Enhancing the Financial Sustainability of Social Franchise Networks:

An analytical and participatory approach

Webinar presentation for the Social Franchising Community of Practice

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RESULTS FOR DEVELOPMENT

SIFPO2: Support for International Family Planning Organizations 2: Strengthening Networks

Two big objectives for social franchises and UHC

- Support clinical social franchises to become more **financially sustainable**, while improving (or doing no harm to) goals of **access, quality, equity, and cost-effectiveness**.

- Help define **new roles for CSFs** at the interface between public financing and private delivery, in support of the Universal Health Coverage agenda.

What is (more or less) financial sustainability?

A more financially sustainable franchise will:

- **Use more diverse funds**—donor, public, and private—in pursuit of quality, equity, additionality, cost-effectiveness, and health impact.
- **Look different** depending on the country and context.
- **Constantly grow, adapt, and innovate** in response to health needs, financing opportunities, and system constraints in a country.

When UHC Met CSF…

Health System Building Blocks	Health Financing Functions	Intermediate Outcomes	Health System Goals

Service Delivery	Leadership & Governance
Health Workforce	**Financing**
Medical Products, Vaccines, & Technologies	Information Systems

Collection

Pooling

Purchasing

Via improved:

- **Access**
- **Quality**
- **Efficiency**
- **Equity**

Better Health

Responsiveness

Financial Risk Protection

Cross-cutting objective: SUSTAINABILITY

Note: This framework is a synthesis of prominent health systems and health financing frameworks, including those offered in Kutzin 2001, WHO 2000 and 2010, and Roberts et al. 2008, as well as R4D's own thinking and analysis.

Our approach, on paper

Platform Needs Assessment

HFN wants to evolve, diversify finances, serve more Q1 and Q2

Health Markets Analysis

Gov't wants to raise the # of functional PHCs to 10,000

Health Financing Analysis

New federal earmark for PHC; insurance schemes emerging

Collaborative Ideation and Assessment

Franchise public sector PHCs via PPPs, provide QA, training, staff

→ Options for financial sustainability of HFN

Our approach, in person

Induction

- Raise HF awareness
- Define and agree on platform's health financing challenges

Ideation

- Build on evidence from desk research & interviews
- Triangulate!
- Jointly develop HF options

Impact Analysis

- Review HF options for impact on social franchising goals
- Rank feasibility
- Play angel investor

Landscape of health financing options

What tools to choose from? (And intermediary roles they imply)

Contracting
(Integrated care, information systems, community mgmt.)

- Implement public/donor DSF & RBF schemes (e.g., Global Financing Facility)
- Leverage public sector commodities, training, and service contracts

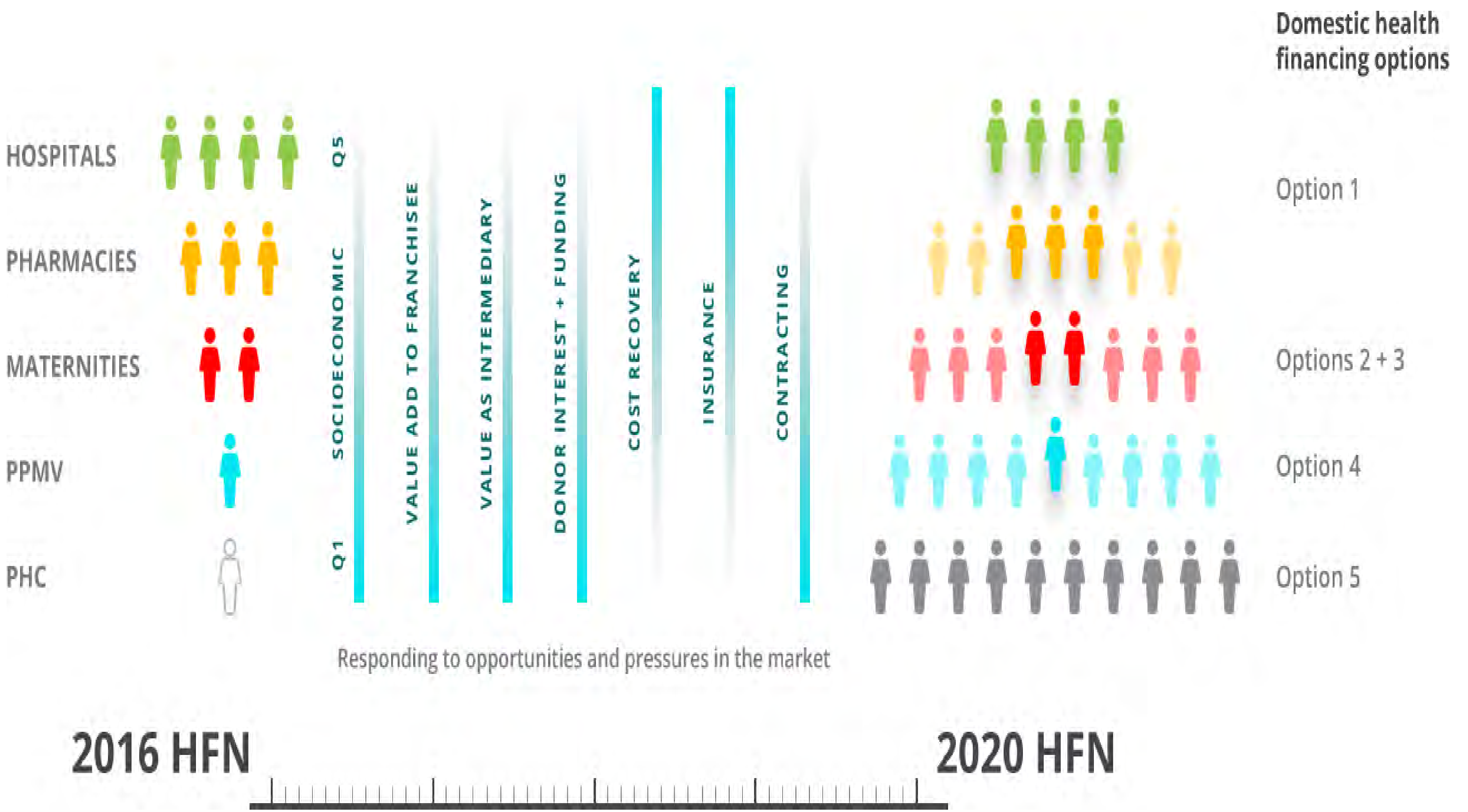
Insurance
(Empanelment, payment coordination, continuity of care)

