



Health Insurance Perception Survey
(An assessment of knowledge and attitude of individuals to Health Insurance)

November, 2013

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EXECUTIVE SUMMARY

This study was commissioned by the Centre for Public Policy Alternatives/AndChristie Research Foundation to assess the perception and utility of health insurance for individuals in Lagos state. The study adopted a quantitative methodology through a multistage random sampling. Data was collected through Face to face, Pen and Paper Interview (PAPI) approach. Interviews were conducted in-shops, in-office, and market places. Data quality was ensured through strict quality control (spot-checking, back-checking and expert data analysis).

The following key observations can be drawn from the study:

- 67% of the sampled population was from the informal sector and 33% from the formal.
- As high as 93% of individuals from the informal sector have never used health insurance package, while 54% of the formal sector share similar status.
- About seven in every ten individual earn between less than N50, 000 and N100, 000 as their average monthly income.
- 35% of respondents claimed that the last time they fell ill was about a month ago or less, while 65% said within three months or more.
- Only 43% of them visit a medical doctor whenever they fall ill, others either self medicate, use alternative medicine (herbal options/traditional) or visit a religious centre.
- 27% of them seek medical assistance once yearly; others do so at random time.
- Overall, 86% of the respondents said they have been hospitalised at some time or another in their lives.
- Only about three in every ten respondents worry about paying for medical bill whenever they fall ill.
- As high as 57% have no awareness of what an HMO is. And only 22% were currently on an HMO as at the time of this study.
- 66% of respondents were willing to participate in a monthly insurance package worth N1, 500, while eight in every ten individuals were willing to participate in a monthly insurance package worth N1, 000; though some were willing to pay more or less.
- Although expecting the government to provide some financial support, majority of the people (73%) would be willing to cover their health insurance.

BACKGROUND

The Health Insurance scheme is a system designed to provide for the health needs of people. It is a programme designed to ensure adequate and affordable health care is provided for registered users. It requires financial commitment from intending users, either monthly, quarterly or annually; to the facilitator of the scheme.

Different services are provided; depending on the type of package a registered users has opted for. The basic services to be provided include outpatient care, prescribed drugs, pharmaceutical care and diagnostic test, maternity care, preventive care like immunization, consultations with specialists, hospital admission for specified days, dental care, surgical proceedings, etc.

Going by the assumption that majority of Nigerians still lack access to any credible health insurance, this study was designed as a pilot to understand the perception of people about health insurance; without a direct link to any specific insurance package. This study is not designed in any way to assess the NHIS nor its services.

OBJECTIVES OF STUDY

The aim of the survey is to assess the perception of, and usage potential of health insurance package by people in the informal sector in Lagos state; to be provided by an HMO, through market association.

The specific objectives are to:

1. Assess the knowledge and attitude of individuals to health insurance
2. Know their disposition towards purchasing health insurance, especially as members of business associations.
3. Know the prevailing price they will be willing to pay for health insurance.

METHODOLOGY

The study assumed a quantitative, cross sectional design with modified sampling approach. Five Local Government Areas (LGAs) were sampled: Ikeja, Lagos Island, Surulere, Alimosho, and Kosofe. A total of 175 individuals were sampled in this study.

Data was collected through Face to face, Pen and Paper Interview (PAPI) approach. Interviews were conducted in-shops, in-office, or market places.

Strict quality control measures were employed to ensure that quality data was collected from respondents, including the review of all completed questionnaires, on-the-spot and back-checking and group interviews where appropriate.

The sample data collected was processed with Statistical Package for the Social Sciences (now Predictive Analytical Software). Descriptive and inferential statistics were then used to draw conclusions.

LIMITATION

The major limitation of this study is its sampling coverage in terms of number of LGAs (local government areas) covered and sample size. Out of 20 LGAs in Lagos this study covered only 5, and total sample size was only 175. As a result, the findings of this study might be biased towards the sampled LGAs only, and not fully representative of the entire population of Lagos or Nigeria.

