PharmAccess Group

PROGRESS REPORT 2019

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PREFACE:

OUR SHARED MISSION

In 2019, through collaboration with (local) governments, the private sector and communities across sub-Saharan Africa, new policies and legislations have been implemented and our interventions have evolved and been scaled—increasing the potential for delivering better healthcare to 50 million people in Ghana, Nigeria, Tanzania and Kenya.

Dear friends,

In this report, we proudly present highlights and the impact of our 2019 activities. Achieved through the collaboration with (local) governments, the private sector and communities across sub-Saharan Africa, where new policies and legislation have been implemented and our interventions have evolved and scaled—increasing the potential for delivering better healthcare to individuals across Ghana, Nigeria, Tanzania and Kenya.

The results reflect not only raw statistics, but share the strategies behind our principle mission of bringing better healthcare to countries in sub-Saharan Africa (SSA) and the stories of how our work have catalyzed change and impacted people's lives .

At the time of publishing, the COVID-19 virus has spread around the globe destroying trillions in wealth in a matter of months. Affecting everybody everywhere, and making us realize that the world will only be safe when we are collectively able to stop the pandemic everywhere. In these unprecedented and uncertain times, universal health coverage (UHC) and the need to build stronger and more transparent health systems has become more evident and necessary than ever.

The countries where we work have adopted UHC, where national and state governments, despite budget constraints, are expressing their commitment to partly subsidize health insurance for low-income people. In Tanzania, the National Health Insurance Fund (NHIF) has been able to extend insurance to about 650,000 poor people through a collaboration with PharmAccess in the iCHF program. In Ghana, advances in data analytics are helping provide insights for improving the financing and delivery of health insurance to 40 percent of the population. In Nigeria, as the result of our work in Kwara, 30 of 36 states have adopted laws to provide subsidized health insurance. And in Kenya, the digital registration and income assessment of two million households using the mobile platform M-TIBA in three counties for UHC has been completed. These commitments mark a transformational shift in the way that healthcare is financed for millions of underserved people.

The continent has never been more connected. Over the last decade a surge in information and communication technologies has given nearly 70 percent of those in SSA access to a mobile phone. Leveraging these developments, our work with smart contracts for maternity and non-communicable diseases (NCDs) reflect a shift toward evidence and value-based care that uses mobile technology to better connect stakeholders and put patients where they belong—with more control, at the center of their own healthcare journeys.

In terms of Quality Improvement, we made important strides in 2019 by investing in a SafeCare digital quality platform that better connects providers and stakeholders with data for informed decision-making, while complementing the work with the thousands of public and private clinics that participate in the program to improve their quality levels. In Ghana, the cooperation between the Health Facility Regulatory Agency and National Health Insurance Authority (NHIA) means that there is now an incentive — in the form of income derived from insurance — for healthcare providers to adopt quality standards on a long-term, sustained basis.

Through the Medical Credit Fund we have financed more clinics with more loans than in any year before, with a total disbursement of over USD 20 million in 2019. This success is partly driven by our digital loan product in Kenya, the Cash Advance. Clinics can access small, fast loans from their mobile phone without the collateral requirements and burdensome administrative procedures. This in turn helps to improve the availability of primary healthcare to serve people in their everyday lives.

To address a fragmented supply chain that often delivers substandard or even fake medications in Ghana, we worked closely with partners to initiate a digital platform for procuring pharmaceuticals — so that people in Ghana can trust the medicines they buy, and at a lower cost.

None of our work would be possible without the collaboration with our highly valued partners, and the continued support of the Dutch Ministry of Foreign Affairs, the Nationale Postcode Loterij and many other donors and investors. We are very grateful for these long-term partnerships and commitments, which support us to continuously innovate, develop, improve and scale our interventions to achieve our mission.

As we look forward, no single intervention or organization can solve the healthcare problems facing our world. If anything, the COVID-19 pandemic has reminded every one of us that health systems can be fragile, and that we must continue to strive to ensure that every individual has access to dependable care.

We believe that the availability of data and mobile platforms has the potential to completely change healthcare financing and delivery in Africa and facilitate better, more patient-centered healthcare services. African countries cannot afford lockdowns. Technology offers an opportunity to build more transparent and resilient health systems, that can help contain this pandemic and can be sustained for the future. Making health markets work for all is what drives us at PharmAccess, and we are confident that with political will, through public-private partnerships and the use of technology this can be achieved.

Monique Dolfing-Vogelenzang
CEO PharmAccess Group

2001

Joep Lange establishes PharmAccess to demonstrate that HIV/Aids treatment is feasible in Africa

2003

Launch first Risk Equalization Fund for HIV/AIDS

Is it impossible to cover an HIV/AIDS patient for only €1,90 per month? The Vitality daycare, a basic medical fund in Namibia, showed the way

2007

Launch of the EUR 50.2m Investment Fund for Health in Africa (IFHA) that invests in fast-growing healthcare companies in sub-Saharan Africa

2007

HEALTH INSURANCE

Launch Health Insurance Fund

How can access to quality care for low and middle-income families in Africa be improved?

The Health Insurance Fund, launched by the Dutch Ministry of Foreign Affairs, aims to develop inclusive health markets in order to increase access to affordable and quality healthcare for low and middle income populations. It does so through the use of technology and introduction of innovative financing mechanisms, such as health insurance, mobile health wallets, blended investments and the improvement of healthcare quality.

2007/2008

States in Kenya and Nigeria launch their first Health Insurance scheme with support of the Dutch Ministry of Foreign Affairs and a public-private partnership including PharmAccess

2009

ACCESS TO LOANS

Launch Medical Credit Fund

With a lack of trust between health SMEs and banks, how can health SMEs grow their business and invest in quality? Since its launch MCF has proved, with over 4,000 loans, and more than $70 million disbursed and an average 97% repayment rate, that lending to health SMEs makes business sense and contributes to UHC by strengthening primary and secondary care.

2010

QUALITY STANDARDS

Launch Safecare

With international care standards out of reach for most health facilities in Sub-Saharan Africa how can quality be improved?

With SafeCare's stepwise quality process health facilities carry out assessments with 81% improved their quality. Assessments provide investors and donors with a benefit-risk analysis, turning them into attractive investment opportunities.

2010

AWARD

MCF awarded G20 SME Finance Challenge Award

Tanzanian Ministry of Health releases SafeCare guidelines nationwide

2014

AWARD

MCF wins OPIC Impact Award for Access to Finance.

Kwara Health Insurance program awarded:

- Finalist for the OECD AC Prize for taking Development Innovation to Scale
- Saving lives at Birth Award
- Selected as model for leapfrogging access to care by the World Economic Forum

2015

CarePay a company that digitally connects health payers such as insurers, beneficiaries and health providers on to one mobile platform is founded

2015

MOBILE HEALTH FINANCING INNOVATIONS

Launch M-TIBA

How can mobile reshape healthcare?

Over 4 million patients can now access healthcare from 1,400 + facilities direct on their mobile thanks to a mobile health exchange. M-TIBA facilitates access to care for low-income groups whilst distributing funds in the healthcare system in smarter and equitable (or something that refers to equity/social redistribution) ways, demonstrating that UHC can be achieved at low marginal cost."

2015

AWARD

SafeCare finalist for OECD DAC Prize for taking Development Innovation to Scale

2016

PRAGMATISM, SCIENCE AND ACTIVISM

Launch Joep Lange Institute

The Joep Lange Institute combines science, activism, and pragmatism to make health markets work for the poor in countries where the system fails the people.

2016

Winner, with AMREF, of Dutch Postcode Lottery's EUR 10m Dream Fund

2016

Dutch Ministry of Foreign Affairs refinances the HIF for 7 years

2017

AWARD

M-TIBA wins Financial Times/IFC Transformational Business award

Partnership with National Health Insurance Fund Kenya

HealthConnect launched to enable direct and fully transparent peer-to-peer funding through mobile.

2018

Diabetes and hypertension care pilots launched in Kenya with special partners

Kwara state, Nigeria, launches mandatory health insurance for all using mobile to enroll the population

2019

SMART CONTRACTING

MomCare

How can care be organized around the patients needs?

With MomCare, mobile data is leveraged to offer evidence and value based care, which puts patients and their health outcomes at the center of the decisions about allocating scarce resources.

2019

Financial Times Future of Healthcare conference

Medicine supply chain program, Med4All, launches in Ghana

At the United Nations General Assembly on UHC, David Malpass, the President of the World Bank, spoke about the effectiveness of the mobile health platform M-TIBA in delivering digital health insurance. His words to speak to how digital and mobile technology is revolutionizing healthcare, especially in Africa.

These advances provide enormous opportunities to address the challenges that have thwarted the efforts of governments and the private sector to deliver health for millions of underserved populations. Using available funds more effectively and building sustainable health systems are critical to our work, as well as harnessing data to strengthen these systems, and in ways that send the benefits back to society.

To promote a strategic dialogue on these issues, PharmAccess organized the Financial Times Future of Health Coverage Conference in May of 2019, along with the Dutch Ministry of Foreign Affairs, the Joep Lange Institute (JLI), and the private sector in both Africa and Europe. The conference was opened by Her Majesty, Queen Maxima, UN Secretary-General's Special Advocate for Inclusive Finance for Development. Sigrid Kaag, the Dutch Minister for Foreign Trade and Development Co-operation and Yaw Osafo-Maafo, the Senior Minister of Ghana, attended.

Key stakeholders discussed multiple strategies: for using mobile technology and data to enhance the financing and delivery of healthcare and private sector investments; advocacy for legislation on mobile payment services to expand financial services to millions of people in Africa without a bank account; and partnerships for scaling and learning from digital solutions for inclusive health coverage in developing countries. The value of health data was another recurring theme, as was a discussion on the risks and need for data solutions that serve everyone.

As a direct result of the conference – and the underlying advocacy – the Global Fund signed a partnership agreement with PharmAccess to support African countries in accelerating progress toward UHC by harnessing digital technology. Relying on a solid base of local and international public-private partnerships, and with the support of international stakeholders including the Dutch Ministry of Foreign Affairs, we will embrace the challenge.

PharmAccess is dedicated to strengthening health markets with digital technology so that people can access better services, lead healthier lives, and reach their full potential. Our work echoes the global call for universal health coverage, and we do this by mobilizing private and public resources, to reach those in even the most remote areas with affordable healthcare they can trust.

We have country offices in Kenya, Tanzania, Ghana and Nigeria, and a head office in the Netherlands. By the end of 2019, we employed a multidisciplinary team of 213,5 professionals, of which 70% are based and operate in our African country offices.

Establishing PharmAccess

At one point, in challenging the healthcare status quo, Joep Lange declared, "if we can get cold Coca Cola and beer to every remote corner of Africa, it should not be impossible to do the same with drugs."

In 2001, his first objective after founding PharmAccess was to push groundbreaking scientific research on triple combination drug therapy into action by bringing HIV/AIDS treatment to regions where it had previously been unavailable. As an initial step, PharmAccess partnered with Heineken to design workplace healthcare programs for their employees and dependents who were based in Africa – a practice to be followed by many other companies. These programs laid the foundation for international action by proving that treatment in Africa was viable and that the delay in delivering care was a political choice.

