**Earmark revenues for the National Health Insurance scheme (NHIS) in Ghana: implications for overall health system financing and NHIS sustainability**

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**Abstract**

Sustainable health financing has been one of the major limitations to achieving universal health coverage. Several efforts have been made to improve health financing across African countries with the primary objective of making health care easily accessible. Earmarked revenues for health are additional funds to the health sector that are designed to be used only for specific programs or activities, and are usually adopted to improve resources for a specific priority health program.

In Ghana, It is reported that over half of resources to the health sector are earmarked. The debate about whether these financing strategies are actually additive to funding of overall health system or whether Ministries of Finance then try to offset the ‘loss’ of those earmarked funds from their control and flexible allocation (fungibility) is still ongoing with no real empirical evidence. In this study we focus on earmark revenues to the Ghana National Health Insurance Scheme. We sought to find out if these earmarked funds have led to an overall increase in resources available to the health system or if the earmarks have inadvertently contributed to a decrease in the non-earmarked funds going to the health sector.

Analysis was focused on the two main forms of earmarked revenues to the NHIA, namely, NHIF (2.5% of VAT) and 2.5% of SSNIT contributions. Quantitative data on revenue and expenditure trends of the NHIA and health sector as a whole were sourced from the Ministry of Health, the Ghana Revenue Authority and the National Health Insurance Authority (NHIA). The data covered a period of 12 years between 2003 and 2014. We performed trend analysis including line graphs to show evidence of fungibility. Projections were also made on revenues and expenditure of the NHIA to determine the sufficiency of earmarked funds to assure NHIA sustainability.

Our preliminary findings suggest that earmarked revenues form significant portions of total revenues to the NHIA and the health sector as a whole. Over 90% of NHIA revenues and 26% of health sector budget are from the earmarks as at 2013. There was also evidence of fungibility in government allocations to the health sector. A downward trend was observed in government allocations to health services and investment while an upward trend was observed in personnel emoluments.

**Key words:** NHIS, earmarking, sustainability, fungibility