# Title: Eliciting Preferences for Social Health Insurance in Ethiopia: A Discrete Choice Experiment

# Abstract

As low income countries are encouraged to introduce health insurance schemes, Ethiopia is also planning to move away from out-of-pocket private payments to health insurance. The success of such a policy depends on understanding and predicting preferences of potential enrolees. This is because a scarce health care budget forces providers and consumers to make trade-offs between potential benefits of a health insurance. An assessment of preferences of potential enrolees can therefore add important information to optimal resource allocation in the design of health insurance. We used a discrete choice experiment (DCE) to elicit preferences for social health insurance (SHI) among formal sector employees in Ethiopia. Respondents were presented with 18 binary hypothetical choices of SHI. Each insurance was described by eight attributes: premium, enrolment, exclusions, providers, and coverage of inpatient services, outpatient services, drugs, and tests. A mixed logit model was estimated to determine respondents’ willingness to pay (WTP) for the different health insurance attributes. We also predicted probabilities of uptake for alternative SHI scenarios. Health insurance packages with ‘no exclusions’, ‘public and private’ providers, low rate of premium, and full coverage of tests and drugs were highly valued and had greatest impact on choice of health insurance packages. Other things equal, respondents were willing to contribute 1.52% (95%CI: 0.71, 2.32) of their salary for SHI package with no service exclusions having public and private service providers. This is substantially lower than the proposed 3% premium in the draft SHI strategy. For the typical SHI package proposed by the SHI strategy at the time, uptake probability was predicted to be 29% (95%CI: 0.25, 0.33). The lower uptake probability and WTP for the proposed SHI package suggests considering preferences of the potential enrolees’ in revisions of the draft SHI strategy for introduction of optimal SHI scheme.