

Achieving a Shared Goal: Free Universal Health Care in Ghana. Executive Summary



The current health system in Ghana is unfair and inefficient. It doesn't have to be. The government can and should move fast to implement free health care for all citizens. Our research shows that:

- Coverage of the National Health Insurance Scheme (NHIS) has been hugely exaggerated, and could be as low as 18%
- Every Ghanaian citizen pays for the NHIS through VAT, but as many as 82% remain excluded
- Twice as many rich people are signed up to the NHIS as poor people. 64% of the rich are registered compared with just 29% of the poorest
- Those excluded from the NHIS still pay user fees in the cash and carry system. Twenty five years after fees for health were introduced by the World Bank, they are still excluding millions of citizens from the health care they need
- An estimated 36% of health spending is wasted due to inefficiencies and poor investment. Moving away from a health insurance administration alone could save US\$83 million each year. Enough to pay for 23,000 more nurses
- Through savings, good quality aid but primarily improved progressive taxation of Ghana's own resources, especially oil, the government could afford to increase spending on health by 200%, to US\$54 per capita, by 2015

82%

EVERY GHANAIAN CITIZEN PAYS FOR THE NHIS THROUGH VAT, BUT 82% REMAIN EXCLUDED

18%

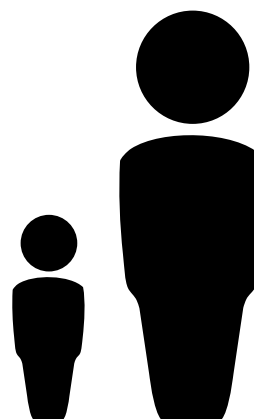
18% BENEFIT

64%

64% OF THE RICHEST ARE REGISTERED WITH THE NHIS

29%

ONLY 29% OF THE POOREST ARE REGISTERED



GOVERNMENT COULD INCREASE SPENDING ON HEALTH BY 200%, by 2015

- This would mean the government could deliver on its own promise to make health care free for all – not just the lucky few at the expense of the many

The shared goal of free health care for all in Ghana is within reach. Investing in the health of all citizens will lay the foundations for a healthy economy into the future.

In 2009 President Atta Mills and the National Democratic Congress came to power in Ghana on a promise to deliver a truly universal health insurance scheme that reflected the contribution of all the country's residents. The promise included guaranteed access to free health care in all public institutions, and to cut down the health insurance bureaucracy in order to 'plough' back the savings into health care services. Health was put at the heart of the government's development agenda to transform Ghana into a middle-income country by 2015. These were good promises that won large-scale popular support. Unfortunately they still remain unfulfilled.

There can be no doubt that the introduction of Ghana's National Health Insurance Scheme (NHIS) in 2003 was a bold progressive step that recognised the detrimental impact of user fees, the limitations and low coverage of Community Based Health Insurance (CBHI) and the fundamental role of public financing in the achievement of universal health care. The NHIS provides a comprehensive package of services and for members of the scheme evidence suggests that access and quality of services have improved. Average outpatient visits per member per year were between 1.4 and 1.5 in 2009 against a national average of 0.81.²

However for Ghana to be held up as a success story for health insurance in a low-income country and a model for other poor countries to replicate is misleading. According to our analysis of the data available, membership of the largely tax funded National Health Insurance Scheme could be as low as 18% – less than a third of the coverage suggested by Ghana's National Health Insurance Authority (NHIA) and the World Bank. Despite the introduction of the NHIA, the majority of citizens continue to pay out of pocket for their health care in the parallel 'cash and carry' health system, or resort to unqualified drug peddlers and home treatment due to lack of funds. The richest women are nearly three times more likely than the poorest to deliver at a health care facility with a skilled birth attendant.³

The National Health Insurance Scheme – costly and unfair

The NHIS's heavy reliance on tax funding erodes the notion that it can accurately be described as social health insurance and in reality is more akin to a tax-funded national health care system, but one that excludes over 80% of the population. The design is flawed and unfair – every citizen pays for the NHIS but only some get to join. More than twice as many of the rich are registered compared to the poorest,

and evidence suggests the non-insured are facing higher charges for their health care.⁴ Out-of-pocket payments for health are more than double the World Health Organisation (WHO) recommended rate⁵ and the risk of financial catastrophe due to ill health remains unacceptably high.

