



**Medical Care Development International  
Child Survival Project - Toliara**



**THE COMMUNITY-BASED MUTUAL CREDIT SCHEME FOR  
THE HEALTH IN ANKAZOMANGA-OUEST, MADAGASCAR**  
*(Initiative to improve access to paid health care by the rural poor)*



*Dr Oliva ANDRIAMAHEFA, Behavior Change Communication Manager*



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### CHILD SURVIVAL PROJECT

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**When MCDI started a CSP in Madagascar, lack of financial access to health care was identified as a barrier to care seeking.**

**MCDI's Health Economist, Dr Chris Schwabe, developed the Mutuelle approach for use in the CSP area**

**Current CSP interventions include: Nutrition/breastfeeding; immunizations; child spacing; diarrhea; pneumonia and malaria.**



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## **GOAL OF THE MUTUAL CREDIT SCHEME (MCS)**

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**INCREASED ACCESS TO HEALTH CARE BY VILLAGERS BY IMPROVING FINANCIAL ACCESSABILITY.**

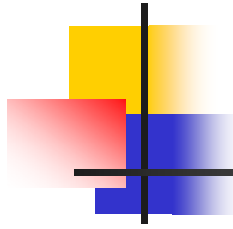
**REMOVING THE LIQUIDITY CONSTRAINT (LACK OF CASH HOLDINGS) AND SPREADING OUT THE BURDEN ASSOCIATED WITH THE COST OF CARE OVER SEVERAL MARKET PERIODS.**



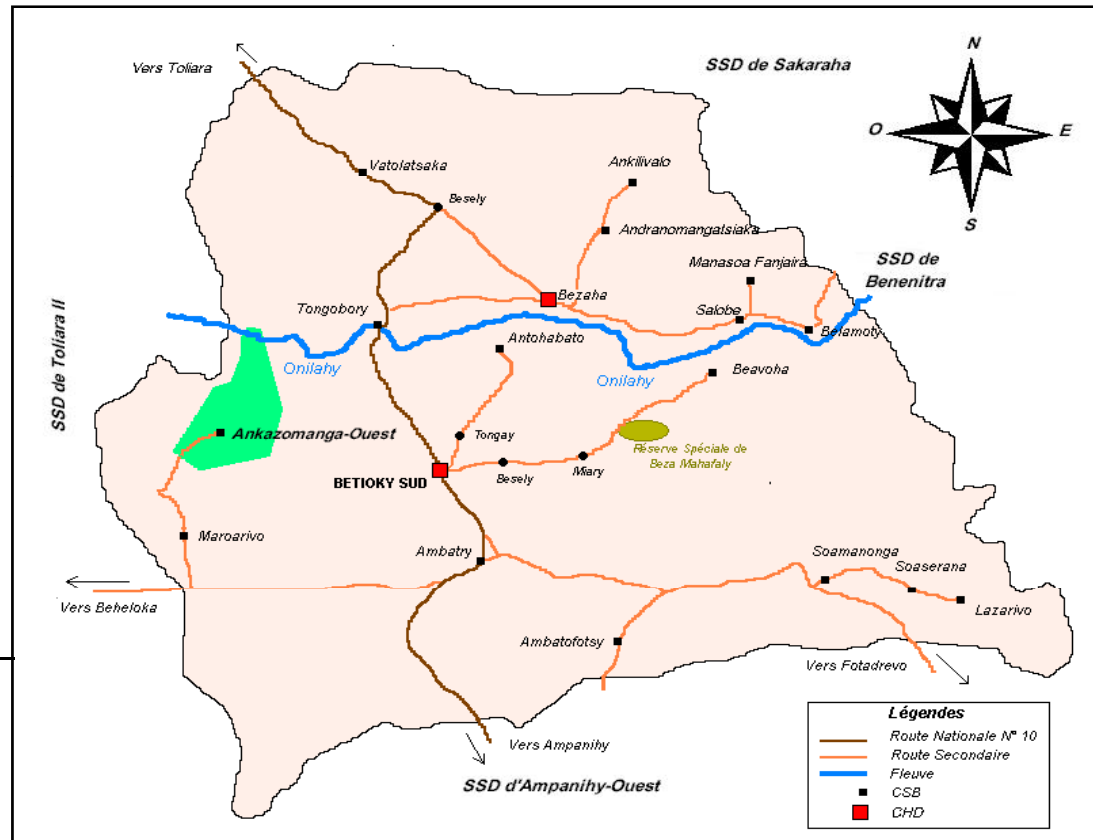
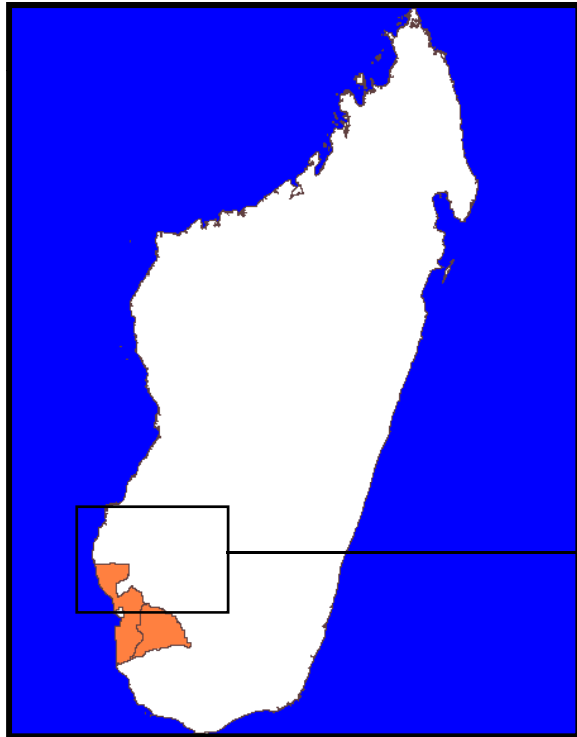
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**USAID**  
FROM THE AMERICAN PEOPLE



