

# Health and Microfinance: Leveraging the Strength of Two Sectors



**Wealth and Health: Leveraging Microfinance for Better Health Outcomes**

**Marcia Metcalfe, MHA**

**June 13, 2011**

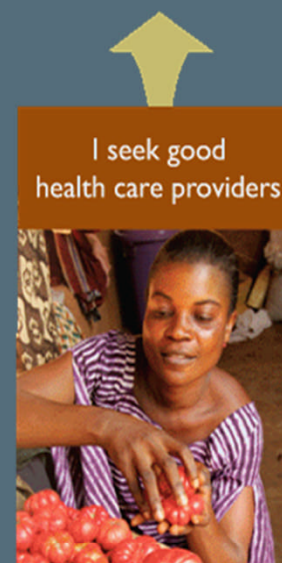
## Intersection of Microfinance and Health – Need and Opportunity for Large Scale Impact

- ❑ Opportunity to reach millions of underserved.
- ❑ Illness and related costs are barriers to sustained progress out of poverty.
- ❑ Channel for reaching poor, rural communities with simple, effective health interventions.
- ❑ Effective and sustainable collaboration is possible.

## Microfinance health protection innovations

Microfinance institutions are developing innovative services to improve the health and productivity of their clients

Women around the world seek reliable ways to protect the health of their families



