



# Lagos State of Nigeria Official Gazette

---

No. 32

IKEJA—5th June 2015

Vol. 48

---

*Lagos State Government Notice No.33*

The following is published as Supplement to this *Gazette*:

	<i>Page</i>
Law No. 4 — A Law to provide for the Establishment of the Lagos State Health Management Agency and the Lagos State Health Scheme for Residents of Lagos State and for Connected Purposes .. .. .	A 95— 118
5 — A Law to give Effect to the Compiled, Revised and Reformed Laws of Lagos State of Nigeria .. .. .	A 119

Supplement to Lagos State of Nigeria Official Gazette Extraordinary No. 32.  
Vol. 48 of 5th June 2015 — Part A

ASSENTED TO AT IKEJA, THIS 25TH DAY OF MAY 2015.

MR BABATUNDE RAJI FASHOLA (SAN)  
*Governor of Lagos State*



Law No. 4

2015

Lagos State of Nigeria

**A LAW TO PROVIDE FOR THE ESTABLISHMENT OF THE LAGOS STATE HEALTH MANAGEMENT AGENCY AND THE LAGOS STATE HEALTH SCHEME FOR RESIDENTS OF LAGOS STATE AND FOR CONNECTED PURPOSES**

*(25th May 2015)*

Commence-  
ment

THE LAGOS STATE HOUSE OF ASSEMBLY enacts as follows:

1. In this Law, unless the context otherwise requires-

Interpreta-  
tion.

“**Actuary**” means a statistician who calculates risks and probabilities for payment plan;

“**Administrative Charges**” means 10% of the funds from the Lagos State Health Plan, Private Health Plans and the Formal Sector Plan;

“**Agency**” means the Lagos State Health Management Agency established under Section 2 of this Law;

“**Benefit**” means a benefit or advantage of any kind derived from the Scheme;

“**Capitation**” means a payment to a health care provider in respect of covered services to be provided to an insured person registered with the health care provider, whether the person uses the services or not;

“**Commissioner**” means the commissioner charged with responsibility for matters relating to health in the State;

“**Contribution**” means a premium payable to HMOs, MHAs, Lagos State Health Fund (LASHEF) and any other fund under this Law;

“**Employee**” means a person who resides in Lagos State and is employed in the public or private sector or an apprenticeship with an employer whether the contract is express or implied, oral or in writing;

**“Employer”** means an employer with five (5) or more employees which includes the Federal, State and Local Government or any Extra-Ministerial Department or a person with whom an employee has entered into a contract of service or apprenticeship and who is responsible for the payment of the wage or salary of the employee including the lawful representative, successor or assignee of that person;

**“Health Care Practitioner”** means any health care personnel such as doctors, nurses, laboratory scientists, pharmacists, physiotherapists, radiographers and others as may be defined by the Agency;

**“Health Care Provider (HCP)”** means any government or private health care facility, hospital, maternity centre, community pharmacies and all other service providers registered by the Agency for the provision of prescribed health services for insured persons and their dependants under this Scheme;

**“HEFAMAA”** means Health Facility Monitoring and Accreditation Agency saddled with the responsibility of accrediting Health care facilities and other relevant Institutions in the State;

**“HMO”** means a Health Maintenance Organization registered under Section 37 of this Law to ensure health care services are adequately provided by health care providers approved by the Agency;

**“Insured Person”** means a person who is duly registered and pays the required contribution under this Scheme and his eligible dependant;

**“Lagos State Health Fund (LASHEF)”** means the sole, risk-pooling account into which all funds for health Scheme in the State shall be paid and managed by the Lagos State Health Management Agency;

**“Local Government Area”** includes Local Council Development Area;

**“Medical Documents”** includes all prescriptions, laboratory forms, excuse duty, death certificate and other documents used in the management of patients under the Scheme covered by this Law;

**“Medical Practitioner”** means a person with a medical or medical related degree registerable with the Medical and Dental Council of Nigeria;

**“Member of the Board”** means any person, including the Chairman who serves on the Board;

**“MHA”** means a Mutual Health Association registered under Section 37 of this Law to provide health care services through health care providers approved by the Agency;

“**NHIS**” means National Health Insurance Scheme as defined in the National Health Insurance Scheme Act of 1999 of the Federal Republic of Nigeria Laws No. 42 VOL II 2004;

“**Provider Payment Mechanism**” means payment made directly to HMOs, MHAs and other providers for complete health care services, following approved referrals and/or professional services (specialist consultation, pharmaceutical care services, laboratory and radiological investigations etc.) under this Scheme;

“**Resident**” is as defined by Lagos State Residents Registration Agency (LASRRA) Law;

“**State**” means Lagos State of Nigeria;

“**Vulnerable**” refer to the following categories of people, pregnant women, children under five (5) years; the aged (as defined by the Agency), the disabled, the poor and others falling within the group;

“**Wage**” means remuneration in money paid to an employee under his contract of service or apprenticeship whether agreed to be paid at fixed or determined intervals of time.

2.—(1) There is established the Lagos State Health Management Agency (in this Law referred to as “the Agency”).

Establishment of the Lagos State Health Management Agency.

