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To Alter or Not to Alter: The Fate of User Fee Exemptions for Vulnerable Groups Under National Health Insurance

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Inadequate utilisation of health facilities due to financial constraints posed by the imposition of user fees has led to high mortality rates, especially among children under five years and women. Exemptions from payment of user fees in government health facilities for certain demographic groups, and the implementation of the National Health Insurance Scheme are major social policies that the government of Ghana has implemented to mitigate the problem. These two schemes work together or individually to mitigate the problems resulting from user fees. However, the actual extent to which these two schemes are alleviating the financial burden of health care for households in Ghana has not been adequately established. This paper has addressed questions surrounding the extent to which:

- The total share of the health care costs for the exempted groups is financed by the exemptions scheme only, assuming optimal performance, or in addition to health insurance.
- Exemptions and health insurance as financing mechanisms are dependable in terms of population coverage, ease of access, continuity of service, sustainability, equity, satisfaction of beneficiaries

Structured questionnaires were administered to 223 households in the Nkoranza District to obtain information on members within the exempted groups that visited a health facility during the period November 2005 –November 2006. All health facilities that were reported to have been visited by a member of the exempted group were visited to review patient records to obtain information on different services provided, costs of the different services and how these costs were financed, involving 308 patient records.

Out of 306 exempted group members recorded in households, 66.7% were enrolled with the Nkoranza District Mutual Health Insurance Scheme whilst 33.3% were not insured. The total percentage of the financing burden legitimately payable by

insurance was 89.57%, and the financing burden actually borne by insurance was 88.21%, recording an effectiveness rate of 98.5%. The financing burden actually borne by exemptions only was 0.7%, instead of 89.1% of costs that were legitimate for coverage, translating to an effectiveness rate of 0.8%. Under ideal implementation of both schemes, the additional value of health insurance over the exemptions would be a marginal 0.56%, but under current implementation circumstances, this has increased to 89.5%. This study makes a strong case for redesigning the exemptions scheme, given that its potential value is high whereas the current design and implementation yields only 0.8% of that potential value.