


Evaluating the Effectiveness of The National Health Insurance Scheme (NHIS) As A Mechanism for Social Security in Nigeria: Achievements, Challenges, And Policy Gaps

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Abstract

The National Health Insurance Scheme (NHIS) was established to reduce catastrophic health expenditures and promote universal health coverage (UHC) in Nigeria. Despite its aims, low enrolment and structural fragmentation continue to hinder comprehensive risk pooling. This study critically assesses NHIS's effectiveness as a social security mechanism by examining its tangible achievements, identifying ongoing operational challenges, and highlighting key policy gaps. Based on Expected Utility Theory (EUT), the research used a focused narrative synthesis of empirical studies, qualitative research, and policy documents published from 2020 to 2025. The data analysis employed a thematic synthesis to integrate findings related to achievements, barriers, and structural issues across various study designs and regions. The synthesis reveals that the NHIS provides substantial financial protection for formal-sector workers and enhances maternal service utilisation among beneficiaries. However, the national impact remains limited by the structural exclusion of the informal sector and the severe fragmentation of risk pools, resulting in inadequate financial protection and persistent high out-of-pocket expenditures nationwide. In conclusion, the NHIS has yet to reach its full potential as a comprehensive social security system. To attain UHC, the government must adopt a unified strategy focused on increasing public funding and merging fragmented risk pools. Recommendations include reforming regulatory frameworks, modernising payment systems, and implementing targeted enrolment strategies for the informal sector.

Keywords: National Health Insurance Scheme (NHIS), Social Security, Universal Health Coverage (UHC), Health Financing, Risk Pooling, Informal Sector.

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1. Introduction

Health financing mechanisms that promote risk pooling and prepayment for health services are vital for protecting populations from catastrophic health costs and achieving universal health coverage (UHC). In low- and middle-income countries, such as Nigeria, creating effective and fair health-financing systems is key to broader social protection reforms (Ifeagwu, Yang, Parkes- Ratanshi, & Okeke, 2021). The Nigerian government launched the National Health Insurance Scheme (NHIS) in 2005 to tackle inequalities and inefficiencies linked to out-of-pocket (OOP) expenditure-heavy systems. This initiative seeks to reduce financial hardship caused by illness and to enhance access to quality, affordable health services (Azeez, Babatunde, Babatunde, & Bakare, 2021; Alawode & Adewole, 2021).

Although the NHIS has commendable goals, it has faced challenges in achieving the desired level of coverage and inclusiveness. Research shows that fewer than 5% of Nigeria's population participates in the scheme, leaving the majority to depend on out-of-pocket payments for healthcare (Eze, Iseolorunkanmi, & Adeloje, 2024). This pattern diminishes the scheme's risk-pooling potential and sustains health inequalities, especially among informal-sector workers, rural residents, and low-income households. The ongoing prevalence of out-of-pocket (OOP) spending, expected to make up over 70% of total health expenditure, highlights systemic shortcomings in Nigeria's health-financing system (Ifeagwu et al., 2021). Given these challenges, various subnational initiatives have been introduced, including the Lagos State Health Management Agency's ILERA EKO scheme and the Kwara State Community-Based Health Insurance Programme (Adekunle & Vincent, 2025). These initiatives demonstrate a growing recognition of the need for decentralised solutions; however, they also expose the fragmentation within Nigeria's health-financing landscape and the absence of a unified national framework that integrates state-level schemes into the NHIS architecture. This resource fragmentation reduces the efficiency of pooled assets, complicates stakeholder coordination, and raises questions about the long-term sustainability of the NHIS as a social protection mechanism. This study examines the NHIS's achievements, the ongoing challenges it faces, and the

policy gaps that impede its ability to promote equitable access and financial protection in Nigeria.

