

Future Challenges to Achieve the RBM Private Sector Treatment and Diagnosis Targets

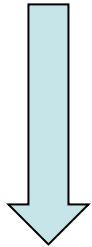
Lessons learnt from country-level implementation and operation research

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September 2012

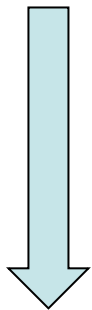


The piloting of the AMFm provides unique lessons learnt on the implementation of a top-of-the supply chain subsidy

Preparatory Phase



Implementation



Preparing for the future

- 1. The need to bridge the gap between the public and the private sector and addressing the disconnect between malaria policy and regulatory environment***
- 2. From uncertainty around 1LB engagement to “irrational” ordering: A better understanding of the market to guide future strategies.***
- 3. Substantial price reductions but can we do better? Opportunities for efficiencies throughout the supply chain (but covering more of the demand)***
- 4. The role of regulation to increase uptake: is WTP defined by ineffective and often poor quality products?***
- 5. Subsidizing RDT to achieve better quality of care and target investments to true malaria cases***
- 6. The path to private sector access to high quality recommended first line treatment and diagnosis without subsidies***



The start of the implementation clearly demonstrated the disconnect between policy makers, regulators and private sector actors

Public Sector

National Malaria Control Programs

Clear Policy on Recommended Treatment(s)

National Regulatory Authorities

Wide range of products registered including non-recommended treatments and “unique” formulations

Implementation speed often dependent on government/donor imposed tendering and/or disbursement procedures

Private Sector

Driven by consumer demand with fever often equal to malaria and strong brand equity from old ineffective treatments

In some countries the strong local manufacturing capacity (of non-PQ-ed products) and desire to stimulate the local economy not compatible with donor requirements

Capacity to rapidly implement not constrained by tendering procedures

Strong collaboration between the public and private sector will remain essential in any future scenario

Cross-sector collaboration

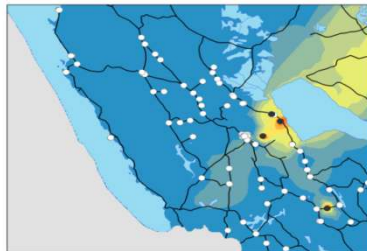
The AMFm technical committees demonstrated the potential for continued cross-sector collaboration. Leveraging the strengths of private sector will be essential to meet global targets

RUKWA Feb 2011



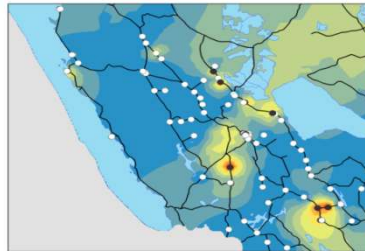
Urban: 7% (\$1.30)
Remote: 1% (\$-.-)

April 2011



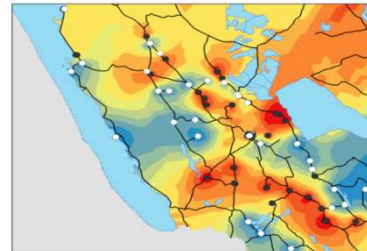
Urban: 8% (\$1.23)
Remote: 9% (\$0.84)

May 2011



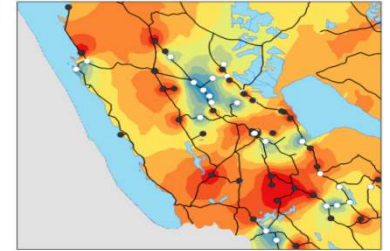
Urban: 21% (\$1.15)
Remote: 19% (\$1.15)

Aug 2011



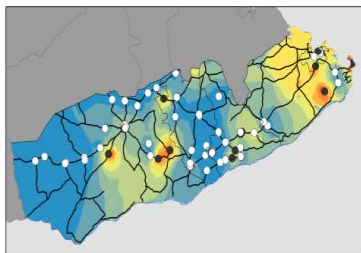
Urban: 65% (\$0.97)
Remote: 46% (\$1.04)

Jan 2012



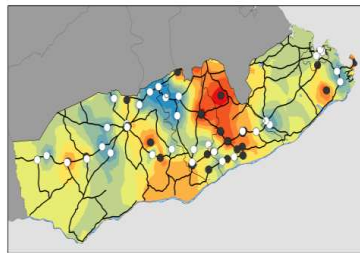
Urban: 65% (\$1.00)
Remote: 61% (\$0.94)

