

USAID MEDICINES, TECHNOLOGIES, AND PHARMACEUTICAL SERVICES (MTaPS) PROGRAM

Improved Access. Improved Services. Better Health Outcomes

MTaPS GLOBAL LEARNING SERIES WEBINAR

Use of retail pharmacies as a source of essential medicines, including family planning products, for public sector clients in low-and middle-income countries

May 19, 2022



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USAID MEDICINES, TECHNOLOGIES, AND PHARMACEUTICAL SERVICES (MTaPS) PROGRAM

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Welcome and Agenda



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Management Sciences for Health



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AGENDA

- Opening remarks
- Presentation on the thought leadership paper
 - Audience poll
- Panelist discussion
 - Audience Q&A
- Closing remarks



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Opening Remarks



Kevin Pilz
Senior Supply Chain Advisor
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Speakers



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Veronika Wirtz

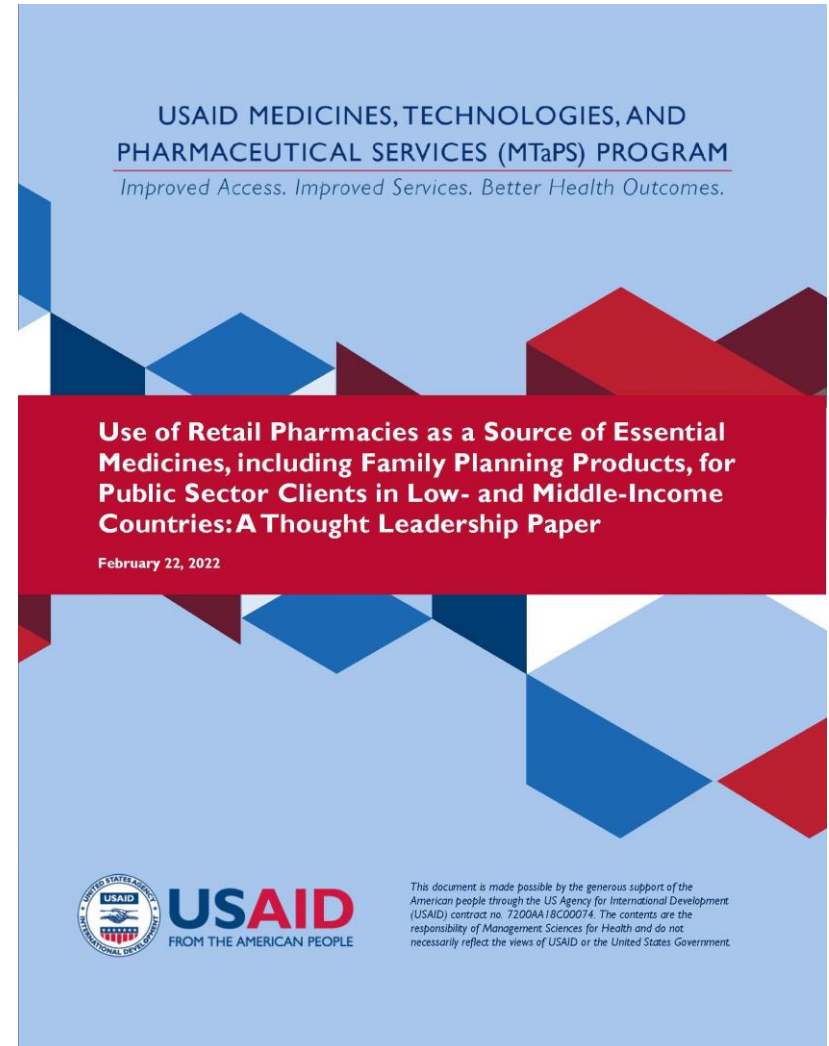
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Public Health

Boston University School of Public Health is
a USAID MTaPS Consortium Partner

Presentation of Findings

Paper is available on:
[MTaPSprogram.org/Resources](https://www.mtapsprogram.org/Resources)

Direct link to the paper:
<https://www.mtapsprogram.org/our-resources/use-of-retail-pharmacies-as-a-source-of-essential-medicines-including-family-planning-products-for-public-sector-clients-in-low-and-middle-income-countries/>



Project Background

- Private outlets offer client service delivery advantages which may translate into financial savings and improved retention in care.
- Public sector-operated supply chains continue to struggle to ensure continuous availability of contraceptives and essential health products in most countries that USAID supports.
- Retail pharmacies in low- and middle-income countries (LMICs) have been recognized as an important partner in expanding services traditionally provided by the public sector.
- Moving toward universal health coverage (UHC) and implementing insurance and other medicine benefit schemes present opportunities to consider open dispensing models.

