



## **MAHP Research Summary Report: CARD**

**FREEDOM FROM HUNGER RESEARCH REPORT NO. 9B**

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## Table of Contents

<b>Executive Summary</b> .....	<b>1</b>
<b>Introduction</b> .....	<b>3</b>
CARD .....	3
Healthcare Concerns in the Philippines.....	4
MAHP Products and Services for CARD .....	4
Research Goals and Activities for CARD’s MAHP Innovations .....	5
<b>Key Results</b> .....	<b>7</b>
PhilHealth Client-Level Study .....	7
Preferred Provider Program Study .....	13
Health Education .....	17
Institutional Assessment.....	18
<b>Analysis</b> .....	<b>24</b>
CARD PhilHealth Program.....	24
Preferred Provider Program .....	25
PBH and UHS Education.....	26
<b>Conclusion</b> .....	<b>27</b>

# MAHP Research Summary Report: CARD

## EXECUTIVE SUMMARY

From January 2006 until December 2009, Freedom from Hunger worked with the microfinance organization CARD in the Philippines to pilot new health protection services for its existing microfinance clients as part of a global initiative. Funded by the Bill & Melinda Gates Foundation, the Microfinance and Health Protection (MAHP) initiative piloted health protection innovations with four additional microfinance organizations, following the development of these innovations from market research through initial implementation and scale. Through the market research, CARD identified pressing health needs and concerns of its clients and designed four products and services to address these issues: access to loans for health insurance, a discounted program for private healthcare providers, health education, and an affordable medicines program (launched towards the end of the pilot program).

A key component of the MAHP initiative also included conducting research activities to document evidence of the effects that these new products and services had on clients. The 12 separate research activities identified interesting findings that have been synthesized in this report to provide a holistic understanding of the performance and reception of these products and services. Although the research designs and data-collection methods varied in rigor, the outcomes are expressed in general terms as indications of program performance. We are cautious not to overstate the meaning of the data but attempt to use it to provide insight into understanding how the clients use the health protection products and services and their general satisfaction with them.

It is evident from the research results that CARD has executed a highly successful pilot program of health protection products and services. High levels of member satisfaction and willingness to recommend CARD's products indicate that the PhilHealth, Preferred Provider (PPP) and health education programs are appreciated and well-received. Members feel that the CARD PhilHealth program provides security in the event of a medical emergency, saves them money, offers an affordable and preferred payment structure and, even though some would like expanded coverage, many members outside of PhilHealth areas would also like access to it. The PPP is seen as providing quality service at an affordable rate. Many members would recommend it without having used it themselves and the providers themselves appreciate how participation contributes to their social mission as well as expands their client base.

*Plan for Better Health* (PBH) and *Using Health Care Services* (UHS) modules have led to potential positive changes in key behaviors that help prepare members plan ahead to pay for health expenses and to advocate for better health services.. Education for the PhilHealth program helps increase both member and staff understanding of the insurance. CARD staff members appreciate and use MAHP products and services, believe they contribute to member retention and see them as aligning with CARD's mission while ultimately having a positive impact on members. Both the deep commitment from CARD management and the environment in which the products were introduced enabled the ability to hire appropriate staff to successfully implement the programs, which have helped set CARD apart from its main competitors in the Philippines.

CARD's PhilHealth program has also contributed to the field of microfinance by creating a model that demonstrates how health insurance can be more accessible to MFI clients if offered through low weekly payments while allowing access to services before the full cost is paid. Further, the program shows that microfinance institutions (MFIs) can effectively link with a national health insurance program to bring health protection options directly to the poor. The CARD health innovations overall stand out as impressive examples for other microfinance organizations to adopt as effective health protection programs that can meet member needs and improve their lives as well as the lives of their families.

*Special thanks should be given to the CARD Research Unit and CARD MAHP staff members who carried out data-collection and data-entry activities for the client-level research activities. Their knowledge, skills and special care for members made these research activities possible.*

## INTRODUCTION

Many microfinance institutions (MFIs) have witnessed the significant impact that all-too-common health shocks can have on their clients' ability to repay, save and flourish in their microenterprise endeavors. These MFIs seek sustainable approaches that would safeguard their clients' health while also protecting the institutional bottom line.

Freedom from Hunger, a recognized expert in integrated financial and nonfinancial services for the poor, launched the Microfinance and Health Protection (MAHP) initiative in January 2006 with funding from the Bill & Melinda Gates Foundation. This initiative enabled Freedom from Hunger to add new health protection services to existing microfinance programs, including healthcare financing, health savings, health education or other services as identified through market research. The pilots for these new services were implemented in Bénin with PADME, in Bolivia with CRECER, in Burkina Faso with RCPB, in India with Bandhan and in the Philippines with CARD. These new services are currently reaching more than 300,000 microfinance clients combined.

In keeping with Freedom from Hunger's longstanding commitment in proving progress and documenting effectiveness, the grant also underwrote impact studies and other assessments of MAHP-related innovations. The overarching goals for conducting this research centered on addressing the following two key research considerations:

- 1) Whether the provision of these health services improves client well-being
- 2) Whether the provision of these health services improves institutional performance

As the products were introduced and implemented, appropriate research activities were designed to help answer these questions for each participating MFI. Various activities assessed client well-being in regards to individual MFIs' products and services, and other activities addressed specific aspects of an institutional assessment to better understand the factors affecting project implementation.

This paper looks at the research activities that examined various aspects of the MAHP innovations with CARD in the Philippines. First, the introduction section provides an overview of the following:

- CARD Mutually Reinforcing Institution (CARD MRI)
- Prominent health issues facing the Philippines at the time of the inception of MAHP
- CARD's products and their outreach
- Research goals and activities

Next, the key results section describes the methodology and results of the research activities. The analysis section provides an interpretation of the key results, and the paper ends with a short conclusion.

## CARD

CARD Mutually Reinforcing Institutions (CARD MRI or CARD) is a conglomerate of related institutions in the Philippines that includes a large NGO offering microfinance services, two regulated microfinance banks, a training and development institute, a business development services arm and an insurance company offering life, accident, disability and property insurance. CARD also

operates directly and through partnerships with other MFIs in several other Southeast Asian countries. CARD offers a range of credit and savings products to its all-female membership, including *Credit with Education* for clients who take out individual loans in a group setting as inspired by the ASA model (Bangladesh), and who receive brief, interactive education sessions at their weekly repayment meetings. The organization has been an active partner of Freedom from Hunger since 2000. Table 1 provides basic outreach and financial indicators on CARD.

**Table 1: CARD Institutional Data as of December 2009\***

Year MFI established	1986
Number of active borrowers	967,963
Outstanding gross portfolio	81,539,597
PAR 30	1%
Number of savers	991,474
Total savings deposits	50,889,954
Operational self-sufficiency	117%
Year started <i>Credit with Education</i>	2000
Number of members in credit group program receiving <i>Credit with Education</i>	882,673

\*Data as of 31 December 2009 as provided by CARD

## Healthcare Concerns in the Philippines

Regional and local public health clinics provide basic preventive and curative care, but they often lack proper diagnostic services and essential drugs. More serious illnesses are treated at hospitals located in larger towns and cities, which is often a significant distance for rural clients. A severe shortage of physicians, pharmacists and nurses throughout the country limits availability of trained health personnel in rural areas, where two-thirds of the country's poor reside. CARD clients, especially those in rural areas, expressed the need for greater access to affordable primary care and prescription medicines to help with the prevention, early treatment and management of illnesses.

Prescription drugs in the Philippines are the most expensive of any country in the region. The Department of Public Health has developed national formulary and bulk-purchasing schemes in an attempt to alleviate this problem. CARD representatives reported recently that access to current (within expiration date) prescription drugs and medical devices is difficult. Other reports indicate continuing logistical problems with obtaining, distributing and safely storing pharmaceuticals.

Infectious diseases such as malaria, dengue fever, diarrhea and tuberculosis remain persistent health concerns. Chronic and acute diseases such as diabetes, high blood pressure, heart disease, cancer and urinary tract infections, however, have increased dramatically and represent dominant concerns for CARD clients.

