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SHOPS
Strengthening Health Outcomes *through* the Private Sector

Kenya Program Profile

PROFILE

Summary: The SHOPS project implemented a three-year program funded by the United States Agency for International Development (February 2012 to September 2015) in Kenya that had two objectives: (1) increase health care coverage through new and expanded private health care financing mechanisms; and (2) increase the availability and improve the sustainability of quality private health and HIV and AIDS services and products by identifying, supporting, and improving private sector models. This profile presents the goals, components, results, and the following lessons learned from the SHOPS program in Kenya:

- The private health sector presents additional opportunities to mobilize domestic resources for health programs.
- Private health insurance could be an effective tool to increase the population of people living with HIV enrolled in antiretroviral therapy by expanding access to care and treatment at private health facilities.
- Engaging the private sector requires addressing business challenges.
- New technologies and data present opportunities to strengthen sustainable private sector models.
- The private sector is not accustomed to sharing information.

Keywords: behavior change communication, child health, financing mechanisms, health insurance, health financing, health policy, HIV and AIDS, Kenya, microinsurance, payment of health care providers, private health insurance, public-private dialogue, public-private partnerships, social franchise, sub-Saharan Africa, zinc

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Cover photo: Jessica Scranton

Project Description: The Strengthening Health Outcomes through the Private Sector (SHOPS) project is USAID's flagship initiative in private sector health. SHOPS focuses on increasing availability, improving quality, and expanding coverage of essential health products and services in family planning and reproductive health, maternal and child health, HIV and AIDS, and other health areas through the private sector. Abt Associates leads the SHOPS team, which includes five partners: Banyan Global, Jhpiego, Marie Stopes International, Monitor Group, and O'Hanlon Health Consulting.

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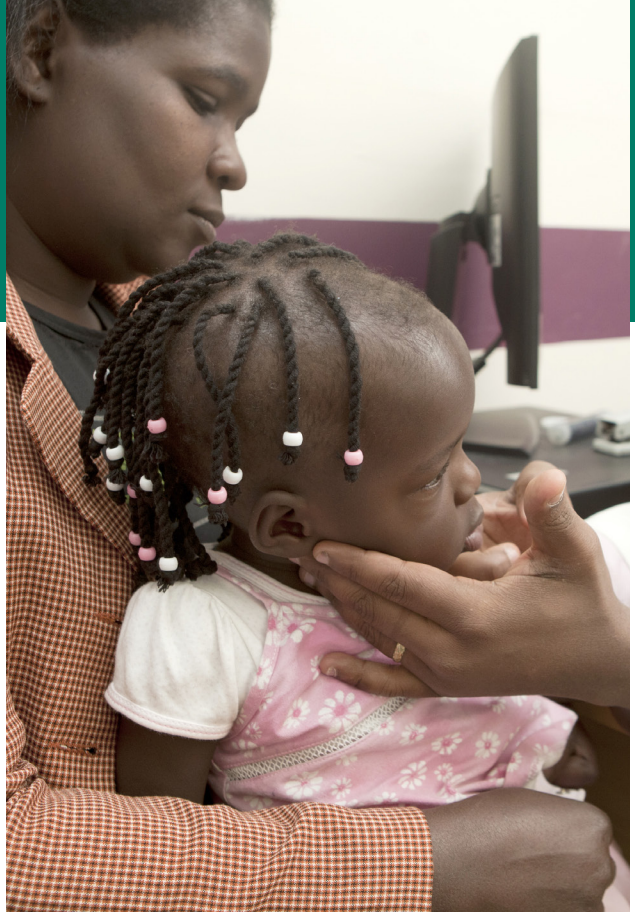
Kenya
Program Profile



Jessica Scranton

CONTEXT

Over the past 15 years, Kenya has experienced a sustained period of broad economic growth, helping the country achieve middle-income status and become the ninth largest African economy (World Bank, 2013). The majority of economic growth has occurred in urban settings, even though 70 percent of Kenya's 45.5 million citizens live in rural areas. Despite its achievements, Kenya continues to face many of the same problems facing low-income sub-Saharan African countries, particularly related to health. In 2012, USAID/Kenya engaged the Strengthening Health Outcomes through the Private Sector (SHOPS) project to help address these challenges.

Health Challenges

The Kenyan health system faces several concurrent health challenges, many of which are found throughout sub-Saharan Africa, including high maternal mortality and poor childhood nutrition. The top causes of death include HIV, lower respiratory infections, malaria, diarrheal disease (especially in children under 5), tuberculosis, and preterm birth complications (CDC-Kenya, 2013).

Kenya has one of the highest HIV prevalence rates in the world and the fourth largest population of people living with HIV. The epidemic is generalized, and primarily driven by heterosexual and mother-to-child transmission. Nationally, 5.6 percent of the adult population—or an estimated 1.6 million Kenyans—is HIV positive (UNAIDS, 2013). Adult prevalence varies greatly across regions, from a low of 2.1 percent in the Eastern North to a high of 15.1 percent in Nyanza. Kenyan women not only have a higher prevalence than men (6.9 percent compared with 4.4 percent), they are also likely to contract HIV approximately 10 years earlier. In addition, HIV infection rates tend to increase with income levels and are highest in the second, middle, and fourth income quintiles (NASCOP, 2014). In 2013, UNAIDS estimated approximately 100,000 new infections a year.

Through a multisectoral response led by the Ministry of Health (MOH), Kenya has made notable progress in preventing and treating HIV and AIDS. HIV prevalence among the adult population declined from a peak of 10.8 percent in 1997 to 5.6 percent in 2012, and AIDS-related deaths fell from 170,000 in 2003 to 58,000 in 2013 (UNAIDS, 2013). The number of Kenyans on life-saving antiretroviral therapy (ART) grew from 29,000 in 2002 to 744,116 in 2014, the second highest in sub-Saharan Africa (PEPFAR, 2014). HIV prevention has also improved through expanded coverage of prevention of mother-to-child transmission services, and the launch of the Kenya Elimination of Mother-to-Child-Transmission program in 2012. Other positive behavior changes, such as increased condom use and voluntary medical male circumcision rates and a reduction in the percentage of people engaging in high-risk behaviors, have helped lower transmission of the virus (NASCOP, 2014).

Although HIV is responsible for the most deaths, it is not Kenya's only significant health challenge. Neonatal and maternal mortality rates remain high. Newborn deaths comprise 60 percent of infant and 40 percent of overall under-5 mortality, largely due to asphyxia, preterm birth complications, and

infections. At least 7,000 women die each year from pregnancy-related complications, especially hemorrhage and pre-eclampsia/eclampsia. Major indirect causes of maternal mortality include severe anemia, malaria, and HIV. Increased access to family planning services could help address these issues by helping women space their births. While the contraceptive prevalence rate has risen almost 40 percentage points since the late 1970s, 25 percent of women who wished to access family planning services were unable to do so in 2009 (KNBS and ICF Macro, 2010).

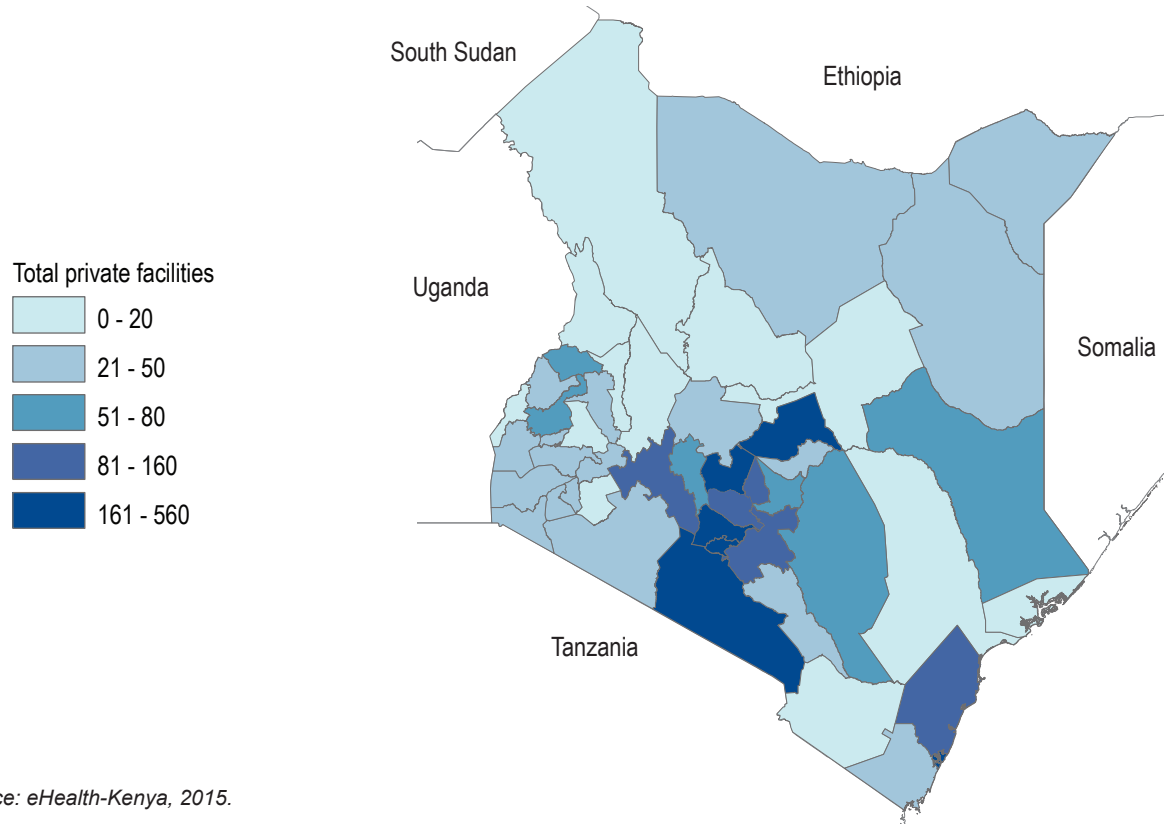
Kenya has made incredible progress in reducing child deaths, with a 30-percent decline in under-5 mortality between 2003 and 2009 (KNBS and ICF Macro, 2010). These decreases are largely attributable to increased immunization coverage and successful malaria interventions. Childhood malnutrition improved only slightly during the same period, with 35 percent of children under 5 stunted in 2009 (KNBS and ICF Macro, 2010). Diarrheal diseases also remained a significant challenge, accounting for one in five childhood deaths.

Accessing Quality Health Care

The Kenyan private health sector is increasingly viewed as a critical partner that is well positioned to help meet the growing demand for financing and delivery of health care services, including HIV. Over half of all health facilities in Kenya are private, and these facilities are spread out across the country (Figure 1). Nationally, 37 percent of all health spending occurs in private facilities (Kenya MMS et al., 2011).

