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Tanzania's Largest Private Health Insurer Covers Family Planning

CASE STUDY

Tanzania sees universal health coverage as a goal for all its citizens—but, like many countries, struggles with implementation. Immediately after its independence in 1961, Tanzania instituted a free health care policy. By the early 1990s, it added user fees for many services, albeit with certain exemptions for the poor. Recent data suggest these exemptions do not go far enough, and resulting out-of-pocket expenses create a substantial financial burden on households.

Out-of-pocket costs constitute 23% of total health expenditures in the country, according to the World Bank¹, and account for about 2% of people's income, on average². Even when certain things are deemed free-of-charge within the government system—such as contraceptive supplies—there are often out-of-pocket costs associated with the consultation and, in some cases, procedures performed.

Many in Tanzania's growing middle class are turning to private health insurance to help allay these costs. However, while insurance policies cover many health care services, they did not extend coverage to family planning services—until recently.

Advance Family Planning (AFP) Tanzania local partners

advocated steadily for three years with the largest private health insurance company, AAR Health Care, to include family planning in their policies. Advocates demonstrated that family planning not only improves the lives of clients, but it also reduces the rising cost of maternal health care.

As a result, in 2016 AAR Health Care Tanzania approved coverage for family planning services worth up to 300,000 Tanzanian shillings (approximately US \$138) annually for clients renewing their plan after May 2016. An estimated 80,000 policyholders could benefit³.

This step is only the beginning. During the advocacy process, AAR Health Care's interest in family planning surpassed advocates' expectations. In July 2016, AAR became the first Tanzanian insurance company to sign a memorandum of understanding committing to champion family planning in the private sector—an advocacy win that no one foresaw three years before.

Exploring Private Sector Partnerships

In 2013, AFP local partners Center for Communication Programs-Tanzania, Health Promotion Tanzania, and United Nations Association Tanzania, explored potential

collaborations to advance access to family planning information, services, and supplies with several private sector corporations. They honed in on private insurance companies as a promising partner. The team conducted an assessment in May 2013 through one of its former partners, the Advocacy Network on HIV/AIDS in Tanzania,⁴ to find out whether any private insurance providers offered family planning services in their basic coverage. None of them did.

AAR Insurance was one of the first companies AFP Tanzania met with in 2013. With more than a 54% market share of medical insurance business⁵, AAR has the biggest client reach in the country. According to the World Bank's *Private Health Sector Assessment in Tanzania*, AAR contracts with 250 public and private providers nationally, including 300 AAR-accredited hospitals. It also operates six clinics in Dar es Salaam, one in Arusha, and one in Mwanza.

Using the AFP SMART approach, partners engaged with AAR technical staff, the first level of decision-makers. Most were product development and sales managers. After a series of meetings, AFP Tanzania was pleased to discover that AAR was more receptive to making changes than other institutions, including public ones.

Making the Case for Family Planning

Consultations with the technical team revealed that AAR's maternal and child health costs were high and rising. In fact, a rapid assessment of private health insurance companies by AFP Tanzania showed the companies incurred large costs due to maternal health-related issues, such as deliveries, Caesarean sections, post-abortion care, infant or child illnesses, and deaths. For instance, in 2013, \$10 out of every \$100 in total claim costs incurred by AAR were maternal health costs. By 2015, this number rose to \$13 out of every \$100. The AAR technical team's own analysis of the company's expenditures for newborn delivery care also showed a notable rise in costs, from 1.7 billion Tsh⁶ in 2013 to 2.1 billion Tsh in 2015.

The numbers provided a natural entry point for advocacy. According to a 2012 Guttmacher Institute analysis, every one US dollar spent on contraceptive services and preventing unintended pregnancies saves \$1.40 on costs associated with maternal and newborn health⁷. AFP Tanzania needed to localize this data and show how investing in family planning is both cost-effective and attractive to clients. Along with the AAR technical team, they began to prepare the rationale for AAR's senior management to take action to expand coverage.

TABLE 1: THE COST OF CONTRACEPTIVE SERVICES IN TANZANIA*

Modern Family Planning Methods	Cost per woman per method (Tsh)
Pills – once a month	500
Injectables – once every 3 months	2,000
Emergency contraception	6,000
Implant insertion	15,000
Implant removal	15,000
IUD insertion	15,000
IUD removal	15,000
Tubal ligation	20,000
Vasectomy	20,000

*These costs do not include service charges or costs to administer the methods.

**The total cost to an insurance provider depends on the number of times the method is needed. Tubal ligation and vasectomy are one-time costs. However, the cost of contraceptive pills is multiplied by twelve for each month of the year.

Source: Marie Stopes Tanzania, 2014.



AFP partners investigated the costs of providing a woman with a full range of short- and long-acting modern contraceptive methods per year. They worked with family planning service providers EngenderHealth and Marie Stopes Tanzania to make the calculations. The costs ranged from less than one to nine US dollars (500 to 20,000 Tanzanian shillings) per woman (**see Table 1**). With these relatively minimal expenditures insurance companies could invest in the provision of family planning services and alleviate the growing burden of maternal and newborn health costs among insured groups.

