photo used with permission of Johnson & Johnson

Healthy, Wealthy and Wise: How Microfinance Institutions Can Track the Health of Clients

Health Outcome Performance Indicators (HOPI) Project Brief

May 2015

freedom from Hunger

Johnson & Johnson

For microfinance institutions (MFIs) with social missions, understanding changes in client well-being has become more important as MFIs are held to task to demonstrate both outreach to the poor and improvements in their lives. Because the majority of clients served by MFIs are women, health outcomes are of particular concern since women primarily take charge of their family's health. For this reason, some MFIs directly provide or link their clients to health services and therefore have a particular interest in tracking client health outcomes over time. Others who do not provide health services see health as a contributing factor to the overall performance of the client (i.e., prompt loan repayment, increased savings), which can have a direct impact on the overall financial portfolio of the MFI. They believe that providing households with financial services to improve their livelihoods and smooth their income should also result in clients improving their health outcomes. In short, a healthy person with a healthy family is a strong client, which can make for a strong institution.

The figure below demonstrates the various pathways—or theories of change—that organizations can use to improve client health as well as monitor and measure changes in client health outcomes.

Multiple Roads to Improving Client Health

In order to know whether changes are occurring along an MFI's articulated theory of change, it is necessary to establish meaningful indicators, data-collection processes and tools that provide actionable data to an institution's management. With an educational grant from Johnson & Johnson, Freedom from Hunger and the Microcredit Summit Campaign, through their strategic alliance, set out to define and test health indicators that practitioners in the microfinance sector could use for performance management purposes. This research brief has been written with microfinance practitioners in mind as well as other stakeholders, such as technical assistance providers, donors, social investors and health practitioners interested in monitoring and evaluating health outcomes of MFI clients. This brief has three primary goals:

- Share experiences in selecting and pilot-testing a minimal set of health indicators among four MFIs.
- Help MFIs choose among a set of tested indicators for monitoring client health outcomes over time.
- Summarize key recommendations for developing "standardized" client outcome monitoring indicators.

A multi-stakeholder, collaborative process was used to develop a list of possible indicators and criteria on which to evaluate the strength of each individual indicator. Three main criteria for selecting the indicators were utilized. Indicators needed to be feasible (MFIs could measure and collect data on the indicator), usable (could inform decision making of the MFI to help improve services) and reliable (could be benchmarked and be a consistent measure of the behavior or status of the client). Six main indicator dimensions were tested: poverty measurement; food security and nutrition; preventive health care; curative health care; water and sanitation; and attitudes. Various indicators were tested under each domain and varied by context. Four MFIs across India, Peru and the Philippines participated in the field-testing of the indicators. Each individual health indicator was compared to poverty status and food security status using statistical analysis and compared to available national benchmarks. Food security, while a health indicator in its own right, is also used here as a proxy for poverty given its connection to a household's ability to pay for food.

The results from the four MFIs highlighted the added value of health indicators when combined with poverty measurement in helping MFIs understand client well-being. While collecting the data was fairly simple, the bigger test will come from an MFI's ability to analyze and interpret the data so that action can be taken. Summaries of key findings, including highlights from both client outcomes and experiences with collecting the data for each of the survey categories, are synthesized below:

1. **Poverty:** In all four MFIs, extreme poverty levels established by the USAID Extreme Poverty Line, which measures the median number of people living below a country's established national poverty line, were below 30 percent. Yet in India and the Philippines, most clients were estimated to live below the international $2.50 USD per day poverty line at 2005 purchase-power parity. In Peru, very few clients fell under any of the chosen poverty lines assessed in this pilot. Which poverty lines chosen by the MFI to monitor obviously carry important implications, depending on government regulations, donor restrictions, etc.
2. **Food Security and Nutrition:** Food insecurity levels ranged between 30 and 70 percent across the four partners. In most contexts, the food security measure was useful to detect vulnerability that might not be fully captured by such poverty measurements as the Progress out of Poverty Index® (PPI®).[1] For example, while very few clients in Peru fell under any of the poverty lines, 40 percent of them scored as food insecure. However, food security data was found to be difficult to benchmark at the national level. Also, assessments using this measure need to occur at the same time each year for direct comparability.
3. **Preventive Health Care:** Summarizing key findings from the preventive health care questions is difficult given the variability of the types of questions asked across the four MFIs. The indicators in this dimension will also be difficult to standardize across multiple contexts and presents the greatest challenges with respect to finding the right questions for the context; however, as a dimension it is important because it could be predictive of future health outcomes. Questions relevant to the context, such as those pulled from existing national health surveys, are the most promising as they can include indicators from those seeking general medical checkups to specific diagnostic or health exams of interest within the country or region, or of interest to the MFI.
4. **Curative Health Care:** Questions tested here were related to whether clients delayed seeking medical treatment due to cost. In some contexts, up to 60 percent of clients had forgone seeking treatment due to cost. Questions related to curative care hold much promise for future surveys in health because of their broad applicability.

