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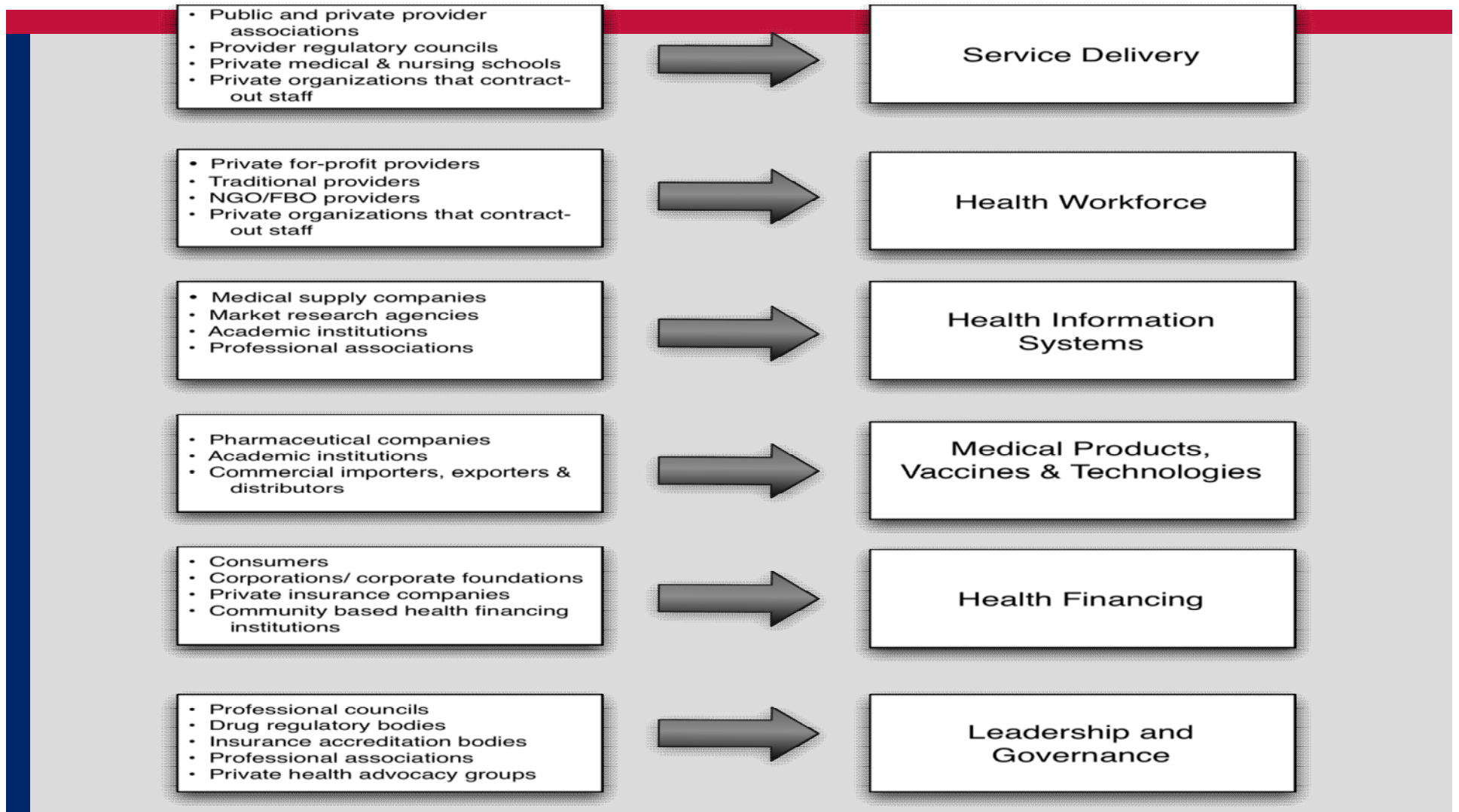
USAID and the Private Health Sector in Developing Countries: Lessons, Challenges and Opportunities

Shyami de Silva
Private Health Sector Advisor
GH/OHA/ISD
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Private Sector Actors and HSS Entry Points





