

# What does the informal sector know about health insurance?

Baseline findings from a knowledge, attitudes and perceptions survey in Nairobi, Kenya

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# Presentation outline

- Background and study objective
- Methodology
- Findings
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  - II. Quantitative survey findings
  - III. Ownership of insurance
  - IV. Knowledge and understanding of private health insurance
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# Background and study objective



# Expanding access to ART in Kenya is critical to achieving an AIDS Free Generation

- In Kenya over 50 percent of private facilities are in the private sector
- It is critical Kenyans are able to access HIV services at all available facilities to scale ART and reach over one million PLHIV to achieve the UNAIDS 2020 goal of 90-90-90 (current on ART ~750,000 and PLHIV ~1,600,000)
- Private health insurance can provide PLHIV with an affordable means to access the continuum of HIV services in the private sector
- Per the KAIS 2012, ~64 percent of Kenyans living with HIV and residing in urban areas (the majority of PLHIV), are in the fourth or fifth highest wealth quintiles

## UNAIDS 90-90-90 Goal

90%

of all



living with HIV will know their HIV status

90%

of all



living with HIV will receive sustained antiretroviral therapy

90%

of all



receiving antiretroviral therapy will have durable viral suppression

# Program objective to address demand barriers to health insurance uptake

Focus on Nairobi County because of high HIV prevalence and the largest population of PLHIV.

	Prevalence	PLHIV
National	5.6%	1,599,451
Nairobi	6.8%	177,552

*\* Data Source: 2014 Kenya HIV Prevention Revolution Roadmap*

Intervention in Nairobi county targets Kenyans in the informal sector earning \$5 to \$15 USD per day. Tiered approach to the intervention:

1. Baseline survey
2. Health insurance demand creation campaign
3. Endline survey

# Objective of the baseline survey

- Assess knowledge attitudes, and perceptions of Kenyans
  - Living in Nairobi
  - Working in the informal sector
  - Earning \$5 TO \$15 USD per day
- Informal sector definition
  - Self-employed or small business owner
  - Casual laborers earning a daily wage
  - Formally employed with regular monthly income and “pay as you earn” were excluded
- \$5-15 per day is proxy for the potential market for micro health insurance.

# Potential uses of the assessment findings

- Inform the design of products that meet the demographic profile
- Influence the simple products which are easy to understand and sell
- Develop affordable products with flexible payment methods
- Partner with mobile network operators and banks to design and distribute products
- Leverage on premium financing arrangements
- Create opportunities to bundle savings and insurance
- Strengthen active provider management to ensure a sufficient panel of providers and good quality of care

# Methodology





# Methodology

	Quantitative	Qualitative
<b>Number</b>	359 household surveys	9 Focus group discussions
<b>Eligibility</b>	<ul style="list-style-type: none"> <li>• Above 18</li> <li>• Head of the household or spouse</li> <li>• Earning \$5-15 per day</li> <li>• Working in the informal sector or self-employed</li> <li>• Possess and regularly use financial products/services</li> </ul>	<ul style="list-style-type: none"> <li>• Age (20-34, 35-45)</li> <li>• Head of the household or spouse</li> <li>• Earning \$5-15 per day</li> <li>• Working in the informal sector or self-employed</li> <li>• Possess and regularly use financial products/services</li> </ul>
<b>Components</b>	<ul style="list-style-type: none"> <li>• Demographic Characteristics</li> <li>• Health Insurance Ownership Status</li> <li>• Understanding</li> <li>• Value</li> <li>• Accessibility of health care services</li> <li>• Household spending priorities</li> <li>• Use of Financial Services</li> <li>• Exposure to Media</li> </ul>	<ul style="list-style-type: none"> <li>• Perceptions*</li> <li>• Prioritizing</li> <li>• Accessibility</li> <li>• Value</li> </ul>

\* Findings presented in this presentation are on perceptions of health insurance only

# Quantitative sampling

Region	District	Sample size
Nairobi	Nairobi East	120
	Nairobi North	105
	Nairobi West	105
	Westlands	29
Total		359

- Proportional to population size sampling was used in the 4 districts of Nairobi county
- The locations of the districts were purposively selected as the primary sampling units (PSU) and 10 interviews conducted in each PSU

# Findings

I. Qualitative Survey results on the perceptions of health insurance



# Key findings from the qualitative survey

- General perception that PHI is expensive and designed for the rich and formally employed
- Limited trust of insurance companies
- Limited awareness of available PHI products
- Insured respondents learned about health insurance from peer networks
- Strong understanding of direct and indirect value of owning health insurance
- Strategies to mitigate lack of funds for health care include:
  - Forgoing care
  - Borrowing from friends and neighbors, associated with feelings of shame and embarrassment
  - Use of traditional remedies and over the counter medication
- Significant barriers to uptake and access of health insurance include cost, perception of complex processes, and time to acquire health insurance
- Participants willing to save KES 200-500 monthly in case its needed for health care expenditures
- Respondents desire:
  - Affordable health insurance products
  - Flexible premium payment options
  - Coverage of both outpatient and inpatient care



# Perceptions of health insurance

- Participants were asked the following questions:
  - Do you know any companies offering health insurance?
  - Which ones are good, which ones are bad? How do you know?
- Perceptions based on personal experiences with NHIF, no respondents had experience with PHI
  - Positive perceptions were linked to NHIF, with which respondents could relate
  - Negative perceptions were largely linked to media reports of private insurance companies

# Perceptions of health insurance

Positive	Negative
Positive perceptions were linked to experiences with NHIF	Negative perceptions were largely associated with private health insurance
Descriptions involved personal experience typically of a maternity	Private insurance is perceived as too expensive
Positive stories had a snowball effect of encouraging others to purchase health insurance	Products are not designed for the low income
Insurance perceived as tangible and intangible	Administered by fraudulent corporations
Insurance perceived to have a reasonable registration process	Negative experience with agents who are accused of mis-leading clients
Knowledge of the organization encouraged trust	Insurance companies are inconveniently located
	Difficult to enroll

# Findings

## II. Quantitative Survey Findings



# Health insurance status

- **69%** of respondents were uninsured
- **4%** of respondents had both NHIF and PHI
- **3%** of respondents had PHI only
- **24%** of respondents had NHIF only

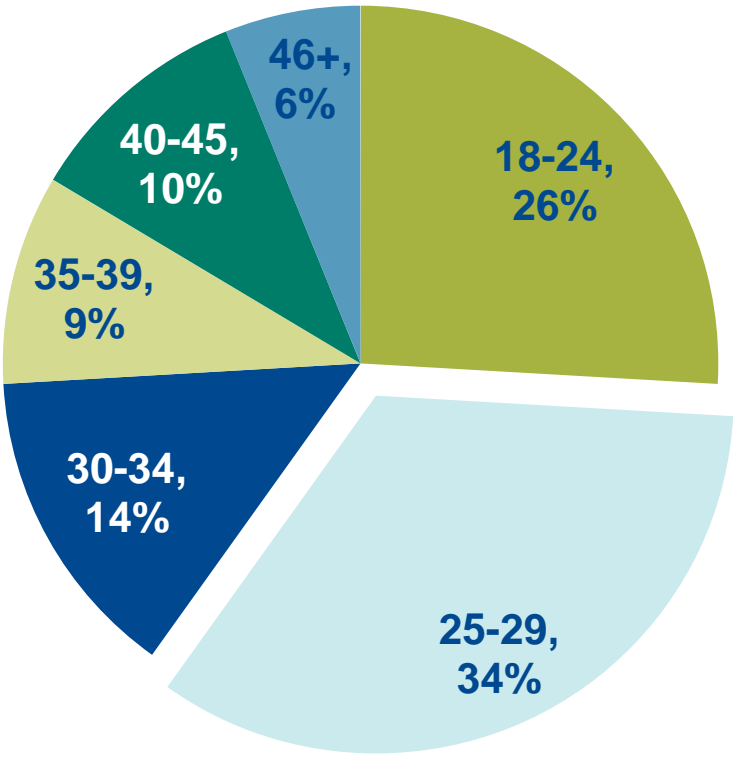


# Socioeconomic characteristics of the majority of respondents

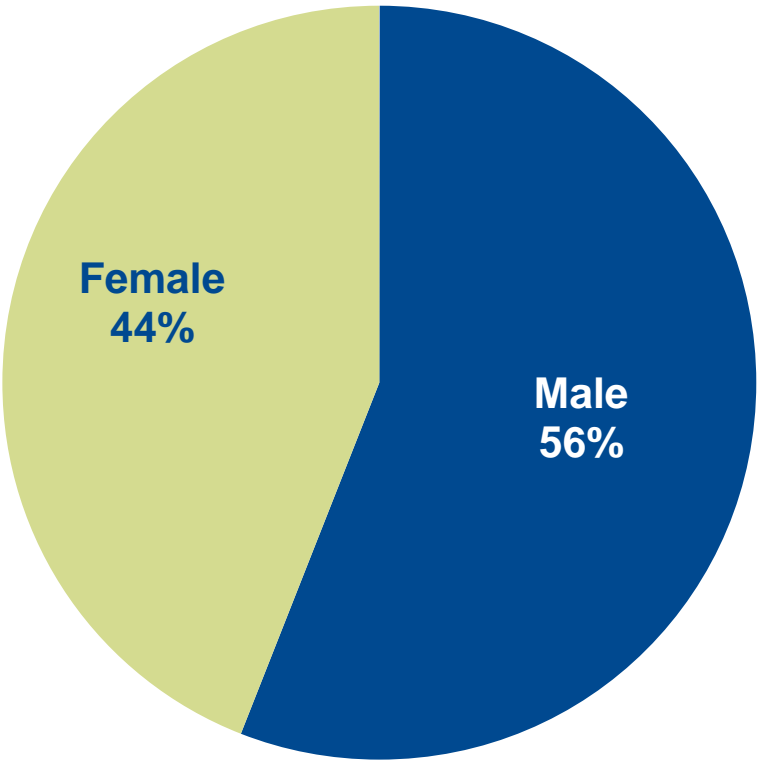
- 18-29 years (26 percent 18-24 years; 34 percent 25-29 years)
- Male (56 percent)
- Married (53 percent)
- Self-employed (70 percent)
- Attained secondary level of education (41 percent)
- Three to five persons living in the household with between one and two children

# Age and gender

Age groups

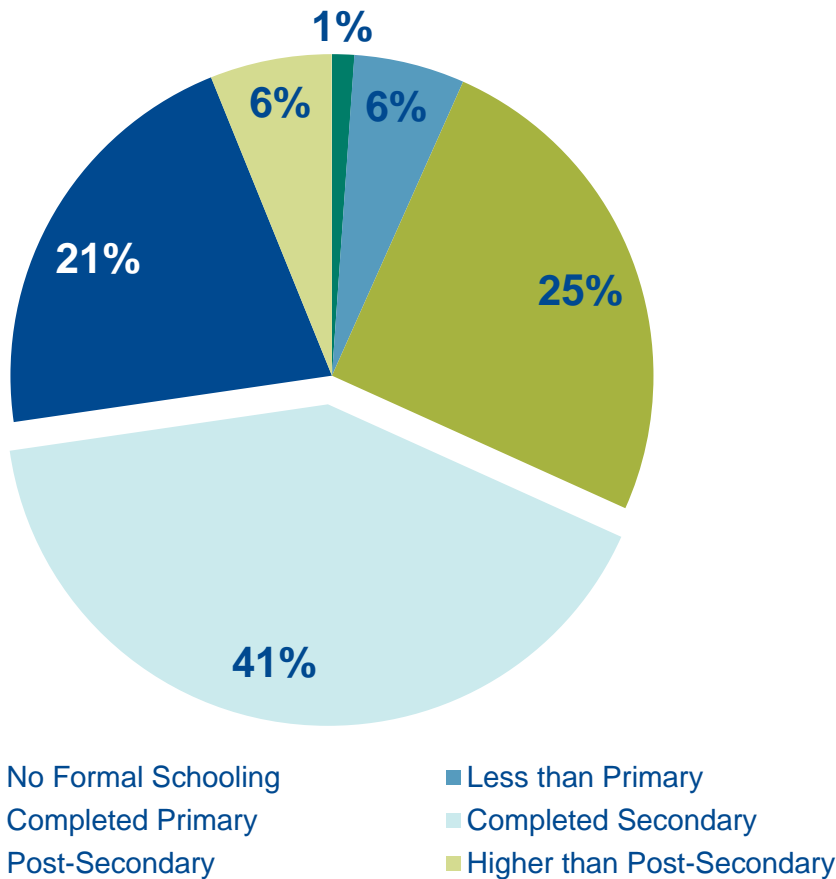


Gender

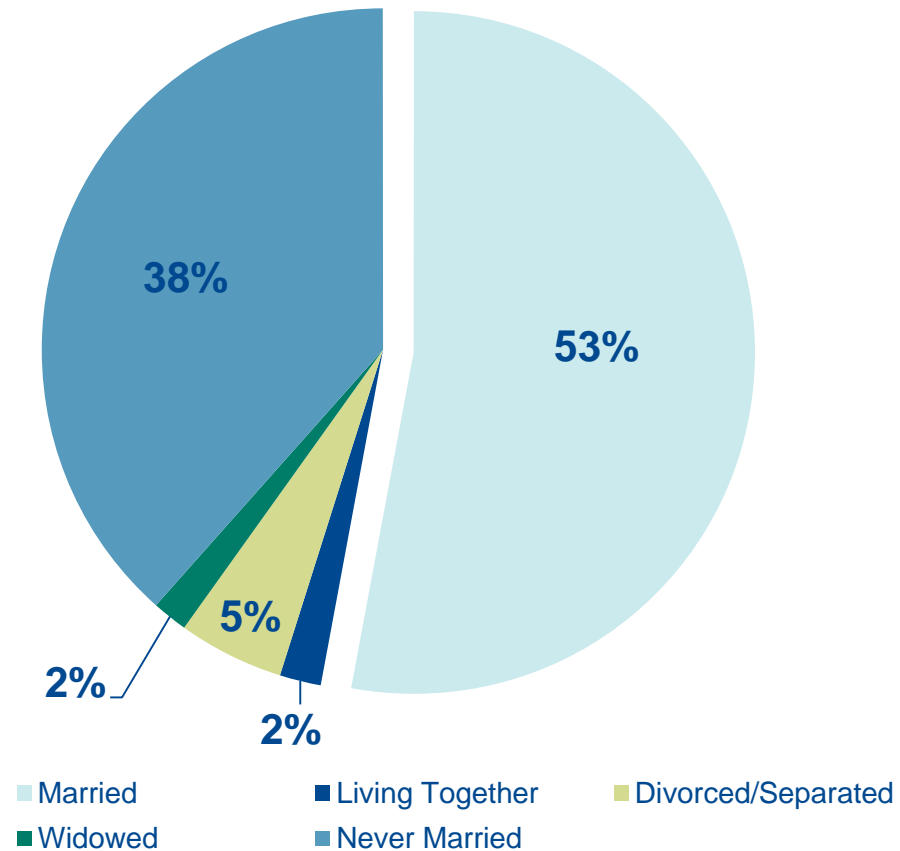


# Level of education and marital status

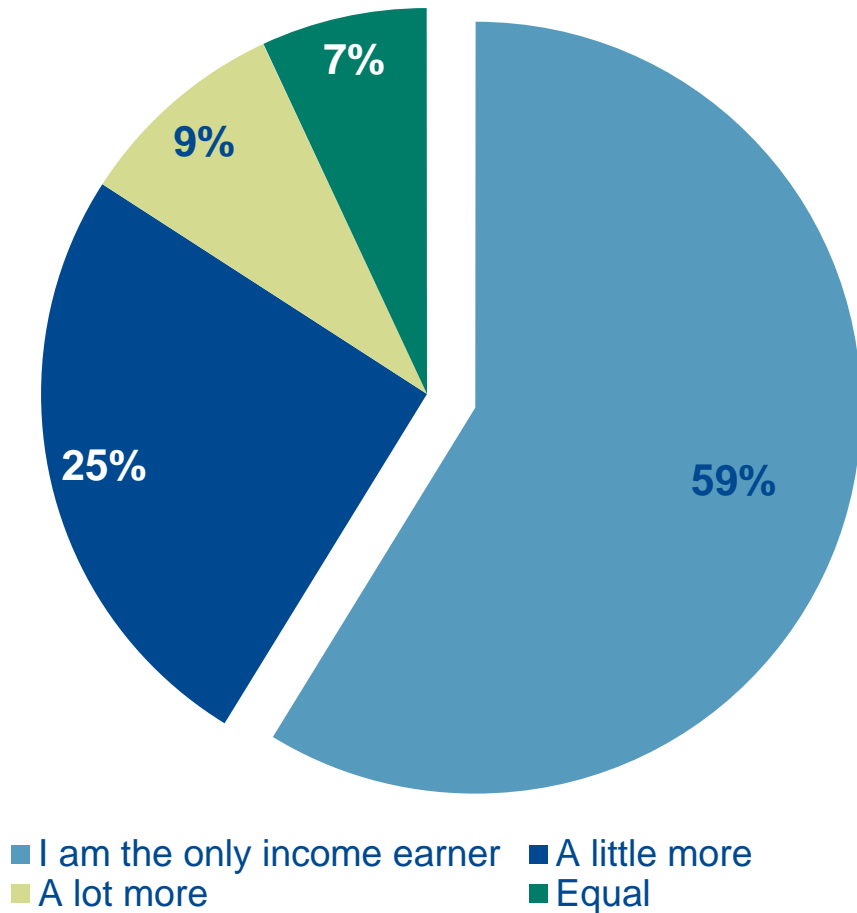
## Education



## Marital Status



# Respondent's income compared with total household income

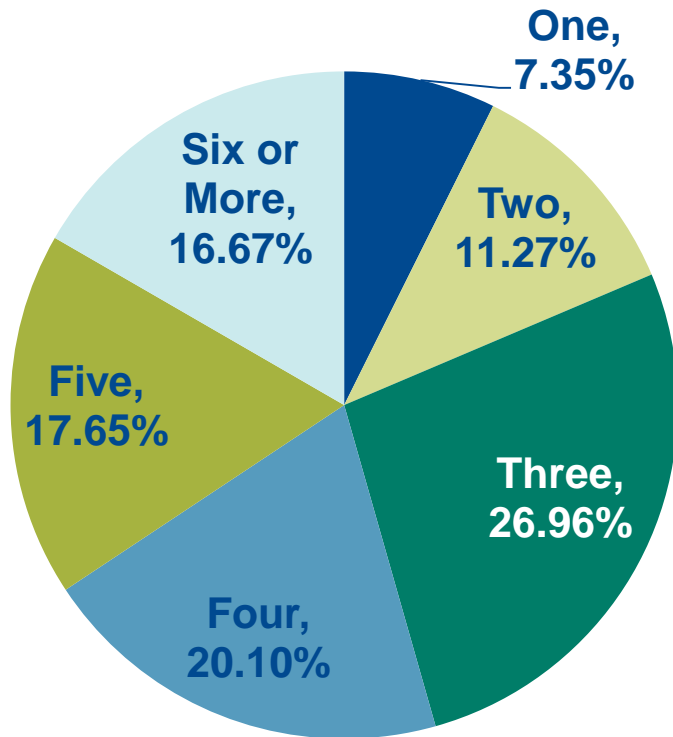


58.7 percent of respondents were the only income earner while 8.9 percent of respondents were the higher of two income earner