## MAHP Products and Services for CARD

The design of CARD's health protection services reflects the particular demand of the local population, as revealed through in-depth market research and analysis of other regional and country-level epidemiological and health systems information. CARD clients, especially those in rural areas, expressed the need for greater access to affordable primary care and prescription medicines to help with the prevention, early treatment and management of illnesses. CARD then designed the following health protection products and services:

- Access to loans for hospitalization insurance through PhilHealth KaSapi Program
- Access to a range of discounted services to CARD clients and their family members through Preferred Provider Program (PPP)
- *Plan for Better Health* (PBH) and *Using Health Care Services* (UHS) education modules about how to plan ahead and prepare for illness and how and when to access local healthcare services
- Exploration of linkage to franchise distributors of affordable essential drugs, which led to the development of the Affordable Medicines Program (in late 2009)

Recognizing that their capacity to save will often be inadequate to meet large health expenses, CARD clients expressed a desire for health insurance, particularly for low-frequency, high-impact events requiring hospitalization. CARD’s linkage with PhilHealth, the national health insurance program of the Philippines, helps eligible clients enroll in the insurance and use loans to make the annual premium more affordable, with weekly payments that assure continuous coverage throughout the year. By establishing linkages to private healthcare providers who offer discounts to CARD clients through the PPP, CARD is giving its clients expanded primary-care options in their communities without involving the MFI in the direct provision of medical care. The PBH and UHS education complements the PPP by helping clients learn how to utilize health services as well as learn how to plan for future illnesses. Additionally, the exploration and later establishment of the Affordable Medicines Program (AMP) addresses the clients’ urgent need for more affordable medicines for their health needs.

Table 2 demonstrates the progress of the MAHP interventions over the lifetime of the project. Note that indicators on the AMP are not included since the program launched at the end of the project data-collection period.

**Table 2: CARD’s MAHP Products and Services Outreach\***

	<b>December 2007</b>	<b>December 2008</b>	<b>December 2009</b>
Number of active borrowers in institution	456,737	526,272	967,963
People receiving full MAHP package	14,209	35,160	152,424
Percentage of active borrowers receiving full MAHP package	3.1%	6.7%	15.7%
Total number of members enrolled in health micro-insurance	2,584**	8,549**	13,651
Total number of insured (member+family)	12,920**	42,745**	68,250
Number of providers in PPP	7	64	151
Number of clients with access to approved provider	11,625	26,611	138,774

\*Data reported to Freedom from Hunger by CARD that represents MAHP outreach throughout the institution unless otherwise noted.

\*\*Data represents Laguna area only. Note that the December 2009 numbers for the “Total number of members enrolled in health micro-insurance” and “Total number of insured” represent all areas with CARD PhilHealth insurance.

## **Research Goals and Activities for CARD’s MAHP Innovations**

A key component of the MAHP initiative is to provide evidence that integrated microfinance and health protection services have impact on microfinance institutions and their clients. The MAHP research and evaluation activities for CARD include the documentation of both quantitative and qualitative results across all of the MAHP package components. Research design and data collection for client-level and institutional-level indicators began in 2007 and continued through December 2009.

For CARD, as with all five MAHP partners, the evaluations draw on data collected from individual client interviews, focus-group discussions (FGDs), institutional assessment exercises and MAHP institutional indicators to examine two primary questions:

- 1) Does the provision of integrated microfinance and health protection services by an MFI have a positive impact on client health and financial status?
- 2) Does this provision of services result in stronger institutional performance as measured by growth rate, client loyalty and retention, repayment rates, demand for and effective use of MFI services, and overall competitive position?

In order to answer these questions, Freedom from Hunger worked with CARD to design and implement research activities that looked at various aspects of the MAHP innovations. Most of the research activities in this report focus on client health and financial status, but some focus on the ability of the institution to integrate these new products into normal operations and help it flourish. It should be noted that the data-collection and analysis efforts to answer Question #2 regarding stronger institutional performance, are detailed in a separate report called *Costs and Benefits of Health Micro-insurance Premium Loans and Health Provider Linkages: The Experience of CARD in the Philippines*.

The research and evaluation plan for CARD's MAHP innovations changed over time as the innovations matured and new areas of interest emerged. Activities focused on the PhilHealth insurance, the PPP, the health education and other variables for indicating overall institutional performance. The assessment of institutional performance included four main activities: staff satisfaction interviews, a competitor's analysis, an enabling environment study and a brief poverty assessment analysis. Note that research activities did not include assessing AMP, due to the timeline of the development of the program.

The final list of accomplished research activities included 12 components, as outlined below. The activities are primarily organized around the individual products, with the exception of the institutional assessment activities.

1. PHILHEALTH CLIENT-LEVEL STUDY
  - a. Insurance Take-Up Study
  - b. PhilHealth Insurance Use Survey
  - c. PhilHealth Client Exit Survey
  - d. Client Satisfaction FGDs
2. PREFERRED PROVIDER PROGRAM STUDY
  - a. Bondoc Peninsula Products and Services Questionnaire, baseline and follow-up
  - b. Key Informant Interviews with PPP doctors
  - c. Client Satisfaction FGDs
3. HEALTH EDUCATION
  - a. PBH & UHS Mini-Survey
4. INSTITUTIONAL ASSESSMENT
  - a. Staff Satisfaction FGDs
  - b. Competitor's Analysis
  - c. Enabling Environment
  - d. Progress out of Poverty Index for Incoming Clients



The timeline for data collection of these activities covered a period from fall 2008 until fall 2009. Descriptions of the research activities, their purpose and methodologies, are described in the Key Results section.

## **KEY RESULTS**

This section provides descriptions of the methodology and key outcomes for each research activity for CARD's MAHP innovations organized by Freedom from Hunger. Freedom from Hunger staff designed the studies, wrote the surveys and carried out the analysis, and CARD staff collected the data and encoded it. Note that study designs, sampling methodologies and sample sizes vary per activity. Due to limits on time, the interventions were assessed within a relatively short time frame after their introduction. Most results are based on a one-point-in-time observation, but for those studies that compared data from two points in time, we cannot confidently attribute the changes seen to the intervention since there were no control groups or random assignment involved in the study designs. In these cases, however, it is likely that the intervention influenced the outcomes. We are cautious not to overstate the meaning of the data; these outcomes are intended to enhance understanding of the performance of the products and services, the general impressions of those receiving them and the environment in which they were introduced.

The key results section first presents results from activities that assessed the three CARD MAHP products and services separately, and then presents results for research activities that examined the MAHP products collectively. Findings for activities that examine the products and services collectively also include commentary on CARD as an institution. For the sake of brevity, the term "CARD PhilHealth Program" refers to the linkage between CARD and the PhilHealth insurance program that includes CARD acting as an agent to promote and enroll members, and also to the provision of premium loans to enrolled clients.

### **PhilHealth Client-Level Study**

#### **PhilHealth Take-Up Study**

##### ***Methods***

CARD and Freedom from Hunger conducted a study to understand rates of client take-up of health insurance as well as understanding and attitudes about available health insurance options. The study was conducted in three CARD branches in which both CARD's PhilHealth product and another health insurance product, Ang inyong Kalusugan ay Pangangalagaan (AKAP), were available over a number of months. The goals of the study were to generate findings that would benefit CARD in understanding the potential market for health insurance among its clients and the differences in members' preferences and perceptions of the CARD PhilHealth and AKAP programs, identify gaps in client knowledge or understanding of the insurance, and help develop strategies to increase health insurance enrollment and financial protection of members.

The Insurance Take-Up quantitative survey was administered in August and September 2009 to 166 randomly selected clients who were representative of three types of clients: those enrolled in the PhilHealth plan (n=47; note that 16 were also enrolled in AKAP), those enrolled in the CARD AKAP plan (n=36; note that 16 were also enrolled in PhilHealth), and those enrolled in neither plan (n=99). All respondents came from the three branches of San Pablo, Dolores and Bay, where both

CARD programs had been in place for a number of months and provided clients with several opportunities to enroll. Data was collected on the following areas of interest: enrollment and non-enrollment, income, risk aversion, opinions and perceptions of CARD health insurance products, and the aspects of CARD health insurance that attract or do not attract members to join.