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Equity

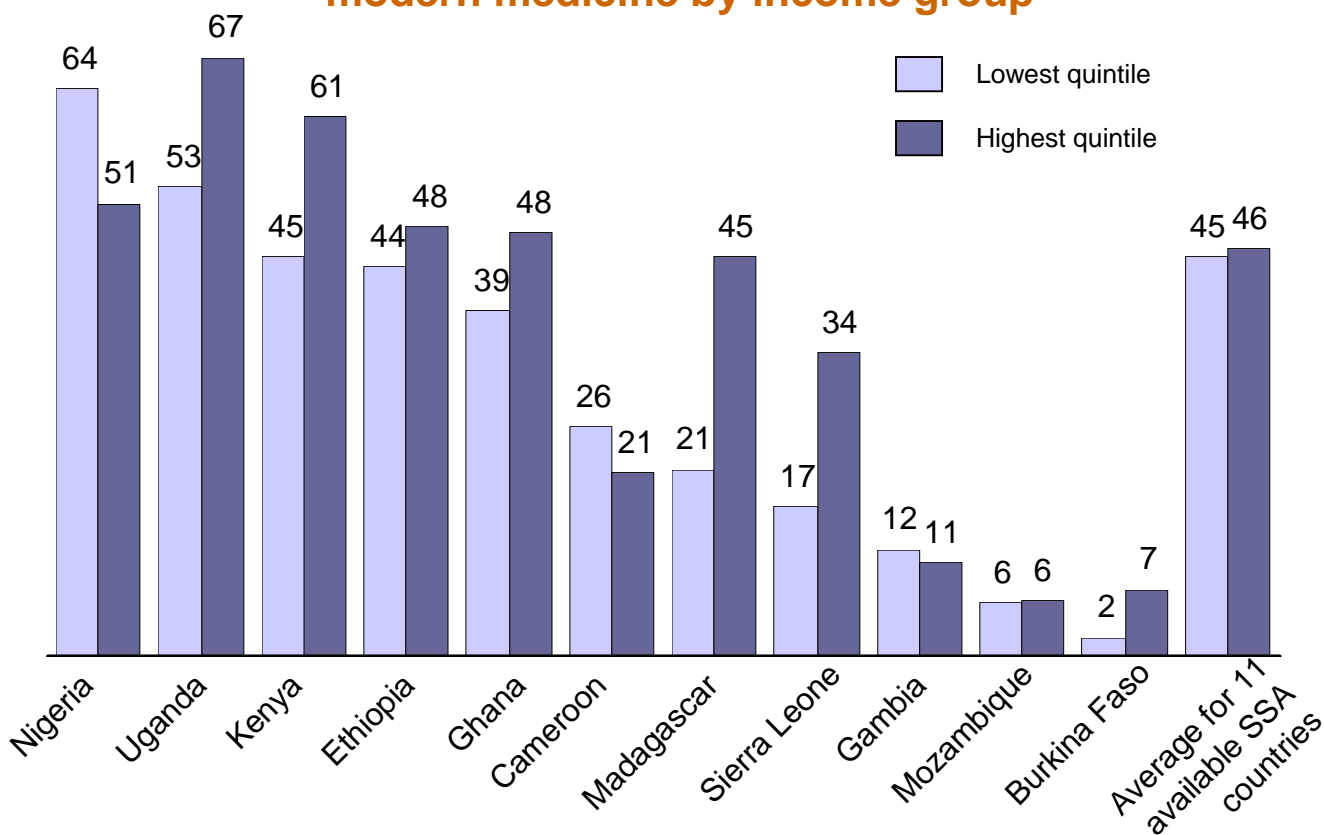
- Does growth of private commercial delivery systems promote greater inequity in access?
 - *Family Planning experience indicates: no*
 - *Reinforces the concept of market segmentation*
- Challenges:
 - OOP expenditures
 - chronic care needs



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The poor also use private health services

Percent of population receiving care from private for-profit providers of modern medicine by income group



* Most recent survey year available between 1995-2006
Source: WB Africa Development Indications 2006, team analysis