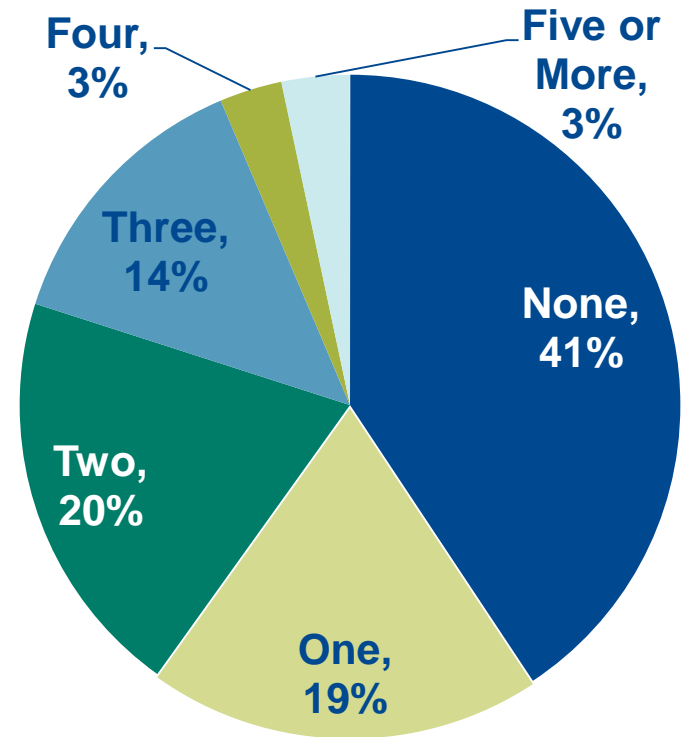
67.6 percent of respondents were the breadwinners of their households

# Household composition

Number of people living in the household

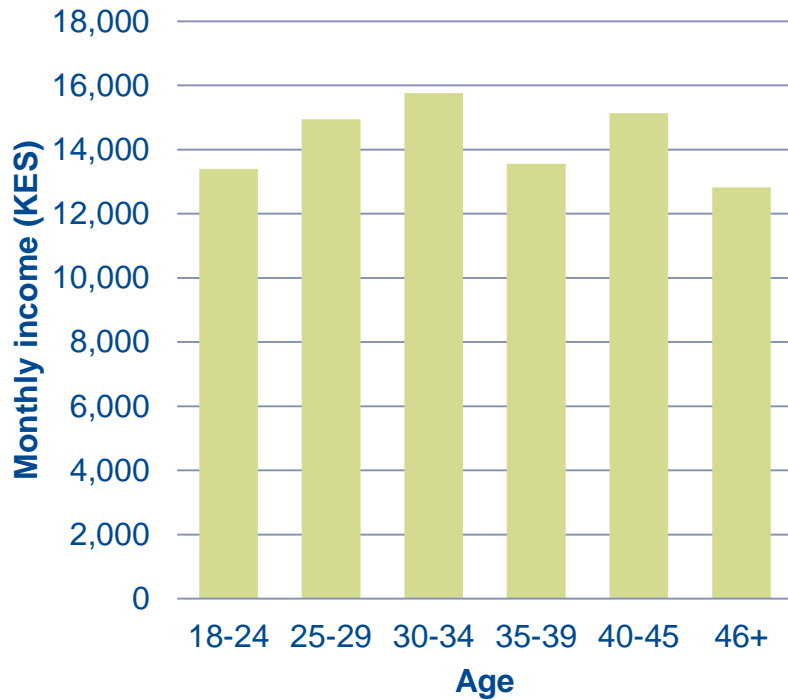


Number of children under 18 years in the household

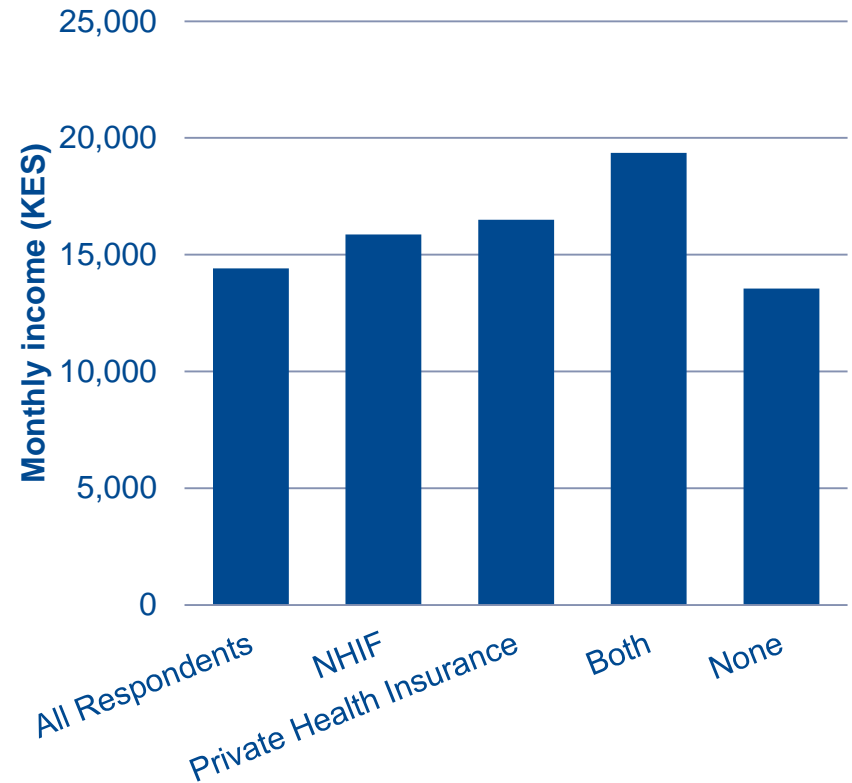


# Demographics cont.

## Average monthly income by age



## Average monthly income by insurance ownership

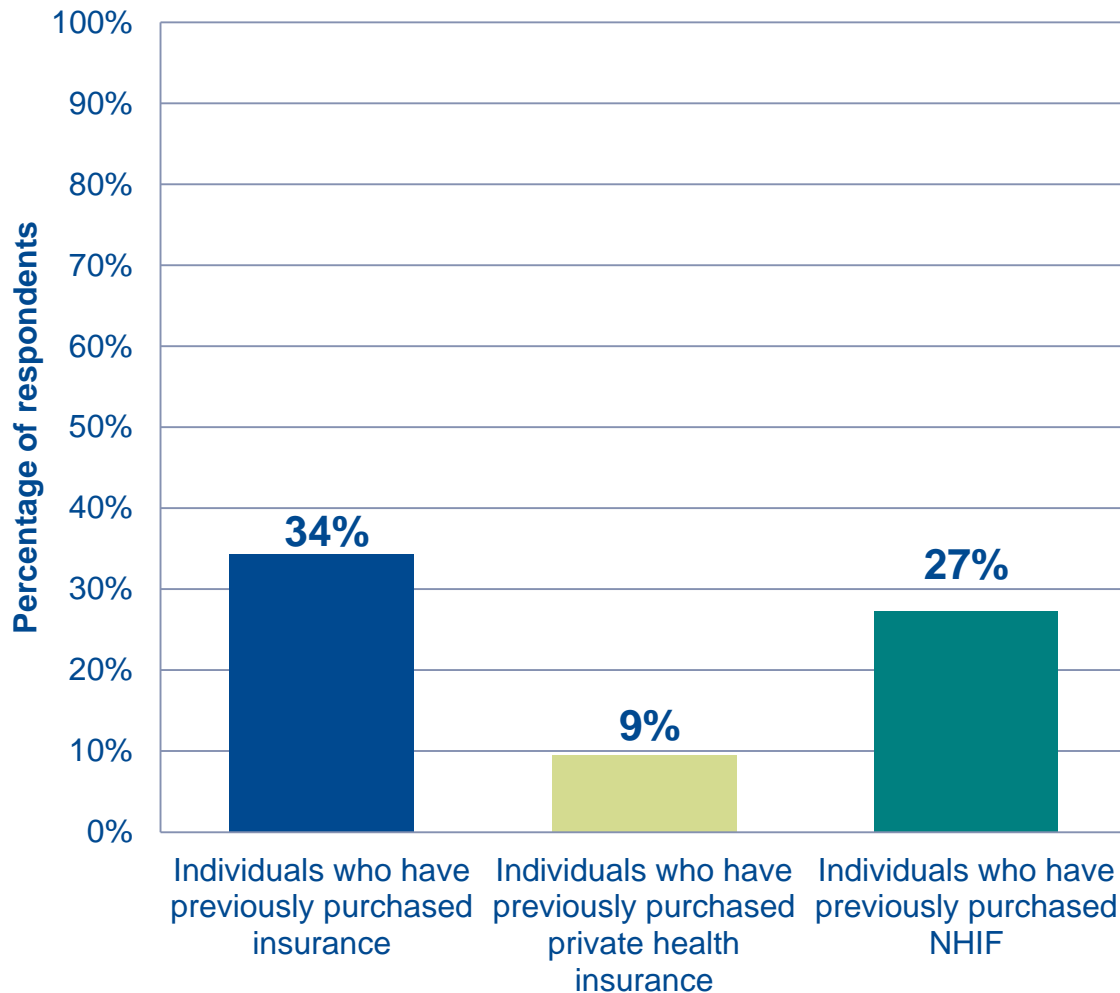


# Findings

## III. Ownership of Insurance



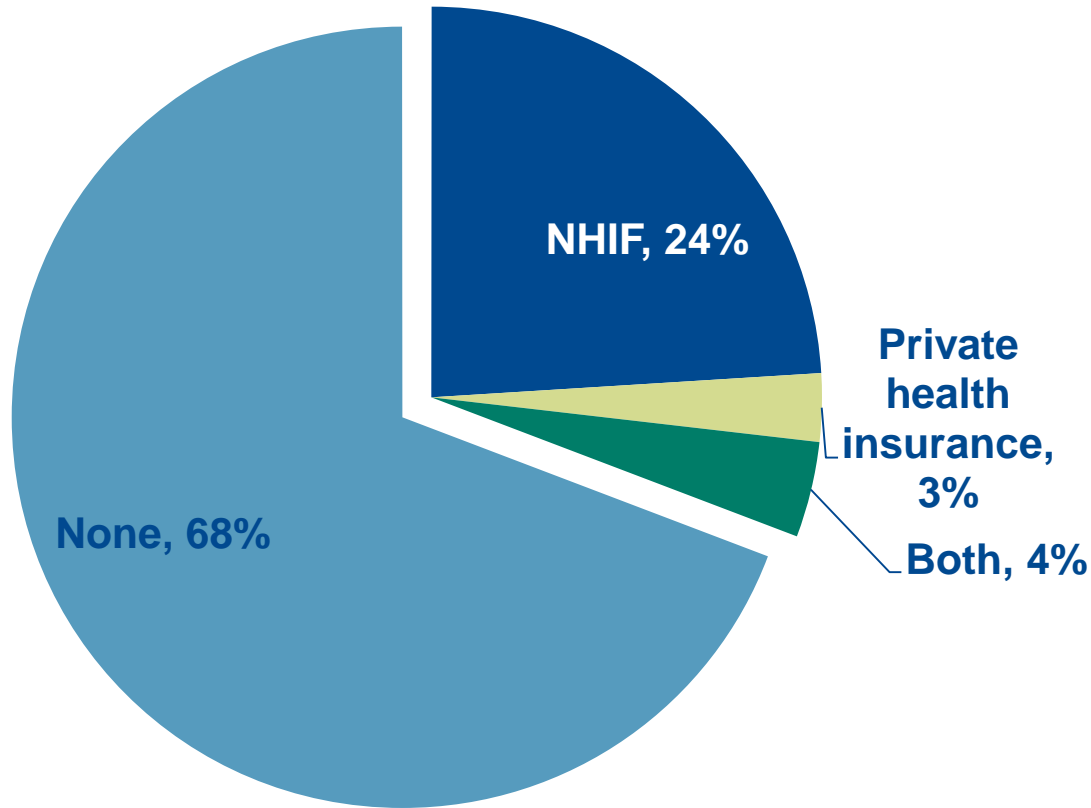
# Previous health insurance ownership



34.2 percent of respondents had purchased health insurance, the majority of whom had purchased NHIF



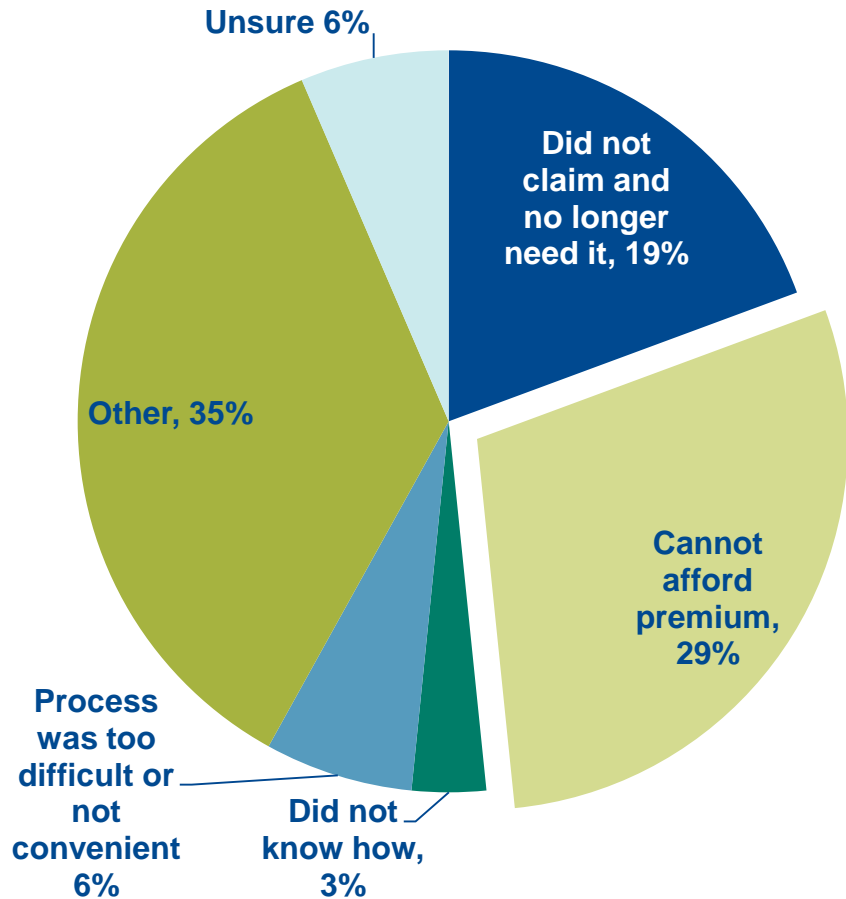
# Current health insurance ownership



32 percent of respondents currently owned health insurance compared to 34 percent who had purchased health insurance in the past

