Summary

The Sustaining Health Outcomes through the Private Sector Plus project conducted a longitudinal study with three of the 16 grantees of the HANSHEP Health Enterprise Fund, a challenge fund that identified and supported private sector solutions to address family planning and other health priorities in sub-Saharan Africa under the SHOPS project from 2013 to 2015. The study examined how grantees have increased access to family planning products and services since the end of the fund, and its findings document the value of investing in private sector social enterprises as a means of increasing access to family planning. Selected for their provision of family planning along with other primary health care services, these enterprises demonstrate how private sector engagement and social enterprise investment can deliver on family planning goals. This report focuses on two organizations in Kenya—Afya Research Africa and Jacaranda Health—particularly on how they have increased access and use of family planning via their broader business models. The two organizations provide excellent case studies for how to support social enterprises. Also included are observations on a third enterprise, Telemed Medical Services, in Ethiopia, which withdrew from the study. The report documents lessons to inform future partnerships and investment in social enterprises. It also advances the business case for investing in such enterprises to increase family planning access, and shares lessons on how the United States Agency for International Development and its partners can support enterprises in achieving sustainability and scale.

Keywords: Ethiopia, family planning, financial sustainability, social enterprise, investment, Kenya, private providers, total market approach

Cover photo: Mamihasina Raminosoa, DDC International

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# Contents

1 Executive summary

4 Background: The HANSHEP Health Enterprise Fund

10 HHEF Research Study

10 Organization Selection

11 Study Methods and Focus Areas

13 Enterprise Overviews and Pathways to Scale

13 Afya Research Africa

20 Jacaranda Health

27 Telemed Medical Services

33 Findings

33 Key Enterprise Capacities for Increasing Access to Family Planning and the Role of HHEF in Supporting These Capacities

35 Developing Business Models to Deliver Family Planning Services Sustainably

36 Quality Assurance and Improvement

40 The Business Case for Social Enterprise Investment

44 Conclusion

46 References
Acknowledgments

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Over the past decade, donors, governments, and impact investors have increasingly turned to social enterprises to advance development outcomes through innovative business models. Social enterprises that seek to improve health outcomes have three main characteristics: 1) a commitment to health impact as part of their core business, 2) possess or are actively pursuing a sustainable, revenue-generating business model, and 3) seek to make an impact at scale (Warren, Callahan, and Lauer 2020). Given that one in three users of modern contraceptives across 36 countries obtains her methods from a private sector source (Bradley and Shiras 2020), investing in social enterprises can be one component of a market-based approach to deliver sustainable, high-quality family planning and reproductive health services.

This report summarizes lessons from the HANSHEP Health Enterprise Fund (HHEF) that can guide United States Agency for International Development (USAID) missions and other global development partners in supporting enterprise development. The HHEF was a health innovation challenge fund implemented from 2013 to 2015 under the Strengthening Health Outcomes through the Private Sector (SHOPS) project to identify and advance innovative and replicable private sector solutions to address critical health priorities in sub-Saharan Africa. The HHEF provided grant funding for capital needs, technical assistance, and connections to investors and other partners. Subsequent investment by the SHOPS Plus project provided the opportunity to follow three enterprises for four years subsequent to the HHEF to understand whether the enterprises continued to contribute to family planning goals, and how the HHEF program contributed to the enterprises’ development and expansion. The enterprises were Afya Research Africa (health kiosks in rural Kenya), Jacaranda Health (a maternity center in peri-urban Kenya), and Telemed Medical Services (a digital health provider in peri-urban Ethiopia).
The business journeys of these three social enterprises show a relatively steady growth of services delivered, partnerships, and additional funding over the years following USAID and the UK Department for International Development’s initial investment. Three years after participation in the HHEF, Telemed decided to shift its business model from direct-to-consumer to a business-to-business model due to low revenues, resulting in a sharp decline in service numbers. This experience speaks to the challenge that private businesses face in generating sufficient profit through the provision of high-quality, affordable health services, particularly for primary care services like family planning and reproductive health. The HHEF experience with Afya Research Africa and Jacaranda broadly supports investment in social enterprises. They have significantly increased access to high-quality, affordable health care for rural and peri-urban Kenyans and are now scaling up their impact. They developed digital technology to improve service delivery, shared clinical best practices through government partnerships, and created new local jobs.

Before investing in social enterprises as a means to increase access to priority health services such as family planning, consider these recommendations: 1) design competitions to target specific health challenges in need of innovation, for example, new models for reaching populations with unmet need for family planning, 2) design technical support to align with individual enterprise needs, business stage, and the desired effect of the investment, 3) anticipate and lower barriers to scale for social enterprises that can include making introductions to government officials or providing access to critical market information, 4) prepare for business models and pathways to scale up through both commercial markets and the public sector, and anticipate the risk of strategy shifts away from initial social or financial goals, and, finally, 5) expect that the time it takes to achieve scale will likely extend beyond typical five-year project cycles and therefore invest in continued monitoring beyond initial grant periods. With these considerations in mind, USAID and its partners can more effectively support and measure the impact of their investments on service delivery and the broader health systems in which they operate.

Photo: Mamihasina Raminosoa, DDC International
Background: The HANSHEP Health Enterprise Fund

The HANSHEP Health Enterprise Fund (HHEF) was a health innovation challenge fund designed by the Strengthening Health Outcomes through the Private Sector (SHOPS) project to identify innovative and replicable private sector solutions to address family planning and other critical health priorities in sub-Saharan Africa. With support from the United States Agency for International Development (USAID), the UK Department for International Development, and the Rockefeller Foundation, the fund was launched in January 2013. In addition to addressing unmet need for modern family planning methods, the HHEF also focused on maternal and child mortality and HIV and AIDS testing, care, and treatment services (SHOPS 2015a). The HHEF aimed to fill two gaps faced by early-stage health businesses: 1) a financing gap between the seed or idea stage and the growth stage, sometimes called “the missing middle,” during which the enterprise is moving from idea to a viable business model (USAID Bureau for Global Health 2019); and 2) a lack of technical support to foster proof of concept and strengthen their businesses to support scale-up (SHOPS 2015a).

Core characteristics of social enterprises that seek to improve health outcomes

1. Commitment to health impact as part of their core business
2. Possess or are actively pursuing a sustainable, revenue-generating business model
3. Seek to make an impact at scale
Challenge funds are competitive financing mechanisms to disburse donor funding to development projects that are pursuing market-based solutions for societal needs such as education, energy, health care, and housing (Pompa 2013). For the HHEF, SHOPS used a competitive process to select health-focused enterprises. The project provided the selected enterprises with three types of support: grant funding, technical assistance, and connections to investors and other partners. This support was intended to increase the financial, knowledge, human, and social capital of the grantees in order to establish proof of concept or scale sufficiently to generate revenue and attract traditional financing. The HHEF was implemented as part of the SHOPS project from January 2013 through December 2015. More information on the HHEF is provided in the program profile.

The goals of the HHEF were to:

- Improve priority health outcomes for the poor in Africa, particularly women and girls, by addressing maternal and child mortality rates; unmet need for modern family planning methods; and lack of access to HIV and AIDS testing, care, and treatment services.
- Seed promising and innovative approaches for low-cost delivery of health services to the poor.
- Bring promising health models to scale.
- Connect health enterprises with potential investors.

