

## HEALTHCARE FINANCING AND REIMBURSEMENT: A GLOBAL REVIEW OF MAJOR TOPICS AND TRENDS

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## LAWS AND REGULATIONS ON HEALTHCARE FINANCING AND REIMBURSEMENT

### 1. Please provide a bird's eyes view on the healthcare economy, indicating, in general terms, the role of the government (public healthcare) and private actors (private healthcare).

The Government of Ghana designs policies, sets standards and provides funding for the healthcare system in Ghana. This is carried out primarily through the Ministry of Health (MoH) and the National Health Insurance Authority (NHIA).

The government, through these institutions, ensures equal access to healthcare through the provision of healthcare infrastructure, development of guidelines and policies and the allocation of funds to support the healthcare system. The government is also responsible for the regulation of healthcare professionals and institutions.

The NHIA is a government institution established by law to, among others, provide and manage the National Health Insurance Scheme (NHIS), which seeks to deliver universal healthcare coverage and financial access to basic healthcare services to citizens.

The Ghana Health Service (GHS) is also a government institution established under the Ghana Health Service and Teaching Hospitals Act, 1996 (Act 525) and has the mandate to implement approved policies for the healthcare sector, increase access to improved health services, and manage resources available for the provision of health services.

The GHS ensures access to healthcare services at the regional, district, sub-district and community levels. Directorates are established at the regional and district levels to ensure the GHS's objectives are met.

In addition to the government funded NHIS, there are private health insurance schemes which help finance private healthcare services and operate independently of the NHIS.

In Ghana, international organisations and foundations provide funding for the healthcare sector especially in relation to maternal and child health programmes and disease-specific programmes including malaria and HIV/AIDS treatment programmes.

### 2. Please provide a high-level overview of the legal framework regarding healthcare financing and reimbursement.

The National Health Insurance Act, 2012 (Act 852) is the primary legislation governing financing and reimbursement of healthcare. The Act established the NHIS which is the

mandatory health insurance scheme for residents of Ghana and is aimed at providing residents with access to healthcare.

The Act also established the NHIA which regulates the NHIS. The Act gives the NHIA broad powers in determining the premiums to be paid under the NHIS, standards for healthcare providers and tariffs.

In 2022, the NHIA introduced the Tariff Operation Manual (the Manual) to provide standards of operation between the NHIS and healthcare providers. The Manual outlines the tariffs for various healthcare services under the NHIS and provides the procedure for reporting claims, determining the reimbursement process/criteria, and provides guidance for reimbursement of claims.

The National Health Insurance Act established the National Health Insurance Fund (the NHIF) to fund the cost of healthcare services to members of the NHIS. The NHIS is primarily funded by the National Health Insurance Levy (the NHIL) (a 2.5 per cent levy on value added tax), returns on the National Health Insurance Fund investments, premium fees and contributions to the Social Security and National Insurance Trust and government allocation.

In addition to the NHIS, there are also private health insurance schemes for financing healthcare services. These private health insurance schemes are licenced by the NHIA but operate independently of the NHIS. They are therefore at liberty to determine their own tariffs and services to be covered. The NHIA issues policies and guidelines governing the activities of private health insurance schemes to ensure certain minimum standards. Periodically, the MoH issues policies ensuring the proper functioning of Ghana's healthcare financing and reimbursement, including the Ghana Health Financing Strategy 2023-2030, which was published in 2023.

### **3. What are the key regulators and supervisory bodies regarding healthcare financing and reimbursement?**

Ghana's healthcare financing and reimbursement system is primarily regulated by the MoH and the NHIA. These institutions ensure the efficient functioning of Ghana's healthcare financing and reimbursement system.

The MoH provides policy direction for the entire healthcare system, including financing and reimbursements. The Government of Ghana is the largest source of funding for the MoH. The Government's funding comprised 54 per cent of the MoH's funds in 2023 according to UNICEF's 2023 Health Budget Brief.<sup>1</sup>

The NHIA, which is the primary regulator of the NHIS and private health insurance schemes, has the responsibility of operating and implementing the NHIS, determining the contributions to be made by members of the NHIS, registering members of the NHIS and ensuring equity in healthcare coverage.

<sup>1</sup> UNICEF, *Republic of Ghana Health Budget Brief, 2023*,  
[www.unicef.org/ghana/media/5001/file/2023%20Health%20Budget%20Brief.pdf](http://www.unicef.org/ghana/media/5001/file/2023%20Health%20Budget%20Brief.pdf) accessed 23 May 2025.