The work also highlighted the financing challenge in Africa: the need for affordable, social health insurance that would include coverage for communicable disease like HIV. As a result, several multinational companies, the Dutch Ministry of Foreign Affairs and PharmAccess decided that more needed to be done to provide people in Africa with access to better healthcare. A working group was formed to discuss possibilities for including the private sector, which led to the creation of the Health Insurance Fund in 2006 and the signing of a long-term partnership with the Dutch Ministry of Foreign Affairs. Consequently, the Health Insurance Fund contracted PharmAccess as its implementer and AIGHD/AID to conduct impact and operational research.

After a positive evaluation of the first funding term by the Boston Consulting Group in 2015, the Ministry renewed the partnership for another seven years.

Five Strategic Objectives were developed to guide our efforts in making inclusive markets work. In interventions spanning this period we will continue to:

1. Develop private pre-payment mechanisms, risk pooling structures, and mobilize resources for organized demand.
2. Strengthen, benchmark, and certify clinical and business performance for healthcare providers.
3. Improve efficiency, effectiveness and transparency to better match demand and supply of healthcare transactions.
4. Mobilize capital into the health sector.
5. Conduct research on interventions and advocate those that are successful.

Envisioning a virtuous cycle

Several longstanding propositions guide our work. We believe that providing healthcare is a semi-public good where governments can meet the health needs of society. The reality remains, though, that only about half the world's population can access essential health services – which is why the private sector must play a role in delivering healthcare. In Africa, the private sector delivers approximately 50 percent of health services.

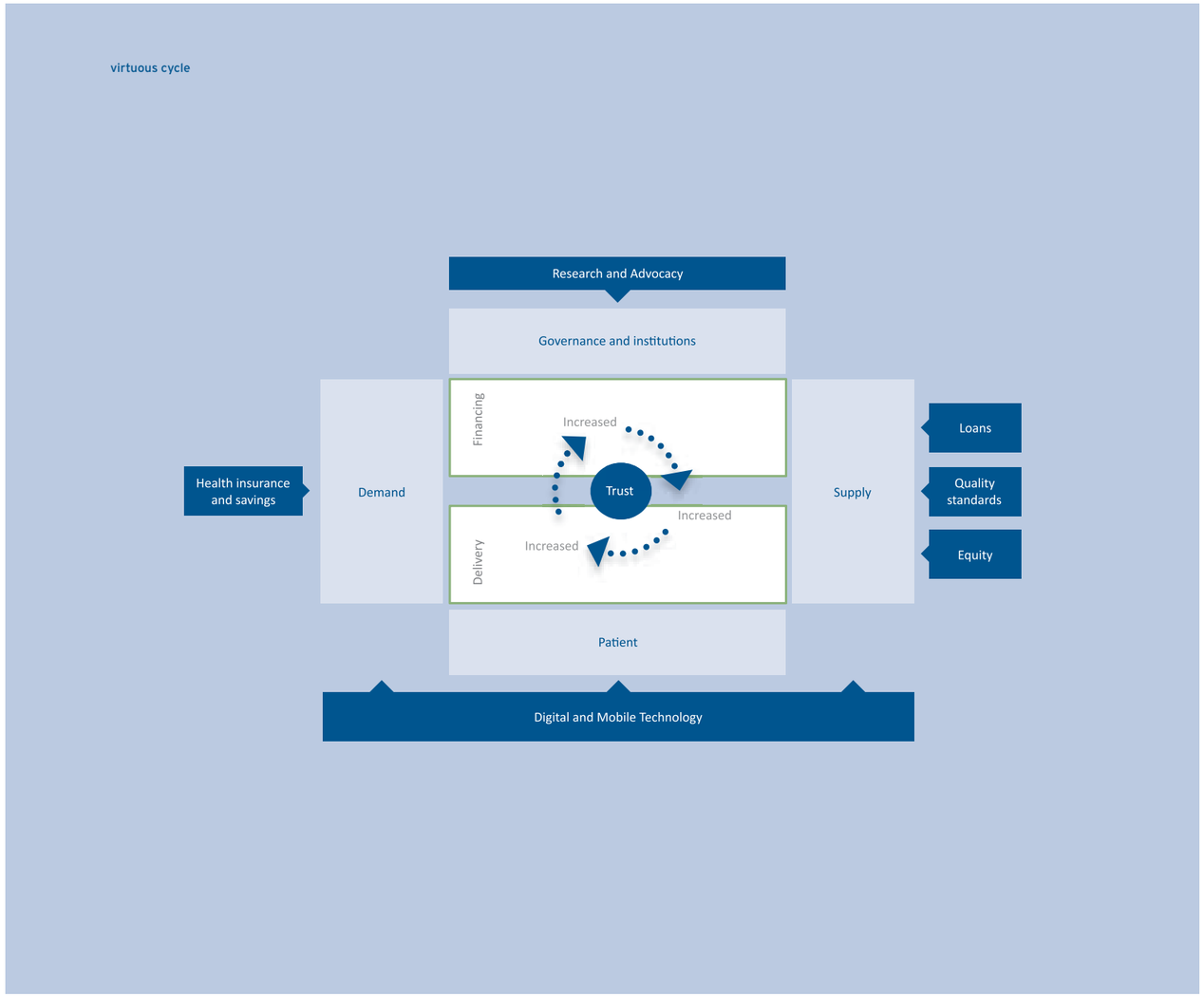
At the same time, governments play a critical part as well – as only they can intervene at the required scale to enforce financial synergies, risk pooling and regulation. However, in SSA, governments may lack the capacity to finance, regulate, and enforce health policies. As a result, a large segment of the population – especially those at the bottom of the pyramid – are on their own. The low quality and uncertain availability of health services discourage people from pre-paying for health. Pre-payment is also a relatively new concept for the region, and many families face competing priorities for their limited resources. Because of this, most pay out-of-pocket when they need care.

The high proportion of out-of-pocket expenditure combined with little trust in the health sector has led to low and unpredictable revenues for providers, which in turn prevents them from investing in the quality, scope, and scale of their services. Almost everything is post-paid. The resulting limited exchange and high transaction costs mean that banks and investors are generally unwilling to invest, especially at the lower end of the market. This leaves the healthcare sector with limited or no access to the capital required for inclusive growth. Therefore, the market remains stuck in a vicious cycle of low demand and poor supply.

PharmAccess and our partners (both public and private) aim to break this pattern by moving toward a **virtuous cycle** of trusted, inclusive markets that leverage private sector development to benefit low- and middle-income groups.

Thanks to the unprecedented opportunity of mobile technology, we are strengthening our interventions for better results and impact. The costs and time involved with administrating healthcare programs has been significantly reduced, and recent pilots have shown that fragmented sources of health financing can be unified through mobile health platforms. On the individual level, families and households can now be supported directly through their devices and smartphones – and can be reached at low marginal costs.

Clearly, the potential for re-envisioning healthcare lies on the horizon – we must continue to work together with governments, private sector, communities and other stakeholders to make it a reality.



Starting private, growing public

Strong partnerships are essential: for intensifying impacts and making programs efficient and sustainable. PharmAccess partners with the private sector to develop scientifically evaluated proofs of concept that deliver data and can later be adopted by the public sector. And we work with the public sector to provide insights and data for more informed decision making.

In terms of the **private sector**, in 2019 PharmAccess launched the SafeCare Quality Improvement Program with the Christian Health Association of Ghana (CHAG). As part of the partnership, SafeCare will facilitate the training of 20 medical professionals on local quality improvement standards such as the importance of handwashing to fight infection. These individuals will then support all 330 CHAG hospitals which service millions of low-income Ghanaians – to scale up SafeCare while at the same time providing more Ghanaians with quality healthcare. Critically, CHAG providers get income from NHIA, making the financing of quality care more feasible and sustainable.

In Nigeria, the CarePay digital platform has been chosen by Lagos state to run its mandatory health insurance scheme. The platform has also been featured prominently in the international and Kenyan news media, including CNBC.

In terms of collaborating with the **public sector**, in Tanzania we worked with the NHIF and regional authorities to integrate iCHF into the national health insurance program. In Nigeria, we partnered with the Global Fund and CarePay to scale digital innovations for UHC and quality improvement models within the Lagos State health insurance scheme. And, in every country we support, PharmAccess has actively participated in national policy dialogue, debates and expert meetings organized by policy makers.

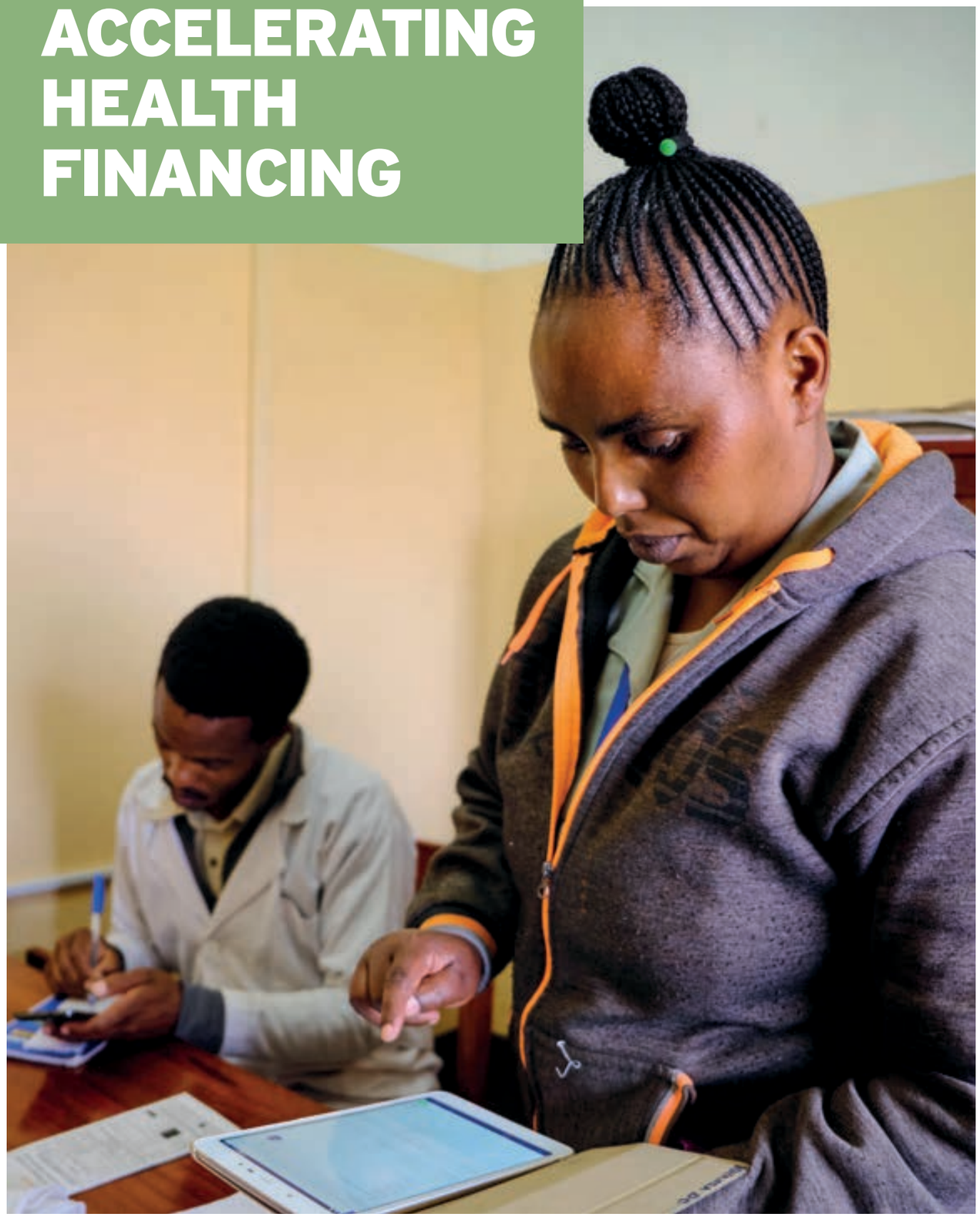
In Kenya, a mobile registration app that had been developed on M-TIBA was used to assist the Kenyan government with mass household registration for the UHC pilot in three countries.

