Dalberg

FINAL TECHNICAL PROPOSAL: Digital Financial Services on Health Outcomes & Health Systems

December 16, 2019

Dalberg welcomes the opportunity to collaborate with PATH and Digital Square on this important assessment, not only to inform approaches to supporting DFS models for health, but also to contribute to broader agendas related to Universal Health Coverage across the global health community. We would be glad to discuss the approach outlined in this memo and to further adjust it to best meet your needs.

Team

Erin Barringer (Partner) and **James Eustace** (Associate Partner), co-Leaders of Dalberg's Global Health Practice would work closely with **Greg Snyders** (Partner), Dalberg's Investing for Development Practice Lead to run this engagement. Erin has led engagements on health system strengthening for Rockefeller Foundation, the Bill & Melinda Gates Foundation, USAID as well as private sector actors and has expertise in health insurance and savings models. James has led much of Dalberg's work on health financing and digital health with major global organizations including software foundations, BMGF, USAID, pharmaceutical firms, and WHO. Greg works with major institutions to conduct assessments of DFS across multiple sectors. The team would draw heavily upon a broader set of Dalberg partners across our 26 global offices. The day-to-day project team would consist of a full-time Project Manager with experience in health and DFS, and a full-time Consultant with experience in DFS and health.

Problem statement

Every year 100 million people are pushed into poverty because they need to pay out-of-pocket for health care. This creates an urgent need to explore digital financial service (DFS) models for health – including savings products, pooling and insurance products, and payment products – that can provide both critically needed financial protection and improved health system performance.

While there has been substantial experimentation on DFS models for health over the last decade, especially micro health insurance and savings accounts, we have limited understanding of what's working, and how to drive scale of these models. Many traditional DFS models for health focus on higher-income segments rather than under-covered or un-covered groups. Indeed the working poor segment is rarely covered by public / donor programs or high-end private providers. There is a clear need to understand the impact of current DFS models for health on financial protection and health system strengthening as well as the ways in which the successful models can be supported to sustain and scale.

Approach

PATH, Digital Square, and its partners wish to commission a landscaping assessment of the role that digital financial services (DFS) can play in advancing financial protection and supporting improved health systems performance. This assessment would seek to understand how DFS – both via new channels such as mobile financial services and new tools such as improved data for decision making – can help (i) minimize the number of people being pushed into 'extreme poverty' as a result of high out-of-pocket healthcare costs, and (ii) improve the health system both in terms of demand/utilization for health services and quality/responsiveness of health providers. Specifically, this assessment would look

to understand the results of DFS models for health with respect to: (i) financial protection, (ii) demand and utilization, (iii) health system performance, and (iv) implementation considerations and barriers.

Several elements will be necessary to ensure this scope of work and engagement lead to the greatest insight. These include:

- *Casting a wide net in terms of the DFS models for health we include in the assessment and conduct case studies on.* There are limited examples of DFS for health that have been able to sustain and scale, which has led to a number of smaller, more innovative pilots that often have not gotten significant uptake. Given the more dispersed and sub-scale nature of DFS for health today, we believe it will be important to cast a wide net in terms of examples that we seek to learn from during the assessment. For example, we would recommend looking at DFS for health across the following dimensions, and could cut our analysis to identify trends
    - Public and private: Some models may cater more to public sector health delivery while others are stand-alone, fully integrated private models. It will be important to look at both to understand whether results are significantly different (e.g., in a stand-alone private model, is it easier to control for health system incentives and improvements) as well as how constraints and challenges vary.
    - At-scale and sub-scale: As noted above, very few DFS models for health have reached sustainable scale. Thus, we would recommend looking at both newer, start-up models to understand results of those to date as well as challenges to sustain and scale, as well as those few models that have reached larger scale to understand results but, importantly, the pathway to scale.
    - Designed for lower-income and higher-income segments: Many DFS models for health have started with middle-income consumers rather than lower-income consumers, given the challenges of making business economics work for the lower-income consumers. As a result, we may be able to learn tangentially from a broader range of models that have included both lower- and mid-income segments.
- *Including a specific focus as part of the 'implementation considerations' on barriers to sustain/scale and models for success.* As noted above, many DFS models for health have had difficulty sustaining and scaling even if they demonstrate strong results on a small-scale. Thus we will bring an explicit focus on 'implementation considerations' to better understand the barriers to scale-up as well as potential models that lend themselves more to scale-up (e.g., models that are part of mobile services rather than stand-alone). For example, previous work we have done in this space has suggested that there are some shared barriers across DFS models for health, such as lack of clear policy guidance and regulatory framework which leads to significant risk for individual DFS providers and a limited understanding of low-income consumers to tailor existing products to that consumer base. By starting to unearth these barriers as part of this landscape assessment, the field will be able to more quickly support promising models to succeed.
- *Conducting a few deep-dive case studies across countries.* We believe it will be important to look closely at 3-4 specific DFS models in order to ensure a depth of understanding of their impact, while also drawing on existing impact reviews and secondary research. Deep-dives will allow us to understand results both qualitatively and quantitatively and identify key success factors and barriers. We would deep-dive into a balanced variety of models in line with the categories above, as well as a

variety of countries, given that the local context, regulations and health systems have a significant impact on results.