2. Statement of Problem

Despite over two decades since its launch, the NHIS has yet to achieve its goals of universal and equitable health coverage. The current enrolment rate, estimated at less than 5%, significantly falls short of the scheme's original aim of nationwide inclusion (Alawode & Adewole, 2021). Despite various reform efforts, such as establishing subnational health insurance agencies and community-based models, a large proportion of Nigerians still rely on direct payments at the point of care. This ongoing dependence on out-of-pocket expenses burdens households with severe health-related financial challenges, worsens poverty, and erodes trust in public health institutions (Eze et al., 2024). The NHIS faces systemic governance and operational shortcomings. Contributing factors include inadequate funding structures, weak regulatory oversight, low awareness among potential beneficiaries, and poor integration with primary healthcare systems. Institutional weaknesses have hindered risk pooling, leading to inefficiencies that limit the scheme's capacity to deliver comprehensive financial protection (Ifeagwu et al., 2021). While an increase in state-level initiatives is innovative, it has further fragmented the system instead of creating unified national coverage. The current design and implementation of the NHIS are inadequate to serve as a core element of health-financing reform in Nigeria. These ongoing challenges warrant a critical examination of why the scheme continues to underperform despite considerable policy efforts and donor support over the years.

This study is organised around three interconnected enquiries aimed at examining the performance and limitations of Nigeria's NHIS. This research seeks to evaluate the extent to which the NHIS has achieved its primary objectives: risk pooling, reducing catastrophic health expenditures, and promoting equitable access to essential services across socio-economic groups. This investigation is crucial for assessing the scheme's effectiveness in fostering social protection and its contribution to the wider national goal of achieving universal health coverage (Azeez et al., 2021; Alawode & Adewole, 2021).

The study aims to examine the institutional, policy, and operational barriers that consistently impede the NHIS's effectiveness. The challenges include bureaucratic inefficiencies, ineffective enrolment strategies for informal-sector workers, inadequate funding, and a lack of public trust in the scheme. Analysing these constraints highlights the structural and governance-related factors that restrict the programme's expansion and inclusiveness (Eze et al., 2024).

The study aims to identify and evaluate the key policy gaps that must be addressed to strengthen the NHIS as a sustainable and equitable health-care funding mechanism. The study examines the interactions among coverage limitations, fiscal sustainability, and institutional capacity to produce evidence-based recommendations that inform ongoing reforms and support Nigeria's progress towards Universal Health Coverage (UHC).

The objectives of this study are threefold: (1) to assess the measurable outcomes of the NHIS in promoting financial protection and equitable health access; (2) to identify and analyse the complex challenges that impede its performance; and (3) to highlight policy and structural deficiencies that must be addressed to enhance its effectiveness as a national social protection mechanism. These objectives collectively deepen the understanding of Nigeria's evolving health-financing landscape towards a more inclusive and sustainable model.

This study is of significant importance to policy, institutions, and academic research. It provides a revised, evidence-based assessment of the NHIS's strengths and weaknesses within Nigeria's health-financing system. The insights gained will assist policymakers and stakeholders in developing reforms to improve the scheme's reach, efficiency, and sustainability. The research highlights institutional bottlenecks and governance challenges that impede progress, offering practical strategies to enhance resource mobilisation, accountability, and enrolment, particularly within the informal sector and rural communities.

Conceptual Review

This study is grounded in the understanding of the NHIS as a policy instrument intended to enhance social security in the Nigerian health sector. Social security, in this context, refers to mechanisms that safeguard individuals and households from financial shocks caused by illness through risk pooling, prepayment, and equitable access

to essential services (Ifeagwu, Yang, Parkes-Ratanshi, & Okeke, 2021). The National Health Insurance Scheme (NHIS), launched in 2005, was developed as Nigeria's institutional approach to addressing catastrophic health costs and disparities in healthcare access. The success of the NHIS as a social security measure relies on its capacity to expand coverage, provide financial protection, and foster equity in access (Alawode & Adewole, 2021; Okeke et al., 2023). Assessing the effectiveness of the NHIS requires analysing three dimensions: achievements, which demonstrate measurable progress towards social protection goals; challenges, which represent institutional, operational, and systemic barriers to achieving coverage; and policy gaps, which reveal deficiencies in legal, governance, and strategic frameworks that threaten sustainability (Ogundeji et al., 2023).

