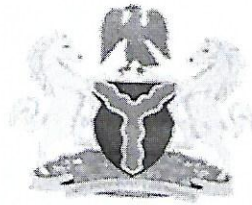


A LAW TO PROVIDE FOR THE ESTABLISHMENT OF SOKOTO STATE CONTRIBUTORY HEALTHCARE MANAGEMENT AGENCY AND FOR PURPOSES CONNECTED THERETO



Law No. 2 2018

ENACTED by the House of Assembly of Sokoto State of Nigeria as Follows:

- Citation* 1. This Law may be cited as the Sokoto State Contributory Health Care Management Agency Law, 2018.
- Interpretation* 2. In this Law:
- “**Accrediting Body**” means anybody which accredits health care facilities and other relevant institutions in the state, including but not limited to the state Inspectorate Department or the Hospital Management Board in the Ministry of Health; and the National Health Insurance Scheme;
- “**Administrative Charge**” means percentages deduction from the Sokoto State Contributory Healthcare Management Fund for the purpose of administering Sokoto State Contributory Healthcare Scheme;
- “**Agency**” means the State Contributory Health Management Agency established under section 3 of this Law;
- “**Arbitration Panel**” means State Health Management Agency Arbitration Panel;
- “**Benefit**” means a benefit or advantage of any kind derived from the Scheme;
- “**Capitation Payment**” means a payment to a healthcare provider in respect of services to be provided by him to an enrollee registered by the health care provider whether or not the enrollee uses the services;
- “**CBHP**” means Community Based Health Plan registered under this Law;

“Commissioner” means State Commissioner charged with responsibility for matters relating health and **“Ministry”** shall be construed accordingly;

“Contribution” means any contribution payable to Sokoto State Contributory Healthcare Management Fund under this Law;

“Dependents” – Persons under the care of the enrollee;

“Employee” means any person ordinarily resident in the State and is employed in the public or private sector or an apprenticeship with an employer whether the contract is express or implied, oral or in writing;

“Employer” means an employer with five (5) or more employees which includes the Federal, State and Local Government or Extra-Ministerial Department or a person with whom an employee has entered into a contract of service or apprenticeship and who is responsible for the payment of wages or salaries of the employee including the lawful representative, successor or assignee of that person;

“Enrollee” means any person and eligible dependent who pays or being paid for by government or otherwise the required contribution under this scheme;

“Governing Board” means the Governing Board of the Sokoto State Contributory Healthcare Management Agency;

“Governor” means the Governor of Sokoto State;

“Health Care Facility” means any government or private healthcare facility, hospital, maternity centre, community pharmacies and all other service providers registered by the Agency for the provision of prescribed health services for beneficiary under this Scheme;

“Health Care Practitioner” means any health care personnel such as doctors, nurses, laboratory scientists, pharmacists, physiotherapists, radiographers and as defined by the Agency;

“HMO” means a Health Maintenance Organisation registered under this Law,

“Medical documents” includes all prescriptions, laboratory forms, excuse duty, death certificate and other documents used in the management of patients under the schemes covered by this law;

“Medical Practitioner” means a person with a degree registered with the Medical and Dental Council of Nigeria;

“Member” means member of the Governing Board and includes chairman;

“MHA” means a Mutual Health Association registered under this Law;

“NHIS” Means National Health Insurance Scheme;

“Organization” means any Health or Insurance Organization registered under this Law;

“Provider Payment Mechanism” means the way payment is made by the Agency directly to Providers for completed health care services, following approval referrals and or professional services under this Scheme;

“Public Service” – has the meaning assigned to it by the Constitution of the Federal Republic of Nigeria, 1999;

“Resident” means all persons living within the geographical space called Sokoto state which shall include employees and employers in the formal and informal sectors with their dependents, self-employed, unemployed and the vulnerable population;

“Scheme” means Sokoto State Contributory Healthcare Scheme as provided in this Law;

“Social Security Service” means assistance to people with an inadequate or no income;

“State” means Sokoto State of Nigeria;

“The Fund” means the Sokoto State Contributory Healthcare Management Fund;

“TPA” means a Third-Party Administrator registered under this Law;

Vulnerable” includes pregnant women, children under 5 years, the aged, the disabled and the poor; and

“Wages” means remunerations in money paid to an employee under his contract of service or apprenticeship, as the case may be; and whether agreed to be paid at fixed or determined intervals of time.

*Establishment of
Sokoto State
Contributory
Healthcare
Management Agency*

3. (1) There is established a body to be known as the Sokoto State Contributory Healthcare Management Agency (in this Law referred to as "The Agency").
- (2) The Agency:
- (a) shall be a body corporate with perpetual succession and a common seal;
 - (b) may sue and be sued in its corporate name;
 - (c) may acquire, hold or dispose of any moveable or immoveable property for the purpose of its function under this Law.