## LOCATION OF MCS



## Betioky Sud Health District: Ankazomanga Ouest Health Sector

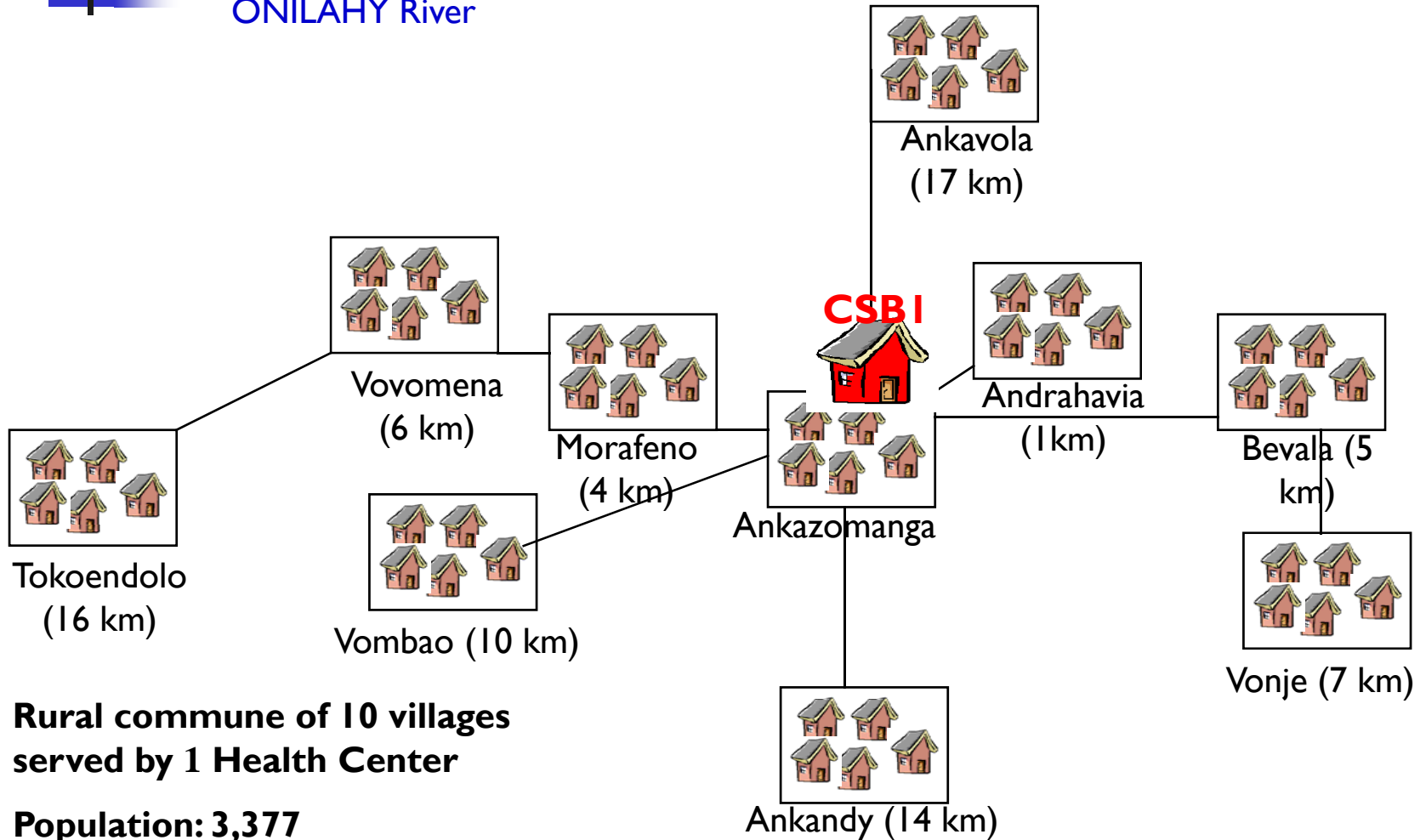


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## LOCATION OF MCS

ONILAHY River



**Rural commune of 10 villages  
served by 1 Health Center**

**Population: 3,377**



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### ECONOMIC AND SOCIO-CULTURAL CHARACTERISTICS

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- Ethnicity = *Mahafaly*
- Majority illiterate (60% of women can neither read nor write)
- Rural peasant society
- Economy based on agriculture and livestock
- Important role of the cattle population (savings and cultural)



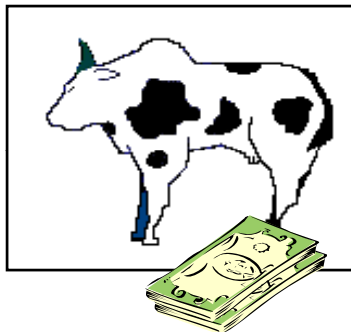
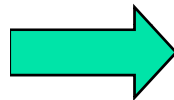
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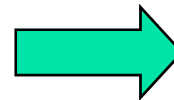
## ECONOMIC AND SOCIAL-CULTURAL ASPECTS