The HHEF funded 16 diverse enterprises delivering a wide range of innovations including medical devices, hygiene products, and low-cost, high-quality delivery models (Table 1). It provided a significant level of technical assistance to all grantees, often in a group format for each country cohort but also as customized one-on-one technical assistance. Cohort-level technical assistance included business fundamentals training; human-centered, design-focused marketing training and grantee-specific recommendations; access to legal assistance through local firms kept on retainer; and access to mentoring, networking, and strategy support through a local business advisor.
<table>
<thead>
<tr>
<th>Grantee (country)</th>
<th>Solution funded</th>
<th>Total grant capital awarded</th>
<th>Technical assistance received</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access Afya (Kenya)</td>
<td>Replication of mini–clinics offering affordable outpatient services to slum residents</td>
<td>$133,194</td>
<td>Health care financing guidance; clinical guidance to develop training materials and review quality tools</td>
</tr>
<tr>
<td>Afri–Can Trust (Kenya)</td>
<td>Manufacturing and distribution of reusable sanitary pads</td>
<td>$282,560*</td>
<td>Marketing design support; Lean Six Sigma manufacturing improvement to increase production capacity; technology support on customer relationship management systems</td>
</tr>
<tr>
<td>Afya Research Africa (Kenya)</td>
<td>Creation of a network of health kiosks offering low prices through complementary enterprises</td>
<td>$148,088*</td>
<td>Marketing design support to rebrand kiosks; technical assistance to improve finance and accounting system and ownership model; investment readiness support</td>
</tr>
<tr>
<td>Deji Clinic (Nigeria)</td>
<td>Expansion of access to care at their clinic networks through community–based health insurance</td>
<td>$109,307</td>
<td>Health care financing guidance; marketing design support; business and financial management support; community mobilization strategy guidance</td>
</tr>
<tr>
<td>Echelon (Ethiopia)</td>
<td>Establishment of Ethiopia's first medical device manufacturing company to manufacture neonatal bag valve masks</td>
<td>$100,845</td>
<td>Support to achieve certification through the World Medical Device Organization's certification process; finance technical assistance to support company valuation; investment readiness support</td>
</tr>
<tr>
<td>GE Ethiopia (Ethiopia)</td>
<td>Testing of a package of newborn health technologies designed for low–resource settings</td>
<td>$190,677</td>
<td>Clinical guidance to improve processes and materials</td>
</tr>
<tr>
<td>Hecahn Health Services (Nigeria)</td>
<td>Expansion of school–based primary health care</td>
<td>$182,509</td>
<td>Marketing design support; business and financial management support, including development of operations and human resource tools</td>
</tr>
<tr>
<td>Innopia (Ethiopia)</td>
<td>Design and production of mobile clinic vehicles with solar power to serve remote and pastoral communities</td>
<td>$129,914</td>
<td>Marketing design support; investment readiness support</td>
</tr>
<tr>
<td>Jacaranda Health (Kenya)</td>
<td>Integration of low–cost emergency obstetric services into its maternity services</td>
<td>$260,483*</td>
<td>Marketing design support; maternal and child health clinical training for staff; health care financing guidance</td>
</tr>
<tr>
<td>Grantee (country)</td>
<td>Solution funded</td>
<td>Total grant capital awarded</td>
<td>Technical assistance received</td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>----------------------------------------------------------------------------------</td>
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<td>-----------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Kadisco General Hospital (Ethiopia)</td>
<td>Establishment of a laboratory to provide telepathology services</td>
<td>$198,450</td>
<td>Support achieving Step-Wise Lab Quality certification and International Organization for Standardization certification</td>
</tr>
<tr>
<td>Medical Biotech Laboratories (Ethiopia)</td>
<td>Development of mobile medical waste management service to provide safe disposal of medical waste</td>
<td>$241,160*</td>
<td>Marketing design support</td>
</tr>
<tr>
<td>Penda Health and MicroEnsure (Kenya)</td>
<td>Partnership to develop and test financing models to provide health care to patients with variable cash flows</td>
<td>$273,647*</td>
<td>Marketing design support; clinical support to create training materials and review quality protocols; investment readiness support</td>
</tr>
<tr>
<td>Ruaraka Uhai Neema Hospital (Kenya)</td>
<td>Referral network of maternity clinics to increase access to complex maternal, neonatal, and child health care</td>
<td>$279,104*</td>
<td>Health care financing guidance; maternal and child health clinical training for staff; guidance on referral network strategy</td>
</tr>
<tr>
<td>Tebita Ambulance (Ethiopia)</td>
<td>Expansion of Ethiopia’s first private ambulance and emergency services company</td>
<td>$189,920</td>
<td>Human resource and performance management technical assistance; market and business model support; technology guidance on global positioning system tracking</td>
</tr>
<tr>
<td>Telemed Medical Services (Ethiopia)</td>
<td>Expansion of Hello Doctor telemedicine platform and creation of tracking system for HIV and TB patients</td>
<td>$209,372</td>
<td>Marketing design support; clinical guidance to develop training materials and review telecounseling scripts; mhealth strategic guidance</td>
</tr>
<tr>
<td>ZanaAfrica (Kenya)</td>
<td>Development and testing of health behavior change comics to be inserted in affordable sanitary pad packages</td>
<td>$146,044</td>
<td>Support to develop evaluation strategy</td>
</tr>
</tbody>
</table>

*Received second grant through a competitive second-round process open only to existing grantees that demonstrated how additional funding would build on their first-round activities, bring their innovation to scale, or add an additional feature that would increase their value proposition to customers.
Six enterprises secured onward funding before the end of the HHEF; four secured equity and convertible debt financing from private investors, and two received investments of 1 million Canadian dollars in the form of a loan and a repayable grant from Grand Challenges Canada. Most of the original enterprises were still operating at the time of writing; however two enterprises had dissolved.¹

While challenge fund models such as the HHEF are a popular mechanism for supporting innovative approaches to development challenges, not enough has been learned about which types of support work, which do not, and why. Defining success for challenge funds has also been difficult given that the impact in question may not be measurable for many years after the intervention and given the challenges with attributing impact to just one of possibly many activities that occurred during the intervention period. As such, SHOPS Plus designed and implemented a longitudinal study to determine how HHEF grantees increased access to family planning products and services, the capacities important in achieving increased family planning access, and the role the HHEF played in developing those capacities.

¹ Echelon, a medical device manufacturer in Ethiopia, dissolved due to challenges securing a government tender. Afri–Can Trust, a sanitary pad manufacturer in Kenya, stopped producing and selling pads but still exists as a foundation focused on girls’ menstrual health, called the I–Care Pad Foundation.
NINA LAKESIDE 'M' AFYA CLINIC

SERVICES AT THE CLINIC

- Monitoring of chronic diseases
  - E.g.: Hypertension, Diabetes, Epilepsy, Asthma, HIV, TB, Polio

- Postnatal Services
- Haemoglobin
- Malaria
- Blood Sugar
- Pregnancy Test
- Dispensing
How well did a challenge fund program facilitate the achievement of its grantee’s organizational goals? The SHOPS HHEF program, 2013 to 2015, supported social enterprises with capital, technical assistance, and networking support. The SHOPS Plus research study looked at how the fund facilitated grantees’ efforts to increase and sustain access to family planning products and services beyond the period of support. The study ran from 2016 to 2020 and focused on three of the original 16 early-stage social enterprises.

**Organization Selection**

The selection criteria for inclusion in the study were:

1. Demonstrated increase in access to family planning since the beginning of the HHEF support period, as measured by the number of people receiving family planning products and services.

2. Ability to provide high-quality data on the number of people served across all services and the number of people receiving family planning products and services.

3. Willingness to share service statistics and participate in interviews with the study team, including insights on how HHEF interventions facilitated enterprise performance.
Overview of selected enterprises

- Afya Research Africa runs Ubuntu Aya, a social enterprise network of affordable health clinic kiosks co-owned by communities in rural Kenya. Their target population is low-income mothers and children in hard-to-reach areas outside the catchment area of existing facilities.

- Jacaranda Health is a social enterprise with a maternity clinic and hospital in urban Kenya. Jacaranda also provides nurse mentoring in public hospitals. Its target population is low- and middle-income women in peri-urban areas.

- Telemed Medical Services was an Ethiopian enterprise offering telemedicine through “Hello Doctor,” the first mobile-enabled health care delivery platform in the country. Its target population was rural residents lacking basic health information.