(2) The Agency-

(a) shall be a body corporate with perpetual succession and a common seal;

(b) may sue and be sued in its corporate name;

(c) may acquire, hold or dispose of any moveable or immoveable property for the purpose of performing its function under this Law.

3. The principal object of the Agency shall be to promote, regulate, supervise and ensure the effective administration of the Lagos State Health Scheme.

Object of the Agency.

4.—(1) There is established the Lagos State Health Management Agency Governing Board (in this Law referred to as “the Board”) which shall, subject to this Law, have general control of the Agency.

Establishment and Composition of the Lagos State Health Management Agency Governing Board.

(2) The Board shall consist of the following-

(a) a Chairman who shall be-

- (i) appointed on a full time basis by the Governor on the recommendation of the Commissioner subject to the approval of the Lagos State House of Assembly;
  - (ii) a medical practitioner of integrity with relevant qualifications and a minimum of ten (10) years experience.
- (b) one representative each of-
- (i) the Ministry of Health who shall be a medical practitioner not below the rank of a Director;
  - (ii) Lagos State Primary Health care Board not below the rank of a Director;
  - (iii) the Ministry of Economic Planning and Budget not below the rank of a Director;
  - (iv) the Nigeria Employers Consultative Association Lagos State Branch;
  - (v) the Nigerian Labour Congress Lagos State Chapter;
  - (vi) the Health Care Provider Association of Nigeria;
  - (vii) the Civil Society as nominated by the Lagos State Civil Society Partnership (LACSOP);
  - (viii) the National Health Insurance Scheme.
- (c) the General Manager of the Agency, who shall be the Secretary to the Board.
- (3) Members of the Board shall be persons of proven integrity to be appointed by the Governor on the recommendation of the Commissioner.

Establishment  
of the Lagos  
State Health  
Scheme.

5. There is established the Lagos State Health Scheme (in this Law referred to as the "Scheme").

Components  
of the Lagos  
State Health  
Scheme.

6. The Scheme shall -

- (1) Apply to all residents of the State, all employees in the public and private sectors, including the self-employed and the unemployed.

- (2) comprise initially of three (3) components -
- (a) the Lagos State Health Plan (LSHP) – This plan shall consist of a basic, defined minimum benefit package of health care services for Primary Care as well as an “affordable” supplementary benefit package of health care services for Secondary and Tertiary Care which will be accessible from both Public and Private Primary Health Care delivery system;
  - (b) The Formal Health Plan – This shall be a contributory plan for all public and private sector employees where the employers and employees shall make contributions as may be determined by the Board;
  - (c) The Lagos State Private Health Plan (PHP)- This shall consist of a variety of Packages providing health care services in direct proportion to the contribution; and
  - (d) Any other component as may be developed by the Agency with the approval of the Board.
- (3) The Scheme shall be compulsory and apply to all residents of the State that are not covered by an existing health Scheme.
- (4) All residents in the formal and informal sector must possess evidence of being covered by the Scheme or an existing Scheme.
7. The Board shall have the power to-
- Powers of the Board.
- (a) determine the organizational structure of the Agency;
  - (b) approve for the Agency all prepaid and private health maintenance organizations ;
  - (c) determine the overall policies of the Scheme, including the financial and operative procedures of the Scheme;
  - (d) ensure the effective implementation of the policies and procedures of the Scheme;
  - (e) regulate and supervise the Scheme established under this Law;
  - (f) establish standards, rules and guidelines for the management of the Scheme under this Law;

- (g) approve, licence, regulate and supervise Health Maintenance Organizations and other institutions relating to the Health Plan as the Agency may determine;
- (h) issue guidelines and approval for the administration and release of funds under the Scheme;
- (i) approve other Health Plans as may be proposed and determined by the Agency;
- (j) approve the recommendation of the Agency relating to research, consultancy and training in respect of the Scheme;
- (k) ensure the maintenance of a State Data Bank on all Scheme matters;
- (l) perform such other duties which, in the opinion of the Board, are necessary or expedient for the discharge of its functions under this Law; and
- (m) determine the remunerations and allowances of all staff of the Board;

Functions of  
the Board.

8. The Agency shall be responsible for-

- (a) ensuring the effective implementation of the policies and procedures of the scheme;
- (b) issuing appropriate regulations and guidelines, as approved by the Board, to maintain the viability of the Scheme;
- (c) the management of the Scheme in accordance with the provisions of this Law;
- (d) registering NHIS accredited Health Maintenance Organisations, HEFAMAA accredited Health Care Provider facilities and other relevant institutions;
- (e) approving format of contracts proposed by the health maintenance organizations for all health care providers;
- (f) carrying out public awareness and education on the establishment and management of the Scheme;
- (g) promoting the development of Mutual Health Associations for wider participation in the Scheme;