An Unexpected Opportunity

In 2014, while building the case for AAR's senior management, AFP and AAR's technical team continued to meet. Upon learning more about the company's programs, they identified AAR Wellness Services program as an interim, attainable opportunity to incorporate family planning information and services.

AAR Wellness Services is an outreach program for corporate clients that offers information, education, and communication on a broad range of health-related issues to various corporate clients in Tanzania. The Wellness Services team visits an average of three insured companies per month, with up to 3,000 employees, the majority falling within reproductive age (15-49).

In November 2015, AFP Tanzania successfully advocated with AAR management to integrate family planning into Wellness Services, explaining that providing clients with family planning counseling would reduce clients' stress levels and improve the companies' efficiency and productivity.⁸ In March 2016, AFP worked with EngenderHealth to train 12 of AAR's Wellness Services staff on family planning methods, myths, and misconceptions so they can effectively educate the employees of AAR's corporate clients. AFP Tanzania leveraged local partner Center for Communication Program's Tanzania Capacity and Communication Project support to distribute family planning educational materials in AAR clinics across the country.

Additionally, AAR's Wellness Services team began organizing special education sessions on family planning for women, including those in communities surrounding AAR facilities.

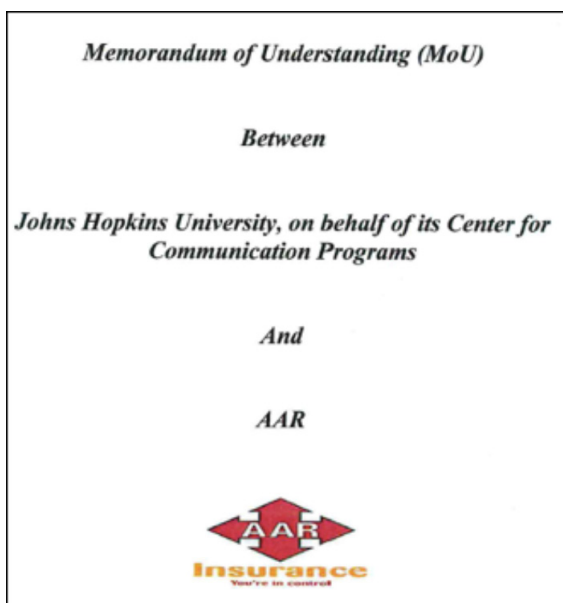
Laying the Groundwork for Change

In the end, the Wellness Services collaboration convinced AAR decision-makers that providing family planning was worthwhile. The company had monitored the uptake of family planning services during the program and saw firsthand what AFP Tanzania's sustained evidence-

based advocacy indicated: family planning is both cost-effective and attractive to clients.

On May 3, 2016, AAR management approved, for the first time that, AAR clients could access up to 300,000 Tanzanian shillings (approximately US \$138) worth of family planning services and associated charges annually without paying out-of-pocket. As Table 1 shows, this can give women a broad range of contraceptive choices—including the option to switch to another method if she prefers. Since May, more than 4,600 clients are accessing family planning services using their AAR health insurance.

This significant policy change fostered an official commitment for further leadership from AAR. On August 10, 2016, the Johns Hopkins Center for Communication Programs-Tanzania and AAR Health Care Tanzania signed a Memorandum of Understanding committing to sustained support for family planning through October 2018. The partnership includes: 1) integrating family planning in the company's programs and core packages, 2) enhancing public information and communication on family planning, 3) promoting policy dialogue on family planning, and 4) learning from the experiences of engaging private health insurance companies.



AAR commits to sustained support of family planning

Next Steps

AAR Health Care and Johns Hopkins Center for Communication Programs-Tanzania are dedicated to meeting the standards set by their Memorandum of Understanding. AAR is working with AFP Tanzania and partners to initiate similar changes in other insurance companies, both private and public.

After a few months of providing family planning services through its benefits policy and the Wellness Program, AAR plans to share its experiences and data with the Medical Council of the Association of Tanzania Insurers to demonstrate the cost-effectiveness of investing in family planning.

AFP Tanzania and partners, and EngenderHealth have jointly been part of health insurance meetings on this subject and continue to provide information, evidence, and materials to broaden the family planning support base within health insurance companies.

Lessons Learned

- **In addition to being SMART, be flexible and patient:** Although AAR Health Care and AFP Tanzania had a common goal of improving family planning when they first began communicating, they had different perspectives on how to do that. Seeing the potential for great impact, AFP Tanzania maintained continuous interaction with AAR.
- **Accept the intermediary win as a stepping-stone:** Providing family planning services through AAR's wellness program was not AFP Tanzania's initial intent. However, achieving this helped garner support for their larger objective to integrate family planning into the benefits package.
- **Private insurance companies can be champions:** Successful advocacy with AAR Health Care shows that there is potential for support from insurers and corporations. The evidence-based argument linking family planning to reducing costs can be used as a model when reaching out to other private companies.

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