



**Pro MHI Africa – EU-African University Network to
strengthen community-based Micro Health Insurance**

Identification and integration of indigents in the NHIS

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Poverty in Ghana

Ghana Living Standards Survey 5:

18,2% of the population very poor

28,5% of the population poor



Indigents – L.I. 1809 definition

L.I. 1809: A person shall not be classified as an indigent under a district scheme unless that person :

- (a) is unemployed and has no visible source of income;
- (b) does not have a fixed place of residence according to standards determined by the scheme;
- (c) does not live with a person who is employed and who has a fixed place of residence; and
- (d) does not have any identifiable consistent support from another person.



Indigents

Number of indigents covered by the NHIS:

2005: 790.078 persons (~3,7% of population)

2008: 302.979 persons (~1% of population)

Compared with the results of the GLSS 5 a large number of Ghanaians are classified as „very poor“ or „poor“ but are not covered by the NHIS.

Dilemma of the NHIS:

How to define and identify indigents?



Source: Witter & Garshong 2009

Data and main problem

Household survey in Dangme West and West Gonja districts between April and Mai 2009. Data of 600 households (3082 persons) collected. 64,41% of the persons (1985 persons) are insured with the NHIS.

Simplification: all following calculations include also children.

Data and main problem

Difficulty: Who can be classified as „poor“, who as „rich“?

1. Asset index in order to group people by their assets
 - type of house and floor
 - source of water
 - animals
 - access to electricity
 - productive assets (e.g. mobile phone, refrigerator,...)
2. Income index (money income)

