

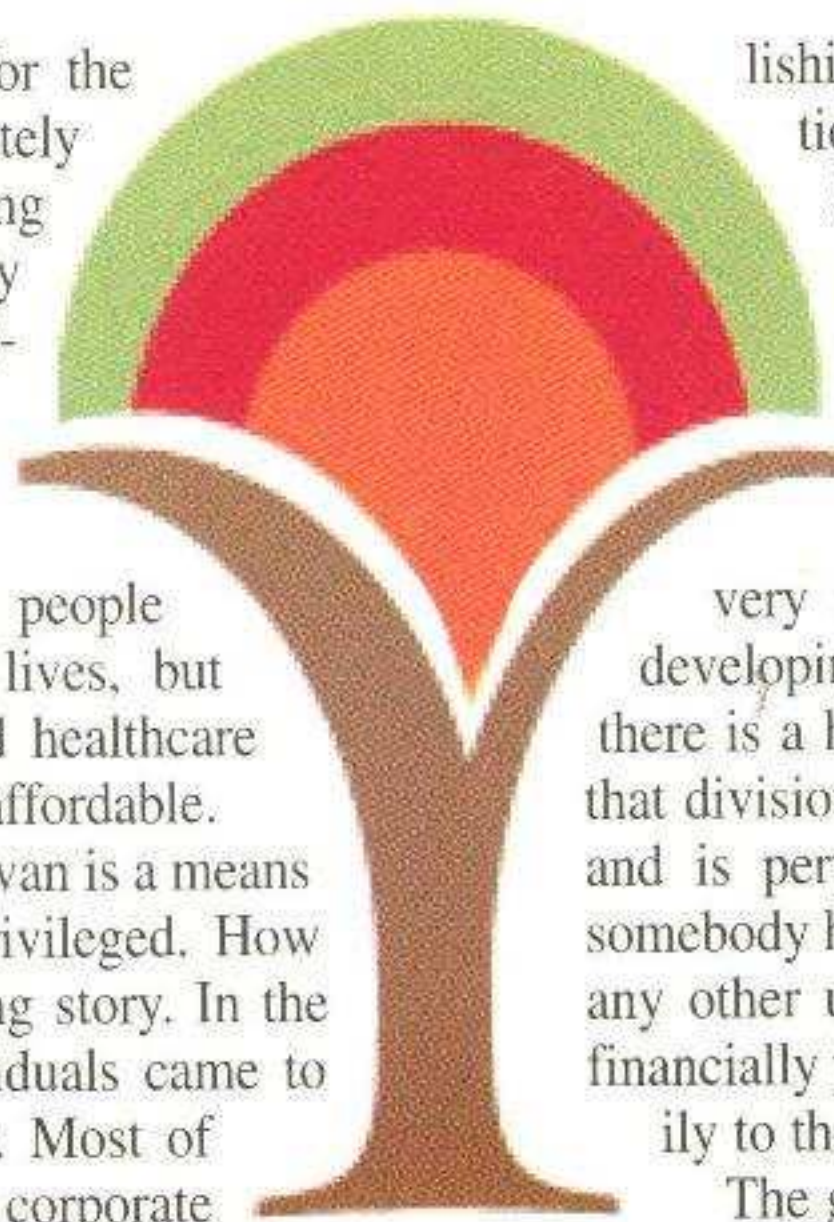
Naya Jeevan — health insurance for the underprivileged

by Mariam Shah

The concept of health insurance for the poor and underprivileged immediately grabs one's attention. In a developing country like Pakistan, where the majority of the population lives hand-to-mouth, getting by on a meagre salary that hardly fulfills their daily needs of food and shelter, other necessities such as education and health get neglected; not because people don't want to study or live healthier lives, but because access to quality education and healthcare facilities is limited and in most cases, unaffordable.

Literally meaning 'new life', Naya Jeevan is a means to affordable healthcare for the underprivileged. How Naya Jeevan came about is an interesting story. In the late summer of 2007, a group of individuals came to Pakistan on a market evaluation survey. Most of them were already involved either in the corporate sector or in the healthcare industry.

What followed was an amalgamation of best practices and expertise from both industries that focused on the issue of affordable healthcare and led to the formation of the globally innovative model that Naya Jeevan is based upon. In the words of Naya Jeevan's Founder & CEO, Dr. Asher Hasan, "We wanted to institutionalise philanthropy. What we noticed was that people were very charitable and willing to pay the medical expenses of their staff out of their own pockets but in a very ad hoc, unpredictable manner. We wanted to make it systemic and risk-free for both employer and employee." Whether it was the lower-income staff of multinational and national corporations or domestic household staff, the fact remains that the people fitting into this income bracket were lacking the health facilities that should have been extended to them as 'employee benefits' if not as a basic human right. Asher, who was enrolled in New York University's Stern School of Business for an MBA degree at the time, formulated the social enterprise model upon which Naya Jeevan is based. Asher joined forces with Saad Tabani and Irum Musharraf and the trio went on to win NYU's Social Entrepreneurship Business Plan Competition in 2008. Subsequently, they went about the task of formally estab-