## ***Key Results***

### *Enrollment Rates*

MIS data from CARD indicated that 8 percent of clients had enrolled in a CARD health insurance product. Survey data collected in this study enabled estimations of the remainder. Of those not enrolled in a CARD product, 37 percent had no other health insurance, and 55 percent had some other type. Of those with some other type, it was further estimated that at least 27 percent (of all respondents in the survey) had PhilHealth from another source of enrollment (employment, individual-paying, or sponsored program) and 28 percent had other forms of insurance that could not be specifically identified. It is likely, however, that some of those with insurance not specifically identified include clients who are enrolled in PhilHealth through other channels.

### *Income and Affordability*

Our findings indicate that although those without insurance as well as enrollees in the CARD PhilHealth program are somewhat more likely to be in the lowest income range for the survey respondents, overall income is not a strong determinant of insurance and CARD insurance (both types) is viewed as affordable by a large percentage of clients surveyed (94–98 percent felt that CARD PhilHealth was affordable, and 87–97 percent felt that AKAP was affordable; ranges represent averages from the three groups of clients surveyed). Although we also looked at risk aversion, and found that those without health insurance had the lowest number of clients who were highly risk-averse (not willing to take much risk), overall we did not feel that risk adversity was a strong predictor of enrollment in insurance.

### *Reasons for Enrollment and Non-Enrollment*

The most important reasons related to not enrolling in CARD health insurance products appear to be related to the lack of clients' understanding of the products and the benefits they offer. The most common reasons given included: "Don't know much about them," (13%); "Had a hard time processing papers," (11%); and "Thought they were too expensive," (8%).

For those with CARD PhilHealth or AKAP, the most common reason given for purchasing the product was, "I feel more secure having it in case of an emergency." Between 22 and 36 percent of members also thought the coverage was good or that their family would use it. When asked specifically if they expected to use the insurance in the next year, 85 percent with CARD PhilHealth thought they would use it, and 89 percent of AKAP members thought they would see a doctor for consultations in the next year. Over 90 percent of each group thought their insurance product was useful, and over 90 percent of each group would also recommend the product.

**Table 3: Summary of PhilHealth Insurance Take-Up Study (n=166)**

Indicators	Outcomes
Percentage of members at time of study enrolled in CARD insurance product (in select areas)	8%
Percentage who had other insurance	55%
Percentage who had no other insurance	37%
Most common reason for purchasing a CARD health insurance product (n=67)	“I feel more secure having it in case of an emergency”
The most common reason for not enrolling on CARD health insurance products (n=99)	“Don’t know much about them”
Those who felt CARD PhilHealth was affordable	94–98%
Thought insurance product was useful	90%+
Would recommend health insurance product	90%+

## **PhilHealth Use Study**

### ***Methods***

In the fall of 2008, approximately 18 months after CARD initiated enrollment to PhilHealth through its program, CARD staff executed the PhilHealth Use Study with guidance from Freedom from Hunger. At the time, over 6,600 clients had enrolled in the program. This study looked at a small group of members enrolled in the program to understand their reasons for take-up, perceptions and preferences about the program, and potential effects on the household’s ability to manage health costs. The Research Unit interviewed 40 members from 21 different branches to learn about effects on household finances and general satisfaction with the program with a short quantitative survey instrument. CARD staff randomly selected members for interviewing.

### ***Key Results***

#### ***Affordability and Payment***

Eighty-five percent of the respondents said that they prefer paying premium weekly through CARD rather than quarterly through PhilHealth. These respondents find the insurance affordable; 98 percent claimed that the loan was within their capacity to repay. It is clear that the payment structure to access PhilHealth insurance is a key benefit of the CARD PhilHealth program to these respondents.

#### ***Healthcare Financing Concerns***

Seventy-five percent of the members claimed that they or someone in their family used PhilHealth when seeking medical assistance in the past year (after having purchased it through CARD). When asked how much of the cost of the illness or injury the insurance covered, 35 percent said it covered more than half of the cost, 28 percent said about half, and 30 percent said less than half. When asked how they paid the remaining amount, 33 percent claimed using savings and 22 percent borrowed from family or friends. Even though having PhilHealth alleviates some financial burden, health problems can still be a major financial strain on a household.

Health costs are clearly a concern, even for these with insurance. When asked why they enrolled in the PhilHealth program, 60 percent agreed that they had current medical care needs and acknowledge that a person in the household will use it in the near future. Twenty-five percent agreed with the response “I am afraid that I will have medical bills which are too high to pay in the future and I want to buy insurance now to avoid the risk of not being able to pay.” Additionally, at least 15 percent of the total respondents said they used at least some of their last business loan from CARD for healthcare expenses. Some of these indicators are outlined in Table 4.

**Table 4: Healthcare Financing from PhilHealth Use Survey (n=40)**

Indicators	Outcomes
Respondents who said they used at least some of their last business loan from CARD for healthcare expenses	15%
Portion of the cost of the illness or injury the PhilHealth insurance covered:	
more than half of the cost	35%
about half	28%
less than half	30%
How they paid the remaining cost not covered:	
used savings	33%
borrowed from family or friends	22%
Most common reason for joining CARD PhilHealth	Had current medical needs and acknowledge that they or a person in the household will use it in the near future (60%)

Satisfaction with Use

Ninety-seven percent strongly agreed with the statement that “having PhilHealth insurance makes me feel protected in the event of a medical emergency in my family.” One hundred percent of those who used PhilHealth would renew their policy with CARD, although only 75 percent claimed using it. Sixty-five percent agreed that the CARD PhilHealth program had saved them money, and 80 percent said they felt that they had received something in return for the money spent on PhilHealth insurance.

Overall, respondents all agreed that it is not difficult to use PhilHealth insurance. Almost one-fourth (22.5%) of all respondents, however, have reported having problems filing a claim. The required documents were the greatest indicator to cause a problem when filing a claim. All (100%) agreed that they received something in return for the money spent on the insurance. Overwhelmingly (88%), respondents say PhilHealth helped “quite a lot.” Few (10%) said it helped a little. None reported that it didn’t help or made the situation worse. Of those who felt it helped a lot, the top reasons for satisfaction included feelings of security (28%); discounts (27%); and fast and easy processing of claims (23%).

The majority of respondents claimed satisfaction with the program, but still expressed some concerns. Fifty-seven percent agree that the CARD PhilHealth program does not cover an adequate number of healthcare services; and 57 percent still worry how to pay for a medical emergency (different respondents than prior 57 percent).

**Table 5: Member Perceptions of CARD PhilHealth (n=40)**

Indicators	Outcomes
Respondents said that they prefer paying premium weekly through CARD rather than quarterly through PhilHealth	85%
Claimed that the loan was within their capacity to repay	98%
Agreed with the statement “Having PhilHealth insurance makes me feel protected in case there is a medical emergency in my family.”	97%
Agreed that CARD PhilHealth program saves them money	65%
Felt they received something in return for the money spent on PhilHealth insurance	80%
Said PhilHealth helped “quite a lot”	88%
Agreed that the CARD PhilHealth program does not cover an adequate number of healthcare services	57%
Still worried about how to pay for a medical emergency	57%
Of those who used PhilHealth in the past year, the percentage who would renew policy with CARD	100%

### **PhilHealth Exit Study**

#### ***Methods***

In the fall of 2008, CARD employees also collected data for a PhilHealth Client Exit survey to understand why some CARD members had dis-enrolled from the program. CARD members sign up quarterly throughout the year and are enrolled until the end of that benefit year, which starts in April and ends in March. Those who dis-enroll typically leave the program when they opt out at the end of March, unless they leave earlier due to nonpayment of the premium loan or exiting CARD as a member altogether. For 2008, the average rate of voluntary dis-enrollment at the annual re-enrollment period for current members active in CARD was approximately 6 percent.

The quantitative survey consisted of approximately 40 questions that examined why clients who had voluntarily enrolled in the program were electing to discontinue enrollment, as well as issues of general perceptions and satisfaction with the program. CARD Research Unit identified 48 dis-enrolled clients to interview, all coming from the four branches that initially introduced PhilHealth: San Pablo, Bay, Dolores and Lucena.

#### ***Key Results***

The top reasons clients reported for dis-enrolling from the CARD PhilHealth program included leaving CARD as a member altogether (and therefore needing to dis-enroll from all programs) and realizing that they were already enrolled in PhilHealth through another program. There are several different ways in which low-income, informal-sector workers might gain access to PhilHealth, including through free cards offered sometimes during elections. Some respondents also cited administrative reasons for dis-enrollment, such as not realizing their membership was discontinued and unable to renew required documents for re-enrollment. A very small number also cited reasons such as wanting a smaller payment, being disappointed by the coverage and wanting to use the money for other needs.

