BlueStar Healthcare Network
Marie Stopes International - Viet Nam
Clinical Social Franchising Case Study Series
BlueStar Healthcare Network
Marie Stopes International Viet Nam

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1 Executive Summary

While government provision of sexual and reproductive health services is strong in Vietnam, private sector provision is growing, but the quality of service provision is largely unregulated and unsupported. To address this, Marie Stopes International Vietnam has pioneered the BlueStar fractional franchise model to increase access to quality sexual and reproductive health services through a network of 300 franchise private providers in low income urban and peri-urban areas.

Through the current network of 85 providers, BlueStar Vietnam has franchised family planning services including the IUD and safe abortion services including surgical and medical abortion. As part of membership benefits, BlueStar franchisees receive training, on-site technical assistance, and equipment. In exchange, they accept routine monitoring visits, report monthly service statistics, and adhere to clinical protocols and other terms laid out in the BlueStar contract.

This case study is intended for external experience sharing and to strengthen the body of knowledge on social franchising. BlueStar Vietnam’s current operations, challenges and lessons learnt have been described.

Case study methodology

This case study was conducted using largely qualitative methods. The study has applied the standard template provided by the Global Health Group as adopted by an international consortium of social franchisors in November 2008. Qualitative inquiry was carried out in Hanoi by MSI international staff in September 2009. The team interviewed MSIVN and BlueStar staff, five franchisees and three female clients. No male clients were available. In addition, a brief review of available program documents, service statistics and financial information was conducted.

2 Context

2.1 National population and health status

Population: Vietnam has the population of 86 million (2008), which is growing at a rate of 1.4% per annum. As a result of past high fertility rates, the current population structure is relatively young with nearly 55% under the age of 25 years. Although urban growth has increased significantly in recent years, most of the population remains rural with just 27.2% residing in urban areas.

Fertility: During the past 3 years, the TFR had continued to fall below the replacement rate. In the 2008, the TFR was 2.08 children per woman, almost unchanged from 2007. Urban fertility (1.84 children per woman) is lower than that in rural areas (2.22 children per woman). A decreasing fertility trend in rural areas has been seen over the past three years.

Family Planning: Women’s health is one of the six major areas identified under the ‘Action Plans for the Period of 2001-2005’, as outlined in the Governments ‘National Strategy for the Advancement of Women 2001-2010’. While the contraceptive prevalence rate is high at 68.8 for modern methods, reproductive health and family planning services give a limited choice for women. The IUD is the main method used. Condom rates are increasing, but continue to be underutilized due to social attitudes that assume only women are responsible for preventing pregnancy.

Abortion: Vietnam has one of the highest abortion rates in the world. About 500,000 cases were reported from the public sector in 2006 and at least the same number is estimated to be provided in the private health sector. The ratio of abortions to live births in Vietnam is high. The Vietnam Abortion Situations Country Report 2001 indicates 21 abortions per 100 live births. No official statistics on adolescent abortion are tracked, but an estimated 20-30% of all abortion cases are young, unmarried women. There are no official statistics on unsafe abortion and complications. Lack of options and low awareness about contraceptives is considered an important reason for Vietnam’s high abortion rates, which at 2.5 per woman per lifetime is one of the highest rates in the world.

There are strict regulations governing the provision of abortions in Vietnam. National hospitals are permitted to perform abortions up to 22 weeks, while provincial hospitals are permitted to perform abortions up to 12 weeks. Policies allow trained private providers to provide MVA and MA services for gestation up to 7 weeks, although in practice many private providers offer the services much later. First trimester abortion by manual vacuum aspiration (MVA) is provided at central, provincial and district levels and commune health centers, while medical abortion (MA) is provided only at central and provincial levels. Dilatation and sharp curettage (D&C) following MVA procedures are still applied at provincial and district levels. For second trimester abortion, dilatation and evacuation (D&E) has been introduced at two central and seven provincial hospitals, and medical abortion protocols have been included in the draft updated National Standards and Guidelines for Reproductive Health Services. However, outdated and unsafe techniques such as Kovac’s method are still used at many provincial hospitals. Cost of abortion services vary by gestation, abortion method and service site. Approximately, MVA costs $4-7 USD, MA costs $20-25 USD, and D&E costs $80-100 USD.

2.2 Health care system

The Government has set out ambitious goals and targets in the Ten-Year Socio-Economic Development Strategy, the Comprehensive Poverty Reduction and Growth Strategy and the National Strategy for People’s Health Care 2001–2010. These include substantially improving the human development index of the country and providing prevention and treatment services to all. The current five-year plan for the health sector sets the following targets for 2010:

• an increase in average life expectancy to 72 years;
• a reduction in the maternal mortality ratio to below 70 per 100 000 live births;
• a reduction in the infant mortality rate to below 16 per 1000 live births;
• a reduction in the under-five mortality rate to below 25 per 1000 live births;
• a reduction in the percentage of low-birth-weight infants to below 6%;

Summary statistics

Population (4/1/2010) 86,747,801
Percent urban/rural (4/1/2010) 29.8% to 70.1%
Gross national income per capita (2010) 1,160 USD
Life expectancy at birth (women and men, years) 2005-2010 76.2/72.3
Under-five mortality rate (per 1,000 live births, 2009) 24
Total expenditure on health per capita (2008) 58.5 USD
Total expenditure on health as % of GDP (2008) 7.1%
Percent of total expenditure on health that is private 67.7
Percent of private expenditure on health that is out-of-pocket 90.2%
Maternal mortality ratio – MMR (2009) 60
Unmet need for family planning: Rural (2002) 51.6%
Unmet need for family planning: Urban (2002) 41.5%
Contraceptive prevalence rate – CPR (4/1/2010) 78.9%
Contraceptive prevalence rate – modern methods (4/1/2010) 67.5%
Total fertility rate – TFR (4/1/2015) 2.0%
Adult literacy (4/1/2010) 93.7%

The National Strategy recognizes the important role of health and the need to invest in health for accelerated socioeconomic development and to improve the quality of life of each individual. The Strategy is based on four principles:

• the equity and efficiency of the health sector;
• the fight against the broad social determinants of bad health;
• the integration of traditional and modern medicines; and
• an appropriate public-private mix, with the Government in a position to protect the public interest.