Two enterprises, Afya Research Africa (ARA) and Jacaranda Health (Jacaranda), both in Kenya, were followed through to the study's conclusion. The third social enterprise, Telemed Medical Services (Telemed), in Ethiopia, dropped from the study in 2018 due to a strategy shift away from provision of direct-to-consumer services. This report will focus on ARA and Jacaranda with select observations on Telemed.

Study Methods and Focus Areas

Overall, the study investigated how the HHEF interventions facilitated grantees’ efforts to increase and sustain access to family planning products and services, exploring different sub-topics each year. Annual interviews and requests for service statistics allowed for a progressive and integrated view of the enterprises’ provision of family planning and their overall development as supported by HHEF. Grantee organizations shared data and participated in the study out of good will; not all data SHOPS Plus sought could be obtained for a variety of reasons. Table 2 presents the focus of the study each year.
Table 2. Areas of study focus by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Study focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1—2017</td>
<td>Capacities that enterprises considered important to increase access to family planning</td>
</tr>
<tr>
<td>Year 2—2018</td>
<td>Integration of family planning into the enterprises’ business models and the contributions that family planning makes to the enterprises’ overall strategy and performance; effect of the HHEF support on enterprises and how HHEF support could have been enhanced</td>
</tr>
<tr>
<td>Year 3—2019</td>
<td>Enterprise approach to quality assurance and continuous improvement, including motivations and customer views</td>
</tr>
<tr>
<td>Year 4—2020</td>
<td>Retrospective on lessons learned across the project to inform future social enterprise investment and support</td>
</tr>
</tbody>
</table>

At the end of the first, second, and third years, SHOPS Plus documented findings in annual reports available on the SHOPS Plus website. In the last year of the study, SHOPS Plus did not produce a report. This publication constitutes the final report.

A health care worker with a client at the Ubuntu Afya (formerly M-Afya) Nina Lakeside clinic in Kenya.

Photo: Mamihasina Raminosoa, DDC International
Enterprise Overviews and Pathways to Scale

This section profiles ARA and Jacaranda, both of which have increased family planning services since baseline (prior to June 2014). Telemed is also profiled, noting its strategy shift and study withdrawal.

**Afya Research Africa**

ARA is a Kenyan social enterprise founded in 2009. ARA’s mission comprises three pillars: 1) providing sustainable access to quality health care in rural settings, 2) improving data systems in health care, and 3) evidence synthesis and translation.

ARA launched its first pilot health kiosk in 2011 to serve Kenya’s low-income communities in rural areas, which lack convenient access to health facilities but are willing to pay for care. ARA applied to the HHEF (M-Afya Kiosk Project 2013) with the aim of launching a network of 12 clinics (‘M-Afya’ clinics, since rebranded to Ubuntu Afya) in three counties in northwestern Kenya. The Ubuntu Afya business model has three main components: community buy-in, co-ownership, and cross-subsidization (from supplementary revenue streams). ARA received two HHEF grants, one to create the initial clinic network and the other to upgrade clinics in order to expand service offerings to provide additional value to customers. ARA additionally received technical assistance through HHEF. This included development of an accounting system to integrate into its clinic management platform, strategic guidance in organizational structures to facilitate partnerships, branding and marketing support including rebranding as Ubuntu Afya, and investment readiness support.

The Ubuntu Afya network now consists of 25 clinics in rural communities of northwestern Kenya. Ubuntu Afya offers multiple health services including reproductive health and family planning, maternal and child health, non-communicable diseases, and pharmacy services (SHOPS 2015b). Clinics are staffed by a full-time clinician, and some also have a nurse or community health worker. Over 90 percent of Ubuntu clients pay out of pocket for services received. The small percentage who do not pay out of pocket are either pregnant women (coverage is paid by the Kenyan government) or individuals with government insurance.
Ubuntu Afya clinics are set up, co-owned, and co-operated with local self-help groups, which hold a partial ownership interest in the clinics. The self-help groups are localized credit cooperatives that allow their members to borrow funds for personal use, including paying for health care services. To offer health services at low prices to users, ARA supports each group to formalize its financial services and set up one or more non-clinic revenue-generating ventures, such as M-PESA banking services. In exchange, the self-help groups agree to contribute roughly 30 percent of venture profits to the clinic. This model supports the clinic’s sustainability while providing additional social services to the community. In the first year of the study, 60 percent of Ubuntu clinics achieved full cost recovery at the clinic level within the first 12 months of serving a catchment area of approximately 30,000 people (Fay 2017).

**ARA’s Business Journey and Pathways to Scale**

ARA’s performance since the HHEF includes continued refinement and scaling through follow-on grant financing and community partnerships. Figure 1 illustrates ARA’s key milestones.

*Director of Stone HMIS, Moses Ndiritu, and executive director of ARA, Dr. Sam Gwer, at the Kibera Soweto clinic.*

*Photo: Marnihasina Raminosoa, DDC International*
### Figure 1. ARA business journey, 2009—2020

**Key Milestones and Highlights**

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>ARA founded • Ten clinics providing services, recovering 99% of operating costs during first year • First upgrade of clinics to expand service offerings • With technical assistance from HHEF, rebranded as Ubuntu Afya</td>
</tr>
<tr>
<td>2011</td>
<td>First ARA kiosk clinic, branded as M-Afya</td>
</tr>
<tr>
<td>2013</td>
<td>Applied successfully to the HHEF with the aim to create a network of 12 clinics</td>
</tr>
<tr>
<td>2014</td>
<td>Launched nine new clinics with HHEF support; two pay dividends to their members, one has closed</td>
</tr>
<tr>
<td>2015</td>
<td>• Ten clinics providing services, recovering 99% of operating costs during first year • First upgrade of clinics to expand service offerings • With technical assistance from HHEF, rebranded as Ubuntu Afya</td>
</tr>
<tr>
<td>2016</td>
<td>• UKAID County Innovation Challenge Fund funded ARA to scale Ubuntu Afya clinics in Homabay County to improve maternal and newborn health outcomes • Grew the Ubuntu Afya Network from 10 to 27 clinics • Ubuntu Afya Model and supplementary revenue ventures refined by community groups • Deployed Stone Health Management Information System (HMIS) in all Ubuntu Afya sites</td>
</tr>
<tr>
<td>2017</td>
<td>• Piloted Stone HMIS in 10 public and faith-based health facilities in Turkana, Kenya • Received Global Health Innovation Grant from Pfizer Foundation to optimize reproductive, maternal, neonatal, and child health services across the network</td>
</tr>
<tr>
<td>2018</td>
<td>• 133% increase in affiliate community savings and credit scheme net revenue • 47% increase in health service revenue but corresponding increase in expenses</td>
</tr>
<tr>
<td>2019</td>
<td>• 73% increase in affiliate community savings and credit scheme • 25 clinics operating with 12 offering more comprehensive reproductive, maternal, and newborn health services • Improved capacity for infectious disease diagnostics (supported by Global Health Innovation Grant from Pfizer Foundation) • Received grant from Grand Challenges Canada to enhance reproductive, maternal, neonatal, and child health services and integrate non-communicable disease care</td>
</tr>
<tr>
<td>2020</td>
<td>• Completed solar energy installation to optimize use of Stone HMIS (supported by UKAID Transforming Energy Access) • Scaled up HIV treatment services (supported by Grand Challenges Canada) • Piloted new public–private partnership model to expand access to quality health services for women tea farmers in Nandi County (with SHOPS Plus and Twinings Ltd.)</td>
</tr>
</tbody>
</table>
ARA’s Family Planning and Primary Health Services

Ubuntu health services include general consultation, reproductive health, antenatal care and delivery, postnatal care, immunizations, and preventive and multi-curative care, all of which classify as level 2 to 4 within Kenya’s health system. Ubuntu clinics provide family planning counseling, as well as voluntary contraception, including condoms, oral contraceptives, injectables, IUDs, and implants, to clients on site. Ubuntu clinics have protocols to provide voluntary family planning counseling, products, and services to users requiring more tailored care, such as those with epilepsy or hypertension, to ease access for these often-underserved groups.