Our partnership with Ghana's NHIA is a particularly important example. Ghana has adopted a "Beyond Aid" economic policy for relying on its own resources, technology, and the private sector to deliver prosperity to more Ghanaians. The mandate asserts that each agency must address its financial sustainability issues and operational inefficiencies to contribute to the government's agenda of self-reliance.

NHIA covers nearly 40 percent of the Ghanaian population – including low-income groups – and represents a best-practice example for public insurance across the region. Yet the agency faces the challenge of ensuring the scheme's financial sustainability while also increasing enrollment and improving the effective coverage of services so that more Ghanaians can access care.

Recognizing this as an opportunity to contribute, PharmAccess offered to serve as a technical advisor to help the NHIA analyze all membership and claims data, with the aim of developing data-based insights and reducing costs. The goal for NHIA is to digitally transform into an insurer capable of making more informed, evidence-based decisions. PharmAccess began analyzing NHIA data in 2019, with key insights expected in 2020.

ACCELERATING HEALTH FINANCING



1 NO POVERTY

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

CONTEXT:

11 million

IN AFRICA ARE BEING PUSHED INTO EXTREME POVERTY BECAUSE OF OUT-OF-POCKET COSTS

36%

OF HEALTH EXPENDITURE IN SSA IS OUT OF POCKET, COMPARED TO

22%

IN THE REST OF THE WORLD

17%

OF WORLD POPULATION LIVES IN AFRICA BUT ITS SHARE OF GLOBAL HEALTH EXPENDITURES IS LESS THAN 1%

SSA is the fastest growing region of unique mobile subscribers.

456 million

UNIQUE MOBILE SUBSCRIBERS. AN INCREASE OF 20M OVER THE PREVIOUS YEAR

Sources: UN.org, World Bank (2016), GSMA 2019 Report: The Mobile Economy, Sub-Saharan Africa

BARRIERS

- Most developing countries lack institutionalized solidarity mechanisms, and the total per capita health spending is very low
- Healthcare financing sources are highly fragmented, and the system suffers from distrust issues
- Quality challenges and uncertain availability of health service delivery discourages people to pre-pay for health

Mobile technology enables efficient and equitable demand side health financing approaches.

THIS IS WHY WE...

- Partner with public and private payers to pioneer and roll-out social health insurance schemes specifically for low income groups.
- Use mobile technology as an enabler to create public-private risk pools for healthcare at low transaction costs
- Empower households and individuals, based on their identified socio economic status to receive, (co)pay or save for health entitlements and to access services.

Sub-Saharan Africa struggles with a health system that has very low health expenditure per capita and limited risk pooling. The problem has multiple sources – insufficient funding, highly fragmented and limited funds, and poor access to quality healthcare services. PharmAccess is partnering with local governments and the private sector to roll out insurance plans that address health financing – and support the momentum for UHC. The potential for digital technology and mobile health financing platforms are central to this approach.

2.6 million

PEOPLE REGISTERED TO ACCESS HEALTHCARE ACROSS THREE PILOT COUNTIES IN KENYA

As we increasingly work with local governments, political challenges in the countries we support can affect the implementation of health financing initiatives. Elections were held in Nigeria which ushered in new State Governments – including both Lagos and Kwara – requiring that we intensify our advocacy efforts to ensure the continuity and consolidation of governmental policy on health financing.

In Lagos State, PharmAccess has assisted the Lagos State Health Management Agency (LASHMA) with the design and operational set up of the Lagos State health Scheme (LSHS). During 2019, PharmAccess supported the enrollment and registration of formal and informal households in the scheme. LASHMA employs CarePay's mobile health financing platform to, as well as register households, mobilize funds for financing and managing care. PharmAccess has supported LASHMA and the CarePay collaboration with technical support (setting scheme rules and parameters, user acceptance testing, marketing planning and agent training). The aim is to ensure that LSHS is prepared for a rollout to the citizens of Lagos in 2020. In Kwara State, preparations have been ongoing to launch the Kwara State Health Insurance Scheme (KwSHIS). With the Kwara State Health insurance Agency (KwSHIA) established, healthcare providers recruited across the State and indigent households identified and registered for activation, the first phase of the program is set to commence during the first half of 2020. This will be followed by a rollout to formal and informal households across the State.

In Ghana, by supporting the rollout of the Claim-it app – a digital system within the provider panel of the NHIA – we aim to assist in digitizing more claims, support an efficient, transparent process, and help shape a blueprint for what UHC can look like in the context of sub-Saharan Africa. NHIA is a mandatory scheme, and the outcome of our collaboration has the potential of extending access to care for 30 million people in Ghana. NHIA now covers about 11 million people.

In Tanzania, by the end of 2019, NiCHF covered more than 650,000 people. PharmAccess continues to support the scheme, both operationally and in refining the design. One critical element is the inclusion of the private sector, especially faith-based clinics – as in Tanzania, more dialogue is required to ensure the active participation of both private sector health facilities and insurance companies – for pushing towards UHC.

In Kenya, UHC remains a major objective of the 'Big Four' development agenda announced by President Kenyatta in 2017. To support this push, PharmAccess and its technology partner CarePay were contracted to organize and register 2.6 million people for healthcare in three of four pilot counties. Collecting health visit data in approximately 45 county facilities was essential. Based on the data, relevant insights will be given back to local and national stakeholders concerning patients' facility selection, medicine prescription practices and overall disease patterns.

While realizing UHC in Kenya depends on political and policymaking decisions yet to come, PharmAccess has rekindled an agreement with Kisumu County to provide UHC support there, beginning with the indigent population, and using the mobile health financing platform M-TIBA.

Unifying financing streams

M-TIBA was developed in partnership with CarePay and the telecommunications company Safaricom and powers a digital 'health wallet' on mobile phones that allows for the mobilization and earmarking of private and public resources, including insurance benefits. This can ensure that individuals access healthcare at a lower cost and help protect them against health expenses. M-TIBA connects patients to outpatient clinics, hospitals, payers, insurers and donors. M-TIBA can also receive and store subsidies to help people cover future healthcare expenses. Put simply, through this mobile health platform we can put the individual at the center and enable two-way, real time interactions which can include the exchange of information with providers.

When a person uses the wallet in a clinic, the patient's claims data is uploaded to the platform (GDPR compliant). This information offers key insights to funders and payers (both public and private) about how specific target populations have been reached, but also on problems and inefficiencies that may have occurred. It also generates valuable data for healthcare providers, data that better informs them on their financing and patient caseloads. Ultimately M-TIBA will help promote efficient health financing and service delivery with greater transparency.

Strategies for directing subsidies

To improve the efficiency of existing funding, and to increase funds for UHC, African governments must design social insurance schemes that pool existing funds and ensure upfront, individual contribution – so that the costs of health risks can be spread across all communities.

Identifying the households that both **can** and **cannot** afford to contribute to their own health insurance costs is essential to designing sustainable schemes. Equipped with this data, the government and national health insurers can develop policies to ensure that subsidies and funds are channeled equitably to benefit the most vulnerable groups without crowding out contributions from those who can pay.

As part of the Kenya pilots, a socioeconomic 'poverty mapping tool' called dPMPT was deployed during the enrollment period to help assess socio-economic status. Integrated into the mobile registration tool, dPMPT capitalizes on recent advances in machine-learning and adheres to advanced statistical methods to estimate whether a household falls above or below the Kenyan National poverty line.

After obtaining consent to use this information for allocating subsidies, community volunteers conducted interviews about poverty in the households we registered before sharing the data with the Ministry of Health as part of an effort to help national and local governments make evidence-based decisions about developing subsidies for low-income families.
PharmAccess is investing in this tool as a standard element of digital healthcare. By incorporating dPMPT into the UHC enrollment process, the interviews can be performed at a low marginal cost – as household details must be gathered, regardless, during the UHC registration.

Collecting the data through a tool that runs on a digital platform will also allow for the direct allocation of subsidies using the same platform that collected the information.

Learnings from the informal sector

Alongside our work in the pilot counties, PharmAccess also digitally enrolled nearly 36,000 pregnant women, women with young children and their households for health insurance with the NHIF. This program, the Innovative Partnership for Universal Sustainable Healthcare (i-PUSH), was developed with Amref Flying Doctors and funded by The Dutch Postalcode Lottery – to create a pathway to better healthcare for key populations and develop insights for reaching UHC.

Solovina Nanjila, who sells vegetables at a market in Kenya, has six children.

Last spring, she signed up for i-PUSH. In a 15-minute session, an enrollment assistant asked questions about her family, her vegetable business, and her clinic preferences. Being able to register with a mobile phone was important to her. "It would have been impossible for me if I had to go all the way to the city to register."

As part of i-PUSH, she was given a year of insurance coverage at no cost but was encouraged to use the M-TIBA wallet to deposit and save funds for premium payments that would be used to pay for a second year of NHIF.

Behavioral economic techniques from the Center for Advanced Hindsight at Duke University were put in place to encourage her to set aside funds for future copayments. The reinforcement exercises were simple: she was given a paper calendar with behavioral prompts and asked to practice making deposits with M-TIBA.

At one point, her eldest son developed a serious breathing problem. She took her phone with her to the clinic, he received treatments, and all costs were reimbursed through the coverage.

"I was overjoyed that all costs were indeed covered. Thanks to this insurance, me and my family are finally having access to good care. I'm much less stressed now because I no longer [have] unforeseen care expenses."

Solovina Nanjila has been insured since April 2019 and has saved 2,400 Kenyan shillings of the necessary 3,000 shillings she will need to receive a matching subsidy from i-PUSH for 2020.

"I was overjoyed that all costs were indeed covered. Thanks to this insurance, me and my family are finally having access to good care. I'm much less stressed now because I no longer [have] unforeseen care expenses."

36,000

PREGNANT WOMEN, WOMEN WITH YOUNG CHILDREN AND THEIR HOUSEHOLDS DIGITALLY ENROLLED WITH ACCESS TO NHIF HEALTH INSURANCE

Insights from other young women and mothers

Building on the first year of i-PUSH, PharmAccess analyzed the findings to help guide the public sector in designing insurance schemes with attractive payment schedules.

- Using the personalized paper calendar with illustrated stories about health events and prompts to save for insurance increased the percentage of those saving over time from 14 to 54 percent.
- Overall, 15 percent of the women who participated in the program saved the full amount and transitioned to the second year. In 2002, we see that percentage growing.
- Instead of setting aside money on a daily, weekly or monthly basis, low-income families save when they have funds available. Families who may not be able to afford payment every month, could still set aside funds over the course of a year to reach the required premiums.
- Households with a positive clinic experience during the first year where three times more likely to transition to the second year than families who did not visit a hospital within that year.
- Having a spouse registered for insurance more than doubles a family's chances of transitioning to year two. Women in their thirties and forties, with covered children, tended to renew the insurance more often than women in their twenties.