*Establishment of
Sokoto State
Contributory
Healthcare
Management Agency
Governing Board*

4. (1) There is established the Sokoto State Contributory Healthcare Management Agency Governing Board (in this Law referred to as “the Board”)
- (2) Members of the Board shall be appointed by the Governor and shall comprise of:
- (a) The Chairman;
 - (b) one representative each not below the rank of a Principal Officer of:
 - (i) Ministry of Health who shall be medical professional;
 - (ii) Ministry for Local Government and Community Development.
 - (iii) National Health Insurance Scheme.
 - (c) one representative each of:
 - (i) the Sultanate Council Sokoto.
 - (ii) the Nigerian Employers Consultative Association, Sokoto State Branch.
 - (iii) the Nigerian Labour Congress, Sokoto State Branch.
 - (iv) the Trade Union Congress, Sokoto State Chapter.
 - (v) the representative of Health Care Providers.
 - (vi) the representative of Coalition of NGOs in Sokoto (CONSS)
 - (d) the Director General, who shall be the Secretary of the Board.

*Tenure of
Members*

5. A member of the Board other than ex- officio shall hold office for a term of four (4) years and may be renewed for another term of four (4) years only.

- Emoluments of Members* 6. The members of the Board other than ex- officio shall be paid such remunerations and allowances as the Governor may, from time to time, determine.
- Removal of Members* 7. (1) The Chairman or any member of the Board shall cease to hold office if:
- (a) he resigns his appointment by notice under his hand addressed to the Governor;
 - (b) he becomes of unsound mind;
 - (c) he becomes incapable of carrying out the functions of his office either arising from an infirmity of mind or body;
 - (d) he is convicted of felony or any offence involving dishonesty or corruption;
 - (e) the Governor is satisfied that it is not in the interest of the service of the public for the person to continue in office and the Governor removes him from office;
 - (f) he has been found guilty of serious misconduct in relation to his duties;
 - (g) in the case of person possessing professional qualification who is suspended from practicing his profession in any part of the world by an order of competent authority, or
 - (h) in case of a person who becomes a member by virtue of the office he occupies, he cease to hold that office.
- Vacancy in the Board* 8. Where a vacancy occurs in the membership of the Board, it shall be filled by the Appointment of a successor to hold office for the remainder of the term of office of his predecessor.
- Powers of the Board* 9. (1) The Board shall have the power to:
- (a) approve the organisational structure of the Agency in line with that state civil service rules;
 - (b) approve for the Agency all the paid schemes and private health plans of Health Maintenance Organizations and TPAs;
 - (c) approve policies of the Contributory Health Scheme, including the financial and operative procedures of the Scheme;
 - (d) supervise the Contributory Health Scheme established under this Law;
 - (e) approve standards, rules and guidelines for the management of the Contributory Healthcare Scheme under this Law;
 - (f) approve the licensing of Maintenance Organisations and TPAs relating to the Contributory Healthcare Scheme as the Agency may from time to time present;

- (g) approve guidelines related to the administration and release of funds under the Contributory Health Scheme as presented by the Agency;
- (h) approve other Health Plans as presented and put forward to the Agency from time to time;
- (i) approve the recommendation of the Agency relating to research, consultancy and training in respect of the Scheme;
- (j) approve the level of Co-Payment for all schemes as presented by the Agency;
- (k) approve targeting mechanism to identify the poor and vulnerable who will benefit from the Equity Health Plan as provided under this law;
- (l) approve annual reports and statement of accounts of the Agency; and
- (m) approve fees for external consultants.

Establishment of Sokoto State Contributory Healthcare Scheme **10.**

- (1) There is established a Sokoto State Contributory Healthcare Scheme (in this law referred to as the “Scheme”) which shall be mandatory for all residents of Sokoto State.
- (2) The Scheme shall apply to all residents of Sokoto State covering all employees in the public, private and informal sectors, whose monthly income is not less than the National Minimum Wage and not covered by NHIS.

Components of the Scheme **11.**

- (1) The Scheme shall comprise initially of 5 components:
 - (a) The Sokoto State Health Plan (SKSHP) – The plan shall consist of a basic, defined Minimum Benefit Package of healthcare services for Primary Care as well as an “affordable” Supplementary Benefit Package of healthcare services for Secondary and Tertiary Care and will be accessible from both Public and Private Primary Health Care Facilities who shall refer if necessary to designated secondary and tertiary health facilities.
 - (b) the Formal Health Plan - This shall be a contributory plan for all Students of educational institutions, public and private formal sector employees wherein the employer and employees shall make contributions as determined by the Board;
 - (c) the Informal Health Plan (IHP)- This shall be an affordable programme providing access of health services at uniform contribution accessible at grassroots;

- (d) the Sokoto State Private Health Plan (PHP) - This shall consist of a variety of packages providing healthcare services in direct proportion to the contribution;
 - (e) the Equity Health Plan- This shall be a package providing health care services for the vulnerable groups and shall be funded from the Equity Fund; and
 - (f) any other component as may be developed by the Agency with the approval of the Board.
- (2) All residents in the formal or informal sector must possess evidence of being covered by the Scheme.

