Improving Access to Quality Healthcare Services through Community Risk Pooling

Workshop on
"Community Level Processes in Ensuring Health to the Urban Poor "

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Outline of presentation

- Avoidable deaths
- Burden of healthcare on the poor
  - Costs of treatment: Indirect and direct
  - Sources of funds
  - Who do government subsidies benefit
  - Economic burden of hospitalization on the poorest
- Program experiences
  - How can community groups address these challenges
- Challenges and Program Implications

Avoidable deaths in India

- Millennium Development Goals 4 and 5 target to reduce maternal mortality by 75 per cent and child mortality by 66 per cent from the levels seen in 2000.

- In India, an estimated 136000 mothers and 2.5 million children die every year, most often due to causes that are preventable or easily treatable if immediate help is available.

- India should reduce its Maternal Mortality Ratio (MMR) from 540 to 135, and its under-five child mortality from 96 to 32 to achieve MDGs

- Repeated illnesses reduce an individual's productivity; such individuals are a drain on the nation's economy

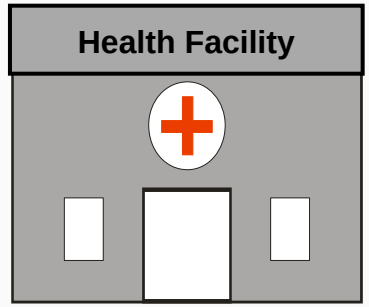
Burden of healthcare on the poor

- Households undertake nearly three-fourths of all the health spending in the country (National Commission on Macroeconomics and Health, 2005)
- For urban households, spending on health accounts for 5.2 per cent of their total consumption expenditure up from 4.6 per cent in 2003-04 (National Sample Survey data for 2004-05)
- Household health care expenditure imposes a heavier burden on the poor.
- For them it has emerged as the largest source of indebtedness-than on the well to do.