**Incomes**



**Agriculture, Livestock**  
(Cattle Population +++):  
Traditional system of saving



**Problems of  
availability of funds  
(cash) for daily  
expenditures\***



**Difficulty accessing  
health care  
(Government and  
private care require  
payment of user  
charges)**

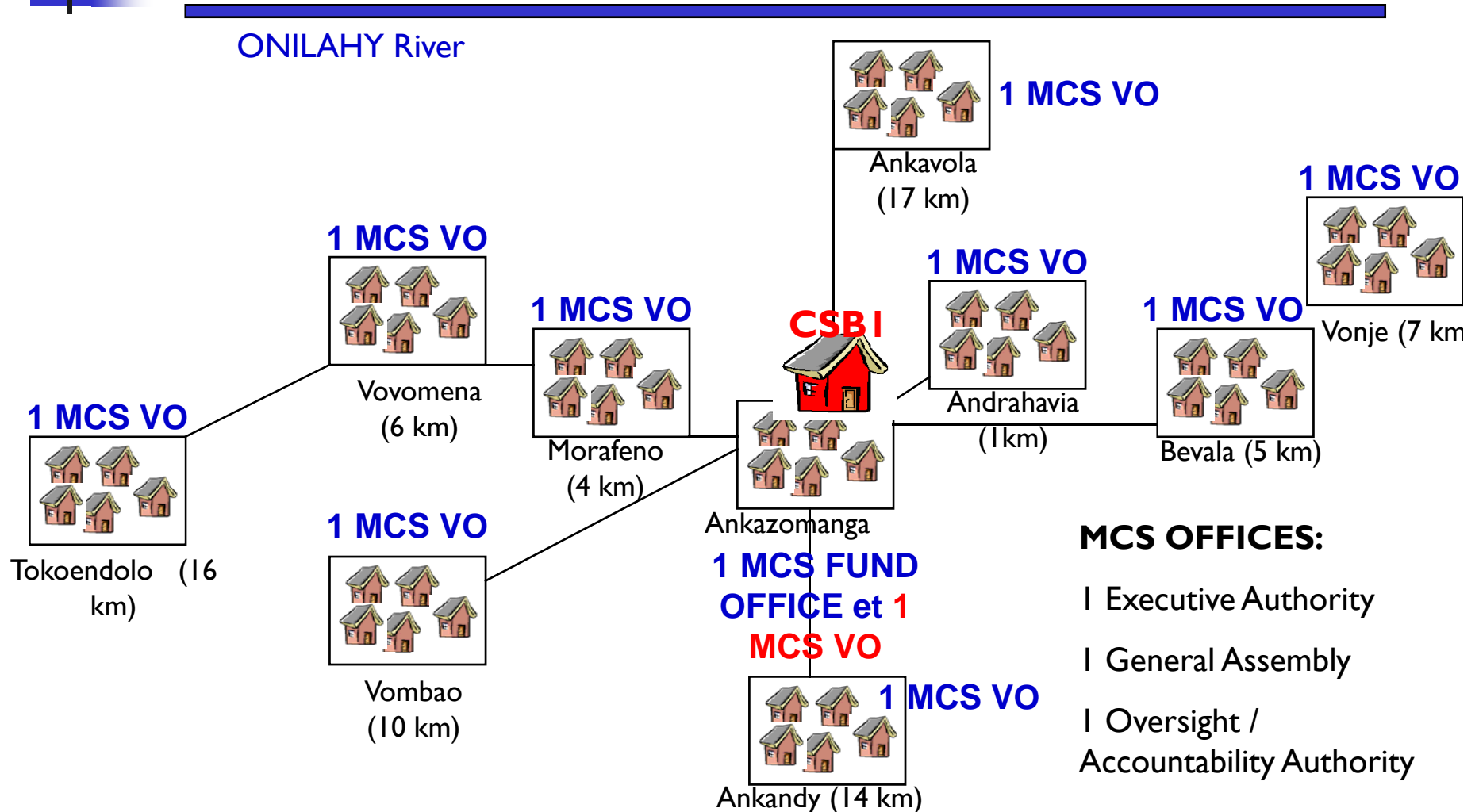
\*According to the baseline study, the average household had only 500Fmg in cash holdings for all expenditures.



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## ORGANIZATION – MCS FUND OFFICE & MCS VILLAGE OFFICES

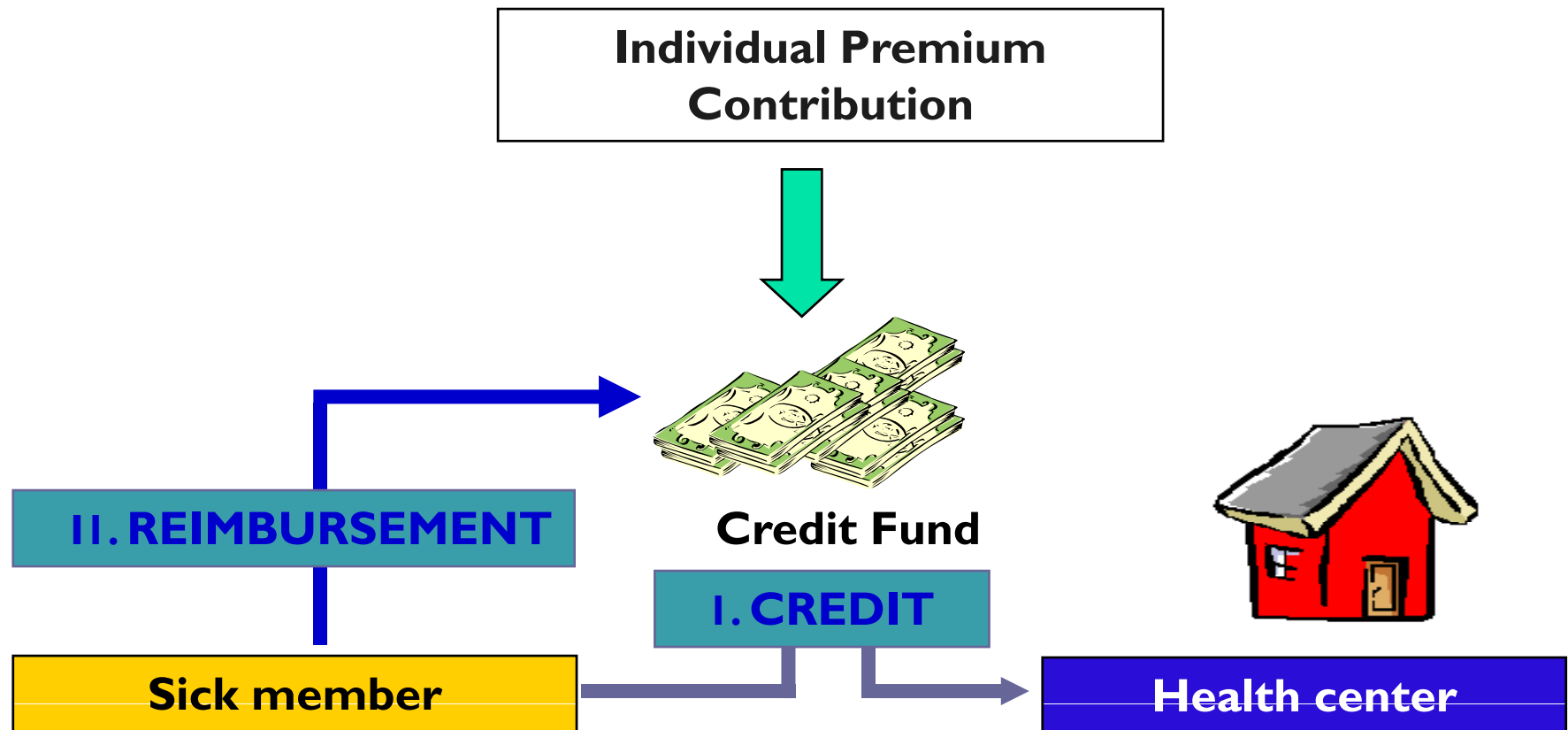




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## OPERATIONAL PRINCIPLE AND MECHANISM