Figure 2 shows ARA’s annual service delivery from the start of the clinic network through June 2020.

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Figure 2. ARA’s annual delivery of health services grew steadily

<table>
<thead>
<tr>
<th>Year</th>
<th>Services During HHEF Reporting Period</th>
<th>Services After HHEF Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 (baseline)</td>
<td>0</td>
<td>4,216</td>
</tr>
<tr>
<td>2014</td>
<td>4,216</td>
<td>7,812</td>
</tr>
<tr>
<td>2015</td>
<td>7,812</td>
<td>4,890</td>
</tr>
<tr>
<td>2016</td>
<td>4,890</td>
<td>19,974</td>
</tr>
<tr>
<td>2017</td>
<td>19,974</td>
<td>30,667</td>
</tr>
<tr>
<td>2018</td>
<td>30,667</td>
<td>49,903</td>
</tr>
<tr>
<td>2019</td>
<td>49,903</td>
<td>45,388</td>
</tr>
</tbody>
</table>

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2 The Kenyan health system defines six levels of care: level 1—community services, level 2—dispensaries and clinics, level 3—health centers, maternity and nursing homes, level 4—sub-county hospitals and medium-sized private hospitals, level 5—county referral hospitals and large private hospitals, level 6—national referral hospitals and large private teaching hospitals (Wafula, Khayoni, and Omolo 2017).
The ARA service statistics show steady and at times dramatic growth from June 2014 to June 2020 as ARA opened new clinics. There was a slight dip between June 2015 and 2016; data were unavailable for the six months July–December 2015, resulting in underreporting of service statistics for that time period (Fay 2018). The service volume growth from June 2018 to June 2019 reflects the enhancement of 12 more clinics to offer reproductive, maternal, and newborn health services.

Figure 3 illustrates that ARA’s family planning service statistics follow the same general pattern of the overall services delivered across the Ubuntu Afya network. ARA has delivered impressive increases in family planning access, doubling the numbers from 2017 to 2018 and again to 2019. From completion of the HHEF period in 2015, ARA has achieved more than a five-fold increase in the number of people served with family planning.

Figure 3. ARA delivered a dramatic increase in family planning access

![Figure 3. ARA delivered a dramatic increase in family planning access](image)

Figure 4 shows Ubuntu Afya clinics’ fairly steady state in which family planning represents 8 percent of total services delivered. This demonstrates family planning’s integration into the broader primary care model. As noted above, June 2019 shows a large increase in reproductive health services, resulting from increased service capabilities. The 2019 to 2020 decline is likely attributable to community restrictions due to COVID-19 and resultant reductions in client demand.
ARA’s development of Stone HMIS is another avenue through which the enterprise seeks to strengthen their sustainability and contribute to health outcomes in Kenya, beyond their own private clinic network. In 2017, donors paid ARA to install Stone HMIS in 10 public and faith-based facilities, with the hypothesis that improved patient tracking and follow-up would improve uptake of maternal and newborn health services. An evaluation that compared data between supported facilities one year after Stone HMIS installation and others in Turkana County found increases in skilled delivery rates, four antenatal care visits, and postnatal checks. As of 2019, Stone HMIS was operational in 38 public and private health facilities (Ombech et al. 2019). See the text box for an overview of the Stone HMIS system and its capabilities.

Looking forward, ARA plans to establish additional clinics with public and private funding, as well as to continue to expand the range of services available at the clinics, including building capacity for skilled delivery, HIV treatment, and non-communicable diseases care. They will continue to modify the self-help groups’ credit and financial services offerings to meet evolving needs and bolster sustainability.
Stone HMIS integrated provider and community digital health information system

While developing Ubuntu Afya, ARA identified health information needs within its system as well as in county and national systems. ARA developed Stone HMIS as an integrated community and provider modular point of care health management information system with the following capabilities:

- Covers all aspects of the health system continuum (administration, laboratory, clinical pharmacy, registration) including community health and patient interaction modules
- Implements biometric-supported unique identification system
- Links individual community health data with health facility data
- Facilitates patient follow-up into the community and across the referral chain
- Ports data directly to the DHIS2

Stone HMIS is licensed royalty-free to ARA-owned clinics as well as the ARA-founded facilities owned by the government. Recently, ARA has begun to provide other private health facilities with access to the Stone HMIS platform through a spin-off enterprise and a licensing business model.

Source: Ombech et al. (2019)
Jacaranda Health

Jacaranda was founded in 2011 with a mission to become East Africa’s first low-cost, sustainable, and scalable maternal health delivery company for low-income women. Jacaranda has since split into two related organizations: Jacaranda Maternity, a social enterprise providing reproductive and maternity care directly to women and their families, saving lives and improving health-seeking behavior, and Jacaranda Health, a nonprofit organization that focuses on improving the quality of maternity care in Kenya by increasing the capacity of public health facilities via learnings from Jacaranda Maternity.

Jacaranda’s Model and Pathway to Scale

Jacaranda started as a series of mobile outpatient clinics. Jacaranda applied to the HHEF with the goal of building a network of maternity hospitals in Kenya that provided women with affordable, respectful, high-quality comprehensive care. Prior to winning the HHEF grant, Jacaranda operated one maternity facility. The first HHEF grant enabled Jacaranda to add a second facility, Kahawa West Maternity Hospital, in a peri-urban area of northern Nairobi, in 2015. The 18-bed Kahawa West had an operating theatre and referral laboratory, which allowed Jacaranda to expand its scope of services to include emergency obstetric care (EmOC) and upgrade service offerings across its network. This second facility was proposed in response to consumer research Jacaranda conducted, which indicated that women preferred to deliver at other hospitals with EmOC capacity. A second HHEF grant enabled Jacaranda to develop and pilot a quality improvement toolkit for replication within government hospitals. Jacaranda also received technical assistance through the HHEF program, including business and marketing support, health financing expertise, and clinical training.

In 2020, Jacaranda Maternity consolidated to the single for-profit social enterprise Kahawa West Maternity Hospital. Inpatient services focus on normal maternal care, Cesarean section deliveries, and EmOC. Outpatient services include prenatal, postnatal, baby wellness, immunization, pediatric care, nutrition clinics, and the full continuum of family planning services. This includes short- and long-term contraceptive methods, with a specialty in postpartum family planning options and long-term methods. Jacaranda’s business model relies on efficiencies gained through task sharing and process optimization, and offering higher-margin services through the hospital’s pharmacy, laboratory, and operating theatre. Jacaranda is accredited with Kenya’s National Health Insurance Fund, and also has contracts in place with private health insurers.
In 2017, Jacaranda Health, the nonprofit arm of the organization, shifted to focus on improving the quality of maternal and neonatal care in partnership with government health systems. Jacaranda has developed two innovations to address the two predominant causes of maternal death: 1) delays in care seeking by patients, and 2) inadequate care by providers. The first innovation is a two-way SMS platform, called PROMPTS, which uses artificial intelligence to guide mothers to seek care at the right time and place.

Jacaranda’s PROMPTS System

Almost a third of maternal deaths are cause by delays in care-seeking. We operate a digital health platform that connects mothers with lifesaving advice and referral to care. This service is completely free to the user. We keep costs low by using tools such as an AI-based triage system to help answer mothers’ questions.

This service is now being used by

250,000 pregnant women & new mothers in 250+ public hospitals

Source: https://www.jacarandahealth.org/prompts-program
The second is a nurse mentorship program in which mentors teach obstetric skills via on-site education, quality improvement workshops, and simulation drills during 4 to 6-month rotations in public hospitals. The mentorship and training content is developed as a direct result of learnings at Jacaranda Maternity, and every Jacaranda mentor rotates through the Kahawa West Maternity Hospital to ensure familiarity with “gold standard” care delivery. Mentors work with experienced midwives for six months to augment their existing technical training and quality expertise.

