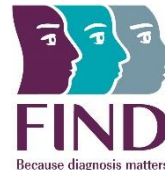


Creating a private sector market for RDTs

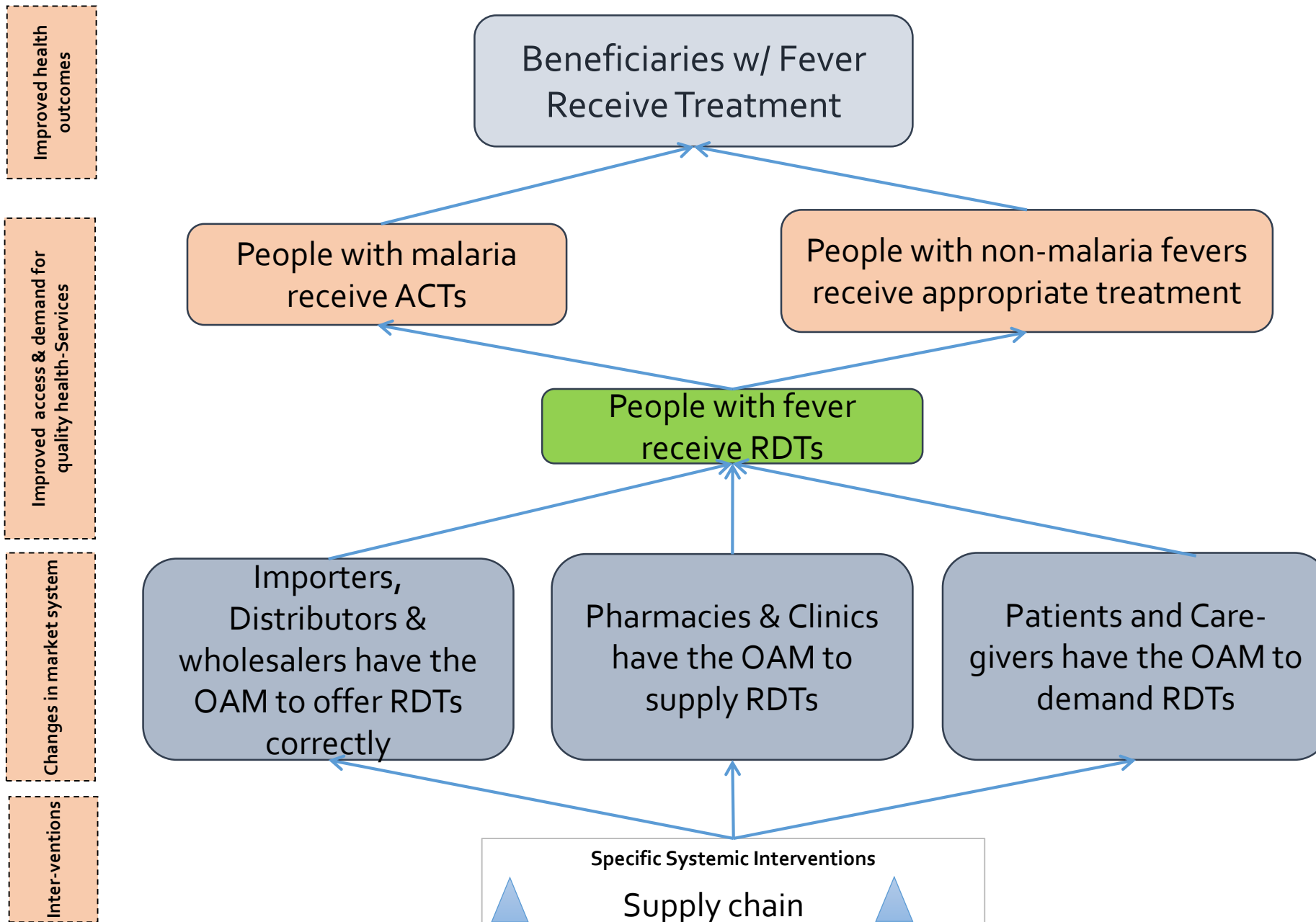


Pricing , Procurement & Distribution

Entebbe, Uganda 20-21, 2015



RDT Market development Strategic Framework



Procurement

pricing

distribution
logistics

Market development approach fast tracked along supporting a sustainable supply chain;

- Manufacture pre-negotiated prices-CHAI
- Pre-shipment testing-Insitute Pasteur du Cambodge
- Planned 3 series of procurement, did 1
- Procured 500,000 RDTs (P.f.) –SAI pharmaceuticals
- Quantified need based on universe of outlets, 60% unregistered

