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**Growth of health maintenance organisations in Nigeria and the potential for a role in promoting universal coverage efforts**

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Introduction: There remains little evidence of the potential of private health insurance (PHI) and private organisations to contribute to universal health coverage (UHC) in low and middle-income countries (LMICs). This paper examines the evolution of health maintenance organisations (HMOs) in Nigeria, the nature of the PHI plans and social health insurance (SHI) programmes, and the implications of their business practices for UHC.

Methods: An embedded case study design was used with multiple subunits of analysis (individual HMOs and the HMO industry) and mixed (qualitative and quantitative) methods. The study was guided by the structure-conduct-performance paradigm that has its roots in the neo-classical theory of the firm.

Results: HMOs first emerged in Nigeria to supply PHI, but expanded because of their role as purchasers in the government‚Äôs national health insurance scheme that finances SHI programmes, and a weak accreditation system. HMOs‚Äô characteristics distinguish the market they operate in as monopolistically competitive with considerable product differentiation and consequent risk selection, and HMOs as multiproduct firms operating inefficient and multiple risk pools through parallel administrative systems. While the uniform nature of the Formal Sector SHI programme means that HMOs do not have to promote the products, the Tertiary Institutions‚Äô SHI programme, has increasingly become like the differentiated private plans of HMOs.

Conclusions: The existing private plans of HMOs has a poor potential to extend healthcare coverage in Nigeria, warranting the adoption of a critical position towards PHI in efforts to promote UHC in such settings. Weak regulatory systems allowed introduction of market behaviours that impede UHC objectives.
Recommendations: Where HMOs and similar private organisations play roles in health financing systems in LMICs, effective regulatory institutions and mandates must be established to guide their behaviours and to identify and control undesirable business practices, if they are to contribute to UHC objectives.