Learning Journey

Calcutta Kids

Enhancing and sustaining health microinsurance through outpatient counselling

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Project Basics

About the project

**Calcutta Kids** is an organization committed to the empowerment of the poorest children and expecting mothers in underserved slums in and around Kolkata, India. Calcutta Kids aims to increase access to health and nutrition services, provide health information and encourage positive health-changing behaviors. Calcutta Kids’ primary objective is to initiate community-based programmes that advance the promotion and delivery of good health care, medical advocacy and health education.

Voluntary health microinsurance schemes worldwide face difficulty in retaining clients. One reason is that the majorities 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 Calcutta Kids' network, a health worker is sent to their house two days later. There the health worker: (i) checks that the client is following the doctor's prescribed treatment and encourages them to do so if they are not, (ii) in the case of common sicknesses, provides simple behavioral advice to clients, and (iii) records the progression of old symptoms and the onset of new ones in a case file. At the Calcutta Kids office, a manager reviews all cases, and with the assistance of a staff doctor selects cases that require outpatient follow-up. If follow-up is necessary, a health worker informs the client the next day.

Along with the goal of improving renewal rates, it is also hoped that this service may result in a reduction of overall claims expenses by preventing some minor illnesses from becoming major, and by encouraging timely admission into hospitals in the case of major illnesses.

Finally, the service offers a means of monitoring the quality of outpatient care within the network, and also the illness patterns of the target population.

Calcutta Kids began the project to provide in-patient health services by teaming up with United India Insurance Company (UIIC) as the insurer, MicroEnsure as the intermediary (to assist in product development, data management and claims settlement), and Medicare as the third party administrator (TPA).
## Project Summary

**Project Name:** Enhancing and sustaining health microinsurance through outpatient counseling  
**Project Start Date:** March 2009  
**Duration:** 2 years  
**Country:** India  
**Product:** Health Insurance
**Project Updates**

**Key Indicators**

- Number of families enrolled in year one of Calcutta Kids’ HMI programme: 435 (1,418 individuals)
- Number of follow-up visits: 4 (none related to maternity or child health)
- Renewal percentage for sales period 1 of year 2: 78.5% (227 out of 289 clients)
- Renewal percentage for sales period 2 of year 2: 76% (143 out of 188 clients)
- Hospitalization rate for sales period 1: 3.2% (46 out of 1418 individuals)
- Claims from sale period 1 ranged from 1,390 to 15,000 Indian rupees (INR) (average of INR 5,839)
- Loss ratio for sales period 1 (March 2009 – March 2010): 467%

**What is happening?**

**As of April 2010**

A specific health microinsurance product (HMI) 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 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 individuals) in its HMI programme. Strict OPCS protocols and guidelines were developed, and a database was created for monitoring and management purposes so that demographic information, insurance information, and OPCS information could be easily cross referenced. Five doctors initially participated in the OPCS program - this was subsequently increased to eleven doctors. Three new community health workers were hired to help with the assumed large number of follow-ups necessary for OPCS clients.

In the first six months, only four OPCS visits were carried out. The primary reason for this was an unexpected glitch in the project chain. Patients were not bringing their insurance cards to the outpatient doctors because there was no financial discount and therefore there was no reason to show the cards to the outpatient doctors. The doctors did not know which clients were insurance holders and could not convey this information to Calcutta Kids and hence Calcutta Kids could not provide the OPCS home visits.

To assist with this difficulty, a Memorandum of Understanding was signed with Centre for Insurance and Risk Management (CIRM) to carry out an effective action research programme with Calcutta Kids. From March 2010, considerable efforts have been made to improve the system.
made to raise client awareness about the possibility of receiving community health workers visits, and incentives have been offered to outpatient doctors to find out if patients are insurance clients.

In cooperation with CIRM, Calcutta Kids has created a new research plan and accordingly revised the OPCS strategy.

**As of October 2010**

These measures were unable to persuade clients to carry their cards or doctors to record visits, and the OPCS could not be carried out successfully. Therefore, from 2010 the OPCS was replaced by invitations for free wellness check-ups for all clients (both claimants and non-claimants). Invitations were made by health workers door to door, using invitation letters, or over the phone. The invitation letters contained the insurance details of the clients and an offer of one free check-up for the client and his/her family, if the client goes to the clinic within 15 days. It adds that the free service would otherwise have cost INR 100 per person.

Through the service, free medical check-ups were provided by a qualified physician at the diarrhea treatment centre owned by Calcutta Kids. In each check-up the doctor went through the medical history of the client and checked their height, weight and blood pressure. The doctor also did a preliminary check-up on the possibility of anaemia, checked the condition of the client’s heart, lungs, hearing, eye sight, and also checks if there are stomach/bile related ailments. The doctor, if required, then prescribes some medicines or asks the client to have some pathological tests. The corresponding information was registered in the client’s medical record.

