

NATIONAL HEALTH INSURANCE
(AMENDMENT) BILL, 2018

ARRANGEMENT OF SECTIONS

Section

1. Section 40 of Act 852 amended
2. Section 47 of Act 852 amended
3. Section 51 of Act 852 amended
4. Repeal

National Health Insurance (Amendment) Bill, 2018

A
BILL

ENTITLED

**NATIONAL HEALTH INSURANCE (AMENDMENT)
ACT, 2018**

AN ACT to convert the National Health Insurance Levy into a straight levy, expand the coverage of the National Health Insurance Fund and to provide for related matters.

Passed by Parliament and assented to by the President:

Section 40 of Act 852 amended

1. The National Health Insurance Act, 2012 (Act 852), referred to in this Act as the principal enactment, is amended in section 40

(a) by the substitution for subsection (1) of

“(1)The object of the Fund is to pay for the cost of healthcare services.”;

(b) by the insertion after paragraph (a) of subsection (2) of

“(aa) to supplement the provision of other medical care as may be determined by the Minister in consultation with the Minister responsible for Finance.”; and

(c) by the substitution for subsection (4) of

“ (4) For the purposes of subsection (3), non-core activities

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include activities other than those listed in paragraphs (a), (aa) and (l) of subsection (2). ”.

Section 47 of Act 852 amended

2. The principal enactment is amended in section 47 by the substitution for subsection (3) of

“(3) The Levy is not subject to an input tax deduction.

(4) Any goods on which the Value Added Tax Flat Rate is imposed is not subject to the levy.”.

Section 51 of Act 852 amended

3. The principal enactment is amended by the substitution for section 51 of

“Collection of the Levy

51. (1) The Ghana Revenue Authority is responsible for the collection of the Levy.

(2) The Revenue Administration Act, 2016 (Act 915) applies for administration of the Levy.

(3) The Value Added Tax Act, 2013 Act (870) applies with the necessary modifications to the collection of the Levy.”.

Repeal

4. The National Health Insurance (Amendment) Act, 2015 (Act 888) is repealed.

Date of *Gazette* notification: 20th July, 2018.

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MEMORANDUM

The object of the Bill is to convert the National Health Insurance Levy into a levy which is not subject to the input-output method of computation for Value Added Tax.

The National Health Insurance Scheme exists to ensure that citizens obtain quality health care at all times. Studies have indicated that the current revenue sources do not guarantee the sustainability of the Health Insurance Fund given that, enrolment on to the Scheme has increased over the years.

Government therefore seeks to delink the National Health Insurance Levy from the Value Added Tax by removing the option of deductibility of input tax. This will enable Government increase and expand the budget for health care. The Levy will continue to be two and a half percent of the value of goods and services and imports supplied.

The estimated additional revenue is two hundred and eighty-five million Cedis for the period August to December 2018.

Clause 1 of the Bill amends section 40 of the National Health Insurance Act, 2012 (Act 852). The clause revises the object of the Fund to cover the payment of other medical care costs that may be determined by the Minister responsible for Health in consultation with the Minister responsible for Finance. In light of the foregoing amendment, *clause 1* further amends section 40 of Act 852 to expand the definition of non-core activities.

Clause 2 seeks to amend section 47 of Act 852, by the substitution for subsection (3) of that section to exclude the Levy from the application of input tax deduction and to exclude the application of the levy on goods subject to the Value Added Tax Flat Rate.

Clause 3 amends section 51 of Act 852 to provide for the collection and administration of the Levy.

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Clause 4 repeals the National Health Insurance (Amendment) Act, 2015 (Act 888)

HON. KWAKU AGYEMAN-MANU
Minister responsible for Health

Date: 20th July, 2018.