

Full Length Research

Assessing the penetration of health insurance scheme in Nigeria

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Using a sample of 500 respondents comprising of the users and providers of medical services, this study assessed the level of penetration of National Health Insurance Scheme (NHIS) in Nigeria. The findings show that awareness, compliance and coverage of the scheme remains very low after 10 years of its implementation in Nigeria. This research opens a new wave of calls for regulatory innovations and legislative actions to address the penetration and coverage shortcomings that presently impede the workings of NHIS in Nigeria.

Key words: Health Insurance scheme, NHIS, Penetration and Coverage

INTRODUCTION

Health is a very essential enabler of productivity and business sustainability (LCCI, 2014). The World Health Organisation (WHO) 2012 report shows that there is a direct relationship between the health system of any country, its quality of life, productivity and development. Yet, the Nigeria health sector seems to be receiving less than desired attention by the government and other relevant stakeholders.

One of the main concerns is the design and implementation of initiatives to increase the penetration of the Health Insurance Scheme to reach the poorer segment of the society and the sub-urban towns in the country. Issue of low awareness especially among individuals and small firms abound. Another disturbing issue is the growing dissatisfaction and poor services being received by the enrollees in the NHIS scheme both from the hospitals and the Health insurance firms. Government investment on the health sector remains a concern. For instance, the total expenditure on health care as is 4.6% of GDP as at 2012.

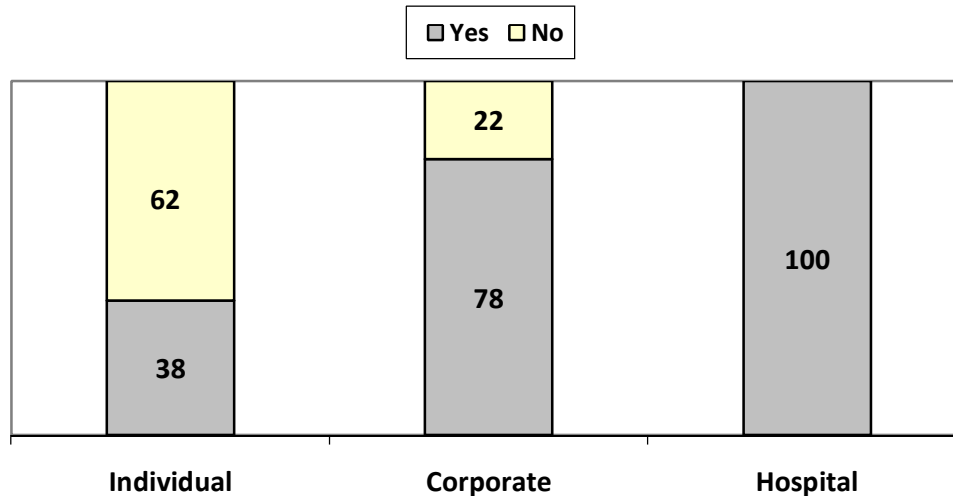
It has observed that there is a slow growth in the Nigerian Health Insurance Scheme (NHIS) since its

establishment in 2003. Thus, the objective of this study is to conduct a stakeholder survey to assess the penetration milestone, challenges and way-forward for the health insurance scheme in Nigeria. The main research question is, "level of penetration and usage of health insurance scheme in Nigeria."

RESEARCH APPROACH

Research design

The study utilised field survey research methodology to collect data from relevant stakeholders. It is believed that gathering data by survey from key stakeholders has proven to be an effective framework for developing "tailor made" solutions. In view of dynamic nature of the study, four categories of stakeholders (corporate, individual, hospital and health maintenance organization) were sampled to generate holistic data. This study was conducted via quantitative research technique. This entails the use of structured questionnaire to elicit



Source: Author's Field Survey result

Figure 1. Awareness of National Health Insurance Scheme.

information from the target audience.

