

## Por ti, Familia: Enabling Access to Quality Healthcare in Peru

Clínicas  
Por ti, Familia

### Initiative Description

In 2011, Por ti, Familia joined the Business Call to Action in its efforts to provide low-income households in Peru access to essential medicines and quality healthcare.

#### Por ti, Familia's goals:

- Scale up operations by 2017 to serve 270,000 patients per year
- Establish 100 new health centres by 2017
- Employ 1,000 people in new health centres by 2017



### Business Model

A large majority of Peruvians live in poverty. In large urban areas, many poor families struggle to obtain basic healthcare services due to prohibitive costs. The Peruvian healthcare system is in a critical condition, with public investment in healthcare ranking amongst the lowest in all of Latin America.

State-run services, characterized by poor infrastructure and weak quality standards, have prevented over 5 million low-income people in Lima from accessing affordable primary care, with 30 per cent of the population lacking any type of health insurance. In conjunction with venture capital and angel investors, Por ti, Familia seeks to address these gaps through a private sector approach to healthcare provision.

*Scaling up our healthcare network while conducting community outreach programmes will help to bridge the enormous gap between those that can afford quality care and those that cannot in Peru. Our goal is to systematically expand our low-cost model to ensure that a critical mass of urban Peruvians gain access to affordable, quality care.*

Enrique Coronado  
CEO of Por ti, Familia

Launched in 2009, Por ti, Familia (meaning "For You, Family") is a private-sector solution to inefficient distribution channels that restrict access to healthcare for people living at the base of the pyramid (BoP), initially in Lima. Por ti, Familia is a chain of primary health clinics that utilizes a hub-and-spoke model to offer comprehensive and affordable healthcare in conveniently located retail storefronts.

Combining a doctor's office, pharmacy and laboratory testing services in the same location, the social enterprise has become an essential source of healthcare provision for the country's poorest, initially in Lima.

Through the establishment of an extensive network of private health centres, branded "MiDoctorcito", Por ti, Familia enables access to quality healthcare for Lima's urban low-income communities.

The business utilizes a hub-and-spoke model, in which satellite locations serve as patients' first point of contact, while the hubs serve as a point of referral and offer more specialized care – particularly in pediatrics, gynecology and maternal health, dentistry and preventative oncology.

## Innovations

that improve lives



### How it Works

Por ti, Familia's retail storefronts operate with high standards of efficiency, with each location offering doctor consultations from qualified physicians, diagnostic lab services, and certified medicines – all at affordable prices. For more advanced analysis, Por ti, Familia has developed strategic alliances with the top laboratories in Lima, focused on clinical and anatomical pathology. These additional resources strengthen the business' ability to provide quality care to the BoP through state-of-the-art laboratory technologies. As a result the patient is provided by trustworthy diagnostics from our doctors who in turn are able to treat the diseases with improved accuracy.

Por ti, Familia benefits from cross-selling pharmaceutical products and healthcare services, while providing customers with integrated primary care solutions. Services cost up to 70 per cent less than private hospitals and equivalent to the fees charged at hospitals run by the Ministry of Health (MINSAs).

Por ti, Familia sells both branded and generic products, along with other commercial goods (such as perfumes and other non-medical products).

Seeing as branded products can cost up to 10 times more than generic medicines, the company aims to increase the proportion of generic medicines to the benefit of both the business and its patients.

Through a rigorous evaluation process that begins with a market analysis to best determine the needs and capacities of underserved communities, Por ti, Familia has worked to ensure the sustainability of its business model. The company uses a strict set of standards to facilitate the model's expansion and scalability to areas within and beyond Lima. For example, satellite locations of MiDoctorcito medical outlets are selected based on a variety of factors, including the number of people who frequent the area on an average day, to maximize exposure.

## Results Achieved

In 2010 alone, Por ti, Familia registered 7,000 patients and since its inception has launched 5 clinics and health centres with over 40,000 registered patients.

### Business Impact

By offering healthcare services at reduced prices and in convenient locations, the company captures the out-of-pocket healthcare spending of Peru's uninsured urban poor as well as a segment of the insured population that seeks for immediate solutions to their primary care problems. The low prices on primary consultations have increased patient flow and have allowed Por ti, Familia to increase its market share. The company also issues a loyalty rewards card, presenting patients with discounts in consultations and laboratory services, diagnostic imaging and ambulatory procedures and has recently implemented a loyalty programme that encourages patients to return to the pharmacy to complete their prescriptions.

