

HOW COULD PRIVATE SECTOR PHARMACIES AND DRUG SHOPS ADVANCE PROGRESS TOWARDS UNIVERSAL HEALTH COVERAGE?

INTRODUCTION

Private sector pharmacies and drug shops help to improve access to essential health services and products for millions of people across low- and middle-income countries (LMICs), where healthcare resources are often limited. However, the way in which these outlets are, or are not, integrated into health systems holds significant importance. Do they serve as facilitators of affordable, high-quality care? Or have they become sources of substandard health services and products? We explore.

PRIVATE SECTOR PHARMACIES AND DRUG SHOPS MATTER

For many people in LMICs, private sector pharmacies and drug shops often serve as the primary or even sole point of contact within the healthcare system. Specifically:

- Nearly half of all private spending on health is on medicines, suggesting that much of this spending happens in private pharmacies and drug shops.
- These outlets offer distinct advantages, including convenience, easy accessibility, and in some cases, privacy.
- These benefits are particularly significant for services related to HIV and pregnancy prevention and for specific population segments, such as young people and those living in underserved areas.

Yet, persistent challenges remain, including:

- The lack of integration of private sector pharmacies and drug shops into the broader health system can leave individuals without appropriate referrals to higher levels of care, when necessary.
- Inadequate health financing means that people who seek care in the private sector may lack financial protection.

- A shortage of trained pharmacists and the presence of unregulated drug shops pose risks, potentially leading to suboptimal care and contributing to issues such as antimicrobial resistance.

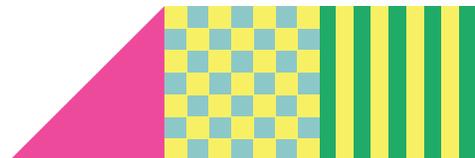
OPPORTUNITIES

Despite these challenges, private pharmacies and drug shops have the potential to help health systems to advance toward Universal Health Coverage (UHC); in fact, recent initiatives have emerged to better integrate these outlets within health systems. Beyond conducive policy and regulation, the initiatives also relate to the development of the systems and structures that will support effective integration.

THESE INITIATIVES INCLUDE:

- **A regulatory framework for drug shops** that provides access to government training, wider product distribution, and quality assurance mechanisms, providing consumers with safer options. More broadly, enabling regulatory policies and environments for pharmacies and drug shops can maximize their full potential. Policy adjustments that expand the scope of practice, like for the Accredited Drug Dispensing Outlets program mentioned below, can further enhance access to essential health products and services.

The Accredited Drug Dispensing Outlets (ADDO) program in Tanzania showcases the transformative potential of pharmacies and drug shops. By training and licensing small retail outlets in rural areas to sell essential medicines, the ADDO program ensures safer practices and improved access to high quality healthcare products and services for the most vulnerable. [Learn more.](#)



- **Targeted pharmacy interventions** including those that enhance provider skills and expand product availability so that pharmacies are better integrated within the health system and can offer high quality healthcare services and products.

[The Strengthening HIV Self-Testing in the Private Sector \(SHIPS\)](#) project works to accelerate the introduction of HIV self-tests in the private sector through training of pharmacies, scalable product promotion, and linkage tools for follow-up services. This initiative aims to expand the private sector market for HIV self-testing in Kenya, Uganda, and Nigeria, with integration into the national HIV response.

- **Integration of pharmacies and drug shops into health financing arrangements** that facilitate accreditation and reimbursement for these outlets, resulting in financial protection to consumers for primary care products and services.

The implementation of a digital platform in India, [Hausala Sajheedari](#), aims to better integrate the private provision of health products and services into health financing arrangements. This streamlines the entire process, from the application for accreditation to the submission and reimbursement of claims. Building on the experience of implementing this web-based interface for healthcare providers, PSI is collaborating with the Government of India to expand the model to pharmacies.

- **ePharmacy models** that leverage online platforms to increase privacy, accessibility, and adherence to care.

Although around 80% of consumers seek TB care from the private sector in India's state of Madhya Pradesh (MP), the quality of diagnostic and treatment services tends to vary significantly, and high out-of-pocket spending often leads to financial hardship. Through the USAID-funded Sustaining Health Outcomes through the Private Sector (SHOPS) Plus project, PSI/India and the MP Government partnered to design an innovative e-pharmacy model with the goal to provide TB consumers with appropriate screening and personalized treatment in the private

sector, reimbursed by the government. The MP government is now planning to roll out the model across the entire state, also integrating hypertension and diabetes screening and treatment.

LOOKING AHEAD: THE JOURNEY TOWARD UHC

In a country's journey toward UHC, the role of private pharmacies and drug shops and their integration within health systems is crucial. While some interventions have shown promise in specific contexts, there is potential for broader impact with a wider range of essential health products on a larger scale. As donors, governments, organizations, and communities come together to advance progress toward UHC, scaling successful models and initiatives involving private pharmacies and drug shops can pave the way for stronger mixed health systems ensuring that everyone enjoys high-quality care with financial protection whenever they need it.

We recognize that considering pharmacies and drug shops together is complex, as these two different types of outlets operate under distinct regulatory regimes. Ideally, we would like to see more trained pharmacists operating pharmacies in all areas with shortages of healthcare services; however, given the shortage of trained pharmacists and the adverse economic conditions in many rural and peri-urban areas, this is unlikely to happen for many years. Supporting drug sellers may not be a perfect solution, but it may be the right solution to increase access in the short and medium term.

Join us in exploring how the integration of private sector pharmacies and drug shops can accelerate the journey toward UHC.

To learn more, read our [technical brief](#) or listen to our [podcast](#), which are both part of our [HSS Insight series](#).