➔ Leveraged on pre-negotiated prices/importers





2014 – Start-up

RDT Type	PS Kenya Buying price (USD)	Total cost incl.15% distribution	Price to outlets	RRP	Actual (exit surveys, 2014)
Hospital pack	0.33	0.38	0.46	0.80	1-1.5
Single pack	0.54	0.63	0.70	1	

- ➔ RDT is a service- skills, waiting time, waste management
- ➔ Additional costs-, fuel levy, validation cost, registration cost, inspection fee
- ➔ Microscopy (75% of total fever cases)



Moderator: Is there any other benefit you are getting out of RDT, like more profits?

Respondent: Yes because there are many patients who come here for the test. PSI has **promotion activities** at different market places and so as result many patients come here for the RDT test.

(Clinical Officer, Kwale)

Respondent: It brings **more patients and more money**. The patients call it "Msema Kweli. When patients use it, they feel satisfied and ready to come back. They always ask "wapi msema kweli"
(Clinical Officer, Kilifi)

Are RDTs profitable ? Providers split (Provider qualitative study,2014)

Moderator: what is the maximum amount that you'd want to pay for the RDT kit?

Respondent: 25 per kit

Moderator: how have you decided on the 25?

Respondent: this would be good because we could **charge 50 for the test** and therefore reach more clients.

(Clinical officer, Mombasa)

Respondent: the kits are ok, if only they could be **gotten at a cheaper price**
(Pharmacist, Kwale).

Moderator: So is that price okay with them the clients?

Respondent: It is okay because they **give us the bonuses**
(Pharmacist, Kwale)



