Unjani Clinics: Delivering Healthcare in South Africa

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   III) Data Analysis
VI) Volumizing & Coaching
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Team Introductions

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Project Background

- Imperial Health Services (HIS), has recently purchased RTT Health Services for R500 million.

- In 2010, RTT launched a program to leverage its logistical expertise in the social enterprise sector by creating a clinic-in-a-box CSI initiative named Unjani to:
  - Tackle the primary healthcare shortage among low income population in the country
  - Promote entrepreneurship among the salaried nurses through franchising model

- Pilot phase which started in September 2010 in Etwatwa and Wattville, has now grown to 7 fully functioning clinics.

- Currently charging a price ranging from R100 to R150 (depending on the clinic location) for all treatments and medication provided.

- IHS’s vision within the next 4 years is to build a sustainable network of 500 Unjani Clinics across the country, including in rural and semi-rural areas, where public health care facilities are often far away.
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Problem Statement

• While the pilot has been improving operational efficiency, the challenge is making the franchising model financially sustainable.

• The main problems are:
  
  • Uniform pricing does not take into account the different in costs of each treatment
  
  • Lack and volatility of patient volume
  
  • Performance monitoring complexity due to high level of manual documentation
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Project Scope and Objectives

• In order to achieve sustainability, the main questions the team is exploring are:
  • How to define a pricing structure that would allow the model to be sustainable in the long run?
  • Drawing from the experience of other healthcare franchising models, how can we consistently drive more volume to the clinics?
  • What kind of training or efficiency monitoring metrics would improve overall knowledge of the nurses as well as improve the bottom line?
• The team will also explore other potential revenue streams (such as OTC selling) as well as other options for Unjani to be successful in its mission to improve healthcare of people at Bottom of the Pyramid.
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Unjani’s current revenues are primarily generated from a standard consultation fee of 100R to 150R, depending on clinic location.
Recommended Pricing Strategy

We have three main recommendations:

1) Implementing a stratified cost-plus pricing strategy that charges different fees based on the services rendered

2) Encouraging sales of Eyeglasses, OTC Sales and other products (i.e. soaps, condoms) in order to cross-subsidize lower volumes in medical consultations

3) Enable data-driven future pricing decisions by implementing better financial data management practices

This will enable:

1) Higher volumes through increased market access

2) Price transparency to customers

3) Scalability for opening future clinics
We have performed two main types of analysis:

- **Historical Patient Diagnosis Analysis**: Using historical 3-month patient diagnosis data from the clinics, data analysis was performed to analyze:
  - Trends in patient flow
  - Most common ailments and treatment patterns
  - Current clinic volumes and future prices could be set according to these volumes

- **Cost-based Pricing Analysis**: A cost-plus pricing analysis was performed to understand the current consultation costs and profit margins
From these statistics, it can be observed that the top 12 diagnosis take up 50% of the total consultations.

- Flu is the leading diagnosis due to the season when the data was collected.
- Procedures, family planning, and referrals only make up ~6%.
Cost-Plus Pricing Model

We recommend a cost-plus pricing model that charges different prices based on the services rendered or products that are purchased. Furthermore, we propose classifying the services offered into a simple “menu”

<table>
<thead>
<tr>
<th>Service Category</th>
<th>High-Level Product / Service</th>
<th>Specific Product / Service</th>
<th>Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical</td>
<td>Consultation</td>
<td>General Consultation (Adult)</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td></td>
<td>General Consultation (Child)</td>
<td>60</td>
</tr>
<tr>
<td></td>
<td>Wellness/Testing</td>
<td>Follow-up Consultation</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>Immunizations</td>
<td>Rapid HIV Test</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>Medications</td>
<td>Tetanus</td>
<td>80</td>
</tr>
<tr>
<td></td>
<td>Eyeglasses</td>
<td>Flu Medicine A</td>
<td>40</td>
</tr>
<tr>
<td></td>
<td>OTC Medication</td>
<td>Flu Medicine B</td>
<td>50</td>
</tr>
<tr>
<td></td>
<td>Products</td>
<td>Aspirin</td>
<td>5</td>
</tr>
<tr>
<td>Retail</td>
<td></td>
<td>Imodium</td>
<td>10</td>
</tr>
</tbody>
</table>
Centralized Financial Management Practices

One key to success in our cost-plus pricing model will be the ability to adjust prices accordingly based on performance. We recommend enhancing Unjani’s financial data management practices through implementing uniform financial tracking templates across clinic locations, and training staff in the proper usage.

