

**FACTORS INFLUENCING HEALTH INSURANCE PRACTICES AMONG
PERSONS IN NAIROBI CENTRAL BUSINESS DISTRICT**

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DECLARATION

This research project report is my original work and has not been submitted to any other University for the purpose of earning a degree

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This research project report has been submitted for examination with my approval as University supervisor

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ABSTRACT

The study set out to establish factors influencing health insurance practices among persons in Nairobi Central Business District (CBD), Kenya. The objectives of the study were to determine the type of health insurance cover and extent of health insurance coverage among persons in Nairobi CBD, to investigate the relationship between employment status and level of income and health insurance practices among persons in Nairobi CBD, to establish to what extent adverse selection affects the structure of health insurance schemes in Nairobi County and to assess the level of health insurance moral hazard among persons in Nairobi's CBD. The study was conducted as a cross sectional survey using questionnaires as the data collection tool. The target population was all persons in Nairobi CBD. Nairobi CBD was chosen for this study because of its demographic heterogeneity hence representing the entire Kenyan population. The minimum sample size was determined by use of the equation $n = Z^2 pq / e^2$. Stratified random sampling was used in this study. Questionnaires were pre-tested in Kiambu Town, Kiambu County. Data was collected by the researcher over a period of two weeks by the use of self administered questionnaires which were given to consenting sampled participants after reading out the letter of transmittal to them. All questionnaires were edited and responses coded before data was entered into the computer by the use of the Statistical Program for Social Scientists (SPSS), version 16. Cross tabulation was the main method used for data analysis. After analysis, data was summarized and presented in form of frequency tables, percentages, and proportions. Uptake of health insurance was found to be 45.0%. It was high among employed persons and could be due to employer provided health insurance as well as relative individual financial stability making it easier to afford and sustain. In conclusion it was poor health insurance practices can be attributed to the high cost of health premiums that make health insurance unaffordable to most people. The level of knowledge on health insurance and its benefits needs to be improved as well as setting of differentiated and affordable contribution rates by health insurance providers.