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Quality

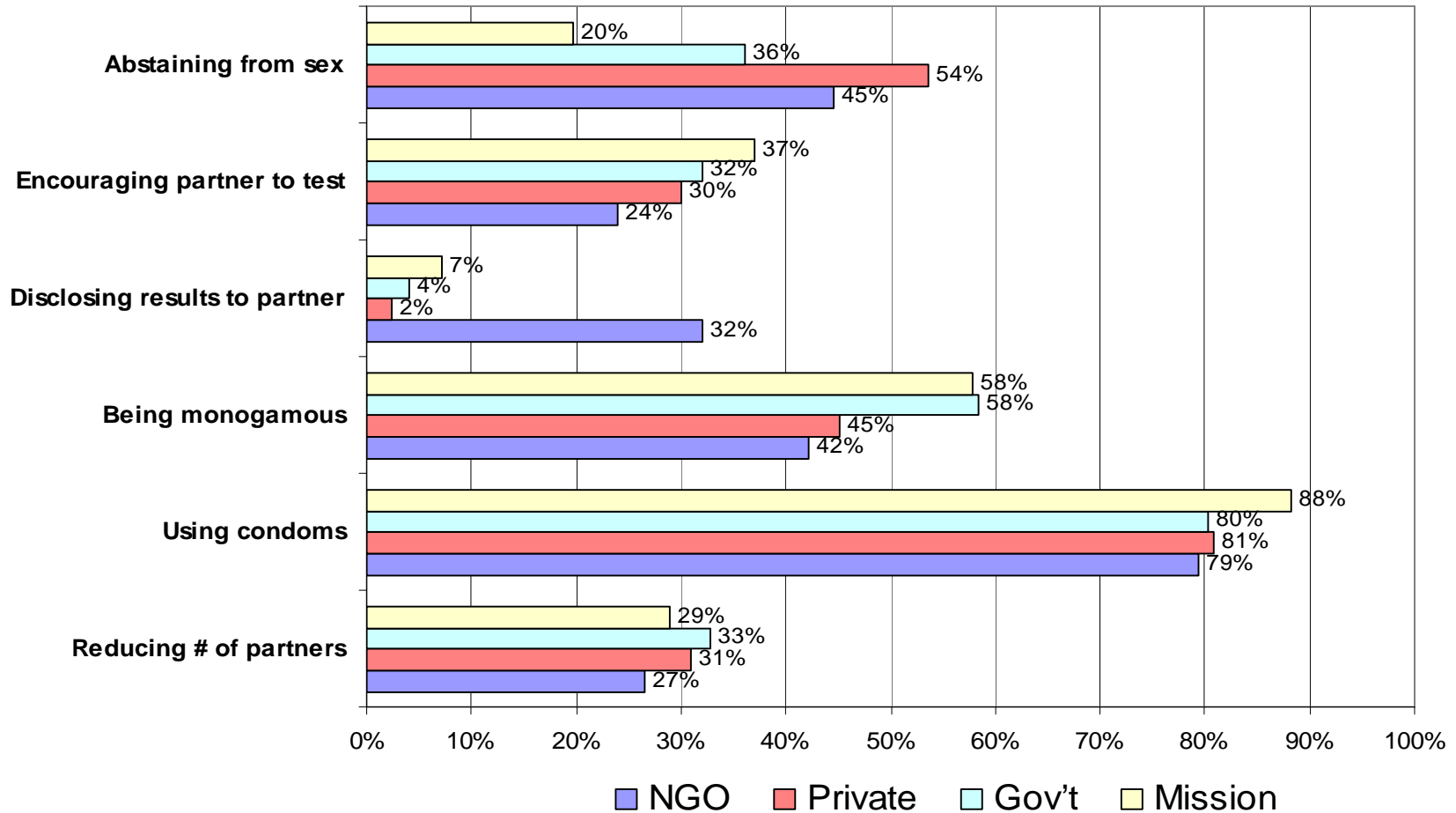
- Is quality really poorer in the private sector?
 - Differences in quality more pronounced for lower-level facilities (as opposed to hospitals)
 - Client satisfaction was notably higher at private facilities (clinics and hospitals).
 - Anecdotal information about poor quality in the private sector may or may not be borne out by research findings.
- Challenges:
 - Building the stewardship capacity of the public sector
 - Informal sector providers



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PSP-One Study of Counseling and Testing Quality in the Public and Private Sectors in Zambia

Methods discussed with counselor for reducing exposure to HIV





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Financing

- Demand-side financing for FP/RH can be effective in increasing use, is feasible to implement in low-income countries
 - Mechanism to address quality through choice of providers
- Private insurers are covering HIV care and treatment in more countries (Uganda, Namibia, South Africa)
- Challenges:
 - expand coverage of private insurance schemes,
 - lower cost of private insurance,
 - build public sector capacity to finance services.



