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COM 513

PUBLIC HEALTH ADMINISTRATION AND MANAGEMENT, NATIONAL HEALTH POLICY, HEALTHCARE FINANCING AND HEALTH SYSTEM

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Course code: COM 513

Course title: Public Health Administration and Management, National Health Policy, Healthcare Financing and Health System

Course credit load: 2 Units

Series 1: History and Organisation of the Nigerian Health System

- **Part 1.1: Early History of Health Services Administration in Nigeria**
  - Sub Part 1.1.1: Pre-colonial and colonial era health services
  - Sub Part 1.1.2: Health services administration at independence
  - Sub Part 1.1.3: Post-independence developments in health services administration
- **Part 1.2: Evolution of Health Services Administration in Nigeria**
  - Sub Part 1.2.1: The primary health care era
  - Sub Part 1.2.2: Decentralisation of health services administration
  - Sub Part 1.2.3: Contemporary health services administration in Nigeria
- **Part 1.3: The Nigerian Health System**
  - Sub Part 1.3.1: Components of the Nigerian health system
  - Sub Part 1.3.2: The three tiers of government in health service delivery
  - Sub Part 1.3.3: Public and private sector roles in the health system
- **Part 1.4: Organisation of Health Services in Nigeria**
  - Sub Part 1.4.1: Organisation of health services at federal level
  - Sub Part 1.4.2: Organisation of health services at state level
  - Sub Part 1.4.3: Organisation of health services at local government level

Introduction

Every patient who walks into a Nigerian health facility today, whether a small rural health post or a large teaching hospital, is stepping into a system whose current structure reflects more than a century of historical development, from missionary dispensaries through colonial administration, to today's complex, multi-tiered federal health system. Picture a health planner tasked with

understanding why responsibility for a single patient's care might be shared across a local government health centre, a state hospital, and a federal teaching hospital, all within the same health system. Understanding how this system developed historically, and how it is organised today, is the essential foundation for everything that follows in this course.

The aim of this Series is to equip you with a clear understanding of the history of health services administration in Nigeria and the organisation of the Nigerian health system and its health services.

This Series begins with the **early history of health services administration** in Nigeria, before turning to its **evolution** over subsequent decades. Next, we examine the **Nigerian health system**, before concluding with the **organisation of health services** across its three tiers of government.

Series Learning Outcomes

At the end of this Series, you should be able to:

- **SLO 1.1:** describe the early history of health services administration in Nigeria, from the pre-colonial era to independence
- **SLO 1.2:** describe post-independence developments in health services administration
- **SLO 1.3:** describe the primary health care era and decentralisation of health services administration in Nigeria
- **SLO 1.4:** describe contemporary health services administration in Nigeria
- **SLO 1.5:** describe the components of the Nigerian health system
- **SLO 1.6:** describe the roles of the three tiers of government and the public and private sectors in health service delivery
- **SLO 1.7:** describe the organisation of health services at federal and state level, and
- **SLO 1.8:** describe the organisation of health services at local government level.

1.1 Early History of Health Services Administration in Nigeria

1.1.1 pre-colonial and colonial era health services

From traditional healing to early colonial medical services

Before the establishment of formal colonial administration, health care within the territories that now constitute Nigeria was provided principally through **traditional medicine**, practised by

local healers using indigenous knowledge of herbal remedies and traditional healing practices passed down through **generations** within specific communities.

The **colonial era** introduced Western-style medical services, initially concentrated around **missionary** dispensaries and hospitals, and, subsequently, colonial government medical services established principally to serve **colonial administrators**, military personnel, and workers within colonial commercial enterprises, meaning early formal health services were neither comprehensive nor equitably distributed across the general population.

Fill in the blank: The colonial era introduced Western-style medical services, initially concentrated around _____ dispensaries and hospitals.

1.1.2 health services administration at independence

At **independence** in 1960, Nigeria inherited a health system characterised by significant **urban-rural** disparity, with formal health facilities concentrated in major towns and cities, and considerably limited health service coverage across the country's extensive rural areas, reflecting the uneven pattern of colonial-era health service **development**.

The newly independent Nigerian government inherited responsibility for expanding health service coverage **nationally**, a substantial undertaking given the limited existing infrastructure and workforce, and immediate post-independence health policy generally focused on gradually extending formal **hospital**-based services to a wider population, a strategy later reconsidered as discussed in the next Part of this Series.

Fill in the blank: At independence in 1960, Nigeria inherited a health system characterised by significant urban-rural _____.

1.1.3 post-independence developments in health services administration

Following independence, Nigeria's health services administration underwent successive **reorganisation**, including administrative changes accompanying the creation of additional **states**, discussed further in relation to the current federal structure later in this Series, each new state generally establishing its own ministry of health and associated health administration structures.

Health services administration during this period was additionally shaped by successive **National Development Plans**, setting out broader national priorities within which health sector investment and administration were situated, reflecting health's position as one component within Nigeria's wider post-independence national development **agenda**.

Fill in the blank: Health services administration following independence was shaped by successive National Development _____.

Figure 1.1: A missionary-era medical dispensary building with a nurse attending patients outside.

Pilot questions 1.1

1. Describe how health care was provided before formal colonial administration was established. (Linked to SLO 1.1)
2. Describe the early colonial era health services and whom they principally served. (Linked to SLO 1.1)
3. Describe the health system Nigeria inherited at independence in 1960. (Linked to SLO 1.1)
4. Explain why early post-independence health policy focused on expanding hospital-based services. (Linked to SLO 1.1)
5. Describe how the creation of additional states affected health services administration after independence. (Linked to SLO 1.2)

1.2 Evolution of Health Services Administration in Nigeria

1.2.1 the primary health care era

A shift from hospitals toward community-based care

Following the **1978 Alma-Ata Declaration**, which established **primary health care** as the recommended global strategy for achieving health for all, Nigeria formally adopted primary health care as its national health strategy, marking a deliberate shift away from the earlier hospital-centred approach discussed in the previous Part of this Series.

This shift emphasised expanding basic, accessible health services, including **immunisation**, maternal and child health services, and health **education**, closer to where people actually lived, particularly in underserved rural communities, reflecting a deliberate strategic prioritisation of broad population **coverage** over concentrated, specialist hospital care alone.

Fill in the blank: Following the 1978 Alma-Ata Declaration, Nigeria formally adopted primary health care as its national health _____.

1.2.2 decentralisation of health services administration

A central feature of Nigeria's adoption of primary health care was the **decentralisation** of health services administration, transferring principal responsibility for primary health care delivery to **local government areas**, discussed in an earlier related course, reflecting a belief that health services could be more effectively and responsively managed closer to the communities they served.

This decentralisation established the essential administrative foundation for the current three-tier system of health service **responsibility**, discussed further later in this Series, with local government generally responsible for primary health care, state government generally responsible for secondary health care, and federal government generally responsible for tertiary health care and overall national health **policy**.

Fill in the blank: Decentralisation transferred principal responsibility for primary health care delivery to local government _____.

1.2.3 contemporary health services administration in nigeria

Contemporary health services administration in Nigeria continues to operate within this broad three-tier framework, though ongoing reform efforts continue to address persistent challenges,

including inconsistent **coordination** between tiers of government and variable quality and coverage of primary health care services across different states and local government areas.

Recent decades have additionally seen growing attention to formal health system **strengthening** initiatives, improved health information **systems**, discussed in relation to disease surveillance in an earlier related course, and enactment of the National Health Act, discussed further in a later Series of this course, each representing continued evolution of Nigeria's health services administration.

Fill in the blank: Recent decades have seen growing attention to formal health system strengthening initiatives and improved health information _____.

Table 1.2: Comparing the hospital-centred and primary health care eras of Nigerian health administration.

Feature	**Hospital-centred era**	**Primary health care era**
Main focus	Concentrated hospital-based services	Broad, accessible community-based care
Geographic emphasis	Urban centres	Underserved rural communities
Administrative responsibility	Centralised	Decentralised to local government

Pilot questions 1.2

1. Describe the significance of the 1978 Alma-Ata Declaration for Nigerian health policy. (Linked to SLO 1.3)
2. Describe the shift in emphasis that accompanied Nigeria's adoption of primary health care. (Linked to SLO 1.3)
3. Explain what decentralisation of health services administration meant in practice. (Linked to SLO 1.3)
4. Describe the three-tier framework of health service responsibility established through decentralisation. (Linked to SLO 1.3)
5. Describe two features of contemporary health services administration in Nigeria. (Linked to SLO 1.4)

1.3 The Nigerian Health System

1.3.1 components of the nigerian health system

The interacting parts making up national health delivery

The **Nigerian health system** comprises several interacting components, including formal **health service delivery** structures, discussed further later in this Series, the health **workforce**, health **financing** mechanisms, discussed in detail in the final Series of this course, and health information and regulatory systems, together forming the overall structure through which health care is delivered nationally.

These components do not operate in **isolation**, but interact continuously, meaning weaknesses in one component, such as inadequate health financing, discussed in a later Series of this course, can directly undermine the effective functioning of other components, such as workforce retention or service delivery **quality**, illustrating the genuinely systemic nature of national health system performance.

Fill in the blank: The components of the Nigerian health system do not operate in isolation, but interact continuously, meaning weaknesses in one component can undermine the effective functioning of _____.

1.3.2 the three tiers of government in health service delivery

Nigeria's health system operates across **three tiers of government**, federal, state, and local government, discussed earlier in this Series, each holding distinct, though sometimes overlapping, **responsibilities** for health service delivery, financing, and overall administration within their respective jurisdictions.

The **federal** tier generally holds responsibility for tertiary health care, national health policy, and overall system stewardship, the **state** tier generally holds responsibility for secondary health care, and the **local government** tier generally holds responsibility for primary health care, though in practice, meaningful coordination across all three tiers remains essential for effective overall system **performance**.

Fill in the blank: Nigeria's health system operates across three tiers of government: federal, state, and local _____.

1.3.3 public and private sector roles in the health system

Beyond the three tiers of government, Nigeria's health system additionally encompasses a substantial **private sector**, including private hospitals and clinics, private pharmacies, and, increasingly, private health insurance arrangements, discussed further in the final Series of this course, collectively delivering a considerable proportion of overall health services within the country.

The relationship between the **public** and **private** sectors within Nigeria's health system is generally understood as complementary rather than competing, with the private sector often filling important gaps in public sector service **availability** and **quality**, though effective regulatory oversight of private sector health provision remains an ongoing area of policy attention.

Fill in the blank: The relationship between the public and private health sectors in Nigeria is generally understood as complementary rather than _____.

Figure 1.3: Health administrators from federal, state, and local government meeting to coordinate services.

Pilot questions 1.3

1. List the main components of the Nigerian health system. (Linked to SLO 1.5)

2. Explain why weaknesses in one component of the health system can affect others. (Linked to SLO 1.5)
3. Describe the health service responsibilities generally held by each tier of government. (Linked to SLO 1.6)
4. Explain why coordination across all three tiers of government remains essential. (Linked to SLO 1.6)
5. Describe the role of the private sector within the Nigerian health system. (Linked to SLO 1.6)

1.4 Organisation of Health Services in Nigeria

1.4.1 organisation of health services at federal level

National stewardship and tertiary care leadership

At **federal level**, health services in Nigeria are organised under the **Federal Ministry of Health**, responsible for overall national health **policy** formulation, regulation, and stewardship, together with direct oversight of federal tertiary health institutions, such as federal teaching hospitals and specialist hospitals, providing the most specialised level of clinical care within the health system.

The federal level additionally houses several important specialised **agencies**, including bodies responsible for disease control and surveillance, discussed in an earlier related course, primary health care system strengthening, and health financing, discussed further in the final Series of this course, each operating under the overall coordination of the Federal Ministry of Health.

Fill in the blank: At federal level, health services are organised under the Federal Ministry of Health, responsible for overall national health _____.

1.4.2 organisation of health services at state level

At **state level**, health services are organised under the **State Ministry of Health**, generally responsible for secondary health care delivery through state general hospitals, together with overall coordination and support of primary health care activity within the state, working in conjunction with local government authorities discussed in the next sub-Part.

State-level health administration additionally typically includes a **hospital management board** or equivalent body responsible for the operational management of state hospitals, and, in many states, a **primary health care development agency** specifically tasked with supporting and coordinating primary health care delivery across the state's local government areas.

Fill in the blank: State-level health administration typically includes a hospital management board and, in many states, a primary health care development _____.

1.4.3 organisation of health services at local government level

At **local government level**, health services are organised principally around **primary health care** delivery, generally coordinated by the Medical Officer of Health, discussed in an earlier related course, operating through a network of primary health centres and smaller health posts serving the local government's resident population.

Effective organisation of health services at local government level depends substantially on adequate **resources**, discussed further in a later Series of this course, and sustained coordination with both state and federal levels, illustrating that even though primary health care delivery is formally decentralised, discussed earlier in this Series, effective local health service organisation remains dependent on functioning relationships across the entire health system.

Fill in the blank: Effective organisation of health services at local government level depends on adequate resources and sustained coordination with both state and federal _____.

Figure 1.4: A primary health centre building with community members waiting outside.

Pilot questions 1.4

1. Describe the responsibilities of the Federal Ministry of Health. (Linked to SLO 1.7)
2. Describe the health service responsibilities generally held at state level. (Linked to SLO 1.7)
3. Describe the role of a state hospital management board and primary health care development agency. (Linked to SLO 1.7)
4. Describe how primary health care is organised at local government level. (Linked to SLO 1.8)
5. Explain why effective local government health service organisation depends on functioning relationships across the health system. (Linked to SLO 1.8)

Series Summary

This opening Series traced the **history and organisation of the Nigerian health system**, beginning with its **early history**, from pre-colonial traditional medicine and colonial-era missionary and government medical services, through the urban-rural disparity inherited at independence and subsequent post-independence reorganisation, before examining its **evolution**, the transformative shift to primary health care following the 1978 Alma-Ata Declaration, the decentralisation of health services administration, and contemporary ongoing reform efforts.

We then examined the **Nigerian health system** itself, its interacting components, and the respective roles of the three tiers of government and the public and private sectors, before concluding with the **organisation of health services** at federal, state, and local government level. Having worked through this Series, you should now possess the essential historical and structural foundation needed to understand the management concepts, health team, and comparative health systems examined in the next Series of this course.

Glossary of Terms

- **Traditional medicine:** health care based on indigenous knowledge and practices passed down within communities.
- **Alma-Ata Declaration:** the 1978 declaration establishing primary health care as the global strategy for health for all.
- **Decentralisation:** the transfer of health service administration responsibility to lower levels of government.
- **Three-tier health system:** Nigeria's health system structure comprising federal, state, and local government levels.
- **Nigerian health system:** the interacting components, including delivery, workforce, financing, and information systems, through which health care is delivered nationally.

