

## **IMPLICATIONS OF THE PROPOSED AMENDMENT BASIC HEALTH CARE PROVISION FUND (BHCPF) ON THE PAS-ISSUE AREAS**

### **Summary**

A lot is expected from the National Assembly on the ongoing review of the 2020 approved budget. 2020 approved 10.59 trillion-naira budget<sup>1</sup> has been reviewed to 10.8 trillion-naira<sup>2</sup>. Out of this sum, a total of 25 billion is expected to be allocated to the Basic Health Care Provision Fund (BHCPF). This is 42.3% reduction of the approved 2020 budget. The implication this may have on the PAS issue areas not be overemphasized

### **Basic Health Care Provision Fund and 2020 Revised Budget**

The Nigeria National Health Act 2014, was aimed at improving the Universal Health Coverage substantially by increasing available resources for Primary Health Care (PHC) services through the Basic Health Care Provision Fund (BHCPF). BHCPF was supposed to be financed by 1% Consolidated revenue of the Federal government of Nigeria and other sources<sup>3</sup>. Forty-five (45%) per cent of the Fund is to be disbursed through the National Primary Health Care Development Agency (NPHCDA) and deployed to strengthening Primary Healthcare Centres (PHCs) in eligible primary healthcare facilities (essential drugs, vaccines and consumables; provision and maintenance of facilities, equipment and transport; development of human resources)<sup>4</sup>. Thus, with the approval of the 10.59 trillion-naira budget for the 2020 appropriation Act, the sum of 44 billion-naira was approved for BHCPF.

However, as has the budget been revised from 10.59 trillion-naira, to 10.8 trillion-naira, (a 2% increase), the BHCPF was reduced from 44bn to 25bn. This is 42.3 percent of the total approved budget. Why would the FG retain the National Assembly budget and the BHCPF was reduced to 25bn given the fact they were both allocated through the statutory transfer. Today, the National Assembly budget remains 128bn as approved why BHCPF was not. This shows that both the Federal government and the 9th National Assembly had the same orientation towards the BHCPF fund. It seems they have not been convinced beyond reasonable doubt as to why the provision of the National Health Act 2014 establishing BHCPF should be strictly followed.

The 25bn allocation for the Basic health care provision fund cannot be said to 1% of the consolidated revenue fund. This is because the government is proposing to spend 10.8 trillion-naira in the 2020 fiscal year. This means a total of 10.8 trillion-naira or above must be proposed as the total revenue to be able to avoid a budget deficit. If this is the case, the amount of revenue must be equal to the expenditure. These expenses are to be derived from the Consolidated Revenue Fund (CRF). The CRF is an account that is owned and managed by the Federal Government, where all its revenues are paid<sup>5</sup>. There is a lot of mystery on how FG arrives on 25bn as 1% of CRF for BHCPF when the proposed expenditure is 10.8 trillion-naira.

### **Implications of the BHCPF reduction on the PAS issue Areas**

On PAS issue areas, the proposed allocated for the BHCPF do not have a direct implication on the FB, RI and CKD. It only has direct implications on the PHC services. The 42.3 reductions

for the BHCPF in the proposed 2020 revised estimate could reduce the adequate attention required by the PHC centres in the 2020 fiscal year. This means the amount to be distributed to the various levels in states that have met the conditions will be significantly reduced. That is if there will be a roll-out this year. But on the negative side, if all states don't fulfill their requirements, the funds will not be transferred to them and maybe stored up like the UBEC fund.

Also, with Nigeria's population growing at the rate 3.2% annually (U.S. Census Bureau, 2019),<sup>6</sup> this means that more people will need to access healthcare services. The reduction in the funding for the BHCPF is opposite to this trend and reality. This could further create difficulty in accessing healthcare services, increasing out of pocket expenses, and pressure on the existing PHC. While this may also affect quality and affordable health care services required in the PHC especially in the rural communities, the overall goal of achieving universal health coverage may not be achieved as speculated. The reason being that even the capital health budget in the proposed 2020 revised estimate was only 51bn naira, 12% of the total health expenditure.

## Conclusion

The 25bn budgeted for the BHCPF in the proposed 2020 revised budget cannot in any way be said to represent the 1% consolidated revenue fund. This is because total expenditure must be equal to total revenue and all FG expenditure are derived from the consolidated revenue fund to which the National Health Act, 2020 proposed as the source of the 1% for the BHCPF.

It could also be established that the implications BHCPF reduction in the proposed 2020 revised budget would be more inherent in the Primary Health Care Under One Roof (PHCUOR) than other issues areas.

However, for the health advocates, there is a need to conduct a comprehensive study on the BHCPF between the time when the BHCPF was established by NHA, the time it was rolled out and now. The purpose is to find out how much is allocated, how much is supposed to be allocated from the consolidated revenue in the real sense, how much is released, what exactly got to the PHC, what has been the level of impact so far, and what are the challenges. The findings can be used to engage the relevant stakeholders.

<sup>1</sup> 2020 Appropriation Act, 2020

<sup>2</sup> House of Representatives Federal Republic of Nigeria, “Order Paper”, Wednesday, 10 June, 2020.

<sup>3</sup> National Health Act, 2014

<sup>4</sup> FMOH, NHIS, NPHCDA, “Basic Health Care Provision Fund: Guidelines for the Administration, Disbursement, Monitoring and Fund Management of the Basic Healthcare Provision Fund”, August 2016.

<sup>5</sup> <https://punchng.com/recurrent-expenditure-takes-70-of-consolidated-revenue-fund-inflow-fg/>

<sup>6</sup> NBS, 2017, see also <https://www.voanews.com/africa/nigerias-population-projected-double-2050> see a