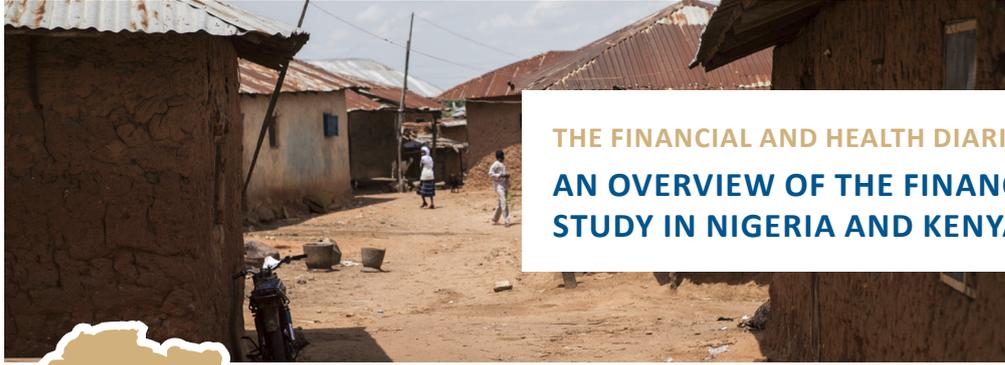


**LEARNING & ANALYSIS BRIEF**



**THE FINANCIAL AND HEALTH DIARIES**

**AN OVERVIEW OF THE FINANCIAL AND HEALTH DIARIES STUDY IN NIGERIA AND KENYA**



How do low-income families manage to get by? What can their financial lives and health-seeking patterns tell us about their potential demand for health financing products such as health insurance? How do health problems and financial shocks affect their healthcare utilization and spending? Over the course of a full year, the Financial and Health Diaries study has tracked in great detail the cash in- and outflows, health status, and health-seeking behaviour of 240 low-income households in Nigeria and Kenya.

Through this approach we could document how low-income families manage their money and health issues. This brief gives an overview of the research objectives, the study methodology, and highlights some important findings. Detailed results from each country will be presented in follow-up briefs.

From 2012 to 2013, the Amsterdam Institute for International Development and PharmAccess Foundation implemented two Financial and Health Diaries studies in Nigeria (Kwara State) and Kenya (Nandi County). In both regions, PharmAccess supports health insurance programs aimed at providing affordable access to quality healthcare. The studies aimed to understand what predicts the uptake of health insurance and re-enrolment in two rural populations who had access to the health insurance programs.

The studies had the following specific objectives:

- Developing and testing a tool – the Financial and Health Diaries.
- Better understanding of the financial lives and health needs of low-income populations.
- Gaining insight into the extent to which the

priority groups plan/budget for predictable expenditures.

- Studying what hampers health insurance enrolment. How do poverty, seasonality in income and expenditure, and limited commitment to save relate to insurance take-up and renewal?
- Studying the risk exposure of households, how members deal with health-related and other financial shocks, and to what extent shocks push them into poverty.
- Studying differences in the health-seeking behaviours of insured and non-insured household members.

The studies were conducted among 240 households in Nigeria and Kenya. Approximately half of the households was insured in the Kwara State Health Insurance program (Nigeria) or The Com-



**STUDY FACTS - NIGERIA**

**INSURANCE PROGRAM**

Kwara State Health Insurance

**2007**

start year of the insurance program

**120**

households investigated

**311**

adults interviewed weekly for one year

**PROGRAM PARTNERS**

Kwara State Government  
Hygeia Community Health Care  
PharmAccess Foundation  
Health Insurance Fund

**RESEARCH PARTNERS**

Amsterdam Institute for International Development  
University of Ilorin Teaching Hospital

**STUDY FACTS - KENYA**

**INSURANCE PROGRAM**

The Community Health Plan

**2011**

start year of the insurance program

**120**

households investigated

**207**

adults interviewed weekly for one year

**PROGRAM PARTNERS**

AAR Kenya  
PharmAccess Foundation  
Health Insurance Fund

**RESEARCH PARTNERS**

Amsterdam Institute for International Development  
Ipsos Synovate

**Financial and Health Diaries**

- Financial Diaries are a tool to gain detailed insights into the financial cash flows within households.
- Health Diaries are used to record information on the health-seeking behaviour of household members.
- The studies covered households in Nigeria and Kenya in a high-risk but resource-poor environment with low access to formal financial services.
- Half of the households were insured and half of them uninsured.
- The aim of the studies was to understand the determinants of the uptake of health insurance among two rural target groups who had access to health insurance programs.
- This combination of Financial and Health Diaries is unique in its kind.

munity Health Plan (Kenya) while the other half was uninsured. Following a baseline survey, interviewers paid weekly visits for 12 months to all financially active<sup>1</sup> adults in the selected households. The diaries studies consisted of private interviews, in which the respondents reported on their personal financial transactions (including income, expenditures, gifts, remittances, loans and savings), as well as on health events within the household (such as illnesses, injuries, consultations at health providers, out-of-pocket health expenditures). The studies concluded with an endline survey.

