“The most exciting thing is when you actually meet the members, whose lives are being changed and in some cases saved, and you realize that there is the possibility of this major transformation that could take place in society in the way that people view their employees. Being at the cusp of that possibility is very exciting and very rewarding. Whenever I meet the end beneficiaries, I hear about how this is impacting their lives. And this is systemic change, not window dressing or just bandaging.”

–Asher Hasan, Founder and Chief Executive Officer

Characteristics

<table>
<thead>
<tr>
<th>Country</th>
<th>Pakistan</th>
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<tbody>
<tr>
<td>Target Population</td>
<td>General population</td>
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<tr>
<td></td>
<td>Families</td>
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<tr>
<td></td>
<td>Poor/low-income</td>
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<tr>
<td></td>
<td>Women</td>
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<tr>
<td></td>
<td>Pregnant women</td>
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<tr>
<td></td>
<td>Infants and young children, ages 0 to 4</td>
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<td></td>
<td>Children and youth, ages 5 and older</td>
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<tr>
<td></td>
<td>Disabled</td>
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<td></td>
<td>Ethnic minority</td>
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<tr>
<td>Geographical Reach</td>
<td>Urban</td>
</tr>
<tr>
<td>Organization Type</td>
<td>Hybrid model</td>
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<td></td>
<td>Private not-for-profit</td>
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<td></td>
<td>Private for-profit</td>
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<tr>
<td>Form of Care</td>
<td>Insurance/payment scheme</td>
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<tr>
<td></td>
<td>Mobile health (mHealth)</td>
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<td></td>
<td>Primary care</td>
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<td>Secondary/tertiary care</td>
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<td>Prevention</td>
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<td>Maternal and child health</td>
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<tr>
<td>Innovation Type</td>
<td>Leverage others’ networks and assets</td>
</tr>
<tr>
<td></td>
<td>Use proven technologies disruptively</td>
</tr>
<tr>
<td>Website</td>
<td><a href="http://www.njfk.org">www.njfk.org</a></td>
</tr>
</tbody>
</table>
Description of Innovation

NAYA JEEVAN operates a hybrid social enterprise (a not-for-profit social business coupled to a for-profit social business) that provides low-income families with access to affordable, high quality healthcare. NAYA JEEVAN’s operations are currently focused on Pakistan with plans to replicate in India, the US, and other locations. NAYA JEEVAN embeds a core health insurance plan inside an ecosystem of value-enriched preventive health services, leveraging mobile technology.

NAYA JEEVAN’s integrated health plan targets previously uninsured, formal and informal workers making less than $8 per day, who are affiliated with corporations and corporate value chains. This includes suppliers, distributors, micro-retailers, and domestic workers. NAYA JEEVAN provides a market-based loyalty/incentive program, co-financed by the corporation, leveraging corporate value chains as an innovative approach to creating sustainable insurance coverage for the BOP population. Through risk pooling, NAYA JEEVAN also enables corporations to negotiate lower rates on the health insurance coverage of their managerial and executive staff.

The NAYA JEEVAN health plan is benchmarked to cover even catastrophic care, including heart bypass surgery, for an insurance premium of only $2 per person per month. The costs are low partly because the cost structure in Pakistan is

The Iron Triangle of Health Care

<table>
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<tr>
<th>Access</th>
<th>Quality</th>
<th>Cost</th>
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<tr>
<td>NAYA JEEVAN increases <strong>access</strong> to care for thousands of low-income members by enrolling them in a low-cost, health insurance program with access to primary and secondary/tertiary providers.</td>
<td>NAYA JEEVAN’s medical team performs real-time patient case review and all preferred providers are credentialed by international health insurance companies, ensuring <strong>quality</strong> of care.</td>
<td>By pricing the health plan at no more than $2 per person per month (3% of the monthly income of an average low-income household), NAYA JEEVAN brings <strong>cost</strong> of coverage within reach.</td>
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“**This is a portable plan, so it travels with the beneficiaries and is not tied to the corporation. We are essentially a health club for low-income people and one of the core benefits is that they get health insurance. Once they become a member, they can remain a member even if unemployed and continue to receive health benefits.**”

Asher Hasan, Founder and CEO
relatively low (heart bypass surgery costs $1,500) but also because NAYA JEEVAN leverages economies of scale and risk pooling, negotiating low rates with health insurance carriers who have themselves negotiated low rates with providers. NAYA JEEVAN’s plans range from 20% to 67% of the commercial market rate. Companies can choose to pay all or a portion (many do an 80/20 split) of the insurance premium for affiliated and contract workers.