Objectives, activities, schedule, and deliverables

We would develop the landscape report over eight weeks and take a hypothesis-driven approach. We would begin by aligning with the core team on the key assessment questions (using the RFA questions and those above), geographic focus, approach to case studies, before rapidly develop initial hypotheses. Beginning with strong hypotheses will allow us to be more focused during our assessment in Phase 2 during which we unpack each hypothesis, test its robustness, and adjust as necessary. We envision that an initial workshop with PATH, Digital Square, Dalberg, (and other interested stakeholders) could generate a strong set of initial hypotheses. In Phase 2, we would conduct the assessment based on a combination of desk research, expert interviews, and 3-4 deep-dive case studies to understand key DFS models of interest in more depth both quantitatively and qualitatively. This phase would include interviews with in-country stakeholders, most likely by phone, but potentially in-person by using our local networks. In Phase 3, we would synthesize our findings from the assessment into a final report and short white paper. We would be happy to further elaborate on the below approach as helpful.

	Phase I Kick-off & develop hypotheses	**Phase II** Conduct research and assessment	**Phase III** Synthesize and finalize report
	<1 week	**6 weeks**	**2 weeks**
Objectives	• Agree on work plan and hypotheses	• Conduct high-level assessment across chosen topics and geographies • Develop 3-4 deep-dives	• Finalize report & white paper
Key activities	• Hold kick-off meeting to agree on workplan • Run hypotheses workshop with core team and additional partners • Align on stakeholder engagement plan	• Conduct desk research on DFS for health, drawing on existing papers and reports • Conduct 20-25 interviews with global and local DFS / health experts (implementers, funders, academics, etc.) • Conduct deep-dive assessments, using local teams wherever relevant • Conduct mid-point workshop to share emerging findings • Draft report for initial review and feedback from PATH / Digital Square team	• Gather feedback on draft report • Update and submit v2 report for further review • Incorporate feedback and finalize • Present and launch report to PATH / DS stakeholder group (TBD on precise event and format)
Deliverables	• Kick-off meeting • Hypotheses generation workshop • Work plan and engagement plan	• Emerging findings workshop • Draft report (precise format and length TBD with PATH / DS team)	• Final report and white paper

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We mitigate project risks primarily in three ways. We train and employ strong managers with extensive experience working to tight deadlines, serving clients, and building robust analyses and reports. Secondly, we take a hypothesis-driven approach to focus on what's important, avoiding the risk of 'boiling the ocean'. Finally, we form a core team with our clients, and work collaboratively through an engagement, to ensure that risks are flagged and addressed through the natural course of our interactions. This includes sharing key messages and learnings in 'real time' as we progress throughout an engagement. This means our clients have ample time to digest findings, test with internal and external stakeholders,

and come back with directional feedback to help guide the final product. In this way, we make sure that our work speaks directly to the needs of clients and relevant stakeholders.

High-level budget summary

We would offer to complete this assignment for a **total fee of USD 169,600**. Our budget includes time for project directors and advisors, as well as a full-time Project Manager and Consultant.

Annex: Our Qualifications

We believe Dalberg brings a unique value proposition to this engagement based on our:

- **In-depth experience with DFS, including in health.** Over the past 15+ years, Dalberg has built a strong track record of success in the DFS space across sectors, including health. We have worked with the leading players in this space, including the Bill & Melinda Gates Foundation, USAID, the Better than Cash Alliance, CGAP as well as a number of confidential corporate clients and telcos both in Africa and Asia. Recent work has included developing The Human Account, which created a customer segmentation framework to meet the financial services needs of the poor based on in-depth behavioral analysis in six countries; developing a strategy for USAID to advance inclusive development of digital financial services in India; and, supporting the Bill & Melinda Gates Foundation to conduct an landscape assessment to understand the most scalable opportunities for digital financial solutions for smallholder farmers. We also recently held a convening of DFS for health providers at the Rockefller Foundation's Bellagio center to understand results of ~10 DFS for health models and key barriers to sustain and scale these models, which would serve as a direct input into this work.
- **Deep expertise in health, including health system strengthening and health financing.** Over the past 15+ years, Dalberg has built a strong track record of success serving global health and nutrition clients by completing 300+ projects for major public and private actors. This includes significant work on health system strengthening and health financing—including working with USAID and the Financing Alliance to estimate current spending on community health in Sub-Saharan Africa, developing a Community Health Roadmap to set investment priorities to scale up PHC at the community level in 15 countries, and working with BMGF to develop a vision for the future of PHC, not to mention numerous engagements focused on health financing for other disease areas including vaccines, malaria, HIV/AIDS, NCDs and more.
- **Global presence and capabilities**. Dalberg currently has 26 offices across Africa, Asia, Europe, and the Americas. We will use our global footprint and strong existing relationships in BMGF focus countries with Ministries of Health and other development partners to collect data, dive deeper in key countries, and ensure we develop comprehensive perspectives and recommendations. We also have Dalberg Design, Research, and Data Insights teams that can complement and strengthen our Advisory work, as needed, throughout the engagement.