MTWARA Feb 2011



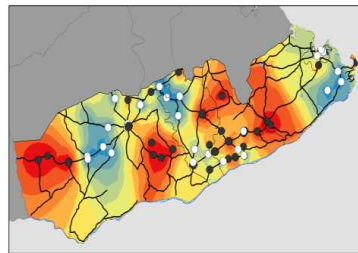
Urban: 39% (\$0.96)
Remote: 16% (\$1.13)

April 2011



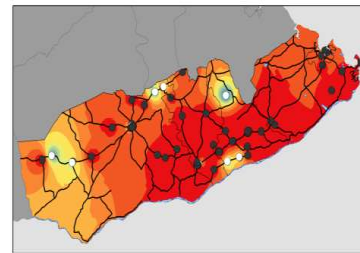
Urban: 53% (\$1.03)
Remote: 51% (\$1.09)

May 2011



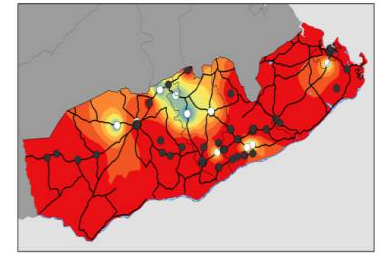
Urban: 67% (\$1.01)
Remote: 67% (\$1.03)

Aug 2011



Urban: 92% (\$0.76)
Remote: 85% (\$0.79)

Jan 2012

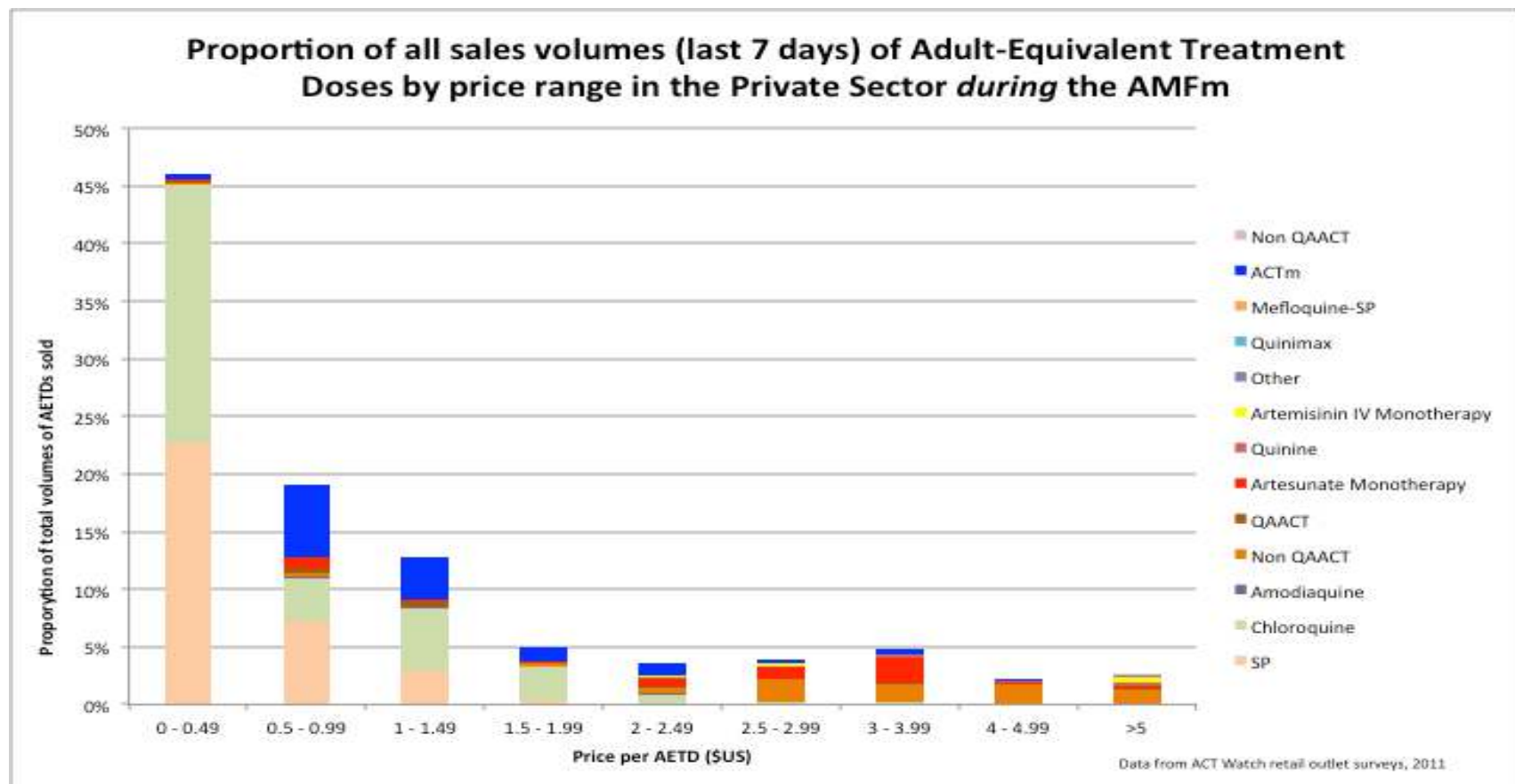


Urban: 94% (\$0.70)
Remote: 85% (\$0.79)

