

Latin America and the Caribbean Unit

ASSESSMENT OF MEXFAM CLINICS

Family Planning Management Development (FPMD)

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# **ASSESSMENT OF MEXFAM CLINICS**

## **I. Background**

The following guidelines were developed by the Family Planning Management Development Project [FPMD] of Management Sciences for Health [MSH] to assist its local counterpart, El Instituto Nacional de Salud Publica [INSP] in its assessment of the reproductive health and family medicine clinics of the Mexican Family Planning Foundation [MEXFAM]. The guidelines were developed to systematically explore the relative success of clinics attempting to become self-financing and specifically to identify weaknesses and key strengthening activities to enhance clinic performance. It is not meant to be a comprehensive, all inclusive listing of questions covering all aspects of self-financing clinics. Each element of clinic operations has many systems, procedures and protocols which would need to be reviewed in considerable detail to ensure a thorough understanding of a given clinic's ability to successfully operate in its particular, competitive environment.

The suggested process for use of these guidelines is a participatory approach to clinic assessment by a team consisting of external experts [INSP] and clinic and host organization staff. It attempts to highlight the key optimal conditions in each functional element of clinic operations which need to be present for long term clinic success and sustainability. As such, it focuses the assessment team on the larger issues while also identifying the specific areas, activities, systems and procedures that may need further review and/or observation. It is assumed that the assessment team is composed of experienced professionals who need both the structure and the flexibility provided by this process.

The guidelines identify seven key elements of self-financing clinics. For each element there is a section in the guidelines containing:

- A description of optimum conditions
- A series of illustrative questions
- A summary statement describing the element
- Critical issues
- Suggested activities to strengthen clinic performance

## **II. Assessment Process**

### **1. Formation of Clinic Assessment Team**

- Team will include external experts as well as key central, regional and clinic management staff from the host organization.
- Once established, Team will review assessment guidelines and establish process time

lines and individual responsibilities for its completion.

- Team will discuss the seven basic elements at length and specifically the optimum conditions and corresponding suggested questions.

## 2. Assessment Process

- Team will gather and structure, by major strategic business unit and/or overall levels and trends towards self-financing, as much programmatic and financial data as possible for each clinic before actual clinic visits.

- Team should hold an initial meeting with clinic staff to describe the assessment process and how it is to be implemented at the clinic.

- Team, having discussed and established optimum requirements for each element, will use the questions provided in the assessment guidelines to determine relative progress. Team is not limited to the questions provided in the assessment guidelines and should also feel free to supplement staff responses with personal observations.

- Team, to the degree possible, should conduct as much of the assessment as possible in an informal group setting with the principal clinic staff.

- Team should develop, with input from clinic staff, a summary statement describing the present status of each element and also identify:

- Major Issues

- Suggested Assistance Activities

- Team should share [preliminary] results of assessment with clinic staff participating in the process.

- Team should present findings to the MEXFAM Executive Director and the FPMD representative for final review and approval.

## **III. Guiding Principals For Self-Financing Clinics**

A growing number of non-profit health organizations in the developing world have invested considerable time, energy and local and international resources in the creation or conversion of reproductive health clinics and/or family medicine clinics into self-financing “businesses.” This movement has been driven by three major forces:

- The recognition that international donor support is either static or actually declining in some areas of the world; even as demand for services continues to increase.
- The recognition that local resources, especially in the form of client fees for services, represents the largest, virtually untapped source of “new” money for reproductive health and family medicine services.
- The recognition that in the both the private [for and non-profit] and public sectors, health care consumers are increasingly being asked to, and are becoming accustomed to, at least some cost-sharing for services received regardless of the source.

Self-financing clinics are fundamentally different from their strictly charitable predecessors in many important ways:

1. Self-financing clinics have a clear and specific *Strategic Business Vision*, always within the unique context of their respective communities, of :

- Who they are [service mix, service priorities, overall community image]
- Who they serve [market niche]
- Who their competition is and where they stand relative to them [services, pricing, market share, etc.].
- How they will eventually become or continue to be self-financing

2. Self-financing clinics recognize that they are not in one “business” but rather offer a portfolio of “Strategic Business Units” [services] to the public. Successful self-financing clinics understand that each of these strategic business units has its own particular market niche and share, competition, resource requirements, profit margin, etc., and must be managed accordingly. They also understand the explicit role that each strategic business unit plays within its overall portfolio of services i.e. cash cow, promotional, purely social [free], etc. A key management issue therefore is understanding and monitoring each business separately while at the same time maintaining an integrated:

- *Internally* efficient use of available [always limited] resources
- *Externally* consistent community image.

