



A Healthier World

Reimagining **healthcare**
in developing countries

A Healthier World

A ROADMAP TO FAST TRACK PROGRESS IN AN ERA OF FLAT-LINING AID

“PSI believes Consumer Powered Healthcare is better healthcare.”

**Karl Hofmann, President & CEO,
Population Services International**

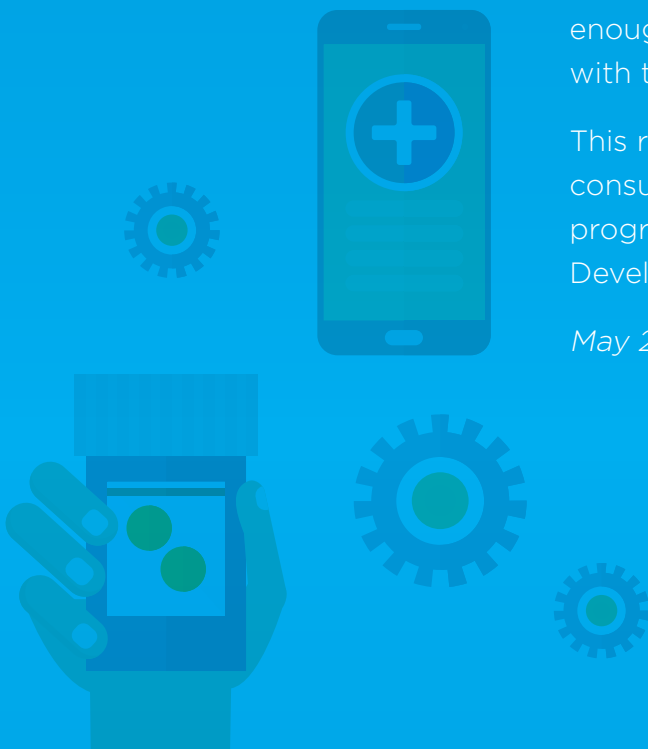
Traditional government aid for global health in developing countries is declining at a time when the youth bulge is expanding. Can technological advances help us change the way healthcare is delivered?

This special report explores the urgent need to reimagine healthcare for the 21st century.

Achieving universal health coverage calls for a paradigm shift and innovative and sustainable solutions to some of development’s most vexing problems. We will see better health outcomes faster when we treat a beneficiary more like a consumer—when we engage her in program design, and wherever possible, bring care right to her front door. Getting products and services to those who need it is not enough, we also need to delight consumers with their choices and healthcare experiences.

This report offers a roadmap for a new, consumer-centric strategy to accelerate progress towards the UN Sustainable Development Goals.

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The state of global health

The international community has made great strides in global health in the last half-century. According to the World Bank, life expectancy has risen dramatically from 52.5 years in 1960 to 72 years in 2016. Infant mortality rates decreased from an estimated rate of 64.8 deaths per 1,000 live births in 1990 to 30.5 deaths in 2016. There are better diagnostics available to detect illness, and new drugs and treatments that save and sustain life. Overall spending on health is rising faster than the global economy and is expected to surpass \$10 trillion by 2020, and \$20 trillion by 2040.

But significant global health challenges remain. Infectious diseases such as malaria, tuberculosis, diarrheal diseases and HIV threaten populations across the developing world, hampering economic and social development. Many areas are now experiencing the double disease burden as rising middle-class populations, urbanization and changing diets are increasing non-communicable diseases like diabetes and heart disease. Pandemic diseases—from the flu to Ebola—can transform and spread rapidly across the globe, and the world is unprepared for the next outbreak. Climate change will drive disease migration. More urgently, tens of millions of people displaced by war and conflict have acute health needs.

These are enormous challenges, and they will not be met unless we reimagine how to finance and deliver health services. If we stay the current course, we are on a road to failure.

“It’s time to plan for a future where global health spending comes from a wider variety of sources from domestic resources raised by host governments, private companies, foundations and philanthropic organizations, and where appropriate from consumers themselves.”

Karl Hofmann, President & CEO, of PSI

A new approach is needed: Consumer Powered Healthcare

Many global health experts argue the UN’s health-related Sustainable Development Goals will not be reached without significant changes in how the global community finances health systems. Today’s model that delivers donor aid from wealthy governments and institutions to developing countries is not sustainable. These resources are under greater pressure. Moreover, they are insufficient to provide adequate health to a growing world population.