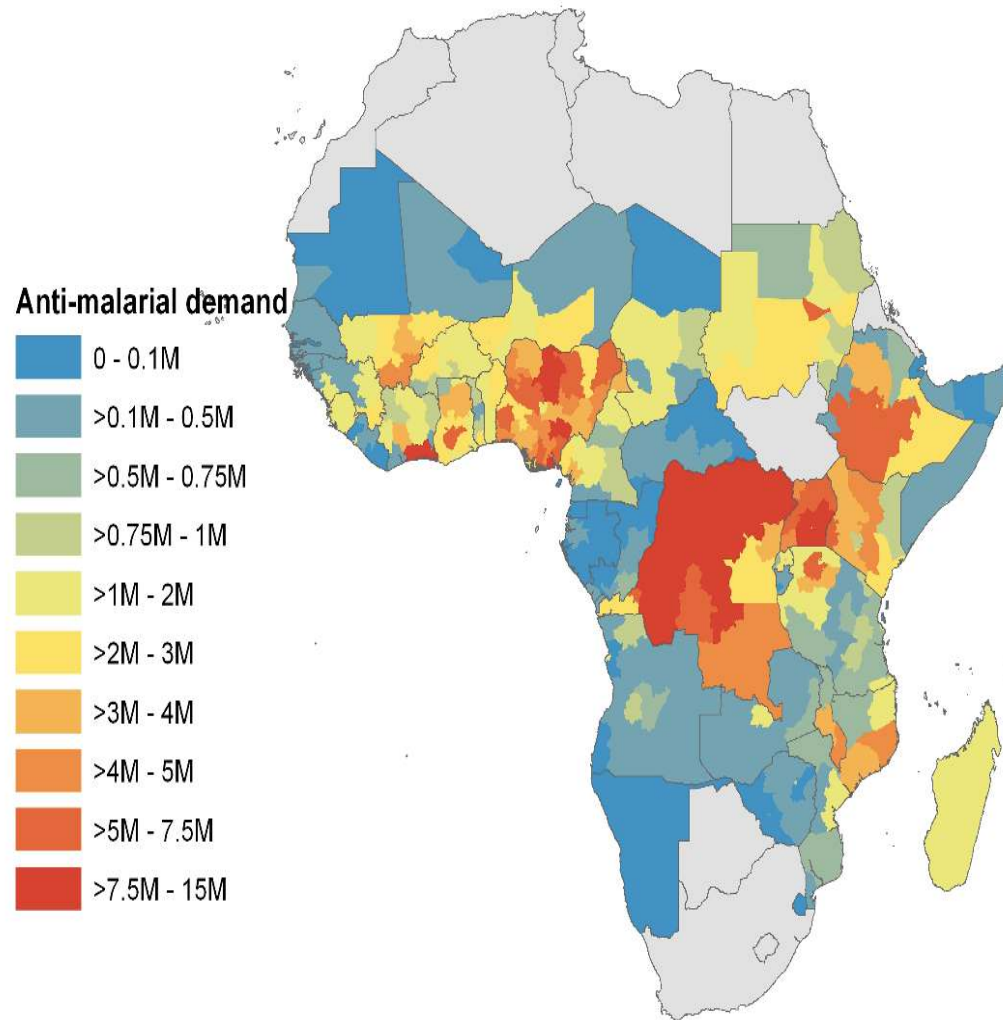
A better regulatory environment will create a more conducive environment to further scale-up access to high quality treatment

Improving the regulatory environment

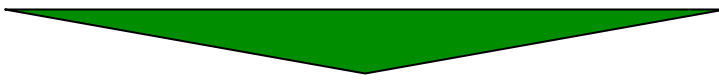
Given the successes in removing Artesunate monotherapies and, to a lesser extent CQ, what are the opportunities to increase access to high quality products through better regulation?