Concept of the National Health Insurance Scheme (NHIS)

The National Health Insurance Scheme (NHIS) is a structured program that provides financial coverage for healthcare services to the population. It aims to enhance access to medical care while promoting equity in health financing. The NHIS exemplifies a social health insurance model, funded by contributions from employers, employees, and the government, that facilitates healthcare financing through prepayment and risk pooling. This scheme aims to redistribute health risks across a broad population, thereby preventing individuals from bearing the full cost of illness at the point of care (Ifeagwu et al., 2021). The NHIS functions as both a financing mechanism and a social security instrument that supports the global goal of Universal Health Coverage (UHC). Its effectiveness as a national social security system depends on population coverage, the comprehensiveness of its benefit package, and the sustainability of its financing base. Research shows that health insurance schemes in low- and middle-income countries often face challenges such as fragmentation and limited enrolment, especially within the informal sector (Alawode & Adewole, 2021; Bashar et al., 2025). In Nigeria, these weaknesses have persisted despite reforms, affecting the scheme's overall ability to protect citizens against catastrophic health expenditures (Okeke et al., 2023).

Concept of Social Security in Health

Social security in health represents a collective effort by the state to protect citizens from income loss and poverty

caused by illness, injury, or premature death. The NHIS is part of the national social protection framework, designed to provide financial safeguarding through structured funding and the equitable distribution of resources (Bashar et al., 2025). A health insurance scheme is considered an effective social security mechanism when it successfully reduces out-of-pocket (OOP) expenses, improves service utilisation across socio-economic groups, and offers a reliable safety net for vulnerable populations (Ogundeji et al., 2023). The challenge in Nigeria lies in the practical implementation of social security principles of universality and solidarity within a largely informal economy. The prevalence of out-of-pocket payments, which make up over 70% of total health expenditure, indicates that Nigeria's social protection coverage through health insurance remains inadequate (Eze, Iseolorunkanmi, & Adeloje, 2024). Assessing the effectiveness of NHIS as a form of social security involves evaluating its role in reducing inequalities through organised risk pooling and redistribution mechanisms.

Theoretical Framework: Expected Utility Theory

Expected Utility Theory (EUT) serves as a fundamental framework for decision-making, rooted in economics and behavioural theory (Von Neumann & Morgenstern, 1944). This framework asserts that individuals behave rationally to maximise their expected utility when faced with alternatives that involve risk and uncertainty. Decision-makers achieve this by assigning subjective values, or utilities, to the potential outcomes of each choice, weighting these utilities by their respective probabilities, and then selecting the option that results in the highest expected value (Mongin, 2017).

In the domain of health insurance, EUT provides a strong framework for analysing enrolment behaviour and the overall role of social-security systems. Enrolment decisions require a calculation in which individuals implicitly assess the potential benefits of insurance—such as decreased financial risk and enhanced access to care—against the related costs, including premium payments, perceived low benefit, and administrative challenges (Arrow, 1963). A recent investigation into health insurance participation in Ghana utilised Expected Utility Theory, noting that individuals maximise utility by minimising financial uncertainty and risk associated with potential illness and medical expenses (Health Economics Review, 2025). The utility of EUT is significant for studies evaluating the performance of a social-security health scheme, such as the National

Health Insurance Scheme (NHIS), focussing on its achievements, challenges, and policy gaps. EUT offers a robust micro-level framework for examining the decision-making processes of individuals and households, which collectively influence scheme-level outcomes concerning coverage, financial protection, and access.

Empirical Review

Accomplishments of the National Health Insurance Scheme (NHIS)

The National Health Insurance Scheme (NHIS) has shown significant measurable improvements among enrolled populations and essential program components. These accomplishments are supported by various empirical assessments and align with the program's goals.

