

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

PROVIDER PAYMENT MECHANISM (PPM)

May 2018

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- Capitation

This is payment to a primary healthcare provider by the SOCHEMA on behalf of a contributor for services to be rendered by the healthcare provider. This payment is made regularly and in advance irrespective of whether the enrollee utilizes the service or not.

- Fee-For-Service

This is payment made by SOCHEMA to secondary/tertiary healthcare providers that render services on referrals from other accredited healthcare providers. Primary healthcare providers can also be paid on fee-for-service basis for emergency cases.

- Per diem

This is payment made by Primary providers and SOCHEMA to secondary/tertiary healthcare providers for bed space (per day) during hospitalization. Primary healthcare providers can also be paid per diem for emergency cases.

- Co-Payment

This is payment made by the enrollee to the accredited pharmacy provider at the point of service. It is 10% of the total cost of drugs dispensed per prescription in accordance with the NHIS Drug Price List (not applicable to vulnerable groups and tertiary institutions programmes).

- Co-Insurance

This is part-payment made by the enrollee for treatments/ investigations covered under partial exclusion list while the HMO(s) pay the balance.

PROVIDER PAYMENT MECHANISMS SOCHEMA 2018

Section 1

Introduction and Background

The way SOCHEMA health purchasers pay health care providers to deliver services is a critical element of strategic purchasing . Each payment system is based on one or more provider payment methods or mechanisms. Healthcare facilities under the SOCHEMA may be paid by capitation, fee-for-service or per diem.

For conditions on the partial exclusion list, the Third party Administrator and the enrollee pay (co-insurance).

Section 2

2.11 Payment mechanism

2.12 There shall be contracts between SOCHEMA and Health care Facilities.

2.13 Primary care facility (capitation) shall be paid monthly before

2.14. Primary care facility shall be paid CAPITATION on or before the 20th of the presiding month.

2.15 Transfer of Funds from SOCHEMA to Secondary and Tertiary Facilities

2.16 Payment from the SOCHEMA to Secondary and Tertiary Facilities shall be on fee-for-service(FFS) and per-diem.

2.17. All treatment schedules must be standardized using disease management guidelines and treatment protocols.

2.18 The fee schedule shall be as contained in the SOCHEMA guide line

Professional charges, Laboratory, Radiography/Ultrasonography and Drug Price Lists

2.19. TPAs shall be responsible for claims vetting. They shall forward vetted claims report to the SQA department for ratification and further process of payment.

2.20 Claims from facilities to the TPAs shall be submitted monthly, to be received by the TPA within 15 days from the end of each month and settled within 30 days on receipt by SOCHEMA.

2.21 SOCHEMA shall set up claims validation desks to ensure further prompt processing of claims.

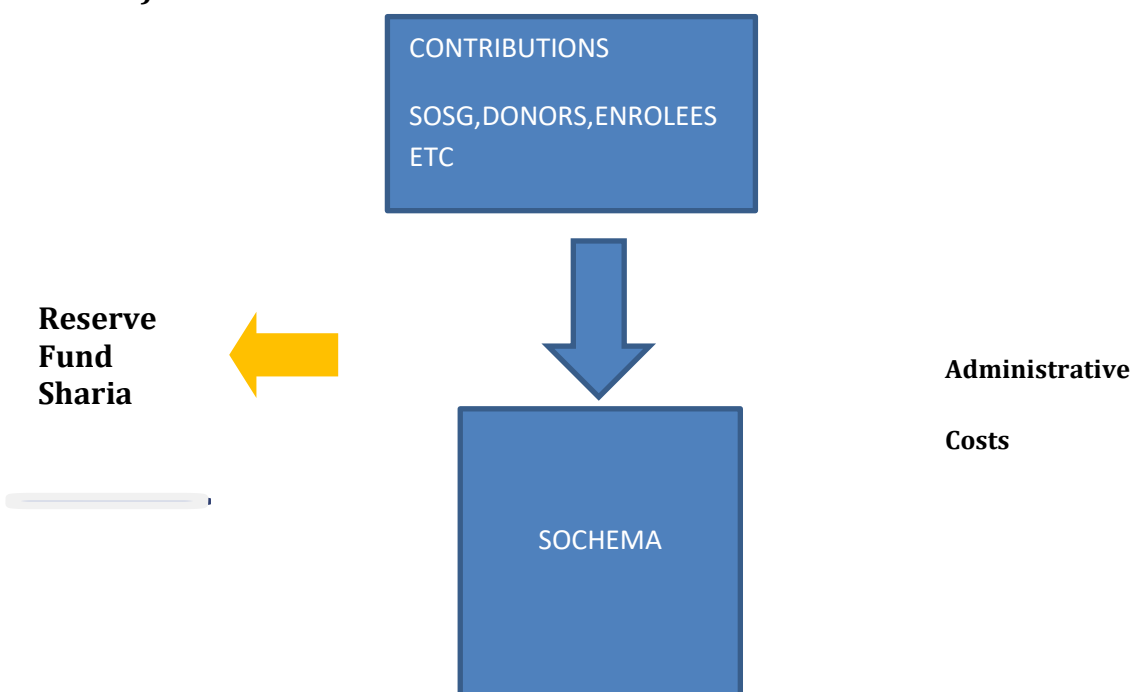
2.22 When an enrollee is referred to the secondary or tertiary level of care with Pre – Authorization from primary Healthcare as approved from SOCHEMA. SOCHEMA will be responsible for all payments.

