Starting at Scale and Network Effects: Measurement Issues from the Field

The Private Sector Innovation Programme for Health (PSP4H)

DCED Global Seminar Marketplace, Bangkok, 15th March 2016
The Private Sector Innovation Programme for Health (PSP4H)

• A three-year action research project funded by UKAid Kenya, exploring the markets in which poor people pay for-profit providers for healthcare
  • The world’s first dedicated M4P programme in the health sector
• The overall objective of the PSP4H programme is to learn lessons of how a market systems approach might benefit pro-poor healthcare interventions, to inform future programming
• PSP4H uses DCED-based intervention logic/measurement systems
• Logframe impact is measured in terms of information to DFID
  • However, in order to produce evidence of success or failure, market players must be actively engaged in pilot interventions
  • Market outcomes and impacts must be robustly measured
PSP4H Approach

- TA only – no grants
- Interventions follow a defined process
- Monitoring and results measurement are integrated into the intervention process – not a separate, external function
- Interventions are designed with simple logic
  - Basic four-step results chain
  - “Cheat sheet” used at concept stage
- Draft measurement plan required early - at concept stage
- Partner obligations include data collection and sharing
- Intervention managers are accountable for obtaining measurement data
Observations and Lessons

• **What PSP4H does**
  • Simple but robust intervention logic – “straight line” interventions
  • Single (or few) activities at input stage
  • Minimalist approach to indicators – enough but not too many
  • Portfolio approach, allowing the marketplace to take its course
  • Converging interventions at latter stages of maturity to scale up through network effects
  • Always questioning attribution (and being honest about it)

• **What PSP4H does not do**
  • “Spaghetti bowl” results chains
  • Design all components of comprehensive market system change from the beginning, before the market speaks
Use of the Standard in the Healthcare Sector

- The healthcare sector is crowded with direct intervention development programmes (subsidies, grants, provision of commodities, equipment and services, budgetary support)
  - Kenya had 273 donor-funded health programmes in early 2014
  - Difficult to find a “clean” intervention
  - Attribution becomes difficult with multiple players at input level
- Healthcare research often requires ethical approval from regulatory bodies due to involvement of human subjects
  - This slows down surveys involving beneficiaries which may be needed to measure impact
PSP4H Programme Activities

• Market engagement with private healthcare players has been outstanding
  • 16 active interventions in seven healthcare market areas
  • Short time frame has forced innovation in approach, e.g. “quick intervention” model
• PSP4H developed an approach dubbed “starting at scale”
  • An alternative to the conventional pilot and scale-up
• Working with networks in the private pharmacy (Pharmnet), diagnostic laboratory (Labnet), and consulting physician (Docnet) segments, PSP4H has fostered quality, affordable primary care already reaching millions of low-income Kenyans
Closing the loop on affordable quality primary healthcare through the private sector
Results to Date

• Pharmnet
  • 324 members in the network
  • Covering every county in Kenya (47)
  • 2.9 million Kenyans served annually, primarily low income
  • Network expanding to over 500 by June 2016, making Pharmnet the largest pharmacy network in Africa

• Labnet
  • 65 independent labs in the network
  • Expanded outside Kenya to East African Community neighbours (Uganda, Rwanda, Tanzania), showing replicability as well as scale
Great Value for Money through the Private Sector

323 licensed and registered Pharmnet® members throughout Kenya

2.9 million low-income Kenyans served per year at Pharmnet® pharmacies

£141,346 total UK Aid investment in technical assistance through PSP4H

£0.035 cost to UK Aid per Kenyan given better access to genuine medicines each year

Supported by UK Aid, Pharmnet® is a network of retail pharmacies owned by Kenya Pharmaceutical Association members which delivers quality-assured affordable medicines to communities across Kenya.

http://goo.gl/o4rWrR
Measurement Issues from PSP4H

- How to measure “network effects” appropriately?
- How to avoid double-counting impact when discrete interventions overlap?
- How to properly attribute unintended (but positive) consequences?
Expanded Issues for Thought

How do we measure network effects as interventions scale up?

- One problem is loss of attribution as interventions mature and reach outcome level
  - Once business models change and this is reflected in the marketplace, related players network in and accelerate change (this is different than like players “crowding in”)
  - Not all network effects can be designed in or anticipated at the design stage (nor should they be)
  - Although the change is clearly positive, how much can we attribute to programme assistance and how much to the marketplace?
- Can current models be adapted to meet the challenge?
Next Steps

• Impact surveys for Pharmnet
  • Actual footfalls versus baseline
  • Value for Money
    • For consumers
    • For donor
  • Poverty assessment of consumers
    • Are we hitting the target audience?
• Academic study of network effects and scaling up currently underway
Internet and Social Media

Check out our Web Site – The M4P in Health Portal (download over 50 original research reports, briefs, cases):

www.psp4h.com or www.m4pinhealth.com

Join our LinkedIn Group ‘M4P in Healthcare’:
https://www.linkedin.com/groups/8452836

Follow us on Twitter:
@psp4h