- (h) determining after due consideration the provider payment mechanisms due to health care providers, by the Health Maintenance Organizations in line with similar Schemes;
  - (i) advising the relevant bodies on inter-relationship of the Agency with other social security services;
  - (j) coordinating researches and statistics;
  - (k) establishing quality assurance for all stakeholders;
  - (l) the collection, collation, analysis, and reporting on quarterly returns from the HMOs and MHAs;
  - (m) exchanging information and data with the National Health Insurance Scheme, State Health Management Information System, relevant financial institutions development partners non-governmental organisations and other relevant bodies;
  - (n) ensuring manpower development in the Agency;
  - (o) carrying out such other activities as are necessary or expedient for the purpose of achieving the objectives of the Agency under this Law;
  - (p) receiving and investigating complaints of impropriety leveled against any HMO, HCP and other relevant institutions and ensure appropriate sanctions are given.
9. A member of the Board shall hold office for a term of four (4) years in the first instance and may be re-appointed for a further term of four (4) years only.
10. Members of the Board shall be paid such remunerations and allowances as may be determined by the Governor.
- 11.—(1) A member of the Board shall cease to hold office if he-
- (a) becomes of unsound mind;
  - (b) becomes bankrupt;
  - (c) is convicted of a felony or of any offence involving dishonesty; or
  - (d) is guilty of misconduct in relation to his duties.

Tenure of  
Office of  
Members of  
the Board.

Remunera-  
tions and  
Allowances.

Cessation of  
Membership  
of the  
Agency.



(2) A member of the Board may be removed from office by the Governor, if he is satisfied that it is not in the interest of the Agency or the public that the member should continue in office.

(3) A member of the Board may resign his appointment by notice, in writing to the Governor and the resignation shall take effect on acknowledgement by the Governor.

Vacancy.

12. Where a vacancy occurs in the membership of the Board, it shall be filled by the appointment of a successor to hold office for the remainder of the term of office of his predecessor.

Proceedings.

13. The Board may make standing orders regulating its proceedings and those of any of its committees.

Quorums.

14. The quorum of the Board shall be the Chairman or the member presiding at the meeting and five (5) other members and the quorum of any Committee of the Board shall be determined by the Board.

Meetings.

15.—(1) The Board shall meet not less than three (3) times in a year and whenever it is summoned by the Chairman and if he is required to do so by notice given to him by not less than seven (7) other members, he shall summon a meeting of the Board to be held within fourteen (14) days from the date on which the notice is given.

(2) At any meeting of the Board, the Chairman shall preside but if he is absent, the members present at the meeting shall appoint one of their numbers to preside at the meeting.

Committees of the Board.

16.—(1) The Board may constitute one or more committees to carry out, on behalf of the Board, such of its functions as it may determine.

(2) A committee appointed under this Section shall consist of such number of persons (not necessarily members of the Board as may be determined by the Board) and a person other than a member of the Board shall hold office on the Committee in accordance with the terms of his appointment.

Power to Co-opt.

17. Where the Board desires to obtain the advice of any person on a particular matter, the Board may co-opt such person to the Board for such period as it deems fit; but the person so co-opted shall not be entitled to vote at any meeting of the Board and shall not count towards a quorum.

Validity of Proceedings.

18. The validity of any proceedings of the Board or of a committee shall not be adversely affected by any vacancy in the membership of the Board or committee, or by reason that a person not entitled to do so took part in the proceedings of the Board or committee.

19.—(1) The fixing of the seal of the Agency shall be authenticated by the signature of the Chairman, the General Manager or any other person authorized generally or specifically to act for that purpose by the Board.

Seal of the Agency.

(2) Any contract or instrument, which, if made or executed by a person not being a body corporate, would not be required to be under seal may be made or executed on behalf of the Board by the Chairman or any person generally or specially authorized to for the purpose by the Board.

(3) Any document purporting to be a document duly executed under the seal of the Agency shall be received in evidence and shall, unless and until the contrary is proved, be presumed to be so executed.

20. The objectives of the Scheme are to-

Objectives of the Health Scheme.

- (1) ensure all residents of the State have access to health care services;
- (2) ensure that all residents of the State have financial protection, physical access to effective, quality and affordable health care services;
- (3) protect families from the financial hardship of huge medical bills;
- (4) limit the rise in the cost of health care services;
- (5) ensure equitable distribution of health care costs across different income groups;
- (6) maintain high standard of health care delivery services within the Scheme;
- (7) ensure efficiency in health care service delivery;
- (8) improve and harness private sector participation in the provision of health care services;
- (9) ensure adequate distribution of health facilities within the State;
- (10) ensure appropriate patronage at all levels of the health care delivery system;
- (11) ensure the availability of alternate sources of funding to the health sector for improved services; and
- (12) to take such measures as are necessary to plan, organize and develop medical and other health services commensurate with the needs of the residents in cases where medical and other health services are not available to residents.

Applicability of NHIS Act to the Law.

21. The Provisions of the National Health Insurance Scheme Act are applicable to the provisions of this Law and all the Regulations made under it.

Prohibiting Healthcare Organization from refusing coverage based on patient's Medical History.

22. A Health care organization shall not by reason of bad medical history refuse coverage for any person.

General Manager and other Staff of the Agency.

23.—(1) There shall be appointed by the Governor, on the recommendation of the Commissioner, a General Manager for the Agency.

