the scheme;

“Minister” means the Minister responsible for health;

“mutual health insurance scheme” means a community based health insurance scheme composed of members of the community in the relevant district and operated exclusively for the benefit of the members;

“quality assurance” means a formal set of activities to review and ensure the quality of healthcare services provided to members of health insurance schemes;

“resident” means a person who lives in this country for six months or more in any period of twelve months;

“scheme” means a district mutual, a private mutual or a private commercial health insurance scheme or body registered and licensed under this Act.

“zero-rated” means a commercial expenditure or commercial transaction that is not dutiable.

### **Disapplication of P.N.D.C.L. 227 to health insurance schemes**

107. Except as otherwise expressly provided in this Act under section 45 in respect of private commercial health insurance schemes, the Insurance Law 1989 (P.N.D.C.L. 227) shall not apply to health insurance schemes.

### **Transitional provision**

108. Upon the coming into force of this Act, any group of persons operating a health insurance scheme who desires to continue the operation of the scheme, shall within six month of the appointment of the Council, apply to the Council for the registration and licensing of the scheme in compliance with the provisions of this Act.

### **Commencement of payment of levy**

109. The national health insurance levy imposed under section 87 of this Act shall become payable on such date as the Minister may by legislative instrument prescribe.

**SCHEDULE  
PART 1  
(section 88)  
EXEMPT EXPENDITURES AND TRANSACTIONS**

<b>Item No.</b>	<b>Description</b>
1. (a) Medical services (b) Pharmaceuticals:	Essential drug list under Chapter 30 of the Harmonised Systems Commodities Classification Code, 1999 produced or supplied by retail in Ghana, and the active ingredients for essential drugs specified by law. Imported special drugs determined by the Minister of Health and approved by Parliament.
2. Mosquito net	<i>Mosquito nets of man-made textile material whether or not impregnated with chemicals.</i>
3. Goods for the disabled;	<i>Articles designed exclusively for use by persons with disability.</i>
4. Water	Expenditure on water, excluding bottled and distilled water;
5. Education:	Expenditure on educational services at any level by an educational establishment approved by the Minister for education, fully assembled computers imported or produced locally by educational establishments that are approved by the Minister of Education, Laboratory equipment for educational purposes and library equipment.
6. Live Animals	<i>Cattle, sheep, goat, swine and poultry but excluding horses, asses, mules and hinnies, and similar exotic animals</i>
7. Animals, livestock and poultry imported for breeding purposes	<i>Live asses, mules and hinnies; live bovine animals; live swine; live sheep and goats; live marine mammals, live fish and aquatic invertebrates.</i>
8. Animal product in its raw state	<i>Edible meat and offal of the animals listed in item 6 provided any processing is restricted to salting, smoking or similar process, but excluding pate. Fatty livers of geese and ducks and similar products.</i>
9. Agricultural and aquatic food products in its raw state produced in Ghana.	Fish, crustaceans, and molluscs (but excluding ornamental fish); Vegetables and fruits, nuts, coffee, cocoa, shear butter, maize, sorghum, millet, tubers, guinea corn and rice
10. Seeds, bulbs footings, and other forms of propagation.	<i>Of edible fruits, mils, cereals tubers and vegetables.</i>
11. Agricultural inputs	Chemicals including all forms of fertilizers, acaricides, fungicides, nematicides, growth regulations, pesticides veterinary drugs and vaccines, feed and

	feed ingredient.
12. Fishing equipment	<i>Boats, nets, floats, twines, hooks and fishing gear.</i>
13. Salt	<i>Denatured salt, compressed sail used in animal feeding and salt for human consumption including table salt.</i>
14. Land, buildings and construction:	(a) Land and buildings: the granting of assignment or surrender of an interest in land or buildings; the right to occupy land or buildings excluding hotel accommodation, warehousing, storage and similar occupancy incidental to the provision of the relevant services (b) Civil engineering work; (c) Services supplied in the course of construction, demolition, alteration, maintenance, to buildings or oilier works under (a) and (b) above, including the provision of labour, but excluding professional services such as architectural or surveying.
15. Electricity	<i>Domestic use of electricity up to minimum consumption level prescribed in Regulations by the Minister, and Compact Fluorescent Lamps.</i>
16. Transportation	Includes transportation by bus and similar vehicles, train, boat, and air.
17. Postal services	Purchase of postage stamps
18. Machinery:	machinery, apparatus, appliances and parts thereof, designed for use in (a) agriculture, veterinary, fish-ine and horticulture; (b) industry; (c) mining as specified in the mining list and dredging; and (il) railway and tramway.
19. Crude oil and hydrocarbon products:	Petrol, diesel, liquefied petroleum gas, kerosene and residual fuel oil.
20. Financial services	<i>Provision of insurance; issue, transfer, receipt of or dealing with money (including foreign exchange) or any note or order of payment of money; provision of credit; operation of any bank (or similar institution) account: but excluding professional advise such as accountancy, investment and legal.</i>
21. Printed matter --(Hooks ;ind newspapers)	Fully printed or produced by any duplicating process, including atlases, books, charts, maps, music, but excluding newspapers (imported), plans and drawings, scientific and technical works, periodicals, magazines, trade catalogues, price lists, greeting cards, almanacs, calendars and stationery.
21. Transfer of going concern	The supply of goods as part of the transfer of a business as a going concern by one taxable person to another taxable person.

**PART II**  
**ZERO-RATED EXPENDITURES AND TRANSACTIONS**  
**(section 89)**

1. Export of taxable goods and services.
2. Goods shipped as stores on vessels and aircrafts leaving the territories of Ghana.

**PART III**  
**RELIEF**  
**(section 90)**

1. President of the Republic of Ghana.
2. For the official use of any Commonwealth or Foreign Embassy, Mission or Consulate (relief applies only to Levy on imported goods).
3. For use of a permanent member of the Diplomatic Service of any Commonwealth or Foreign Embassy, Mission or Consulate (relief applies only to Levy on imported goods).

Note: Provided that with regard to items 2 and 3 of this Part a similar privilege is accorded by such Commonwealth or Foreign Country to the Ghana representative in that country.

4. For use of an international agency or technical assistance scheme where the terms of the agreement made with the Government include exemption from domestic taxes.
5. Emergency relief items approved by Parliament.