



## Estimating the willingness to pay for community Health care insurance in rural Nigeria

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The World Health Organization (WHO) identifies fairness in financial contribution as one of the goals of a good health system. This requires that people pay for the use of health services according to their means and that they make use of health services according to their needs. However, in Nigeria, payment for health care services is predominantly out-of-pocket and the poor and rural dwellers are not always able to afford them when they need them. Since these populations are precisely those with the highest prevalence of disease and illness, they need a way of paying for health care services.

The statistics show private financing of health care as still commonplace in Nigeria. Over 70% of health care payments come from private sources while about 30% is attributable to the government. As a result of this, in June 2005, the national health insurance scheme was launched such that medical costs would be distributed among different income groups.

While such health insurance can be very useful in increasing access to quality health services, it is not widespread in Nigeria, particularly for the poor. A team of Nigerian researchers explores the use of community health insurance, where households are required to pay for health services when they have the means to do so and not necessarily when they access them. This is to ensure that they can use these services when a member is sick. At the same time, it protects the poor and rural dwellers in Nigeria from financial strain when a member of their household is sick and needs care.

The researchers observe that households were very willing to participate in such a scheme, although they were not willing to pay enough to allow the insurance to fully cover the medical costs in the community. They are more willing to

participate when they are told to pay with agricultural commodities rather than cash.

Table 1 shows a summary of how much households are willing to pay as premiums. On the average, a rural household is willing to pay about 2,040 naira in cash per annum as premiums for the scheme. Paying in agricultural commodities, households are willing to pay about 4,042 naira worth of agricultural commodities per year.

**Table 1: Amounts households are willing to pay**

	Paying in cash		Paying with Commodities	
Contribution	₦ 2,040	per household per year	₦ 4,042	per household per year

The study found that female household heads, though willing to participate, are often constrained by the resources required to pay for the scheme. This is also the case for those with little education and accumulated wealth. Policy makers and others involved in the design of such insurance schemes must ensure that the poor and women are not obliged to pay insurance bills that exceed what they can afford.

Government efforts to increase health funding and provision of support to local schemes are also important to protect the poor. If such community insurance schemes are established in Nigeria, they should be integrated into the broader National Health Insurance scheme or microfinance schemes in order to ensure continuity, sustainability and viability.

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