Founded in 2007 in California and launched in 2009 in Karachi, Pakistan, NAYA JEEVAN has enrolled over 23,000 members across more than 100 corporate, academic and non-profit partners that serve as distribution channels for the NAYA JEEVAN health plan. NAYA JEEVAN intends to achieve sustainability by early 2015 through enrollment of 150,000 low-income members.

Providing Value to the Patient, Community, and Health System

Health insurance coverage is a perk usually restricted to those working in the corporate sector in Pakistan. However, that benefit is not transferred to affiliated workers such as contract-based workers (often a majority of a corporation’s workforce), the informal domestic staff of corporate employees (e.g. drivers and maids) or micro-retailers attached to the very end of corporate retail chains. These marginalized workers often end up borrowing money to pay for medical emergencies out-of-pocket, which can often be cost-prohibitive.

NAYA JEEVAN identified this market opportunity and has developed a sustainable, scalable, replicable model for providing quality, affordable health insurance to this growing population. As this model scales, it can be adapted and adopted within the public sector to meet the healthcare needs of millions of low-income Pakistanis. Also, as consumer demand increases significantly in currently underserved rural areas, private investment will follow to enable corresponding health infrastructure (such as mobile clinics) to be deployed in these rural areas.

Workers (and their families) without health insurance are vulnerable to catastrophic health expenses and one major illness can push them over the brink into poverty. By bringing these uninsured individuals into a large risk pool, corporations can leverage their augmented negotiating power to keep premium rates low for their own executive and managerial staff. This cost-savings often offsets the insurance contributions the corporation makes toward incenting low-income stakeholders in its supply chain to join the plan. With a safety net in place, employees have a greater chance of remaining healthy and productive, yielding reduced employee absenteeism and presenteeism, and averting a vicious poverty cycle.

“When I was a child, a family friend had a stroke and all six of his children ended up in child labor. The stroke was a case of untreated high blood pressure. That led to an entire generation of children being abused.

As an adult, I started realizing, this is something we have to tackle at a systemic level and a simple charity model is not going to work, we have to reconfigure the health system of our country”

Asher Hasan, Founder and CEO
Value-added services offer a unique form of social protection to NAYA JEEVAN’s members. A 24-hour TeleHealthline allows NAYA JEEVAN’s medical doctors to help its low-income members navigate through private health systems. It also enables NAYA JEEVAN to monitor hospital care and ensure that patients are not being denied insurance coverage for legitimate health needs. Also, NAYA JEEVAN creates value for its members via a Health Rescue Fund that can support members on a case-by-case basis for treatments beyond the scope of insurance coverage.

By partnering with socially responsible local corporations as well as local non-profit organizations, NAYA JEEVAN educates low-income groups from marginalized communities on preventive healthcare, nutrition, safety, hygiene and sanitation. NAYA JEEVAN also conducts optional training seminars specifically for NAYA JEEVAN plan members on topics such as early childhood development, food safety and handling, mobile financial services and general preventive healthcare. These workshops are targeted towards plan members.

NAYA JEEVAN’s ‘Ecosystem’ of Empowerment: ‘Completing the Circle of Trust’

Asset Protection + Income Generation
- Health/Life/Disability Insurance
  Cashless ~ $2/month
- Annual Coverage benchmarked at heart bypass surgery
- Access to over 170 network private hospitals nationwide

Pharmacists Benefit Management
Financial Inclusion: Mobile Banking
Access to Safe Transport
Preventive Health Workshops
Medical Screening/Health Risk Assessment
24 hour Tele-HealthLine Access to Family Doctor
Philanthropic Rescue Fund
working as nannies or cooks, though any interested plan member may participate. The training seminars are intended to build a community around NAYA JEEVAN, increase utilization of the health insurance plan, and increase member retention. Employers stand to benefit from lower employee attrition rates, increased productivity, and enhanced human capital coupled with social welfare. In addition, as the risk pool of insured individuals grows, corporate stakeholders will benefit from lower premiums for their own low-income, affiliated workers.