(2) The General Manager shall-

(a) be a person of integrity with relevant qualifications who shall not be below the rank of a Director in the State Civil Service.

(b) be the Accounting Officer of the Agency and be responsible to the Board;

(c) hold office-

(i) for a period of four (4) years in the first instance and may be reappointed for a further term of four(4) years only; and

(ii) on such terms and conditions as may be specified in the letter of appointment.

(3) The General Manager shall, subject to the general direction of the Board, be responsible for the-

(a) day-to-day administration of the Agency;

(b) general direction and control of all other employees of the Agency.

(4) The Board shall-

(a) appoint, for the Agency, such number of directors and other employees as may, be required to assist the Board in the discharge of its functions under this Law; and

(b) pay to persons so appointed such remuneration and allowances as the Board may approve.

- 24.—(1) There shall be for the Agency, a Legal Adviser who shall- Legal Adviser.
- (a) be appointed by the Board;
  - (b) be responsible to the General Manager and the Board;
  - (c) possess professional skills and cognate experience;
  - (d) be in-charge of Legal matters; and
  - (e) perform such other duties as may be assigned by the Board or the General Manager
- 25.—(1) Employment in the Agency shall be approved service for purposes of the Pension Law. Pensions.
- (2) Employees of the Agency shall be entitled to pensions and other retirement benefits.
- (3) Nothing in subsections (1) and (2) of this Section or any provision of this Law shall prevent the appointment of a person to any office on terms which preclude the grant of pension in respect of that office.
- 26.—(1) The Board shall appoint for the Agency, a licensed actuary on such terms and conditions as may be determined by the Board. Appointment of Consultants for the Agency.
- (2) The actuary shall review the services package and evaluate it actuarially, including the rates of contributions payable for the service and make appropriate recommendation to the Board.
- (3) If having regard to the review and evaluation carried out by the actuary under subsection (2) of this Section, the Board considers that the rates of contributions have not retained their value in relation to the general level of earning in Nigeria, the Board shall in consultation with the actuary modify the rates to the extent considered appropriate and bring the new rates to the notice of the persons affected by the modification.
- 27.—(1) There is created the Lagos State Health Fund (LASHEF) (hereinafter referred to as 'the Fund'). Creation and Management of Lagos State Health Fund.
- (2) The Fund shall consist of-
- (a) the initial take-off grant from the State Government;
  - (b) Formal Sector Fund, comprising of contributions from public and private sector employers and employees;

- (c) contribution from the informal sector;
- (d) Equity Fund, comprising of contributions of not less than 1% Consolidated Revenue of the State,
- (e) funds from NHIS for pregnant women, children under five (5) years and other relevant programmes, funds from NHIS and NPHCDA for guaranteeing a minimum health package, donations or Grants-in-Aid from private Organisations, philanthropists, international donor organizations and Non-Governmental Organisations;
- (f) such money as may be due from Health Maintenance Organisations;
- (g) fines and commissions charged by the Agency;
- (h) other appropriations earmarked by the National, State and Local Governments purposely for the implementation of the Scheme;
- (i) funds as may be approved from the Lagos State Primary Health Care Board (PHCB), from the National Primary Health care Development Agency (NPHCDA) for the Lagos State Health Plan (LSHP), Formal Sector Health Plan (FSHP) and other relevant programs;
- (j) dividends and interests on investments and stocks; and
- (k) all other moneys which may accrue to the Agency.

Disbursement  
of the Fund.

28.—(1) The Board shall approve disbursement of funds to the Health care providers from the established fund either through the participating HMOs and MHAs with the recommendation of the Agency, or directly to health care providers provided that funds from Equity fund shall not be subjected to administrative charges.

(2) The Agency shall on approval of the Governing Board, apply the proceeds from the administrative charges at its disposal-

- (a) for and in connection with the objectives of the Agency under this Law.
- (b) to the cost of administration of the Agency;
- (c) to the payment of allowances and benefits of members of the Board;
- (d) to the payment of salaries, allowances and benefits of employees of the Agency;

- (e) for the maintenance of any property vested in the Agency or under its administration.
- (3) The Agency shall, invest any money not immediately required by it in the Central Bank of Nigeria Treasury Bills.
- 29.—(1) The Agency may accept gifts of land, money or other property on such terms and conditions, if any, as may be specified by the person or organization making the gift. Power to accept Gift.
- (2) The Agency shall not accept any gift if the conditions attached by the person or organization offering the gift are inconsistent with the objectives and functions of the Agency.
30. The Board shall cause to be prepared, not later than 30th September each year, an estimate of the expenditure and income of the Agency during the next succeeding year and when prepared, they shall be submitted to the Accountant-General of the State. Annual Estimate Account.
31. The Board shall cause to be kept proper books and accounts of the Agency and when certified by the Board, the accounts shall be audited by auditors appointed by the Board from the list supplied by the Auditor-General of the State in accordance with the Audit Law. Audit.
32. The Board shall not later than six (6) months immediately following the end of a year-
- (a) submit to the Governor through the Commissioner, a report on the activities and administration of the Agency during the preceding year and shall include in the report the audited account(s) of the Agency and the auditor's report on the account(s); and
- (b) present and publish the audited annual accounts, auditor's report on the accounts and reports on the activities of the Agency at the Annual General Meeting comprising all Stakeholders and on the State Government Website. Annual Report.
- 33.—(1) The Agency shall be exempted from the payment of tax on any income accruing from investment made by the Board for the Agency or otherwise. Exemption from Tax.
- (2) The provisions of any enactment relating to the taxation of companies or Trust Funds shall not apply to the Agency or the Board.
- 34.—(1) The Fund shall be administered through carefully selected and approved banks as advised by the Accountant-General of the State, for the pooling of all contributions derived from the public or private sector (formal or informal) into dedicated treasury accounts. Payment of Contribution under the Scheme.

