

19/1/2017

A BILL FOR A LAW TO PROVIDE FOR THE ESTABLISHMENT OF KADUNA STATE CONTRIBUTORY HEALTH MANAGEMENT AUTHORITY

Commencement []

Enactment BE IT ENACTED by the House of Assembly of Kaduna State as follows:

PART I

PRELIMINARY

Short Title 1. This Law may be cited as the Kaduna State Contributory Health Management Authority Law, 2017.

Commencement 2. This Law shall come into operation on the.....day of.....2017.

Interpretation 3. In this Law:
"Accrediting body" means any-body which accredits health care facilities and other relevant institutions in the state, including but not limited to the Ministry of Health and Human Services and the National Health Insurance Scheme;
"Administrative Charge" means percentage deduction from the Kaduna State Contributory Health Fund for the purpose of administering Authority;
"Authority" means the Kaduna State Contributory Health Management Authority established under section 4 of this Law;
"Basic Health Plan" means an affordable plan providing a prescribed benefit package of healthcare services accessible to all residents of the State;
"Benefit" means a benefit or advantage derived from the Scheme;
"Board" means the Governing Board of the Authority established under section 5 of this Law;
"Capitation" means payment to a health care provider in respect of services to be provided to a person registered with the health care provider, whether the person uses the services or not;
"Commissioner" means the Commissioner charged with responsibility for matters relating to health in the state;
"Contribution" means a premium payable to Kaduna State Contributory Health Fund under the scheme;

"Employee" means any person who is ordinarily resident in the State and is employed in the public service or private sector or is an apprentice with an employer whether the contract is express or implied, oral or in writing;

"Employer" means an employer with five or more employees and includes the Federal, State and Local Governments or any 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 the wages or salaries of the employee;

"Health care practitioner" means any health care personnel including doctors, nurses, laboratory scientist, pharmacists, physiotherapist, radiographers and such others as may be recognised by the Authority;

"Health care facility" means any government or private health care facility, hospital, maternity centre, pharmacies and all other service providers registered by the Authority for the provision of health care services under the Scheme;

"Local Government Chairman" means the Executive Head of a Local Government Council in the state;

"Medical documents" includes prescriptions, laboratory forms, death certificate and other documents generally used in the management of patients;

"Medical Practitioner" means a person with a degree recognised by the Medical and Dental Council of Nigeria;

"Member" means a member of the Board and includes the Chairman;

"NHIS" means National Health Insurance Scheme;

"Provider Payment Mechanism" means payment made by the Authority directly to TPAs and Healthcare facilities for completed health care services, following approved referrals and/or professional services, including specialist consultation, pharmaceutical care services, laboratory and radiological investigations, under this Scheme;

"Resident" means any person who is ordinarily residing in the State and has been so resident for a continuous period of five years;

"Scheme" means the Contributory Health Management Scheme established under this Law;

"TPA" means a Third Party Administrator registered under section 26 of this Law to provide health care services for participants of the Scheme from accredited health care providers on behalf of the

Authority;

"Vulnerable persons" includes pregnant women, children under 5 years of age, the aged, mentally challenged, disabled, poor and others persons with disabilities as may be recognised by the Authority;

"Wage" means remuneration paid to an employee under his or her contract of service or apprenticeship, as the case may be, whether payable at fixed intervals or not.

PART II

ESTABLISHMENT, POWERS AND COMPOSITION OF THE GOVERNING BOARD OF THE AUTHORITY

Establishment
of the
Authority

(1) There is hereby established an Authority to be known as the Kaduna State Contributory Health Management Authority.

(2) The Authority:

- (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 immovable property.