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## DISTRIBUTION OF FUNDS



**CREDIT FUND** Constituted by  
Premium Contributions

**80%**



**Mutual Credit  
Scheme Village  
Office**

**20%**



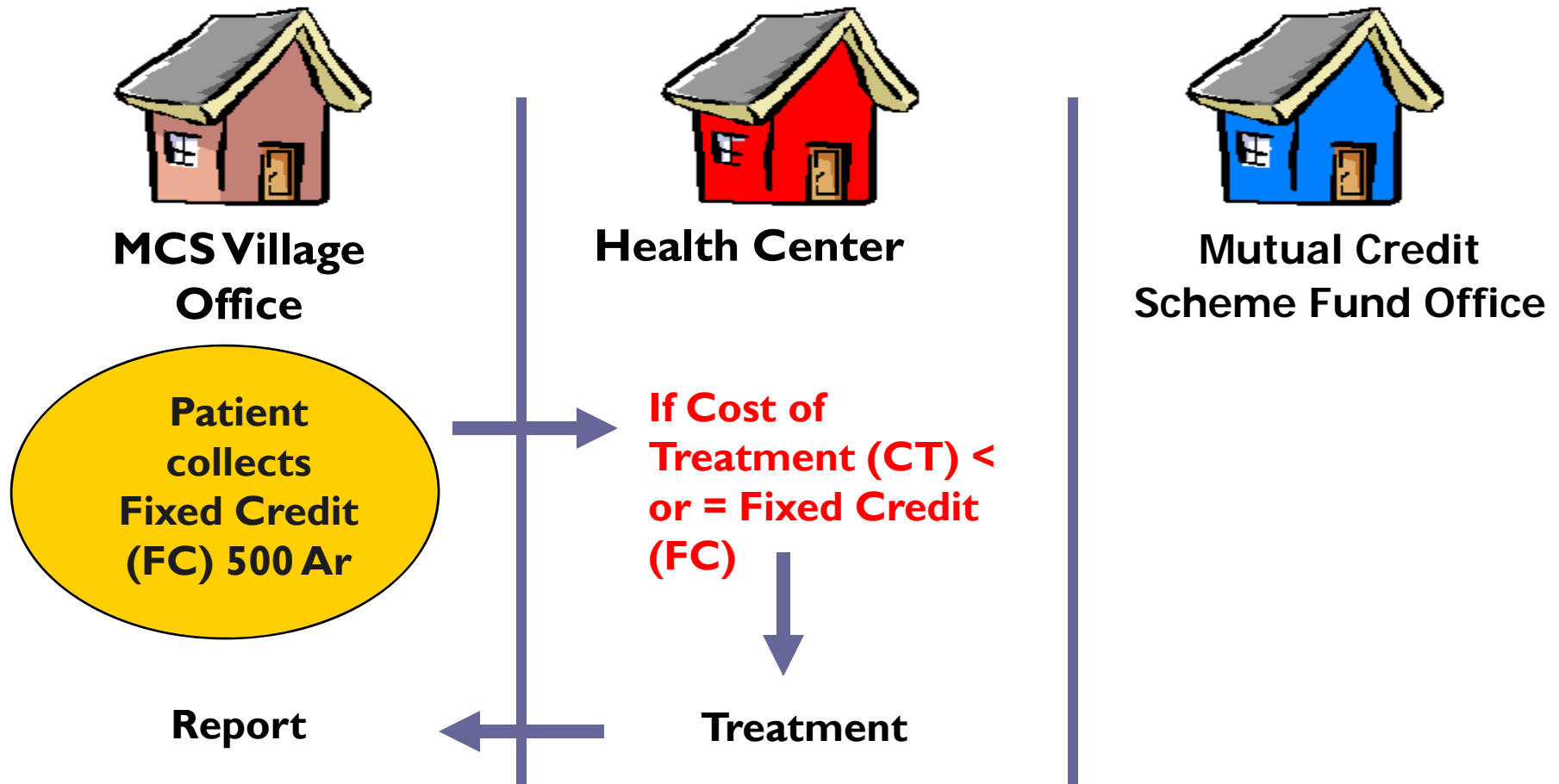
**Mutual Credit  
Scheme Fund Office**



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## CREDIT ISSUANCE CIRCUIT (SCHEME I)