(2) An employer who has a minimum of five (5) employees shall, together with every person in his employment, pay contributions, at such rate and in such manner as may be determine in the Operational Guidelines of the Agency.

(3) A registered employer under the Agency shall cause to be deducted from an employee's wages the approved amount of any contribution payable by the employee and shall not, by reason of the employer's liability for any contribution (or penalty) made under this Law, reduce directly or indirectly, the remunerations or allowances of the employees in respect of whom the contributions are payable under this Law.

(4) The Agency shall cause the pooling of contributions derived from the private and public sector to be made directly to LASHEF.

(5) All other funds particularly by independent or private donors shall be paid directly to LASHEF through approved banks into dedicated accounts.

(6) The Agency shall ensure that stewardship and management of the funds paid into the LASHEF conforms with international best practice and is carried out with the primary intention to pool contributions and equitable risk.

(7) The Agency shall cause HMOs and MHAs to establish accounts with the LASHEF approved banks for the agreed remittable percentage of the premiums received for the private health plans all under this Law.

(8) The Agency shall cause HMOs to produce, in a recognized format and subject to guidelines to be issued by performance/security bond from accredited banks or insurance companies so as to protect contributions collected.

(9) The Agency on the advice of the actuary shall prescribe, what percentage of contributions collected by HMOs and HMAs for private health plans shall be for provider reimbursement, administration and remittance to the Agency.

35.—(1) Subject to the guidelines and regulations made under this Law, all residents shall be registered under the Scheme.

The LASRRA registration number shall be a pre-requisite for registration and shall itself grant eligibility to access any and all benefits available under the Scheme.

(2) All employers (public and private) shall register with the Agency and obtain a Corporate Identification Number (CIN), and shall register their employees with the HMOs of their choice.

(3) A corporate body shall only be able to buy any health plan from HMOs or HMAs with a Corporate Identification Number (CIN) from the Agency.

36.—(1) The engagement of participating health care providers under the Scheme shall be in accordance with the guidelines as may be issued by the Agency.

Registration and Service of Health care Providers.

(2) A health care provider engaged in subsection (1) shall in consideration for an approved Payment Mechanism (including capitation) deemed fit by the Agency, to the extent and manner prescribed, provide services in accordance with-

(a) the approved Benefit Package as determined by the Board; and

(b) Treatment Guideline.

37.—(1) The Agency shall register NHIS accredited HMOs, HMAs and allied associations.

Registration of Maintenance Organizations, Mutual Health Association and Allied Associations.

(2) This Law recognizes the existence of contributory Health Insurance Organizations (including HMOs) and prepaid health plans before the commencement of the Lagos State Health Scheme. Such organization operating in the State shall be registered, licensed and monitored by the Agency. All Private Health Plans and Private Medical Insurance Programmes in the State must mandatorily be operated in such manner as stipulated by the Agency for uniformity and to the economic benefit of community members.

(3) The registration of an organization under the Agency shall be in such form and manner as may be determined, by the Board, using guidelines which shall include provisions requiring the organization to-

(a) be financially viable before and after registration;

(b) have a healthy track record of relationship with private providers;

(c) make a complete disclosure of the ownership structure and composition of the organization;

(d) have account(s) with one or more banks approved by the Agency;

(e) comply with relevant insurance requirements through insurance companies duly accredited by the Agency;

(f) give an undertaking that the organization shall manage and invest the funds accruing to it from contributions received in accordance with the provisions of the guidelines to be issued, by the Agency;



(g) establish/stimulate the development of Mutual Health Associations in their area of operation.

(4) The Agency shall reserve the right to allocate HMOs to cover designated divisions of the State.

(5) Registration and Licensing of HMO shall be time bound as may be determined by the Agency, after which the HMO shall present itself for renewal of its registration and licence.

Refusal of  
Licence.

38.—(1) The Agency may refuse to issue a licence to any applicant in respect of an application made under Section 37 of this Law if it is satisfied that-

(a) the information contained in the application for a licence is false ; or

(b) the application does not meet the requirements prescribed by the Agency for granting of a licence;

(2) Where the Agency refuses to register any organization, it shall notify the applicant in the prescribed form, specifying the reasons for such refusal. Such an organization may reapply at a time it has fulfilled all the necessary conditions for registration.

Revocation of  
Licence.