ACKNOWLEDGEMENT

This project is the production of the Centre for Public Policy Alternatives (CPPA). The field data collection coordination, data analysis and report design was lead by Michael Falade and supported by Peter Adeyeye.

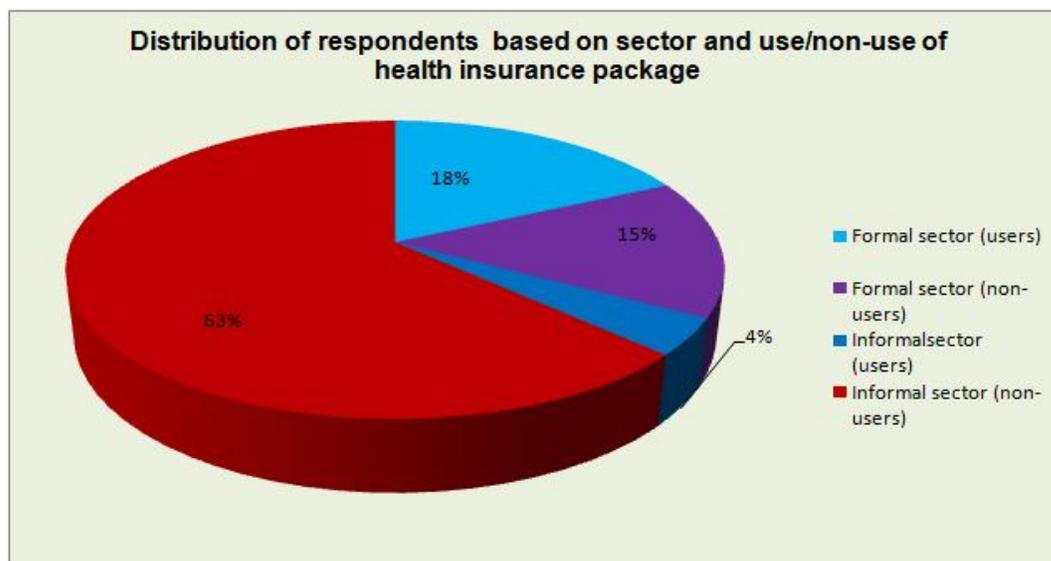
STUDY RESULTS

Respondent Characteristics

67% of the respondents in this study were from the informal sector and 33% from the formal. The largest proportion of the respondents are between the ages of 35 and 44 years (40%), with others being 18-24 years (10%), 25-34 years (35%) and 45-54 years (14%), while only a fraction being above 55 years (1%); largely male (73%). About seven in every ten respondents practiced Christianity, three in every ten practiced Islamic religion and only a fraction said traditional.

The respondents are predominantly Yoruba (63%), the Igbo constitute (27%), Hausa (3%), and others (Efik, Ibibio, Ijaw, and Edo) making up 7%. 49% of them have tertiary education and above, 43% had secondary education, 6% had only primary education, while 2% of them had no formal education. About three out of every five are married, one third of them are single, 3.5% widowed, and only a small proportion are either separated or divorced (1% respectively).

Figure 1: Distribution of respondents by sector and health insurance status



Respondents from the following sectors were surveyed: Wholesale and retail trade (32%), other non-professional activities (32%), Professional, scientific and technical activities (17%), Transportation (7%), Information and communication (6%), Manufacturing (4%), construction (2%), and agriculture and

farming (1%). 46% of them earn average monthly income of less than N50,000, 26% (N50,000 – N100,000), 9% (N100,001 – 150,000), 8% earn about N200,00 and above, while 11% declined.

Assessment of respondents' medical history and attitude towards

35% of the respondents claimed the last time they fell ill was about a month ago or less, while 65% said within three months or more.

Only about four in every ten of them visit a doctor/hospital when they fall ill, one in every five self medicate, others either visit a chemist (18%), traditional healer (17%) or religious centres (1%).

