Reach Alliance

Innovative Healthcare Solutions in South Africa:

Leveraging Private-Sector Approaches for Universal Health Coverage

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center for inclusive growth

The Reach Alliance

The Reach Alliance is a consortium of global universities — with partners in Ghana, South Africa, Mexico, Canada, United Kingdom, Australia, and Singapore — developing the leaders we need to solve urgent local challenges of the hard to reach — those underserved for geographic, administrative, or social reasons. Working in interdisciplinary teams, Reach's globally minded students use rigorous research methods to identify innovative solutions to climate, public health, and economic challenges. The UN's Sustainable Development Goals (SDGs) provide inspiration and a guiding framework. Research is conducted in collaboration with local communities and with guidance from university faculty members, building capacity and skills among Reach's student researchers.

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Cover photo: A male patient sitting on a hospital bed (iStock)
Contents page photo: Aerial of township and wealthy houses in divided South Africa (iStock)

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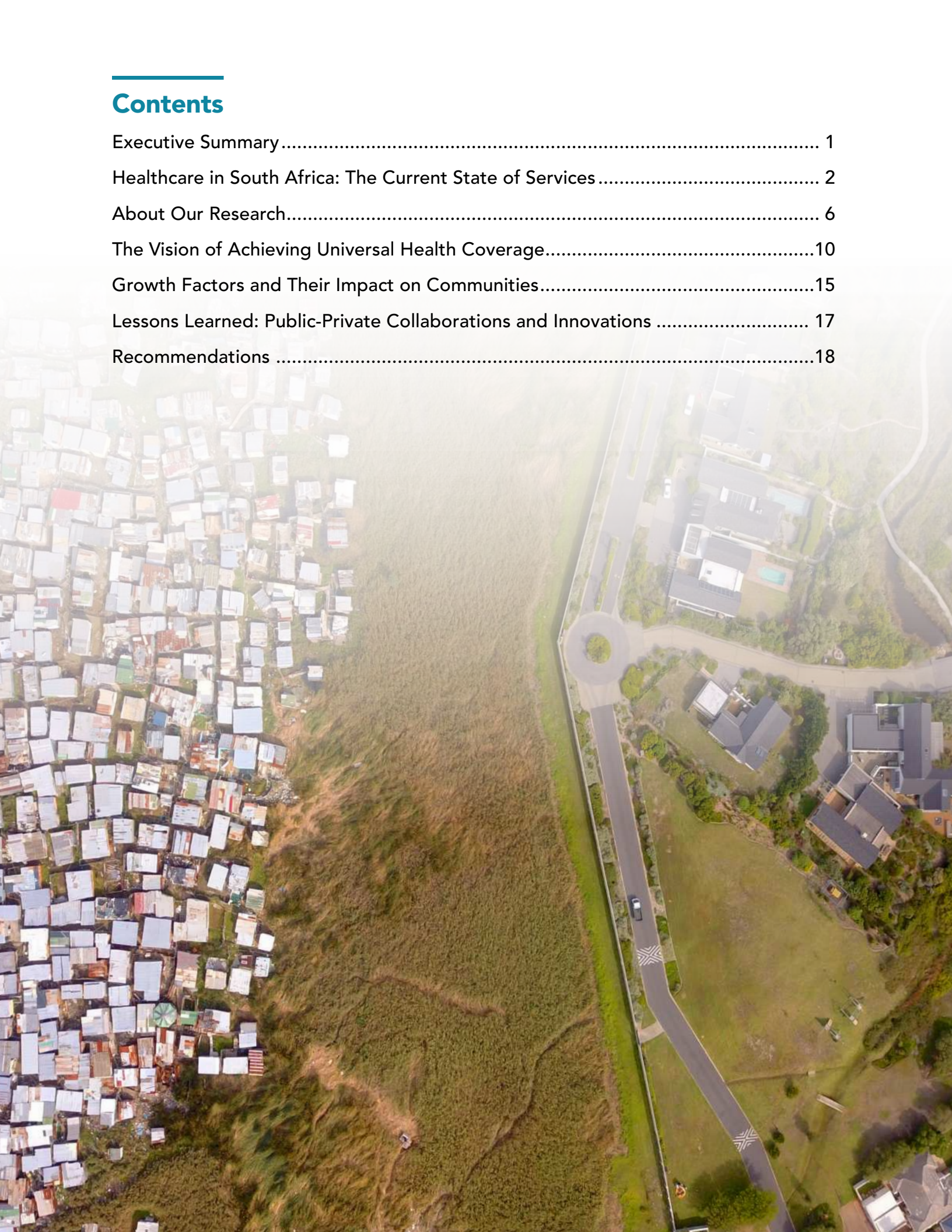

Figure 1. Healthstore's franchise system is branded as Child and Family Wellness Clinics (CFW Clinics) throughout Kenya (photo by Healthstore Foundation)

Executive Summary

South Africa's healthcare system is marked by a significant divide between the public and private sectors, with only 16.2 per cent of the population having access to private medical insurance. Exacerbated by income inequalities and strained public resources, this disparity leaves a substantial portion of the population dependent on overburdened public healthcare facilities. Staff shortages, long waiting times, and poor service quality are driven by ineffective management and resource distribution. As the National Department of Health pushes toward universal health coverage (UHC) and National Health Insurance (NHI), there is a growing need for cost-effective, scalable solutions. While healthcare coverage programs in countries like the UK and Canada offer insights, NHI in South Africa requires careful consideration of local context and potential pitfalls, including governance and quality concerns. To improve healthcare access and quality, the country needs to adopt innovative models and intersectoral partnerships, focusing on scalable solutions and effective resource management to address its complex health challenges.

We examine innovative healthcare delivery models that blend public- and private-sector strengths, focusing on social franchises like the Healthstore Foundation (HSF) and Unjani Clinics and low-cost occupational insurance models such as National HealthCare Group (NHG), to advance universal health coverage and South Africa's NHI. Hybrid healthcare models that combine nonprofit and for-profit strategies ensure accessible, affordable, and high-quality care, particularly in underserved areas. We also emphasize the importance of strong regulatory oversight and compliance to maintain healthcare standards and patient safety. Public-private partnerships

(PPPs) are crucial for mobilizing resources, fostering innovation, and enhancing healthcare delivery, while technological innovations like telemedicine and digital health platforms can serve as a bridge for service delivery gaps and improve health outcomes. Capacity building and continuous professional development for healthcare providers are also crucial to sustain high standards of care. We recommend that governments adopt these approaches to improve healthcare delivery, reduce costs, and ensure equitable access to quality healthcare services as they work toward UHC and NHI implementation.

Healthcare in South Africa: The Current State of Services

South Africa's healthcare landscape is marked by a stark division between public and private sectors, with only 16.2 per cent of the population having access to private medical insurance.[1] Access to healthcare is primarily dictated by income levels, so a significant portion of the population rely on government-provided healthcare. This reliance is further strained by existing societal disparities in housing and employment, which exacerbate the difficulties in distributing healthcare resources equitably. Consequently, certain segments of the population struggle to obtain adequate healthcare, deepening the country's broader socioeconomic inequalities. According to a study by Ngobeni, Breitenbach, and Aye, based on the 2018 Presidential Health Summit, just under half (49.7%) of hospitals and 69 per cent of all hospital beds are allocated to public healthcare facilities in South Africa. These facilities are expected to serve nearly 85 per cent of the population, highlighting a significant inequality in the distribution of healthcare resources.[2] In Sub Sahara Africa and South East Asia approximately 400 million people were pushed into moderate poverty due to out-of-pocket medical expenses in 2019. Comparing this to first world standards where universal health coverage is extremely high, rated as >80 based on the World Bank 2021 UHC Monitoring report, there is the need for reforms to close this gap.[3] Bridging the gap between the public and private healthcare sectors and addressing these disparities remains crucial for enhancing all South Africans' overall health and well-being.