Although these respondents had dis-enrolled, there were still high levels of satisfaction with the product. Eighty-five percent of the respondents indicated satisfaction with either benefits, ease of use, security or low payment, and 73 percent indicated that the premium loan was within their

capacity to pay. These outcomes seem plausible considering that many of these respondents exited for reasons other than dissatisfaction with the product.

The survey also captured information about general health concerns and expenses, which can be compared to similar findings in the PhilHealth survey (see Table 6). Of the total respondents, 66 percent agree with the statement, “If I or someone in my family got sick, I’m worried about how we would pay for medical services.” Fifteen percent responded that they strongly agree, and 35 percent somewhat agree with the statement, “Either I or someone in my family is sick and I worry often about my health or the health of that person.” Out of the total group, 27 percent said they had used part or their entire loan from CARD for medical expenses for either the respondent or her family; reasons for use included check-ups, medication, tooth extraction, physical therapy, treating kidney disease and treating dengue fever. Although we are unable to detect whether the respondents in this survey felt any different when they had health insurance before this survey, or whether they are leaving because they are enrolled in another insurance scheme, it is useful to note that these concerns still weigh heavily on their minds.

**Table 6: PhilHealth Exit Survey Findings (n=48)**

Indicators	Outcomes
Top reason reported for dis-enrollment	Leaving CARD as a member altogether
Second most common reason for dis-enrollment	Already enrolled in PhilHealth through another program
Agreed with the statement: “If I or someone in my family got very sick, I worry how we would pay for medical services.”	66%
Agreed with the statement “Either I or someone in my family is sick and I worry often about my health or the health of that person.”	50%
Respondents that reported using loan money from CARD loans to pay for medical expenses for either the respondent or her family	27%
Satisfied with either benefits, ease of use, security or low payment	85%
Thought premium loan was within their capacity to pay	73%

### **Client Satisfaction Focus-Group Discussions (FGDs)**

#### ***Methods***

In November 2008, members of the MAHP team at CARD and the CARD Research Unit conducted six client satisfaction FGDs within three areas offering PhilHealth (two in Candelaria, two in Dolores and two in Victoria) and six FGDs in three areas deemed comparable to the PhilHealth areas (two in Cebu, two in Mamburao and two in Naga). The idea for conducting FGDs in both areas that had the intervention and areas that did not was to set up an informal comparison to gauge whether there were potentially any differences between client satisfaction in areas with MAHP services and areas without. The FGDs lasted approximately one hour with groups of six to eight randomly selected women.

#### ***Key Results***

CARD members in both PhilHealth areas and those deemed comparable to the PhilHealth areas seem to have incredible member loyalty as measured by their willingness to continue as members of CARD and willingness to recommend CARD to friends and family. Members in both areas also

cited loans and insurance as the top products and services that encourage them to stay with CARD. Some members in PhilHealth areas claimed they joined CARD over other institutions because of their health loans; however, there was not a lot of data captured to understand how many members on average make this claim. Members in PhilHealth areas were asked whether they would recommend the CARD PhilHealth program to other CARD members. All said they would, because the program has been very beneficial. No solid differences in client satisfaction were identified between the two comparison groups, which imply that, overall, CARD members are satisfied with CARD, but potentially do not claim to be more or less satisfied because of the PhilHealth insurance.

## **Preferred Provider Program Study**

### **Bondoc Peninsula Products and Services Questionnaire**

#### ***Methods***

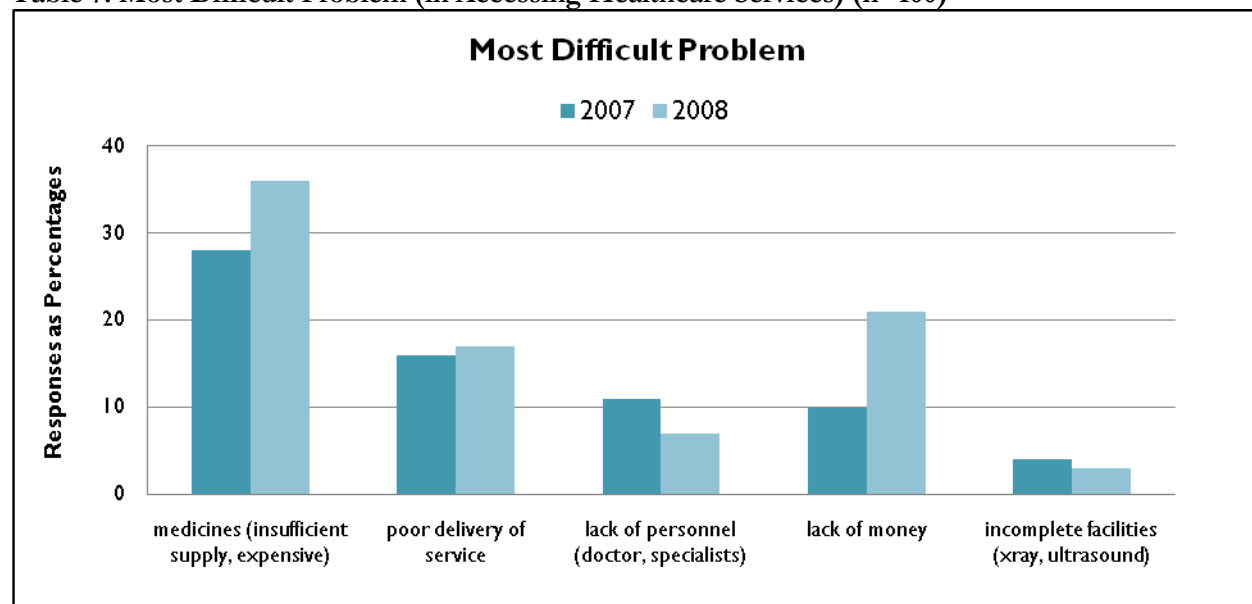
Outside researchers, under the direction of Freedom from Hunger, conducted market research for the MAHP project at CARD in January 2007 to understand patterns of care-seeking behaviors and attitudes toward healthcare needs. One study addressing these subjects surveyed 100 members in the Bondoc Peninsula area of CARD operations with a short survey of approximately 40 questions. The Bondoc Peninsula had already been identified as a potential location to start the PPP, and the survey set out to collect data on accessing health care, healthcare costs, healthcare services used, and priorities for healthcare needs. CARD introduced the PPP to its members in this area in September 2007, through short information sessions at village bank meetings (also called center meetings) that described benefits of the program as well as how to utilize them. In the fall of 2008, CARD staff tracked down 95 of the same 100 respondents from the Bondoc Peninsula Products and Services Questionnaire and asked them the same questions as the 2007 survey, as well as some additional questions to understand member perceptions and use of the PPP. CARD staff identified an additional five members to interview for an even 100 in the final group.

#### ***Key Results***

##### ***Problems Encountered in Accessing Healthcare Services***

Respondents were first asked about the problems encountered in accessing healthcare services, and then asked which was the most difficult problem or barrier to accessing care. In 2007, the top problems were with medicines (incomplete or high-cost), poor delivery of service, and lack of personnel. In 2008, the top problems were medicines, poor delivery of service and lack of money. The percentage indicating problems with medications rose from 28 to 36 (a 35 percent increase) from 2007 to 2008, and claimed that both insufficient supply and cost of the medicines were problematic. Of those who indicated poor delivery of service as a problem encountered in accessing health care in 2008, 53 percent indicated problems with poor delivery of services related to slow processing and long waiting times, and 47 percent indicated poor service quality. Those indicating “lack of money” as the most difficult problem more than doubled (110 percent increase) from 2007 to 2008. See results in Table 7.

**Table 7: Most Difficult Problem (in Accessing Healthcare Services) (n=100)**



Transportation

In 2008, 25 percent of respondents lived within walking distance of their usual source of health care and 62 percent lived one ride away from the usual source of health care. The average cost of travel to the usual source of health care was 33 pesos, and the average travel time to the usual source of health care was 26 minutes. A trend in the data shows that the ideal source of health care is farther away (in number of rides), takes nearly three times as long to arrive at, and costs more than double when compared to the usual source of health care. Distance traveled was not listed as the top problem encountered in accessing healthcare services; however, the lack of money likely incorporates some problems covering the costs of transportation.