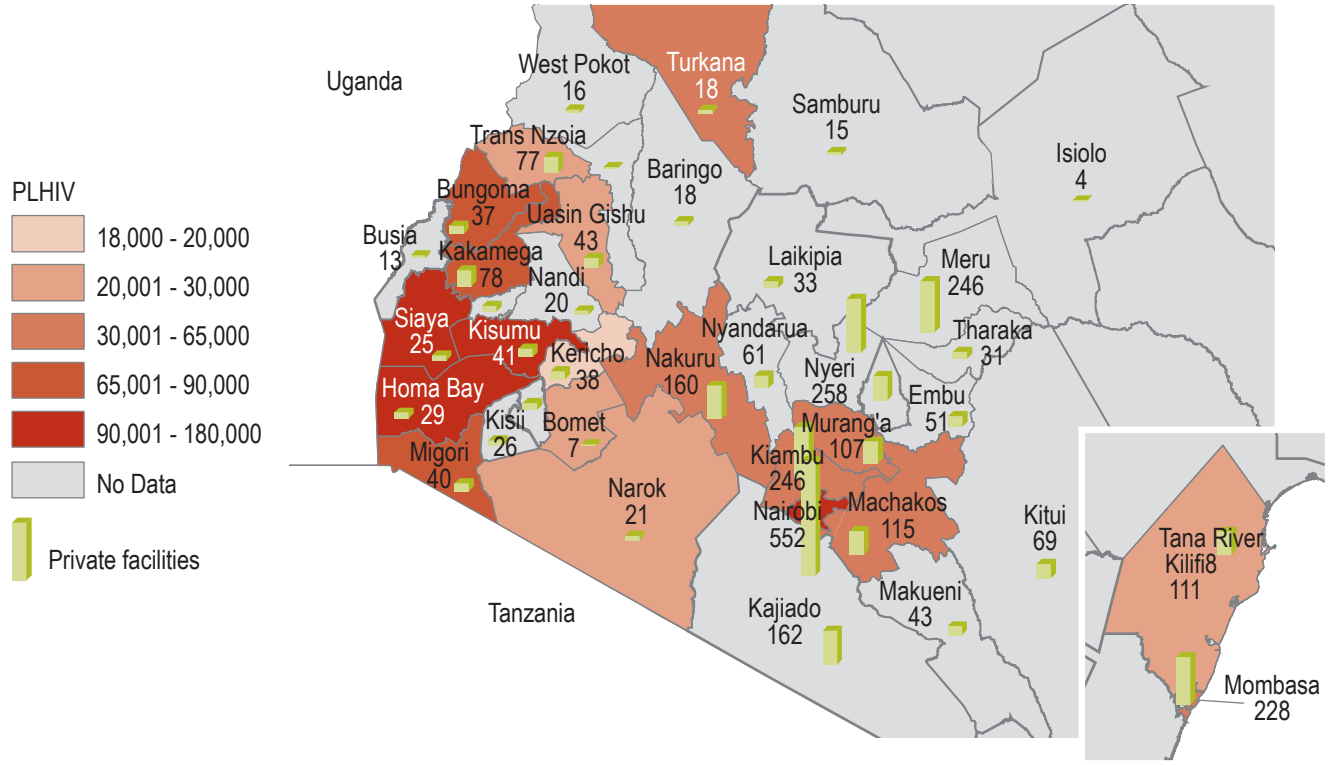
The private sector has an especially large presence in counties (Figure 2) and urban areas (Figure 3) with high numbers of people living with HIV, offering opportunities to address the needs of the HIV-positive population and scale access to ART.

Figure 1. Private health facilities across Kenya



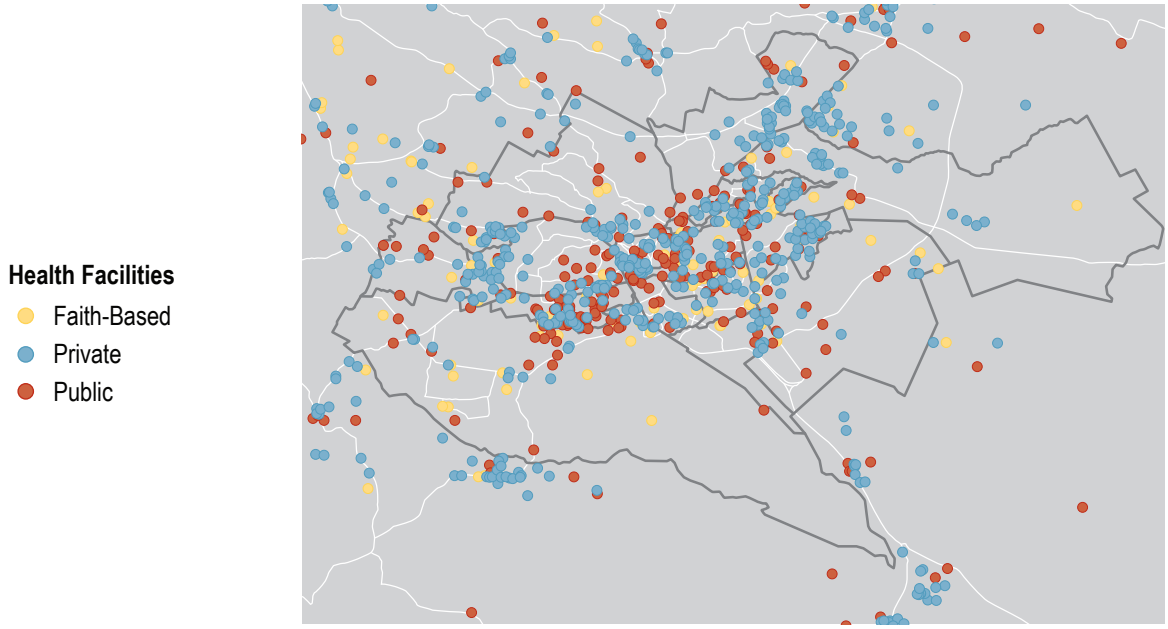
Source: eHealth-Kenya, 2015.

Figure 2. Private health facilities in high-burden counties



Source: eHealth-Kenya, 2015; NASCOP, 2014.

Figure 3. Private health facilities in Nairobi



Source: eHealth-Kenya, 2015; NASCOP, 2014.

Note: The total population of people living with HIV in Nairobi is 177,552.

Both for-profit and nonprofit facilities are an important source of care among all segments of the population. For example, 47 percent of the poorest quintile report using a private facility when their child is sick. Additionally, one-third of couples obtain their family planning methods and one-fourth of people living with HIV access treatment from the private commercial sector (Barnes et al., 2009).

However, high-quality private health services are not affordable for all Kenyans. Many lack health insurance; therefore, the cost of private health care remains a barrier to access and places them at greater financial risk. Private facilities that offer services to lower-income clients are usually subsidized nonprofits. Reliance on subsidies reduces the financial sustainability of such providers. By reducing the cost of services, the private sector can become more accessible to Kenyans seeking care for general health services and treatment for specific illnesses like HIV and childhood diarrhea.

In Kenya, about 25 percent of all health spending is through out-of-pocket payments at a health facility; in the private health sector, 55 percent of expenditures are made out of pocket (Kenya MMS et al., 2011). In general, reliance on out-of-pocket payments exposes vulnerable populations to the risk of becoming impoverished due to unexpected health care spending. For HIV prevention, care, and treatment specifically, 19 percent of total spending occurs out of pocket and private facilities rely on these payments for 71 percent of HIV financing (Kenya MMS et al., 2011). This financial barrier can prevent Kenyans living with HIV from accessing care and treatment at 51 percent of Kenya's health facilities.

Health care financing mechanisms that reduce financial barriers and improve access to high-quality health services are needed to improve access to care. Currently, approximately 20 percent of Kenyans have health insurance coverage, mainly through the National Hospital Insurance Fund, which covers inpatient care. Out of 49 private insurance companies registered in Kenya, 18 underwrite health insurance products that cover varying combinations of inpatient and outpatient care. With the recent growth in the economy, about 25 percent more Kenyans are able to afford a prepaid scheme for medical coverage like health insurance, which would enable them to seek care in the private sector with fewer out-of-pocket expenditures (SHOPS, 2014). Increasing the number of lives covered by health insurance can increase financial protection for people living with HIV and other vulnerable populations.

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GOALS

In 2009, the USAID-funded Private Sector Partnerships-One (PSP-*One*) project conducted an assessment which identified opportunities for the private sector in the Kenyan government's national HIV response, and laid the groundwork for a country program under the follow-on SHOPS project.

SHOPS had two main goals in Kenya:

1. Increase health care coverage through new and expanded private health care financing mechanisms
2. Increase the availability and improve the sustainability of quality private health and HIV and AIDS services and products by identifying, supporting, and improving private sector models

COMPONENTS

The SHOPS approach in Kenya was shaped by strategic guidance to build a more sustainable, accessible health financing and delivery system, especially for HIV and AIDS. It integrated sustainability, accessibility, and affordability considerations into all program activities.

The SHOPS program had four components:

1. Creating an enabling environment
2. Informing decisionmaking with high quality data
3. Increasing access to care
4. Supporting and expanding private provider capabilities

Timeline

February 2012: Launch program

February 2012–September 2012: Support mobilization of the PPP Unit in MOH and PPP-Health Kenya

February 2013: Provide technical assistance to strengthen and increase coverage of private microhealth insurance products

April 2013: Partner with Clinton Health Access Initiative and local manufacturers and distributors to introduce oral rehydration solution and zinc

September 2013: Convene private providers and insurance companies and identify technological solutions to lower administrative burdens

February 2013–April 2014: Collect data to assess costs and quality of private health care

April–July 2014: Generate data on private sector provision of HIV services by integrating private providers and insurers into a new electronic data platform

November 2014: Train private providers to improve business and management skills

March–June 2015: Conduct media campaign on health insurance in the informal sector

April 2015: Equity Group Foundation launches social franchise clinics

May 2015: Disseminate findings from costing study

June–July 2015: Conduct survey on media campaign impact

Creating an Enabling Environment

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CREATING AN ENABLING ENVIRONMENT

Through its engagement with public, private, and international stakeholders, the SHOPS program helped facilitate the expansion of opportunities for private sector financing and delivery of key health services. SHOPS also brought private sector perspectives into Kenya's public health policy processes, and helped create opportunities for private sector stakeholders to engage with the public sector policymakers.

Implementation

PPP-Health Kenya

In September 2009, following a recommendation from the private sector assessment, public and private sector organizations founded PPP-Health Kenya, a forum to foster dialogue across the health system. The group advances public-private dialogue and partnerships, and participates in policy decisions.