Establishment
and
Composition
of the
Governing
Board

There is hereby established for the Authority, a Governing Board to be appointed by the Governor on the recommendation of the Commissioner which shall comprise of:

- (i) A Chairman on a part-time basis from the public or private sector;
- (ii) representative of the Office of the Head of Service not below the rank of a Director;
- (iii) one representative each (not below the rank of a Director) of the Ministries responsible for:
 - (a) Health and Human Services;
 - (b) Budget and Planning; and
 - (c) Justice;

- (iv) one representative each of:
 - (a) the Nigeria Employers Consultative Association Kaduna State Branch;
 - (b) the Nigerian Labour Congress, Kaduna State Chapter;
 - (c) the National Health Insurance Scheme.
- (v) two other members to represent public interest;
- (vi) the General Manager of the Authority;
- (vii) the Secretary/Legal Adviser of the Authority who shall serve as the Secretary to the Board.

Tenure

6. (1) The Chairman and members of the Board shall hold office for a period of four (4) years subject to re-appointment for another four (4) years only.

Remuneration

- (2) The members of the Board shall be paid such remunerations and allowances as the Governor may from time to time approve.

Cessation of Membership of the Agency.

7. (1) A member of the Board shall cease to hold office if:
- (a) he becomes of unsound mind;
 - (b) he becomes bankrupt;
 - (c) he is convicted of a felony or any offence involving dishonesty; or
 - (d) he is found guilty of serious misconduct in the performance of his duties.
- (2) A member of the Board may on the recommendation of the Commissioner be removed from office by the Governor, if he is satisfied that it is not in the interest of the Authority or the interest of the public that the member should continue in office.

Resignation of a Member of the Board.

8. A member of the Board may resign his appointment by notice, in writing under his hand, addressed to the Governor and the resignation shall take effect only on the acceptance by the Governor.

Vacancy in the Board

9. Where a vacancy occurs in the membership of the Board, it shall be filled by the appointment of a successor to complete the remainder of the term of office of his predecessor, so however, that the successor shall represent the same interest.

PART III

OBJECTIVES, FUNCTIONS AND POWERS OF THE AUTHORITY

Objectives of the Scheme

10. The principal objectives of the Authority shall be to:

- (i) ensure that all residents of the State have access to effective, quality and affordable health care services;
- (ii) protect families from the financial hardship of huge medical bills;
- (iii) limit the inflationary effects of the rise in the cost of healthcare services;
- (iv) ensure equitable distribution of health care costs across different income groups;
- (v) ensure the provision of high standard of health care delivery to the beneficiaries;
- (vi) ensure efficiency in health care service delivery to the beneficiaries;
- (vii) improve and harness private sector participation in the provision of health care services;
- (viii) ensure adequate distribution of health facilities under the scheme within the State;
- (ix) ensure the availability of alternate sources of funding to the health sector for improved services.

Powers of the Board.

11. (1) The Board shall have the power to:

- (a) determine the organisational structure of the Authority;
- (b) approve for the Authority all the Third Party Administrators;
- (c) determine and ensure the implementation the overall policies of the Scheme including the financial and operative procedures of the Authority;
- (d) supervise and ensure effective implementation of the Scheme;

- (e) set guidelines for the management of the Scheme;
- (f) approving format of contracts for the Third Party Administrators and all health care facilities;
- (g) issue guidelines for the administration and release of funds under the Scheme;
- (h) approve the recommendation of the Authority relating to research, consultancy and training in respect of the Scheme;
- (i) ensure the maintenance of a data bank on all Scheme matters;
- (j) determine the remuneration and allowances of all staff of the Authority;
- (k) determine the level of Co-Payment for all Schemes of the Authority;
- (l) develop a targeting mechanism to identify the poor and vulnerable who will benefit from the premium subsidy from the equity contribution of the State;
- (m) perform such other duties which, in the opinion of the Board, are necessary or expedient for the discharge of its functions under this Law.