With the primary care consultation price set at USD7.2 and USD3.6 with the loyalty card, Por ti, Familia's pricing is well below that of other private primary care clinics, and offers improved services compared to public hospitals.

Por ti, Familia further seeks to retain the loyalty of its customers by ensuring the affordability and accessibility of medicines. An important portion of medicines sold are generic, which allows the company to offer low prices to customers while maintaining high margins.

Increasingly, Por ti, Familia is attracting patients through its innovative system of healthcare provision. The company has spent significant time perfecting the model, and is expanding its network with the support of some of the world's top impact investors. The on-going monitoring, controlling and evaluating of the hubs and spokes ensure that the model is optimized and capable of sustaining its own growth.

Por ti, Familia does face challenges. For example, accessing capital from local sources has proven difficult, rendering the costs of growth and scale-up largely dependent on external investments. In response, Por ti, Familia has sought to demonstrate the viability of the model, and has successfully secured a high number of institutional investors eager to support the business' expansion.

### Development Impact

By establishing a network of clinics that targets the BoP, Por ti, Familia contributes towards achieving the Millennium Development Goals, particularly those on reducing child mortality and improving maternal health. The model focuses on providing primary care services, including basic medical care, prenatal care, immunizations, and treatment of illnesses and infectious diseases. Por ti, Familia offers families cost-effective services close to home, which eliminates costly trips to specialists and public hospitals.

As a for-profit company with a social purpose, Por ti, Familia works to mitigate the inaccessibility of healthcare services available to Peru's urban poor. With dramatically unequal access to services, exacerbated by weak public health infrastructure, low-income communities in Peru are often forced to go without necessary care.

Por ti, Familia is based on a business model that addresses major shortcomings of the Peruvian healthcare system, namely:

- Economic exclusion of a significant segment of the population from the healthcare system
- Lack of quality and efficiency in public healthcare practices
- Lack of investment and market distortions in the provision of existing healthcare services



*Our most pressing challenge is to replicate our model in a systematic and cost-effective manner, ensuring affordability without compromising on quality and consistency [...].*

*To do so, we believe in the power of corporate values entangled with operating processes and training to generate customer loyalty and build a sustainable business. I see PTF as scalable technology for transforming a need for affordable health care into a market [...].*

*The potential is tremendous and I would not disregard the possibility to scaling PTF's model in other emerging economies.*

Enrique Coronado  
CEO of Por ti, Familia

## Key Success Factors

### Business Sustainability

Por ti, Familia aims to keep its corporate fixed costs as low as possible through a variety of cost-saving mechanisms. Facing competition from local pharmacies and other private healthcare providers, Por ti, Familia has taken active steps through marketing efforts to secure patients from underserved markets and emerging middle class communities.

The company strives to continually improve and evolve as a healthcare institution, innovating to keep costs low and to bring affordable care directly to the BoP.

## Next Steps and Spin Off Effects

In meeting its Business Call to Action commitments, Por ti, Familia seeks to scale up operations by 2017 to serve 270,000 patients per year by establishing 100 new health centres (4 hubs and 96 spokes) with 1,000 employees.

The company plans to launch a large-scale expansion campaign starting in 2014. Por ti, Familia's overall strategy is to replicate its business model across Lima.

The company has fully established the proof of concept at a smaller scale, having today launched 5 clinics and health centres with over 40,000 registered patients. Por ti, Familia is still working on two things throughout 1Q-2014 (i) further efficiency and standardization

(commercial and operational), and (ii) on promotional/outreach activities to bring capacity to over 50 per cent per location to stress the model. After reaching those two milestones, the company will open 10 to 15 additional locations in 12 to 15 months (totaling 15 to 20 locations), which it expects to operate and fine-tune for 24 months (including the 12 to 15 months opening locations) and then analyze further growth opportunities.

Ultimately, Por ti, Familia seeks to become the first stop for routine healthcare for Peru's urban poor, thereby enhancing the country's healthcare standards and improving quality of life for thousands of the country's most vulnerable.

### Affordability

Due to pricing deregulation, drug prices in Peru are amongst the highest in Latin America, with branded medicines making healthcare a luxury for the BoP. To bring medicines to low-income households, Por ti, Familia aims to enhance the availability of generic products. By offering the convenience of a doctor's office, pharmacy, and testing clinic, Por ti, Familia is able to leverage its sales by attracting patients on a long-term basis with low prices and selling medicines with higher average pharmacy margins.



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