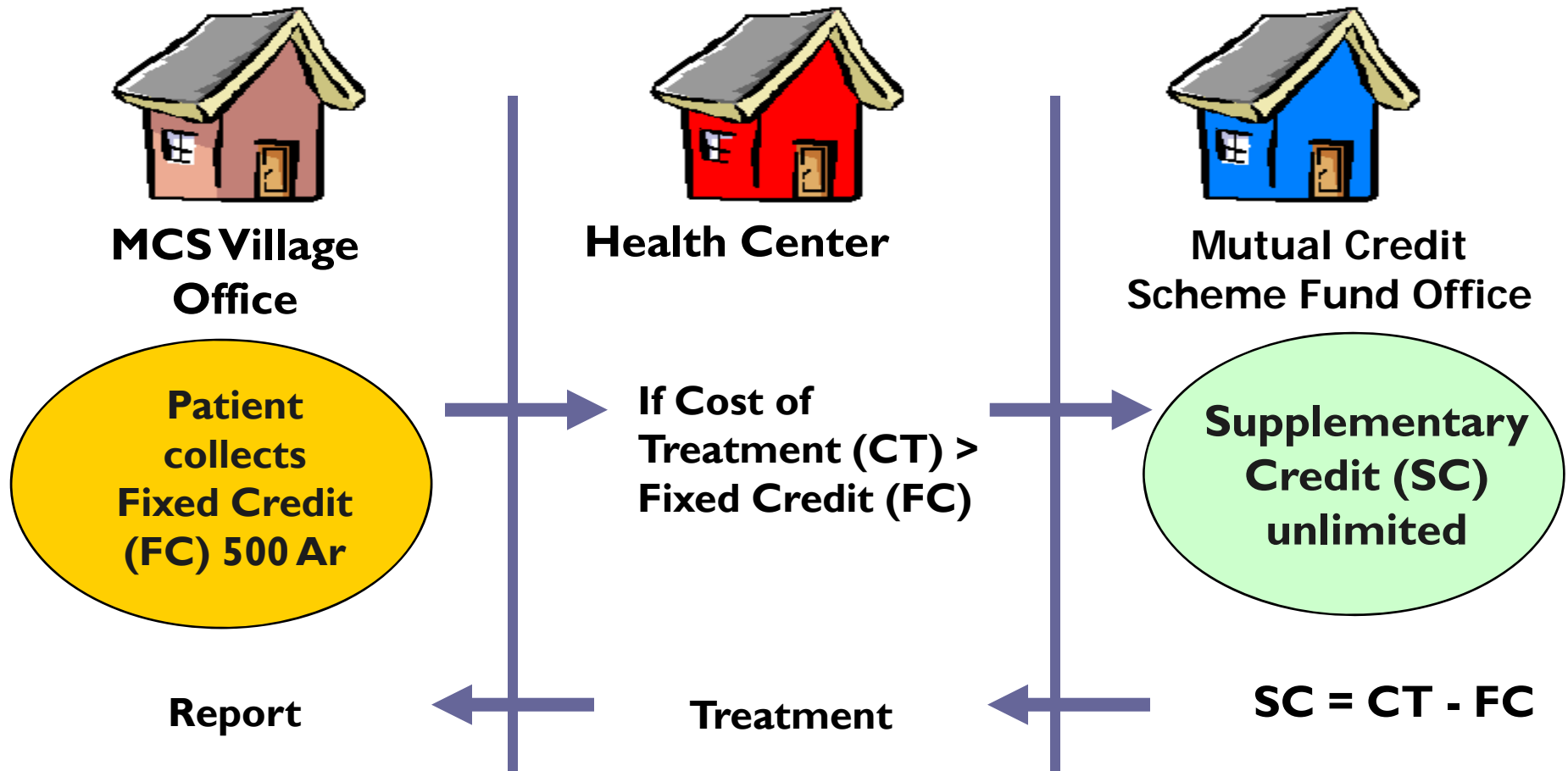




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## CREDIT ISSUANCE CIRCUIT (SCHEME 2)

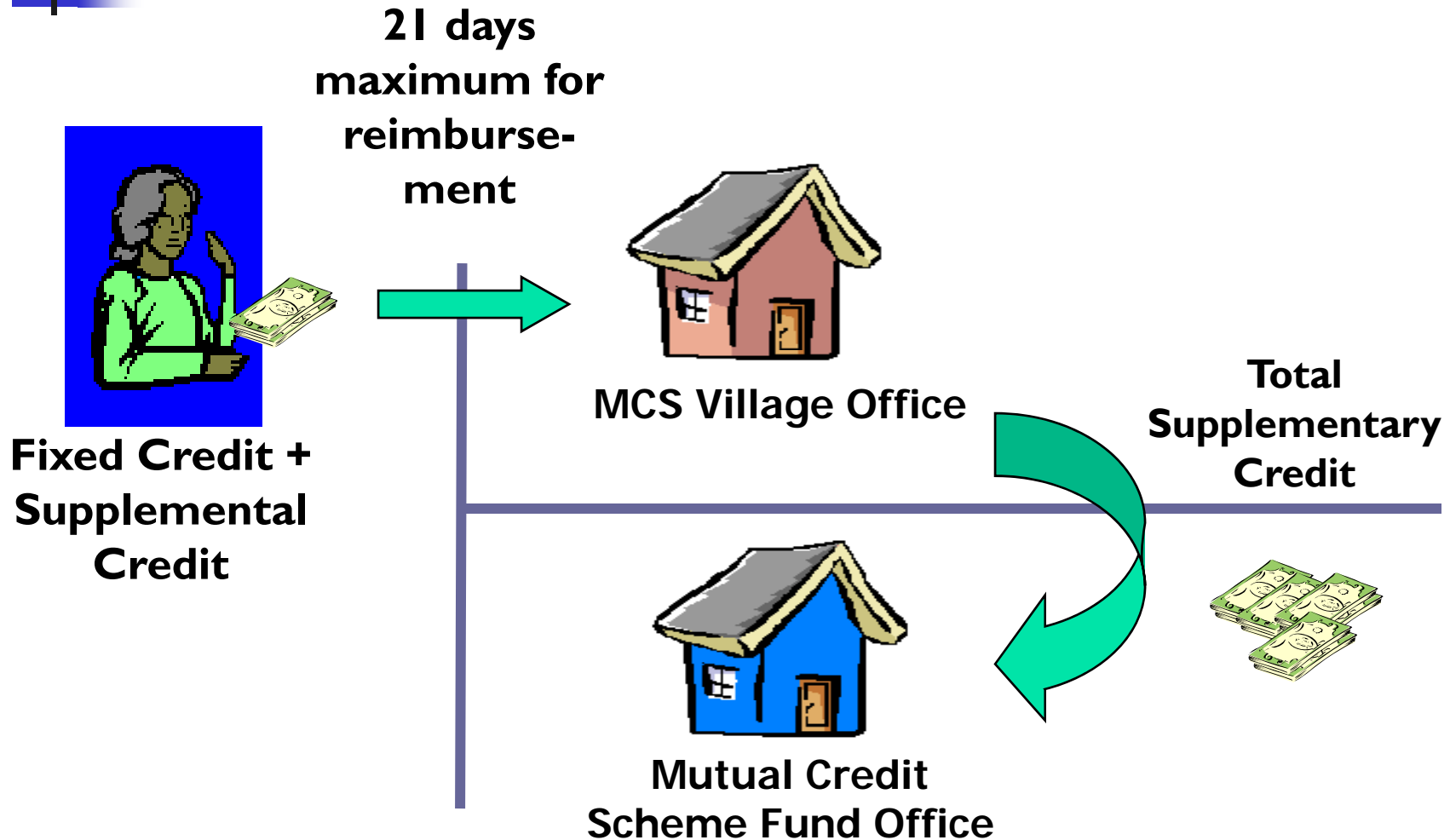




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## REIMBURSEMENT MECHANISM





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### MANAGEMENT TOOLS

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- **At the MCS Village Office level**
  - Member Identification
  - Fund Account Balance
  - Register of MCS Members
  - Monthly Financial Reporting Form
  - Credit Issue / Repayment Register
  - Receipts