- Help accredit, enroll, and support private providers with public and private insurance
- CSFs may even organize franchise providers into own CBHI or insurance networks

Cost Recovery
(Improving quality continuously)

- Tiered franchise to target delivery of training, commodities, and QA services at cost

Towards a new strategy for SFH's Healthy Family Network

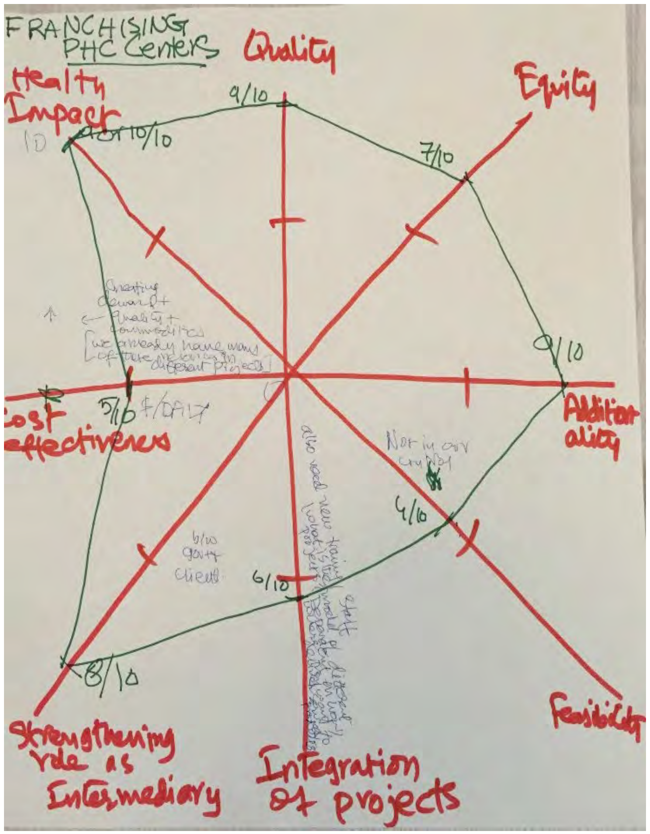


Five Options for SFH Nigeria

	CSF Financing	
	Source	Mechanism
1. Caring business partner. Support to high quality/volume clinics at cost	Franchisee revenue from OOP and insurance payments	Fees/products
2. Baby steps: Channel public FP/MCH commodities through private HFN maternities	Public, in-kind	Contracting/MOUs
3. Insured Maternities: Help maternities register with insurance, empanel clients, and manage capitation	Insurance	Contracting for managing insurance
4. Better first encounter: Link PPMVs with PHCs (North) and integrate into NHIS/CBHI (South)	PHC budget, Insurance	Contracting for managing insurance
5. Franchising-In PHC: New tier of full and/or partial public sector franchisees via PPPs	PHC budget	Contracting

Option 5: Franchising Primary Healthcare Centers

Reach lower quintile clients by (fully or partially) franchising public sector PHC centers, improving access, service delivery, and quality.



Client

- Access to high quality & high-impact services
- Reduced OOP costs

Franchisee/PHC centers

- Increased capacity and quality of service delivery
- Training of HRH
- Coordination of services within the PHC center

Healthy Family Network

- Coordination of service delivery
- Improved sustainability and performance on SF goals and as intermediary

Other stakeholders

- Public sector and donors will see better population health outcomes, high health impact, improved value for money, and reduced fragmentation.