Functions of the Authority

12. The Authority 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 Third Party Administrators, accredited Health Care Facilities and other relevant Institutions;
- (e) engage, register, and supervise Third Party Administrators and other bodies participating in the Scheme as the Authority may from time to time determine;
- (f) carrying out public awareness and education on the Scheme;

- (g) determining after due consideration, payment mechanisms due to health care facilities;
- (h) coordinating research and statistics;
- (i) establishing quality assurance in the services provided by the stakeholders;
- (j) the collection and analysis of reports from the TPAs, HCFs and other relevant stakeholders;
- (k) exchanging information and data with the National Health Insurance Scheme, State Health Management Information System, relevant financial institutions, development partners, NGOs; and other relevant bodies;
- (l) ensuring manpower development in the Authority;
- (m) defining and implementing minimum benefit package as defined under the National Health Act 2014 and the Scheme;
- (n) carrying out such other activities as are necessary or expedient for the purpose of achieving the objectives of the Authority under this Law;

PART IV

ADMINISTRATIVE STRUCTURE AND CONTROL

Appointment
of the General
Manager

13.

(1) There shall be a General Manager for the Authority who shall be appointed by the Governor on the recommendation of the Commissioner.

(2) The General Manager shall:

- (a) be the Chief Administrative and Accounting Officer of the Authority;
- (b) be a person of proven integrity with relevant qualifications and not less than ten (10) years post qualification experience;
- (c) hold office:
 - (i) for a period of 4 years in the first instance and may be re-appointed for a further term of 4 years only; and
 - (ii) on such terms and conditions as may be specified in

his letter of appointment.

(3) The General Manager shall, subject to the general direction of the Board, be responsible for the:

- (a) day-to-day administration of the Authority; and
- (b) general direction and control of all other employees of the Authority.

Appointment

of the Secretary/Legal Adviser

14. (1) There shall be appointed for the Authority, a Secretary/Legal Adviser who shall be a legal practitioner with no less than 10 years post qualification experience and shall also serve as the Secretary to the Board.

(2) The Secretary/Legal Adviser shall be responsible for:

- (a) The administration of the Secretariat and Legal Unit of the Authority;
- (b) Keeping the books and records of proceedings of the Board; and
- (c) Generally performing all other duties affecting the Authority as may be specifically assigned to him by the Board or the Authority.

Pensions

15. (1) Service in the Authority shall be approved service for purposes of Pensions and accordingly officers and other persons employed in the Authority shall be entitled to pension and other retirement benefits under the Pensions Reform Law, 2016.

(2) Nothing in subsection (1) of this Section or in this Law shall prevent the appointment of a person to any office on terms which preclude the grant of pension in respect of that office.

Appointment of Consultants for the Authority

16. (1) The Board shall appoint for the Authority, a licensed Actuary on such terms and conditions as the Board may, from time to time, determine.

(2) The Actuary shall review the benefit package and evaluate it actuarially, including the rates of contributions payable for the service and make appropriate recommendation to the Board.

(3) If having regard to the review and evaluation carried out by the Actuary under subsection (2) of this Section, the Board considers that the rates of contributions have not retained their value in

relation to the general level of earning in the State, the Board shall in consultation with the Actuary modify the rates to the extent considered appropriate and bring the new rates to the notice of the persons affected by the modification.

(4) The Board shall appoint Auditors for the Authority in accordance with section 20 (2) of this Law.

PART V

ESTABLISHMENT OF THE CONTRIBUTORY HEALTH FUND

Contributory
Health Fund.

17. (1) There is hereby established a Contributory Health Fund (hereinafter referred to as 'the Fund') to be managed by independent fund managers appointed by the Governor on the recommendation of the Authority.

(2) The fund shall consist of:

- (a) the initial take-off grant from the State;
- (b) equity contribution of not less than 1% per annum of the Consolidated Revenue of the State on behalf of vulnerable persons;
- (c) contributions from employers and employees in public and private sector organizations, members in the informal sector and students in tertiary institutions;
- (d) fund from NHIS for pregnant women, children under-five (5) years and other vulnerable persons;
- (e) donations or grants-in-aid from private organisations, philanthropists, international donor organisations and Non-Governmental Organisations;
- (f) other appropriations earmarked by the National, State and Local Governments purposely for the implementation of the Scheme;
- (g) fines and commissions charged by the Authority;
- (h) dividends and interests on investments; and
- (i) all other money which may, from time to time, accrue to the Authority.