- **Federal Ministry of Health:** the federal body responsible for national health policy, regulation, and tertiary care oversight.
- **State Ministry of Health:** the state body responsible for secondary health care and coordination of primary health care.
- **Hospital management board:** the state-level body responsible for operational management of state hospitals.
- **Primary health care development agency:** a state-level body supporting and coordinating primary health care delivery.
- **Private health sector:** privately owned and operated health facilities and services complementing public provision.
- **Health system stewardship:** the overall guidance and regulatory oversight function of national health policy leadership.
- **National Development Plan:** a government planning document setting national priorities within which health investment is situated.

Concept Check Questions [Series 1]

Objective questions

1. The colonial era introduced Western-style medical services, initially concentrated around _____ dispensaries and hospitals.
2. Following the 1978 Alma-Ata Declaration, Nigeria adopted primary health care as its national health _____.
3. Decentralisation transferred principal responsibility for primary health care to local government _____.
4. Nigeria's health system operates across three tiers of government: federal, state, and local _____.
5. At federal level, health services are organised under the Federal Ministry of _____.

Short-answer questions

6. Describe the health system Nigeria inherited at independence in 1960.
7. Describe the shift in emphasis that accompanied Nigeria's adoption of primary health care.
8. Explain why weaknesses in one component of the health system can affect others.
9. Describe the health service responsibilities generally held by each tier of government.
10. Describe how primary health care is organised at local government level.

Long-answer questions

11. Discuss the early history of health services administration in Nigeria, from the pre-colonial era to independence. (Linked to SLO 1.1, SLO 1.2)
12. Discuss the evolution of health services administration in Nigeria, including the primary health care era and decentralisation. (Linked to SLO 1.3, SLO 1.4)
13. Discuss the components of the Nigerian health system and the roles of the three tiers of government and the public and private sectors. (Linked to SLO 1.5, SLO 1.6)
14. Discuss the organisation of health services at federal and state level. (Linked to SLO 1.7)
15. Discuss the organisation of health services at local government level. (Linked to SLO 1.8)

Answers to Concept Check Questions [Series 1]

Objective questions

1. Missionary.
2. Strategy.
3. Areas.
4. Government.
5. Health.

Short-answer questions

6. A system characterised by significant urban-rural disparity, with facilities concentrated in major towns and cities.
7. A shift from concentrated hospital-based services toward broad, accessible community-based care in underserved rural areas.
8. Because the health system's components interact continuously, so weaknesses in one, such as financing, can undermine others, such as workforce or service quality.
9. Federal government generally holds tertiary care and policy responsibility; state government secondary care; local government primary care.
10. Through a network of primary health centres and smaller health posts, generally coordinated by the Medical Officer of Health.

Long-answer questions

11. **Basic response:** Before colonial administration, health care relied on traditional medicine, followed by colonial-era missionary and government medical services serving mainly colonial administrators and workers.

Value-added response: At independence, Nigeria inherited a system marked by significant urban-rural disparity, prompting successive post-independence reorganisation, including administrative changes accompanying the creation of new states.

12. **Basic response:** Following the 1978 Alma-Ata Declaration, Nigeria adopted primary health care as its national strategy, shifting emphasis toward accessible, community-based services in underserved rural areas.

Value-added response: This shift was accompanied by decentralisation, transferring primary health care responsibility to local government, establishing the foundation for today's three-tier system alongside ongoing contemporary reform efforts.

13. **Basic response:** The Nigerian health system comprises interacting components including service delivery, workforce, financing, and information systems, operating across federal, state, and local government tiers with distinct responsibilities.

Value-added response: The private sector complements public provision, often filling gaps in service availability and quality, though effective regulatory oversight remains an ongoing area of policy attention.

14. **Basic response:** The Federal Ministry of Health leads national policy formulation, regulation, and tertiary care oversight, while the State Ministry of Health manages secondary care and coordinates primary health care support.

Value-added response: State-level administration typically includes a hospital management board for operational oversight and, in many states, a primary health care development agency supporting local government areas.

15. **Basic response:** At local government level, health services are organised principally around primary health care, coordinated by the Medical Officer of Health through primary health centres and health posts.

Value-added response: Effective organisation at this level depends on adequate resources and sustained coordination with state and federal levels, since decentralisation alone does not guarantee effective local health service delivery.

Answers to Pilot Questions [Series 1]

Part 1.1

1. Through traditional medicine, practised by local healers using indigenous herbal and healing knowledge.
2. Missionary dispensaries and hospitals, followed by colonial government medical services, principally serving colonial administrators and workers.
3. A system with significant urban-rural disparity, with facilities concentrated in major towns and cities.
4. Because it reflected the existing limited infrastructure and sought to extend hospital-based care to a wider population.
5. New states generally established their own ministries of health and associated health administration structures.

Part 1.2

1. It established primary health care as the recommended global strategy, which Nigeria formally adopted as national policy.
2. A shift from concentrated hospital-based services toward broad, accessible community-based care, particularly in rural areas.
3. It transferred principal responsibility for primary health care delivery to local government areas.
4. Local government generally responsible for primary care, state government for secondary care, and federal government for tertiary care and policy.
5. Inconsistent coordination between tiers of government, and variable quality of primary health care across states.

Part 1.3

1. Health service delivery structures, workforce, financing mechanisms, and health information and regulatory systems.
2. Because the components interact continuously, so weakness in one, such as financing, can undermine others, such as service quality.
3. Federal: tertiary care, policy, and stewardship. State: secondary care. Local government: primary care.
4. Because meaningful coordination across all three tiers remains essential for effective overall system performance.
5. The private sector delivers a considerable proportion of health services, often complementing public sector availability and quality.

Part 1.4

1. National health policy formulation, regulation, and oversight of federal tertiary institutions.
2. Secondary health care delivery through state general hospitals, and coordination and support of primary health care.
3. The hospital management board manages state hospitals operationally; the PHC development agency supports and coordinates primary health care across the state.
4. Through a network of primary health centres and health posts, generally coordinated by the Medical Officer of Health.
5. Because decentralisation alone does not ensure adequate resources, requiring sustained cross-tier coordination for effective service delivery.

References and Attributions [Series 1]

- Park, K. (2021). Park's Textbook of Preventive and Social Medicine (26th ed.). Banarsidas Bhanot.
- World Health Organization (1978). Declaration of Alma-Ata: International Conference on Primary Health Care.
- Federal Ministry of Health, Nigeria (2016). National primary health care development agency guidelines.
- Federal Ministry of Health, Nigeria (2004). Revised National Health Policy.

Figures, Plates, Tables, and Boxes

- Figure 1.1: A missionary-era medical dispensary building with a nurse attending patients outside. AI-generated using the prompt: "A single clean, realistic historical illustration of a modest dispensary building with a nurse attending seated patients outdoors, period-appropriate setting, muted natural lighting, no text overlays, no multiple panels, accurate and respectful depiction, no graphic detail."
- Table 1.2: Comparing the hospital-centred and primary health care eras of Nigerian health administration. AI-generated using the prompt: "Create a clean reference table titled Comparing Hospital-Centred and Primary Health Care Eras, listing feature, hospital-centred era, and primary health care era. Simple clinical reference table style with outside border."
- Figure 1.3: Health administrators from federal, state, and local government meeting to coordinate services. AI-generated using the prompt: "A single clean, realistic illustration

of health administrators from different government levels seated together at a meeting table, calm professional setting, soft indoor lighting, no text overlays, no multiple panels, accurate and professional depiction, no graphic detail."

- Figure 1.4: A primary health centre building with community members waiting outside. AI-generated using the prompt: "A single clean, realistic illustration of a simple primary health centre building with community members waiting outside, calm daytime setting, natural lighting, no text overlays, no multiple panels, respectful and accurate depiction, no graphic detail."

Series 2: Management Concepts, the Health Team, and Comparative Health Systems

- **Part 2.1: Concepts and Principles of Management**
  - Sub Part 2.1.1: Definition and concepts of management
  - Sub Part 2.1.2: Principles of management
  - Sub Part 2.1.3: Management theories relevant to health services
- **Part 2.2: Functions of Management**
  - Sub Part 2.2.1: Planning and organising
  - Sub Part 2.2.2: Directing and staffing
  - Sub Part 2.2.3: Controlling and coordinating
- **Part 2.3: The Health Team**
  - Sub Part 2.3.1: Composition of the health team
  - Sub Part 2.3.2: Roles and responsibilities within the health team
  - Sub Part 2.3.3: Teamwork and interprofessional collaboration in health care
- **Part 2.4: Comparative Analysis of Health Care Systems in Different Countries**
  - Sub Part 2.4.1: Models of health care systems
  - Sub Part 2.4.2: Health care systems in selected developed countries
  - Sub Part 2.4.3: Lessons for Nigeria from comparative health systems analysis

Introduction

In the last Series, we traced the history and organisation of the Nigerian health system. We now turn to the **management concepts and principles** that allow this system to actually function day to day, the **health team** whose coordinated work delivers patient care, and a **comparative analysis** of how other countries have organised their own health systems. Picture the manager of a busy state hospital, coordinating doctors, nurses, pharmacists, and administrative staff, while also planning next year's budget and comparing performance against similar hospitals elsewhere. Understanding the management principles underlying this work, and how different countries approach similar challenges, is the focus of this Series.

The aim of this Series is to equip you with a clear understanding of the concepts, principles, and functions of management, the composition and functioning of the health team, and comparative analysis of health care systems in different countries.

This Series begins with the **concepts and principles of management**, before turning to the **functions of management**. Next, we examine the **health team**, before concluding with **comparative analysis of health care systems** in different countries.

Series Learning Outcomes

At the end of this Series, you should be able to:

- **SLO 2.1:** define management and describe its key concepts and principles
- **SLO 2.2:** describe management theories relevant to health services
- **SLO 2.3:** describe the functions of management, including planning, organising, directing, staffing, controlling, and coordinating
- **SLO 2.4:** define the health team and describe its composition
- **SLO 2.5:** describe the roles and responsibilities of different members of the health team
- **SLO 2.6:** describe teamwork and interprofessional collaboration in health care
- **SLO 2.7:** describe the main models of health care systems, and
- **SLO 2.8:** compare health care systems in selected developed countries and describe lessons relevant to Nigeria.

2.1 Concepts and Principles of Management

2.1.1 definition and concepts of management

Achieving organisational goals through coordinated effort

Management is the process of planning, organising, directing, and controlling the **resources** of an organisation, including its people, finances, and materials, in order to achieve specific organisational **goals** effectively and efficiently, a definition applicable equally to a large teaching hospital and a small rural health centre.

In the health sector specifically, management involves the additional responsibility of ensuring organisational goals genuinely serve the underlying purpose of improving patient and population **health outcomes**, meaning health management cannot be evaluated by efficiency and financial

performance **alone**, but must always be assessed against its ultimate contribution to health service quality and accessibility.

Fill in the blank: Management is the process of planning, organising, directing, and controlling organisational resources to achieve specific organisational _____.

2.1.2 principles of management

Classical **principles of management** include **division of labour**, assigning specific tasks to individuals or units best suited to perform them, **unity of command**, ensuring each individual reports to a single clear supervisor, and **span of control**, recognising practical limits on the number of subordinates a single manager can effectively **supervise**.

Further important management principles include **delegation** of authority, allowing decisions to be made at an appropriate organisational **level** rather than requiring senior management involvement in every decision, and the principle of **accountability**, ensuring that authority delegated to any individual is matched by clear responsibility for the outcomes of decisions made.

Fill in the blank: Unity of command ensures each individual reports to a single clear _____.

2.1.3 management theories relevant to health services

Several general management theories carry particular relevance to health services, including **bureaucratic theory**, emphasising formal rules, hierarchy, and procedures well suited to large, complex organisations such as hospitals, and **human relations theory**, emphasising the importance of worker **motivation**, job satisfaction, and interpersonal relationships to overall organisational performance.

Systems theory, viewing an organisation as a set of interrelated components working together toward a common goal, is particularly well suited to understanding health services specifically, given the genuinely **interdependent** nature of the health system components discussed in the previous Series of this course, where changes in one area frequently produce effects elsewhere in the system.

Fill in the blank: Systems theory views an organisation as a set of interrelated components working together toward a common _____.

Figure 2.1: A hospital manager reviewing an organisational chart at a desk.

Pilot questions 2.1

- Define management. (Linked to SLO 2.1)
- Explain why health management cannot be evaluated by efficiency alone. (Linked to SLO 2.1)
- Define division of labour and unity of command as management principles. (Linked to SLO 2.1)
- Explain the relationship between delegation and accountability. (Linked to SLO 2.1)
- Explain why systems theory is particularly well suited to understanding health services. (Linked to SLO 2.2)

2.2 Functions of Management

2.2.1 planning and organising

Setting direction and structuring resources

Planning is the management function concerned with setting organisational **objectives** and determining the specific course of action needed to achieve them, providing the essential direction that guides all subsequent management activity, from routine daily operations to major long-term health **investment** decisions.

Organising is the management function concerned with arranging resources and **tasks** into a coherent structure capable of implementing the plan developed above, including establishing clear reporting relationships and organisational **structure**, consistent with the principles of unity of command and span of control discussed earlier in this Series.

Fill in the blank: Planning is the management function concerned with setting organisational objectives and determining the course of action needed to achieve _____.

2.2.2 directing and staffing

Directing is the management function concerned with guiding, motivating, and supervising staff to ensure their work contributes effectively toward organisational **goals**, requiring effective **leadership** and communication skills, discussed in relation to teamwork later in this Series.

Staffing is the management function concerned with recruiting, training, and retaining an adequate, appropriately skilled **workforce**, and represents a particular ongoing challenge within Nigeria's health sector, given persistent workforce shortages discussed in relation to manpower development in an earlier related course.

Fill in the blank: Staffing is the management function concerned with recruiting, training, and retaining an adequate, appropriately skilled _____.

2.2.3 controlling and coordinating

Controlling is the management function concerned with monitoring organisational **performance** against established plans and objectives, identifying any significant deviation, and implementing corrective action where required, echoing the supervision and evaluation principles discussed in relation to the Medical Officer of Health in an earlier related course.

Coordinating is the management function concerned with ensuring the harmonious working together of different individuals, units, or organisational **components**, particularly important within the genuinely interdependent health system discussed earlier in this Series, where effective coordination across different departments and tiers directly determines overall system performance.

Fill in the blank: Coordinating is the management function concerned with ensuring the harmonious working together of different individuals, units, or organisational _____.

Table 2.2: Summary of the six functions of management.