Client health protection needs

## Frequency of types of health protection (89 MFIs, 2009)

Health education  
79%

Referrals  
23%

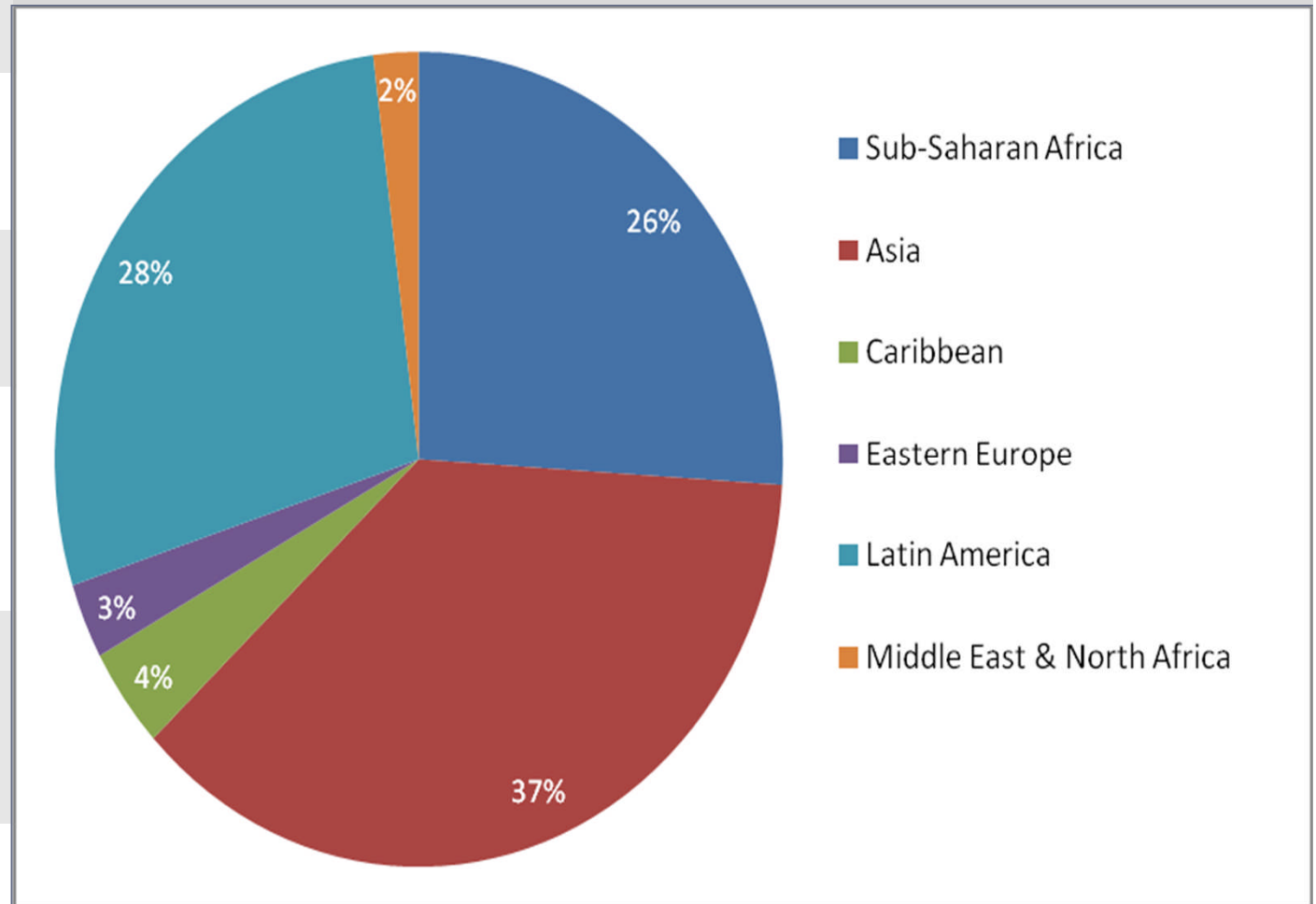
Direct health services delivery  
22%

Contracts with health providers  
20%

Health micro-insurance  
20%

Health promotion events  
16%

## Frequency and Location of Microfinance-Health Integration





## Bandhan (India)

- Health education
- Health loans
- Health products and health provider linkages

## CARD (Philippines)

- Health education
- Health micro-insurance loans
- Linkages to health providers and medicines



## RCPB (Burkina Faso)

- Health education
- Health savings and health loans

## Examples of Client Benefits – Improved Health Behaviors

### **Bandhan/India (education, loans, health products)**

	BASELINE	FOLLOW-UP
Breastfed child within one hour of birth	61%	96%*

Treated children with diarrhea with ORS	60%	88%*
---	-----	------

Complementary feeding at 6 months or older	39%	55%*
--	-----	------

### **CARD/Philippines (education, health microinsurance, provider network)**

Put money aside to prepare for a future illness	79%	92%*
---	-----	------

Report use of strong negotiation skills	55%	69%*
---	-----	------

---

\* Statistically significant at P<.05 or less

## Improved Access/Use of Health Services and Products

### Bandhan/India (education, loans, health products)

### Clients Referred

Children with diarrhea (in past 3 months)

81%

Pregnancy and ante-natal care

37%

### RCPB/Burkina Faso (education, savings, loans)

WITHOUT  
Intervention

WITH  
Intervention

Used preventive services in last 30 days

9%

24%\*

### CRECER/Bolivia (education, loans, mobile medical providers)

BASELINE  
(N=240)

FOLLOW-UP  
(N=247)

Seeking preventive care for themselves and additional family members

1.5%

9.8%\*

24% of Health Fair participants had never visited a medical provider before.

\* Statistically significant at P<.05 or less

# Improved Financial Protection and Security

## Bandhan/India (health loans)

- **33%** of clients who had used loans would have delayed treatment
- **62%** reported ability to afford other necessities (food, education, etc.)

## CARD/Philippines (health microinsurance)

- **88%** reported that insurance “helped a lot”
- **97%** agreed that insurance provides protection from health emergencies

## RCPB/Burkina Faso (health savings and loans)

- Clients with access to health savings and loans were more confident in their ability to pay and save for future health care expenses\*

\* Statistically significant at  $P < .05$  or less



# Sustainability

## NET ANNUAL COST PER CLIENT – US\$

Products Analyzed (2008-2009)	Direct Costs Only	Direct and Allocated Costs
<b>CARD – Microinsurance loans</b>	0.19	(0.57)
<b>RCPB – Health savings and loans</b>	(0.03)	(4.57)
<b>CARD – Preferred provider program</b>	(0.10)	(0.17)
<b>CRECER – Health days (mobile providers)</b>	(0.52)	(0.88)
<b>Bandhan – Health education and health products</b>	(1.00)	(1.73)
<b>AVERAGE</b>	<b>(0.29)</b>	<b>(1.59)</b>

## Convergence of Microfinance and Health - Win-Win-Win-Win

### Health Care Providers

- Opportunity to expand reach and market share
- More dependable income flow

### MFI

- Low cost or marginal profits
- Competitive advantages
- Healthier clients
- Social mission

### MFI Clients and Families

- Improved health knowledge and behaviors
- Improved access
- Greater financial protection

### Community

- Lower instance of and spending on illness
- Rational use of health services

# Lessons to Advance the Field

1. MFIs *are developing* and offering health protection products at significant scale.
2. MFIs have unique advantages as delivery channels for health services.
3. Some interventions are well-tested and documented; others are promising and need additional testing and documentation of impact.
4. Successful integration takes commitment to resolving the challenges of working across sectors.

# Resources

## Technical Guides

- *Market Research for Microfinance and Health Protection: A Technical Guide for MFIs*
- *Developing Linkages with Health Providers: A Technical Guide for MFIs*
- *Health Loans: A Technical Guide for MFIs*
- *Health Savings: A Technical Note*

## Health Education Modules and Resources

### Research

- *The Business Case for Adding Health Protection to Microfinance*
- *Health and Microfinance: Leveraging the Strengths of Two Sectors to Alleviate Poverty*
- *Detailed Research Reports for Bandhan (India); CARD (Philippines), CRECER (Bolivia) and RCPB (Burkina Faso)*

# freedom from Hunger



[www.freedomfromhunger.org](http://www.freedomfromhunger.org)

[www.ffhtechnical.org](http://www.ffhtechnical.org)