

PROPOSAL

A landscape assessment of digital financial services in healthcare

EXECUTIVE SUMMARY

ACCESS Health International, with support from MetLife Foundation is the lead implementer of a newly established Fintech for Health Innovation Platform. With the aim of overcoming persistent financial barriers to healthcare access, ACCESS Health is convening partners from the health, technology, startup and financial sectors to build knowledge and co-create solutions and partnerships so that people no longer have to choose between catastrophic costs and catastrophic illness. While this initiative is currently focused on six markets in Asia, we believe that fintech for health has global relevance in efforts to improve health care access through digital financial inclusion, especially in low-resource settings. With support from Digital Square, ACCESS Health and Microsave will study *how* digital financial service models in healthcare were created, launched, and scaled, including barriers and success factors. We will pay special attention to the enabling factors and cases for how two disparate industries – financial services and healthcare – are able to work together. ACCESS Health has extensive experience in health financing, primary health care, and digital health technology in China, Southeast Asia, and India. Microsave contributes the expertise in financial services and fintech to ensure that appropriate solutions are created for health financing challenges. Upon completion of the project, USAID and the global health community will have an analytics tool to help project leads decide on the most appropriate digital financial services model for a given healthcare market, target population, regulatory environment, or given partners' capabilities.

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INTRODUCTION

Out-of-pocket spending on healthcare costs are one of the greatest threats to the financial security of people around the world. Despite commitments to universal health coverage, disparities in access, quality, and affordability persist. OECD countries have an average out-of-pocket expenditure rate of 13.76%, while in the least developed countries, 51.76% of healthcare costs are out of pocket. In Asia, out-of-pocket payments, as percent of total health expenditures, are high with 64.8% in South Asia, 33.5% in low income East Asia countries, and 26.1% in high income East Asia countries.

Every year, one third of all new cases of poverty in Southeast Asia are due to healthcare costs, with medicine being the largest contributor to the financial burden of healthcare. Sixty-five million people living in the WHO South-East Asia Region are in extreme poverty due to healthcare costs, while seventy-five percent of people with cancer in Asia face death or financial catastrophe within one year of diagnosis.

With rapid adoption of digital financial services in Asia, there has been increased interest in the role of digital financial services in helping people to pay for and access the care they need, when they need it, while avoiding financial hardship and improving their health. Additionally, there is a role for digital financial services in increasing the efficiencies of healthcare systems through trusted and transparent transactions and a more complete view of population needs through better data collection and analytics.

However, the relevant published literature is scant, and the industry—at the nexus of finance and healthcare—is nascent, providing limited insights on the development of digital financial services in healthcare to inform organizations interested to further develop these models.

REQUEST FROM DIGITAL SQUARE

Digital Square has requested a landscape study of the use of digital financial services in healthcare, focusing on its impact on financial protection, health seeking behavior, and health systems functioning.

GOAL

To support USAID's Health Systems Strengthening initiatives using digital financial services and a financial inclusion approach

OBJECTIVES

1. To identify best practices in the use of digital financial services to improve both financial protection and health systems functioning.
2. To understand the enabling factors, path to success, and impact in 2-3 country case studies
3. To document and study the evolution of the digital financial services field in healthcare and sharing its lessons with the broader global health community

OUR APPROACH

CURRENT WORK (NOT PART OF PROPOSED DIGITAL SQUARE GRANT)

Landscape study for six markets in Asia

ACCESS Health International, with support from MetLife Foundation, recently established the Fintech for Health Innovation Platform. The primary purpose of the platform is to help people pay for and access the care they need, when they need it, avoiding financial hardship while improving their health. The Fintech for Health program objectives are: 1) to test and scale projects that help people pay for and afford the healthcare they need, using digital financial services and a financial inclusion approach, 2) to promote cross-sectoral innovation in healthcare access and affordability, and 3) to conduct research on best practices and innovations in fintech applications in healthcare.