Objectives of the Scheme

12. The objectives of the Scheme are to:

- (a) ensure that every resident of Sokoto State has quality health care services;
- (b) ensure that all residents of Sokoto State have access to effective, quality and affordable services;
- (c) protect families from the financial hardship of huge medical bills;
- (d) limit the inflationary rise in the cost of healthcare services;
- (e) ensure equitable distribution of health care costs across different income groups;
- (f) maintain high standard of health care delivery services within the Health Sector;
- (g) improve and harness private sector participation in the provision of health care services;
- (h) ensure adequate distribution of health facilities within the State;
- (i) ensure appropriate patronage at all levels of the health care delivery system; and
- (j) ensure the availability of alternate sources of funding to the health sector for improved services.

Functions of the Agency

13. The Agency shall be responsible for:

- (a) ensuring the effective implementation of the policies and procedures of the Scheme;
- (b) issuing appropriate regulations and guidelines, as approved by the board, to maintain the viability of the Scheme;
- (c) the management of the Scheme in accordance with the provisions of this Law;

- (d) registering NHIS accredited HMOs, MHA, TPA, Accredited Healthcare facilities and other relevant institutions;
 - (e) approving format of contracts for the HMOs/TPAs and all healthcare providers under Private Health Plan;
 - (f) carrying out public awareness and education on the establishment and management of the Scheme;
 - (g) promoting the development of MHAs for wider participation in the Scheme;
 - (h) determining, after due consideration, Payment Mechanisms due to health care providers, by the Agency;
 - (i) advising the relevant bodies on inter-relationship of the agency with other social security services;
 - (j) coordinating research and statistics;
 - (k) establishing quality assurance for all stakeholders;
 - (l) the collection, collation, analysis, and reporting on monthly and quarterly returns from the HMOs, TPAs and MHAs under Private Health Plan;
 - (m) exchanging information and data with the NHIS, State Health Management Information System, National Identity Management Commission, relevant Financial Institutions, Development Partners, Non-Governmental Organisations; and other relevant bodies;
 - (n) ensuring manpower development in the Agency;
 - (o) carrying out such other activities as are necessary or expedient for the purpose of achieving the objectives of the Agency under this Law;
 - (p) receive and investigate complaints of impropriety levelled against any HMO, TPA and other relevant institutions and ensure appropriate sanctions are given;
 - (q) implementation of minimum packages to be provided as defined under the National Health Act, 2014;
 - (r) the definition of benefit packages to be provided under the Health Plans as provided in this Law; and
 - (s) determine the percentage of the contribution from Private Health Plan that shall be payable as cross subsidy to the fund for the purpose of financing the Health Equity plan for the poor and vulnerable.
- (1) The agency shall have powers to regulate, implement and issue guidelines subject to the approval of the Board for:

- (a) the registration of employers and employees liable to contribute under this Law;
- (b) the registration of dependents or employees covered by the Agency;
- (c) the automatic payment of contributions by employers and employees payable under this Law from any salary, wage or other money payable;
- (d) the automatic payment of contributions by self-employed persons and other persons and rates of such contributions;
- (e) the maintenance of the records to be kept for the Agency and the records to be kept by employers in respect of contributions payable by their employees under this Law;
- (f) the method of receiving contributions under this Law;
- (g) the imposition of surcharges in respect of late payment of contributions by employers or employees;
- (h) the manner and circumstances in which contributions may be remitted and refunded;
- (i) negotiate fees and charges payable for medical, dental, pharmaceutical and all other services provided under the Scheme;
- (j) the nature and amount of capitation, fee-for-service and other payment options under this Scheme;
- (k) the reduction, suspension or withdrawal of any payment under this Scheme;
- (l) the submission of returns by employers regarding the employers and their employees;
- (m) the procedure of assessment of contributions made under this Scheme;
and
- (n) any other matter whatsoever on which, in the opinion of the Agency, is necessary or desirable to make regulation and issue guidelines for giving effect this Law.

- (2) The guidelines issued under subsection (1) (c) and (d) of this section may provide for different levels of contributions to be payable by different classes of persons.
- (3) The guidelines issued under this section may be published in the Official Gazette.

Departments of the Agency

15.

- (1) The Agency shall have the following Departments:
 - (a) Administration and General Services;
 - (b) Planning, Research and Statistics;
 - (c) Standard and Quality Assurance;
 - (d) Programmes; and
 - (e) Information and Communication Technology (ICT)
- (2) Notwithstanding the provision of subsection (1) of this section the Board shall have power to, from time to time, review departments.

Appointment of Director General

16.

