

## Penda Health and MicroEnsure: Affordable, Quality Health Care at Low Cost

Over 100 million people in East Africa struggle to receive basic health care that is affordable and high quality. Many Kenyans experience this problem due to inconsistent cash flows. Low-income Kenyans spend 88 percent of monthly earnings during the first week of the month. As the month progresses, they are more likely to go without care because other expenditures must be prioritized. When they do seek care, it is rarely preventative: instead it is to treat urgent and often life-threatening issues.

Penda Health is a for-profit health care provider in Kenya that operates high quality outpatient medical centers, offering a package of preventative health services at low cost. MicroEnsure is a global social enterprise, serving more than 12 million customers through a range of microinsurance products and services in health and agriculture. The HANSHEP Health Enterprise Fund, implemented by the SHOPS project, selected Penda Health and MicroEnsure to form a partnership to address the issues of health care quality, affordability, and accessibility for low-income Kenyans.

### The Business Model

Penda Health distinguishes itself with an emphasis on efficiency, well-trained staff, and a friendly service-oriented culture. Health services are centered on patient needs and complemented by health education events, while maintaining high quality of care at low cost. By narrowing its list of services, and hiring mid-level health professionals, costs to the patient are approximately one-sixth the price of other private clinics. Penda changed operating hours and made staff shifts to reduce labor costs by about 10 percent, without increasing wait time. Prior to the Health Enterprise Fund grant, Penda Health had successfully set up several pilot clinics and established its clientele using their efficient business model, but alternative payment models for its patients were lacking.

### Expanding Care to Low-Income Clients

Through the Health Enterprise Fund, Penda Health and MicroEnsure developed ways for large employers to address inconsistent cash flows and increase preventative health services. The fund supported the partnership to design and test three prototype models of health insurance with Penda clinics: 1) a university-sponsored capitated health insurance scheme for students and staff at Management University of



A receptionist at a Penda Health Clinic ready to greet clients.

Penda Health

### Grantee at a Glance

- Vision: Reach an additional 12,000 lives with affordable, quality preventative health care
- Innovation type: Alternative payment methods for low-income patients
- Health focus: Health financing; service delivery
- Target population: Low-income populations
- Country: Kenya

Africa (MUA) provided through a Penda on-campus clinic, 2) a post-paid program (“Penda Postpaid”), which was piloted with the Maasai Flowers Factory, and 3) a “scratch card” of pre-paid services starting with a low-income school in an informal settlement. The on-campus clinic at MUA currently delivers quality care to 800 students and staff, who have employer-sponsored insurance. Penda Postpaid allows Maasai Flowers’ factory workers to pay nothing at the time of receiving services. Penda invoices Maasai Flowers and they deduct health care costs out of their employees’ paychecks. This new financing model has already been used by over 25 percent of Maasai Flowers’ employees, and is being expanded to other large employers. Finally, the scratch card product is a bundle of pre-paid health services, such as well baby check-ups and adult consultations, sold together at a significant discount. Pre-payment for services encourages preventive care seeking behavior and benefits Penda because they do not have to follow-up to receive payments from patients or employers.

To complement the new payment models, Penda has designed workplace outreach and education events, including health talks and trainings on topics like occupational safety, and on-site outreach to deliver preventative health services, including HIV testing, family planning, and vitamins for children under 5, to the community. Through technical assistance provided by the Health Enterprise Fund, Penda worked with Matchboxology, a human-centered design marketing firm, to refine outreach activities to make them more effective at converting attendees into customers. Using a human-centered design approach, Penda and Matchboxology came up with a list of marketing strategies, such as taxi vouchers to encourage new customers to travel a little further to experience Penda’s top-quality service.

## The Impact

“The services in Penda are good and once you visit the facility then somebody calls you... the following day to ask you how you are feeling if you need to go back for another visit if you have finished your medication. You...feel somebody is taking care of you and you feel loved and the staff are motivated to work... so Penda is good.” - Penda client

Through the cashless financing programs and outreach events that Penda and MicroEnsure have developed with the support of the Health Enterprise Fund, over 15,000 people have received health services. To date, the number of patients paying with a form of payment other than cash has increased by over 50 percent.

The Postpaid model now covers over 1,500 people who previously had no coverage, and has led to noticeable increases in the number of patients that seek services at Penda during the second half of the month, when cash is at its lowest. Penda and MicroEnsure aim to expand the model into more workplaces and schools, to reach an additional 12,000 people. They plan to scale up their on-campus clinic model for other clients, and will also expand their workplace education and outreach activities, with the goal of reaching 50,000 people with preventative health care services.

Access to affordable preventative care has economic benefits in reducing the number of people admitted to hospitals and the resulting loss of productivity for business and loss of income for individuals. Therefore, enabling access to affordable preventative health care not only lowers overall costs to the individual, but to the health system as a whole.

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The Strengthening Health Outcomes through the Private Sector (SHOPS) project is a five-year cooperative agreement (No. GPO-A-00-09-00007-00) funded by the U.S. Agency for International Development (USAID). The project 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. SHOPS is led by Abt Associates, in collaboration with Banyan Global, Jhpiego, Marie Stopes International, Monitor Group, and O’Hanlon Health Consulting. The views expressed in this material do not necessarily reflect the views of USAID or the United States government.

For more information about the SHOPS project, visit: [www.shopsproject.org](http://www.shopsproject.org)



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