



Somali Federal Republic | Federal Ministry of Health & Human Services

Governing NSHIA and Its Legal Mandate

Legal authority, institutional boundaries, board oversight, fiduciary controls
and public accountability

PRESENTATION 3



Governance purpose

Make NSHIA credible, enforceable and implementation-ready.

1 Confirm legal identity

Semi-autonomous public institution under FMoHHS stewardship.

2 Clarify mandate

Pooling, purchasing, contracting, claims, data, grievance and reporting powers.

3 Separate boundaries

Distinguish Ministry stewardship from NSHIA operations and provider obligations.

4 Design oversight

Board, committees, management and audit architecture at inception.

5 Align PFM

Treasury-compatible flows, ring-fenced windows, reporting and reconciliation.

6 Protect members

Public reporting, GRM, ethics and accountability channels.



Why the legal foundation comes first

Legal design is the first protection against ambiguity and premature rollout.

Credible establishment

Legal personality, institutional status, powers and reporting lines must be clear before operations start.

Core authority

Pooling, purchasing, contracting, claims, data, grievance redress and reporting powers must be explicit.

Regulatory coherence

The framework should avoid overlap with Ministry stewardship, public finance rules and private insurance regulation.

Implementation safety

Transition clauses should authorize phased setup, pilots, manuals and immediate operational decisions.

Strategic message: the law should make NSHIA operationally credible, not merely formally established.



NSHIA mandate architecture

Move from establishment law to accountable purchasing and citizen protection.





Mandate delineation: stewardship vs operations

Boundaries prevent duplication and strengthen accountability.

Federal Ministry of Health & Human Services

Policy direction, sector stewardship, regulation, standards, public health priorities and UHC leadership.

NSHIA

Pooled fund management, strategic purchasing, provider contracts, claims governance, enrollment, member protection, reporting and grievance redress.

Policy stays with Ministry

Purchasing sits with NSHIA

Providers follow contracts

Citizens receive protection



Governance architecture

Integrity mechanisms should be installed before implementation, not after problems occur.

Board

Strategic oversight, fiduciary duty, mandate protection and approval of core rules.

Audit & Risk / Finance

Fund-flow control, conflict-of-interest safeguards, risk review and reporting.

Purchasing & Quality

Provider contracts, tariffs, quality standards and claims rules.

Shariah/Ethics & GRM

Solidarity principles, member rights, complaints and public trust.

DG & PMO

Execution discipline, implementation tracking and escalation.

Directorates

Legal, finance, purchasing, claims, digital, member services and monitoring.



Board oversight and fiduciary duties

The board protects the public interest and the pooled fund.

Composition

Credible appointment logic balancing government stewardship, technical expertise, finance, provider/member perspectives and independence.

Decision authority

Approve strategy, benefit rules, purchasing policies, risk appetite, audit plans and public reports.

Fiduciary duty

Act in the interest of the fund, members and public accountability; manage conflicts of interest.

Performance oversight

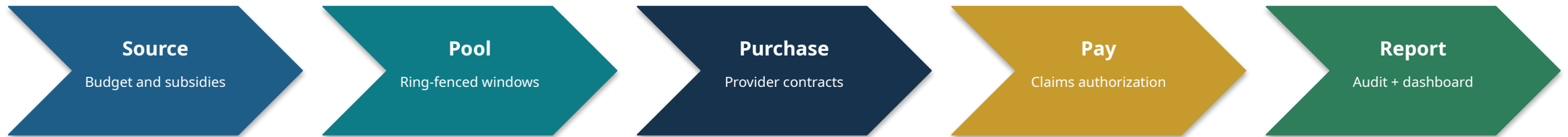
Review implementation dashboard, claims trends, provider performance and grievance data.

Board message: trust in pooled financing depends on visible rules for funds, decisions, providers, citizens and complaints.



PFM integration and fund-flow discipline

Pooled financing requires treasury-compatible control, ring-fencing and reconciliation.



Control principle

No payment without approved rules, verified claims and documented authorization.

Transparency principle

Routine reconciliation and public reporting should be embedded from the start.

Compatibility principle

Fund flows must align with national PFM, audit, procurement and treasury requirements.



Accountability mechanisms

Public accountability is the reform's trust architecture.

Internal audit

Risk-based review of claims, payments, procurement, contracts and data integrity.

External audit

Independent review and publication pathway for fund performance and fiduciary assurance.

Anti-fraud controls

Provider verification, outlier detection, duplicate claim checks and sanctions process.

Conflict of interest

Declarations, recusal rules, procurement safeguards and provider contracting restrictions.

Grievance redress

Accessible member/provider complaint channels with escalation and response timelines.

Public reporting

Quarterly dashboard on enrollment, claims, payments, grievances and corrective actions.



Legal finalization checklist

The workshop should classify each legal issue into one of four buckets.

1 Agreed now

Ready for incorporation into the legal text or establishment decision.

2 Requires drafting

Needs legal wording, definitions, clauses or compatibility review.

3 Requires technical follow-up

Needs costing, systems, operating manuals or provider validation.

4 Requires political/fiscal decision

Needs Cabinet, Ministry of Finance, FMS or budget-level agreement.

Key legal outputs: drafting priority list, mandate clarification note, open issues log and assigned legal follow-up.



Decisions requested from the event

Close governance discussion with enforceable resolutions.

1 **Mandate resolution**

Confirm NSHIA as public pooled fund manager and strategic purchaser, not a commercial insurer or service provider.

2 **Boundary resolution**

Approve stewardship/operations/provider delineation and assign unresolved functions.

3 **Governance resolution**

Endorse board and committee model required before pilots.

4 **PFM resolution**

Approve fund-flow principles, audit requirements and reporting expectations.

Final governance message: mandate clarity + fiduciary discipline + public reporting = confidence in social health insurance.