Key Challenges and Opportunities

Approximately 30 per cent of the country's doctors serve an overwhelming 84 per cent of the population. In 2022 there were 16.5 medical specialists per 100,000 users nationally, however only 7 specialists per 100,000 population are employed in the public sector. This unequal distribution toward the private sectors leaves the public sector in a worse position, compared to the global average of 19.5 doctors per 10,000 people.[4] Despite continuous efforts to improve the quality of health service provision since the advent of democracy in 1994, persistent issues range from staff shortages and long waiting times to poor hygiene and infection-control measures, inadequate record-keeping, medication and equipment shortages, and increased litigation related to preventable errors and negligence. These factors affecting service quality primarily arise from the unequal distribution of resources,

1 S. Girdwood, K. Govender, L. Long, J. Miot, and G. Meyer-Rath, "Primary Healthcare Delivery Models for Uninsured Low-Income Earners During the Transition to National Health Insurance: Perspectives of Private South African Providers," *South African Medical Journal* 109, no. 10 (2019): 771–83.

2 Victor Ngobeni, Marthinus C. Breitenbach, and Goodness C. Aye, "Technical Efficiency of Provincial Public Healthcare in South Africa," *Cost Effectiveness and Resource Allocation* 18, no. 1 (2020): 1–19.

3 "Tracking Universal Health Coverage 2023 Global Monitoring Report," World Bank Group.

4 Ibid.

ineffective management and leadership, high disease burden, and bureaucratic obstacles that hinder the public healthcare sector's restructuring.[5] Given the pivotal role of the public healthcare sector in the country's healthcare delivery, innovative solutions are urgently needed to address these challenges.

Growing Demand for Cost-effective, Scalable Care

In response to the significant public/private divide in the health system, the National Department of Health has prioritized the establishment of the NHI system, striving to achieve UHC. The demand for cost-effective and scalable healthcare solutions is growing, and evident in the overwhelming number of patients relying on public healthcare facilities. This increasing demand underscores the urgency for innovative models that can efficiently serve large populations.[6]

Universal Health Coverage and the Private Sector

The World Health Organization defines UHC as ensuring "that all people have access to the full range of quality health services they need, when and where they need them, without financial hardship. It covers the full continuum of essential health services, from health promotion to prevention, treatment, rehabilitation and palliative care."[7] Many countries around the world have developed national healthcare systems to provide health coverage for their populations, through pooling risks and funds. These plans typically cover "medically necessary" hospital, physician, and certain surgical-dental services. Money used to fund these plans is collected mostly through taxation. Canada and the United Kingdom have implemented national healthcare programs with some success, allowing their populations to access free, high-quality (in theory) healthcare services that mitigate people's risk for financial hardship. While they too have been criticized for inefficiencies, lessons can be learned from their approaches.

National health insurance plans are often considered to be more cost effective than private healthcare systems because of the cost-saving benefits associated with pooling risks and funds. However, in the UK (a country with 66 million people), the government spends 10 per cent of its gross domestic product (GDP) on healthcare, of which only 78 per cent is spent in the public sector.[8] This is even worse than in South Africa (a country with roughly 63 million people) where 8 to 9 per cent of our GDP is spent on approximately 85 per cent of the population in government health services.[9] So we have to question whether implementing an NHI system in South Africa would really be more cost effective in the long run.

We also have to question the state's role in providing UHC. Although the state played a significant role in establishing the NHS in the UK in 1948, there has been a gradual shift away from the state as the sole provider and a movement toward a purchaser-provider split and hospitals becoming more autonomous through Foundation Trust status. (This status refers to a model in the UK where hospitals become semi-independent organizations that are part of the NHS but

5 "2030 Human Resource for Health Strategy," Department of Health, October 2020.

6 "Strategic Plan, 2020–2025," National Department of Health.

7 "Universal Health Coverage," World Bank Group, 2024.

8 Jonty Roland, "Universal Health Coverage in the United Kingdom," Social Health Protection Network, 2 November 2020.

9 "Quality in Health Outcomes and Health Budget Frameworks," UNICEF South Africa Report, 2022–2023, 8.

have more financial and operational autonomy. These Foundation Trusts are allowed to manage their own budgets, make strategic decisions independently, and are somewhat insulated from direct government control, while still providing healthcare to the public under the NHS framework.) This reduces central control, shifting decision making toward local communities and thereby theoretically maximizing public benefit.

In the last decade NHS England was created to act as the main purchaser of services, with the state playing more of a "referee" role. Any additional services or benefits (like private rooms, shorter waiting times, etc.) not covered by the NHS are available through various private medical plans.[10] In a country like South Africa, where corruption resulted in systemic ineffectiveness and mismanagement, centralizing healthcare to the state and limiting the role of private providers might not be a smart move.

Canada's health insurance program has decentralized purchasing power from the state, empowering provinces and territories to consult with their own medical professions to determine which services are medically necessary and thus covered by their respective provincial or territorial health insurance plans. This flexibility allows the different regions to respond to changing burdens of disease in their territories. Any health service that has been deemed medically necessary by a province or territory must be delivered in a manner that meets the requirements of the *Canada Health Act*, on uniform terms and conditions, and without patient charges. All provinces and territories also offer additional benefits under their respective health insurance plans, which are funded and delivered on their own terms and conditions. These benefits are often targeted to specific population groups (e.g., children, seniors, social assistance recipients), and may be partially or fully covered.[11]

Reaching UHC and designing a realistic national health insurance scheme in our South African context requires consideration of approaches that transcend traditional healthcare delivery models. If implemented without careful governance and strategic planning, there is a significant risk of expanding access at the expense of diminishing quality. A Lancet Commission in 2018 noted that in lower- and middle-income countries access is no longer the main priority. Instead the focus has shifted to improving the quality of services that people can access.[12] Any innovative approaches must extend beyond the healthcare sector alone, fostering partnerships among public, private, and civil society organizations. Through intersectoral collaboration and social innovation, these partnerships can address complex public health challenges. Scalability in healthcare solutions is vital to ensure that models can be implemented widely and effectively, making a tangible impact on the health and well-being of all South Africans.

Social Innovation and Private-Sector Collaboration in Healthcare

The World Health Organization is exploring the use of public-private partnerships to mobilize additional capital for healthcare delivery. Public-private partnerships aim to rapidly scale and enhance the healthcare industry's accessibility, quality, and efficiency by leveraging private-sector activities to achieve national health objectives. Private services could potentially contribute to providing quality healthcare to both rural and urban areas and elevate the

10 Roland, "Universal Health Coverage in the United Kingdom."

11 "Canada's Health Care System," Health Canada.

12 Margaret E. Kruk, Anna D. Gage, Catherine Arsenault, et al., "High-quality Health Systems in the Sustainable Development Goals Era: Time for a Revolution," *The Lancet Global Health* 6, no. 11 (2018): e1196–e1252.

Figure 2. The promise of a brand: Unjani's use of franchising principles to gain recognition as a provider of quality primary healthcare (photo by Unjani NPC)

standard of care and cost-effectiveness of competing public-sector services, which are known to be overburdened, fragmented, and inequitable.[13]

While the involvement of the private sector has numerous benefits, private services also often cater mainly to higher socioeconomic classes, neglecting poorer populations. This hinders the vision of private-public collaborations.[14] Private healthcare services' emphasis on profitability and financial sustainability means they often remove unprofitable services, which affects both users and the entire health ecosystem.[15] In South Africa, the lack of regulation on private healthcare providers' service fees allows private providers to charge whatever they like. Monthly medical aid premiums are exorbitantly expensive, and unaffordable to the average South African, resulting in more individuals relying on the public-sector services (which are already significantly overburdened).[16]

Expanding Healthcare Services through Franchising

Expanding healthcare services to wider geographical regions through franchising is not new. In commercial franchising, products or services can be rapidly scaled to new markets,

13 *Public–Private Partnerships for Health Care Infrastructure and Services: Policy Considerations for Middle-Income Countries in Europe* (World Health Organization, Regional Office for Europe, 2022).

