In Sickness and in Health: Evolution, Current Practice and Gaps in Facilitated Health Service Provision

Dr. Ben Taylor
The Springfield Centre
Key Messages

• M4P in Health is possible, difficult but necessary
• M4P frameworks and principles remain relevant

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 healthcare

• Pluralism is key to improving access and quality of healthcare for poor people
M4P in Health Supports the SDGs and Development Policy Objectives

SDGs 3 (healthy lives) and 8 (inclusive growth)

M4P in health:

- Is a methodology, not an ideology
- Is inherently pro-poor
- Supports systems strengthening
- Measures impact in terms of improved access to and value of healthcare for the poor
- Reduces out-of-pocket (OOP) expenditures
In Sickness and in Health: Evolution, Current Practice and Gaps in Facilitated Health Service Provision

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

The world’s first (and only) dedicated M4P programme in the healthcare sector

• A three-year DFID-funded action research project to explore the markets in which poor people pay for-profit providers for healthcare

• Objective of the PSP4H programme is to learn lessons of how a market systems approach might benefit pro-poor health interventions, to inform future programming
PSP4H Domain

Unique position in a field crowded with direct provision
The Healthcare Ecosystem

- Public Sector Health Care Delivery
- Public-Private Partnerships
- Private Sector Health Care Delivery

Who Does? | Who Pays?
---|---
Public Sector | Public Sector
Private Sector | Public Sector
Private Sector | Private Sector
“Private Sector” Can Mean Different Things…

- Agendas based on consumer needs (bottom up)
- Market funding
- External agendas (top down)
- Grant funding

…depending on objectives

Private Sector Providers

No sustainability

Government contractors

Sustainability

(Low) Market

Commercial players

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PSP4H Approach

Beyond anecdote to evidence

- TA only – no grants
- Interventions follow a defined process
- R-I-E-D screening model
- Clear, simple intervention logic
- Monitoring and results measurement integrated into the intervention process (DCED-compliant)
- Street focus – understanding of behavioural economics and appropriate incentives
Lessons Learned by PSP4H

Bottom-up approach fosters market insight

- Underserved areas with little or no donor involvement are attractive for the commercial private sector:
  - Diagnostics
  - Healthcare finance
  - Low cost delivery systems
  - NCDs
  - Pharmaceutical supply chain

- Working poor? Actually the mass market!

- Partner engagement is key

- Go with existing initiatives and support early adopters

- Leverage networks

- Avoid using money to create incentives
Closing the Loop on Affordable Primary Care

Doctors

Medical Labs

Pharmacies

Low Income Consumers

Health insurance and health savings

Docnet

Labnet

Pharmnet

afyaPoa
Fruitful Approaches Explored by PSP4H

Network synergies are key to scaling up

• Starting at scale by engaging with networks - aggregations create scale advantages

• Portfolio approach - organic scale-up occurs as independent interventions addressing different systemic constraints progress and mature; others die off

• Quick intervention model - direct market testing based on hypothesis: as effective as conventional intervention
This is Disruptive Innovation

- Disruptive to the conventional business wisdom:
  - Those who think only a lot of money can affect positive change in the healthcare system
  - Those who believe that innovation only concerns technology - something with a microchip or on the internet
Further information

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Jesse Kirowo, CEO of Pharmnet
Nairobi Techpharm Limited
Network of community pharmacies by Kenya Pharmaceutical Association (KPA)

Background

• KPA is a professional association with a membership of 8,500 licenced members in Kenya
• About 4,000 of these own and operate community pharmacies (Aprox 85% of all regulated market)
• Most of these pharmacies are in areas where low income citizens live (Mass market)
• Current number branded is 250 out of the target of 3,500
Reasons for Pharmnet® formation

Self regulation of community pharmaceutical market

• To improve access to medicines
• Alleviate cost burden of medicines
• Reduce stock outs of medicines
• Support KPA members with training on business skills
• Fight illegal pharmacy practices and illegal practitioners
Why have a branded network pharmacies

The reasons that supported a branded network

• Pharmacies are the first place of call for medicines
• Consumers can not differentiate between regulated and illegal/ unregulated pharmacies in Kenya
• Most pharmacies in low income communities are illegal
• Cost of medicine is uncontrolled in the retail market
• Networking improves confidence to patients and practitioners leading to better outcomes
Network of Community pharmacies

- Quality Network
- Branding
- Pooled Procurement
- Quality Training
- Quality Audit
The concept of Pharmnet® brand

Shared brand logo (Owned by KPA)

- Client signaling
- Consistent standards
- Quality Assurance
- Group purchases
- Quality Audit
A community pharmacy before branding
A sample branded network pharmacy
Multiplication of capabilities

Pharmnet network formation

Marketing
Training
Quality Audit
Purchasing
Advocacy
Conclusion: Intentional partnerships

Building Effective and Accessible Markets.

Intentional partnerships (devoid of handouts) in the marketplace and not spoon feeding.

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The Political Economy in Health Market Systems

Expediency vs Sustainability

Kabir Lawal
SuNMaP and Solina Group
Support to National Malaria Programme (SuNMaP)

Mandate

• An 8 year DfID funded project supporting malaria elimination in Nigeria

• Divided into 2 departments – public sector and commercial sector

• Public sector dealt with government at federal and state levels

• Commercial sector was to develop sustainable markets for 3 malaria commodities using the M4P approach
Defining the political economy

Setting the context

- Over 60% of Nigerians seek care through private channels
- Malaria kills about 300,000 Nigerians annually
- NMEP has an ambitious plan to eliminate the disease by 2020
- Many development partners were on board with their own mandates
Expediency vs Sustainability

Two commodities – two tales (LLIN)

- Private market players were weak
- Consumers not willing to purchase product
- Subsidies and theft squeezed out commercial products
- Private players not engaged in high level decisions
- Lack of harmonization and ineffective communication at government level
Expediency vs Sustainability

Two commodities – two tales (ACT)

• Market not developed in rural areas before interventions
• Urban demand was available despite high price
• Private players carved an urban niche for themselves
• Expediency brought about increased supply of children’s doses
• Consequence is over treatment of disease
Effects of expediency

- Squeezing out private sector
- Consumers not primed to purchase products
- Reduced incentive for market players to invest
- Logistics management became a green light
A possible solution

The private sector is the future

• Communication
• High level engagement
• Clear demarcation of roles
• Harmonization of interventions
• Political will
Further information

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Benefits of M4P in Health

- Sustainability by design
- Leverage of donor investment
- Value for Money for the funding agency
Open Issues for Discussion

- Why are more programmes not using the approach?
- How do we break distrust of the private sector within the development health community?
- How do we communicate the positive lessons learned by innovative programmes in a way that changes programme design?
- When would systemic approach to intervention in health not work?