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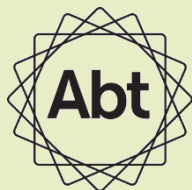


Strengthening Health Outcomes  
*through* the Private Sector

# After the Gold Rush: Advancing Health Outcomes with Microfinance

Thierry van Bastelaer  
Abt Associates

USAID Mini-University  
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Banyan Global  
Jhpiego  
Marie Stopes International  
Monitor Group  
O'Hanlon Health Consulting

# Why Link Health and Finance?

- Support financial instruments that reduce or spread out out-of-pocket payments for health care:
  - Financial protection
  - Access to quality health care
- Leverage grassroots financial structures to advance health outcomes

# What is “Microfinance”?

- Financial services for low-income clients
- Small, regular amounts
- Reaching at least 120m people with savings, insurance, remittances, loans
- Loans: little or no collateral; joint or individual liability
- Reliance on horizontal and vertical social capital, regular meetings
- Provided by MFI NGOs, banks,...

# Why Focus on Microfinance for Health?

- Controversy
  - “Most powerful anti-poverty strategy ever invented”?
  - The New Loan Sharks?
  - Microfinance is finance
- No controversy
  - Focus on women and low-income families
  - Field presence
  - Regular meetings, small financial transactions
  - Pre-existing trust
  - Very large “captive market”

# What are Opportunities for Health?

- Health messages
- Health products
- Treatment and referrals
- Health finance:
  - Health savings
  - Health loans
  - Partner-agent model of micro health insurance

# Microfinance and Health: How does Pro Mujer's Model Work?



Woman wants a loan for her small business

Joins or forms a group of women who want the same and whom she trusts

Comes to Pro Mujer where group is finalized and members guarantee each other's loans

**Direct contact with a group of asymptomatic women at high risk of suffering from chronic conditions**

# Microfinance and Health: How does Pro Mujer's Model Work?



Each woman starts out with small loan for her business

Group comes to Pro Mujer offices where they repay loan, receive training, access health care

With each successive loan the woman can take out more money

**Low opportunity cost: one-stop shop. Information, incentive, convenience**

**Follow-ups and access to more health and finance training**

# Pro Mujer Nicaragua

Cost: US\$ 2.40 per month

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Education	Diagnosis	Consults, Counseling, Referrals
<ol style="list-style-type: none"> <li>1. Reproductive health</li> <li>2. Maternal health</li> <li>3. Domestic violence</li> <li>4. Cervical and breast cancer</li> <li>5. Diabetes</li> <li>6. Hypertension</li> <li>7. Adolescent sexuality/pregnancies</li> <li>8. Respiratory diseases</li> <li>9. Diarrhea and GI diseases</li> <li>10. Seasonal problems</li> </ol>	<ol style="list-style-type: none"> <li>1. Blood pressure measure</li> <li>2. Blood test</li> <li>3. Body mass index</li> <li>4. Urine test</li> <li>5. Glycemia</li> <li>6. PAP smear</li> <li>7. Clinical breast exam</li> </ol>	<ol style="list-style-type: none"> <li>1. Medical consults and counseling</li> <li>2. Diagnosis, treatment, follow-up</li> <li>3. Referrals to specialists at discount prices</li> <li>4. Discounts on medications/treatments</li> <li>5. Others TBD</li> <li>6. Referrals/collaboration w/ public sector</li> </ol>

## Additional Services (Fee-for-Service)

1. Colposcopy
2. Pregnancy tests/MAC
3. Ultrasound
4. Others TBD by market/collaborations





## 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

# Partner-Agent Model of Micro Health Insurance

- Aligned incentives:
  - MFIs...
  - Insurers...
  - Clients...
- All the makings of a win-win-win solution
- Fully consistent with sustainable/profitable business models of both types of organizations

# Examples

- Bancosol-Zurich in Bolivia: 15,000 members
- SKS-ICICI in India: 1.5m - defunct?
- Basix-Royal Sundaram in India: 1.8m
- First Microfinance Bank-New Jubilee in Pakistan: 150,000
- CARD-PhilHealth in the Philippines: 14,000
- Faulu-Pioneer in Kenya: 3,000
- KWFT-NHIS in Kenya: 30,000
- SEAP-HCI in Nigeria: 5,000

# A Promising but Fragile Model...

- Powerful model, but very delicate
- Must successfully address same issues as any other health insurance product, plus a few more
- Needs careful and precise calibration
- Needs constant monitoring and adjustments
- But the payoff can be enormous for insurers, MFIs, and low-income families

# 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
- More rational use of health services



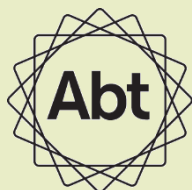
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[thierry\\_van\\_bastelaer@abtassoc.com](mailto:thierry_van_bastelaer@abtassoc.com)

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



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