Function	Main focus	Example in a health facility

Planning / Organising	Setting direction and structuring resources	Setting an annual plan; assigning staff roles
Directing / Staffing	Guiding staff and building workforce capacity	Supervising ward staff; recruiting nurses
Controlling / Coordinating	Monitoring performance and ensuring cooperation	Reviewing monthly reports; interdepartmental meetings

Pilot questions 2.2

1. Define planning as a management function. (Linked to SLO 2.3)
2. Define organising as a management function. (Linked to SLO 2.3)
3. Distinguish directing from staffing as management functions. (Linked to SLO 2.3)
4. Define controlling as a management function and give a health facility example. (Linked to SLO 2.3)
5. Explain why coordinating is particularly important within the health system. (Linked to SLO 2.3)

2.3 The Health Team

2.3.1 composition of the health team

A diverse group united by a shared patient-care purpose

The **health team** comprises the diverse group of professionals working together to deliver health services, including **physicians**, **nurses**, **pharmacists**, laboratory scientists, community health workers, and administrative and support staff, each contributing a distinct but complementary **expertise** toward the shared goal of patient and population health.

The precise composition of the health team varies according to the specific health care **setting**, with a small rural primary health centre typically involving a considerably smaller, more generalist team than a large tertiary teaching hospital, which may involve numerous highly **specialised** professional roles working together across multiple departments.

Fill in the blank: The health team comprises a diverse group of professionals, each contributing a distinct but complementary _____ toward shared patient and population health goals.

2.3.2 roles and responsibilities within the health team

Each member of the health team holds specific professional **roles and responsibilities**, generally defined by their professional training, regulatory scope of practice, discussed in relation to the Medical and Dental Council of Nigeria in an earlier related course, and their particular position within a given health facility's organisational structure, discussed earlier in this Series.

Clearly defined roles and responsibilities help avoid unnecessary **duplication** of effort and, importantly, help ensure no essential aspect of patient care is inadvertently **overlooked**, meaning role clarity represents an essential practical foundation for effective health team functioning, alongside the collaborative teamwork discussed in the next sub-Part.

Fill in the blank: Clearly defined roles and responsibilities help avoid unnecessary duplication of effort and help ensure no essential aspect of patient care is inadvertently _____.

2.3.3 teamwork and interprofessional collaboration in health care

Effective **teamwork** requires clear **communication** among health team members, mutual professional **respect** across different disciplines, and a shared commitment to the common goal of patient welfare, qualities that become particularly essential during complex or emergency clinical situations requiring rapid, well coordinated multi-professional response.

Interprofessional collaboration, involving deliberate, structured cooperation between different health professional disciplines, has been shown to improve patient **outcomes** and reduce medical errors compared with more fragmented, siloed models of care, reinforcing the genuine practical value of the systems theory perspective discussed earlier in this Series applied specifically to clinical team functioning.

Fill in the blank: Interprofessional collaboration has been shown to improve patient outcomes and reduce medical _____ compared with more fragmented models of care.

Figure 2.3: A multidisciplinary health team discussing a patient case around a ward table.

Pilot questions 2.3

1. Define the health team and list three of its typical members. (Linked to SLO 2.4)
2. Explain why the composition of the health team varies according to setting. (Linked to SLO 2.4)
3. Describe what generally defines a health team member's roles and responsibilities. (Linked to SLO 2.5)
4. Explain why role clarity is important within the health team. (Linked to SLO 2.5)
5. Define interprofessional collaboration and describe its benefit for patient outcomes. (Linked to SLO 2.6)

2.4 Comparative Analysis of Health Care Systems in Different Countries

2.4.1 models of health care systems

Different national approaches to organising and financing care

Health care systems around the world are generally organised according to a small number of broad **models**, including the **Beveridge model**, in which health services are financed principally through general taxation and largely delivered by government-owned facilities, and the

Bismarck model, in which health services are financed principally through mandatory **social health insurance** contributions from employers and employees.

Further recognised models include the **national health insurance model**, combining private health care delivery with government-run insurance financing, and the **out-of-pocket model**, in which individuals pay directly for health services at the point of use, a pattern historically **common**, though generally considered undesirable, in many low and middle-income countries, including parts of Nigeria.

Fill in the blank: The Bismarck model finances health services principally through mandatory social health _____ contributions from employers and employees.

2.4.2 health care systems in selected developed countries

The **United Kingdom's** National Health Service represents a well known example of the **Beveridge** model discussed in the previous sub-Part, providing care that is largely **free** at the point of use, funded principally through general taxation, and delivered predominantly through publicly owned health facilities.

Germany, by contrast, operates a system closely reflecting the **Bismarck** model, with mandatory social health insurance contributions funding care delivered through a mixture of public and private providers, while countries such as **Canada** operate a single-payer national health insurance model, combining largely private care delivery with government-administered insurance financing.

Fill in the blank: Germany operates a health system closely reflecting the Bismarck model, funded through mandatory social health insurance _____.

2.4.3 lessons for nigeria from comparative health systems analysis

Comparative analysis of these different health system models offers several potential lessons relevant to Nigeria, including the demonstrated value of **pooling** financial risk across a broad population, whether through taxation or mandatory insurance, rather than relying substantially on out-of-pocket payment, discussed further in relation to healthcare financing in the final Series of this course.

Comparative analysis additionally highlights the importance of strong primary health care **foundations**, discussed in an earlier Series of this course, as a common feature of many well performing health systems internationally, and the value of sustained political **commitment** to universal health coverage as a long-term national policy goal, rather than treating health system reform as a short-term project alone.

Fill in the blank: Comparative analysis highlights the importance of strong primary health care _____ as a common feature of many well performing health systems internationally.

Figure 2.4: A health policy researcher comparing charts of different countries' health systems on a wall display.

Pilot questions 2.4

1. Distinguish the Beveridge model from the Bismarck model of health care financing. (Linked to SLO 2.7)
2. Define the national health insurance model and the out-of-pocket model. (Linked to SLO 2.7)
3. Identify the health system model most closely reflected by the United Kingdom's National Health Service. (Linked to SLO 2.8)
4. Identify the health system model most closely reflected by Germany's health system. (Linked to SLO 2.8)
5. Describe two lessons for Nigeria arising from comparative health systems analysis. (Linked to SLO 2.8)

Series Summary

This Series examined **management concepts, the health team, and comparative health systems**, beginning with the **concepts and principles of management**, its definition, classical principles such as division of labour and unity of command, and relevant management theories including systems theory, before turning to the **functions of management**, planning, organising, directing, staffing, controlling, and coordinating.

We then examined the **health team**, its diverse composition, the roles and responsibilities of its members, and the importance of teamwork and interprofessional collaboration, before concluding with **comparative analysis of health care systems**, the Beveridge, Bismarck, national health insurance, and out-of-pocket models, illustrated through the United Kingdom, Germany, and Canada, and the lessons this analysis offers for Nigeria. Having worked through this Series, you should now be equipped to understand the health planning process and resource management examined in the next Series of this course.

Glossary of Terms

1. **Management:** the process of planning, organising, directing, and controlling resources to achieve organisational goals.
2. **Unity of command:** the management principle that each individual should report to a single clear supervisor.
3. **Span of control:** the practical limit on the number of subordinates a manager can effectively supervise.
4. **Systems theory:** a management theory viewing an organisation as interrelated components working toward a common goal.
5. **Staffing:** the management function of recruiting, training, and retaining an adequate workforce.
6. **Health team:** the diverse group of professionals working together to deliver health services.
7. **Interprofessional collaboration:** structured cooperation between different health professional disciplines to improve patient care.
8. **Beveridge model:** a health system model financed through general taxation and delivered mainly through public facilities.
9. **Bismarck model:** a health system model financed through mandatory social health insurance contributions.
10. **National health insurance model:** a health system model combining private care delivery with government-run insurance financing.

11. **Out-of-pocket model:** a health system model in which individuals pay directly for services at the point of use.
12. **Risk pooling:** spreading financial risk across a broad population, rather than relying on individual out-of-pocket payment.

Concept Check Questions [Series 2]

Objective questions

- Management is the process of planning, organising, directing, and controlling resources to achieve organisational _____.
- Unity of command ensures each individual reports to a single clear _____.
- Staffing is the management function concerned with recruiting, training, and retaining an adequate, appropriately skilled _____.
- The Bismarck model finances health services through mandatory social health insurance _____.
- Comparative analysis highlights the importance of strong primary health care _____ as a feature of well performing health systems.

Short-answer questions

1. Explain why health management cannot be evaluated by efficiency alone.
2. Explain why systems theory is particularly well suited to understanding health services.
3. Distinguish directing from staffing as management functions.
4. Define interprofessional collaboration and describe its benefit for patient outcomes.
5. Distinguish the Beveridge model from the Bismarck model of health care financing.

Long-answer questions

6. Discuss the definition, concepts, principles, and relevant theories of management. (Linked to SLO 2.1, SLO 2.2)
7. Discuss the functions of management. (Linked to SLO 2.3)
8. Discuss the composition, roles, and responsibilities of the health team. (Linked to SLO 2.4, SLO 2.5)
9. Discuss teamwork and interprofessional collaboration in health care. (Linked to SLO 2.6)
10. Discuss the main models of health care systems and the lessons comparative analysis offers for Nigeria. (Linked to SLO 2.7, SLO 2.8)

Answers to Concept Check Questions [Series 2]

Objective questions

11. Goals.
12. Supervisor.
13. Workforce.
14. Contributions.
15. Foundations.

Short-answer questions

16. Because health management must ultimately be assessed against its contribution to health outcomes, quality, and accessibility, not efficiency alone.
17. Because health system components are genuinely interdependent, so systems theory's focus on interrelated parts fits the health context well.
18. Directing guides, motivates, and supervises existing staff toward organisational goals; staffing recruits, trains, and retains the workforce itself.
19. Structured cooperation between health professional disciplines; it has been shown to improve patient outcomes and reduce medical errors.
20. The Beveridge model uses general taxation and public delivery; the Bismarck model uses mandatory social health insurance contributions.

Long-answer questions

21. **Basic response:** Management is the process of planning, organising, directing, and controlling resources to achieve organisational goals, guided by principles such as division of labour, unity of command, and span of control.

Value-added response: Relevant management theories include bureaucratic theory, human relations theory, and systems theory, the last particularly well suited to health services given their genuinely interdependent components.

22. **Basic response:** The six functions of management, planning, organising, directing, staffing, controlling, and coordinating, together set direction, structure resources, guide and build the workforce, and monitor and harmonise performance.

Value-added response: Each function plays a distinct but complementary role, with coordinating being particularly important given the interdependent nature of the health system discussed earlier in this course.

23. **Basic response:** The health team comprises physicians, nurses, pharmacists, laboratory scientists, community health workers, and administrative staff, each holding roles defined by their training, regulatory scope of practice, and organisational position.

Value-added response: Clearly defined roles and responsibilities help avoid duplication of effort and ensure no essential aspect of patient care is overlooked, with team composition varying according to the specific health care setting.

24. **Basic response:** Effective teamwork requires clear communication, mutual professional respect, and shared commitment to patient welfare, particularly during complex or emergency clinical situations.

Value-added response: Interprofessional collaboration, structured cooperation across health disciplines, has been shown to improve patient outcomes and reduce medical errors compared with fragmented models of care.

25. **Basic response:** Health care systems are broadly organised according to models including the Beveridge model (taxation-funded, public delivery), the Bismarck model (mandatory social insurance), national health insurance, and out-of-pocket payment.

Value-added response: Comparative analysis highlights the value of pooling financial risk across a population, strong primary health care foundations, and sustained political commitment to universal health coverage, all relevant lessons for Nigeria.

Answers to Pilot Questions [Series 2]

Part 2.1

1. The process of planning, organising, directing, and controlling resources to achieve organisational goals.
2. Because it must ultimately be assessed against its contribution to health outcomes and service quality, not efficiency alone.
3. Division of labour assigns specific tasks to those best suited to perform them; unity of command ensures each person reports to a single supervisor.
4. Delegation transfers authority to make decisions, while accountability ensures responsibility for outcomes remains matched to that authority.
5. Because health system components are genuinely interdependent, matching systems theory's focus on interrelated parts working toward a common goal.

Part 2.2

6. Setting organisational objectives and determining the course of action needed to achieve them.
7. Arranging resources and tasks into a coherent structure to implement the plan.
8. Directing guides and supervises existing staff; staffing recruits, trains, and retains the workforce.
9. Monitoring performance against plans and correcting deviations; for example, reviewing monthly hospital performance reports.
10. Because effective coordination across departments and tiers directly determines overall health system performance.

Part 2.3

11. The diverse group of professionals delivering health services; physicians, nurses, and pharmacists, among others.
12. Because team size and composition depend on the scale and complexity of the specific health care setting.
13. Professional training, regulatory scope of practice, and position within the facility's organisational structure.
14. It avoids duplication of effort and ensures no essential aspect of patient care is overlooked.
15. Structured cooperation between health disciplines; it improves patient outcomes and reduces medical errors.

Part 2.4

1. The Beveridge model uses taxation and public delivery; the Bismarck model uses mandatory social insurance contributions.
2. National health insurance combines private delivery with government-run insurance; out-of-pocket requires direct payment at point of use.
3. The Beveridge model.
4. The Bismarck model.
5. The value of pooling financial risk across a population, and strong primary health care foundations.

References and Attributions [Series 2]

1. Park, K. (2021). Park's Textbook of Preventive and Social Medicine (26th ed.). Banarsidas Bhanot.
2. Koontz, H., & Weihrich, H. (2015). Essentials of Management (10th ed.). McGraw-Hill.
3. World Health Organization (2000). The World Health Report 2000: Health Systems, Improving Performance.
4. Reid, T. R. (2009). The Healing of America: A Global Quest for Better, Cheaper, and Fairer Health Care. Penguin.

Figures, Plates, Tables, and Boxes

1. Figure 2.1: A hospital manager reviewing an organisational chart at a desk. AI-generated using the prompt: "A single clean, realistic illustration of a hospital manager reviewing an organisational chart at an office desk, calm professional setting, soft indoor lighting, no text overlays, no multiple panels, accurate and professional depiction, no graphic detail."
2. Table 2.2: Summary of the six functions of management. AI-generated using the prompt: "Create a clean reference table titled The Six Functions of Management, listing function, main focus, and example in a health facility. Simple clinical reference table style with outside border."
3. Figure 2.3: A multidisciplinary health team discussing a patient case around a ward table. AI-generated using the prompt: "A single clean, realistic clinical illustration of a multidisciplinary health team discussing a case around a ward table, calm professional setting, soft natural lighting, no text overlays, no multiple panels, respectful and accurate depiction, no graphic medical detail."
4. Figure 2.4: A health policy researcher comparing charts of different countries' health systems on a wall display. AI-generated using the prompt: "A single clean, realistic illustration of a researcher comparing charts on a wall display in an office setting, calm professional setting, soft indoor lighting, no text overlays, no multiple panels, accurate and professional depiction, no graphic detail."