PPP-Health Kenya guiding principles

- Shared vision of the common good of the health sector
- Respect for differing perspectives
- Shared responsibility and commitment to working together
- Equity
- Transparency
- Accountability

SHOPS facilitated private sector participation in PPP-Health Kenya meetings, and between it and donors (including the International Finance Corporation (IFC) Health in Africa Initiative, the World Health Organization, and the Danish development cooperation, Danida). In 2014, SHOPS and PPP-Health Kenya supported a national workshop that brought together private and public sector stakeholders and secured the commitment of cabinet secretaries, the Council of Governors, and private sector leaders to new and existing partnerships.

Building and strengthening the MOH's PPP Unit

At a 2009 meeting, stakeholders identified the need for a focal point within the MOH. Such a position would help share best practices across the health system and facilitate private sector engagement to raise additional funds for HIV and other health services, improve efficiencies, and strengthen quality. SHOPS worked closely with MOH staff to design a comprehensive terms of reference for the PPP Unit in the health sector, which was vetted by private sector representatives. The PPP Unit was designed to help the private sector better understand the MOH.

Providing private sector perspectives on universal health coverage

In 2014, the MOH identified the need for a roadmap to guide the country's effort toward universal health coverage (UHC). The MOH engaged multiple partners to perform a situational analysis of UHC in Kenya. SHOPS collated and synthesized information on the current UHC policy and progress, and recommended possible alternatives for Kenya's UHC framework from a private sector perspective. The project's recommendations to the MOH aimed to inform the development of the UHC roadmap in three areas: increasing population coverage, broadening services offered, and reducing direct costs of accessing care.

Private sector participation in regional and national health policy dialogue

SHOPS used its regional and national convening power to increase the visibility of the private sector in the development of new health policies. The project worked with other donors to sponsor national and regional workshops and conferences that included private sector representation and to coordinate private sector inputs into key health policies. Activities included:

- Co-sponsored the annual East Africa Healthcare Federation in 2012, 2013, and 2014.
- Facilitated PPP-Health Kenya's participation at a regional conference on private sector engagement in Tanzania in May 2012.
- Collaborated with the IFC Health in Africa Initiative, other USAID projects, the World Health Organization, and PPP-Health Kenya to convene workshops with Kenyan regulatory bodies, public sector representatives, and private sector actors to resolve questions around health care regulation, licensing, accreditation, UHC, and the National Hospital Insurance Fund.

Results

A new norm for private sector participation in the health sector

With SHOPS support, PPP-Health Kenya has convened the private sector for a myriad of MOH-sponsored policy discussions, in the process establishing a new norm for private sector representation in the health policy and planning processes. The group has become increasingly adept at representing public-private health issues in a variety of forums. Through SHOPS's support, PPP-Health Kenya has become an important contributor to the health policy formulation process by:

- Participating in the health financing review to explore opportunities for PPPs
- Serving as the main channel for private sector responses to proposed health policies and legislation
- Successfully lobbying to secure membership in the PPP working group of the Interagency Coordinating Committee – a key forum coordinating MOH and development partners' activities in the health sector
- Liaising with other forums and government agencies on an ongoing basis

PPP-Health Kenya continues to evolve. In 2014, stakeholders agreed to reconstitute PPP-Health Kenya with county-level representation, which will create a more effective mechanism to engage on PPPs.

Including private sector perspectives in key health policies

As a result of the workshops and internal meetings co-sponsored by SHOPS, IFC, and the World Health Organization, leadership at the MOH received private sector inputs. These meetings made the case for how engaging the private health sector and building PPP capacity in the MOH could increase the delivery of key health and HIV services. This work led to the inclusion of private sector perspectives in:

- The National Health Sector Strategic Plan III, which now acknowledges the roles and resources of the private health sector and includes language that supports PPPs for health
- The Kenya Health Policy Framework, which recognizes the important contributions of the private sector in financing and delivering health care

New institutions to facilitate future PPPs in Kenya and East Africa

Through SHOPS advocacy, the PPP Unit was formally institutionalized in 2011. MOH leadership positioned the PPP Unit within the Department of Policy and Planning, directly under the head of the department, due to its strategic role in how health PPPs fit into the MOH's planning process.

In addition, SHOPS's support helped create a new regional private sector umbrella organization to coordinate private sector learning and advocacy. In 2012, the Kenyan Health Federation, the

Ugandan Healthcare Federation, and the Rwandan private health sector came together to formalize their partnership in the East Africa Healthcare Federation. This new organization has helped share best practices and opportunities for increased private sector engagement and PPPs. SHOPS has continued to support the federation's meetings through co-financing, presenting the project's work, and sponsoring the participation of Kenyan public and private sector representatives.

Inclusion of private sector in UHC roadmap

Thanks in part to the SHOPS project's efforts, the Kenyan government is including private sector considerations in its UHC roadmap. Excerpts from the MOH's draft strategic document include both the public and private sectors as purchasers of health care services. The Kenyan government is open to contracting the National Hospital Insurance Fund and private health insurance companies to purchase services on its behalf. The draft also clarifies that payers should reimburse providers in both sectors using a similar rate for services offered.

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Informing Decisionmaking with High Quality Data

INFORMING DECISIONMAKING WITH HIGH QUALITY DATA

There was little information on current private health care provision—including the type, quantity, cost, and quality of services provided. SHOPS sought to collect and disseminate this knowledge to inform strategic planning, identify further opportunities to engage private stakeholders for national health programs, and strengthen the overall health system.

Implementation

Leveraging technology to reduce administrative costs and generate data

In Kenya, health insurance claims administration is largely paper-based, generating a high administrative burden and cost to both insurers and providers. The manual claims management system is inefficient, lengthening the turnaround time to pay providers and reconcile payments. The cost of claims forms alone is estimated to be two percent of total operating costs for a health insurance company. In addition, providers spend time on paperwork and less time delivering services. SHOPS financed a pilot of a new electronic data interchange (EDI) that would speed up transactions between insurance companies and health facilities. Just as important, an EDI system can help private sector providers monitor their delivery of key services for HIV and malaria to facilitate more accurate private sector reporting into national health management information systems.

As part of this pilot, SHOPS brought together two insurers, two providers, and Savannah Informatics Limited, a Kenyan technology firm, to test Savannah's EDI platform, Slade360. The EDI system automates payments and generates data on service provision, including HIV services, funded by private health insurance. Policymakers and funders can use this information to inform understanding of the private sector's HIV service delivery and financing contributions and how they can better leverage the private sector to scale up delivery of ART, antenatal care, and other key health services. It can also inform insurers' decisionmaking, health insurance product design, and provider payment mechanisms. The EDI system should reduce the turnaround time of claims payments and reduce administrative costs. The SHOPS pilot will integrate the payment systems between the insurance companies and private hospitals to demonstrate Slade360's ability to speed up payment processes and reduce fraud.

Collecting data on costs and quality to inform decisionmaking

Kenya lacks data on the cost of key health services at private health facilities. This information is crucial for a number of stakeholders. The Kenyan government needs to understand the cost of care at private health facilities to inform its own budgeting and planning processes as it seeks to increase private sector engagement and leverage private resources for UHC, its national HIV program, and other priority areas. Insurance companies and providers can also use the data to price, benchmark, and design new insurance products, as well as to identify opportunities to increase efficiencies and reduce expenses at their own facilities.

To fill the existing knowledge gap, SHOPS analyzed private sector costs for a number of health services using data collected in partnership with the German Society for International Cooperation from individual private clinics, health centers, and hospitals. The project generated unit costs for outpatient visits, inpatient bed days, and specific health services such as HIV counseling and testing, ART, and labor and delivery. In conjunction, SHOPS assessed the quality of care provided at these same facilities in order to compare the cost and quality of care delivered through the private sector. The results from this study can inform the design and adoption of prospective payment mechanisms, negotiation of reimbursement rates between private providers and private and public insurers, and investment decisions for a sustainable response to HIV.

Results

Making private health care more affordable and accessible

After a year of building relationships and mobilizing the private health sector to collaborate and support the pilot of an automated and shared claims platform, SHOPS achieved the following:

- Brought together leadership of top health insurers in the country to form a steering committee that provides strategic guidance on implementation

of the new EDI platform. This collaboration has been unprecedented in the country.

- Brought together technical and operational representatives, as well as experts from private insurers and provider institutions on a monthly basis to guide the technical implementation and pilot testing of the EDI.
- Provided technical proof of concept for the EDI platform by simulating live claims transmission and generating data between two private providers and two private insurers.
- Identified significant opportunities for cost savings and improved efficiency. Analysis of the pilot baseline data revealed that the EDI platform could cut human resource costs in half by reducing the need to purchase paper; additionally, it could reduce claims reimbursement time by 46 to 58 percent by eliminating the time spent compiling and mailing claims from providers to insurers.

In addition to the promise of lowering costs of claims administration, this initiative is generating data for decisionmaking with an initial emphasis on how and where health insurance members access HIV services. During the initial pilot, SHOPS preliminary data showed that, on average, 7 percent of outpatient claims at participating facilities were for an HIV-related service. The EDI is poised to generate additional data that will enable insurers to design more sustainable HIV financing products. The data will also help donors understand the potential of private health insurance to plug the growing HIV financing gap.

Developed accurate costs for HIV and health services for the first time

For the first time in Kenya, the SHOPS project developed accurate cost estimates for general outpatient, inpatient, and specific health services at private facilities (see table below).

Average cost of key health services in the private sector, by level and ownership

	Outpatient cost per visit	Inpatient bed day cost	VCT costs per visit	Family planning cost per visit
Level 2	**745**	**n/a**	**542**	**519**
Nonprofit	959	n/a	715	687
For-profit	610	n/a	360	351
Level 3	**609**	**2,617**	**836**	**602**
Nonprofit	467	1,966	622	559
For-profit	673	2,834	964	623
Level 4	**1,160**	**3,840**	**979**	**752**
Nonprofit	702	2,923	874	902
For-profit	1,618	4,840	1,014	702

Note: Table presented in Kenyan shillings.