- (1) There shall be a Director General for the Agency to be appointed by the Governor.
- (2) The Director General shall:
 - (a) be a person with professional qualification and requisite experience in health care services;
 - (b) be responsible for the day- to- day running of the Agency;
 - (c) be the accounting officer of the Agency; and
 - (d) hold office for a period of 4 years in the first instance and may be re-appointed for a further period of 4 years only.

The Legal Adviser

17.

- There shall be Legal Adviser of the Agency, who shall be:
 - (a) a state Counsel not below the rank of Senior State Counsel;
 - (b) head of legal unit of the Agency and responsible to the Director General.

Staff of the Agency

18.

- (1) The Board may from time to time appoint such other employee as it may deem necessary, to enable the Agency effectively perform its functions.

- (2) The staff of the Agency appointed under sub section (1) of this section shall be appointed upon such terms and conditions of service as the Agency may, after consultation with the Civil Service Commission, determine.
- (3) The powers of the Board under this section shall include power to:
 - (a) promote the staff of the Agency as may appear to the Agency necessary or expedient; and
 - (b) dismiss, terminate consider the resignation or withdrawal of appointment and exercise disciplinary control over the staff of the Agency, other than the Director General.
- (4) The Agency may engage such consultants and advisers as it may require for the effective discharge of its functions.
- (5) The staff of the Agency may enjoy certain special allowances as the Governor may from time to time approve;
- (6) Where the Board thinks it expedient that any vacancy in the Agency should be filled by a person holding office in civil service of the State or of a Local Government, it shall notify the appropriate Service Commission to that effect and the Board may, by arrangement with the Commission concerned, cause such vacancy to be filled by way of secondment or transfer.

*Establishment of
the Fund*

19.

- (1) There is created the Sokoto State Health Fund (SKSHF) (hereinafter referred to as 'The Fund') to be managed by the Agency.
- (2) The Fund shall consist of:
 - (a) the initial take-off grant from the Sokoto State Government;
 - (b) Formal Sector Fund; comprising of contributions from students, public and private sector employers who shall contribute 10 % and employees shall contribute not more than 5% of the monthly basic salary;
 - (c) contributions of not more than 10% of monthly basic salaries of all elected and political office holders in the State;
 - (d) contributions from the informal sector;
 - (e) Equity Fund; comprising of contributions of not less than 2% of Consolidated Revenue fund of the Sokoto State Government, 1% of Consolidated Revenue of not less than 1% of the Local Government Councils, funds from NHIS for pregnant women, children under-five (5) years and other relevant programs; funds from NHIS and National

Primary Health Care Development Agency (NPHCDA) for guaranteeing a minimum health package, donations or Grants-in-Aid from private Organisations, philanthropists, Zakat and Waqf, International Donor Organisations and Non-Governmental Organisations from time to time;

- (f) such money as may be due from HMOs; and subsidy remitted from Private Health Plan;
- (g) fines and commissions charged by the Agency;
- (h) other appropriations earmarked by the Federal, State and Local Governments purposely for the implementation of the Scheme;
- (i) funds as may be approved from the Sokoto State Primary Health Care Development Agency (SPHCDA), from the National Primary Healthcare Development Agency (NPHCDA) for the Community Based Health Plan (CBHP) and other relevant programs;
- (j) dividends on investments and stocks;
- (k) contribution of 1% levy of State and Local Governments capital projects; and
- (l) all other monies which may, from time to time, accrue to the Agency.

Disbursement of the Fund **20.**

- (1) The Board shall approve disbursement of funds to the healthcare providers from the established Fund.
- (2) The Agency shall on approval of the Governing Board, from time to time, apply the proceeds from the administrative charges at its disposal—
 - (a) for and in connection with the objectives of the Agency under this Law;
 - (b) to the cost of administration of the Agency;
 - (c) for the maintenance of any property vested in the Agency or under its administration.
- (3) The Agency may, invest any money not immediately required for the operation of the Scheme in any Shari'a compliant venture.

- Power to accept gifts* **21.** (1) The Agency may accept gifts of land, money or other property on such terms and conditions, if any, as may be specified by the person or organisation making the gift.
- (2) The Agency shall not accept any gift if the conditions attached by the person or organisation offering the gift are inconsistent with the objectives and functions of the Agency under this Law.
- Annual Estimates & Account Audit* **22.** (1) The Board shall cause to be prepared, not later than 30th September in each year, an estimate of the expenditure and income of the Agency during the next succeeding year and when prepared, they shall be submitted to the Accountant-General of the State.
- (2) The Board shall cause to be kept proper accounts of the Agency and proper records in relation thereto and when certified by the Board, the accounts shall be audited by auditors appointed by the Board from the list and in accordance with the guidelines supplied by the Auditor- General of the State.
- Annual Report* **23.** (1) The Board shall not later than six (6) months immediately following the end of a year:
- (a) submit to the Governor, a report on the activities and the administration of the Agency during the immediately preceding year and shall include in the report the audited accounts of the Agency and the auditor's report on the accounts; and
- (b) present and publish the audited annual accounts, Auditor's report on the accounts and reports on the activities of the Agency to Annual Meeting comprising all Stakeholders and on the Websites of State Government and the Agency if any.
- Exemption from Tax* **24.** (1) The Agency shall be exempted from the payment of tax on any income accruing from investment made by the Board for the Agency or otherwise.
- (2) The provisions of any enactment relating to the taxation of companies or trust funds shall not apply to the Agency.
- Payment of Contribution* **25.** (1) The Fund (SKSHF) shall be administered through carefully selected and approved Banks as advised by the Accountant-General of the State, for the pooling of all contributions derived from either the public or private sector (formal or informal) into dedicated accounts.