14 Eleanor Beth Whyle and Jill Olivier, "Models of Public–Private Engagement for Health Services Delivery and Financing in Southern Africa: A Systematic Review," *Health Policy and Planning* 31, no. 10 (December 2016): 1515–29.

15 Oliver Tiemann and Jonas Schreyögg, "Changes in Hospital Efficiency after Privatization," *Health Care Management Science* 15, no. 4 (December 2012): 310–26.

16 "Medical aid is a form of health insurance that provides members with access to private healthcare services." "Medical Aid in South Africa: Here's What You Need to Know," Profmed Medical Aid.

with profits driving the relationship between the franchisees and the franchisor, as they do in fast food chains. For example, McDonalds have optimized their supply chain and standardized their customer experience, scaling operations to 120 countries since inception in 1954. Profits are shared with the franchisor for access to business support, trade name, and quality assurance. This model is effective in a growing market where new entrants have access to start-up capital and a trainable workforce. However, when profits are limited and products aim to serve a low-resourced market, this may not meet the needs of the franchisor and might be less appealing.

Market for Alternative Primary Healthcare Services

Approximately 28 per cent of households in South Africa opt for private medical services, even when they don't have health insurance. Their choice is influenced by factors such as an overcrowded public sector and a perception of greater efficiency, quality of care, and competence of staff in the private sector.[17] Evidently, a market has been created for alternative primary healthcare services in South Africa, offering a fee-for-service product to the "employed but uninsured" market.

About Our Research

We delve into three innovative models of primary healthcare service delivery in Sub-Saharan Africa to explain alternative pathways to achieving universal health coverage (UHC). Our exploration targets the potential for South Africa, but also offers insights applicable to the broader developing world. By examining these models, we seek to understand how private healthcare initiatives can effectively serve underserved communities, enhancing affordability, quality, and geographic accessibility of healthcare services, thereby contributing toward broader public health goals.

Our Approach

We adopted a qualitative research design, using a semi-structured interview approach to explore the operational and strategic dimensions of three organizations, namely Unjani Nonprofit Company (NPC), HealthStore Foundation (HSF), and the National HealthCare Group (NHG). The approach facilitated our examination of pivotal themes such as scalable fund generation (from donors, franchise payments, and loans), service affordability, sustainability, innovation in service development, and the impact on both communities and franchisees.

We collected data by interviewing representatives from the leadership teams of each organization. We crafted an interview guide to address key themes, ensuring a thorough exploration of each organization's approach to service delivery and its effectiveness in reaching underserved populations. Participants provided valuable insights into operational practices, strategic goals, and the challenges they faced.

To analyze the interview data, we identified and interpreted patterns and themes across the three organizations, coding responses to extract key themes related to growth, fund generation, service effectiveness, and community impact. We aimed for a comprehensive understanding of how each organization's services address the needs of the hardest-to-reach populations and contribute to their respective goals.

17 Girdwood, et al., "Primary Healthcare Delivery Models for Uninsured Low-Income Earners;" Kerensa Govender, Sarah Girdwood, Daniel Letswale, Lawrence Long, G. Meyer-Rath, and J. Miot, "Primary Healthcare Seeking Behaviour of Low-income Patients Across the Public and Private Health Sectors in South Africa," *BMC Public Health* 21, no. 1 (2021): 1649.

Models under Investigation

Not-for-profit Social Franchise: Unjani Nonprofit Company (NPC). The Unjani Clinic Network represents a social franchising model focused on delivering high-quality, affordable healthcare in economically disadvantaged areas of South Africa. Nurse-owned primary healthcare clinics fill gaps in the traditional healthcare system and alleviate pressure on the public sector. Unjani Clinics specifically target the approximately 10 million "employed but uninsured" individuals in South Africa.[18] Its key features we considered involve nurse ownership, access to funds, affordable care, growth and impact, and its support structure.

Nurse ownership: Clinics are 100 per cent Black owned and run by women nurses, providing both healthcare services and entrepreneurial opportunities. Aligned with the United Nations Sustainable Development Goals 5 and 8, this initiative addresses a critical need for employment creation by supporting women in building sustainable businesses. This, in turn, reduces gender inequality through increased employment opportunities.

Access to funds: Unjani NPC's innovative blended finance strategy facilitates expansion in developing economies where commercial loans can be challenging to obtain. Clinic owners receive initial capital through a loan at low interest rates for infrastructure development, with the obligation to repay 75 per cent within two years. The viability of loan repayment is ensured by the clinics' profitable operation, supported by the franchisor. Demonstrating the success of this blended financing model, clinic owners can now obtain low-interest loans (prime minus 2.5%) from a commercial banking group, improving the sustainability of their financial strategy. Combined with the use of grants, they are ambitiously aiming to expand their clinic network to 600 clinics by 2032.

Affordable care: Services and medication are offered at a bundled rate of ZAR 250 (about CAD 19), ensuring affordability for underserved populations. Compared to other private-sector primary healthcare services which range from ZAR 500 (CAD 38) to ZAR 800 (CAD 62) per consultation, this innovation has the potential to reduce inequality and increase community health through greater access to care.

Clinics are 100 per cent Black owned and run by women nurses, providing both healthcare services and entrepreneurial opportunities.

Growth and impact: With 141 clinics currently operational and a goal of 600 by 2030, Unjani has secured USD 5 million in unrestricted grant funding from an American philanthropist organization and provided over 3.5 million consultations since its inception. The network also created over 560 permanent jobs as of 2022. Such innovations have a direct impact on the

18 Ramji Raghavan, "Unjani Clinic Network: An Innovative and Scalable Hybrid Enterprise Model That Achieves Social Impact through Entrepreneurship," *Journal of Organization Design* 10 (2022): 109–13.

Figure 3. Low-cost infrastructure ensures the sustainability of the Unjani expansion strategy. (photo by Unjani NPC)

issue of unemployment in South Africa, currently reported to range between 33 and 41 per cent.[19]

Support structure: The model includes business and operational support for nurses, covering legal and quality assurance issues so nurses can focus on clinical care. For example, Unjani has created a leadership program to empower nurse practitioners with the necessary skills needed to run a business and support them in their role as nurse entrepreneurs

Unjani Clinics leverage a private-sector distribution network and task delegation to increase access to medications and services. This includes partnerships with optometrists and audiologists, enabling clinics to offer vision and hearing evaluations, as well as assistive devices at subsidized rates. The model aims to demonstrate how nurses, acting as gatekeepers, can address healthcare scarcity and cost while playing a critical role in achieving universal health coverage (UHC). Specifically, nurses are trained to screen patients for various health complaints, such as hypertension and diabetes, and to provide basic preventive care.

For instance, a nurse may perform an initial assessment of a patient's symptoms and determine whether further evaluation by a general practitioner (GP) is necessary. This delegation of tasks from GPs to nurses allows for a more efficient use of healthcare resources, reducing the demand on GPs and expanding their capacity to address more serious health issues. Also, the clinics use a computerized system for patient record management, which streamlines the process of tracking patient care and medication distribution, ensuring that patients receive timely follow-ups and that health data is accurately monitored.

For-profit Primary Healthcare Provider: National HealthCare Group. The National HealthCare Group operates as a managed care organization focused on providing primary

19 "Quarterly Labour Force Survey (QLFS) Q1: 2024," Statistics South Africa.

healthcare and selected specialist benefits to employed individuals who lack full medical aid coverage. This model caters to the "missing middle" in South Africa, offering an affordable health insurance product aimed at alleviating the burden on the oversubscribed public sector. It features a large network, a gatekeeping role, accessibility, and cost effectiveness.

