



How to Obtain a Health Maintenance Organisation (HMO) License in Nigeria

Description

The National Health Insurance Authority (NHIA) Act, 2022 established the NHIA as the sole regulator for Health Maintenance Organisations (HMOs) in Nigeria, replacing the earlier NHIS framework to drive universal health coverage. To ensure that HMOs operate within robust quality, financial and governance standards, the NHIA in March 2024 released its **Stepwise Procedure for HMOs Accreditation**, detailing every requirement, fee and process step for obtaining and renewing a HMO license. This guide synthesizes **100%** of its information from the NHIA website, walking you through eligibility criteria, document checklists, capital thresholds, fee structures and the seven-stage accreditation pathway.

Regulatory Framework

All HMO licensing in Nigeria is governed by the **National Health Insurance Authority Act, 2022**, which vests the NHIA with authority to accredit, supervise and renew HMOs nationwide. The NHIA's mandate is realized through its **Accreditation Division**, headquartered at Plot 297, POW Mafemi Crescent, Utako, Abuja, and supported by state and zonal offices across the country.

Eligibility & Pre-Application Requirements

Before submission, every prospective HMO must meet these non-negotiable prerequisites as per the NHIA's **Stepwise Procedure for HMOs Accreditation**:

1. Corporate Registration

- **Certificate of Incorporation** from CAC as a private or public limited liability company.
- **Memorandum & Articles of Association** explicitly allowing HMO operations.

2. Minimum Paid-Up Share Capital

HMO Tier	Minimum Capital (₦)	Asset Composition
National	400 000 000	Up to 30% in fixed assets; remaining in cash/working capital
Zonal	200 000 000	Up to 30% in fixed assets; remaining in cash/working capital
State	100 000 000	Up to 30% in fixed assets; remaining in cash/working capital

Capital thresholds are subject to periodic NHIA review.

3. Advance Payment Guarantee

- **Security Deposit (Bond)** of ₦50 000 000 or 1% of projected annual turnover, issued by an NHIA-accredited insurer.

4. Operational Infrastructure

- **Head Office:** National HMOs must have a zone-level office in each geopolitical zone; zonal/state HMOs maintain regional head offices.

- **Quality Assurance System:** Documented QA protocols and quarterly facility assessments.
- **Bank Accounts:** Separate capitation, fee-for-service and administration-charge accounts in an NHIA-accredited bank.

Seven-Stage Licensing Process

The NHIA's published **Stepwise Procedure for HMOs Accreditation** outlines these sequential phases:

Step	Activity
1	Document Preparation – Collate CAC papers, Board resolution, audited accounts, bond certificate.
2	Fee Payment – Remita payment of application and accreditation fees into NHIA's Fund Account.
3	Submission – Deliver hard and electronic copies to the Accreditation Division, Abuja.
4	Preliminary Screening – NHIA checks completeness within 14 days of submission.
5	Site Inspection – NHIA team visits offices and reviews QA systems, infrastructure and bank setups.
6	Committee Review – Monthly meeting of the Accreditation Committee to approve compliant files.
7	License Issuance – Successful applicants receive a 2-year Certificate of Accreditation.

Fees & Financial Obligations

All fees are non-refundable and payable **upfront** via REMITA, with proof of payment submitted alongside application documents.

Fee Type	Amount (₦)	Validity / Notes
Application Fee	100 000	Covers document screening

Fee Type	Amount (₦)	Validity / Notes
Accreditation Fee	500 000	First-time accreditation
Renewal Fee	200 000	Every two years
Security Deposit (Bond)**	50 000 000	Advance Payment Guarantee
Total Upfront Cost	50 800 000	Excludes share capital

Frequently Asked Questions

Q: How long does the accreditation process take?

Typically **6-8 weeks** from submission to license issuance, subject to inspection schedules.

Q: When must I renew my HMO license?

Accreditation is valid for **two years**; renewal applications should be submitted at least **three months before expiry**.

Q: Can I amend my share capital composition after accreditation?

Yes, approved HMOs may hold up to **45%** of paid-up capital in fixed assets upon renewal.

Q: What penalties apply for unlicensed HMO operations?

Fines of up to ₦2 million and/or imprisonment of up to five years under the NHIA Act, 2022.

Common Misconceptions

- **“I can pay fees after inspection.”**

All fees are strictly pre-payment and non-refundable.

- **“Only national HMOs need large capital.”**

Even state-level HMOs require a minimum of ₦100 million paid-up capital.

- **“Submission guarantees accreditation.”**

Applications undergo screening, on-site inspection and committee review; non-compliance leads to rejection.

Conclusion

Securing a HMO license in Nigeria requires strict adherence to the NHIA’s **Stepwise Procedure for HMOs Accreditation**, available directly from the NHIA website’s **Other Resources** section. By meeting every capital, infrastructural and procedural requirement, submitting complete documentation, and paying the prescribed fees, your organisation can achieve and maintain compliance, positioning itself to deliver quality, cashless healthcare solutions across Nigeria.

Category

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