



Reaching new Markets and Revenue - Health Provider Linkages with MFIs

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 **USAID**
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SHOPS Private Health Sector e-Conference Series
Expanding Access to Finance for Health
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Microfinance as a Platform

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



I seek information to protect my family



I seek money for health expenses



I seek good health care providers



I seek quality health products



Client health protection needs

Linkages between health care providers and MFIs

- **Informal**
- **Formal**
 - Basic referral
 - Contracted health services (mobile)
 - Direct payment (fee-for-service)
 - Prepaid health service/health microinsurance
- **Access to financing or loans**

Formal Linkages - Examples

Basic referral

- **CARD, Philippines – “Preferred Providers”**
 - Discounted network (10-40%)
Valued by clients and providers
- **CRECER, Bolivia – Referral list**
 - Promoted by credit agents
 - Negotiated fees

Formal Linkages - Examples

Contracted (mobile health services)

- **CRECER, Bolivia** – Health fairs
- **Pro Mujer, Peru** – In-center services and health fairs
- **CARD, Philippines** – In-center services

Formal Linkages - Examples

Direct Payment (MFI→Provider)

- **CRECER – Health loans**
 - Negotiated fees
 - Payment directly from MFI

Formal Linkages - Examples

Prepaid services or Health Microinsurance

- **CEDES – Ecuador**
 - Consults and discounts for medicines, dx tests, inpatient care
- **Pro Mujer – Peru**
 - Primary care, reproductive health, lab
- **CARD – Philippines**
 - Enrollment and premium loans for PhilHealth and/or private health insurance scheme
- **Uplift –India**
 - Health mutual

Access to Loan Financing - Examples

Accion Microfinance Bank – Nigeria

- Current loans are with providers of medicines and health supplies with good success
- New partnership with USAID/SHOPS will enable larger loans with 50% loss guarantee

Opportunity Microcredit – Romania

- To enable physicians to purchase medical equipment

Benefits to Health Providers

- Promotion of practice/services
- Increased reach and service provision
(increase revenue)
- Opportunities to coordinate for patient education
- Enhancement of the double bottom line

Benefits to Health Providers

Microfinance and Health Research Results (2006-2010) Freedom from Hunger

Increased client capacity to use and pay for health services

RCPB clients in Burkina Faso were more confident in their ability to save and pay for future health care expenses and more likely to seek out preventive care.

33% of Bandhan's health loan users in India would have delayed treatment without the loan.

In Bolivia, 24% of clients who attended mobile health days had never seen a health provider before.

Benefits to Health Providers

“The partnership with CRECER helps us to improve health in the community. With this partnership we can reduce the maternal child mortality rate. “

Dr. Mary Aleluya Yugue, Hospital Publico Achacachi, Bolivia



“My total number of patients has increased since partnering with CARD.” **Dr. Reynolds, Hospital, Mulaney, Philippines**

Sustainability

Integrated microfinance and health protection products can be inexpensive for MFIs to offer and potentially enhance MFI competitive advantage.

NET ANNUAL COST PER CLIENT

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

Integrating health and microfinance – Benefits across stakeholder groups

MFI

- **Low cost, marginal profits**
- **Competitive advantage**
- **Financially stable clients**

MFI Clients and Families

- **Health care knowledge and behaviors**
- **Access to care**
- **Financial protection**

Health Care Providers

- **Outreach**
- **Revenue**
- **Possible access to financing**

Community

- **Rational use of health services**
- **Healthy, productive communities**

Call to Action



- Innovation around MFI-health provider payment schemes
- Explore and develop opportunities for loan financing from MFIs
- New space for convening and collaboration across microfinance and health sectors

Resources

Technical Guides:

Market Research for Microfinance and Health Protection

Developing Linkages with Health Providers

Research:

The Business Case for Adding Health Protection to Microfinance

Research Reports for Bandhan (India); CARD (Philippines), CRECER (Bolivia) and RCPB (Burkina Faso)

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