DECLARATION

I hereby declare that this submission is my own work towards the Master of Philosophy in Economics and that, to the best of my knowledge; it has neither been partially nor wholly submitted to any other institution for the award of any degree. It contains no material previously published by another person except where due acknowledgement has been made in the text.

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DEDICATION

I dedicate this thesis to my loving wife, Belinda Larteley Lartey, my parents, Mr. and Mrs. Etuaful and my mother – in – law, Chief Inspector Grace Gyamfi Sarkodie whose invaluable time I stole to accomplish this task.

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A study of this kind could not have been successful without the help of God. I therefore, wish to express my sincere gratitude to the Most High God without whom I would not have been what I am today.

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ABSTRACT

Analyses of health insurance markets over the past several decades have recognized that insurance motivate beneficiaries to consume more health care than they would if they were uninsured. Even though advocates for universal coverage and improved access to care may view this increase in utilization as positive. However, standard economic analysis recommends that this additional consumption could diminish economic welfare.

This study adopted Nyman definition of moral hazard (substitution effect) to establish that moral hazard base on the substitution effect is inefficient in malaria treatment; using pure price (substitution) effect of people consuming more health services when its price is low but not the income effect of people consuming more health services because of insurance.

The study administered questionnaires to gather information related to the subject matter and purposive sampling technique was used to select insured malaria out-patients at the study area. Specifically, the study used logit regression as the empirical method of estimation. The study revealed that, greater percentage of insured malaria out-patients engage in moral hazard at the study area.

It is therefore recommended that, NHIA should strengthen their education programmes and introduce incentives that will discourage multiple usages of services and reward mechanisms for non-frequent visits to health facilities for a specified time period.

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LIST OF ABBREVIATIONS

CBHIS …… Community Base Health Insurance Scheme

DMHIS ……..…. District Mutual Health Insurance Scheme

GDP ……... Gross Domestic product

GDHS ……... Ghana Demographic and Health Survey

GHS ……..…. Ghana Health Service

MHAS ……..... Mexican Health and Aging Study

NHIA …… National Health Insurance Authority

NHIF ……..... National Health Insurance Fund

NHIS ……..... National Health Insurance Scheme

OPD ……..…… Out - Patient Department

PPME ……..... Policy Planning Monitoring and Evaluation

PSID ……..…. Panel Study of Income Dynamics

RHIE ……... RAND Health Insurance Experiments

SSNIT ……...… Social Security and National Insurance Trust

USAID ……. United States Agency for International Development

VAT ……... Value – added Tax

WHO ……..... World Health Organization

WMH ……. Winneba Municipal Hospital