Activities under the Fintech for Health Innovation Platform fall into three categories: 1) knowledge building and thought leadership on best practices and opportunities in Fintech for Health, which includes documenting current models both in our target markets and globally, along with creating a database of key health financing challenges that would benefit from digital financial services; 2) engagement between digital financial services and healthcare industries to facilitate multisectoral partnerships; and 3) implementation of on-the-ground digital financial service projects in healthcare systems. Our goal is to facilitate the co-creation and launch of nine projects, aimed to reach 500,000 low- and moderate-income people, in **Bangladesh, China, India, Malaysia, Nepal, Vietnam**.

We will complete the first phase of research for the MetLife Foundation project in February 2020, producing a white paper on the opportunities for digital financial service in healthcare, an overview of existing models using digital finance, and recommendations for prioritization of new models. In the paper, we will outline why digital financial services have an important role to play in helping low- and moderate-income people pay for and access healthcare and describe the health financing challenges in the six focus markets in Asia markets. The paper will also include our framework for mapping digital financial services in healthcare.

PROPOSED WORK (WITH SUPPORT FROM DIGITAL SQUARE)

Case studies of best practices or promising models

Upon completion of the landscape study, ACCESS Health will conduct in-depth documentation and analysis of two to three country case studies in Asia.

China has long been recognized as the global leader in the adoption and usage of digital financial services. In a country where access to care is often limited to urban hospitals, and primary care is almost non-existent, digital technologies have emerged as the foremost tool in connecting people to doctors and helping them pay for higher quality services.

Meanwhile in India, there is an opportunity to document and study the adoption of digital financial services in healthcare systems as it is happening. The National Payments Corporation of India recently created the unified payment interface (UPI), which now represents over half of digital payments in India. With UPI, use of digital financial services is expected to increase ten-fold between 2017 and 2020. As an “active” or “live” case study, we will work with implementing health organizations, patient groups, and related payments platforms to study the effect of digital financial services in real time.

This second phase of research, with support from Digital Square, would allow us to further explore the enablers and barriers for successful digital financial service models in healthcare, with a

pragmatic approach that channels our research directly towards partnerships and solutions. The results of this second phase of research will benefit both USAID-funded projects on digital financing and will inform our own approach to project facilitation under Fintech for Health.

In order for these models to succeed in Asia, we need to understand the mechanisms of success already proven in Eastern Africa and other regions globally and benchmark them against newer models emerging in Asia. Toward that end, we suggest coordinating with applicants who will develop case studies on M-TIBA and similar models from Kenya and Tanzania. ACCESS Health and MSC will conduct desktop research and interviews to study successful and promising models in India, China, and a third country (Bangladesh, Philippines, or Indonesia; identified together with USAID). We will also interview leadership from models that seemed promising but did not succeed.

Analysis of findings and recommendations

Upon completion of the desktop research and interviews, we will identify common success factors and barriers, creating a global reference of factors that are needed in all Fintech for Health programs to be successful versus elements that require adaptation to the local context. As we anticipate that partnerships will be key to these models, we will conduct general stakeholder mapping and engagement exercises on the roles of non-traditional partners in health, including partners outside of both financing and healthcare. Recommendations for design and implementation of digital financial services models in healthcare will include: partnership formation between financial services companies and healthcare organizations, adaptation/localization tools from one country to another or between locales in-country, suggested metrics or monitoring & evaluation frameworks.

ACTIVITIES

Conduct desktop literature research and online review, plus initial interviews with key informants or key opinion leaders in the identified markets, to map existing models of digital financial services in healthcare.

- Confirm the chosen 2-3 study markets, in collaboration with USAID and consortium partners
- Identify the most salient models to study in-depth

Review and align existing metrics for financial inclusion and financial health, including the World Economic Forum’s 2018 report *“Advancing Financial Inclusion Metrics: Shifting from access to economic empowerment”*, with healthcare metrics that include consumer outcomes and health systems productivity.