Cost of treatment: Direct and Indirect

Cost of transport

Doctor's consultation fee

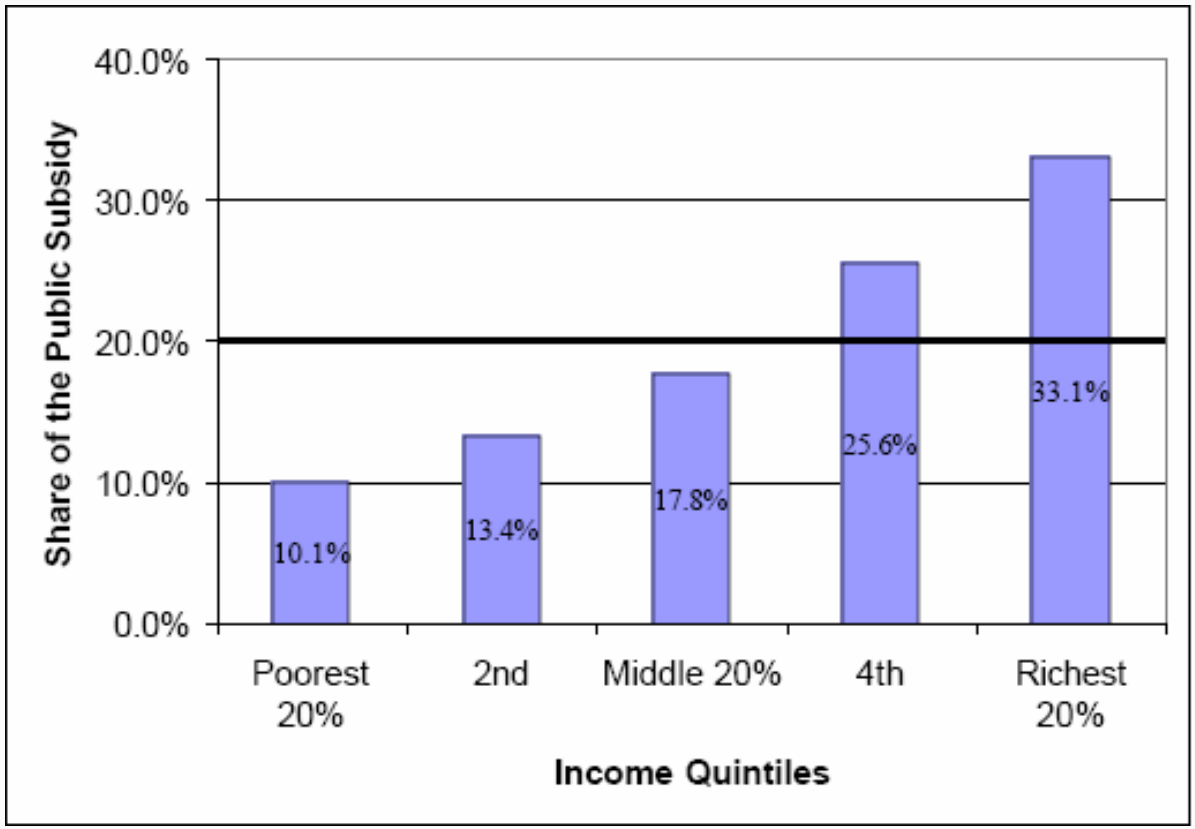


Cost of hospital admission

Loss of wages

Cost of medicines

78% Public subsidy for Curative Care Goes to Richest 3 Quintiles



Ajay Mahal et al,2001

Source of money

Erratic income

No savings

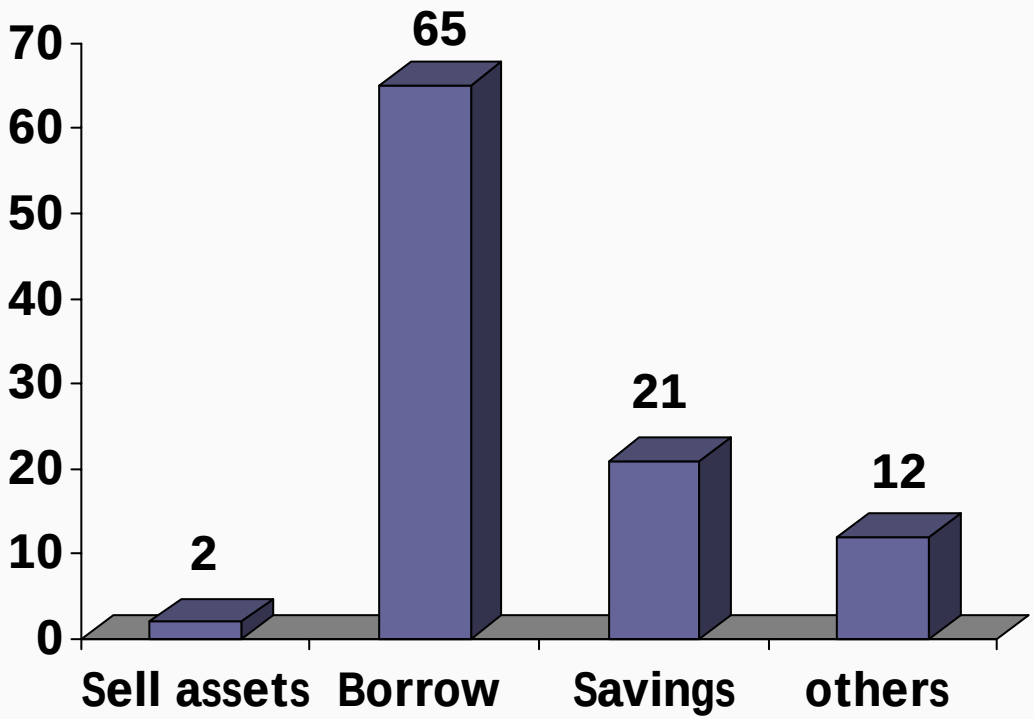
No support from banks

No social support; as most are nuclear families

Forced to borrow from local money lenders at high rates of interest

A study of Nagpur city by the National Institute of Urban Affairs (2001) recorded that 14.4% of slum households incurred debt on account of illness

