

MINISTRY PAPER No. 39/19

**ANNUAL REPORT FOR THE NATIONAL HEALTH FUND
FOR THE FINANCIAL YEAR 2015/2016**

1. INTRODUCTION

1.1 The Ministry Paper on the Annual Report of the National Health Fund (NHF) for the financial year 2015/2016 is being tabled for the information of the Houses of Parliament.

1.2 The NHF continued to carry out its mission in contributing to important health objectives such as increasing access to drugs, enhancing quality of service and improving equity. The Fund maintained its commitment to excellence particularly in the area of customer service.

2. HIGHLIGHTS OF PERFORMANCE

2.1 *Providing Individual Health Care Benefits*

2.1.1 During the period under review there was an overall 6.4% increase in the number of beneficiaries enrolled into the Individual Benefits programme, resulting in a total of six hundred and ninety-two thousand, two hundred and ninety five (692,295) up from six hundred and fifty thousand eight hundred and eighty-eight (650,888) enrolled for the NHF Card and the Jamaica Drug for the Elderly Programme (JADEP) in the previous year. Additionally, the thirty thousand and seventy one (30,071) new beneficiaries that enrolled in the NHF Card Programme, represented a 7.5% growth of beneficiaries added when compared to the previous year. Under the JADEP Programme eleven thousand three hundred and thirty seven (11,337) new beneficiaries were enrolled, representing a 14% growth.

2.1.2 The NHF Card claims activity grew by 6.7% compared to the previous year. A total of four million and twenty-three thousand and one hundred and eight (4,023,108) NHF Card claims were approved and the total subsidy paid amounted to \$3.91B. However, the JADEP Programme saw a 13.3% decrease in claims over the previous year, which has prompted the NHF to review the programme.

2.1.3 Additional benefits that were covered for the period included the coverage for sickle cell disease; six (6) new active pharmaceutical ingredients (APIs) for the treatment of three conditions, namely; asthma, hypertension and sickle cell disease. Additionally, eighty-nine (89) new presentations related to existing APIs were added to the list of benefits. Consequently, the year ended with a total of 247 APIs covered under the NHF programme with over 1,400 presentations.

completed the competition with the top three winners being male for the very first time since the inception of the competition.

2.3.4 Improving Health Literacy

The NHF strives to continually provide health information that is relevant. Approximately eight brochures were revised and tested to ensure they met customers' information needs for the conditions covered by the NHF.

2.3.5 Social Media

The NHF having recognized that Social Media is a powerful tool which has the ability to reach a wide cross-section of the Jamaican public has developed a Social Media Strategic Plan. A NHF Instagram page was added which complemented the other social media pages. For the period under review, 650 messages were posted and 3,840 persons were engaged via Facebook.

2.4 Providing Pharmacy Services

2.4.1 Pharmaceutical Division: The provision of pharmacy services through NHF Drug Serv pharmacy locations increased access to affordable healthcare for thousands of Jamaicans. During the period under review, Nine Hundred and Forty Five Thousand, Nine Hundred and Forty Nine (945,949) prescriptions were processed. Drug Serv Union Square again processed the largest number of scripts, One Hundred and Sixty Four Thousand, Four Hundred and Thirty (164,430) or 17% of the total number filled by the Pharmacy Division.

Over the period under review, there was an average service level of 78% delivery for Vital Essential and Necessary (VEN) Drugs. The Drug Serv located at the Bustamante Hospital for Children achieved a service level of 91%.

Upgrading public health pharmacies remained a major focus for the NHF, eight (8) pharmacies were upgraded at a cost of approximately \$80M.

2.4.2 Drug Serv Division: The Drug Servs located at Union Square and Savanna-La-Mar were refurbished to provide adequate space for the delivery of service and included expansion of the waiting area at Union Square. Similar upgrades were undertaken at the Percy Junor Hospital Drug Serv Pharmacy. Further renovations were made to an additional five pharmacies and included general repairs to improve aesthetics, installation of Ac units, cupboards and other repairs which improved the safety and wellness of users. The pharmacies whose management was undertaken by the NHF during the year under review were: the Kingston Public Hospital Pharmacy, the Kingston

Public Hospital Satellite Pharmacy, Victoria Jubilee Hospital Pharmacy, Mount Salem Health Centre Pharmacy and the Cornwall Regional Hospital Pharmacy.