The health system in Vietnam is a mixed public-private provider system in which the public system plays a key role in health care, especially in policy, prevention, research and training. The public health care network is organized under state administrative units: central, provincial, district, commune and village level, with the Ministry of Health at the central level. In the public sector, there are 727 general hospitals, 127 specialized hospitals and 11,458 primary health centres. The private sector has grown steadily since the ‘reform’ of the health sector in 1989, but is mainly active in outpatient care; inpatient care is provided essentially through the public sector.

13 Contraceptive prevalence rate – modern methods (4/1/2010) 67.5%
14 Total fertility rate – TFR (4/1/2015) 2.0%
15 Adult literacy (4/1/2010) 93.7%
Health Care Financing
Since 2000, the Government has continued building and adjusting health financing policies with greater concern for efficiency and development than in the past. The broad orientation of health financing was decided upon in the 1990s through development of a health insurance scheme, the partial user-fee policy and the Government resolution on ‘social mobilization’ in the areas of education, health and culture. Health financing underwent further major changes in the 1990s as the Government began to strongly promote decentralization of public finance, with major implications for the health sector. These orientations led to the creation of a health financing system that combines partially subsidized state health services with health services that collect user fees from patients. Nevertheless, the partial user fees created some contradictions and led to inequalities. As a consequence, the Government began to focus more on financial assistance for certain social groups, especially the poor. In October 2002, the Prime Minister signed Decree 139 to establish the Health Care Fund for the Poor, which aimed to provide free health care services for 14.6 million people.

Total health expenditure in 2006 was 6.6% of GDP, with government expenditure accounting for 32.4% of total health expenditure. Most health finance is used for curative and preventive care (98%): 84%-86% for curative care and 14%-16% for preventive care. There is little expenditure on scientific research and training (less than 2%). By 2006, about 36 million people (43.81% of the population) were enrolled in health insurance, voluntary insurance and insurance for the poor.

2.3 Regulatory framework for private providers
Since the ordinance on Private Medicine and Pharmacy Law came in effect over ten years ago, private health centres have undergone a rapid expansion. In 2004 alone, the private health sector provided services for over two million clients. In 2005 there were an estimated 60,000 private clinics. While this figure is low when compared to state statistics, it nevertheless demonstrates the size of the private health sector. Currently, state-run health services are not able to meet the need of the current patient case-loads and private health centres have in-part been able to lift the burden off the state health system.

Private providers must register with Business Registration Office of Department of Planning and Investment of Hanoi to get their business license, with Hanoi Department of Health to get their certificate of Obstetrics and Gynaecology, and family planning licenses. Private providers are not required to register with professional organizations.

2.4 Franchisor relationship with government
The external relations line of the Party and the State is one of multilateralism, diversification and expansion of health cooperation with international NGOs and foreign partners to gain financial, specific, technical and technological support. In implementation of this, international cooperation in health has created positive changes in terms of both quantity and quality. Since the 1990s, the number of donors/partners in health has increased considerably, together with the number of projects and the total value of aid. Aid to the health sector over past years has substantially helped to fill the gap created by the lack of funds from the State budget. ODA funds have come in diverse forms and have included grant aid from governments, international organizations, intergovernmental organizations and NGOs, and soft loans from international monetary institutions.

Marie Stopes International in Viet Nam has collaborated and maintained good relationship with key stakeholders and its partners, such as Ministry of Health, Ministry of Planning and Investment, General Office for Population and Family Planning, Provincial Departments of Health, Provincial Reproductive Healthcare Centres, and the Centre for Community Reproductive Health.

2.5 Market opportunities/Market Niche
The Vietnamese population health has been significantly improved in the past decades. The health care system from the central to grassroots level has been strengthened and developed. Preventive health care, primary health system has also been consolidated with more investments, which have enabled the gradual improvement of the quality of services. However, benefits are not proportionately distributed across various population groups. The utilization rate of hospital services and high-tech medical services is higher among higher socio-economic groups than the poor.

The market niche for BlueStar Viet Nam is found in improving the quality of services provision in the private sector. BlueStar can achieve this by introducing standards, providing on-the-job training and supervision to support those standards. BlueStar can also improve access to a wider range of services by introducing medical abortion as an option. Since there aren’t active professional associations, BlueStar can also serve as a mechanism for pulling providers together to create a market of practice.

3. Business Model

3.1 The model
BlueStar Viet Nam uses a fractional franchise model to increase availability of quality sexual and reproductive health (SRH) services in existing private clinics. Franchisees receive training, on-site technical assistance, branding and marketing to promote their practice. In exchange, franchisees permit routine monitoring visits, report monthly service statistics, and adhere to clinical protocols and other terms as agreed in the contract with BlueStar.

3.1.1 Franchisor
Marie Stopes International (MSI) is a UK-based non-profit that applies modern business methods to prevent unintended pregnancies and unplanned births in over 42 countries around the world. Founded in 1976, MSI delivers a range of services including family planning, safe abortion and post-abortion care (PAC), and HIV/AIDS and STI services. In most countries, MSI owns and operates clinics. In eight countries including Viet Nam, MSI operates social franchises under the BlueStar, Suraj, and AmuA brands.