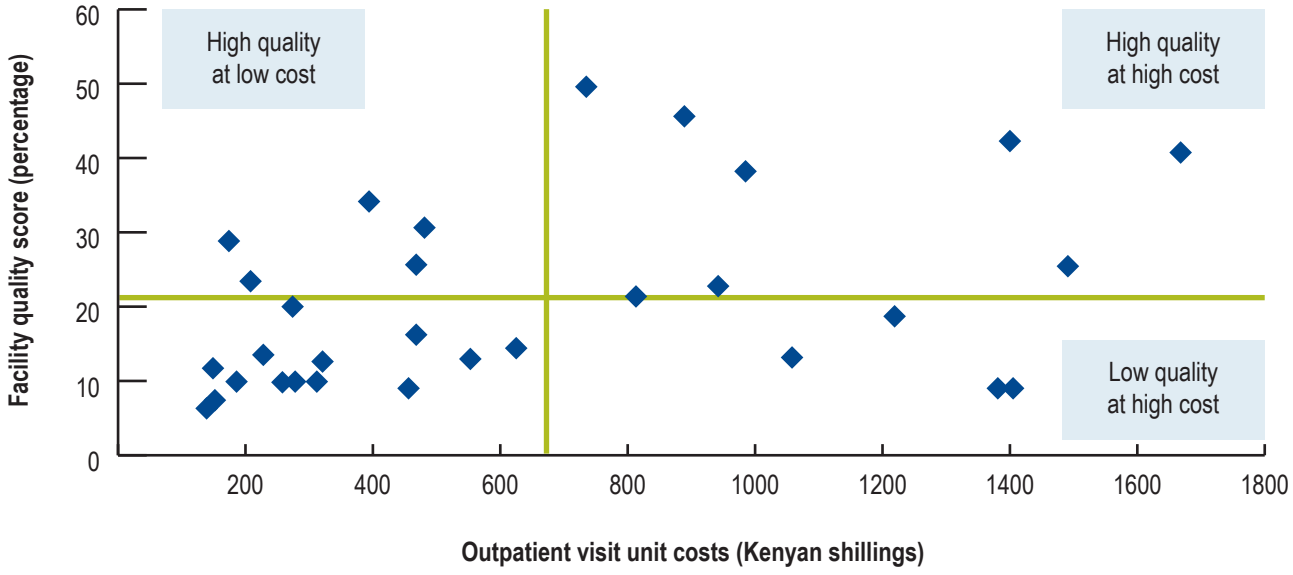
The quality assessment evaluated facilities based on five areas: leadership and accountability; competent and capable workforce; safe environment for staff and patients; clinical care of patients; and improvement of quality and safety. Based on these criteria, facilities received a score from 0 to 100, with 100 representing perfect quality. While scores spanned a wide range within each level, higher-level facilities, especially those in urban areas, generally earned higher scores. When compared with average outpatient costs, there was great variation in how facilities ranked (Figure 4).

Stakeholders can to use this information in a number of ways:

- Private providers can use the average costs as a benchmark to identify opportunities for efficiency gains at their own facilities. This practice is especially important in understanding how to achieve costs efficiencies for specific diseases such as HIV.
- The MOH can use private provider unit costs for planning and budgeting purposes as it develops new health financing strategies, especially related to UHC and HIV.
- Payers and providers have more information to support their negotiations over reimbursement rates and new payment mechanisms (including capitation).
- Private insurance companies also have more information to create new and strengthen existing low-cost health insurance products targeted at lower-income populations.

If properly done, these activities will help more Kenyans—especially those requiring expensive inpatient care or recurring expenses for a lifelong disease like HIV—gain financial protection from catastrophic health expenditures.

Figure 4. Comparison of facility-specific quality scores and outpatient visit costs



Note: The green lines indicate the average scores for cost and quality.

Increasing Access to Care

Jessica Scranton

INCREASING ACCESS TO CARE

Out-of-pocket payments are a significant source of funds for Kenya's private health facilities. This type of payment is regressive and can put patients at financial risk when seeking health care, especially if he or she requires frequent care for a chronic disease or inpatient treatment for a serious acute condition. Nevertheless, SHOPS saw an opportunity in the private sector to increase access to health services—especially HIV care and treatment—due to the large number of private facilities across the country, the population's increased wealth overall resulting from years of economic growth, and the socioeconomic characteristics of people living with HIV. A key feature of this effort was to tackle financial barriers created by the dependence on out-of-pocket payments at private health facilities by lower-income populations who generally lack private medical insurance coverage. To that end, SHOPS helped increase the supply of affordable, comprehensive health financing plans and worked to build demand for these products.

Jessica Scranton

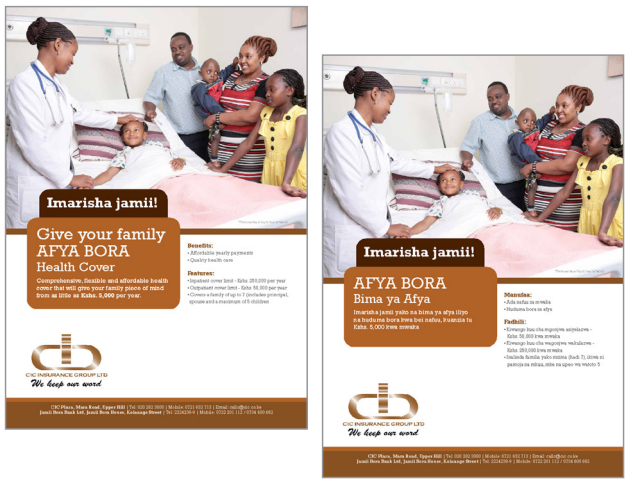
Implementation

Increasing the availability of affordable private health insurance products

The SHOPS project partnered with Cooperative Insurance Company Ltd. (CIC) and Equity Bank Ltd (through its subsidiary Equity Insurance Agency), two Kenyan private companies offering health microinsurance products that target low-income populations. These partnerships aimed to scale the reach of their microinsurance offerings among informal sector workers and communities with high HIV prevalence. CIC is a founding partner in Kenya's Cooperative Movement, offering access to over 10 million cooperative society and union workers. The company offers *Afya Bora*, a product that provides comprehensive outpatient and inpatient care up to a $3,400 limit for a family of seven members at an annual premium cost of $190. Equity Insurance Agency sells Equihealth, a low-cost product that is underwritten by CIC and sold through Equity Bank branches. Both *Afya Bora* and Equihealth benefit packages include HIV prevention, care, and treatment services at private health facilities across Kenya and offer an attractive option for informal sector workers who can pay for health insurance.

The project selected CIC's *Afya Bora* product based on the company's longstanding relationship with many savings and credit organizations and microfinance institutions, which combine to cover approximately 9.8 million members. Prior to SHOPS support, CIC engaged these institutions to distribute its insurance products unrelated to health. To support scaling *Afya Bora*, SHOPS conducted a market assessment and used the results to develop a new sales and marketing strategy. The project also produced new marketing materials for *Afya Bora* for use in a new campaign (Figure 5). Project staff trained CIC sales staff and developed a customized management dashboard to monitor the financial and social performance of the product. SHOPS also conducted an actuarial analysis that revised the product's pricing strategy to improve its potential for financial sustainability.

Figure 5: Afya Bora posters in English (left) and Kiswahili (right)



Equity Bank is the largest bank in Kenya by customer base with a reported 8 million accounts, representing a significant opportunity to scale health insurance coverage among Kenyans who likely have the ability to pay an affordable premium. SHOPS provided technical assistance to develop new distribution channels for Equihealth through Equity Bank's 10,000 banking agents. These agents had previously never sold any health insurance products, and they were largely unfamiliar with health insurance generally and Equihealth specifically. SHOPS conducted a training of trainers, piloted a course to educate bank agents in Nairobi County on basic health insurance concepts and Equihealth benefits, and supported the agents as they began engaging Equity Bank account holders to sell the product. SHOPS used the lessons learned from this experience to revise its training program and redesign a sales strategy that attempts to reach the majority of Equity Bank's 8 million clients with Equihealth coverage.

Advocating for innovative strategies to control costs

In Kenya, private providers are paid predominantly through a retrospective fee-for-service mode, in which providers receive a specified amount based on the individual services that they provide to a patient. Without controls, this arrangement creates incentives for providers to perform unnecessary services, and contributes to yearly medical inflation estimated at 20 percent. Increasing health care prices prevent insurance companies from recouping their own costs or viably providing health insurance at affordable rates for many Kenyans.

Alternatively, under a capitation scheme, providers receive a set amount of funding from the health insurance schemes for each member that they sign up. This model shifts the financial risk of delivering care from the insurer to the provider. In exchange, providers receive predictable revenues paid prior to providing any care. Capitation also reduces administrative costs associated with claims administration under a fee-for-service model.

SHOPS advocated for the introduction and adoption of capitation models to Kenya's largest health insurance providers and health care facilities and encouraged them to develop a capitation-based proposal for a large government contract. To provide data required for the proof-of-concept of capitation schemes, SHOPS trained and supervised CIC's actuaries to price a series of capitation schemes. The project calculated capitation rates, set up a model owned and managed by CIC's actuaries, and supported efforts to engage clients and providers on the issue. CIC is using this information to pursue opportunities to introduce capitation-based outpatient health insurance product that is inclusive of HIV services based on the support received from SHOPS.

Bright Future International

Assessing the feasibility of community-based health insurance schemes

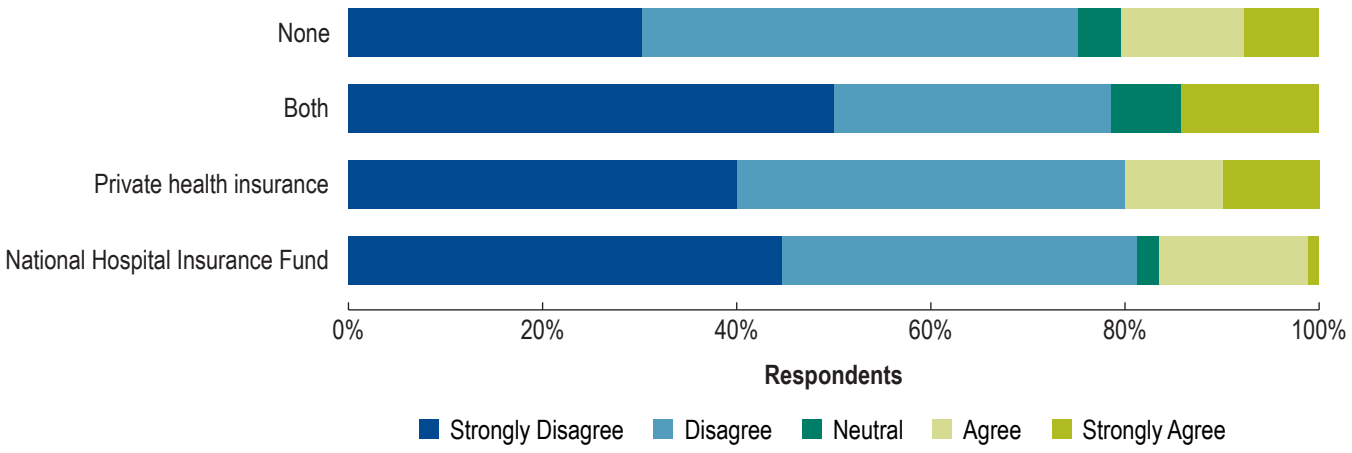
Community-based health insurance (CBHI) schemes provide over 400,000 Kenyans with some form of financial protection from the medical expenses associated with poor health. These schemes are often smaller in scale than traditional insurance companies and benefit from strong ties to the communities in which they operate. They also tend to have small, relatively uniform risk pools and require subsidies from external funders to sustain their operations. SHOPS partnered with the Support for Tropical Initiatives in Poverty Alleviation, an NGO that supports eight CBHI schemes in Kisumu region, to assess the feasibility of consolidating these schemes into a regional network. Such a network could increase operational efficiencies and create a larger member pool, spreading risk across more people, and thereby lowering costs for both the schemes and their members. As part of this assessment, SHOPS provided actuarial assistance to inform the CBHI schemes' of their financial position and to help them make operational decisions. Although the assessment revealed that the schemes were not prepared to merge, SHOPS recommended preliminary steps that would prepare them to form a network in the future. These recommendations included developing common accounting and management practices across the existing schemes, and taking steps to institutionalize their linkages to local communities that might get lost when a regional network is formed.