In 2011, first line buyers ordered > 100 million ACTs through the AMFm



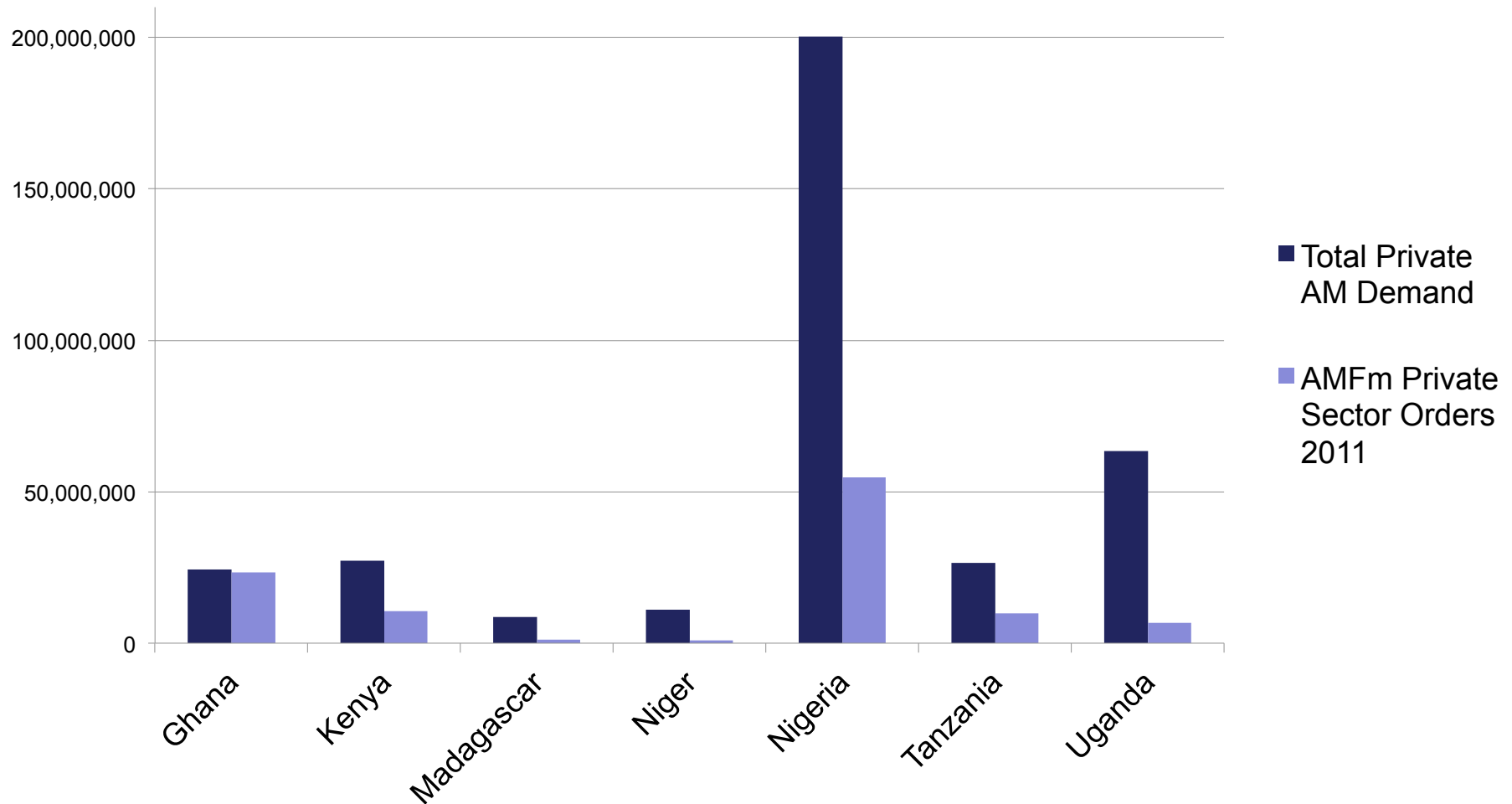
Cohen *et al* (submitted) estimated annual purchases of anti-malarials in the private sector of sub-Saharan Africa to be **571 to 746 million doses** a year and stated that “it is plausible that the total annual demand for anti-malarials [private and public] in Africa may be well over **one billion treatments**”



Ordering patterns seen at the start of the AMFm were driven by a large pre-existing demand for anti-malarials

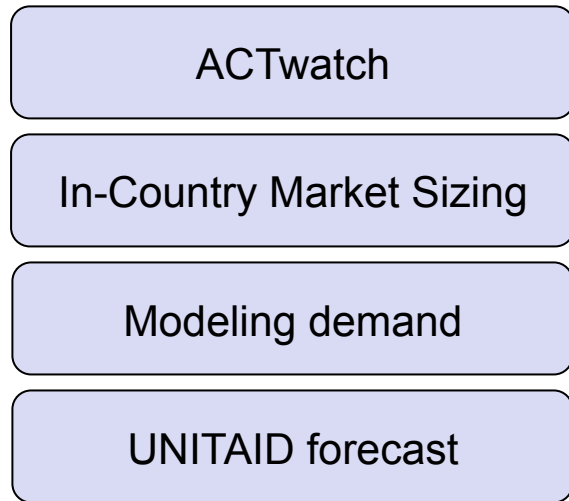
Apart from Ghana, approved orders in 2011 never covered the estimated demand in AMFm pilot countries

