

Defining a public-private collaboration model to strengthen diagnostics in Kenya



Authors: Meggie Mwoka¹, Victoria Wanjohi¹, Frank Kenyansa¹, Fonahanmioluwa Williams¹, Caroline E. Boeke¹, Lulu Tian¹, Anthony Ngatia¹, Gerald Macharia¹

¹Clinton Health Access Initiative

BACKGROUND



Laboratory services remain underfunded and underutilized in Kenya, with <40% of the required test menu covered by laboratories and wide variation across counties. Challenges hindering service delivery in Kenya included:

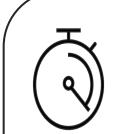


ACCESS

Patients may not always have access to the tests they need due to distance to testing sites, lack of physician awareness, limited testing menus, or sample collection & transport challenges



Due to insufficiently trained staff, limited QA/QC mechanisms, and limited equipment, results communicated to patients may be **inaccurate** and undermine clinical decision-making



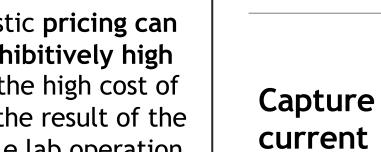
TIMELINESS

Often significant delays in processing samples and returning results to patients due to supply stockouts, equipment breakdowns, throughput limitations, or manual data management



COST

Diagnostic pricing can be prohibitively high due to the high cost of inputs, the result of the sub-scale lab operation and insufficient negotiating power to get the best price for instruments and reagents ,



laboratory performance in Kenya

> **Assess private** sector interest in diagnostics focused PPCs



Market sounding with private sector laboratory companies to gauge interest in collaborating with the counties to strengthen delivery of laboratory services

Evaluate financial and

operational feasibility of PPC deal in key counties Analysing operational and financial data

to inform adoption and prove viability of PPC by assessing volume and revenue growth. This was documented as a Feasibility Study Report (FSR) that also assessed the political, social and environmental impact of the project

- Strategic purchasing of laboratory services from the private sector plays a role in addressing these gaps, leading to more efficient laboratory operations.
- The Clinical Laboratory Improvement Project (CLIP) is a public-private collaboration (PPC) model to improve the quality of public-sector diagnostics.
- Under CLIP, counties enter a contract to partner with a private laboratory company to provide defined services towards strengthening public laboratories for an agreed period.

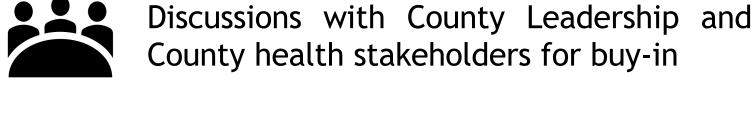
METHODS

the current and projected costs. This included the following steps:

staffing

key lab personnel

Understand stakeholder perspectives



County health stakeholders for buy-in

laboratories to assess current state of test

menu, reagent and consumable spend,

infrastructure, through interviews with

collection in

levels,

Design: A policy analysis to identify a legal frameworks and commercial options to inform stakeholder engagement.

county hospital

equipment,

Aim: To determine the feasibility and viability of a public-private collaboration (PPC) by conducting an economic analysis to assess

Assess previous

experience

PPCs

implementing

Reviewing of various commercial models for engaging private sector providers

Purchasing agreements

Management contracts

Review of case studies of PPCs in Kenya to identify strengths and weaknesses, and learn lessons

