

## Summa and San Pablo Hospital Complex

**Summary:** A loan can be used to expand the commercial delivery of maternal and child health services in middle-lower-income areas, shifting users who can afford to pay from the public sector.

### Background

Donors traditionally have worked with the public health sector in developing countries to achieve positive public health outcomes. In recent years, however, there has been a gradual change in programming. While the public sector is still considered critical for achieving positive health results on the national level, donors increasingly are interested in working with the private and commercial sectors to provide reproductive and other health services and products in a sustainable manner.

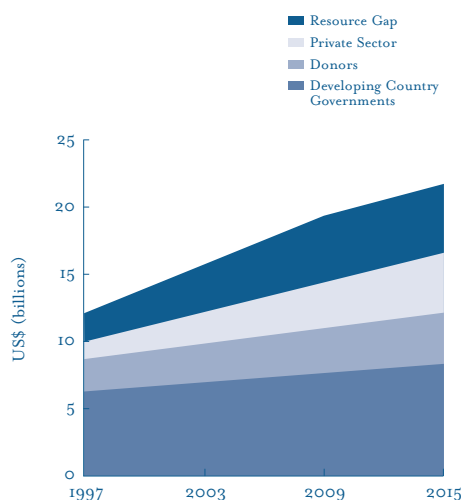
There are a number of factors contributing to the interest in the private health sector. Over the past 10 years, there has been a wave of health sector reform that has liberalized the health care market in many countries, making it possible for the private sector to play a larger role. In conjunction, health insurance and other payment mechanisms are beginning to emerge in the developing world, making it possible for the private sector to play a much larger role in health care delivery.

There is also increasing recognition that because of a lack of resources, there is a gap between the demand for health services and the supply provided by governments and donors. The gap for reproductive health services alone is projected to grow by more than \$5 billion worldwide by the

year 2015 (see Figure 1). Many in the public health community are considering how to work with the private sector to fill this gap.

One strategy for filling this gap is to encourage those who can afford to pay for services to shift from the public sector to the private sector, which will allow governments and donors to target scarce resources to the poor. This shift will occur only if there is adequate private-sector capacity. The private sector's ability to deliver maternal and child health (MCH) services, including reproductive health, on a sustainable basis is key to maximizing limited donor resources.

Figure 1. The reproductive health resources gap



Peru is an interesting case study for an intervention that shifts users from the public sector and increases the role of the private sector. Currently, the public sector dominates health service delivery. For example, the public sector has 79.3 percent of the reproductive health services market share compared to the private sector's 18.9 percent (2000 *Demographic and Health Survey*). A 1997 law allows the private sector to participate in the Peruvian Social Security Institute's health financing plan, which makes investment in the private sector more attractive. At the same time, the government of Peru has fewer resources to invest in the health sector. Health expenditures as a percent of Gross Domestic Product have dropped to 2.4 percent. As a result, an argument can be made for increasing the role of the private sector, enabling the government to focus scarce resources on the poor.

In 2001, the Summa Foundation designed an intervention in partnership with the San Pablo Hospital Complex (SPHC), the largest commercial health provider in Lima, to test a strategy to shift users and increase access for the underserved. SPHC, which operates five medical facilities and a medical training school in Lima, is an ideal partner for several reasons. First, it was interested in expanding its operations into lower-income areas. Second, the owner recognized the impor-

tance of MCH and was willing to work with the Summa Foundation to promote it. In addition, SPHC was seeing high rates of sexually transmitted infections (STIs) and cervical/vaginal disease at its clinics and agreed that there was a demonstrated need for an integrated health program that includes voluntary family planning, STI prevention, and education.

SPHC requested a loan from the Summa Foundation to construct and equip a new MCH clinic in the San Miguel district, a middle-lower-income neighborhood in Lima. Health care in San Miguel is dominated by the public sector. SPHC's San Miguel clinic will be the first large, commercial health care provider in the district. In exchange for financing this expansion, SPHC agreed to promote an integrated reproductive health program at all of its facilities.

## Objective

One objective of the loan to SPHC is to shift middle-lower-income users in the San Miguel area from the public sector to the private sector, alleviating some of the demands on the district's public health system. Another objective is to improve and expand the commercial delivery of voluntary family planning, reproductive health, and other primary care services in an underserved area of Lima.

## Loan Structure

Summa agreed to provide partial financing for the project, including clinic construction, equipment, and working capital. SPHC purchased the land for the new clinic, making a significant contribution to the total cost of the project.

## Outcomes

The new MCH clinic in San Miguel opened in January 2003. The Summa Foundation is conducting a rigorous evaluation to determine the intervention's impact on shifting users from the public sector and increasing utilization of reproductive health services. The Summa Foundation estimates that the new San Miguel clinic will benefit directly more than 276,000 residents of San Miguel and neighboring districts, of which 49,000 will be children and 62,000 will be women of reproductive age. During the term of the loan, SPHC expects to see more than 46,000 family planning clients.

## More Information

For more information or to download a copy of this *Investment Brief*, please visit the Summa Foundation website at [www.summafund.com](http://www.summafund.com).



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The Summa Foundation, a not-for-profit investment fund, provides financing and technical assistance to the private and commercial health sectors in developing countries. Summa's goal is to stimulate and expand the role of the private sector in the delivery of affordable health services and products. Summa considers proposals for a broad range of health projects, but focuses primarily on maternal and child health, including reproductive health and family planning.



Summa currently operates under the United States Agency for International Development's Commercial Market Strategies (CMS) project. Implemented by Deloitte Touche Tohmatsu (Contract No. HRN-C-00-98-00039-00) and subcontractors (Abt Associates, Inc. and Population Services International), CMS works throughout the developing world to expand the role of the private sector in the delivery of quality reproductive health care.



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