

> Innovations in applying market systems approaches to the health sector

A BEAM Exchange webinar
17 Feb 2015, 2pm GMT



> The Webinar

Content

- Introduction - Ashley Aarons, BEAM Exchange
- Health Markets, HANSHEP and the Health Systems Hub- Thomas Feeny HANSHEP
- Innovations in Applying Market Systems Approaches to the Health Sector - Ron Ashkin, PSP4H
- Developing a Health Commodity Market: SuNMaP support to LLIN market in Nigeria - Kolawole Maxwell, Malaria Consortium
- Questions and Answers – participant questions



Health Markets, HANSHEP and the Health Systems Hub

Beam Exchange Webinar
17 February 2015



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HANSHEP

Harnessing non-state actors for better health for the poor

HANSHEP is a group of development agencies and countries seeking to improve the performance of the non-state sector in delivering better healthcare to the poor by working together, learning from each other, and sharing this learning with others.



BILL & MELINDA GATES foundation



COORDINATION & ALIGNMENT

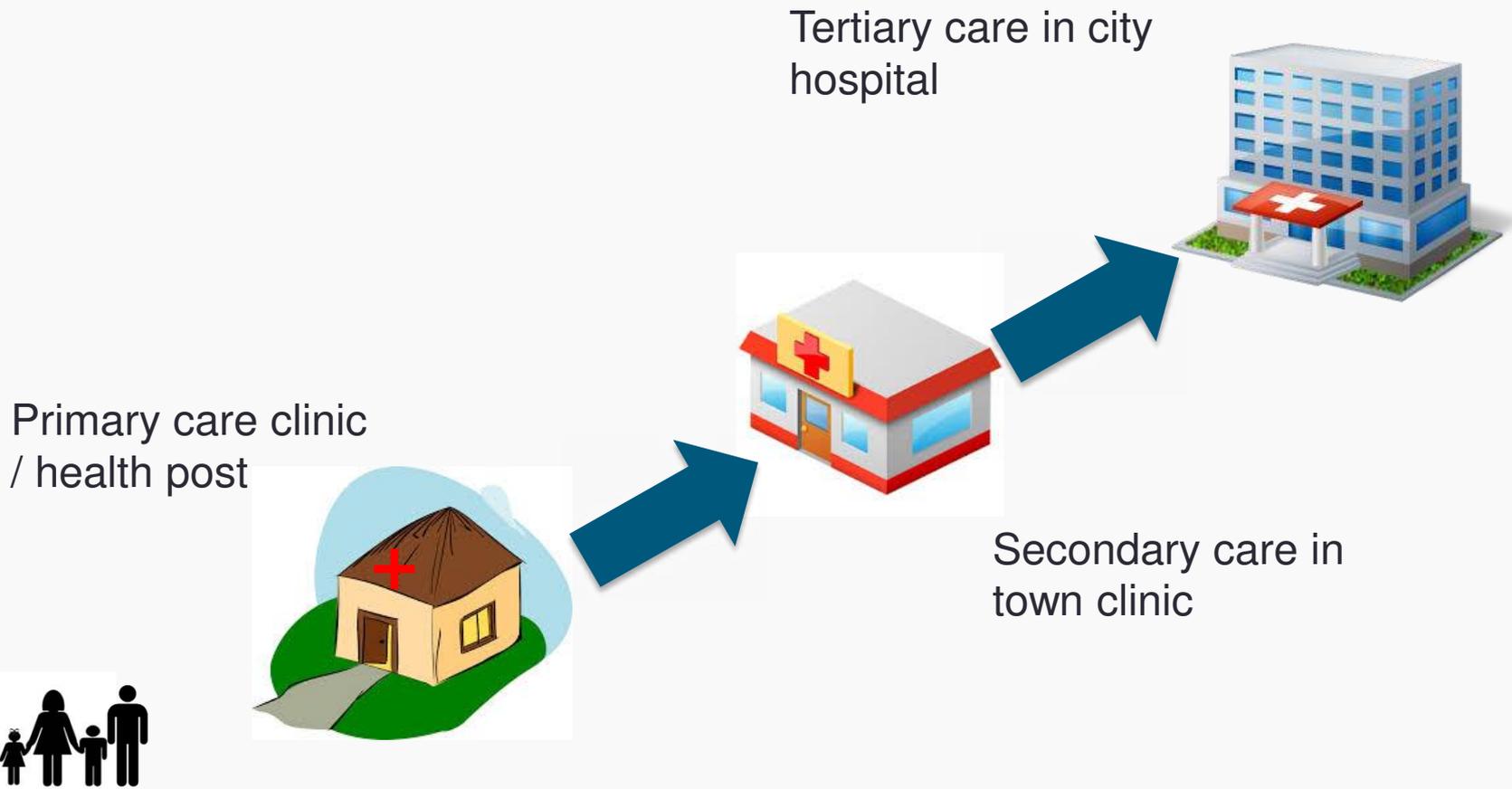


CO-FINANCING INNOVATION

www.hanshep.org

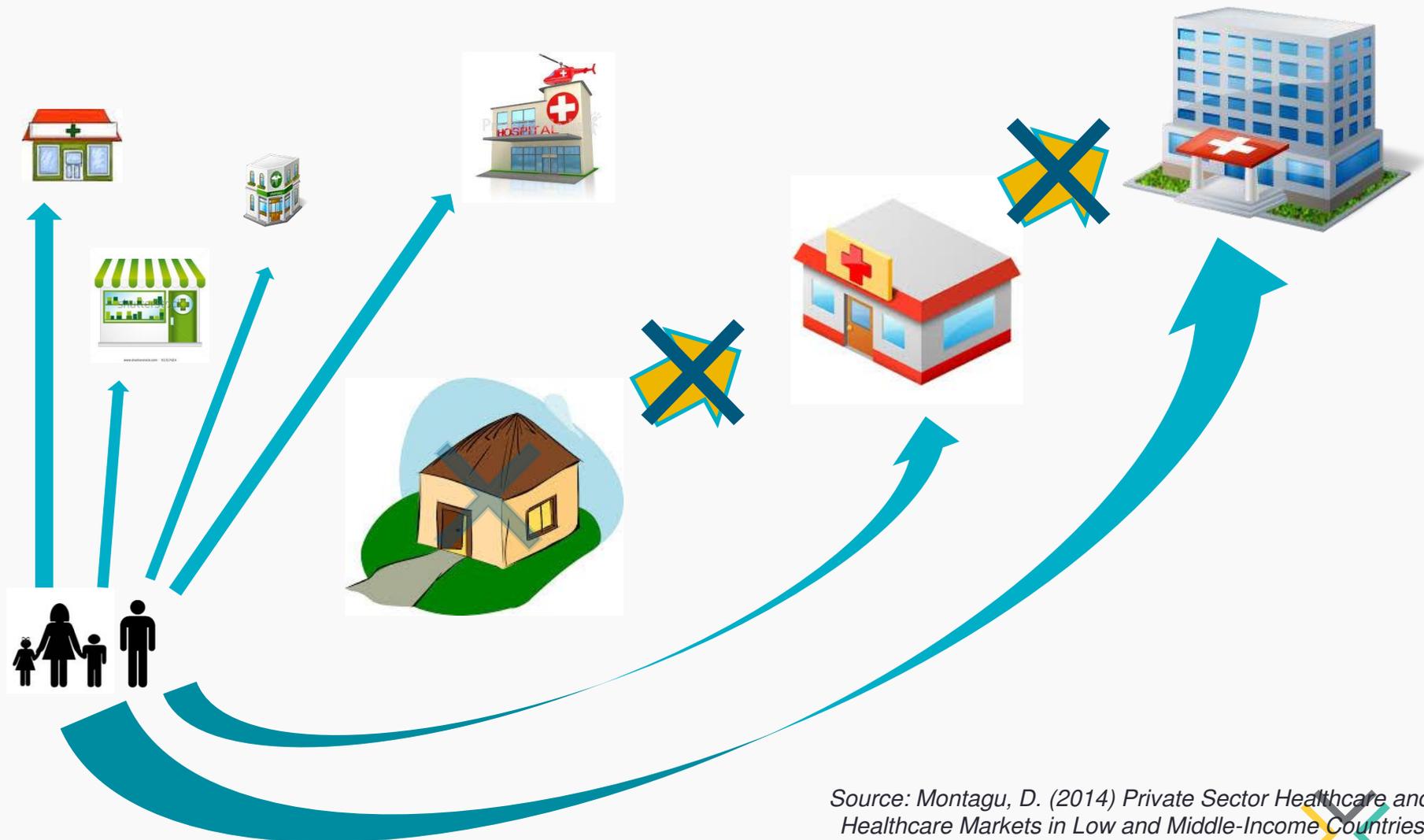


Most health policy and planning is based on the idea of a publicly delivered health system



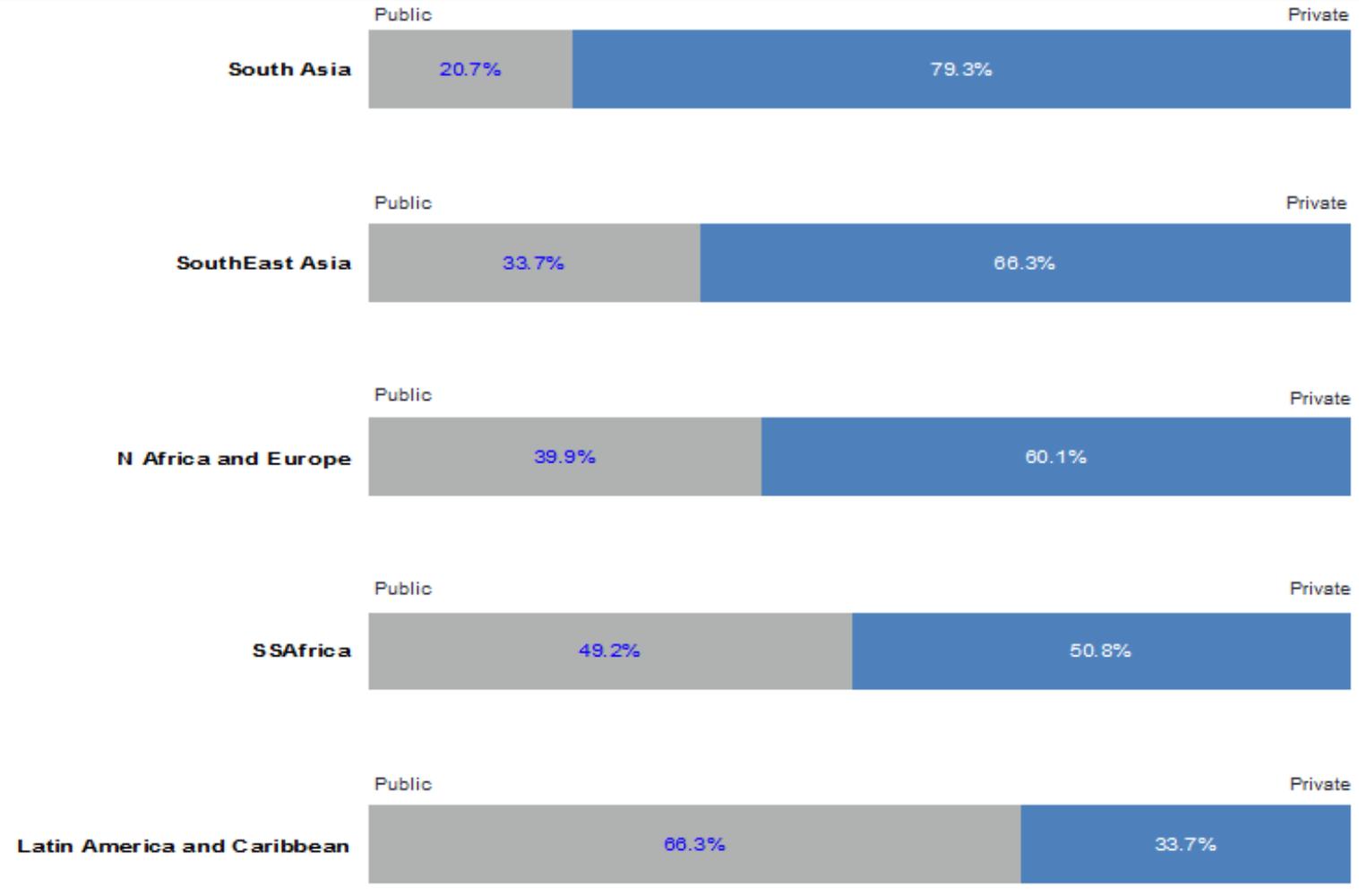
Source: Montagu, D. (2014) *Private Sector Healthcare and Healthcare Markets in Low and Middle-Income Countries*. Markets for Health Training Course