1 For more information, please see Progress out of Poverty at http://www.progressoutofpoverty.org.

5. **Water and Sanitation:** Whether clients treated their water was the one indicator most frequently associated to poverty levels, which might be useful for MFIs to consider; however, without understanding drinking-water sources, this indicator can be confusing and should not be used without assessing household drinking-water sources.
6. **Attitudes:** The attitude questions assessed a client's perception of her ability to cover future health care expenses or to receive adequate health care. The results in Peru and the Philippines showed that clients were not very confident about their ability to cover future health costs or to receive adequate medical care. Adjustments to the questions tested will be necessary for future assessments and additional indicator alternatives should be further explored in this area as it holds much promise.

While not tested during this particular pilot, questions on domestic violence and mental health (such as depression), particularly those indicators associated with the poverty that might impact the capacity of families to become more self-sufficient, are strong candidates for inclusion in future assessments. While questions related to child and maternal health were tested under the preventive health care indicators in India, further exploration will be necessary to find stronger indicators than the ones tested, given their importance to the Millennium Development Goals and the post-2015 Sustainable Development Goals.

In conclusion, for future pilots, the following list of health questions is suggested. Please note that while the use of the PPI or other poverty measurement tools are highly recommended, they will not be provided here since these require using country-specific tools (available from the PPI website). For space purposes, the short version of the food security survey will be used below.

Final List of HOPIs for Future Consideration

Category	Question	Answers	Notes
Food Security	I will read 4 choices for your response. Please tell me, which of the following best describes the food consumed by your household in the last year:	1) Enough and the kinds of food we wanted to eat. 2) Enough but not always the kinds of food we wanted to eat. 3) Sometimes not enough food to eat, was sometimes hungry. 4) Often not enough to eat, was often hungry.	In India, the word nutritious was used; for future studies, it is recommended to drop this word. Must apply survey at same time each year. Difficult to benchmark this indicator to national averages.
Water and Sanitation	What is the main source of drinking water for members of your household?	1) Piped water (piped into dwelling, yard/plot, public tap/standpipe) 2) Tube well or borehole 3) Dug well (protected) 4) Dug well (unprotected) 5) Well spring (protected) 6) Well spring (unprotected) 7) Tanker truck 8) Rainwater 9) Cart with small tank 10) Bottled water 11) Surface water (river, dam, lake, pond, stream, canal, irrigation channel) 12) Other (specify)______	Please use water sources as provided by national Demographic and Health Surveys (DHS) for each country (http://dhsprogram.com/)
	Do you do anything to treat your water to make it safer to drink?	1) Yes 2) No	

Category	Question	Answers	Notes
Water and Sanitation (*continued*)	If yes, what do you do to treat your water to make it safe to drink?	1) Let it stand and settle/sedimentation 2) Strain it through a cloth 3) Boil 4) Add bleach/chlorine 5) Water filter (ceramic, sand, composite) 6) Solar disinfection 7) Other 8) Don't know	This may require some adaptation based on availability of water treatment options. An MFI also might consider dropping the water source question and using this question if an answer option were added that indicated: "not needed/ drink from improved water source" and remove the "if yes" part of the question so that everyone answers the question.
Preventive Health Care	In the past 12 months, did you or any member of your household visit a doctor or other health provider for a preventive health service (for example, medical checkups, blood pressure checks, vaccinations, breast exams, Pap smears, etc.)?	1) Yes 2) No	Can break this out into individual medical exams of interest or simply ask whether they have had a medical checkup. Can find benchmarks normally in a DHS survey.
	In the last 6 months, did you use a strategy to save money specifically for health?	1) Yes 2) No	Generally does not have a national benchmark.
Curative Health Care	In the past year, did you delay seeking medical treatment for any person in your household because of concern about the cost?	1) Yes 2) No	Generally does not have a national benchmark.
Attitudes	Which of the following best describes your household:	1) I feel very confident that I can afford appropriate medical care for my household when needed 2) I feel somewhat confident that I can afford appropriate medical care for my household when needed 3) I am not very confident that I can afford appropriate medical care for my household when needed 4) I don't know	Generally does not have a national benchmark.
Domestic Violence	In the last 12 months, were you ever afraid of your husband/ partner): Most of the time, some of the time, never?	1) Most of the time 2) Some of the time 3) Never	Possible recommended indicator; it was not yet tested in the original HOPI survey. Comes from existing DHS questions. Could be benchmarked.
	In your opinion, is a husband ever justified in hitting or beating his wife?	1) Yes 2) No	

Category	Question	Answers	Notes
Mental Health	In the past year, I felt hopeful for the future.	1) Yes 2) Somewhat 3) No	Possible questions from studies looking at the psychology of poverty as well as included in World Values surveys.
	On the whole, how satisfied are you with the life you lead?	1) Not satisfied at all 2) Not very satisfied 3) Fairly satisfied 4) Very satisfied	
Maternal and Child Health *(continued)*	How old is your youngest child?	|____| age	All three questions here would need to be used in combination. The last question should look for a correct answer of 4 or more visits.
	Did you receive any antenatal care with the pregnancy of your youngest child?	1) Yes 2) No 3) Don't remember	
	How many times did you receive antenatal care for the pregnancy of your youngest child?	|____| # antenatal visits (99 = don't remember)	

