

**ANNUAL REPORT OF THE NATIONAL HEALTH FUND
FOR FINANCIAL YEAR 2016 – 2017**

1. INTRODUCTION

1.1 The Ministry Paper on the Annual Report of the National Health Fund (NHF) for the financial year 2016-2017 is being tabled by the Ministry of Health and Wellness for the information of the Houses of Parliament.

1.2 The NHF continued to carry out its mission of reducing the burden of healthcare in Jamaica, by providing funding and information, selected healthcare benefits, pharmaceuticals and medical supplies to the public sector, through the utilisation of cost efficient and customer-friendly systems.

2. HIGHLIGHTS OF PERFORMANCE

2.1 Individual Health Care Benefits

During the period under review, the NHF continued to positively impact the quality of life for beneficiaries of all ages and of varying economic statuses, through the NHF health card and the Jamaica Drug For the Elderly Programme (JADEP.)

2.2 The total expenditure for NHF card benefits for the year was \$4.18B, representing an increase of 6.9% over the previous year. NHF card claims actively rose by 2.4% and the number of claimants increased by 4.3% over the performance of the previous year. A total of Four Million, One Hundred and Seventeen Thousand, Eight Hundred and Sixty Five (4,117,865) NHF card claims were approved and Two Hundred and Forty One Thousand, Eight Hundred and Ninety Seven (241,897) beneficiaries received benefits.

2.3 JADEP claims grew marginally by 1.2% over the performance of the previous years, despite a decline of 4.2% in the number of claimants accessing benefits. The number of approved claims for the 2016-2017 year was Three Hundred and Twenty Seven Thousand, Eight Hundred and Fifty Seven (327,857) and the corresponding expenditure totalled \$127.78M.

2.4 To address the rising out-of-pocket expenses borne by beneficiaries, there was a 100% increase in drug subsidies for beneficiaries under 19 years of age. This led to a significant reduction in the co-payments required when filling prescriptions for children. A comprehensive review was conducted for all the drug subsidies and based on the

budgetary allocation, subsidies were increased for approximately 30% of the pharmaceuticals covered on the programme.

2.5 Over the financial year, there was an expansion of the NHF card drug list to include six new active pharmaceutical ingredients and nine associated presentations. Beneficiaries enrolled for the medical conditions - arthritis, hypertension, major depression and diabetes mellitus - now have access to an expanded number of pharmaceutical options used in the treatment of these conditions.

2.6 The extension of the same Day Service to all Help Desk outstations island wide, where customers can have their applications processed then obtain NHF cards within 15 minutes, was implemented as a new initiative aimed at improving beneficiaries' access to services and benefits. Twenty nine (29) new pharmacies were granted provider status as part of the NHF programme.

3. Funding Healthcare Infrastructure

3.1 The NHF, as part of its mandate, offers funding through grants for the improvement and development of healthcare systems thereby contributing to the overall promotion and provision of adequate healthcare for all Jamaicans.

3.2 During the 2016-2017 financial year, \$1.95B was approved for forty-two (42) institutional benefits projects, a total of \$508M was approved for thirty-one (31) new projects, while additional funding of \$1.44B was approved for eleven (11) existing projects. Government organisations commanded the largest share with a total of 21 approved projects, valuing \$1.81B. Ten projects were approved for the Ministry of Health valuing \$1.40B, ten were approved for the South East Regional Health Authority (SERHA) to the tune of \$377M, and one project was approved for the North East Regional Health Authority (NERHA) in the sum of \$44M. Non government organisations combined with other Government agencies had twenty-one (21) projects approved, valuing \$132M.

3.3 During the financial year, several major infrastructure projects to support public health programmes were managed directly by the NHF. These included, the Ministry of Health's Special Project (LINAC Centres) at the Cornwall Regional Hospital and the St. Joseph's Hospital.

3.4 The NHF also continued to refurbish strategically located Drug Servs and several Government owned pharmacies. The major project for the 2016-2017 financial year was the renovation of the Greater Portmore Pharmacy. The construction included a sick

bay, lunch room, bathrooms, manager's office, confidential rooms and air-conditioned waiting areas. This was done at a cost of \$42M. A new design for the Santa Cruz Drug Serv was conceptualised and redesigns for other Drug Serv centres were proposed.

4. Health Promotion

4.1 The NHF conducted a total of One Hundred Thousand and Sixty Three (100,063) screening tests across the island. Subsequent to these tests, over Five Thousand Eight Hundred (5,800) SMS messages were sent to persons with abnormal screening results, encouraging them to seek medical care at their doctor or nearest health centres.

4.2 The NHF School Wellness programme continued in collaboration with the Ministry of Education Youth and Information (MOEYI) in the period under review. Support was given to the Sustainable School Feeding Pilot Project in Manchester, which aimed at improving the nutritional value of school meals by increasing the consumption of locally available foods. Additionally, sponsorship was provided to six schools to assist the Healthy Lifestyle Clubs/Healthy Youth Positive Energy (HYPE) Clubs. Sponsorship was also provided to the MOEYI to support the revision of the Appropriate Eating and Fitness curriculum.