Jacaranda does this through agreements with county governments to provide training and mentorship on a cost-sharing basis to county facilities, which share real-time data that Jacaranda analyzes and feeds back to county governments (Jacaranda Health 2019).

### Jacaranda nurse mentors 2019

- 50% improvement in newborn resuscitation skills
- 90% of nurses consistently performing 90% of key steps during a delivery
- Partograph* documentation improving from 42% to 90%

*Composite graphical record of key maternal and fetal data during labor

### Jacaranda’s Business Journey and Pathways to Scale

Jacaranda’s trajectory includes scaling up of inpatient and outpatient services and transitioning from a nonprofit to a social enterprise. Figure 5 provides annual highlights for the enterprise. Notable milestones include the achievement of 15 private health insurance contracts, receiving awards for quality, reaching unit break-even, and securing investment for expansion.
Figure 5. Jacaranda’s business journey, 2011—2020

Key Milestones and Highlights

2011
- Started as a series of mobile outpatient clinics

2012
- Opened first maternity facility in Nairobi

2013
- Received challenge fund grant from HHEF to support site and service expansion

2015
- Kahawa became over 80% self-sustaining
- Jacaranda Kahawa West Maternity Hospital started providing services on September 1
- Received second HHEF grant to develop a quality improvement toolkit for maternity care and pilot it in three government facilities
- Negotiated three private insurance contracts

2017
- Completed transition of Jacaranda Maternity from NGO to social enterprise

2018
- Jacaranda Maternity Hospital conducted 30,000+ client visits, obtained 15 private insurance contracts, and earned $700,000 in revenue
- Development of PROMPTS
- Received the Geneva Forum for Health Award for “substantial contributions and fundamental improvements in delivering high-quality, sustainable, patient-centered healthcare at scale”
- Maternity Hospital breaks even and starts raising capital for two new hospitals

2019
- Nurse Mentor Partnerships with five county governments and 40 public hospitals delivering 100,000+ babies annually
- Recognized as second most affordable high-quality maternity hospital
- Completed location surveys for two new maternity hospitals

2020
- Secured Series A investment from co-investors: venture capital firm Asia Africa Investment and Consulting, UBS Optimus Foundation, Johnson & Johnson, and SwedFund, the Swedish Development Finance Agency. This investment will finance two new maternity centers
- Created COVID-19 informational bots
Jacaranda’s Family Planning and Maternity Health Services

Jacaranda Maternity’s inpatient and outpatient maternity and family planning services are comprehensive. Figure 6 shows that Jacaranda more than doubled its service volume from 2014 to 2015, and then achieved 46 percent growth from 2018 to 2019, followed by 30 percent growth to 2020.

Figure 6. Jacaranda achieved substantial growth in annual delivery of health services

After strong initial growth with the addition of its second facility and EmOC capacity, it is reasonable that Jacaranda’s service statistics might level out due to capacity constraints. Growth in family planning services has been more incremental since 2017 as shown in Figure 7. Notably during this time, Jacaranda further scaled its impact through the two innovations described above, which are additional to their maternity center services.

Family planning as a percent of all services has declined as shown in Figure 8. This reflects faster growth in overall services, likely due to an emphasis on the higher value maternity services.
While not reflected in the service statistics above, Jacaranda has expanded its impact through its PROMPTS program. Jacaranda anticipated reaching 40,000 mothers in 2019 across 100 facilities, and reaching 250,000 mothers by 2021. As of the 2018–2019 Impact Report, PROMPTS had answered 32,000 questions from mothers (Jacaranda Health 2019).
Jacaranda’s response to COVID-19: Teletriage

As a trusted partner of Kenyan hospitals and local governments, Jacaranda had a unique perspective on how COVID-19 was impacting maternal health. Jacaranda was in touch every day with its network of government mentors, 71 hospitals, over 130,000 mothers and their babies, and five of the biggest county governments managing the health system through the crisis.

By May 2020, Jacaranda noted that 60 percent of its antenatal clients reported that COVID-19 was influencing their decisions on where and when to seek care. With over 150,000 women enrolled on the PROMPTS digital health platform, Jacaranda recognized that scaling up the service would empower more women to seek care during the pandemic. It rapidly built, tested, and launched a “teletriage” to support mothers with remote, “virtual” antenatal care appointments. The goal was to identify those mothers in need of urgent attention. The free, two-way text messaging capability connects mothers with clinically trained helpdesk agents, to ask questions and share concerns. These insights allow Jacaranda to provide dynamic and real-time guidance to mothers during the pandemic.

Jacaranda adapted its PROMPTS tool to create COVID-19 informational bots for both mothers and health care providers. The bots are AI-enabled and offer a menu of options for frequently asked questions including the effects of COVID-19 on pregnancy and infant health, care-seeking advice, and the most up-to-date clinical information on the virus.

Jacaranda is further addressing Kenya’s urgent gaps in maternal and infant health care during COVID-19 by accelerating its digital support to government hospitals so that providers have up-to-date COVID-specific maternal and newborn care guidance.

Having achieved unit break-even with its first maternity hospital, Jacaranda is proceeding to scale by establishing its next two maternity hospitals, supporting company-wide profitability. Clinician resources will be shared to increase capacity utilization. Jacaranda’s financial performance has enabled it to secure a Series A investment for the development of its next two maternity hospitals. Financing comes from a mix of private and public investors, including a commercial venture capital firm, multinational Johnson & Johnson, UBS Optimus Foundation, and SwedFund, the Swedish Development Finance Agency. Jacaranda anticipates replicating the care delivery and revenue model, including family planning. From there, its goal is to expand to 7 to 10 health centers in the region.
Telemed Medical Services

Founded in 2012, Telemed Medical Services sought to make health services more accessible for Ethiopians, a nation with a majority rural population that had as few as three health care workers per 10,000 population (SHOPS Project 2015d). Telemed became Ethiopia’s first telemedicine services provider, offering a mobile-enabled health care delivery platform, combined with ambulance and home health care services.

The HHEF provided support to Telemed for two activities. The first was for the expansion of Hello Doctor, a telemedicine platform that offered phone-based medical consultations. The second was for development of a patient tracking system to improve quality of care and treatment outcomes for HIV and TB patients in Ethiopia.
Telemed created Hello Doctor to provide information and medical advice from health professionals by telephone to users, 24 hours per day, 7 days per week. The platform also provided location information for the closest providers, and referral links to ambulance and home visit services. Users paid a per-minute fee through credit loaded on their mobile phone. Telemed provided family planning counseling to clients, with information and user-specific recommendations on methods. The service also provided information on where to access contraceptive products and services. Users could ask directly about family planning, and receive information and education during discussions about reproductive health, sexually transmitted diseases, emergency contraception, and pregnancy testing. Hello Doctor also ensured privacy, a key concern for the sexual health topics and select user groups. Indeed, a large portion of Hello Doctor’s users were adolescents and young adults who valued their privacy.

The second HHEF element focused on the HIV/TB patient tracking system. The concept was for phone and web-based interfaces for provider registration of HIV and TB patients, then automated follow-up, adherence, and patient progress reporting, as well as data for national surveillance systems. Telemed struggled to find a paying customer for its patient tracking system, and failed to penetrate government procurement processes. Additionally, more traditional global health implementing partners pursued in-house development. These factors reduced Telemed’s commercialization potential for its tracking solution. Reflecting on the grant experience, Telemed felt redirected to emphasize the HIV and TB tracking services based on donor and government priorities. As of 2018, Telemed was providing support to a pilot of their TB tracking system in one site.

