

Lagos State Government Issues Executive Order for the Subscription to Health Insurance Scheme by All Residents and Workers in Lagos State

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The Executive Governor of Lagos State has issued an Executive Order ('the Order') for the compulsory subscription to Social Health Insurance by all residents, employers, and workers in Lagos State ('the State'). The Order has been issued in line with the objectives of the Lagos State Health Scheme (LSHS), which seeks to promote Universal Health Coverage in the State, guaranteeing residents of Lagos State access to quality healthcare services, irrespective of their socio-economic status. Please click [here](#) to download a copy of the Order.

Based on the Order, all residents, employers, and workers are required to subscribe to a Social Health Insurance Scheme (SHIS) either through the Lagos State Health Management Agency (LASHMA) or a private health insurance provider accredited by both the National Health Insurance Authority (NHIA) and the Lagos State Government (LASG).

The Order is backed by the NHIA Act, 2022 ("the Act"), which mandates every state in Nigeria, including the Federal Capital Territory, to establish and implement a State Health Insurance and Contributory Scheme to provide health care for all residents. The Act also stipulates that every Nigerian resident must obtain health insurance. Under the Act, "residents" include all employers and employees in the public and private sectors with five or more staff, informal sector employees, and all other residents of Nigeria.

Please [see](#) our newsletter of June 2022 on the key provisions of the Act.



Highlights of the Executive Order

Below are the key provisions of the Order, which became effective on 16 July 2024, for relevant stakeholders:

i. Conditions for Access to Healthcare

All residents and workers in Lagos State are required to procure their social health insurance from LASHMA or NHIA-accredited health insurance providers that are registered with the Lagos State Government. Residents and workers in the State, who do not possess a valid Social Health Insurance Plan, are required to register or renew their expired plans to access any public or private healthcare facility in the State. Registration can be completed by subscribing to a plan via the LASHMA website or through any Health Maintenance Organisation (HMO) accredited by the NHIA and LASG.

Paragraph 35 (1) of the Lagos State Health Scheme Law 2015 provides that, as a resident of Lagos State, obtaining the Lagos State Residents Registration Agency (LASSRA) registration number is a prerequisite to enrolling for a health insurance plan.

ii. Provision for Emergency Cases

The Order provides that healthcare facilities in the State must provide emergency treatment for life-threatening cases without requesting evidence of enrollment in a health insurance plan. However, once the patient's condition is stabilised, the patient must provide proof of registration for a Social Health

Insurance Plan or register for one through any of the recommended health insurance agencies, before receiving further medical care.

In addition, the LASHMA will implement public awareness campaigns to educate the public on the significance and mandatory nature of the newly introduced policy.

iii. Compliance

To ensure compliance, all Ministries, Departments and Agencies (MDAs) in the State are required to ensure that all Lagos State residents and workers, who seek to use their facilities or services, have subscribed to the Social Health Insurance Plan through the prescribed health insurance providers. The MDAs must obtain proof of social health insurance registration before granting desiring individuals access to their services in the State.

iv. Provision for Vulnerable Persons

The Order also highlights the LASG's commitment to ensuring the release of equity funds for the benefit of the State's vulnerable citizens who cannot afford to procure a health insurance policy. Anyone in this category will be profiled by an appropriate officer in the public healthcare facility and referred to the LASHMA for enrolment in the Equity Fund.



Commentaries

The Executive Order is a positive step towards ensuring access to quality healthcare services for residents and workers in the State, regardless of their socio-economic status. This aligns with the United Nations' Sustainable Development Goal (SDG 3), which is to "ensure healthy lives and promote well-being for all at all ages". It is a fact that good health and well-being contribute to the overall happiness and quality of life. People can live their lives to the fullest, participate in activities they enjoy and support the people they care about. This is an integral part of the UN 2030 agenda.

The NHIA Act provides that participation in the state health scheme is mandatory; thereby making private health insurance to be supplementary. However, the Lagos State Government seems to have heeded the concerns expressed by the public and made it optional for residents to purchase their social health insurance through LASHMA or any of the NHIA-accredited private insurance service providers. The only condition is that such health providers must register with Lagos State. Consequently, individuals

with health insurance with HMOs can stick to their existing private health providers.

The Lagos State Health Management Agency (LASHMA) health insurance scheme is tagged "Ilera Eko" and has different plans, such as Standard Plan, Senior Plan, Diaspora Plan, and Telemedicine Plan. Registration for the Lagos State Social Health Insurance Scheme can be completed on the LASHMA's website by following the under-listed steps:

- Select your preferred health insurance plan.
- Update the biodata and personal details. The preferred health provider will be selected from a list of service providers available.
- Review the information provided; and
- Make payment for the selected health insurance plan.

The table below shows some of the available plans under the Lagos State "Ilera Eko¹" scheme and the associated premium:

S/N	Lagos State Health Plan	Premium for Individual (₦)	Premium for Family ² (₦)
1	Ilera-Eko Higher Institution Plan	5,000.00	10,000.00
2	Standard Family - General Public	8,500.00	40,000.00
3	Ilera Eko Standard Plus Plan	15,000.00	70,000.00
4	Ilera-Eko Seniors Social Health Insurance Couples Plan	34,000.00	65,000.00
5	Ilera-Eko Diaspora Plan - NGN	71,190.00	353,490.00
6	Ilera-Eko Standard Cash Back Plan	9,000.00	18,000.00

¹ Please visit LASHMA's website for more details on all the available plans.

² This includes one spouse and four children. Additional family members will be insured at an extra cost depending on the plan.

However, the success of the Order is dependent on the quality and availability of healthcare facilities and services. If the existing healthcare infrastructure is inadequate, the increased demand from newly insured individuals could strain the system, leading to longer waiting times, reduced quality of care, and general dissatisfaction.

It is commendable that the Lagos State Government has made provisions for vulnerable residents to be enrolled under the Equity Fund. Although the Order does not specify the yardstick for determining individuals in the 'vulnerable category', the Lagos State Health Scheme (LSHS) Law defines 'vulnerable' as pregnant women, children under five years, the aged (as defined by the Agency), the disabled, the poor and others falling within the group. This should be clarified to prevent the abuse of the system as the yardstick for considering who is poor and others falling within the group not specified.

Also, the involvement of MDAs to drive compliance and serve as enforcement agencies can be considered

a practical move by the LASG. Subject to the guidelines and regulations made under the LSHS Law, The LASRRA registration number and Corporate Identification Number (CIN) obtained from the Agency may be part of the compliance document that the MDAs may request from employers (public and private). However, the Order is unclear on the exact document to be provided as proof of registration for individuals, particularly for participants in private healthcare scheme (HMOs) who have subscribed to health insurance and obtained enrollee numbers and cards from their private health insurance providers. The question is – will they be required to obtain another card, or will their current documentation suffice? The sooner this is clarified, the better for everyone.

All relevant stakeholders are advised to seek professional guidance on the implication of this Order on themselves, their businesses, and employees. KPMG is well-placed to provide the required professional guidance and support in this regard.



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