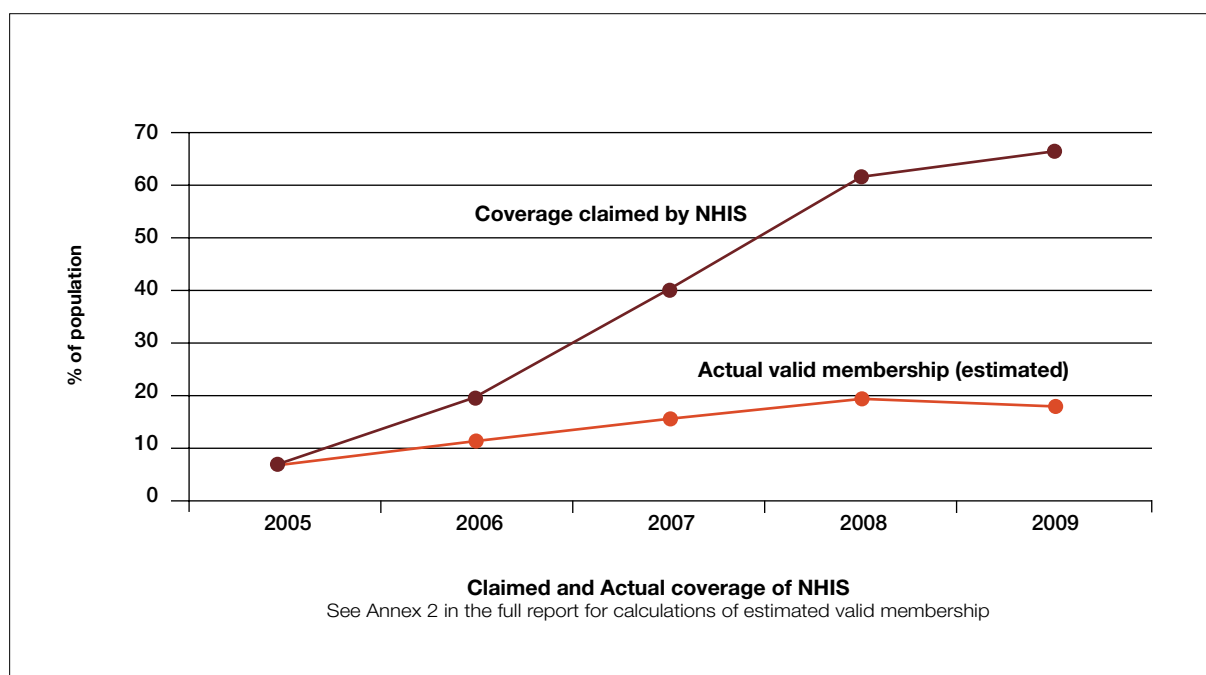
The NHIS suffers from an inefficient administrative and registration system, cost escalation and high levels of abuse leading to serious questions about its sustainability. The average cost per insurance claim more than doubled between 2008 and 2009 and total expenditure on claims has increased 40 fold since the scheme first started.⁶ Incentives are provided for curative not preventative health and the budget for the latter is on the decline.⁷ While the government has publicly acknowledged many of these problems and is exploring different options (including a one-off nominal lifetime fee and capitation payments), progress has stalled due to increasing fragmentation that works against sector wide planning and co-ordination, and has led to damaging public displays of institutional conflict and political infighting.

As the NHIA is responsible for managing a large public budget as well as the individual contributions of NHIS members, its poor transparency is of great concern. Financial reports are difficult if not impossible to obtain and in 2008, 45% of NHIA funds went unaccounted.⁸ Confusing institutional arrangements and unclear lines of responsibility undermine the NHIA's accountability and should be immediately addressed by the President.

Realising a vision: health care for all, free at the point of use

Thankfully the Government of Ghana and its external development partners still hold the keys to build a universal health care system that delivers for all and is the envy of Africa. The introduction of free health care for all pregnant women was a major step forward in 2008. In just one year of implementation 433,000 additional women had access to health care.⁹ But bolder changes are now urgently required to accelerate progress.

The government must move to implement its own aspiration and promise of a national health system free at the point of delivery for all – a service based on need and rights and not ability to pay. Every citizen of Ghana should be able to access and use the same range of good quality health services within easy reach of his or her home.



Note: The methodology for our calculation is based on annual NHIA income from insurance premiums and is detailed in Annex 2 of the full report. To date we have had no response from the NHIA to our requests for more accurate membership data.