- (2) An employer who has a minimum of five employees shall, together with every person in his employment, pay contributions, at such rate and in such manner as may be determined, from time to time, in the Operational Guidelines of the Agency.
- (3) A registered employer under the Agency shall cause to be deducted from an employee's wages the approved amount of any contribution payable by the employee and shall not, by reason of the employer's liability for any contribution (or penalty thereon) made under this Law, reduce, whether directly or indirectly, the remuneration or Allowances of the employee in respect of whom the contribution is payable under this Law.
- (4) The Agency shall cause the pooling of contributions derived from the private and public sector to be made directly to Fund.
- (5) All other funds particularly by independent or private donors shall paid directly to Fund through approved Banks into dedicated accounts.
- (6) The Agency shall ensure that stewardship and management of the funds paid into the Fund (SKSHF) conforms to international best practice and is carried out with the primary intention to pool and equalize risk.
- (7) The Agency shall cause HMOs, TPAs, MHAs to establish accounts with the Fund (SKSHF) approved Banks for the agreed remittable percentage of the contribution received for the private health plans all under this Law.
- (8) The Agency shall cause HMOs and TPAs to produce, in a recognized format and subject to guidelines to be issued by it from time to time, performance or security bond from accredited Banks so as to protect contributions collected under Private Health Plan.
- (9) The Agency shall, on the advice of the actuary prescribe from time to time, what percentages of contributions collected by HMOs, TPAs and MHAs for private health plans shall be for provider reimbursement, administration and remittance to the Agency.

*Registration of
Enrollee*

26.

- (1) The Agency shall ensure the registration of all resident of the State under the Scheme Subject to such guidelines and regulations as may be made, under this Law, and the registration number shall be a pre- requisite for registration and shall itself grant eligibility to access any and all benefits available under the Scheme.
- (2) All employers (public and private) shall register with the Agency and obtain a Corporate Identification Number (CIN).

- (3) No Corporate body shall buy any health plan from HMOs or MHAs without a Corporate Identification Number from the Agency.
- (4) The employees will have right to choose their healthcare facilities (public and private) to access service.

*Registration of
Healthcare
providers*

27.

- (1) The engagement of participating Healthcare Providers under the Scheme shall be in accordance with guidelines as may be issued by the Agency, under this Law.
- (2) A Healthcare Provider so engaged in subsection (1) shall, in consideration for an approved Provider Payment Mechanism (including Capitation) deemed fit by the Agency, to the extent and manner prescribed herein, provide services in accordance with:
 - (a) the approved Benefit Package as shall be actuarially determined from time to time by the Board;
 - (b) Treatment Guidelines; and
 - (c) other health care services as specified in the benefit package of the Scheme.

*Registration of
HMOs, TPAs &
Allied Associations*

28.

- (1) The Agency shall register NHIS accredited HMOs, TPAs and Allied Associations.
- (2) This Law recognises the prior existence HMOs and prepaid health plans before the commencement of the Scheme and such organisations operating in the State shall be registered, licensed and monitored by the Agency.
- (3) All Private Health Plans and Private Medical Insurance programs in the State must be operated in such manner as stipulated by the Agency for uniformity and to the economic benefit of enrolees and members.
- (4) The registration of TPAs under the Agency shall be in such form and manner as may be determined, from time to time, by the Board, using guidelines which shall include provisions requiring the TPAs to-
 - (a) be financially viable before, during and after registration;
 - (b) have a track record of a healthy relationship with private healthcare providers;

- (c) make a complete disclosure of the ownership structure and composition of the organisation;
 - (d) have current account(s) with one or more Banks approved by the Agency;
 - (e) give an undertaking that the TPAs shall manage and invest the funds accruing to it from contributions received pursuant to this Law in accordance with the guidelines to be issued, from time to time, by the Agency; and
 - (f) establish and stimulate the development of MHAs in their area of operation
- (5) The Agency shall reserve the right to allocate HMOs and TPAs to cover designated divisions of the State.
 - (6) Registration and Licensing of TPAs shall be time bound as may be determined from time to time by the Agency, after which the TPA shall present itself for renewal of its registration and licence.