- Co-create an evaluation framework with a focus on financial health and health outcomes, to give a more complete picture of the effects of trusted, inclusive financial services, especially in the face of costly healthcare diagnosis and treatments and the related financial shocks.

Based on the final evaluation framework, we will co-design research tools to evaluate the impact of digital financial services on financial protection, healthcare usage, and health systems functioning. Anticipated data sources: Using surveys and semi-structured interviews, ACCESS Health and MSC will conduct interviews with leadership, middle management, and frontline health workers; with implementing partners, regulators, and patient advocacy groups; and with patients and agents, and administrators. The information gleaned from interviews and surveys will be combined with financial services platform and health systems data.

- Draft country case studies that describe process and impact of digital financial services on patients and healthcare systems.

Analyze research data to determine common key factors across countries for impact of digital financial services, including weighting of factors that seemed to have an outsized effect or enabling factors on performance of the model, along with insights and recommendations for adoption and/or adaptation in other health systems.

- Develop a readiness and “model-fit” tool to help health systems determine the most appropriate digital financial services and tools for a given population, its health financing needs, and existing infrastructure, capabilities, and regulations. The Fintech for Health advisory committee and USAID, along with consortium partners, will review and validate the analysis and the resulting toolkit.

FINAL DELIVERABLES

- Publication of an extended landscape study, inclusive of country case studies, with key findings, the recommendations listed, and an enhanced framework for mapping digital financial services in healthcare;
- An impact evaluation framework for digital financial services in healthcare.
- An analytics tool to help project leads decide on the most appropriate digital financial services model for a given healthcare market, target population, regulatory environment, or given partners’ capabilities

TIMELINE

		MONTHS						
Entity	Pre-work	1	2	3	4	5	6	
LANDSCAPE STUDY (ASIA)	AHI							
MAP EXISTING MODELS IN CHOSEN COUNTRIES; CONFIRM COUNTRIES AND SALIENT MODELS	AHI							
CO-CREATE EVALUATION FRAMEWORK	AHI/MSC							
DESIGN AND TEST RESEARCH TOOLS	AHI/MSC							
DATA COLLECTION	AHI/MSC							
DATA ANALYSIS; KEY FINDINGS; RECOMMENDATIONS	AHI/MSC							
DEVELOP READINESS AND MODEL-FIT TOOLKIT	AHI/MSC							
FINAL REPORT	AHI							

BUDGET

The estimated budget is USD \$150,000.

CONSORTIUM TEAM

Primary Organization: ACCESS Health International

ACCESS Health International is a nonprofit think tank and advisory organization with the vision that all people have access to high quality, affordable healthcare, and a right to lead healthy, productive lives. We work toward that vision by conducting practical research, creating knowledge sharing and partnership engagement networks, and supporting project implementation. With offices in the US, China, India, Philippines, and Singapore (Southeast Asia), we work with governments, industry partners, startups, and nonprofits to develop knowledge and tools for health systems strengthening, focusing on health financing, digital technology, and service delivery innovation for community-based care.

Partner organization: MicroSave Consulting

MSC (formerly known as MicroSave) is a leading international development consulting firm that offers practical, market-led solutions focused on enhancing access to financial services to the low and middle-income segments. Our inspiration is to live in a world in which all people have access to high-quality, affordable, market-led financial services and other support they need. We offer consulting services in multiple domains including, Digital Financial Services, Banking, Financial Services and Insurance, Micro, Small and Medium Enterprises Finance and Private Sector Development. Across all the domains, we provide services in Market Assessments, Monitoring and Evaluations, Organizational Strengthening, Strategic Business Planning, and Product strategy for service providers. We have worked with a range of donor agencies, central banks, policymakers and national governments in various countries of Asia and Africa. We understand the financial needs, behavior and money management practices of the mass market and have worked extensively with digital financial services providers including FinTechs to incorporate our market insights in the design of their solutions. We have set up an incubation/solution lab for FinTechs to cater to the mass market in India.