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Does Ghana's National Health Insurance Scheme Encourage Moral Hazard? An Approach using Matching Estimation

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Health care financing scheme in Ghana is now switching from out of pocket payment system to a prepayment system. The reason for the switch is the impoverishing effect of the out of pocket system. Under the prepayment system registered members can have access to health care without any financial obligation. There is thus some incentive for members to over utilize health care. This study used maternity data to test for the existence of moral hazard in the demand for caesarean section. The matching estimation approach used was able to randomize the data and so made unbiased comparison of insured and uninsured patients possible. The results showed that moral hazard exists. In addition the study also found a high correlation between caesarean section and the National Health Insurance regardless of the risk type of the patient. The study made some recommendations to help improve the efficient operation of the scheme.