Population and sample

A total sample of 500 respondents were randomly selected and spread across the twenty two (22) local governments in Lagos State Nigeria. Lagos State presents a fair representation being the commercial centre of Nigeria accounting for 40% of the Nation's GDP and 60% of aggregate industrial output. The sample was further sub divided into four different categories, namely: general public (Individuals) with 350 households, corporate with 100 companies, health service operators of 40 hospitals and 10 HMOs. Respondents for the study cover enrollees in the health insurance scheme. Also, the opinion of the "lapse users" of the health insurance scheme was equally sampled in order to ascertain what could be done to make them join the health insurance scheme. The future patronage intent of the health insurance scheme was drawn from respondents in order to establish the expected penetration level of the NHIS.

Sampling procedure

Interviews were conducted at respondents' home and offices to allow equal chance of being selected for interview. Two sampling techniques – random and convenience were used to recruit respondents for the survey. The random sampling was used for in-home selection of respondents among the individuals, while convenience sampling was used for the corporate,

hospitals and Health Management Organisations (HMOs). A group interviewing technique comprising of 14 staff which was subdivided into two teams consisting of 6 interviewers and a supervisor per each group was used to elicit the desired information from respondents instead of the conventional individual allocation technique. In the group method, all interviewers, including the supervisors will complete an area before moving to another starting point as a group. This has a great advantage of reducing non sampling errors that might arise on the part of the interviewers. Again, it enables immediate check of every interviewer's daily work and hence reduces possible fraud from field personnel. Both NHIS current users, potential users and health providers of the scheme were interviewed. The Gender comprises males and females with quota free and respondents are all 18 years and above. The interviews cut across all the socio-economic classes.

PRESENTATION OF RESULTS

Awareness of National Health Insurance Scheme

Figure 1 shows the penetration of the NHIS scheme and client's satisfaction level with health scheme service provision and factors influencing the level of satisfaction among the enrollees. There is an over-whelming awareness of National Health Insurance Scheme at corporate level (78%) and hospital (100%). However, awareness among individuals is less than average (38%).

It is pertinent to point out that National Health Insurance Scheme is gradually becoming popular in

Table 1. Reasons for non-patronage of the scheme.

Users (individuals and corporate)		Hospitals	
Lack of awareness	33%	Not yet accredited	43%
Low knowledge about the scheme	20%	Delay settlement of bill	43%
Doubt the quality of HMOs' services	12%	Basic facilities not yet in place	14%
Prefer family clinic/private hospital	8%		
Lack of interest	7%		
Small staff size	6%		
Lack of fund	4%		
Inaccessibility of HMO's registered hospitals	3%		
Too expensive	3%		
Not yet approached by HMO	2%		
Use work/school hospital	2%		

Source: Author's Field Survey result

Lagos metropolis compared to the past when individual awareness for the scheme was as low as 15%. The proliferation of Health Maintenance Organisations in strategic locations in the State has necessitated the increase in awareness though they are not doing much on media.

It was also learnt that some big Microfinance Banks include health insurance as part of the holistic package for their group lending product portfolio. Those that have saved a minimum of N100, 000.00 in their personal account apart from paying back the group loan are automatically enrolled in the health insurance scheme. This has tremendously impacted on the awareness of the scheme in the informal sector.

Patronage of National Health Insurance Scheme

The results revealed a low patronage of National Health Insurance Scheme – individual (18%) and corporate (38%). Surprisingly, the high awareness of the scheme by corporate organisations did not transcend to patronage. Nearly all the small scale enterprises with less than ten employees (91%) have not yet embraced the scheme. Reverse is the case with large/medium companies with fifty and above employees as 73% of them visited engage the services of HMOs. Over three-quarter (77%) of the hospitals visited are currently working with HMOs. Only few (23%) particularly the small hospitals are yet to sign a contract with any HMO because they lack the necessary facilities (Table 1).

