

# COSTING OF VOLUNTARY MEDICAL MALE CIRCUMCISION IN SOUTH AFRICA’S PRIVATE SECTOR

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## BACKGROUND

Voluntary medical male circumcision (VMMC) reduces men’s risk of becoming HIV infected by approximately 60%. A previous VMMC costing study at government and PEPFAR-supported facilities noted that the lack of sufficient cost data from the private sector represented a gap in knowledge concerning the overall cost of scaling up VMMC services in South Africa.<sup>1</sup> The NDoH recognized that to expand coverage to reach its ambitious VMMC target, either within private or public-sector facilities, this research gap would need to be addressed. Thus the present study aimed to:

- Estimate the unit cost to provide VMMC at for-profit facilities in South Africa.
- Assess the cost drivers and cost variances across the provinces and different VMMC service delivery modes.



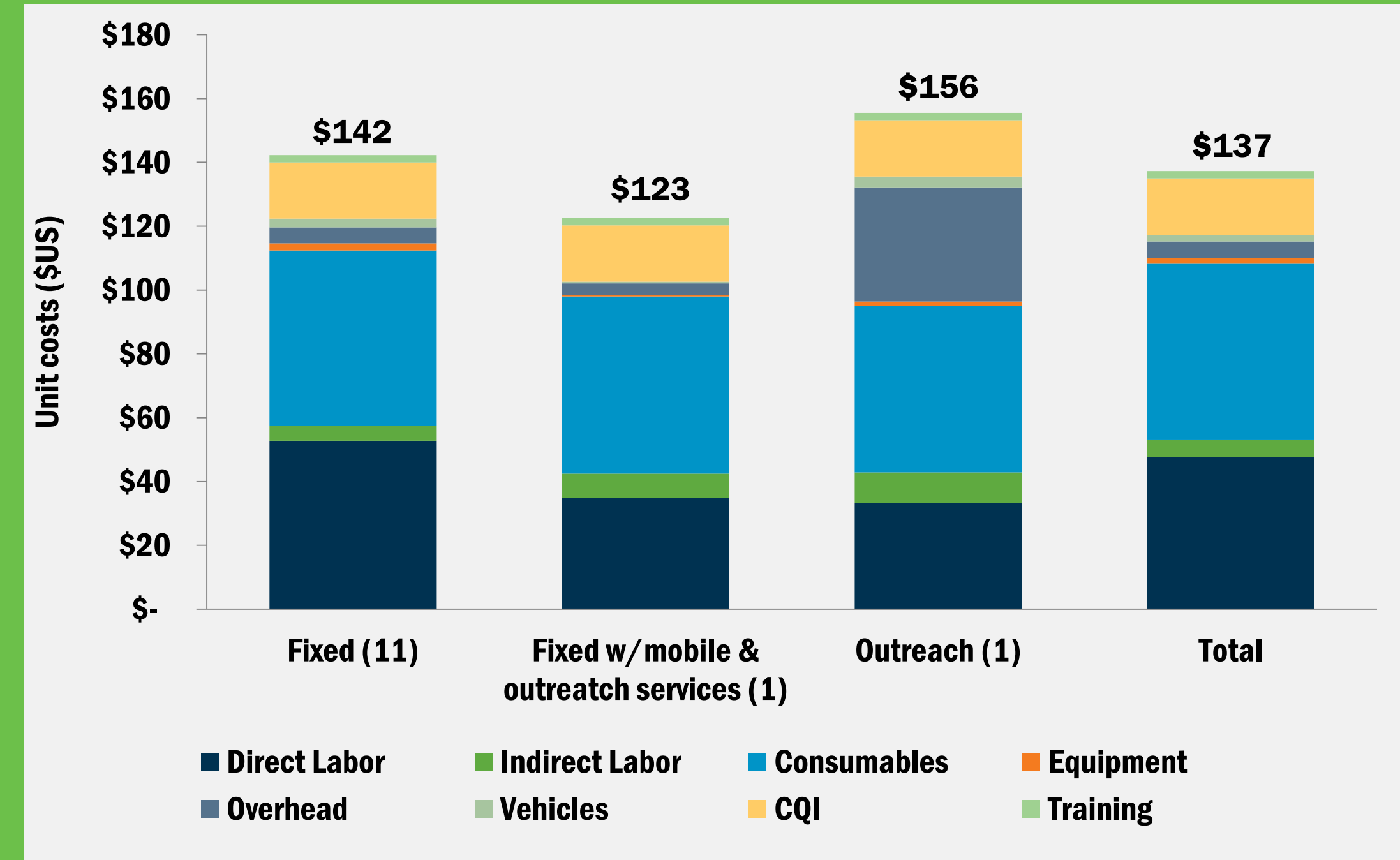
## METHODS

- With inputs from South Africa VMMC stakeholders on site selection, VMMC service delivery cost data were collected at 13 private for-profit urban, rural, and peri-urban facilities in three provinces in South Africa: Gauteng, KwaZulu-Natal, and Mpumalanga.
- Unit costs by the type and level of urbanization of the facility were calculated using a bottom-up approach where all inputs are listed, costs collected, and their contribution to the overall cost quantified.
- Supply chain, VMMC demand creation, and higher-level management and program support costs were not collected.