INCREASE DEMAND

2019 IMPACT

PHARMACCESS: A TRUSTED PARTNER TO ACHIEVE UHC

PharmAccess partners with local governments and the private sector to leverage the potential of mobile payment platforms, roll-out technological interventions, provide data analysis, and develop models and policies to achieve UHC. During 2019, the PharmAccess programs helped support Social Health Insurance schemes that have enrolled:

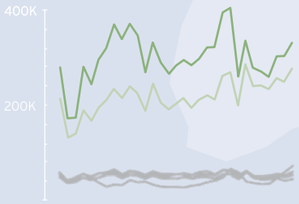
11,8M

across Ghana, Nigeria, Kenya, and Tanzania

DIFFERENT APPROACHES IN EACH COUNTRY TO ACHIEVE UHC

Ghana

Our data analysis helps the NHIA to gain insights and make informed decisions on strategic matters like population reach and financial sustainability:



Dependent and informal sector show very high renewal rates compared to other groups, validating its value for vulnerable groups.

Kenya

M-TIBA continues to grow with **4.4M individuals registered** across three counties.

With increased adoption of M-TIBA, for example, in Kisumu County, the digital health wallet enabled **30,000 visits to healthcare facilities** to access care.

Nigeria

By supporting the Lagos State Government kick-start its mandatory health insurance program using the CarePay mobile payment platform, PharmAccess galvanized the State to commence the registration of **350,000 residents** to set-up the risk pool.

Tanzania

The i-CHF insurance model provided access to healthcare in Kilimanjaro and Manyara, covering:

670,000 people

18-22% of the regional population

The model became the blueprint for the **national health insurance scheme** reaching many more Tanzanians.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STRENGTHENING THE QUALITY OF HEALTH SERVICES

3 GOOD HEALTH AND WELL-BEING

17 PARTNERSHIPS FOR THE GOALS

CONTEXT:

5 million

DEATHS PER YEAR CAUSED BY POOR HEALTHCARE

Casualties related to healthcare

3.6 million

DEATHS CAUSED BY LACK OF ACCESS TO HEALTHCARE

In low and middle income countries

10%

OF PATIENTS HOSPITALIZED CAN EXPECT TO ACQUIRE AN INFECTION DURING THEIR STAY.

BARRIERS

- LMIC governments have limited capacities to perform inspections
- Shortage of objective standards and data on healthcare quality
- Healthcare providers struggle how to improve quality

To achieve UHC, healthcare in LMICs needs improvement. Improvement requires transparency of quality care.

THIS IS WHY WE...

- Develop international standard for transparency and benchmarking purposes
- Support facilities to improve quality and safety with step-wise improvement programs
- Collect data on quality of care, enabling informed decision making by institutes, donors and government
- Build local capacity

Sources: The Lancet Global Health Commission (2018), Patient safety in developing countries, BMJ (2012), SDG goal 3.8 and 2018 statistics, Delivering Quality Health Services: A Global Imperative -joint report by the OECD, World Health Organization (WHO) and the World Bank (2018).

SafeCare is an initiative that empowers providers like Dr. Lirhunde by helping them measure, monitor and improve their services using innovative solutions. Accredited by the International Society for Quality in Healthcare External Evaluation Association (IEEA), SafeCare evaluates clinics by conducting an assessment against a set of standards that provides a clear, objective view of the facility's performance, identifying the gaps in service and challenges that must be addressed. Two products evaluate facility performance: **SafeCare STEPS**, a quick, one-day assessment tool that rates facilities on a scale of 1 (lowest quality) to 5 (highest quality); and **SafeCare ACCREDITATION**, which recognizes excellence. The latter product will be launched in 2020.

Based on the assessment report, providers are given a tailor-made quality improvement plan with transparent and achievable goals, and tools that guide them down a motivating and manageable road to improvement. Typically, facilities work on infection prevention measures, waste management, the development and implementation of guidelines and standard operations but also financial topics such as audit and procurement processes. The aim is to have a medically and financially healthy organization, which translates into patient and staff safety, better health outcomes and more investments and (insurance) contracting.

Ensuring the right to health is impossible without providing quality healthcare services, and sub-Saharan African governments have a responsibility for providing equitable, affordable and high-quality services for all citizens. But the challenges of enforcing quality standards in facilities on the ground are daunting. Medication stock-outs, lack of sterilization equipment, no proper waste management, shortage of skilled midwives and other professionals; the shortcomings in hospitals and clinics in SSA are plentiful and do not compare easily with quality problems in high-income countries. In these emerging countries, ten percent of hospitalized patients will come down with an infection while they are being treated—a figure three percent higher than in higher-income countries.

Therefore, access to healthcare alone cannot guarantee the effectiveness of care.

Studies in eight high-mortality nations show that only 28 percent of antenatal care, 26 percent of family planning services and 21 percent of sick-child care in LMICs can be classified as 'effective'. In this context, 'effectiveness' is a measurement of quality care that was assessed using the "inspection of medical records, patient exit interviews, [and the] direct observation of provider-client interactions."

Healthcare professionals like Dr. Eileen Lirhunde—Assistant Medical Officer at Kibosho Hospital in Tanzania—understand these statistics all too well. "I have a passion for my job but being a doctor in such a poor area is challenging. Fortunately, our healthcare results have...improv(ed) so much, largely through SafeCare. Before SafeCare, it was a mess here."

Western-style quality standards are not always applicable or achievable because the challenges faced by these facilities are very different. Health facilities in LMICs therefore need local solutions on the certification and accreditation of healthcare provision combined with innovative, cost-effective quality improvement support.

In 2019, SafeCare made progress by investing in the **Quality Platform**, an online model developed to support the quality improvement processes of facilities. Features on the platform include weekly QI challenges, connection to best practice examples, chatbots, benchmarking, and others. Human Centered Design workshops with healthcare facilities were used to develop a minimal viable product in 2019, which will be rolled out to scale in 2020. The platform will also be made accessible to governments, NGOs, provider networks, medical associations, insurance companies and other organizations in the health sector.

To expand locally and internationally – and ensure the institutionalization of the methodology with public and private partners – SafeCare has also introduced a licensing model. The model will allow partner organizations to use the SafeCare methodology and brand under a licensing contract, making it possible for more providers, payers and patients to benefit from SafeCare. The licensing contract is also available under a white label for public institutions.

"We are committed to ensuring that people everywhere can obtain health services when and where they need them,"

says WHO Director-General Tedros Adhanom Ghebreyesus.

"We are equally committed to ensuring that those services are good quality. Quite honestly, there can be no universal health coverage without quality care."

Improving the availability, affordability, and quality of pharmaceuticals with Med4All

Throughout SSA, the problem of fake and substandard medication presents an enormous challenge for both providers and patients. The combination of a fragmented, poorly regulated market with insufficient quality control measures, inefficient procurement and inventory management means that providers cannot always purchase quality supplies and patients cannot be sure that those medications are safe and effective.

In Ghana, PharmAccess has developed a pooled procurement platform solution – in partnership with the Christian Health Association of CHAG and the NHIA – that will add value to all stakeholders. The CHAG facilities provide about 30 percent of the care to the mostly rural Ghanaian population. Through the new Med4all platform, clinics, hospitals and pharmacies will be able to order much-needed medicines in bulk, against reduced, pre-negotiated prices with pre-selected distributors. This will ensure the required availability of medicines and guarantee that prices will be much lower than what the providers currently experience.

The condition of the drugs will also be tested to improve quality control. Selected distributors will be able to stock the required medicines as a result of buyers pre-paying for their orders – supported through loans by the Medical Credit Fund, as needed.

End-users of the medicines will benefit too, by gaining access to better-priced, quality drugs when they need them.

In December of 2019, Med4all delivered a first, milestone shipment. This bulk purchase of quality medicines arrived at the E.P. Church Clinic in the Volta region of Ghana shortly after the facility placed an order on the platform.

If Med4all continues to be successful, PharmAccess will continue testing the pilot in other African countries.

Partnering with the Public Sector

Lagos State is the most populous state in Nigeria, with an estimated 24 million people and an annual growth rate of 3.2 percent. The financial and economic center of the country, Lagos attracts an influx of people from other Nigerian regions as well as from sub-Saharan Africa.

To help achieve UHC, the state Government launched the mandatory Lagos State Health Scheme (LSHS) in December 2019. Through the plan, enrollees can access healthcare from both public and private healthcare facilities.

However, high costs and limited resources present major barriers. Both factors alone would have the potential to damage the credibility of any health insurance scheme.

Therefore, LASHMA made the decision to adopt SafeCare Standards. The agency needed to focus on strengthening the regulation and capacity building for state officials working on quality assurance and improvement. SafeCare was there to support the effort.

Strengthening regulatory systems

The first step for improving a health system is establishing a strong regulatory backbone. Lagos State has the highest number of private facilities in Nigeria. PharmAccess conducted a GIS mapping of 2,800 facilities, jointly developed a quality inspection tool with State representatives, facilitated the development of the State Quality Policy for the Health Sector and conducted an organizational capacity assessment of the Lagos State Health Facility Accreditation Agency (HEFAMAA) to identify gaps in the system. The licensing inspection tool sets the minimum requirements for a facility to operate.

As a result, PharmAccess supported the development of a website and portal for registration to help improve the Agency's operational efficiency with licensure processes.

Registering new health facilities and annual renewals have been done electronically since the launch of the portal in July 2019.

Strengthening health services

To be empaneled under the scheme, healthcare providers must first apply to LASHMA. After being contracted and assigned individual patients, the provider then must participate in a mandatory quality improvement program that draws upon the SafeCare Standards. The SafeCare standards guide the facilities toward excellence, building on the minimum standards set by the inspection tool.

The facility undergoes a baseline quality assessment that uses the SafeCare Tool. A Quality Improvement Plan is put in place for 18 months, during which LASHMA supports the provider on their quality improvement journey with periodic audits, a yearly renewal of empanelment for high performing providers and follow-up quality assessments every 18 months.

Institutionalizing the program in Lagos has required training state officials and agencies on the Standards, so they can serve as assessors and conduct provider appraisals.

Lagos State now has a Quality Team of 20 assessors who lead the assessments and 45 Quality facilitators who mentor the teams in implementing the improvement plans.

Better allocating resources

As a result of the partnership, health providers in Lagos will be trained to understand and comply with the treatment protocols and quality standards that can help fight infection and deliver better health outcomes.

Performance ratings will also be used to clarify gaps and challenges in the health sector and provide the government with actionable data, insights that can help allocate limited resources.

Crucially, the Lagos State Employment Trust Fund will also offer providers access to low-interest loans, an important and innovative strategy designed to deliver much-needed investments for utilizing these resources. Made possible only through a broader public-private partnership, the program will give other stakeholders access to critical information – and marks another important step in helping providers invest in improving the quality of their healthcare.

2,800

HEALTHCARE FACILITIES MAPPED ON GIS ACROSS LAGOS STATE

Partnering with the Private Sector

Quality assurance (QA) and improvement (QI) programs in LMICs are often fragmented and linked to vertical programs that treat specific diseases and conditions, such as HIV/AIDS or maternity. Benchmarking across programs and facilities is not possible, and institutionalizing is complex, especially as countries move toward UHC. A strong healthcare system is one that has an institutionalized quality assurance policy and embeds QA into the contracting approaches of (national) insurance bodies, lending and investment institutes. This would send the information back to patients, so that they can make informed choices when selecting a provider. In line with UHC, the focus must be on primary and secondary providers.

