

A Microfinance Institution Expands Its Services to Protect Clients' Health

Microfinance and Health Protection: CRECER, Bolivia



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Crédito con Educación Rural (CRECER), a Bolivian microfinance institution that has offered integrated financial and health education since its inception in 1990, expanded its health protection services in late 2007 as part of Freedom from Hunger's Microfinance and Health Protection (MAHP) initiative. CRECER's cohesive health protection package, called "Healthy CRECER," includes the following:

- Mobile doctors providing primary care and diagnostic services in local "health days"
- Collective health loans to pay for mobile doctor consultations
- Referrals to higher-level medical care when needed at discounted fees
- Individual health loans to pay for major medical expenses

CRECER provides complementary health education on women's health, planning ahead to pay for health expenses, how to use the local healthcare system and advocate for better health care, and prevention and

management of common diseases. By the end of the evaluation of CRECER's health protection package in December of 2009, the health services were serving about 26,000 of CRECER's microfinance clients and their families in the largely rural areas surrounding La Paz and El Alto.

Research activities carried out as part of the MAHP initiative assessed CRECER's "Healthy CRECER" program to evaluate client use and perceptions of the health services and products as well as changes in health knowledge and behaviors are presented in this brief. A detailed report on all of the research activities and methods employed for CRECER can be found at www.ffhtechincal.org.¹

Health Days and Medical Referrals to Private Healthcare Providers

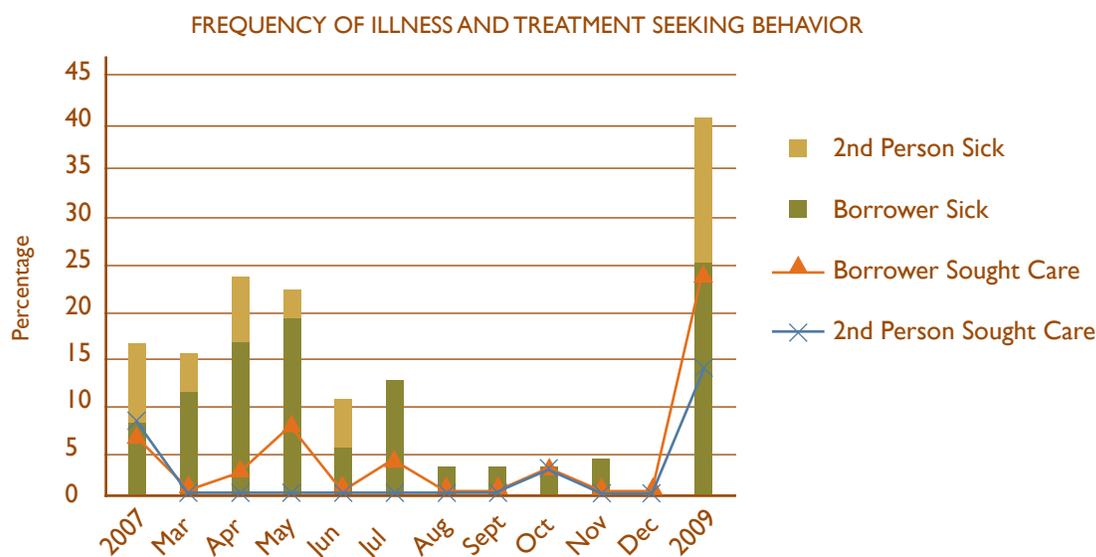
Prior to the MAHP initiative and the establishment of an official program under "Healthy CRECER," CRECER had been offering linkages to health providers through direct referrals and community "health days." During the four-year initiative, nearly 24,000 CRECER clients and their family members received medical assessment or treatment because of the "health days." Twenty-four percent (24%) of clients who participated in the "health days" indicated they had never sought medical treatment of any kind before participating in the "health day." Although we cannot clearly link the improved preventive care-seeking behaviors found in a parallel study (prior to the launch of "Healthy CRECER" in 2007, 10 percent indicated they had sought preventive care, and in 2009, 14.6 percent

¹ Outcomes in this brief are expressed in general terms as indications of program performance and none of the studies establish a causal link between the provision of programs and the observed outcomes. Additionally, none of the studies controlled for the bias of self-selection in participants who join microfinance programs, use discounted healthcare services, use health loans or attend health education sessions.

sought preventive care, $p < .10$), this finding suggests that improved preventive care is very possible and could be associated with CRECER linking its clients to these services.

When respondents were asked about illnesses experienced in the family, approximately 30 percent of households in 2009 indicated someone in their household suffered from a chronic illness. More individuals indicated experiencing illness in 2009 (25.2%) than in 2007 (7.5%); however, monthly data demonstrates a fairly consistent rate of illness with 2007 data, suggesting a consistent rate of illness between 2007 and 2009 (Figure 1).

