Evolution of Social Franchising in Uttar Pradesh
Tapping Rural Providers for Quality Family Planning Services

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Uttar Pradesh and its Challenges

- Most populous sub-national entity in the world, situated in the Gangetic plain, with approx. 200 million population
- High MMR(345), IMR(71), TFR(3.8)* and Low institutional delivery(22%)**
- High unmet need(21.2%) ***
- Shortage of trained service providers, commodities-11% of the population can’t access government heath system ***
- High(92.5%) out of pocket expenditure on health
- Failure of earlier fractional franchisees

*AHS(2010); **DLHS-III(2008-09); ***NFHS-III(2010)
Social Franchising was developed as an innovative, sustainable, for-profit PPP model to deliver MH and FP services at 30-50% below market prices to generate interest among rural private providers.
Fundamentals of the Social Franchising Model

• Business format approach for SUSTAINABILITY THROUGH INNOVATIONS

• Market research fundamental to future growth of the network

• Three-tiered approach with a mix of full and fractional franchising

• Building brand value: ‘beyond just the logos’

• Linkages with existing government schemes

• Franchisor’s role in:
  ✓ Building capacities and training
  ✓ Development of vendors and procurement at competitive prices
  ✓ Regulating quality assurance systems
  ✓ Marketing of the network
Funding from USAID

Government of Uttar Pradesh/ SIFPSA

Implemented by HLFPPT in 35 districts

<table>
<thead>
<tr>
<th>Level</th>
<th>Location</th>
<th>Description</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>L 1</td>
<td>District</td>
<td>MerryGold Hospitals</td>
<td>67</td>
</tr>
<tr>
<td>L 2</td>
<td>Sub District or Block</td>
<td>MerrySilver Clinic</td>
<td>367</td>
</tr>
<tr>
<td>L 3</td>
<td>Village</td>
<td>MerryTarang Members</td>
<td>10814</td>
</tr>
</tbody>
</table>

L 0 – Centres for Excellence for training and exposure visits to newly inducted franchisees
Services offered

• **MerryGold Hospitals:**
  - 20 bed facility with Operation theatre
  - maternal and child health services
  - emergency obstetric care facility

• **MerrySilver clinics:**
  - 5-6 bed facilities
  - basic obstetric care, FP services
  - counseling and immunization services

• **MerryTarang Members (MTM):**
  - health-counseling, demand generation, referral services
  - condoms, Oral Contraceptives, Oral Rehydration Salts and Iron and Folic Acid tablets
MGHN-the way it works

MGHN NETWORK

Merry Gold Hospitals (L1)

Merrysilver Clinics (L2)

Merry Tarang Members (L3)
Ensuring quality…

• Periodic reviews
• Client Satisfaction Survey
• Client exit interviews
• Periodic medical audit
• Regular analysis of franchisee data
Comparative QA Analysis for Jul-Sept 2010-11

Health facilities:
- Azamgarh-2
- Azamgarh-1
- Bareilly
- Kanpur (L1)
- Kanpur (L0)
- Agra
- Lucknow (SRM)
- Lucknow (SDC)
- Lucknow (Ankerite)
- Barabanki
- Gorakhpur (Dr. Safia Abbas)
- Gorakhpur (Dr. Upma)
- Varanasi
- Badaun

Percentage scoring based on QA checklists:
- 4th QA
- 3rd QA
- 2nd QA
- 1st QA
Critical Success Factors

• Proven products/services
• Strong clinical quality protocols
• Service delivery mechanisms - tested and documented
• Robust legal framework and strong marketing base
• ‘Sovereign’ territory for franchisees
• Training support by franchisor
• Bulk purchase of equipment and commodities
## Services Output*

<table>
<thead>
<tr>
<th>Service</th>
<th>Output</th>
</tr>
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<tbody>
<tr>
<td>Deliveries</td>
<td>149,556</td>
</tr>
<tr>
<td>ANC</td>
<td>852,225</td>
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<tr>
<td>Day Care Procedures</td>
<td>73,360</td>
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<tr>
<td>IUD</td>
<td>43,519</td>
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<tr>
<td>Sterilization</td>
<td>12,147</td>
</tr>
<tr>
<td>CYP generated</td>
<td>1,208,783</td>
</tr>
</tbody>
</table>

Data: Sept. 2007-2011

*Franchisor data base
Complimenting Government Programs

- Excellent quality private sector services at discounted rates
- Expanded services efficiently
- Reduced burden on public health facilities
- Enabled clients to save money by regulating the ‘private’ market for healthcare services
- Provided inaccessible services to ‘poor’ clients
### Saves money..an analysis for Oct 2011

<table>
<thead>
<tr>
<th>Service</th>
<th>Service Output</th>
<th>Average Payout in Other Private Hospitals</th>
<th>Payout in MGHN</th>
<th>Saving for consumers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nos</td>
<td>$/Unit</td>
<td>Million($)</td>
<td>$/Unit</td>
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<tr>
<td>Normal Delivery</td>
<td>9850</td>
<td>108</td>
<td>1.06</td>
<td>29.98</td>
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<tr>
<td>Caesarean Delivery</td>
<td>3484</td>
<td>210</td>
<td>0.73</td>
<td>99.98</td>
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<tr>
<td>Daycare Procedure</td>
<td>5443</td>
<td>40</td>
<td>0.22</td>
<td>19.98</td>
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<td>OPD</td>
<td>60628</td>
<td>2</td>
<td>0.12</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total Savings(Rs)</strong></td>
<td><strong>2.13</strong></td>
<td><strong>0.81</strong></td>
<td><strong>1.32</strong></td>
<td></td>
</tr>
</tbody>
</table>

**RoE: US $ 1 = INR 50**
Findings from MGHN Experience So Far

- Strong established on-the-ground infrastructure with more than 10,000 outreach volunteers (MTM) covers more than 70 million rural population
- Satisfied client base – ‘pricing’ and ‘quality’ of services
- Average increased case-load of 30 clients per facility per month during last one year (Ref: E&Y-2011)
Lessons and Outcome

• Saturate the existing districts to increase visibility. DON’T SPREAD TOO THIN

• Base pricing on ‘more frequent value’ for target clients rather than minimum value

• Diversify similar services to achieve high volume and low cost of operation

• Consolidating huge network for assuring Quality services to poor has been critical

• The UP State Government has accredited MGHN for the 'Janani Suraksha Yojana' and 'Sowbhagyavati Schemes' to provide free of cost RCH services and emergency obstetric care

• MGHN got accredited for Government Scheme (MCH and FP)
Thank You

For more information on the project visit www.futuresgroup.com