<b>4. Has there been a change with healthcare financing and reimbursement as a consequence of the Covid-19 pandemic?</b>
Following the Covid-19 pandemic, the Government of Ghana introduced the Covid-19 Health Recovery Levy through the Covid-19 Health Recovery Levy, Act 2021 (Act 1068) in 2021. The Levy, charged at one per cent on the value of taxable supply of the goods or services or on the value of the imports, was introduced to address expenses incurred by the Government of Ghana during the pandemic including the purchasing of vaccines.
<b>5. Who has access to the healthcare system as a patient on the one side and as a medical service provider/supplier of medical goods on the other side? What are the conditions of admission?</b>
<p>All persons have access to public and private healthcare. However, only residents of Ghana are eligible to enrol in the NHIS. Non-resident persons can still access healthcare services but will be required to pay. The NHIA estimates that around 54 per cent of Ghana’s population has registered with the NHIS.<sup>2</sup></p> <p>There are also private health insurance schemes in Ghana which generally offer more tailored healthcare coverage and access to more private healthcare service providers. Healthcare providers are required to be accredited to be able to operate under the NHIS. They include hospitals, health centres, clinics, maternity homes, pharmacies and private medical diagnostic facilities.</p> <p>Health facilities must be licenced by the Health Facility Regulatory Agency (HEFRA), the government institution set up to licence facilities for the provision of public and private healthcare services. There is currently no restriction on foreign ownership of healthcare facilities.</p> <p>Entities must register medical devices and medical goods with the Food and Drugs Authority prior to their importation and/or sale. Both foreign and local entities are subject to the same requirements.</p>
<b>HEALTH INSURANCE FINANCING AND COVERAGE</b>
<b>6. How are health insurance carriers financed? How are premiums determined?</b>
<p><i>Financing of health insurance carriers</i></p> <p>In Ghana, the means of the financing of health insurance carriers varies depending on whether the insurer is government-operated (ie, the NHIS) or a private health insurance company.</p> <p>NHIS</p> <p>The NHIS is primarily financed through:<sup>3</sup></p>

<sup>2</sup> Ghana NHIS, ‘NHIS @20 clock is ticking’, *NHIS News*, 6 June 2022 [www.nhis.gov.gh/News/nhis-%4020-clock-is-ticking-----5399](http://www.nhis.gov.gh/News/nhis-%4020-clock-is-ticking-----5399) accessed 23 May 2025.

<sup>3</sup> Ghana NHIS, ‘Brief Introduction to the NHIS’ [www.nhis.gov.gh/about](http://www.nhis.gov.gh/about) accessed 23 May 2025.

- the NHIL, which is a value added tax (VAT) of 2.5 per cent levied on goods and services, imported goods and supply of an imported service;<sup>4</sup>
- 2.5 per cent of Social Security and National Insurance Trust (SSNIT) contributions per month;
- returns on NHIF investments; and
- premiums paid by informal sector subscribers.

#### PRIVATE HEALTH INSURANCE COMPANIES

Private health insurance carriers in Ghana are financed through premiums paid by policyholders.<sup>5</sup> These carriers may also receive additional income from investments and other financial instruments. The premiums collected are pooled and used to pay for members' healthcare claims, administrative costs, etc.

To ensure financial stability, carriers are required to make security deposits<sup>6</sup> and allocate a portion of their capital into a reserve fund and a contingency fund, which serve as a source of financing in managing unforeseen financial pressures.<sup>7</sup>

#### *Determination of health insurance premiums*

#### NHIS

The premium is determined by the NHIS. Certain classes of persons are excluded from paying NHIS premiums. These include persons under 18 years, pregnant women, persons with mental health disabilities and persons over 70 years.

#### PRIVATE HEALTH INSURANCE COMPANIES

Premiums of private health insurance schemes are determined by the management of the scheme. The premiums must be actuarially determined, signed off by a qualified actuary and be based primarily on risk.

### **7. How is coverage of medical services by health insurance carriers regulated? Are there differences in coverage for in person medical appointments and telemedicine appointments?**

#### *Regulation of coverage*

#### NHIS

<sup>4</sup> S 47, National Health Insurance Act.

<sup>5</sup> NHIA Guidelines for Private Health Insurance Industry in Ghana, paras 2.6, 3.1, 3.2.

<sup>6</sup> Ss 74 and 79, National Health Insurance Act.

<sup>7</sup> NHIA Guidelines for Private Health Insurance Industry in Ghana, paras 5.1.1., 5.2.1, 5.4.

NHIS coverage is regulated under the National Health Insurance Act which provides that the Minister of Health will prescribe, a healthcare benefits package under the NHIS.<sup>8</sup> The minimum benefits package sets out the healthcare services that must be covered. The NHIA is required to assess the benefits package every six months. The NHIA estimates that approximately 95 per cent of health conditions prevalent in Ghana are currently covered under the NHIS.<sup>9</sup> These include malaria, out-patient physiotherapy and cervical cancer treatment and all emergencies.