Disbursement
of the Fund

18. (1) The Board shall determine the procedure for disbursement of funds to the healthcare facilities from the fund.

(2) The Board shall make available to the Authority not more than ten percent (10%) of the funds accruing to the Fund as administrative charges.

(3) The Authority shall on approval of the 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 Authority under this Law;

(b) to defray the cost of administration of the Authority;

(c) for the payment of fees, allowances and benefits of members of the Board;

(d) for the payment of salaries, allowances and benefits of officers and employees of the Authority;

(e) for the maintenance of any property vested in the Authority or under its administration; and

(3) The Fund Manager shall, invest any money not immediately required by it in Government securities (Federal or State) or in such other securities as the Board may from time to time determine.

Power to
accept Gift

19. (1) The Authority 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 Authority 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 Authority.

Annual
estimate
Account and
Audit

20. (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 Authority for the next succeeding year and same shall be submitted to the Commissioner.

(2) The Board shall cause to be kept proper accounts of the Authority 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 approved by the Auditor-General of the State.

Annual
Report.

21. (1) The Board shall not later than six (6) months immediately following the end of a year:

(a) submit to the Commissioner, a report on the activities and the administration of the Authority for the

preceding year and shall include in the report the audited accounts of the Authority and the Auditor's report on the accounts; and

- (b) publish the audited annual accounts, Auditor's report on the accounts and reports on the activities of the Authority on the State Government Website.

Payment of Contribution under the Scheme.

22. (1) The Kaduna State Contributory Health Fund shall be administered by independent fund managers for the pooling of all contributions derived from either the formal (public or private) and informal sector 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 Authority.

(3) A registered employer under the Authority 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 Authority shall cause the pooling of contributions derived from the formal and informal sectors to be made directly to the Fund.

(5) All other funds particularly by independent or private donors shall be paid directly to Fund.

(6) The Authority shall cause TPAs to open accounts with approved Banks for the payment of agreed remittable percentage of the premiums received.

(7) The Authority shall cause TPAs to produce, in a recognized format and subject to guidelines to be issued by it from time to time, performance bond from accredited banks or insurance companies so as to protect remittances given to them.

PART VI

ESTABLISHMENT OF THE KADUNA STATE CONTRIBUTORY HEALTH SCHEME

Establishment
of the Scheme

23. (1) There is established the Kaduna State Contributory Health Scheme (in this law referred to as the "Scheme") which shall be for all residents of the State.

Registration
and Eligibility
under the
Scheme

24. (1) Subject to such guidelines and regulations as may be issued under this Law, all residents shall be registered under the Scheme as a prerequisite for eligibility to access any or all benefits available under the Scheme.

(2) All employers (public and private) shall register with the Authority and obtain a Corporate Identification Number (CIN).

Registration
and services of
Health care
Facilities

25. (1) Engagement of participating health care facilities under the Scheme shall be in accordance with guidelines as may be issued by the Authority.

(2) Health care facilities so engaged shall, in consideration for an approved provider payment mechanism (including capitation) deemed fit by the Authority, to the extent and manner prescribed herein, provide services in accordance with:

(a) approved benefit package which shall be actuarially determined from time to time by the Board; and

(b) treatment guidelines issued by the Authority.

Registration of
TPAs

26. (1) The Authority shall register NHIS accredited Third Party Administrators and allied associations.

(2) Such TPAs operating in the State shall be registered and monitored by the Authority.

