Enhancing health microinsurance through outpatient counselling -- Calcutta Kids [1]

About the Project

Project Name: Enhancing health microinsurance through outpatient counselling -- Calcutta Kids
Type of Facility Project: Microinsurance innovation grantee
Country of Operation: India
Region: Asia and the Pacific
Sub Topics: Improving value, Value-added services, Health
Type of Risk Carrier: Regulated insurance company
Type of Distribution Channel: Non-governmental organization

Organizational Overview

Calcutta Kids is an NGO founded in 2003 with a mandate to conduct public health work in slum areas of Howrah, India (the twin city of Calcutta). It increases access to health and nutrition services, providing health information, and encouraging positive health-changing behaviours. Calcutta Kids' community-based programs advance the promotion and delivery of good health care, medical advocacy, and health education. On March 1st, 2009, it will began operating a health microinsurance scheme in its catchment area. This scheme has been developed and will be operated in partnership with MicroEnsure, Medicare TPA, and United India Insurance company.

Project Description

Voluntary health microinsurance schemes worldwide face difficulty in retaining clients. One reason is because the wide majority of clients do not make claims in any given year, and thus see no tangible benefit in the product. Calcutta Kids seeks to address this problem by creating value for non-claimants through an outpatient counseling service (OPCS) - an additional service offered by the Calcutta Kids' health insurance product. When clients access outpatient care with a doctor within Ca...

Beneficiaries

The NGO targets the poorest children and pregnant women in an underserved slum area hosting about 18 000 residents. Calcutta Kids targets specifically expectant mothers and their children up to age 3. The outpatient counselling service that is proposed would reach all clients within the NGO's network that access outpatient care at a local clinic.

Learning Agenda

- Do health counselling services add value for clients and if so, how much and why? Do they help the clients feel more satisfied with their insurance? Do health counselling services result in higher renewals of inpatient cover?
- Are hospitalizations avoided? Are inpatient claims costs reduced due to lower severity of illness?
- Is the cost of counselling services offset by potential claim cost reductions, and policy renewals? Is it financially sustainable?

Project Status

Key Performance Indicators

- Number of families enrolled in year one of CK MHI program: 435 (1,418 individuals)
- Number of follow-up visits: 4 (all non-MCH)
- Renewal percentage for Sale Period 1 of Year 2: 78.5% (227 out of 289 clients)
- Renewal percentage for Sale Period 2 of Year 2: 76% (143 out of 188 clients)
- Hospitalization rate for Sale Period 1: 3.2% (46 out of 1418 individuals)
- Claims from Sale Period 1 ranged from 1,390 to 15,000 Rs. (avg. 5,839 Rs.)
- Loss ratio for Sales Period 1 (March 2009 ? March 2010): 467%

Project Updates

As of April 2010 A specific Micro Health Insurance product (MHI) was developed to be distributed amongst the slum dwellers in the Calcutta Kids catchment area that provided them with inpatient hospital care. The claims were administered by a Third Party Administrator (TPA). To prevent over
hospitalization, outpatient consultancy visits were organized for patients who went to outpatient doctors. In its first year, Calcutta Kids conducted three sales periods, enrolling 435 families (1,418 in... READ MORE[1]

**Project Lessons**

**On the effect of the OPCS on client retention** Possible reasons cited for the high retention levels include (1) the good relationship of Calcutta Kids with the community, and (2) the demonstration effect of claims paid. The retention level for Sales Period 1 of Year 2 was an impressive 78.5% (227 of 289 individuals), but with a limited number of OPCS visits, it is difficult to link this retention rate to the OPCS. ... READ MORE[2]

**On the clients' perception of the OPCS** High retention rates indicate a high level of overall satisfaction with the microinsurance scheme, but the precise reasons for the satisfaction need to be determined. Membership could have increased because of the demonstration effect of claims paid out or because clients value the fact that their expenses will be taken care of in times of illness. The low number of OPCS visits made it difficult to measure how mu... READ MORE[2]

**On the self-financing of the OPCS** During the first sales period the project operated at a significant loss ratio of over 400% due to low enrollment and a couple of high claims. In April 2010, Calcutta Kids requested its partner United India Insurance Company to work on a 3-5 year plan, which would yield a sustainable product. The new product will be launched once the OPCS study is completed. In light of the low number of OPCS visits, it is difficu... READ MORE[2]

**On Setting up an Insurance Program** If an organization is well respected in a community for one type of service provision, it does not necessarily mean that the organization will have an easy time selling a voluntary health insurance program. Calcutta Kids' expertise lies in child and maternal health care for which they have an excellent relationship with the slum area community. They originally assumed that this relationship would enable them to enrol... READ MORE[2]

**On the profile of clients attending the wellness clinics** Education levels: Education is significantly correlated with higher attendance rates: HMI clients who received some primary school education are 19 per cent more likely to attend the check-up at the wellness clinic than those without any education. This suggests that better education levels make clients more responsive to and aware of health care services. Gender: Female clients and family mem... READ MORE[2]

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*Date of last update:* March 2013

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