Some of the advantages of the “wellness clinics” were:

- It allows patients to change potentially dangerous health behaviors before those behaviors turn into serious conditions;
- It allows for early detection of health problems which can be treated more inexpensively than once symptoms become acute; and
- It allows for preventive care for individuals exhibiting a high risk of acquiring a particular illness.

The scheme is testing whether or not such an intervention will be valued by clients, and thus lead to a higher renewal rate.

**As of July 2011**

After many months of careful consideration and internal discussion, Calcutta Kids decided to wrap up the HMI programme. Calcutta Kids put in a lot of effort into the initiative but faced continuous challenges in their partnerships with MicroEnsure and the TPA, with regard to claims management, oversight, and overall project management.

Despite best efforts, disappointing results continued, in terms of low enrollments, changes in the project approach, delay in claims settlement, and most claims being settled through reimbursement rather than the cashless model. These problems started damaging the community’s trust in the organization.
In addition, selling insurance was impacting on Calcutta Kid’s ability to carry out its core programme on maternal and child health. Health workers had previously been seen as friends working on behalf of poor communities, but as a result of the project they began to be viewed as sales people pushing a product to suit the organization rather than the clients. This damaged the reputation of the health workers and their ability to create behaviour change and communicate among communities.

As a result Calcutta Kids did not feel able to continue the HMI programme.
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 the 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.

On 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 much clients value the OPCS.

On setting up and managing an insurance programme

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 programme. 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 a large number of people into an insurance programme that asked people to pay a premium. However, it appears that it is one thing for community members to say that they need a health insurance product and quite another for them to agree to pay for it when the product is actually available. That being said, in just 18 months, Calcutta Kids has insured nearly 10% of its catchment population and had a healthy renewal rate. Nonetheless, the programme continued to face challenges in terms of high claims ratios and partnership challenges.

Low cost insurance products for the poor are different than those designed for corporate and wealthy clients. The infrastructure in existence for the corporate clients does not work for the low cost insurance industry. The products are very different and the way they are managed by the TPA must accordingly be different and suited to the needs of the product.

The NGO/aggregator remains the first point of contact for the customer. Even if an NGO or MFI is working with other companies, it should be remembered that the NGO or MFI which has sold the product is forever the face of the product for clients. The NGO or MFI may well have no control of the product after the sales component, but if a partner does not deliver clients will nonetheless blame the NGO or MFI, which can have an impact on their reputation. This is an important risk to consider when working with partners. Additionally, the role of an insurance “sales” person by the NGO staff may not be appreciated by the members.
It is necessary to have a system to identify whether potential clients fall within the right income bracket, in order to ensure that the product is reaching its target audience. Pressure from the insurance companies and partners to enrol a certain number of clients forced Calcutta Kids to sell the product in the areas it works in, but beyond those families it already knew. The product was designed for poor people, but the only way to determine whether a family previously unknown to Calcutta Kids was poor was to simply ask their monthly income. If it was over 10,000 rupees (INR) then they were told that they were not eligible, and this upset potential clients. Soon word got round to wealthier families that this product was available inexpensively and that all they had to do was to say that their family income was less than INR 10,000 per month. To ensure that the product is reaching poor people, it is necessary to find a better system to check potential clients than a simple BPL card (which is susceptible to corruption) or a question based on salary.

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 members are more likely to attend the check-up, although this effect is not significant. This may be partly because a female doctor was appointed to carry out the check-ups. The members all felt that they had been taken care of and the doctor did do a thorough check-up. The women seemed very comfortable seeing a female doctor.

Illness History: Past illness is a strong predictor of attendance: having at least one household member experiencing any type of illness in the three months preceding the baseline, i.e. between 13 and 10 months before the free health check-up, raised the probability that any household member would attend the check-up.

Trust and earlier experience: The extent to which trust plays a role in explaining the low demand for preventive health care is also visible in the significant and positive impact of a previous exposure to Calcutta Kids’ health program. Households having benefited from the pre- and post-natal care program (MYCHI) provided by Calcutta Kids were significantly more likely to attend the check-up.

First time exposure to insurance: Check-up attendance was significantly higher for households subscribing the insurance scheme through Calcutta Kids for the first time than for those renewing a scheme they already experienced in the previous year. First time subscribers may be more enthusiastic about a scheme that is new to them and want to take full advantage of it.
Next Actions

The unplanned challenges and hurdles faced by Calcutta Kids have caused the organization to thoroughly reevaluate its operational strategy and targets. To maintain the focus on their core programme on maternity and child care, they decided to withdraw the health insurance programme.