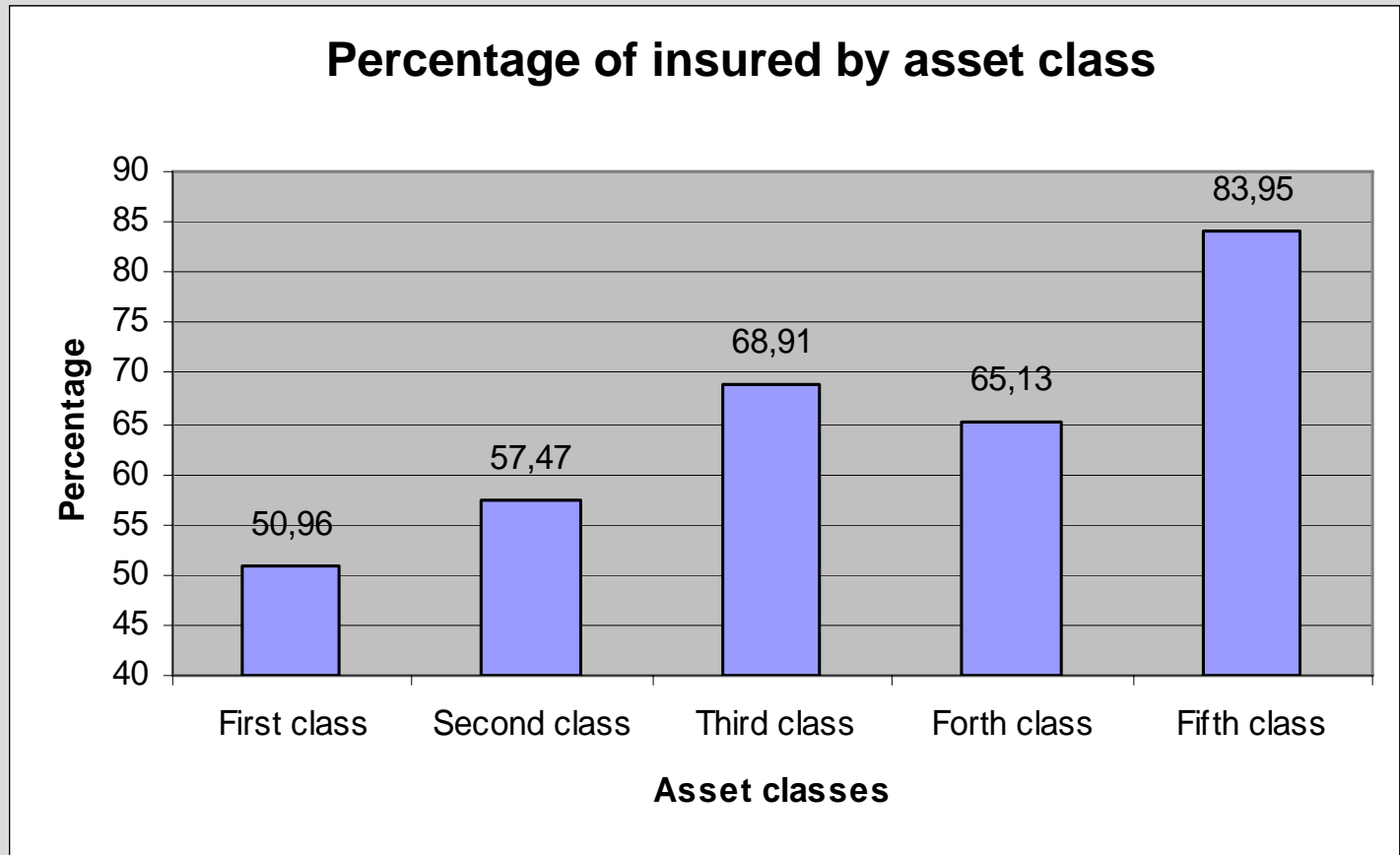
Results – Asset index

Introduction

Indigent

Data

Results



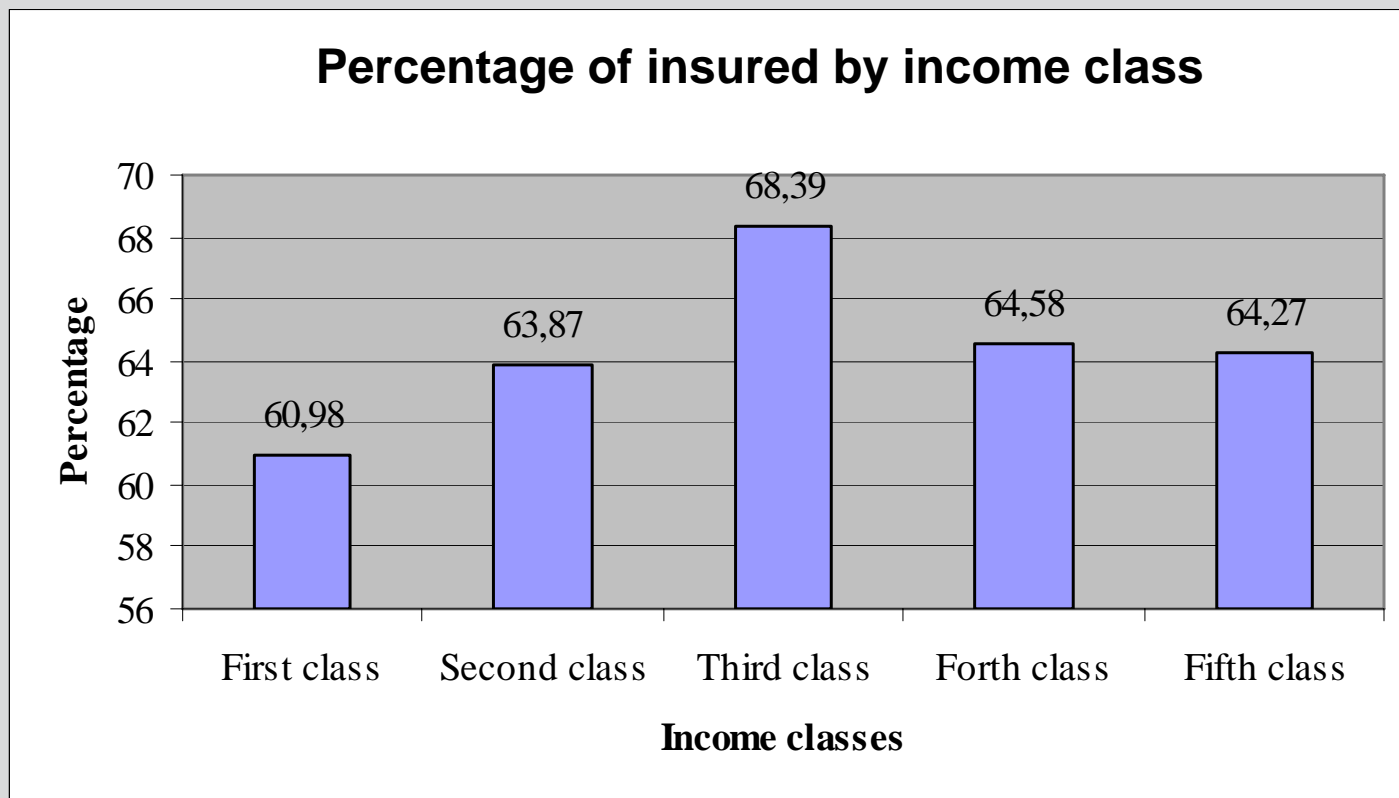
Results – Absolute (income) poverty

World Bank poverty line: poor, if less than 1,25 US\$ income per day.

50% of the interviewees live with less than 0,8 Cedis per day. Average income per day: 1,72 Cedis.

80% of the interviewees (2477) are living below the WB poverty line.

Results – Income rating



Results – Comparison income and asset index

Asset index:

Upper 25% of respondents → 83,95% insured.

Lower 25% of respondents → 50,96% insured.

Income rating:

Upper 25% of respondents → 64,27% insured.

Lower 25% of respondents → 60,98% insured.

Results

General trend: the richer a person, the higher the chance he/she is insured. The poorer a person, the higher the chance he/she is not insured.

General difficulty of defining poverty and „indigents“: The number of poor people depends on the definition of poverty.

The results demonstrate: a higher number of the poorest people are insured with the NHIS when using income as the only poverty measure. Using someone's assets to measure wealth, poor people tend to be uninsured.

→ Classification of indigent status by income is insufficient

→ need to include other elements of poverty for measurement



Further data analysis needs to be done:

- Who is exempt from premium payments?
- Why are people exempt? (Children, above 70 years old, indigent**,...)
- Why do „poor“ people not insure with the NHIS?
- ...

** only two households in HHS are exempt due to indigent status



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