Network and coverage: The group manages a network of over 12,000 healthcare providers, offering consultations starting at a subscription rate of ZAR 150 per month (CAD 11.50). Services include coverage for medication, pathology, radiology, dentistry, ambulance services, and legal and debt assistance (with some services available at an additional cost). To date, the National HealthCare Group covers 120,000 lives and is continuing to grow, with an active plan to expand their coverage across Africa.

Gatekeeping role: Nurses manage basic cases and triage patients, ensuring that those with severe conditions are seen by doctors, either virtually or in person. This approach to care has helped to optimize the workflow within the healthcare system by reducing the demand placed on general practitioners in their network. By allowing nurses to handle less complex cases, the system can ensure that GPs can focus on more serious health concerns, improving overall efficiency and patient care. Its approach to task shifting ensures high quality of care at the lowest cost. Task shifting involves "the rational redistribution of tasks among health workforce teams."[20] This management approach is a crucial strategy for improving healthcare systems' efficiency, particularly in settings with limited resources, because specific tasks are moved, where appropriate, from highly qualified health workers to health workers with shorter training and fewer qualifications in order to make more efficient use of the available human resources. Task shifting can effectively tackle shortages in healthcare resources. Broadening the responsibilities of allied healthcare workers (like nurses) is recommended as a strategy to improve the quality of care, aiming to support Sustainable Development Goal 3, which focuses on ensuring good health and well-being for all.

By allowing nurses to handle less complex cases, the system can ensure that GPs can focus on more serious health concerns, improving overall efficiency and patient care.

Expansion and accessibility: This model was initially introduced as an occupational insurance product and was subsequently adopted by larger corporations to offer medical coverage to employee groups. It has expanded to direct consumer access through a product offering in partnerships with local banks such as Tyme Bank.

Cost-efficiency: Through cost-saving measures such as digitization, streamlined administration, and leveraging underused capacity in private healthcare, the group is profitable. General practitioners are offered market-related fees to maintain network sustainability. With the founder, Dr. Nauta, acknowledging the need for cost-effective services, this model was not designed with the hardest-to-reach populations in mind. Although services are affordable, they target individuals with financial stability who can commit

20 "Task Shifting: Global Recommendations and Guidelines," World Health Organization, 2008.

to monthly subscription payments. Therefore, this model is not suitable for those who are significantly financially constrained.

National HealthCare Group aims to grow its user base to reach more individuals in the "missing middle" and plans to scale its services across the continent. The model is designed to be replicated, with a long-term goal of entering 28 countries and building a network of clinical practices.

Hybrid Profit and Non-Profit Social Franchise: HealthStore Foundation. Founded in 1997 by Scott Hillstrom, the Healthstore Foundation (HSF) addresses healthcare shortages in developing countries through an innovative hybrid model that combines for-profit and nonprofit elements. With around 160 clinics in Kenya, Ghana, and Rwanda, HSF has served approximately 12 million individuals. The foundation's dual approach ensures both sustainability and broad access to high-quality healthcare, targeting underserved and urban populations alike.

- *Hybrid operational model:* HSF employs a dual strategy, focusing its nonprofit efforts on low-density, high-poverty areas while using a for-profit approach in urban centres. This allows for extensive service coverage and financial sustainability.
- *Franchise operating system:* Standardized guidelines and rigorous compliance checks ensure high-quality care across all clinics. Regular inspections with over 100 indicators maintain consistent standards in clinical practices and equipment quality.
- *Economic empowerment and ownership:* Local healthcare workers, predominantly women, own and operate the clinics. They receive extensive support, including training and technology, which empowers them to deliver quality care and run sustainable businesses.
- *Innovative funding and expansion:* HSF leverages corporate partnerships and micro-franchise loans to fund its operations. Future plans include expanding into Nigeria and integrating private clinics with government hospitals to enhance healthcare access.

HSF's innovative hybrid model combines philanthropic and commercial elements to create a sustainable and impactful approach to healthcare in developing countries.

The Vision of Achieving Universal Health Coverage

Investing in Africa's health systems is vital for fostering inclusive and sustainable growth. Despite recent economic progress reducing poverty to 43 per cent of the population, the continent faces significant challenges, with a projected population of 2.5 billion by 2050.[21] Many countries still grapple with high child and maternal mortality rates, widespread malnutrition, and health systems inadequately equipped to handle epidemics and the increasing prevalence of chronic diseases like diabetes. To address these urgent issues, renewed commitments and accelerated progress toward universal health coverage (UHC) are essential, ensuring everyone has access to necessary health services without financial hardship.

Equity in Access to Health Services

Access to quality healthcare remains a significant challenge in developing countries, where regulatory oversight and financial constraints often hinder effective care delivery. The Healthstore Foundation

21 "Universal Health Coverage in Africa: A Framework for Action," World Bank.

(HSF), established in 1997, has made remarkable strides in transforming healthcare through innovative funding mechanisms, a robust compliance system, and a hybrid model designed to ensure equity in access to high-quality care.

Since its inception, HSF has established approximately 160 clinics across three countries, reaching hundreds of thousands of individuals annually and a cumulative total of around 12 million people since 2000. In our interview with him, Scott Hillstrom, HSF's CEO, emphasized the importance of equitable access:

> The issue is not solely about individuals lacking funds to pay for healthcare; rather, it is about the ineffectiveness and substandard quality of the care they receive. Children and their families should not have to suffer or face mortality due to substandard care, especially when Effective Quality Care (EQC) can be provided for an average price of USD 4.50 — a cost comparable to a Starbucks latte in the United States.

HSF's micro-franchise model addresses equity by combining nonprofit and for-profit approaches. The nonprofit arm serves low-density, high-poverty areas where a for-profit model might not be viable, ensuring that the most vulnerable populations have access to healthcare. Conversely, the for-profit arm targets high-density areas, supporting nonprofit initiatives through corporate social responsibility programs.

The Unjani Clinic Network addresses gaps in South Africa's healthcare system by establishing nurse-owned primary healthcare clinics in economically disadvantaged communities. Lynda Toussaint, CEO of Unjani Clinic NPC, explained how "Unjani offers a high-quality and affordable alternative, easing the burden on the overwhelmed public sector. We specifically cater to the nearly 10 million 'employed but uninsured' individuals in South Africa, thereby reducing strain on the public healthcare system." The network's expansion includes approximately 200 clinics established in 2024 and new "health pods" or mobile units connected to existing clinics. This expansion improves healthcare access in rural and semi-rural areas within a 25-kilometre radius of existing clinics.

The National HealthCare Group (NHG) also addresses a crucial gap in South Africa's healthcare system by providing primary healthcare and selected benefits to employed individuals who lack comprehensive medical aid coverage. This model specifically targets the population that falls between the fully covered and the uninsured, aiming to offer affordable and high-quality healthcare options. Dr. Reinder Nautas, NHG's founder, said that "We aim to provide affordable, high-quality health insurance for the missing middle in South Africa. Our focus is on delivering accessible healthcare solutions to those who cannot afford full medical aid but need coverage beyond what the public sector provides."

Quality of Services

Ensuring high-quality care is paramount. HSF employs a stringent compliance system to uphold standards. Abraham Orare, its business field advisor, stressed the importance of maintaining quality within the franchise operating system: "Our compliance team conducts both announced and unannounced visits to clinics, using comprehensive checklists with over 100 indicators. These indicators cover clinical standards, client management practices, and the quality of equipment and supplies. Ensuring the quality of healthcare products, especially drugs, is crucial to patient safety and effective treatment."

HSF's franchise system includes a detailed operating manual with policies, procedures, and forms, creating a turnkey management system. Franchisees benefit from a supply of high-quality,

low-cost drugs, management support, training, and other resources. These resources and compliance with procedures guarantees effective treatment for each patient and reinforces HSF's commitment to quality care.

