This paper assesses whether health insurance is successful in improving health among children. More specifically, it assesses whether a same health insurance legislation has differentiated impacts depending on the way it is implemented locally. I analyze the case of Ghana’s national health insurance scheme that has been introduced in 2003. The legislation and regulation occur at the national level while operations are decentralized at the regional and sub-regional levels. Using a multiple cluster indicator survey from 2011 and a propensity score matching approach, I show, first, that even though health insurance is free for children, around half of them are not insured, with the probability of enrollment being significantly affected by many observable characteristics. Second, national averages indicate that health care utilization increases and health outcomes improve for insured children. However, the gains are not shared equally across regions, with almost half of them presenting no improvement in health outcomes. More specifically, my study finds that the impact of the health insurance is concentrated among the rural household in regions with the better quality of public health care. This paper sheds a new light on the mixed results of the literature on the effect of health insurance on health outcomes. More generally, assessing the impact of a national policy should not only be based on national averages and one should consider that both supply (such as the quality of care) and demand (such as living in rural areas) considerations will impact the effectiveness of such a policy. Furthermore, policy implications in the case of Ghana are that enrolment of children should be fostered by providing information campaigns and subsidizing indirect costs for the poorest households and finally, interventions and monitoring should be targeted to improve the quality of public health. As a conclusion, such evidence will be relevant for both the evaluation and monitoring of existing health care schemes and for the implementation of new large-scale policies in public health.