Series 3: Health Planning, Resource Management, and Evaluation of Health Services

- **Part 3.1: The Health Planning Process**
  - Sub Part 3.1.1: Steps in the health planning process
  - Sub Part 3.1.2: Needs assessment and priority setting
  - Sub Part 3.1.3: Implementation of health plans
- **Part 3.2: Management of Human Resources for Health**
  - Sub Part 3.2.1: Human resource planning
  - Sub Part 3.2.2: Recruitment, deployment, and retention of health workers
  - Sub Part 3.2.3: Performance management of health workers
- **Part 3.3: Management of Material and Financial Resources**
  - Sub Part 3.3.1: Management of materials and medical supplies
  - Sub Part 3.3.2: Inventory and logistics management
  - Sub Part 3.3.3: Management of financial resources and budgeting
- **Part 3.4: Evaluation of Health Services**
  - Sub Part 3.4.1: Purpose and types of health service evaluation
  - Sub Part 3.4.2: Indicators used in evaluating health services
  - Sub Part 3.4.3: Challenges in evaluating health services

Introduction

In the last Series, we explored management concepts, the health team, and comparative health systems. We now turn to how these management principles are actually applied in practice, through the **health planning process**, the management of **human, material, and financial resources**, and the **evaluation** of health services once delivered. Picture a state health planning team working through a structured process to decide which of several competing health priorities should receive next year's limited budget, while, elsewhere, another team evaluates whether last year's immunisation programme actually achieved its intended coverage targets. Understanding this practical planning, resourcing, and evaluation cycle is the focus of this Series.

The aim of this Series is to equip you with a clear understanding of the health planning process, the management of human, material, and financial resources, and the evaluation of health services.

This Series begins with the **health planning process**, before turning to the **management of human resources** for health. Next, we examine the **management of material and financial resources**, before concluding with the **evaluation of health services**.

Series Learning Outcomes

At the end of this Series, you should be able to:

- **SLO 3.1:** describe the steps in the health planning process, including needs assessment and priority setting
- **SLO 3.2:** describe the implementation of health plans
- **SLO 3.3:** describe human resource planning and the recruitment, deployment, and retention of health workers
- **SLO 3.4:** describe performance management of health workers
- **SLO 3.5:** describe the management of materials, medical supplies, and inventory and logistics
- **SLO 3.6:** describe the management of financial resources and budgeting
- **SLO 3.7:** describe the purpose, types, and indicators used in evaluating health services, and
- **SLO 3.8:** describe the challenges in evaluating health services.

3.1 The Health Planning Process

3.1.1 steps in the health planning process

A structured sequence from problem to plan

The **health planning process** generally begins with a **situation analysis**, systematically describing current health status, existing services, and available resources within a given area, providing the essential factual foundation upon which subsequent planning decisions can be reasonably **based**.

Following situation analysis, the planning process proceeds through **priority setting**, discussed further in the next sub-Part, formulation of specific **objectives** and strategies, and detailed

operational **planning**, specifying exactly what activities will be undertaken, by whom, and within what timeframe, before finally proceeding to implementation, discussed later in this Part.

Fill in the blank: The health planning process generally begins with a situation analysis, providing the essential factual foundation upon which subsequent planning decisions can be reasonably _____.

3.1.2 needs assessment and priority setting

Needs assessment systematically identifies the specific health **needs** of a given population, drawing on epidemiological data, discussed in relation to disease surveillance in an earlier related course, and direct community consultation, providing essential evidence to guide subsequent planning decisions rather than relying on assumption alone.

Priority setting involves the difficult but essential task of ranking identified health needs according to criteria such as disease **burden**, feasibility of effective intervention, and available **resources**, recognising that available resources are almost always insufficient to address every identified need simultaneously, requiring deliberate, transparent prioritisation.

Fill in the blank: Priority setting involves ranking identified health needs according to criteria such as disease burden, feasibility of intervention, and available _____.

3.1.3 implementation of health plans

Implementation translates a completed health plan into actual operational **activity**, requiring effective coordination across the relevant tiers of government and organisational units discussed in the previous Series of this course, and sustained management attention to ensure planned activities proceed according to their intended **timeline** and specifications.

Effective implementation additionally requires ongoing **monitoring** of progress against the original plan, allowing early identification of implementation challenges or unexpected obstacles, and timely corrective **action**, reflecting the controlling function of management discussed in the previous Series of this course applied specifically to health plan execution.

Fill in the blank: Effective implementation requires ongoing monitoring of progress against the original plan and timely corrective _____.

Figure 3.1: A health planning team reviewing a draft plan document around a table.

Pilot questions 3.1

- Describe the purpose of a situation analysis in health planning. (Linked to SLO 3.1)
- List the sequential steps in the health planning process. (Linked to SLO 3.1)
- Define needs assessment and describe its role in health planning. (Linked to SLO 3.1)
- Explain why priority setting is a necessary step in health planning. (Linked to SLO 3.1)
- Describe the requirements for effective implementation of a health plan. (Linked to SLO 3.2)

3.2 Management of Human Resources for Health

3.2.1 human resource planning

Anticipating and planning for future workforce needs

Human resource planning involves systematically forecasting an organisation's future health **workforce** needs, based on anticipated service demand, and identifying the specific number and mix of health professionals required to meet those needs, an essential precursor to the recruitment activity discussed in the next sub-Part.

Effective human resource planning in the Nigerian context must additionally account for persistent workforce **shortages**, particularly in rural and underserved areas, discussed in relation to manpower development in an earlier related course, and the ongoing challenge of health worker **migration**, both domestically toward urban centres and internationally, affecting workforce availability.

Fill in the blank: Human resource planning involves systematically forecasting an organisation's future health workforce needs based on anticipated service _____.

3.2.2 recruitment, deployment, and retention of health workers

Recruitment involves attracting and formally engaging suitably qualified health workers to fill identified workforce **positions**, while **deployment** involves assigning recruited health workers to specific facilities or locations, ideally guided by identified population **need** rather than administrative convenience alone.

Retention of health workers, particularly within rural and underserved areas, represents a persistent management challenge, generally requiring attention to adequate **remuneration**, reasonable working conditions, and career development **opportunities**, since recruitment efforts alone cannot resolve workforce shortages if newly recruited health workers subsequently leave for better opportunities elsewhere.

Fill in the blank: Retention of health workers generally requires attention to adequate remuneration, reasonable working conditions, and career development _____.

3.2.3 performance management of health workers

Performance management involves establishing clear performance **expectations** for health workers, monitoring actual performance against these expectations, and providing constructive **feedback** intended to support ongoing professional improvement, echoing the supportive supervision principles discussed in relation to the Medical Officer of Health in an earlier related course.

Effective performance management additionally requires appropriate recognition of good **performance**, whether through formal reward mechanisms or simple professional acknowledgement, and constructive, fair handling of identified performance **deficiencies**, balancing supportive improvement efforts against the need to maintain acceptable standards of patient care.

Fill in the blank: Effective performance management requires appropriate recognition of good performance and constructive, fair handling of identified performance _____.

Table 3.2: Comparing recruitment, deployment, and retention of health workers.

Activity	Main focus	Key challenge in Nigeria
Recruitment	Attracting and engaging qualified staff	Limited number of qualified candidates in some areas
Deployment	Assigning staff to facilities based on need	Administrative convenience over need-based placement
Retention	Keeping staff in post over time	Health worker migration to urban or international opportunities

Pilot questions 3.2

1. Define human resource planning and describe its role in health services. (Linked to SLO 3.3)
2. Distinguish recruitment from deployment of health workers. (Linked to SLO 3.3)
3. Describe two measures used to support health worker retention. (Linked to SLO 3.3)
4. Describe the components of effective performance management. (Linked to SLO 3.4)
5. Explain why fair handling of performance deficiencies is important alongside recognition of good performance. (Linked to SLO 3.4)

3.3 Management of Material and Financial Resources

3.3.1 management of materials and medical supplies

Ensuring reliable availability of essential supplies

Effective management of materials and medical **supplies** requires accurate forecasting of anticipated consumption, timely **procurement** of required items, and appropriate storage conditions to preserve item quality, particularly for temperature-sensitive supplies such as vaccines, discussed in relation to immunisation in an earlier related course.

Poor materials management can result in either costly, wasteful **overstocking**, particularly problematic for supplies with a limited shelf life, or, considerably more seriously from a clinical perspective, **stockouts**, in which essential supplies become entirely unavailable precisely when needed for patient care, underscoring the practical importance of careful, systematic materials management.

Fill in the blank: Poor materials management can result in either costly overstocking or, more seriously, _____, in which essential supplies become entirely unavailable.

3.3.2 inventory and logistics management

Inventory management involves systematically tracking the quantity and location of health supplies held at any given time, generally supported by a functioning **stock recording** system, allowing managers to identify emerging shortages before they result in an actual **stockout**, discussed in the previous sub-Part.

Logistics management encompasses the broader system of transportation, warehousing, and **distribution** required to move supplies from central procurement points through to individual health facilities, a particular practical challenge in Nigeria given the considerable geographic distances and, in some areas, difficult **transportation** infrastructure involved.

Fill in the blank: Logistics management encompasses transportation, warehousing, and distribution required to move supplies to individual health _____.

3.3.3 management of financial resources and budgeting

Effective management of financial resources requires careful **budgeting**, allocating available funds across competing health service priorities, discussed earlier in this Series, and sustained financial **accountability**, ensuring funds are used appropriately and as intended, echoing the accountability principle of management discussed in the previous Series of this course.

Financial resource management additionally requires regular financial **monitoring** and reporting, identifying any significant deviation from the approved budget promptly, and appropriate **auditing** arrangements, providing independent verification that financial resources have been managed appropriately and transparently within a given health facility or administrative unit.

Fill in the blank: Financial resource management requires appropriate auditing arrangements, providing independent verification that resources have been managed appropriately and _____.

Figure 3.3: A pharmacy store manager checking medical supplies against a stock inventory list.

Pilot questions 3.3

1. Describe the requirements for effective management of medical supplies. (Linked to SLO 3.5)
2. Distinguish overstocking from stockouts and explain why both are problematic. (Linked to SLO 3.5)
3. Define inventory management and describe its purpose. (Linked to SLO 3.5)
4. Describe the particular logistics challenges facing supply distribution in Nigeria. (Linked to SLO 3.5)
5. Describe the components of effective financial resource management. (Linked to SLO 3.6)

3.4 Evaluation of Health Services

3.4.1 purpose and types of health service evaluation

Determining whether services are achieving their goals

Evaluation of health services systematically assesses whether a given health service or programme is achieving its intended **objectives**, providing essential evidence to guide ongoing

programme improvement and future resource allocation decisions, discussed earlier in this Series, rather than continuing programmes based on assumption alone.

Health service evaluation may examine **structure**, the resources and organisational arrangements in place, **process**, the specific activities actually undertaken, or **outcome**, the ultimate health results achieved, with comprehensive evaluation generally examining all three dimensions together to build a complete picture of programme **performance**.

Fill in the blank: Health service evaluation may examine structure, process, or _____, with comprehensive evaluation generally examining all three dimensions together.

3.4.2 indicators used in evaluating health services

Health service evaluation relies on specific measurable **indicators**, including structural indicators, such as the number of functioning health facilities or available health workers, process indicators, such as immunisation **coverage** rates, discussed in an earlier related course, and outcome indicators, such as maternal or child mortality rates within a defined population.

Selecting appropriate indicators requires balancing several competing considerations, including relevance to the specific programme objective being evaluated, practical **feasibility** of routine data collection, and sufficient sensitivity to detect genuine changes in programme performance over a reasonable evaluation **timeframe**.

Fill in the blank: Selecting appropriate evaluation indicators requires balancing relevance, practical feasibility of data collection, and sufficient sensitivity to detect genuine changes in programme _____.

3.4.3 challenges in evaluating health services

Evaluating health services in Nigeria faces significant practical challenges, including incomplete or unreliable routine health **data**, echoing the surveillance challenges discussed in an earlier related course, and the genuine methodological difficulty of attributing observed health outcome changes specifically to a given programme, rather than to other simultaneously occurring **factors**.

Further challenges include limited institutional **capacity** for conducting rigorous evaluation, particularly at local government level, and, at times, insufficient incorporation of evaluation findings into subsequent programme planning and resource allocation **decisions**, meaning evaluation, however well conducted, delivers limited practical value if its findings are not genuinely acted upon.

Fill in the blank: Evaluation delivers limited practical value if its findings are not genuinely incorporated into subsequent programme planning and resource allocation _____.

Figure 3.4: A programme officer analysing health outcome charts on a laptop screen.

Pilot questions 3.4

1. Describe the purpose of health service evaluation. (Linked to SLO 3.7)
2. Distinguish structure, process, and outcome evaluation. (Linked to SLO 3.7)
3. Give an example of a structural, process, and outcome indicator. (Linked to SLO 3.7)
4. Describe two challenges facing health service evaluation in Nigeria. (Linked to SLO 3.8)
5. Explain why evaluation findings must be incorporated into subsequent planning to deliver practical value. (Linked to SLO 3.8)

Series Summary

This Series examined **health planning, resource management, and evaluation of health services**, beginning with the **health planning process**, its sequential steps from situation analysis through needs assessment and priority setting to implementation, before turning to the

management of human resources, human resource planning, recruitment, deployment, retention, and performance management of health workers.

We then examined the **management of material and financial resources**, including medical supplies, inventory and logistics management, and financial budgeting and accountability, before concluding with the **evaluation of health services**, its purpose and types, the indicators used, and the practical challenges facing evaluation in Nigeria. Having worked through this Series, you should now be equipped to understand population policies, poverty, and national health policy examined in the next Series of this course.

Glossary of Terms

1. **Situation analysis:** a systematic description of current health status, services, and resources used to inform planning.
2. **Needs assessment:** the systematic identification of a population's specific health needs.
3. **Priority setting:** ranking identified health needs according to burden, feasibility, and available resources.
4. **Human resource planning:** forecasting future workforce needs and the number and mix of health professionals required.
5. **Retention:** keeping recruited health workers in post over time.
6. **Performance management:** establishing expectations, monitoring performance, and providing feedback to health workers.
7. **Stockout:** the complete unavailability of an essential supply item when needed.
8. **Inventory management:** systematically tracking the quantity and location of health supplies.
9. **Logistics management:** the system of transportation, warehousing, and distribution moving supplies to facilities.
10. **Health service evaluation:** systematic assessment of whether a health service or programme is achieving its objectives.
11. **Structure, process, and outcome evaluation:** the three dimensions of evaluation examining resources, activities, and results respectively.
12. **Indicator:** a specific measurable variable used to assess health service performance.

