Expanding Contraceptive Choice Through Increasing Access to Contraceptive Implants

Alan Staple & Maryjane Lacoste

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CHAI & BMGF have supported the development of access programs that unlock the revenue potential of emerging markets & meet countries’ public health goals.

Key Considerations for Access Programs

1. Access Programs should not focus on donations but rather approach the public health sector and its donors as a commercial opportunity.

2. Access Programs need to be constructed with full awareness of the funding and market environment in LMICs not as an after thought to the commercial launch program.

3. The Access Program requires the following:
   - Strong LMIC market analytics
   - Understanding of the price points that will trigger funded demand
   - Understanding and ability to influence stakeholder politics funding and priorities
   - Production and COGs strategy designed for LMICs
   - Regulatory plan
Despite increasing consumption, implants were expensive on a CYP basis & prices were not impacted by increasing volumes.
In 2012, following on RHSC’s implant price reduction initiative, CHAI & BMGF began working with countries, donors, partners, & suppliers to develop additional strategies to increase access to contraceptive implants.

**Problem**

Despite rapid growth of implant purchases and consumption, national family planning programs suggested a significant unmet need.

**Identifying Barriers to Access**

The contraceptive implant market was characterized by a high price/low volume trap.

**High Prices**

High prices on a CYP basis forced MOHs and other purchasers to constrain implant order volumes and focus on other methods.

**Low Volumes**

Suppliers keep prices high due to uncertain ordering patterns that lead to sub-optimal management of production costs.
CHAI & BMGF evaluated both demand & supply side factors to determine the scope for reducing prices & expanding uptake of implants

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<tr>
<th>Demand-Side Barriers</th>
<th>Approach and Strategy</th>
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<tbody>
<tr>
<td>Limited Demand Visibility</td>
<td>• Assembled market intelligence to forecast implant demand and confirm the market’s growth potential</td>
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<td>• Concluded that global demand could reach 9M units by 2015 and expand to 11M by 2020</td>
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<th>Supply-Side Barriers</th>
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<td>Sub-optimal Production Costs</td>
<td>• Conducted cost studies and concluded costs would be reduced to support low prices with sufficient volume</td>
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<td>• Identified steps to reduce costs through standardizing product configurations and coordinating purchases</td>
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<td>Limited number of suppliers of LARCs</td>
<td>• Assessed the likelihood of WHO quality-assured supplier entry into implant market</td>
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<td>• Determined new competition needed but unlikely to emerge for several years</td>
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The VG Partners negotiated a 50% price reduction of implants, resulting in procurement savings & making implants one of the most cost-effective methods on a CYP basis.

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<th>Implant Access Program Impact</th>
<th>Cost per CYP by Method</th>
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<tr>
<td>$8.50</td>
<td>50% reduction in price of Jadelle &amp; Implanon</td>
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<td>$300M</td>
<td>Procurement savings over 6 years of agreement</td>
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<td>640K</td>
<td>Estimated lives saved over the course of the agreement</td>
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- $8.50
- $300M
- 640K

- $0.08
- $2.24
- $3.40
- $3.95
- $4.40
- $4.74
- $6.00
- $7.17
These price reductions are the culmination of two years of discussions with manufacturers & the donor group

Starting in 2010: Efforts begin to explore price negotiations

Nov 2011: £25 million from DFID for purchase of implants by UNFPA

2012: UN identifies implants as one of thirteen critical commodities

2012: Price reduction negotiations underway with partners

Sept 2012: MOU with Bayer committing to price reduction

Nov 2012: Implementation plan developed

2010

2011

2012

2013

June 2011: Merck agrees with RHSC to reduce price of Implanon by $2.00; offers $1.50 per unit rebate if 4.5 million units are delivered in country in 2012

Nov/Dec 2011: Bayer reduces Jadelle ® price from $21 to $19.50/$19.00 depending on volume

Feb 2012: Bayer reduces price of Jadelle ® to $18 for volumes over 2 million

Sept 2012: Agreement announcement by partners to pursue a price reduction with Bayer

Nov 2012: Merck reduces Implanon price to $16.50 and issues $6.75 million in rebates

Feb 2013: Agreement finalized and announced. Bayer reduces price of Jadelle® to $8.50

May 2013: Agreement with Merck reduces price of Implanon® over 50% in targeted developing countries.
The organizational structure for the investment allows for continued communications between manufacturers & other partners as needed & through formal touchpoints.

1. Volume guaranty flows
2. Guarantor syndicate flows
3. Donor partnership flows

1. Volume Guaranty
   - Norway, BMGF, CIFF, SIDA

2. Guarantor syndicate

3. Donor partnership (in response to country needs)
   - Procurement Donors (USAID, DFID, self funding)

   Grant funds
   - Purchase orders
   - Delivery of ordered implants

   Countries

Procurers (USAID, UNFPA, SMOs, countries)
VG partners continue to support the monitoring & strategic oversight of the VGs as well as addressing outstanding barriers to access to contraceptives

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<td>• Resolve country-level implant-specific service delivery issues</td>
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<td>Ensuring Continued Innovation &amp; Access to Implants</td>
<td>• Identify opportunities to secure sufficient low-cost, quality assured implant production capacity to meet forecasted demand with suppliers and partners</td>
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Additional support for implementation of the price reductions draw from a wide range of partners & stakeholders:

1. Guarantor of volumes
2. Industry Partners
3. Donors
4. Purchasers
5. MoH & Other Stakeholders
6. Communities
For most women, including women who want to have children, contraception is not an option; it is a basic health care necessity.

-- Louise Slaughter
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|                                               | • Generate dynamic supply planning tool for CSP members to validate country commodity requests |
| Implant Access Program Operations Group       | • Create greater visibility into service delivery efforts and client uptake at country-level  
|                                               | • Work with partners to resolve country-level implant-specific service delivery issues as they arise, including regular liaising with the CSP around issues of commodity availability |
| Ensuring Continued Innovation & Access to Implants | • Identify opportunities to secure sufficient low-cost, quality assured implant production capacity to meet forecasted demand with suppliers and partners |