Financial Protection for Formal-Sector Workers

The achievements variable captures the positive outcomes and milestones achieved by the NHIS since its establishment. Improvements in health-service access for the insured population, reductions in direct payment burdens for formal-sector workers, and the establishment of institutional frameworks for health-insurance management are noted (Alawode & Adewole, 2021). Various assessments demonstrate the NHIS's role in offering financial protection by decreasing direct medical expenses for enrolled formal-sector employees. A study examining health and education sector workers in Akwa Ibom found notable financial protection effects for households with coverage in comparison to those without (Flannery et al., 2021). Additionally, studies conducted at the Federal Medical Centre revealed decreased out-of-pocket (OOP) expenses and enhanced perceptions of financial relief among the insured population (Okpe, 2022). Additional research indicates that insured patients with chronic conditions experience better treatment continuity than their uninsured counterparts (Egwim et al., 2024; Oseni et al., 2023).

The establishment of subnational initiatives

The establishment of subnational initiatives, including Lagos State's ILERA EKO and the Kwara State Community-Based Health Insurance Programme, demonstrates a trend towards decentralisation and policy innovation focused on enhancing coverage (Adekunle, 2025). These achievements should be interpreted with caution; although they indicate incremental progress,

their scope remains limited. Okeke et al. (2023) observe that the NHIS's coverage has not resulted in significant financial protection for most Nigerians, underscoring the gap between institutional establishment and societal impact.

Enhanced Maternal and Child Service Utilisation

Quantitative analyses demonstrate a positive correlation between NHIS eligibility and the utilisation of maternal and child health services. Research utilising data from the Demographic and Health Surveys (DHS) has consistently indicated rises in antenatal care (ANC) attendance and facility delivery rates among insured populations (Ahuru et al., 2021; Angioha et al., 2021; Ekhatior-Mobayode et al., 2022). The findings indicate that the scheme is vital for enhancing access to essential reproductive and paediatric health interventions.

Establishment of a Purchaser-Provider Operational Framework

The NHIS's structural design, which integrates Health Maintenance Organisations (HMOs) as purchasers, has effectively created an operational framework that supports pilot payment reforms. Evaluations have been performed to examine the impact of capitation payment on service utilisation and beneficiary satisfaction. The assessments emphasise the potential advantages of the purchaser-provider model and identify areas needing improvement to enhance scheme performance (Obikeze & Onwujekwe, 2020; Ogunkoya et al., 2025).

Challenges Facing the National Health Insurance Scheme (NHIS)

The National Health Insurance Scheme (NHIS), now restructured as the National Health Insurance Authority (NHIA), was created to enhance financial protection and ensure equitable access to healthcare in Nigeria. Two decades after its inception, evidence consistently indicates ongoing constraints that hinder its effectiveness as a comprehensive social security mechanism. The challenges are multidimensional, encompassing coverage, governance, financial sustainability, and service delivery, which collectively hinder progress towards universal health coverage (UHC).

Limited Coverage and Informal-Sector Exclusion

The NHIS faces a significant challenge due to its limited coverage, especially among informal-sector workers, who make up the majority of Nigeria's labour force. The scheme has achieved limited coverage among formal-

sector employees, with fewer than 10% of the population insured, leaving over 90% reliant on out-of-pocket (OOP) payments (Ogundeji et al., 2023; Eze et al., 2024). Numerous studies identify the coverage gap as resulting from the structural exclusion of informal workers and common enrolment barriers, including insufficient awareness, low perceived value of health insurance, irregular income streams, and administrative complexity (Erinoso et al., 2023; Inyang et al., 2024; Rock et al., 2024). Ego et al. (2024) assert that the NHIS will not achieve comprehensive social protection coverage without innovative mechanisms, such as targeted subsidies or community-based pooling. This exclusion sustains financial vulnerability and health disparities, particularly affecting rural and low-income populations.

