

LEARNING & ANALYSIS BRIEF



LESSONS LEARNED FROM THE DIGITAL PAYMENT PLATFORM, FETS WALLET

BRINGING HEALTHCARE TO LOW-INCOME COMMUNITIES IN NIGERIA THROUGH MOBILE MONEY

This brief describes findings from the PharmAccess Mobile Health Research Lab in Lagos, Nigeria, where tests are ongoing to see how mobile money can be used to incentivize households in low-income communities to save and pay for healthcare.

The World Bank ranks Nigeria as having a high mobile-phone penetration rate standing at 77.8 mobile cellular subscriptions per 100 people. However, the mobile money industry in Nigeria has not yet attained a significant scale as witnessed in other sub-Saharan African countries such as Kenya. When it comes to health, an area in which Nigeria has below-par health indicators, it is clear that Nigeria needs to improve on its accessibility and financing for the benefit of the general population's health. Evidence from health systems around the world suggests that using mobile money for health has the potential to improve operations by reducing risks and costs incurred within health programs, save providers time and expenses in payment transactions, and encourage patients to save for healthcare.

PharmAccess established the mHealth Lab in Nigeria in 2015 to investigate how mobile money can be leveraged to pre-pay for healthcare. The Lab aims to design and test alternative and sustainable healthcare financing and service delivery products to gain insight into the mobile money industry, to

identify suitable partners for scale, and to improve access to quality healthcare and outcomes.

The mHealth Lab in Nigeria in collaboration with Funds & Electronic Transfer Solution Limited (FETS), a licensed mobile money operator (MMO) in Nigeria, conducted an mHealth experiment on cashless payments. The FETS wallet is based on the Unstructured Supplementary Services Data (USSD) mobile communication system which is reputed in some countries to be less costly to operate and more secure than the Short Messaging Service (SMS) system.

The wallet test was designed with the following objectives:

- Introduce low-income households to mobile payments as an alternative to cash payments for health services,
- To assess its usability and acceptability,
- To observe any changes in healthcare utilization in participating health facilities and in the target participants' health-seeking behavior.

The six-month test was conducted between July 2015 and January 2016 with three primary healthcare providers and one Patent Medicine Vendor

KEY COUNTRY FACTS

182.2 M
Population

USD 118
Health Expenditure per capita (2014)

71.7%
Out-of-pocket expenditure (2014)

OVER 70%
Population with access to mobile phones

77.8
Number of cellular subscriptions per 100 people

– Data according to World Bank



PROGRAM FACTS

85,840
Population of Makoko

50
Low-income households in the test

TARGET PARTICIPANTS
Women as principal caregivers with at least 2 children under age 5

USD 37
Average household income

3
Facilities participated in the test

and fifty low-income households in Makoko, a peri-urban community in Lagos. The test targeted primarily women with children under the age of 5 who already had a mobile phone. 75% of the women recruited had completed secondary school education. Only a few households had heard of mobile money, so field agents were recruited from the target community to help with promoting the wallet and aiding with reporting and resolving issues that arose during the test period.



Each household's monthly healthcare spending was subsidized by 2,000 Naira (USD 6.3) as an incentive to encourage participation in the program. The incentive was transferred to their wallet at the beginning of each month. Health facilities received no incentives beyond the attraction of dedicated clients during the test period.

Main findings

1. Users exhibited a fast learning curve. At the start of the test, the Lab was inundated with usability issues concerning the mobile money platform. This was expected as none of them had ever owned or operated a mobile money account. Common issues reported were inability to access funds in the wallet, inability to complete transactions at health providers and forgotten PINS. However, towards the end of the testing period, all these issues gradually reduced to near-zero level.
2. After test period, participating households reported the following results (see Fig. 1)
3. An increase in healthcare utilization. When compared to utilization rates in the preceding six months, 58% of the participating households

- increased their healthcare utilization rates.
4. Patent medicine vendors were identified as "preferred provider." The introduction of a licensed patent medicine vendor raised the weekly average utilization rate by over 300%. Households preferred to make most of their health purchases there because they typically charge lower rates than the health facilities.
 5. Over half of the money spent by the participating households (55%) went to over-the-counter drugs. Specific disease consultations and treatments at the clinics took up 27% of the funds, while 10% was spent on non-health purchases such as call credit and non-health consumables.

Next steps

During the test period, about 70% of the disbursed funds were spent by the participants. After the test close-out, some participants still had some funds left over in their wallets. Healthcare facilities and pharmacies subsequently reported the continued use of the mobile wallets by these participants. Despite participants not being able to save their own money into these wallets-as the provision for this had not yet been made-over half

the participants (57%) indicated that they would like the ability to save their own money.

The next phase of the test would include a savings component; specifically to test the sustainability of dedicated mobile health wallets for saving.

TESTIMONIAL

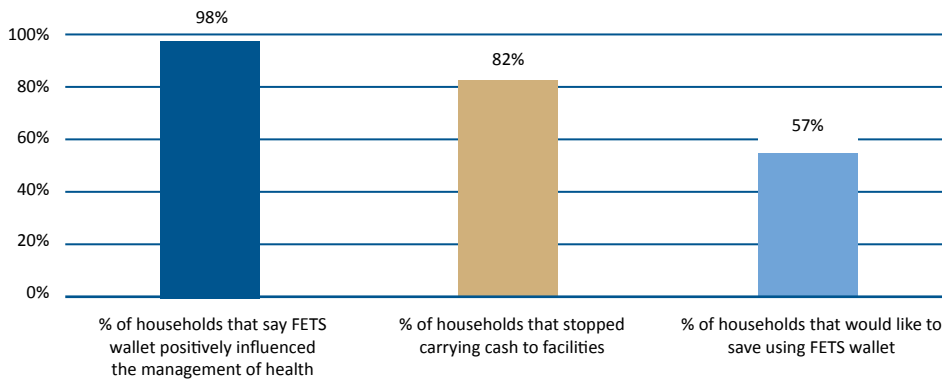
Blessing is a mother of five children who sells food commercially in the slums of Makoko. She admits that even though she previously had no idea she could use her phone as a mobile wallet; it did not take her long to learn and understand how to use the new system.

She also maintained that despite the subsidy for her household healthcare (which is almost half of her monthly income), she still actively compared prices across the health facilities participating in the program.

While her preferred health facility may be slightly more expensive than the other facilities, she prefers it because she feels the health professional there "knows what he is doing."



Figure 1 Impact of FETS wallet on households



TAKE HOME MESSAGES

- The test demonstrated that the use of the USSD mobile-money platform is fairly easy to learn and generally acceptable if the payment instruction is simplified.
- 96% of participating households utilized the mobile payment platform to purchase healthcare, suggesting that mobile health wallets, particularly when they have incentive features, encourage increased healthcare utilization rates. Providers, governments and NGOs should consider health wallets as a viable means of improving utilization of quality healthcare services.
- Households preferred to purchase medicine from patent medicine vendors as they are cheaper than health facilities.

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