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Sustainability

- Transitioning subsidized programs to commercial viability is challenging.
- Donors should be clear about their objectives when working on private sector initiatives.
- Awareness of the total market is essential.
- Challenges:
 - Market segmentation
 - Integration of private sector within health system
 - Donor coordination



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PEPFAR Reauthorization: Opportunities

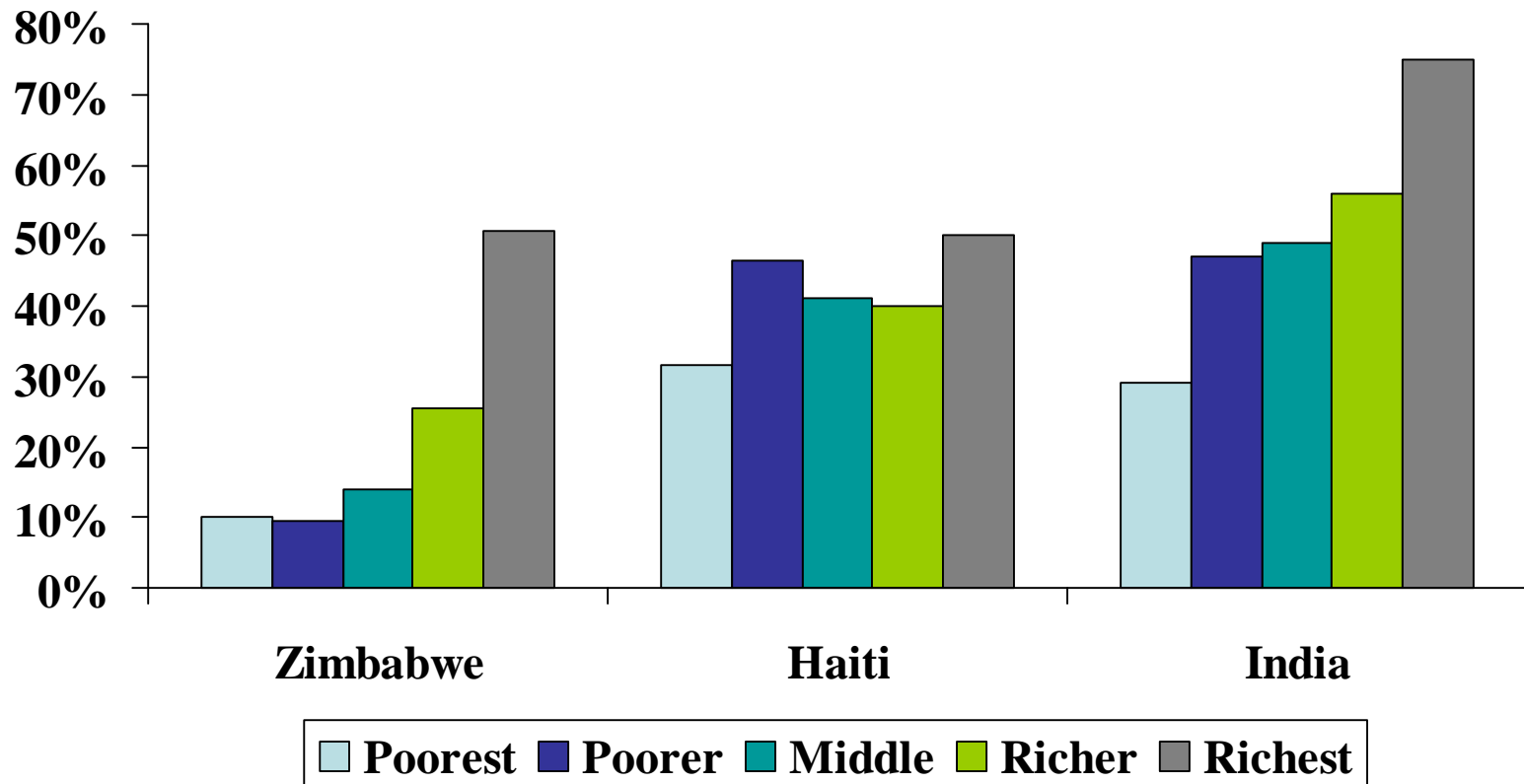
- **PEPFAR II's Goals:**

- Transition from an emergency response to promotion of **sustainable** country programs.
- Strengthen partner **government capacity to lead** the response to this epidemic and other health demands.
- **Expand prevention, care, and treatment** in both concentrated and generalized epidemics.
- **Integrate and coordinate** HIV/AIDS programs with broader global health and development programs to maximize impact on health systems.
- Invest in **innovation** and operations research to evaluate impact, **improve service delivery and maximize outcomes**.