In reality, care-seeking behaviour is far more complex, involving a wide range of private actors outside the public sector



Source: Montagu, D. (2014) *Private Sector Healthcare and Healthcare Markets in Low and Middle-Income Countries*.
Markets for Health Training Course

In fact, private actors are often the first point of call for both the poor and the wealthy, in both urban and rural communities



Source: Montagu, D. (2014) *Private Sector Healthcare and Healthcare Markets in Low and Middle-Income Countries*.
Markets for Health Training Course



This means that in most countries, health systems actually operate as **health markets**, with diverse public and private providers

Many people immediately think of large for-profit or commercial providers when they think of “private” e.g. pharmaceutical companies, hospital chains etc.

In fact, the majority of healthcare providers are non-state SMEs:

- Non-Governmental Organizations (NGOs)
- Community-Based Organizations (CBOs)
- Faith-Based Organizations (FBOs)

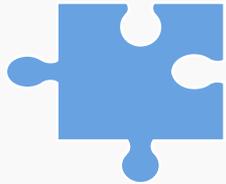
Specifically, private providers include a

- unqualified drug sellers
- Pharmacists
- Midwives
- traditional healers
- unqualified practitioners and qualified doctors
- lab technicians
- NGO community health workers

wide range of front-line workers:



How can governments, non-state actors and development agencies work together to improve health markets and patient outcomes?



MARKET FORCES

The forces that affect how markets and actors within them function

- Ownership
- Operational Autonomy
- Social Funding
- Customer Competition
- Price Influence
- Entry Barriers
- Performance Incentives



GOVERNMENT TOOLS

The financial and regulatory tools governments can use to manage or intervene in a market

FINANCIAL TOOLS

- Contracting
- Vouchers
- Taxes
- Loans
- Grants

REGULATORY TOOLS

- Social Regulation
- Economic Regulation
- Public Information

MARKETS FOR THE POOR

M4P



M4H

MARKETS FOR HEALTH

HANSHEP is supporting three Market-Shaping Interventions...



World Bank/DFID
2014-16



Gates/DFID
2012-17



Increasing Care-Seeking Behaviour for Childhood Illnesses in Nigeria

Gates / DFID
2014-16

OBJECTIVES

A training course to assist health policy practitioners working in low- and middle-income countries in analysing the mixed components of a health system, and formulating and testing policies to steer market operations towards achieving sustained and equitable health outcomes.

OBJECTIVES

To increase the scale and scope of franchised health care provided by NSAs in Kenya, Nigeria and Ghana, expanding from family planning and sexual and reproductive health to also address malaria, acute respiratory infections, diarrhoea, nutrition, maternal care, HIV and TB

To complement and strengthen these supply side improvements by simultaneous and coordinated work in policy, ICT, quality improvement, demand-side financing and provider access to capital.

OBJECTIVES

To increase coverage of Zinc/ORS within the non-state sector by adopting a market-based approach comprising integrated initiatives to:

- Generate awareness and demand
- Ensure availability & affordability of zinc & ORS
- Increase provider awareness
- Secure a conducive policy environment



...and has also launched the **Health Systems Hub** to support cross-sectoral knowledge exchange and collaboration

Health Systems Hub



- Quality reports, videos, training materials, websites etc. hand-picked by global experts
- 16 topics, including **Health Markets**



- Global directory of organisations and individuals specialising in different areas within health systems, including **Health Markets**



- Online Communities of Practice focusing on different topics, including **Markets for Health** and **M4P in Health** groups



- All the latest news on mixed health systems from around the world, plus **Expert Interviews** and **Topic Guides**

BECOME A MEMBER OF THE HUB TODAY!



Innovations in Applying Market Systems Approaches to the Health Sector

BEAM Exchange Webinar
17th February 2015

Ron Ashkin, Team Leader
The Private Sector Innovation
Programme for Health (PSP4H)