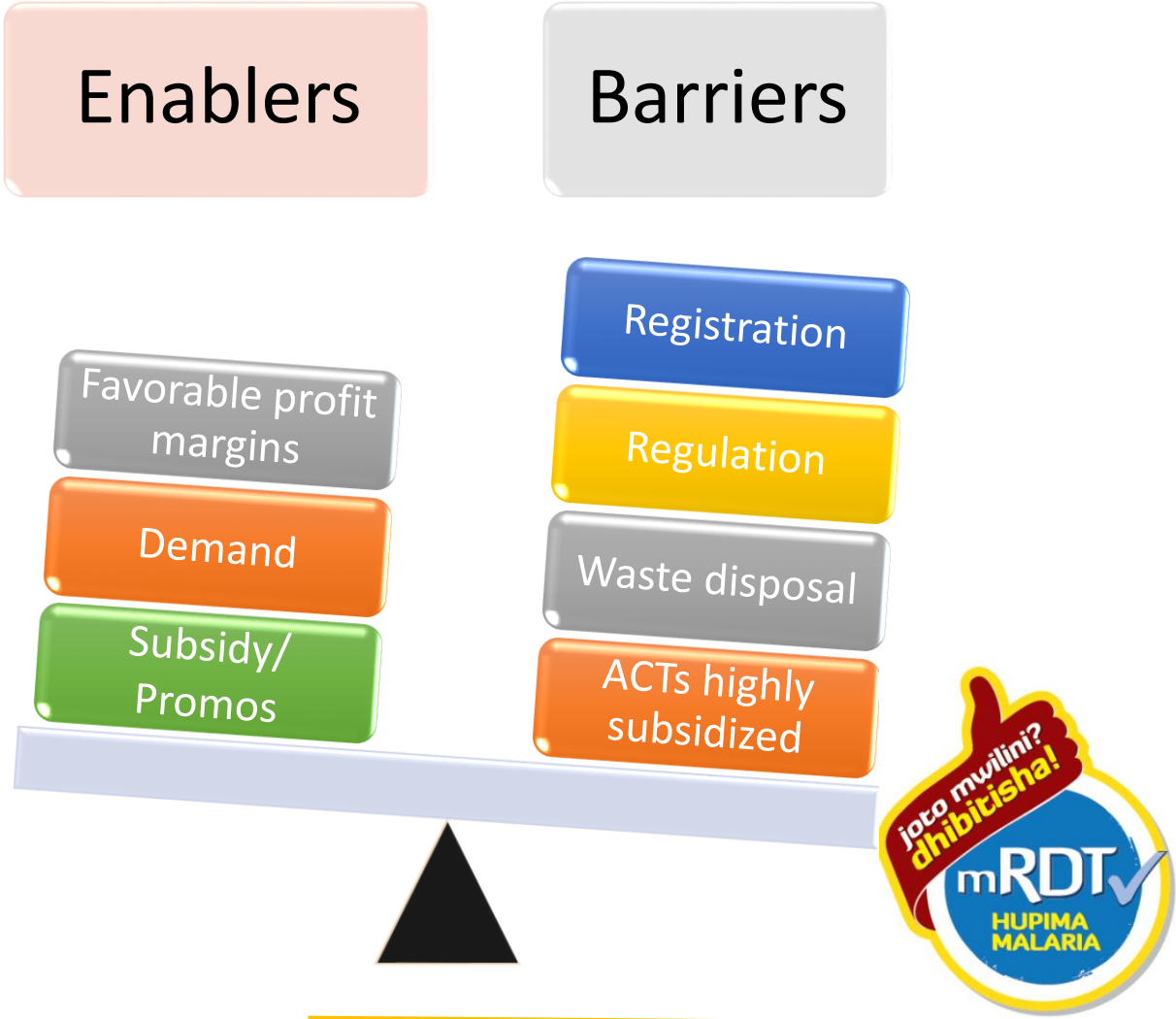
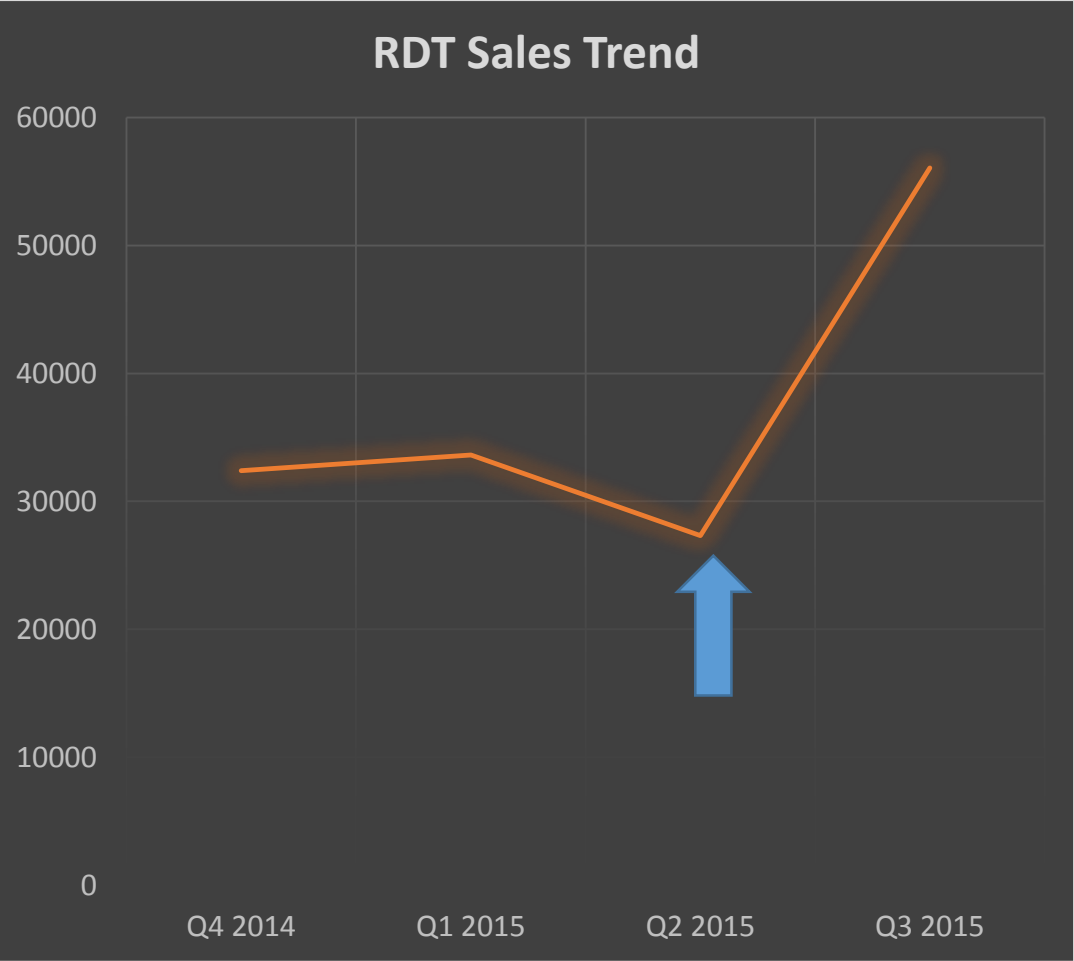
2015: Priming the Market for Sustainability