Established in 1989, Marie Stopes International Viet Nam (MSIVN) was one of the first international non-governmental organisations to work in the field of Sexual Reproductive Health (SRH) and Family Planning (FP) in Viet Nam. As one of the country’s leading SRH/FP organisations, it offers a comprehensive range of high quality services to women and men of reproductive age. The corner stones of MSIVN’s work are increasing awareness, understanding and choice of SRH as well as facilitating access to high quality and affordable services. MSIVN focuses on local managerial, technical and financial sustainability and capacity. MSIVN currently employs 120 staff, including a team of professional doctors and nurses whose first priority is the clients’ needs.

MSIVN has pioneered social franchising in Viet Nam using the global MSI BlueStar model. BlueStar Viet Nam aims to bring 300 private health care providers, mostly based in poorer urban and peri-urban settings, into the BlueStar network in 7 provinces: Hanoi, HCM city, Hai Phong, Khanh Hoa, Binh Duong, Dong Nai and An Giang. The goal is to increase the quality and access to SRH services within the private sector in Viet Nam.

BlueStar Viet Nam started in April 2008 with a pilot of 32 franchisees in Hanoi and HCMC, but only after lengthy delays in getting the necessary permissions for the appropriate government offices. Like other MSIVN franchisees, BlueStar Viet Nam uses a fractional franchise model that focuses on the SRH services offered by the private provider. BlueStar Viet Nam does not own, operate or staff any of the BlueStar outlets. With a second round of funding, BlueStar Viet Nam plans to scale to 300 providers, but at the time of writing, there were 81 franchisees in Hanoi, Hai Phong and Ho Chi Minh City.

To support these franchisees, the current BlueStar Viet Nam staff consists of six full time staff including the social franchise manager, who reports to the director of operations, four field team members (two in Hanoi and two in HCMC), and one project assistant, who supports the activities of the field team. The Field Team Members are non-clinical people with backgrounds in business or public health or pharmacy. In the near future, each field member will handle approximately 30 franchises in an assigned geographic area. Currently Field Team Members spend half of their time collecting reports and conducting monitoring visits and the other half of their time mapping and recruiting new franchisees, overseeing branding activities, and helping with direct marketing activities such as mobile events, onsite events, and communication events. The Field Team Members thought that the most important qualities for the job were strong communications skills, in-depth understanding of BlueStar, and ability to multi-task. BlueStar leverages the existing staff and expertise of MSIVN for training, Q&A/quality assurance, marketing, finance, and information technology.
Experience from the pilot phase found that many franchisees served a higher income clientele than intended and so serving the low income clients has been emphasized during the phase II of scale up through geographic targeting, provider selection, vouchers, and mobile outreach by the franchisees.

Secondary income data from Vietnam’s General Statistics 2006 shows that in Hanoi, where MSIVN has 43 BlueStar franchisees, 50% of the population fall below the monthly income per capita (878,000VND); in Hai Phong, MSIVN has 11 franchisees who serve 50% of the city population who fall below the monthly average income per capita (486,000VND); and in HCMC where MSIVN has 31 franchisees, 50% of the city population fall below the monthly income average of 1,076,000VND. According to primary MSIVN BlueStar Users Data survey, almost 50% of MSIVN BlueStar Clients were unemployed and/or holding low-income occupations such as agriculture, unskilled/skilled manual, housework, and students (as defined by general statistics of Vietnam 2006). Additionally, more than 60% of MSIVN BlueStar clients had low education (no education/elementary/secondary/and tertiary education).

All franchisees interviewed served a relatively local population with clients arriving by bicycle and motorbike from up to 10 km away. All franchisees interviewed reported that clients chose their clinics based on the reputation of providing high quality and safe services. Some franchisees reported that price was a deciding factor. The clients interviewed said that they had chosen a private clinic because they quality of service would be better and that the doctor would “care” more. One client commented on the cleanliness of the clinic. Another client coming for her first IUD commented that she had chosen the clinic because she didn’t want to wait in line at the public facilities.

3.1.4 Services offered under franchise

BlueStar Viet Nam focuses on improving the quality and access to long acting family planning methods and safe abortions. Current franchised services include FP counselling, MVA, MA, IUD, injectable contraceptives, contraception pills, and condoms.
Family Planning Counselling: The relatively high rates of switching and discontinuation of FP methods in Viet Nam indicated a lack of good quality FP counselling. The FP counselling course re-focused the franchisees’ attention on the need for balanced counselling. One franchisee reported that her communications with clients had changed to be friendlier and that she was now able to offer more information to the clients.

IUD: The original proposal for BlueStar funding focused on introducing Gynfix IUD services. Regulatory approval for Gynfix took longer than anticipated. Approval for Gynfix is still pending, but is expected in 2010. BlueStar has focused on improving the skill and confidence of the providers. While all franchisees currently provide MVA services, only 60% provide IUDs due to lack of demand. MSIVN is addressing this lack of demand through local demand generation activities such as vouchers.