Ultimately, each indicator must make an important contribution to understanding overall client well-being because client monitoring must be cost-effective for MFIs as for any institution. The process for choosing the right indicators does not need to be complicated; however, each indicator must provide value, be worth the cost of tracking it, and provide information that helps an institution monitor and manage its performance so that decision-making opportunities are clear. A few additional considerations and recommendations that MFIs and others might consider when developing survey tools to measure client outcomes include the following:

1. **Standardization where possible:** While an attempt has been made to provide specific indicators for each dimension, such as food security, preventative health care, curative health care, etc., it may be better to standardize the dimensions (and not the specific indicators) since context, type of organization, motivations and poverty levels of clients are important factors that influence which indicators are most relevant. Further testing and use of indicators will ultimately determine whether and where standardization is possible.
2. **Careful interpretation of results:** Theories of change established by an MFI need to be built on the clear understanding of their context to ensure that the right decisions are being made when interpreting and using the data. The issue raised about water treatment (without understanding drinking-water sources) is a prime example of challenges that are anticipated when tracking some indicators over time. While it was theorized that water-treatment efforts should improve over time, regardless of country, local-level efforts either to improve water sources or the fact that households simply might prefer to drink bottled water were not taken into account. Lack of water treatment cannot in all cases be considered a negative outcome and could in fact be a positive outcome if water treatment is no longer needed due to basic water utilities providing people with safe drinking water.
3. **Baseline values are very important to establish:** While it would have been valuable to restrict data-collection to only incoming clients for this pilot, the inclusion of mature clients in the sampling frames presented important challenges for further consideration. It was found to be quite difficult to interpret the data, even when comparing client outcomes to national averages, without understanding clients' starting points. While tracking changes in representative samples of clients over time is considered an alternative solution, such that

mature and incoming clients make up the sample, this approach requires much more analysis to support data interpretation. While population-based studies track representative cross-sections of the population over time, MFIs that have clients moving in and out of their institution will find it difficult to make meaning from representative cross-sections of clients without more intensive data analysis. Therefore, for MFIs with simple data analysis requirements, it would be useful to establish a baseline with a cohort of incoming clients.

4. **Value of indicators with already high levels of performance at baseline:** If baseline levels for any indicator already have very high performance, it might not be as useful to track as those with low performance. An MFI should ask whether an indicator that already shows high levels of performance at baseline will provide them actionable data over time. Since an MFI will not know whether there are initial high levels of performance, an MFI could consider developing a baseline survey with all potential indicators of interest and then once the baseline is completed, choose a subset of indicators worthy of tracking over time. The baseline itself provides important information on client health that can be used as market research or for product development.
5. **Value of statistical analysis—comparing health indicators to poverty and/or food security indicators:** Statistical comparisons, where the health outcomes were compared and contrasted by poverty and food security levels of clients, were most useful in helping refine the theories of change for each organization. For example, could an MFI confidently predict that the longer a client stays in the program, the more likely she would be to invest in and drink safe water? Would the assumption hold that as clients become less poor, they would be more likely to report seeking medical treatment when needed? Associations of the health indicators with poverty did not necessarily help us determine whether one indicator provided more valuable information than another because in some cases, one can argue that if an indicator is measuring something very different from household poverty status, then this is more valuable than an indicator that should improve as poverty levels improve. This suggests that having a mix of indicators that serve both purposes—some that track with poverty and some that do not, as long as they provide other helpful and meaningful information—would be a useful combination.
6. **Which clients to track and for what time frame:** For this pilot, only one round of data-collection exists. Some institutions choose to collect poverty data every year and may find that tracking health indicators every year makes sense. Expected rates of client attrition and frequency of data-collection also influence which indicators will be the most useful to include. It might be useful to connect client outcome measurement to strategic planning cycles to be the most meaningful when thinking about strategy for the future. This provides the opportunity to track one cohort of client for a set period of time, make decisions about future strategy, consider improvements, and then begin anew. The choice of who will be interviewed and for how long will determine which indicators are going to provide the most useful information.
7. **Tracking changes in client outcomes requires patience:** While the destination is clear—reducing poverty, improving health and well-being—the journey to understanding whether that is occurring and improving over time may not be as clear-cut as desired. Monitoring changes in client well-being over time needs as much patience as changes in poverty itself requires. This process is going to need to be iterative until more and more data are collected and shared within the industry.

This research brief summarizes early findings that might be useful for efforts in standardizing or simplifying the decision-making process for choosing health indicators to track over time. This experience has also shown that choosing the best health outcome performance indicators (HOPIs) is not a simple task, but it is possible. Even tracking a few indicators could create real value in helping MFIs understand whether clients' health status is improving—with or without health services—and even in unpredictable ways.

For the full report please visit:
https://www.freedomfromhunger.org/sites/default/files/documents/HOPI_Report_Final.pdf