Concept Check Questions [Series 3]

Objective questions

- The health planning process begins with a situation analysis, providing the essential foundation upon which subsequent decisions can be _____.
- Retention of health workers generally requires adequate remuneration, working conditions, and career development _____.
- Poor materials management can result in overstocking or, more seriously, _____.
- Health service evaluation may examine structure, process, or _____.
- Evaluation delivers limited practical value if its findings are not incorporated into subsequent planning and resource allocation _____.

Short-answer questions

1. Define needs assessment and describe its role in health planning.
2. Distinguish recruitment from deployment of health workers.
3. Distinguish overstocking from stockouts and explain why both are problematic.
4. Give an example of a structural, process, and outcome indicator.
5. Describe two challenges facing health service evaluation in Nigeria.

Long-answer questions

6. Discuss the steps in the health planning process, including needs assessment, priority setting, and implementation. (Linked to SLO 3.1, SLO 3.2)
7. Discuss human resource planning and the recruitment, deployment, retention, and performance management of health workers. (Linked to SLO 3.3, SLO 3.4)
8. Discuss the management of materials, medical supplies, inventory, and logistics. (Linked to SLO 3.5)
9. Discuss the management of financial resources and budgeting. (Linked to SLO 3.6)
10. Discuss the purpose, types, indicators, and challenges of evaluating health services. (Linked to SLO 3.7, SLO 3.8)

Answers to Concept Check Questions [Series 3]

Objective questions

11. Based.
12. Opportunities.
13. Stockouts.
14. Outcome.
15. Decisions.

Short-answer questions

16. Systematic identification of a population's health needs, drawing on epidemiological data and community consultation, guiding planning decisions.
17. Recruitment attracts and engages qualified workers; deployment assigns recruited workers to specific facilities or locations.
18. Overstocking wastes resources on supplies with limited shelf life; stockouts leave essential supplies unavailable when needed for patient care.
19. Structural: number of functioning facilities. Process: immunisation coverage rate. Outcome: maternal mortality rate.
20. Incomplete or unreliable routine health data, and difficulty attributing outcome changes specifically to a given programme.

Long-answer questions

21. **Basic response:** The health planning process begins with situation analysis, followed by needs assessment and priority setting, ranking health needs against burden, feasibility, and resources.

Value-added response: This is followed by formulation of objectives and strategies and detailed operational planning, before implementation, which requires coordination, monitoring, and timely corrective action.

22. **Basic response:** Human resource planning forecasts future workforce needs, guiding recruitment and deployment of health workers, ideally based on population need rather than administrative convenience.

Value-added response: Retention requires adequate remuneration, working conditions, and career development, while performance management establishes expectations, monitors performance, and provides constructive feedback.

23. **Basic response:** Effective management of materials requires accurate forecasting, timely procurement, and appropriate storage, avoiding both overstocking and stockouts.

Value-added response: Inventory management tracks supply quantity and location through stock recording systems, while logistics management encompasses the transportation and distribution system moving supplies to facilities, a particular challenge given Nigeria's geographic and infrastructure constraints.

24. **Basic response:** Effective financial resource management requires careful budgeting across competing priorities and sustained financial accountability, ensuring appropriate fund use.

Value-added response: This additionally requires regular financial monitoring and reporting and appropriate auditing arrangements, providing independent verification of appropriate and transparent resource management.

25. **Basic response:** Health service evaluation assesses whether a service or programme is achieving its objectives, examining structure, process, and outcome using specific measurable indicators.

Value-added response: Evaluation in Nigeria faces challenges including incomplete data, difficulty attributing outcomes to specific programmes, limited institutional capacity, and insufficient incorporation of findings into subsequent planning decisions.

Answers to Pilot Questions [Series 3]

Part 3.1

1. It systematically describes current health status, services, and resources, providing a factual foundation for planning.
2. Situation analysis, needs assessment and priority setting, objective and strategy formulation, operational planning, and implementation.
3. Systematic identification of a population's health needs, guiding subsequent planning decisions.
4. Because available resources are almost always insufficient to address every identified need simultaneously.
5. Effective coordination across relevant tiers and units, and sustained management attention to timeline and specifications.

Part 3.2

6. Forecasting future workforce needs; it is an essential precursor to effective recruitment.
7. Recruitment attracts and engages qualified staff; deployment assigns recruited staff to specific facilities or locations.
8. Adequate remuneration and reasonable working conditions.
9. Establishing performance expectations, monitoring performance, and providing constructive feedback.
10. Because it maintains acceptable standards of patient care while supporting fair, constructive staff improvement.

Part 3.3

11. Accurate consumption forecasting, timely procurement, and appropriate storage conditions.
12. Overstocking wastes resources on limited-shelf-life supplies; stockouts leave supplies unavailable when needed clinically.
13. Systematically tracking supply quantity and location; it identifies emerging shortages before they cause stockouts.
14. Considerable geographic distances and, in some areas, difficult transportation infrastructure.
15. Careful budgeting, financial accountability, regular monitoring and reporting, and appropriate auditing.

Part 3.4

1. To assess whether a health service or programme is achieving its intended objectives.
2. Structure examines resources and arrangements; process examines activities undertaken; outcome examines ultimate health results.
3. Structural: number of health workers. Process: immunisation coverage. Outcome: child mortality rate.
4. Incomplete or unreliable routine data, and difficulty attributing outcomes to a specific programme.
5. Because evaluation, however well conducted, provides limited practical value if findings are not acted upon in future planning.

References and Attributions [Series 3]

1. Park, K. (2021). Park's Textbook of Preventive and Social Medicine (26th ed.). Banarsidas Bhanot.
2. World Health Organization (2016). Health workforce planning and management: a guide.
3. Federal Ministry of Health, Nigeria (2016). National primary health care development agency guidelines.
4. World Health Organization (2016). Monitoring and evaluation of health systems strengthening: an operational framework.

Figures, Plates, Tables, and Boxes

1. Figure 3.1: A health planning team reviewing a draft plan document around a table. AI-generated using the prompt: "A single clean, realistic illustration of a planning team reviewing a document together around a meeting table, calm professional setting, soft indoor lighting, no text overlays, no multiple panels, accurate and professional depiction, no graphic detail."
2. Table 3.2: Comparing recruitment, deployment, and retention of health workers. AI-generated using the prompt: "Create a clean reference table titled Recruitment, Deployment, and Retention of Health Workers, listing activity, main focus, and key challenge in Nigeria. Simple clinical reference table style with outside border."
3. Figure 3.3: A pharmacy store manager checking medical supplies against a stock inventory list. AI-generated using the prompt: "A single clean, realistic illustration of a store manager checking supplies against a list in a pharmacy storage room, calm professional setting, natural lighting, no text overlays, no multiple panels, accurate and professional depiction, no graphic detail."
4. Figure 3.4: A programme officer analysing health outcome charts on a laptop screen. AI-generated using the prompt: "A single clean, realistic illustration of a programme officer analysing charts on a laptop at an office desk, calm professional setting, soft indoor lighting, no text overlays, no multiple panels, accurate and professional depiction, no graphic detail."

Series 4: Population Policies, Poverty, and National Health Policy

- **Part 4.1: Population Policies**
  - Sub Part 4.1.1: Concept and objectives of population policy
  - Sub Part 4.1.2: Nigeria's national population policy
  - Sub Part 4.1.3: Population policy and family planning
- **Part 4.2: Poverty and Health**
  - Sub Part 4.2.1: Concept and measurement of poverty
  - Sub Part 4.2.2: The relationship between poverty and health
  - Sub Part 4.2.3: Poverty reduction strategies relevant to health
- **Part 4.3: National Health Policy and the National Health Act**
  - Sub Part 4.3.1: Development and objectives of Nigeria's national health policy
  - Sub Part 4.3.2: Key provisions of the National Health Act
  - Sub Part 4.3.3: Implementation challenges of the National Health Act
- **Part 4.4: National Health Strategy**
  - Sub Part 4.4.1: The national strategic health development plan
  - Sub Part 4.4.2: Key priorities of the national health strategy
  - Sub Part 4.4.3: Monitoring and review of the national health strategy

Introduction

In the last Series, we explored health planning, resource management, and evaluation. We now turn to the broader **population and policy** context within which Nigeria's health system operates, **population policies**, the close relationship between **poverty and health**, and the formal instruments of **national health policy**, the **National Health Act**, and the **national health strategy**. Picture policymakers drafting national population targets while simultaneously recognising that a rural family living in poverty may face health risks no amount of clinical care alone can fully address. Understanding this broader policy landscape is the focus of this Series.

The aim of this Series is to equip you with a clear understanding of population policies, the relationship between poverty and health, and Nigeria's national health policy, National Health Act, and national health strategy.

This Series begins with **population policies**, before turning to **poverty and health**. Next, we examine the **National Health Policy and National Health Act**, before concluding with the **national health strategy**.

Series Learning Outcomes

At the end of this Series, you should be able to:

- **SLO 4.1:** describe the concept, objectives, and Nigerian context of population policy
- **SLO 4.2:** describe the relationship between population policy and family planning
- **SLO 4.3:** describe the concept, measurement, and relationship between poverty and health
- **SLO 4.4:** describe poverty reduction strategies relevant to health
- **SLO 4.5:** describe the development and objectives of Nigeria's national health policy
- **SLO 4.6:** describe the key provisions and implementation challenges of the National Health Act
- **SLO 4.7:** describe the national strategic health development plan and its key priorities, and
- **SLO 4.8:** describe the monitoring and review of the national health strategy.

4.1 Population Policies

4.1.1 concept and objectives of population policy

Deliberate government action shaping population trends

Population policy refers to deliberate government measures intended to influence population **size**, **growth**, **distribution**, or composition, generally pursued in the interest of achieving broader national development objectives, including improved health, education, and economic **outcomes** for the population as a whole.

Common objectives of population policy include managing overall population growth **rate**, addressing uneven geographic population **distribution**, such as excessive urban concentration

discussed in relation to urbanisation in an earlier related course, and improving specific population health indicators, such as maternal and child health outcomes.

Fill in the blank: Population policy refers to deliberate government measures intended to influence population size, growth, distribution, or _____.

4.1.2 nigeria's national population policy

Nigeria's **National Population Policy** sets out the country's official objectives regarding population growth, distribution, and related demographic matters, generally emphasising the importance of achieving a **sustainable** balance between population growth and available national resources and development **capacity**.

The policy additionally addresses specific population sub-groups of particular development significance, including **women** and adolescents, recognising that population outcomes are closely tied to broader social and economic factors such as female **education** and empowerment, rather than being determined by purely demographic considerations alone.

Fill in the blank: Nigeria's National Population Policy emphasises achieving a sustainable balance between population growth and available national resources and development _____.

4.1.3 population policy and family planning

Family planning, the ability of individuals and couples to decide the number and spacing of their **children**, represents a central practical mechanism through which population policy objectives are typically pursued, generally implemented through improved access to contraceptive **information** and services rather than coercive measures.

Effective family planning programmes additionally deliver direct health benefits beyond population policy objectives alone, including reduced maternal **mortality** through appropriate birth spacing, and improved child health outcomes, illustrating the close, mutually reinforcing relationship between population policy and broader maternal and child health goals discussed throughout this course.

Fill in the blank: Family planning is generally implemented through improved access to contraceptive information and services rather than _____ measures.

Figure 4.1: A family planning counsellor discussing contraceptive options with a couple at a clinic.

Pilot questions 4.1

- Define population policy. (Linked to SLO 4.1)
- List two common objectives of population policy. (Linked to SLO 4.1)
- Describe the emphasis of Nigeria's National Population Policy. (Linked to SLO 4.1)
- Define family planning and describe its relationship to population policy. (Linked to SLO 4.2)
- Describe two direct health benefits of effective family planning programmes. (Linked to SLO 4.2)

4.2 Poverty and Health

4.2.1 concept and measurement of poverty

Insufficient resources to meet basic needs

Poverty refers to a state of insufficient **resources** to meet basic human needs, including adequate food, housing, and health care, and is generally measured using indicators such as the proportion of a population living below a defined **poverty line**, typically expressed as a specific daily income threshold.

Beyond simple income-based measures, poverty is increasingly understood using **multidimensional** measures, incorporating additional factors such as educational attainment, access to clean water and sanitation, and health status itself, reflecting a broader recognition that poverty encompasses more than income **deprivation** alone.

Fill in the blank: Poverty is increasingly understood using multidimensional measures, incorporating factors beyond income _____ alone.

4.2.2 the relationship between poverty and health

Poverty and poor health are connected through a genuinely **bidirectional** relationship, since poverty increases exposure to health **risks**, discussed throughout this course, including inadequate nutrition, poor housing, and limited access to health care, while, conversely, poor health, particularly chronic illness or disability, can itself reduce an individual's or household's earning **capacity**.

This bidirectional relationship can create a self-reinforcing **cycle**, in which poverty and poor health continuously reinforce one another across an individual's life course, and, in some cases, across **generations**, meaning effective intervention often requires addressing both dimensions together rather than treating poverty and health as entirely separate policy concerns.

Fill in the blank: Poverty and poor health can create a self-reinforcing cycle, continuously reinforcing one another across an individual's life course and, in some cases, across _____.

4.2.3 poverty reduction strategies relevant to health

Poverty reduction strategies relevant to health include measures reducing the direct financial **burden** of accessing health care itself, discussed further in relation to healthcare financing in the final Series of this course, and broader social protection **programmes**, such as cash transfer schemes, intended to improve household resources available for health and other basic needs.

Further relevant strategies include investment in **education**, particularly for girls, given its well established long-term association with improved health outcomes, and broader economic development policies aimed at generating sustainable **employment** opportunities, recognising that health improvement and poverty reduction are most effectively pursued as genuinely complementary policy goals.

Fill in the blank: Poverty reduction strategies relevant to health include broader social protection programmes, such as cash transfer _____.

Table 4.2: Comparing income-based and multidimensional poverty measures.

Feature	Income-based measure	Multidimensional measure
Main basis	Income relative to a poverty line	Income, education, health, and living conditions together
Scope	Narrower, financial focus	Broader, capturing wellbeing more fully
Relevance to health policy	Identifies financially vulnerable households	Identifies deprivation across multiple health-relevant dimensions

Pilot questions 4.2

1. Define poverty and describe how it is commonly measured. (Linked to SLO 4.3)
2. Distinguish income-based from multidimensional poverty measures. (Linked to SLO 4.3)
3. Describe the bidirectional relationship between poverty and health. (Linked to SLO 4.3)
4. Explain how poverty and poor health can create a self-reinforcing cycle. (Linked to SLO 4.3)
5. Describe two poverty reduction strategies relevant to health. (Linked to SLO 4.4)

4.3 National Health Policy and the National Health Act

4.3.1 development and objectives of nigeria's national health policy

A guiding statement of national health direction

Nigeria's **National Health Policy** sets out the country's overarching official statement of health **goals** and the broad strategies intended to achieve them, generally developed through a process of consultation involving government agencies, health professional bodies, and other relevant **stakeholders**.