Economic Burden of Hospitalization on Poorest Quintile



Gumber and Berman,1994 using NSS 1995-96

Program Experiences

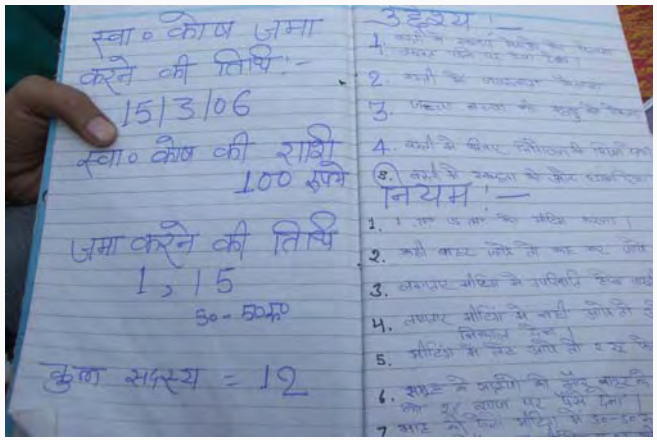
Addressing the problem in Agra and Indore

- Active and socially committed women emerged from program slums and were organized into groups
- Capacity of these groups was built through training sessions with help of local NGOs
- They were provided inputs to build institutional, program (providing knowledge on healthcare), linkages and financial capacity
- There are 96 such groups in Agra and 90 groups in Indore

Promoting health funds

Women in slums realizing the importance of ready source of money, started health funds

Women contribute Rs.10 to100, monthly to the health fund



Rules, regulations and all financial transactions are documented

Groups are being encouraged to have bank accounts

Initiation

- After the groups have developed a deep understanding of their objective of improving health of their fellow basti residents and have been undertaking related activities successfully, they are stimulated to initiate health funds

- This is generally done through the following processes
  - Helping the group identify examples where a family has experienced lack of money for treatment
  - Organizing cross visits to groups who have a fund

- After the group members are completely convinced of the need, the fund gets initiated

- Groups are then helped to develop rules and regulations after a thorough discussion among all members

Maintenance of records and bank account

Maintenance of records

- Capacity building sessions on documentation organized
- Literate members are encouraged to take the lead
- Treasurer appointed to take care of financial transactions
- Encouraged to ensure transparency in financial dealings

Bank accounts

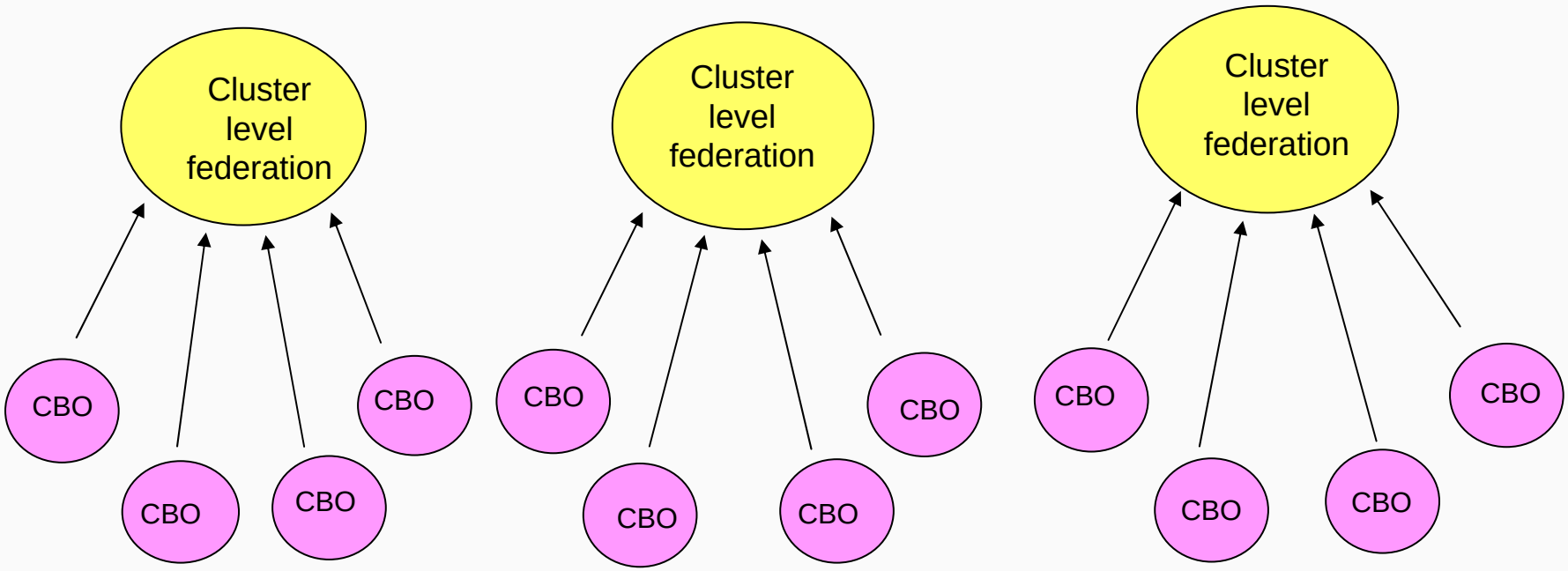
- Once the group has sufficient money and has been undertaking financial dealings successfully for sometime, they are introduced to the idea of a bank account
- Account is in the name of the group and has three elected signatories