**Telemed’s Business Journey and Pathways to Scale**

Telemed’s trajectory includes rapid growth of its Hello Doctor services year-over-year, followed by a decision to pivot its business model out of direct-to-consumer health services. Notable milestones include securing investment from a venture capital firm, achieving sufficient volumes to reduce the pricing of its Hello Doctor phone consultations by 25 percent, and its chief executive officer being named an Echoing Green Global Fellow (Figure 9).

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3 Telemed’s grant from the HHEF was supported by USAID HIV/AIDS funds.
**Figure 9. Telemed’s business journey, 2012–2018**

**Key Milestones and Highlights**

**2012**
- Founded as a joint venture with BelCash, a financial services-focused technology company

**2013**
- Received challenge fund grant from HHEF to support Hello Doctor expansion and development of HIV/TB patient tracking system

**2014**
- Secured private equity investment from US-based venture capital firm, The Africa Group
- Chief Executive Officer Yohans Wodaje selected as Echoing Green Global Fellow

**2015**
- Grew its services by nearly 300%, to over 10,000 telemedicine services provided
- Reduced the price of Hello Doctor consultation services by 25%

**2017**
- Piloted TB tracking system at one site

**2018**
- Decided to suspend public marketing of Hello Doctor and pivot away from direct-to-consumer telemedicine services

**Telemed’s Family Planning and Maternity Health Services**
Through Hello Doctor, Telemed provided callers with information across a broad range of health areas, and also made referrals to nearby facilities, ambulance services, and providers who made home visits. Figure 10 shows that Telemed nearly tripled its services between 2014 and 2015, grew services another 400 percent from 2015 to 2016, and continued to grow from 2016 to 2017. Services then declined significantly in 2018, when Telemed suspended marketing of Hello Doctor to the public. It is worth noting that in addition to support from the HHEF, Telemed’s infusion of private capital was an important contributor to its growth.
Figure 10. Telemed’s annual delivery of health services grew until 2018, when marketing of HelloDoctor was discontinued

<table>
<thead>
<tr>
<th>Year</th>
<th>During HHEF Reporting Period</th>
<th>After HHEF Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>2,300</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>3,567</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>10,665</td>
<td></td>
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<tr>
<td>2016</td>
<td>42,782</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>58,429</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>20,503</td>
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</tr>
</tbody>
</table>

Telemed provided clients family planning counseling, information and education on reproductive health, and information on where they could access contraceptive products and services. Telemed’s family planning services more than doubled during each year of the HHEF support, and then increased seven-fold from 2015 to 2016, directly following participation in the HHEF (Figure 11). The HHEF encouraged Telemed to disaggregate its data by service type, including family planning and reproductive health services.

Figure 11. Telemed’s family planning services increased seven-fold directly following participation in the HHEF

<table>
<thead>
<tr>
<th>Year</th>
<th>During HHEF Reporting Period</th>
<th>After HHEF Reporting Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>58</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>132</td>
<td></td>
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<tr>
<td>2015</td>
<td>396</td>
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<tr>
<td>2016</td>
<td>2,806</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>2,061</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>1,324</td>
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</tbody>
</table>
As a provider of telemedicine services for all health concerns, family planning accounted for a small portion of overall services. At the end of HHEF support, family planning services accounted for just over 5 percent of all services provided. As with all services, family planning services declined in 2018, but increased to nearly 6.5 percent of all services in 2018 (Figure 12). This may speak to the important role that telemedicine services play in providing private, anonymous health information on highly personal topics like family planning.

### Figure 12. Family planning accounted for a small portion of Telemed’s overall services

<table>
<thead>
<tr>
<th>Year</th>
<th>Family Planning as % of All Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 (baseline)</td>
<td>2.52</td>
</tr>
<tr>
<td>2014</td>
<td>3.70</td>
</tr>
<tr>
<td>2015</td>
<td>3.71</td>
</tr>
<tr>
<td>2016</td>
<td>6.56</td>
</tr>
<tr>
<td>2017</td>
<td>3.53</td>
</tr>
<tr>
<td>2018</td>
<td>6.46</td>
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</tbody>
</table>

### Telemed’s Trajectory Out of Direct-to-Consumer Health Services

In 2018, Telemed decided to shift out of the provision of direct-to-consumer consultation services due to low revenues. Instead, the company began pursuing business-to-business partnerships, such as bundling Hello Doctor with health insurance products and pregnancy test kits. Telemed is also seeking to provide its patient tracking and management platform as an intermediary service to health facilities. Given the increased interest in virtual care delivery during the COVID-19 pandemic, it is worth considering that Telemed’s Hello Doctor service was available before the market was ready for it.
SHOPS Plus analyzed findings from the longitudinal study of ARA, Jacaranda, and Telemed to provide insights for future initiatives that seek to integrate social enterprises into broader efforts to expand access to family planning and other priority health services. The findings are grouped under three categories that correspond to the study focus for each year: 1) Key enterprise capacities for increasing access to family planning and the role of HHEF in supporting these capacities, 2) Developing business models to deliver family planning services sustainably, and 3) Quality assurance and improvement efforts.

**Key Enterprise Capacities for Increasing Access to Family Planning and the Role of HHEF in Supporting These Capacities**

The research identified three key capacities required for increasing access to family planning products and services through a sustainable, social enterprise model: technical capabilities, the ability to manage a partnership ecosystem, and business model innovation. The research then investigated the HHEF’s role in supporting the development of these capacities.

All three enterprises described their investment in the counseling and clinical skills required for delivery of quality family planning services. Since the HHEF ended, ARA has continued to build clinical capabilities by hiring a full-time clinician with the technical skills to provide family planning services in every clinic. Jacaranda has recruited and trained specialists in the provision of family planning services to build the skills and capacity of other staff. During the HHEF, Telemed invested in developing staff’s technical expertise to provide phone-based counseling on family planning choices and method selection.
All three enterprises also described **managing an ecosystem of partners** as key to increasing access to family planning. During the HHEF program years, ARA proactively developed partnerships, including a partnership program with county governments, to provide access to free family planning commodities through its network of clinics. Jacaranda sought to develop best practices in behavior change communication, staff training, and patient-centered care. It then implemented these best practices in public sector facilities through a set of public-private partnerships. After the HHEF ended, Telemed developed a fluency in navigating the policy and regulatory environment as well as in engaging with partners such as EthioTelecom and the Ministry of Health to expand the ways they could reach customers with their services.

Lastly, **business model innovation was a critical capacity**, given that family planning commodities are provided free of charge by Kenya’s public sector, which reduces user willingness to pay for these products and services. ARA designed its model to provide a wide range of non-health services in order to generate sufficient revenue to continue offering family planning services, including experimenting with supplementary ventures based on demand in individual communities. Jacaranda widened its value proposition to provide services across the continuum of care, including an operating theatre for obstetric emergencies, emergency transport services, and a referral pharmacy.

**HHEF support in the development of ARA, Jacaranda, and Telemed** comprised three highly valued components: HHEF program design, grant capital, and technical assistance. Through HHEF program design, the enterprise leaders gained critical experience in business plan and investor pitch development. This served them well for future funding pitches. While the grant capital was foundational to increasing access to family planning services, the technical assistance was critical to long-term success. ARA benefitted particularly from coaching in marketing and communications, including to better understand customer segments and professionally rebrand their facilities, and the ability to contract a local firm to develop an accounting system. Jacaranda used the support to increase service delivery capabilities as well as to strengthen human resources, finance, and marketing. Jacaranda valued the opportunity to get international expertise from the American College of Nurse Midwives on clinical practices. Telemed used technical assistance to strengthen its clinical protocols, and enhance its marketing capabilities.
Developing Business Models to Deliver Family Planning Services Sustainably

The research investigated why and how social enterprises integrated family planning into their business models, and then explored business model elements that support sustainable service delivery.

