

## 'Affordable Access to Quality Healthcare'



### Health Micro-Insurance in Uganda

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## Identify the need:

**In Uganda the commonest reason for people sliding into extreme poverty is illness, especially in rural areas.**

**Sickness is unpredictable and causes poor people to:**

- Be unable to work (directly if sick or as primary car giver)
- Spend their savings including money meant for business
- Borrow quickly at unfavorable (even extortionate) terms
- Liquidate productive assets for less than market value
- Including livestock & even land (often lost as loan security)
- All the above compromises productivity

**So Health Financing is an obvious high priority need.....**

**BUT.....**

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## Not widely available....Why ?

### **Because health financing is difficult to do!**

- Public sector is stretched beyond its limits
- Private health sector is under funded & under developed
- Fee for service payment doesn't fund providers reliably
- Irregular cash flow limits access to capital investment funds
- Premium difficult to set - lack actuarial data
- So commercial insurers cost high for risk
- Can't sell high cost products to low income people
- Groups needed for risk pooling distribution and \$ collection
- **No 'cut and paste' models out there to copy.....**

**(Yet!)**

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## Our History:

A Micro Health Insurer targeting informal sector low income groups that developed the systems to do this and was drawn up into the formal sector

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## IT Capacity and Systems:



- Photo smart ID card with bio-metrics capability
- Robust Oracle Database
- Data connectivity through VSAT and GPRS (GSM)
- Real-time claims processing through unique networked hospital check-in desk system
- Ongoing in-house software development & support with hardware & networking backup

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## Chip Based Photo ID Card



### Chip card



- Member & dependants details
- Ceiling limits
- Can hold client details including biometrics code
- Rolling record: last 40 entries
- Security features prevent intrusion, duplication, etc.

### Chip card reader



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## Robust Database



- Our own Oracle database which:
- Doesn't fall over!
  - Can handle millions of clients & thousands of service providers, tests, diagnosis & drugs
  - Claims processed at clinic level
  - Reduces labor intensive paper claim form processing
  - Accurate timely financial and risk manage



## Ensures Control:

The Right **Person** gets the Right **Treatment** at the Right **Place** for the Right **Cost**

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## 'Real time claims processing'



MTAC Medicine

Hospital: ST FRANCIS, NSAMBYA Dept: OPD

MTAC No: Profile No: Regn Fee: Form No: Date: 01/Jan/2005 ID: F2N18600070 Arsit: Rmk-1: Card No: P2N18600070 Name: DOCTOR BLKENYA Doctor: BLKENYA Rmk-2:

DOB: 01/Jan/1946

Diagnosis: Add Delete

Comment: MALARIA

Generic: Product: Route: Frequency: No of Days: Quantity: Amount: Add Delete

Product	Frequency	No Days	Quantity	Amount
PANADOL 500 MG	3	5	15	750
QUININE 2 MBL	1	1	1	1500
MULTIVITAMINS 100 MBL	1	5	5	250

Ceiling Limit: Used: Total Amount: 2500 (US\$) Save & Print Close

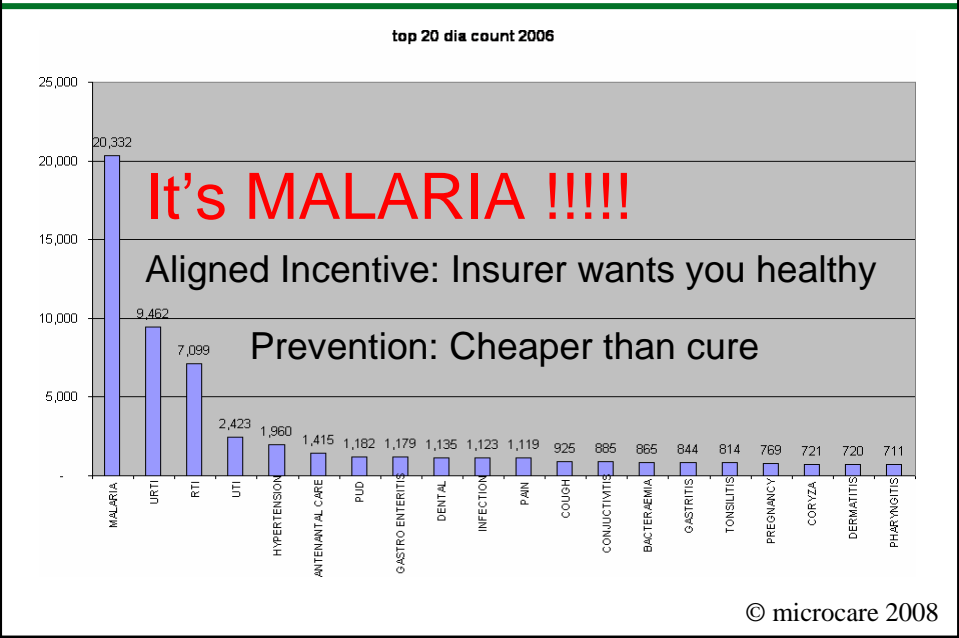
Record on site:

