ALL FOR MOTHERS

INNOVATIVE FINANCING FOR BETTER MATERNAL HEALTH OUTCOMES
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Closing the financing gap to meet Sustainable Development Goals (SDGs) for maternal health

In 2015, the international community set ambitious goals for global health and sustainable development.¹ One of these goals is to reduce the rate of global maternal deaths by two-thirds² by 2030.

Making pregnancy and childbirth safer for all women will take new financing approaches to power solutions — the solutions we know need to be scaled and the ones yet to be discovered. Unfortunately, there is a tremendous investment gap between what is needed and what has been committed.

The cost to end preventable maternal deaths³ by 2030 is an estimated $115.5 billion, according to the United Nations Population Fund. With just $11.9 billion in development assistance coming to 120 priority countries over the next 10 years, that leaves a $103.4 billion investment gap.

Traditional philanthropy cannot make up this difference alone. To help close this gap, and advance progress toward SDG targets and beyond, Merck for Mothers is driving new thinking and action in health financing — with the aim of scaling promising solutions for better maternal health.

With our collaborators, we are testing ways to tap into global capital markets,⁴ unlock additional financing and allocate resources more efficiently and effectively. We want each dollar to work harder, smarter and longer.

This report looks at four different ways that Merck for Mothers is bridging innovation in health with innovation in finance to improve maternal health outcomes for women in countries with the greatest needs.
Our collaborations are:

**Stimulating entrepreneurship in health** — by mobilizing new capital for health innovators, starting with a Nigerian entrepreneur working to ensure women and health providers have access to lifesaving medical supplies.

**Demonstrating how digital technology can be used to put women and their healthcare financial needs first** — by supporting a new platform currently deployed in Kenya and Tanzania.

**Testing new incentive structures to drive results** — by launching a first-of-its-kind Development Impact Bond (DIB) that is improving the quality of maternity care in Rajasthan, India.

**Mobilizing private sector contributions and domestic resources** — by backing the Global Financing Facility, a global public-private financing mechanism that spurs country investments in health.

These unique collaborations are just some of the ways Merck for Mothers is improving access to quality maternity care for women around the world. We are challenging assumptions and disrupting the status quo — all part of Merck’s legacy of solving tough global health challenges.

Visit merckformothers.com to learn more about our work, and join the conversation. #EndMaternalMortality #InnovatingforMoms

Mary-Ann Etiebet
Lead and Executive Director, Merck for Mothers

*Merck for Mothers* is Merck’s $500 million initiative to help create a world where no woman has to die giving life. Applying Merck’s business and scientific resources, we collaborate with partners to improve the health and well-being of women during pregnancy, childbirth and the postpartum period. For more information, visit www.merckformothers.com.
Providing financing for health entrepreneurs to scale innovative solutions — starting with an emergency blood delivery service.

LifeBank, a technology and logistics startup based in Lagos, Nigeria, delivers blood by motorbike to health care facilities so that providers have what they need to treat patients for excessive blood loss — including women suffering from postpartum hemorrhage (PPH), the world’s leading cause of preventable maternal death.

Having its dispatch riders transport blood safely by motorbike helps avoid traffic-related delays in congested urban areas around Lagos and Abuja. A collaboration with Google Maps has also helped shorten delivery times by guiding riders to the quickest routes.
“Some facilities can’t get enough blood, while others have a surplus, and end up discarding what they don’t use because it expires,” explains Temie Giwa-Tubosun, LifeBank’s founder and CEO. “Our system allows us to better coordinate and manage local supply and demand so health care providers have what they need, when they need it, and no blood is wasted.”

LifeBank is being pursued as the first project to receive support through The MOMs Initiative. Formed in June 2019, the initiative includes Merck for Mothers, The U.S. International Development Finance Corporation, USAID and Credit Suisse and has committed to spending $50 million to support promising health innovators in Sub-Saharan Africa and South Asia, where 86% of all maternal deaths occur.

**A catalytic financing approach**

The MOMs Initiative [short for Maternal Outcomes Matters] takes a catalytic financing approach, providing capital that small businesses need to grow and have a greater impact. Within this approach, Merck for Mothers offers grant financing and uses its expertise in maternal health to identify the businesses and promising solutions to invest in.

With financing, LifeBank has a better chance at getting the right type of capital it needs to expand access to its lifesaving medical products for mothers in Africa. It can use the grant capital from Merck for Mothers to de-risk a larger loan, opening the door to other investors.

Giwa-Tubosun’s five-year plan is to expand LifeBank’s footprint across Nigeria and to launch services in Ethiopia and Kenya. She is also working to set up a government subscription service so that costs are automatically covered for low-income patients.
They’ve already created a digital platform for tracking inventory and matching supply with demand. In 2018, the company began delivering oxygen too; expanded services to two more states; and added boats to its delivery fleet in order to reach clinics on two islands off the Lagos coast. In November 2019, LifeBank added delivery by drone — and became the first African-led company to deploy beyond visual line of sight flights for healthcare logistics.

By creating this mechanism for investing in promising enterprises like LifeBank, Merck for Mothers is providing a financial catapult to health innovators to keep innovating and scaling, contributing toward sustainable progress for women and overall health system strengthening.

“There are many countries with poor infrastructure, where the distribution of medical supplies is difficult. This is not an Africa-only problem, this is a global problem that we are solving.”

— Temie Giwa-Tubosun, LifeBank Founder and CEO

A Call for Investable Innovations Delivering Health Impact

The MOMs Initiative is seeking investment opportunities in Sub-Saharan Africa and South Asia. If your business has a scalable and sustainable model with revenue streams for improving maternal health outcomes, we want to hear from you. Submit your pitch by March 31, 2020. For eligibility and other details, visit merckformothers.com/pitch
Leveraging digital technology to make maternity care more affordable for women in developing countries and keep providers accountable for quality

In Kenya, as in many low- and middle-income countries (LMICs), home births without a skilled birth attendant remain common. And only 58% of expectant mothers received the recommended amount of antenatal care (ANC), which helps ensure early detection of complications and improves the odds of a healthy outcome.