2.5 *Providing Pharmaceuticals & Medical Sundries*

2.5.1 In August 2015, the NHF signed multiple two year contracts with local and international pharmaceutical companies to provide 576 drugs classified as Vital, Essential and Necessary. The total value of all the contracts was \$3.84B, local pharmaceutical company, Facey Commodity Company Limited was awarded the largest contract which was valued at approximately \$557.23M.

2.6 *Information and Communication Technology (ICT)*

2.6.1 The implementation of the Pharmacy and Inventory Management System (PIMS), which was started in the previous year, continued. The system was put into use at the five remaining NHF operated locations, including those at the Victoria Jubilee and Kingston Public Hospitals-which came under the management of the NHF in February and March 2016 respectively. The implementation of this system greatly enhanced the operations of the NHF Drug Serv Pharmacies as well as the quality of customer experience. It provided real time access to inventory information across all NHF Drug Serv facilities and reports and information to facilitate decision making.

2.6.2 During the period under review, the NHF hosted seventy-four (74) Community Health Days. Forty Nine Thousand, Four hundred and Nine (49,409) tests were done at Community Health Days accounting for 62% of all tests performed. The NHF continued with its sponsorship of a number of health activities; NHF's Work it Out Challenge commenced in April 2015 and ended in October 2015. The NHF also emphasized the promotion of the '5 Star Health for Men' Male Health Promotion Programme focusing mainly on prostate health, hypertension, diabetes, cholesterol and to promote a healthy lifestyle among the male population.

2.6.3 The NHF also expanded the use of social media to increase the spread of information about healthy lifestyle and NHF Individual Benefits and activities. In this regard, a NHF Instagram page was added during the year, which complements the other social media pages already established. For the year, over 650 messages were posted and 3,480 persons were engaged via Facebook.

2.7 Human Resources

2.7.1 The total staff complement at the end of the reporting period stood at three hundred and eight (380), representing a 21% increase over the previous period, this is primarily attributed to the NHF having undertaken the management of various pharmacies, including those located at Victoria Jubilee and Kingston Public Hospitals. There was also the commencement of the NHF Summer Employment Programme in May 2014 where three hundred (300) tertiary/high school students and seven pharmacy students were placed at various locations during the period of May 2014 to August 2014.

2.7.2 The NHF also established an Internal Communications Committee in April 2014 to drive and deliver internal communications among employees. Staff members were exposed to a number of training activities throughout the period to aid in staff development.

2.7.3 The NHF was also able to provide work experience to recent graduate through its participation in the National Youth Service Graduate Experience programme (GWEP). Over the period September 2015 to April 2016, the NHF employed 10 individuals in this programme.

3. DECLARATION OF COMPENSATION

3.1 The compensation package paid to members of the Management Board and Senior Executives of the NHF for the period under review is included in the Annual Report.

4. FINANCIAL PERFORMANCE

4.1 The NHF team was able to maintain financial stability and achieve a creditable financial performance for the year ended March 31, 2016 despite challenges arising from its mandate to assume responsibility for the management and delivery of pharmacy services within the public health sector and being subjected to a severely restricted drug budget.

5. FINANCIAL STATEMENT AND AUDITORS' REPORT

5.1 The total revenue to the NHF amounted to \$8,245.03M which included National Insurance at \$3,503.55M, Tobacco Tax at \$1,002.19M, Special Consumption Tax at \$1,914.72M, remittances from the Pharmaceutical and Drug Serv Division at \$1,428.22M as well as other sources of income amounted to \$396.35M. Expenditure amounted to \$5,810.3M, resulting in a surplus of \$2,434.73M.

5.2 The Auditors, BDO Chartered Accountants, concluded that the financial statements gave a true and fair view of the financial position of the National Health Fund as at March 31, 2016 and of its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards and in complicity with the provisions of the National Health Fund Act.



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