Fragmentation of Risk Pools and Funding Inequities

The main limitation is the fragmentation of risk pools. The rise of subnational insurance schemes, including Lagos State's ILERA EKO and similar state-level initiatives, has created a fragmented financing landscape that impedes fair resource redistribution (Ogunkoya et al., 2025). The proliferation of many small, state-based pools undermines the principle of cross-subsidisation, which is essential for ensuring financial protection and efficiency (Alawode & Adewole, 2021). Fragmentation causes administrative inefficiencies and weakens the NHIS's bargaining power as a central purchaser, limiting strategic purchasing and reforms in provider payment. Evidence shows that countries with unified national risk pools provide better financial protection and lower out-of-pocket costs than those with fragmented systems (Akazili et al., 2025).

Governance Weaknesses and Regulatory Ambiguities

The inefficiencies in governance within NHIS have significantly hindered its performance. Research indicates ongoing ambiguity regarding the roles and responsibilities of Health Maintenance Organisations (HMOs), which act as intermediaries in fund management and service procurement (Obikeze & Onwujekwe, 2020; Yusuf et al., 2023). The absence of clear regulatory frameworks for assessing HMO performance and quality assurance has fostered distrust among stakeholders and beneficiaries. Bureaucratic inertia and limited institutional transparency have impeded the effective enforcement of scheme regulations and delayed provider reimbursements (Okeke et al., 2023). These governance ambiguities contribute to perceptions of inefficiency, which discourage enrolment

and undermine confidence in the NHIS as a reliable social security mechanism.

Provider Capacity and Payment Challenges

Health service delivery within the NHIS faces significant challenges related to provider capacity and payment systems. Many accredited facilities, particularly in primary care, exhibit weaknesses in infrastructure, essential medications, and trained staff, which reduces the quality of services provided (Hassan, 2022; Yusuf et al., 2023). Delays or shortcomings in capitation and fee-for-service payments have strained provider relationships and led to occasional service denials for insured patients (Eze et al., 2024). Actuarial difficulties, especially in pricing high-cost conditions such as chronic non-communicable diseases, have generated financial gaps between premium contributions and service costs (Ego et al., 2024; Hassan, 2022). These inefficiencies emphasise the need for data-driven reforms to provider payment systems and for increased transparency in claims management frameworks.

Ongoing Huge Costs and Insufficient Financial Safeguards

Although the NHIS is responsible for shielding households from catastrophic health costs, recent data indicate that out-of-pocket payments still account for the majority of total health expenditure, placing a disproportionate burden on low-income families (Onyia et al., 2022; Eze et al., 2024). Research shows that catastrophic health payments—defined as those exceeding 10% of household income—continue to be common, indicating that the NHIS has not provided significant financial protection (Alawode & Adewole, 2021; Akazili et al., 2025). This ongoing financial vulnerability highlights the inadequacy of current premium levels, limited benefit coverage, and insufficient government funding. According to Akazili et al. (2025), expanding public financing through tax-based subsidies and strategic purchasing mechanisms is crucial for achieving fair financial risk protection.

Systemic and Structural constraints

The structural challenges, including inadequate information systems, limited stakeholder engagement, and weak intergovernmental coordination, exacerbate the NHIS's inefficiencies. Inconsistent data collection and reporting impair performance evaluation and policy adjustment (Ogundeji et al., 2023). The lack of strong integration between federal and state health financing

systems hinders the development of a unified national framework, which is vital to achieving universal coverage. Failing to address these systemic constraints will restrict the NHIS's scope, fragment its implementation, and result in inequitable impacts.

Gaps in Policy

Nigeria's progress towards universal health coverage (UHC) remains hindered by structural policy deficiencies, even after the establishment of the National Health Insurance Scheme (NHIS) to promote fair access and financial protection. These issues highlight the absence of a comprehensive financial plan, weak institutional coordination, and inadequate strategies for including the informal sector. To reposition the NHIS as a credible social security mechanism, it is necessary to address several key policy gaps and implement reform initiatives, informed by recent literature.

