



***Financing medical quality improvement in Africa***



MEDICAL  
CREDIT  
FUND  
AFRICA

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***“The medical credit fund is the first of its kind in Africa”***

## **A helping hand**

The Medical Credit Fund was established in 2009 as the first fund in the world to provide a financing mechanism coupled with technical assistance to empower private primary healthcare service providers such as dispensaries and clinics in Africa.

The private health sector is a major player in the health care chain providing around 50% of all care to patients in many African countries. As a result of the public sector being overburdened and struggling to provide a satisfactory level of care, people turn to the private sector and pay out-of-pocket for a health service that is better, but which often also needs improvement.

If these private health care providers are to progress, they require access to capital. This will allow them to upgrade equipment, infrastructure and manpower which in turn will stimulate efficiency and quality improvements in the health system.

However, these facilities often have limited or no access to credit due to poor qualification levels and the cost of capital being too high. As these health care providers are dependent on out-of-pocket payments, they also have an unreliable revenue stream and so the cycle of non-improvement is perpetuated.

## A healthy return

The Medical Credit Fund has designed a program that aims to bridge the finance gap that private clinics are faced with by providing them with access to capital and the technical assistance needed to upgrade medical quality and improve business operations. Local banks are engaged to lend to eligible clinics to finance the upgrading plans by providing loan capital and assuming a considerable part of the investment risk. In return for receiving affordable financing, the health care provider is expected to show a significant improvement in quality.

The Medical Credit Fund guides the health care service provider through the medical and financial procedures that need to be in place to enhance and expand their services. Once the upgrades have been put in place, an independent certification based on international standards will follow. By providing and overseeing performance-based financing the Medical Credit Fund will boost the status of these clinics and strengthen their position in providing an improved and wider range of services to people with low-income at affordable costs.



## The intake

To ensure that all the components of the project are properly put into operation, the Medical Credit Fund engages local partners with proven records of accomplishment and a similar vision. In each country in which we invest, the Medical Credit Fund will partner with national entities such as local associations of private health care providers and local financial institutions for the capital provision.



### Assessment

Selected facilities are required to undergo a self-assessment to thoroughly determine the quality of the different levels of basic operation that are needed for a well-functioning facility.

### Preparation phase

The results derived from the assessment will guide the quality improvements and business planning recommendations and together with the local partner, the health service provider will compile an upgrade plan.

### Quality upgrade

Based on the plan, quality improvement training for participating providers will be given. In this phase, the service provider is expected to undertake basic steps to improve the quality of the facility. An evaluation will be carried out to gauge the results of the upgrade process.

### Capital provision

During this stage, the Medical Credit Fund will facilitate the formation of a business plan and the health service provider will be assisted with the loan application. The application will be submitted to the participating bank and if positive, the provider will be serviced directly by the bank.

### Finalization and follow up

The Medical Credit Fund's involvement will be concluded with a second evaluation based on compliance with international quality standards.

## Clinics in Tanzania: Aiming for a better future



Arafu Upendo Health Center



Bonde la Mpunga



Family Planning Services



Faraja Health Center



KBH



Mafarasa



Majengo CHI Dispensary



Maryland Health Center



Mission Mbagala

*The Medical Credit Fund is managed by PharmAccess Foundation – a fast growing international organization focussed on improving access to health care in developing countries by introducing performance based health systems.*



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