3. The variety and relative priority of each service in the clinic portfolio is a direct result of continuous communication with and feedback from existing and potential clients of the clinic. Client preferences and competitor information are the basis for careful costing and pricing analysis to determine the viability, profitability and positioning of all businesses that make up the portfolio.

4. Self-financing clinics recognize that fee paying clients, by virtue of their purchasing power, will have choices as to their health care provider. In many communities, there will be a highly differentiated menu of competing providers that run the full gamut from inexpensive pharmacies and private doctors to state-of-the-art private clinics and hospitals. From what can be a fairly wide choice, consumers of health care will select a provider based primarily on two characteristics;

- The [comparative] **price** of services
- The **quality** of care and services *as defined by the client*.

5. Self-financing clinics understand that the critical consumer factors of **price** and **quality**, as with the specific external environment they are relative to, are not static variables nor can they be determined exclusively through a central level planning process or through implementation of central level vertical systems and procedures. The issues of **price** and **quality** need to be the principal subject of specific and continuous processes of analysis and improvement; much of which needs to occur at the local clinic level. There must therefore be trained clinic management who, in addition to efficiently managing daily operations, is also capable of addressing these two

critical factors in ways that continuously involve and educate line staff. To do that, local management must also be able to access [and continually share with staff] adequate and timely financial, programmatic, logistical and client satisfaction management information as a key element in the continuous improvement process.

6. Self-financing clinics accept that local management expertise, time and information are a basic and indispensable cost [and therefore expense] of doing [quality] business in a competitive environment.

## **II. Basic Elements of a Successful Self-Financing Clinic**

While all clinics must have certain basic elements present for them to be successful, self-financing clinics bring their own special requirements and definitions to the following elements:

1. Strategic Business Vision
2. Trained and Committed Staff
3. Adequate Supplies
4. Adequate Physical Space and Equipment
5. Adequate Marketing
6. Access to Management Information
7. Onsite Management/Leadership

## ASSESSMENT GUIDELINES

### 1. Clinic Strategic Business Vision

#### Optimum Conditions:

- Clinic has a shared, clear and consistent image [ i.e family planning clinic or reproductive health clinic or family medicine clinic, or women’s clinic or teen clinic, etc.] both among staff and in the community.

- Clinic understands and can identify the various “businesses” it is in and for each of those businesses has an in depth understanding of its:

- Market niche and share
- Present and potential client load and income
- Break even point
- Cost per unit of service and used and unused capacity
- Competitors - market share, trends, pricing
- Marketing needs

- Clinic businesses have specific yearly income [sales] targets.

- Clinic [or the organization as a whole] relies heavily on market research, as well as unit costing and competitor pricing information, in determining the content and relative priority of services within the clinic portfolio.

- Clinic understands the interrelationship between the various businesses in its portfolio and can articulate the role that each one plays [cash cow, promotional, community relations, etc.]in the overall business and image of the clinic.

- Clinic has identified the key capital expenditures needed to expand performance, revenue and market share. Clinic consistently reserves a percentage of net income for self-investment.

#### Questions

1.1 What is the overall image of the clinic in the community [who is it for, what does it offer]?

1.2 What is the image [future] that the staff and administration would like the community to have of the clinic?

1.3 What are the 3-5 basic businesses of the clinic in priority order? Do they have specific income targets?

<b>Business</b>	<b>Market Niche</b>	<b>Competition</b>	<b>Market Share</b>	<b>Present Level of Self-Financing</b>

1.4 Which businesses have the greatest potential for future growth and profitability? What capital investments/improvements would be required?

1.5 What is the present level of used/unused capacity?

1.6 How is market research on existing or new services gathered on a regular basis?

Summary

Critical Issues

Suggested Assistance Activities

Activity	Provided By	Dates	Cost

**2. Trained and Committed Staff**

Optimum Conditions

- Technical staff are adequately trained, and sufficient service hours are scheduled, to provide the most requested and most profitable of clinic services; *both* existing and new services.