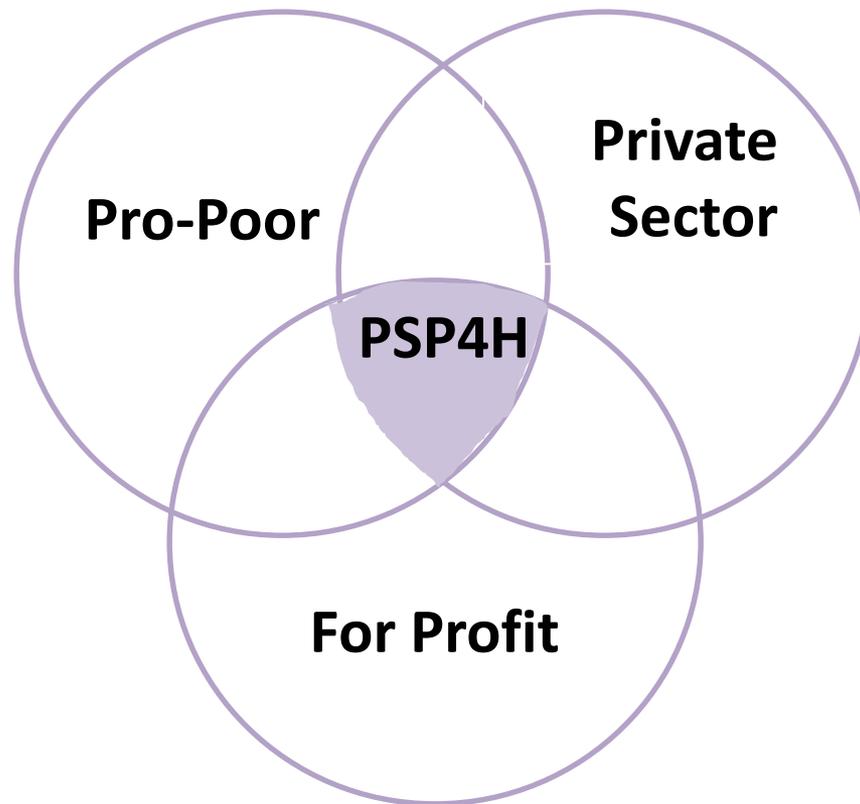


The Private Sector Innovation Programme for Health (PSP4H), Kenya

- An action research project funded by the UK's Department for International Development (DFID), to explore the markets in which poor people pay for-profit providers and shop-keepers for healthcare – a new area for DFID Kenya
- The overall objective of the PSP4H programme is to learn lessons of how a market systems approach might benefit poor health interventions, to inform future programming
- The primary target group is the 'working poor', who pay out-of-pocket for healthcare
- PSP4H uses the M4P (Making Markets Work for the Poor) market systems approach

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PSP4H Intervention Example: Pharmaceutical Supply Chain



Pharmnet

A network of trusted Pharmacies

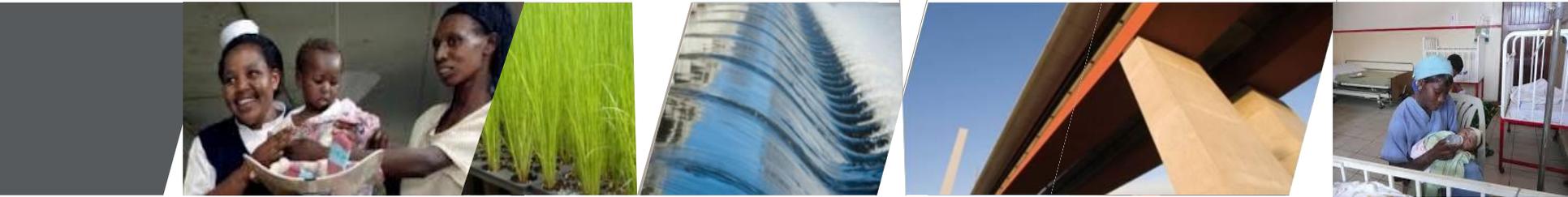
KENYA PHARMACEUTICAL ASSOCIATION

- *Pharmnet* is a commercial retail model that organizes private pharmacies owned by registered Kenya Pharmaceutical Association members into a network that delivers medicines under a common brand, with reliable access to quality assured essential medicines from pre-qualified suppliers

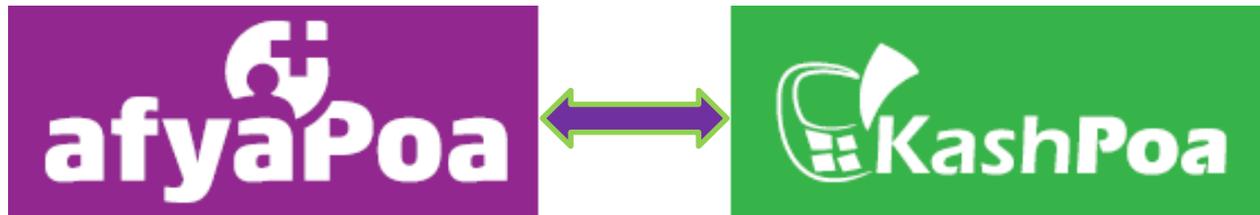


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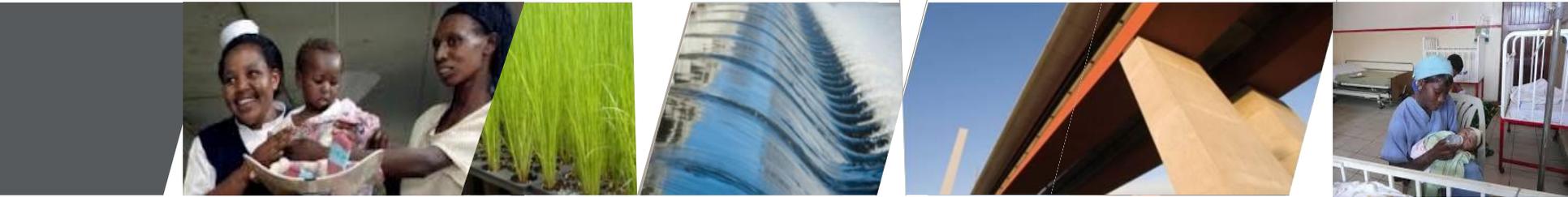


PSP4H Intervention Example: Demand Side Healthcare Finance



- Jawabu Empowerment targets the informal sector artisan with its healthcare finance products through existing associations (*jua kali*)
- AfyaPoa is a combination of inpatient insurance and outpatient self-funded health savings
- The outpatient scheme locks spending to approved providers only
- KashPoa is the vehicle through which the health savings wallet is managed





PSP4H Intervention Example: Maternal and Newborn Health

Private Community Midwives Network (Bungoma County, Western Kenya)

- A network of private nurses and clinical officers working to provide maternal and newborn health (MNH) services at the community level
- The objective of the network is to improve access to skilled MNH