*\*Note: Numbers add up to less than 100% due to rounding*

# Reasons for non-renewal for those who had previously bought health insurance

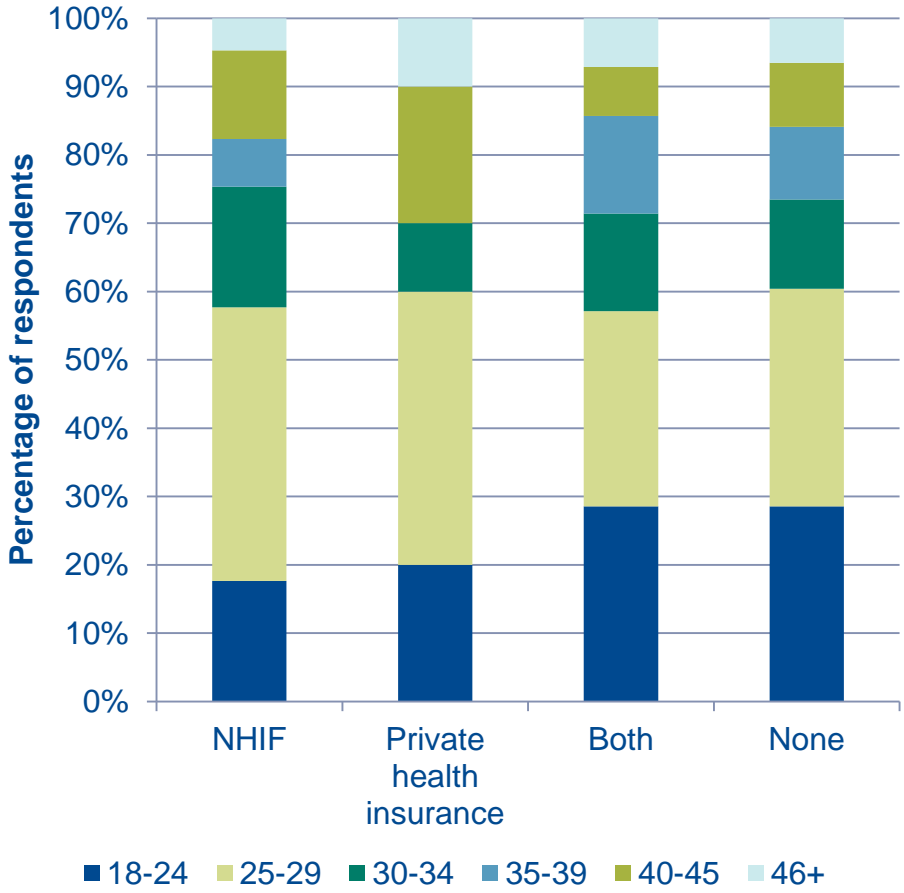


Affordability continues to be the main challenge towards uptake

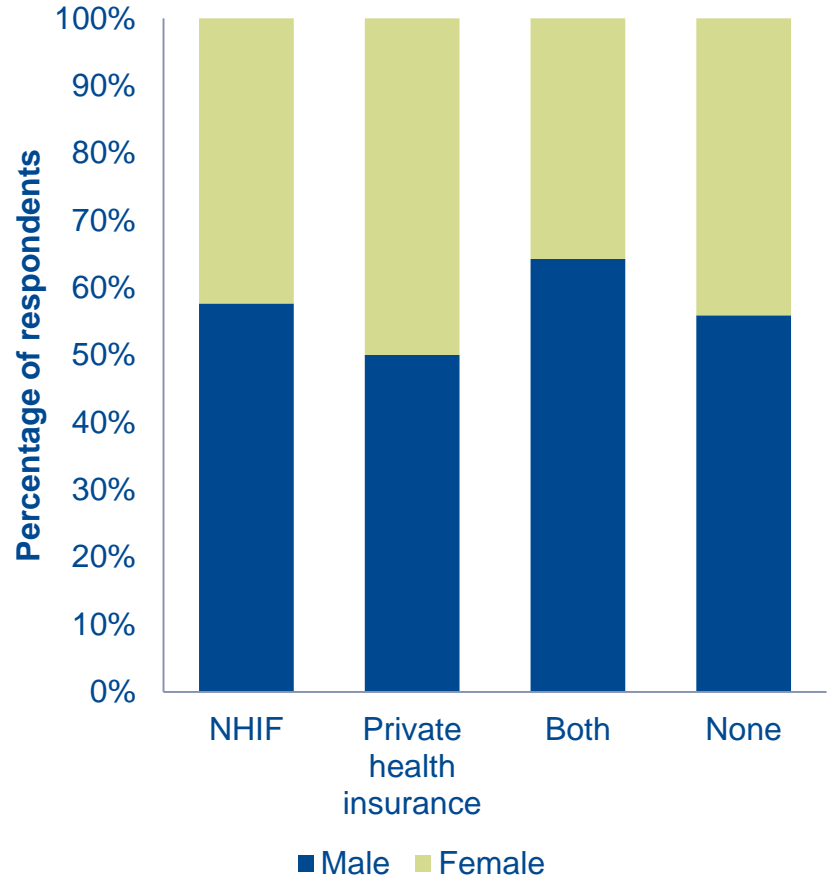
A large portion (19 percent) did not use their insurance and saw little value in it, leading to non-renewal

# Insurance coverage highest for the 18-29 age group and men

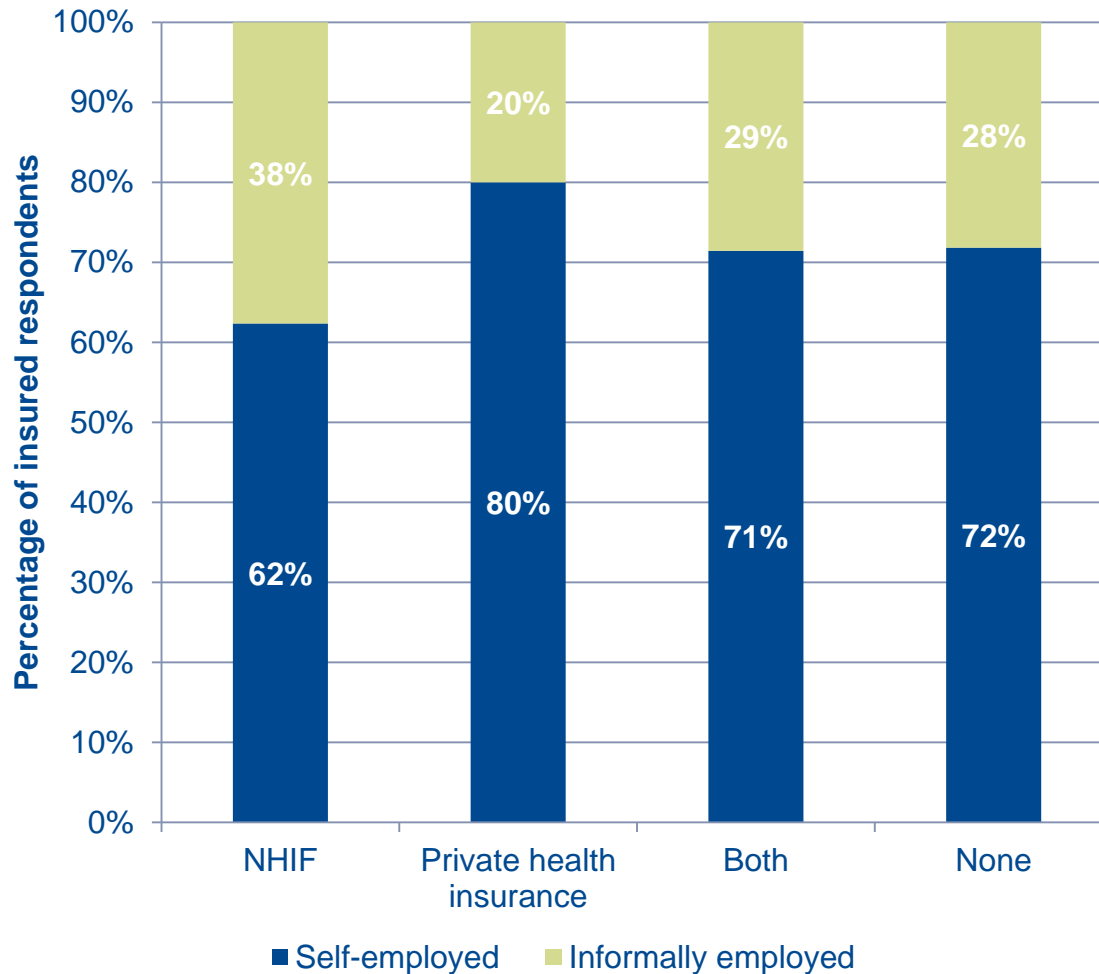
Insurance coverage status by age



Insurance coverage status by gender



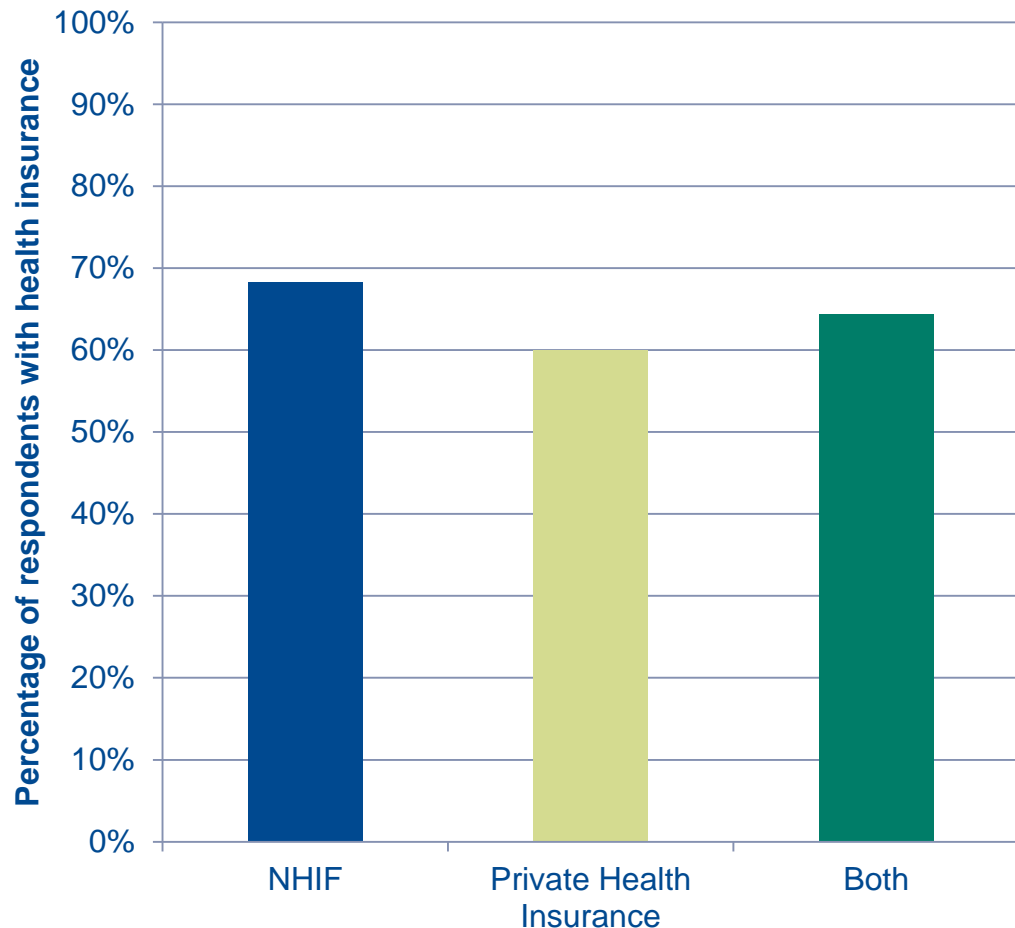
# Self-employed are more likely to have cover than informally employed



Self-employed respondents accounted for the majority of individuals with all forms of health insurance

This may be a reflection of the sample, since 70 percent of the respondents were self employed

# Household coverage by current type of insurance

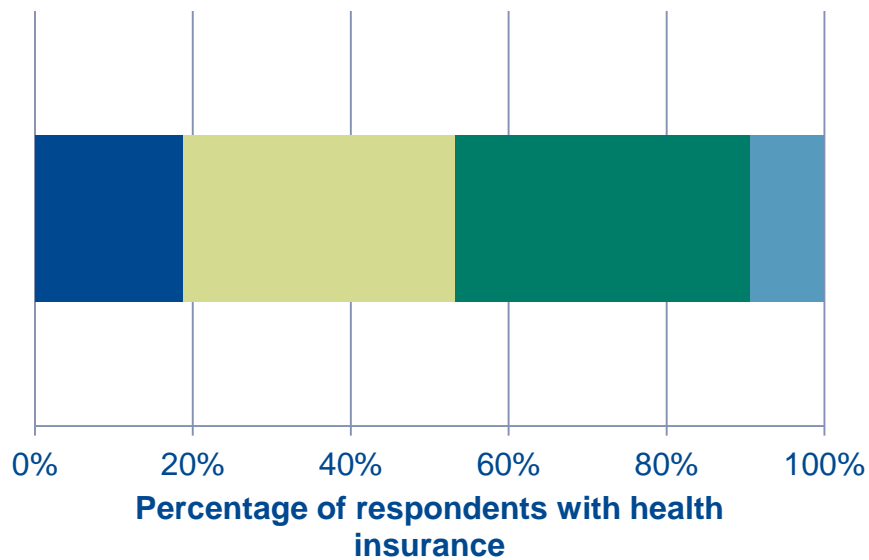


60 to 68 percent of insured respondents had health insurance that covered the entire household

It can be inferred that– (1) there are more insurance products offering family coverage as opposed to individual coverage, (2) and/or respondents have a preference for family coverage

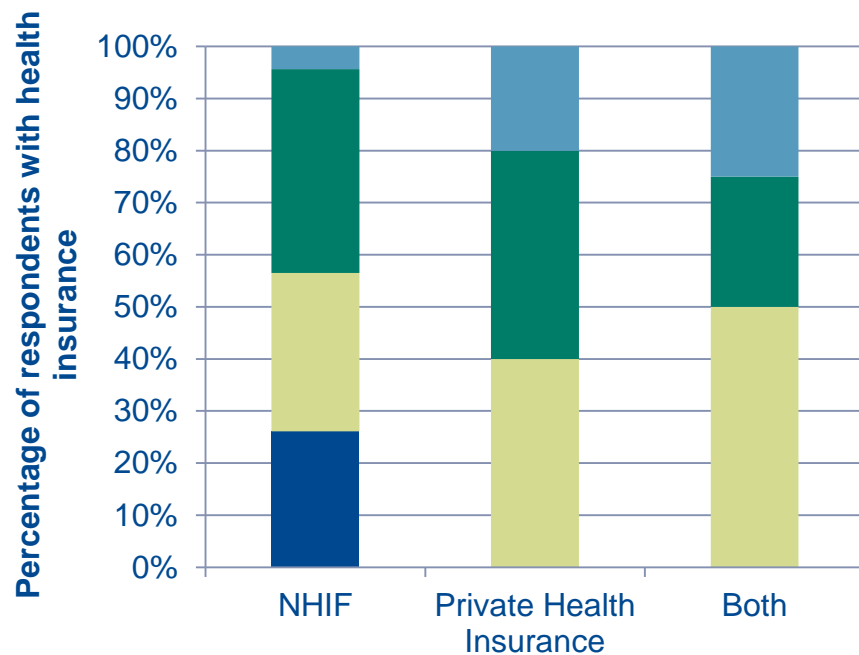
# Satisfaction among those with health insurance