Safe Abortion Services: While most franchisees were offering MVA services, one franchisee mentioned that the MVA training had helped her to be more systematic in her approach. The introduction of medical abortion (MA) as a new service to those clients who have difficulties paying. Franchisees interviewed reported using a sliding scale or offering discounts for services in the same geographic area should use the same prices. Unlike other franchisees within MSI, BlueStar Viet Nam does not actively enforce recommended prices. Franchisees reported determining their own prices dictated by the market rate. A franchisee interviewed, who had the largest clinic, estimated that almost 70% of his revenue came from abortion and family planning services. Prices are posted on a wipe board provided by BlueStar in all clinics visited. One franchisee interviewed cited having lower prices that attracted more rural clients to attend her clinic. All franchisees reported using a sliding scale or offering discounts for those clients who have difficulties paying. Franchisees interviewed estimated that 10-40% of clients receive discounts. Average prices for franchised services were:

- MVA – 200,000 dong ($11 USD)
- MA – 300,000 dong ($16.25 USD)
- IUD – 100-150,000 dong ($5.40-8.40 USD)

3.3.3 Payment sources
All clients pay out of pocket for BlueStar services. Franchisees interviewed stated that in-kind payments were not accepted; only cash was accepted. None of the franchisees or clients interviewed reported using any type of insurance. MSIVN is introducing a voucher scheme for IUDs, but at the time of writing, none of the franchisees were accepting these vouchers.

3.4 Vouchers and insurance
BlueStar Viet Nam is not involved with any national insurance initiatives. However, vouchers for IUD were being launched in Q4 2009. The voucher will be offered free to the client. The community distributor will be paid 5,000 dong ($0.27 USD). The provider will be reimbursed 30,000 dong ($1.63 USD). Providers have been asked to accept the lower price of 30,000 dong for the IUD as part of their contribution to the social mandate of the franchise. Access to free IUD for the client represents an enormous saving to the clients as private providers usually charge 100,000 dong ($5.40 USD) for an insertion.

4 Franchise Operations
4.1 Franchise relations
4.1.1 Franchisee selection
The Ministry of Health in Viet Nam has required that BlueStar work with doctors who have specialized in obstetric and gynaecology with all of the necessary documentation. Many unlicensed private providers exist, but BlueStar Viet Nam is unable to work with them due to these requirements.

BlueStar Viet Nam uses five main criteria to select franchisees:
1. Providers must be located in urban and peri-urban areas. Very few private providers are located in rural areas as providers believe that women in these areas attend public clinics.
2. Providers must present full legal documentation (including business licenses, family planning licenses of clinic, physician’s certification of Obstetrics and Gynaecology)
3. Facilities must meet the basic government requirements. For example, the family planning and pregnancy examination rooms must be 10 m by 2 m with a ceiling height of 3.1 m. The walls must be covered with ceramic tile or anti-hydropilic materials to ensure sterile environment.
4. Providers must offer reproductive health and family planning services
5. Providers must be willing to join BlueStar network
6. Providers must be willing to offer services to low income and underserved women

3.3.2 Subsidies – explicit or implicit
BlueStar Viet Nam does subsidize the clinic refurbishment, branding, training, marketing, and equipment. The clinic refurbishment includes the clinic sign, painting of walls, a table and chair in reception area, and some clinic maintenance/upgrading. Training is provided free of charge (See Section 4.3.1 Training). The branding and marketing include BlueStar logo, IEC materials, information posted on the website and road show. The biggest subsidy to the franchisees comes in the form of equipment including: an autoclave, gynaecology bed and chair, patient bed, drug cabinet, gynaecology instruments, and IUD instruments.

3.3.4 Vouchers and insurance
BlueStar Viet Nam is currently fully funded by one donor for pilot and scale up. No government funding is currently provided for the franchise.

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BlueStar Viet Nam prices

<table>
<thead>
<tr>
<th>Year</th>
<th>MCP Price</th>
<th>CYP Price</th>
<th>Total Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>7,875.00</td>
<td>15,750.00</td>
<td>23,625.00</td>
</tr>
<tr>
<td>2009</td>
<td>4,210.00</td>
<td>9,751.00</td>
<td>14,961.00</td>
</tr>
<tr>
<td></td>
<td>1,892.00</td>
<td>4,040.00</td>
<td>5,932.00</td>
</tr>
<tr>
<td></td>
<td>374.00</td>
<td>93.50</td>
<td>467.50</td>
</tr>
<tr>
<td></td>
<td>8,731.00</td>
<td>611.17</td>
<td>9,342.17</td>
</tr>
<tr>
<td></td>
<td>25,748.00</td>
<td>53,393.00</td>
<td>79,141.00</td>
</tr>
<tr>
<td></td>
<td>2,437.00</td>
<td>10,816.00</td>
<td>13,253.00</td>
</tr>
<tr>
<td></td>
<td>49,162.00</td>
<td>315,962.00</td>
<td>365,124.00</td>
</tr>
</tbody>
</table>

*Please note that BlueStar services started in May 2008.*
 frequently cited reasons for not joining include that they are too busy to attend trainings and that already have enough clients. All franchisees to date have been actively recruited. Few providers have approached MSIVN for inclusion in the network, although managers feel that this may change as the reputation of BlueStar grows.

4.1.3 Contracts
BlueStar Viet Nam requires that all providers sign a contract annually. The contract, which was developed by an international law company, is legally enforceable. Both parties sign the contract, but no witnesses are used. The contract describes the respective responsibilities of the franchisor and franchisee. The contract stipulates that the franchisee will provide the franchisee with branding, marketing, and training details as set out in the relevant franchise package. The contract requires that the franchisee adhere to the operations manual, provide the franchised services, adhere to BlueStar branding, maintain service records, and pay the annual franchise fee. The contract is cancelled if the franchisee fees are late or if no payment is made. No targets for service provision are set within the contract. None of the providers interviewed reported any concerns in signing the contract. Interviewed franchisees were clear that they could be removed from the franchise for not meeting the terms of the contract.

4.1.4 Requirements & benefits of enrolment
The requirements and benefits of joining BlueStar are clearly set out in the promotional package that is left with each private provider and are listed in the table below.