FIGURE 1



The difference between the number of people reporting being sick in 2007 was not significantly different from 2009. The perception of increased illness in the 2009 end line survey may be due to an “implementation effect” in which respondents are more aware or paying more attention to their health because of their participation in the “Healthy CRECER” program: therefore, they are more accurate in their reporting of illness.

Health Loans

By the end of December 2009, 26,296 CRECER clients had access to a health loan. The health loan had a somewhat challenging start, both in rollout and in repayment, but by the end of the initiative, 256 clients had received a health loan to access needed health care, and by the end of the initiative, repayment rates were approaching 100 percent. Clients expressed satisfaction with knowing this product was available to them if needed and for this additional financial protection available through CRECER. The terms of the loan and CRECER’s direct payment of the health expenses to the providers (versus providing the loan directly to the client) was also appreciated because it ensured that clients completed their medical treatment and that the loan was used for its intended purpose. Health-loan clients reported a decrease in use of their current microenterprise loan for health expenditures as compared to how they used their first microenterprise loan, suggesting that the health loan reduces the need to use microenterprise loans for healthcare needs. Health-loan clients also indicated that if the health loan had not been available, they would have had to resort to borrowing from family or friends, selling an asset or foregoing treatment altogether.

Health Education

CRECER administered education modules entitled Plan for Better Health and Healthy Habits, which aim to help members financially prepare themselves and their families for illnesses and to avoid chronic illness. Results from a short survey (Table 1) conducted before and after the implementation of the Healthy Habits module showed improvements in knowledge about causes and prevention of disease and in self-reported behaviors:



TABLE 1: HEALTHY HABITS MINI-SURVEY RESULTS

Measure	Pre-Test (n=73)	Post-Test (n=158)
Clients who sought preventive care	48%	49%
Clients that knew at least 1 cause of diabetes	89%	98%
Clients who knew at least 2 causes of cancer	8%	21%
Clients who knew causes of high blood pressure	7%	19%
Clients who could mention all 5 healthy habits one should have	9%	39%
Clients who reported putting all 5 healthy habits into practice	6%	11%

Costs, Benefits and Financial Sustainability

An important element of MAHP was to address the question of whether it was possible to design and offer health-related products and services that could have positive social impact for clients while also being practical, cost-effective and even profitable for MFIs. Towards this objective, a cost-benefit study was conducted to examine the costs and benefits of the CRECER health days that employed a combination of activity-based and allocation methods. This study emphasized the cost of operating and growing the service, rather than the upfront investment required for its development and launch. Findings indicate that the CRECER health days can be provided to clients at a low cost of about US\$.40 per client per year. A comparative analysis of other measures, such as repayment rates and loan size in MAHP and non-MAHP areas, did not reveal any meaningful trends with respect to differences for clients who had and did not have access to services. There was some evidence, though, to suggest that health days do in fact have a positive impact on client growth and loyalty, which may in turn lead to increased financial earnings and savings for CRECER.

Conclusion

It is evident from the research results that CRECER has executed a successful pilot program of health protection products offering low-cost health services and products that meet important client needs, with positive impact on client health knowledge, behaviors and ability to access health services, and with indirect, yet valuable, benefits for the MFI. In April 2010, CRECER General Director Jose Auad stated emphatically that, "In the context of regulation and our highly competitive environment, we see health protection services as our competitive advantage." The

MFI intends to continue systematically refining and scaling up its health protection package in order to extend the new health education, health days and health loans to clients throughout Bolivia with the potential of reaching more than 100,000 microfinance clients. The CRECER health innovations overall stand out as impressive examples for microfinance organizations and others to consider for adoption, scale-up and long-term development impact around the world.

Freedom from Hunger—A Leader in Integrated Services

Founded in 1946, Freedom from Hunger is known for its innovations in integrated services. The organization's *Credit with Education* innovation unifies microfinance and dialogue-based education for self-help groups of women. The *Credit with Education* model includes training on health, business and financial topics. Rigorous studies have documented the statistically significant impacts of *Credit with Education*, including improvements in economic status, women's empowerment and the health and nutritional status of children whose mothers participate in the service.

With the creation of the Microfinance and Health Protection (MAHP) initiative, which developed and evaluated the addition of health protection services to MFIs in Benin, Bolivia, Burkina Faso, India and the Philippines, Freedom from Hunger initiated a new era in microfinance, one that responds to the desires of MFIs to help their clients stay healthy and flourish in their micro-enterprises and meets the most pressing health needs of families living in poverty. To learn more about Microfinance and Health Protection and to access the research studies that are summarized in this brief, visit www.ffhtechnical.org.



1644 DaVinci Court
Davis CA 95618
(530) 758-6200
mahp@freedomfromhunger.org

www.freedomfromhunger.org

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