Rules and regulations

- Monthly contribution: Decided depending on paying capacity of the financially weakest member. Some groups have also increased their monthly contribution overtime depending on needs
- Loan Disbursal
  - Prioritization facilitated; health given highest priority
  - Deadlines fixed to return money
  - Fines in event of delays
  - Application for seeking loans; provision and format
  - Emergency Loans; minimum members required to decide disbursal of loan during emergencies when all members cannot be immediately informed
  - Provision of a guarantor
- Rates of Interest: Generally lower for group members than for non-members, and for health loans

Funds at Federation level: The future

One such cluster level federation has been initiated in Agra with 14 groups representing 12 slums. They have collected Rs.6500 through monthly installments of Rs.100 and an admission fee of Rs.150 per member



1 elected representative per CBO in a cluster get together to form a cluster level federation

NOTE: Women's groups also referred to as Mahila Arogya Saamiti or CBO

Outcomes: Agra

Total amount collected and sources

Contribution by members	Donations	Renting of sitting mats and dholak	Interest on health loans	Interest on personal loans	Fine or penalty	Other sources	Total
243037	8884	21874	15843	4985	295	1190	**296108**

Rs.6500 is available with the federation group

Creative ways to increase health fund, besides monthly contribution and interest

- Renting out dholaks or sitting mats in times of weddings or other ceremonies that occur in the basti. Rent charged varies from Rs.20 to Rs.50.
- Purchasing utensils and tents from their fund money and renting them out at rates lower than what the basti residents may get in the market.
- Organizing prayer ceremonies and using offerings as donations to the fund.

Outcomes: Agra

- In Agra 84 groups representing a slum population of 132400 have collected a sum of Rs.296108 between February 2006 and December 2007
- 34 of these groups have a bank account
- Groups have given out 319 health loans amounting to 230500
- 227 loans were for maternal and child health, 92 for other health needs
- Groups also give loans for purposes such as education, household problems

Outcomes: Indore

- In Indore 15 groups, 50,000 representing slum have health funds amounting Rs.40000
- 25 SHG also disburse health loans
- 200 maternal-child health loans; 300 general health loans disbursed between Jan - Dec 2007

Challenges and Program Implications

Challenges

- Hesitation and refusal by some members to contribute money to the health fund owing to:
  - Perception that the health fund is equivalent to saving money at home
  - Extreme poverty
  - Fear of pilferage by NGO staff or other members
- Difference of opinion among group members due to social factors
- Deviation of focus from health activities to increasing money in the health fund and thinking of livelihood options at a premature stage
- Poor documentation due to most women being illiterate
- Weak and incomplete rules causing conflicts

Implications

- Improved access to health care
  - Ready money at slum level for meeting health exigencies
  - Unnecessary delays in seeking treatment avoided; more mothers, children saved from infirmity and death
- Reduction in financial burden
  - Loan available at lower interest than money lenders
  - Indirect cost reduced as women have right knowledge and the ability to negotiate for better health care services
  - Freedom from exploitation by local money lenders
- Empowered, happier, more confident women
  - Increased decision making capacity among women
  - Increased confidence and ability to handle money
  - Increased knowledge of accounting
  - Increased access to banks and other external stakeholders
- These organized groups also provide an impetus to the public healthcare delivery system by increasing demand
- Possible linkage to insurance schemes

Never doubt that a small group of thoughtful, committed citizens can change the world - indeed it's the only thing that ever has - Margaret Mead