Table 1: Medical history and attitude towards medical assistance

<i>Indicators</i>	<i>%</i>
How do you treat yourself when you fall sick?	
See the doctor	43
Self medicate	21
See the chemist	18
Traditional medicine/herbs	17
Religious place	1
Do you worry about payment whenever you fall sick or need to cover a health expenses?	%
I worry	31
I don't worry	69

Although as high as 86% of the respondents claimed they have ever been hospitalised, only 31% of them said they worry about payment whenever they fall sick or need to cover a health expenses.

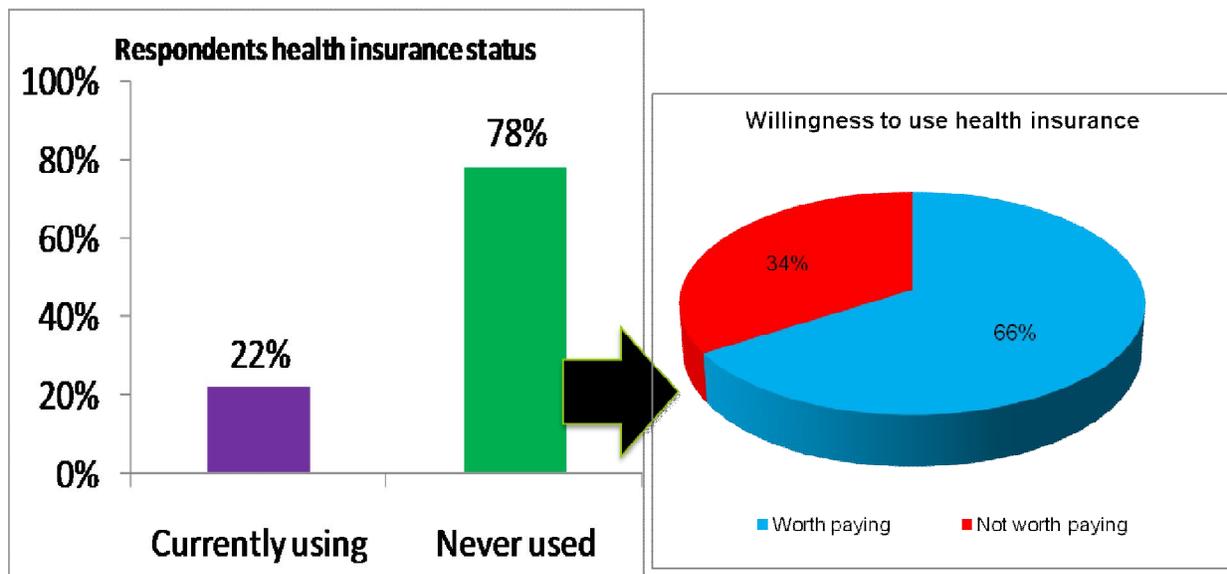
As much as 40% of the respondents who said they had been hospitalised at some time or another worry about payment of medical bill.

Overall, more people would prefer to seek medical assistance once every six month or once annually.

Overall, more than half (57%) of the respondents do not know about health management organisations (HMOs).

Assessment of individuals who have never used any health insurance scheme

Figure 2: Use of health insurance



Only about two out of every ten individuals said they were currently using one type of insurance package or another.

A show card showing a range of services that will be provided in an insurance scheme was shown to respondents and are then asked "Given all the services that will be provided for you through the health insurance scheme, do you think a monthly charge of N1, 500 will be worth paying to enjoy these services?"

Observation shows that as high as 66% of them were willing to purchase health insurance scheme for at least N1, 500 monthly.

If allowed to determine price for the insurance package, some respondents were willing to pay as high as N5, 000 or below N1, 000 monthly.

Respondents' willingness to pay for insurance package also varies with their average monthly income, though not statistically significant. Therefore, income level is not a factor for purchasing health insurance at N1, 500.

Table 2: Respondents preference of payment for health insurance

<i>Indicators</i>	<i>%</i>
Preferred option of payment ('Given the options, how would you like to remit/pay your health insurance charges?')	
Once in a month	62
Once in three months	14
Once in six months	5
Once in a year	19
Preferred payment methods ('What payment method will you prefer?')	
Individually to the bank	63
Through an association (market association)	16
Through an agent (HMO, etc)	21

62% of the respondent would prefer to make monthly remittance for health insurance; while others preferred to make payment once in three months (14%), once in six months (5%) or once a year (19%).