- Client Profile
- Clinic ID
- Doctor ID
- Investigations
- Diagnosis
- Drugs
- All itemized

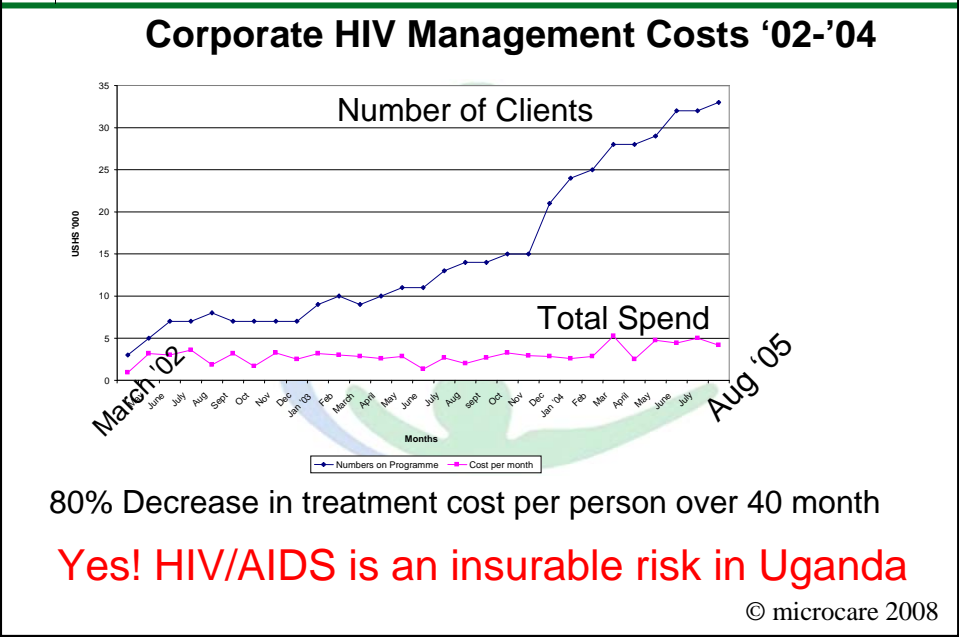
Lack of controls - Extra claims costs of 30% +  
 - We can't afford **NOT** to have controls!  
 - Nor can our low income clients!

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## Disease Pattern: Top 20 Diagnosis 2006



## Is HIV / AIDS an Insurable Risk?



## Conclusion: Microcare's Experience



- The poor are insurable in groups – even for AIDS
- You need IT & can't afford NOT to have controls
- Volume is essential for economies of scale
- Insurance enables early care seeking behavior
- Result: Good health outcome
- Strong incentive for effective preventive health
- These help keep people healthy and productive
- Benefits women (the workers!) and children most
- Insurance enables cash flow for efficient output  
focused private sector development in healthcare

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## Our Strategy - going forward

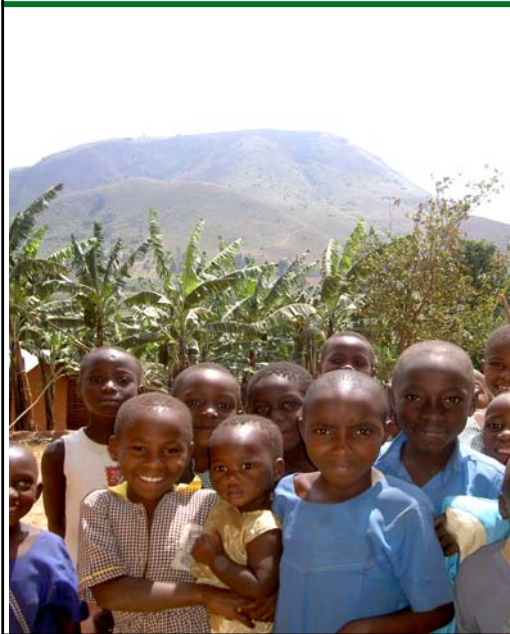


- Use apex market derived capacity to push down into the slower roll out and price sensitive informal sector mass market group health insurance especially rural
- Capitalize company to maintain regulatory reserve requirements in this lower margin mass market
- Look at how to contain pharmaceutical costs – Presently makes up over 65% of claims
- Exploring Livestock & Crop/minimum price insurance
- Replicate & partner internationally