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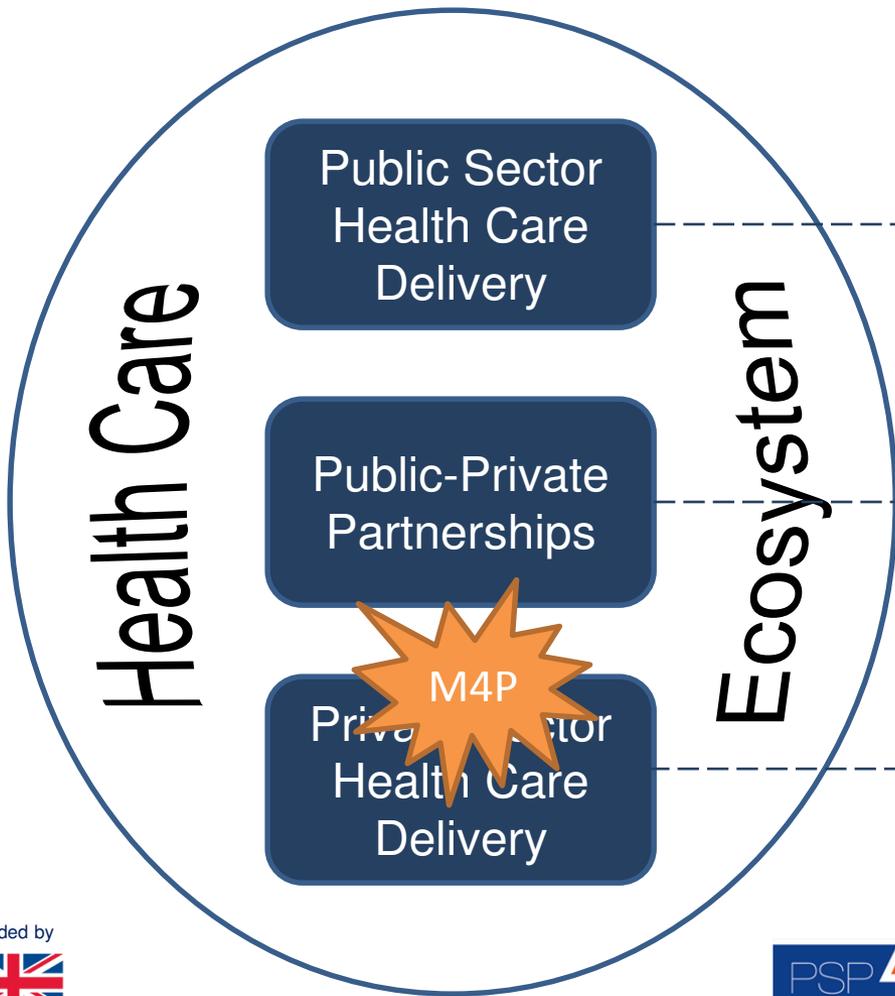
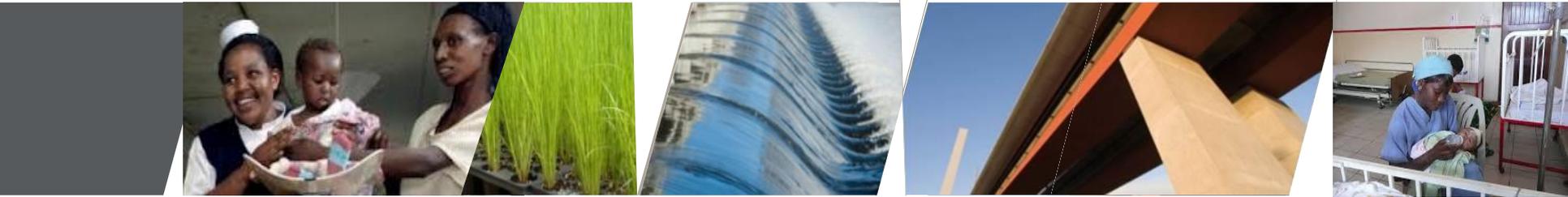




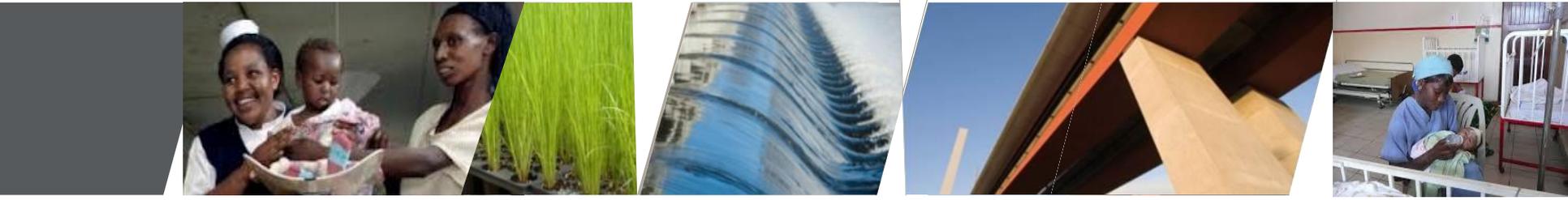
The Market Systems Approach is Valid in the Health Sector

- The first year experience of PSP4H is that M4P in Health is a valid approach for technical assistance to the for-profit private healthcare sector
- The fundamental M4P market systems framework of a pro-poor, facilitative, systemic, sustainable, scalable approach does not need to be radically altered to operate in the healthcare sector
- It must, however, be contextualized. It must be put in perspective as part of a comprehensive strategy for the overall healthcare sector which combines public, private, and hybrid delivery systems to low income people

From DFID Annual Review of PSP4H



Who Does?	Who Pays?
Public Sector	Public Sector
Private Sector	Public Sector
Private Sector	Private Sector



Key Differences between Healthcare and Other Sectors

- Healthcare is often characterized as a public good and a human right
- In healthcare, the public sector is often a significant market player / service provider as well as regulator
- Non-Governmental Organisations (NGOs) and Faith-Based Organisations (FBOs) play significant roles in healthcare provision in many emerging economies
 - The private sector is subdivided into commercial and not-for-profit segments
- Donors are heavily involved in the health sector
 - For example, donors provide ~30% of Kenya's Ministry of Health (MOH) budget
 - Global agendas tend to dominate

