

According to the National Health Accounts report by the Ministry of Health, catastrophic out-of-pocket health expenditures by Ugandans increased by Shs90b between 2019 and 2021.

BY TONY ABET

President Museveni has directed the ministries of Health and that of Finance to urgently redesign the long-delayed National Health Insurance Scheme (NHIS) to accelerate its rollout, this publication has established.

This fresh directive comes at a time when Uganda is grappling with declining external aid and rising cases of families being pushed into poverty by catastrophic medical bills. Patients who are unable to afford the medical bills are also at a high risk of dying from preventable causes.

The directive was issued during recent Cabinet discussions on the Financial Year (FY) 2026/2027 National Budget, according to information from the Ministry of Finance.

Mr Ramathan Ggoobi, the Permanent Secretary in the Ministry of Finance, also the Secretary to the Treasury (PSST), said in the new directive, the President is pushing for a home-grown and contributory model tailored to Uganda's realities.

"In the latest Cabinet, when they were approving the National Budget for next year, His Excellency, the President, said let's repackage the national health insurance scheme and we have a more focused discussion, and we close it, we see how we can make it contributory," he said.

During a high-level meeting on health financing with experts at Makerere University on April 10, Mr Ggoobi explained why the President disregarded past submissions by the Ministry of Health, which is spearheading the establishment of the NHIS.

"The one which the Ministry of Health submitted cannot work. It is overly dependent on the government, and the government is already providing a lot of free health care. We need to make some rearrangements for a more feasible plan," he revealed.

Current status

According to data from Uganda Bureau of Statistics (Ubos), by 2024, only one percent of the population had health insurance coverage, which is currently provided by private companies and other community-based schemes.

Mr Ggoobi explained that national health insurance and rethinking the general health financing landscape are urgent matters.

"The most pernicious risk we have today in Uganda is out-of-pocket (OOP) spending [on health care]. The OOP payments in Uganda account for roughly 31 percent of the health expenditure," he said.

Research, using the Uganda household survey data, shows increases in OOP spending [on health care] can reduce household consumption by about 90 percent and increase asset accumulation by four percent.

"And around four percent of Ugandans spend more than 25 percent of the household consumption on

Shrinking aid revives talks



A patient undergoes dialysis at Mulago Hospital in March. Experts say many Ugandans are struggling to access care because of limited budget for drugs amid ineffective disease prevention efforts. PHOTO/TONY ABET

PRICE OF DELAYED NHIS

For eight years now, Emily Onziru, 36, has been looking for money for a life-saving surgery for her damaged heart valves. The condition (rheumatic heart disease) has significantly affected her quality of life, productivity and drained the family of their limited resources. "I'm constantly feeling very weak. I don't do anything and it is my sisters who help me now," Onziru, narrated to our reporter.

Amid financing shortage, she also struggles to meet daily needs such as medication to manage the symptoms. The medicines cost her Shs150,000 monthly, yet her body is too weak to engage in economic activities.

Missed symptoms

As a young girl, Onziru experienced episodes of shortness of breath, dry throat, fatigue and body weakness.

"I often felt weak and became breathless when walking. Most times they said it is ulcers and was given medicine for it, without change," she recalls.

"There were moments when the throat was constantly dry and I also felt tired when I opened the mouth to talk, I just feel very tired. The



Emily Onziru suffers from rheumatic heart disease but cannot afford the life saving surgery. PHOTO/TONY ABET

throat begins feeling dry, you even feel the same up to the heart that the whole space is dry," she adds. Her condition got worse with age. "So, it became worse when I gave birth to my third born, I could not bend to shower. When I want to bathe, I just feel as if there's something coming from my heart, through the mouth, trying to fall out like that," she narrates. In 2018, she suffered a miscarriage, but the cause was not established, despite getting treatment. In 2019,

her condition deteriorated further but this also presented an opportunity for further medical examination.

"I was in critical condition and was rushed to the hospital. They discovered that all along, I had suffered from rheumatic fever, which had now progressed to rheumatic heart disease. This was when they checked the heart. They found that two of my heart valves were already eaten up by bacteria," she recalls.

Discovery

She says the doctors at Uganda Heart Institute immediately recommended surgery as a permanent solution and she was also prescribed medicines that she has been taking since then. Unfortunately, it has been more than three years and Onziru is yet to undergo surgery due to lack of money for the surgery.

"They [the doctors] said I needed Shs27m and more to do the operation. I could not do much because I knew that neither my husband nor I could afford it," she said. Today, her family must do all it takes to avail the month dosage, without which Onziru cannot walk, more uphill. "Whenever I walk uphill, I feel like I'm going to fall. The

whole body is ever shaky," she revealed.

However, these are symptoms suggestive of rheumatic fever. Sadly, the condition advanced to rheumatic heart disease as her heart valves became permanently damaged. Rheumatic fever is a disease that develops when a sore throat caused by bacteria is not treated properly. Rheumatic heart disease is the permanent damage of essential heart valves that control the blood flow, which results from rheumatic fever.

