

Providing health insurance to the low income employees of Formal Sector

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What is health insurance?

This is an arrangement in which one party (**the insured**), upon payment of a specified amount of money (known as **premium**) to another party (the insurer) is provided **access** to a predetermined set of benefits (**health services**), rendered by specified **Healthcare Providers**. These benefits are often greater in quantum to the premium paid by the insured and are available for a period of time usually one year.

Benefits of health insurance

- 24/7 access to preventive, curative and rehabilitative services
- Removes the challenges of out of pocket payment for medical services
- Insulates against consequences of catastrophic illnesses
- Ensures proper management of chronic ailments and conditions
- Provides wellness and preventative care
- Emergency care nationwide

Health insurance coverage in Nigeria

- As at today, only about 5m or 4% of the population have any form of health insurance
- About **80%** of these are Federal government employees on (NHIS)
- Most of the 20% **on private health insurance** are sponsored by their employers
- An increasing number of people in the informal sector are getting cover through CBHI schemes

Who are the low income earners?

Low income earners are commonly found among - -

- Unskilled workforce
- Part-time workers
- Casual workers
- Contract staff / temporary workers

Characteristics of low income earners

- Low standard of living – poor accommodation & hygiene e.t.c
- Prone to dangerous lifestyle (**smoking, consumption of illicit alcohol**)
- Bears the most of disease burden (**e.g. malaria, typhoid fever e.t.c**)
- Lacks access to modern healthcare (physical & financial)
- Patronage of traditional / alternative healthcare services

The need to provide health insurance

- Low income earners constitute a significant percentage of nation's workforce
- Their poor health profiles impact negatively on the nation's health indices
- Providing health insurance to this group will bring about significant growth in the funding & provision of health services in the country

The challenges – Formal sector

- Lack of information(**b/w employer & employees**)
- Designing appropriate health plans & premiums
- Administration and high staff turn over
- Adherence to old habits under retainer services
- Poor understanding of health insurance

The challenges – Informal sector

- Lack of awareness (due to education, culture & religion)
- Designing Health Plans to suit each community
- Ability & willingness to pay the requisite premiums
- Getting suitable health facilities in the rural communities

Provision of health insurance - 1

- Creating awareness on the benefits of health insurance
- Health education to improve hygiene, reduce risks & amend life styles
- Designing robust health plans at affordable premiums to meet the needs of the groups
- Engaging suitable health facilities to provide quality medical services

Provision of health insurance - 2

- Ensuring effective monitoring of services rendered by Providers & setting up functional grievances resolution
- Conducting impact assessment to ensure sustainability of the scheme
- Collation of data / returns from Providers for actuarial studies

Values of health insurance programmes for the low income earners

- ❖ Improved health status of the individuals & communities
- ❖ Improved health indices of the communities and the nation
- ❖ High productivity and profitability on the part of the companies
- ❖ Systematic & improved funding of the health system

Achieving set objectives

- ❑ Total commitment to the cause(cost vs profit)
- ❑ Reaching the people (cost vs beliefs)
- ❑ Designing the right Plans (cost vs willingness)
- ❑ Building the required capacity (cost vs talent)
- ❑ Building the required network (cost vs cost)

conclusion

- ✓ People should have inalienable right to health
- ✓ No one should be denied access to health care due to his socio economic status
- ✓ We all have the responsibility to “**make *this* happen.**”