4.3 Other initiatives undertaken by the NHF under Health Promotion during the year included Workplace Wellness, 5 Star Health for Men, Re-Imagine Food, Meaningful Partnerships, Improving Health Literacy, Publicity and Advertising and Website and Social Media.

5. Expanding Access to Medication for Public Patients

5.1 During the year, the NHF made substantial strides in increasing access to vital medicines for public sector patients and thereby sustained the affordability of essential drugs.

5.2 A major achievement for the year was the implementation of the Public Private Pharmacy Partnership. Since the launch of the programme, seventeen (17) participating pharmacies are currently onboard in May Pen, Cross Roads (in Kingston) and in Montego Bay. The programme has been well received by patients.

5.3 The operations of public pharmacy services across the parish of St. James were successfully transferred to the management of the NHF. The Kitson Town Health Centre Pharmacy in St. Catherine was refurbished and opened as a Drug Serv Pharmacy. Major renovations were done to the pharmacy store room at the Bustamante Hospital for Children.

5.4 NHF also rebranded its initiatives for offering services to access medical dispensary services including scheduled refills, prescription submissions through instant messaging smart phone applications, a Drop-Off Pick-Up Service and special service to persons with certain chronic illnesses.

6. Providing Pharmaceutical Services and Medical Sundries

6.1 The NHF completed the re-engineering of the pharmaceutical warehouse in an effort to facilitate more efficient use of space to better accommodate the increased inventory volumes being requested by health facilities.

6.2 In the year under review, the Pharmaceutical's Division's conformance to ISO9001:2015 standards were assessed by external ISO auditors and as a result, the division achieved Certification of Conformity to the Pharmacy Code and ISO9001:2015 standards.

6.3 The NHF continued to provide support to the MOH's Expanded Programme on Immunisation through the warehousing and distribution of vaccines. During the year, a total of One Thousand, Three Hundred and Eight (1,308) requests for vaccines were processed to provide public health facilities with Eight Hundred and Sixty Five Thousand, Two Hundred and Sixty Six (865,266) doses of vaccines. This represents a significant increase over the previous year when Four Hundred and One (401) orders were processed.

6.4 Support was also given to the MOH's HIV/STI programmes as the NHF procured, stored and distributed anti-retroviral drugs and laboratory reagents for sexually transmitted infections.

6.5 Management of pharmaceuticals and medical sundries for the MOH's Disaster Preparedness continued.

7. Service Built On Technology

7.1 The 2016-2017 financial year saw the NHF's Information and Communication Technology Division continuing to significantly improve and enhance the organisation's technology platform through the completion of several initiatives such as the implementation of a new Warehouse Management System, the use of technology to reduce waiting time at Drug Serv pharmacies, prescription submissions through instant-messaging smart phone applications and scheduled automatic prescription refills, to name a few initiatives.

8. Human Resource Capacity and Development

8.1 At the end of the financial year, the staff complement stood at Four Hundred and Fifteen (415) which compared to the Three Hundred and Eighty (380) staff members who were on the register for previous financial year.

8.2 Several training courses and sensitisation sessions were held during the course of the year for different categories of staff members in areas such as customer service, in-

house inventory management, business accounting software, key to customer satisfaction, teamwork development, handling irate customers, the language of positive communication/caring , empowerment and total quality service.

8.3 There were other programmes which benefitted staff members such as the Staff Rewards and Mentorship Programmes, Pension Scheme and Employee Welfare.

9. Declaration of Compensation

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

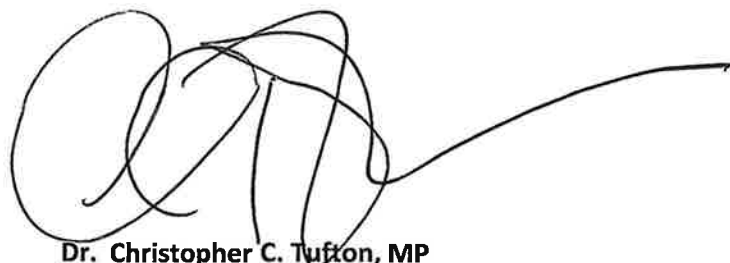
10. Summary of Financial Performance

10.1 The NHF was able to maintain financial stability and achieve a creditable financial performance for the 2016-2017 financial year, despite challenges arising from its mandate to assume responsibility for the management and delivery of pharmacy services within the public health sector and while experiencing financial constraints.

11. Financial Statement and Auditors' Report

11.1 The total revenue to the NHF amounted to \$9,623.24M which included National Insurance at \$3,947.85M, Special Consumption Tax at \$2,173.21M, Tobacco Tax at \$1,206.25M, remittances from Pharmaceutical and Drug Serv Division at \$1,889.01M well as other sources of income amounted to \$406.92M. Expenditure amounted to \$8,501.43M, resulting in a surplus of \$1,121.81M, which is \$1,312.92M less than the previous year.

11.2 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, 2017 and of its financial performance and cash flows for the year ended in accordance with international Financial Reporting Standards (IFRS) and the requirements of the National Health Fund Act.



Dr. Christopher C. Tufton, MP

Minister of Health and Wellness

June 4, 2019

File No. 346/35