

Summary

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Session 4 – Linking social protection schemes with microinsurance

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Increasing Enrollment of the Informal Sector in Social Health Insurance through Public/Private Partnerships: Experiences from Nicaragua and the Philippines

Our presentation, which we are proposing as a panel discussion of multiple practitioners and policy makers, will describe experiences of private-public partnerships developed with the aim of enrolling greater numbers of the working poor in social health insurance programs, using two specific examples in Nicaragua (INSS) and the Philippines (PhilHealth). Below we summarize the discussion of Nicaragua.

Nicaragua's 1.2 million informal sector workers have access to free public sector health services. However, many do not use these under resourced services, instead, turning to pharmacies and private providers or forgoing care altogether. Most of these workers (93%) lack health insurance and do not have mechanisms available to manage health risks. In 2007, the Nicaraguan Social Security Institute (INSS) initiated a pilot program to extend social security health insurance to informal sector workers using microfinance institutions (MFIs) as delivery channels. There is little available documentation on the effectiveness of efforts by MFIs to offer health financing to low-income groups. Most studies that aim to measure the impact of having health insurance on health outcomes suffer from omitted variables, whereby those who are more likely to be sick will also be more likely to enroll in health insurance programs. GDN and USAID are co-funding an experimental evaluation through which individuals were allocated health insurance subsidies of varying amounts, by lottery, thereby eliminating this selection bias of a voluntary program. The study involves a representative sample of approximately 4,000 informal sector workers in Managua, Nicaragua. Its main goals are to assess the effectiveness of offering health insurance to the informal sector both with and without the assistance of MFIs, and the impact of insurance on access to affordable health care for this population. Our evaluation enables evidenced-based recommendations for expanding the program within Nicaragua and to adapting the model to other countries that wish to extend health insurance to the informal sector.

We propose to present a brief description of the program, the baseline characteristics of the sample population in our evaluation and the determinants of take up of insurance. For example, take up for 6-month subsidy winners was only 28%, however, when offered to facilitate administrative processes by signing people up at their market stall, take up increased to 65%. We are implementing an extensive follow on survey through July 2008. In November, we will be able to

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present preliminary information about client satisfaction, frequency of illness and utilization under coverage, and comparative health expenditures between covered and uncovered groups. We will discuss the opinions of insurance users related to quality; including friendliness of care, physical infrastructure, cost, time spent with physician, prescribed medication, and information provided during a medical visit.

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Key messages:

- Social health insurance programs provided by governments can be less expensive for the poor than their private counterparts due to greater risk pooling and cross subsidization.
- Interventions that facilitate affiliation, including investments in IT and marketing can increase take up and broaden risk pools
- Service quality is critical to secure client retention in a voluntary program. However, clients' measure of quality may differ from that of regulators and policymakers.

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