While family planning is not a profitable business line, enterprises integrate family planning services into their business models to enhance their impact and sustainability. In Kenya, ARA and Jacaranda both charge clients service fees on the distribution of free government-provided family planning commodities. The service fees cover most service delivery costs, but do not generate any profit. ARA and Jacaranda articulated several benefits of these services that indirectly support revenue generation and sustainability, in addition to the social impact for their clients:

1. **Facilitates participation in the country’s health system**
   For a facility to be empaneled with the National Health Insurance Fund, or to be registered on the master list of Kenyan health facilities, provision of family planning is considered a minimum qualification. Additionally, the government operates partnerships with select private facilities, including within ARA’s Ubuntu network, to provide staffing support, access to free vaccines for immunizations, and HIV/AIDS care. Partner facilities are expected to serve as channels for family planning commodities.

2. **Improves customer perception: One-stop shop**
   ARA observed early on that users consider the provision of family planning to be a sign of a quality health facility. Although an individual user may not seek family planning services, there is value in knowing that the products and services are available, if so desired. While privacy is well understood to influence client choice of provider in family planning, many clinic users do want a one-stop shop for their health care needs (Tessema et al. 2016, SHOPS 2015c). This preference may be more prevalent in rural settings, but Jacaranda also observed this in its peri-urban setting.

3. **Reduces cost of customer acquisition**
   ARA and Jacaranda report that offering family planning products and services generates foot traffic into facilities, which may result in clients purchasing other products and services with higher profit margins. This is particularly so for short-acting contraceptives, which require more frequent clinic visits. This client interaction is an opportunity to build loyalty such that a client will choose that facility for their broader health needs. The provision of family planning reduces the cost of customer acquisition for these enterprises. For example, Jacaranda provides standalone family planning services at its maternity clinic. While this does not generate significant revenue for the business, women who receive these services are more likely to then choose Jacaranda for maternity care. As evidence, 15 percent of Jacaranda’s deliveries in 2017 were mothers who were past family planning clients (Fay 2018).
Hybrid organizational structure with for-profit and nonprofit arms is a key pathway to sustainability. Both ARA and Jacaranda have evolved their organizational designs over time. Jacaranda changed its organizational registration in Kenya from NGO to social enterprise in 2017. This increased its emphasis on financial sustainability and unit cost reduction while still maintaining the culture of care. The new leadership had to listen and learn, to achieve the balance between delivering high-quality patient-centered care and pursuing business viability. ARA established Ubuntu Health as a for-profit entity that commercializes its health information management platform, Stone HMIS, and located two of its medical centers in more profitable areas.

Partnering with the government can support sustainability efforts as well as improve health outcomes by advancing public sector care alongside the private social enterprises. ARA actively partners with several county governments and has turned over clinic ownership to four counties. The county governments commit resources including staff, commodities, and medicines; ARA provides management and procurement services; and the self-help groups continue to provide subsidies to their respective clinics through the supplementary enterprises. Clinic revenues do not go to the government but stay with ARA. In partnering with the government, ARA’s vision is to demonstrate the clinics can be run sustainably without reliance on donor funding. This is part of the scaling strategy that ARA actively tested with support from the UK Department for International Development.

Securing private insurance contracts with plans that serve middle- and upper-income patients can support cross-subsidization of lower-income patients. Jacaranda secured its first three private insurance contracts in 2015 and made obtaining insurance contracts a priority in 2018. With the right business development team, Jacaranda increased its insurance portfolio to 15 contracts. In getting accredited with more corporate insurance, Jacaranda has been able to cross-subsidize care for lower-income patients. Current patient mix is 70 percent lower income ($400–600/month) and 30 percent somewhat higher income ($600–1,000/month).

Quality Assurance and Improvement

Quality of care is essential to social enterprises in the health sector. Realization of health impact depends greatly on organizational commitment to quality assurance and continuous improvement. ARA and Jacaranda’s commitment to quality is apparent and serves as persuasive evidence for investing in this type of enterprise.
Quality assurance and improvement approaches play a direct role in ARA and Jacaranda’s delivery of family planning services. First, both organizations adhere to required and voluntary quality standards. ARA and Jacaranda both described implementation of quality standards required by Kenya’s national and county governments for the registration and operation of health facilities and the provision of family planning services. This included inspections by county governments and facilities in good standing with respect to minimum requirements in order to maintain accreditation and the ability to operate. Both enterprises also implement voluntary quality standards, including adaptations of World Health Organization (WHO) standards, such as the maternal death surveillance and response approach that ARA has adapted to better reflect the conditions at its small footprint clinics, or the WHO standards for improving quality of maternal and newborn care in health facilities and the WHO family planning counseling guidelines adapted by Jacaranda. Both use generalizable quality components across all services as well as quality assurance approaches to meet the differing requirements of county governments and insurance schemes.

ARA also improves quality through clinic audits and strong data collection. Clinic audits ensure quality of care and guide resource allocation and site support. ARA’s Stone HMIS supports high-quality clinical services and strong clinic management, and it improves data collection and reporting to public health institutions. Remote clinics are linked to the ARA head office via Stone HMIS, allowing for quality monitoring. The platform provides digitized clinical protocols and connections with public drug databases for drug authenticity validation and inventory management. Stone HMIS facilitates individualized care, increases efficiency, improves data collection, and ensures quality through the wider health system.

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**Ensuring the quality of family planning service delivery**

ARA and Jacaranda both integrate quality assurance and improvement in multiple ways to their delivery of family planning services:

- Implementation of required as well as voluntary/complementary quality standards
- Use of quality improvement tools and supporting systems
- Organizational structures supporting quality
- Extending quality improvement beyond the enterprise
High-quality service provision is fundamental to both ARA and Jacaranda’s value propositions. ARA and Jacaranda both rely heavily on word-of-mouth promotion to gain new clients. Therefore, provision of high-quality services increases the likelihood that clients will recommend the provider to their peers. Quality is a key part of the Jacaranda brand messaging, and is highlighted on its website when describing its services and through consistent use of the #qualityhealthcare hashtag on social media. Jacaranda also highlights awards it receives for quality, such as the 2019 Quality Healthcare Kenya Award for Advancing Maternal and Child Health, in its social media promotion targeting clients. Jacaranda promotes its high-quality services through digital marketing, which is fairly new in the Nairobi region. It feels that it has captured the social media market, getting views and gaining traction.

ARA has not explicitly advertised or promoted its services on the basis of quality. However, enterprise leadership considers quality to be an implicit part of the ARA brand in clients’ eyes. ARA highlighted an additional benefit of implementing high-quality standards. Adherence to checklists and protocols for improving health outcomes enables greater standardization and predictability, both of which improve efficiency and cost management. While audits of ARA’s clinics ensure quality of care, they also help to efficiently allocate support and resources to those sites that are in most need. Cohesion within ARA’s partner communities is also a key contributor to ensuring quality. The self-help groups and revenue generation are one part of the community partnership model; the other part is local engagement and clinic staff accountability, which help to maintain quality in both business and clinical care.

Client views on quality in family planning

Client perceptions of quality typically focus on whether the experience meets expectations of friendliness, cleanliness, efficiency, and confidentiality, and whether the contraceptive method selected then performs as expected. While these aspects align with the enterprises’ objectives to deliver a quality service, there may be differences when it comes to method choice. Women often attend family planning counseling sessions having formed an advance opinion about the method they wish to receive. Adherence to counseling standards means the clinician may recommend a method other than what the client was expecting. In this instance, the provider’s application of high-quality standards may actually be interpreted by the client as poor quality. ARA and Jacaranda providers seek to address these gaps in perception through client education.
The Business Case for Social Enterprise Investment

As USAID and other development partners consider how to improve health care access and work with countries on their journey to self-reliance, investment in social enterprises that focus on unmet needs in the health sector is a key opportunity. This study provides evidence on why investing in this type of enterprise can deliver scalable health impact, and how it can be done sustainably.