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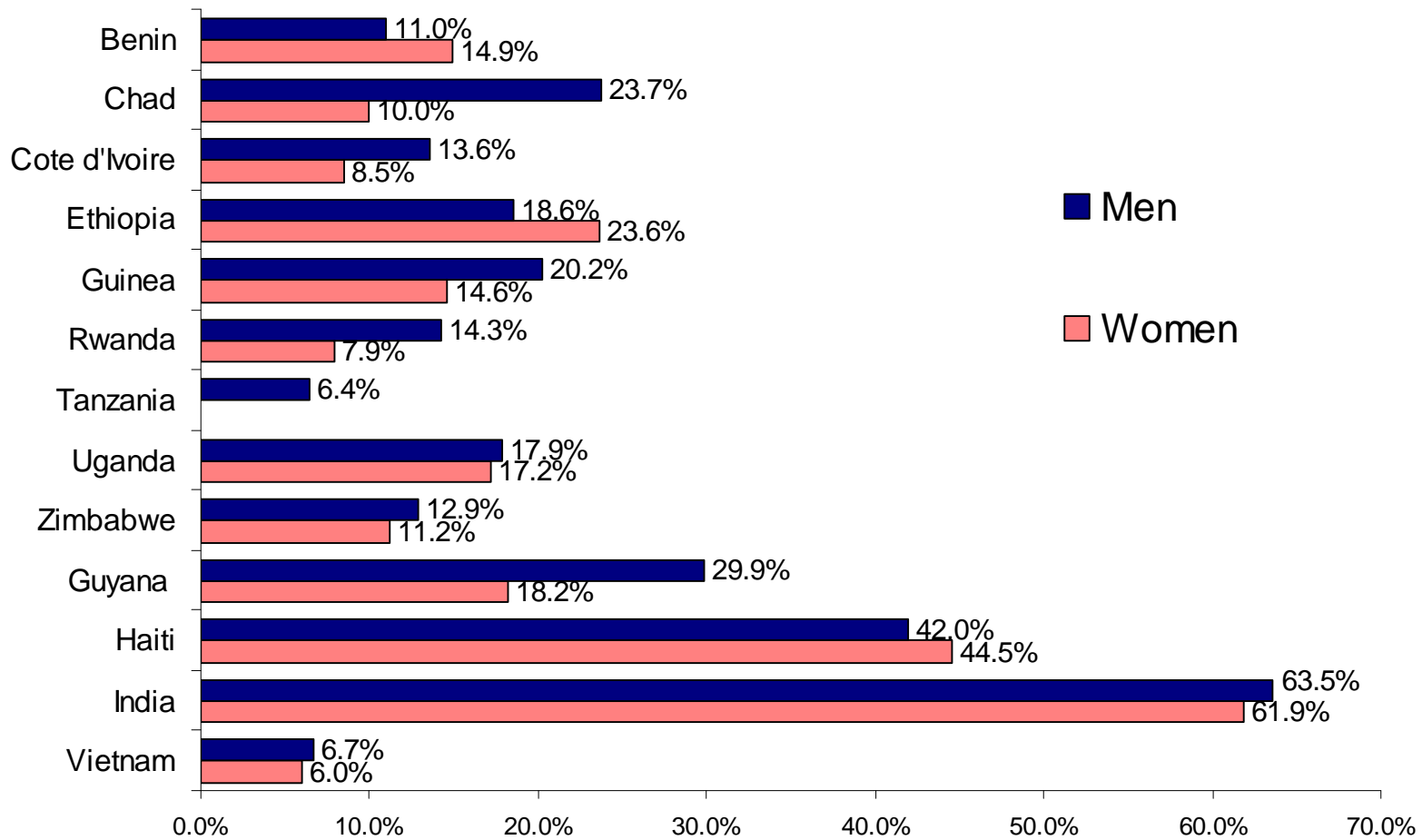
Variable reliance on private sector, but generally correlation between wealth and use of the private sector for HIV testing





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In some countries, the private for-profit health sector is a significant source of HIV testing





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Opportunities

- Public sector is more open towards the private health sector in many countries
 - Increasing demand, resource constraints
 - Transition from a service provider to regulator/financer
- Growing interest among international donors and a greater need for coordination.
 - Opportunities to collaborate and complement