

Distribution platforms as the backbone of affordable community health

Angelique “Lika” Dioguardi and Joost van Engen explain how the Healthy Entrepreneur distribution model works in Uganda

In Uganda, as well as many other sub-Saharan countries in the world a rural family may spend over 350,000UGX on healthcare costs a year, yet over half (190,000 UGX) is used for transport and only 160,000 UGX for the actual treatment. The cost of bodas (motorcycle taxis) or bicycles to the health facilities whether public or private can be high. On arrival, there is no guarantee for consultation or access to free medicine. In many cases, the medicine is out of stock and not available. Often pharmacies are profit oriented and can take advantage of the health facility stockouts, thereby increasing the price of the medicines. This is a common picture in districts and rural areas.

Healthy Entrepreneurs (HE) is a not-for-profit social enterprise that is solving the distribution challenge. Started in 2012, it opened a Kampala office in 2016 with the goal of upending one of the most difficult global health care challenges: consistent, reliable and affordable distribution of health care to the last mile.

Two key assumptions were made in the model:

1. Healthcare should be affordable not for free
2. If transport costs are taken out of the picture there is money available for treatment.

These assumptions have laid the groundwork for a market-based approach that compliments the government health structures. As of February 2022, approximately 6,300 Village Health Team members were trained with a 90% retention rate.

Tackling the problem

“Why can you find a bottle of soda in remote villages, but not paracetamol?”

Healthy Entrepreneurs is tackling the most expensive and difficult part of health care conundrum – the distribution of services and products to rural areas. By addressing the core issue – a costly and heavy distribution chain – affordable community health is realised. With a distributor’s perspective, co-founder Joost van Engen utilised experience as a commercial and pharmaceutical distributor to build a cost-effective and efficient distribution model. This private sector approach has enabled the market to become more demand-driven based on the primary motivator: affordable prices for doctor services, basic medicines and preventative products that are close to home!

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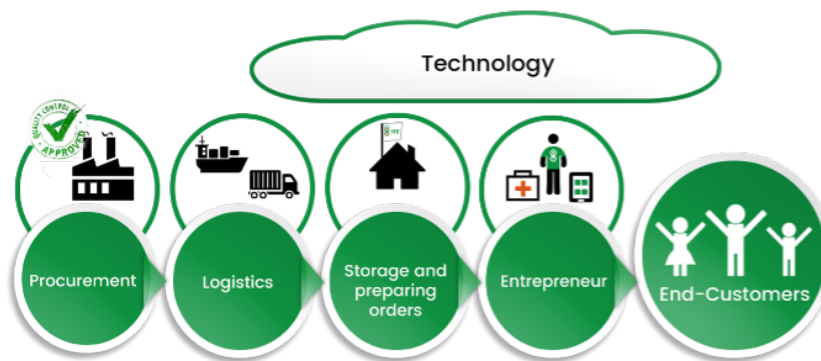
A community health worker in the village

Strengthening the supply chain

Licensed by the National Drug Authority, Healthy Entrepreneur distribution model is centralised and data driven. The business’s lean operation sustains a profitable organisation that is scalable and eligible for investments. The driver of HE’s sustainability and value proposition is the integrated supply chain, with full control of products and avoidance of unnecessary mark-ups along the chain of supply. This low-cost operation enables HE to provide Community Health Entrepreneurs (CHEs) with high-quality products at lower prices than elsewhere. Access to a medical staff via the call center gives direct patient support to CHEs while bringing comfort to patients of quality.

How its done: Stages of the CHE Training

Endorsed by the Ministry of Health and Minister Dr. Diane Atwine and the commissioner of Community Health, Dr. Upyentho, becoming a Community Health Entrepreneur is a simple.



End-to-end supply chain management

- Memorandum of Understanding is signed with the District Health Team and a 4-day training is given to selected Village Health Teams (VHTs).
- The training requires a commitment of 70,000UGX (20USD). A basic starter kit worth 140,000 UGX (40USD) of health products are given, including an apron, government reporting tools, basic medicines, nutritional products, reproductive health and hygiene products.
- The training includes business and financial management and planning, customer care, product management and use and HE applications.
- VHTs are supplied with new stock every two weeks during VHT cluster meetings
- VHTs receive refresh trainings every two months by HE staff
- Toll-free access to medical consultants 15 hrs/ day at 7 days/week for community members,

bringing comfort and better answers to the patient.

