



## “PRIORITIES OF HEALTH ECONOMICS IN AFRICA”

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### **Parallel session 2: Preferences and willingness to pay**

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#### **PS 02/9**

#### **Perceptions and willingness to pay for private voluntary health insurance in southeast Nigeria**

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#### **ABSTRACT**

The real challenge of health care financing in Nigeria as in many sub-Saharan African (SSA) countries lies not primarily in the acute scarcity of resources, but also the presence of inefficient resource allocation and purchasing practices, due primarily to limited use of health insurance. The feasibility of private voluntary health insurance (PVHI) was assessed in southeast, Nigeria, using pre-tested questionnaire to elicit stated levels of willingness-to-pay (WTP) from a random sample of respondents. Most respondents were willing to enroll and pay for PVHI. The mean monthly WTP of respondents for their premium was 396 Naira (\$3.3), whilst the mean monthly WTP of respondents for other household members was 261 Naira (\$2.2) per household member. Notably, rural dwellers and poorer socio-economic status (SES) groups stated smaller WTP than urbanites and better-off SES groups. PVHI appears to be a feasible method of paying for healthcare in southeast Nigeria. Unsubsidized PVHI may never cover everybody especially indigents, but if it covers some of the people willing and able to pay such as the better-off SES classes, that is at least better than having them face high OOPS, such as was found in this study.