- There is a system [often designed and/or implemented from the central level] that verifies and ensures the technical quality of all services on a regular basis.

- All staff are chosen and continuously trained with the clear understanding that client satisfaction is the single most important product of the clinic. They understand the direct relationship between client satisfaction and clinic programmatic and financial success. Above all,

they recognize and accept their individual and team responsibility for ensuring client satisfaction. They participate in processes of continuous improvement of clinic services and are provided professional and financial incentives in recognition of their primary role in clinic success.

- Staff are [cross] trained and willing to move to where the work load is regardless of individual job titles and professional backgrounds.

- Management expertise, supported with the appropriate management information, is considered a critical factor to clinic success. That expertise, in addition to expertly managing the daily operations of the clinic, is responsible for maintaining the structures and processes that permit full staff involvement in clinic operations and therefore ensure their commitment to and participation in the success of the clinic.

- The use of fee-sharing arrangements [as opposed to salaried employees] with specialty providers is used to keep fixed costs down but is carefully examined in each individual case. Ensuring consistent technical quality must be always specifically addressed. Financially, the goal is to have the specialist make his/her income through a low percentage [of total fee for service] applied to a high volume of clients rather than a high percentage applied to a low or fast growing volume.

## Questions

2.1 Are there adequately trained staff and service hours available to provide the types and volumes of services as reflected in the Clinic Strategic Business Vision?

2.2 Are staff adequately trained, and are they willing, to move to where the workload is during the working day of the clinic?

2.3 Is there an implemented system to continuously monitor, and improve when necessary, the technical quality of services?

2.4 Have staff received sales, marketing and/or customer relations training? Do they exhibit attitudes and behavior that confirm their recognition of the high priority of overall client

satisfaction and their pivotal role in ensuring it?

2.5 Is staff provided with ongoing programmatic, financial and client satisfaction data related to clinic performance?

2.6 Does staff participate in continuous clinic improvement?

Summary

Critical Issues

Suggested Assistance Activities

Activities	Provided By	Dates	Costs

**3. Adequate Supplies**

Optimum Conditions

- Clinics have continuous and rapid access to the supplies they need to provide quality services. Clinics are neither chronically under or over stocked with supplies.
- The cost for all supplies is adequately provided for in the budgeting process and carefully factored into the profit margin calculations for each unit of service.
- Simple systems and accurate management information related to both costs and units of supplies provided/used is available to both clinic and central level staff on a timely basis.
- Clinics have access to funds and authorization to make local purchases of urgently needed supplies on an emergency basis.
- Clinic supplies [especially products which are sold] reflect client preferences and are of a general quality consistent with client expectations.

### Questions

3.1 Are there ever supply stock outs or expired supplies to be discarded? If so, which supplies and how often?

3.2 Are there delays in restocking items? If so, how frequently and how long are they?

3.3 Is it possible to identify and monitor the cost of supplies, individually and in the aggregate, in both the budgeting process and the service unit costing process?

3.4 Do clinics have funds and authorization to locally purchase supplies on an emergency basis?

3.5 How are supplies and products chosen and is it possible to verify that they reflect client preferences?

### Summary

Critical Issues

Suggested Assistance Activities

Activities	Provided By	Dates	Cost

**4. Adequate Physical Space and Equipment**

Optimum Conditions

- Clinic has adequate space to provide all services and the space is distributed and used in a manner consistent with the relative priority [ based on client preference and profitability] of each of those services within the overall clinic portfolio.
- The physical space is easily accessible to the specific, identified market niche for services.
- The quality of the physical space and equipment reflects the socio-economic level of the clientele and is equal to or better than that of the principal competition.
- The physical space permits the differentiation of clients by purpose of visit and generally facilitates individualized and personalized service delivery.
- The physical space has the flexibility to conform to the specific client/workload during the course of the day.
- There is room for future expansion into new services/businesses.

- Long term financial planning specifically considers space and new and replacement equipment costs.

### Questions

4.1 Is there adequate space and equipment to provide existing and new services?

4.2 Is the quality of the space and equipment consistent with the socio-economic levels of the clientele and the competition?

4.3 Are space and equipment used in a manner consistent with the relative priority of services within the clinic portfolio?