Among all health insurance members



■ Somewhat unsatisfied    ■ Satisfied  
■ Very satisfied            ■ Excellent

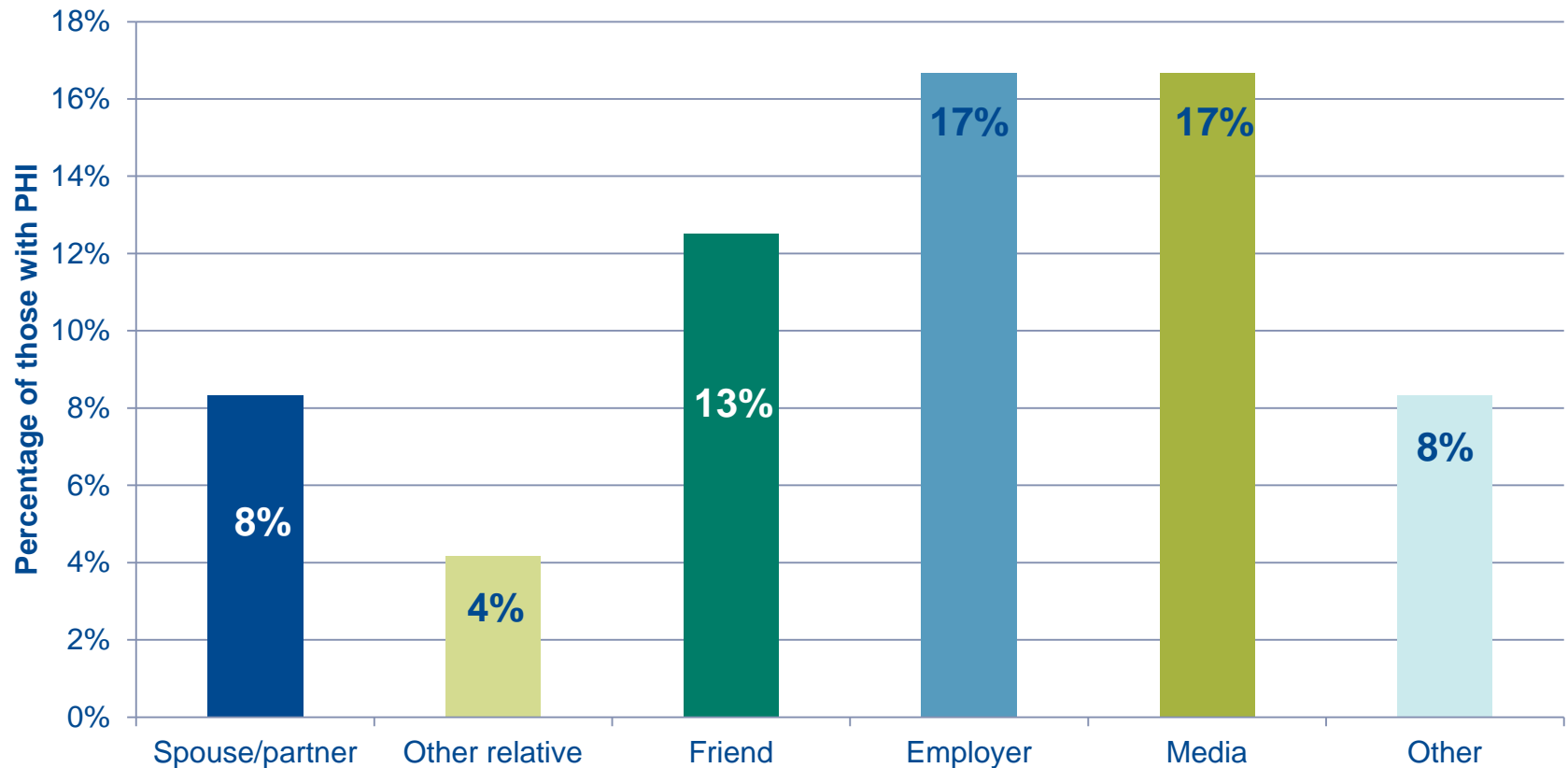
By type of health insurance



■ Somewhat unsatisfied    ■ Satisfied  
■ Very satisfied            ■ Excellent

# Where PHI owners learned about their private health insurance

Peers including friends and relatives are important sources of PHI information



# Findings

## IV. Understandings of private health insurance

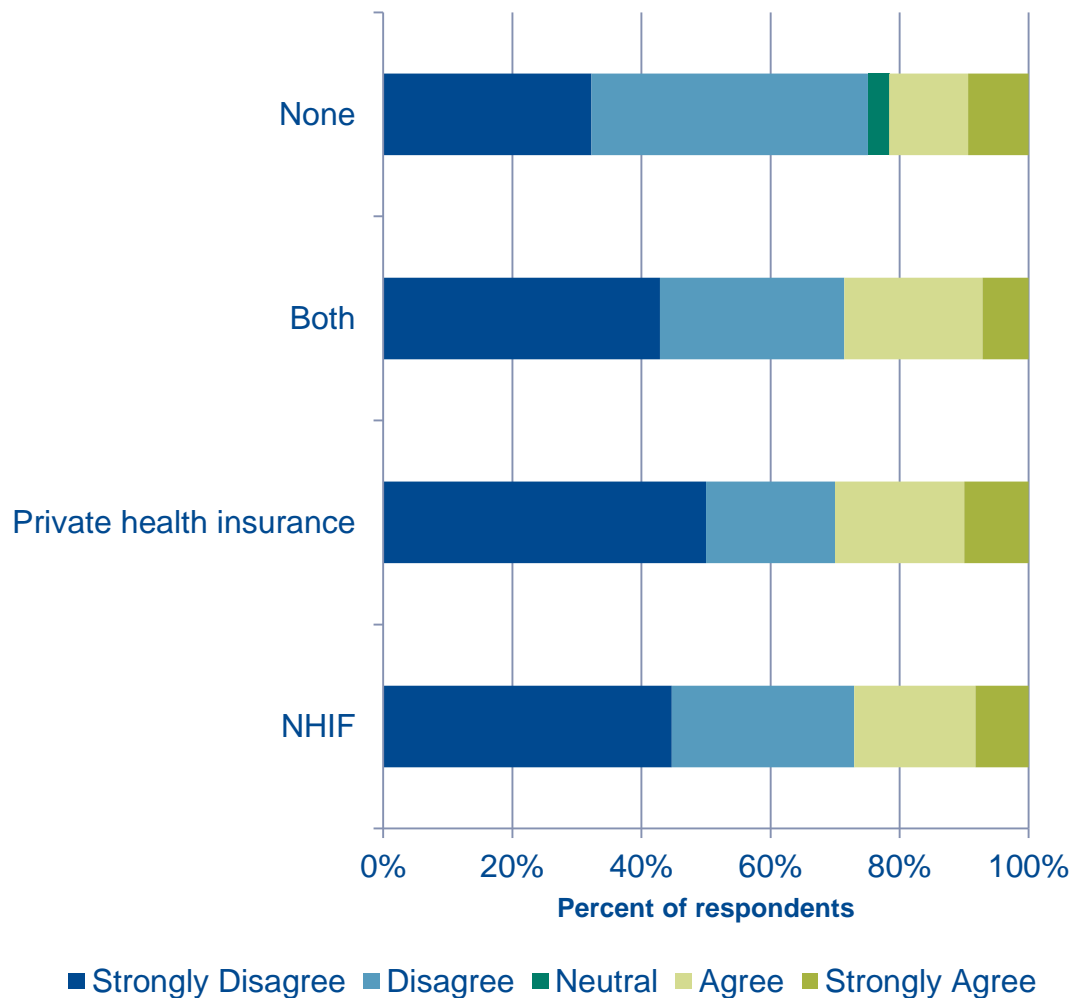




# Knowledge and understanding of health insurance

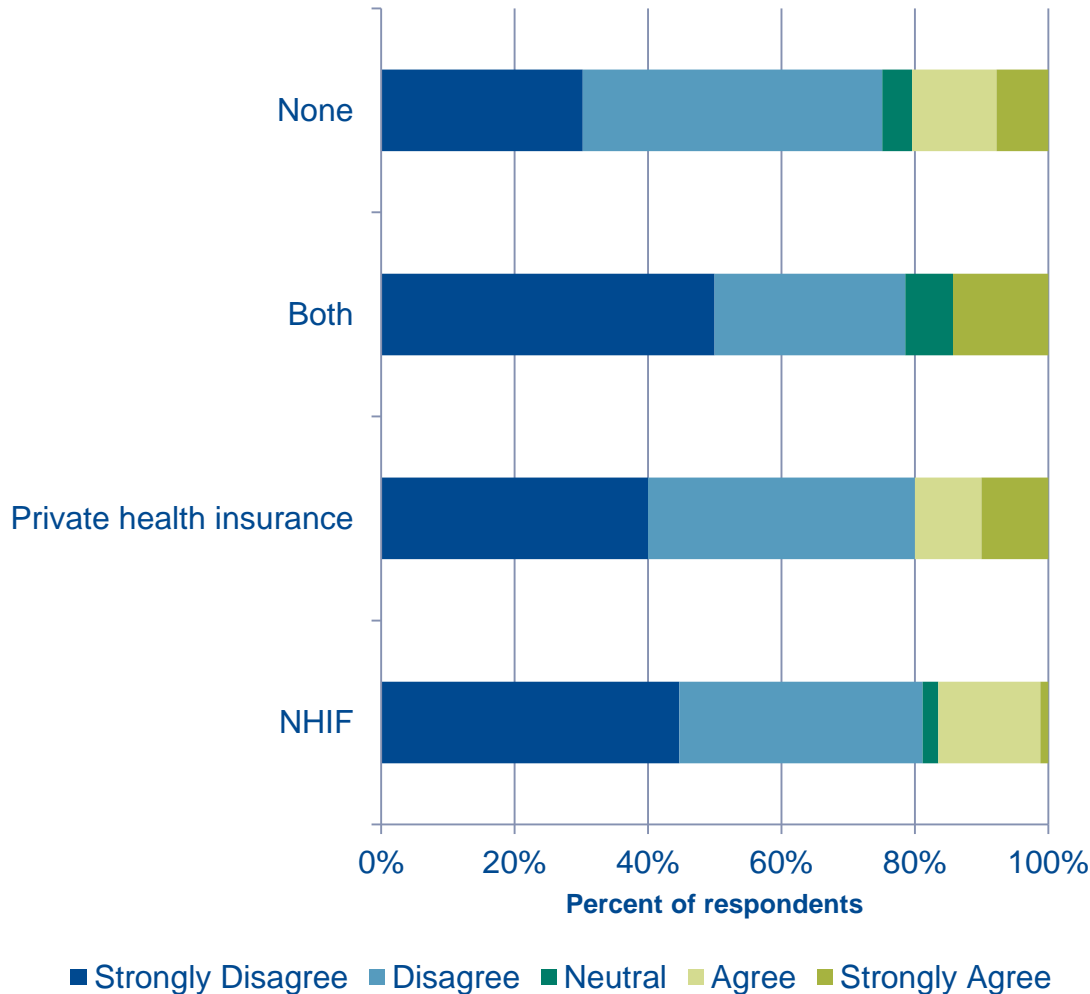
- This section had two components:
  1. Knowledge— Insurance jargon such as policy holder, premiums, co-payments, benefits and exclusions
  2. Understanding— Benefits of health insurance
- Questions included the following topics:
  - Purpose and use of health insurance
  - General knowledge of health insurance and risk pooling
  - Key terms: policy holder, premiums, co-payments, and other terms
  - Understanding benefits and exclusions

# There is no need to put aside money for health emergencies



More than 70 percent of all groups disagreed with this statement, and thus believed that there was a need to put aside money for health emergencies

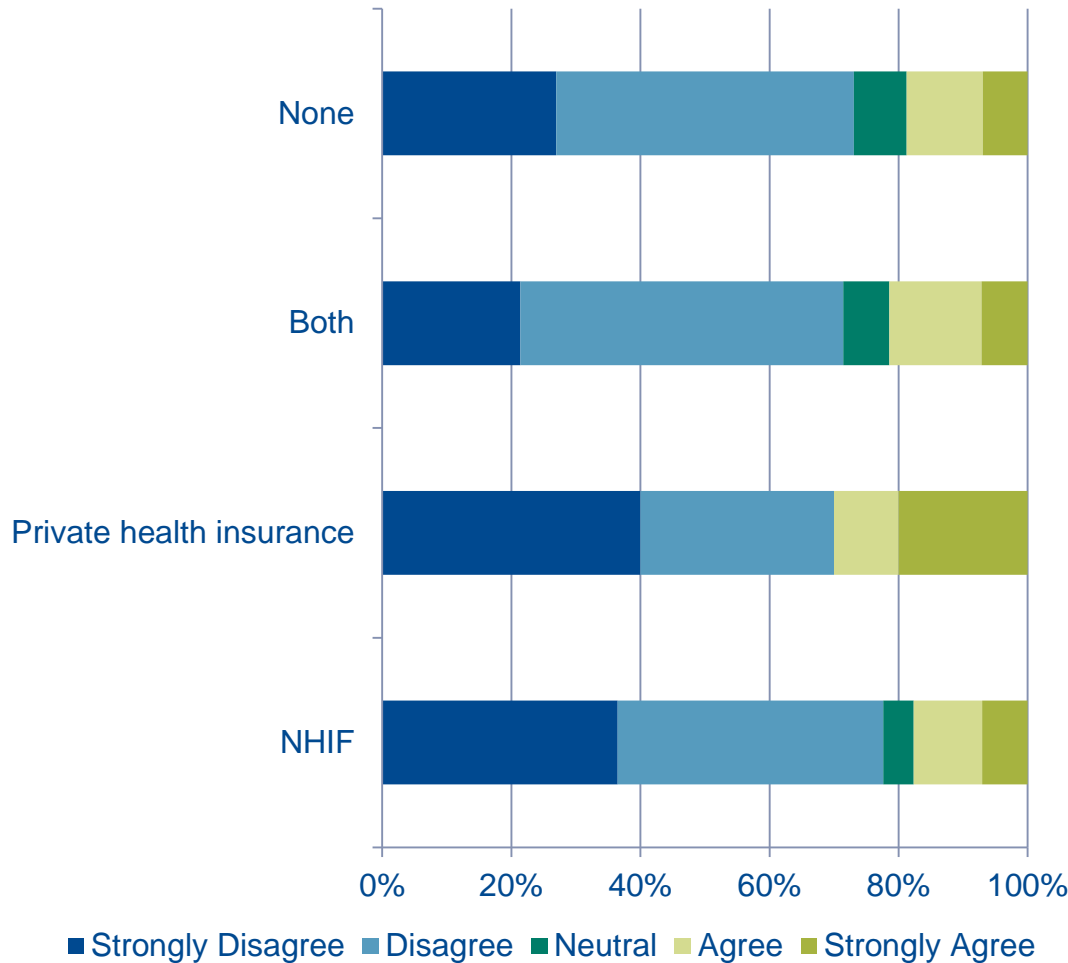
# Health insurance is not needed when no one is sick, right now



More than 75 percent of respondents disagreed with this statement and thus believed that health insurance is needed when one isn't sick

More insured respondents agreed that health insurance was needed when one wasn't sick as compared to the uninsured respondents

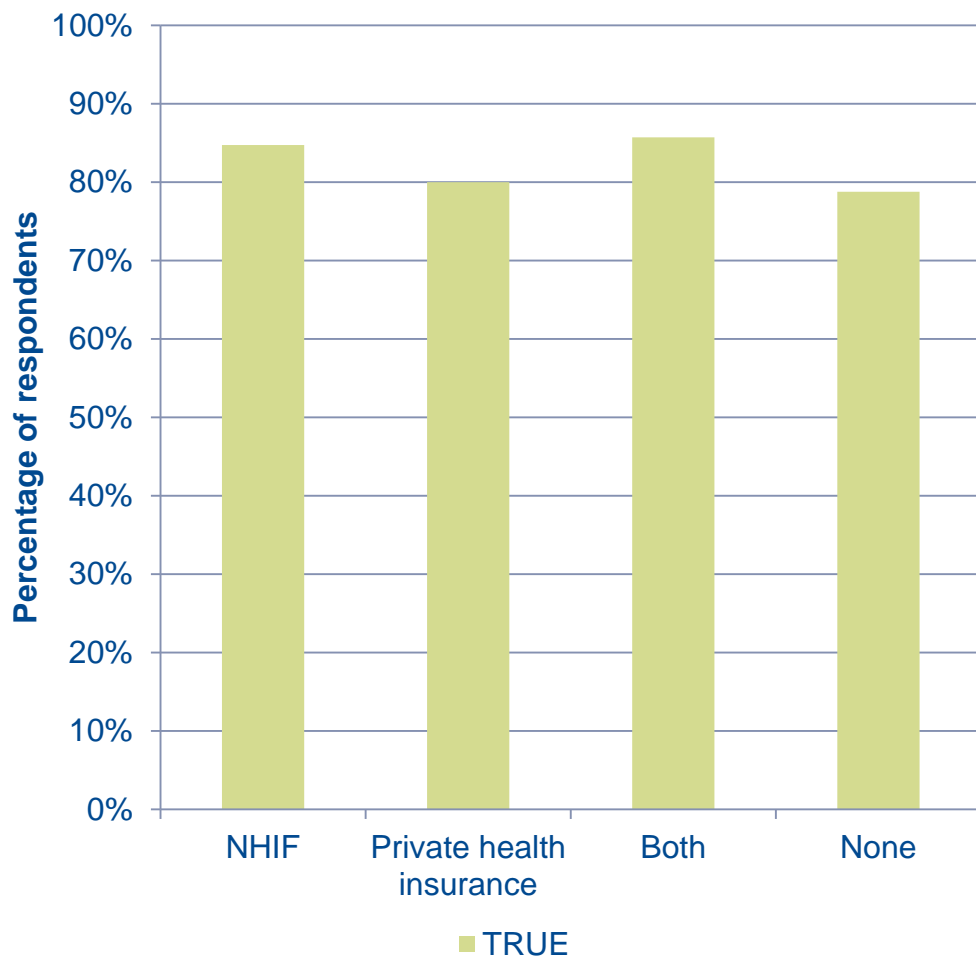
# No need to purchase insurance to cover serious illnesses and injuries, as the likelihood is low



70 percent of all respondents disagreed, and thus believed that health insurance was necessary despite the likelihood of serious illnesses and injuries being low

This was lowest among respondents with PHI only and highest among those with NHIF only

