MATERNAL HEALTHCARE MARKETS EVALUATION TEAM

LONDON SCHOOL of HYGIENE &TROPICAL MEDICINE

How far can a social franchise cover its costs?

An economic analysis of the PROFAM maternal health franchise in Uganda

Manon Haemmerli, Andreia Santos, Fred Matovu, Catherine Goodman

EVIDENCE ON SOCIAL FRANCHISING

- Social franchises use franchising methods to achieve social rather than financial goals by linking pre-existing private health practitioners in a network to provide socially beneficial services under a common brand (Montagu, 2002)
- Social franchising programmes are a fast growing method to engage with the private sector in LMICs
- Key concerns with social franchising include the difficulty to control clinical quality of care and equity impact (Montagu and Goodman, 2016)
- Limited evidence on the impact on clients volumes for maternal health services and financial implications when joining a social franchise network (Beyeler et al, 2013)
- Donor interest in knowing to what degree social franchise programmes have capacity to achieve financial sustainability, ie, to what extent the SF programmes can be funded by franchisee fees

ProFam network in Uganda

Network of private providers created in 2008 by PACE. MUM programme for maternal health started in 2012

Operating in 43 districts and offering franchised maternal health services through more than 134 health facilities

Franchisees receive technical and business training, subsidised products and equipment, monitoring and supervision from PACE

Community outreach through Mama Ambassadors (CHW): creates demand and promotes the brand as offering high quality, affordable services.

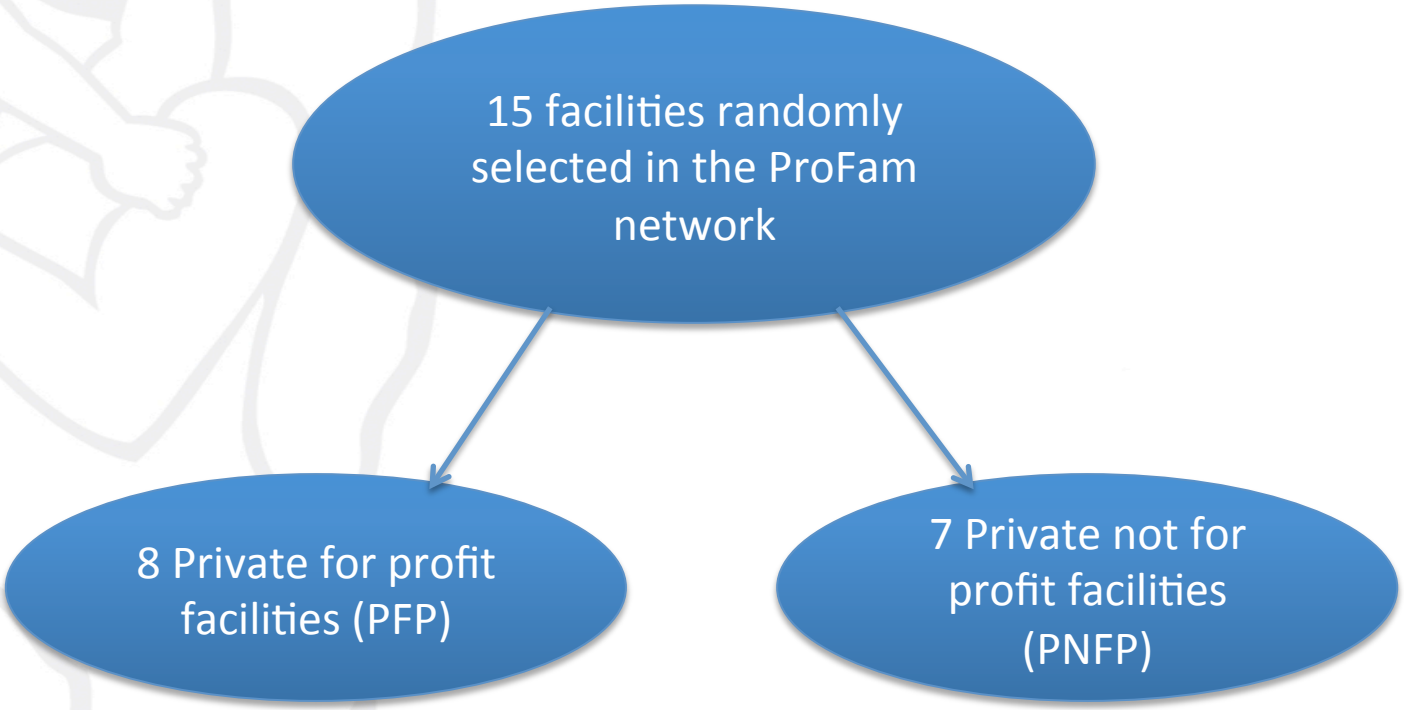
The franchisee commits to meeting PACE quality standards and to pay a yearly membership (≈7.5 $)