39.—(1) The Agency may revoke a licence issued to an organization, if-

(a) it discovers after the grant of licence that a statement was made in connection with the application which the applicant knew to be false;

(b) the organization is subject to any insolvency proceedings or is to be wound up or otherwise dissolved;

(c) the conduct of affairs of the organization does not conform with the provisions of this Law or any regulations made in accordance with the provisions of this Law;

(d) any event occurs which renders the organization ineligible to perform its duties; and

(e) the organization is in breach of any condition attached to its licence.

(2) The Agency shall, before revoking the licence of an organization give the organization at least ninety (90) days notice of to revoke the licence its intention and shall consider any representations made to it in writing by the organization within that period before the revocation.

40.—(1) An organization referred to in subsection (1) of Section 37 of this Law shall have responsibility for-

Functions of HMOs and MHAs.

- (a) registration of eligible employers and employees under this Law;
- (b) payment of services rendered by health care providers registered under the Scheme using recommended Provider Payment Mechanism;
- (c) rendering to the Agency returns on its activities as may be required by the Board;
- (d) contracting only with the health care providers approved under the Scheme for the purpose of rendering health care services as provided by this Law;
- (e) ensuring that contributions are kept in accordance with guidelines issued by the Board;
- (f) establishing a quality assurance system
- (g) and any other role as stipulated by the Agency.

(2) An Association referred to in subsection (1) of Section 37 of this Law shall have responsibility for the functions stated in subsection (1) of this Section though with focus on the informal sector.

(3) Notwithstanding anything contained in this Law, HMOs and MHAs shall not be involved in the direct delivery of health care services or collection of funds except in private or voluntary Health Plans and shall make appropriate returns to the Fund.

41. Subject to the guidelines and regulations as may be made in accordance with this Law, all health care practitioners engaged in the Scheme shall be accredited and registered with the relevant professional regulatory body.

Registration of Medical Practitioners with the Scheme.

42.—(1) As from the commencement of this Law, all documents issued by a health care practitioner shall be duly signed, stamped and bear the accredited number of the issuing health care practitioner registered under the Scheme.

Medical Document to be duly signed.

(2) All medical documents purporting to emanate from any health care practitioner engaged in the Scheme shall bear –

- (a) the name;
- (b) the address;

- (c) signature; and
- (e) licensing number of the health practitioner.
- Participant of Local Government Appointment of Focal Persons.** **43.—**(1) A Local Government Area Chairman may in consultation with the Primary Health care Board respectively appoint focal persons who shall be senior serving officers in the services of the Local Government Departments of Health to coordinate and collaborate with the Agency.
- Functions of the Lagos State Health Management Agency Arbitration Panel.** **44.—**(1) Wherever there is dispute amongst parties under this Law, it shall first be referred to Arbitration, Mediation or Conciliation before resorting to litigation.
- (2) The parties shall by mutual consent appoint a 3-man panel of arbitrators (in this Law referred to as “the panel”)
- (3) The membership of the panel and the applicable arbitral procedure shall be as provided for in the Arbitration and Conciliation Law, Laws of Lagos State.
- Prosecution of Offender.** **45.** A person who contravenes any of the provisions of this Law shall be prosecuted by the Attorney-General of the State.
- Jurisdiction.** **46.** The State High Court shall have-
- (a) jurisdiction to try offenders under this Law; and
- (b) power to impose the penalties provided for the offence in this Law, notwithstanding anything to the contrary in any other enactment.
- Payment of Contribution** **47.—**(1) The High Court before which a person is convicted of an offence under this Law may, without prejudice to any civil remedy, order a person to pay to the fund of the Scheme the amount of any contributions together with interest and penalty, certified by the Agency to be due and payable at the date of the conviction and such amount shall be paid into the Fund of the Scheme for its credit, where applicable or of the employee concerned.
- (2) Any contribution paid into the Fund of the Scheme under subsection (1) of this Section shall be remitted to the organization entitled to receive the contribution.
- Commencement of Proceedings.** **48.** Proceedings for an offence under this Law may be commenced at any time after the commission of the offence.
- Limitation of Suits Against the Agency etc.** **49.—**(1) Subject to the provisions of this Law, the provisions of the Public Officers Protection Act shall apply in relation to any suit instituted against any officer or employee of the Agency.

(2) Notwithstanding anything contained in any other enactment, no suit shall lie against the Agency, any member of the Board, the General Manager or any employee of the Agency for anything done in accordance or execution of this Law or any other enactment or of any public duty or authority or in respect of any alleged neglect or default in the execution of this Law or such enactment duty or authority, shall lie or be instituted in any court unless it is commenced-

- (a) within three (3) months after the act, neglect or default complained of; or
- (b) in the case of a continuation of damage or injury, within six (6) months after the ceasing.

(3) No suit shall be commenced against the Agency, a member of the Board, the General Manager or employee of the Agency before the expiration of a period of one (1) month after written notice of intention to commence the suit have been served upon the Agency by the intending plaintiff or his agent(s).

(4) The notice referred to in subsection (3) of this Section shall clearly and explicitly state the cause of action, the particulars of claims, the name and place of abode of the intended plaintiff and the relief claimed.