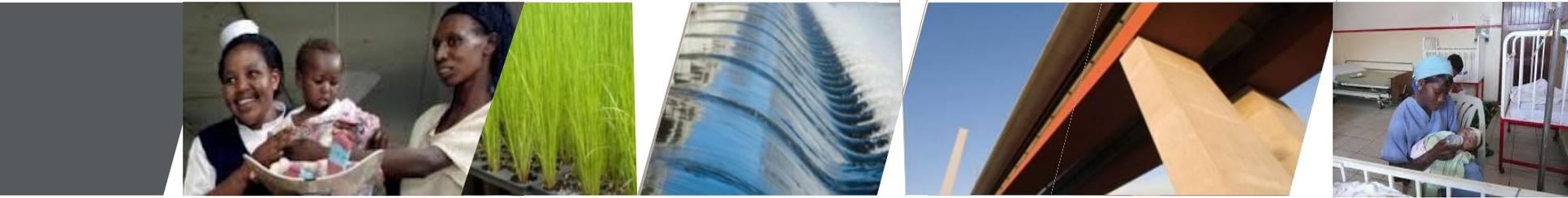
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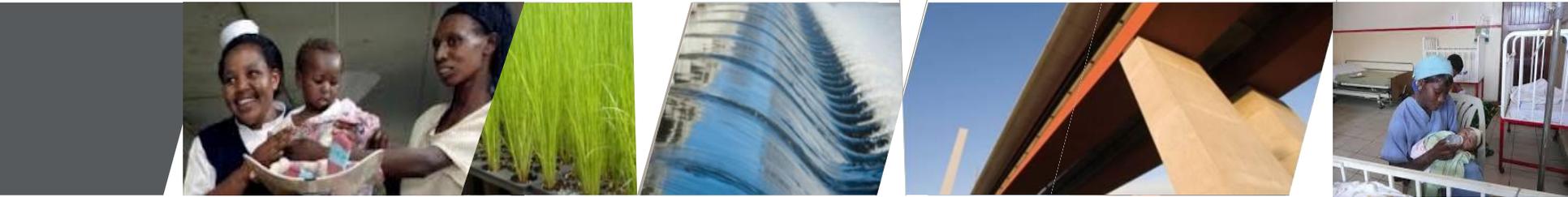
M4P and Healthcare – Observations and Initial Lessons

- Before intervening – map the sector well
 - Donor projects in health proliferate, typically using direct intervention
 - 273 donor health programmes in Kenya, March 2014
 - Provision of goods, subsidies, and grants are common
- This approach tends to crowd out the commercial private sector
- Donor projects tend to cluster in areas driven by global agendas
- Market systems programming works best in areas not competing with donor subsidy



M4P and Healthcare – Observations and Initial Lessons

- Bottom-up approach: determine needs by speaking directly with low-income consumers
 - What is their path to treatment?
 - What is their health-seeking behavior?
 - What is their health spending behavior?
 - What health needs / market segments are unserved or underserved?
 - We have discovered significant underserved areas with little or no donor involvement that are attractive for the private sector
 - In Kenya: e-health/m-health, healthcare finance, low cost delivery models, maternal and newborn health (MNH), non-communicable diseases (NCDs), pharma supply chain
 - Market systems programming works best in these areas

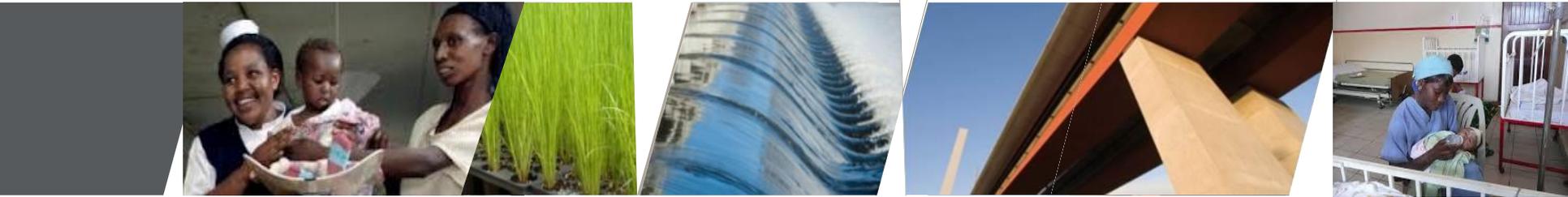


M4P and Healthcare – Observations and Initial Lessons

- Partner engagement is key
 - Go with existing initiatives and support early adopters
 - As opposed to creating initiatives and convincing partners
 - Leverage existing networks
 - Networks overlap
 - Network effects are key to scale-up
 - Avoid using money to create incentives
 - Money creates its own incentive
 - PSP4H does not give grants
- Benefits of using the market systems approach in health
 - Sustainability by design
 - Value for money for the funding agency

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Internet and Social Media

**Check out our Web Site – The M4P in Health Portal
(research reports and briefs are freely downloadable):**

www.psp4h.com or www.m4pinhealth.com

Join our LinkedIn Group ‘M4P in Health’:

<https://www.linkedin.com/groups/M4P-in-Health-7449657>

Follow us on Twitter:

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Developing Health Commodity Market: SuNMaP support to LLIN Market in Nigeria



Presented By
Dr. Kolawole Maxwell
Country Director
Malaria Consortium Nigeria



PREVENTION



DIAGNOSIS



TREATMENT



RESEARCH



Malaria in Nigeria is endemic...

Up to 97% of total population of Nigeria at risk of the disease (NMSP 2014-2020)

30% of Under 5 mortality attributable to malaria (FMOH 2005)

Accounts for nearly 110 million clinically diagnosed cases per year, 60 percent of outpatient visits, and 30 percent hospitalizations (FMOH, 2011. National Guidelines for Diagnosis and Treatment of Malaria)

Of the 35 countries that contributed to 98% of global deaths, 30 were in sub Saharan Africa with 4 countries accounting for 50% of deaths (Nigeria , DRC, Ethiopia & Uganda) (WMR, 2012.)

Long Lasting Insecticidal Nets (LLINs) are nets treated in the factory with an insecticide incorporated into the net fabric which makes the insecticide last at least 20 washes in standard laboratory testing and three years of recommended use under field conditions.



It is estimated that between 2000 and 2010, LLINs has saved more than 908,000 lives, and since 2006, prevented three-quarters of deaths due to malaria

Source: WHO: Malaria Vector Control and Personal Protection Report of a WHO Study Group. Geneva: World Health Organization.

LLINs could help Nigeria reduce the burden of malaria

LLINs work!

But what makes the market for LLIN work?