OBJECTIVES OF THE COSTING STUDY

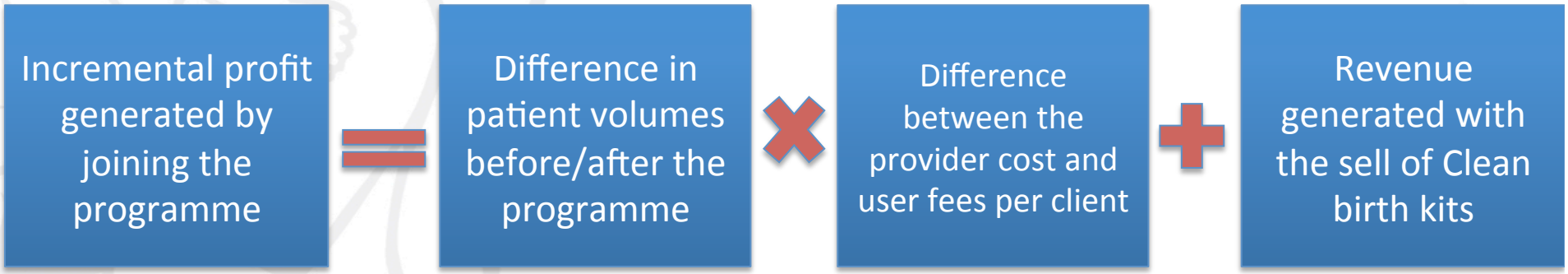
Objective: To estimate the effect of being a member of the programme on a facility's overall profit, from the provider's perspective

- Question 1: What are the start-up costs associated with joining the MUM program?
- Question 2: What is the incremental profit generated by participating in the MUM programme?

SAMPLE OF FACILITIES



METHODS



Start-up costs were analysed separately

- Provider costs per case: recurrent costs of medical supplies and staff time
- Revenue generated per case with user fees

Sources: Provider survey and observations

Patient load captured one year before the program (2012-2013) and the most recent year (2014- 2015)