The National Health Policy's central objective is generally framed as achieving significant improvement in the health **status** of Nigerians, through a strengthened, more efficient, and more equitable health system, drawing directly on the primary health care principles discussed in an earlier Series of this course as its foundational **strategy**.

Fill in the blank: Nigeria's National Health Policy's central objective is generally framed as achieving significant improvement in the health _____ of Nigerians.

4.3.2 key provisions of the national health act

The **National Health Act**, signed into law in **2014**, provides the essential legal **framework** underpinning Nigeria's health system, establishing, among other provisions, a **Basic Health Care Provision Fund** intended to guarantee minimum funding for primary health care services nationally, discussed further in relation to healthcare financing in the final Series of this course.

The National Health Act additionally establishes important patient **rights** provisions, including the right to access personal health information and the right to emergency treatment without prior demand for **payment**, together with provisions governing organ donation and the establishment of a **National Tertiary Health Institutions Standards Committee** to help maintain quality standards.

Fill in the blank: The National Health Act establishes a right to emergency treatment without prior demand for _____.

4.3.3 implementation challenges of the national health act

Implementation of the National Health Act has faced significant practical challenges, including delays in the full operationalisation of the Basic Health Care Provision Fund discussed in the previous sub-Part, and inconsistent awareness of the Act's specific patient rights provisions among both health workers and the general **public**.

Further implementation challenges include the practical difficulty of enforcing the Act's provisions consistently across Nigeria's decentralised, three-tier health system, discussed in an earlier Series of this course, and, at times, insufficient **funding** allocated to support the specific institutional arrangements the Act formally establishes.

Fill in the blank: Implementation of the National Health Act has faced challenges including delays in full operationalisation of the Basic Health Care Provision _____.

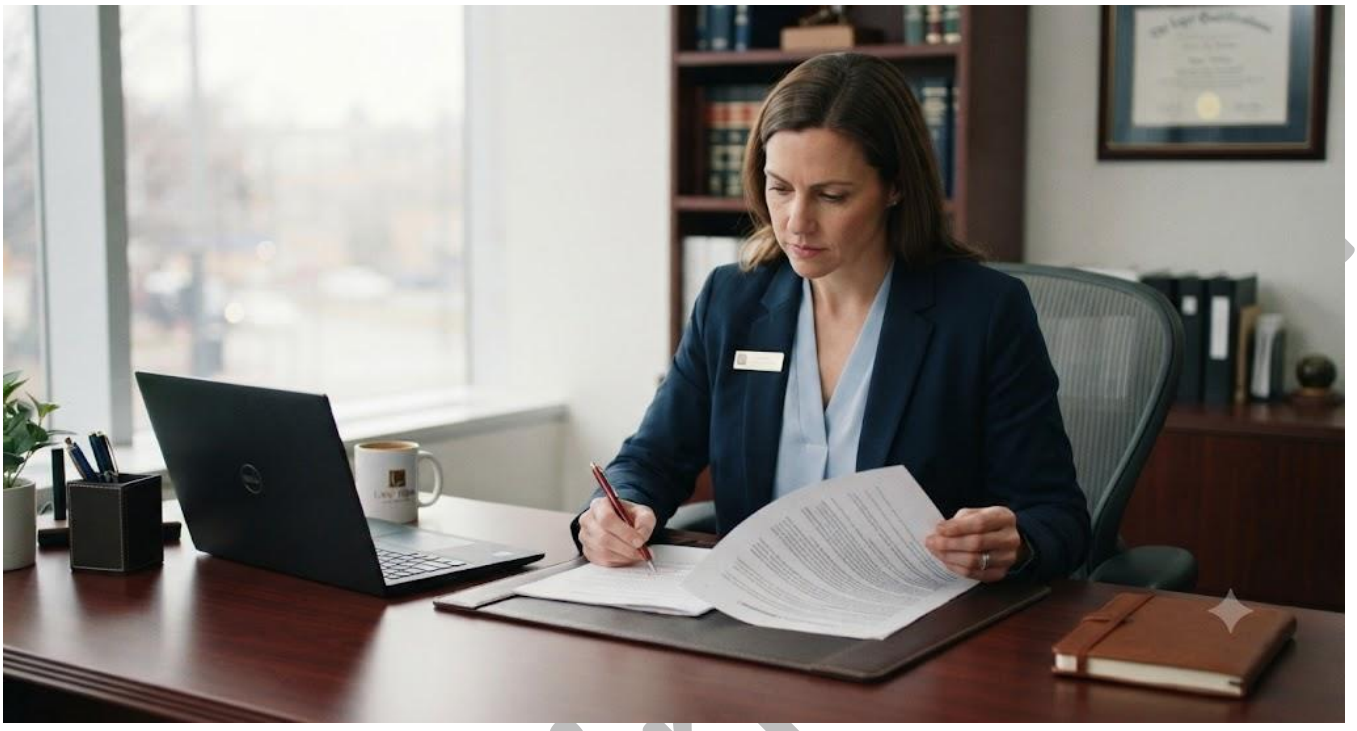

Figure 4.3: A legal officer reviewing a printed copy of the National Health Act at a desk.

Pilot questions 4.3

1. Describe the purpose of Nigeria's National Health Policy. (Linked to SLO 4.5)
2. Identify the year the National Health Act was signed into law. (Linked to SLO 4.6)
3. Describe the purpose of the Basic Health Care Provision Fund. (Linked to SLO 4.6)
4. List two patient rights established under the National Health Act. (Linked to SLO 4.6)
5. Describe two challenges facing implementation of the National Health Act. (Linked to SLO 4.6)

4.4 National Health Strategy

4.4.1 the national strategic health development plan

Translating policy into a defined multi-year strategy

Nigeria's **National Strategic Health Development Plan** translates the broader goals of the National Health Policy, discussed earlier in this Series, into a specific, time-bound strategic **framework**, generally covering a defined multi-year **period**, setting out concrete priorities and targets intended to guide health sector investment and activity over that period.

The plan is generally developed through structured consultation with federal, state, and local government health authorities, discussed in an earlier Series of this course, and other relevant **stakeholders**, reflecting an attempt to build broad-based consensus and **ownership** around national health priorities across Nigeria's decentralised health system.

Fill in the blank: Nigeria's National Strategic Health Development Plan translates broader policy goals into a specific, time-bound strategic framework covering a defined multi-year _____.

4.4.2 key priorities of the national health strategy

Key priorities within Nigeria's national health strategy typically include strengthening primary health care service delivery, discussed in an earlier Series of this course, improving **maternal** and child health outcomes, and expanding progress toward **universal health coverage**, discussed further in relation to healthcare financing in the final Series of this course.

Further recurring strategic priorities include health workforce **strengthening**, discussed in the previous Series of this course, improved health information **systems**, and strengthened health system **governance** and accountability, reflecting a comprehensive, systems-oriented approach to national health improvement consistent with the systems theory perspective discussed in an earlier related Series.

Fill in the blank: Key priorities within Nigeria's national health strategy typically include strengthening primary health care and expanding progress toward universal health _____.

4.4.3 monitoring and review of the national health strategy

Effective implementation of the national health strategy requires ongoing **monitoring** of progress against its defined targets, using specific health indicators discussed in relation to health service evaluation in an earlier Series of this course, allowing timely identification of areas requiring additional attention or corrective **action**.

Periodic formal **review** of the national health strategy, generally conducted at defined intervals or at the conclusion of the strategy's planning period, allows lessons learned during implementation to directly inform the development of the subsequent strategic plan, reflecting a continuous, iterative approach to national health policy and strategy **development** over time.

Fill in the blank: Periodic formal review of the national health strategy allows lessons learned during implementation to directly inform the development of the subsequent strategic _____.

Figure 4.4: Health ministry officials reviewing national strategy progress charts during a planning meeting.

Pilot questions 4.4

1. Describe the purpose of the National Strategic Health Development Plan. (Linked to SLO 4.7)
2. Describe how the plan is generally developed. (Linked to SLO 4.7)
3. List three key priorities within Nigeria's national health strategy. (Linked to SLO 4.7)
4. Describe the purpose of ongoing monitoring of the national health strategy. (Linked to SLO 4.8)
5. Explain how periodic review of the national health strategy supports continuous improvement. (Linked to SLO 4.8)

Series Summary

This Series examined **population policies, poverty, and national health policy**, beginning with **population policies**, their concept and objectives, Nigeria's National Population Policy, and the central role of family planning, before turning to **poverty and health**, the concept and

measurement of poverty, its bidirectional relationship with health, and poverty reduction strategies relevant to health.

We then examined the **National Health Policy and National Health Act**, the policy's objectives, the Act's key legal provisions including the Basic Health Care Provision Fund and patient rights, and its implementation challenges, before concluding with the **national health strategy**, the National Strategic Health Development Plan, its key priorities, and its ongoing monitoring and review. Having worked through this Series, you should now be equipped to understand the healthcare financing, health insurance, and NHIS topics examined in the final Series of this course.

Glossary of Terms

1. **Population policy:** deliberate government measures intended to influence population size, growth, or distribution.
2. **Family planning:** the ability of individuals and couples to decide the number and spacing of their children.
3. **Poverty:** a state of insufficient resources to meet basic human needs.
4. **Multidimensional poverty:** poverty measured across income, education, health, and living conditions together.
5. **Bidirectional relationship (poverty and health):** a relationship in which poverty and poor health each increase risk of the other.
6. **National Health Policy:** Nigeria's overarching official statement of health goals and broad strategies.
7. **National Health Act:** Nigeria's 2014 law establishing the legal framework for the health system, including patient rights.
8. **Basic Health Care Provision Fund:** a fund established under the National Health Act to guarantee minimum primary health care funding.
9. **National Strategic Health Development Plan:** Nigeria's time-bound strategic framework translating health policy into concrete priorities and targets.
10. **Universal health coverage:** access to needed health services without financial hardship for the whole population.
11. **Health system governance:** the oversight, regulatory, and accountability arrangements guiding a health system.
12. **Strategic review:** periodic formal assessment of a strategy's progress used to inform future planning.

Concept Check Questions [Series 4]

Objective questions

- Population policy refers to deliberate government measures intended to influence population size, growth, or _____.
- Poverty is increasingly understood using multidimensional measures, incorporating factors beyond income _____ alone.
- Nigeria's National Health Policy's central objective is generally framed as achieving significant improvement in the health _____ of Nigerians.
- The National Health Act establishes a right to emergency treatment without prior demand for _____.
- Nigeria's national health strategy priorities include expanding progress toward universal health _____.

Short-answer questions

1. Define family planning and describe its relationship to population policy.
2. Describe the bidirectional relationship between poverty and health.
3. Describe the purpose of the Basic Health Care Provision Fund.
4. List two patient rights established under the National Health Act.
5. Describe how periodic review of the national health strategy supports continuous improvement.

Long-answer questions

6. Discuss population policy, including Nigeria's National Population Policy and family planning. (Linked to SLO 4.1, SLO 4.2)
7. Discuss the concept, measurement, and relationship between poverty and health, and poverty reduction strategies. (Linked to SLO 4.3, SLO 4.4)
8. Discuss the development, objectives, and legal provisions of Nigeria's national health policy and the National Health Act. (Linked to SLO 4.5, SLO 4.6)
9. Discuss the implementation challenges of the National Health Act. (Linked to SLO 4.6)
10. Discuss the National Strategic Health Development Plan, its priorities, and its monitoring and review. (Linked to SLO 4.7, SLO 4.8)

Answers to Concept Check Questions [Series 4]

Objective questions

11. Composition.
12. Deprivation.
13. Status.
14. Payment.
15. Coverage.

Short-answer questions

16. The ability to decide the number and spacing of children; it is a central practical mechanism for pursuing population policy objectives.
17. Poverty increases exposure to health risks, while poor health can reduce earning capacity, creating a self-reinforcing cycle.
18. To guarantee minimum funding for primary health care services nationally.
19. The right to access personal health information, and the right to emergency treatment without prior demand for payment.
20. It allows lessons learned during implementation to directly inform the development of the subsequent strategic plan.

Long-answer questions

21. **Basic response:** Population policy refers to deliberate measures influencing population size, growth, and distribution, with Nigeria's National Population Policy emphasising a sustainable balance between population and national resources.

Value-added response: Family planning serves as the central practical mechanism for pursuing these objectives, delivering direct health benefits such as reduced maternal mortality through appropriate birth spacing.

22. **Basic response:** Poverty, a state of insufficient resources to meet basic needs, is measured through income-based and multidimensional approaches, and shares a bidirectional relationship with health, each reinforcing the other.

Value-added response: Poverty reduction strategies relevant to health include reducing the financial burden of care, social protection programmes such as cash transfers, and investment in education, particularly for girls.

23. **Basic response:** Nigeria's National Health Policy sets overarching health goals and strategies, drawing on primary health care principles, while the National Health Act, signed in 2014, provides the legal framework including the Basic Health Care Provision Fund and patient rights.

Value-added response: The Act also establishes provisions governing organ donation and tertiary institution quality standards, translating broader policy aspirations into binding legal obligations.

24. **Basic response:** Implementation of the National Health Act has faced delays in operationalising the Basic Health Care Provision Fund and inconsistent public and health worker awareness of patient rights provisions.

Value-added response: Further challenges include difficulty enforcing provisions consistently across the decentralised three-tier health system and insufficient funding for the institutional arrangements the Act establishes.

25. **Basic response:** The National Strategic Health Development Plan translates policy goals into a time-bound framework with concrete priorities, including primary health care strengthening, maternal and child health, and universal health coverage.

Value-added response: Ongoing monitoring against defined targets and periodic formal review allow lessons learned to inform subsequent strategic plans, reflecting a continuous, iterative approach to national health strategy development.

Answers to Pilot Questions [Series 4]

Part 4.1

1. Deliberate government measures intended to influence population size, growth, distribution, or composition.
2. Managing overall population growth rate, and addressing uneven geographic population distribution.
3. Achieving a sustainable balance between population growth and available national resources and development capacity.
4. The ability to decide the number and spacing of children; it is a central mechanism for pursuing population policy goals.
5. Reduced maternal mortality through birth spacing, and improved child health outcomes.

Part 4.2

6. Insufficient resources to meet basic needs; commonly measured using a defined poverty line based on income.

7. Income-based measures focus on income relative to a poverty line; multidimensional measures add education, health, and living conditions.
8. Poverty increases exposure to health risks, while poor health reduces earning capacity.
9. Each factor reinforces the other across an individual's life course, sometimes across generations.
10. Reducing the direct financial burden of accessing care, and social protection programmes such as cash transfers.

