

**SOKOTO STATE CONTRIBUTORY HEALTHCARE
MANAGEMENT AGENCY
[SOCHEMA]**

EQUITY FUND GUIDELINE

2018

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SECTION 1
INTRODUCTION/BACKGROUND

Law No. 2 of 2018 which provided for the establishment of the Sokoto State Contributory Health Management Agency (SOCHEMA), created the Equity Fund. The fund comprises contributions from the following sources:

1. Not less than 2% Consolidated Revenue Funds from the Sokoto State Government.
2. Not less than 1% of Consolidated Revenue Funds from the Local Government Councils.
3. Funds from NHIS for Pregnant women, Children under-five (5) years, and other relevant programmes.
4. Funds from NHIS and NPHCDA for guaranteeing a minimum health package.
5. Donations or Grants-in-Aid from Private Organizations, Philanthropists, Waqf, International Donor Organizations, and Non-Governmental Organizations (NGOs) from time to time.
6. Funds generated from sin taxes, VAT, bonds and others.
7. 5% of the excess going into the Reserve Funds yearly (this serves as yearly subsidy for the vulnerable from SOCHEMA)
8. Government free health funds.

The Equity fund shall be used to provide cover for the vulnerable and indigent groups who lack the ability to pay or contribute for a cover. These are:

1. The poor
2. The Pregnant woman
3. The Children under-five (5) years
4. The destitute
5. The homeless.
6. Physically Challenged Persons
7. Prisons Inmates
8. Refugees, Victims of Human Trafficking, Internally Displaced Persons
9. Orphans

SOCHEMA shall apply scientific screening process such as the means testing in order to identify the vulnerable. Only those who pass the means test shall be included as vulnerable. SOCHEMA shall as well apply itself to any existing list to be provided to them by Zakat Commission and the Ministry of Social Welfare that have been providing medical help to the vulnerable. However, caution must be applied and due diligence done on such a list before depending on it solely or as authentic list of the vulnerable in the state.

SECTION 2

FUND MOBILIZATION FOR THE VULNERABLE

Apart from the sources of Equity funds mentioned in the Law No 2 of 2018, (Section 1: 1-5), SOCHEMA shall apply innovative techniques to generate funds from other sources listed or not listed in this guideline. Careful and calculated efforts shall be followed through to ensure the release of funds from sources (1-5) mentioned in the Law.

2.1 2% Consolidated Revenue Funds from the Sokoto State Government

SOCHEMA shall do everything within its capacity to lobby the State Government (Executives and the Legislators) through the office of the Commissioner of Health for the inclusion in the yearly budget of the State and subsequent release of 2% or more of the Consolidated Revenue Funds from the Sokoto State Government to the Agency for the provision of healthcare to the vulnerable. Despite being mentioned in the Law, SOCHEMA shall ensure adequate and timely communication and advocacy for the release of the funds.

2.2 1% of Consolidated Revenue Funds from the Local Government Councils.

The same technique as in Section 2.1 applies. Ensure timely and adequate communication and advocacy to the Local Government Council Executives and Councillors.

2.3 Funds from NHIS for Pregnant women, Children under-five (5) years, and other relevant programmes.

Establish a strong relationship with the NHIS at the State, Zonal and National levels. Collaborate with important leadership of NHIS in these levels using proper and timely information gathering techniques to guarantee the release and funds for the vulnerable or the positioning of key programmes for the vulnerable in the state even if they are pilot programmes.

2.4 Funds from NHIS and NPHCDA for guaranteeing a minimum health package.

SOCHEMA shall re-position itself to attract funds earmarked for the provision of the Minimum Health Package as provided for in the National Health Act.

2.5 Donations or Grants-in-Aid

Donations from philanthropists shall be encouraged through targeted communication and marketing. SOCHEMA may seek for donations/grants by way of formal launching/fund raising events, or by targeting individuals, governmental and Civil Society Organizations, including private companies, with the aim to boost the financial base of the Equity Fund.

SOCHEMA shall not limit itself to local sources of financial aids but shall engage international donors in writing and visits to attract donations and grants for large numbers of the vulnerable. Such proposals seeking international donations shall be backed up with empirical evidences, (qualitative and quantitative) showcasing the output and outcome of the healthcare given to the vulnerable already covered by the scheme. The data of registration, enrolment and empanelment of the vulnerable shall be properly kept, their utilization of care, history of diseases treated, discharge rates, success stories of disease management, total number of pregnant women attending ANC, number of deliveries attended to by a skilled health worker, immunization coverage for the children under-five years shall all suffice as available data to attract more funding if properly kept from the start.

2.6 1 % capital project levy

The Policy Orientation and Initiatives advocated by the National Health Policy 2016 under health care financing, one of the 10 policy thrusts, encourages the exploring of additional sources of domestic resource mobilization, including earmarked taxes on alcohol and tobacco, an aviation levy, a percentage of VAT, GSM contributions, health bonds, etc. SOCHEMA shall explore these avenues in collaboration with the State's Internal Revenue Board for a certain percentage of taxes generated from these sources to be transferred to the Equity Fund.

2.7 5% of the excess going into the Reserve Funds

SOCHEMA shall support the vulnerable by contributing 5% of the money going into reserve funds yearly into the Equity Fund.

2.8 Government free health funds.

SOCHEMA shall encourage the Government to move all the financing for free maternal and child health into the Equity Fund.

SECTION 3

MANAGEMENT OF EQUITY FUND

SOCHEMA shall pool the equity fund in a secure accredited bank as indicated by Law No. 2 of 2018. The pooled equity fund shall be used for the strategic purchasing of healthcare for the vulnerable.

80% of equity fund shall be used to purchase healthcare, whereas the remaining 20% shall be reserved and grown through low risk investments permitted by Islamic laws. The Agency shall ensure that it does not enrol more vulnerable than the 80% allocated for purchase of healthcare can handle. Funds generated from the portion invested as reserve shall be used to expand population coverage of the vulnerable every year. However, actuarial analysis shall guide inclusion of more vulnerable persons in the pool.

Investment of Equity Fund

SOCHEMA shall reserve and invest 20% of the equity fund through low risk investments permitted by Islamic laws. This will provide the Agency with an opportunity to grow the equity fund through strategic investments.

Proceeds from the invested equity fund shall be declared every 2 years and used to increase the population coverage of the vulnerable.

4.4 Contributions

The Federal, State, Local Government, Development Partners and Civil Society Organizations, Philanthropists etc will pay contributions in advance into the Equity Fund.

4.5 Health Benefit Package

Shall be the uniform benefit package as indicated in the Operational Guideline.

4.6 Provision of Health Care Benefits

In order to ensure proper coordination, the vulnerable groups shall make use of the Health Care Facilities accredited by SOCHEMA that are nearest to them.

4.7 Provider Payment Systems

Capitation and fee-for-service payment system will be used. The rate to be paid to Health Care Facilities will be determined by actuarial analysis, which will be carried out from time to time

SECTION 4

CONCLUSION

The vulnerable groups are the major fulcrum and priority group to be taken very seriously if the state is to turn around its poor health indices. Innovative ideas are expected from every stakeholder in this resolve to provide them with access to quality healthcare.