Health System and Policy Context

The healthcare system in Pakistan is a mixed system comprised of both public and private healthcare providers. The private sector provides approximately 70% of healthcare services in Pakistan. However, the private sector is subject to little or no regulation, leading to disparities in the quality and cost of care across providers. Following devolution of healthcare from federal to provincial levels, public healthcare is primarily coordinated at provincial levels and implemented by district level health departments. Public healthcare services are organized in a tiered healthcare delivery system with basic health units providing primary care for the most common health problems. Tehsil (division) headquarter hospitals, district headquarter hospitals, and teaching hospitals are designed to provide care for more complicated cases. However, public hospitals have declined in efficiency over the years as an increased number of patients with basic issues are being referred to secondary/tertiary hospitals. This problem stems from basic health units lacking adequate resources, staff, and treatment capacity to meet the primary care needs of their patients. As a result, the secondary and tertiary care hospitals are increasingly overburdened.

A lack of healthcare financing options within both the public and private sector leaves the majority of Pakistan’s population with limited access to quality and affordable healthcare. Within the public sector, this stems from chronic underfunding: the government spends only 0.8% of GDP on healthcare expenses. The small public expenditure on healthcare combined with the dominance of private-sector providers leads to a very high percentage of out-of-pocket spending: 82% of private sector health expenditures are out-of-pocket. Consequently, catastrophic medical expenses are a major precipitant of poverty.

Lack of widely available and affordable health insurance and social protection schemes for individuals in the formal and informal employment sectors further compounds the problem. The provincial Employees Social Security Scheme (SESSI & PESSI) covers less than 3.5% of employees and state welfare

“There are some people still stuck in a feudal mindset, who want to maintain their dominance over the marginalized. On the flip side, what is encouraging is that there is a generation of younger, internationally exposed entrepreneurs and industrialists who get it and understand that it is in their long-term interests to provide these benefits to their employees. They are the early adopters. They have been the vanguard, the pioneers, who have pulled others in that direction.”

Asher Hasan, Founder and CEO
initiatives such as Zakat and Bait-ul-Maal serve only an additional 3.4% of the population in need of care.

To date, NAYA JEEVAN has focused its resources on a high-quality network of private care providers, avoiding the dysfunction inherent in the public system. Given the novelty of NAYA JEEVAN’s social business model, it fell beyond the scope of the SECP insurance ordinance. More recently, with the active support and encouragement of the SECP insurance division, NAYA JEEVAN has hybridized and registered as a for-profit insurance brokerage (in addition to its not-for-profit service delivery arm). This allows Naya Jeevan to comply with emerging regulation while also diversifying potential sources of capital, attracting investment capital as well as grant and philanthropic capital.

Pakistan has a fairly large talent pool of well-educated doctors, ancillary health providers, and sales/marketing personnel in major urban centers. NAYA JEEVAN will take advantage of the available human capital resources by scaling nationwide through a hub and virtual spoke model: urban centers will serve as hubs and smaller towns/villages will be connected by telemedicine (virtual spokes).

Operating Model

NAYA JEEVAN's social business model is a unique convergence of social entrepreneurship, supply chain optimization, creating shared value/corporate social responsibility opportunities, and compassionate capitalism. NAYA JEEVAN cascades its health plan up and down the value chains of large corporations, enrolling large numbers of low-income suppliers, distributors, retailers and micro-retailers as part of a market-based loyalty/incentive program, co-financed by the corporation.

NAYA JEEVAN currently offers a core health insurance program, underwritten by five insurance companies, embedded in an ecosystem of value-enriched preventive health services, telehealth and financial inclusion. The core health plan provides cashless inpatient benefits at a nationwide network of quality, private hospitals with outpatient benefits and maternity benefits available as optional add-ons to the program. Copayments for outpatient care can be made via mobile banking technology. A national pharmacy benefit program is currently under development.

NAYA JEEVAN leverages existing networks within large corporations, businesses, and schools and uses a flexible program design that can meet the different needs of businesses, academic institutions, and other stakeholders.
The *Naya Jeevan for Employees* program provides options for corporate-subsidized coverage of low-income workers (full-time, part-time or contractual) and their families as well as domestic staff of middle- and high-income corporate managers and executives. In addition, the program provides coverage options for low-income, corporate value chain stakeholders such as vendors, distributors, suppliers, and customers. These stakeholders can be entirely or partially subsidized by the corporation as part of a market-based loyalty/incentive program.