#### PRIVATE HEALTH INSURANCE SCHEMES

Private health insurance schemes are regulated by their internal policies. However, the Minister of Health may prescribe a minimum benefits package.<sup>10</sup> The Ministry of Health through the NHIA has mandated private health insurers to use the minimum benefits package under the NHIS as a minimum standard of coverage.<sup>11</sup>

#### *Differences in coverage: in-person versus telemedicine appointments*

Differences in coverage between in-person appointments and telemedicine consultations can arise due to the nature of the service and the type of insurance plan.

In-person medical visits are generally well covered under both the NHIS and private health insurance plans. Coverage includes consultations with general practitioners, specialists, diagnostic tests, hospital admissions, surgeries and prescriptions. The insurance carrier directly reimburses the healthcare provider (eg, as hospitals, clinics, and doctors) based on the claims and the agreed rates in the plan.<sup>12</sup>

Telemedicine coverage can vary depending on the health insurance provider. The NHIS does not currently cover telemedicine. However, there are ongoing discussions regarding the regulation and inclusion of telemedicine services within the NHIS.

### HOSPITAL SECTOR

#### **8. How are services provided by hospitals in the stationary (inpatient) and ambulatory (outpatient) settings financed and reimbursed?**

Inpatient (stationary) or outpatient (ambulatory) services are typically financed through: the government (for public hospitals); the NHIS; private health insurance schemes; patients paying directly; and donations.

#### **9. How are the prices of such services determined? How is economic efficiency controlled?**

<sup>8</sup> S 30, National Health Insurance Act.

<sup>9</sup> See n2, above.

<sup>10</sup> S 94, National Health Insurance Act.

<sup>11</sup> Paragraph 1.5 of the NHIA Guidelines for Private Health Insurance Industry in Ghana

<sup>12</sup> NHIA Benefits Package [www.nhis.gov.gh/benefits](http://www.nhis.gov.gh/benefits); and Claims Payments <https://www.nhis.gov.gh/payments> accessed 23 May 2025.

The NHIA prescribes tariffs for services covered by the NHIS under the Manual. Service providers claiming under the NHIS must comply with the NHIA-imposed tariffs. The tariffs are based on the Ghana Diagnostic Related Groupings (G-DRG) and are designed to ensure efficiency. For example the tariffs specify a maximum number of visits that can be made for various conditions.

The NHIA has indicated that the tariffs are under review to address the funding gap between the tariffs and the actual market value of services provided.<sup>13</sup> There is no indication of when this review will be completed.

The NHIA is also working to ensure that hospitals are reimbursed in a timely manner to ensure liquidity and avoid cash flow issues.

The price of services not covered by the NHIS are determined by the hospitals.

In addition to the above, the Hospital Fees Act, 1971 (Act 387) was passed to regulate fees of hospitals. The Act provides that private patients, non-resident foreigners and diplomats and their spouses and children must pay increased fees.<sup>14</sup>

## HEALTHCARE PROVIDERS IN PRIVATE PRACTICE

### 10. How are services provided by physicians, therapists, laboratories and other service providers financed and reimbursed?

Healthcare services provided by private practitioners are typically financed and reimbursed through payments made directly by patients and private health insurance schemes. Some private healthcare service providers also accept NHIS and will reimburse private practitioners based on the NHIS tariffs.

### 11. How are the prices of such services determined? How is economic efficiency controlled?

The prices of private healthcare services are determined by the healthcare service provider. However, when NHIS is used for payment of these services, the prices must be in accordance with the tariffs set by the NHIA.

In order to regulate economic efficiency, the National Health Insurance Act requires private health insurance schemes to develop tariffs for services to prevent among others: over or under use of healthcare services, unnecessary diagnostic procedures, and inappropriate referral practices.

## PHARMACEUTICALS AND MEDICAL DEVICES

### 12. How are pharmaceuticals and medical devices financed and reimbursed?

<sup>13</sup> Emmanuella Sarfo-Ntow, 'NHIA to tackle illegal charges, low tariffs with automatic adjustment formula', *Joy News*, 9 April 2024, [www.myjoyonline.com/nhia-to-tackle-illegal-charges-low-tariffs-with-automatic-adjustment-formula](http://www.myjoyonline.com/nhia-to-tackle-illegal-charges-low-tariffs-with-automatic-adjustment-formula) accessed 23 May 2025.

<sup>14</sup> S 5, Hospital Fees Act.

Pharmaceuticals can be financed through the NHIS. The NHIS Medicines List provides a list of medicines that are subsidised under the NHIS. Medicines which are not on the List must be paid for directly. The medicines covered by the List are those for the management of the health problems seen most commonly at healthcare facilities in Ghana.

