

GRAMEEN KALYAN

A Health Microinsurance Programme in Bangladesh

Denis Garand and Mosleh U Ahmed
CGAP WORKING GROUP ON MICROINSURANCE

25 October 2005

1

Grameen Kalyan – *an overview*

- How it started
- How it works
- What is achieved
- Financial details
- Analysis
- Conclusion



25 October 2005

2

Grameen Kalyan

- A member of Grameen Bank group
- Registered as a NGO in 1996
- Grameen Bank handed over 10 of its health centres and an endowment fund of US\$ 42.5 to GK



25 October 2005

3

Grameen Kalyan

- It is an insurer and service provider
- Operates 28 health centres in 8 districts
- Provides preventive and curative health care
- 58,000 policyholders in 2004; 290,000 persons covered



25 October 2005

4

Grameen Kalyan

- Open to GB borrowers and their families and villagers living within 8 km of each GK health centre
- It is voluntary; no one is rejected; no specific exclusions; non-cardholders are also treated



25 October 2005

5

Grameen Kalyan – *Annual Premium*

GB MEMBERS	US\$ 2.04
NON GB MEMBERS	US\$ 2.56

- Premium is collected annually in cash;
- GB members can pay premium half-yearly by transfer from their account

25 October 2005

6

Grameen Kalyan - *Co-payments*

GB MEMBERS	US\$ 0.09
NON GB MEMBERS	US\$ 0.17
NON CARDHOLDERS	US\$ 0.85

- Payments made to the clinic providing treatment
- Claims paid by the clinic where registered as a member

25 October 2005

7

Grameen Kalyan - *Benefits*

- Medical consultation
- 25% off retail price of 15 essential basic medicines
- 10% off retail price of other medicines
- 30-50% off normal pathology tests
- 50% off referred consultation fees
- US\$8.52 – 17.04 provision other hospitalisation costs
- Up to US\$34.08 for pregnancy related costs
- Free annual check-up for head of household
- Free immunization against six common diseases
- Free house visits by female health assistant

25 October 2005

8

Grameen Kalyan - *Marketing and Client Education by front line staff*

- GK medical staff and managers attend weekly meetings of GB borrowers for marketing
- Front line staffs market HMI through door to door visits



25 October 2005
9

Grameen Kalyan - *Expertise and Training*

- Training by ILO WEEH project
- Training of Trainers (TOT) workshop by GB
- Doctors and paramedics, are sent to other medical organisations for training
- Health Assistants are placed at health centres as trainees for a few months and then attend formal TOT sessions



25 October 2005
10

Grameen Kalyan - *Claims Management*

- GK clinics provide 99% of the treatment; only 1% referred to outside clinics & hospitals
- Referral letters required for outside treatment
- Referral letter, prescription, bills and proof of hospitalisation are required for claims
- Claims are paid in cash at weekly group meetings in front of other members

25 October 2005

11

Grameen Kalyan - *Resources & Relationships*

- Financial support from GB and ILO/STEP
- Belgian charity Stichting Gilles provided financial support to 5 GK health centres
- Australian charity Fred Foundation provided medical equipment
- Government donated one health clinic

25 October 2005

12

Grameen Kalyan – *Impact*

- Self-treatment and wrong use of medicine reduced
- Treatment obtained without delay; complications prevented
- Prevention program keeps clinic costs down
- Maternal and neonatal mortality reduced
- Empowerment of women

25 October 2005

13

Grameen Kalyan – *Other activities*

- Extended immunisation programme for children
- National immunisation day for children
- National PolioPlus day for children with Rotary Clubs



25 October 2005

14

Income	US \$
Premium	63,485
Change in Unearned Premium Reserve (UPR)	-4,444
Subtotal earned premium	59,041
Co-payments by policyholder	15,871
Investment income	263,093
Total revenue	338,005
Expenses	
Health Center expenses	
Claims paid for referrals	2,983
Change in IBNR	2,181
<i>Subtotal incurred claims</i>	5,164
Expenses	
Head office	38,611
Regional office	115,313
Travel	3,735
Equipment and supplies	30,398
Training and promotion	14,241
<i>Subtotal administrative expenses</i>	202,298
Total expenditure	207,462
Net income (or loss)	130,543
Grants or subsidies	126,015
Net income (or loss) after grants and subsidies	256,558

Lessons learned, Institutional

- Health insurance can be a safety net
 - Over ten years 25% still in poverty due to ill health versus 58% that rise above poverty
- NGO's can deliver affordable quality care
 - Must have prevention component and appropriate treatment protocols
- MHIS requires different expertise, insurance must be sold!
- Plan design and price should be based on target populations input
- Health insurance via women.

Lessons learned, Capacity

- Success requires excellent service standards , quality care , and proximity
- MHIS can build on the “Brand”
- Scale is required to achieve viability

25 October 2005
17

Lessons learned, Distribution

- Must educate clients on the concept of risk pooling
- Door step service can be cost effective

25 October 2005
18

Lessons Learned, Product

- Product must be demand driven
- Premium collection simple “voluntary compulsory”

25 October 2005
19

Lessons learned, Claims

- Simple claims reimbursement help manage the scheme

25 October 2005
20

Lessons Learned, Finance

- Targeting higher income groups can provide funds to reach viability
- An endowment funds earning can result in a viable program

25 October 2005
21

Challenges, Institutional

- Will the organizational structure maintain its long term focus
 - Cost effective quality care

25 October 2005
22

Challenges, Distribution

- Convincing the community to participate in large numbers , use BRAND
- Renewal process not strong enough
- Can benefit be revised to provide a transportation benefit?
- Unique numbered Health card

25 October 2005
23

Challenges management

- Can they add enough VO and NVO to make programme viable?
- Are benchmarks set ?
- Can data be used?
- Can financial statements be done periodically?
- Develop a 5 year plan

25 October 2005
24

Challenges for CGAP working group

- Community health insurance can be deliver quality cost effective treatment at a lower cost then current community spending IF EFFICIENTLY MANAGED

25 October 2005
25

Discussion

25 October 2005
26