

Zambia National Health Insurance: A double whammy?

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In April 2018 the National Health Insurance Act No. 2 of 2018 was enacted into law and came into operation on 2 November 2018 (the “**NHI Act**”). On 20 September 2019, the National Health Insurance (General) Regulations Statutory Instrument No. 63 of 2019 (the “**Regulations**”) were passed operationalising the National Health Insurance Scheme (the “**Scheme**”). As the law is operational, compliance is immediate.

Contributions

An employer is responsible for registering employees as members of the Scheme and paying the contributions to the Scheme by the 10th of the following month. This obligation and the time periods attached also extend to self-employed citizens and established residents.

- An employee is required to contribute 1 percent of the employee's basic salary to the Scheme.
- An employer is also required to contribute 1 percent of the employee's basic salary to the Scheme.
- Self-employed persons are required to make a contribution of 1 percent of the self-employed person's declared income.

Interface between the Employment Code and the NHI Act

Interestingly, under the Employment Code Act No. 3 of 2019 (the “**Employment Code**”), an employer is required to provide an employee with medical attention and medicines including transportation to a health facility during the illness of the employee. With the operationalisation of the NHI Act, the question is whether the registration of an employee as a member of the Scheme fulfils the obligation of an employer under the Employment Act to provide employees with medical attention?

It can be argued that the contributory nature of the Scheme is not what the Employment Code envisioned as an employer providing medical attention such that an employer is still under an obligation to provide additional healthcare services without the assistance of the employee.

The implication is that in addition to employers contributing to the Scheme under the NHI Act, employers will also be required to provide health insurance under a private health insurance scheme.

To avoid such adverse interpretations the Employment Code may need to be amended in order to align its provisions with that of the NHI Act.

Registration as a member

- An employer is required to register an employee with the Authority within 30 days of the commencement of the persons contract of employment.
- Managers of pension schemes are required to ensure that retirees are registered by the Authority.
- Self-employed persons are also required to register as members of the Scheme.

To whom does the NHI Act apply?

- Citizens
 - Citizens by birth;
 - Citizens by descent; or
 - Citizens by registration.
- Established residents
 - that is, a person who is not a citizen or a prohibited immigrant and who has been ordinarily and lawfully resident in Zambia for a period of four years
 - Citizens and established residents are required to register as members of the Scheme.

Mandatory health insurance for foreigners

Foreigners entering the country are required to have valid health insurance for the period that the foreigner is in the country. A foreigner entering the country without health insurance will be required to obtain health insurance on arrival into the country.

Exemptions

The following are exempt from the Scheme:

- (a) mentally and physically disabled persons unable to work;
- (b) persons above the age of 65 years; and
- (c) a person classified as poor and vulnerable by the Ministry responsible for social welfare.

Issue of membership cards

Upon registration as a member of the Scheme, the Authority will issue a membership card providing information on the benefits, rights and privileges of membership. Membership to the Scheme includes the member's family members, that is, spouse, children and registered dependants.

Accreditation

Healthcare service providers are required to be accredited by the Authority in order to provide services to registered members. Healthcare service providers can apply for accreditation in the form provided under the Regulations.

Offences

- Not making payments to the Scheme or failing to register a member, among others, is an offence for which one may be liable to a fine not exceeding 200,000 penalty units (ZMW60,000) or to imprisonment for a term not exceeding two years or to both.
- Directors, managers and shareholders may be held liable for offences by a corporate body or unincorporated body unless it can be proved that the act constituting an offence was done without the knowledge, consent or connivance of the said director, manager or shareholder or that reasonable steps were taken to prevent the commission of the offence.

What does it mean for you?

Employers and employees are required to make contributions to the Scheme as a way of ensuring access by employees to healthcare.

Medical insurance provided to employees under private health insurance schemes can continue to be provided to employees as supplementary health insurance.

Key features

1. The NHI Act establishes the Scheme in which contributions will be paid and out of which health benefits will be paid out. The objective of the Scheme is to provide universal access to quality insured health care services.
2. The NHI Act also establishes the Authority as a body corporate. The functions of the Authority are to, among others:
 - (a) implement, operate and manage the Scheme;
 - (b) accredit healthcare providers;
 - (c) manage the National Health Insurance Fund;
 - (d) register and issue membership cards; and
 - (e) facilitate access by the poor and vulnerable to insured healthcare services and to protect the poor and vulnerable against deprivation of health services.
3. The Authority is governed by a board constituting members of the public and private sector. The Authority will be headed by the Director General as chief executive officer of the Authority.

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