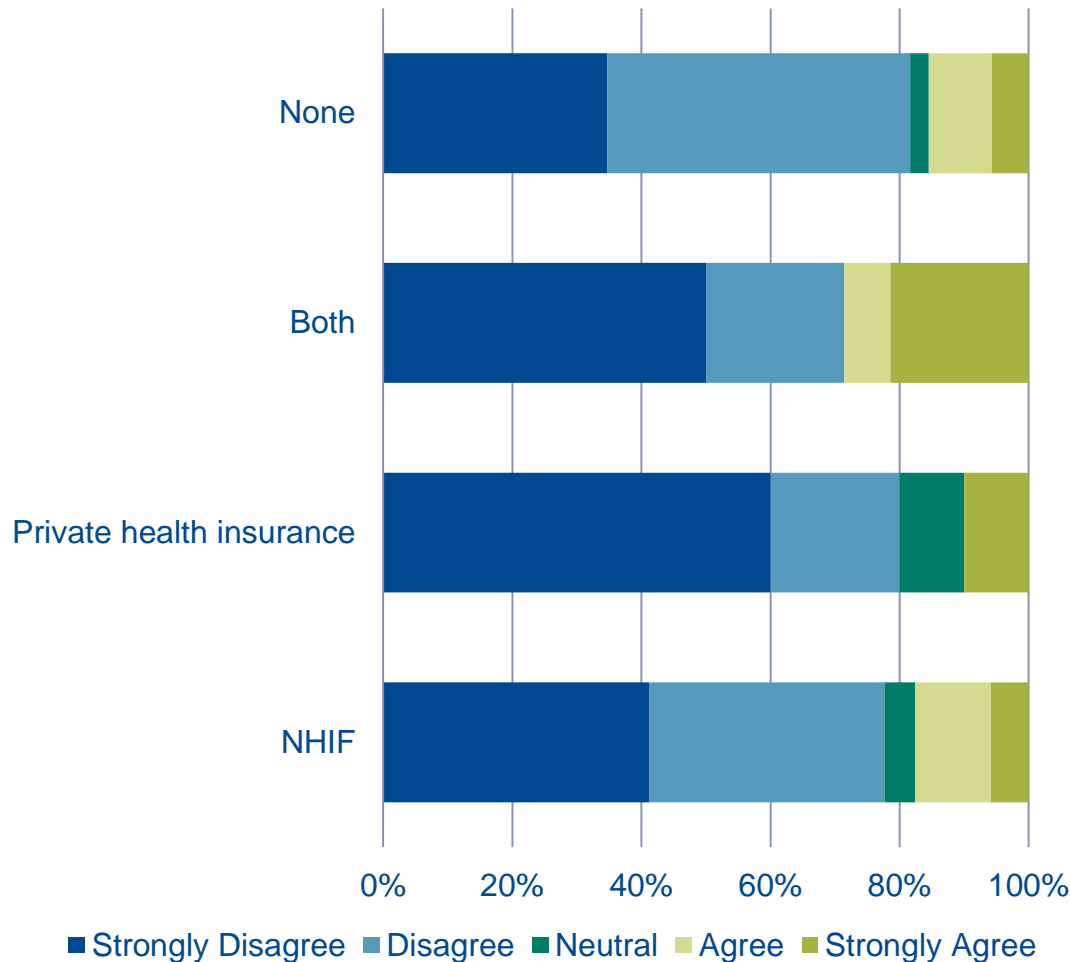
# The insurance company can help cover the cost of an expense for an insured risk



Generally, the respondents agreed that the insurance company will pay or reimburse for insurable risks

However, uninsured individuals (78 percent) were less likely than the insured (80 to 85 percent) to agree with this statement

# When one is young and healthy, there is no need to worry about becoming sick



Interestingly, 28.5 percent of individuals with NHIF and PHI agreed with this statement, the highest of all groups

Meanwhile, 19.4 percent of the uninsured agreed with this statement, the lowest of any group

# Familiarity with health insurance terms

## Policy holder

50 percent of NHIF and PHI, and 41 percent of NHIF members were able to correctly recognize the term when tested, compared with only 20 percent of those with PHI and 29 percent of the uninsured who were able to recognize the term

## Exclusions

62 percent of respondents with PHI and NHIF were able to correctly recognize the term when tested, compared with 40 percent of respondents with PHI only who scored the lowest

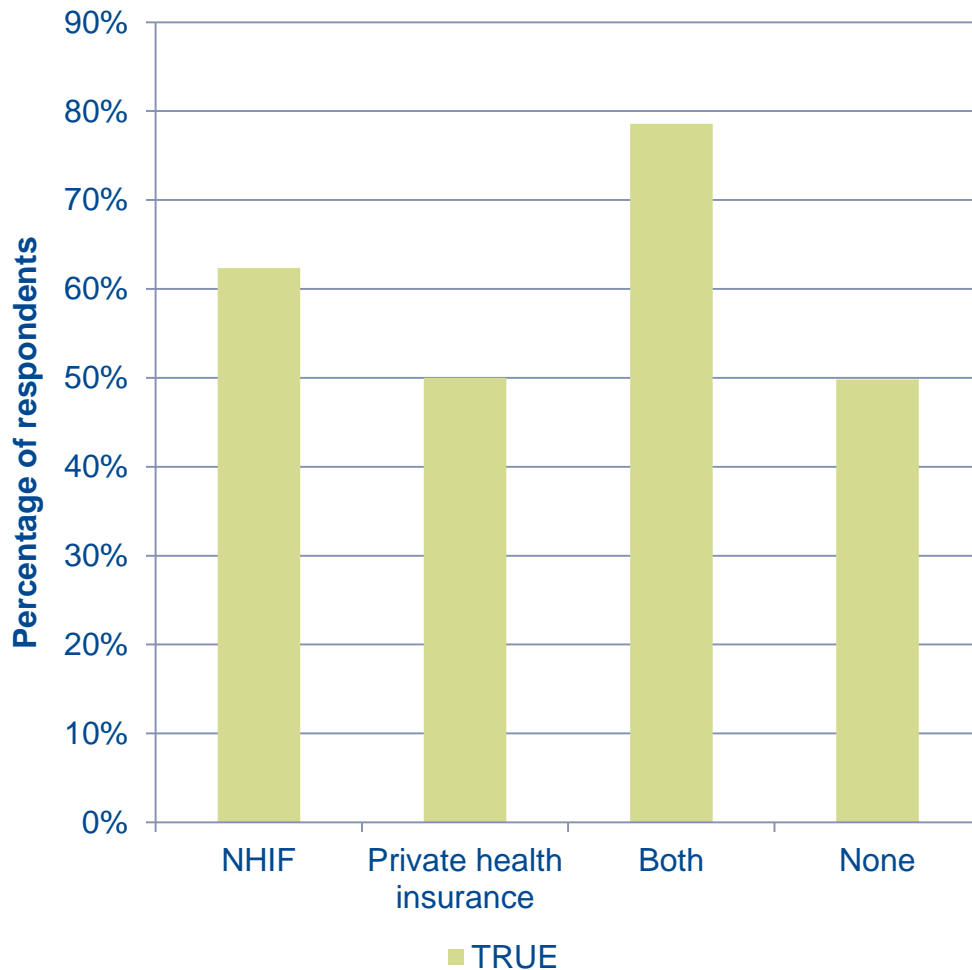
## Premium

57 percent of respondents with NHIF and PHI were able to correctly recognize the term compared with 50 percent of PHI only respondents, 41 percent of those with NHIF only and 43 percent of the uninsured

## Co-payment

Less than 43 percent of respondents correctly recognized the term. Those with NHIF and PHI had the highest correct responses and the uninsured had the fewest correct responses

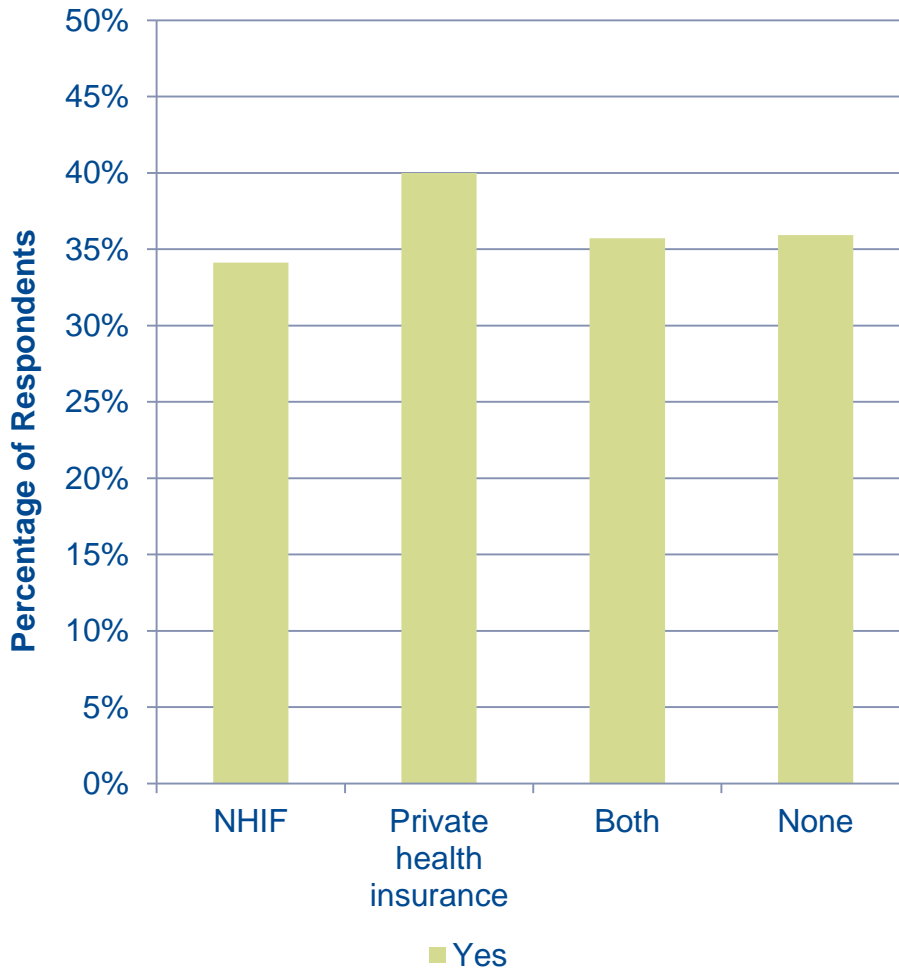
# Health insurance that only covers inpatient is less expensive than health insurance that only covers outpatient care



78 percent of respondents with NHIF and PHI answered correctly, compared to 62 percent of NHIF only respondents, 50% of PHI only respondents, and 49% of the uninsured



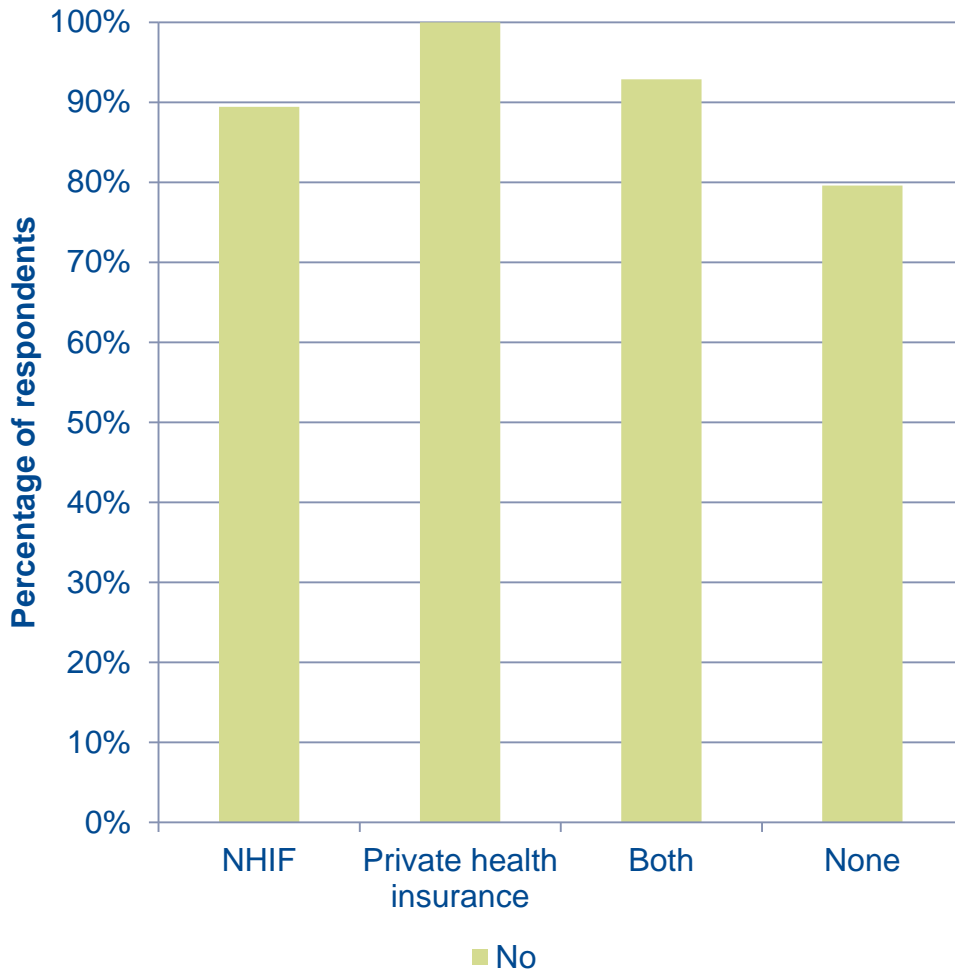
# If you purchase health insurance that excludes maternity care, would your insurer pay for a caesarian section?



Majority of respondents, 60-65 percent, did not agree that the insurer should pay for maternity care if it is an exclusion

Only 35-40 percent of individuals incorrectly expected the insurer to pay for an exclusion

# Should your insurer reimburse you the premium if you do not use health care within the year?

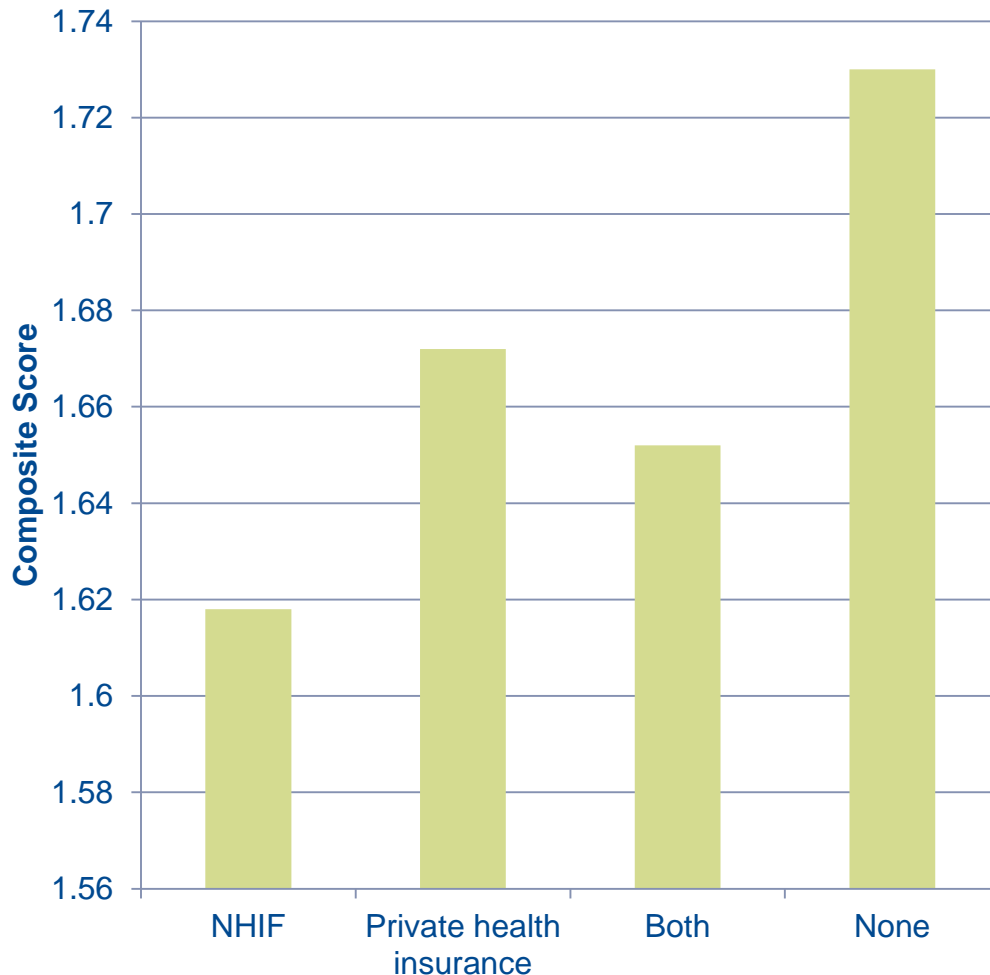


Majority responded correctly to this question with 90-100 percent of the insured respondents correctly indicating that they would not expect a refund of the premium, compared to 80 percent of the uninsured

# Knowledge of health insurance

- A composite score was compiled from responses to the 12 questions on knowledge of health insurance
- The scores were summed and weighted, such that the lower the score the greater the knowledge of health insurance

# Knowledge of health insurance by insurance ownership



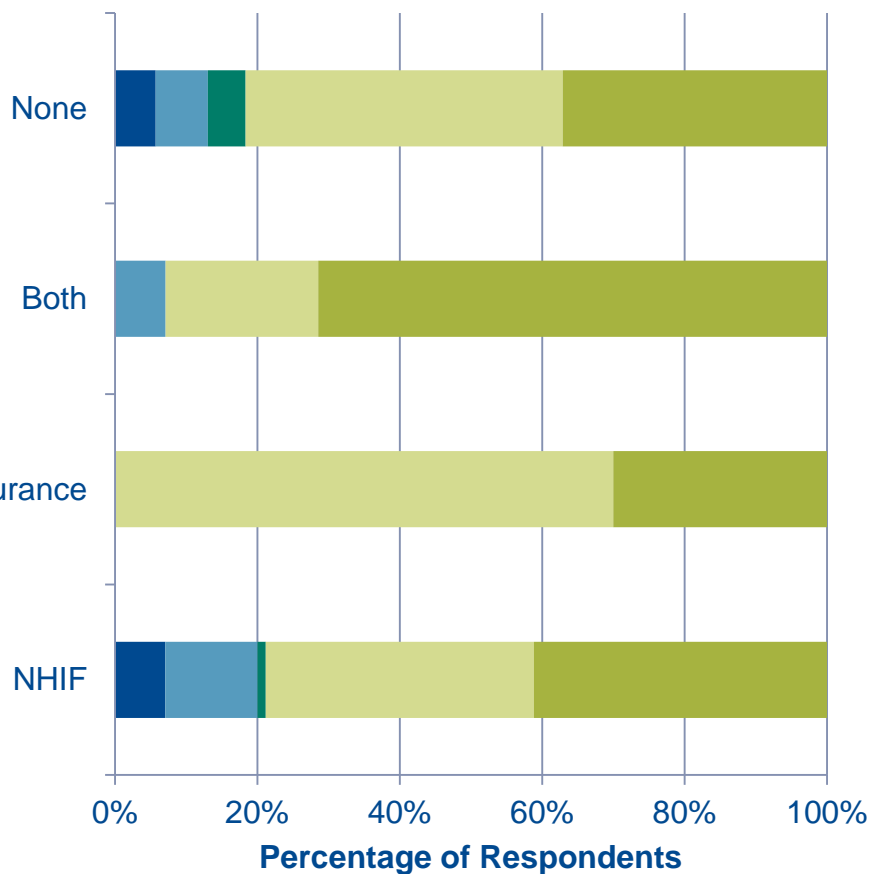
Overall, 80 percent of respondents had basic knowledge of the importance of health insurance, preparing for health emergencies, and the risk of illness

Only 30-50 percent of respondents answered correctly more complex questions about premiums, copays, benefit packages, exclusions, and reimbursement of premiums.