Private Sector AMFm Orders Compared to Total Estimated Demand* by Country, 2011

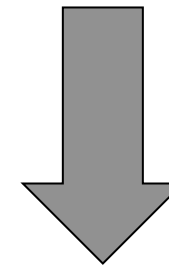
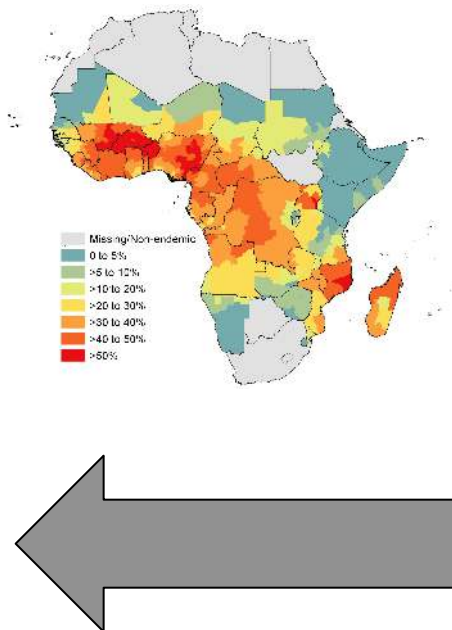


* Cohen et al, 2012 (submitted)

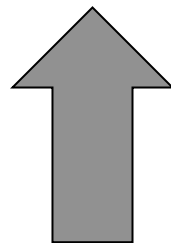
Better market intelligence using different sources of information will allow to define strategies that cover more of the demand with the limited resources available



