Innovative Finance to Expand Access to Health Care

Purpose: Information
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INNOVATIVE FINANCE TO EXPAND ACCESS TO HEALTH CARE

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FOR MORE THAN A CENTURY, MSD HAS BEEN INVENTING TO SOLVE SOME OF THE GREATEST CHALLENGES TO PEOPLE’S HEALTH AND WELL-BEING AROUND THE WORLD.

BUSINESSES
Innovative medicines and vaccines for human and animal health

2017 R&D EXPENSE
$7.3 billion (non-GAAP); More than 30 programs in late-stage pipeline across more than 10 disease areas.
MSD for Mothers is our 10-year, $500 million initiative to create a world where no woman dies giving life.

MSD for Mothers has reached more than six million women in over 30 countries around the world, contributing to the global effort to save women’s lives, strengthen health systems and meet the United Nations’ Sustainable Development Goals.
Closing the SDG funding gap will require greater private sector investment

There is a projected ~3.1 trillion annual shortfall in funding for the post-2015 global development goals across health, education, food security, climate change and infrastructure.

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\begin{align*}
\text{Total annual investment needs} & : 4.5 \\
\text{Current annual investment} & : 1.5 \\
\text{Estimated annual investment gap} & : 3.1
\end{align*}
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Estimated investment needs in key SDG sectors\(^1\)

\$US (trillions)

The issue funding gap is not due to insufficient resources. It is due to a failure to attract new investment in health and development.

Closing the funding gap requires innovation in novel financing mechanisms that have the power to mobilize private sector capital.

Note (1): Current annual investment of $1.5T includes both public and private investments, defined as capital expenditures. Estimated annual investment gap based on average between low and high estimates. SDG = Sustainable Development Goals.

Development impact bonds can help attract private investment in health and help donors/governments spend effectively - on what works
Every 10 minutes in India a woman dies due to complications during childbirth.
Utkrisht | How it works

Improving the quality of private maternal health care in Rajasthan in order to advance efforts in India to achieve Universal Health Coverage and meet SDG targets for maternal and newborn health

- **Investors** provide the implementation manager and service providers with working capital to improve the quality of maternity care in a high need state (Rajasthan)

- The **independent verifier** assesses service providers’ achievements to trigger outcome payments

- **Outcome funders** – USAID and *MSD for Mothers* – pay back the investor the original amount invested, plus returns, if service providers are successful
Combining Quality With Access To Care

**Delivering better quality care**
- Testing innovations for quality improvement
- Building sustainable quality assurance
- Generating demand for quality care

**Making care more affordable**
- National health insurance schemes
- JSY
- State health insurance schemes

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UNIVERSAL HEALTH COVERAGE

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MSD INVENTING FOR LIFE

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INDONESIA
Project HOPE works to increase access to family planning, promote safe birth practices and reduce anemia among female factory workers.

PHILIPPINES
The UN Foundation focuses on recruiting companies to integrate family planning into workplace education programs.

VIETNAM
PSI broadens contraceptive options for women and their partners by registering underutilized methods and distributing them to underserved women.

AUSTRALIA
Australian College of Midwives helps healthcare organizations work more effectively with Indigenous communities by developing holistic approaches to high-quality maternity care.

INDIA
Reducing maternal mortality across 6 states by supporting a quality certification, and mobile-based solutions that provide evidence-based guidelines and feedback from other mothers.

MYANMAR
Jhpiego improves health outcomes for women and newborns by strengthening midwifery education and training.

• MSD for Mothers in Asia Pacific

• INDONESIA
  Jhpiego is examining the barriers and facilitators private health facilities face in offering the full range of family planning methods to women immediately after childbirth.

• PHILIPPINES
  The Zuehlke Family Foundation reduces maternal mortality in Samar province by promoting health seeking behaviors and strengthening local health systems.
Back Up
Maternal Health

Every 10 minutes, a woman dies due to complications of pregnancy and childbirth in India.

15% of all maternal deaths occur in India – 45,000 annually.

Institutional delivery rates are rising, but have not reduced maternal mortality as much as anticipated.

Almost a quarter of women who do not want to become pregnant are not using modern contraception.

The Role of Private Healthcare

India has a mixed health system; when women deliver in facilities, a quarter of rural women and half of urban women choose private care.

India’s private providers are diverse, fragmented, and poorly regulated.

Clinical maternity care in the local private sector is inconsistent, and there is no standardization in managing obstetric care.
Implications for MSD

This experimental partnership will offer MSD insights as we consider our role as social impact investors.