Data collection through weekly diaries offers several advantages compared to standard household surveys that collect data infrequently:

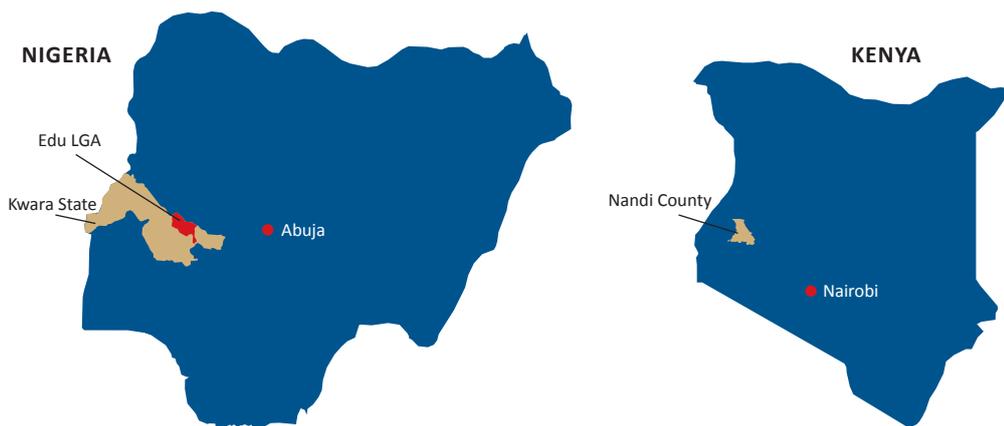
- The weekly recall period ensures that minor health events, particularly those that are not followed up with a visit to a healthcare provider, are more likely to be remembered and reported.
- More frequent interaction with the interviewer can help develop rapport, increasing the willingness to answer sensitive questions about financial assets (such as savings kept at home) or medical conditions.
- Detailed information on the timing of events helps establish causality between the possible effects of specific illnesses and injuries on household finances and the effect of household finances on health-seeking behaviour.

### Outcomes

The diaries provide rich information on participants' income and expenditure patterns, whether and how they save and invest, which financial shocks they experience, and how they cope with these shocks. This brief summarizes some of the most important findings from the studies in Nigeria and Kenya.

The Nigeria study focused on how seasonality in income, expenditures and health shocks of rural families influence enrolment and re-enrolment in the Kwara State Health Insurance program. Here,

Figure 1 Maps of Nigeria and Kenya showing the regions in which the diaries studies were undertaken.



the diaries revealed strong seasonal patterns in insurance enrolment and re-enrolment, economic activity, and illnesses. In the wet season, economic activity is highest, households experience the highest number of illnesses, but are also more likely to enrol and re-enrol in insurance, suggesting that income fluctuations are a key driver of insurance take-up. Health shocks also significantly induced enrolment and re-enrolment. Finally, the diaries show that both uninsured and insured households turn en masse to patent medicine vendors in Kwara State as a way to deal with illnesses.

In Kenya, the study followed a group of dairy farmers and their families who were eligible for The Community Health Plan. These dairy farmers are members of the Tanykina dairy company, which sells their milk to processors on their behalf. In this health insurance program, farmers pay the insurance premium automatically, as Tanykina deducts the premium from their milk income. The remaining milk income is paid out to the farmers at the end of each month. Yet, many farmers still struggled to pay their monthly health insurance

premiums. The diaries revealed the reason behind this: many farmers opted to sell a significant share of their milk to other buyers outside of the Tanykina dairy company. Even though these other buyers often offered lower prices than Tanykina, doing business with them offered the advantage of immediate cash payments.

### Implications

The findings of each study have implications for program design, marketing interventions, and specific marketing messages. For example, marketing efforts could be intensified during the wet season when cash turnover is highest. Reminders could be sent highlighting the value of insurance even when households have not experienced a health shock.

Detailed descriptions of the outcomes of each of these two studies are addressed in separate briefs.

<sup>1</sup> Students who are still dependent on their parents, disabled people, and the very old were not considered financially active.

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