Table 3: Respondents preferred institution and locations for receiving health insurance services

<i>Indicators</i>	<i>%</i>
Preference for medical institution ('What kind of medical care institution will you prefer?')	
Public	36
Private	64
Preferred location of the healthcare institution ('Should the health care be close to your residence or work place?')	
Resident	73
Workplace	19
Either	8

64% of the respondents prefer to receive their insurance health services in the private healthcare institution; compared to 36% of them who preferred public facilities.

73% of the respondents preferred the health care facilities to be close to their residential location, 19% said work place, while a few (8%) opted for either.

Table 4: Respondents expectations from the health insurance scheme

<i>Indicators</i>	<i>%</i>
Expectations (Please state ONE MAIN expectation from the health insurance scheme?)	
Good/quality health package	38
Thorough awareness	23
Accessibility and affordability	19
Keep to promises	7
Free registration/medical check up	9
Refund if not used	2
Flexible payment system	1
No discrimination against HIV persons	1
Provision of mobile health across all areas	1

The respondents have lots of expectations from a health insurance scheme. The top three of the expectations are: that the services must be of high quality health that is efficient, competitive and timely; strong awareness and quality information mechanism between providers and consumers (to sensitise people on a regular basis) and that the services must be accessible and affordable.

Usage attitude among individual currently on an health insurance scheme

Table 5: Respondents' choice of HMOs and payment plan

<i>Indicators</i>	<i>%</i>
Choice of HMOs ('If you use an HMO, did you or did your company/business choose it for you?')	
I chose it	43
Company chose it	57
Payment plan (How do you remit/pay your health insurance charges?)	
Once in a month	69
Once in three months	3
Once in six months	6
Once in a year	22

Respondents' choice of health management organisations to manage their health insurance needs was hugely decided by their place of work. As observed in the survey, over half (57%) of them claimed that their place of work chose the HMO they currently use. Also, majority of them (69%) operate the monthly

insurance plan, except for some (22%) who pay annually (22%), once in three months (3%) or once in six months (6%).

Table 6: Respondents' opinion of who should pay for health insurance services

<i>Indicators</i>	%
('Should you pay for your health care when you are sick or should the government pay?')	
I should pay	73
The Government	27
('Can government pay for everybody's health care or should people contribute')	
The Government	20
People should contribute	80

Generally, majority of the respondents (73%) are of the opinion that individuals should be responsible for paying health care bills when they sick, as opposed to the 27% who thought otherwise.

Similarly, eight in every ten of the respondents believed individuals should contribute to paying for healthcare bills, though 20% believed the government 'can' pay.

OBSERVATIONS

Overall, the following can be deduced from the survey:

There is still poor usage of health insurance among the respondents, especially in the informal sector (93%) though high in the formal sector too (54%).

- Though income could be determinant factor in choosing health insurance package, it was not found significant in this study.
- There is still poor attitude among people towards seeking medical assistance; especially when they fall ill (only 43% visit a medical doctor whenever they fall ill). Alternatively, a large proportion of people would rather self medicate, use alternative medicine or visit religious homes.
- There is still paucity of knowledge about HMOs (overall of 57%), especially in the informal sector (75%).
- Individuals will be willing to accept an insurance scheme, especially monthly package.
- Respondents will patronise and buy insurance if the supporting health care facility is located near their residential area, than at the work/business place.
- There is a higher chance of health insurance purchase if the supporting health care facility is private owned rather than public.
- Respondents would expect to receive a health insurance package that has quality, that is accessible and affordable and in which promises are kept.
- Although expecting the government to provide some financial support, majority of the people (73%) would be willing to cover their health insurance.