The SafeCare licensing approach empowers local organizations to own and institutionalize a quality assurance program that measures quality healthcare comprehensively, with the ability to deep-dive into specific conditions or disease profiles.

As part of an initiative to support employees worldwide, the Heineken Corporation currently funds 70 healthcare clinics in LMICs. At these facilities, free healthcare is available to Heineken employees as well as their spouses and children.

In 2001, Joep Lange persuaded Heineken to commit to offering workplace healthcare and treatment for those living with HIV/AIDS in Africa. This marked the first of many public-private partnerships that have enabled PharmAccess to contribute to improving health systems in Africa.

Now, Heineken is the first multinational corporation to adopt the SafeCare standards.

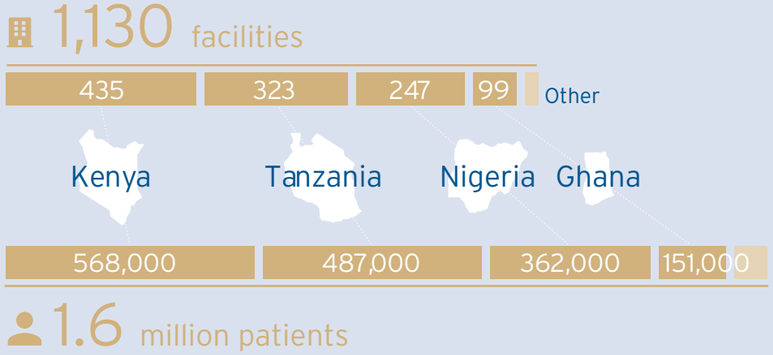
By contracting to use SafeCare, Heineken has committed to providing transparency and quality improvement at their health facilities.

For SafeCare, the partnership with Heineken expands our reach outside the African continent and gives us an opportunity to connect with clinics in regions such as Papua New Guinea and Asia–with scalable, affordable packages that deliver real impact on Quality of Care.

2019 IMPACT

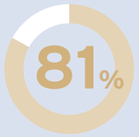
SAFECARE REACH

Number of active facilities and patients reached in 2019

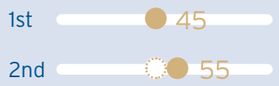


QUALITY INCREASE

% of facilities with increased score in 2019

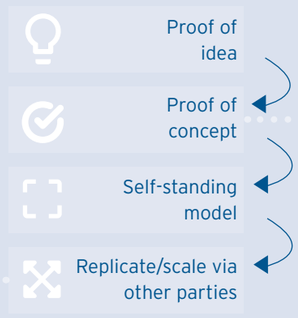


Average score at first and second assessment



In 2019, SafeCare designed two models for expansion. Digital offerings for healthcare facilities have been tested to support faster and more cost-effective quality improvement. Whilst, a licensing model allows more providers, payers and patients to benefit from SafeCare.

WAY OF WORKING



DIGITAL SOLUTIONS

New digital solutions have been tested by:

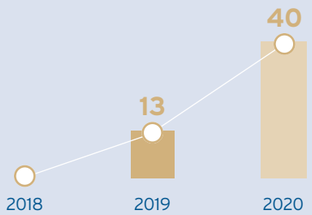
45 facilities in **4** countries.

Helping improve quality quickly and cost-effectively.

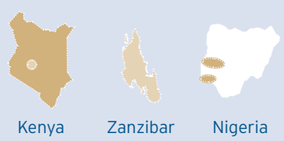
SCALING SAFECARE

Collaborating with partners supports the growth of quality care.

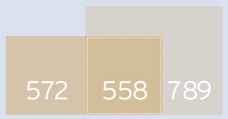
For example, Heineken now usesSafeCare under a licensing model, extending our reach to new Heineken facilities:



Government bodies incorporate SafeCare as the quality standard:



For many of their client health SME's, MCF uses SafeCare to support the growth of quality healthcare:



MATCHING DEMAND AND SUPPLY

1 NO POVERTY

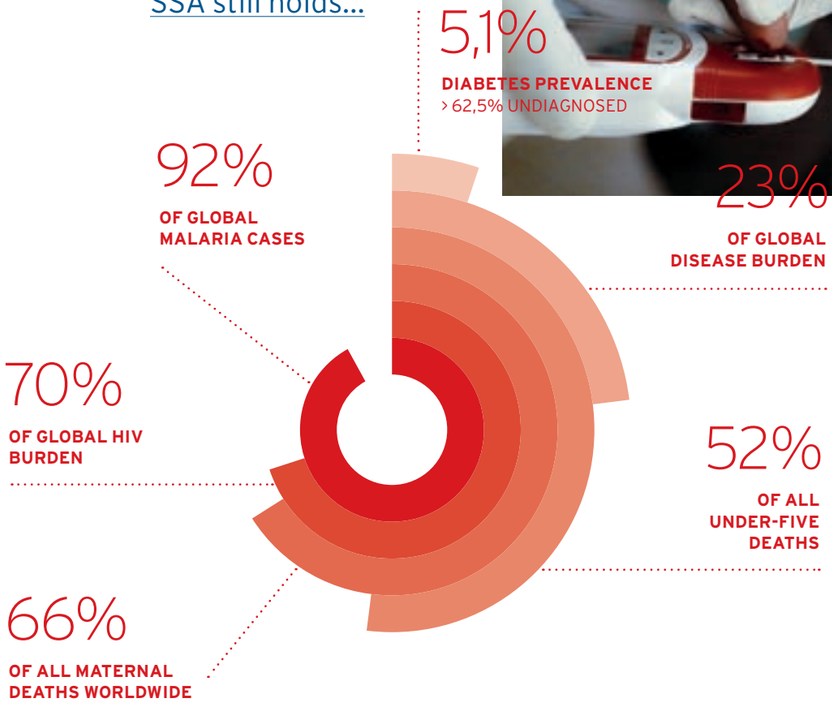
2 ZERO HUNGER

3 GOOD HEALTH AND WELL-BEING

10 REDUCED INEQUALITIES

CONTEXT:

Despite the growth in overall government spending on health, SSA still holds...



NEGATIVE CONSEQUENCES OF DISEASE BURDEN FALL MOST HEAVILY ON THE POOREST SEGMENTS OF THE POPULATION

Sources: Unicef Child Mortality Report (2019), J. Global health (2019), UNICEF Maternal mortality (2017), Healthdata.org. The burden of hypertension in SSA, BMC Public Health (2015), Diabetes in SSA – from policy to progress, Diabetes Metab Obes (2017), WHO

BARRIERS

There is a mismatch between the demand and supply of healthcare;

- Many millions of people suffer and die from conditions for which there exist effective interventions
- Available resources are not allocated to the most effective interventions and do not reach the poor

Supporting the rural and urban poor in their 'great escape' from poverty depends significantly on reducing the high risks and costs that they face in accessing healthcare. The digital revolution offers the potential to reach previously excluded people at much lower costs.

THIS IS WHY WE...

- Create digital health payment platforms to directly connect patients with doctors and funders
- Use data for the development of bundled care packages and to track patient journeys
- Use platform data to provide insights for patients, providers and payers

Improving a health market that is deeply fragmented depends on doing more than just increasing the availability of funds and enhancing the quality of medical services. In LMICs, vulnerable groups – such as expectant mothers – may experience something like chaos during their pregnancies because available services are not organized around patient needs. We believe that the availability of data and mobile exchange platforms has the potential to completely change healthcare financing and delivery and facilitate better, more patient-centered services. By leveraging real-time mobile data, PharmAccess is working to offer evidence- and value-based care, which puts patients and their health outcomes at the center of decisions about allocating scarce resources.

300,000

WOMEN DIE AS A RESULT OF A PREVENTABLE COMPLICATIONS DURING A PREGNANCY IN SSA

Together with several strategic partners, PharmAccess is now using mobile technology to address the full patient journey and its outcomes.

After joining forces with Sanofi and CarePay, we have begun working to break access and awareness barriers for diabetes and hypertension treatment in Kenya.

The result of this collaboration is Ngao Ya Afya ('Shield for Health' in Kiswahili): a digital service model for NCD-care that combined direct financial support and access to care for low-income patients while stimulating quality of care and generating real-time medical and financial data insights for doctors and healthcare payers.

This digital tool was designed with a view to developing a scalable service model that optimizes cost of care and efficiency, while leveraging available funds from patients and payers in one wallet. If successful, the pilot will be scaled and replicated by healthcare payers and providers in Kenya as well as other African countries.

The costs of a pregnancy journey

Nursing is a vocation for Coletta Kimario, who has worked for 20 years at Kibosho hospital, at the base of Mount Kilimanjaro in Northern Tanzania. There, she supervises nurses and ensures that protocols are followed. Coletta also treats expectant mothers, who come in at varying stages of their pregnancies.

Every year, roughly 300,000 women die as a result of a preventable complications during a pregnancy. This statistic is 14 times higher than in high-income countries, and sub-Saharan Africa accounts for 66 percent of these deaths.

For pregnant women in LMICs, navigating the health system comes with specific barriers. Home births may be the standard. Prenatal care could involve additional costs that are impossible for the household. Even if an expectant mother has 'free' healthcare, getting a clear picture of the treatments, and the costs, can still seem murky. What type of doctor should she go to see first? Will insurance cover the visit? Some clinics only get paid if they deliver the baby. So, if she has a complication, like an ectopic pregnancy, will the doctor refer her to another facility for surgery, or just try to deliver the baby anyway? What about faith healers? Plenty of people go to faith healers.

"Those who have no insurance, they come late. Maybe they come once. There are some who come at the ninth month. Then they deliver. If there is a problem, you will diagnose later."

By enrolling expectant mothers on a digital payment platform, it becomes possible to contractually offer these women a better 'deal'. For example, the MomCare package in Kenya and Tanzania covers the full journey of care and includes all providers whose services could be needed during that journey. Because the contract is digital, it can be transparent about the specific care and treatments expectant mothers are entitled to receive. SMS surveys following doctor visits empower these women to evaluate medical services and the mobile platform makes it possible for them to have smart contracts that create an accountable care journey that they can trust.

The product draws upon well-documented interventions such as timely antenatal care visits and assisted birth deliveries and enforces the clinical guidelines that are essential to keeping mothers and babies healthy.

First piloted in Kenya, MomCare uses a trusted platform and begins by better connecting mothers and providers. Before the first consultation, both agree to a path of maternal care—at a predetermined cost and quality.

For the mother, knowing the specific treatments she is entitled to can help her manage the risks in her pregnancy, and save for her portion of premium costs, if any. She will know that she is entitled to an ultrasound, even if the sonographer is temporarily unavailable. She will understand exactly what she can expect from her provider and be encouraged to report on each medical experience, and outcome.

Mobile technology also allows for better communication between mother and doctor. The technology sends triggers to both doctor and patient to enhance their interactions and ensure that every step in the nine-month journey is addressed according to clinical guidelines.

MomCare benefits providers in other ways. The predetermined costs offer reliable income, which the provider can then use to invest in his or her business. Critically, the real-time data drawn from each mobile interaction offers providers a fuller, dynamic picture of the pregnancy itself, making it easier for them to identify prenatal risks and complications and increase the quality of care.