Impact Analysis: Support for Social Franchising Goals

Option	Quality	Health Impact	Equity	Additionality	Cost Effectiveness
1. Caring Business Partner	HIGH	LOW	LOW	LOW	HIGH
2. Baby steps: Public Commodities for Private Maternities	NEUTRAL	LOW	HIGH	HIGH	HIGH
3. Insured Maternity: Linking Maternities to NHIS/HMOs	HIGH	HIGH	LOW	HIGH	NEUTRAL
4. Better first encounter: Leverage PPMVs through partnerships, NHIS/CB	HIGH	HIGH	HIGH	LOW	LOW to HIGH
5. Franchising-In PH	HIGH	HIGH	HIGH	HIGH	NEUTRAL

Key Takeaways

- Social franchises genuinely want to do more to connect to public financing sources for sustainability and equity purposes
- Social franchises could become effective intermediary organizations between public financing and private providers
- Social franchises and SIFPO2/R4D will need to make dedicated deep dives to turn strategies into actions
- Combination of external analysis and internal participation works

Thank You

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RESULTS FOR DEVELOPMENT

Additional example: PSI Tanzania and the NHIS

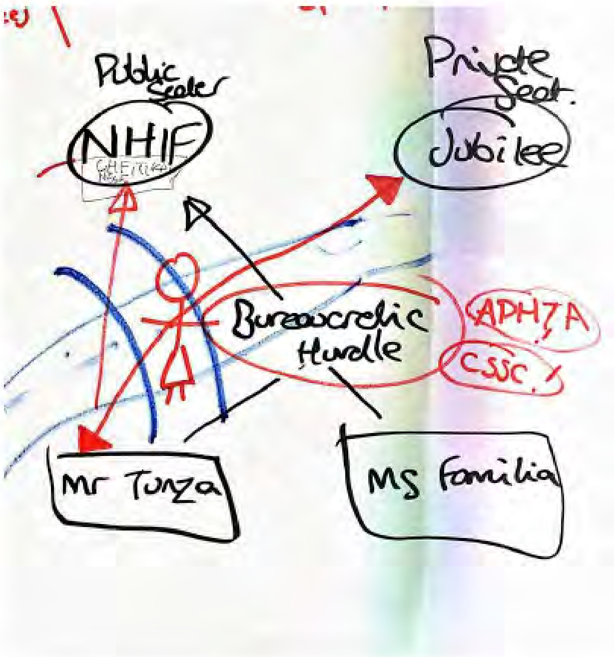
Working with Government Backed Insurance Schemes

Option 1: Aid in the registration of franchisees in NHIF and SHIB

PSI can contract with NHIF and/or SHIB to integrate all or a subset of franchisees in health insurance. A PSI/APHFTA partnership would be able to offer support in demystifying NHIF and SHIB, evaluating business potential, accessing loans (if necessary), and supporting applications.

Value to PSI as Franchisor: PSI has strengths in provider behavior change, and can use that to explain the advantages of insurance. PSI can charge franchisees for support provided to accredit and include them in contract.

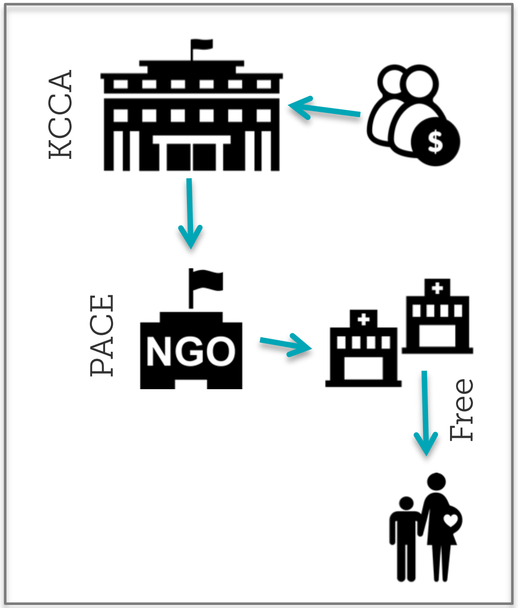
Value to Franchisee: Access to greater number of clients through risk pools that promote equity and access, leading to more stable reimbursement for services.



Timeline: ——— Near Term

Additional example: A public-private partnership between PACE Uganda and the Kampala Capital City Authority

PACE would develop a public private partnership with Kampala Capital City Authority for the delivery of PHC and MCH services through PACE facilities.



Client Sara:

- Decrease OOP costs for high health impact services.

PACE Franchisor:

- Strong value proposition to providers and government. If management fees are included, PACE can recoup costs.

PACE Franchisee:

- Increase income from sustainable source.
- Experience working with KCCA will build trust and create more opportunities in the future.

Government:

- For KCCA: Effectively addresses health demand with quality services.
- For MOH: Sets an example of an effective PPPH with PFP in service delivery. Complementary to future NHIS schemes.