CONCLUSION AND POLICY RECOMMENDATIONS

The health insurance scheme survey conducted among individuals and business owners in Lagos revealed that there is still poor accessibility and usage of health insurance in the general population. This is also supported by the poor knowledge about HMOs. However, individuals will be willing to participate in a health insurance scheme. This is buoyed by the fact that these individuals are willing to cover their health insurance payment, though that the government provide some financial support.

The findings from this study therefore necessitate the following recommendations for all relevant stakeholders:

- Need for more awareness on health insurance scheme among individuals, business owners and organisations. More also need to be done by health management organisations and their roles as managers of insurance package.
- As this is just a pilot, there is need for further study (quantitative and qualitative) to gauge the perception and willingness of a large sample of people on health insurance. Also, HMOs could partner with business associations or organisations to sell insurance to their members/staff.
- As a quick reference, the National Health Insurance Scheme in Nigeria was designed to provide health insurance to Nigerians through increased access to quality and affordable health services and protecting the citizens from income shocks, especially during illness. Since the inception of the scheme in 2005; more than 4 million Identity Cards have been issued, 62 HMOs, 5,949 Healthcare Providers, 24 Banks, 5 Insurance Companies and 3 Insurance Brokers have been accredited and registered. Observations from this survey revealed the willingness of citizens to purchase health insurance. Therefore, there is need for the government to ensure that the citizens can access this scheme through management organisations or similar alternative.

APPENDIX

Survey Questionnaire and Show card



HEALTH INSURANCE PERCEPTION SURVEY (An assessment of knowledge and attitude of individuals to Health Insurance)

SECTION A: BACKGROUND INFORMATION

- Q1.** Age category (years): 15 – 24 25-34 35-44 45-54 ≥55
- Q2.** Gender of respondent (*by observation*): Male Female
- Q3.** What religion do you practice? Christianity Islam Traditional Other (indicate).....
- Q4.** Ethnicity: (1) Yoruba (2) Hausa (3) Igbo (4) Other (indicate).....
- Q5.** Highest educational attainment: (1) No formal education (2) Primary education (3) Secondary (4) Tertiary (5) Above tertiary
- Q6.** Marital status: (1) Single (2) Married (3) Widowed (4) Separated (5) Divorced

Q7. what is your occupation?	Code	Q9. Which of these describe your average MONTHLY income (or sales)	Code
Wholesale and Retail trade	1	Less than N50,000	1
Agriculture and Farming	2	N50,000 – N100,000	2
Information and Communication	3	N100,001 – 150,000	3
Manufacturing	4	N151,000 - 200,000	4
Professional, scientific and Technical Activities	5	N200,001 – 250,000	5
Transportation	6	Above N250,000	6
Other (specify).....	7	Declined	7
Q8. Precise Occupation (E.g. technical service – Tailoring).....			
Q10. Does your occupation have an association that regulates it?		Yes	No (<i>if No, GO to Q12</i>)
Q11. Are you a member of the association?		Yes	No

SECTION B: ASSESSMENT OF HEALTH STATUS AND HOSPITALISATION

Q12. When was the last time you fall sick?		
a). Less than a week ago b) Within the past two weeks c) Within the past one month d) Within the past three months e) Three months & above		
Q13. How do you treat yourself when you fall sick?		
a). See the doctor b) see the chemist c) Traditional medicine/herbs d) Self-medication e) Religious place		
Q14. How often do you seek medical assistance in a year (e.g. visit a hospital, clinic, etc)?		
a). At least once in a week b) At least once fortnightly c) At least once in a month d) At least once in three months e) At least once in six months f) At least once in a year g) Others		
Q15. Have you ever been hospitalized?	Yes	No

Q16. Do you worry about payment whenever you fall sick or need to cover a health expenses?	Yes	No	Don't know
Q17. Do you know what an HMO (Health Maintenance Organisation) is?	Yes		No

SECTION C: PERCEPTION ON HEALTH INSURANCE

Health Insurance is a payment package is designed to cater for the health needs of people. It ensures that adequate and affordable health care is provided for all the people that are registered with the service. The care service that will be provided include outpatient care, prescribed drugs, pharmaceutical care and diagnostic test, maternity care, preventive care like immunization, consultations with specialists, hospital admission for a number of days (e.g. at least 15 days in a year), preventive dental care and relief, surgical proceedings, accident and emergency, etc. It operates as a form of small contribution which can be monthly, quarterly or annually to the facilitator of the scheme and any health need that arises for members within the scope of the insurance will be covered.