50. A notice, summons or other document required or authorized to be served on the Agency under the provisions of this Law or any other Law may be served by delivering to the General Manager or by sending by registered post and addressed to the General Manager at the principal office of the Agency.

Service of Document.

51.—(1) In any action or suit against the Agency, no execution or attachment of process shall be issued against the Agency unless three (3) months notice of intention to execute or attach has been given to the Agency.

Restriction on Execution against Property of the Agency.

(2) Any sum of money which may by judgment of court be awarded against the Agency shall, subject to any direction given by the court be paid from the general reserve fund of the Agency.

52. An employee of the Agency acting in the course of lawful duty shall be indemnified out of the assets of the Agency, against any liability incurred by him in defending any civil proceeding.

Indemnity of Officers.

53.—(1) A member of the Board, the General Manager or other employee of the Agency shall-

Confidentiality and Non-disclosure.

(a) not make use of any information which has come to his knowledge in the exercise of his powers or is obtained by him in the ordinary course of his duty for his personal gain or otherwise under this Law;

(b) treat as confidential any information obtained by him in the performance of his functions under this Law;

(c) not disclose any information referred to under paragraph (b) of this subsection except when required to do so by an Arbitration or similar panel, the court or in such other circumstances as may be prescribed by the Board.

Contributions to be Inalienable.

**54.—(1)** Contributions paid or payable to 0.0000 the Agency shall be inalienable and shall not be assets for the benefit of creditors in the event of the bankruptcy or insolvency of a contributor or an organization.

(2) Notwithstanding anything in any law or enactment, contributions whether by an employer or an employee under this Law shall form part of tax deductible expenses in the computation of tax payable by an employer or, as the case may be, by an employee, under any other relevant law applicable to income tax.

Transfer of Liability of Contribution in the Case of Mergers/ Acquisition. etc.

**55.** Where an order is made by a court under Section 591(3) of the Companies and Allied Matter Act 1990, which include the transfer to the company of the whole or any part of the undertaking and of the property and liabilities of a transfer or company, the order shall include provisions for the taking over, as from such date as may be specified in the order, of any liability for any contribution which has become due and payable under this Law together with the accrued interest in respect of the employees concerned in the undertaking, property or liability transferred.

Exclusion from Application of Cap 449 LFN.

**56.** The provisions of the Trustee Investment Act shall not apply to any investment made by the Agency under this Law.

Collaboration with the Federal Government.

**57.** The State Government shall collaborate with relevant agencies of Federal Government in the realization of the set objectives of this Law.

Professional Indemnity for Healthcare Providers.

**58.** All health care providers shall be required to provide evidence of professional indemnity cover from a list of insurance companies approved by the Board.

Powers to make Regulations.

**59.** The Agency shall in accordance with the Regulations Approval Law, make regulations and issue guidelines for-

(a) the registration of employers and employees liable to contribute under this Law.

(b) the registration of dependants of employees covered by the Agency;

- (c) the registration of health care practitioners practicing under the Scheme;
- (d) the compulsory payment of contributions by employers and employees, the rates of those contributions and the deduction by the employers of contributions payable by employees under this Scheme from any salary, wage or other money payable;
- (e) the payment of contributions by self-employed and other persons and the rates of such contributions;
- (f) the maintenance of the records to be kept for the Agency and the records to be kept by employers in respect of contributions payable under this Law and in respect of their employees;
- (g) the methods of receiving contributions under this Law;
- (h) the imposition of surcharges in respect of late payment of contributions by employers or employees;
- (i) the manner and circumstances in which contributions may be remitted and refunded;
- (j) negotiated fees and charges payable for medical, dental, pharmaceutical and all other services provided under the Scheme;
- (k) the nature and amount of benefits to be provided under this Scheme, the circumstances and the manner in which the benefits shall be provided;
- (l) the nature and amount of capitation and provider payment mechanism under this Scheme, the circumstances and the manner in which health care providers shall receive the payment;
- (m) the reduction, suspension or withdrawal of any payment under this Scheme;
- (n) the submission of returns by employers regarding the employers and their employees;
- (o) the procedure for assessment of contributions made under this Scheme;
- (p) any other matter for which, in the opinion of the Agency, is necessary or desirable to make regulations and issue guidelines for giving effect to this Law.

Power to  
Audit, Enter  
and Inspect.

**60.** The Agency through its appointed Officers may audit, enter, and inspect any premises, books, accounts and records of any Hospital, HMO or MHA that has received payments under this Law at any time and may require the hospital or facility to verify in a manner prescribed, any information submitted to the Agency.

Withholding  
Payments.

**61.** Where a hospital or health facility fails to keep the books, records and returns required under this Law or any Regulations made, the Agency may withhold payments due to it until the hospital complies with the provisions of this Law.

Offences and  
Penalties.

**62.—(1)** Any person who produces to an admitting official of a hospital or a Medical Practitioner or a member of his staff or to a person authorized by Law to provide other health services or a member of his staff, a registration certificate-

(a) knowing that the person named in the certificate is not at the time of the production, covered under the Law;

(b) knowing that the person on behalf of whom and to facilitate whose treatment it is produced is not the person named in the certificate or a dependant of that person;

commits an offence and liable on conviction to a term of imprisonment for a maximum period of twelve (12) months and a fine of Two Hundred and Fifty Thousand Naira (₦250,000.00) in addition to the cost of treatment incurred.