(3) Registration of a TPA under the Authority 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 TPA 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 TPA;
 - (d) have current account(s) with one or more banks approved by the Authority;
- (4) A TPA shall be appointed by way of a licence for such a term and on such conditions as may be determined by the Authority.

Refusal of
Registration

27. (1) The Authority may refuse to register any TPA if it is satisfied that:

- (a) the information contained in the application for a licence is false in any material; or
- (b) the application does not meet the requirements prescribed by the Authority for granting of a licence;

(2) Where the Authority refuses to register a TPA, it shall forthwith notify the TPA in the prescribed form, specifying the reasons for such refusal. However, such a TPA may re-apply whenever it fulfils all the necessary conditions for registration.

Revocation of
Registration

28. (1) The Authority may revoke a registration issued to a TPA if:

- (a) it discovers after the grant of registration that a statement was made in connection with the application thereof which the TPA knew to be false in any material particular;
- (b) the TPA is subject to any insolvency proceedings or is to be wound up or otherwise dissolved;
- (c) the conduct of affairs of the TPA does not conform with the provisions of this Law or any regulations made in pursuance of, or any directive issued under this Law;
- (d) any event occurs which renders the TPA ineligible to perform its duties; and
- (e) the TPA is in breach of any condition attached to its licence.

(2) The Authority shall, before revoking the registration of a TPA, give the TPA at least 30 days' notice of its intention and shall consider any representations made to it in writing by the TPA within the specified period, before effecting the revocation.

Functions of 29.
TPAs.

(1) A TPA shall, in consultation with the Authority, have responsibility for:

- (a) the registration of eligible employees under this Law;
- (b) the payment for services rendered by health care providers registered under the Scheme using recommended provider payment mechanism;
- (c) rendering to the Authority 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;
- (f) establishing a quality assurance system; and
- (g) any other role as may be stipulated by the Authority from time to time.

(2) A TPA shall have responsibility for the functions stated in subsection (1) of this section with particular focus on the formal and informal sector.

(3) Notwithstanding anything contained in this Law, TPA under the Scheme shall not be involved in the direct delivery of health care services or collection of funds except in private or voluntary health plans.

Registration of
medical
practitioners
with the
Scheme

30. Subject to the Guidelines and Regulations as may be made in accordance with this Law, all health care practitioners engaged in the Scheme shall be licensed by the relevant professional regulatory body.

Medical
Documents to
be duly issued

31. As from the commencement of this Law, all documents issued by a health care practitioner shall be duly signed, stamped and bear the accredited number of the issuing health care practitioner registered under the Scheme.

PART VII

DISPUTE RESOLUTION AND LEGAL PROCEEDINGS

- Arbitration
Panel
32. (1) Whenever there is a dispute with respect to any matter under this Law, parties shall amicably settle same through Arbitration, Mediation or Conciliation.
- (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 Law, Laws of Kaduna State, 1991.
- Jurisdiction.
33. The State High Court shall have:
- (a) jurisdiction to try offenders under this Law;
 - (b) power, notwithstanding anything to the contrary in any other enactment, to impose the penalties provided for the offence in this Law.
- Payment of
Contribution.
34. The High 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 into the Fund, the amount of any contributions together with interest and penalty thereon, certified by the Authority to be due and payable at the date of the conviction and such amount shall be paid into the Fund, or to the employee concerned.
- Commencement
of Proceedings
35. Proceedings for an offence under this Law may be commenced at any time after the commission of the offence.
- Pre-action
notice
36. (1) No suit shall be commenced against the Authority, a member of the Board, the General Manager, Officer or Employee of the Authority before the expiration of a period of one month after written notice of intention to commence the suit shall have been served upon the Authority by the intending plaintiff or his agent(s).
- (2) The notice referred to in subsection (1) of this Section shall clearly and explicitly state the cause of action, the particulars of the claim(s), the name and place of abode of the intending plaintiff and the relief which he claims.
- Service of
Document.
37. A notice, summons or other document required or authorized to be served on the Authority under the provisions of this Law or any other enactment or Law may be served by delivering it to the General Manager or by sending it by registered post and addressed

to the General Manager at the principal office of the Authority.

