Saving Client Sara: Tackling Financing Sustainability for Social Franchise Networks

Adeel Ishtiaq
Aparna Kamath
Global Setting

Declining Donor Support
Concerns about decline in donor funding globally and nationally is moving SF networks to adopt more financially sustainable models.

Expanding Choice of FP Methods
Private sector critical for FP as a vehicle for increasing subsidized access and assuring a range of commodities and services across all income groups and all social groups.

Addressing Fragmentation
As countries mobilize resources towards UHC agenda, need to address fragmentation to reduce inefficiencies and expand population coverage.
The SIFPO2 Project

The SIFPO2-supported partnership between PSI and R4D aims to increase the capacity of PSI and affiliated social franchising networks to leverage domestic financing, enhance FP service delivery, and reduce fragmentation in the health market in the context of UHC.

Goals:

• Define role for PSI at the interface of public financing and private delivery
• Develop strategies for financial sustainability that support goals of quality, access, equity, additionality, and cost-effectiveness
# Framework

<table>
<thead>
<tr>
<th>Platform Needs Assessment</th>
<th>Health Market Analysis</th>
<th>Health Financing Analysis</th>
<th>Goal Scorecard</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current strengths and challenges of the franchise</td>
<td>National market for health services and the franchise’s current and future position in it</td>
<td>Insurance, contracting, or cost-recovery mechanisms that the franchise can leverage</td>
<td>Support for the global goals of social franchising – equity, quality, health impact, additionality, and cost-effectiveness</td>
</tr>
<tr>
<td>Future strategic plans and any supporting policies and practices</td>
<td>Enabling environment for the delivery of core franchise services</td>
<td>Trends in policies and reforms that the franchise can take advantage of over time</td>
<td>Feasibility of implementation</td>
</tr>
</tbody>
</table>

## Options for Financial Sustainability
CASE STUDY

Developing Options for the Financial Sustainability of the Confidence Franchise in Birani
The Confidence Franchise

Scope of the franchise:
- National, and moderately sized. Equal urban vs. rural distribution
- SRH offerings are core services, but the program has added IMCI, malaria, CCSPT, and HIV services

Strengths of the franchise:
- High-quality services, skills in behavior change communication
- Clients are largely Q1, Q2, and Q3
- 40% of franchisees enrolled with NHIS, but mostly large clinics and hospitals in urban areas

Challenges of the franchise:
- Projects are heavily donor reliant, with relatively non-fungible funding
- Franchisees largely receive out-of-pocket payments from clients
- Franchisees have difficulty meeting NHIS accreditation standards and receiving payments
Health Financing Mechanisms

National Health Insurance Scheme

Challenges
• Covers largely formal sector, with voluntary schemes for informal sector
• Capitation payment standard across public and private sector; public sector receives input subsidies

Opportunities
• Looking to expand to rural areas
• Often works with intermediaries for claims processing and payment

Global Financing Facility for RMNCAH

Challenges
• No private sector representation in developing investment case
• Public sector has mixed record on managing RBF; added reporting burden on facilities

Opportunities
• Expected to roll-out through NHIS in poor and underserved areas
• RBF payment rewards high quality and access for Q1/Q2 clients
Health Market Landscape

PPP Policy under development and set to include private sector
Shift to RBF for all health purchasing
Private Sector underutilized but addresses both supply and demand side factors
Local Govt. Authorities drawing Up Comprehensive Health Plans with private sector
Association of Private Health Facilities (APHF) organizing private sector at National level
WeCare international carrying out bulk purchasing for private facilities

Rules
Stakeholders & Collaborators
Supportive Functions
Confidence Franchise
Options Analysis

**What?**
- Brief description of the idea

**Why?**
- Challenges/opportunities the idea is targeting

**How?**
- Mechanism for implementing this idea

**SWOT Analysis**
- Main strength, weakness, opportunity, and challenge for implementation
- One point per quadrant

**Stakeholder Analysis**
- Main benefit for client, franchisee, franchisor, and other partners
- One point per quadrant
THANK YOU!

Aparna Kamath
akamath@r4d.org

Adeel Ishtiaq
aishtiaq@r4d.org