**Several strategies have been put into test by policy makers
around the world**

Public Health Approach

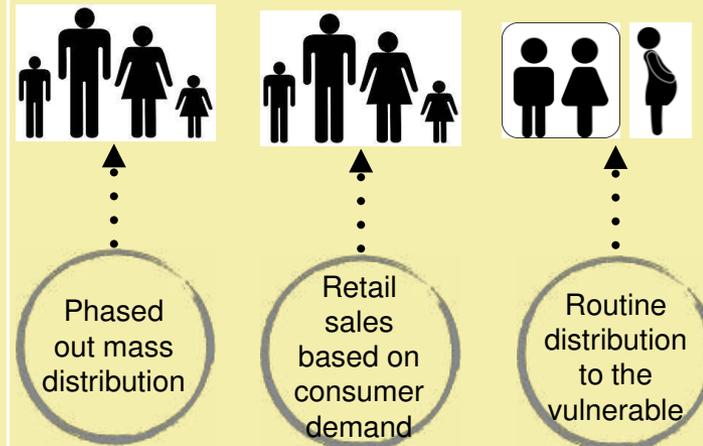
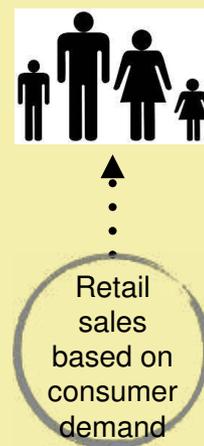
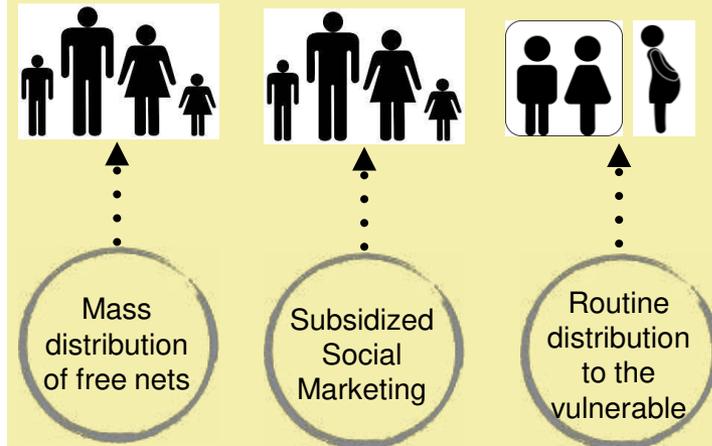
Supply driven strategy

Private Sector Approach

Demand driven strategy

Mixed Market Model

Supply Push- Demand Pull



- If applied to its full strength, ensures rapid scale up and universal coverage
- Challenges related to quantification, weak public sector capacity to ensure timely distribution, leakage, global policy on fund disbursement negates the possibility of rapid scale up and universal coverage
- Crowds out the private sector from the retail market, incentivizes informal private sector, restricts manufacturers to the public institutional buyers

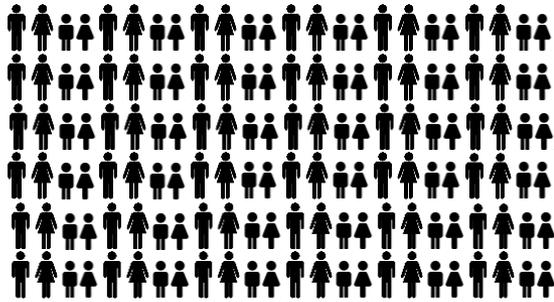
- Potentially more sustainable in absence of donor fund
- High cost of production makes it in-competitive against cheaper alternatives and can result inequitable access (limited reach to the poor)
- LLINs require consumer education on appropriate usage; quality assurance and regulation; the market may not address these issues on its own

- Buys time for the private sector as the demand increases, cost of production goes down and market matures over time
- Can ensure equitable, sustainable and large scale impact through a mix of public and private sector interventions that ensures outreach to all segment of the population
- Need for harmonization of the efforts of different agencies not only at national level but also at international level makes it difficult to implement

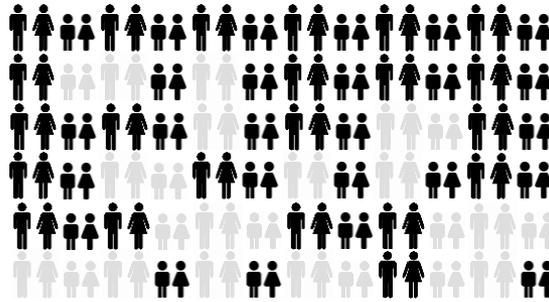
Sustaining coverage of LLIN-Public vs Private vs Mix-Market Model

The commercial market for LLIN is thin! But what happens if donor funding is reduced for free distribution or social marketing campaign?

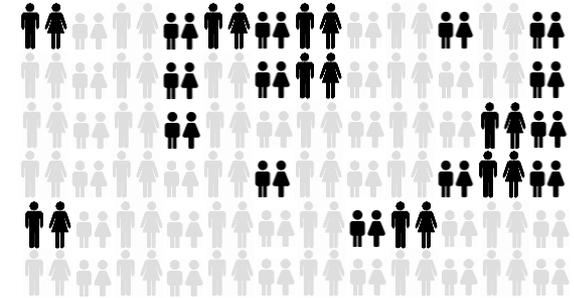
Scenario Analysis that Underpins the Need to Support the Commercial Market for LLIN



Theoretically universal coverage should ensure distribution to all!