- Toll-free access to customer support representatives for stock and financial management

Guaranteed sustainability

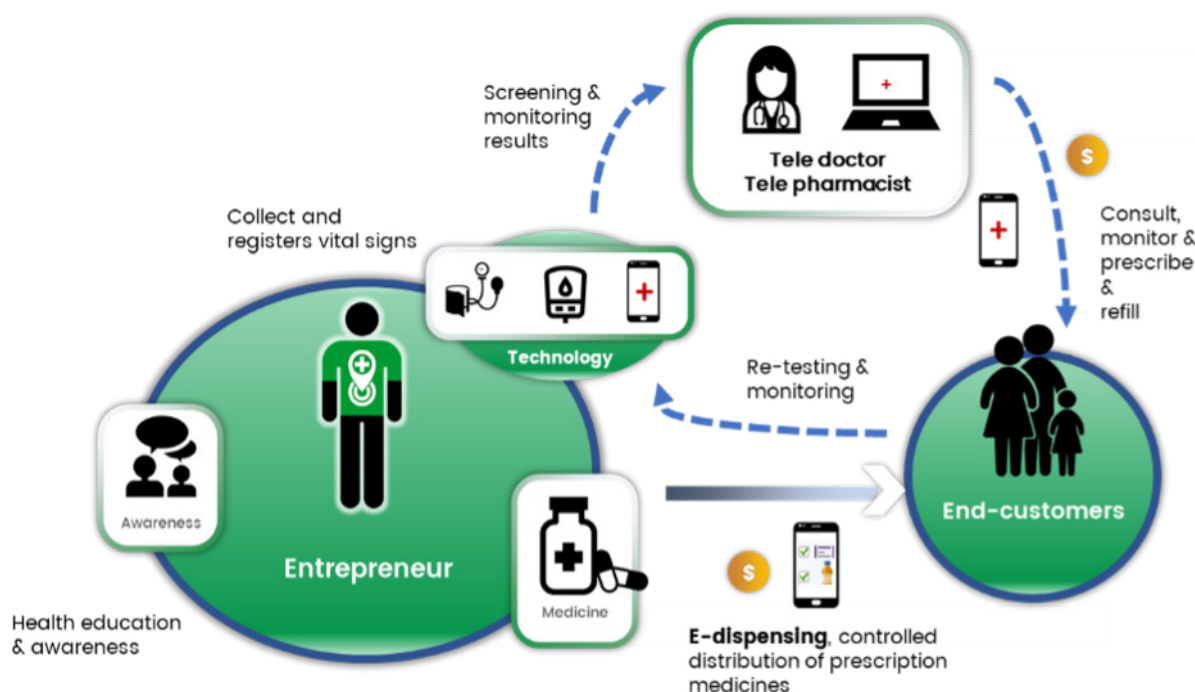
The Community Health Entrepreneurship (CHE) model strives to motivate voluntarily Community Health Workers (CHWs) by introducing profit as an incentive

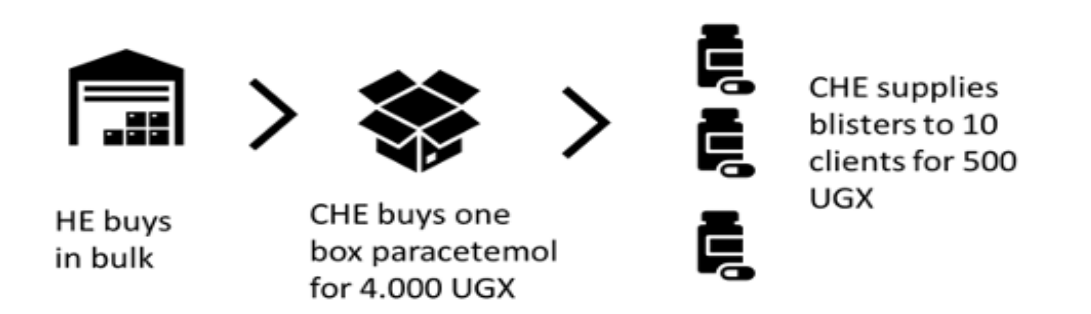
During routine house to house visits, the “CHW” can identify health needs and provide them from their small cache of health-care products and even access to medical officers via the phone.