Educating consumers and building demand for health insurance

Increasing the supply of available low-cost health insurance products is not sufficient to increase financial protection; consumers must also demand this type of coverage. In Nairobi, one of the largest markets, SHOPS found that many people lacked an accurate understanding of key health insurance concepts, such as premiums, co-payments, and co-insurance. Building demand for health insurance requires addressing these knowledge gaps. Because consumer education can be expensive, especially for providers of low-cost insurance products who need to control costs to be sustainable, SHOPS implemented a media campaign targeting areas with high numbers of informal sector workers and people living with HIV that sought to educate consumers and build demand for affordable health insurance products.

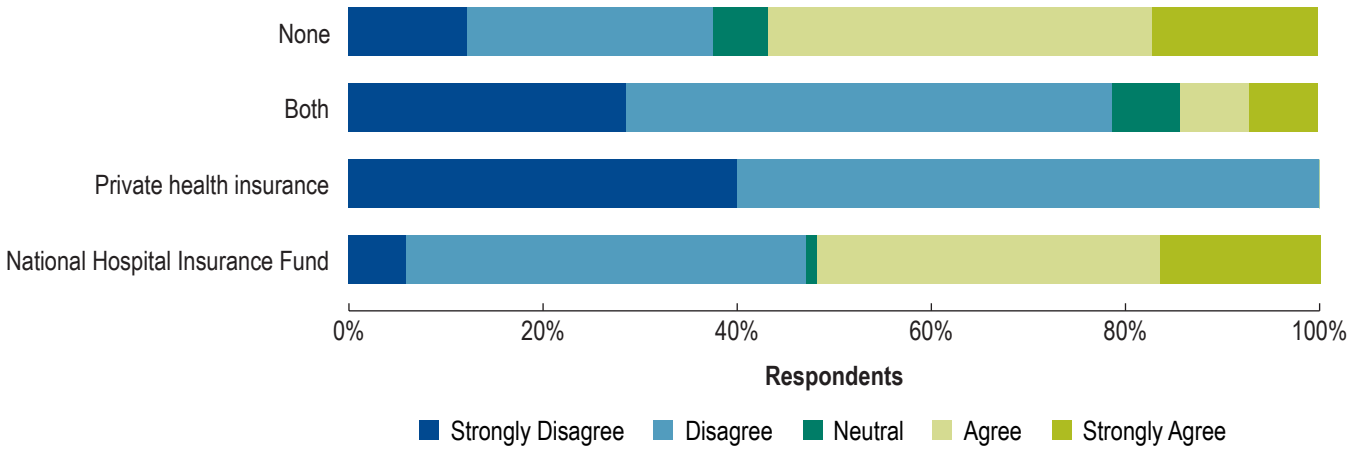
The SHOPS intervention targeted informal sector workers in Nairobi who earned $5–15 per day, an income level high enough to afford a low-cost premium. To begin, SHOPS conducted a baseline survey to understand the target population's knowledge gaps, attitudes, and perceptions of health insurance. This survey revealed that informal sector workers are aware of their exposure to health risks, as the majority of respondents, regardless of their current coverage, indicated that insurance is important to have even when no one is sick (Figure 6).

Figure 6. Respondents' view of the statement "Health insurance is not needed when no one is sick right now," disaggregated by current insurance coverage



Additionally, respondents who had outpatient and inpatient coverage through private health insurance were more likely to indicate that they did not have to forgo medical care when sick due to a lack of funds (Figure 7).

Figure 7. Respondents' view of the statement "I forgo health care services because I do not have enough cash to pay," disaggregated by insurance coverage



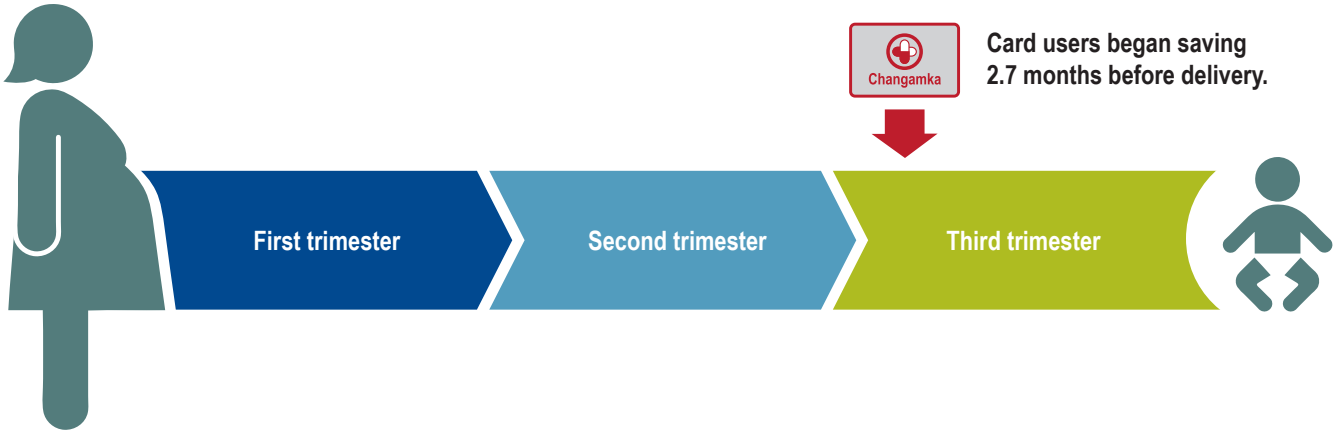
The findings indicate that informal sector workers understand the direct and indirect value of owning health insurance and that they could be interested in purchasing affordable, comprehensive products with flexible payment options. A significant portion of this population lacks clarity on the meaning of specific insurance terms (e.g., co-payment, premium), and has a general mistrust of private insurance companies. SHOPS attempted to address many of these issues, yet successfully building demand and increasing private insurance coverage among informal sector workers will require sustained investments beyond the life of the SHOPS project. Based on the survey data, SHOPS financed the development of creative materials, including radio spots, TV advertisements, and posters, and partnered with local stakeholders to raise awareness of how health insurance works and where to go to learn more and purchase coverage. Specific creative materials targeted informal sector workers living with or at risk of contracting HIV to make sure they understood how health insurance could help expand access to treatment at private health facilities.

Assessing health savings products for maternity care

Changamka Microhealth Limited, a Kenyan for-profit microsavings company, offers an electronic health savings card intended to help pregnant women pay for facility-based maternity care and delivery. With funding from USAID/Washington's Office of Population and Reproductive Health, SHOPS conducted an evaluation of the product's benefits, challenges, and potential opportunities to determine if it was achieving its intended purposes. The evaluation results demonstrated that a stored-value savings device such as the Changamka card is valuable and useful to users, but indicated several challenges with the card's implementation. One of the key challenges was that most women began using the card too late in their pregnancy to accumulate enough savings to cover medical costs (Figure 8).

Figure 8. Changamka results

Users obtained card too late to allow for significant savings



Based on these results, SHOPS recommended that Changamka could improve the program's impact by reaching out to communities with large populations of impoverished people with minimal education, reaching clients sooner so that women are encouraged to start saving earlier, and expanding the provider network to include more facilities.

Results

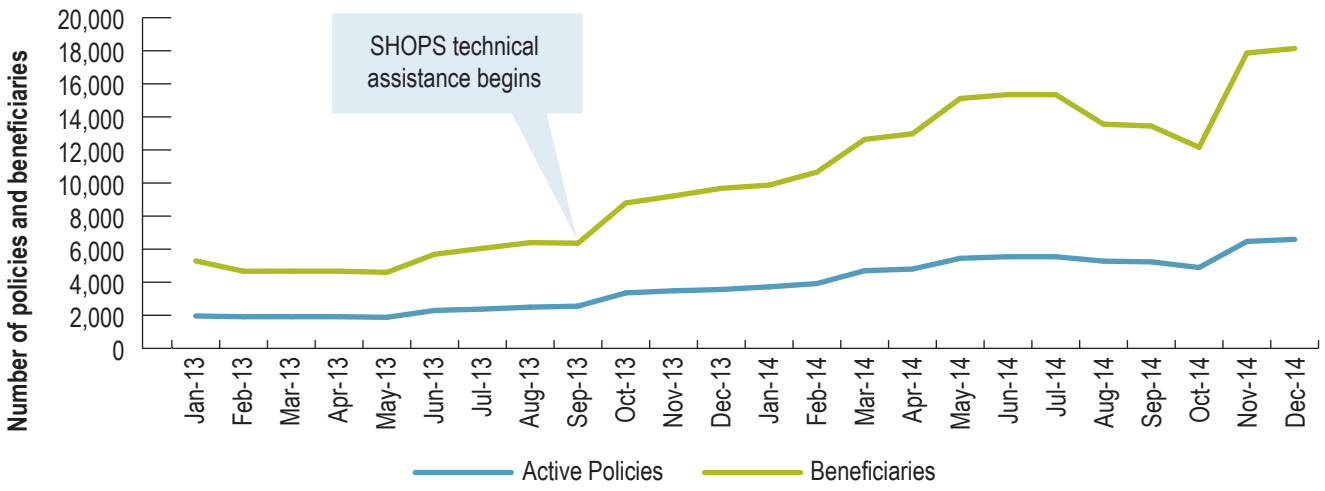
Increased number covered by private health insurance and strengthened private insurance providers

Since SHOPS began providing assistance to CIC, sales of *Afya Bora* have increased significantly. Between February 2013 and December 2014, the number of active policies increased from 1,914 to 5,538 and the number of total beneficiaries grew from 4,665 to 14,763 (Figure 9). These policies help *Afya Bora* members access care for essential health services—including HIV, maternal care, and treatment for chronic diseases—with peace of mind and financial protection against catastrophic medical spending. In addition, by December 2014, Equihealth covered over 3,373 lives.