Smarter contracting for enabling value-based care

Moving toward evidence- and value-based care not only helps clinics spend their time where it counts; ultimately, value-based care also helps payers, donors and policymakers make more informed decisions. With near-real time data, the impacts of investments and interventions becomes clearer. How changes in policies or programs affect outcomes can be tracked between clinics, regions, risk and income groups almost from the point of implementation. This allows for a more efficient organization of health plans and programs where learnings and innovations can be evaluated and scaled (or discontinued) much earlier than previously thought possible. PharmAccess' objective in introducing smart contracts for pregnancies or NCD's is to demonstrate that this type of data-driven resource allocation is possible today—and in most LMICs.

MomCare grew substantially in 2019. By the end of 2018, 1,092 women had enrolled for MomCare in Kenya and Tanzania, and 222 had given birth. In 2019, more than 7,000 expectant mothers signed up for digitally tracked mother journeys – and the resulting births have given us crucial data that we must use to support more effective, efficient mother journeys in LMICs.

To lower both the physical and financial costs, we are looking for patterns in the MomCare data.

SUPPLY DEMAND

2019 IMPACT

PEOPLE REACHED

MomCare enrollments:

7,274 Mothers

Kenya

4,785

4,6% teenagers

Tanzania

2,489

8,3% teenagers

BENEFITS FOR ALL

Mothers agree their care journey upfront with funds made available to support her.

Facilities have live insights on high-risk cases, care provision, patient care experiences and health outcomes.

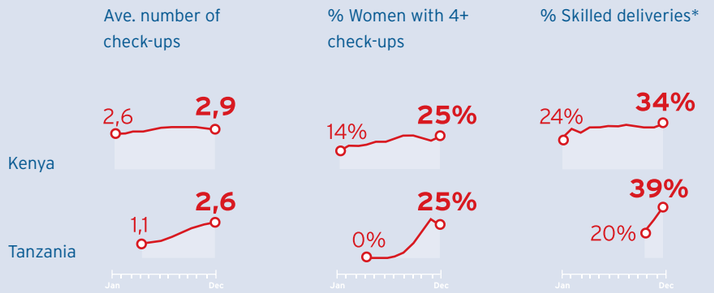
Donors see how funds are used to support mothers and how health outcomes improve.

Governments can benchmark facilities and make decisions based on trends.

**Percentage of women over 43 weeks of pregnancy*

Over the past years we (co-) developed new approaches to link demand and supply to improve health outcomes, with an initial focus on the pregnancy journey, non-communicable diseases (NCD's) such as hypertension and diabetes and Malaria. In 2019, our main focus has been pregnancy care, with a program called MomCare.

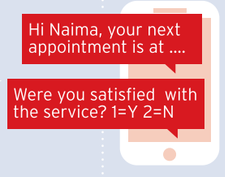
MOMCARE RESULTS IMPROVED OVER THE YEAR



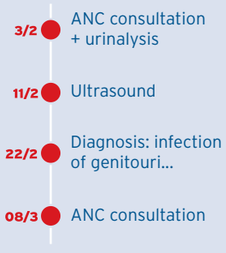
DATA AND INSIGHT SNAPSHOTS

Some examples of insights provided to the different parties involved

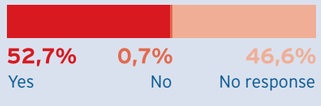
Cost overview, Kenya



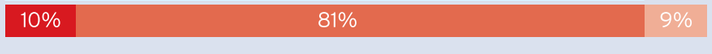
Patient journey tracker

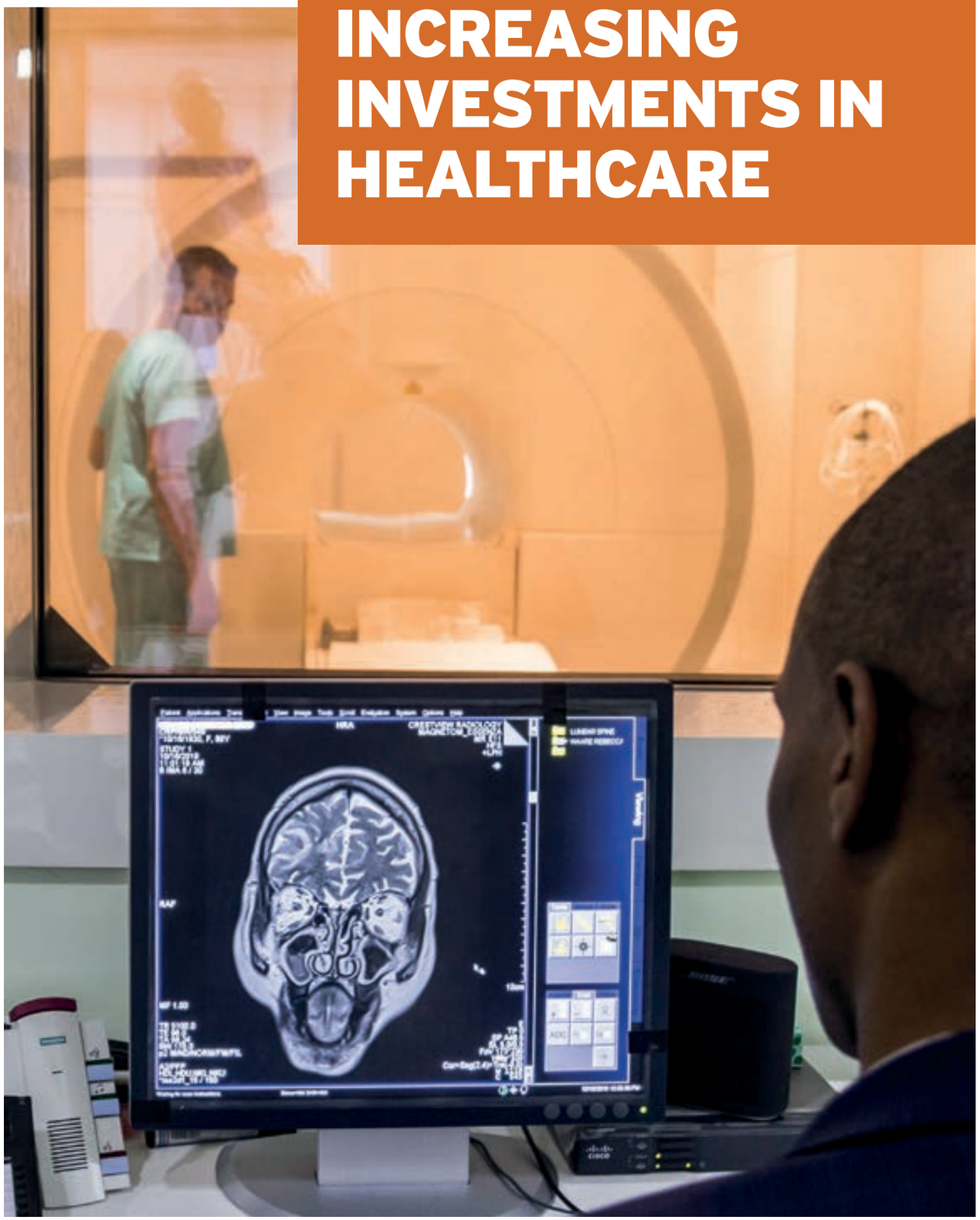


Satisfaction survey results



91% of funds support women that act to manage their risk





INCREASING INVESTMENTS IN HEALTHCARE

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

CONTEXT:

Sub-Saharan Africa suffers from a lack of quality healthcare.

$25-$30 billion

INVESTMENT IS NEEDED TO MEET ITS HEALTHCARE DEMAND

50%

OF HEALTHCARE IN AFRICA IS **PROVIDED BY PRIVATE SECTOR FACILITIES**

Source: Business of Health in Africa, IFC (2008), Worldbank (2009)

BARRIERS

- Private health facilities need capital to grow and improve their health services
- African banks have little interest in financing health SMEs. The health sector is perceived as non-transparent

The private health sector in Africa is suffering from chronic under investment. Investors need to be triggered in to providing loans to the sector.

THIS IS WHY WE...

- Provide access to capital to health SMEs
- Combine loans with capacity building to improve quality and to grow their business
- Partner with, and support African financial institutions with which we co-invest

450,000

PATIENT VISITS PER MONTH ACROSS THE SIX COUNTRIES

Small and medium size health clinics in Africa have received more than 4,000 loans amounting to USD 71 million from the Medical Credit Fund since 2009. In 2019 alone, more than USD 20 million in loans were disbursed. These funds have helped clinics purchase better equipment, grow their businesses and improve the overall quality of their healthcare services. Loan repayment stands at 96 percent. The clinics have around 450,000 patient visits per month across the six countries.

In sub-Saharan Africa, the public sector faces major financial and management challenges in delivering quality services to everyone who needs healthcare. This applies to the treatment of major diseases such as HIV/AIDS, and non-communicable illnesses like diabetes or hypertension, as well as the essential primary care services that provide the foundation for health systems everywhere.

Consequently, most Africans rely on private healthcare facilities.

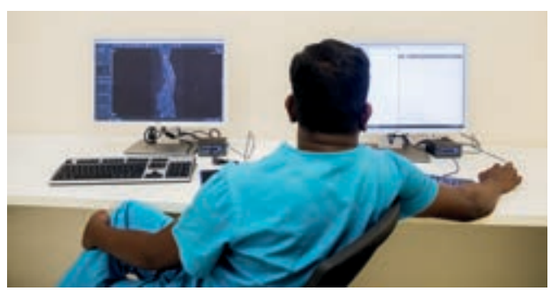
Meanwhile, the private small and medium size health enterprises (health SMEs) that provide primary and secondary care services to the lower income groups in Africa are struggling. They often lack the financing to invest in their infrastructure or purchase the equipment they need to provide quality services. Compounding the problem, commercial banks tend to shy away from lending to SMEs in general, and health SMEs in particular – as they perceive these facilities to be high-risk.

MCF is the first and only impact investing initiative dedicated to providing loans combined with technical assistance to health SMEs in sub-Saharan Africa – to enable them to strengthen their business and improve health care quality. The Fund works both directly and with a wide network of financial partners to serve clinics with the loans and technical assistance they need to offer more people better healthcare services.

Supporting healthcare providers directly

From the start, MCF has had a mandate to co-lend with local financial institutions. Despite a solid track record–we had 19 financial partners and USD 22.6 million in loans outstanding with them in 2019 –MCF has also encountered challenges in getting banks to disburse funds. Collateral requirements remain an obstacle that SMEs must overcome to qualify for bank loans. In Kenya, which holds the largest share of the portfolio, a continued interest rate cap has reduced the banks' appetite to lend to SMEs.

Recognizing this challenge as well as the unmet demand for loans, MCF decided in 2019 to start lending directly to health SMEs – to better serve its customers. While most of the portfolio remains held with financial partners, 10 percent of disbursements were made through direct lending in 2019.



Delivering fast, effective digital loans for Primary Care

Small loans can make a tremendous difference to clinics in the countries we support, but these loans also face a high bar for approval. While collateral is a major barrier for SMEs, small loans present a challenge for banks–in that issuing small loans can be costly and time-consuming. To perform due diligence, a loan officer must understand a customer's needs, circumstances, and liabilities. The earnings on these loans are limited, but the administrative burden remains the same regardless of loan size. As a result, most banks prioritize larger loans to corporate clients or investments in capital markets.

To address this challenge, MCF, has leveraged mobile technology to develop a digital loan product: Cash Advance. A short-term loan facility, the product uses the mobile money revenues of healthcare providers to secure and repay loans. Through Cash Advance, MCF can offer loans as small as USD 100 sustainably because of the streamlined process. Moreover, Cash Advance loans are convenient for the smaller healthcare providers, typically the providers of primary care, as no collateral is required, and administrative procedures are limited.