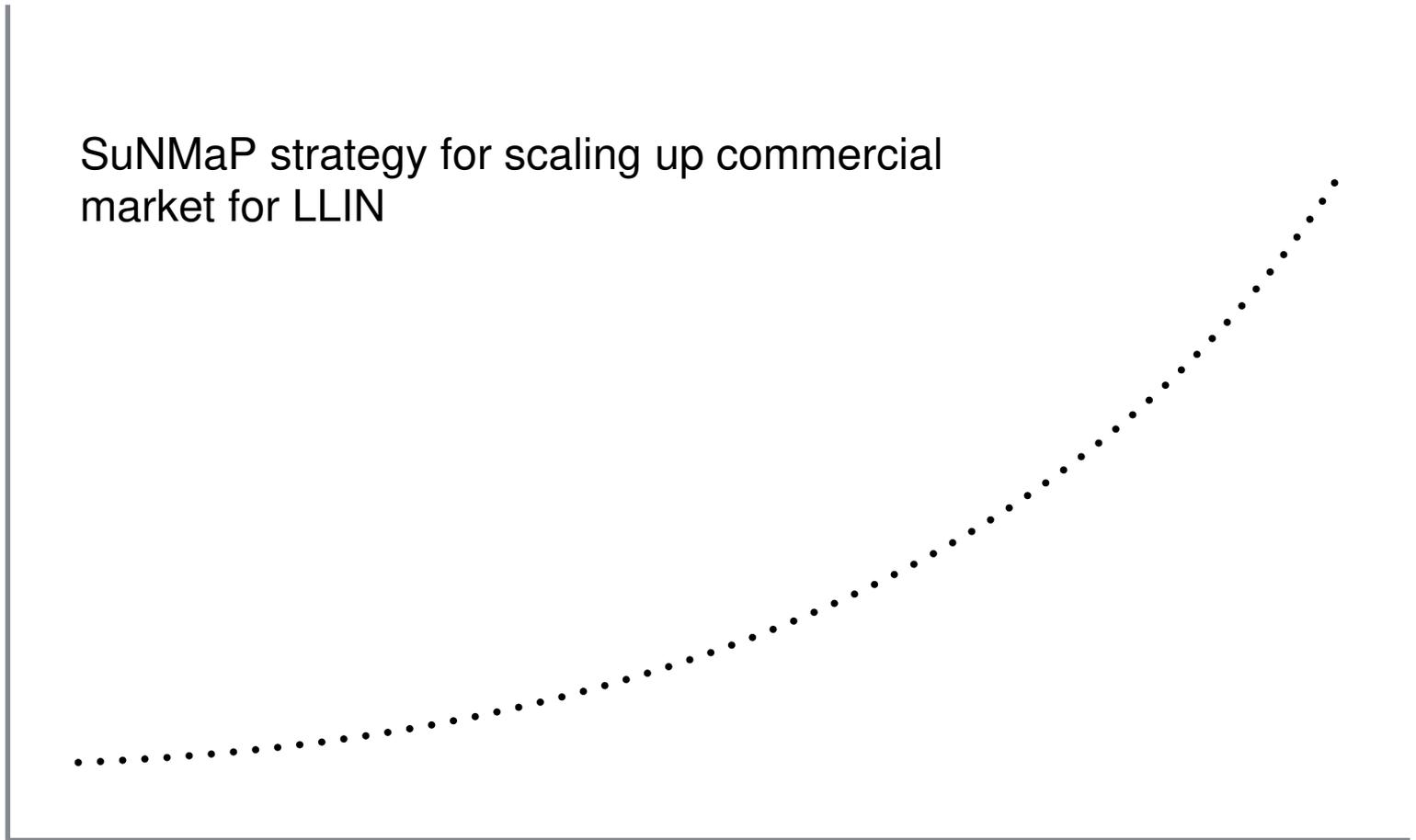
However, weak public sector capacity, quantification errors, supply chain disruptions, political instability etc., mean that some people are always left out! This incentivizes growth of informal commercial markets if formal market is weak or absent!



A dysfunctional formal commercial market could significantly reduce coverage if public funding is reduced or withdrawn!

SuNMaP strategy for scaling up commercial market for LLIN

Commercial Sales



Time

Stimulating Consumer Demand for LLIN

Supporting local LLIN importers and distributors to secure niche channels for commercial distribution

Supporting national policy for regulation of leaked nets and fake brands and facilitation of formal private sector

Supporting local manufacturing of WHOPEs Certified LLIN

Key Achievements



Commercial sales of approximately 600,000 LLINs over the period 2012-2014



Sustained engagement of 4 local LLIN importers and distributors in commercial market



Sustained engagement of 4 local LLIN importers and distributors in commercial market



Inclusion of private sector development strategy in the National Malaria Elimination Strategy 2014-2020

Challenges



Continued leakages and emergence of fake brands



Harmonization of national strategy for scale up of LLIN distribution



Fluctuating supply of LLIN due to reduced global manufacturing in response to reduction in global demand for LLIN for public health campaigns

Coping Strategies



Regular market monitoring and updated interventions and strategies in line with evolving market challenges and opportunities



Periodic feedback to the donor, donor forums, NMEP and the private sector on market challenges and opportunities



Investment on staff capacity development for market analysis, intervention design, partnership management and monitoring for results

The experience so far...



Strategic Direction- Adopting a pluralistic market systems point of view

The market for LLIN is pluralistic. Our experience suggests that sustaining coverage would require pluralistic strategy and interventions involving not only the commercial sector but also public sector and NGOs in distribution of the commodities.

In this context the challenge is to find out a mix whereby both public sector and private sector intervention can co-exist.



The strategy in practice...

SuNMaP has successfully applied this approach in its strategy for the development of anti-malarials (ACT) market where subsidy provided by a public health programme is leveraged by the private sector to establish rural markets for quality assured anti-malarials (ACT) for the poor in Nigeria. The public health programme in this context is taken as a market systems player because of its long term presence and degree of influence in dictating supply and market price!

Malaria Consortium is using the learning from its experience in SuNMaP in adopting the market systems framework for designing pluralistic health programmes (rather than only private sector development programme) involving public, private and NGO driven interventions!

Moving Forward...

> Questions and answers



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> Resources

- <http://beamexchange.org/en/webinarsurvey> Webinar survey
- www.hanshep.org HANSHEP website
- www.healthsystemshub.org Health Systems Hub - Markets for Health group at www.healthsystemshub.org/groups/19
- www.psp4h.com/resource-centre/ PSP4H research reports and briefs
- www.linkedin.com/groups/M4P-in-Health-7449657 LinkedIn Group M4P in Health
- www.beamexchange.org/en/health/ BEAM Exchange page on health and market systems



> Further Information



The BEAM Exchange is a programme funded by the UK's Department for International Development (DFID) and the Swiss Agency for Development and Cooperation (SDC). It is administered by PricewaterhouseCoopers LLP, working with organisations including the Institute of Development Studies and Itad.



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