Social enterprises can increase access to family planning services, reach underserved populations, and continue to grow their impact. For the year ended June 2020, ARA and Jacaranda had achieved annual average growth rates in family planning services of 72 and 48 percent, respectively, since 2013. Together, ARA and Jacaranda were directly providing services to over 61,000 people in 2019 and 2020. ARA’s 25 Ubuntu Medical Centers serve catchment areas of approximately 30,000 people each, reaching an estimated 750,000 Kenyans. Of that, about two-thirds are women and children.

Social enterprises can strengthen public sector services while delivering quality private care. Many social enterprises seek to partner with the public sector to improve health care delivery and supportive systems, such as inventory management or provider training. Beyond direct services, both entities studied are strengthening the country’s health system. Jacaranda’s work with government partners to mentor maternity nurses and integrate their cost-effective innovations into public hospitals improves outcomes for mothers and babies across Kenya. By mid-2019, Jacaranda had partnerships with five county governments: Bungoma, Kiambu, Makueni, Muranga, and Nairobi. In mid-2019, Jacaranda had 30 mentors active across 47 facilities with over 400 nurses improving their skills. Each of these frontline nurses serves thousands of mothers each year.

In a very different, rural-based model, ARA is helping to strengthen Kenya’s health system through its successful and growing partnership program with four county governments, through which it supports public facilities in underserved areas. Such public-private partnership models improve maternal, reproductive, and newborn/child health access in poor underserved areas and reduce the burden on public facilities.
ARA and Homabay County

“We have a total of 265 health facilities which range from level 2 up to level 5. One of the partners we have worked with since 2016 is Ubuntu [ARA]. Their main strength was to support the development of primary health care facilities, level 2, which we call dispensaries. Up to now, they have done 16 of them and this is a major contribution to the county government of Homabay.”

—Professor Richard Muga, C.E.C. Health

Social enterprises invest in quality systems and standards to improve family planning delivery. ARA and Jacaranda operate very leanly and yet are highly quality-oriented. In their rural and urban arenas, ARA and Jacaranda implement standards consistent with Kenya’s national requirements. They further manage quality in the unique context of their delivery models, ARA in remote clinic settings for mostly self-pay clients, but in partnership with county health units. In contrast, Jacaranda engages with a number of county governments and insurance schemes, all of which have their own standards. To manage this variation in standards, Jacaranda has implemented a single approach to quality assurance that encompasses the differing requirements. Jacaranda has received national recognition in both quality and affordability.

Both ARA and Jacaranda view their missions as being to ensure access to high-quality services despite the financial and geographic barriers that clients may face, and consider implementation of quality standards as key to achieving good health outcomes as well as business success. Both organizations have comprehensive systems and tools for achieving quality, along with adhering to national standards. They extend their reach through their program models—ARA by partnering with rural community associations as well as county governments and Jacaranda through its nurse mentoring program. Similarly, Stone HMIS and PROMPTS have also advanced quality of care through information-based solutions that impact many clients beyond ARA and Jacaranda.

Jacaranda’s quality recognition

- 2018: Jacaranda received the Geneva Forum for Health Award for “substantial contributions and fundamental improvements in delivering high-quality, sustainable, patient-centered healthcare at scale.”

- 2019: Jacaranda received the Quality Healthcare Kenya Award for Advancing Maternal and Child Health.
There is a rich selection of social enterprises that contribute to health systems goals in different ways. Many countries have a wide variety of social enterprises that offer innovative products, services, and business models that support health systems goals. At times, social enterprise innovations can be applied to improve health care delivery beyond their own brick-and-mortar businesses; for example, ARA’s development of Stone HMIS created the ability to track family planning users across facilities to identify new users versus continuing users who were new to a given facility. USAID missions and development partners should define the problem they face first, and then identify social enterprises to partner with. USAID’s Innovation Realized: Expanding the Path to Health Impact outlines some common health innovation needs, including new and improved solutions, further scaling existing solutions, and new or different partners or engagement models, and the Global Health Innovation Index provides guidance on how to identify promising innovations. Relevant social enterprises for a given problem can be identified through a range of methods, including open innovation competitions like challenge funds and prizes, as well as through discussions with incubators, accelerators, and other partners supporting health care innovation in the country or region of interest. Donors and partners should set clear expectations about the objectives they seek to achieve by partnering with a social enterprise, and ensure that the social enterprise agrees that those objectives are aligned with their own business priorities.

Investing in private sector health enterprises creates jobs and can contribute to women’s economic empowerment. Private sector enterprises create local jobs and economic opportunity in communities. For example, ARA’s development of Ubuntu clinics has created many rural jobs not only for health workers but also for related personnel, the majority of whom are women. ARA has generated the following:

- ARA’s 25 medical centers have resulted in new full-time jobs being created for 50 health workers (62% female), including clinical officers, nurses, HIV testing services providers, pharmaceutical technologists, laboratory technicians, and administrative personnel. ARA core staff also constitutes 13 full-time jobs, 44 percent of whom are women.

- Part-time jobs have also been created for over 100 community health workers, who conduct health promotion and program activities at the clinics. Ninety-eight percent of these community health workers are women.

- Additionally, provision of transport services for clients and staff to the clinics has resulted in indirect job creation. This includes approximately 48 motorbike drivers who transport health workers to the clinics each day, and the drivers who provide motorbike taxi service to the 70 percent of patients who require hired transportation.
This SHOPS Plus study provided a longitudinal view of how three social enterprises’ participation in the HHEF contributed to their business model and capacity development and the extent to which they increased access to family planning products and services. The study found that, since 2013, ARA and Jacaranda achieved annual average growth rates in family planning services of 72 and 48 percent, respectively, and together provided services to over 61,000 people in 2019 and 2020. Telemed grew its family planning services by over 100 percent annually from 2013 to 2016, with a slight decline in the services before shifting out of direct-to-consumer service delivery.

The experiences of ARA and Jacaranda demonstrate that, in order to achieve sustainability, family planning delivery requires inclusion within a broader business model as well as innovative partnerships with governments and local communities. Social enterprises delivering health care services at exceptional levels of quality as demonstrated by ARA and Jacaranda is persuasive evidence for investment. The full business case for investment in social enterprise is when considering ARA and Jacaranda’s service delivery statistics, along with their broader contributions to health system quality, cost-effective care delivery in underserved geographies through government partnerships, and, finally, their development and dissemination of technology innovations.

As development partners and donors continue to invest in social enterprises as a means of increasing access to family planning, they should consider the following recommendations. First, design competitions that target the specific family planning challenge they seek to address; while the HHEF was designed to identify a broad range of private sector innovations, future programs can call for innovative solutions in response to specific family planning challenges, such as reaching specific target populations with information or services. At the same time, it is important to recognize that to achieve sustainability, many private sector business models will need to incorporate family planning into a broader package of services. Second, design technical support to align with individual enterprise needs, business stage, and
the desired effect of the investment. The HHEF provided a wide range of technical support that affected businesses differently depending on its stage. Future potential support models might anticipate three types of effects or outcomes: 1) catalytic effects for early-stage enterprises seeking to increase their visibility and networks; 2) broad effects for enterprises that need to validate their business models, identify market opportunities, and build partnerships; and 3) focused effects for enterprises with strong business models that need to strengthen specific functions to prepare for scale-up (Fay 2018). Third, anticipate and reduce barriers to scale-up for start-up enterprises. USAID missions and their partners can leverage their convening power to facilitate introductions to district health officials or registration bodies, or increase the availability of market information around topics such as local procurement processes. Fourth, prepare for business models and pathways to scale up through both commercial markets and the public sector. As social enterprises seek to balance the tension between their business and social goals, they may explore both for-profit and nonprofit organizational statuses, and shift strategies from initial social or financial goals. Finally, expect that the time it takes to achieve scale will likely extend beyond typical five-year project cycles. By investing in continued monitoring beyond grant periods, USAID and its partners can support social enterprises more effectively and better measure the impact of their investments on service delivery and the broader health systems in which they operate.
References


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