Project Aim and Objectives in LMICs

- Identify advantages and disadvantages of public payers contracting private pharmacies to deliver essential medicines (EMs), including family planning products (FP), to public sector clients
- Describe promising policies and strategies for public payers contracting retail pharmacies to deliver EMs, including FP, to public sector clients

Methods | Overview



Methods | Framework

Key dimensions for contracting the private sector to deliver EMs, including FP

Governance, including regulation

Contracting and reimbursement

Information and management systems

Affordability

Quality of care

Accessibility

Patient-centered pharmaceutical care

Based on:

- WHO. (2017). Partnering with the private sector to strengthen provision of contraception – Evidence brief.
- O’Hanlon B, Kaplan W. (2012). Best practices from the region in drafting PPP health policies and strategies. Funded by SHOPS/USAID. Slide Presentation May 2012 Tanzania (Network for Africa)

Methods | Case Study Selection

- Selection criteria:
 - Evidence of a formal contract/agreement of retail pharmacies with public payer
 - Agreement on the provision of medicines (including FP) as part of the reimbursement or benefit package
 - Well-documented contracts that have been in place for one year or longer
 - A mix of high- to low-income countries with single or multiple public payers
- Final selection:
 - 3 High-income countries: Spain, Sweden, UK
 - 4 LMICs: Argentina, Brazil, Ghana, Namibia

Methods | Scoping Review

- Conducted on PubMed, Google Scholar, and CINAHL
- Inclusion criteria:
 - Full-text articles
 - Publication date from 2010 to present
 - Literature in English, Portuguese, and Spanish
- Additional literature review outside case studies to augment specific issues that were identified by reviewers

Methods | Case Study Write-Ups

- Brief description of four aspects of the countries' retail pharmacies
- Synthesis of the documents that assessed, monitored, or evaluated the impact of policies and strategies on the performance of contracted private pharmacies
- Factual accuracy of each country case study was reviewed by country-specific experts



Case studies

7 Countries

3 Geographic regions

2 Income groups

7 Country expert reviewers

Final report

53 Pages

115 References

3 External reviewers

Advantages of public payer contracting with private pharmacies | Examples

Leverage private sector capabilities through:

- Business acumen and commercial skills
- Efficient supply chains including cost-effective purchasing
- Use of private sector information technology
- Increased and diversified talent pool, so that public sector personnel are available to focus on other public health issues

Disadvantages of public payer contracting with private pharmacies | Examples

- Costly for the public payer to oversee and audit retail pharmacy services
- Quality issues in terms of pharmaceutical products and services, e.g., ensuring compliance with contracts for medicines is work intensive and costly
- Dependence on where private pharmacies are located, which may result in inequities in access
- Service interruptions when contracts expire
- Inflexibility and/or inadaptability of long outsourcing contracts with changing guidelines

Deciding whether public payer contracting of the private sector is feasible and desirable **requires a multi-stakeholder consultation and thorough needs assessment.**