Under the NHIS, medical devices are not reimbursed directly. However, the cost of medical devices are included in the tariffs for services for which they are used.<sup>15</sup>

Medications and medical devices which are covered by private health insurance schemes differ by service provider and insurance plan. Where a medication or medical device is not covered by an insurance scheme, it will be financed or reimbursed by direct payment by the patient.

**13. How are the prices of pharmaceuticals and medical devices determined? How is economic efficiency controlled?**

The prices of pharmaceuticals covered by the NHIS are set according to the NHIA's tariffs in the Medicines List. The NHIA recently approved an increase in the prices of medicines covered by the NHIS to match the general increase in cost of medications to maintain economic efficiency. The NHIA regularly reviews the medicines to be covered by the List and their prices.<sup>16</sup>

As stated above, since medical devices are included in the tariffs for the services for which they are used, their prices are not determined separately from the prices of medical services. Service providers not financed by the NHIS are free to set their own prices.

**LITIGATION INVOLVING HEALTHCARE FINANCING AND REIMBURSEMENT**

**14. Please provide a high-level overview of major litigation topics and landmark cases regarding healthcare financing and reimbursement.**

We are not aware of any major litigation regarding healthcare financing and reimbursement.

**RECENT DEVELOPMENTS AND TRENDS**

**15. What are the recent developments and trends for the next few years? Please outline any unresolved issues, proposed changes, or trends for healthcare financing and reimbursement and briefly indicate how these may foreseeably affect the medical sector in the near future.**

<sup>15</sup> NHIS Medicines List, March 2021

[www.nhis.gov.gh/files/Main%20Medicines%20List%202021%20March%20Version%20\(003\).pdf](http://www.nhis.gov.gh/files/Main%20Medicines%20List%202021%20March%20Version%20(003).pdf) accessed 23 May 2025.

<sup>16</sup> NHIS Medicines List, February 2023 [www.nhis.gov.gh/files/2023%20NHIS%20ML%20FINAL.pdf](http://www.nhis.gov.gh/files/2023%20NHIS%20ML%20FINAL.pdf) accessed 23 May 2025.

One of the major issues in healthcare financing in Ghana is the lack of funding with health spending in 2019 comprising less than 3.5 per cent of Ghana's GDP.<sup>17</sup> The Covid-19 pandemic placed a greater strain on the financing of public healthcare. In addition, donor funding has been declining since 2010 when Ghana moved from low-income to lower middle-income status. To deal with these funding gaps, the Ministry of Health has proposed various reforms including an increase in the NHIL and more effective measures to ensure collection of the NHIL.

The NHIA is also proposing a review of tariffs and the introduction of an adjustment formula that will reflect the current market value of goods and services to improve support for healthcare service providers.

Due to the lack of funding and the gap between the tariffs and the real cost of goods and services, some healthcare service providers charge NHIS patients higher prices than authorised. By addressing funding issues and tariff gaps, the NHIA hopes to reduce such fraudulent practices.

Additionally, the NHIA has also noted that a number of healthcare service providers make fraudulent claims under the NHIS. In order to tackle this, the NHIS is strengthening the claims management system to promote efficiency and prevent such depletion of resources.

The Ministry of Health has also committed to ensuring universal healthcare coverage. One of the challenges is that currently only about 54 per cent of the population is enrolled on the NHIS. The Ministry of Health has developed a roadmap towards universal health coverage, which provides an integrated set of cost-effective interventions and services which the government is committed to making progressively accessible to the entire population by 2030.<sup>18</sup>

The newly elected president of Ghana, has pledged to uncap the NHIA budget approved by the parliament of Ghana annually. The NHIA believes that this decisive action will greatly enhance the growth of the NHIS and enable it to expand coverage, promptly settle claims, improve service delivery and ensure that every Ghanaian has access to quality and affordable healthcare regardless of their socio-economic status.

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<sup>17</sup> WHO, 'Improving Sustainable Health Financing and Primary Health Care to Achieve Universal Health Coverage in Ghana' 18 May 2022' [www.who.int/news-room/feature-stories/detail/health-financing-primary-health-care-ghana-universal-health-coverage-roadmap](http://www.who.int/news-room/feature-stories/detail/health-financing-primary-health-care-ghana-universal-health-coverage-roadmap) accessed 23 May 2025.

<sup>18</sup> Ministry of Health, 'Ghana's Roadmap for Attaining Universal Health Coverage 2020-2030', January 2020 [www.moh.gov.gh/wp-content/uploads/2021/08/UHC-Roadmap-2020-2030.pdf](http://www.moh.gov.gh/wp-content/uploads/2021/08/UHC-Roadmap-2020-2030.pdf) accessed 23 May 2025.