

New Health Insurance Fund for Africa

On June 28, the Dutch Minister of Development Cooperation, Mrs. Agnes van Ardenne, and the former CEO of AEGON, Kees Storm, chairman of the Health Insurance Fund (HIF), launched a groundbreaking initiative for a new health insurance fund for Africa in the presence of the top of the Dutch business community. The HIF will introduce a new, innovative insurance fund for African countries that will enable low-income groups to receive collective health insurance through a premium subsidy. This insurance principle will make basic health care, including anti-AIDS medication, accessible to more people in Africa.

Care will be provided by both public and private care providers with whom the insurer will enter into care contracts. The care providers will be paid based on their performance. The execution of this insurance principle will be the central issue and will thus contribute to a more effective healthcare system in Africa. The available physicians, nurses and care centers can be better utilized and the quality of care will improve.

...at least 230,000 people from low-income groups in Africa will be covered by basic health insurance...

During a meeting in Amsterdam of The Large Enterprise (De Grote Onderneming (DGO)), a collaboration of the top of the Dutch business community focused on the fight against HIV/AIDS, the Dutch Minister of Development Cooperation, Mrs. Agnes van Ardenne, and HIF chairman Kees Storm symbolically signed a first insurance policy. Eventually, at least 230,000 people from low-income groups in Africa will be covered by basic health insurance, including anti-AIDS medication, through the Health Insurance Fund. People who, should they fall ill today, are unable to pay their GP or hospital bill. Thanks to a temporary subsidization of their insurance premium by the HIF they will be able to obtain health insurance. Minister van Ardenne will support the HIF with the amount of 100 million Euros for the next six years.

Prior to the UN meeting on the fight against poverty last year, Dutch 'captains of industry' of Heineken, Shell and Unilever, among others, met with Dutch Prime Minister Balkenende and Minister van Ardenne to discuss a joint approach concerning the increasing number of African people that die due to the lack of treatment for HIV/AIDS, Malaria and TB. The current capacity of African hospitals is absolutely insufficient. Expansion of the capacity, i.e. more clinics, more African physicians, and an efficient, sustainable organization of

health care (including the already available capacity), is of crucial importance. 'Far too many people still die unnecessarily every day of treatable and preventable diseases like HIV/AIDS, TB and Malaria. Thanks to this initiative many people in low-income groups can obtain basic health insurance. Thousands of lives can thus be saved. Lives of people that are needed to provide for their families and to develop their own country,' said Minister van Ardenne.

Research by both the World Bank and the WHO has shown that the implementation of a health insurance fund is essential for a properly functioning healthcare system in Africa.

The HIF health insurance is intended for low-income groups such as women groups, farmer organizations, low-paid, uninsured workers, students, and people with a micro loan, among others. Accessible health care and proper treatment of ill employees will enable them to stay employed. This is one of the most important objectives of the new insurance fund. 'A local economy can only continue to function if people are working and able to provide for themselves and their families,' said HIF chairman Kees Storm.

Financing of the insurance fund will be realized through insurance premiums and donor subsidies. All those insured will make a contribution to their insurance premium depending on their income. Coverage is based on the solidarity principle, which will enable large groups in the community to profit from the expansion of the capacity. The insurance packages will always consist of a combination of basic health care, including HIV/AIDS, TB and Malaria treatment.

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Distinguishing feature in this approach is the focus on the execution and realization of the projects. For this reason PharmAccess Foundation is involved. This organization has extensive experience in setting up and monitoring healthcare projects in Africa for employees of large multinationals and their relatives. In addition, PharmAccess executes programs in Africa that are financed by the Dutch Postcode Loterij/STOP AIDS NOW! and the Dutch and US governments. In addition to the HIF, the Dutch insurance companies Achmea, SNS Reaal and AEGON will support a private investment fund that will invest in local insurers and in organizations involved in the execution of the programs. This private investment fund and the HIF together are decisive for this new public-private approach.

The HIF will first execute its pioneering plans by setting up a number of pilot projects in Nigeria. In Lagos it will work with the association of local market women and with the 'Lady Mechanic', a group of female working mechanics. In the rural Kwara state it will focus on the farming community. Subsequently, the HIF wants to expand its projects to other South- and East-African countries.

HEALTH INSURANCE FUND REALIZES A U

Three key persons

Dutch cabinet allocates 100 million Euros

Dutch Minister of Development Cooperation Van Ardenne supports new Health Insurance Fund (HIF) for Africa

On June 28, 2006, the Health Insurance Fund was launched in an overcrowded 'Panama' in Amsterdam.