Health Services Most Needed

When asked about health services most needed, pharmaceutical services again ranked as a top concern in both years of the survey. In 2007, the top four most-needed services were (in this order): outpatient, pharmaceutical, inpatient and laboratory. In 2008, the top four, in this order, were pharmaceutical, laboratory, inpatient and outpatient. Pharmaceutical services received more than double the votes as the most important service needed over inpatient services in 2008. When asked about health services most needed, transportation was ranked the service least important; however, where transportation services are needed, it can be a real barrier to care.

A question added to the 2008 survey that was not present in the 2007 survey regarded whether members ever sought preventive care. Out of the 100 respondents, 75 percent did not seek preventive services, and 25 percent did. It is clear that preventive care is not a high priority for this group.



## PPP

Results regarding member perceptions and use of the PPP only provide a small amount of useful information, since only nine of the 100 interviewed had visited a PPP doctor at the time of the interview. Although only nine of the 100 surveyed had seen a PPP doctor, 100 percent of them reported having a positive experience. Of the nine who visited a doctor, eight visited for a “checkup”; five claimed the doctor educated them about preventing illness; and six claimed the doctor educated them about the proper time to seek medical services. All nine said they had a positive experience, seven saying because of “good service” and nine said they could pay for the doctors’ services. All nine said they would recommend the services of the doctor to another CARD member.

## **Key Informant Interviews**

### ***Methods***

In late October 2008, members of the CARD MAHP staff and CARD Research Unit conducted one-hour-long key informant interviews with ten doctors participating in the PPP. All doctors interviewed had been offering discounted services to CARD members for at least one year, and most of them were the first doctors in the program. Issues discussed included services offered to CARD members, perceptions of impact of program participation on their practice, and satisfaction with participation. CARD staff selected 10 out of 58 existing providers to participate; the group included four family physicians, one pediatrician, two dentists, two optometrists and one representative of a medical laboratory. Although this sample is small and was taken early in the program, its objective was to give a general idea of the doctors’ interest and perception of the program.

### ***Key Results***

#### *Perceptions of Participation*

Some of the advantages cited by providers for participating in the PPP included “new patients” (most common answer), “helps establish physician presence in the community” and “feel like more able to help people.” Some disadvantages to participation included some patients asking for more discounts aside from the CARD discount (on average, the doctors in this sample gave 10–20 percent discount for their services to CARD members) and (from the medical laboratory) that they were losing more than gaining out of the partnership because lab exams and analysis take time and money for upkeep. Whereas participation for doctors has become quite popular, it posed a challenge for this medical laboratory.

*Even though I give discounts [to CARD members], it has been equalized by the increased numbers of patients.*

—Dr. Javierto Reynoso

While many providers did not answer the question regarding the impact of the PPP program on their practice, other indicators show that generally, business increased as a result of PPP. All ten of the participating health care providers stated that they appreciated having new patients through the PPP, although some said it has only amounted to a few new patients.

#### *Payment Concerns*

Overall, general practitioners saw fewer problems receiving payment for service from CARD members, while optometrists and dentists saw more problems. Also, some mentioned problems with patients forgetting ID cards. Of those who indicated that CARD members have a difficult time paying for service, the providers report giving further discounts, providing certain services gratis, or allowing clients to pay in installments. Some doctors also claimed they would appreciate a pre-payment system.

### Health Care for CARD Members

The majority of reasons for CARD members to visit these doctors indicate a higher burden of communicable diseases rather than chronic conditions. Dentists report extractions and dentures as the most common ailments of CARD members. Optometrists mainly fulfill a need for eyeglasses.

Fifty to 90 percent of the patients from general practitioners reportedly return for follow-up checkups. Distance and cost of travel are reasons mentioned by providers for their clientele not to return for follow-up visits. Some, but not all, of the providers reported that their patients required follow-up visits. All practitioners seem confident that the CARD patients took the full course of medications offered. Those with TB have more follow-up visits but it is unclear how many of them do not follow the medication plan and return for more medications. TB has the most mechanisms or programs that force them to be compliant in taking medication.

### Continued Participation

Reasons that would motivate providers to continue participation include continued dedication to a social mission, that it “helps the unfortunate,” that it is beneficial to doctors and patients, and that it is proven to be helpful overall. Factors that would not motivate continued participation would be retirement, if the clinic or laboratory is not earning enough, and if the clients do not improve (forget ID cards and insist on more discounts). An overwhelming majority would recommend other doctors to participate, however, and a majority said they would continue to participate “as long as I can.”

## **Client Satisfaction (FGDs)**

### ***Methods***

Members of the MAHP team and the CARD Research Unit conducted client satisfaction FGDs for the PPP soon after the FGDs for PhilHealth. They held six FGDs with members in three areas offering PPP (two in San Narciso, two in Catanauan and two in Mulanay) and six FGDs within three areas deemed comparable to the PPP areas (two in Goa, two in Libmanan and two in Pasacao) at the time. CARD staff carried out FGDs in areas with and without the PPP in order to set up an informal comparison of client satisfaction in areas with and without MAHP services, similar to the FGDs for PhilHealth. The FGDs lasted approximately one hour with groups of six to eight randomly selected women.

### ***Key Results***

All groups appear to be very satisfied and loyal to CARD. Both groups also claim that the main reasons for joining CARD are the added benefits as well as the loans; many members cited insurance, the scholarship program and additional capital as the reasons they joined. When asked why they continue to stay with CARD, insurance and loans came out as the top answers for both the PPP and PPP-comparable areas. Although it is not clear which of the many types of insurance that

CARD offers is the reason for joining or staying with CARD, it is clear they appreciate the added benefits.

**Quotes by clients participating in the PPP FGDs, regarding CARD membership:**

*“We are proud to be CARD members.”*  
*“If you are with CARD, problems seem to fade away.”*  
*“During weekly meetings, we forget our problems.”*  
*“When we joined CARD, we became more kind and friendlier.”*  
*“Before, I had a boss, but here I am the boss.”*

Members in both the PPP and PPP-comparable areas also cited the weekly meetings as one of the top aspects of CARD they like the most. Similar to the FGDs for PhilHealth, the data does not show any significant differences between the two groups related to the MAHP services, but it shows that CARD members appreciate additional benefits beyond the standard business loan.

## **Health Education**

### **PBH and UHS Mini-Survey**

#### ***Methods***

In March and April 2009, CARD staff members from various units within the PPP area were trained on delivering the *Plan for Better Health* (PBH) and *Using Health Care Services* (UHS) education modules. Before implementing the education, CARD staff conducted a baseline mini-survey pre-test using Lot Quality Assurance Sampling (LQAS) in select centers within the CARD Bank administrative units of Catanauan, San Narciso and Mulanay to assess key knowledge, skills (or behaviors) and attitude indicators pertaining to the subject matter of the education sessions. Soon after the pre-test, CARD staff implemented the two education modules and then conducted a post-test survey in July using the same mini-survey form as in the pre-test. The purpose of conducting the mini-survey is to understand changes in the levels of relevant healthcare planning and healthcare service knowledge, skills and attitudes of CARD members from before to after the implementation of the PBH and UHS education.

For the purpose of this study, selection of the supervision areas for LQAS were limited first to the original areas of the PPP, and secondly to the units of Catanauan, San Narciso and Mulanay, since they are the basis of other client-level analysis of the PPP for the MAHP initiative. CARD, with some instruction from Freedom from Hunger, oversaw the sampling and surveying of members. Typically, when using the LQAS method, five supervision areas are selected for study, and 19 members within these areas are surveyed for an aggregate analysis of 95 respondents. However, in order to preserve analysis comparability with other PPP data collected, the LQAS frame was adjusted to include only three supervision areas (the units of Catanauan, San Narciso and Mulanay), and the number of respondents per area was increased to 30 for aggregate analysis of 90.

#### ***Key Results***

The results were analyzed by comparing the average percentage of survey respondents who correctly answered each question in the pre-test to the average who correctly answered each question in the post-test. Differences between pre- and post-test results amounted to a less than 10 percent change for many of the indicators and, due to the sample size, may not suggest a real change in outcomes.

