

# **PRESS STATEMENT**

(For immediate release)

## **MedRAP WELCOMES MOVING NHIMA BACK TO MINISTRY OF HEALTH**

**LUSAKA, 29<sup>th</sup> March, 2024**

The Medicines Research and Access Platform (MedRAP) has welcomed the decision by Cabinet to transfer the National Health Insurance Management Authority (NHIMA) from the Ministry of Labour and Social Services (MLSS) back to the Ministry of Health (MoH). As an ardent advocate of this development, MedRAP would like to congratulate and commend the Government of the Republic of Zambia for moving this critical institution back to the MoH to ensure that Zambia attains Universal Health Coverage (UHC) by 2030.

We feel this shift will allow vulnerable Zambians, including those that are not in formal employment to access good quality health services without having to pay out of pocket, which was the essence of the introduction of NHIMA scheme.

Prior to the National Health Insurance scheme (NHIS) only 4% of Zambians had access to good quality health care through insurance. The rest of the 96% faced financial barriers compelling them to pay exorbitant health services from out-of-pocket hence pushing many families into abject poverty as well as increasing the morbidity and mortality burden in our communities. For those who had finances, the prospect of poor service, lack of diagnostics and laboratory equipment, and perennial shortages of medicines and medical supplies deterred them from obtaining optimal health services from both public and private facilities alike.

MedRAP Executive Director Mr Liyoka Liyoka reiterated that the responsibility of NHIMA is now placed correctly under MoH because its mandate lies by and large with the health sector. Therefore, it is not per se a social security entity and hence MLSS could not have adequately provided appropriate policy oversight for a health entity. By the same token, placing it under MLSS had put NHIMA at a distance from direct policy oversight from MoH, and complicated the supervisory role and programmatic integration with MoH. Having NHIMA under MoH, will further ensure that government adequately provides appropriate policy oversight for a health entity and give NHIMA the supervisory role and programmatic integration with MOH.

However, there is now a greater and urgent need for another policy change for enabling the decentralisation of the national drug budget to be allocated to each health institution or district health management board. In this case, Health facilities will make their own budgets and purchase medicines and medical supplies from ZAMMSA on a cash basis. In turn, the health facilities will recoup their drug expenditure funds and other services through the NHIMA reimbursement system. These funds can then be used to purchase more medicines and other medical supplies from ZAMMSA. In turn, ZAMMSA can also use these funds to procure more medicines, hence creating a sustainable cycle. This mechanism will

automatically transfer the responsibility of purchasing and maintaining commodity stock level to the facility, and hence will lead to the following advantages:

- i) Elimination of multiple ordering systems and enhancing accountability;
- ii) Creation of a pull system, rational use of medicines, elimination of over- and understocking, and reduced expiration of medicines;
- iii) Enhanced maintenance of medicine inventories;
- iv) Adequate stocks of essential medicines at hospitals and health facilities.
- v) It will improve the low availability of essential medicines in both the public and private sectors;
- vi) ZAMMSA will leverage economies of scale to negotiate lower procurement prices directly from manufacturers, resulting in lower final prices to patients;
- vii) It will ensure self-sustainability of ZAMMSA. Profits from the commercialization programme may be used to secure increased and sustained availability of essential medicines in public institutions, and reduce the financing strain on the government

It is in our considered view that a well-defined decentralized drug budget system, a commercialized ZAMMSA, and a fully rolled out NHIMA reimbursement programme must constitute the initial key components of a new and sustainable medicines supply chain strategy. This is necessary to ensure achievement of Universal Health Coverage through the Vision 2030, which envisions a prosperous country where all Zambians have access to quality health services, including medicines.

**Issued by:**

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