Plea

Coffee Etuka, Onziru's husband said his family needs support from the public to help his wife get the life-saving surgery.

"I'm calling upon the public to help me, actually to save the life of my wife. We have four children right now. These children are so small, I cannot bring them up alone," he requested.

Onziru said the recent fund mobilization done brought in less than five percent of the money required for surgery. As she sits in their family home in Masanafu, a densely populated slum, located 10 kilometres away from Kampala City centre, Onziru hopes for a miracle.

health care. This is poverty generated by illness, and we must do something about it," he added.

The government also detected deep vulnerabilities, which have been occasioned by overreliance of donors. Information from the finance ministry indicates that development donor financing contributed about 40 to 45 percent of the total health expenditure.

"Currently, the composition estimates are: government (about 22 percent),

development partners (42 percent), households (31 percent) and insurance (less than five percent). This overdependence on external financing has started to create structural vulnerability as global aid has become more uncertain," Mr Ggoobi said.

Ms Jane Kyarisiima Mwesigwa, the deputy Head of Public Service in the Office of the Prime Minister, said Uganda urgently needs the NHIS established to solve issues faced by the population.

"We need to accelerate the establishment of a national health insurance scheme to reduce out-of-pocket expenditure, mobilise domestic resources, and improve accountability," she said.

According to the National Health Accounts report by the Ministry of Health, catastrophic out-of-pocket health expenditures by Ugandans increased by Shs90b between 2019 and 2021.

"Households out-of-pocket (OOP) payments accounted for Shs2.21 trillion

in FY2019/2020, which increased to Shs2.30 trillion in FY2020/21," the report reads.

Information from the World Bank also indicates that by 2016, around three percent of Uganda's population had been pushed below the \$3.65 (Shs13,600) poverty line by OOP health expenditure.

That figure is significantly higher compared to one percent or below of the population in other countries like

for national health insurance



Left to right: Prof Freddie Ssengooba, Dr Ian Clarke, Mr Stephen Omojong and Prof Elizabeth Eklrapa during a high level meeting on health financing on at Makerere University School of Public Health (MakSPH) April 9. PHOTO/MAKSPH



Finance ministry Permanent Secretary Ramathan Gooobi (centre) and other officials from Makerere University School of Public Health during high level meeting on health financing. PHOTO/MAKSPH

Kenya, Tanzania, Rwanda and Burundi who were affected by the same, according to the World Bank.

Declining donor support

An October 2025 report by non-governmental organisations (NGOs) shows that Uganda's health sector is buckling under a catastrophic drop in donor support, with external (donor) funding for the national health budget declining from the high of 49 percent in 2022 to just 23 percent in 2025.

The report was from a joint research by the Uganda National NGO Forum and the Center for Health, Human Rights and Development (CEHURD).

In 2022, the domestic funding towards the health sector was at Shs2.4 trillion, while external (donor) funding was at 2.3 trillion. But in 2025, the domestic funding is estimated at Shs4.4 trillion, while external funding has declined to Shs1.3 trillion.

The report indicates that this sharp decline by more than half within four years, amid insufficient increases in domestic resource allocation to plug the gaps and increasing health needs, has exposed deep structural vulnerabilities, eroded service quality, and left many vulnerable Ugandans struggling to ac-

cess essential care.

"The reduction in external financing (on-budget) has exposed various systemic risks with immediate disruptions to HIV/Aids (services), maternal health, and essential medicines," said Richard Muganzi, the Director of Programmes at CEHURD.

Muganzi added that the limited sources of domestic financing has negative effects on service quality, continuity, and progress toward the Abuja target (of allocating 15 percent of national budget to health sector).

Experts advise on health insurance

Prof Freddie Ssengooba, a health policy specialist from Makerere University School of Public Health, said although NHIS is very important, it is not a quick fix for urgent public health needs.

He said the urgent needs will be fixed by improving interventions to prevent and eradicate diseases like malaria and improve drug availability in hospitals.

Prof Ssengooba also indicated that academia had largely been left out in the discussions around NHIS.

"We've heard of health insurance and I'm glad that the PSST said this needs to be redesigned. However, for the last four or five years, the academia has been

shut out of even what the Cabinet has discussed," he said.

"That aside, government can definitely allocate more money to the health sector because that is our first insurance," he added.

Prof Ssengooba said even if the Bill is passed and approved by the President, in the first 10 years, Ugandans may not "see any benefits that is worth talking about." His argument is that there will be several challenges in the start that need fixing.

"This is a major reform that even countries that have gone ahead of us have had challenges to fix. Therefore, while it is imperative that we embrace it, we should not oversell immediate benefits as those will only come after a while. That said, we must start and then put in the work to ensure we see the fruits," he said.

Prof Ssengooba also said there is a need to work with different institutions like the National Social Security Fund (NSSF), which has successfully developed and deployed programmes that run under contributions from Ugandans.

