



DATABASE AT A GLANCE: PHARMACY CHAINS

Private pharmacies, drug stores, and drug sellers are often the first point of contact for healthcare in low- and middle-income countries. Many can provide increased accessibility and lower costs to consumers than broader healthcare institutions such as hospitals. (1) Despite these favorable characteristics, there continues to be a low availability of pharmacists in many low- and middle-income countries, as compared to those with higher incomes. (2)

Twelve programs profiled in the CHMI database are employing pharmacy chains as an emerging model to expand accessibility to reliable quality medicines for the poor. Despite the diversity of communities in which these programs work, these innovators aim to fulfill the same basic need—a replicable and consistent form of access to healthcare in their communities.

Franchise Model for Pharmacy Chains

Of the 88 programs in the CHMI database that employ franchise models, 8 are pharmaceutical franchises. This commercial retail model organizes private providers as owners of their own pharmacy kiosk or store into a network that delivers medicines and

health products under a common brand, with a promise of quality assurance.

Unlike many franchises, [Health Plus Outlets](#) in the Philippines are owned by civil service

Key Takeaways

- 8 of the 88 programs in the CHMI database employ pharmaceutical franchises.
- Of the 1,243 health market innovations profiled by CHMI to date, 15.5% are for-profit entities—Amongst pharmacy chains, this jumps to 75%
- [Tiendas de la Salud \(TISA\)](#) in Guatemala exclusively sells high quality generics manufactured locally, made available directly to the franchisee, with little risk of counterfeit product

organizations and operated by a Health Plus Coordinator. The Health Plus Coordinator is typically a health worker or nutrition scholar, ensuring that operations are facilitated by individuals who are familiar with its products. Their knowledge and expertise allows operational decision making to be disaggregated to a lower, on the ground, level. Health Plus Outlets are ideally stationed near a health facility to promote coordination with healthcare providers.

The 4 pharmacy chain programs not franchised are independently-run, such as [Farmacias Similares](#), the largest pharmacy chain in Latin America. Farmacias Similares was founded in Mexico and has outlets in every major city of the country. Its name derives from the generic medicines it offers consumers, which are more affordable than their “similar” (rather, identical) brand-name counterparts.

For-profit entities

Of the 1,243 health market innovations profiled by CHMI to date, 193 are for-profit entities—about 15.5%. Amongst the cohort of pharmacy chains, this percentage jumps to 75% (9 of 12 programs). This trend towards a for-profit model follows the opportunity exhibited by a commercial retail model. These for-profit entities are however pro-poor

targeting in their design, imbuing their profit mission with a social one.

For instance, [MedPlus](#), a for-profit company, was founded to take the risk out of buying medicines for consumers and combat counterfeit medicines in India. [Mi Farmacita Nacional](#), a for-profit pharmacy chain in Mexico, brings medicines to those most in need. Mi Farmacita Nacional now has 57 franchises in 15 Mexican states.

Geographic diversity

These programs have launched pharmacy chains in low- and middle-income countries in several regions, and some have scaled into new countries. After establishing a franchise network of [Child and Family Wellness \(CFW\)](#) drug shops in Kenya, The HealthStore Foundation signed a unique Public Private Partnership with the Ministry of Health of Rwanda to replicate their model and establish Health Posts as an entry level into the formal Rwandan public health system.

Reliable quality

Pharmacy chains can build brand trust by regulating quality. [Tiendas de la Salud \(TISA\)](#) in Guatemala exclusively sells high quality generics manufactured locally, made available directly to the franchisee, with little

risk of counterfeit product entering the supply chain.

Other Methods of Access

Pharmacy chains are not the only way CHMI innovators increase access to essential pharmaceuticals. Many chains of primary care clinics—such as [Pathfinder](#) in India or [Sehat First](#) in Pakistan—also provide pharmaceutical services. The [Boat Clinics](#) along the Brahmaputra River in Assam, India, provide a mobile form of access. Community health workers trained by [Piramal Healthcare](#) are provided with village-level pharmacy services, stocked with medicines to fill the basic prescriptions recommended by the health center with which they are linked through telemedicine.



*Pharmacist, Kenya

A Growing Evidence Base

As these programs operate and expand, the evidence base of their models grows. There must be continued rigorous study of how

pharmacy chains affect quality, pricing, regulation enforcement, and responsiveness to patient needs.

This is also, of course, only one step in the process of analyzing access to healthcare. Explore more CHMI posts for further study of the health market innovation space. For more on supply chain innovations that are enhancing how the medicines get to this delivery stage, see the CHMI [Database at a Glance on Supply Chain Innovations](#). For more on how states and other stakeholders are ensuring drug quality, see the [Database at a Glance on Licensing and Accreditation](#).

As we gather more data about the universe of health market innovations, we will continue to track trends and highlight new insights from our analysis. We invite you to do the same by downloading the CHMI Database and sharing your findings with us!

**Photo at top: Juan Tista Toj, Tienda de la Salud pharmacist in Guatemala by [Miguel Samper for Mercy Corps](#) © 2013*

Sources

(1) Lowe RF, Montagu D. Legislation, regulation, and consolidation in the retail pharmacy sector in low income countries. *Southern Med Review* (2009) 2; 2:35-44.

(2) Chan XH, Wuliji T. *Global Pharmacy Workforce and Migration Report: A Call for Action*. International Pharmaceutical Federation (2006).