Quality healthcare is also a cornerstone of Unjani's mission. Their implementation of the mobile-phone-based apps supports high-quality care delivery. WeCare CMS streamlines clinic operations, including patient registration and appointment scheduling, while WeCareApp allows patients to book consultations, access medical records, and receive notifications directly on their mobile devices. This integration enhances medication adherence and reduces wait times. Lynda Toussaint noted, "Our WeCare CMS and WeCareApp tools have the potential to revolutionize healthcare by enhancing both operational efficiency and patient engagement. These innovations ensure that we provide reliable, high-quality care even in the most challenging settings."

The collaboration with Intercare to offer remote doctor consultations via WeCare technology further exemplifies their commitment to improving care quality by increasing accessibility, especially for patients in remote areas.

The National HealthCare Group offers a range of services, including coverage for prescribed medication, pathology, radiology, and dental care. With increasing premiums, the coverage expands to include HIV screening, flu vaccinations, health assessments, maternity scans, specialist visits, hospitalization up to ZAR 300,000 per year (about CAD 23,190), and accidental death coverage. Dr. Nautas commented, "Our services are designed to offer high-quality care and ensure that our members receive comprehensive coverage. By expanding our benefits with increasing premiums, we provide a wide range of services that address both common and more specialized health needs."

Financial Protection

Financial protection is a core component of UHC, ensuring individuals are not pushed into poverty as a result of healthcare costs. The Healthstore Foundation's model provides Effective-Quality Care (EQC) at a cost that its CEO compares to a Starbucks latte, making healthcare affordable for low-income populations.

Unjani's approach includes converting private clinics into Unjani-affiliated ones and providing low-interest loans for refurbishments. This sustainable model helps ensure that healthcare costs do not lead to financial hardship. Lynda Toussaint explained, "We strive to provide a cost-effective solution that ensures financial protection for our patients. By offering affordable healthcare and supporting private sector nurses, we aim to create a sustainable model that benefits both our patients and our network."

Dr. Reinder Nautas elaborated on NHG's approach to financial protection: "Medical aid schemes are here to stay, and our model provides a cost-effective solution for those who need affordable health insurance. This helps to reduce the burden on the public sector and allows the government to focus on funding the hardest-to-reach individuals in society"

The NHG provides a cost-effective alternative to traditional medical aid schemes which are prohibitively expensive for the majority of the population. Its model is designed for individuals who can afford to pay for health insurance but find traditional medical aid schemes too expensive. By relieving some of the pressure on the public healthcare sector, it allows for more targeted government funding for those in greater need.

The Healthstore Foundation: Balancing Hybrid Models for Effective Healthcare

According to Scott Hillstrom, HSF's hybrid approach was shaped by the initial decision of whether to adopt a purely nonprofit or for-profit model. The foundation opted to combine the nonprofit model for low-density, high-poverty areas with a for-profit model for high-density urban environments. "The for-profit clinics in urban informal settlements, despite facing economic challenges, have thrived due to high patient volumes, showcasing the model's potential in specific contexts." To support these clinics, HSF has innovatively raised funds from American corporations. US employees' donations are matched by their employers, ensuring nurse practitioners are compensated for patient visits even in financially constrained areas. This dual model allows HSF to provide quality care in underserved communities while generating sustainable revenue.

The foundation opted to combine the nonprofit model for low-density, high-poverty areas with a for-profit model for high-density urban environments.

HSF's innovative funding mechanisms include value-based payments (i.e., instead of fee for service without consideration of impact), which link funding to the delivery of effective care and ensure that financial resources are efficiently used. Franchisees are supported with technology and central services, such as finance and administration, but bear the costs themselves, typically paying 10 to 15 per cent of these expenses. They repay loans from future profits, a model that has proven successful in both impoverished and high-density markets.

In a traditional top-down control model, directives and decisions are imposed from higher levels of the organization down to the lower levels, which can be ineffective in developing countries facing local complexities and needing tailored solutions. A compliance program, on the other hand, provides a framework to ensure that franchisees adhere to established standards and regulations without imposing rigid top-down control. It focuses on ensuring quality and consistency in healthcare delivery while allowing franchisees the flexibility to adapt to local conditions and innovate within the guidelines. This helps balance the need for oversight with the benefits of local autonomy, making it more effective in delivering quality healthcare in diverse and developing environments. Hillstrom emphasizes: "Maintaining a clear boundary between franchisor and franchisee is crucial. Unlike top-down control, which often fails in developing countries, our compliance program ensures quality healthcare delivery."

Unjani Clinics: Empowering Nurse Entrepreneurs through Blended Financing

Unjani Clinics' unique model focuses on sustainability and community empowerment through a blended financing approach. Initially, Unjani Clinics funded 100 per cent of clinic development costs and transferred ownership to nurses after a five-year period without requiring repayment. However, to enhance sustainability, Unjani revised its model to offer interest-free loans covering 50 per cent of the capital required

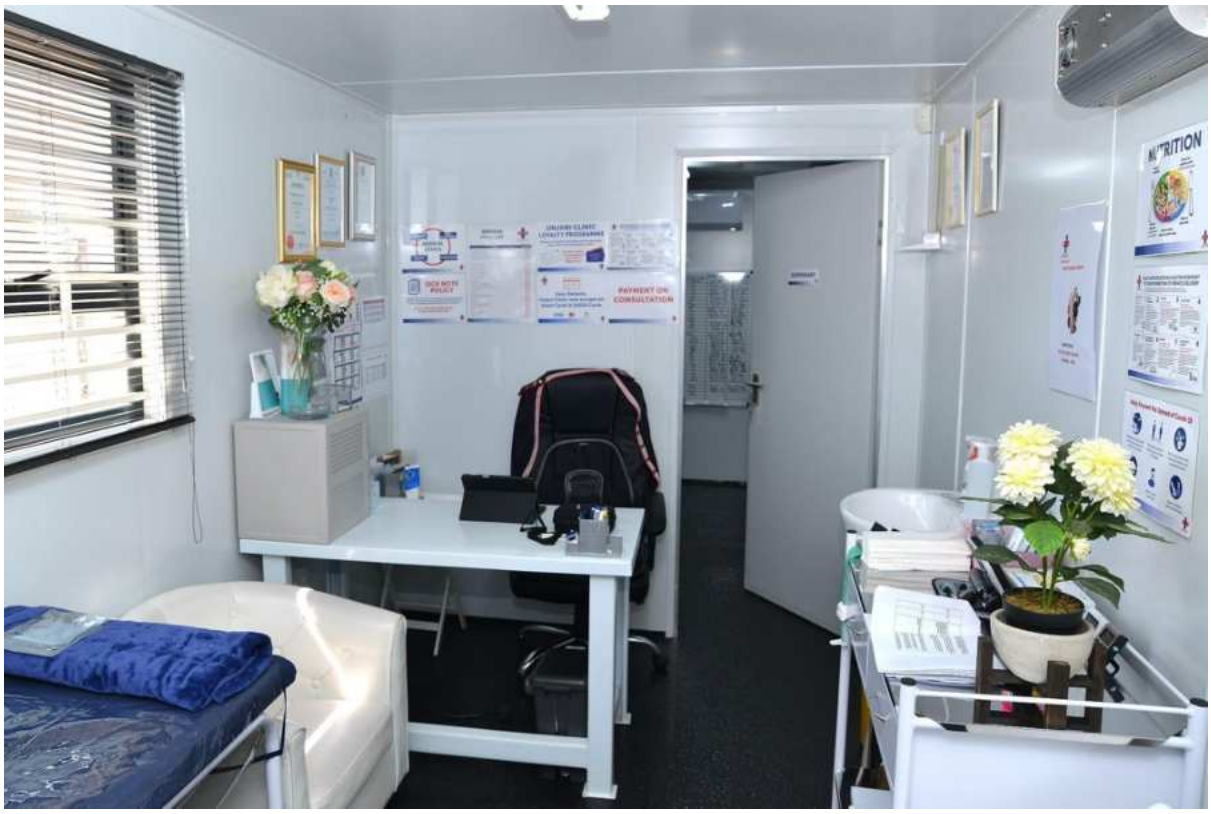

Figure 4. Ownership and empowerment — a typical consultation room of an Unjani clinic (photo by Unjani NPC)

to build clinics, repayable over one year from clinic profits.