NAYA JEEVAN

lishing Naya Jeevan as a not-for-profit organisation, with initial investment from NYU worth \$75,000 supplementing \$75,000 of their own seed capital. Asher says, "Our vision and concept was to provide low-income families with affordable access to quality healthcare; 'affordable' and 'quality' being key words. All three of us have been exposed to and are very familiar with the reality on the ground in developing countries like Pakistan — which is that there is a huge disparity between the rich and poor and that division is growing. A lot of poverty is generational and is perpetuated by catastrophic medical expenses: somebody has a pregnancy complication, a heart attack or any other unforeseen medical event which they cannot financially plan for and which essentially pushes that family to the brink."

The globally innovative model that Naya Jeevan is based on focuses on three target populations: (i) domestic staff (cooks, maids, gardeners, drivers, etc.) and their families, (ii) low-income employees who are affiliated with any business or organisation — small or big (restaurants, gas stations, banks, factories, etc.) — across all sectors and industries and (iii) children attending NGO/public sector schools and their low-income families. As Asher says, "Basically what we've done is to take an existing corporate-financed system, and recreate the financing around it. It's just a new and much larger target market. It is affiliated with the corporate sector, because these low-income staff work for people who are either employed in the corporate sector or work directly for the corporate sector. Therefore, you can cover around 40 million people just like that in this model of the urban, working poor. Yes, you won't be able to cover the people in the rural areas unless they happen to be family members of those people working for those in the corporate sector, but that's a bridge we'll cross later. This is just the starting point."

Explaining the model, he goes on to say, "Anyone who is making less than Rs. 15000 a month and who we feel is socio-economically vulnerable to catastrophic medical expenses is eligible for this plan. How we are accessing



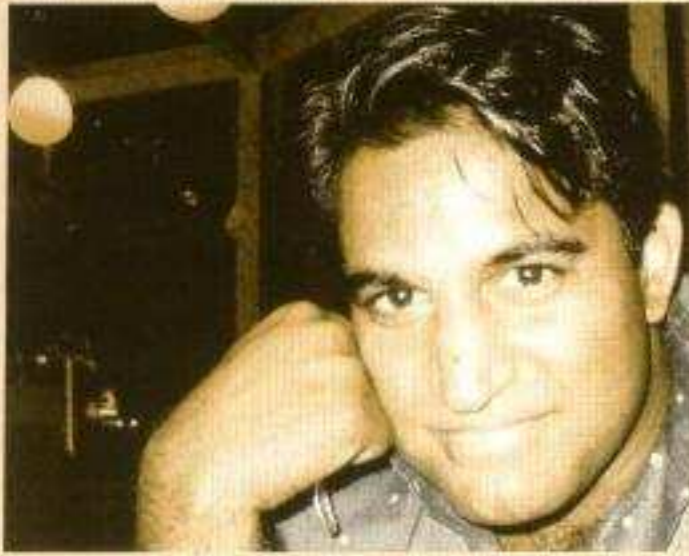
them is the kind of innovation that we're introducing. What we've done is that we've gone to heads of corporations and have spoken to them about cascading these benefits through their corporations — as part of the corporations' CSR programmes — so that their employees are aware this health plan exists and that they can provide this benefit to their domestic staff." Keeping the benchmark at Rs. 150,000 for health insurance cover per person, which is the average cost of a cardiac bypass in major urban centers like Karachi, Lahore and Islamabad, any other catastrophic medical expense is covered within this range (with the possible exception of prolonged chemotherapy for cancer).

In the corporate model, if the health insurance cover is for the employees' domestic staff, there is cost-sharing involved, with both the employer/employee and the corporation having a stake in it. The amount is subsidised for the low-income employee/beneficiary, yet importantly, he/she is a stakeholder. For low-income employees/contractual workers of an organization, the majority premium contribution is made by the organisation itself, whereas the employee may or may not give a nominal contribution for their children's health insurance coverage. This remains at the discretion of the organization — however, Naya Jeevan recommends that the beneficiaries also make a minority contribution towards their own health.

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For individuals who want to extend this benefit to their domestic staff, all they need to do is pay the premium of Rs. 100 per child per month and between Rs. 150-Rs. 200 per adult per month (fluctuation is based on risk profile), which comes to a tax deductible contribution of a maximum of Rs. 1800-2400 per person per year. If the domes-

The entrepreneurs behind Naya Jeevan



Dr. Asher Hasan, MD, MBA: Founder & CEO
(Los Angeles, CA and Karachi)

Asher most recently served in the capacity of Senior Director and Head of the US Medical Affairs Obesity team for Amylin Pharmaceuticals, Inc. in Southern California. Prior to this, he served as a US Medical Director for Sanofi-Aventis, based out of their US headquarters in Bridgewater, NJ. During his tenure in New York City, Asher also completed his MBA from New York University's Stern School of Business.