Source: HMIS books

Number of kits sold in a year

Source: Provider survey

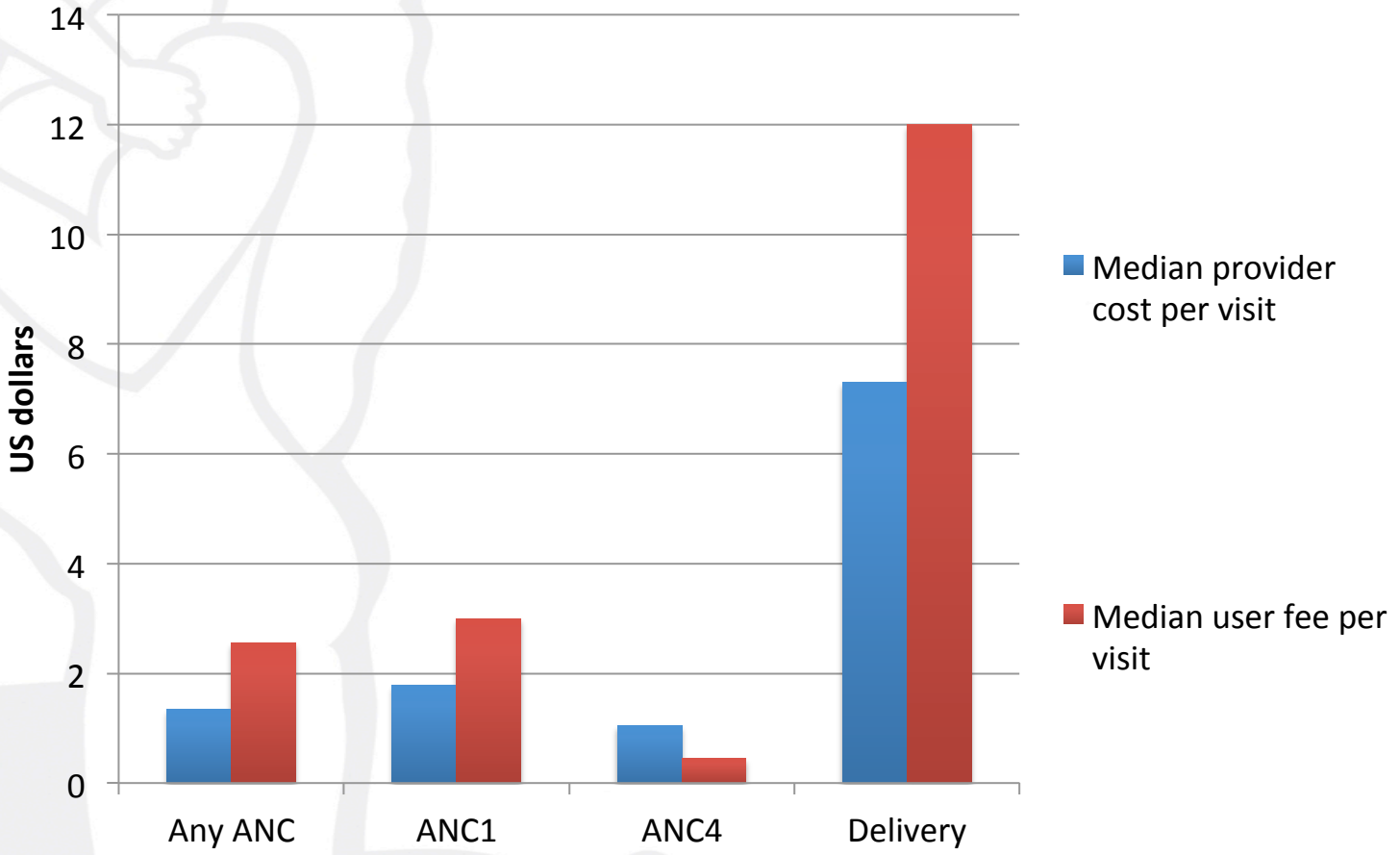
RESULTS: START-UP COSTS

- Out of 14 responding facilities, only one facility staff reported repairs ($57) and one reported minor modification of the ward with some painting ($489)
- None of these figures could be verified and it was not clear whether these changes occurred as a result of joining MUM
- Overall, there was no standard change in facility infrastructure at the start of joining MUM
- The PACE franchise fee was $7.50 per year, although the qualitative interviews with providers highlighted that this was not always paid routinely