# Understanding of health insurance

- Questions were related to the benefits of health insurance and included:
  - Perceived exposure to risk and related anxiety
  - Protection from out-of-pocket expenditures
  - Peace of mind
  - Financial access to care
- Perception of risks drives the likelihood of a person's willingness to pay for health insurance

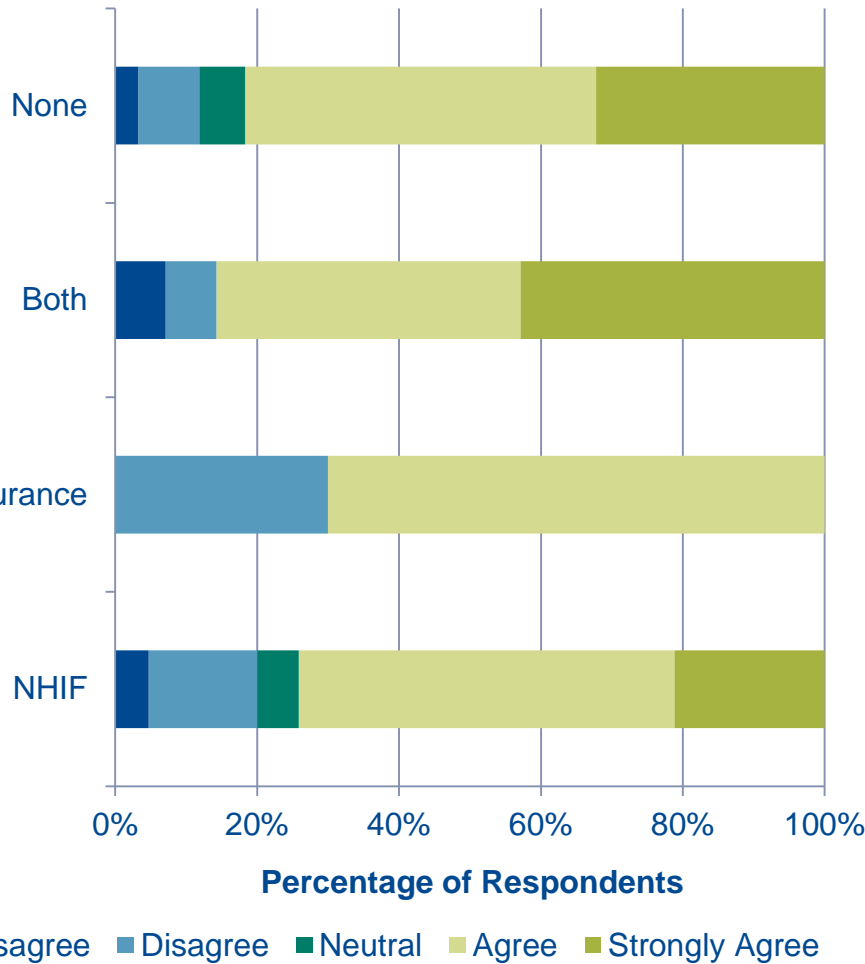
# I worry about serious illnesses and injuries that my family and I could face



Generally, all respondents worry about their exposure to risk which could be a reflection of their lifestyles, and/or occupational and environmental exposure to health risks

However, those with PHI only and PHI and NHIF seem to worry most, indicating they are higher risk or perceive themselves to be of higher risk, which is a reason for them buy more comprehensive PHI coverage

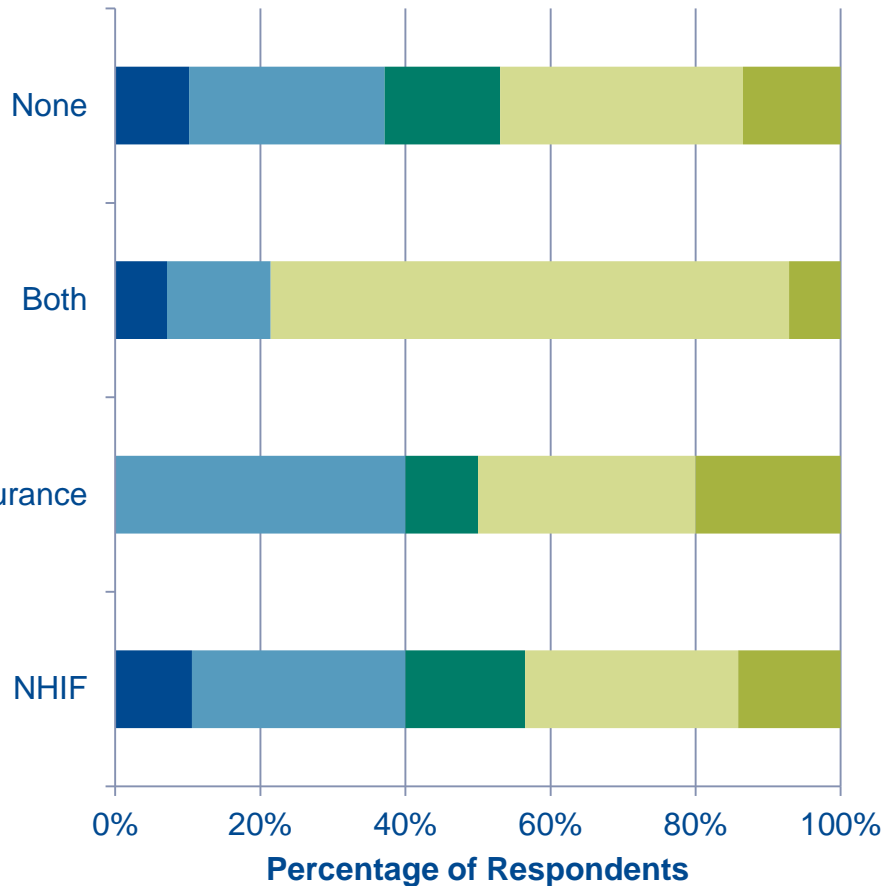
# I worry that my family may not have the money to pay for health care when sick.



Ability to pay for health care is a persistent concern regardless of ownership of insurance

Respondents with PHI and NHIF seem to worry the most indicating that they are sicker than average or they are more risk averse and worry more about it, thereby purchasing more insurance coverage

# I would pay more for health insurance than I would spend on health care services



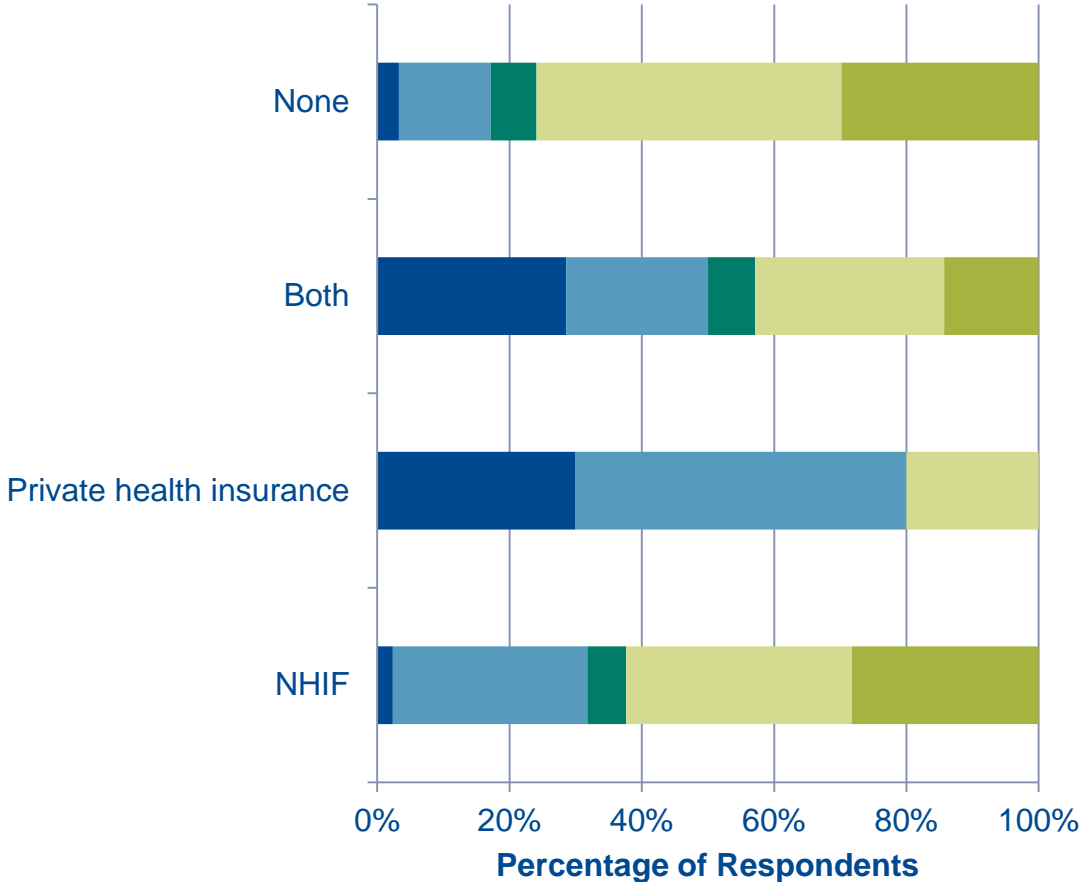
There is a perception that insurance is more expensive than paying OOP for healthcare

This is more so for respondents with PHI and NHIF, and may be a reflection of the high premiums they pay for dual coverage

■ Strongly Disagree ■ Disagree ■ Neutral ■ Agree ■ Strongly Agree



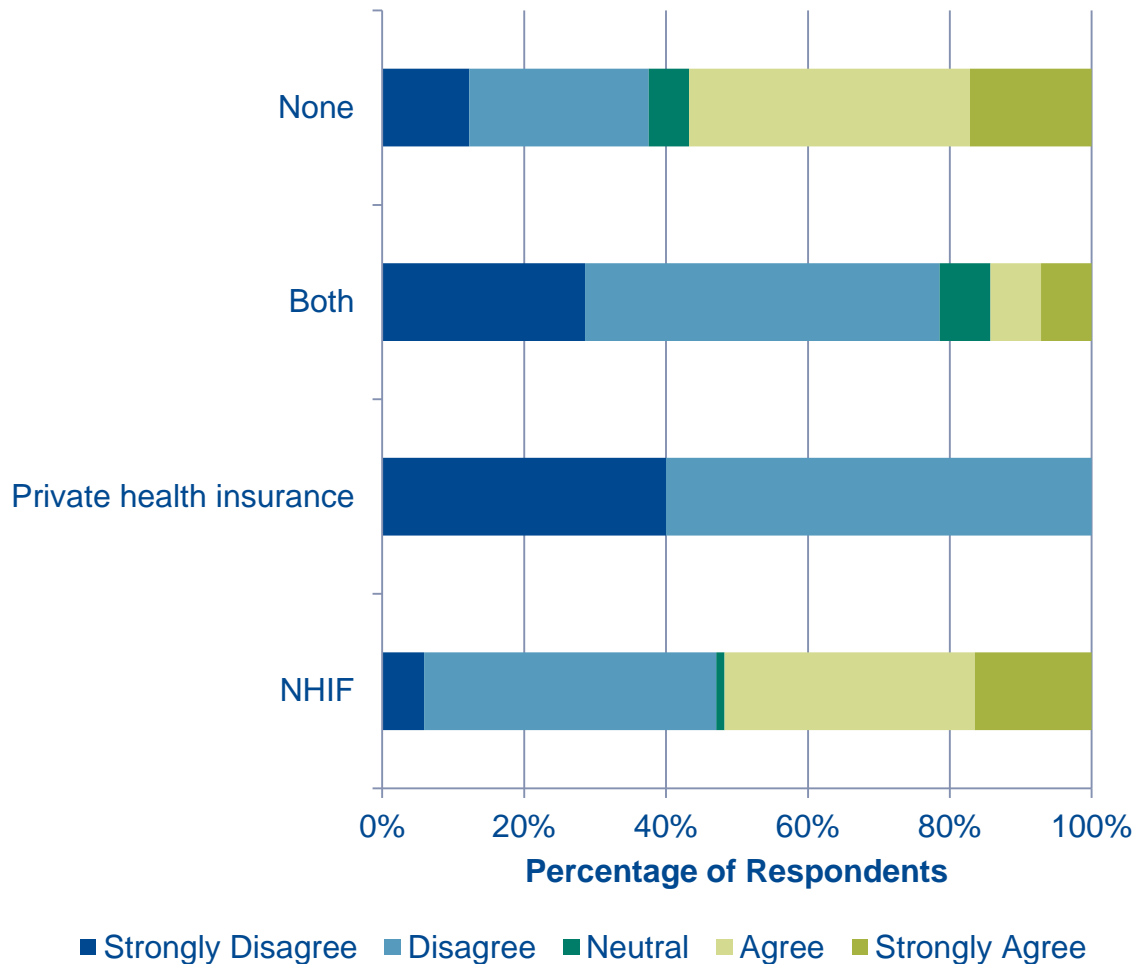
# I struggle to pay for health care services when the need arises



Respondents with PHI and PHI and NHIF struggle the least to pay for health care services, this could be a reflection of the comprehensive coverage they receive with PHI

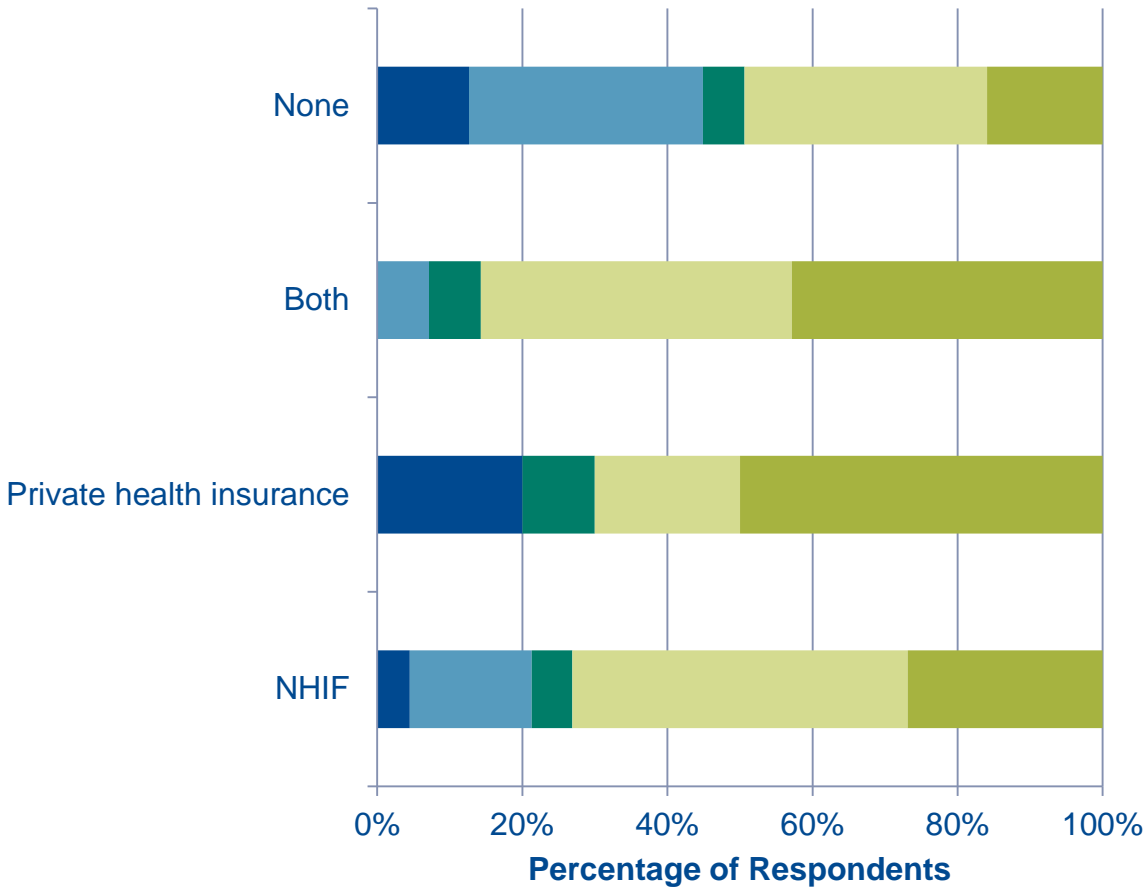


# I forgo health care services because I do not have enough cash to pay



Respondents with PHI and PHI and NHIF were least likely to forgo care due to financial reasons, this could be a reflection of the comprehensive coverage they receive with PHI

