

Private Healthcare in Developing Countries



NEWS & EVENTS

1/27/10

Nigerian Food and Drug Administration Cracks Down on Fake Anti-Malarial Drugs

Agents of the Nigerian National Agency for Food and Drugs Administration confiscated significant quantities of fake anti-malarial drugs in pharmacies and shops in Kaduna. Officials reported intent to arrest and prosecute individuals selling supposedly free drugs and malaria nets provided by the international Roll Back Malaria campaign. Inefficient regulation has been a significant factor in the proliferation of counterfeit drugs in the region. [Link](#)

12/11/09

New Director of Millennium Challenge Corp. Aims to Expand Private Sector Involvement in Aid Programs

Daniel Yohannes, the recently appointed CEO of the US Government's [Millennium Challenge Corporation](#), envisions an expansion of government assistance to private sector sources as part of a new international aid distribution strategy. Created in 2004, the MCC has provided \$7.4 billion in health and development assistance worldwide. [Link](#)

Above: A Hospital Pharmacy in Nigeria

A Demand Side Output Based Aid Approach to Reproductive Health Services in Kenya

Janisch et al., *Global Public Health* 2010

Janisch et al. analyze the initial stages of the joint Kenyan Government-KfW Voucher for Health Program in Kenya, which aims to improve maternal and sexual health by providing vouchers to increase women's access to selected public and private sector health care providers. This voucher program allows low-income individuals, identified with a poverty-grading tool, to purchase significantly subsidized vouchers for maternity, family planning, and gender violence medical services that they can then use at selected public and private health care providers accredited and contracted by the voucher management agency. Contracted service providers are reimbursed a flat rate for voucher patients to encourage competition and increased care quality. During the first stage of the project, Janisch et al. report over 45,000 maternity vouchers sold, with a nearly 70% of these exchanged for services, resulting in a 57% average increase in assisted deliveries at contracted facilities. Family planning vouchers sold at a less-than-expected rate, but use of family planning services in the target areas nonetheless increased nearly 70% with growth particularly noted for long-term family planning strategies. The authors are optimistic that the voucher program has increased access for low-income individuals within the target area. Contracted providers report a "self-perceived increase in quality" and ability to upgrade infrastructure and staff because of increase income generation. The authors believe the program offers many fundamental elements of a limited insurance system including "accreditation; quality assurance; reimbursement system; claim processing; costs and pricing; integrating private sector; client choice; provider competition; and access and

equity." A more complete analysis of program outcomes is planned as part of the later stages of implementation. [Link](#)

Vouchers for Skilled Birth Attendance in Rural Cambodia

Ir et al., *BMC Pregnancy and Childbirth* 2010

Ir et al. assess a government funded and NGO coordinated voucher program for expecting mothers in rural Cambodia that subsidizes access to skilled public sector birth attendants. In three rural target districts, local health volunteers and contracted NGO employees identify low-income pregnant women and provide them vouchers to receive cost-free antenatal, delivery, postnatal care by midwives and health professionals at government facilities, to reimburse transportation costs, and to cover health care referral costs in case of complications. The coordinating NGO reimburses public health centers per voucher collected and provides an advance for them to directly reimburse women's transportation costs. The voucher program runs concurrently with a health equity fund that provides full or partial financial support to low-income women for health care user fees. Because of the program, the number of births in public health facilities in the area "increased sharply from 16.3% in 2006 to 24.9% in 2007 and 44.9% in 2008," and "facility deliveries of voucher beneficiaries increased by 195.9% in two years, from 2.4% in 2007 to 7% in 2008." While "voucher and [Health Equity Fund] beneficiaries accounted for 40.6% of the expected number of births among the poor" in 2008, 55.4% of individuals who received vouchers during the period did not use them, reporting health center distance, transportation problems, fear of uncompensated costs, and difficulty leaving the home and children



NEWS & EVENTS

1/7/10

The Economist Outlines the Changing Financial Sources of Health Development Assistance

A [recent article](#) in *The Economist* discusses recent changes in how international health development assistance is funded and spent. The article mentions public-private partnerships such as the GAVI alliance, and efforts by private companies to expand drug research for diseases that affect the developing world. Additionally, the article notes new methods of transparency in aid delivery and measurement of outcomes.

Reproductive Health Matters Issues Call for Papers on the Private Sector in Reproductive Health

The journal *Reproductive Health Matters* is calling for paper submissions for an upcoming issue focused on the Privatization and Commercialization of Sexual and Reproductive Health Services. Topics of interest include: motivations for using the private sector, outcomes and quality in private services, and innovative public-private projects. [Link](#)

The Business of Health Policy Notes from IFC/World Bank

The IFC's Health in Africa Initiative launches a new series of Policy Notes., calling for more engagement of the private sector by governments in developing countries. [PDF Link](#)

Above: A Maternity Clinic in Cambodia

uncompensated costs, and difficulty leaving the home and children unattended as the major reasons. The authors suggest allowing "qualified private providers" to participate in the voucher program to improve access. [PDF Link](#)

South African Consumer Perceptions of Drug Quality

Patel et al., *Health Policy and Planning* 2009

Patel et al. conducted a qualitative examination of consumer perceptions of drug quality in South Africa, finding numerous determinates of perceived drug quality, including perceived effectiveness, prior knowledge, and cost. Consumers in the sample felt that the extent a medicine reduces or alleviates symptoms was the "main descriptor" of quality. Consumer perceptions of quality, however, were also significantly influenced by the site of care and the associated costs. Private sources were preferred, despite increased cost, due to the individualized care provided, consumer choice offered, quick turnaround, and increased trust in private providers. Additionally, consumers "displayed a general suspicion towards free and cheaper medicines supplied by the state," lending support to the concept that consumers use price as a "proxy measure for quality." The study documented increased consumer acceptance of generic medicines for chronic conditions and when the medical provider, rather than the dispenser, endorsed them. The authors argue that South Africa's recent policies to encourage pharmacists to substitute generic medicines and for the government to distribute free medicines could be enhanced by educating consumers about the benefits and quality of generic medications. [Link](#)

Medicine Prices in Urban Mozambique: A Study of Pharmaceutical Markets and Price Determinants

Russo and McPake, *Health Policy and Planning* 2010

Russo and McPake surveyed public, private, and state-owned private pharmacies in and around Maputo, Mozambique to determine medicine availability, price, and affordability, discovering highly inflated prices for medicines in private pharmacies, inadequate government regulation, and concerns surrounding quality. Private sector pharmacies stocked more generics and originator brands than public sector pharmacies but less generic brands than state-owned private pharmacies. Medicine prices were between four and five times the international reference in private and private state-owned pharmacies and less than half the international reference price in public sector pharmacies. Private pharmacies displayed a wider price variation for branded drugs than generics. An analysis of affordability "suggests only a small fraction of the urban population would be able to purchase brand drugs in private pharmacies" and that long-term treatments for chronic conditions were less affordable than acute conditions. Russo and McPake found that medicine prices were largely determined by local retailer mark-ups rather than the procurement costs and noted that government price regulation of pharmaceuticals through laws prohibiting large drug profit margins and through recommended selling prices were ineffective because of lax enforcement. The authors conclude that the government could expand the availability and affordability of generic drugs in urban Mozambique by actively regulating generic drugs, requiring "compulsory disclosure of product information" to facilitate consumer choice, and "invest[ing] in publicity measures ... to promote generics of established quality." [Link](#)

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