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### MANAGEMENT TOOLS

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- **At the Mutual Credit Scheme Fund Office level**
  - Fund Account Balance
  - Register of MCS Members by Village
  - Invoice booklet
  - Monthly Financial Reporting Form
  - Receipt booklet



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### MANAGEMENT INSTITUTIONS / BODIES

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- Each MCS Office (Village and Fund) have the following management institutions/bodies in place:
  - Decision-making body : Assembly (Village, General)
  - Advisory / consultative body : Advisors (Village, General)
  - Executive body: 1 President, 2 Treasurers, 1 Secretary, 2 Cashiers / Premium and Credit Collectors
  - Financial control body : Local auditors / Accounts Overseers (Village, General)



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### INSTITUTIONAL FRAMEWORK

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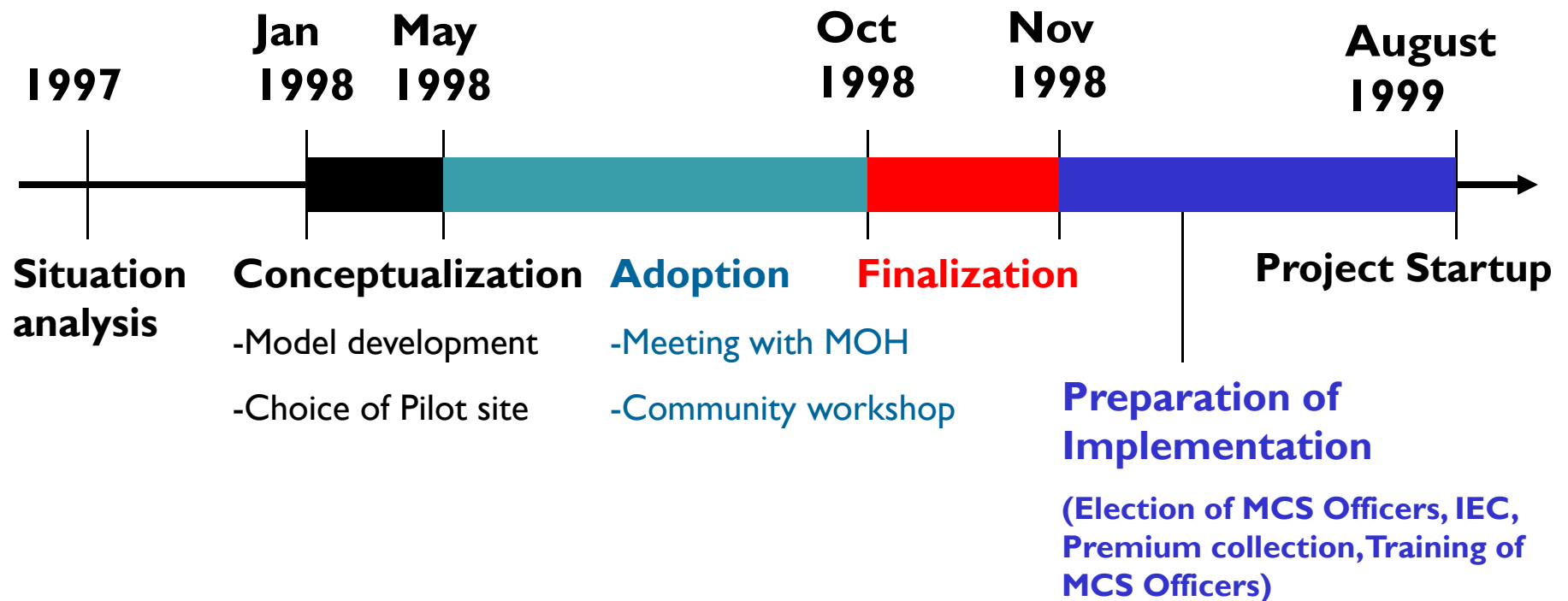
- MCS constituted as an « Association » under Malagasy law
- Accorded legal status as an Association (by the Provincial Delegation of Betioky Sud)
- MCS Association has its own Statutes and codified procedures