Insufficient Public Financing and Fragmented Pooling Structures

The persistent underfunding of health insurance and the fragmented nature of Nigeria's risk pools highlight a significant policy challenge. With most funding allocated to recurrent costs rather than pooled prepayment systems, current fiscal health expenditures remain well below the 15% benchmark set by the Abuja Declaration (Azeez et al., 2021; Onyia et al., 2022). Consequently, the NHIS largely relies on payments from workers in the formal sector, which limits its funding base and the coverage it can provide. Recent comparative studies across sub-Saharan Africa indicate that achieving universal health protection requires increased public funding (Akazili et al., 2025). Ogunkoya et al. (2025) note that countries which have transitioned to unified risk-pooling models, incorporating state, employer, and community schemes, experience improved efficiency, cross-subsidization, and reduced healthcare access inequalities. However, Nigeria's current financial structure remains divided among federal, state, and private pools, undermining the prospects for equitable redistribution.

Integration of Informal-Sector Strategies and Equity Mechanisms

The inadequate integration of informal-sector strategies into Nigeria's health-finance framework highlights a key policy gap. Although the informal sector employs nearly 80% of Nigeria's workforce, it remains largely outside the NHIS's scope due to weak enforcement and voluntary

participation (Erinoso et al., 2023; Rock et al., 2024). Universal coverage is further hindered by the absence of flexible payment options, community-based enrolment schemes, and tiered premium contributions, adaptable financial approaches suited for this demographic. Research shows that innovative enrolment methods targeting workers in the unorganised sector can considerably increase coverage and enhance financial security (Inyang et al., 2024; Ego et al., 2024). For instance, combining digital identity systems with mobile-based premium payments has demonstrated success in countries like Kenya and Ghana, offering viable models for Nigeria. Moreover, cross-subsidisation, the provision of public subsidies to low-income groups, can promote inter-sectoral fairness and facilitate better risk-sharing.

Weak Governance and Limited Regulatory Coherence

Governance deficits continue to hinder NHIS's capacity to implement policies. Gaps in interagency coordination, stakeholder oversight, and institutional accountability persist despite the transition to the NHIA. Quality assurance remains limited, and regulatory ambiguity has fostered inefficiencies in fund management, particularly regarding the roles of Health Maintenance Organisations (HMOs) (Yusuf et al., 2023; Obikeze & Onwujekwe, 2020).

Limited Fiscal and Policy Coordination Between Government Tiers

The misalignment between federal and state health-finance policies is another major policy gap. Duplication of effort and uneven benefit packages have arisen from the coexistence of several state insurance schemes, such as those in Delta States, Lagos, and Kwara (Ogunkoya et al., 2025). These state programmes risk worsening inequality rather than promoting federal objectives in the absence of a unified national framework.

Data Gaps and Weak Evidence-Based Policy Implementation

The absence of reliable data to evaluate scheme performance remains the final but vital gap. Many NHIS metrics, including provider effectiveness, enrolment patterns, and financial protection outcomes, are still either poorly monitored or inconsistently reported (Ogundeji et al., 2023). This lack of data limits the government's ability to make evidence-based decisions and adjust financing models to better serve the population.

3. Methodology

This seminar paper offers a targeted narrative synthesis of empirical studies, qualitative research, and policy analyses published from 2020 to 2025, focusing specifically on the NHIS and state-level health insurance initiatives in Nigeria. This approach aligns with recognised practices in narrative and scoping review methodologies, as the diversity in study designs prevents the use of quantitative meta-analysis. Sources include cross-sectional surveys, qualitative interviews, and assessments that provide insights into health insurance uptake, financial protection, and health outcomes.

4. Discussion

The evidence synthesised from the reviewed literature suggests that although the National Health Insurance Scheme (NHIS) offers significant health and financial advantages to its enrolled beneficiaries, its current performance falls short of meeting the standards of a comprehensive national social security mechanism for health (Enabulele, 2020; Flannery et al., 2021; Okpe, 2022). The observed disparity between the scheme's mandate and its operational reality is fundamentally rooted in persistent systemic barriers. Research indicates that critically low population coverage, inadequate and unsustainable financing models, and significant governance and operational inefficiencies are the primary factors undermining its effectiveness (Enabulele, 2020; Obikeze & Onwujekwe, 2020; Ogunkoya et al., 2025).