The *Naya Jeevan for Kids* program provides coverage options for low-income students attending schools, colleges and universities. Partnering academic institutions can also make tax-exempt contributions that cross-subsidize the health insurance for their low-income employees, including support staff, and their families. In addition, at affluent private schools, students' families can provide coverage for their own domestic staff, co-financed by the beneficiary family and/or the academic institution.

The *Child to Child (C2C) Peer Exchange Program* matches private school students with same-age peers from low-income public/NGO schools. As part of the peer exchange, children at private schools subsidize health insurance coverage for the children at the NGO schools and allocate any additional funding to a post-graduate scholarship fund available to the NGO students upon successful completion of university or vocational training. This program seeks to engage Pakistani youth in promoting social cohesion between socioeconomically disparate groups.

Recently, NAYA JEEVAN conducted in-depth market based research to determine the feasibility of NAYA JEEVAN's health insurance products within the U.S. South Asian ('desi') community. The innovative features included in *Naya Jeevan for Families* would allow U.S. based individuals to subsidize health care coverage for their loved ones and relatives in Pakistan. NAYA JEEVAN plans to move forward with this insurance product in late 2013.

**Business Model**

NAYA JEEVAN generates revenue from the insurance contributions it collects centrally from corporations and sponsors on behalf of their beneficiaries. Naya Jeevan negotiates and purchases the insurance from carriers in bulk. Costs of sales are represented by the premiums that NAYA JEEVAN pays its insurance underwriters. NAYA JEEVAN was able to determine the real costs associated with insuring a large amount of low-income people with the help of insurance underwriter Allianz, who shared its actuarial data, knowledge and expertise with NAYA JEEVAN in the organization's infancy.
NAYA JEEVAN’s market pricing is usually benchmarked to be between 20% and 67% of commercial market rates. Payment terms are within 30 days, failing which insurance coverage is suspended. NAYA JEEVAN typically charges its corporate clients 12 months in advance and has historically been able to collect from corporate entities with minimal default risk.

Based on its current growth trajectory, NAYA JEEVAN should achieve financial sustainability once it has enrolled 150,000 members, expected in early 2015.

In addition to revenue generated from insurance contributions, NAYA JEEVAN receives revenue from corporate workshops on employee health and wellness, philanthropic contributions from individual and institutional donors, and grants from foundations and development agencies.

Impact Metrics

Quality
- Percentage of claims processed within five working days
- Percentage of pregnant women receiving antenatal counseling

Access and utilization
- Number enrolled, beneficiaries and organizations
- Claim ratio
- Claim incidence rate

User satisfaction
- Average score on customer satisfaction survey
- Customer retention rate

Achievement of positive health outcomes
- Positive behavioral change in risk factor for heart disease (percentage/incidence rate of members that have quit smoking)

Cost and sustainability
- Cost per member life acquired (acquisition cost)
- Service cost per member (tele-health, preventive health services)
- Rates of absenteeism due to illness
- Operational revenue and earned income (EBITDA)
- Cash flow

“We are at the tipping point where we can scale significantly if we have the appropriate investments at this stage. We have been in the market long enough to build trust but what we don’t have is the organizational capacity or sales force to take full advantage of the huge market opportunity. We must scale rapidly.”

Asher Hasan, Founder and CEO
**Goals for Scaling and Replication**

1. Expand the model within Pakistan by building sales presence and market visibility in Lahore (Punjab) and Islamabad (Northern Areas)
2. Replicate the NAYA JEEVAN health care model in India, followed by the United Arab Emirates (focused on Pakistani/Indian expat workers), the US, and Latin America (Columbia, Peru, Mexico, Brazil, Argentina)
3. Continuously integrate additional value-added services that can socioeconomically empower the base of the pyramid population that NAYA JEEVAN serves (e.g. pharmacy benefit program and point-of-sale pharmaceutical product authentication)
4. Engage the ‘desi diaspora’ in the UK, UAE, EU, US, and Canada to subsidize health insurance coverage on behalf of their low-income loved ones and families in Pakistan

**External Support Required for Scaling and Replication**

1. Sharing of knowledge, innovation, mistakes, and key learnings with innovators and investors
2. Referrals to targeted investors
3. Networking with business/corporate leadership
4. Mentoring and support from business leaders to provide assistance with integration into corporate value chain

**Media Attention and Awards**


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Naya Jeevan provided the source data for this document and is responsible for the accuracy of the content.