## RESULTS

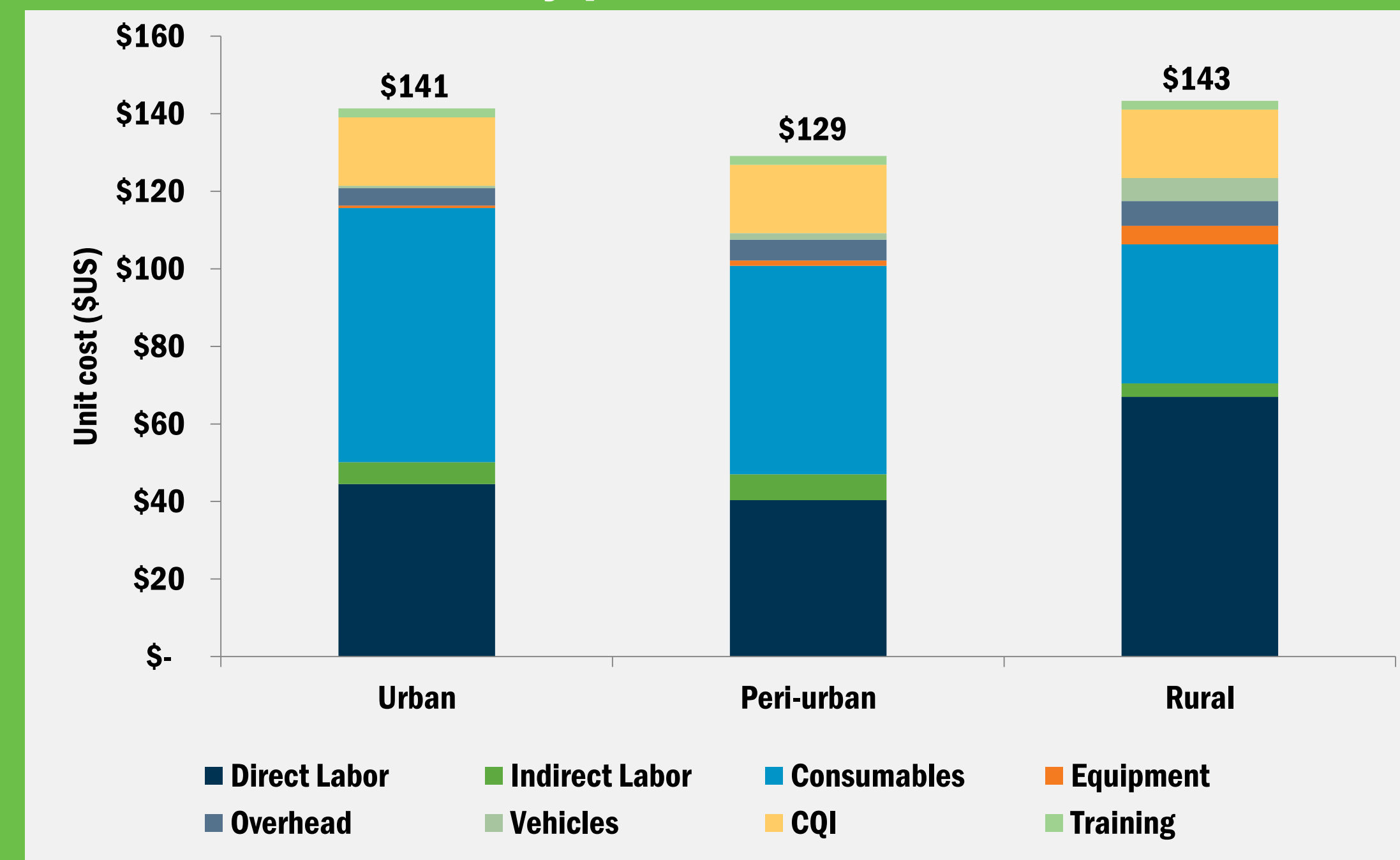
- The unit cost (including the cost of training and continuous quality improvement) per circumcision performed at private for-profit facilities in South Africa in 2015/16 was US\$137 (R1,521) (Figure 1). Consumables and direct labor were comparable and accounted for 75% of total cost at for-profit facilities compared to 67% at public and nonprofit facilities.

FIGURE 1 Unit costs by mode of service delivery



- The VMMC private sector unit cost (\$137) was not substantially different from the unit cost of \$132 at public and PEPFAR-supported nonprofit facilities.
- The unit cost was unrelated to the level of urbanization, respectively \$141, \$129, and \$143 at urban, peri-urban, and rural facilities (Figure 2).