One big barrier to accessing care during pregnancy and childbirth is cost. Most Kenyans pay out of pocket for their health care because they have no insurance. “Many children come when there is no money,” says Marlene Atieno, a 37-year-old mother of two from Dandora, a Nairobi suburb. “That’s why most women opt to give birth in their houses — because they cannot pay the hospital.”

A new system seeks to address this issue while also ensuring that the care women receive is high quality. Called MomCare, it is a digital platform where costs can be covered in full or in part by a third party payer, including universal healthcare coverage schemes. Payments are linked to service delivery; interactions are transparent and predictable. And the system holds providers accountable by rewarding those who deliver quality services, whether at a public or private facility.
Bringing transparency to health care transactions

With MomCare, payments for maternity care services (ANC visits, labor, delivery and postpartum care) happen automatically — triggered when appointments are confirmed and services rendered — and also tracked by the system. Patients can initiate contact with providers and receive alerts using their mobile phones. Communication is by simple text message, no smartphone required.

“MomCare helps patients and providers understand what to expect during the health care journey ahead of time, and each transaction is visible to patients, providers and payers. We are creating a level of transparency and trust that is unprecedented for Africa.”

— Nicole Spieker, PharmAccess Director

Governments and other payers can monitor performance and outcomes to make sure funds are well spent. And by streamlining back end processes, MomCare is also lowering overall transaction costs, which benefits the entire health system.

Over 7,300 pregnant women — 4,800 in Kenya and 2,500 in Tanzania — and 25 providers have used MomCare since the system first launched in 2016. The plan is to reach more than 100,000 pregnant women through the platform by the end of 2020.

“Different payers can pick up different parts of the patient’s bill, and the patient won’t have to worry about it,” Nicole says. “If we want to achieve Universal Health Coverage, we need to start recognizing that funding from multiple sources needs to be pulled in and brought down to the level of individual patient. That’s how we become truly disruptive, by empowering the individual.”

Marlene Atieno, a 37-year-old mother of two from Dandora (a Nairobi suburb) with a third on the way, recalls the stress and fear she felt wondering how she would pay for her maternity care during her past pregnancies. This time is different.
Restructuring financing around outcomes to improve the quality of maternity care in India

In India, roughly 35,000 women die from complications related to pregnancy and childbirth every year, one of the highest total number of maternal deaths for a single country. Most maternal deaths are preventable. Often, they are the result of poor quality care.

In 2016, in an effort to catalyze improvements in the quality of maternity care in India, Merck for Mothers led a public-private partnership to create and launch a Development Impact Bond (DIB) — a relatively untested financing instrument (especially in health) that links payments to results.

Pulling in private dollars to invest in government health priorities

This $9 million DIB is now funding quality improvement efforts in private health facilities in Rajasthan, a state in India with 75 million people and where maternal mortality rates are well above the national average.

Why private facilities? In India, as in most LMICs, the private health sector is where 40% or more expectant mothers receive care; yet, private clinics are often excluded from government-sponsored quality improvement initiatives. Evidence from earlier work by Jhpiego (funded by Merck for Mothers) in Jharkhand and Uttar Pradesh suggests that when facilities achieve compliance with national standards, health outcomes improve.
Activity since launch

To date, service providers have prepared 227 facilities to apply for quality certification. Their goal is to support 400 facilities to achieve national quality standards.

There is a robust learning agenda within the DIB, examining all potential barriers to success: Are the proper mechanisms in place to ensure that facilities are receiving the support they need to improve care? Do implementers have the flexibility to update their methods as they go, and the ability to capture those changes? Is the verification process — set up to be rigorous and independent — also transparent enough to promote a deeper understanding by all stakeholders of what is working and what is not?

Understanding these issues is an opportunity to strengthen strategies around quality improvement implementation and DIBs.

“A DIB creates a powerful incentive for achieving the defined outcomes, so particular care is needed to accurately define the desired outcome measures and anticipate the potential for unintended consequences,” says Scott Higgins, Merck for Mothers’ Director of Operations. Executing a DIB-financed project “requires trust among partners and alignment on outcomes. When issues or challenges arise during the project, this trust and the ability to navigate the trade-offs is essential.”

Aligning with government priorities is also an important guiding principle. By supporting facilities in attaining government accreditation standards, we are not only strengthening integrated health markets that work for all — we are also creating an on-ramp for sustainability.
In 2017, Merck for Mothers became the first private sector funder to invest in the Global Financing Facility (GFF), an alliance housed within the World Bank created to catalyze efforts to end preventable maternal, newborn and child deaths in low- and lower-middle-income countries.

Investing in the GFF allows us to pool our resources, support country-led health programs, mobilize domestic health spending by governments and achieve greater impact than we would working alone. Every dollar Merck for Mothers invests in the GFF generates $7 in support for health initiatives benefiting women and children. Country leaders set priorities for how funds are spent based on local needs.

As a member of the GFF Investors Group, Merck for Mothers also advocates for the increased engagement of the local private sector — including private healthcare providers — to help governments meet public health goals, given that roughly 40% of women in LMICs seek care at private facilities.

We are already seeing how the GFF has accelerated private sector contributions because of its ability to share identified opportunities, best practices and lessons learned across GFF countries, as well as embed solutions into government investment cases.
THANK YOU TO OUR INNOVATIVE FINANCE COLLABORATORS
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