<table>
<thead>
<tr>
<th>BlueStar Viet Nam Requirements</th>
<th>BlueStar Viet Nam Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Participate in supervision and monitoring visits</td>
<td>Training</td>
</tr>
<tr>
<td>Adhere to standards and protocols in service provision</td>
<td>Technical assistance</td>
</tr>
<tr>
<td>Record keeping and reporting</td>
<td>Subsidized equipment: trolley, MVA kit, GyneKit</td>
</tr>
<tr>
<td>Annual franchise fee</td>
<td>IEC materials</td>
</tr>
<tr>
<td>Participation in demand creation events</td>
<td>Promotions &amp; demand creation events</td>
</tr>
<tr>
<td>Appropriate use of BlueStar brand</td>
<td>Branding &amp; signage</td>
</tr>
<tr>
<td>Willing to serve low income clients</td>
<td>Refurbishment of clinic</td>
</tr>
<tr>
<td></td>
<td>Supported in marketing activities including implementing outreach campaign, advertising in newspapers and television.</td>
</tr>
</tbody>
</table>

Most franchisees found the annual franchise fee of 2,670,000 dong ($150 USD) acceptable. The payments were made directly to the Field Team Member. The pilot phase used a slightly lower franchise fee of 2,136,000 dong ($120 USD), but the scale up phase has successfully increased the amount during renewals and for the second phase recruits. All of the franchisees have paid their franchise the first and second year.

4.1.6 Franchisee retention/attrition
Retention of franchisees has been high to date, with attrition below 10%. Four franchisees have left BlueStar due to change in location, relocation, vacancies, and dissatisfaction in the benefits of the franchise.

To retain current franchisees, BlueStar uses different approaches for high and low performing franchisees. High performing franchisees are given public recognition at yearly all franchise meeting. BlueStar Viet Nam is launching a quarterly competition for the best franchisees. The criteria for selection as best franchise in the first quarter included: regular service reporting, high levels of CYP from IUD and MA, participation in BlueStar activities, and high StarScan scores. Prizes included 1 million dong ($65-70 USD), a certificate and a public announcement of the award. Low performing franchisees are supported during supervision visits to perform more services through the organization of a mobile day or on-site day to help boost community awareness about the BlueStar franchisees.

Before joining BlueStar, providers reported doing minimal marketing of their services. Typically a provider would give the client a business card and ask them to refer their friends. One franchisee reported having a relationship with the community health district facility, which would refer clients to her. All franchisees interviewed wanted many more clients. If a clinic was currently seeing 300 clients, they expressed hope to see at least 500 clients a month. Most of the franchisees interviewed didn’t have any suggestions for how to build or increase their clientele.

4.1.8 Communication
Most communication with franchisees is conducted over the phone and through the monthly supervision visits. The franchisees all had the contact information for BlueStar and felt comfortable calling if there was a problem with a client in the area. In print, the BlueStar team sends mail updates and has produced a newsletter for the franchisees. The three issues have been distributed so far; quarterly newsletters are planned. The BlueStar team conducted an annual all franchisee meeting at the end of the year. In this meeting, the BlueStar team discussed with franchisees progress and setbacks over the past year and recommendation for future activities. Outstanding performance by a few franchisees was recognised at the meeting.

4.2 Recruitment
BlueStar Viet Nam is currently recruiting new private providers for membership in the franchise using lessons learned from the first phase. The first phase of recruitment process was both time and resource intensive. First a list of all Obstetric and Gynaecology clinics was collected from Department of Health. Using this list, research team conducted to contract a baseline survey of 160 private providers. BlueStar field team members verified the findings by visiting approximately 20 providers. Based on the findings from the baseline survey, the field team members selected 120 providers located in low income areas. Field team members visited each of these 120 potential providers. The provider was left with an informational brochure including a copy of the franchise agreement to review by the private provider. Franchisees interviewed reported that the visit from the Field Team Member was the first time that they were approached by an organization.

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4.2.1 Training
Field team members follow up with those providers who sign the contract and pay the membership fee at the end of the recruitment process. Providers were invited to informational meetings. These meetings discussed the benefits of the training and branding. Franchisees frequently expressed that the visit from the Field Team Member was the first time that they were approached by an organization.

4.2.2 Franchisee fee
Most franchisees found the annual franchise fee of 2,670,000 dong ($150 USD) acceptable. The payments were made directly to the Field Team Member. The pilot phase used a slightly lower franchise fee of 2,136,000 dong ($120 USD), but the scale up phase has successfully increased the amount during renewals and for the second phase recruits. All of the franchisees have paid their franchise the first and second year.

4.2.3 Social networking
Social networking was critical for the recruitment process. Providers were invited to informational meetings. These meetings discussed the benefits of the training and branding. Franchisees frequently expressed that the visit from the Field Team Member was the first time that they were approached by an organization.

4.2.4 Loyalty/level of commitment
Most franchisees interviewed felt committed to the franchise, although the franchisees may have felt pressured by the presence of BlueStar staff to give a positive answer to this question. Despite this, the level of attendance at trainings and meetings combined with the level of reporting indicates a high level of commitment to BlueStar. One of the franchisees from the original pilot group reported that he was proud of BlueStar and hoped that it would grow in the future.