Unjani's funding strategy incorporates both public and private sources. Although financial support from the South African Department of Health has not yet been secured, significant contributions have been made by the Job Funds Project funded by the National Treasury and private philanthropic donors. These funds supported the development of 44 clinics from 2017 to 2019 and an additional 18 clinics in 2023. The initial investment of ZAR 1 million (about CAD 77,300) per clinic covers infrastructure, working capital for the first 24 months, and operational support.

Nurse owners pay a monthly network fee, which increases after five years. Clinics become profitable by achieving patient consultation targets, with the goal of 250 consultations per month in the first year and 500 by the fifth year. Unjani's model enables nurses to manage profitable clinics while receiving business and operational support. Lynda Toussaint told us that "The high retention rates among nurse entrepreneurs reflect the advantages of being part of the Unjani network, including increased efficiency in logistics, access to technological innovations, and community trust."

Unjani's success lies in its ability to delegate tasks to nurses who perform screening and preventative care and who also diagnose and manage uncomplicated illnesses. Patients are referred to medical doctors only for more complex conditions that are out of the nurses' scope of practice. Private-sector distribution networks are leveraged for supplies, medicines, and supplementary health services not available to the public sector. By offering affordable bundled services and medication, Unjani provides essential business support while maintaining

care quality through predetermined systems and monitoring.

National HealthCare Group: Innovating Primary Healthcare Delivery

National HealthCare Group (NHG) employs a distinct model focused on creating a network of general practitioners (GPs) and achieving cost savings through digitization and streamlined administration. It capitalizes on underused capacity in private healthcare by offering market-related fees to GPs, thereby ensuring sustainability and service capacity expansion.

NHG provides affordable healthcare services made accessible for purchase on banking platforms and through corporate insurance plans. By targeting the "missing middle" demographic, NHG aims to grow its user base rapidly. The model's success is attributed to avoiding certain medical aid regulations, particularly those related to minimum benefits coverage for listed conditions. This avoidance allows NHG to bypass high administration fees associated with traditional medical aids, enabling them to offer competitive, low-cost services. However, this approach raises some concerns. By not adhering to these regulations, NHG may limit the comprehensiveness of their offerings, particularly in terms of coverage for chronic conditions and specialized care. While this product serves as an effective tool for primary healthcare provision, it does not negate the need for more comprehensive products that provide robust management of chronic conditions. Therefore, patients with ongoing health issues may find themselves without sufficient support or access to necessary treatments, which could lead to long-term health complications.

Its founder, Dr. Reinder Nautas, highlights: "Our success stems from accessing the insurance market and focusing on the untapped 'insured but unemployed' demographic. We operate at lower costs than traditional medical aids, which lack the incentive to develop low-cost products." NHG's digitization streamlines administration and reduces time demands on GPs, thereby increasing service capacity. By capitalizing on the private sector's unused capacity, and focusing on cost-saving innovations (e.g., distributing patients across the network, filling unused consultations in an effective manner, and maximizing the use of private services by filling available GP schedules — within the NHG Network — with NHG patients), NHG aims to scale services across the continent and expand into 28 countries.

The HSF, Unjani Clinics, and NHG each demonstrate unique strategies for addressing healthcare needs and ensuring sustainability. HSF's hybrid model combines nonprofit and for-profit elements to serve diverse communities; Unjani Clinics empower nurse entrepreneurs through blended financing; and NHG leverages cost-saving innovations and network expansion to provide affordable healthcare. Each model offers valuable insights into creating scalable and sustainable healthcare solutions.

Growth Factors and Their Impact on Communities

Healthstore Foundation: Empowering Local Healthcare Workers and Expanding Access

While it delivers essential quality care, the franchise model implemented by the Healthstore Foundation (HSF) also significantly empowers local healthcare workers, particularly women who make up almost all franchisees. By adhering to rigorous quality standards, these women earn incomes that reflect their effort and expertise, allowing them to reinvest in their businesses,

Figure 5. Creating a sense of community and empowerment (photo by Unjani NPC)

families, and communities. The model fosters economic growth and improves healthcare standards in regions previously plagued by substandard care. According to Scott Hillstrom, HSF's founder, "The franchise model allows for local healthcare workers to earn a sustainable income while improving healthcare access in underserved regions."

HSF provides ongoing business, technical, and financial support to ensure that franchisees operate effectively and sustainably. This support aligns with the principles of universal health coverage (UHC), aiming to scale clinic networks, broaden access, and develop economies of scale to make healthcare affordable and accessible to all. Hillstrom emphasized, "We balance nonprofit and for-profit models to ensure that we can provide quality care to the most vulnerable while also sustaining our operations through innovative funding strategies."

He also highlighted HSF's expansion plans into Nigeria: "We are integrating a franchise model with government clinics, creating a hybrid system that combines private-sector efficiency with public-sector reach. This approach demonstrates our commitment to broadening access to quality healthcare in developing countries."

Unjani Clinics: Creating Job Opportunities and Promoting Community Trust

Unjani Clinics create job opportunities for Black female nurses, fostering an entrepreneurial spirit, and promoting leadership and role models. According to Ramji Raghavan's research, "Unjani's model not only provides employment but also instills trust and hope in communities that have

historically had low levels of trust in healthcare institutions."[22]

Operating as a nonprofit company, Unjani Clinics empower nurses and showcase the private sector's potential in achieving universal health coverage. The network, with 141 clinics currently, aims to expand to 600 by 2030. Lynda Toussaint told us "Each clinic is 100 per cent Black owned, and our goal is to empower Black female nurses to become entrepreneurs and lead the transformation of the healthcare system."

According to its 2022 financial report, Unjani NPC has secured ZAR 205 million (approximately CAD 15.85 million) in funding, resulting in over 560 permanent jobs and delivering 3.5 million consultations since its inception, averaging approximately 78,000 engagements per month. Toussaint emphasized, "Our success lies in the rigorous selection of nurse entrepreneurs who align with our vision and demonstrate the capability to manage their clinics effectively. This process ensures that we can scale and create more job opportunities."[23] In a context of South Africa's unemployment rate at 32.9 per cent, Unjani's model has created 700 permanent jobs to date, with plans to scale further and generate additional employment opportunities.[24]

Lessons Learned: Public-Private Collaborations and Innovations

These cases offer valuable insights into innovative approaches for achieving universal health coverage in South Africa. By developing successful strategic partnerships between the public and private sectors, leveraging innovation, and employing robust data collection and quality assurance strategies, the collaborations provide essential lessons. These lessons can be instrumental for the public sector and provide valuable guidance for the implementation of the National Health Insurance (NHI) in South Africa.

Social franchises in healthcare effectively embody key elements of public-private partnerships (PPPs) by leveraging the strengths of both sectors. These franchises mobilize critical resources, including funding, technology, and human resources, from both sectors to enhance healthcare delivery. By partnering with private entities, they incorporate innovative technologies and efficient business practices, leading to more effective and accessible healthcare services. These partnerships are strategically aligned with public health goals, ensuring that the services provided meet government priorities, such as expanding access to care in underserved areas or addressing public health crises. PPPs in these franchises also share risks, particularly in funding, service delivery, and infrastructure development, creating a synergistic relationship that optimizes the strengths of each sector to improve healthcare access, quality, and sustainability in economically disadvantaged regions.