4.4 Does the physical space permit the individualization of service delivery?

4.5 Is the space flexibility enough to accommodate varying types of service delivery during the course of the day?

4.6 Could the space accommodate future expansion or a change in service mix?

4.7 Is the specific financial planning for future space and equipment needs?

### Summary

Critical Issues

Suggested Assistance Activities

Activities	Provided By	Dates	Cost

**5. Adequate Marketing**

Optimum Conditions

- Clinic has access to continuous market research on existing and potential clients and on major competitors.
- Market research information is shared regularly with clinic staff and is a key ingredient in

both the planning and performance monitoring processes.

- There is an ongoing system to gather immediate client feedback from clinic clients and that information is regularly distributed to and discussed with all clinic staff.

- All clinic staff understand their individual, continuous marketing responsibilities which are included in all job descriptions. They receive marketing and customer relations training.

- There is a specific marketing plan and budget that specifies all yearly marketing activities, costs and persons responsible.

## Questions

5.1 Does the clinic have regular access to market research information? Is it shared with clinic staff?

5.2 How is market research information used to plan for and monitor clinic services?

5.3 Is there a system to continuously gather client feedback and if so, is that information shared and discussed with staff on a regular basis?

5.4 Do all clinic staff understand and perform their individual marketing responsibilities? Is it in their job descriptions? Have they received marketing training?

5.5 Is there a marketing plan and budget? Who is responsible for its implementation and how is it monitored and evaluated?

Summary

Critical Issues

Suggested Assistance Activities

Activities	Provided By	Dates	Costs

**6. Management Information**

Optimum Conditions

- Clinic has continuous and timely access to the following types of management information:
  - Financial, including unit costs,. by strategic business unit, as well as in the aggregate for the clinic.
  - Programmatic, by strategic business unit and product sales, and that also includes

simple productivity measures by employee/full time equivalent [FTE].

- Logistics and supplies
  - Client feedback
  - Market research [less frequent]
- Management information is used in clinic planning and monitoring activities.
- All clinic staff have access to and discuss management information in the context of regularly reviewing clinic performance.

## Questions

6.1 Does the clinic and all its staff have regular access to the following types of management information:

- Financial, including unit costs
- Programmatic, including productivity information
- Logistics and supplies
- Client feedback
- Marketing

6.2 Is any of the management information provided disaggregated by strategic business units [major services/sales]?

6.3 Is management information used to in clinic planning? If so, how?

6.4 Is management information used to monitor and improve clinic performance? If so, How?

## Summary

Critical Issues

Suggested Assistance Activities

Activities	Provided By	Dates	Cost

**7. Onsite Management/Leadership**

Optimum Conditions

- There is a specific person [or limited number of people] designated to provide onsite clinic management/leadership.
- Designated management is provided with specific and adequate non-service delivery time to perform management duties.
- Clinic managers receive continuous training and feedback in clinic management.
- Clinic managers:
  - Ensure the smooth and efficient daily operation of the clinic.

- Ensure the accurate and timely provision of management information to regional and/or central administrative centers.
- Ensure the technical quality of services [often with the assistance of regional and/or central technical staff].
- Ensure client satisfaction and continuous client feedback.
- Facilitate processes that ensure the full participation of all clinic staff in the continuous monitoring and improvement of clinic services.
- Ensure client-focused priority of clinic services and individual staff performance.
- Ensure that clinic operations are consistent with the overall Clinic Strategic Business Vision.

### Questions

7.1 Is there a person [or persons] specifically designated to provide clinic management/leadership? Does that person have sufficient non-service deliver time to adequately do his/her job?

7.2 Has the clinic manager received training in clinic management? Is continuous training provided?

7.3 Is their ongoing oversight/management of clinic operations on a daily basis [use of space, supervision of staff, client flow, availability of supplies, cleanliness of the clinic, etc.]?

7.4 Is accurate and timely management information generated at the clinic level?

7.5 Is there continuous monitoring and improvement of the technical quality of services?

7.6 Is there an existing system to gather client feedback on a regular basis?

7.7 Is management information regularly provided to and discussed with all clinic staff?

7.8 Is there a facilitate process whereby clinic staff actively participates in the continuous improvement of clinic services?

7.9 is there a clinic level planning , monitoring or evaluation process?

Summary

Critical Issues

Suggest Assistance Activities

Activities	Provided By	Dates	Cost

Activities	Provided By	Dates	Cost