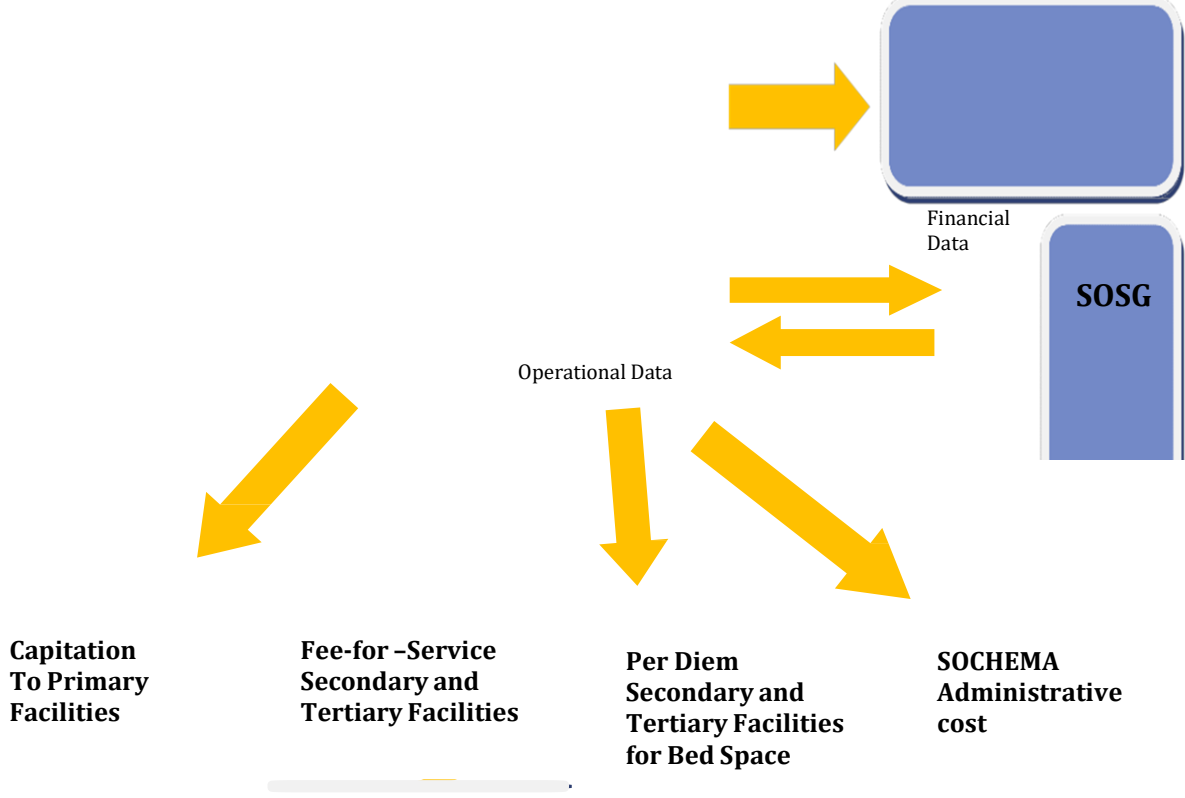
2.23 In case of dispute, SOCHEMA shall pay what is deemed due according to the fee schedule of payment within the stipulated period, while the dispute is subject to arbitration.

Section 3

Funds Flow between SOCHEMA and Primary Facilities

FLOW OF FUNDS TRANSFER OF FUNDS FROM SOSGF TO SOCHEMA (FORMAL AND INFORMAL SECTORS)





4.0 Payment of FFS and Per diem

4.11 Referring of patient from Primary Health Care Facility to Secondary Health care Facility shall require Fee for Service

4.12 The Secondary Facility (stand alone: Pharmacy & Laboratory) shall submit claims to the referring Primary Facility for prescriptions and laboratory investigations referred to them covered by Capitation.

4.13 The secondary and tertiary facilities i.e. clinics and hospitals accredited as such should be paid by fee-for-service by the SOCHEMA. This payment shall be made 60days after submission of clean claim of which status of the claim shall be made know to the provided with 30day of submission.

4.14 Payment for bed space is by Per Diem. The secondary/tertiary facilities shall submit such claims to the referring Primary Facility for the bed space occupied by the referred patient up to a maximum of 4.15 cumulative days. The SOCHEMA shall pay Per diem for bed space for the remaining cumulative days per year (except in Orthopedics and other special cases as in the SOCHEMA operational guidelines).

4.16 In case of dispute the original bill shall be paid by the primary healthcare facility while the dispute is subject to arbitration conducted as stipulated by SOCHEMA.

5.11 HOSPITALIZATION

5.12 Enrollees in SOCHEMA are entitled to 21 cumulative day's hospitalization in standard wards with the exclusion of meals. The costs for the first 15 days shall be borne by the Primary Healthcare Facilities while the remaining 6 days shall be borne by SOCHEMA.

5.13 In cases of CVA and Orthopedics, the enrollee is entitled to hospitalization in a standard ward for 6 cumulative weeks. The cost shall be borne by the SOCHEMA and Primary facility. The primary facility of enrollee shall pay per diem for the first 15 cumulative days of hospitalization while the SOCHEMA shall pay for the remaining 27 cumulative days per year. (Thereafter, the beneficiary and/or the employer pays)

Conclusion

A well designed Provider payment mechanism should be able to meet thee three objectives of quality, efficiency and Accessibility. This payment method has different impact on efficiency, quality and access.