Irum Musharraf, MBA: Vice-President,
Finance & Strategic Planning (San Francisco, CA)

Irum has six years of corporate experience in enterprise risk management with State Street Corporation (Boston, Massachusetts). Irum had previously worked in Investment Banking for Natwest Markets and at Citibank with Global Finance, during their pioneer launch of credit card operations in Pakistan. She secured her MBA from the Lahore University of Management Sciences (LUMS), one of Asia's premier business schools.



Saad Tabani, MBA: Vice-President,
Technology & Business Development (New York, NY)

Saad has over nine years of experience with startups, business development, technology, scaling organisations, and account management. He was one of the first 10 employees at Trigo which was acquired by IBM in 2004, and subsequently worked with IBM's Software Group. He has lived in Dubai, Karachi, Columbus (OH), San Francisco, and New York City. Saad obtained his BA in Computer Science and Economics from Ohio Wesleyan University and completed his MBA in Entrepreneurship and Finance at New York University's Stern School of Business.

tic staff member decides to leave — as there is notably a higher turnover in such cases — this health coverage can be transferred to the incoming employee.

A major challenge for Naya Jeevan, however, is bringing about a change in the mindset of the affluent class. A socio-economic apartheid still exists in much of the developing world and Pakistan is certainly no exception. More often than not, domestic staff are treated with lesser respect in comparison to an average employee of an organisation. The fact remains that these people are also 'employees' and have a right to benefits as well, especially a benefit as basic as healthcare. Asher emphasises the need for this change, "People talk about retention in the corporate sector and throwing in incentives left, right and centre — the same thing applies to domestic staff as well. This takes care of the turnover and is a way of building loyalty while incentivising and retaining domestic staff."

As part of their vision of 'integrated social empowerment' Naya Jeevan is also collaborating with a number of corporate and NGO partners such as Unilever, Kansai Paints, GSK and CFC to offer value-added services (VAS) to their health plan members including workshops

on sanitation, personal hygiene, infection control, etc. Downstream, Naya Jeevan also plans to add relevant skill development and vocational training such as cooking classes, baby care, automotive workshops, self-defense, English and basic computer literacy.

Another innovation that Naya Jeevan is introducing in the marketplace is the Child to Child Microfinance program. Asher explains this variant, "We take a student from Grade 7 of, let's say, a DIL (Developments in Literacy) school and we match them with a student of the same grade from a private sector school, let's say, Beaconhouse School System. They interact in scheduled workshops and teacher-monitored sessions that give them the opportunity to learn about each other's lives, environment, ambitions, etc in the process cross-mentoring each other. With the active consent of their parents, the private school student annually but anonymously contributes to a pool of money which provides for three things: the health insurance of the beneficiary child; an improvement in his/her education in terms of computers, libraries, etc. of the beneficiary school; and creation of a scholarship or endowment fund that's available for vocational or postgraduate



From left to right: Faisal Kapadia of Strings, Dr. Asher Hasan, Irum Musharraf and Bilal Maqsood

training — but only if the student graduates.”

There are a variety of underwriters working with Naya Jeevan (the primary underwriter is currently Allianz-EFU) and the beneficiaries have access to over 150 hospitals and clinics across Pakistan. The process is the same as any other health insurance plan: the beneficiary presents his/her insurance card at the hospital, the hospital seeks authorisation from the insurance company, receives the authorisation and credits the beneficiary. The beneficiary does not have to pay a penny from his/her pocket for any eligible expense. Naya Jeevan has its own medical monitoring team which makes sure that legitimate claims are not denied.

Asher is determined to bring about this much-needed change in healthcare services for the underprivileged and envisions Naya Jeevan to be a globally scalable social enterprise. He was recently awarded the Drapers Richards Social Entrepreneur Fellowship for 2009-2011 worth \$300,000. Additionally, Naya Jeevan has been invited to attend the upcoming annual meeting of the Clinton Global

Initiative in September 2009 as a member organisation, which is a matter of great prestige for Naya Jeevan and Pakistan as there are only a couple of other Pakistani-based organisations that are recipients of this honour.

You can support Naya Jeevan’s mission in the following ways:

- by visiting their website www.njfk.org and making a donation to the catastrophic reserve fund for uninsurable conditions (e.g. congenital birth defects)
- by encouraging your organisation/institution to provide this benefit to their low-income employees or contract workers.
- by providing the Naya Jeevan health plan to your own household staff
- by sharing this article with your business colleagues and raising awareness around the opportunity to provide this unique form of ‘integrated social empowerment’ to low-income families in Pakistan. □