Key health insurance results

- **18,136** lives covered
- **$1,534,777** in private domestic sources for health (through *Afya Bora* and Equihealth)
- Opened new distribution and sales channels for health insurance products to reach **18 million** people through CIC's and Equity Bank's networks
- Facilitated first electronic claims processing platform pilot
- Facilitated first-ever industry-wide collaborations for capitation

Figure 9. Changes in *Afya Bora* membership



Note: The decline in numbers prior to October 2014 is attributed to loss of policies due to client preference for broader benefits beyond Afya Bora *coverage and service delivery challenges, both of which have been resolved.*

Although these numbers are small compared to Kenya's overall population, they hold promise for making greater impact. By training new sales agents and supporting marketing campaigns, SHOPS identified pathways with the potential to reach all 8 million Equity Bank account holders, 3.3 million savings and credit cooperative members, and 6.5 million microfinance users with new microhealth insurance products. Together, these organizations could eventually reach almost 40 percent of Kenya's population, many of whom had historically been considered a nonviable market by insurance companies. Working through trusted financial institutions has also helped overcome consumers' suspicion of private insurance companies. As one *Afya Bora* member reported, "When I first heard about *Afya Bora* through my women's group, I thought that it would cost a lot of money. But when I went to the bank and they explained how it works, I realized that it is actually very pocket-friendly."

SHOPS's assistance to *Afya Bora* also brought internal improvements at CIC that enable the company to better administer and distribute all its microhealth insurance products. For example, the pricing strategy that SHOPS developed helped CIC improve its financial performance, making the business case for CIC to continue investing its own resources in *Afya Bora*'s expansion and other reforms. Additionally, as the number of covered lives increased, CIC spent its own financial resources to acquire the additional human and technical resources needed to keep up with the growth in memberships and claims processing. This investment demonstrated the company's increased dedication to its microhealth insurance products, and thus show how the project's support has resulted in a stronger overall microhealth industry.

> "CIC is focused on reaching many low- and middle-income earners who are working together in cooperatives and… other types of organizations to improve their livelihoods. Selling *Afya Bora*… through new distribution channels like [savings and credit cooperatives] and [microfinance institutions] has helped us reach more of our target population and increase coverage by over 150 percent in a little over a year."
>
> *— Nelson Kuria, former CEO, Cooperative Insurance Company Ltd.*

***Afya Bora*: Helping people living with HIV access care**

Philip's* wife was diagnosed with HIV 15 years ago, and as a result of an unsafe delivery, their oldest child also contracted the virus. When his wife's health started deteriorating, the cost of treatment became overwhelming. Philip left his job at a bank in Nairobi to care for her, greatly reducing the family's income. After exhausting most of the family's savings, Philip needed an affordable alternative to pay for his wife's and child's health care.

"I had to take my wife to many different hospitals and the bills were getting higher each day," he recollects. "We had to sell some of our personal belongings and move to a smaller house in order to pay off the big medical bills."

While looking for health insurance to cover his wife's treatment, Philip discovered *Afya Bora* through his local bank. The low premium, the comprehensive coverage for all his family members, and the proximity of a participating hospital in Rongai, where he lives, were particularly important.

Since joining *Afya Bora*, Philip can afford specialized care for his wife and child, and his family has recovered financially. Philip maintains a positive outlook, regularly visiting the local clinic with his wife and child to manage their care, and sharing his story with the community as evidence that his personal commitment and health insurance provide his family a happy and healthy life. He admits that his family faces hurdles such as the stigma associated with his wife's and child's HIV-positive status, but having *Afya Bora* coverage has greatly helped.

"I have told everyone in my family about *Afya Bora*, and they are all keen to join," he says. "They have seen through my experience that health care can be expensive, but with health insurance, it is a lot more manageable."

**Name changed to respect respondent's privacy.*

Strategies to reach underserved with affordable health insurance products

By bringing together payers and providers to discuss prospective payment mechanisms for the first time, SHOPS helped establish a forum in which providers and payers can work together to lower costs of and increase access to private health services. SHOPS trainings built the capacity of CIC's actuarial team to cost and develop capitation-based insurance products. The project's documentation of its progress and processes in technical manuals on general health insurance concepts and capitation systems will continue to support providers as they seek to make further innovations. SHOPS technical assistance and relationship building supports insurance companies as they submit capitation-based proposals for new tenders to private and public employers, including the 450,000-member Police Service Union and the 1.1 million-member Teachers Service Union. The size of these contracts would offer an opportunity to introduce capitation on a large scale, which could help control and simplify medical spending when these savings are passed down to consumers in the form of lower premiums or more comprehensive coverage.

Supporting and Expanding Private Provider Capabilities

Jessica Scranton

SUPPORTING AND EXPANDING PRIVATE PROVIDER CAPABILITIES

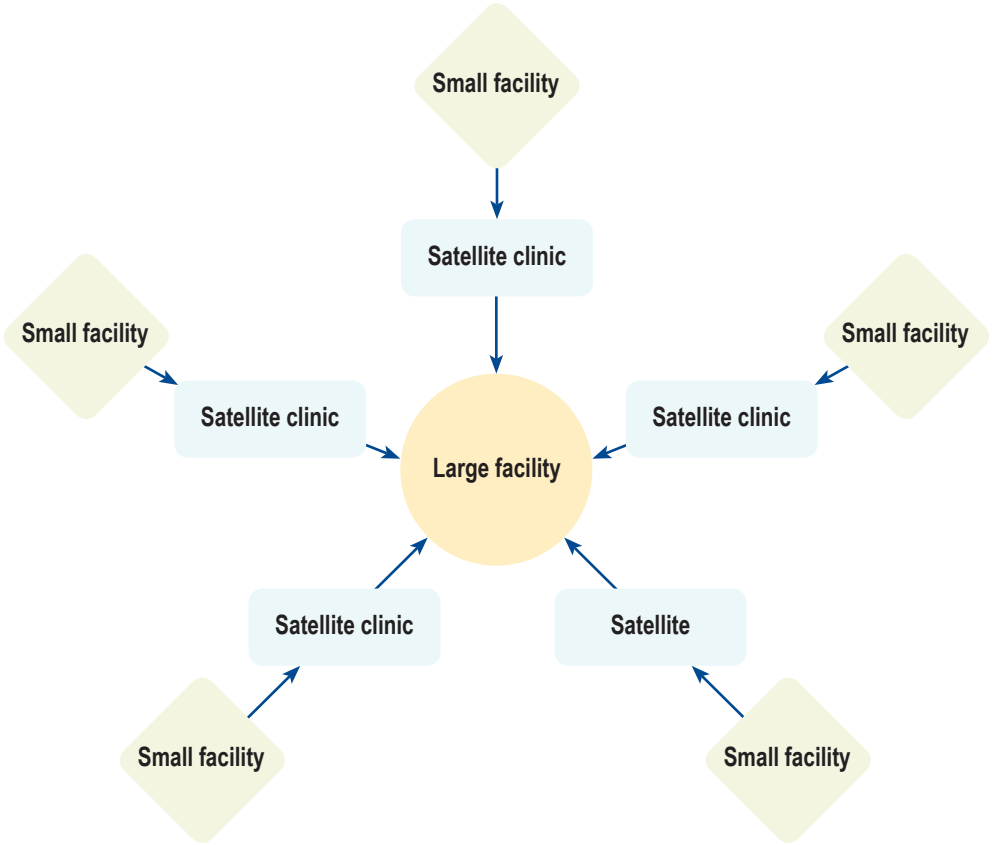
SHOPS built the capacity of private providers to deliver high-quality, low-cost health services that would benefit people living with HIV and other vulnerable groups. SHOPS' efforts supported new clinical practices, improved business management at private facilities, and increased efficiencies at private facilities.

Implementation

New social franchise to deliver quality health services

The SHOPS project partnered with Equity Group Foundation (EGF)—Equity Bank's philanthropic arm—to support its efforts to launch a new social health franchise known as the Equity Afia initiative. Building on Equity Bank's respected brand, proven experience in building entrepreneurs in other fields, and national reach, EGF and SHOPS aimed to set up a sustainable, integrated network of health facilities using a hub-and-spoke referral model to deliver and finance wide-ranging affordable, high-quality care inclusive of HIV services such as HIV testing and counseling, prevention of mother-to-child transmission, and ART through appropriately priced health insurance products.

Figure 10. Equity Afia's hub-and-spoke referral model of care



Under this model, each level of care refers medical cases they cannot handle to the next level of care: at the end of a "spoke" is a small facility run by nursing officers who handle minor routine services like antenatal care; a "satellite" is an intermediate clinic run by clinical officers who deliver preventive and certain curative services; and the "hub" is a large medical facility run by medical officers who deliver routine medical care and refer complicated cases to tertiary facilities. This model ensures that patients receive the care they need at the appropriate level, thereby reducing the overall cost of health care.

EGF aims to launch the franchise with four wholly owned facilities to provide proof-of-concept before expanding. The initiative's goal is to reach at least 25 percent of Equity Bank's 8 million members—especially in urban and peri-urban areas—with an integrated health service delivery model and comprehensive health financing package. To support that goal, SHOPS provided technical assistance in developing a site selection tool, drafting operational manuals, assessing the market, developing monitoring and cost tracking tools, and business skills training. SHOPS guided the development of the franchise model and will support the franchise's first few months of operations beginning in April 2015.

Improving private provider business operations

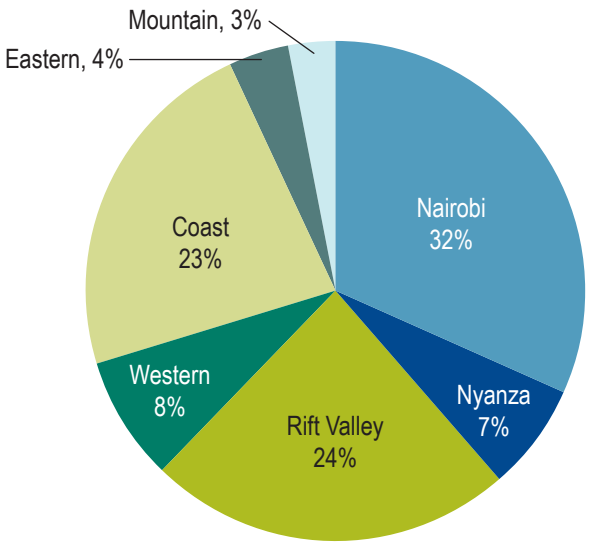
Building the financial and business management skills of small-scale providers can help the facilities run more efficiently and reduce expenses. These savings could potentially help private providers lower prices and free up more time to spend on delivering health services. To that end, the SHOPS project developed a 22-module "Business for Health" training curriculum. These modules are grouped into five sections that focus on running a health practice as a business, improving the operations management of a health facility, improving quality, managing finances, and marketing the facilities' services. SHOPS implemented this course in Nairobi and Nyanza for a total of 40 small private providers of family planning services. Through these trainings, the project aimed to improve the business operations at these facilities, allowing the providers to expand their provision of key family planning and other health services.

