

Leading Nigerian Health Insurer

Board Advisory I Lead - Dr Femi Sunmonu

CONTEXT

Sector	Country	Scale	Shareholders	Engagement
Health Insurance / Managed Care	Nigeria	One of Nigeria’s leading HMOs	Private and Institutional	Non-Executive Director

ORGANISATION’S SITUATION

1. Leading Health Insurer faced sustained pressure on its Medical Loss Ratio – a core profitability driver in managed care – with limited analytical visibility into where claims costs were leaking. High-cost inpatient procedures were being managed without a performance baseline, making it difficult to identify overutilisation and provider variation. The risk: continued margin compression in a high-volume, price-sensitive market with no clear path to MLR improvement.
2. Insurer was about to pursue an in-house Pharmacy benefit management model (capex-heavy storage/distribution). Leadership needed a lower-risk approach that could deliver material savings quickly while protecting quality and access.

INTERVENTIONS

- **Set up MLR analytical framework:** Lever – claims cost and medical loss ratio. Established a framework to identify and address key MLR cost drivers, including length of stay, readmissions, and procedure utilisation – aligned stakeholders on outlier analysis so cost trends could be understood quickly and acted on through specific operational decisions.
- **Improved data quality and governance:** Lever – governance and audit readiness. Recommended process redesigns to improve data accuracy in claims and discharge documentation, strengthening the integrity of analytics that underpin board-level decisions.
- **Revised pharmaceutical supply chain strategy:** Lever – cost efficiency. Advised on strategic partnerships with pharmaceutical supply chain partners, generating 20% cost savings in the organisation’s second-largest cost driver.
- **Active Mandate:** This is a live board engagement. Results reflect improvements to date; the full value creation cycle is ongoing. References available on request.

RESULTS – BASELINE → ENDPOINT

Metric	Baseline	Endpoint
Pharma supply chain cost	Baseline	20% cost reduction
MLR analytical visibility	No visibility on key cost-drivers	Framework designed and implemented. Top 5 cost drivers visible and trackable.
Provider performance benchmarking	None established	Baseline established; contracting reforms initiated

Timeframe: February 2024 – Present (ongoing Board mandate)