4.2.5 Record keeping and reporting
Participate in supervision and monitoring visits
Adhere to standards and protocols in service provision
Record keeping and reporting
Annual franchise fee
Participation in demand creation events
Appropriate use of BlueStar brand
Willing to serve low income clients

4.2.6 Technical assistance
Training
Technical assistance
Subsidized equipment: trolley, MVA kit, GyneKit
IEC materials
Promotions & demand creation events
Branding & signage
Refurbishment of clinic
Supported in marketing activities including implementing outreach campaign, advertising in newspapers and television.
Mobile days: With the help of MSIVN and BlueStar staff, franchisees go out into the community to offer services. Targeted areas include slums and industrial zones. Women’s groups are financially incentivized ($10-$20 USD) to motivate groups of women in the community to attend. The BlueStar has been able to conduct 1 event per month. They alternate between Hanoi and HCMC. The days involve free services like a health check, free IUDs, and Ob/Gyn check-ups. MSIVN covers the costs of the logistics and pays the franchisee a per diem of $300,000 dong. Through tracking vouchers distributed at this event, BlueStar has learned that 10% of women return to the franchise for services.

On-site days: Free services are offered at the site of the franchise clinic. The district women’s union will mobilize women in the community in a similar way to the mobile days. MSIVN loans extra equipment for the day, helps with logistics, and provides printed materials and other promotional material. Each on-site day requires the presence of one BlueStar staff and the MSIVN marketing coordinator.

Mass media activities have been run in parallel including a TV talk show, notices in e-newsletters about events, website updates (bluestar.org.vn), and a quarterly newsletter for franchisees. Several of the franchisees interviewed mentioned the website as a source of information for their clients. In fact, the website was often the first promotional activity mentioned by the franchisee when asked about the BlueStar. No client interviewed mentioned any of the above promotional activities. No systematic evaluations of the effectiveness of the mass media events have been conducted to date.

The next 6 months will focus on community communication events with talks and music. Plans for a road show are being developed. Client satisfaction evaluations have been conducted in an ad hoc manner when the marketing team had time, but a more systematic approach is planned for the second quarter 2010 with a standardized tool for MSIVN centers and BlueStar franchise.

Branding
The BlueStar brand and logo are part of the MSI international brand. BlueStar has been registered in MSIVN’s name and is managed by MSIVN.

The branding of the clinics includes a large professional sign outside the clinic, painting of the exterior and interior walls, curtains, linens, uniforms, reception desk, chairs, wall clock, tea service, wipe board for listing services and prices, brochures, brochure rack, business cards, and posters. Directional signs are currently being installed, although none were viewed during the visits for this case study. The refurbishment and branding of the clinics takes almost one week and requires constant supervision from the Field Team Members. The current cost of refurbishment is almost $700 USD per franchisee.

All franchisees interviewed were positive about being branded. One franchisee said that the global brand has attracted him to join BlueStar. Another franchisee reported that the branding had made her clinic more welcoming to clients. Interviewed clients noticed the BlueStar branding, but didn’t really know what it meant, but assumed it was good.

4.2 Logistics
Viet Nam government regulations do not allow the sale of drugs through clinics. As a result, BlueStar Viet Nam does not undertake any procurement or logistics support for regular commodities used by the franchisees. Franchisees use their own systems to track sales and inventory. BlueStar has recommended that franchisee work with STADA Arzneimittl – a pharmaceutical company as a comparatively priced source for Misoprostol and Misoprostol. All of the equipment given to the franchisees is procured by MSIVN and then delivered by the Field Team Members.

4.3 Quality Assurance
4.3.1 Quality
The Quality Technical Assistance (QTA) team at MSIVN is responsible for the clinical quality of service provision through out the franchise. The QTA team is made up of three staff with backgrounds in obstetrics and gynaecology. Specifically for BlueStar, the team has provided training in infection prevention (IP) and cervical screening by VIA. The IP training was consistently praised by the franchisees interviewed as being the most valuable training they received. The QTA team conducts clinical quality assessments every 6 months. The assessments were carefully introduced at all franchisee meeting before it was implemented in April 2009. The next assessment will be conducted in November 2009. The clinical quality assessment tool combines the regular MSIVN clinic assessment, best practices from the clinics and national standards. Unlike the bi-annual government assessments, which check the facilities, the BlueStar assessments focus on service delivery. MVA and MA procedures and IP process are observed. Currently, QTA visits take an average of 2 days. After the procedures are observed, problems are discussed.

The BlueStar members are required to complete 6 clinical training courses before becoming a full fledged franchisee. There is strong trust and respect in the National Hospital trainings and so BlueStar Viet Nam worked the government to organize many of the trainings. These included:

1. Infection Prevention: A three day course conducted by MSIVN staff
2. Family Planning Counselling and Contraceptive Technology update: A three day course conducted by specialist from Hanoi Medical University
3. IUD: A one day course coordinated with National Hospital of Obstetrics and Gynaecology
4. MA: A three day course conducted by government at the government hospital
5. MVA: A four day course coordinated by government at the government hospital. The providers must be observed to perform at least 3 MVA procedures.
6. VIA: A three day course conducted by MSIVN. The providers must perform VIA on at least five clients.

Franchisees are provided with certificates upon completion of the training for display in their clinic. BlueStar Viet Nam has also offered an optional course on Service Quality and Clinic Management, which was three days and conducted by a visiting doctor from the University of Illinois. BlueStar Viet Nam plans to introduce a clinic management course in the future.

An action plan for improvement is developed. Both the QTA officer and franchisee sign the plan. The plan is then sent to the franchise as a reminder of their commitment. The franchisees have been receptive to the QTA evaluations. The first clinical quality assessment highlighted several weaknesses. For MVA, providers failed to check for foetal matter. For MA, providers failed to offer full counselling. For IP provider failed to properly process instruments. Despite this, the majority of franchisees scored over 70% on the QTA. The QTA team will look for improvements in the next assessment. At present, no penalties are incurred for poor performance on clinical quality. BlueStar is currently piloting a monthly self assessment for franchisees. The effectiveness of this pilot will be evaluated in 6 months.