- There should be a centralized financial monitoring tool to track revenues, costs and profitability by clinic
- Financial tracking templates will be distributed to clinics and completed monthly
- In the nurse training program, nurses will learn how to complete the financial spreadsheets and the importance of accurate reporting
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VII) Other Potential Options
VIII) Interim Conclusion and Overall Recommendation
In order to explore how to drive higher volume to clinics, the team has divided the work into two work-streams.

- **Volumizing & Coaching**

**Pre-Trip - learn from other best practices**
- Client Retention
  - Living Goods
- Market Segmentation
  - L.V. Prasad Eye Institute
- Demand Generation
  - CFW Shops

**Test Clinic Volume Potentials**

**On Ground**
- Customer Price Elasticity
- Patient Qualitative Questionnaires
- Non-Patient Qualitative Questionnaires
## Case Study: Living Goods - Minimal Overhead and Market Access/ Retention Model

<table>
<thead>
<tr>
<th>Living Goods Mission</th>
<th>Method</th>
</tr>
</thead>
</table>
| Started in Uganda in 2007, Living Goods trained Community Health Promoters to dispense medicine for highly prevalent treatable diseases via a door-to-door sales method. | • Partnered with BRAC microfinance programs to recruit CHPs and secure loans for woman to purchase medicine. Serve as storage and distribution centers for supplies.  
• Mobile sales model; diversified revenue sources through product and medicine sales.  
• Specialization in highly treatable low cost diseases.  
• Incorporated consumable goods in their product mix with medicines to cross subsidize health delivery costs. |
L.V. Prasad Eye Institute—Segmentation

<table>
<thead>
<tr>
<th>LV Prasad Eye Institute Mission</th>
<th>Method</th>
</tr>
</thead>
</table>
| L.V. Prasad is the not-for-profit comprehensive eye health facility with its main campus located in Hyderabad, India. The mission is to provide equitable and efficient eye care to all sections of society. The LVPEI network includes a Centre of Excellence in Hyderabad, 3 tertiary centers in Bhubaneswar, Visakhapatnam and Vijayawada, 10 secondary and 92 primary care centers that cover the remotest rural areas in the state of Andhra Pradesh, India, as well as several City Centers. The Institute’s innovative and comprehensive approach to community eye health, the LVPEI Eye Health Pyramid, has been adopted as a model by the government of India and by other developing countries. | • Cross Subsidization between paying and non-paying patients  
• Center of Excellence Model – being the expert in eye care  
• Successfully implementing tiered system |
Case Study: CFW Shops - Prescription Drug Franchise Model

<table>
<thead>
<tr>
<th>CFW Shops Mission</th>
<th>Method</th>
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</table>
| CFW is a mix of drug stores owned by CHW and nurse owned clinics. Malaria testing and treatment, They provide TB referrals, oral contraceptives, male condoms, injectables, water purification, vitamins, LLINs, net re-treatment and HIV testing. Their goal is to reduce under age 5 mortality rates thus encouraging family planning and lower population growth rates by: treating childhood infectious diseases in the communities where children live; reducing congestion in the healthcare system so that scarce resources can be applied to others not so easily treated; and improving community health through educational and prevention activities. | • Small strategically located drug shops and clinics that provide pharmaceutical treatment only and target prevalent easy to treat afflications such as TB.  
• Renting existing space in underserved needy communities  
• Provide low cost high-quality pharmaceuticals.  
• Franchise operators must comply with protocols to gain purchase and distribution approvals |
Volumizing – Interim Conclusion

• From our research, there is currently no successful standalone primary healthcare franchising organization anywhere in the world.

• The team has identified some of the themes of volumization that could be applied to Unjani.

  - Define Value Proposition to increase perceived value
  - Active Marketing to increase awareness
  - High Volume / Low Margin State
  - Enforcing and Monitoring through correct KPI

• Currently, the team has reviewed patient surveys which yielded insights on demographic served and perceived quality.
  - Total participants of 133 patients from all three clinics.
  - Current Patient Demographic is 75% women and 25% men
  - 66% wait under 15 minutes for the treatment
  - 91% service satisfaction with rating from Good to Excellence

• Further work on the ground will aim to understand non-patient characteristics to confirm whether the root-cause is a lack of awareness or lack of perceived value.
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Achieving the Social Impact Goal Through Other Options

The other best practices the team have identified are some common key attributes performed by other organizations that could be applied to Unjani.