FINDINGS

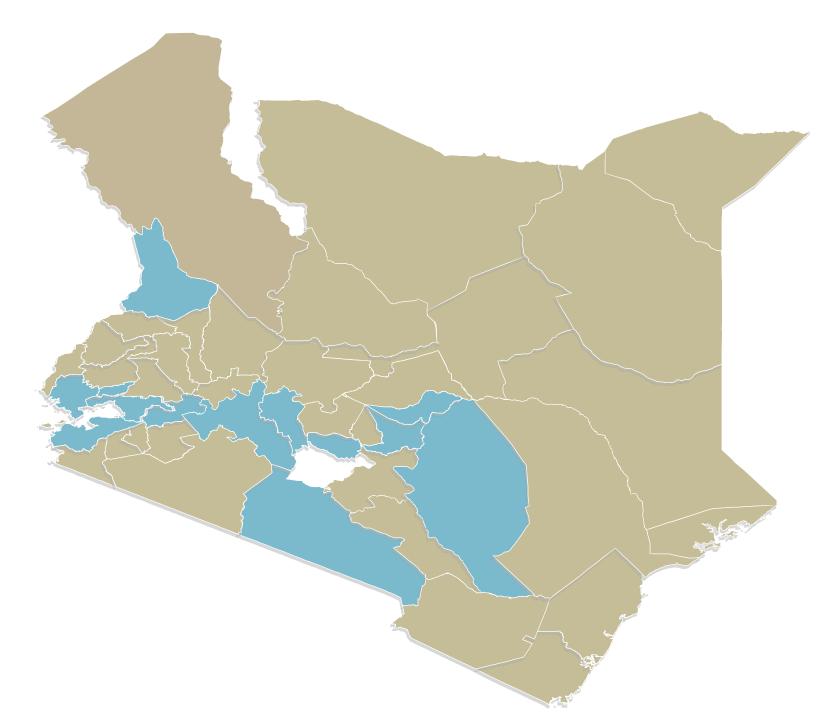
relationships

We collected quantitative and qualitative data from The economic model was developed using the current state (as a baseline scenario). We then 100 county facilities across 13 counties. These projected additional growth (i.e., reagent spend, consumable spend, technical and noncounties were selected based on existing CHAI technical salaries, current lab volumes and prices - No change in the user fees unless authorised by the county during the contract duration period)

- This model was the first of its kind to be used in strengthening laboratory services in Kenya. However, challenges were identified, and requisite mitigation strategies put in place.
- PPCs reviewed revealed that PPCs are a preferred model in comparison to the traditional donations and placements in terms of strengthening delivery of laboratory services.

Proposed PPC model components

lab services



The following assumptions were applied in the model:

- Test volume growth will be determined by:
 - More inpatient and outpatient tests
- Additional patients coming in for services from neighbouring counties and those who were previously going to the private sector
- Improved laboratory services will lead to an increase volumes and subsequently increase revenues
- Drivers of financial sustainability included test volume growth, reduction in the cost of goods, and labor efficiencies that will be achieved by staff in the laboratory conducting more tests.

Key risk

Identified mitigation strategy

LOW DEMAND



Timely collection of out-of-pocket payments and reimbursement on claims for lab services covered by national health insurance fund

Demand generation of services to increase uptake of



Robust waiver policy to ensure that number of waivers that can be issued to patients is capped



DELAYED PAYMENT TO PRIVATE **PROVIDER**

Ring fencing of revenues generated through CLIP to ensure timely payment and continuity of services with the private provider

Other key findings

- counties were optimistic that the PPC model would ensure effective and sustainable diagnostics service delivery
- performance Current laboratory was stock-outs by characterised and equipment down time which in turn resulted in low staff productivity
- On average the test menu comprised of approximately 40 routine/basic tests
- There was buy-in from private sector laboratories to partner with county 6. Sample transportation governments to quality laboratory services
- The PPC would be anchored on existing legal and regulatory frameworks

• Stakeholders engaged across all 13 PRIVATE PROVIDER

- 1. Reagent and consumbales procurement
- 2. Instrument procurement & management
- 3. Quality control, staff training, and accreditation
- 4. Onsite private management / mentorship 5. LIMS upgrade and training
- 7. Quality Assurance & Quality Control

1. Staff hiring and compensation 2. Waste management and utility fees

COUNTY GOVERNMENT

3. Provision and refurbishment of laboratory space 4. Collecting test fees and

communicating results 5. Communication and public

campaigns on CLIP **6.** Enforcement of testing in public labs for available tests

7. LIMS implementation and patient data management

- The implementation of CLIP is a hub and spoke model that will be phased initially starting the County Referral and Sub
- County Hospitals as the collection centres The model is envisioned to be selfsustaining and will require no additional allocation of resources by the respective county governments
- Sample collection will be used to eliminate the catastrophic spend that patients incur while travelling to access lab services
- The Private provider will be paid through revenues generated by the laboratory for every successful test result
- The contract duration is envisioned to be at least 5 years with a possibility of extension as decided by the county

CONCLUSION

Currently, out of the 13 counties, one (1) county has signed an agreement with a private provider and is currently in the process of setting up the modalities to commence implementation. Some of the lessons learnt in implementation of the laboratory PPC arrangement are that there is need for:

SERVICE

RESPONSIBILITIES

- Political goodwill from the leadership and health sector players in the county;
- A clear legal and regulatory framework;
- Co-created feasibility analyses; and
- Sustained governmental ownership.

The identified risks can be addressed via operationalizing direct facility financing and strengthening county-level standard operating procedures for waivers.

Acronyms:

CLIP: Clinical Laboratory Improvement Project FSR: Feasibility Study Report PHC: Primary Health Care PPC: Public Private Collaboration