Pearson's  $\chi^2$  tests and f-tests were used to compare pre- and post-test changes indicators with pre- and post-test changes of more than 10 percent. Statistical significance was determined based on a p-value <0.05. The following two indicators demonstrated the greatest change between pre- and post-tests, of 13–14 percent:

- Members who have, in the past three months, put money aside to prepare themselves for future illness or medical emergency (increased from 79–92 percent) ( $p < .01$ ).
- Members who, when negotiating, focus on what they need and repeat it (increased from 55 to 69 percent) ( $p < .05$ ).

It should be noted that CARD members had high outcomes for most of the knowledge, behavior and attitudes covered in the survey at the pre-test, which could explain why we did not see changes in more indicators. Some indicators had changes that seemed noteworthy, such as the 10% change in the indicator “Members who, in the past 3 months, have talked to a family member about saving money to be prepared in case of a future illness or medical emergency,” but did not prove to be statistically significant. For those two that did prove to be statistically significant, the results show that change is occurring in a positive direction: members are saving money to prepare for future illness and more members reported having key skills in negotiation. The results are also encouraging because the two indicators reflect behavior change, which is often difficult to influence in a short period of time.

Additionally, in the post-test, about 85 percent of CARD members would recommend a family member see a doctor in the PPP, even though only approximately 23 percent had actually seen a PPP doctor. This indicates that CARD members have strong faith in CARD recommendations and CARD programs and do not necessarily need to “see for themselves” in order to endorse a CARD program.

## **Institutional Assessment**

### **Staff Satisfaction**

#### ***Methods***

In August 2009, Freedom from Hunger staff traveled to CARD and conducted a small number of FGDs with CARD staff members to understand staff perceptions of the MAHP products, including benefits and challenges of implementation. A total of six FGDs were completed; three in the PhilHealth area, two in the PPP area, and one with the MAHP team. The FGD guide used for this exercise was the same used for the other MAHP partners, with some questions specifically tailored to CARD products.

Even though it used a small sample, the goal was to have a representation from each of the MAHP product areas—PhilHealth and PPP—as well as interviews of the MAHP team at CMDI. It was important that interviewees represented different position levels to capture a wider range of involvement and potentially diverse reactions. Interviews were conducted in focus groups of four to six people, usually at the local branch office.

When possible, focus groups were organized by position to make the environment more comfortable and encourage participants to answer questions honestly without fearing repercussions

from supervisors (participants were also assured that their responses were confidential). Participants were selected mostly by availability and timing in terms of which staff could be available at the office. A total of 21 positions participated, which included five members of the MAHP team, two Area Managers, four Unit Managers and ten Account Managers. Most participating staff members had been with CARD between one and three years, with a few between four and ten years.

## ***Key Results***

### *Workload*

The MAHP team is taking the level of effort required to start and build the program in stride as both the workload and team continue to grow. Staff in PhilHealth areas noticed a workload increase while staff in PPP areas generally did not. Some mentioned that additional staff to support MAHP would be helpful.

Because the PhilHealth product is more complex, the staff appreciates having *Credit with Education* as a review tool to complement the training. However, as the team grows and products are scaled and systematized, there is hope that trainings, particularly in program management and health, will be offered. Staff felt very prepared in terms of promoting MAHP products, but when in doubt, they could reference the *Credit with Education* materials.

### *Benefits*

Staff members seem to appreciate the knowledge gained from health product trainings (PhilHealth and PPP) and utilize it in their own lives. Staff members feel confident and proud to share new health information, particularly about PhilHealth, with family members and friends. They feel that this knowledge is helpful in their own lives and for their own health. In addition, they appreciate the ability to use the PPP discount. Buy-in among CARD staff is significant and most seem happy to offer MAHP products to members.

### *Training and Supervision*

Because of the nature of the pilot project, the MAHP team did not have much formal training, and thus had to be flexible and learn through experience. Staff members expressed that ongoing training would be appreciated. They felt that they have the resources they need to fulfill the responsibilities of their job, but some mentioned that internet, laptops and, in one instance, a telephone, would help them do their job better. Apparently, due to growth and new hires, availability of space and computers has been limited.

Staff had very positive feedback in terms of supervision and guidance. Supervisors do a good job supporting and teaching those who report to them. Meetings, check-ins, feedback and evaluation occur on a regular basis and are much appreciated by staff. The extent that CARD employees support and collaborate with each other is impressive. There seemed to be significant camaraderie among account officers, who told stories about how they support each other, even when helping do follow-up with members who owe money, which is a particularly unpleasant task. “Team” and “family” were words used often by staff members to describe their relationship with CARD colleagues. Staff specifically identified the supportive environment and good benefits as positive aspects of working with CARD.

### Challenges

Several staff members mentioned the challenges encountered while working with PhilHealth, but felt the system has improved over the life of the project. They recommended that CARD open its own clinics and provide its own health micro-insurance instead of having partnerships, as difficulties occur. However, the MAHP team members noted that they realize the importance of being flexible and patient when working with partners. In addition, the MAHP team recommended that a set of guidelines be created on how to scale MAHP.

Regarding the PPP, some staff mentioned members' frustrations regarding the occasional small discounts that some providers offer. Others in the PPP area mentioned that there is great interest among members to have access to PhilHealth as well. The staff felt that the organization is good at listening to its members and addressing their needs, but one person suggested that CARD focus more on rural and harder-to-reach areas.

### Perception of Program Effects on Clients and the Organization

CARD staff recognizes the positive impact that MAHP products have had on CARD members, their families and communities. Staff in the PhilHealth area felt that CARD membership has even increased due to the opportunity to access PhilHealth. They overwhelmingly agree that CARD's products and services support CARD in fulfilling its mission, and that members enjoy the variety of products they can access as CARD members. It was felt that the inclusion of health products and services has been a valuable asset.

## **Competitor's Analysis**

### ***Methods***

In August 2009, Freedom from Hunger and CARD staff conducted a strategic competitor's analysis comparing CARD against three primary microfinance competitors in the Philippines (KMBI, TSKI and ASHI), as well as moneylenders and generalized rural banks. This analysis tool consisted of a matrix that compared information across all five entities on the eight Ps: product, price, promotion, place, positioning, physical evidence, people and process. Information to complete the tool was collected from individual conversations with a few key members of CARD management as well as from short interviews with a few randomly selected CARD clients. Six clients were interviewed separately from both the PPP and PhilHealth areas about competitors (three clients per area).

### ***Key Results***

#### Perceptions of CARD Management

The general opinion of CARD management is that there is not much competition from other major MFIs. Staff communicated that they "do not watch competitors" and, in fact, "they are not competitors, but friends, and we are sincere about this." Those interviewed placed an emphasis on CARD's ability and commitment to supporting, training and building the capacity of other MFIs.

CARD management believes that CARD's success is due in part to the many benefits the organization offers, which results in both client loyalty and increases in the number of new clients.

In addition to providing good benefits, CARD works in areas in which other MFIs are absent. This is exemplified in CARD's new Agromicrofinance Center program, which reaches rural communities in Mindanao.

### *Client Knowledge*

Based on the small number of informal discussions with clients, it seems as though clients in both the PPP and PhilHealth areas knew the major competitors (but expressed loyalty to CARD), and learned about them from friends and family (vs. advertisements). However, the clients interviewed did not know many particulars. They were unaware or didn't admit knowing the interest rates or the health products of other MFIs, although they knew that other organizations offered insurance. Additionally, those in the PhilHealth area said that the competitors did not provide education, but those in the PPP area knew that TSPI and TKI offered education.

### *Matrix Results*

Each major MFI, including CARD, offers business loans, general savings and insurance of some sort, but it seems that CARD is the only MFI that gives health loans (at the time of the survey). TSKI has a program in partnership with PhilHealth, ASHI is exploring health service options but has an occasional medical mission, and KMBI is also exploring health options. It seems that CARD is the only MFI among major competitors offering an intensive education program for clients, although the other three major institutions have occasional workshops, leadership training and retreats. Moneylenders and rural banks only offer loans, with no savings, insurance, health services or education. Moneylenders make loans for almost any reason, but with steep repayment terms. Rural banks offer loans for various reasons, but not for health. Overall, CARD seems to be ahead of its competitors in terms of both number and sophistication of health services, and intensity and regularity of education offered to clients.