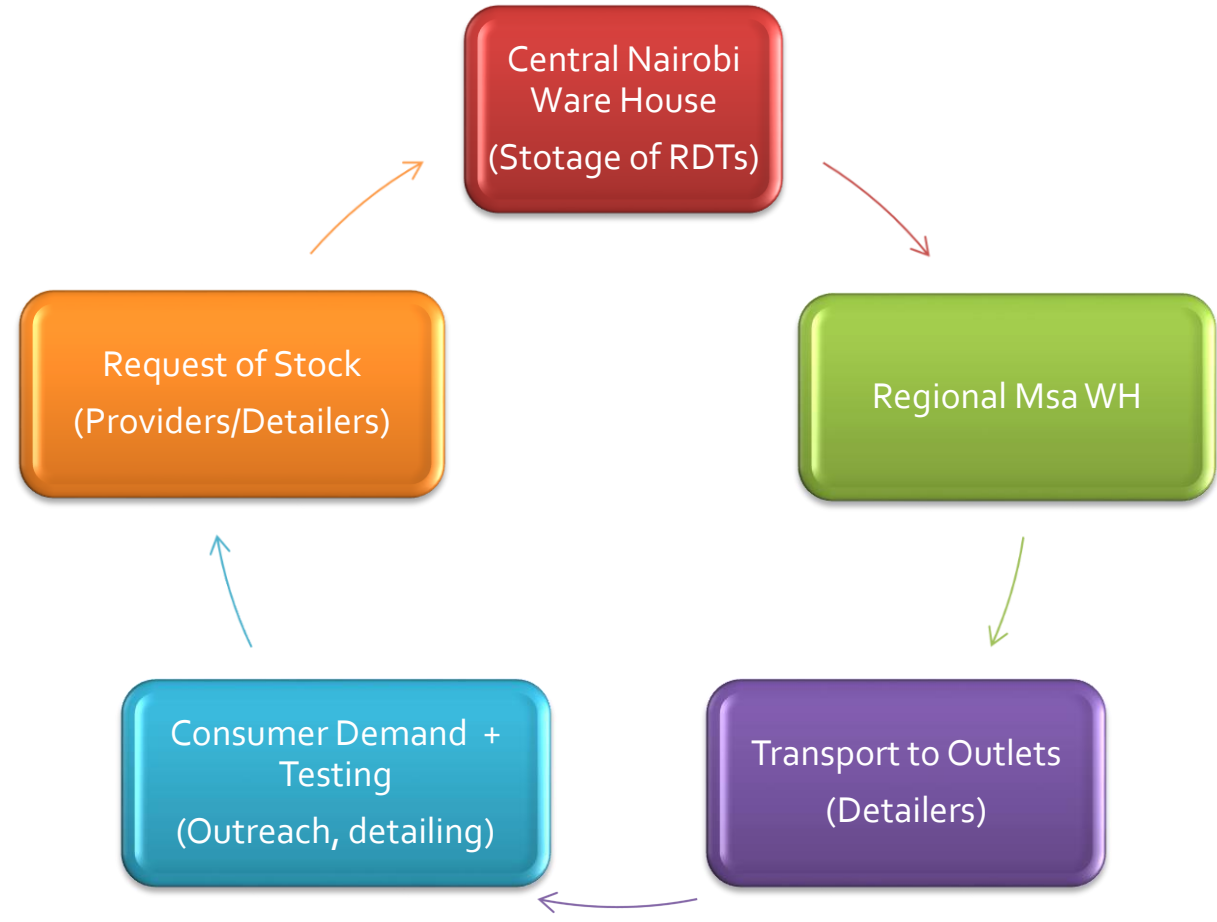
RDT Type	PS Kenya Buying price	Cost incl. 15% distribution	Price to distributor (subsidy on price)	Price to outlet (subsidy through promotion)	RRP	Actual
Hospital pack	0.33	0.38	0.24	0.37	80	1-1.5
Single pack	0.54	0.63	0.24	0.43	100	