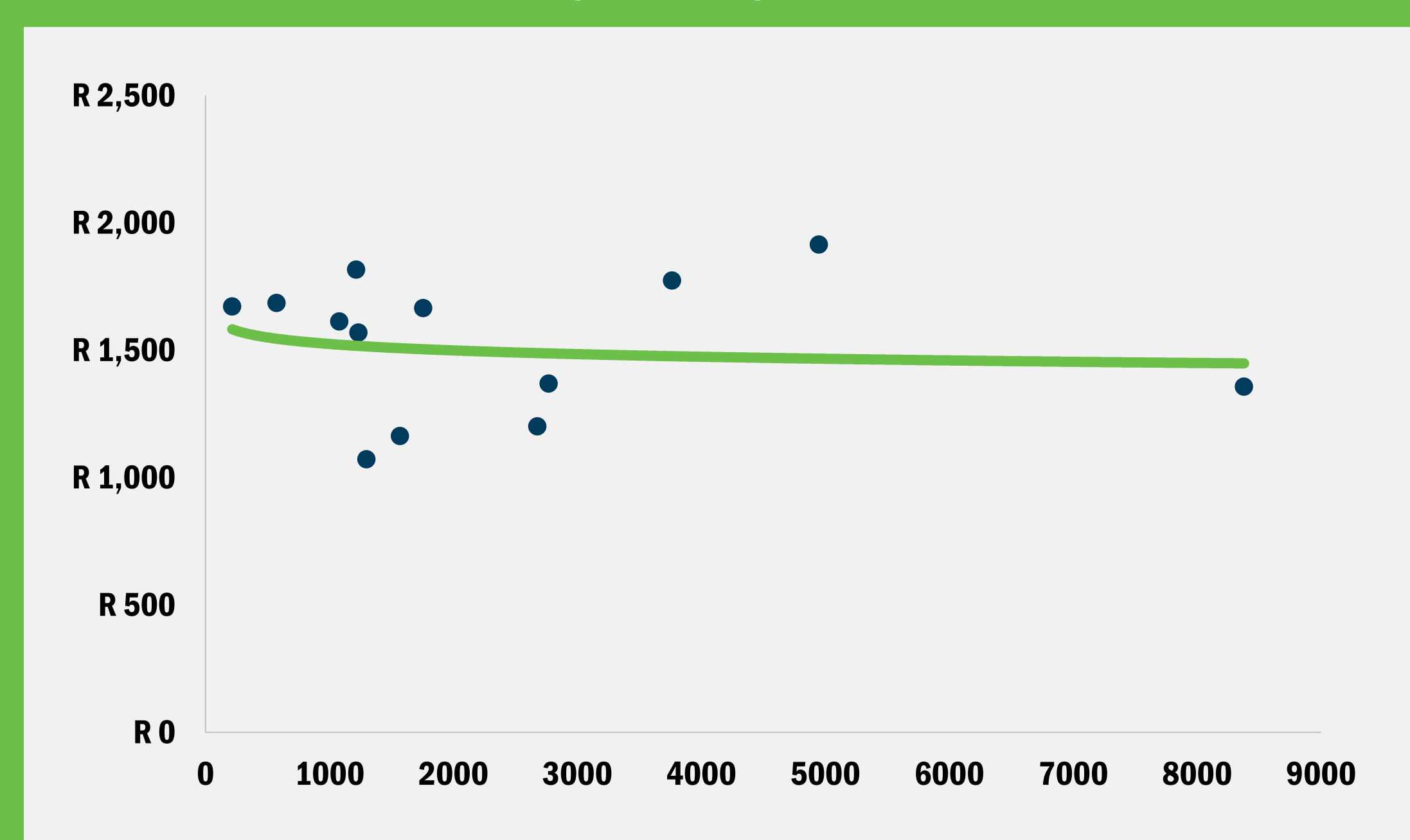
FIGURE 2 Unit cost by province urbanization level



## RESULTS

- Median number (1,570) of VMMC clients seen at private facilities was 22% higher than at public facilities (1,229).<sup>1</sup>
  - Private for-profit facilities appear to be performing more circumcisions (June 2015–May 2016) than the public sector and PEPFAR-supported nonprofit facilities in 2014, accomplishing this at approximately the same cost (only 4% more) per circumcision performed.
  - 85% of private facilities performed more than 1,000 circumcisions annually compared to 52% of government and PEPFAR-supported facilities.
  - Small sample size with large variation around the unit cost may be masking the existence of a relationship between volume and unit cost (Figure 3).

FIGURE 3 Unit costs by facility scale of operations



## FUNDING AND CONTACT INFORMATION

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## CONCLUSIONS

- The private sector VMMC unit cost (\$137) did not differ substantially from the cost at government and nonprofit, PEPFAR-supported facilities (\$132).
- Private for-profit facilities appear to perform about 24% more circumcisions on average than the public sector and PEPFAR-supported nonprofit facilities, accomplishing this at only 4% cost difference per circumcision performed.
- Results from this study complement unit cost data necessary to make informed decisions regarding the funding and scale-up of VMMC services in South Africa in both the private and public sectors.

## REFERENCE

<sup>1</sup>Tchuente, M. et al. 2016. “The cost of voluntary medical male circumcision in South Africa,” *PLoS ONE* 11(10): e0160207. doi.org/10.1371/journal.pone.0160207.