4.3.2 Monitoring and evaluation
Early in the programme, BlueStar Vietnam conducted baseline surveys of the private providers, which formed the baseline evaluation of the service provision in the private sector (See 3.1.2 Franchisees). For regular programme monitoring, BlueStar Viet Nam uses recording keeping, supportive supervision visits, and formal StarScans.

For regular record keeping, franchisees are required to use the BlueStar record book. Previously private providers had used the Ministry of Health forms, but they reported finding the BlueStar forms more convenient and easy to use. The Field Team Members collect the monthly service statistics by calling the franchisee during the first week of the month and then following up for the hard copy, which is either collected during the visit or sent by mail. With the phone calls, BlueStar has a 100% rate of reporting from the franchisees. The Field Team Members estimate that the reports, when verified against the hard-copies, are 90% correct.

The monthly support visits are conducted by the Field Team Members. During the 30-60 minute visit, field team members verify the data submitted for the monthly reports, re-supply IEC material, deliver newsletters, deliver any necessary medical equipment, and generally check up on progress with the franchise. Once a quarter, field team members conduct a facility assessment using the StarScan tool.

The StarScan is a non-clinical tool used to assess the clinic and adherence to the franchise standards as set out in the regulations. The StarScan activity takes half a day to complete such that the StarScans for the piloted 32 franchisees took two weeks to complete. Franchisees are given a score, problems are discussed and then an action plan is agreed with the franchisee for improvement. The first set of StarScans was completed in August 2009. The average score for HCMC was 82%. The next StarScan is scheduled for November 2009. The SF Manager reviews the action plan for each franchisee based on the StarScan with the Field Team Members.
4.4 Network linkages

4.4.1 Client referrals in to clinics

BlueStar Viet Nam has not yet set up any official referral system to franchisees. MSIVN’s call center and providers in the outreach campaigns are able to tell clients that they can access services from the nearest franchisees.

BlueStar Viet Nam has not yet assessed how clients know about franchised services. Interviewed franchisees and clients suggested that word-of-mouth is the most important means. BlueStar Viet Nam has printed brochures (with a list of services and contact information) and franchisee business cards to help encourage word-of-mouth patronage. One franchisee reported soliciting referrals from a nearby general clinic and paying a percentage of the fee to that general clinic.

4.4.2 Client referrals out from clinics

Very few referrals to MSIVN centres occur as the franchisees are able to perform many of the same services as the centres. The interviewed franchisees didn’t report any referrals out of their clinics. Indeed one franchisee mentioned that she hadn’t had any complications in the last two years and so had no reason for referring out. The BlueStar Viet Nam programme has not implemented any incentives for referrals.

4.4.3 Outreach workers

Currently BlueStar Viet Nam works with women’s groups to help boost the number of clients for Mobile Outreach days conducted by the franchisees (See Section 4.1.9 Promotions/Marketing).

BlueStar Viet Nam is planning to work with community based distributors (CBD) to help boost service uptake throughout the franchise. The CBD will be women from women’s unions and population officers. BlueStar Viet Nam plans to start working with the CBD on the implementation of the IUD voucher campaign (See Section 3.3.5 Vouchers and Insurance). The CBD will receive 5,000 VND ($0.30 USD) for each client they refer. A meeting was held to introduce the campaign, the pay for CBD’s work and the way to attract clients to BlueStar clinics.

4.4.4 Links to other organizations

BlueStar Viet Nam works closely with the Family Planning Department of the National Hospital for Obstetrics and Gynaecology. Outside of this, BlueStar does not have any formal links to other NGOs or organizations.

5 Challenges and Opportunities

5.1 Challenges

Franchise Recruitment

Franchise recruitment has been challenge for several reasons. The government requires that BlueStar only work with fully licensed doctors, however, many of the existing private providers are unlicensed. As such the pool of potential providers is limited. For example, the official list of licensed private providers lists only 70 providers in Hanoi, while BlueStar originally targeted to recruit 60 providers. Providers that are fully licensed for private practice often still work in the public sector and so do not have time to be an active participant of BlueStar. BlueStar has considered limiting the franchise to those exclusively working in the private sector, but this would limit the pool of potential franchisees dramatically. BlueStar has also set the goal to only recruit providers from areas where 76% of the population are considered low income, which restricts potential recruitment. Follow up with providers who decide not to join the franchise has indicated that providers decided against joining BlueStar because: they didn’t have enough time to participate; already have enough business; didn’t want to brand/change their clinic; didn’t feel that the training was necessary or would provide new information; or felt that the fee was too high. The BlueStar team has worked hard to address these concerns, but the difficulties persist as they work to recruit 270 providers by the end of 2010.

Legal Regulations

Government regulations for BlueStar have been difficult to navigate because the concept of social franchising is new and few official regulations are in place. Authorities don’t understand the concept and so are unable to give clear guidance for MSIVN on what steps are necessary. For example, district health officials have been upset with the BlueStar signs posted outside of the clinics. Many franchisees have been asked to take them down. MSIVN has sought clarification with the Ministry of Health, Ministry of Planning and Investment, Ministry of Internal Affairs, Ministry of Finance, and Ministry of Culture and Information. The problem persists and several of the franchisees interviewed expressed concern.

As a result of legal regulations, BlueStar has also experienced difficulties in introducing MA through BlueStar. Since 2007, the Ministry of Health has allowed private providers to offer medical abortion up to 7 weeks. BlueStar franchisees are certified by the Ministry of Health training bodies to provide MA. Despite this the district health authorities are requiring BlueStar franchisees to obtain a separate permit.

