



# Cost considerations associated with the use of devices

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November 2013



# General comment on cost drivers

- ▶ Main direct cost drivers are HR and consumables
- ▶ Context and mode of service delivery can significantly impact on costs
- ▶ HR costs include service delivery, counselling and support
- ▶ Device typically comprises major portion of consumables cost. In studies \$9 (Shang ring) & \$20 (PrePex)
- ▶ Cost management should focus on these costs
- ▶ Other important costs to consider:
  - Demand creation
  - Logistics / supply chain management
  - Waste management
  - Programme management and support services
  - Surveillance



# Introduction costs

- ▶ Research points to improved efficiencies if sufficient demand
- ▶ Infrastructure requirements are less demanding when compared to surgical but:
  - Introducing device may trigger expenditure on new MC sites
- ▶ Training costs for use of device
- ▶ Refinement of HMIS and other systems for devices
- ▶ Impact on programme management: Initial or on-going cost implications?
- ▶ Communication and demand creation costs for device



# Contextual and other considerations

- ▶ Service delivery model impacts on costs
  - May lead to more outreach with higher costs
  - Devices may facilitate task shifting
- ▶ Scale / throughput has significant impact on unit costs
- ▶ Critical to match supply and demand to maximise efficiency
- ▶ Surgical / device mix can have significant impact on total cost
- ▶ If comparing to surgical is surgical with or without disposable kits?



# Other considerations

- ▶ Economic and unit costing differs from cash-flow and requires a separate exercise
- ▶ Impact of devices for adolescents
- ▶ Willingness to incur high incremental cost to achieve required coverage
- ▶ May trigger higher costs for related services such as HCT