Increasing access to zinc and oral rehydration solutions for childhood diarrhea

The SHOPS project in Kenya partnered with the Clinton Health Access Initiative (CHAI) to support the national diarrhea effort by marketing and promoting oral rehydration solution (ORS) and zinc products through the private sector, as well as improving procurement and supply of these commodities. The program strengthened strategic partnerships between the national technical working group, the National Nurses Association of Kenya, the Kenya Clinical Officers Association, the Pharmaceutical Society of Kenya, the Kenya Pharmaceutical Association, the Kenya Pediatric Association, and Kenya Medical Women's Association.

After the introduction of ORS and zinc to the Kenyan market in April 2013, SHOPS focused on leveraging private sector retail and pharmaceutical channels to quickly scale sales through multiple approaches. The project worked with Cosmos Limited, a local manufacturer, and Phillips Pharmaceuticals, a local distributer, to co-fund a marketing campaign and continuing medical education trainings to increase health workers' knowledge of ORS and zinc. The initial training of 91 representatives from Cosmos, Phillips, the Mission for Essential Drugs and Supplies, and PS/Kenya who would distribute the products occurred in April 2013. Following this training, SHOPS intensified provider outreach through additional workshops at public and private health facilities; annual general meetings for nurses, doctors, and pharmacists boards; scientific conferences; and market activations. SHOPS's efforts extended countrywide, but mainly focused on Nairobi, the Rift Valley, and the Coast regions (Figure 11).

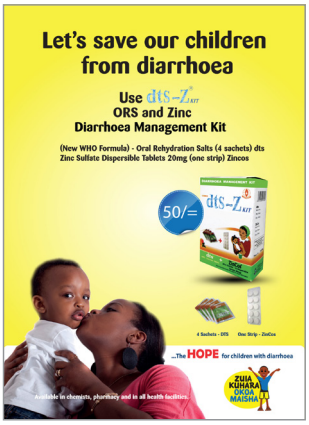
Figure 11. SHOPS continuing medical education support by region



Through the national technical working group, SHOPS also financed and supported the development and use of information and educational communication materials to support the promotion and stocking of DTS-Z—Cosmos's ORS and zinc co-pack—at private sector outlets, especially in the rural areas. SHOPS financing supported print (Figure 12) and mass media materials for a branded campaign targeting private providers that ran during the short rainy season, when diarrhea is most prevalent. A radio advertisement produced in both English and Kiswahili targeted private providers and retailers to inform them of the availability of the co-pack for stock in their stores. The radio ads (both generic and branded) ran on five radio stations in diarrhea endemic regions. SHOPS also supported the development and airing of two branded TV ads that ran for two weeks on a national TV station, Citizen, during the entertainment corridor segment.

Based on a retail audit that showed low uptake of the product in non-pharmacy outlets, the technical working group decided to carry out a campaign to increase awareness of ORS and zinc products at these sales points. SHOPS supported this effort by engaging standalone fruit sellers and small shops located in slum areas of diarrhea endemic regions in Mombasa and Kisumu, while CHAI carried out similar outreach in Nairobi slums.

Figure 12. ORS and zinc communications materials



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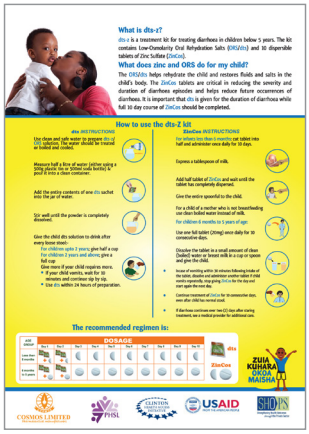


Back

Supporting innovative commercial enterprises

SHOPS is investing in emerging private health organizations in three sub-Saharan African countries to help take pro-poor commercial approaches to scale through its HANSHEP Health Enterprise Fund. Under the fund, SHOPS provided grants, technical assistance, and investor connections to selected organizations following a competitive selection process. In Kenya, the project worked with seven organizations:

1. **AccessAfya** brings affordable outpatient services to Kenya's slum residents through a chain of mini-clinics.
2. **Afri-Can Trust** manufactures low-cost, reusable sanitary pads to promote reproductive health and reduce school absenteeism among low-income girls.
3. **Afya Research Africa** is creating a network of kiosks across the country that maintain low prices for health services through complementary revenue streams like selling water and motorbike transport.
4. **Jacaranda Health** is integrating low-cost emergency obstetric care services into its maternity offering to expand access to high-quality care, reduce cost, and increase access to emergency care.
5. **MicroEnsure** and **Penda Health** are developing financing models to provide health care to patients with variable cash flows.
6. **Ruaraka Uhai Neema Hospital** is creating a referral network of clinics in informal settlements to increase access to complex maternal and child health care for the poor.
7. **ZanaAfrica Group** is developing and testing inserts that change health behaviors of women and girls who buy their disposable sanitary pads.

SHOPS conducted a needs assessment for each of these grantees and developed individualized technical assistance plans based on the results. For all businesses, SHOPS:

- Led an intensive business skills training course to build management capacity and improve operational efficiency
- Organized a marketing boot camp with a creative design firm to develop customized, actionable recommendations to better reach their target markets
- Hosted networking lunches with clinical directors to share best practices
- Facilitated continual access to a local law firm to assist with individual issues, from human resource manual revisions to investor-partnership agreements

Access Afya

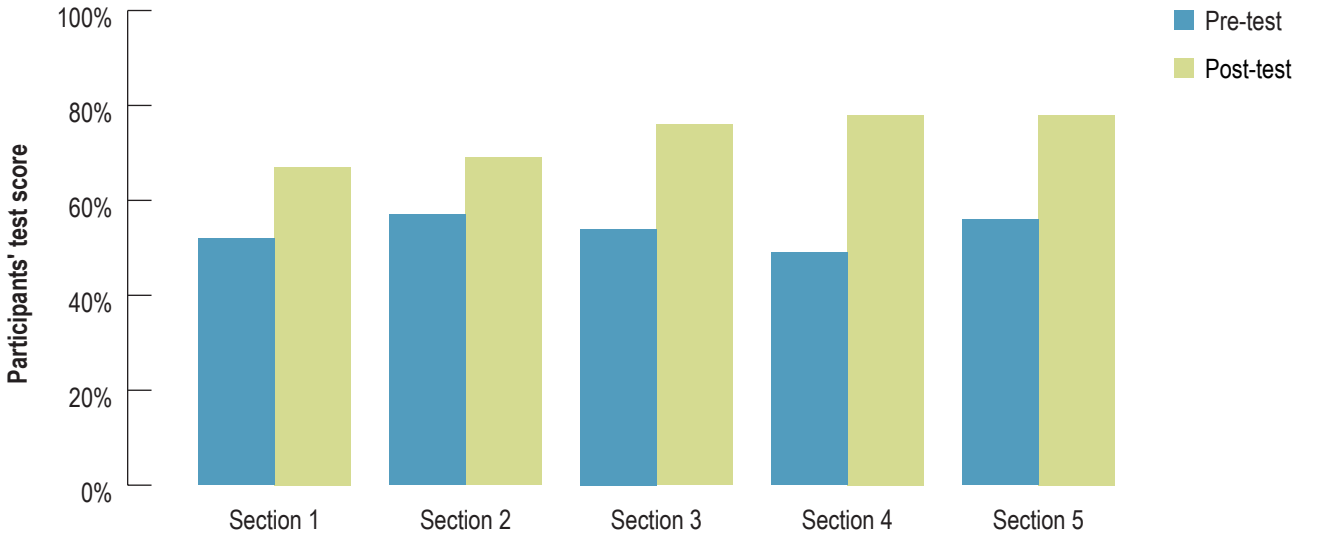
Depending on a specific organization's scope and mission, one-on-one coaching sessions took many forms. For example, SHOPS staff trained Afri-Can Trust on lean manufacturing methods to increase worker productivity by 45 percent. The project also helped Afya Research Africa determine an appropriate financial structure and develop an ownership model that will allow them to share kiosk ownership with clinical officers and communities, resulting in the creation of a social enterprise spin-off, Ubuntu Healthcare. SHOPS worked with the American College of Nurse Midwives to implement clinical trainings on evidence-based intrapartum services to improve clinical quality at Jacaranda and Ruaraka Uhai Neema Hospital. In general, SHOPS provided access to new technologies, health financing experts, investment training, costing analyses, and employee mentorship. To conclude its assistance, SHOPS is facilitating meetings between each of the grantees and an investment scout to help the seven organizations better understand East Africa's investment landscape, any perceived gaps in their business models, and specific potential investment opportunities once those gaps are addressed.

Results

New social franchise framework to deliver high quality, affordable health services

Through its support to the Equity Afia initiative, SHOPS has provided EGF with the tools needed to scale the provision of quality health services and increase coverage of private health insurance. Due to the time required for EGF to secure enough funding and to develop the necessary management and clinical tools, the first Equity Afia clinics opened toward the end of the project. As a result of SHOPS support, Equity Afia gained the necessary foundation to open its first facilities, quickly scale up the number of franchised members, and ensure the initiative's sustainability without donor funding. By its fifth year, EGF intends to have 300 franchised clinics serving a total of 600,000 patients per month, providing 80,000 clients with family planning services and 85,000 people living with HIV with ART. SHOPS's contributions will be vital to meeting these goals.

Figure 13. Changes in participants' knowledge from Nairobi trainings



Improved private provider business skills

The Business for Health training course helped private providers improve their business management skills. Participants in the Nairobi training course reported improved knowledge in all sections (Figure 13). Furthermore, although less than half of the participants showed up for the first training sessions, positive word of mouth helped attendance almost double in size by the end of the course.