Now is the time to improve the current model, and in doing so provide opportunities for more people around the world to take greater control of their own health. We have a greater opportunity than ever before to create new partnerships to leverage today’s medical, technological and health advances that allow consumers to better care for themselves.

PSI is developing an innovative approach focused on Consumer Powered Healthcare (CPH)—to help shape healthcare markets to work better for consumers in developing countries by approaching health from a consumer’s perspective and by expanding the market for products and services that are affordable, convenient and effective. Without a new strategy, universal healthcare remains out of reach.

The heart of this approach puts people and countries on a path of greater self-reliance. But for consumers to take greater control of their health, they need innovative solutions that allow

them to do so. This includes medical, technology and healthcare advances, improved services and new treatments that allow people to take better care of themselves in ways that are appropriate. In doing this, the burden can be lifted from strained health systems allowing them to focus on more serious health challenges that can’t be addressed by consumers themselves.

Change begins with a need to diversify how healthcare is funded, and by whom. Flat or lower levels of donor aid for health is a reality. But it is also an opportunity for new strategies to innovate, evolve and scale up. Private companies, philanthropists, non-profit organizations, and foundations are increasingly collaborating on health and development—a recognition that progress in either is dependent on progress in both. These actors can unlock significant new sources of financing and create markets and solutions that work better for consumers.

| TRANSITIONING TO A CONSUMER-CENTRIC MODEL | | |
|---|--|---|
| Sector | From | To |
| Official Development Assistance | Aid provider to governments | Facilitate greater country investments and cross-sector collaboration |
| National Governments | Allocate incoming ODA funds | Prioritize health in national agenda and make greater investments toward universal healthcare |
| Private Sector | Fund projects as part of philanthropy or CSR initiatives | Build markets to provide products and services to consumers |
| Foundations / NGOs | Fund projects/ implement government programs | Lead innovation of consumer-centric models |

Traditional government donors, such as the U.S. Agency for International Development (USAID), agree that a more innovative funding strategy is needed. Irene Koek, Senior Deputy Assistant Administrator in USAID's Global Health Bureau, says global health is a complex field and fundamentally different than it was a decade ago. "A lot of funding in the future is going to come from domestic governments, particularly in middle-income countries, and from domestic and international private sectors. The private sector also has expertise in management and technical skills."

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Dr. Chris Elias, president of the Global Development Program at the Bill & Melinda Gates Foundation, agrees. "Given the ambitious agenda of the Sustainable Development Goals, we have to convince countries to provide higher levels of domestic funding for health. We have to crowd in the private sector in a more effective way and on a larger scale. And there has to be a sound business reason for the private sector to be involved."



A downturn in donor funding may encourage governments to invest more in the health of their populations. "The trend is for more integrated health financing. Governments need to see it's a good investment in their overall development. Over the long term, they need more financial ownership of their own health systems," said Margot Fahnestock of the Hewlett Foundation.

Foundations can play an important role in investing in the innovation and risk-taking necessary for something new. "We are good at investing in small-scale experimentation and advocacy work. We can be flexible, take risks, and support groups for long periods," Margot Fahnestock said.

Investing in health-related infrastructure is also important, according to Michael Goettler, Global President of Inflammation and Immunology at Pfizer, Inc. "You need training for medical professionals. You need medicines and treatment, and a supply chain. You need access such as roads and transportation for healthcare providers. You need it to be profitable for the people providing health services. The more you can invest in infrastructure or the more you can innovate to facilitate healthcare delivery, the better the outcomes will be."

Finally, if we want to deliver health products and services more effectively, we need to understand what consumers want. This means offering choices, convenience and on-demand products and services. That is what every business seeks when it designs, commercializes and markets a product or service. Organizations that are seeking to target consumers need to adopt the same mindset.

Young people are today's largest consumer market, and they need consumer-friendly information about their sexual health.

The global youth population between the ages of 14 and 25 is soaring in developing countries. Today, 42 percent of the world's population is under 25 years. The largest youth population in human history is coming of age, and there is a lot at stake in ensuring they have access to education, job opportunities, and healthcare.

With more access to technology than any previous generation, young people today understand the power of being a consumer, and they are increasingly savvy in making consumer choices. Today's generation wants youth-friendly information about contraception options, and they want products accessible to them in their homes, rather than in a clinic setting.