Majority of Health Maintenance Organisations revealed that they have more corporate clients (69%) followed by government (27%) and a handful of individual (4%). The informal sector that constitutes bulk of the population is

completely neglected. Notably, only the top players render services to the three categories of clients. Some of the HMOs claimed that they only provide services to corporate bodies at the moment because government has their own preferred HMOs. They were of the opinion that there should be equitable distribution of government ministries and parastatals to the HMOs rather than concentrating on a few ones.

It is revealing to note that large population of the citizens at the bottom of the pyramid prefer to visit local medicine outlets for self-medication or use native herbs popularly called 'agbo' whenever they fall ill. There are cases of unwarranted death due to self prescription and indiscriminate consumption of the native herbs.

Figure 2 show that the NHIS scheme received good acceptance when it was explained to the respondents. Majority of them (73%) consider the scheme a laudable initiative as it will afford them the opportunity to attend hospital when they don't have money at the time of falling sick.

It was garnered during an interactive session with some of the respondents that the scheme will be widely acceptable if the following variables are provided:

- i. Quality plans/policy at affordable price
- ii. Extensive campaigns with emphasis on the products features and benefits
- iii. Quality treatment. Necessary test should be carried out before commencing treatment rather than just administering paracetamol and other analgesic drugs for chronic ailment.
- iv. Good hospital network that would enhance easy accessibility of the registered hospitals
- v. Prompt response in case of emergency and presence of qualified doctors in the hospitals

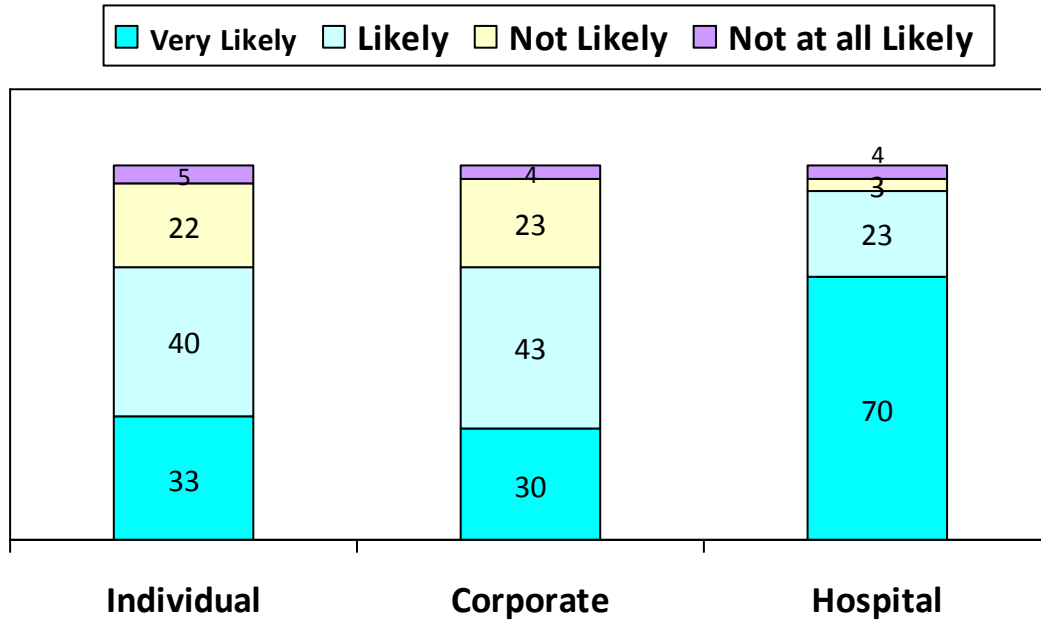
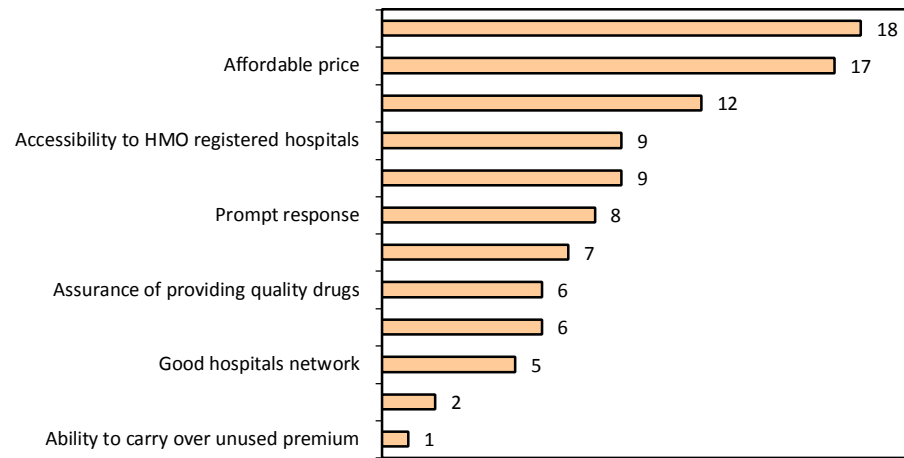