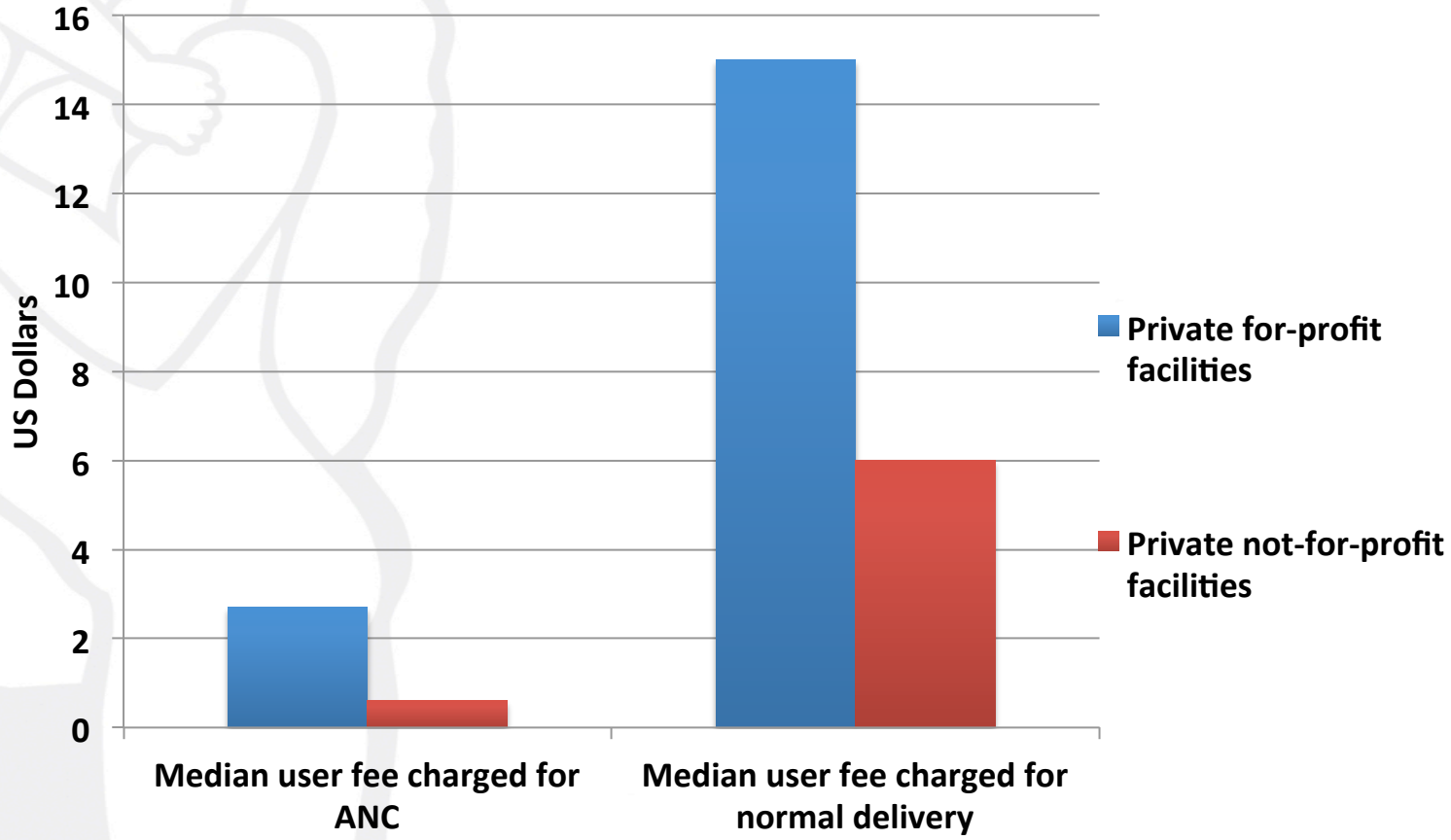
RESULTS: CHANGE IN PATIENT LOAD

Facility	Absolute difference in number of ANC visits (relative difference)	Absolute difference in number of deliveries (relative difference)
PFP 1	+177 (+285%)	+39 (+70%)
PFP 2	+43 (73%)	+14 (+23%)
PFP 3	-14 (-3.4%)	+31 (+43%)
PFP 4	+50 (+79%)	-5 (-31%)
PFP 5	-51 (-44%)	+5 (+22%)
PFP 6	-207 (-28%)	-100 (-26%)
PFP 7	Not available	Not available
PFP 8	+187 (+25%)	-22 (-6.7%)
PNFP 1	-878 (-40%)	-43 (-13%)
PNFP 2	-75 (-2.3%)	-257 (-13%)
PNFP 3	-152 (-6.5%)	+16 (+4.5%)
PNFP 4	Not available	Not available
PNFP 5	Not available	+41 (+4.6%)
PNFP 6	-49 (-29%)	+4 (+200%)
PNFP 7	+18 (+1.4%)	+75 (+12%)

RESULTS: MEAN PROVIDERS COSTS AND USER FEES ACROSS THE SAMPLE (IN US DOLLARS)



RESULTS: COMPARISON OF USER FEES IN PFP AND PNFP FACILITIES



INCREMENTAL PROFIT GENERATED

Facility	Incremental profit from ANC services	Incremental profit from delivery services	Profit from sale of Mama Kits	Total incremental profit in 2015
PFP 1	755 $	1618 $	720 $	3093 $
PFP 2	36 $	360 $	47 $	443 $
PFP 3	-3 $	225 $	327 $	549 $
PFP 4	347 $	338 $*	81 $	767 $
PFP 5	-71 $	24 $	360 $	313 $
PFP 6	32 $ *	-770 $	900 $	162 $
PFP 8	301 $	-242 $	630 $	698 $
PNFP 1	412 $ *	176 $ *	0	587 $
PNFP 2	-100 $	-1207 $	0	-1307 $
PNFP 3	-346 $	-11 $ *	630 $	273 $
PNFP 6	16 $ *	18 $	32 $	66 $
PNFP 7	-202 $ *	127 $	189 $	114 $

Median incremental profit for PFP facilities: 496 $
Median incremental profit for PNFP facilities: 193 $

IMPLICATIONS

- Difficulty to collect utilization and cost data in the private sector was a major difficulty to conduct such study
- Median profit in this study was 293 $ per year: a midwife's salary is roughly 1420 $ per year. This reflects the limited impact on financial growth for providers
- Utilization and financial data raise questions on the aim of the social franchise and the difficulty for clinic managers to achieve financial sustainability by providing affordable services while maintaining quality of care
- Data suggest the importance of having a income generating activity such as the selling of franchised products (Mama Kits)

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