More than 225 million women and girls in the developing world lack access to modern contraception. Tens of millions more receive inadequate antenatal care or deliver their babies outside of a health facility. In addition, about one in three women worldwide experience gender-based violence at some point in their lives, most often from an intimate partner.

Contraception is just about the most cost-effective global health investment we can make to reduce maternal deaths and give children a healthier start. It can also grow a more productive workforce. Women with the ability to

control their fertility have better access to education and employment opportunities, which results in economic benefits and improved livelihoods to families and communities.

“Young people need programs that reimagine the way sexual health services are designed, delivered, measured and evaluated. We had better be creative about how to meet this demand, and old ways may not work. We need to listen to youth about their needs.”

Karl Hofmann, President & CEO, PSI

“There is a lot of promise in consumer-driven reproductive health, especially in countries where health systems do not reach people. Getting products and services directly to consumers, with their own direct control, is really exciting,” said Margot Fahnestock.

A roadmap to help reimagine healthcare

Here are four areas where increased investment by the global community can be a game changer in helping to meet the SDGs:

1 PUT MORE CARE AND CONTROL DIRECTLY IN CONSUMERS' HANDS

Bring the latest medical and technological advances that enable consumers to “self-initiate” care. Use evidence and consumer insights to create new opportunities for consumers to access information, social and emotional support, products, services, diagnostics, and treatment to become active participants in their healthcare.

Here are a few ways PSI is meeting this challenge:

- Using two-way digital platforms that gather consumer insights, provide tailored information based on consumer needs, link to quality care, track healthcare uptake, get feedback on services and create a continuum of care;
- Employing diagnostic technologies like HIV self-testing that have been shown to reach more people than traditional diagnostics, helping people learn their HIV status when and where they choose; and
- Promoting sub-cutaneous injectable contraceptives (DPMA-SC / SubQ) that can be safely and easily administered by community health workers and through home- and self-injection.

2 REVOLUTIONIZE THE WAY ADOLESCENTS ACCESS CONTRACEPTION

Ensure all sexually-active young people have access to the widest range of contraceptive options and that access to services is embraced and advocated for and by young people, their health providers, governments, families, and communities. This means reimagining and redefining the way sexual and reproductive health and rights programs are designed, delivered, measured and evaluated. Build greater trust between adolescents and the health system and build lifetime users of contraception.

In support of the Family Planning 2020 (FP2020) initiative, PSI is committed to reaching 10 million people under the age of 25 with modern contraceptive methods by the end of December 2020.

3 IMPROVE ACCESS TO PUBLIC AND PRIVATE PRIMARY CARE NETWORKS

Partner with governments, the private sector, and others to find solutions for the 400 million people globally who currently lack access to a front line of basic health services. Deploy the latest market, consumer and provider insights to help increase and sustain the equitable use of existing private or public healthcare networks. While solutions will differ country by country, and community by community, they will all focus on building primary healthcare systems from the consumers' perspective. This is critical to achieving sustained use of products, services, and medicines and quality health outcomes.

PSI will improve access in three ways:

- Advance private provider quality toward accreditation/certification to enable greater access to financing;
- Develop and demonstrate innovative and scalable models for expanding primary care; and
- Improve coordination of information for decision-making and increase visibility of consumer needs/behavior through data engagement.

4 UNLOCK DOMESTIC FINANCING IN DEVELOPING COUNTRIES

Development assistance for health—particularly for vertical disease management interventions is not increasing. Partner with donors and governments to promote domestic resource mobilization to achieve universal health coverage faster. Facilitate the development and delivery of financing mechanisms at scale, such as social insurance and strategic purchasing of services from non-public primary healthcare access points. Broaden our social enterprise business models, catering to consumers who can pay without financial hardship (another form of domestic financing) and more effectively target subsidy where most needed.

“It’s welcoming that PSI is taking the time to think about how to evolve their model in a changing global environment. New funding from different sources is going to require new engagement models to deliver first-line preventive care to a broader range of people, and to more at-risk and underserved populations.”

Dr. Chris Elias
President, Global Development Program,
Bill & Melinda Gates Foundation

The global health environment is changing rapidly, so is PSI.

Increased pressure on national governments, a global youth bulge, emerging technologies and shifting donor priorities and policies require us to think differently about how PSI operates, the value we can bring to health consumers, and how to get ahead of these global challenges. We are evolving our approach, moving from being a development implementer, to embrace our role as an effective implementer and thought partner to explore new ways to shape consumer markets, shift policy and influence funding, and strengthen global capacity.

