

Compulsory health insurance covering 40,000 people in Ouagadougou: positive impact on the health and finances of the households environment



Ouagadougou Burkina Faso

Summary

- TOND LAAFI's health insurance protects the micro-borrowers of the microfinance institution YIKRI by covering 60% of their health expenses (co-payment) and by offering medical and social support for its policy holders.
- Since the creation of TOND LAAFI in 2018, more than 10,000 YIKRI members have subscribed to health insurance, protecting around 40,000 people.
- TOND LAAFI's scheme was evaluated by means of a randomized trial: the health behaviors of 1,000 micro-entrepreneurs who had subscribed to TOND LAAFI were compared with those of 1,000 other micro-entrepreneurs who had not been able to subscribe.

Highlights

- **Improved access to healthcare** for insured households :
 - 14% more likely to go to an appropriate health facility,
 - 30% more likely to seek care on the same day of symptoms, not later,
 - 80% reduction in the number of people who forego the purchase of medication for financial reasons.
- **Reducing policyholders' vulnerability** to medical expenses health :
 - 41% reduction in the proportion of people having difficulty paying for healthcare,
 - 23% reduction in the proportion of people having drawn on their business capital to cover their healthcare expenses.
- **The longer a person has been insured, the greater the probability he uses the micro-insurance services when sick.**
- **Participation in the development of Universal Health Insurance in Burkina Faso** and support for its deployment; capitalization on the successful TOND LAAFI model and its integration into the institutional landscape

Introduction

In Ouagadougou, Burkina Faso, 80% of the working population is employed in the informal sector. The majority are self-employed traders (street vendors, for example) with limited access to the formal banking system. Their level of education is low. According to our baseline survey in 2020, half of the 2,000 respondents had never been to school, and two-thirds could neither read nor write.

Challenge

People working in the informal sector are financially vulnerable to the onset of an illness or an accident, as they pay for health expenses out of their own pockets.

To cover their health needs, and in the absence of public capacity to provide health coverage, households rely on coping strategies, to the detriment of their economic situation: 18% of our respondents use for their health the loan taken out for a productive activity and 33% have incurred debts.

In addition, to minimize expenditure, households regularly forego obtaining the care they need: self-medication is widespread, and households do not buy all prescribed treatments, for financial reasons.

Approach

In order to extend its members' social protection to the field of health, the micro finance institution YIKRI has developed a partnership with a health insurance TOND LAAFI. The micro-insurance product offered by TOND LAAFI has two specific features: membership is compulsory, and it includes medical and social support to encourage people to seek appropriate care. TOND LAAFI is a member of the Network supporting health insurances (Reseau d'accompagnement des mutuelles de sante) in Burkina Faso and has an agreement with the Burkina Faso Ministry of Health.

Health insurance product features

Parameter	Description
Eligibility	Mandatory membership for YIKRI micro-borrowers
Cost	1,000 FCFA per month for the micro-borrower and 3 beneficiaries
Coverage period	For the entire period of the loan/credit
Covered services	primary care consultations, hospitalizations, deliveries, specialized care
Reimbursement rates	60% of health expenses, with no ceiling
Terms of payment	Third party payment (no advance payment)

Basket of services offered by TOND LAAFI

Subscription to TOND LAAFI
Mandatory for the duration of the loan with YIKRI, voluntary for YIKRI savers
1000FCFA per month to insure 4 people

Health insurance

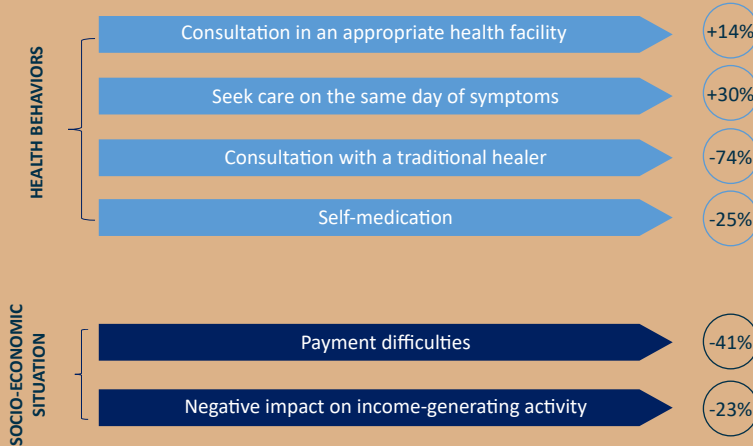
- * **60% co-payment** on consultations, medication, deliveries, complementary examinations and hospitalizations
- * **Public and private healthcare facilities**
- * **No deductible or ceiling**
- * **Third-party payment** with healthcare establishments

Medical and social support

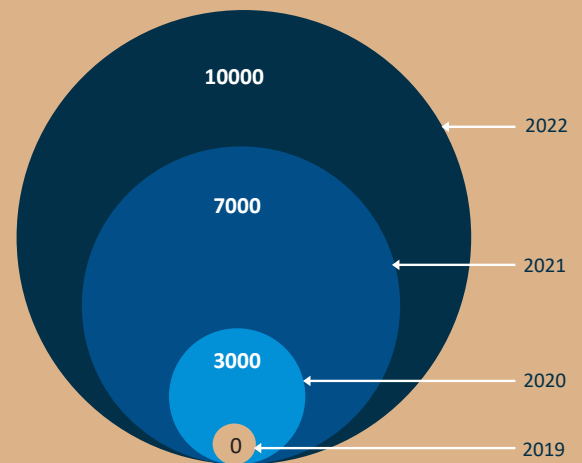
- * **Home and hospital visits** for hospitalized policyholders
- * **Telephone hotline**
- * **Information and awareness-raising meetings** on primary health care and prevention

The impact of micro-insurance has been evaluated as part of an action-research project with the University of Bordeaux (France), which adopted a randomized controlled trial (RCT) design spanning over 2 years. This project followed **2000** people: **1000** micro-borrowers (randomly selected) who had access to micro-insurance services, and **1000** who did not.

Impacts of the health insurance highlighted by the study



TOND LAAFI membership figures



Health insurance and medical and social support

Improving access to care

Reducing the social economic vulnerability of the families

Teaching

- The association of a health insurance with another organization that provides an audience, an organizational framework, compulsory membership and financial support **enables a long-term self-financing model** by spreading health risk over a wider population. The partner organization can take a variety of forms: microfinance institution, company, local authority.
- Compulsory subscription encourages people to **seek more and better care** in healthcare establishments.
- The development of viable micro-insurance schemes integrated into the institutional landscape provides **relevant models to fuel and reinforce the roll-out of Universal Health Insurance.**

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