<table>
<thead>
<tr>
<th>Options</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partnership</td>
<td>Increases PR and potential funding. The team is curious to explore the following potential partnerships,</td>
</tr>
<tr>
<td></td>
<td>1. Healthcare Organization - (Public Hospital/Ministry of Health)</td>
</tr>
<tr>
<td></td>
<td>2. Non-Healthcare Organization - (Microfinance/School/Other Businesses)</td>
</tr>
<tr>
<td>Other Funding</td>
<td>Extra revenue from donation to help alleviate the financial pressure and allow Unjani to achieve its mission of providing more services at a more affordable price.</td>
</tr>
<tr>
<td>Cross Subsidization</td>
<td>Generate more revenue from selling different products to subsidize for the lossmaking clinical treatments</td>
</tr>
<tr>
<td>Center of Excellence</td>
<td>Focus on the core competency, potentially exploring the options of being a distributor of essential medicine</td>
</tr>
<tr>
<td>Insurance Initiative</td>
<td>Guarantee constant revenue</td>
</tr>
</tbody>
</table>
Gold Star Network in Kenya

GSN is a private sector HIV program implemented in conjunction with the MoH, Kenya Medical Association and the Kenya Clinical Officers Association. It provides ART training to accredited care providers, patient care services and collects cash payments and insurance.

- Contracted by hospitals to train doctors in ART Delivery
- Provides integrated TB/ART screening to patients
- Family Planning and Contraception
Channel Partnerships: Suppliers and Referrals

**World Health Partners SkyHealth Rural Centers**

WHP cuts costs and generates revenue from a diversified set of sources. It creates partnerships with suppliers to get low cost goods. It earns income through sponsorship, referrals and government subsidies. go house to house to identify potential clients.

1. WHP participates in the GoI contraceptive social marketing program, which means low prices from the GoI.
2. WHP also channels government reimbursements and subsidies.
3. Patient fees from tele-consultation. Health workers find potential patents and set up tele-diagnostic sessions.
Non Health Organization Partnerships: Access to the Masses

Microfinance Institutions

“Improving the health of the poor requires reducing poverty and facilitating health access simultaneously. Scientific evidence demonstrates that microfinance organizations can implement health programs that increase knowledge, change health-related behaviors and improve access to health services. Microfinance institutions can provide a global infrastructure platform for integrating poverty alleviation and health improvement programs.”

- Over 3500 microfinance institutions provide microcredit and financial services to more than 155 million households worldwide.
- Conservative estimates indicate 34 million of these households are very poor Worldwide.
- current public health programs and health systems do not have the reach to meet these needs.
- The microfinance sector offers an underutilized opportunity health delivery to hard-to-reach populations.*

- “Integrating microfinance and health strategies: examining the evidence to inform policy and practice.“
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On-Site Plan

To experiment if the proposed price plan would be feasible, on-site the team will:

1. Do a comparison of prices with the local alternative primary health care delivery clinics and OTC prices at the spazas

2. Conduct a questionnaire with current patients and patients from other local alternative primary health delivery clinics
# On-Site Proposed Calendar

<table>
<thead>
<tr>
<th>Sun</th>
<th>Mon</th>
<th>Tues</th>
<th>Wed</th>
<th>Thurs</th>
<th>Fri</th>
<th>Sat</th>
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<tbody>
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<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td><a href="#">MIT Team Arrives</a></td>
<td></td>
<td>6</td>
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<tr>
<td>1</td>
<td>7</td>
<td>8</td>
<td>9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal Team prep work</td>
<td>Intro Meetings, Initial Presentation, and TB Q&amp;A</td>
<td>Marketing Training</td>
<td>Etwatwa and Villa Lisa Site Visits</td>
<td><a href="#">Public Holiday</a></td>
<td>Cape Town</td>
<td>Cape Town – Delft Site Visit</td>
</tr>
<tr>
<td>2</td>
<td>4</td>
<td>5</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
</tr>
<tr>
<td>Anjali arrives and internal Team prep work</td>
<td>Anjali Meeting and Nelmapius Site Visit</td>
<td>Kwaggafontein Site Visit</td>
<td>Orange Farm Site Visit</td>
<td>Bram Fischerville Site Visit, Final Presentation</td>
<td><a href="#">Public Holiday</a></td>
<td><a href="#">MIT Team Departs in PM</a></td>
</tr>
</tbody>
</table>
References

Please see our annotated bibliography and the notes for references.
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