

## 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.



## ACKNOWLEDGEMENT

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.

I am greatly indebted to my supervisor, Dr. (Sr) Eugenia Amporfu, Department of Economics, Kwame Nkrumah University of Science and Technology, Kumasi, for her immense contributions, suggestions, guidance, support and encouragement that have made this study become a living reality

My next thanks go to the District Health Director (Mr. Isaac Odame Awuku) and the staff of all the Health facilities in Adansi North district for responding with love towards the success of this study.

Finally, I say a heartfelt thanks to my loving wife (Mrs. Belinda Larteley Etuaful), my mother (Mrs. Augustina Kyere Adom Etuaful), my father (Mr. Benjamin Etuaful), Mr. Kwabena Asare Tuffour (Headmaster of Akumadan SHS) and Mr. Joseph Obi (Headmaster of Bodwesango SHS) for their endless love and for believing in me. I wouldn't have come this far without their push and support especially my wife.

## **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