# If I need health insurance, I know where to get it



Lack of information on available insurance products and how to purchase is a barrier to health insurance uptake



# Findings

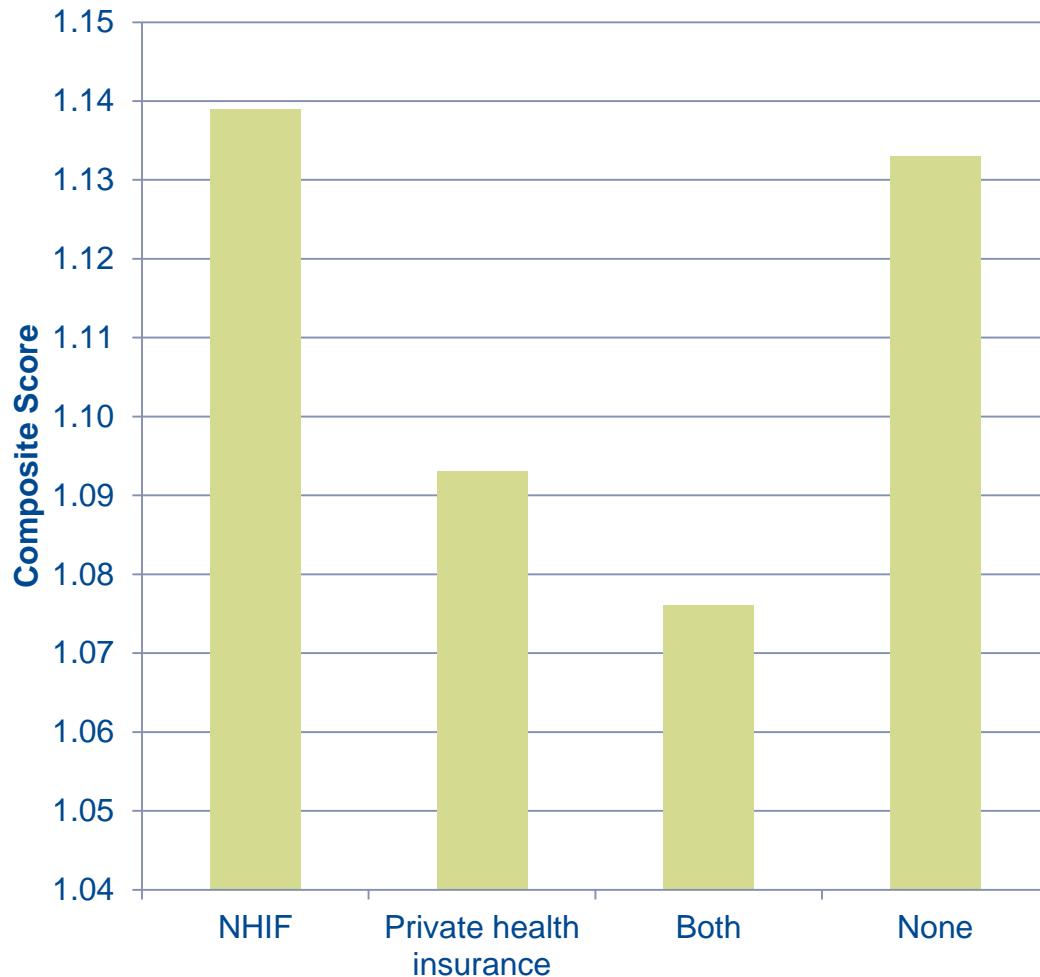
## V. Value of private health insurance



# Value of private health insurance

- A composite score was compiled from eight questions on the value of health insurance; and then scores were summed and weighted, such that the lower the score the higher the value of health insurance
- Questions included:
  - Impact on time missed from work
  - Ability to utilize health services faster and more frequently
  - Impact on financial hardship and protection from health risks
  - Ability to relieve anxiety from medical costs to non-medical costs such as transportation and quality of services
  - Ability to provide peace of mind

# Perceived indirect value of health insurance by insurance ownership



Overall, 80-90% of all respondents understood the indirect value of health insurance

Those with PHI and NHIF and PHI only, had the lowest scores and therefore perceived the highest indirect value from health insurance

# Findings

## VI. Accessibility of private health insurance



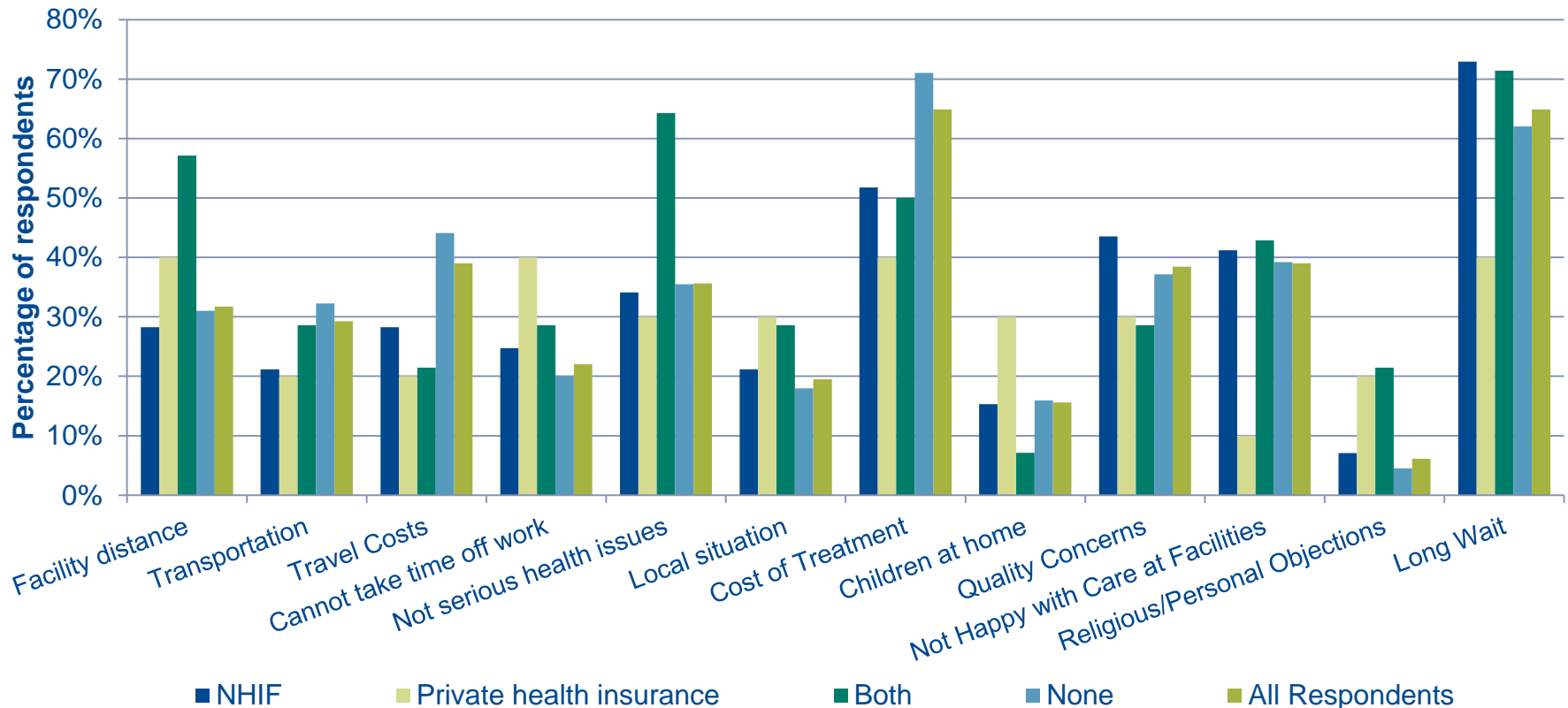
# Barriers to access of health care and uptake of health insurance

- **The top barriers to use of health care are:**
  - Cost
  - Distance to a facility
  - Time away from work
- **The top barriers to uptake of health insurance are:**
  - Affordability
  - Knowledge of available companies and their products
  - Availability of providers they can access care



# Barriers to seeking health care services, by insurance ownership

On average, out-of-pocket costs and long queues were the greatest barriers to seeking health care; Less than 50% of those insured cited cost of treatment as a barrier, while more than 70% of the uninsured claimed this as a barrier



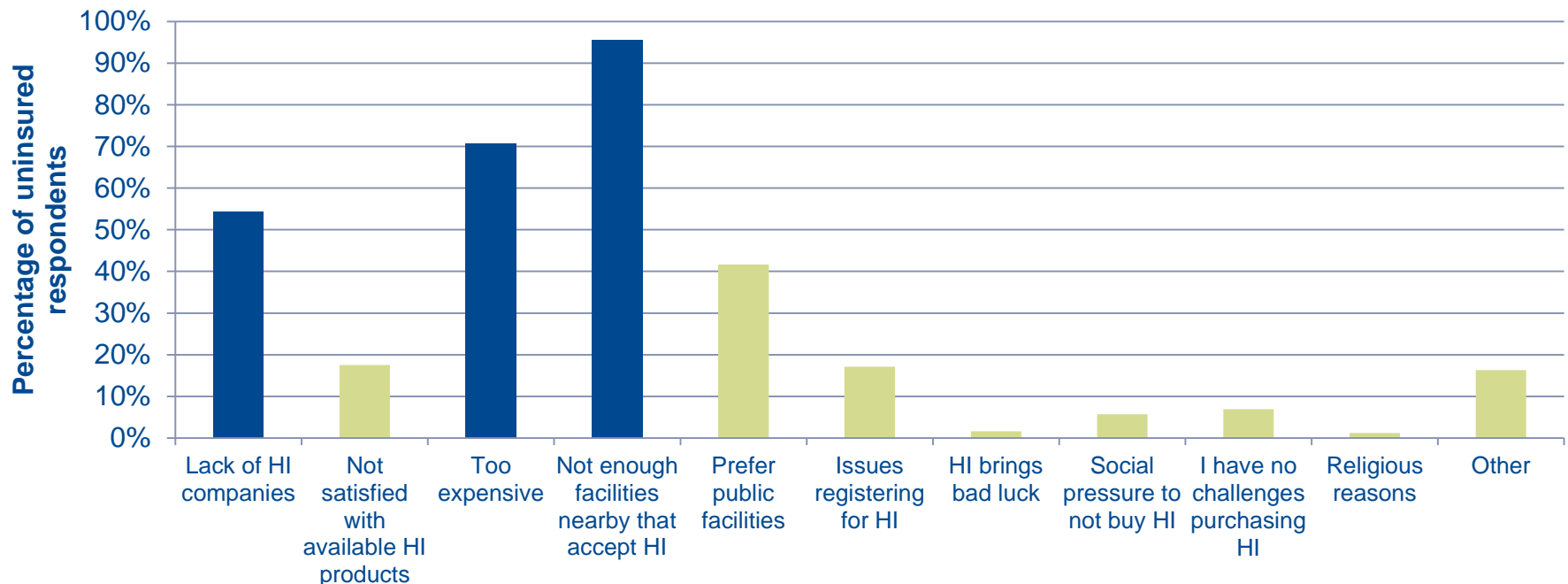
# Ranking of top three barriers to accessing health care services by insurance ownership

	Uninsured	Both	PHI	NHIF only
1	Cost of treatment	Long waiting time	Facility distance	Long waiting time
2	Long waiting time	Not serious health issue	Cannot take time off work	Cost of treatment
3	Travel costs	Facility distance	Long waiting time	Quality of care

Both PHIs and NHIF need to review their provider panels to ensure accessibility, convenience and good quality care is provided to members which is a recurring concern across all insured groups

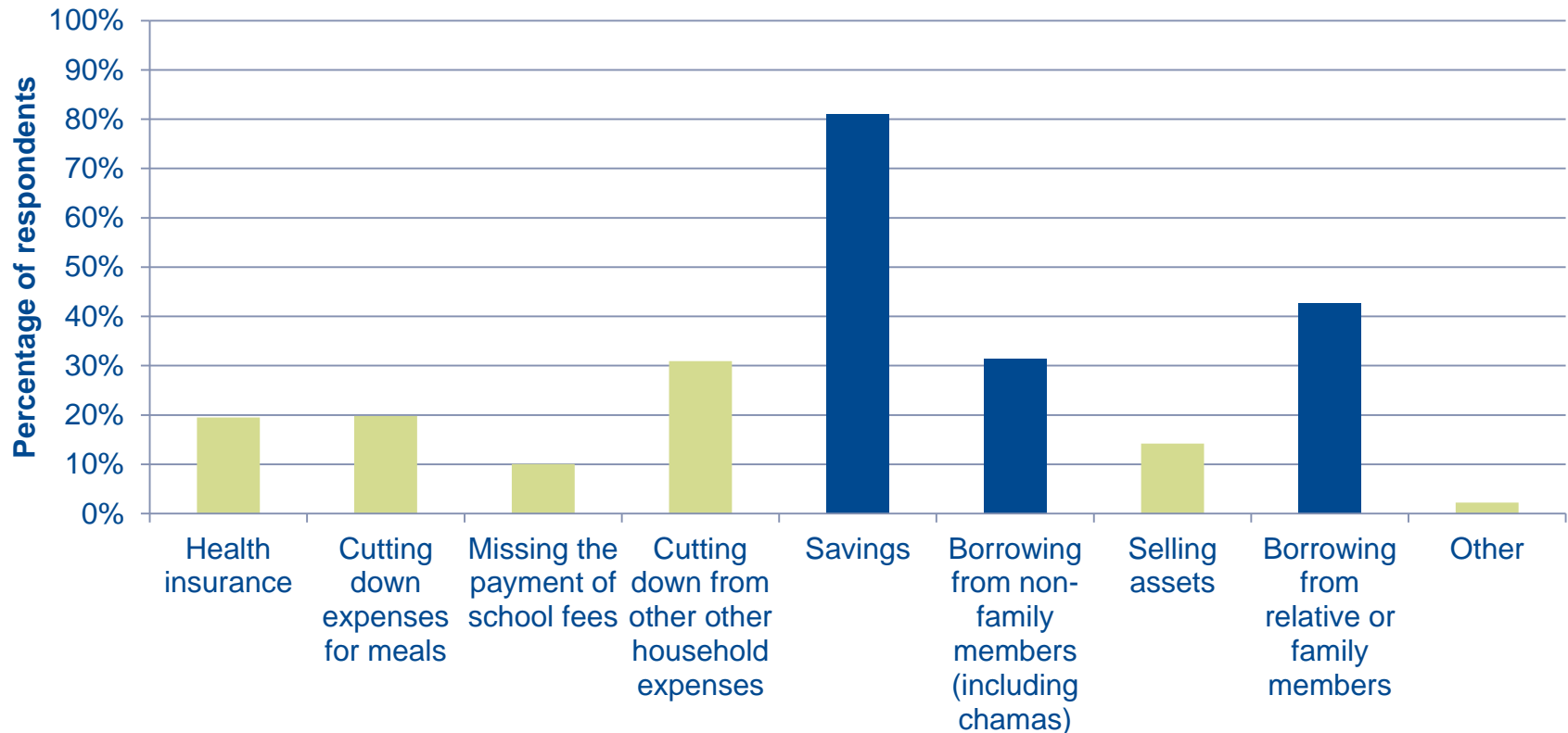
# Reasons for not purchasing private health insurance

- 95 percent of uninsured individuals indicated they would not purchase PHI because not enough facilities accept it
- 70 percent cited that it was too expensive
- Over 54 percent cited there were not enough insurers to purchase from
- 41 percent of individuals said they preferred public facilities



# Where does money come from to pay for health care services?

80 percent of households cited paying for health care from savings, 30-40 percent from borrowing money, and 20 percent from health insurance and cutting back food expenditure.