Limitations

According to a 2020 World Bank Poverty and Equity Brief, around 55.5 per cent of South Africa's population, or about 30.3 million people, live below the national upper poverty line of approximately ZAR 992 (CAD 76), which is below ZAR 20.20 per day ($3.30). One quarter of the population — 13.8 million people — face

22 Raghavan, "Unjani Clinic Network: An Innovative and Scalable Hybrid Enterprise."

23 "Annual Report 2022," Unjani Clinic.

24 "Quarterly Labour Force Survey."

food poverty.[25] One really must question the effectiveness of these fee-for-service models in addressing widespread health inequities in our country when a large proportion of the population lives in abject poverty and these models don't address the needs of these "hardest to reach" populations. While some models used cross-subsidization by means of corporate sponsorship schemes (i.e., the Health Store Foundation), that may not offer sufficient funding to cover an entire population without the means for a fee-for-service model. We therefore highlight the requirement for a multisector approach in achieving UHC.

While advancements in medical diagnosis and treatment have extended life expectancy, they have also significantly increased the burden of noncommunicable diseases (NCDs) on healthcare systems. Statistics South Africa calls the rise in NCDs a "looming health crisis." As more people live with NCDs, healthcare systems are pressured to expand and become more efficient, leading to substantial financial and organizational challenges.[26]

Initiatives such as health education campaigns, policy reforms, and public health efforts that focus on promoting healthier lifestyles, early detection, and regular health screenings have shown promising outcomes in reducing the prevalence and impact of NCDs. These preventative services, however, do not fit into a fee-for-service model, and the evidence on whether capitation payments (which incentivize population health initiatives) increase the availability of such services remains inconclusive.[27] South Africa needs an innovative approach to funding services that improve population health management and it will rely on multisector involvement.

One of the limitations of the private-sector models we've highlighted is that many services primarily emphasize curative care. Not only is this approach less cost-effective compared to preventive care, but it also diverts attention away from the broader goals of UHC and toward a profit-centred focus.[28] Emphasizing prevention, in contrast, aligns more closely with the principles of UHC by promoting long-term health and reducing healthcare costs.

Recommendations

For Governments on the Path to Universal Health Coverage (UHC) and National Health Insurance (NHI):

1. Encourage public-private partnerships (PPPs)

Healthcare delivery is a significant expense for national governments, but by leveraging public-private partnerships (PPPs), governments can mobilize resources efficiently and ensure broader access to high-quality care. Governments should actively engage the private and not-for-profit sectors to co-develop healthcare services that cater to the population's diverse needs. PPPs can reduce the cost of care through shared resources, such as pharmaceutical supply chains, facilities, and technologies, benefiting both the public and private sectors. This collaboration will improve

25 "Poverty and Equity Brief Sub-Saharan Africa: South Africa," World Bank, April 2020.

26 "Rising Non-Communicable Diseases: A Looming Health Crisis," Statistics South Africa, 2023.

27 Anna M. Morenz, Lingmei Zhou, Edwin S. Wong, and Joshua M. Liao, "Association Between Capitated Payments and Preventive Care among US Adults," *AJPM Focus* 2, no. 3 (2023): 100116.

28 "Preventive Care — A Crucial Component of Modern Healthcare," KeyHealth.

service quality and increase the availability of affordable healthcare.

2. Foster innovation and shared knowledge

Governments can learn from the success of social franchises that have used principles of commercial franchising and innovative financing mechanisms to ensure scalability and quality in healthcare delivery. By adopting similar models, governments can address the unmet demand for primary healthcare services, particularly through the use of technology. Encouraging alternative contributors to the healthcare system can lead to innovations, increased efficiencies, and cost-effective service provision. Sharing resources and transferring knowledge across sectors will be crucial in achieving these goals.

Lessons from franchising models, where poor performance led to clinic closures to preserve overall brand and healthcare quality, can be applied to the public sector.

3. Strengthen regulatory oversight and compliance

To maintain healthcare standards and patient safety, particularly in regions vulnerable to substandard practices and counterfeit medicines, it is essential to strengthen regulatory oversight and compliance systems. Governments should adopt stringent compliance measures, as in the organizations we studied, to ensure safe and effective healthcare delivery. Implementing robust regulatory frameworks in government healthcare facilities can lead to significant improvements in the quality of services the public sector provides.

4. Demand evidence of impact for quality care

Investment and procurement decisions should be grounded in evidence of impact, scalability, and efficiency. Governments should encourage healthcare services across all sectors to develop robust data-driven reporting mechanisms. Lessons from franchising models, where poor performance led to clinic closures to preserve overall brand and healthcare quality, can be applied to the public sector. This approach can enhance healthcare services' quality, cost-effectiveness, and sustainability. Additionally, knowledge of service outcomes can more effectively direct funds to the services that have the greatest impact on community health.

5. Provide a supportive environment for healthcare entrepreneurship

Expanding healthcare services requires substantial investment in infrastructure, working capital, and business operational support. Governments should create a supportive environment for entrepreneurs by offering financial support, such as low-interest loans and grants, and by providing business mentorship and operational guidance. This approach, demonstrated by successful franchise models, can empower clinicians to become entrepreneurs, thereby expanding access to quality care. Governments can develop programs that support new healthcare businesses, fostering operational efficiency, financial intelligence, and accountability.

6. Embrace hybrid healthcare models

As governments move toward UHC and NHI, they should consider the benefits of hybrid healthcare models that balance financial sustainability with social impact. These models, which combine nonprofit and for-profit strategies, have proven effective in ensuring that healthcare services are accessible, affordable, and of high quality, particularly in underserved and urban areas. Governments can adopt similar models to address local healthcare needs and economic realities, ensuring a more inclusive and sustainable healthcare system.

7. Scale healthcare delivery through franchise models

Franchise models are scalable and adaptable solutions for expanding healthcare access in diverse settings. Governments should support the replication of successful clinic networks, empowering local entrepreneurs to deliver standardized, quality care. This approach can ensure consistency, operational efficiency, and improved health outcomes in both urban and rural areas.

8. Integrate technological innovations

Governments should invest in technological innovations such as telemedicine and digital health platforms to enhance healthcare accessibility and efficiency, particularly in remote or underserved areas. The successful use of technology by organizations like HSF and NHG illustrates how governments can bridge gaps in service delivery, reduce disparities in access, and improve overall health outcomes. Digital tools like Unjani's WeCare App can also improve system efficiency, patient engagement, and continuity of care.

9. Invest in capacity building and professional development

To maintain high standards in healthcare delivery, it is crucial for governments to invest in capacity building and continuous professional development for healthcare providers. Comprehensive training programs, like those implemented by HSF and Unjani, equip healthcare professionals with the skills needed to address local health challenges effectively. Governments should prioritize similar initiatives to ensure a well-trained, competent workforce capable of delivering standardized, quality care across all regions. This focus on capacity building supports sustainable healthcare practices and better patient outcomes.

By implementing these recommendations, governments can make significant strides toward achieving universal health coverage and successfully integrating the National Health Insurance scheme, ensuring that all citizens have access to high-quality healthcare services.

Barriers to Implementation by South Africa's Government

Implementing recommendations for universal health coverage (UHC) and National Health Insurance (NHI) in South Africa may encounter several challenges. Public-private partnerships (PPPs) might struggle with mistrust and unclear collaboration frameworks. Fostering innovation and adopting new technologies could be impeded by limited resources and infrastructure. Strengthening regulatory oversight may face obstacles from corruption and inconsistent enforcement and developing robust data-driven reporting systems and supporting healthcare entrepreneurship are complicated by inadequate infrastructure and access to capital. Embracing hybrid healthcare models and franchise systems requires careful balancing of financial and social impacts, while integrating technological innovations is constrained by gaps in digital infrastructure. Finally, investing in capacity building is hindered by uneven distribution

of training resources and limited investment. Overcoming these barriers will demand strategic planning, strong governance, and coordinated investment across sectors.

