

Taking a Business Approach to Improve Quality of Care

Evidence from the Uganda Private Providers Loan Fund



COMMERCIAL MARKET STRATEGIES
NEW DIRECTIONS IN REPRODUCTIVE HEALTH



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IN PARTNERSHIP WITH
Abt Associates Inc.
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Presentation Outline

- Business Approach
- Intervention
- Impact of Intervention on Perceived Quality of Care
- Conclusions

Why use a Business Approach?

- Private providers are commercial enterprises.
 - Constraints
 - Opportunities
- Provides a new set of analytical tools and strategies.
- Complements traditional public health programming to achieve impact.
- A business approach to working with small-scale private providers impacted perceived quality of care.

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Uganda Private Providers Loan Fund

Issue: Lack of financing and basic business skills are constraining the growth of small private practices in Uganda



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Project Objective

Provide access to credit and TA in business skills to at least 500 private providers in order to:

- Increase the viability of private practices
- Expand services
- Improve quality

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Project Partners

- Uganda Microfinance Union
 - Administer and market fund (with initial support from FS)
 - Guarantee repayment
 - Share interest income
- Uganda Private Midwives Association
- Commercial Market Strategies Project
- ACDI/VOCA, National Smallholder Business Centre

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Design of Fund

- Loan Fund Capital: \$300,000
- Borrowers: midwives, nurses, doctors, clinical officers, drug shops
- Loan Size: \$30-\$5,000
- Loan Terms: 6-12 months
- Group lending or secured
- Savings required

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Loan Fund Criteria

- Must be willing to provide family planning services
- Must own a private practice
- Loan must be used for private practice
- Must be creditworthy and able to repay



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Business Skills Training Program

- Training curriculum
 - Customer service (Perceived Quality)
 - ✓ Privacy
 - ✓ Accessibility
 - ✓ Customer satisfaction
 - ✓ Cleanliness/Hygiene
 - ✓ Affordability
 - Record-keeping
 - Stock control
 - Profit and loss analysis
 - Business management
 - Handling credit
- 5-day workshop, clinic follow-on



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Loan Fund to Date (11/30/03)

- Total loans to first time borrowers: 560
- Total loans: 1,193
- Average loan size for first loans: \$652
- Delinquency: 1%, no write-offs
- \$275,000 outstanding
- \$870,000 has been disbursed in loans.

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Monitoring and Evaluation

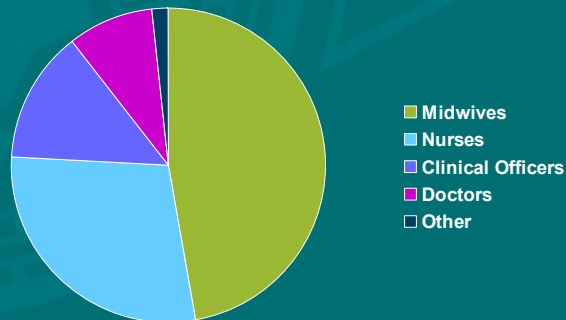
- Monitoring Objectives
 - Monitor borrower profile
 - Monitor trends in service expansion and financial viability
 - Provide feedback to program managers
- Evaluation Objectives
 - Impact of loans and business training on quality
 - Provide feedback to private providers

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Distribution of Borrowers by Provider Type

- Midwives: 47.1%
- Nurses: 28.8%
- Clinical Officers: 13.6%
- Doctors: 8.8%



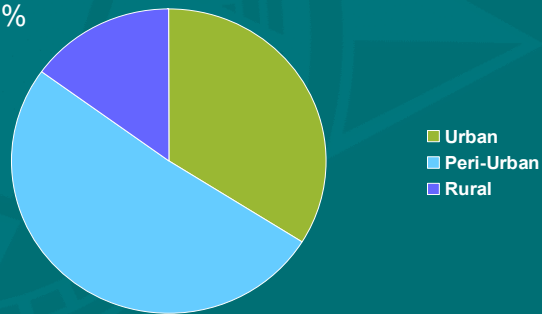
Source: Loan Applications, n=295

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Distribution of Borrower Clinics by Market Area

- Urban: 34%
- Peri-Urban: 51%
- Rural: 15%



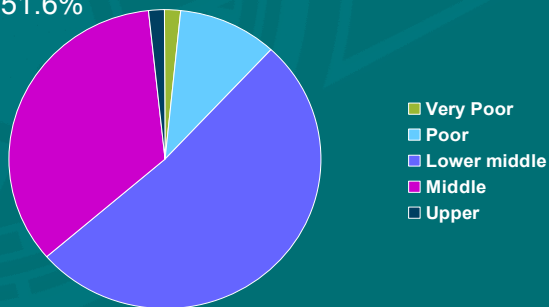
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Source: Loan Applications, n=291, 4 missing

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Distribution of Clinic Clients by Income Grouping

- Very poor: 1.6%
- Poor: 10.4%
- Lower middle: 51.6%
- Middle: 34.9%
- Upper: 1.6%



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Source: Service Statistics, n=192, 103 missing

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Distribution of Borrowers by Use of Loan

Use of Loans (multiple uses)	1 st Loans	2 nd Loans
Increase drug stocks	77.5%	71.2%
Buy equipment	45%	52.1%
Clinic renovation/expansion	32.2%	47.9%
Other	9%	6.8%

Source: Loan Applications, n=289, 6 missing

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Evaluation Results



Source: Agha S, Balal A, Okello-Ogojo F.