Refusal of Licence

29.

- (1) The Agency may refuse to issue a Licence to any applicant pursuant to an application made under this Law if it is satisfied that:
 - (a) the information contained in the application for a licence is false in any material particular; or
 - (b) the application does not meet the requirements prescribed by the Agency for granting of a licence;
- (2) Where the Agency refuses to register any TPA, it shall forthwith notify the applicant in the prescribed form, specifying the reasons for such refusal, such an organisation may reapply at a time it has fulfilled all the necessary conditions for registration.

Revocation of Licence

30.

- (1) The Agency may revoke a license issued to a TPA, if:
 - (a) it discovers after the grant of licence that a statement was made in connection with the application thereof which the applicant knew to be false in any material particular;
 - (b) the organisation is subject to any insolvency proceedings or is to be wound up or otherwise dissolved;
 - (c) the conduct of affairs of the organisation does not conform with the provisions of this Law or any Regulations made pursuant to or any Directive issued under this Law;

- (d) any event that occurs which renders the TPA ineligible to perform its duties; and
 - (e) the organisation is in breach of any condition attached to its licence.
- (2) The Agency shall, before revoking the licence of a TPA give the organisation at least 90 days notice of its intention and shall consider any representations made to it in writing by the TPA within that period before the revocation.

*Functions of
TPAs, MHAs &
HMOs*

31.

- (1) An organisation referred to in subsection (1) of Section 28 of this Law shall have responsibility for:
- (a) registration of eligible employers and employees under this Law;
 - (b) the payment for services rendered by health care providers registered under the Scheme using recommended Provider Payment Mechanism; under their private health plans;
 - (c) rendering to the Agency returns on its activities as may be required by the Board;
 - (d) contracting only with the health care providers approved under the Scheme for the purpose of rendering health care services as provided by this Law;
 - (e) collection of contribution from existing prepaid health plans as provided in this Law and shall remit 1% of collection to the Fund; and
 - (f) any other role as stipulated by the Agency from time to time.
- (2) An Association referred to in subsection (1) of Section 28 of this Law shall have responsibility for the functions stated in subsection (1) of this Section though with focus on the formal and informal sector.
- (3) Notwithstanding anything contained in this Law, HMOs, TPAs and MHAs shall not be involved in the direct delivery health care services or collection of funds except in private or voluntary Health Plans and shall make appropriate returns to the Fund.

*Prohibition of refusing
coverage*

32.

An HMO or TPA shall not by reason of bad medical history refuse coverage for any person registered under the Scheme.

*Registration of
Medical Practitioners*

33.

All health care practitioners engaged in the scheme shall be accredited and registered with the relevant professional regulatory body.

*Medical documents
to be duly issued*

34.

(1) As from the commencement of this Law, all documents issued by a healthcare

practitioner shall be duly signed, stamped and bear the accredited number of the issuing health care practitioner registered under the Scheme;

- (2) All medical documents purporting to emanate from any health care practitioner engaged in the scheme shall bear:
 - (a) the name,
 - (b) the address,
 - (c) signature, and
 - (d) license number of the health care practitioner.

*Appointment of
Focal Persons*

35. The Sokoto State Primary Health Care Development Agency shall appoint focal person in each Local Government Areas who shall be a Senior serving officers in the services of the Departments of Health to coordinate and collaborate with the Agency.

*Arbitration
Panel*

36. (1) Whenever there is a dispute amongst parties under this Law, it shall first be referred to Arbitration, Mediation or Conciliation before resorting to litigation.
- (2) The parties shall by mutual consent appoint a 3-man panel of arbitrators (herein after referred to as "the Panel").
- (3) The membership of the panel and the applicable Arbitral procedure shall be as provided for in the Arbitration and Conciliation Act, Laws of the Federation of Nigeria, 2004.

*Offences and
Penalties*

37. (1) Any person who produces to an admitting official of a hospital or a Medical Practitioner or a member of his staff or to a person authorized by Law to provide other health services or a member of his staff, a registration certificate:
 - (a) knowing that the person named therein is not at the time of the production thereof, not covered under the Law;
 - (b) knowing that the person on behalf of whom and to facilitate whose treatment it is produced is not the person named therein or a dependant of that person; commits an offence and shall on conviction be liable to be sentenced to a maximum period of twelve (12) months imprisonment or a fine of Two Hundred and Fifty Thousand Naira (N250,000.00) or both and in addition to the cost of treatment incurred.
- (2) Any person or organisation who connives with a health care practitioner or TPA to receive cash either for services rendered or not rendered shall on conviction be liable to be sentenced to a maximum period of twelve (12)