“The more information you can put in the hands of consumers, the better,” said Irene Koek. “PSI’s model is consistent with approaches USAID has supported. Let’s look at the challenges—such as policy, culture and business barriers—that get in the way of our reaching consumers.”

“There needs to be a big emphasis on the quality of experience in consumer-driven healthcare. We have to ensure the same level of quality if we are to bring products and services closer to the consumer,” said Margot Fahnestock.

“A lot of stakeholders need to be aligned, and it’s not easy,” said Michael Goettler. “But PSI can take a leadership role in getting the right partnership, including governments, companies and international donors, and scaling up solutions that deliver better outcomes.”

“Achieving universal health coverage calls for innovative and sustainable solutions, and we believe outcomes will come faster when we treat a donor-beneficiary more like a consumer, and we bring care right to their front door,” said Karl Hofmann.

A consumer-centric health check-list

As we implement Consumer Powered Healthcare, we will be asking ourselves a set of questions to ensure we are on the right track.

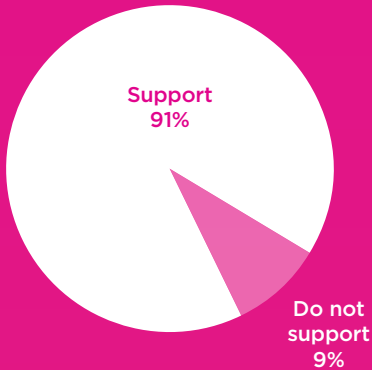
- Are we conducting the right kind of market research, like a human-centered design, with our target consumers before we design and fund our programs?
- Are we using consumer market research to test and iterate programs before we fund them and during program implementation?
- Are we building a business case that will attract private sector engagement?
- Are we expanding partnerships with companies, foundations and governments to improve market coordination to more effectively reach target consumers?
- Are we giving health consumers what they want—choice, convenience, on-demand products, and services?
- Do we have in place evaluation metrics to measure consumer satisfaction?



Americans favor a new funding strategy to address global health

PSI's new approach to Consumer Powered Healthcare was supported in a recent national survey it conducted among Americans on the state of global health. Three-quarters of respondents in the United States expressed concern over the state of healthcare in developing countries. Women, young people, and college graduates ranked highest—each more than 80 percent—saying they are concerned about the current state of global health.

Americans support broader access to basic health services



A large majority of respondents—91 percent—said that people in developing countries should have access to basic health services and resources such as medicines, contraceptives and HIV tests. But access also means affordability. Almost as many people—83 percent—said people should be able to get loans and payment plans to afford these basic health services.

For businesses, there may also be a reputation win. In the case of companies, 77 percent of respondents said they were more likely to buy products from a U.S. company if they know it is investing in healthcare in developing countries.



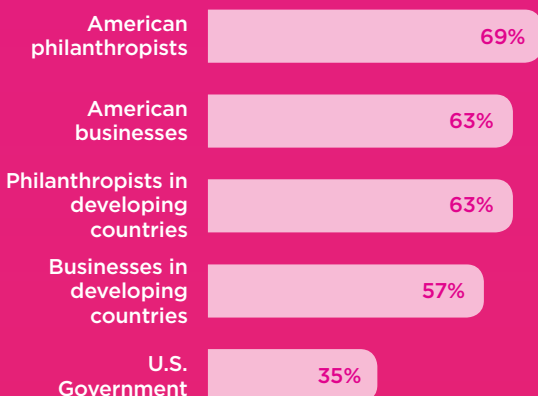
3 in 4
Americans

are concerned about the current state of global health

A significant majority of respondents—73 percent—say it is the responsibility of developing countries, themselves, to improve healthcare for their own populations. But there is skepticism this can be achieved: less than half of the survey's respondents are confident that governments in developing countries can solve their country's health challenges.

While many Americans still believe the U.S. government should provide leadership on global health issues, only one-third of respondents said they are confident that the U.S. government alone can solve global health issues, indicating that other help is needed.

Americans' confidence in which sector can solve global health challenges



There is a higher level of confidence that both businesses and philanthropists can contribute to global health solutions. Over 60 percent of respondents said leadership from companies and philanthropists can make a difference, and more than half of the survey's respondents said private companies and philanthropists have a responsibility to do so.