Needs assessment

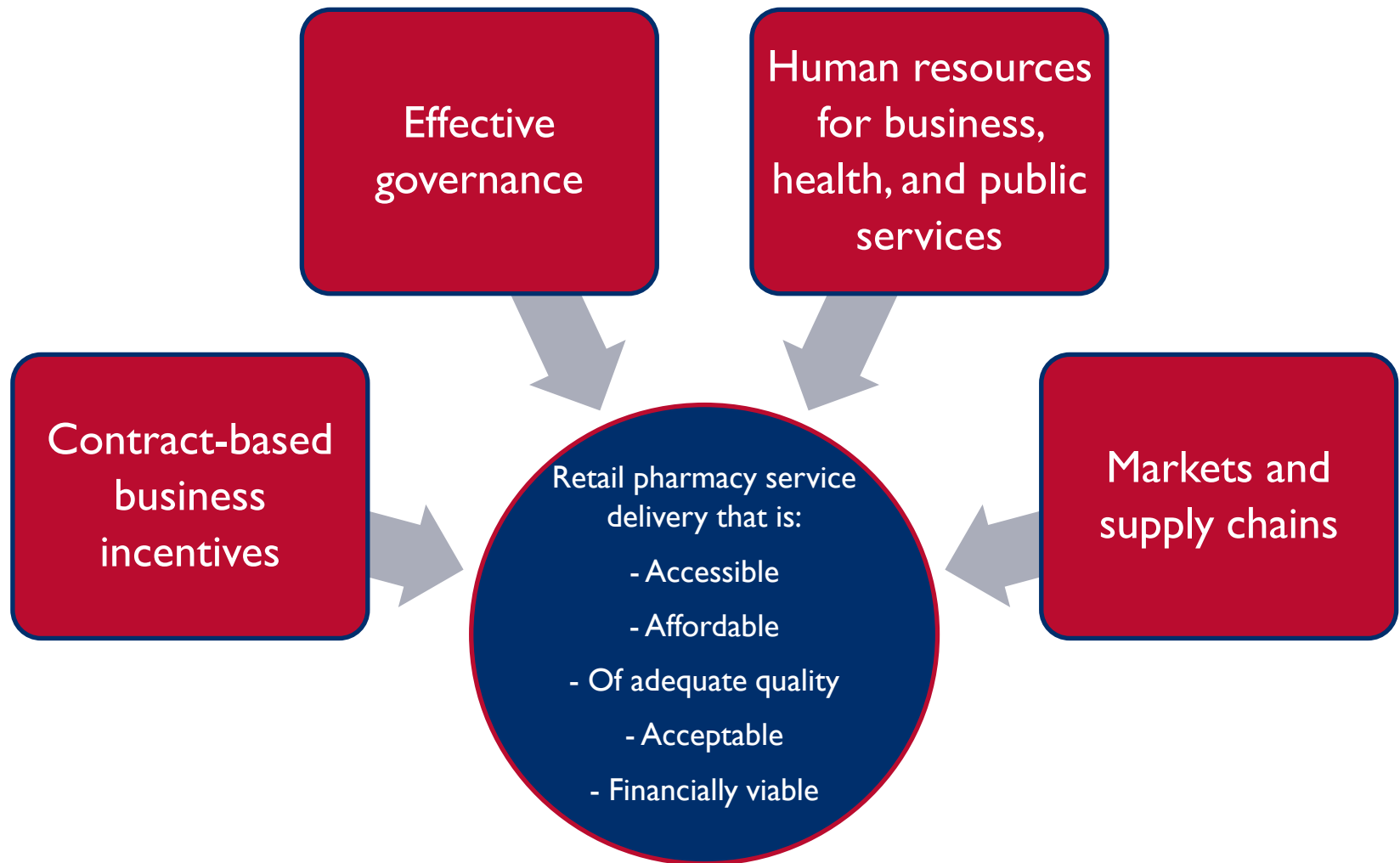
Considerations for contracting private pharmacies is a key element:

- Technical capacity
- Resources
- Context, etc.

Key considerations when deciding whether and how public payers should contract retail pharmacies | Examples

Dimensions	Feasibility aspect	Example assessment questions
Governance, including regulation	Capacity of inspection and supervision of pharmacies	Will documentation burden be increased for both public payer and retail pharmacies because of contracts?
Contracting and reimbursement	Capacity of public payer to contract & oversee agreement	Does the public payer have the capacity to enforce contractual obligations, if needed?
IT management systems	IT tools that allow public payer to efficiently pay retail pharmacies for services provided	What does local IT infrastructure look like? Is there access to good network coverage?
Quality of care	Current training and skill level of pharmacy staff	What is the pharmacy education curriculum like?
Financing and affordability	Costs of supply and dispensing in public sector vs contracting retail pharmacies	How will open system costs compare to those of closed system?
Accessibility	Number and type of retail pharmacies in the country	What users are in particular need of receiving medicines and care which are not served by current access points?
Patient-centered pharmaceutical care	Selection of medicines that will be provided by retail pharmacies	How will contracting of retail pharmacies ensure patient-centered care?

Promising policies and strategies for public payers contracting retail pharmacies to deliver EM, including FP, to public sector clients in LMICs



Strategies I: Contract-based business incentives

- Unit responsible for setting reimbursement prices within MOH or public payers
- Participation of pharmacies in public procurement to benefit from lower purchasing prices
- Financial incentives for retail pharmacies to obtain medicines inexpensively and promote service quality, e.g., retention of capital
- Provision of start-up capital to support retail pharmacies to participate in contractual requirements
- Support from local service administrative organizations and digital tools to manage pharmacy operations

Strategies II: Effective governance

- An appropriate legal foundation is required to regulate:
 - Pharmaceutical products, e.g., preventing fraud
 - The practice of pharmacy, e.g., accreditation
- Tools to promote governance:
 - Nimble information technology solutions that are most suitable for LMICs