## **Enabling Environment**

### ***Methods***

The purpose of the Enabling Environment study is to identify the elements of the regulatory, financial, business and health climates that can either leverage or damper CARD's efforts at reaching sustainability, scalability and client impact. Factors regarding internal changes within the MFI were also taken into consideration. This study primarily looks at how the enabling environment affects two key stakeholders: CARD MRI (MFI overall) and CARD clients. The study was carried out and compiled in August 2009 by Freedom from Hunger staff through key informant interviews with CARD staff members, health providers and CARD clients. Issues documented in the environmental study do not include those that existed before the design and implementation of the MAHP innovations.

### ***Key Results***

#### *Financial and Regulatory Climate*

CARD has built an impressive credit line and strong relationships with lenders, and now mostly borrows from banks, with little dependency on grants or donations. Success with these bank partnerships was facilitated in part by a new government policy that instructed banks to go into microfinance lending. The government has become interested in microfinance and small enterprise

and instructed banks that 8 percent of their total loan portfolios must go to MFIs and other organizations. This initiative has been of great benefit to CARD. In addition, the interest rate is low; it dropped about 1 percent since 2008 (in an attempt to make the market liquid to encourage lending), which is advantageous for borrowers like CARD. Additionally, while there are fewer foreign investments since 2006 due to the financial crisis, CARD does not feel any great impact due to its access to credit lines.

### Internal Changes

Even with some increases in membership, last year CARD grew by only 7 percent, which is low compared to the 30 percent planned growth the MFI has enjoyed in previous years. CARD passed on the declining interest rate to their clients and subsequently clients now enjoy a reduced interest rate of 28 percent instead of 32 percent from the previous year. CARD has grown and expanded significantly since the inception of the MAHP pilot project, doubling both its client base and portfolio between 2006 and 2009. While such growth has the potential to destabilize an MFI, CARD has not encountered any significant problems.

The MAHP program, as of August 2009, has two full-time and seven part-time staff members who support the expanding program. CARD has recently added an “affordable medicines” component to MAHP as well as a medical clinic program available to employees at select offices. CARD noted that there have been some natural growing pains with the significant increase in MAHP staff, and that trainings and integration of new staff with current staff in terms of alignment of values is important yet time-consuming.

### Client Perceptions

For the most part, CARD clients did not feel significantly affected by the global financial crisis. Clients were able to continue more or less as normal, though they may have been more cautious with their spending. The purchasing power is lower, and people are managing, though buying a little less. Food prices rose; however, they have since stabilized. There were reports of high fuel and commodity prices and some mentioned eating less meat as a result. Some clients took out larger loans after the crisis, but many others scaled back and took out smaller loans, and no generalizations could be made.

### Health Product Environment

PhilHealth has been a popular product among CARD clients; however, there are some outside factors which might have affected take-up of the product. For example, offers by politicians to provide free PhilHealth memberships to the poor, as well as the PhilHealth Indigent Program for which people can qualify for a one-year membership with potential for renewal, could be curbing expansion of CARD PhilHealth. Additionally, some private insurance companies have closed down and possibly affected people’s trust in insurance. Politics and government regulations are challenges and some are concerned that PhilHealth is in danger of collapsing if there is not appropriate follow-through to fix current problems in the system.

In August 2009, there was an executive order from the government mandating the accessibility of cheaper medicines. Setting up pharmacies through client stores and possibly partner health



providers, CARD plans to promote generic drugs and improve accessibility. By February 2010, CARD had trained 13 pharmacy aides and one pharmacist.

### Health Climate

The health climate in the Philippines does not appear to have changed considerably during the time period of the project. Dengue Fever continues to be a prevalent illness and, more significantly, chronic disease continues to affect a number of CARD clients. The H1N1 influenza, or swine flu, spread to the Philippines and in many cases affected CARD clients and family members, but CARD responded quickly with an education module, which made people feel more knowledgeable and prepared.

### Overall

Over the time period of the MAHP project, CARD continued to attract new capital, continued to expand its client base, and prospered overall. The stability and continued influx of funds undoubtedly contributed to the ability to expand the MAHP staff capacity. Despite administrative challenges with PhilHealth, CARD has been able to continue to increase enrollment in the program, increased PPP membership to 172 healthcare professionals in old and new regions, and started the affordable medicines project. Even if growth of the CARD PhilHealth program has not been as fast as preferred, no major obstacles have prevented CARD from launching, maintaining and growing the various components of the CARD MAHP project. CARD also believes that MAHP has helped attract new clients and encourages veteran clients to stay with the MFI.

### Progress Out of Poverty Index™

#### **Methodology**

Another question considered in evaluating the MAHP products is whether they reach the very poor. In an attempt to answer this question, part of the data-collection efforts included pulling a sample of clients in the PhilHealth and PPP areas to look at poverty levels. The poverty assessment tool used to estimate the income levels of the clients was the Progress Out of Poverty Index™ (PPI) scorecard. The scorecard is a 10-question survey that estimates the likelihood that a household has income below a given poverty line.<sup>1</sup> CARD has all its clients fill out a scorecard as part of the initial application process to take out a loan and then keeps the score in its MIS.

CARD Research Staff queried the MIS for 27 clients in some of the original PhilHealth areas and 27 in some of the original PPP areas to simply gauge the income levels of the clients in those areas. For PhilHealth, the data is from the branches of Dolores, Candelaria and Victoria; for PPP, the data is based on branches of Catanauan, Mulanay and San Narciso. See Table 8 below for results.

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<sup>1</sup> Schreiner, Mark. February 2009. "A Simple Poverty Scorecard from the Philippines."  
<[http://www.microfinance.com/English/Papers/Scoring\\_Poverty\\_Philippines.pdf](http://www.microfinance.com/English/Papers/Scoring_Poverty_Philippines.pdf)> (May 6,2010)

## Key Results

**Table 8: Poverty Likelihoods of a Sample of Clients with Access to MAHP Services**

	PhilHealth	PPP
Very Poor (below food line, or FL)	8%	8%
Moderately Poor (between FL and national poverty line, or NPL)	8%	37%
Between NPL and \$2.50/day	11%	19%
Between \$2.50 and \$3.75/day	40%	18%
\$3.75/day and above	33%	18%

The data shows that in the three areas of PhilHealth, approximately 8 percent are considered very poor and another 8 percent are considered moderately poor. For the three areas of the PPP, approximately 8 percent are very poor and 37 percent are moderately poor. It was well known at the initial rollout of these two products and services that the PhilHealth areas were wealthier than those in the PPP areas; therefore, these outcomes are not unexpected.

Whereas the areas in which these products and services are offered do have populations of very poor or moderately poor, the clients sampled for these results did not necessarily take up PhilHealth insurance or visit a PPP doctor (these factors are unknown of the sample). In order to make a stronger conclusion that these products reached the very or moderately poor, and to understand by what proportion, it is suggested to query the PPI score of clients who have purchased CARD PhilHealth and also query members who have visited a PPP doctor. However, these data points must also be in the MIS profiles of members or one must find members who have used these services and later look up their PPI scores.

## ANALYSIS

This section synthesizes key results from the client-level and institutional assessment research activities in order to provide a more holistic understanding of the performance and reception of these health protection products and services at CARD. The research designs and data-collection methods vary in rigor and the outcomes are spoken of in general terms as indications of program performance. As mentioned before, we are cautious not to overstate the meaning of the data but attempt to use it to provide insight into understanding how the clients use the products and services and their general satisfaction with them.

### CARD PhilHealth Program

Access to PhilHealth Insurance through CARD is seen as affordable and useful and provides a sense of protection to its user in a medical emergency. Clients appreciate the payment structure, with the flexibility to pay the premium weekly through CARD rather than quarterly (or yearly) through PhilHealth. They also find the loan to be within their capacity to repay. An overwhelming majority of members interviewed are generally satisfied with the product, would renew their policy and would also recommend it to a family member or friend. Even clients outside of areas in which PhilHealth is offered are asking for access to the product.

Although most CARD members surveyed with CARD PhilHealth claimed that having the insurance made them feel more secure in dealing with a medical emergency, many could use expanded coverage. Clients must fall back on savings and borrowing from family and friends to cover the additional costs, as well as potentially use funds from business loans. Clients continue to worry about health costs in general. However, many clients feel having the insurance has ultimately saved them money and that they have received something in return for what they have paid.