Better understanding of the malaria (and fever) market

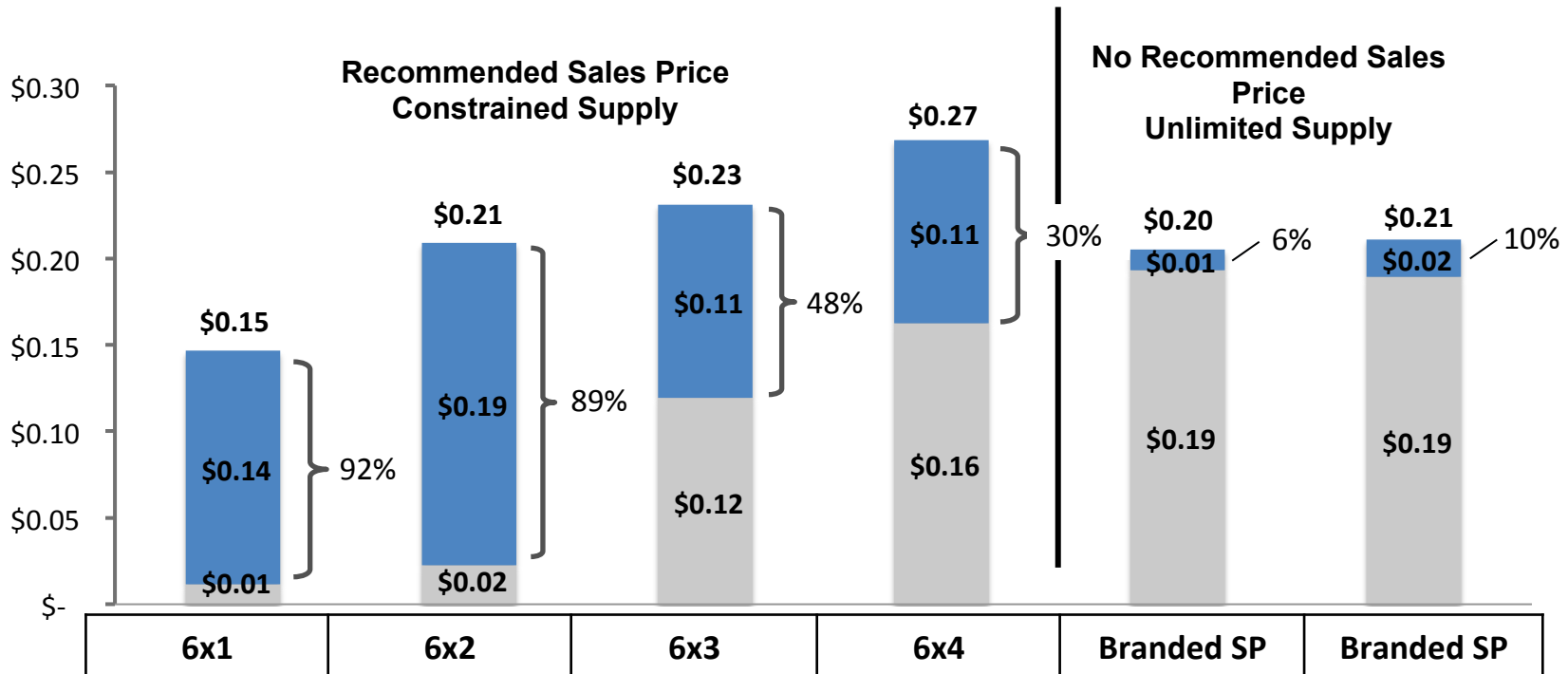


Strategies drives by robust market intelligence that better target limited resources available



Higher availability and lower prices

The wide range of end-consumer prices from the IE indicated that in some setting substantial saving throughout the supply chain can be achieved.



Recommended sales prices and limited supply were a potential reason for substantial mark-ups compared to similar products

...and the subsidy level is not always the main driver of margins and therefore end consumer price.

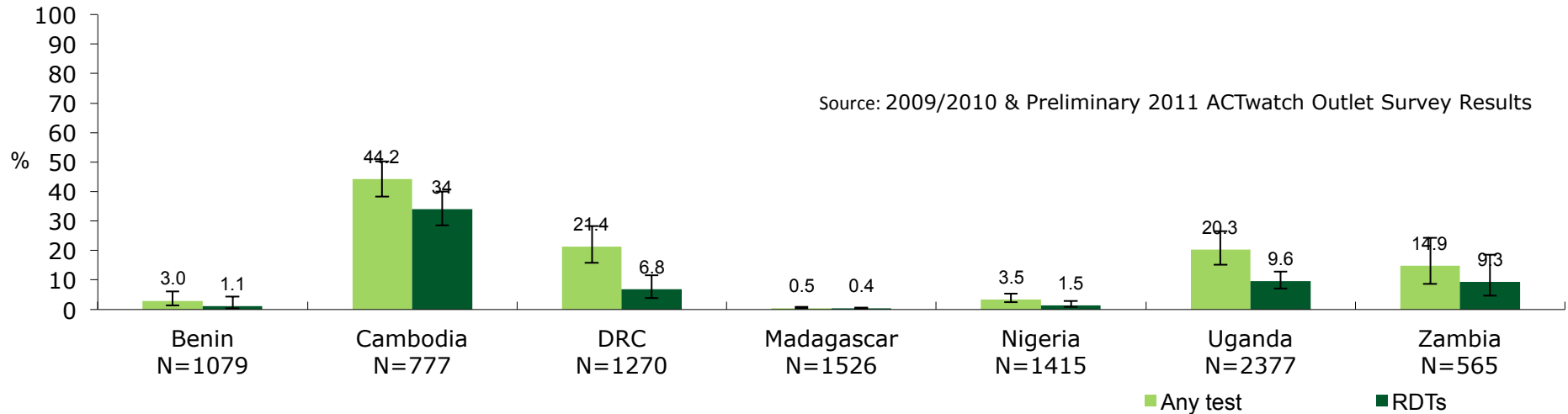


But... the fact that demand was never fully met did not allow for market mechanisms to better control the price.

➡ *Meeting a larger proportion of the demand combined with better control over the margins could potentially reduce both the subsidy level and end consumer price*

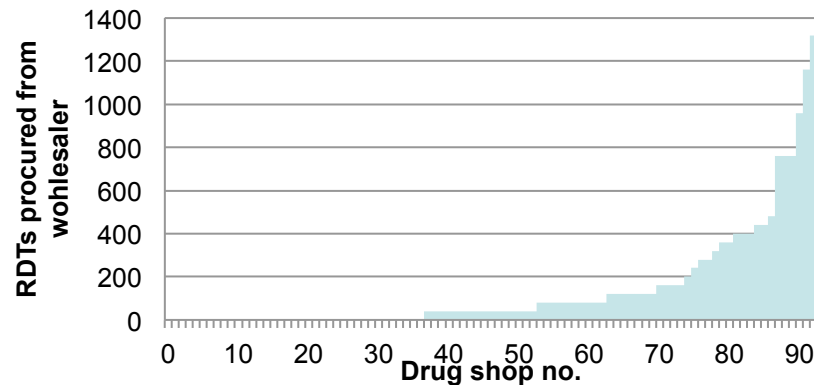
Scaling-up diagnosis (RDTs) in the private sector presents unique implementation challenges