Borrowers apply for Cash Advance loans with a mobile phone. The healthcare providers often need short-term loans to cover expenses like rent, salaries, and medicines. These smaller loans are critical to bridging the gap for providers between buying necessities like pharmaceuticals and being paid for their services – especially given the frequent and lengthy delays of health insurance payments.

Repayments are automatic, drawn in daily installments as a percentage of income from the mobile revenues of digital tills. If a clinic's earnings increase or decrease, repayment adjusts proportionately, based on what the healthcare provider can pay.

Ultimately, once a healthcare provider has repaid a digital loan, they can easily take out a new Cash Advance to close another gap between expenses and reimbursements; and grow their business as a result.

MCF launched the product in 2016, processing 11 digital loans in that year. In 2019, 844 Cash Advance loans have been disbursed with an average amount of KES 760,000 (USD 7,500). Total Cash Advance disbursements stand at USD 9 million. Around 70 percent of clients enter into repeat loans, indicating high customer satisfaction.

Digital lending products like Cash Advance have the potential to accelerate the lending process and offer capital to more providers. We have partnered with Philips Foundation and other donors to aggressively develop similar products in other countries, starting in Tanzania and Uganda.

Empowering businesswomen

The Zamzam Medical Center has a sign out front that reads your choice for quality care. Located right across from the Seventh Day Adventist Church by Chali Plaza in Ngong, Kenya, Zamzam has another sign on the roof, and one on the road, that both point inside with red arrows that read, "Open 24 hours"—including Sundays and public holidays.

This health SME takes up a quarter acre. Inside the redbrick building, there is a furnished reception area. The phone is always ringing. There are consultation rooms, a pharmacy, a laboratory, a procedure room, observation and ultrasound rooms, the wards, and the office.

Mrs. Esther Muthoni Karaya owns Zamzam. A registered nurse and midwife, she is a healthcare warrior. Her dream was to own a modern health center, but after she was evicted from the center's previous location, that dream seemed distant. Eventually, she did what needed to be done, and she converted a family home into Zamzam.

To support her clinic, Esther has used MCF loans since 2013, but as a female entrepreneur, she had often struggled with getting access to larger loans – because she could not register the collateral in her name.

Cash Advance has made a difference for Esther. Digital lending has provided her with the short-term funds she needs, usually in less than 48 hours.

Because Zamzam uses a digital till to receive patient payments, she can take out small, fast Cash Advance loans, and select a percentage of the clinic's mobile revenues to automatically repay the funds. Accessing loans has helped her better manage cashflows—especially when insurance payments are late. It is now easier for her to deal quickly and directly with basic working capital needs like salary payments and restocking her pharmacy.

At the same time the clinic has worked with SafeCare to improve the quality of care. Zamzam has grown its client base and serves almost 17,000 patients every year.

With the opportunities of digital lending, and the commitment of the staff and owner, Zamzam Medical Center more than lives up to the promise of the sign out front.

Since 2009, MCF has disbursed USD 11 million in loans to female entrepreneurs. This figure supports Sustainable Development Goal 5 for Gender Equality – by promoting equal rights to women for economic resources, property ownership and financial services, and empowering women through technology.

Strengthening management skills

Most health SMEs are managed by healthcare professionals who have been trained to provide healthcare to patients and are fully engaged with the daily operations of their clinic. They often lack the management skills and financial knowledge that are necessary to plan for the future and take their facility to the next level. In 2017, MCF launched the first executive business development training in investments and management for health SMEs in sub-Saharan Africa.

In 2019, more than 100 health SME managers participated in comprehensive healthcare management courses at the Strathmore Business School in Kenya and the Enterprise Development Center in Nigeria. MCF helped coordinate these programs, along with other training programs for healthcare professionals in Ghana that are accredited by the Medical and Dental Council.

"I've taken out a good number of Cash Advance loans to date. **Bank terms are too bureaucratic compared to the ease with which I access Cash Advance(s)**. I am currently working to convert my facility to fully digital...to push more than 80 percent of our transactions through the till, and the remaining percentage will be insurance payments."

2019 IMPACT

TOTAL FIGURES SINCE INCEPTION

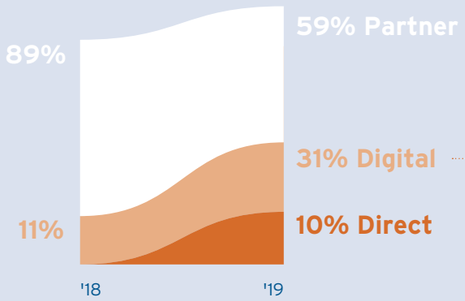
+1198
4,116
Nr. of loans disbursed

+71,3
204.9
Loan volume (*million USD)

+235
1,669
Nr. of health facilities reached

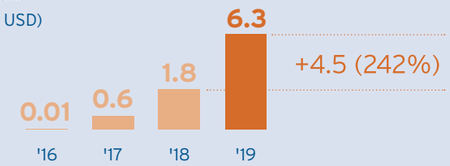
INCREASED DIVERSITY IN LOANS

Yearly loans disbursed by loan type (%)



Market challenges can lead to new opportunities. In 2019, MCF diversified the portfolio to include direct lending whilst digital lending products like Cash Advance continued to grow.

Growth of digital loans (*million USD)



HIGH REPAYMENT RATE

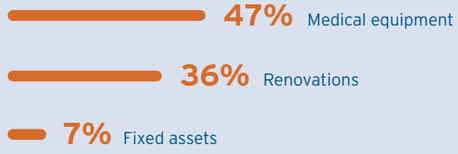
SMEs consistently repay loans on time

MCF repayment rate: 96%

African bank lending ave.: 80-91%

LOANS USED FOR IMPROVEMENTS

Top 3 loan usage:



The repayment rate for health SME's has remained consistently about the market average. Proving that the sector is bankable.

Quality improvement:

85% of MCF funded facilities increas their quality score in 2019


PESA

MEASURING IMPACT WITH RESEARCH, EVALUATION AND ADVOCACY

3 GOOD HEALTH AND WELL-BEING

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

17 PARTNERSHIPS FOR THE GOALS

CONTEXT:

Limited capacity and data available on successful, cost-efficient healthcare solutions in Africa.

Research and learning is vital to improve the operations of PharmAccess our partners, and the wider health ecosystem.

Research and evaluation requires long feedback loops, while organizational budgets focus on short-term results

Sub-Saharan Africa's health challenge ask for smart, innovative healthcare solutions as well as thorough research to improve credibility and translate learnings into new interventions.

THIS IS WHY WE...

- Conduct independent academic research and evaluation, made possible by long-term funding
- Facilitate access to data generated by our interventions for external scientific scrutiny
- Adopt research learnings generate learning and improve intervention quality and advocate for proven, successful models

Evaluating SafeCare and MCF in Tanzania

Over the past four years, we have collaborated with the London School of Hygiene and Tropical Medicine and the Ifakara Health Institute to conduct a randomized control trial in Tanzania. The focus of the study was to evaluate SafeCare's impact and assessment scores in relation to clinical quality of care. The analysis marks a first effort to evaluate the link between quality and business performance for private healthcare providers in sub-Saharan Africa.

Between 2015 and 2019, the study analyzed 237 facilities throughout Tanzania, using intervention and control groups.

The control group consisted of clinics that had taken part in standard, baseline SafeCare assessments.

The intervention group had undergone SafeCare assessments as well, but had also implemented a Quality improvement plan, business and quality training sessions, quarterly progress monitoring and mentoring – and were encouraged to apply for loans through Medical Credit Fund.

Would the intervention group – with access to extensive quality and business support – demonstrate a higher rate of improvement than facilities in the control group? And what was the relationship between SafeCare rating and impact on SafeCare scores?

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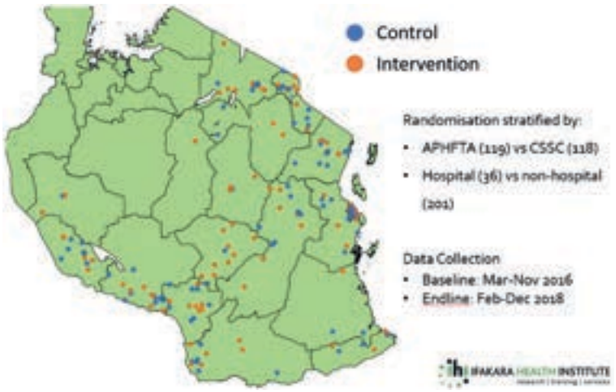
FACILITIES THROUGHOUT TANZANIA PARTICIPATED IN STUDY TO **EVALUATE SAFECARE'S IMPACT**

To measure impacts, first, the difference in end-line versus baseline SafeCare scores was compared between the treatment and control group. Second, data was collected through IPC observations, surveys, patient exit interviews, in-depth conversations with facility staff and other stakeholders – as well as "standardized" patients.

These healthy patients would go to facilities describing symptoms of certain medical conditions – without being ill. The standardized patient would then document the provider's response and observe whether the visit was conducted according to clinical guidelines. Did the provider perform correct tests? Were appropriate medications prescribed?



Drawing conclusions

Initial results from the study show that healthcare facilities with higher quality ratings perform better with standardized patients – in terms of providers prescribing (or not prescribing) inhalers, blood tests for malaria, microscopies, or antibiotics.

Intervention group services consistently scored higher than facilities in the control group, showing that SafeCare facilities do indeed improve their healthcare through enhanced quality and business support. The evidence also implies that technical support between SafeCare and providers drives quality improvement more consistently.

Yet overall, the study showed that quality improvements still need to happen faster and reach higher SafeCare scores (level 4 was not sufficient to have perfect clinical treatment) more cost-effectively. We learned that behavioral changes matter more than just plain knowledge – especially in terms of improving infection-fighting measures, such as effective handwashing.

From a business perspective, facilities in the treatment group appeared to do better in business performance. However, additional analysis is needed as the financial data was of poor quality.

The insights derived from the study have helped drive the development of the Quality Platform, which was designed to spur quality improvement through benchmarking, reinforcement exercises and regular mobile communications between SafeCare, providers and their peers.

At PharmAccess, research is integral to strengthening successful interventions by disseminating findings across a wider network. Beyond reach, research is also crucial to developing new product offerings and improving existing ones.

In Cameroon, an estimated 200,000 people are infected with Hepatitis C Virus (HCV), a chronic infection which can lead to life-threatening liver disease. In collaboration with our partners – and funded through the Joep Lange Institute (JLI) and the Achmea Foundation – we are seeking to facilitate a sustainable HCV treatment model using phased demonstration projects which will increasingly be financed by an innovative, pay-for-performance impact investment instrument. This effort capitalizes on recent advances in HCV treatment and utilizes antivirals with proven cure rates at about 95 percent in high-income countries. So far, we have completed an HCV treatment project for 161 patients – with a cure rate of 96 percent – demonstrating that decentralized treatment is feasible in Cameroon.

Another research priority in 2019 included a focus on connected diagnostics: a process where we can link diagnostic test through the cloud to digital payment mechanisms that fund only accurate medical treatments. Put simply, the process ensures that doctors only get paid for services or drugs they prescribe when a patient has actually tested positive for a certain condition, which can be verified through a simple test that has been uploaded to the cloud.