Legal regulations have also delayed the introduction of Gynexin IUDs to the private sector. The Ministry of Health is not expected to approve Gynexin until late 2010. Without the attraction of a new product, BlueStar Viet Nam has experienced difficulties in increasing the number of IUD insertions. However, since private providers can only diagnose and prescribe and are not allowed to sell medication, according to Vietnamese laws, BlueStar can not market products to franchisees.

5.3 Opportunities

The BlueStar Viet Nam franchise has set up strong systems and processes to ensure the delivery of high quality family planning services through the franchise. BlueStar team is now strong and stable and so should allow the program to implement faster and more effectively.

Scaling Up: Ultimately the success of the franchise will depend on expanding and scaling up the programme. MSIVN has received authorization to introduce BlueStar in the province of An Giang where BlueStar aims to recruit 20 more franchisees. In the future, BlueStar intends scale to over 270 providers in 2010.

Introducing New Services: With the current services well established, BlueStar Viet Nam is well positioned to add new services into the franchise. BlueStar will explore the possibility of introducing new services through the franchise such as breast feeding programs and PMTCT.

Insurance: Operating at scale will allow BlueStar Viet Nam to work with private providers to enrol them in the new national health insurance programme by 2012. The government plans include private providers and will cover all health services. To date, the MOH has tried to work with the private sector by individually contracting private providers but this has proved to be difficult. Once BlueStar operates at scale, it may be very attractive for the government contract out to MSIVN BlueStar to work with the private providers.

5.4 Lessons Learned

Through the pilot phase and the expansion phase, BlueStar Viet Nam has learned several important lessons.

1. Finding the market niche: With the high contraceptive prevalence rate in Viet Nam and the low unmet need, BlueStar Viet Nam needed to find a market niche beyond simply increasing access to FP services. Viet Nam has focused on improving the quality of service provision among private providers with the aim to increase the use of modern contraception (currently 57%), reduce the burden on government services (85% of married women source their FP services from the public sector), and improve counselling to help reduce the high level of switching and discontinuation rates (56% and 13% respectively).

2. Target Population: BlueStar Viet Nam has needed to find alternative approaches for targeting low income and underserved populations. With the government requirements to franchise specialist Ob/Gyns, BlueStar Viet Nam found that the providers in the pilot phase were naturally located in urban areas and focused on middle to high income populations. In the scale up phase, BlueStar Viet Nam has had to place extra emphasis on the goal of the programme to serve low income and underserved populations. The selection criteria for franchisees have been adjusted to focus on lower income areas. The mobile outreach services, on site days, voucher programme are all activities intended to better serve the target group.

3. Government Relations: Finally a strong relationship between the government and franchisor, MSIVN, is needed to help facilitate the implementation of the programme in Viet Nam. MSIVN has maintained a strong relationship with the government. This long standing relationship in turn benefited BlueStar.
4. **Human Resources:** BlueStar Viet Nam struggled with staff turnover and recruitment of the appropriate team members during the pilot phase. Such difficulties delayed the implementation of key elements of the programme. Now that a strong team is in place, BlueStar Viet Nam has been able to make considerable progress.

5. **Private Provider Expectations:** BlueStar staff had found that controlling the expectations of franchisees is very important. In the pilot phase, promises were made and expectations by the franchisees were too high. Some of the pilot franchisees ended up disappointed or upset. The BlueStar team has improved this during scale up. For example, franchisees are told the maximum amount that will be spent on the refurbishment of the clinic.

6. **Training:** The BlueStar team found that the busy franchisees would often try to send someone else from their clinic – a nurse or a midwife – for the mandatory training. However, legally only doctors can perform MVA and MA and so must attend the trainings in person. BlueStar has had to police this carefully especially for the trainings that were contracted out to the government.

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**Glossary of terms**

<table>
<thead>
<tr>
<th>Acronym</th>
<th>Description</th>
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<tbody>
<tr>
<td>AIDS</td>
<td>Acquired immunodeficiency syndrome</td>
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<tr>
<td>APO</td>
<td>Area Program Officer</td>
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<td>ARV</td>
<td>Antiretroviral therapy</td>
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<td>BTL</td>
<td>Bilateral tubal ligation</td>
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<td>CHW</td>
<td>Community health workers</td>
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<td>CPR</td>
<td>Contraceptive prevalence rate</td>
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<td>CYP</td>
<td>Couple-year protection for contraception</td>
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<tr>
<td>FP</td>
<td>Family planning</td>
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<td>HIV</td>
<td>Human immunodeficiency virus</td>
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<tr>
<td>IUD</td>
<td>Intra-uterine contraceptive device</td>
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<tr>
<td>KDHS</td>
<td>Kenya Demographic and Health Survey</td>
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<tr>
<td>LAPM</td>
<td>Long-acting and permanent methods of FP</td>
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<tr>
<td>LTM</td>
<td>Long-term methods of FP</td>
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<td>MA</td>
<td>Medical abortion</td>
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<tr>
<td>MoH</td>
<td>Ministry of Health</td>
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<tr>
<td>MSI</td>
<td>Marie Stopes International (London)</td>
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<td>MSIVN</td>
<td>Marie Stopes International Vietnam</td>
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<tr>
<td>MVA</td>
<td>Manual vacuum aspiration</td>
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<tr>
<td>QTA</td>
<td>Quality technical assessment – MSI tool</td>
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<tr>
<td>RHA</td>
<td>Reproductive health agent</td>
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<tr>
<td>SNNP</td>
<td>Southern Nations, Nationalities and People’s Regional State</td>
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<tr>
<td>SRH</td>
<td>Sexual and reproductive health</td>
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<tr>
<td>STI</td>
<td>Sexually transmitted infection</td>
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<tr>
<td>USAID</td>
<td>United States Agency for International Development</td>
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