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## STAGES OF IMPLEMENTATION

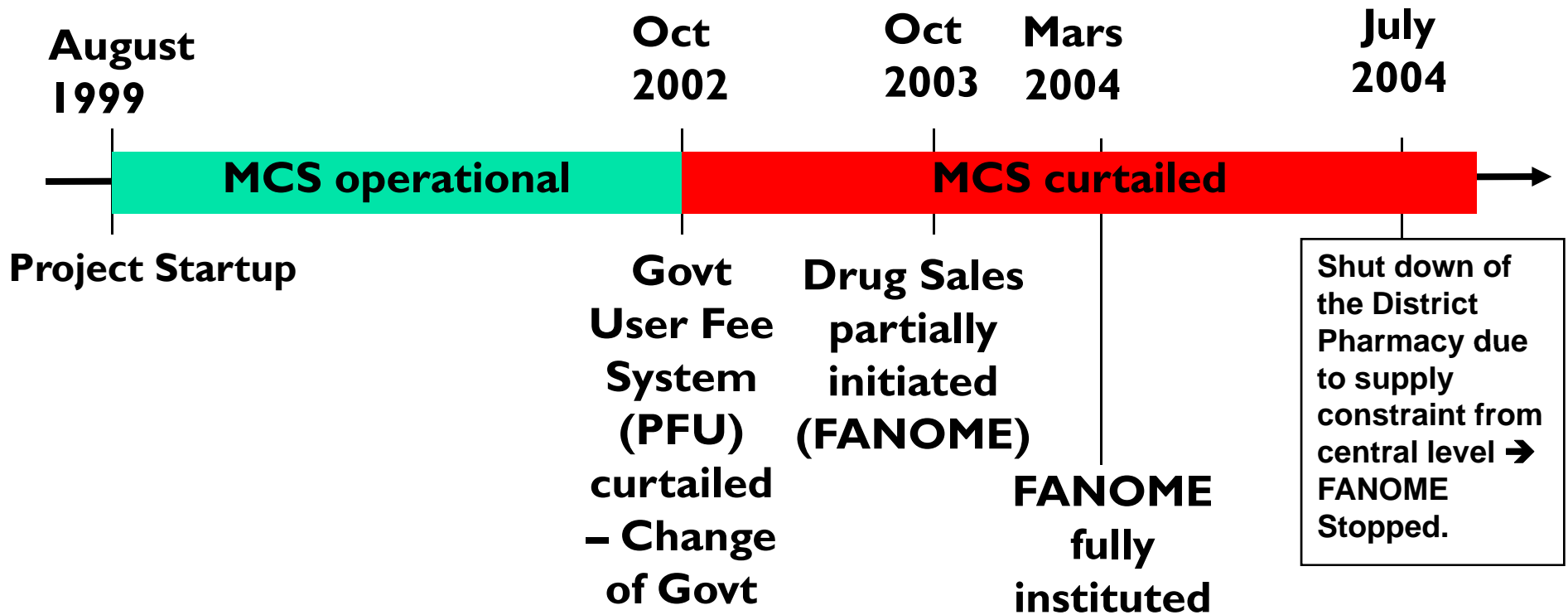




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## OTHER IMPORTANT DATES

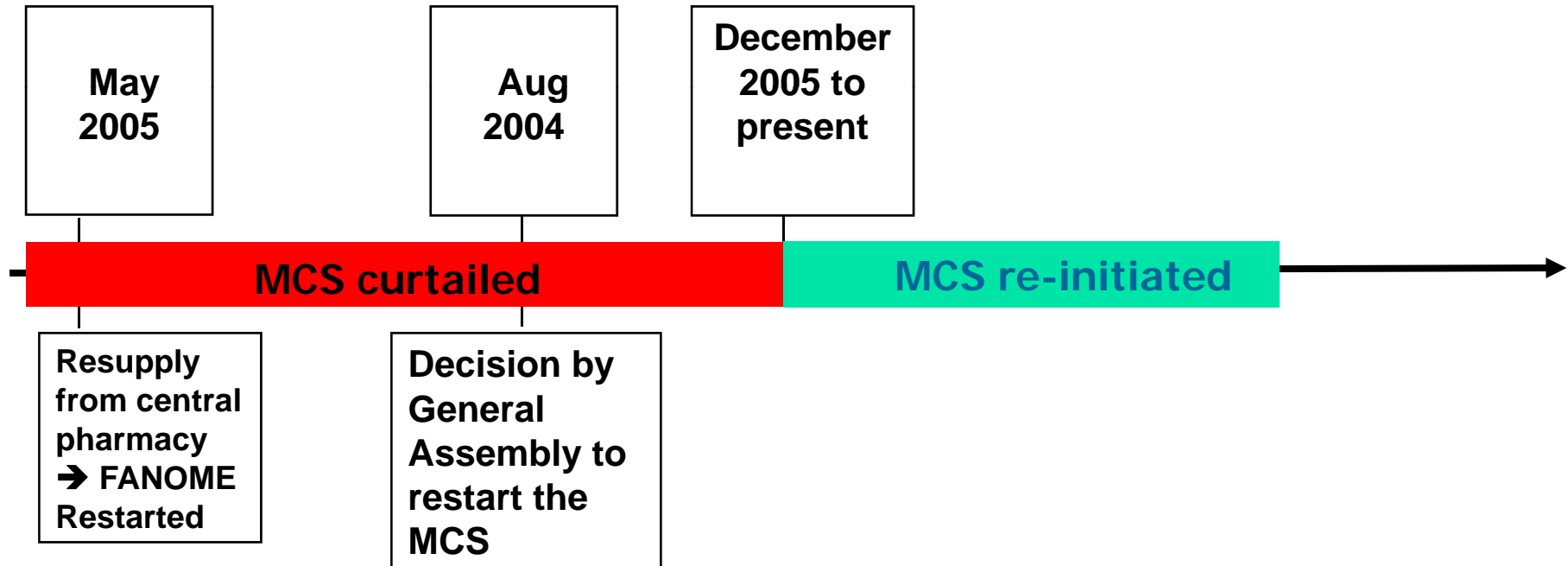




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## OTHER IMPORTANT DATES





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### RESULTS (1999-2002)