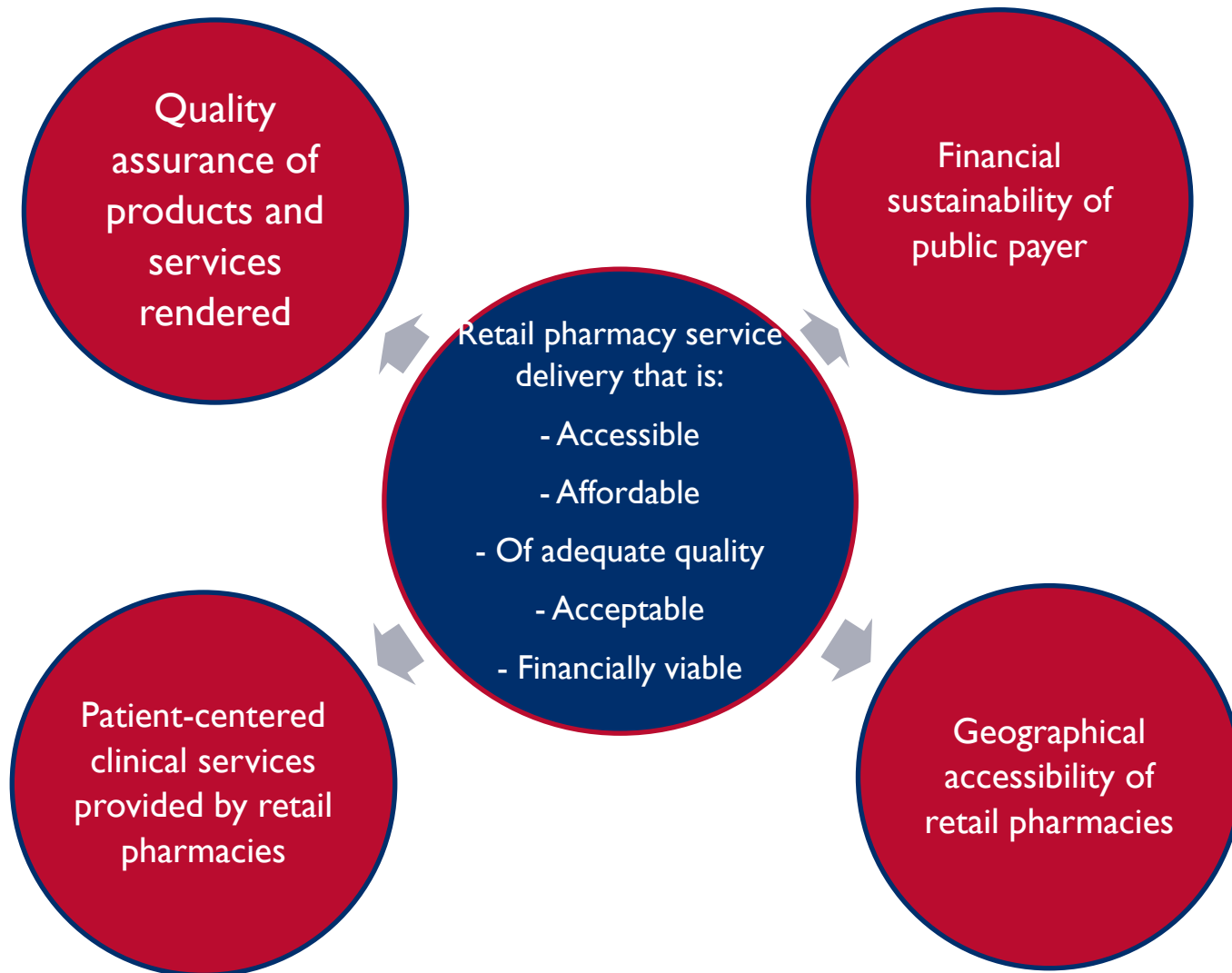
Strategies III: Market and supply chains that enable private pharmacies to deliver quality services

- Detailed country-specific market studies provide critical evidence for tailored decision making
- Emerging innovations in product supply and distribution
 - Stock financing, inventory management, and group purchasing organizations
 - Contracting chain vs independent pharmacies
 - Centralized dispensing for increased efficiency

Strategies IV: Human resources for health, business, and public services

- Financial incentives to retain qualified human resources in the private sector in the long term, not at the expense of the workforce in the public sector
 - Capacity building of pharmacy staff, e.g., training and continuing education
 - Capacity building of contracting agency staff, e.g., skills needed to manage contracting arrangements
- Task-sharing with pharmacies to expand access points
- Incentivize movement toward patient-centered approach at service delivery points

Challenges of public payer contracting with retail pharmacies



Financial sustainability of public payer

- **Cases of Ghana and Brazil** highlight the challenges of creating regulatory and policy environments that incentivize participation of private pharmacies in contracting schemes while ensuring affordability of EMs for public payers and its users.