(2)(a) any person or organization who connives with a health care practitioner or health care organization to receive cash either for services rendered or not rendered commits an offence and liable on conviction to a term of imprisonment for twelve (12) months and a fine of Five Hundred Thousand Naira (₦500,000.00).

(b) any health care practitioner who connives with an individual or organization to give cash either for services rendered or not rendered commits an offence and liable on conviction to a term of imprisonment for twelve (12) months and a fine of Five Hundred Thousand Naira (₦500,000.00).

(c) Any health organization who connives with an individual or organization to give cash either for services rendered or not rendered commits an offence and liable on conviction to a fine of Two Million Naira (₦2,000,000.00) and shall in addition be disengaged from the Scheme.

(3) A member or agent of the Agency who fails, without reasonable cause, to comply with a requirement of an auditor under Section 31 of this Law,

commits an offence and is liable on conviction to a fine not exceeding One Hundred Thousand Naira (₦100,000.00) or imprisonment for a term not exceeding three (3) months or both.

(4) Any person or organization who fails-

(a) to pay into the account of an organization or association within the specified period any contribution to be paid under this Law;

(b) deduct the contribution from the employee's wages and withholds the contribution or refuses or neglects to remit the contribution to the organization or association concerned within the specified time, commits an offence and is liable on conviction -

(i) in the case of a first offence, to a fine of not less than One Hundred Thousand Naira (₦100,000.00) or imprisonment for a term not exceeding two (2) years or both;

(ii) in the case of a second or subsequent offence, to a fine of not less than Two Hundred and Fifty Thousand Naira (₦250,000.00) or imprisonment for a term not exceeding five (5) years or less than two (2) years or both.

(5) An health care practitioner engaged in the Scheme who fails to comply with the provision of subsection (2) of Section 42 above commits an offence and liable on conviction to disengagement from the Scheme.

(6) Any person who contravenes the provisions of subsection (1) of Section 53 of this Law commits an offence and is liable on conviction to a fine of not less than Fifty Thousand Naira (₦50,000.00) or imprisonment for a term not exceeding two (2) years or both.

63.—(1) Where an offence under this Law has been committed by a body corporate or firm or other association of individuals, a person who at the time of the offence-

Offences by  
Bodies  
Corporate,  
etc.

(a) was an officer of the body corporate, firm or other association; or

(b) was purporting to act in the capacity of an officer or the body corporate, firm or other association, commits an offence and liable to be prosecuted and punished for the offence in like manner as if he had himself committed the offence, unless he proves that the commission or omission constituting the offence took place without his knowledge, consent or connivance.



- (2) In this Section, "officer" includes-
- (a) in the case of Ministries, Departments and Agencies (MDAs) the accounting officer;
  - (b) in the case of a body corporate, a Director, Chief Executive by whatever name called, Manager and Secretary of the body corporate;
  - (c) in the case of a firm, a partner, manager and secretary of the firm; and
  - (d) in the case of any other association of individuals, a person involved in the management of the affairs of the association.

Citation and  
Commence-  
ment.

**64.** This Law may be cited as the Lagos State Health Scheme Law 2015 and shall come into force on the 25th day of May 2015.

---

This printed impression has been compared by me with the Bill which has been passed by the Lagos State House of Assembly and found by me to be a true and correctly printed copy of the said Bill.

**G. O. ABIRU**  
*Clerk of the House of Assembly*

ASSENTED TO AT IKEJA, THIS 25TH DAY OF MAY 2015.

MR BABATUNDE RAJI FASHOLA (SAN)  
*Governor of Lagos State*



Law No. 5

2015

Lagos State of Nigeria

**A LAW TO GIVE EFFECT TO THE COMPILED, REVISED AND  
REFORMED LAWS OF LAGOS STATE OF NIGERIA**

*(25th May 2015)*

Commence-  
ment

THE LAGOS STATE HOUSE OF ASSEMBLY enacts as follows:

1. In this Law, unless the context otherwise requires —  
  
“Existing Law” means any primary or subsidiary Law in force before the giving of effect to the provisions of this Law.
2. The compiled, revised and reformed Laws of Lagos State of Nigeria, 2015 by the Lagos State Law Reform Commission are approved by the Lagos State House of Assembly.
3. Any inadvertent omission or alteration of any existing Law shall not affect the validity and applicability of the Law.
4. This Law may be cited as the Laws of Lagos State of Nigeria (Approval) Law 2015, and shall come into force on the 25th day of May 2015.

Interpreta-  
tion.

Approval of  
the Laws of  
Lagos State  
of Nigeria  
2015.

Existing Laws  
are Unaf-  
fected by  
Inadvertent  
Omission etc.

Citation and  
Commence-  
ment.

This printed impression has been compared by me with the Bill which has been passed by the Lagos State House of Assembly and found by me to be a true and correctly printed copy of the said Bill.

**G. O. ABIRU**  
*Clerk of the House of Assembly*