Host of the meeting, 'The Large Enterprise' (De Grote Onderneming), which is a collaboration of the top of the Dutch business community focused on the fight against HIV/AIDS, had assembled a variety of guests to witness the symbolic signing of the first HIF insurance policy.

Prior to the signing, Minister Van Ardenne and HIF chairman Kees Storm entered into debate, conducted by RTL journalist Roderick Veelo, with each other about the need and the usefulness of this approach. Van Ardenne expects that the approach, in which public funds are used for private health insurance policies, will soon be copied internationally.

The Minister brushed possible criticism aside. 'This will not fail,' she said. She stressed that her policy aims to assess the effectiveness of projects more and more critically before they are given the green light. For Minister van Ardenne this approach was a groundbreaking initiative, which characterizes



PHOTO: ERNO WIENJES

a new direction in international development cooperation. Kees Storm also gave his approval for this new approach. He emphasized the importance of the commitment of Dutch insurance companies to invest in local insurers and in the organizations involved in the execution of the programs through a private fund.

Prior to the signing of the first insurance policy, a movie, made especially for the HIF by documentarian Albert Reinders, was shown that impressively brought the problems and the new approach in Nigeria into vision. Images from the movie were shown that same evening in the NOS eight o'clock news, which, together with other media, paid a lot of attention to the new initiative. Special guests at the launch were Mrs. Fola Laoye, CEO of the Nigerian HMO Hygeia, and Professor E.A. Elebute, chairman of Hygeia, the first partners of HIF to implement the approach in Nigeria.



Woman selling maize in the streets of Lagos

UNIQUE PUBLIC-PRIVATE PARTNERSHIP:



PHOTO: MIKE ELLIS

Kees Storm

Kees Storm is Chairman of the Board and Co-Founder of the HIF. He is the former CEO of AEGON and Board Member of KLM.

What is the core of the HIF?

An accessible healthcare system with sufficient treatment for ill workers, which ensures them that they can return to their work; that is the core of this new insurance fund. Only if people are working a local economy can thrive and people are able to provide for themselves and for their spouse. That is the only option for communities to survive in the long run.

What is an insurer doing in Africa?

The fund expects everybody to contribute, no matter how little. That is the only way to create co-ownership. In addition, others will also have to make a difference by sharing the burden of the insurance premium – be it the church, donors, (local) governments, local enterprises. Together they can provide a solid base for an insurer to provide sustainable health care.

...our goal is to reach out to more than 200,000 people in the first phase...

What will you have accomplished with the HIF in three years?

Our goal is to reach out to more than 200,000 people in the first phase and I want to be sure they are taking the necessary medicines and are receiving the right treatment. In the end my goal is that in countries where we operate key economic, governmental and civic players will take over and become responsible for a durable healthcare system with a dramatically expanded treatment capacity.



Sandra E. Aguebor, representative of 'Lady Mechanic'



PHOTO: PHILIP KUYPERS

Fola Laoye

Mrs. Fola Laoye is the CEO of Hygeia Nigeria Ltd. She has been involved in the development of HIF-supported programs from the start. She also

is a part-time teacher of Strategy at the Pan-African University in Lagos, Nigeria.

How did you become involved in the HIF?

At the beginning of this century we realized that HIV/AIDS had become a pandemic. It was obvious that we needed to expand our capacity. The major problem however was how to scale up while the necessary capital was lacking. We needed to explore new roads. While working with international corporate clients like Heineken we met representatives of PharmAccess. From there we started to develop the idea that is now essentially the concept of the HIF.

...we need to reverse the brain drain...

What will be your relationship with the public health sector in this new approach?

We are looking forward to cooperate with the public sector. It is one of the key ways to go. Already 75% of the health care can be marked as private sector. Public-private partnership is essential for the future and this is also seen as a great opportunity by the government. The time has really come for this type of collaboration. We can expand the capacity of our health care through our cooperation and make it more transparent and sustainable.

...we need to bring back Nigerian doctors...

What do you expect to have accomplished in three years?