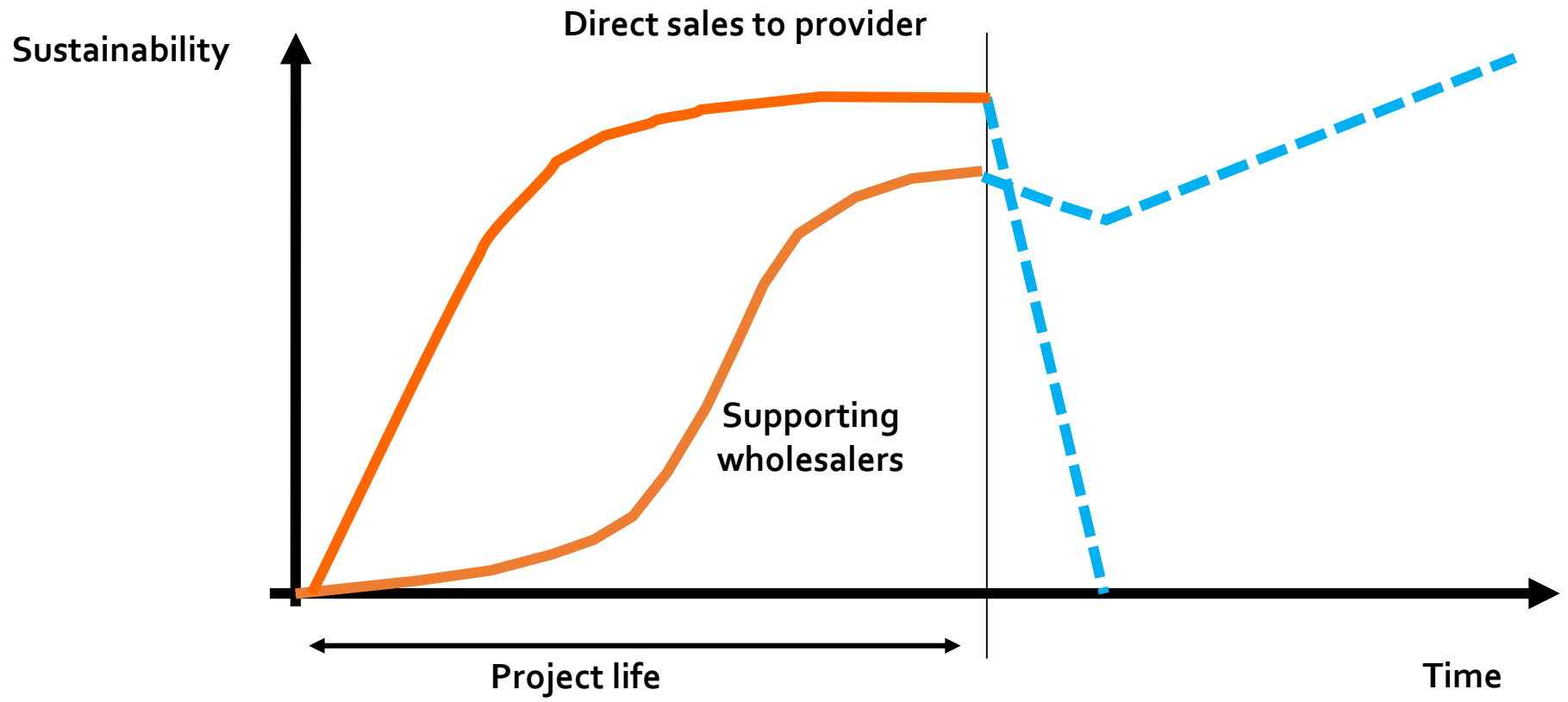
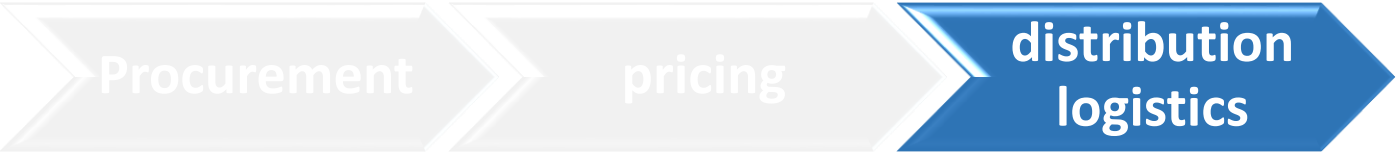
Costs in USD

RDTs Pricing- a delicate balance



Procurement pricing **distribution logistics**





➡ Shifting commodities to wholesalers –Turnover proof
Monitoring linkages
Engaging importers & wholesalers,
Supporting the Outlets

Challenges

- Getting wholesalers/outlets interested in stocking
- Market intervention effects take time
- Appropriate pricing, relative to ACTs
- Consistent Demand (consumer and provider).

Opportunities/recommendations

- Promising approach to support sustainable health market for at scale coverage (universal access)
- Manufacturers /wholesalers are interested- but price must be friendly
- RDT pricing is delicate but important

