Applying the Market Shaping Primer to Pregnancy Tests

Preliminary Analysis

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Market Shaping Primer framework can guide analysis of pregnancy test market

**MARKET HEALTH PRE-INTERVENTION**
- Affordability
- Availability
- Assured Quality
- Appropriate Design
- Awareness

**MARKET SHAPING OPTIONS**
- High Transaction Costs
- Limited Market Information
- Risk Imbalances between Supply and Demand

**POTENTIAL INTERVENTIONS**
1. Reduce Transaction Costs
2. Increase Market Information
3. Balance Supplier and Buyer Risks
High markups and variable availability appear to be key market shortcomings

<table>
<thead>
<tr>
<th>Factor</th>
<th>Status</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Affordability</td>
<td>WEAK</td>
<td>• &gt;5x markup observed in public sector and &gt;10x in private sector • MOHs perceive tests to be too expensive • Low purchase price of US$0.10 per test possible from manufacturers</td>
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<tr>
<td>Availability</td>
<td>MIXED</td>
<td>• Variable availability in FP clinics because tests often not procured for large-scale distribution through FP programs • Few countries include pregnancy testing as part of routine FP services • BUT supply base is competitive with hundreds of suppliers</td>
</tr>
<tr>
<td>Assured Quality</td>
<td>MIXED</td>
<td>• No consensus on quality indicators</td>
</tr>
<tr>
<td>Appropriate Design</td>
<td>STRONG</td>
<td>• Products generally considered easy to use, especially when compared to the pregnancy checklist</td>
</tr>
<tr>
<td>Awareness</td>
<td>STRONG</td>
<td>• Providers enthusiastic about using tests in situations where they cannot rule out pregnancy with checklist alone</td>
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Preliminary analysis

High markups and variable availability appear to be key market shortcomings
Preliminary root cause analysis points to high transaction costs and lack of market information

- Fragmented demand due to fractured procurement by NGOs, national governments, and donors
- Possible inefficient ordering for different health areas: FP, ANC, malaria, and HIV
- Potential procurers perceive pregnancy tests as expensive
- Little knowledge of how availability of pregnancy tests can affect access to FP
- Unclear provider or end-user demand, including by market sector and across health areas
Market shaping options could be explored...

**Market Shaping Interventions**

**Global Health Programmatic Interventions**

**RESEARCH & DEVELOPMENT**
- Advance Market Commitment
- Volume Guarantee
- Pooled procurement
- Coordinated ordering
- Variant optimization
- Demand forecasting
- Priority review voucher
- Prize
- Product development partnership

**MANUFACTURING**
- Ongoing commodity procurement

**PROCUREMENT**
- Pricing info exchange
- Quality assessment
- Product Bundling
- Simplified registration

**DISTRIBUTION**
- Product Bundling
- Strengthened QA system
- LMIS setup
- Infrastructure funding
- Channel subsidy
- Promotion incentives
- Policy and EML inclusion
- Ongoing demand generation
- Healthcare provider training

**SERVICE DELIVERY/USER ADOPTION**
...and analyzed on how possible interventions might address the root causes

- **Bundling**: Bundle pregnancy tests with family planning products for streamlined pricing and distribution
  - By manufacturers or by procurers

- **Coordinated or Pooled Procurement**: Coordinate or pool procurement
  - Across health areas (FP, ANC, malaria, HIV) and across procurers (donors, national governments, NGOs)

- **Demand Forecasting**: Create/consolidate demand forecasts and share with suppliers
  - Consider OTC purchase of pregnancy tests as additional source of market demand
Bundling is an example of a market shaping intervention- but need analysis to validate

Implementation Constraints
- Alignment of interests between suppliers of LARCs and pregnancy tests
- Relationships with bundling companies and pregnancy test suppliers
- Provider training on appropriate use of pregnancy tests

Theory of Change
- Bundling pregnancy tests with LARCs simplifies ordering, procurement and end-user access; and may enable volume discounts

Benefits
- Ensures that high quality pregnancy tests are purchased for bundles
- Applies consistent price with upfront negotiation
- Uses existing LARC delivery channels

Drawbacks
- May discourage providers from using pregnancy checklist as a first resort
- Possible wastage in cases where pregnancy can be ruled out using checklist
- Bundling may require an upfront investment (partnership or packaging)
Applying implementation principles to example of bundling – but need analysis to validate

1. **Collaborate from the start**: Consider important stakeholders, such as manufacturers, UNFPA/USAID, MOHs, and NGOs

2. **Know your tradeoffs**:  
   - Limits distribution to sites qualified to offer LARCs  
   - Upfront investment to set up bundling option may incur short-term costs  
   - Does not address private sector access if bundles only available to public sector

3. **Watch for unintended consequences**: Ensure that bundled procurement does not decrease access to other (non-LARC) FP methods

4. **Plan an exit**:  
   - Consider an ongoing partnership between LARC and pregnancy test manufacturers  
   - Explore adding bundles to procurement lists for donors, MOHs, and NGOs

5. **Act soon and adapt**: Monitor price changes or supplier entries/exits for either LARC or pregnancy test markets; consider emerging distribution channels
Important to measure both market and health effects of any market shaping intervention

Possible **Market** indicators include:

- **Affordability:**
  - Range of prices charged in social impact sector (MOH, NGOs, FBOs)
  - # of countries procuring pregnancy tests

- **Availability**
  - Frequency of stockouts
  - % of FP clinics offering free pregnancy tests
  - # of manufacturers supplying pregnancy tests to LMICs

- **Assured Quality:** 
  - # of pregnancy tests SRA approved or WHO prequalified

- **Awareness:** 
  - # of national EMLs that include pregnancy tests

Possible **Health** indicators include:

- % of non-menstruating clients refused same-day access to LARCs

- % of public ANC clinic clients purchasing pregnancy tests from pharmacies

- Difference in LARC uptake between clinics with free pregnancy tests vs clinics without

- (Reduced) Delay in FP access

- (Reduced) Delay in accessing ANC
Questions?