Confidentiality
and Non-
disclosure.

38. A member of the Board, the General Manager, Officer or other employee of the Authority 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 than in pursuance of the objectives of this Law;
- (b) treat as confidential any information which has come to his knowledge or 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 in compliance to the lawful orders of a competent court or arbitration panel or in such other circumstances as may be prescribed by the Board.

Contribution
to be
Inalienable

39. (1) Contributions payable under the Scheme 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 contained 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.

Exclusion from
application of
Cap 449 LFN.

40. The provisions of the Trustee Investment Act shall not apply to any investment made by the Authority under this Law.

Collaboration
with the Federal
Government

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

Professional
Indemnity for
health care
facilities.

42. All health care facilities shall be required to provide evidence of professional indemnity cover from a list of insurance companies approved by the Board.

43. (1) The Authority shall make Regulations and issue Guidelines for:

- (a) the registration of employers and employees liable for contributions under this Law.
- (b) the registration of dependants of employees covered by the Scheme;
- (c) the registration of health care facilities participating in the Scheme;
- (d) the compulsory payment of contributions by students, employers and employees, the rates of those contributions and the deduction by the employers of contributions payable by employees under this Scheme from any salary, wage or other money payable;
- (e) the payment of compulsory contributions by informal sector workers and other persons and rates of such contributions;
- (f) the maintenance of the records to be kept for the Authority and the records to be kept by employers in respect of contributions payable under this Law and in respect of their employees;
- (g) the methods of receiving contributions under this Law;
- (h) the imposition of surcharges in respect of late payment of contributions by employers or employees;
- (i) the manner and circumstances in which contributions may be remitted and refunded;
- (j) negotiated fees and charges payable for medical, dental, pharmaceutical and all other services provided under the scheme;
- (k) the nature and amount of benefits to be provided under this Scheme, the circumstances and the manner in which the benefits shall be provided;
- (l) the nature and amount of capitation and other forms of provider payment under this Scheme, the circumstances and the manner in which health care facilities shall receive the payment;
- (m) the reduction, suspension or withdrawal of any

payment under this Scheme;

(n) the submission of returns by employers regarding the employers and their employees;

(o) the procedure for assessment of contributions made under the Scheme;

(p) any other matter for which, in the opinion of the Authority, it is necessary or desirable to make Regulations and issue Guidelines for giving effect to this Law.

(2) The Guidelines issued under subsection (1) (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 shall be published in the State Gazette.

Power to
Enter, Inspect
and Audit

44.

The Authority through its appointed Officers may enter, inspect and audit any premises, books, accounts and records of any healthcare facility or TPA 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 Authority.

Withholding
Payments

45.

Where a healthcare facility or TPA fails to keep the books, records and returns required under this Law or any Regulations made there under the Authority may withhold payments due to it until the healthcare facility complies with the provisions of this Law and the Regulations made here under.

PART VIII

OFFENCES AND PENALTIES

Offences and
Penalties

46.

(1) Any person who produces to a healthcare facility or a Medical Practitioner or a member of its staff or to a person authorized by this Law to provide other health care services, a registration certificate:

(a) knowing that the person named therein is not at the time of the production thereof covered under this Law;

(b) knowing that the person on behalf of whom 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 imprisonment

for a term not exceeding twelve (12) months or to a fine of not less than Fifty Thousand Naira (N50,000.00).

(2) (a) any person or TPA who connives with a health care practitioner or health care facility to receive cash either for services rendered or not rendered shall on conviction be liable to imprisonment for a term not exceeding twelve (12) months or to a fine of not less than Two Hundred and Fifty Thousand Naira (N250,000.00).