"We can start to talk about some of the institutional mandates and how we can pull them to solve this because we see NSSF as a big brother that already has a lot of capacity," he said.

\$50

The per capita government health spending. That is below the \$112 often cited as the lower middle-income baseline for best services.

But the specialist believes the quick fix at this point is increasing the health budget.

"While insurance is great, it's not short-term. Therefore, it is important to think about prevention of diseases we have a track record of beating," he added.

Dr Ian Clarke, a physician and entrepreneur who served as the Chairman of the Ugandan Healthcare Federation and East Africa Healthcare Federation, was also explicit about his opinion on the matter.

"A lot of money has been spent or wasted on studying national health insurance over the years. I suggest Makerere University School of Public Health takes on the stewardship of the scheme's working group. They are honest people without any ulterior motive," he said.

He decried the corruption that arises when there is financial advantage in sight, thus advocating against the scheme being entirely under the Ministry of Health, although they can have representatives on board.

"You also need representatives from the private sector, faith-based institutions, local government, NSSF, private insurance companies, the Finance ministry, development partners, plus some experts in digital health and Artificial Intelligence," he added.

NSSF research and product development manager Stephen Omojong said the NHIS can be successful if the developers/designers learn from others and design what is beneficial to Ugandans.

Picking from their recent experience of designing and introducing a voluntary savings product, he said with good design, they are seeing growth.

An uphill task.

Even if the Bill is passed and approved by the President, in the first 10 years, Ugandans may not "see any benefits that is worth talking about. That is because there will be several challenges in the start that need fixing.

- Prof Freddie Ssengooba, health policy specialist, Makerere University School of Public Health

"In only a year, we have 68,000 people who have opted to save voluntarily and we have collected a total of Shs114b. This is a prototype that shows that you can design a good programme, and Ugandans can embrace it," he added.

Despite having the region's highest proportion of the population pushed below the \$3.6 (Shs13,700) poverty line by heavy out-of-pocket health expenditure, as per World Bank data, Uganda is also the only country in the region without a national health insurance scheme.

Information from the Ministry of Health indicates that the work on the NHIS Bill was started in 2004. Members of Parliament first passed the NHIS Bill on March 31, 2021, in a sitting chaired by then Speaker Rebecca Kadaga, despite calls by the Ministry of Health to withdraw the Bill from the House for a readjustment. However, it was not signed by the President into law.

The Bill has again been forwarded to the relevant ministries, which say they have revised, and the new version submitted to Cabinet. However, Mr Gooobi now says the President requires a redesign.

"It is only Uganda in East Africa that doesn't have an NHIS. Why? Is it politics or fear? I think it is more of politics but I want to believe we have made headways and I think this time we shall reach there," Dr Jane Ruth Aceng, the Minister of Health, said in a separate meeting.

In the Bill, which the ministry had submitted to Cabinet, the minister says each Ugandan will be required to pay Shs15,000 per month.

And for indigents, initially, we are

DWINDLING FUNDING

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looking Shs15,000 per year so that your grandmother in the village can afford," she said.

"However, dependents below 18 years have to be paid for. Therefore, the more the children you have, the more you will pay. So, this could be another family planning tool," she added.

Improving health indicators and challenges

Mr Gooobi said despite the challenges, there has been significant progress in the health sector and within the general population.

"Uganda has recorded very genuine progress in the areas of life expectancy, which has risen roughly from 50 years in 2000 to about 68 years in 2024. Poverty, measured by absolute income, has reduced to 16 percent, from 24.5 percent in 2010," he said.

The PSST also said the allocation of the budget to the health sector has been increasing, but is insufficient to meet the needs.

"Our total resource envelope, for the FY2025/2026, is Shs72.38 trillion. We revised it by another Shs8 trillion to about Shs80 trillion. Of that, health receives, about Shs6 trillion, with a broader human capital development allocation of Shs12 trillion," he said.

Information from the Finance ministry indicates that the per capita government health spending has more than doubled over the past decade. And government spending rose from about Shs2.8 trillion in the FY2020/2021, to Shs4.4 trillion in FY2025/2026.

Yet Mr Gooobi observed that per capita health spending remains just about \$50 (Shs186,724) annually in Uganda. This is below the \$112 (Shs418,262) often cited as the lower middle-income baseline for best services. That is about half or less of what is required to be spent on health. Unfortunately, global evidence suggests that 20 to 30 percent of health spending may be lost in inefficiencies.

"That is a procurement weakness which we are now working on. At the moment, National Medical Stores is one of the most efficient procurement government agencies, and they have done us a very good favour in improving. But still, we have weaknesses," he added.

Mr Omojong is also concerned about the target for the contribution to NHIS given that a large number of Ugandan workforce is in the informal sector, saying there's need for a well-designed programme to make the NHIS work.

"I need to paint a picture of the population we are talking about. In Uganda, people in formal employment are about 4-5 million. The rest are in informal employment," he observed.