

LEARNING & ANALYSIS BRIEF



**M-CHAMA: A COMMUNALLY-FUNDED MOBILE HEALTH WALLET
EMPOWERING COMMUNITY GROUPS IN URBAN KENYA TO
SAVE AND PAY FOR HEALTHCARE THROUGH INNOVATIVE
MOBILE HEALTH SOLUTIONS**



This brief describes the results of the evaluation of a new mobile-based financing product pioneered at the PharmAccess Mobile Health Research Lab in Nairobi, Kenya. The evaluation aimed to determine the product's effects in supporting a culture of saving for healthcare through social groups and to describe the experiences of various stakeholders.

Mobile technology has the potential to profoundly reshape healthcare systems by altering the way healthcare is financed, delivered, and received. One innovative model that is currently gaining traction, especially in East Africa, is the concept of the "mobile health wallet". The mobile health wallet aims to store mobile money to prepay for healthcare so as to reduce the immediate impact of unexpected out-of-pocket expenses, increase transparency and trust, and attract increased investment into healthcare.

The mobile wallet 'M-Chama' is based on the concept of a 'chama', i.e. an exclusive, social group where members contribute money for a specified reason. PharmAccess Group, in collaboration with its partners CarePay and Dodore, is currently developing and testing M-Chama. This evaluation fo-

cus on the effects of incentives on people's use of the mobile wallets to save and pay for healthcare. Additionally, we assessed the usability of the mobile wallet from the perspective of members and healthcare providers and the mobile wallet's support of a saving culture for healthcare through social groups.

Six groups participated in the test: four groups in Kibera and two in Dagoretti. The groups consisted of men and women between the ages of 25 to 60 years. Each group decided what amount they wanted to contribute to the wallet. Groups were offered an incentive if all members contributed on time. Providers were identified and contracted to provide services in areas close to the chama members.

Lessons learned

- Overall, the introduction of M-Chama garnered positive feedback from both members and providers. However, it was difficult to set up the system in areas without a community representative to promote trust in the concept among groups.
- Members required a lot of training and ongoing support to enable them to use the wallet. Some members dropped out of the test due to technical issues. Hence, subsequent versions of the product should be more user-friendly and fully tested to identify and address issues before they are launched.
- Some facilities were hesitant to participate in the program because prior dealings with insurance companies involved long reimbursement times for claims made. More efforts should be made to clarify the payment process underlying the M-Chama system to build trust in the system. CarePay should be available to provide on-site technical support regularly once it joins the program fully.

KEY COUNTRY FACTS

- 44.4 m** population (75% is rural)
- 45.9%** of people live below the national poverty line
- 43.4%** of people live on less than USD 1.25 /day
- 44.6%** of people's spending on healthcare is out-of-pocket
- 6%** general government expenditures on health (compared to 15% Abuja norm)

– Based on 2012 and 2013 World Bank and World Health Organization data.

CHAMA CONCEPT

Popular in Kenya and other parts of East Africa, chamas are informal microsavings groups used to pool and invest savings by people within a community. Each chama has its own member selection criteria. The success of the M-Chama mobile health wallet in Kenya could serve as the blueprint for rolling out a similar product in other countries where PharmAccess currently operates.

- 300,000** chamas in Kenya
- USD \$3.4 BILLION** net worth of chamas in Kenya

CHAMA STRUCTURES
Rotating Savings and Credit Associations (ROSCA)
Accumulating Savings and Credit Associations (ASCA)
Agricultural Cooperatives

Figure 1 A chama meeting in Kenya.



TAKE HOME MESSAGES

- Groups of women are willing to save for healthcare using a dedicated mobile health wallet. Once familiar with the concept they are even willing to save larger amounts for a small incentive.
- Through the use of the wallet, it is possible to build trust between members of a group and between members and providers. We observed wallet-to-wallet transfers among group members and saw providers give full treatment on credit.
- Consistent hands-on support is needed to ensure the successful implementation of such innovative mobile health systems.

Main findings

In December 2014, a year after the start of the wallet:

- The average member’s contribution, excluding incentives, was KES 12,967*.
- 74% of all M-Chama members in Kebira had utilized their wallet funds to pay for healthcare for themselves or their dependents.
- All chama members in Dagoretti still had wallet balances of KES 2,500 because they had not started accessing services.
- Most groups contributed consistently in the first half of the year, with some members dropping out in the second half of the year.
- The highest wallet balance was KES 2,400 and the lowest balance was KES 50.

* 100 KES ≈ USD 1, see www.xe.com, September 30th 2015

Beneficiaries’ experiences

“This scheme is great because I can see the balance in my wallet. If my money is not enough my fellow chama members can send me some money from their wallets.”

(Member quote)

- 100% of the members felt that using the wallet was a great way to save for healthcare.
- Some members dropped out of the test due to technical challenges following a software system switch by the insurer halfway through the test.
- Members reported that using the wallets increased their level of trust in the other members of the group and in healthcare providers.

Providers’ experiences

- All providers agreed that the wallet system was a good initiative to pioneer in low-income areas.
- Providers trusted that payment would be guaranteed for all services offered but felt that they should not have to wait more than 1 week for repayment.
- Providers felt the system needed some adjustment to allow members to make instalment payments if the amount they saved was not sufficient to cover the cost of treatment.

“I wish all our patients can pay using the health wallet because the money is safe and it’s easy to reconcile our expenditure.”

(Provider quote)

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MORE INFORMATION

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