Part 4.3

11. To achieve significant improvement in the health status of Nigerians through a strengthened, efficient, equitable health system.
12. 2014.
13. To guarantee minimum funding for primary health care services nationally.
14. The right to access personal health information, and the right to emergency treatment without prior demand for payment.
15. Delays in operationalising the Fund, and inconsistent awareness of patient rights provisions.

Part 4.4

1. To translate national health policy goals into a specific, time-bound strategic framework with concrete priorities and targets.
2. Through structured consultation with federal, state, and local government health authorities and other stakeholders.
3. Strengthening primary health care, improving maternal and child health, and expanding universal health coverage.
4. To allow timely identification of areas requiring additional attention or corrective action.
5. It allows lessons learned during implementation to directly inform development of the subsequent strategic plan.

References and Attributions [Series 4]

1. Park, K. (2021). Park's Textbook of Preventive and Social Medicine (26th ed.). Banarsidas Bhanot.
2. National Population Commission, Nigeria (2004). National Policy on Population for Sustainable Development.
3. National Health Act, 2014, Federal Republic of Nigeria.
4. Federal Ministry of Health, Nigeria (2018). National Strategic Health Development Plan II.

Figures, Plates, Tables, and Boxes

1. Figure 4.1: A family planning counsellor discussing contraceptive options with a couple at a clinic. AI-generated using the prompt: "A single clean, realistic clinical illustration of a counsellor discussing options with a seated couple at a clinic desk, calm respectful setting, soft natural lighting, no text overlays, no multiple panels, respectful and accurate depiction, no graphic detail."
2. Table 4.2: Comparing income-based and multidimensional poverty measures. AI-generated using the prompt: "Create a clean reference table titled Comparing Income-Based and Multidimensional Poverty Measures, listing feature, income-based measure, and multidimensional measure. Simple clinical reference table style with outside border."
3. Figure 4.3: A legal officer reviewing a printed copy of the National Health Act at a desk. AI-generated using the prompt: "A single clean, realistic illustration of a legal officer reviewing a printed legal document at an office desk, calm professional setting, soft indoor lighting, no text overlays, no multiple panels, accurate and professional depiction, no graphic detail."
4. Figure 4.4: Health ministry officials reviewing national strategy progress charts during a planning meeting. AI-generated using the prompt: "A single clean, realistic illustration of officials reviewing charts together during a planning meeting, calm professional setting, soft indoor lighting, no text overlays, no multiple panels, accurate and professional depiction, no graphic detail."

Series 5: Healthcare Financing, Health Insurance, and the NHIS

- **Part 5.1: Introduction to Healthcare Financing and Demand for Healthcare**
  - Sub Part 5.1.1: Concept and objectives of healthcare financing
  - Sub Part 5.1.2: Demand for healthcare and health services
  - Sub Part 5.1.3: Factors influencing demand for healthcare
- **Part 5.2: Healthcare as a Commodity and the Economics of Healthcare**
  - Sub Part 5.2.1: Healthcare as a commodity
  - Sub Part 5.2.2: Market failure in healthcare
  - Sub Part 5.2.3: The economics of healthcare
- **Part 5.3: Options of Healthcare Financing**
  - Sub Part 5.3.1: Tax-based financing
  - Sub Part 5.3.2: Out-of-pocket payment and its limitations
  - Sub Part 5.3.3: Social and private health insurance as financing options
- **Part 5.4: Health Insurance, the NHIS, and Community-Based Insurance**
  - Sub Part 5.4.1: Principles of health insurance
  - Sub Part 5.4.2: The National Health Insurance Scheme
  - Sub Part 5.4.3: Community-based health insurance

Introduction

In the last Series, we explored population policies, poverty, and national health policy. We now conclude this course with **healthcare financing**, examining healthcare as an unusual **economic commodity**, the various **options** available for financing health services, and the specific arrangements of **health insurance**, the **NHIS**, and **community-based insurance** operating in Nigeria today. Picture a family forced to sell farm animals to pay for a child's emergency surgery, a stark illustration of the very financial vulnerability that health insurance and other financing mechanisms are specifically designed to prevent. Understanding how healthcare financing actually works, and why it differs so fundamentally from financing an ordinary consumer good, is the focus of this final Series.

The aim of this Series is to equip you with a clear understanding of healthcare financing, the demand for healthcare, healthcare as a commodity, the economics of healthcare, the options of healthcare financing, and health insurance, the NHIS, and community-based insurance.

This Series begins with an **introduction to healthcare financing and demand for healthcare**, before turning to **healthcare as a commodity and the economics of healthcare**. Next, we examine the **options of healthcare financing**, before concluding with **health insurance, the NHIS, and community-based insurance**.

Series Learning Outcomes

At the end of this Series, you should be able to:

- **SLO 5.1:** define healthcare financing and describe its objectives
- **SLO 5.2:** describe the demand for healthcare and the factors influencing it
- **SLO 5.3:** describe healthcare as a commodity and the concept of market failure in healthcare
- **SLO 5.4:** describe the economics of healthcare
- **SLO 5.5:** describe tax-based financing and out-of-pocket payment as options of healthcare financing
- **SLO 5.6:** describe social and private health insurance as options of healthcare financing
- **SLO 5.7:** describe the principles of health insurance and the National Health Insurance Scheme, and
- **SLO 5.8:** describe community-based health insurance.

5.1 Introduction to Healthcare Financing and Demand for Healthcare

5.1.1 concept and objectives of healthcare financing

Mobilising and managing resources for health

Healthcare financing refers to the methods used to mobilise, pool, and allocate financial **resources** to fund health services, encompassing not only how funds are initially raised, but also how they are subsequently managed and distributed across competing health service **priorities**, discussed in relation to health planning in an earlier Series of this course.

The central objectives of healthcare financing include raising sufficient **revenue** to fund an adequate level of health service provision, pooling financial risk across a broad population, discussed in relation to comparative health systems in an earlier Series of this course, and ensuring health services are purchased and delivered **efficiently** and equitably.

Fill in the blank: Healthcare financing refers to the methods used to mobilise, pool, and allocate financial resources to fund health _____.

5.1.2 demand for healthcare and health services

Demand for healthcare refers to the quantity of health services individuals are willing and able to seek, generally arising once an individual perceives a health **need**, discussed in relation to health planning needs assessment in an earlier Series of this course, though perceived need does not always translate directly into actual expressed **demand**.

The distinction between health **need** and health **demand** carries important practical significance, since numerous barriers, including financial cost, discussed further later in this Series, distance, and limited health **awareness**, can prevent a genuine health need from being translated into actual service utilisation, meaning demand alone provides an incomplete picture of a population's true health requirements.

Fill in the blank: The distinction between health need and health demand carries important practical significance, since barriers can prevent a genuine health need from becoming actual service _____.

5.1.3 factors influencing demand for healthcare

Demand for healthcare is influenced by several factors, including the **price** of health services relative to available household income, the perceived **quality** and effectiveness of available services, and the physical **accessibility** of health facilities, particularly relevant given the urban-rural disparities discussed in an earlier Series of this course.

Further influencing factors include health **insurance** coverage, discussed further later in this Series, which can substantially increase demand by reducing the direct financial cost faced by patients at the point of use, and broader social and cultural **factors**, including health beliefs and trust in the formal health system, shaping willingness to seek formal health care in the first place.

Fill in the blank: Health insurance coverage can substantially increase demand for healthcare by reducing the direct financial cost faced by patients at the point of _____.

Figure 5.1: A family discussing healthcare costs at a kitchen table with a household budget notebook.

Pilot questions 5.1

- Define healthcare financing. (Linked to SLO 5.1)
- List two central objectives of healthcare financing. (Linked to SLO 5.1)
- Define demand for healthcare and distinguish it from health need. (Linked to SLO 5.2)
- List two barriers that can prevent health need from becoming actual demand. (Linked to SLO 5.2)
- Describe two factors influencing demand for healthcare. (Linked to SLO 5.2)

5.2 Healthcare as a Commodity and the Economics of Healthcare

5.2.1 healthcare as a commodity

An unusual good, unlike an ordinary consumer product

Healthcare is frequently described as an unusual economic **commodity**, since, unlike an ordinary consumer good, patients often possess limited ability to judge the quality or necessity of the specific services recommended to them, a pattern termed **information asymmetry**, in which the treating physician generally holds substantially more relevant knowledge than the patient.

Healthcare additionally involves an element of genuine **uncertainty**, since neither the timing nor the severity of future illness can be reliably predicted in advance, a distinctive feature that underlies the rationale for health insurance, discussed further later in this Series, as a mechanism for managing this underlying financial **unpredictability**.

Fill in the blank: Healthcare is described as an unusual commodity partly because of information asymmetry, in which the treating physician generally holds substantially more relevant knowledge than the _____.

5.2.2 market failure in healthcare

Market failure occurs when an unregulated market fails to allocate resources **efficiently**, and healthcare markets are particularly prone to such failure, given the information asymmetry discussed in the previous sub-Part, together with the presence of **externalities**, such as the broader community benefit of an individual receiving vaccination against a communicable disease, discussed in an earlier related course.

Recognition of healthcare market failure provides an important economic **rationale** for government intervention in health markets, including regulation, direct public provision, and financing mechanisms such as health insurance, discussed further later in this Series, rather than relying on an entirely unregulated private market to determine health service **availability** and pricing.

Fill in the blank: Recognition of healthcare market failure provides an important economic rationale for government _____ in health markets.

5.2.3 the economics of healthcare

The **economics of healthcare** applies standard economic concepts, such as supply, demand, discussed earlier in this Series, and opportunity **cost**, to the specific context of health services, examining how limited health resources should be allocated across competing uses to achieve the greatest possible health **benefit**.

Health economics additionally examines the relative **cost-effectiveness** of different health interventions, comparing their health benefit against their financial cost, providing essential evidence to guide the resource allocation and priority setting decisions discussed in relation to health planning in an earlier Series of this course.

Fill in the blank: Health economics examines the relative cost-effectiveness of different health interventions, comparing their health benefit against their financial _____.

Table 5.2: Comparing healthcare with an ordinary consumer good.

Feature	Ordinary consumer good	Healthcare
Buyer knowledge	Generally well informed	Limited; information asymmetry with the provider
Predictability of need	Generally predictable	Uncertain timing and severity of illness
Market efficiency	Generally efficient	Prone to market failure, justifying intervention

Pilot questions 5.2

1. Define information asymmetry and explain its relevance to healthcare as a commodity. (Linked to SLO 5.3)
2. Explain why uncertainty is a distinctive feature of healthcare. (Linked to SLO 5.3)
3. Define market failure and explain why healthcare markets are prone to it. (Linked to SLO 5.3)
4. Describe the economic rationale for government intervention in health markets. (Linked to SLO 5.3)
5. Describe the concept of cost-effectiveness in health economics. (Linked to SLO 5.4)

5.3 Options of Healthcare Financing

5.3.1 tax-based financing

Funding health services through general government revenue

Tax-based financing funds health services through general government **taxation** revenue, corresponding closely to the Beveridge model discussed in an earlier Series of this course, and offers the advantage of pooling financial risk across the entire taxpaying population, generally without requiring a direct financial **contribution** tied specifically to health care use.

A significant limitation of tax-based financing, however, is its direct dependence on a country's overall **tax revenue** base, meaning health sector funding through this mechanism can be constrained in countries with limited formal sector employment and correspondingly limited tax collection **capacity**, a relevant consideration within the Nigerian context.

Fill in the blank: Tax-based financing offers the advantage of pooling financial risk across the entire taxpaying _____.

5.3.2 out-of-pocket payment and its limitations

Out-of-pocket payment requires patients to pay directly for health services at the point of use, discussed as one of the broad models of health system financing in an earlier Series of this course, and, while administratively simple, carries the significant disadvantage of exposing individual patients directly to the full financial **risk** of unpredictable illness.

High reliance on out-of-pocket payment can result in **catastrophic health expenditure**, in which a household is forced to spend a very substantial proportion of its income on health care, at times pushing the household into **poverty**, discussed in relation to the poverty-health relationship in an earlier Series of this course, and can additionally deter individuals from seeking necessary care at all due to cost.

Fill in the blank: High reliance on out-of-pocket payment can result in catastrophic health expenditure, at times pushing households into _____.

5.3.3 social and private health insurance as financing options

Social health insurance pools financial risk through mandatory contributions, generally linked to **income** or employment status, corresponding closely to the Bismarck model discussed in an earlier Series of this course, and provides a mechanism for spreading health financial risk more broadly than out-of-pocket payment alone.

Private health insurance operates on a voluntary basis, with individuals or employers purchasing coverage from private insurers, and, while offering additional choice and flexibility, generally covers a smaller proportion of the overall population than mandatory social insurance schemes, particularly in contexts, including Nigeria, with substantial informal sector **employment**.

Fill in the blank: Private health insurance operates on a voluntary basis, with individuals or employers purchasing coverage from private _____.