Figure 2. Future Patronage Intent of National Health Insurance Scheme.



Source: Author's Field Survey result

Figure 3. Key Drivers for Patronage of National Health Insurance Scheme.

CONCLUSION AND RECOMMENDATION

Boosting awareness and campaign

Aggressive campaign should be embarked upon to create adequate awareness for the scheme. Various channels of communication such as television, radio, print; social media (face book, twitters, LinkedIn etc) should be employed in the awareness creation. There

should be public enlightenment on what the scheme entails, its benefits, available plans, features of each plan, limitation of each plan and registration processes. The Health Maintenance Organisations should make themselves visible. Many potential users that have interest sometimes discouraged because they don't know any HMO to register with. This can be effectively achieved by engaging marketing officers who are well knowledgeable about the product offering to do direct

marketing. There should be streets and market activation (road show) to create more awareness for the scheme particularly in the rural areas. It is not enough to concentrate on government and large/medium companies because the scheme is meant for all Nigerians.

Expanding patronage

The HMOs should spread their marketing tentacles to all the sectors of the economy. Small and medium scale industries should be sensitized about the scheme and the need for them to enroll their employees. People in the informal sectors and rural areas should be given adequate attention. As a matter of fact, they are the ones that need the scheme most. The upper/middle classes can afford medical bills at any time. They may not really attach much importance to the scheme because of the erroneous impression that they will not be properly treated going through third party to finance their medical bills. Some of them preferred to take treatment overseas or engage trusted personal doctors.

Flexible mode of payment should be introduced particularly for the informal sectors and rural areas. In this case, they should be encouraged to be paying gradually as soon as they have money or via monthly installment. Different policies should be introduced to accommodate those that cannot afford the present plans. A low plan that will not exceed N500 per month will suffice in the informal sectors and rural areas.

Hospitals should submit their bills regularly and the bills should be settled within the agreed period. Hospitals should be transparent in dealing with the HMOs. Issuance of unrealistic bills should be discouraged. HMOs' patients should be given good reception at the hospital. Hospitals should stop practicing discrimination between HMOs' patients and their direct patients. Hospitals should improve on the treatment of HMOs' patients. Administering just paracetamol for typhoid fever is deadly. The health status of enrollee should be determined before putting them on a plan because those with internal diseases and infection demand more medical attention and treatment. There should be continuous evaluation of the hospital performance. This will serve as check and balance on how they relate with HMOs' patients. Doctors in the hospitals should stop uttering negative things about the HMOs and their policies to the patients or company's representatives that visit the hospital for inspection before signing a contract with the HMO.

Enabling legislation and enforcement

There should be a law mandating all employers of labour to enroll their employees in the National Health Insurance Scheme. It could be a situation of joint sponsorship where the employer pays 75% and employee in turn contributes 25%. There should be a regulatory framework on the prices of the various policies/plans to avoid unnecessary exploitation. There should be a regulatory framework on the minimum capitation for each policy/plan so that enrollees can get value for their money. Government should subsidize National Health Insurance Scheme to make it affordable to all Nigerians.

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