This natural breakdown, allows, households to all benefits of health care close to home, less time consuming and affordable for routine illnesses and health issues. Referrals to health clinics and medical centers is still part of standard practice beyond basic problems.

The risk of overselling medication is mitigated through close supervision and social controls from the community. Since our entrepreneurs have already been working as CHWs/VHTs for several years, they have a reputation to keep, and are interestingly motivated to support their community.

The product assortment, which constitutes of several medicines, self-care, reproductive health, and nutrition products are immediately available, often at prices 10% to 15% below wholesale. Suggested retail prices or patient prices are approximately 35% over purchase price from HE, allowing the CHE to earn an income from her





sales. The defrayed rate is affordable for most community members and the “VHT” has an income source. Complicated cases are always referred to health centers for in person visits.

Valuing the Ugandan VHTs as community members and partners

Community health team volunteers (VHTs) have been front line responders of the Government of Uganda for decades. It is well accepted that VHTs are valued and trusted members of rural communities though VHTs are not consistently paid for their time and efforts to improve their communities. While many are proud to be a driving force for community health they cannot give unlimited unpaid time to the task. The World Health Organization and even the Ministry of Health recognizes the need to create an incentive to these dedicated first responders, in short, the VHT responsibility should be matched with an incentive or pay scheme. The Community Health Entrepreneurship (CHE) model strives to motivate voluntarily CHWs by introducing profit as a incentive Through the HE model, VHTs are earning by selling directly to community members, they are fulfilling the role given to them by the Government and are responding to the community needs. Through the HE model, VHTs are earning by selling directly to community members and responding to health needs. All within one affordable management system.

Integration of social entrepreneurship can support the existing VHT model, and fill in gaps where the current VHT model is lacking. With its combination of social value creation and entrepreneurship, a social entrepreneurship holds the potential to strengthen the CHW market and help avoid future market failures. Due to their social mission they usually offer products for a fair price and have more of an incentive to deliver good quality products

Connecting VHTs and technology for support

Healthy Entrepreneurs makes use of digital innovations to check and supervise the performance of the VHTs. Our technology enables low-cost tracking, management of supplies and review of the model. A call center and two HE developed mobile applications are the backbone of our monitoring system, allowing deep analysis of the supplies and the market. A HE Health app, uses triage questions to give guidance on healthcare issues and family planning. It contains a prevention checklists, education and prevention videos. The HE Product app

allows CHEs to request for new supplies. Purchases are paid with mobile money or cash on delivery. Deliveries are made bi-weekly, minimising the need for long-term planning.

Independent evidence of the model

A study conducted (2015 – 2018) by Erasmus University Rotterdam and the Makerere University Kampala found a significant improvement in knowledge and access to basic care in Uganda:

1. 1Households reached by CHEs have twice the odds of using modern contraceptives and were observed to possess 46% more comprehensive knowledge of HIV, STIs and other basic health topics(n = 1250).
2. 2CHEs have significantly better availability of essential generic medicine (80%) and basic equipment, were more motivated, referred twice as many patients, spend more time on health work and followed more refresher training and doubled their income. After 2 years more than 85% are still active.
3. The motivation of a CHE was positively affected by the opportunity to generate an income, the substantially better availability of generic medicine and the organisational structure. The entrepreneurial approach provides CHEs with the incentives, products and equipment that improve and sustain their functioning’

The way forward

This proven model is ready for further scaling, replication and institutionalisation or formalisation as part of the national health policy and strategy. By 2030, Healthy Entrepreneurs hopes to be the leading company specialised in reliable healthcare service provision in hard-to-reach and remote areas.

Currently 6,300 Community Health Entrepreneurs are active in 33 districts. By December there will be 10,000 CHEs to be serving in around 50 districts and 20,000 in 90 districts by the end of 2023. In The first quarter of this year, CHEs sold an average of 280,000,000 UGX of curative and preventative products to their communities with over 6,000 orders. Uganda is proudly the flagship operation with expanding operations in Kenya, Burundi, Tanzania and Burkina Faso. They say “money speaks”. There is no doubt that the Community Health Entrepreneur is responding to community health needs successfully and sustainably.