For Heath Entrepreneurs: Designing with the Vision of Universal Health Coverage

Health entrepreneurs play a key role in transforming healthcare delivery. Encouraging them to innovate and expand their services through PPPs is essential for the improvement and sustainability of healthcare systems. Health entrepreneurship fosters: scalable services, opportunities for community ownership, a shared vision and culture, and preparation for future demands such as those presented by the National Health Insurance (NHI).

1. Build scalable services

Encouraging health entrepreneurs to build scalable services is vital for addressing communities' growing and diverse needs. Services that are designed to be easily replicated and expanded can ensure that high-quality healthcare becomes widely accessible. This not only meets the increasing demand efficiently but also optimizes the use of resources, allowing entrepreneurs to reach more patients without compromising the quality of care given.

2. Create opportunities for ownership

Health entrepreneurs should create opportunities for community ownership because it has a profound and lasting impact on both the services provided and the communities served. Encouraging health entrepreneurs to foster ownership leads to several key benefits:

- *Sustainability:* When community members have a stake in the services, they are more likely to invest their time, resources, and efforts to ensure these services thrive. This involvement promotes efficient resource use and enhances the long-term viability of health initiatives.
- *Quality improvement:* The quality of care improves significantly when community members are part of the ownership structure. Having a direct stake in the success of health services motivates community members to advocate for higher standards and provide ongoing feedback. This feedback loop helps entrepreneurs continuously refine and enhance the quality of services they offer.
- *Understanding community needs:* Ownership fosters a deeper connection between health services and the specific needs of the community. Community members bring invaluable local knowledge and perspectives, helping entrepreneurs tailor their services to better meet their communities' unique health challenges and preferences. By engaging community members in planning and decision-making processes, entrepreneurs can develop services that are highly relevant and responsive.

3. Foster a shared vision and culture

Entrepreneurs should be motivated to align the goals and values of all involved parties, creating a cohesive and collaborative environment. By fostering a culture of shared responsibility and continuous improvement, entrepreneurs can ensure that everyone works toward common objectives, promoting innovation and maintaining high standards of care. This alignment is essential for adapting to changing healthcare needs and ensuring services' longevity.

4. Prepare for future NHI demands

With the anticipated increase in demand for healthcare services due to the National Health Insurance (NHI), it is crucial to prepare entrepreneurs for these changes. Encouraging entrepreneurs to develop processes that reduce

reliance on specialists, scale services through the use of technology, and create gatekeeper services will be essential. This preparation involves:

- *Developing efficient processes:* Streamlining operations to minimize the need for specialist intervention, allowing for more efficient use of resources and quicker patient turnover.
- *Scaling with technology:* Leveraging technological advancements to enhance service delivery, improve patient management, and facilitate remote care. Interventions such as WeCare CMS and WeCareApp are examples of technologies that can support scalable healthcare solutions.
- *Creating gatekeeper services:* Establishing primary care services that manage patient flow effectively and ensure that patients receive appropriate care (at the right level without overwhelming specialist services) optimizes resource use and enhances the patient experience by providing timely and coordinated care.

Health entrepreneurs can greatly enhance the healthcare system by fostering a more resilient, responsive, and sustainable infrastructure. Their efforts will help address current and future challenges effectively.

Barriers to Implementation by Health Entrepreneurs

Health entrepreneurs in South Africa face several barriers in implementing recommendations for aligning with universal health coverage (UHC) and National Health Insurance (NHI). Key challenges include limited access to funding and resources, which hinders the scalability of services; difficulties in engaging local communities and securing investment, impacting sustainability and service quality; complexity in aligning diverse stakeholder interests because of bureaucratic inefficiencies; and obstacles in adapting to increased demand from NHI, such as integrating technology and developing efficient processes. These issues must be addressed to effectively enhance healthcare delivery and support UHC and NHI goals.

Research Team

Elizabeth Lubinda is a demographer and public health professional with expertise in maternal and child health, HIV research, food safety, and gender-based violence. She has worked in research and evaluation with USAID, the International Institute of Tropical Agriculture (IITA), and the Foundation for Democratic Process (FODEP). Elizabeth is a fellow in the AL for Health Research Fellowship, where she focuses on preventing the progression of gestational diabetes to Type 2 diabetes in women across Africa. As a fellow of the West African Institute of Public Health and the USAID Youth Lead Activity Program, Elizabeth champions youth leadership and advocates for universal healthcare access across Africa.

"This research highlights how innovative private-sector models can help ease the pressure on African health systems, where limited resources often hinder access to quality care. A key insight is the value of community ownership in healthcare delivery. When local stakeholders take the lead, supported by strict quality assurance protocols, accountability is strengthened, and service standards improve. Governments stand to benefit from partnering with these private initiatives to expand access and share the financial and logistical burden, creating a more resilient healthcare system. Supporting locally driven solutions offers a sustainable route toward universal health coverage, ensuring equitable healthcare for all across Africa."

Lizeli Olivier is a healthcare professional with clinical experience gained in South Africa and the United Kingdom. She graduated as an occupational therapist from Stellenbosch University in 2006, specializing in rehabilitation services with a focus on employment as a health outcome. Her vast exposure to international health systems inspired a passion for health equality, access, and optimization. She pursued health leadership as a Darzi Fellow through Leeds University and the NHS in 2016 and a master's degree in business administration at GSB Cape Town University in 2022. She is a clinician in rehabilitation and a director of a nonprofit organization supporting the cystic fibrosis community in South Africa.

"This study has highlighted the immense power of the African philosophy of Ubunta — a term that emphasizes the interconnectedness of communities and the importance of sharing the benefits and burdens of society. By empowering healthcare workers to live this philosophy through opportunities for ownership, they are empowered to build secure futures for them and their families, but it can also result in culturally effective solutions with the potential to drive systemic change."

Savannah Verhage is a junior doctor from South Africa, currently pursuing a DPhil in clinical medicine at Oxford University under the Rhodes Scholarship. Her research focuses on creating sustainable strategies to strengthen African health systems in response to the challenges posed by climate change. Savannah has held many leadership roles, including president of the UCT and Southern African Student Surgical Societies (2020) and director of mentorship and professional outreach for the International Association of Student Surgical Societies (2023). She has also led numerous initiatives that aimed to improve healthcare access in her community, earning her the "Outstanding Youth Delegate" Award at the 28th AFS Youth Assembly in New York, emphasizing her deep commitment to pursuing equity and social justice in healthcare.

"Exploring social franchising and South Africa's NHI in this case study allowed me to envision a healthcare model that meets people where they are, respecting the local context and community needs. It's a reminder that transforming health systems requires more than resources; it calls for creative, adaptable solutions that make quality care accessible and equitable for all. Sustainable change in health systems isn't just about policy — it's about understanding the unique challenges and strengths within communities and building solutions that resonate with those we serve. This journey with the Reach Alliance has reinforced my commitment to helping shape a better healthcare system in South Africa that truly serves its people."

Steve Reid is a family physician with a background in rural medicine, having worked and run a district hospital in KwaZulu-Natal for 10 years together with his wife, Dr Janet Giddy. He took up the post of Glaxo-Wellcome Chair of Primary Health Care at the University of Cape Town in 2010 and is developing this role to support health science graduates to become more relevant and appropriately skilled in Africa as well as to operationalize transformation and primary health care as priorities in the Faculty of Health Sciences. He is a recognized expert in the fields of community-oriented primary care, human resources for health, family medicine in Africa, rural health, primary health care systems, and medical and health humanities.

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