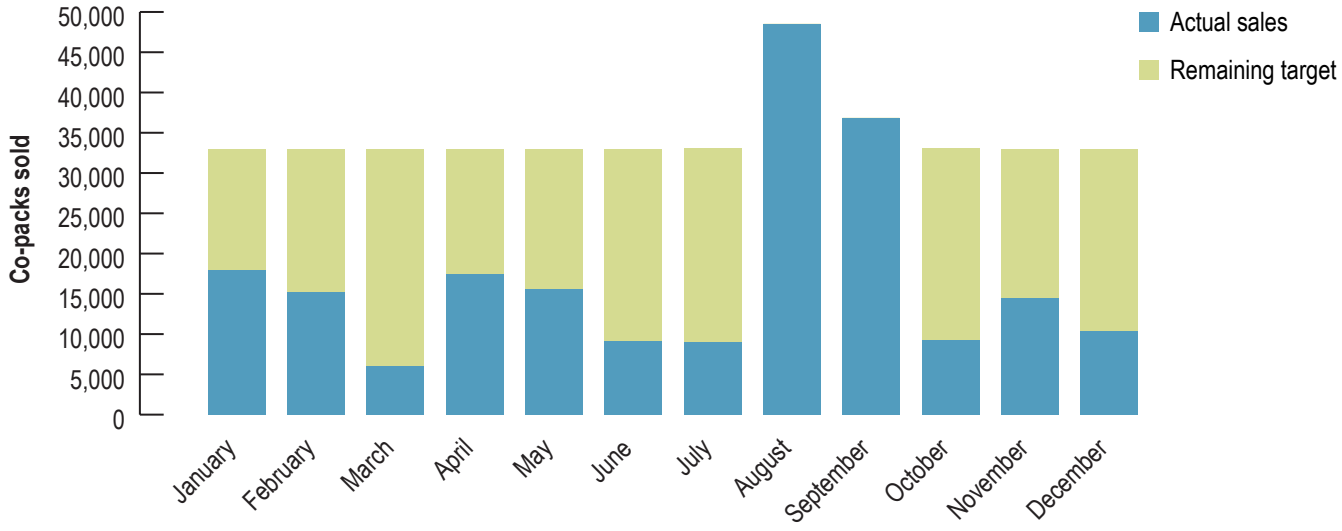
Participants found the material very helpful. They highlighted their improved ability to keep records and manage their medical supplies to prevent contamination and damage as key successes.

Scaled provision of improved childhood diarrhea treatment

SHOPS efforts helped thousands of mothers and fathers access ORS and zinc treatments through the private sector. In 2013 and 2014, SHOPS trained 4,562 providers at 40 continuing medical education workshops. The market activation efforts distributed 7,207 fliers, posters, and trade balloons to reach approximately 8,000 people living in slums in Mombasa and Kisumu. Based on diarrhea incidence rates, previous sales of ORS, and projected market support, CHAI and the national technical working group set monthly and annual sales targets for ORS and zinc co-packs of 33,000 and 400,000 respectively. In most months, these targets weren't reached (Figure 14), for a number of reasons. Demand from private facilities was suboptimal because they could increase their profits by selling separate products rather than co-packs. Additionally, some of the sales channels (e.g., community-based organizations) proved to be less effective than anticipated. Sales did spike in August and September due to a large number of purchases from the Mission for Essential Drugs and Supplies (a faith-based organization focused on providing quality, affordable pharmaceutical and medical supplies) for distribution to its members in advance of the short rainy season. In total, Phillips and Cosmos sold almost 210,000 co-packs in 2014.

This work resulted in improved access, affordability, and availability of ORS and zinc products in the private health sector. SHOPS improved knowledge among private providers on how to deliver quality child health services and enhanced awareness of appropriate diarrhea treatments among the general population through behavior change communication. Strengthened strategic partnerships through early inclusion of different groups and frequent collaboration were crucial to the success of this program. To facilitate future efforts, other partners, like the Pharmacy and Poisons Board, should be brought in earlier, as they may need to approve marketing materials, a protracted process in the SHOPS experience.

Figure 14. ORS and zinc co-pack sales in Kenya, 2014



Increased productivity and expanded reach of private manufacturers and health care providers

The HANSHEP Health Enterprise Fund has seen progress toward its long-term goal of improving health outcomes among low-income populations. Kenya's working poor population now has greater access to new products and services, strengthened distribution channels, and additional points of care. In the fund's first 15 months, grantees reached 23,621 individuals with priority family planning, maternal and child health, and HIV products and services.

Through SHOPS's efforts to strengthen their business and management practices, the grantees have become more sustainable and gained access to additional sources of revenue. For example, by the end of the first year, Afya Research Africa's kiosks were recovering 99 percent of their operating costs. Grantees have also established 62 private-private or public-private partnerships. While the initial results are impressive, the full impact of the Health Enterprise Fund will continue beyond the SHOPS project's conclusion.

Grantee impact

- Nine new health products and services, including Penda Health's "Penda Postpaid" financing product, which offers more flexible payment options for low-income individuals
- 12,517 reusable sanitary pad kits distributed to girls through Afri-Can Trust
- 10 new Afya Research Africa health kiosks that delivered 1,300 family planning services, 1,400 maternal and child interventions, and 400 HIV tests

Jessica Scranton

A model to reach low-income populations

Provision of care that is both high quality and affordable to poorer segments of the population is a common challenge for private providers that aim to be financially self-sustainable. LiveWell Health Clinics (later renamed to Viva Afya) was founded in 2009 to provide essential and preventive health care services to the poor in Kenya's urban areas. By mid-2012, LiveWell had five clinics in slum areas in Nairobi and two in urban areas in Central Province. The SHOPS project conducted a process evaluation of the LiveWell model to assess whether it could provide affordable quality health services to the urban poor and be financially viable. The assessment determined that LiveWell faced some internal sales and marketing constraints to fully promote its services, but that the model allowed it to serve both middle- and lower-income clients with quality family planning services.

Lessons Learned

Jessica Scranton

LESSONS LEARNED

A number of lessons were learned from the SHOPS program in Kenya that could inform future private sector development, especially regarding how to engage private financing agents and private providers to support national HIV and AIDS programs.

The private health sector presents additional opportunities to mobilize domestic resources for health programs.
The SHOPS project's activities leveraged financial contributions from the private health sector to strengthen Kenya's health sector and increase access to health services. Pharmaceutical manufacturers and distributors contributed their own funding to expand access to ORS and zinc for childhood diarrhea. Private health insurance companies invested time, money, and human capital to improve their ability to sell and manage low-cost health insurance products. Since the start of SHOPS assistance in 2013, *Afya Bora* and EquiHealth leveraged over $1.5 million in private domestic sources for health through the collection of premium payments. Private foundations financed the creation of new social health franchises to deliver priority health services.

This willingness to invest in health presents many opportunities. As the government implements its UHC roadmap, the private sector has shown itself willing to contribute additional resources that could raise domestic financing for health, shift some of the burden from public sector facilities, and create a more sustainable health system. Additionally, as the Kenya MOH considers changing ART eligibility requirements in order to increase the number of people living with HIV on treatment, the private sector could provide additional resources to support this goal.

Private health insurance could be an effective tool to increase the population of people living with HIV enrolled in ART by expanding access to care and treatment at private health facilities.
HIV is more prevalent among urban and wealthier populations, and private sector providers are mostly concentrated in urban areas. Affordable and comprehensive insurance products can serve as an entry ticket for Kenyans seeking care and treatment for HIV at these facilities. SHOPS's work demonstrates the ability of health insurance to facilitate access to care for all health services, including HIV care, at private facilities. The project's efforts to engage informal sector workers and lower-income groups on the value of health insurance demonstrated that these groups—which have historically been viewed as a nonviable market—are interested in and willing to purchase health insurance coverage.

Through their work with *Afya Bora*, Equihealth, and Equity Afia, companies like CIC and Equity Bank have demonstrated the ability of Kenyan organizations to create solutions—like affordable health insurance products that cover HIV services—that would benefit all Kenyans. Continuing this work could help reduce financial barriers to care in the private health sector. In order to maximize this outcome, insurance companies and public regulatory agencies will need to ensure that the insurance industry operates in a transparent, accountable, and open manner to counter negative perceptions of companies' profit motives. Additionally, insurance companies will need to invest more resources to strengthen their management and administrative processes as membership and claims increase.

Engaging the private sector requires addressing business challenges.
To successfully engage the private sector, SHOPS framed public health goals in the context of existing business problems of interest to private sector stakeholders. This effort required identifying key private sector stakeholders, understanding the sector's diversity, and actively engaging the leadership of private institutions to harmonize goals, build a common vision, and demonstrate the project's value to the industry. SHOPS worked with private providers and insurers to demonstrate how technological innovations and low-cost products could reduce administrative costs and increase their memberships. While these outcomes spoke to the organizations' business interests, the activities also led to increased coverage for HIV and other health services, as well as expanded data for decisionmaking.

New technologies and data present opportunities to strengthen sustainable private sector models. SHOPS introduced technological innovations—including an electronic data interchange—which allow decisionmakers and stakeholders to access cost and benefit utilization data. Technologies that improve access to this type of data reduce cost and present opportunities for improved health management. Costing and pricing data help ensure that private providers and health insurance companies are charging a reasonable rate for their health services. Additionally, de-identified claims data from electronic claims systems can support private sector reporting on diseases with public health impacts, and improve monitoring of HIV. This kind of information can help disease-specific government and donor programs better target their funds to bring about a greater return on their investment. New technology has already revolutionized Kenya's telecommunications industry; through its work, SHOPS demonstrated that it can bring about similar transformations and improvements in the health system.

The private sector is not accustomed to sharing information. Many private sector actors are reluctant to share data and information for fear of giving away a competitive advantage. This fear made collecting data for the costing exercise and other activities a challenge since it required access to sensitive financial data. To combat this unwillingness, SHOPS had to take the necessary time to explain the value of participating to various institutions and to develop defined data-sharing protocols. While the collected data were not always of the highest quality, sharing the results with the facilities helped demonstrate the value of the exercise as the findings provide actionable data for facilities to use in their decisionmaking and operations. With the right implementation and regulatory framework, data can be used for policy, research, HIV program design, and commercial purposes such as product design and market research.

CONCLUSION

Going forward, Kenya's HIV response has clear objectives including reducing HIV transmission by 75 percent, reducing AIDS-related mortality by 25 percent, and increasing domestic financing of HIV programs by 50 percent. In support of these objectives and the UNAIDS 90-90-90 goals, PEPFAR identified high-priority activities and geographic areas to scale up access to testing, ART for adults and children, prevention of mother-to-child transmission services, voluntary male medical circumcision, and condoms in support of Kenya's goals. Achieving these objectives will require continued partnership and growth. Assuming a relatively stable incidence rate of 100,000 new infections per year, achieving these goals requires increasing those on treatment by approximately 1.3 million, an increase from 2014 ART coverage levels of approximately 178 percent.

The SHOPS program in Kenya shows that equipping private providers with the necessary skill to deliver quality services and efficiently manage their businesses can help more people access needed health care including HIV, child health, and family planning services. Introducing new innovations to the health financing market—new sales channels to reach untapped markets, cost-savings innovations to lead to more affordable products, and others—can ensure that patients seeking care in the private sector do so with increased financial protection from catastrophic health spending. SHOPS assistance brought together a wide array of partners—private providers, payers, foundations, networks, and policy organizations—to strengthen their own capacity. In the process, this work strengthened the overall Kenyan health sector and the country's national HIV response.

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For more information about the SHOPS project, visit: www.shopsproject.org

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