Geographic accessibility of private pharmacies

- **Case of Brazil** illustrates that increasing the number of retail pharmacies does not necessarily result in the desired level of equity in geographical access. Some areas may be viewed as less attractive to operate in from a business standpoint.

Quality assurance of pharmacies

- Some countries have extended access to medicines by allowing those with no or limited training to operate in pharmaceutical dispensing roles. **Ensuring monitoring and accreditation of pharmacy services** is a challenge that needs to be weighed against financial interest of public payers.

Patient-centered clinical services provided by retail pharmacies

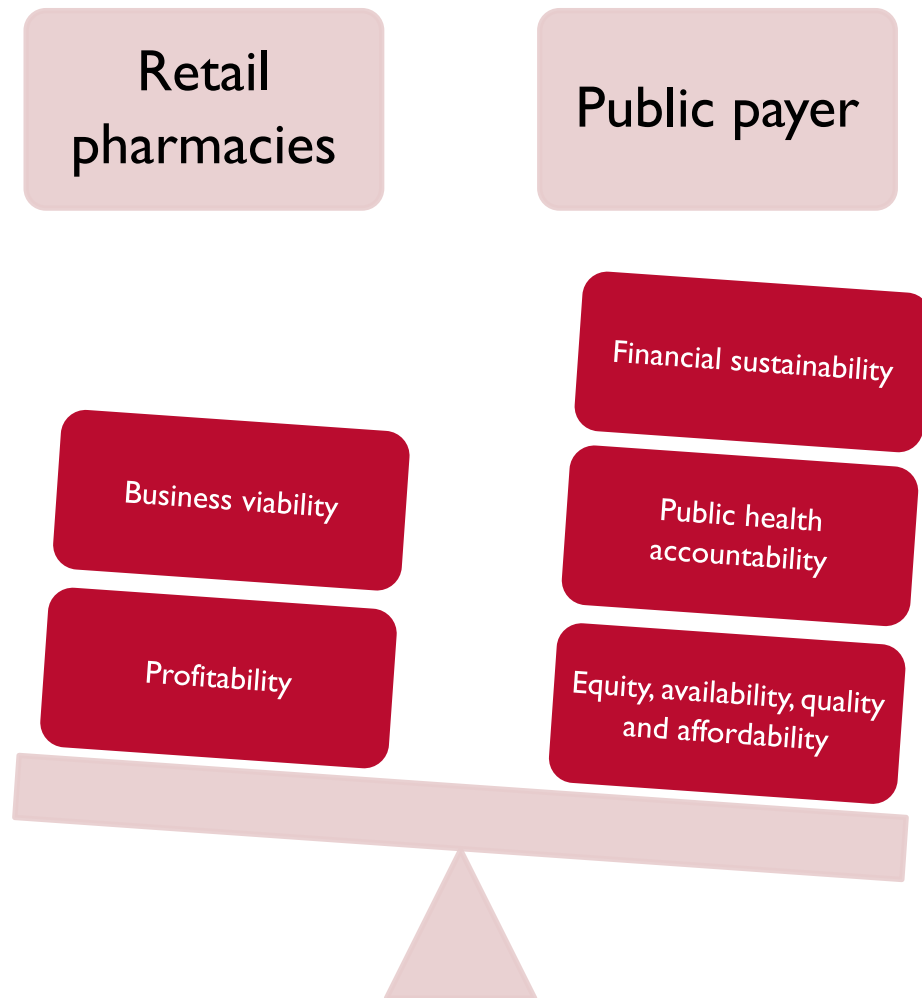
- **Providing sufficient incentives** to overcome primarily business-oriented environment and promote delivery of clinical (e.g., counseling) care alongside dispensing services.

Lessons from the COVID-19 pandemic

- Increasing demand for pharmacies to preferentially deliver medicines by courier services
- Decoupling delivery services from care and advice can result in most efficient service delivery, e.g., mix of providers
- Tailoring pharmacy services according to specific population needs, e.g., virtual vs. in-person services
- Expanding roles of pharmacies to deliver primary care services, including addressing health misinformation, e.g., vaccine delivery



Final reflections | A "balancing act"



Continuous adjustments and performance monitoring are critical to ensuring long-term achievement of public sector goals

Acknowledgments

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- Special thank you to USAID/Bureau of Global Health, especially Denise L. Harrison and Kevin Pilz in the Commodities Security and Logistics (CSL) Division of the Office of Population and Reproductive Health (PRH), and Kwesi Eghan from the MTaPS Program for their support and guidance throughout the project.

Meet the Panelists



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Thank You
Questions?



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