Enrollment continues to be a challenge, but this challenge can be confronted with efforts to further promote the product and educate clients. Some CARD members unknowingly already have access to PhilHealth through other means before they enroll, causing them to dis-enroll at a later date. Some members claim they are not enrolled because they do not know much about the product and some claim to have difficulty processing papers. Those issues can be alleviated with more and better communication between clients and staff.

Overall staff satisfaction with the financial and human resources devoted to the CARD PhilHealth program has added to its successful implementation thus far. The staff appreciates how the product aligns with CARD's mission and believes in its positive impact on clients. Although the staff recognizes difficulties in the partnership with PhilHealth and potential instability that it may bring, the staff has confidence in CARD's management of the program.

Two key points of learning about the CARD PhilHealth program from this research are: 1) people may not understand insurance or its value to them and 2) there is room for much greater outreach for the CARD PhilHealth program. Considering that understanding insurance and its value can be a big barrier to uptake of an insurance product, it is quite important to educate members on thoughtfully understanding CARD's specific products and health insurance in general.

CARD's promotion has been effective, but more advertising to deepen member understanding is crucial to expand client outreach. Gaining more clients can be difficult; even if insurance is affordable, there are still challenges in enrolling 100 percent of your eligible member base. However, the payment structure and logistical help from CARD staff are eminent benefits of CARD's PhilHealth program and will continue to attract more members to the product.

## **Preferred Provider Program**

From the research, most of the clients, doctors and CARD staff had an overall positive perspective of the PPP. Those few members interviewed said the doctors provided good service at an affordable rate and would recommend those services to another CARD member. Data from the mini-surveys found that about 85 percent of CARD members would recommend a family member see a doctor in the PPP, even though only approximately one-fourth had actually seen one of the doctors. This implies that CARD members have strong faith in CARD recommendations and may not necessarily need to "see for themselves" in order to endorse a CARD program.

The few doctors interviewed one year into the program expressed satisfaction with the program, enjoyed the new clientele base and appreciated contributing to the social mission. Many said they would continue participating in the program "for as long as they could" and would recommend other doctors participate. Some doctors mentioned a few problems with patients, however, such as patients forgetting their ID cards and asking for unreasonable discounts. They also mentioned that a

pre-payment system could be useful. One medical laboratory cited difficulty breaking even after offering the discount, but considering that twelve laboratories were active in the program as of June 2010, it is assumed that the others found a way to effectively incorporate the discount into their business. The health care providers have also shown their satisfaction with the program by maintaining membership; by June 2010, 239 providers were enrolled and only 4 had dropped out since the inception of the program.

CARD staff implementing the PPP are appreciative and strong believers in the program. They claim the program has an impact on clients, and think that it has encouraged clients to become more health-conscious. The staff enjoy and utilize their benefits of medical discounts for themselves and their family members. Staff also mentioned that they have not noticed a workload increase after starting the program, but they do have to sometimes remind members to bring their identification cards to the provider visits. The majority of the program coordination falls on a few individuals at the MAHP office who recruit new providers, maintain provider relationships and, when necessary, facilitate communication between the providers and CARD.

Although we know that the PPP seems to be appreciated by staff, and clients seem willing to recommend it, we cannot learn much from this research about clients who had actually visited doctors. The few interviewed seem satisfied by the services, but we are unable to address the issue of why some have not used the program services. Are the costs low enough to be effective? Are doctors within a reasonable distance to be able to travel to for a visit? One major barrier to use could be the perception of preventive care services. The Bondoc Peninsula Products and Services survey showed that only 25 percent of those interviewed sought preventive services. Perhaps further education of the benefits of preventive care could lead to more provider visits. The PPP goes hand-in-hand with the ability to promote preventive care, since members could seek services from recommended providers.

The PPP has the potential to meet member needs because it addresses health service issues that CARD members continue to struggle with, such as poor delivery of services and the hardship of affording services (lack of money) by offering discounted prices with trusted and recommended doctors. With increased promotional efforts and continued increases in available healthcare providers, we could expect uptake to increase over time. Additionally, the program could be implemented in areas in which PhilHealth hospitalization insurance exists as a way to complement the types of healthcare services available to members. CARD sets itself apart as the only one of its major competitors to offer a discounted provider program, and CARD management is committed to the program with plans to expand it institution-wide.

## **PBH and UHS Education**

Although many clients who participated in the pre- and post-mini-survey had high levels of knowledge in the relevant areas before the education was administered, the outcomes and tests of statistical significance suggested real changes in some key behaviors, such as saving money as a way to prepare for a future illness and exhibiting effective negotiation skills. These results are encouraging, both in terms of more positive behavior for clients and also in the efficacy of the *Plan for Better Health* and *Using Health Care Services* education modules.

The PBH and UHS education modules are also complementary to the PPP; they aim to help CARD members financially prepare their families for illnesses as well as help them understand healthcare services available in the community (such as the PPP). Not only do the modules help the CARD member learn to use the PPP, but using the PPP after receiving the education potentially helps cement the new knowledge (and potential behaviors) in the member's mind. Being able to visit a provider gives a member the opportunity to utilize new skills of negotiation and knowledge on what to expect of a healthcare provider during a visit. It would be beneficial for all CARD clients to receive this education; however, it would be particularly useful for those in areas of the PPP.

CARD has a competitive advantage in the market when offering an intensive education program for clients. CARD has offered the *Credit with Education* program since 2000, and these modules continue towards this trend. It would be beneficial for CARD and its members to continue to offer the PBH and UHS education throughout the institution.

## CONCLUSION

It is evident from the research results that CARD has executed a highly successful pilot program of health protection products and services. High levels of member satisfaction and willingness to recommend CARD's products indicate that the PhilHealth, PPP and health education programs are appreciated and well-received. Members feel that the CARD PhilHealth program provides security in a medical emergency, that it saves them money, offers an affordable and preferred payment structure, and even though some would like expanded coverage, many members outside of PhilHealth areas would also like access to it. The PPP is seen as providing quality service at an affordable rate, many members would recommend it without having used it themselves, and the providers themselves appreciate how participation contributes to their social mission as well as expands their client base. Education on PBH and UHS has led to potential positive changes in key behaviors that help clients to prepare for the financial impact of illness by saving in advance and to negotiate for needed services,, and education for the PhilHealth program helps increase both member and staff understanding of the insurance. CARD staff members appreciate and use MAHP products and services, believe they contribute to member retention, and see them as aligning with CARD's mission while ultimately having a positive impact on members. Both the deep commitment from CARD management and the environment in which the products were introduced enabled the ability to hire appropriate staff to successfully implement the programs, which have helped set CARD apart from its main competitors in the Philippines.

CARD's commitment and effective management of the products and services allowed them to scale up the MAHP innovations and even introduce new components before the end of the pilot program. By the end of December 2009, CARD had enrolled 13,651 members in PhilHealth providing health insurance coverage to approximately 68,250 individuals when taking into account covered family members, and provided access for 138,774 members to quality, discounted services of 151 approved physicians, dentists, optometrists, hospitals, registered nurses, maternity clinics and laboratories. Thousands of clients in the Bondoc peninsula area bers received PBH and UHS education, with plans for many more to receive it as well as sessions on other health education topics. An affordable medicines project was developed and launched, bringing discounts and availability of both generic prescription and over-the-counter drugs to CARD members through pharmacies and some CARD members' stores. CARD also added health clinics at two offices that provide staff services, such as follow-up checks after annual physical examinations, blood pressure

checks, assistance for common illnesses, first aid, referrals to other health service providers and health education.

CARD's remarkable ability to successfully implement and scale up these new innovations has not only benefited the institution and its members, but has made contributions to the field of microfinance. CARD's PhilHealth program stands out as a successful health micro-insurance model that demonstrates that health insurance can become popular if offered through low weekly payments while allowing access to services before the full cost is paid. At the time of this report, CARD's PhilHealth program is the most successful one of its kind in the Philippines in terms of growth, and CARD had been able to keep many of the members enrolled. Further, the program shows that MFIs can link with a national health insurance sector and bring health protection options directly to the poor. The CARD health innovations overall stand out as impressive examples for other microfinance organizations to adopt as effective health protection programs that can meet member needs and improve their lives as well as the lives of their families.