- months imprisonment or a fine of Five Hundred Thousand Naira (N500,000.00) or both.
- (3) Any health care practitioner who connives with an individual or organisation to give cash either for services rendered or not rendered shall on conviction be liable to be sentenced to a maximum period of twelve (12) months imprisonment or a fine of Five Hundred Thousand Naira (N500,000.00) or both.
 - (4) Any TPA who connives with an individual or organisation to give cash either for services rendered or not rendered shall on conviction liable to a fine of Two Million Naira (N2,000,000.00) and shall be disengaged from the Scheme.
 - (5) Any member or agent of the Agency who fails, without reasonable cause, to comply with a requirement of an auditor under this Law, commits an offence and is liable on conviction to a fine not exceeding One Hundred Thousand Naira (N100,000) or imprisonment for a term not exceeding three months or to both.
 - (6) Any person or organization who:
 - (a) fails to pay into the account of an organization or association and within the specified period any contribution liable to be paid under this Law; or
 - (b) deducts the contribution from the employee's wages and withholds the contribution or refuses or neglects to remit the contribution to the organization or association concerned within the specified time, commits an offence; and is liable on conviction;
 - (i) in the case of a first offence, to a fine of not less than Two Million Naira (N2,000,000.00) or imprisonment for a term not exceeding two years or to both; and
 - (ii) in the case of a second or subsequent offence, to a fine of not less than Five Million Naira (N5,000,000.00) or imprisonment for a term not exceeding five years or both.
 - (7) Any HMO, TPA, MHA that fails to pay facility in line with the Provider Payment Mechanism under the Private Health Plan within specified period, commits an offence and is liable on conviction:
 - (a) to pay the sum including accruing payable interest therein;
 - (b) to pay a fine of not less than twice the amount withheld; and
 - (c) delist the HMO, TPA or MHA that repeated the same offence.

38. (1) Where an offence under this Law has been committed by a body corporate or firm or other association of individuals, a person who at the time of the offence:
- (a) was an officer of the body corporate, firm or other association; or
 - (b) was purporting to act in the capacity of an officer or the body corporate, firm or other association, is deemed to have committed the offence and liable to be prosecuted and punished for the offence in like manner as if he had himself committed the offence, unless he proves that the commission or omission constituting the offence took place without his knowledge, consent or connivance.
- (2) In this section, "officer" includes:
- (a) in the case of Ministries, Departments and Agencies (MDAs) the accounting officer;
 - (b) in the case of a body corporate, a Director, Chief Executive by whatever name called, Manager and Secretary of the body corporate;
 - (c) in the case of a firm, a partner, manager and secretary of the firm; and
 - (d) in the case of any other association of individuals, a person involved in the management of the affairs of the association.

Prosecutorial
Authority

39. Any person who contravenes any of the provisions of this Law shall be prosecuted by the Attorney-General of the State.

40. (1) Any Court before which a person is convicted of an offence under this Law may, without prejudice to any civil remedy, order a person to pay to the Fund of the Scheme the amount of any contributions together with interest and penalty thereon, certified by the Agency to be due and payable at the date of the conviction and such amount shall be paid into the Fund of the Plan for its credit, where applicable or of the employee concerned.
- (2) Any contribution paid into the Fund of the Scheme under sub-section (1) of this Section shall be remitted to the organisation entitled to receive the contribution.

Limitation of
suit

41. (1) Subject to the provisions of this Law, the provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against any officer or employee of the Agency.
- (2) Notwithstanding anything contained in any other enactment, no suit shall lie against the Agency, any member of the Board, the Director General or any other officer or employee of the Agency for anything done in pursuance or

execution of this Law or any other enactment, or of any public duty or authority or in respect of any alleged neglect or default in the execution of this Law or such enactment, duty or authority, shall lie or be instituted in any court unless it is commenced:

- (a) within three months after the act, neglect or default complained of; or
 - (b) in the case of a continuation of damage or injury, within six months next after the ceasing thereof.
- (3) No suit shall be commenced against the Agency, a member of the Board, the Director General, officer or employee of the Agency before the expiration of a period of one month after written notice of intention to commence the suit shall have been served upon the Agency by the intending plaintiff or his agent(s).
- (4) The notice referred to in subsection (3) of this Section shall clearly and explicitly state the cause of action, the particulars of the claims, the name and place of abode of the intended plaintiff and the relief which he claims.

Service of documents

42. A notice, summons or other document required or authorized to be served on the Agency under the provisions of this Law or any other enactment may be served by delivering it to the Director General or by sending it by registered post and addressed to the Director General at the principal office of the Agency.

Restriction on execution against the Agency

43. (1) In any action or suit against the Agency, no execution or attachment of process in the nature thereof shall be issued against the Agency not less than three (3) months unless notice of intention to execute or attach has been given to the Agency.
- (2) Any sum of monies which may by the judgment of any court be awarded against the Agency shall, subject to any directions given by the court where notice of appeal of the said judgment has been given, be paid from the general reserve fund of the Agency.