There is much to build on. Ghana is one of the few African nations within reach of achieving the Abuja commitment to allocate a minimum 15% of government resources to health. Malaria deaths for children have reduced by 50%, the success rate for tuberculosis treatment is 85%, and child and infant mortality are on the decline after years of stagnation.¹⁰

But Ghana is off track to achieve the health Millennium Development Goals (MDGs). One quarter of the population live over 60km from a health facility where a doctor can be consulted¹¹ and skilled birth attendance is low at only 46%.¹² If current trends persist Ghana will not achieve the MDG for maternal health until 2027.

If the introduction of 'Cash and Carry' health care was stage one, and the NHIS stage two, it is now time for stage three:

Step 1: The government must commit to a clear plan to remove the requirement of regular premium payments, abolish fees in the parallel 'cash and carry' system and make health care free at the point of delivery for all by 2015. A time-bound plan must also be set to reduce out-of-pocket payments as a proportion of total health expenditure to the WHO recommended rate of between 15% and 20%.¹³

The change away from a premium-based health financing model means much of the fragmented,

inefficient and costly insurance architecture can be removed and many of the functions of the NHIA will no longer be required. The National Health Insurance Fund (NHIF) should be transformed into a National Health Fund to pool fragmented streams of financing for the sector. The purpose of the fund should be expanded to cover infrastructure and other capital and recurrent expenditure and be placed under the clear jurisdiction of the Ministry of Health, along with the core functions of the NHIA that remain relevant.

Step 2: At the same time a rapid expansion and improvement of government health services across the country is urgently needed to redress low and inequitable coverage and meet increased demand created by making care free. Rejuvenation of the Community-based Health Planning and Services (CHPS) strategy should form the backbone of the expansion plan and the foundation of an effective referral system. At the same time identified gaps in secondary and tertiary facilities, particularly district hospitals should be filled. Priority should be placed on scaling up and strengthening government and Christian Health Association of Ghana (CHAG) services as the majority health care providers. While much improvement is needed the public sector performs better than the private sector at reaching the poor at scale, particularly for inpatient care.¹⁴

Significant advances have been made on reaching government targets for nurse training and recruitment. The government must now urgently review the reasons for poor progress on achieving the same for doctors. In 2009 Ghana had just one doctor per 11,500 people, worse than in 2007. A comprehensive review of health worker gaps across other cadres including health sector managers, pharmacists, and midwives is critical to inform a new and fully costed human resources strategy from 2012 to 2016.

Medicines in Ghana are 300% to 1500% higher than international reference prices.¹⁵ The government, with the support of external development partners, should use its purchasing power to negotiate lower prices, including through generic competition, while also tackling corruption, price hikes and stock outs across the supply chain. To improve quality the government should prioritise investment in the capacity of drug-regulatory authorities.

As part of the expansion plan the Ministry of Health should instigate and manage a co-ordinated effort across line ministries to tackle the social determinants of health. Low levels of literacy, gender inequality, poor sanitation, under-nutrition, alcohol abuse, sedentary life styles and unhealthy diets all contribute to ill health and high mortality rates in Ghana but are beyond the reach of the Ministry of Health acting alone. Health audits across different government departments would be a good first step to identify low-cost opportunities to improve the health impact of their respective operations.

How much will free universal access cost and who will pay?

No homegrown comprehensive costing estimate of universal and equitable coverage currently exists in Ghana and this gap should be addressed. The latest World Health Report states that low-income countries will need to spend a little over US\$60 per capita per year by 2015 to achieve the Millennium Development Goals. In the interim, this serves as a guide.

Two points are clear, business as usual is not financially viable; and, even if the government moves to a single lifetime payment as opposed to annual premiums as is proposed, this will not contribute significant funds to the overall health budget if its goal is to increase equity and access. Our calculations suggest that financing universal health care in Ghana can be achieved from three key sources:

- **Inefficiencies, cost escalation, corruption and institutional conflict are costing the health sector millions of Ghana Cedis each year. We calculate possible savings worth 36% of total government health expenditure in 2008, or US\$10 per capita.**
- **With projected economic growth, together with action to improve progressive taxation of Ghana's own resources, especially oil, we calculate that the government alone can mobilise a health expenditure of US\$50 per capita by 2015. This figure assumes a minimum government investment in health of 15% of total revenues.**
- **An additional US\$4 per capita can be added by 2015 if improvements in the quality of aid are achieved, including that at least 50% of health aid is given as sector budget support.**

These sources combined mean that by 2015 Ghana could increase its per capita expenditure for health by 200% from 2008 levels to at least US\$54 per capita, and be well on the way to spending the US\$60 per capita recommended by the WHO.