Private Sector



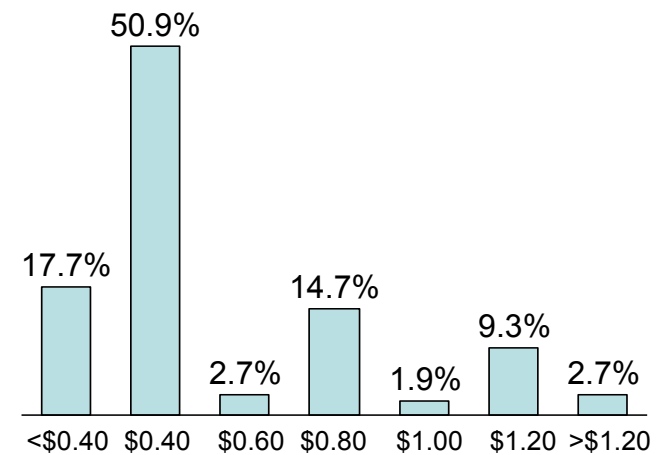
Variability in drug shop demand for RDTs:

36 shops did not procure any RDTs
6 shops account for 40% of the RDT volume



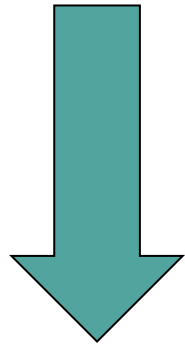
RDT price at drug shops:

Customers reported \$0.40 as the most common price paid, a 100% mark-up over wholesale prices