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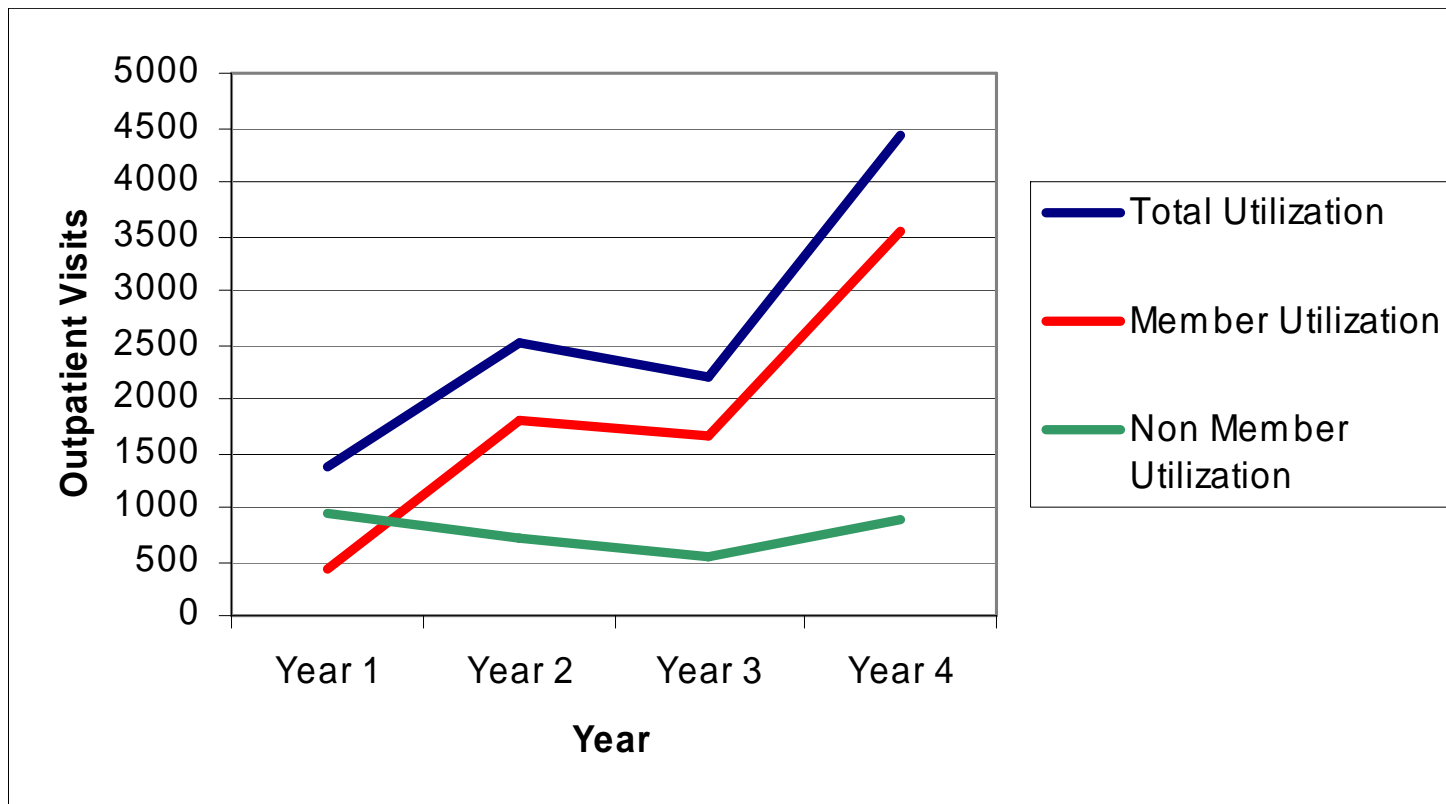
- Increase in health center utilization rate
- % of prescriptions fully filled increased from 23% to 100%
- MCS participation rate (% of villagers who have joined MCS) = 61%; (Current = 70%)
- Credit utilization rate (% members using credit for care per year) = 20%
- Reimbursement rate (% of credits reimbursed) = 90%
- MCS fund balance never dropped below the minimum statutory threshold at which another round of premium payments would be required
- MCS has operated uninterrupted since December 2005



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### Health Center Utilization (1999 to 2002)



➔ Members feel that they have financial security (Qualitative Studies)



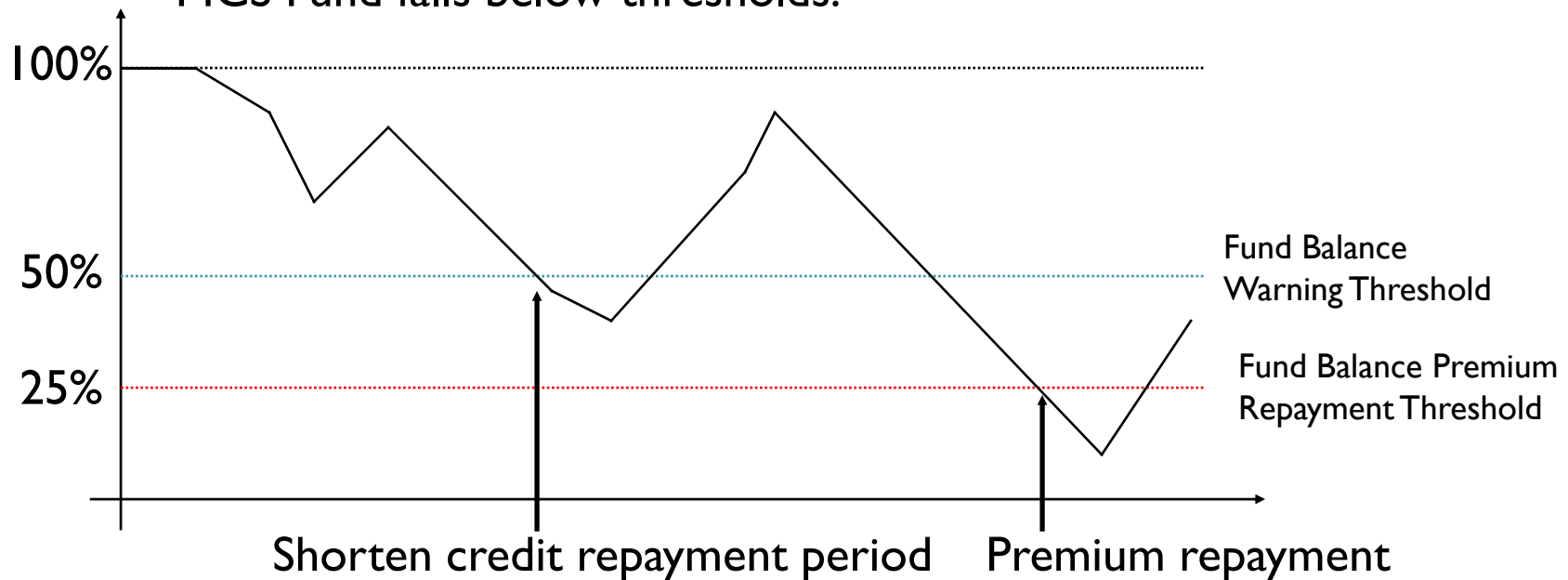
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## SYSTEM PERFORMANCE

### Fund Level (1999 to April 2006)

The MCS Fund level never fell below the statutory threshold requiring another round of premium payments. The figure below illustrates the corrective measures to be taken in the event the MCS Fund falls below thresholds:





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### SOME SUSTAINABILITY INDICES

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- Total “ownership” of the Mutual Credit Scheme by the Community
- Reimbursement rate (by borrower) of 90%
- Loan recovery rate (borrower or guarantor) = 100%
- Viable community organization
- Effective autonomous management
- Situation in 2002 : withdrawal of all outside support
- Increasing demand by neighboring communities for equivalent scheme (15 communities at present)



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### FUTURE

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- Extension of MCS to another (06) health sectors
- Inclusion of coverage for referred cases (hospitalizations)
- Technical assistance to the MOH for the elaboration of a manual for the establishment of mutual credit schemes based on the Ankazomanga experience (in collaboration with the SanteNet Project / Chemonics)



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- **MISAOTRA TOMPOKO !**