Free health care for all in Ghana is achievable and affordable through cost-savings, progressive taxation and good quality aid. With less than two years left before voters in Ghana return to the polls, urgent and sustained action is now required from the President and his Government to deliver on their election promises as well as their constitutional duty to achieve health care for all. Doing so will deliver the foundation for a healthy economy into the future, that will in turn provide even more resources to improve the health of all Ghanaians.



Recommendations

For government:

- Commit to a clear plan to remove the requirement of regular premium payments, abolish fees in the parallel 'cash and carry' system and make health care free at the point of delivery for all by 2015
- Within the next six months implement the overdue commitment to make health care free for all people under 18 years old and publish a clear time-bound plan to reduce out-of-pocket payments as a proportion of total health expenditure to the WHO recommendation of between 15% and 20%
- If a single lifetime payment is pursued, ensure it is a nominal fee and preferably no more than the cost of the membership card. Pool fragmented funding streams for the health sector and transform the National Health Insurance Fund to a National Health Fund under the clear management of the Ministry of Health
- Demand the immediate publication of all NHIA financial and valid membership data. Going forward the publication of timely and comprehensive financial accounts across the health sector, including transfers between the Ministry of Finance and the Ministry of Health should be legally mandated
- Commit to rapidly expanding and monitoring the health system so that all citizens have access to decent quality health care within 8km of their home
- Make Community-based Health Planning and Services (CHPS) the backbone of national efforts to deliver primary health care for all. Redress shortages and inequities in secondary and tertiary facilities, human resources for health and medicine supplies
- Prioritise scaling up and improving the equity performance of public providers (including CHAG) over private health care providers, especially for inpatient care
- Work across ministries to build a co-ordinated plan to address the social determinants of health especially water and sanitation and education
- Move quickly to address inefficiencies across the health system and capture savings outlined in this report amounting to 36% of current government expenditure on health
- Take action and seek support to tackle: ill-conceived tax incentives; tax avoidance and tax-evasion; failures to effectively tax extractive industries and ensure transparency; and untaxed high earners in the informal economy
- Increase and sustain government spending to health to a minimum of 15% of total revenues. Aim to spend at least US\$54 per capita by 2015 with a time-bound plan to reach the WHO recommended US\$60 per capita
- Establish regular household surveys to collect information on health care coverage and equity as well as out of pocket payments, to monitor progress over time

For External Development Partners

- Stop presenting Ghana as a health insurance success story or use inaccurate accounts of Ghana's progress to promote the introduction of health insurance in other low-income countries
- Support and do not block government and civil society efforts to transform health financing to a universal system free at the point of delivery and financed from general revenues and international aid
- Provide co-ordinated support for Ghana to rapidly expand government health care provision across the country, particularly in the most deprived and remote regions and districts
- Continue to give aid to the health sector in Ghana, and ensure that by 2015 at least 50% of earmarked aid for health is given as sector budget support.
- Reduce fragmentation of aid and facilitate the longer-term graduation of Ghana away from development assistance by increasingly using Ghana's own country systems and processes, including procurement where possible
- Work with the government and Ministry of Health to improve governance and transparency including through timely and accurate publication of financial information and coverage data to ensure funds are used judiciously and as planned
- Support the government to improve monitoring and evaluation systems to improve health systems information to better inform decision making in the sector, particularly for equity goals
- Assist the government to reduce inefficiencies across the health sector and invest in preventative health
- Provide sustained technical and financial support to Ghana to improve tax capture from domestic resources and tackle tax avoidance and tax evasion

For Civil Society

- Civil society organisations should improve and increase collaboration to exert collective pressure on the government and other stakeholders to push for universal health care free at the point of use
- Act together to hold governments to account by engaging in policy development, monitoring health spending and service delivery, and exposing corruption
- Continue to build more evidence on the sustainability and feasibility and benefits of tax-financed universal health care in Ghana.



Women having their blood pressure taken at Achimota Hospital, where free health care has been available for pregnant women since 2008.

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This executive summary is drawn from the full report *Achieving a Shared Goal: Free Universal Health Care in Ghana*. The text of the full paper can be downloaded from www.oxfam.org. The report has been endorsed by the following organisations: Alliance for Reproductive Health Rights, Essential Services Platform of Ghana, ISODEC and Oxfam, and was written by Patrick Apoya and Anna Marriott.

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Endnotes

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