# Findings

## VII. Household priorities



# Household priorities

Respondents ranked nine household items between 1-9, with 1 being the top priority and 9 being the lowest

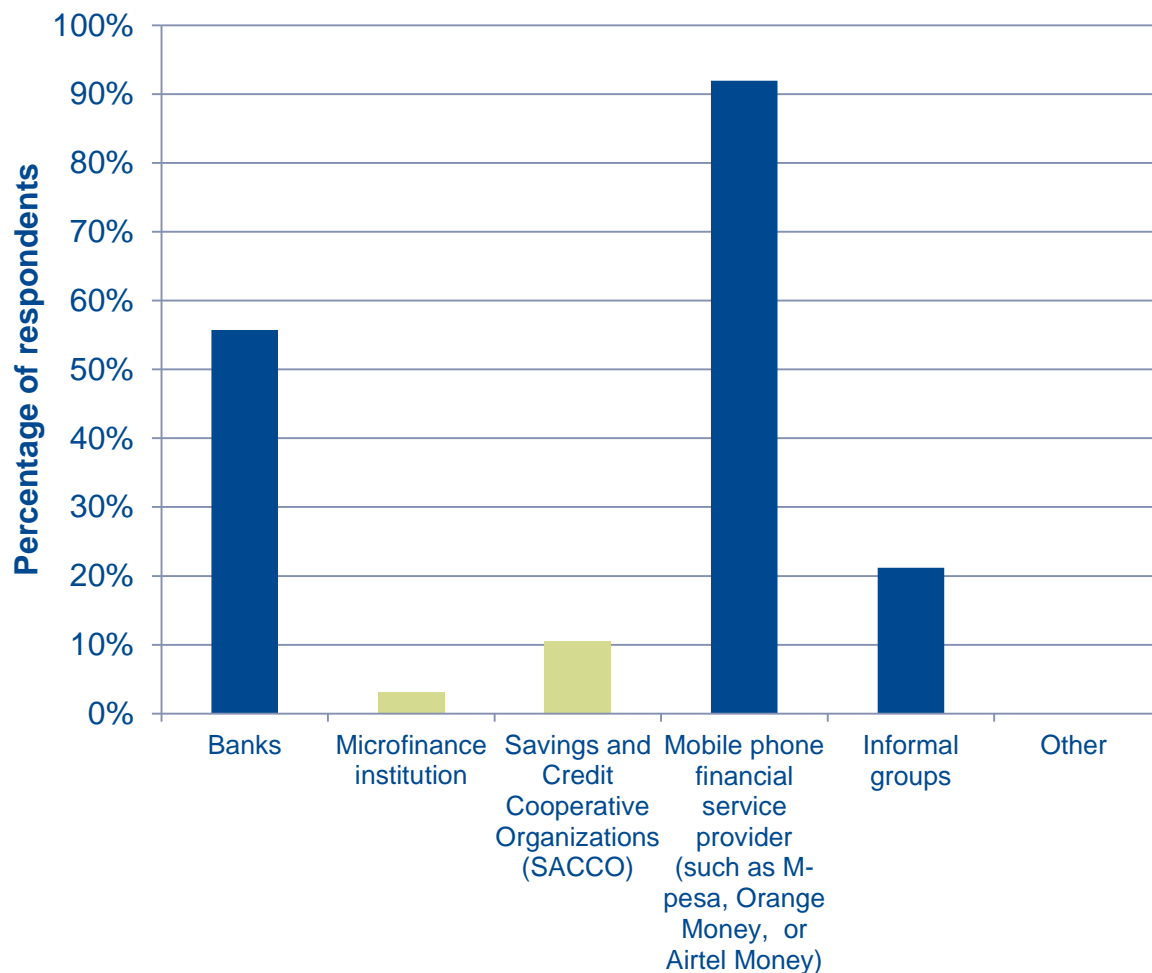
Ranking	Household Item
1	Food
2	Rent
3	School fees
4	Clothing
5	Health care expenses
6	Savings
7	Transportation
8	Phone
9	Luxury items

# Findings

## VIII. Use of financial Services



# Institutions used to make financial transactions



92% of individuals use a mobile-based financial service provider

There are opportunities for partnership with brands that respondents are familiar with and whom they have more trust



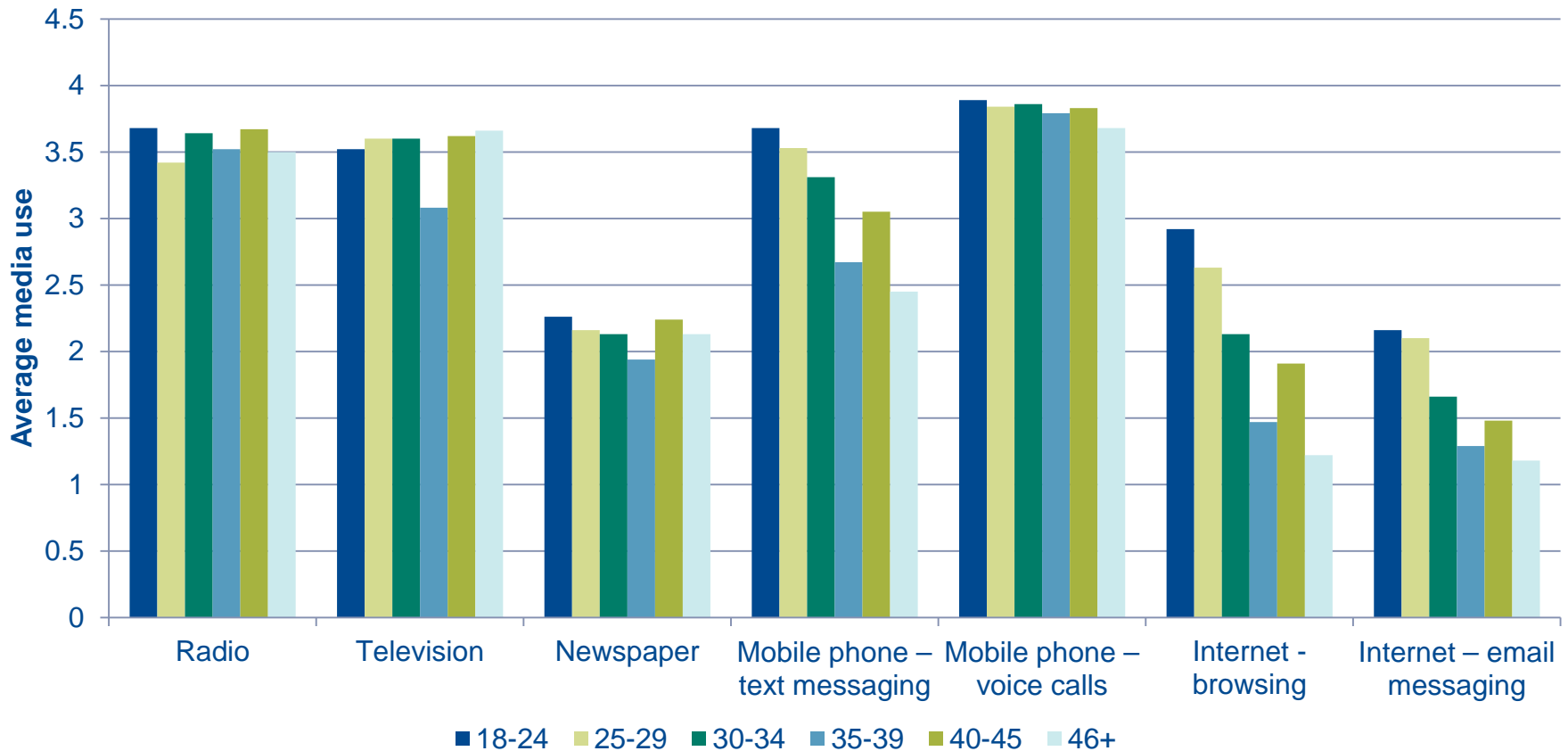
# Findings

## VIII. Use of media



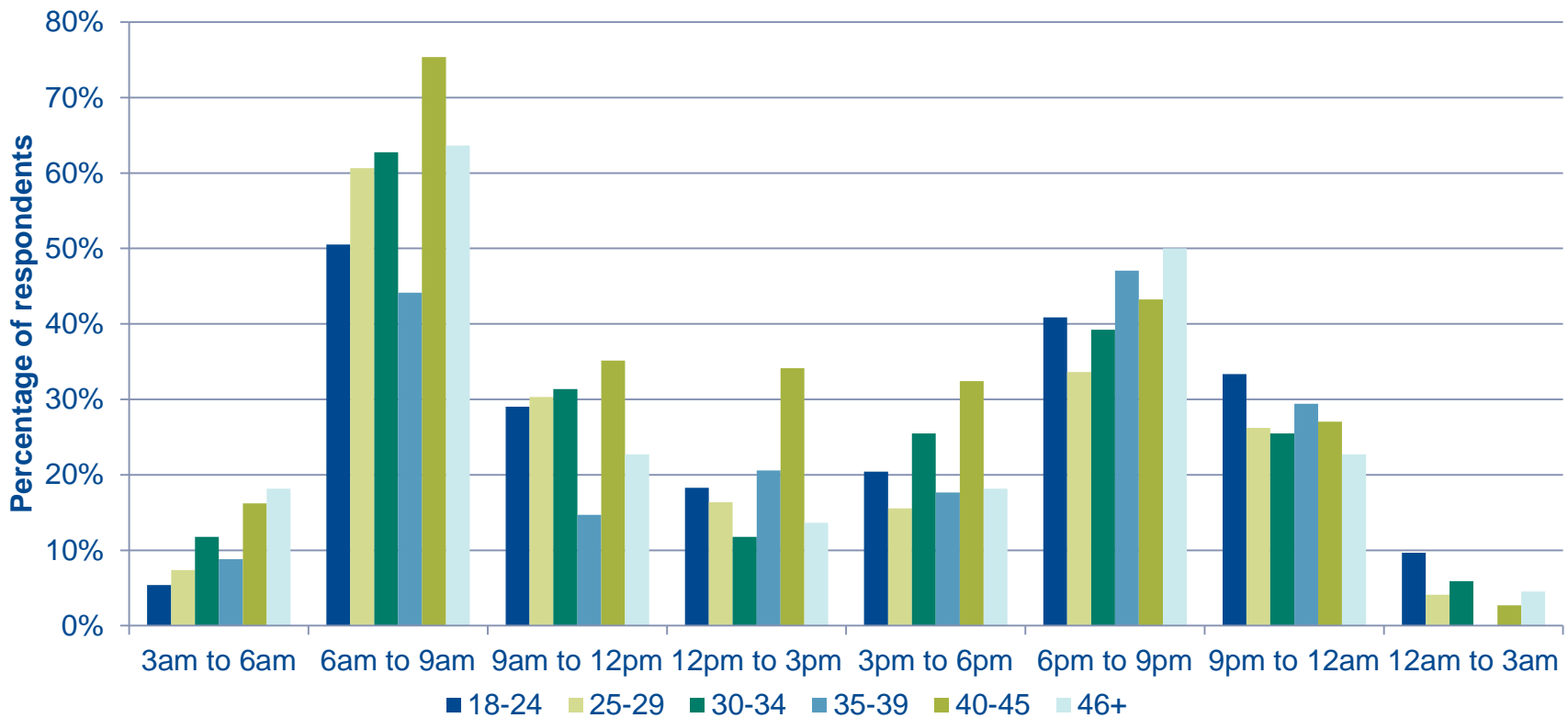
# Media use by age

Across all age groups, mobile phones are the most widely used media



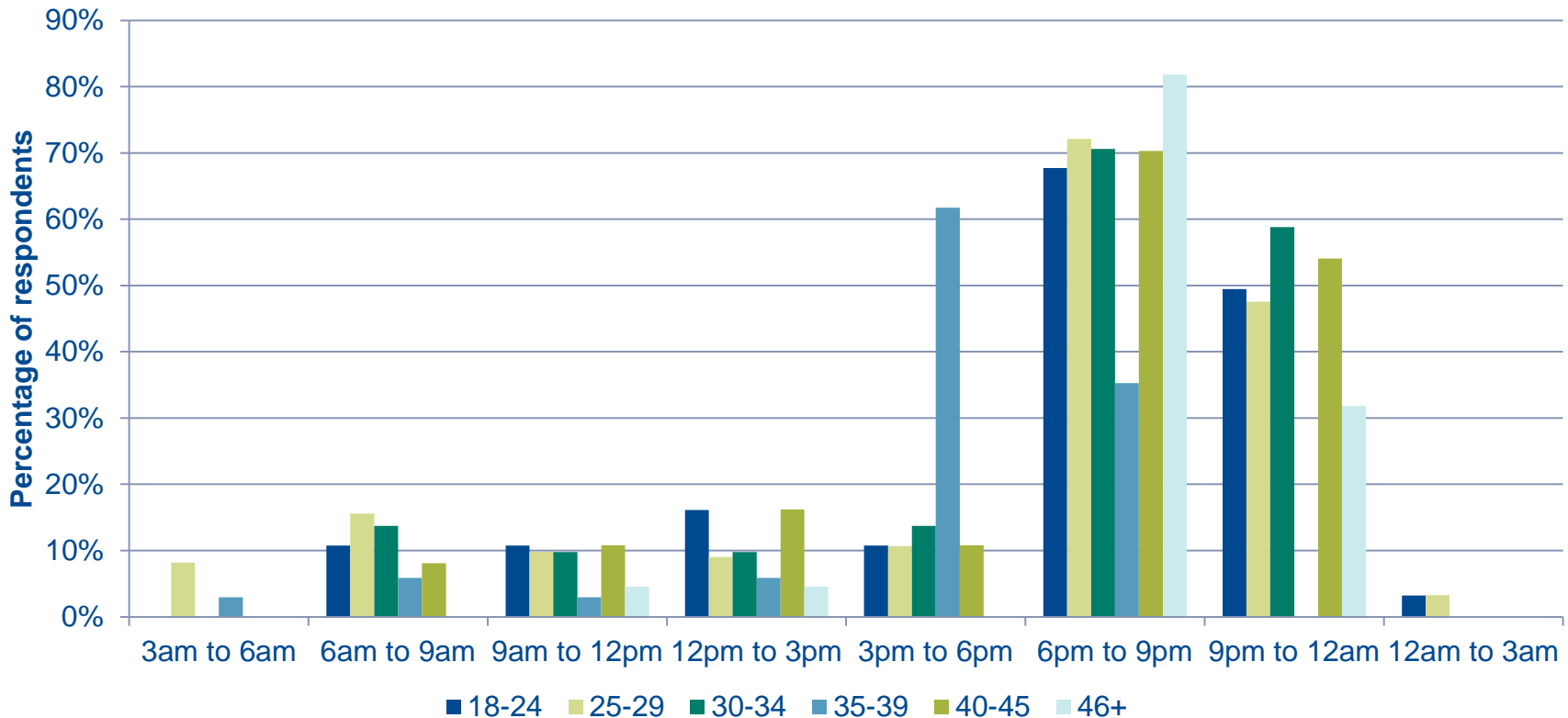
# Time of day with highest radio listenership by age

Across all age groups, the 6am to 9am and 6pm to 9pm time periods have the highest radio listenership

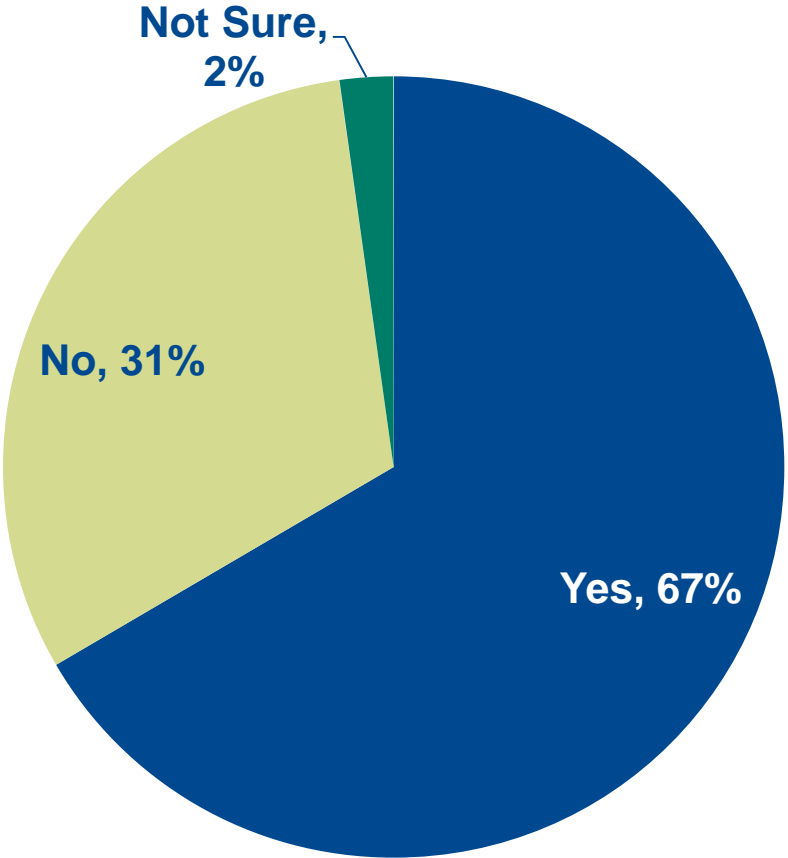


# Time of day with highest viewership by age

Other than the 35 to 39 age group, the highest TV viewership across the population is at 6pm to 9pm



# Prior exposure to insurance messaging in the past six months



It can be inferred that media campaigns are effective in reaching this target group but more effort may be required to achieve sales

# Highlights and Recommendations



# Findings of Kenyans in the informal sector living in Nairobi earning \$5-15 per day

- Have families of 3-5 people, with 1-3 children under 18 years
- 23% of households are headed by women
- Attained secondary education
- Use mobile financial services and banks
- Are exposed to health risks and worry about their ability to meet health care costs at the time of need
- 68% have no insurance coverage, so use savings borrow to meet health care costs; borrowing associated with feelings of shame
- Have basic understanding of health insurance but not enough on technical details
- Do not trust health insurance companies
- Must see value of health insurance from peers or own experience to buy product
- Most commonly used media are mobile, radio, and TV

# Recommendations for media messaging to increase uptake of private health insurance

- Tie campaign to responsibility and appeal to pride of taking care of their families' health needs
- Use symbols that people associate with health insurance to reinforce that health insurance is tangible
- Clarify what it takes to register— “It requires documents that you already have”
- Address misperceptions
  - Health insurance is not a health savings account, and people are protected for more than they pay
  - People should only use health insurance if they are really ill to cultivate a culture of honesty and responsibility
- Change overconfidence that people are not at risk of health expenditures, and reinforce that health expenses can be catastrophic, unpredictable, and can happen to anyone
- Health insurance provides peace of mind
- Demystify that insurance is only for the rich by showing how it will help people they can relate to within their community
- Health insurance can increase access to faster, and improved quality care



*A Kenyan man shows off his health insurance card*





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