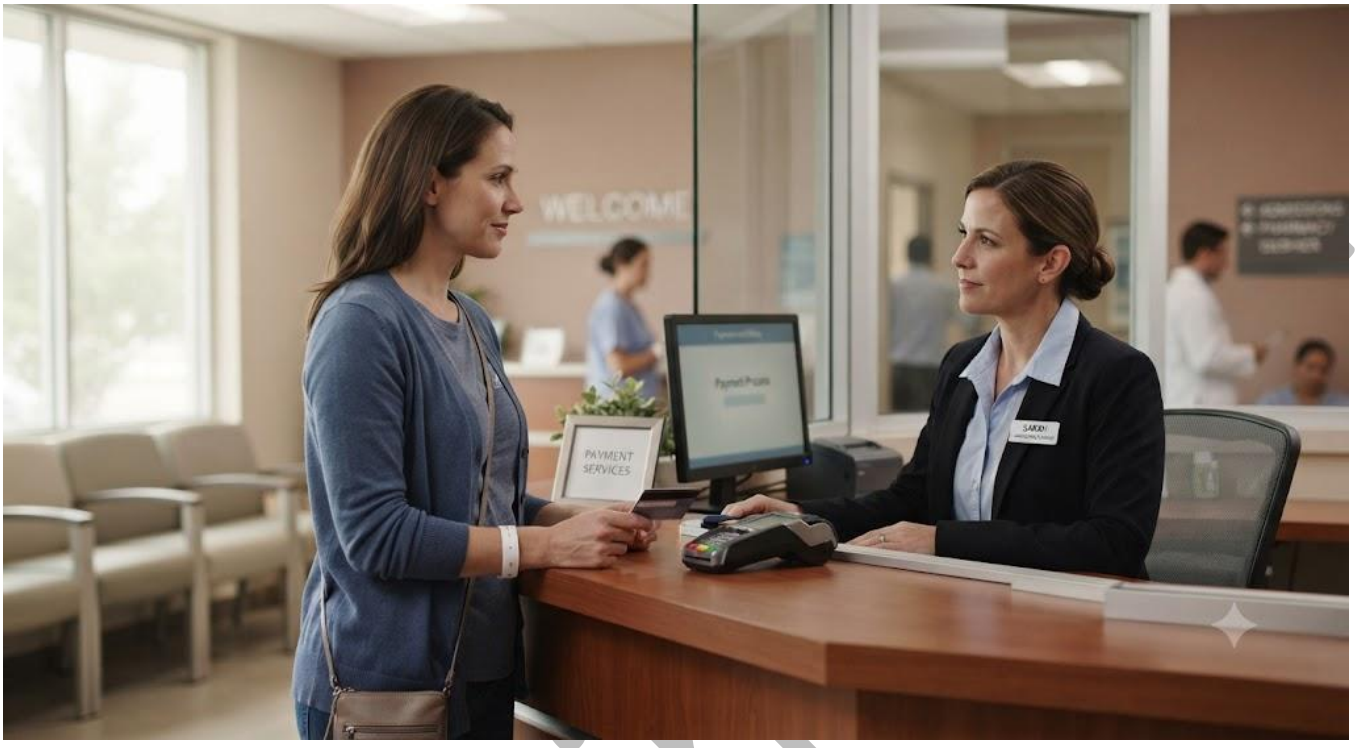

Figure 5.3: A patient paying cash directly to a hospital cashier at a payment window.

1. **Insert Figure here**
    1. **Short description:** This figure shows a patient paying cash directly to a hospital cashier at a payment window, illustrating out-of-pocket healthcare payment described in this Part.
    2. **Caption:** Figure 5.3: A patient paying cash directly to a hospital cashier at a payment window.
    3. **Sample AI prompt:** "A single clean, realistic illustration of a patient paying at a hospital cashier window, calm professional setting, natural lighting, no text overlays, no multiple panels, respectful and accurate depiction, no graphic detail."
    4. **Suggested OER search string:** "patient paying hospital cashier window photo OER"

Pilot questions 5.3

1. Define tax-based financing and describe its main advantage. (Linked to SLO 5.5)
2. Describe the main limitation of tax-based financing in the Nigerian context. (Linked to SLO 5.5)
3. Define out-of-pocket payment and describe its main disadvantage. (Linked to SLO 5.5)
4. Define catastrophic health expenditure. (Linked to SLO 5.5)

5. Distinguish social health insurance from private health insurance. (Linked to SLO 5.6)

5.4 Health Insurance, the NHIS, and Community-Based Insurance

5.4.1 principles of health insurance

Pooling risk to protect against unpredictable illness

Health insurance operates on the principle of **risk pooling**, in which many individuals contribute regular, generally predictable payments into a shared fund, from which the relatively few individuals who become ill in a given period draw the funds needed for their **treatment**, protecting all contributors against the unpredictable financial impact of illness discussed earlier in this Series.

Effective health insurance additionally depends on an adequately large and diverse **risk pool**, since a pool composed predominantly of higher risk individuals would struggle to remain financially **sustainable**, meaning successful health insurance schemes generally aim to include healthy as well as unwell individuals within the same shared risk pool.

Fill in the blank: Health insurance operates on the principle of risk pooling, protecting contributors against the unpredictable financial impact of _____.

5.4.2 the national health insurance scheme

The **National Health Insurance Scheme**, or **NHIS**, is Nigeria's principal formal social health insurance arrangement, established to provide financial protection against the cost of illness for enrolled members, historically concentrated principally among **formal sector** employees, particularly within the federal public service.

Recent reform efforts, including provisions within the National Health Act discussed in the previous Series of this course, have aimed to expand NHIS coverage toward genuinely **universal** health coverage across the wider Nigerian population, including informal sector workers historically outside the scheme's traditional membership base, though achieving this expansion remains an ongoing practical **challenge**.

Fill in the blank: Recent reform efforts have aimed to expand NHIS coverage toward genuinely universal health _____ across the wider Nigerian population.

5.4.3 community-based health insurance

Community-based health insurance schemes are voluntary, locally organised insurance arrangements, typically established within a specific community or geographic area, intended to extend health financial risk protection to populations, particularly in the informal and rural **sector**, not well served by formal social or private insurance arrangements.

While community-based health insurance schemes can play a valuable role in extending coverage to underserved populations, they generally involve a considerably smaller risk pool than national schemes such as the NHIS, discussed in the previous sub-Part, potentially limiting their long-term financial **sustainability** without additional external subsidy or support.

Fill in the blank: Community-based health insurance schemes generally involve a considerably smaller risk pool than national schemes, potentially limiting their long-term financial _____.

Figure 5.4: Community members enrolling for a local health insurance scheme at a registration desk.

Pilot questions 5.4

1. Define risk pooling as it applies to health insurance. (Linked to SLO 5.7)
2. Explain why an adequately large and diverse risk pool is important for health insurance sustainability. (Linked to SLO 5.7)
3. Define the National Health Insurance Scheme and describe its historical membership base. (Linked to SLO 5.7)

4. Describe recent reform efforts aimed at expanding NHIS coverage. (Linked to SLO 5.7)
5. Define community-based health insurance and describe a limitation it generally faces. (Linked to SLO 5.8)

Series Summary

This final Series examined **healthcare financing**, beginning with an **introduction to healthcare financing and demand for healthcare**, its concept and objectives, and the distinction between health need and actual demand, before turning to **healthcare as a commodity and the economics of healthcare**, the information asymmetry and uncertainty that make healthcare an unusual commodity, the resulting market failure, and the application of standard economic concepts to health resource allocation.

We then examined the **options of healthcare financing**, tax-based financing, out-of-pocket payment and its risk of catastrophic expenditure, and social and private health insurance, before concluding with **health insurance, the NHIS, and community-based insurance**, the principle of risk pooling, Nigeria's National Health Insurance Scheme and its ongoing expansion efforts, and community-based insurance schemes extending coverage to underserved populations. Having worked through this Series, and indeed this entire course, you should now possess a comprehensive foundation in public health administration and management, from the history and organisation of the Nigerian health system introduced in Series 1 through management concepts, planning, population policy, and, finally, the healthcare financing arrangements addressed throughout COM 513.

Glossary of Terms

- **Healthcare financing:** the methods used to mobilise, pool, and allocate financial resources to fund health services.
- **Health need:** a health requirement identified by professional or population assessment, whether or not acted upon.
- **Demand for healthcare:** the quantity of health services individuals are willing and able to seek.
- **Information asymmetry:** a situation in which one party, such as a physician, holds more relevant knowledge than another, such as a patient.
- **Market failure:** the failure of an unregulated market to allocate resources efficiently.

- **Cost-effectiveness:** the health benefit of an intervention relative to its financial cost.
- **Tax-based financing:** funding health services through general government taxation revenue.
- **Catastrophic health expenditure:** health spending so substantial that it endangers a household's financial welfare.
- **Social health insurance:** insurance pooling risk through mandatory contributions linked to income or employment.
- **Risk pooling:** spreading financial risk across many contributors so that funds are available when illness occurs.
- **National Health Insurance Scheme (NHIS):** Nigeria's principal formal social health insurance arrangement.
- **Community-based health insurance:** a voluntary, locally organised insurance scheme extending coverage to underserved populations.

Concept Check Questions [Series 5]

Objective questions

1. Healthcare financing refers to methods used to mobilise, pool, and allocate financial resources to fund health _____.
2. Healthcare is described as an unusual commodity partly because of information asymmetry between the physician and the _____.
3. High reliance on out-of-pocket payment can result in catastrophic health expenditure, pushing households into _____.
4. Health insurance operates on the principle of risk _____.
5. Recent reform efforts have aimed to expand NHIS coverage toward genuinely universal health _____.

Short-answer questions

6. Define demand for healthcare and distinguish it from health need.
7. Explain why healthcare markets are prone to market failure.
8. Define catastrophic health expenditure.
9. Distinguish social health insurance from private health insurance.
10. Define community-based health insurance and describe a limitation it generally faces.

Long-answer questions

11. Discuss healthcare financing and the demand for healthcare, including factors influencing it. (Linked to SLO 5.1, SLO 5.2)
12. Discuss healthcare as a commodity, market failure, and the economics of healthcare. (Linked to SLO 5.3, SLO 5.4)
13. Discuss tax-based financing and out-of-pocket payment as options of healthcare financing. (Linked to SLO 5.5)
14. Discuss social and private health insurance as options of healthcare financing. (Linked to SLO 5.6)
15. Discuss the principles of health insurance, the NHIS, and community-based health insurance. (Linked to SLO 5.7, SLO 5.8)

Answers to Concept Check Questions [Series 5]

Objective questions

1. Services.

2. Patient.
3. Poverty.
4. Pooling.
5. Coverage.

Short-answer questions

6. Demand is the quantity of services individuals are willing and able to seek; need may exist without translating into actual demand.
7. Because of information asymmetry between provider and patient, and externalities such as the community benefit of vaccination.
8. Health spending so substantial it endangers a household's financial welfare, sometimes pushing it into poverty.
9. Social health insurance uses mandatory contributions linked to income or employment; private insurance is voluntary, purchased individually or through employers.
10. A voluntary, locally organised scheme extending coverage to underserved populations; it generally has a smaller, less sustainable risk pool than national schemes.

Long-answer questions

11. **Basic response:** Healthcare financing mobilises, pools, and allocates resources for health services, while demand for healthcare, the services people are willing and able to seek, does not always match underlying health need.

Value-added response: Demand is influenced by price relative to income, perceived quality, physical accessibility, insurance coverage, and broader social and cultural factors shaping willingness to seek formal care.

12. **Basic response:** Healthcare is an unusual commodity due to information asymmetry and genuine uncertainty about illness timing and severity, making healthcare markets prone to market failure alongside externalities such as vaccination benefits.

Value-added response: Health economics applies concepts such as supply, demand, and opportunity cost to health resource allocation, using cost-effectiveness analysis to compare intervention benefits against their financial cost.

13. **Basic response:** Tax-based financing pools risk across the taxpaying population but depends on a country's tax revenue base, a constraint in contexts with limited formal sector employment.

Value-added response: Out-of-pocket payment is administratively simple but exposes patients directly to financial risk, potentially causing catastrophic health expenditure and deterring necessary care due to cost.

14. **Basic response:** Social health insurance pools risk through mandatory contributions linked to income or employment, corresponding to the Bismarck model, spreading risk more broadly than out-of-pocket payment.

Value-added response: Private health insurance is voluntary and offers additional flexibility, but generally covers a smaller population share, particularly where informal sector employment is substantial, as in Nigeria.

15. **Basic response:** Health insurance operates on risk pooling, requiring an adequately large and diverse pool for sustainability, with Nigeria's NHIS historically concentrated among formal sector employees.

Value-added response: Recent reforms aim to expand NHIS toward universal coverage, while community-based health insurance extends protection to underserved populations, though generally with a smaller, less sustainable risk pool.

Answers to Pilot Questions [Series 5]

Part 5.1

6. The methods used to mobilise, pool, and allocate financial resources to fund health services.
7. Raising sufficient revenue, and pooling financial risk across a broad population.
8. The quantity of services individuals are willing and able to seek; need may exist without becoming actual demand.
9. Financial cost and limited health awareness, among others.
10. Price relative to income, and physical accessibility of health facilities.

Part 5.2

11. A situation where one party holds more relevant knowledge than another; it means patients often cannot fully judge recommended care.
12. Because the timing and severity of future illness cannot be reliably predicted in advance.

13. The failure of an unregulated market to allocate resources efficiently; healthcare is prone to it due to information asymmetry and externalities.
14. It justifies regulation, direct public provision, and financing mechanisms such as insurance rather than an unregulated market alone.
15. It compares an intervention's health benefit against its financial cost, guiding resource allocation decisions.

Part 5.3

1. Funding through general taxation revenue; its main advantage is pooling risk across the entire taxpaying population.
2. It depends on the country's overall tax revenue base, constrained by limited formal sector employment.
3. Direct payment for services at point of use; it exposes patients directly to the full financial risk of illness.
4. Health spending so substantial it endangers a household's financial welfare, sometimes causing poverty.
5. Social insurance uses mandatory contributions linked to income or employment; private insurance is voluntary.

Part 5.4

1. Contributors pay into a shared fund, from which the few who become ill draw funds for treatment, protecting all against unpredictable illness costs.
2. Because a pool composed predominantly of higher risk individuals would struggle to remain financially sustainable.
3. Nigeria's principal formal social health insurance arrangement, historically concentrated among formal sector employees.
4. Provisions within the National Health Act have aimed to expand coverage toward universal health coverage, including informal sector workers.
5. A voluntary, locally organised scheme extending coverage to underserved populations; it generally faces a smaller, less sustainable risk pool.

References and Attributions [Series 5]

1. Park, K. (2021). Park's Textbook of Preventive and Social Medicine (26th ed.). Banarsidas Bhanot.
2. World Health Organization (2010). Health Systems Financing: The Path to Universal Coverage.
3. National Health Insurance Authority, Nigeria (2022). NHIA Act and operational guidelines.
4. Folland, S., Goodman, A. C., & Stano, M. (2016). The Economics of Health and Health Care (8th ed.). Routledge.

Figures, Plates, Tables, and Boxes

2. Figure 5.1: A family discussing healthcare costs at a kitchen table with a household budget notebook. AI-generated using the prompt: "A single clean, realistic illustration of a family discussing finances together at a kitchen table with a notebook, calm domestic setting, warm natural lighting, no text overlays, no multiple panels, respectful and accurate depiction, no graphic detail."
3. Table 5.2: Comparing healthcare with an ordinary consumer good. AI-generated using the prompt: "Create a clean reference table titled Comparing Healthcare with an Ordinary Consumer Good, listing feature, ordinary consumer good, and healthcare. Simple clinical reference table style with outside border."
4. Figure 5.3: A patient paying cash directly to a hospital cashier at a payment window. AI-generated using the prompt: "A single clean, realistic illustration of a patient paying at a hospital cashier window, calm professional setting, natural lighting, no text overlays, no multiple panels, respectful and accurate depiction, no graphic detail."
5. Figure 5.4: Community members enrolling for a local health insurance scheme at a registration desk. AI-generated using the prompt: "A single clean, realistic illustration of community members enrolling at a simple outdoor registration desk, calm community setting, natural daylight, no text overlays, no multiple panels, respectful and accurate depiction, no graphic detail."