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Hypothesis



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Study Design

- Quasi-experimental study
- 15 private midwife clinics in intervention (Kampala), 7 private midwife clinics in comparison (Mbarara)
- Pre and post-test client interview surveys

	Intervention Pre Test	Intervention Post Test	Control Pre Test	Control Post Test
Clients Interviewed	800	900	300	400

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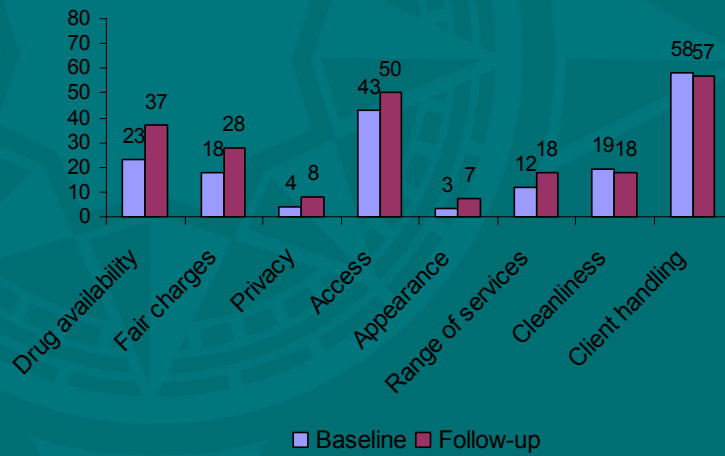
Questionnaire

- Socio-demographic characteristics
- Client loyalty
- Perceived quality

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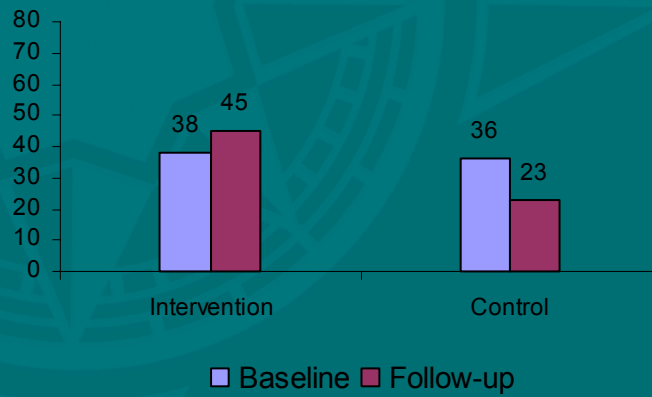
Client Perceptions of Quality Improved at Intervention Clinics



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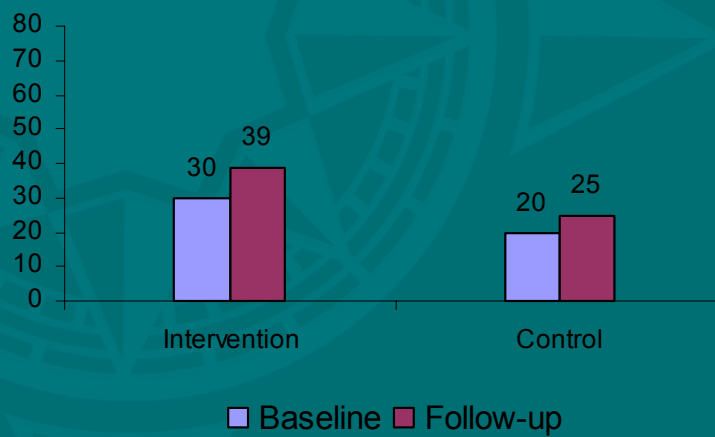
Client Loyalty Increased at Intervention and Decreased at Comparison Clinics



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Percent of Clients who Reported MCH Visits Increased



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Discussion

- Perceived quality of care improved
- Client loyalty increased
- Indication that MCH utilization increased
- Short observation period —13 months
- Study did not measure actual changes in quality. Anecdotal evidence. Would be useful to measure this.

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Conclusions

- Increasing access to financing and training for small scale providers can improve perceived quality
- Large demand for credit by small private providers
- Provides donors with a mechanism to reach large numbers of providers that are too small or inaccessible.

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