(b) Any health care practitioner who connives with an individual or TPA to give cash either for services rendered or not rendered shall on conviction be liable to imprisonment for a term not exceeding twelve (12) months or to a fine of not less than Two Hundred and Fifty Thousand Naira (N250,000.00).

(c) any TPA who connives with an individual or organisation to give cash either for services rendered or not rendered shall on conviction be liable to pay a fine of not less than One Million Naira (N1,000,000.00) and shall be disengaged from the Scheme.

(3) Any employer who fails, without reasonable cause, to comply with a requirement of an auditor under subsection (2) of Section 22 of this Law, commits an offence and is liable on conviction to a fine not exceeding ₦100,000 or imprisonment for a term not exceeding three months or to both such fine and imprisonment.

(4) Any person or TPA who:

(a) fails to pay into the Fund 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 into the Fund within the specified time, commits an offence and shall be liable on conviction:

(c) in the case of a first offence, to a fine of not less than One Million Naira (N1,000,000.00) or imprisonment for a term not exceeding two years or to both such fine and imprisonment; and

(d) in the case of a second or subsequent offence, to a fine of not less than Two Million Naira (N2,000,000.00) or

imprisonment for a term of not less than two years or to both such fine and imprisonment.

(5) Any health care practitioner engaged in the Scheme who fails to comply with the provision of *Section 31* of this Law, commits an offence and shall be liable on conviction to disengagement from the scheme.

(6) Any person who contravenes the provisions of *Section 38* of this Law, commits an offence and is liable on conviction to a fine of not less than Fifty Thousand Naira (N50,000.00) or imprisonment for a term not exceeding two years or to both such fine and imprisonment.

(7) Any TPA who fails to pay health care facility in line with the provider payment mechanism within specified period, commits an offence and shall be liable on conviction:

(a) to pay the sum withheld including accrued interest thereon;

(b) to pay a fine of not less than twice the amount withheld; and

(c) to be delisted as a TPA upon a second offence.

Offences by
Bodies
Corporate, etc

47. (1) Where an offence under this Law has been committed by a body corporate or firm, a person who at the time of the offence:

(a) was an officer of the body corporate or firm;

(b) was purporting to act in the capacity of an officer of the body corporate or firm, 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, or Secretary of the body corporate; and

(c) in the case of a firm, a Partner, Manager and Secretary of

the firm.

PART IX

MISCELLANEOUS

- Standing Orders 48. (1) The Board may make standing orders regulating its proceedings and those of any of its committees.
- Quorum (2) The quorum for meetings of the Board or any of its Committees shall be a simple majority of members including the Chairman and in his absence, the member presiding.
- Meetings of the Board 49. (1) The Board shall meet not less than four (4) 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 other members, he shall summon a meeting of the Board to be held within fourteen days from the date on which the notice is given.
- (2) 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 them to preside at the meeting.
- Power to Co-opt. 50. Where the Board desires to obtain the advice of any person on a particular matter, the Board may co-opt him to the Board for such period as it thinks fit; but a person who is in attendance by virtue of this sub-paragraph shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.
- Committees. 51. (1) The Board may constitute one or more committees to carry out, on behalf of the Board such of its functions as it may determine.
- (2) A Committee appointed under this Paragraph 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.
- Miscellaneous. 52. (1) The fixing of the seal of the Authority shall be authenticated by the signature of the General Manager, the Secretary/Legal Adviser or of any other person authorized generally or specifically to act for that 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 for that purpose by the Board.

(3) Any document purporting to be a document duly executed under the seal of the Authority shall be received in evidence and shall, unless and until 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 took part in the proceedings of the Board or committee.

Dated thisday of2017

Nasir Ahmad el-Rufai, OFR
Governor of Kaduna State

EXPLANATORY NOTE

(This note does not form part of this Law and has no legal effect)

The purpose of this Law is to establish the Kaduna State Contributory Health Management Agency with the objective of promoting and implementing the Contributory Health Scheme in the State.