The main finding is the scheme's failure to establish comprehensive risk pooling and universal equity. The limited NHIS coverage leaves a significant portion of the population, especially vulnerable groups and individuals in the informal economy, facing substantial out-of-pocket (OOP) costs for essential healthcare services. This fragmentation conflicts with established social security principles, requiring the NHIS to move from a voluntary, occupation-based model to one that mandates enrolment and includes cross-subsidisation to achieve true equity of access (Flannery et al., 2021). A comparative analysis shows that relying solely on a contributory financing model is insufficient to address catastrophic health costs and achieve universal coverage, underscoring the need for substantial and continuous public fiscal support. The literature supports government redistribution of resources to subsidise premiums for low-income populations and to improve the comprehensiveness of the benefits package (Akazili et

al., 2025; Azeez et al., 2021).

Despite structural limitations, the positive outcomes observed among existing members, including improved health service utilisation and reduced financial hardship, affirm NHIS's fundamental design and potential (Ogunkoya et al., 2025). The findings suggest that the scheme has considerable potential to provide broad social protection, subject to overcoming systemic challenges through targeted policy reforms that emphasise universality, increase public financial commitment, and ensure strict governance oversight.

5. Conclusion

The analysis confirms the inherent value of the National Health Insurance Scheme (NHIS) for enrolled beneficiaries and recognises its role as a key framework for purchaser-provider relationships within the Nigerian healthcare sector (Enabulele, 2020; Hassan, 2022). However, the scheme has yet to achieve its goal of becoming a comprehensive national health social security system (Flannery et al., 2021; Obikeze & Onwujekwe, 2020). This shortfall primarily results from limited population coverage and ongoing operational and governance challenges (Adekunle & Vincent, 2025). Transforming the NHIS into an effective social protection tool requires targeted, comprehensive policy measures aimed at structural improvements. Necessary reforms include increasing public financing commitments, optimising regulatory procedures, modernising payment methods, and implementing targeted enrolment outreach strategies, particularly for the large informal economy (Akazili et al., 2025; Ogunkoya et al., 2025; Obikeze & Onwujekwe, 2020). A sustained commitment to the systematic roll-out and strict oversight of these reforms is essential to providing reliable protection against health-related financial shocks for the Nigerian population.

6. Recommendations

Convergent findings from the literature indicate that a targeted set of policy actions is vital to improve the National Health Insurance Scheme (NHIS) and support its development into an effective social security mechanism for health. The recommendations focus on key aspects of financing, regulation, service delivery, and enrolment.

Firstly, the government's commitment to health financing requires significant enhancement. This involves increased fiscal allocation to NHIS alongside substantial

structural reforms to unify the currently fragmented risk pools. Universal coverage depends on effective cross-subsidisation to ensure financial sustainability, protect vulnerable populations, and reduce catastrophic health expenditures.

Secondly, Reform of Regulatory and Governance Framework: Authorities should carry out comprehensive reforms to optimise the regulatory framework and clearly define the roles and responsibilities of key stakeholders, particularly Health Maintenance Organisations (HMOs). This overhaul is vital for boosting accountability, enhancing operational efficiency, and reinforcing the scheme's overall integrity and public trust. The provider payment systems should develop towards more advanced, performance-based models. Mechanisms should be created to promote high-quality care, manage costs, and specifically address the financial complexities involved in efficiently handling high-cost conditions and specialised services.

Thirdly, targeted enrolment strategies for the informal sector require specialised, integrated approaches to address the specific barriers to enrolment within the large informal economy. Strategies should include developing flexible contribution mechanisms and implementing streamlined, decentralised enrolment processes, supported by continuous, culturally sensitive public outreach and educational initiatives.

Finally, enhancing Capacity and Monitoring Infrastructure: The successful implementation of these systemic reforms depends on simultaneously strengthening the technical abilities of regulatory and implementing health authorities. Establishing strong monitoring and evaluation systems is crucial for tracking key performance indicators, ensuring transparency, and providing essential data for evidence-based policy improvement.

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