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# Thank you



Kisiizi Orphans  
Sponsored on  
Microcare Insurance

*Further information visit  
[www.microcare.co.ug](http://www.microcare.co.ug)*

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# MTAC Form



## Single Source Document for Each Transaction

0009050

Plot 23, Prince Charles Drive Kololo  
Kampala  
P. o Box 29252  
Tel 041 235120/3  
Fax 041 542237/535681

MTACHO H003M0401318  
PATIENT ID **FIN18600070** PATIENT NAME **NAMAKULA ALICE** DATE **01/01/2005**  
SEX **F**  
DR. NAME **DR. BUZALIRW**

DIAGNOSIS **ABNORMAL FINDINGS IN SPECIMENS FROM MALE GENITAL ORGANS**

PRODUCTNAME	ROUTE	DOSAGE	FREQ	DAYS	QTY
NIMESULIDE 2	ORAL	250 MG	2	3	6
NIMESULIDE 1	ORAL	100 MG	2	2	4

AFFORDABLE ACCESS TO QUALITY HEALTHCARE

### In Triplicate:

- Patient
- Provider
- Microcare

### Signed by:

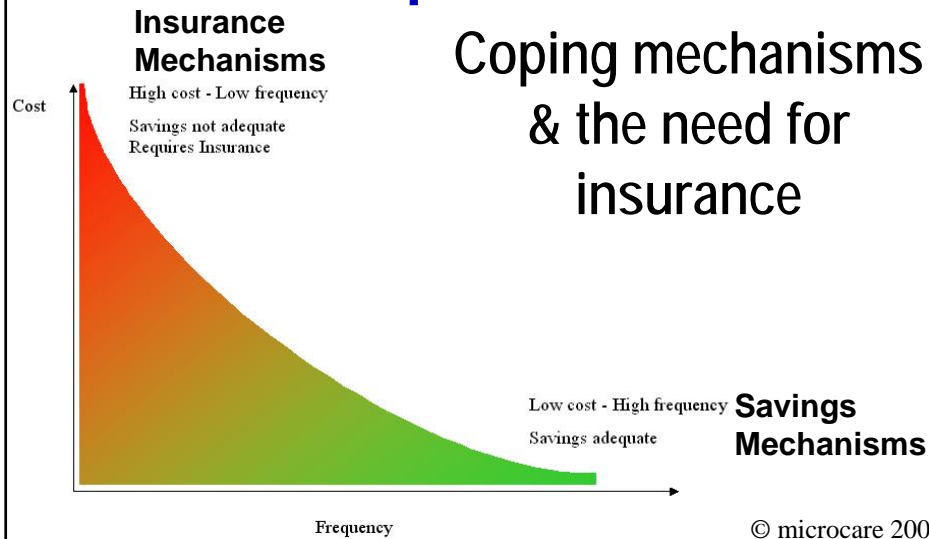
- Patient
- Doctor
- Pharmacist

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# Why Micro Insurance?



## The Spectrum of Risk



# Micro-Insurance: Who benefits?



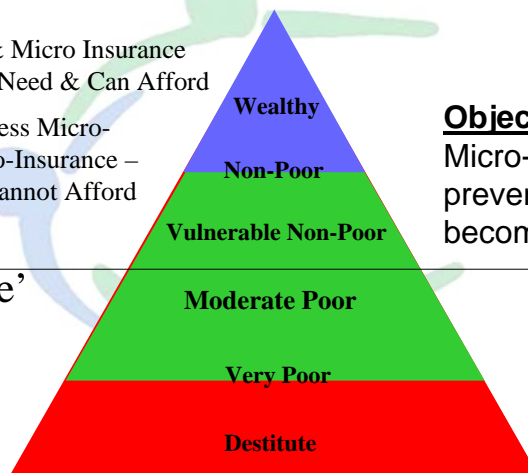
## Target population - Wealth Levels:

■ Access Higher Level Financial Services – Traditional Insurance Clients – No Need

■ Micro-Finance & Micro Insurance  
Target Clients – Need & Can Afford

■ Too Poor to Access Micro-Finance or Micro-Insurance –  
Need ++ BUT Cannot Afford

‘Poverty Line’



**Objective**  
Micro-Insurance  
prevents the poor  
becoming poorer

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## Microcare Background



- Started as a not for profit organization in 2000 providing group medical schemes for low-income earners
- Developed unique networked 'check-in desk' control system to prevent common abuses and enable fast accurate settlement of claims
- Targeted rural and urban both formal and informal sectors
- Commercialized into a licensed insurer in 2004:  
Now the Largest Health Insurer in Uganda servicing 76,000 formal sector clients from 170+ corporations and 29,000 informal sector community group clients
- Growth rate 300% Per Annum 2004-2008
- Underwritten by Africa's leading re-insurers © microcare 2008