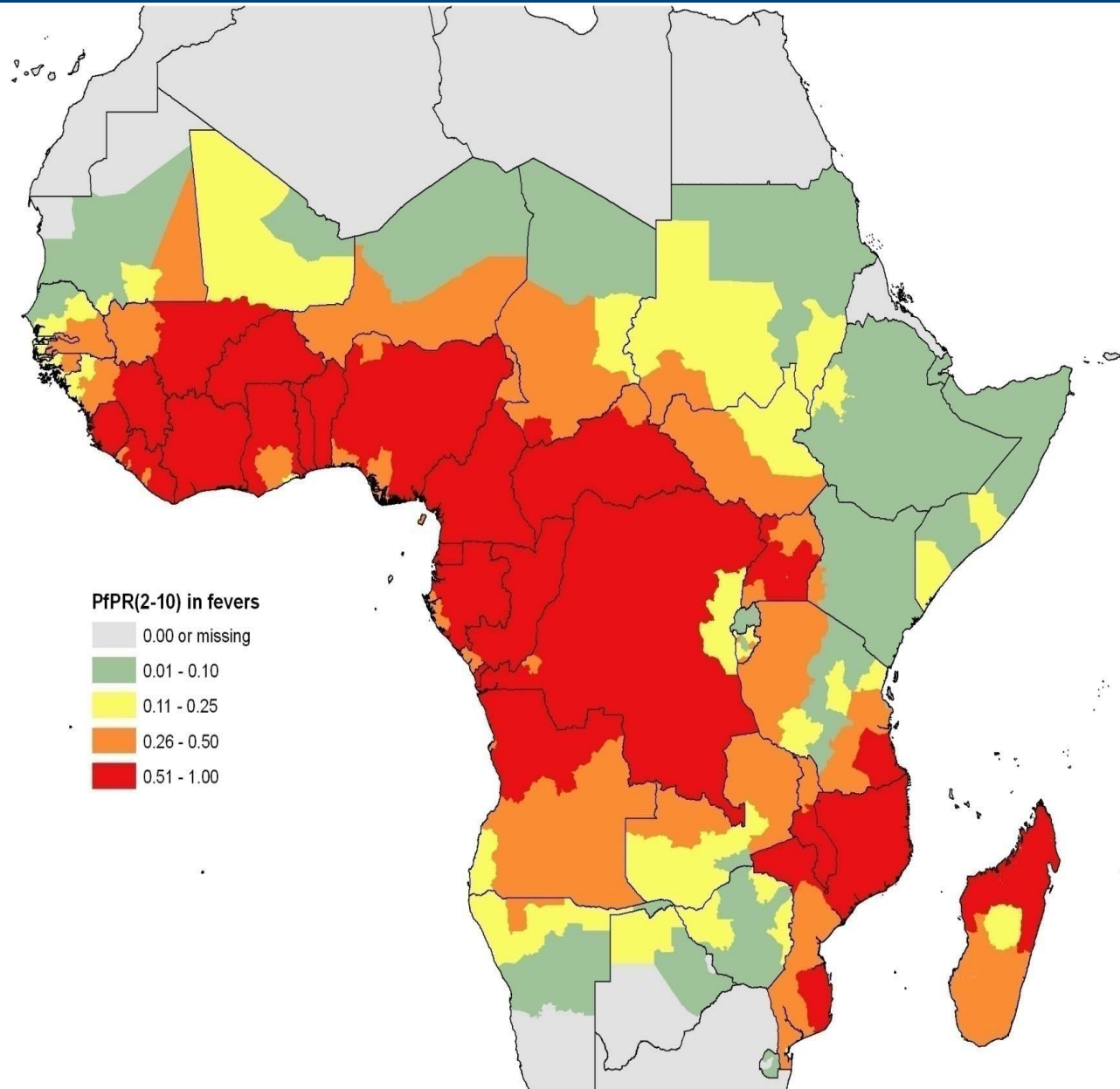


Subsidizing diagnosis will, in the short term, not lead to substantial cost saving for fever case management through the private sector.

With limited resources available, what are the absolute top priority countries for rapid scale-up of diagnostic services in the private sector?

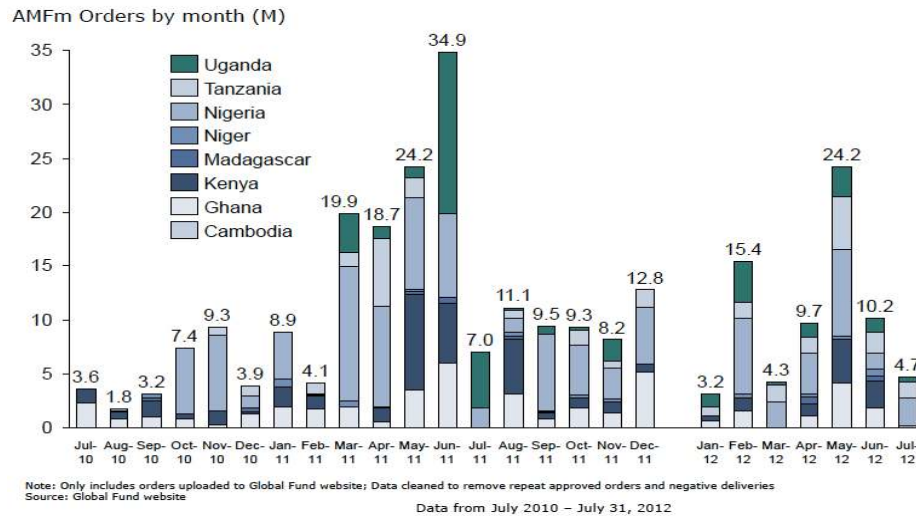


Balancing the immediate need for better case management against the implementation challenges

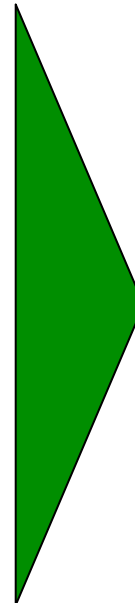


Working toward a future without subsidies

> 270 million treatments sold through the AMFm

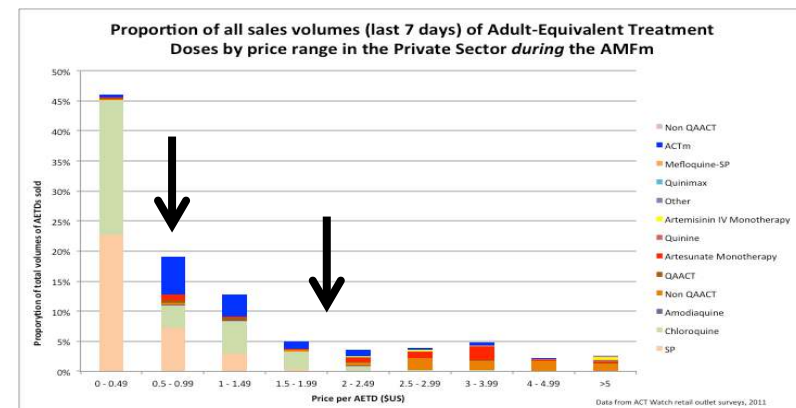


Finding lower-cost effective ACTs, such as DHA-PQ, will help drive down the funding amount required in a subsidy model and may offer an opportunity to introduce a product at a low enough price that a subsidy is not needed.



Manufacturers have indicated that they do not want to lose traction in a large and no longer premium market

Two out of the seven WHO pre-qualified manufacturers have demonstrated willingness to sell ACTs to private sector buyers at cost-plus pricing (public sector prices)





Thank You