As part of a pilot in Kisumu, seven private clinics were analyzed using connected diagnostics. Nearly 12,000 people were tested for malaria, with the results uploaded to the cloud. Initial results show that the process demonstrates significant potential for decreasing the over-prescription of malaria drugs by verifying the tests, and also lowering administration costs by decreasing paperwork. Valuable, real-time data on malaria hotspots can be fed into national information systems (such as DHIS-2) to help governments allocate resources; and connected diagnostics also has the potential to empower patients, who can actively choose facilities that have a proven track record of testing accurately for disease.

12,000

PEOPLE WERE TESTED FOR MALARIA,
WITH RESULTS UPLOADED TO THE CLOUD

Strategic partnerships – results

In 2019, MoFA collaborated with PharmAccess in many areas, including:

- Initiating policy discussions with the World Bank's Health in Africa initiative on digitalizing and financing healthcare for the informal sector.
- Arranging for the Director of Sustainable Economic Development to speak at the FMO-AfricInvest/ PharmAccess Conference on Investments in Health Care, an event showcasing how innovation leads to healthy returns in Africa.

The Health in Africa (HiA) initiative was also instrumental in implementing activities across the countries we support:

- In Nigeria, HiA supported PharmAccess in engaging the new political leadership in Kwara and Lagos States to launch health insurance schemes.
- In Kenya, HiA engaged counties and the Ministry of Health to ensure the integration of digital interventions in UHC-focused activities.

The Joep Lange Institute (JLI) applies research, innovation, pragmatism, and action to improve access to quality healthcare by building efficient and effective health systems. JLI's events, research, and network of leading researchers in Africa, the Netherlands and elsewhere were essential for advocating for PharmAccess last year:

- Onno Schellekens (the Chair of JLI) was appointed Knight in the Order of the Lion of the Netherlands for his work in medical accounting, in getting capital to the poorest, and in using mobile technology to improve healthcare quality.
- JLI, PharmAccess and other organizations worked closely with Fondation Botnar – to form a coalition supporting the advocacy, communication and accountability of AI, digital and frontier technologies in promoting the 2030 UHC agenda.
- At the United Nations General Assembly in New York, JLI launched Global Public Investment with Helen Clark – the former Prime Minister of New Zealand – as a keynote speaker. JLI also held events on Civil Society Advocacy beyond UHC, and Health and Climate.
- At the World Health Summit in Berlin, Christoph Benn – JLI's Director for Global Health Diplomacy – spoke at the plenary session on the Life Saving Power of Mobile Technology in Achieving UHC and Financial Risk Protection.

Strengthening private health sector across Africa

The Africa Healthcare Federation – a platform for an Africa-wide engagement strengthening the role of private health sector – has supported the strengthening of sub-regional private healthcare associations such as the East and West African Health Care Federations. PharmAccess was one of the first strategic partners and funders of the platform. In 2019, the conference in Addis Ababa attracted participants from over 40 countries; and was pivotal in unifying African countries under a single umbrella: the Africa Healthcare Federation – to advocate for increased investment and innovation in the Africa health systems.

Recognition

PharmAccess received several important citations in 2019, including seven global awards. Our Nigeria Country Director was appointed the Commissioner on Digital Health and Artificial Intelligence by the Lancet and Financial Times Commission Governing Health Future 2030. Our Ghana Country Director was appointed to the World Health Organization's Roster of Experts on Digital Health. Forbes Africa also named PharmAccess Nigeria as a top 50 brand making a difference in Nigeria – the only health-related company to make the list. Finally, CarePay was awarded the Entrepreneurs for Resilience Award by the Swiss Re Foundation.

2019 was an important year for the advocacy that PharmAccess does with Queen Maxima of the Netherlands, the United Secretary General Special Advocate for Financial Inclusion. Queen Maxima celebrated the tenth anniversary of her work on financial inclusion which has contributed to, among other things, the Central Bank of Nigeria's decision to license mobile operators for mobile payments for the benefit of 60 million Nigerians without a bank account. During the tenth anniversary event honoring Queen Maxima's work in New York, she spoke of PharmAccess' innovative use of digital mobile health to deliver insurance to the informal sector in Lagos.

When the Netherlands Minister for International Trade and Development visited Nigeria, the Lagos Governor praised the collaboration with the Netherlands government in the Lagos State Health Insurance Scheme.

Sigrid Kaag, the Netherlands Minister for Foreign Trade and International Development, visited a PharmAccess initiative in Nairobi – with the goal of learning about how the Dutch government's funding has helped deliver digital interventions to increase lending to health SMEs as well as better access to healthcare for people in the informal sector.

The strength of our advocacy lies in the quality of partnerships, research and the lessons learned from our programs. These partnerships bring together institutional capabilities and human resources – in terms of skills, experience, and ideas for joint advocacy and for program implementation. We invest in long-standing partnerships, which require cross-cultural understanding, trust, solidarity, and accountability. Among our key advocacy partners are the Netherlands Ministry of Foreign Affairs (MOFA) and embassies, Joep Lange Institute, the World Bank's Health in Africa Initiative and the governments and private sector entities in the countries where we work. MoFA's long-term partnership has enabled us to strengthen and build strategic partnerships.

PREPARING FOR THE FUTURE

In April 2020, African and European political leaders called for the urgent transformation of an international collaboration on economic and global health – to fight COVID-19 in Africa.

The virus is a communicable disease that reminds us that we are all vulnerable: within months, a disease originating in China spread around the globe and destroyed trillions in wealth. Covid-19 can strike anyone, anywhere. Wealth and power do not matter; and as such, COVID-19 works as a profound 'equalizer' – at a global and country level. We have all learned that the world will only be safe when we can collectively stop the impact of the pandemic everywhere.

A unique opportunity has emerged to dramatically strengthen systems for health, and at the same time build systems that are resilient and can be sustained beyond this crisis to the benefit of millions. However, given the low average health expenditures in the countries we support, this kind of genuine transformation is achievable only if we fully employ the potential of innovation. Such a system needs to reach and include ALL people interactively, through their mobile phones and networks of outpatient clinics, referral systems and connected diagnostics. Generating data at the level of symptoms, tests and treatments is crucial: in the interest of both the general public and the patient. This requires that everybody be covered and have access to a standard, basic health benefit package.

In this interconnected world, this crisis confronts us all with daunting challenges. In this regard it is important to realize that most of the recent communicable disease crises originated in resource-poor countries. While this pandemic threatens health security and economic prospects globally, it will hit the African region even harder; and will risk excluding the African continent from aspects of the global economy if the continent cannot manage to control COVID-19. The travel bans – which have ruled out medical tourism – contribute to the political will its leaders and citizens' support at country-level to realize UHC and the much-needed transformation of health financing and delivery.

This is why PharmAccess and CarePay – with the support of the Joep Lange Institute and other partners – aims to support efforts to combat COVID-19 using the mobile health platforms, quality systems and investment instruments that we have helped build and test over the past ten years.

Our strategy will evolve in 2020 and beyond, while our mission remains the same. PharmAccess will stay focused on using public-private partnerships and innovation to strengthen health markets with digital technologies - so that people can access better services, lead healthier lives and reach their full potential.

PARTNERS

Amsterdam Institute for Global Health and Development (AIGHD) · Investment Fund for Health in Africa (IFHA) · Joint Commission International (JCI) · Access Bank (Nigeria) · Achmea Foundation · Adamawa State Government · Aegon · African Air Rescue (AAR) · African Health Markets for Equity (AHME) · Africa Institute of Healthcare Quality, Safety and Accreditation (Ghana) · African Population and Health Research Centre (APHRC) · Agencie Francaise de Developpement (AFD) · Aidsfonds · AMREF Health Africa · AmsterdamDiner Foundation · Association of Private Health Facilities in Tanzania (APHFTA) · AstraZeneca · Banc ABC (Tanzania) · Bill & Melinda Gates Foundaton · Boehringer Ingelheim · Calvert Impact Capital · CarePay Ltd · Center for Advanced Hindsight · Centers for Disease Control and Preventon (CDC) Foundation · Children's Investment Fund (CIFF) · Christian Health Association of Ghana (CHAG) · Christian Social Services Commission (CSSC) · Council for Health Services Accreditation for Southern Africa (COHSASA) · Credit Bank (Kenya) · Delta State Government · Department for International Development (DFID) · Duke University · Dutch Ministry of Foreign Affairs · East Africa Healthcare Federation (EAHF) · ELMA Foundation · Enabel/Wehubit BE) · Entrepeneurial Development Bank (FMO) · Equity for Tanzania (EFTA) · European Investment Bank · FACTS · FDOV · FHI 360 · Fidelity Bank (Ghana) · First City Monument Bank (Nigeria) · Food and Drug Authority (Ghana) · Gertrude's Childrens Hospital · GFA Consulting Group · Ghana National Health Insurance Agenda (NHIA) · Ghana National Health Insurance Scheme (NHIS) · Gilead Foundation · GIZ (DE) · Grofin · GT Bank (Kenya, Uganda) · Health Facilities Regulatory Agency (HEFRA) · Heinekin · Helmsley Trust · Henry Jackson Foundation · Human Development Innovation Fund (HDIF) · Hygeia International Consortium for Outcome Measurement (ICHOM) · International Federation of Health Plans · International Finance Corporation (IFC) · International Society for Quality in Health Care (ISQua) · Joep Lange Institute (JLI) · John Martin Fondation · Kenya National Hospital Insurance Fund (NHIF) · King Baudouin Foudation United States · Kisumu Medical and Education Trust (K-MET) · KNCV Tuberculosis Foundation · Kreditanstalt fu Wiederafbau (KfW) · Kwara State Government (Nigeria) · Lagos State Government (Nigeria) · Lagos State Government Health Facility Monitoring and Accreditation Agenda (HEFAMAA) · Lagos State Health Management Agency (LASHMA) · London School of Hygiene and Tropical Medicine · Management Sciences for Health (MSH) · Marie Stopes International (MSI) · Marie Stopes Kenya (MSK) · Medical Research Council · Ministry of Health in Kenya, Tanzania, Nigeria and Ghana · M-PESA Foundation · MSD for Mothers · National Health Insurance Authority (Ghana) · National Microfinance Bank (Tanzania) · Nationale Postcard Loterij · Noguchi Memorial Institute for Medical Research (Ghana) · Ogun State Government · OmniBank (Ghana) · Overseas Private Investment Corporation (OPIC) · Palladium · Pfizer Foundation · Pharmaceutical Socity of Ghana (PSGH) · Philips · Population Services International (PSI) · Populaton Services Kenya (PSK) · President's Emergency Plan for AIDS Relief (PEPFAR) · Republic Bank (Ghana) · Safaricom · Sanofi · SBM Bank (Kenya) · Shell · Sidian Bank (Kenya) · Society for Family Health (SFH) · Society for Private Medical and Dental Practitioners (Ghana) · Spreadgood · Sterling Bank (Nigeria) · Strathmore Business School (SBS) · Tanzania National Health Insurance Fund (NHIF) · The Global Fund to Fight Aids, Tuberculosis and Malaria · TLG Capital · Total Impact Capital · UK development finance institution (CDC) · Unilever · United States Agency for International Development (USAID) · University of Ilorin Teaching Hospital · World Bank Group · World Bank Group/IFC/Health in Africa (HiA)

PHARMACCESSGROUP

PharmAccess FOUNDATION

Health Insurance Fund

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