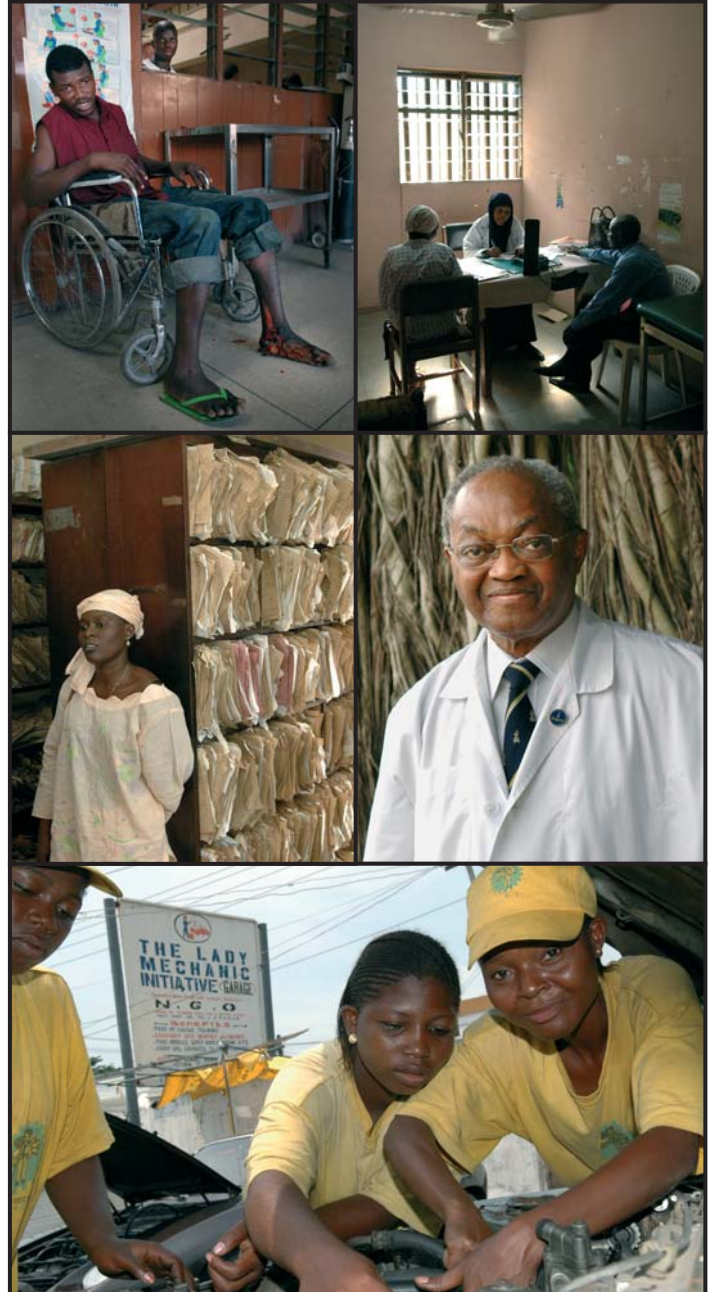
We hope to have reached an overall increase in the funding and hence increase the expenditures on health per capita income of the population. In doing so we hope to quickly upgrade the health delivery and increase equity in the general health care.

To scale up capacity we need to reverse the brain drain. This is a vital issue for me. First we need to bring back Nigerian doctors for a couple of months every year. Hopefully they will stay and repatriate. It would be a great example for all the students in more than thirty medical schools in Nigeria. New doctors who will decide to stay!



- 1: Maternity clinic (not upgraded) in Kwara State
- 2: Woman with child in Tsonga, Kwara State
- 3: Surulere public hospital, Lagos
- 4: Scene in the streets of Tsonga, Kwara State
- 5: An inhabitant of Tsonga, Kwara State
- 6: A patient in Surulere public hospital
- 7: Patient consulting a doctor in Surulere public hospital
- 8: Patient file administration in Surulere public hospital
- 9: Professor E.A. Elebute, Chairman Hygeia Nigeria Ltd.
- 10: Young women at work at the 'Lady Mechanic' in Lagos

PHOTOS: PHILIP KUYPERS



The board of directors of the HIF consists of:

Kees Storm (former CEO of AEGON)

Margreth de Boer (Chairperson CSR, former Minister of VROM)

Maarten Dijkshoorn (Chairman of the Executive Board and CEO of Eureka/Achmea)

Jacques van der Gaag (Dean of the Faculty of Economics and Business Administration, UvA, former Chief Economist for Human Development, World Bank)

Sjoerd van Keulen (CEO of SNS Reaal)

Joep Lange (Executive Director, Center for Poverty-related Communicable Diseases, AMC/UvA, former President of the International AIDS Society)

Peter van Rooijen (Board member of the Global Fund, former director of the Dutch AIDS Fonds and STOP AIDS NOW!)

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