Indemnity of officers of the Agency

44. Any officer or employee of the Agency acting in the course of lawful duty shall be indemnified out of the assets of the Agency against any liability incurred by him in defending any civil proceeding.

Confidentiality and Non-disclosure

45. A member of the Board, the Director General, Officer or other employee of the Agency shall:
- (a) not make use of any information which has come to his knowledge in the exercise of his powers or is obtained by him in the ordinary course of his duty for his personal gain or otherwise;

- (b) treat as confidential any information which he has obtained by him in the performance of his functions under this Law;
- (c) not disclose any information referred to under paragraph (b) of this subsection except when required to do so by an Arbitration or similar panel of the court or in such other circumstances as may be prescribed by the Board, from time to time.

Contributions to be inalienable 46.

- (1) Contributions payable under the Agency shall be inalienable and shall not be assets for the benefit of creditors in the event of the bankruptcy or insolvency of a contributor or an organisation.
- (2) Notwithstanding anything in any law or enactment, contributions whether by an employer or an employee under this Law shall form part of tax deductible expenses in the computation of tax payable by an employer or, as the case may be, by an employee, under any other relevant law applicable to income tax.

Collaboration with Federal Government 47.

The State shall collaborate with relevant agencies of Federal Government in the realization of the set objectives of this Law.

Professional Indemnity for Healthcare providers 48.

All Healthcare Providers (institution and individual) shall be required to provide evidence of professional indemnity cover from a list of insurance companies approved by the Board.

Power to Enter, Inspect and Audit 49.

The Agency through her appointed Officers may enter, inspect and audit any premises, books, accounts and records of any hospital, HMO, TPA or MHA that has received payments under this Law at any time and may require the hospital or facility to verify in a manner prescribed, any information submitted to the Agency.

Withholding Payment 50.

Where a hospital or health facility fails to keep the books, records and returns required under this Law or any Regulations made thereunder, the Agency may withhold payments due to it until the hospital complies with the provisions of this Law and the Regulations made thereunder.

Standing Orders 51.

The Board may make standing orders regulating its proceedings and those of any of its committees.

Meetings of the Board 52.

The Board:

- (a) Shall meet not less than three (3) times in each year and subject thereto, the Board shall meet whenever it is summoned by the Chairman and if the Chairman is required to do so by notice given to him by not less than seven

members, he shall summon a meeting of the Board to be held within fourteen days from the date on which the notice is given.

- (b) May summon an emergency meeting after holding the four ordinary meetings within fourteen days if notice is given to the Chairman to that effect by the Director General.

Quorum

53.

- (1) At any meeting of the Board, the Chairman shall preside but if he is absent, the members present at the meeting shall appoint one of the members to preside at the meeting.
- (2) The quorum of the Board shall be the Chairman or the member presiding at the meeting and six (6) other members and the quorum of any Committee of the Board shall be determined by the Board.

Power to co-opt **54.**

Where the Board desires to obtain the advice of any person on a particular matter, the Board may co-opt him for such period as it thinks fit; but a person who is in attendance by virtue of this section shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.

Committees

55.

- (1) The Board may constitute one or more committees to carry out, on its behalf such of functions as it may determine.
- (2) A committee appointed under this section shall consist of such number of persons (not necessarily members of the Board as may be determined by the Board) and a person other than a member of the Board shall hold office on the committee in accordance with the terms of his appointment.

Seal of the Agency

56.

- (1) The fixing of the seal of the Agency shall be authenticated by the signature of the Chairman, the Director General or of any other person authorized generally or specifically to act for the purpose by the Board.
- (2) Any contract or instrument, which if made or executed by a person not being a body corporate, would not be required to be under seal may be made or executed on behalf of the Board by the Chairman or any person generally or specially authorized to for the purpose by the Board.
- (3) Any document purporting to be a document duly executed under the seal of the Agency shall be received in evidence and shall, unless the contrary is proved, be presumed to be so executed.

- (4) The validity of any proceeding of the board or of a committee thereof shall not be adversely affected by any vacancy in the membership of the Board or committee, or by reason that a person not entitled to do so takes part in the proceedings of the Board or committee.

MADE AT SOKOTO THIS20th.....DAY OF ...APRIL..... 2018

A.

This printed impression has been carefully compared by me with the Bill which has been passed by the House of Assembly and found it to be a true and correctly printed copy of the said Bill



UMAR UMAR DODO
Ag. Clerk to the House

B.

I ASSENT THIS23rd..... DAY OFApril..... 2018



AMINU WAZIRI TAMBUWAL
GOVERNOR,
SOKOTO STATE

C.

I WITHHOLD MY ASSENT THIS DAY OF 2018

AMINU WAZIRI TAMBUWAL
GOVERNOR,
SOKOTO STATE

D.

Passed again by the House of Assembly by two-third majority
this.....of.....2018.

Speaker,
Sokoto State House of Assembly