Make sure the respondent understand what Health Insurance is, then proceed to the following questions:

Q18. Are you currently on any health insurance scheme/package?	Yes (GO TO 30)	No (GO TO Q19)
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I will show you a list of benefits and services to be provided by a health insurance scheme. Please give me your response to the following questions.

INST: Show respondent the SHOW CARD reflecting the various services that will be provided in the insurance scheme.

Q19. Given all the services that will be provided for you through the health insurance scheme, do you think a monthly charge of N1, 500 will be worth paying to enjoy these services?	Yes	No	
Q20. Given all the services that will be provided for you through the health insurance scheme, do you think a monthly charge of N1, 000 will be worth paying to enjoy these services?			
Q21. If given the option, how much will you be willing to pay MONTHLY to be on the package? a). N 2,000 b) N 2,500 c) N 3,000 d) N 3000 e) others (please State)			
Q22. What kind of medical care institution will you prefer?	Public hospital	Private hospital	
Q23. Should the health care be close to your residence or work place?	Residence	Work place	Either
Q24. If you are to add a little token to the amount you agreed to pay (in Q19/Q20/21) to cover the health insurance of your immediate family members, will it be worth it?	Yes, it will be worth it	No, it won't be worth it	Don't know

SECTION D: MODALITY FOR THE PAYMENT

Q25. Given the options, how would you like to remit/pay your health insurance charges? a). Once in a month b). Once in three months c). Once in six months d). Once in a year e). Others.....			
Q26. What payment method will you prefer? (a). Individually to bank (b). Through association(c) Through an agent (d) Others.....			
Q27. Do you think that paying through an association will be easy for you?	Yes		No
Q28. If your association is offering health insurance, would you be willing to participate?	Yes	No	NA (If NO in Q10)
Q29. Please state ONE MAIN expectation from the health insurance scheme?(GO TO Q30)			

GENERATION QUESTIONS/PERCEPTION

Q30. If you use an HMO, did you or did your company/business choose it for you?	I chose it	Company chose it	NA
Q31. How do you remit/pay your health insurance charges? (a). Once in a month (b) Once in three months (c) Once in six months (d) Once in a year (e) NA (f) Others.....			
Q32. Should you pay for your health care when you are sick or should the government pay?	I should pay	Government	
Q33. Can government pay for everybody's health care or should people contribute	Government	People should contribute	

SHOWCARD

SHOWCARD to highlight the benefits of health insurance	
	Services that will be covered
a	Out-patient care, including necessary consumables
b	Prescribed drugs, pharmaceutical care and diagnostic tests as contained in the National Essential Drugs List and Diagnostic Test List
c	Maternity care for up to four (4) live births for every insured contributor/couple in the Formal Sector Programme
d	Preventive care, including immunization, as it applies in the National Programme on Immunization, health education, family planning, antenatal and post-natal care
e	Consultation with specialists, such as paediatricians, obstetricians, gynaecologists, general surgeons, orthopaedic surgeons, ENT surgeons, dental surgeons, radiologists, psychiatrists, ophthalmologists, physiotherapists, etc
f	Hospital care in a standard ward for a stay limited to cumulative 15 days per year. Thereafter, the beneficiary and/or the employer pay. However the primary provider shall pay per diem for bed space for a total 15 days cumulative per year.
g	Eye examination and care, excluding the provision of spectacles and contact lenses
h	A range of prostheses (limited to artificial limbs produced in Nigeria)
i	Preventive dental care and pain relief (including consultation, dental health education, amalgam filling, and simple extraction)
j	Referral to a secondary care provider due to a specialized investigation but with approval from Health Maintenance Organization