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## Private Health Sector Businesses and the Banking on Health Project

A major constraint to private health sector development has been limited access to financing. Credit is an engine of private sector growth. It can assist private health care businesses in expanding the range and types of services and products they offer; in entering underserved areas and new markets, and in instituting quality improvements.

The Banking on Health Project works with health service providers, product manufacturers and distributors, insurance plans, and non-governmental organizations. We work with all sizes of private health care businesses from small-scale, micro providers, such as midwives and drug shops, to large health networks and hospital groups.

The Banking on Health Project supports business development services to improve the private health sector's ability to access financing. We work with local counterpart organizations to offer training in business skills, business planning, loan packaging, and post-loan care. We also partner with financial institutions and can provide health care businesses with referrals and introductions. Banking on Health supports technical assistance and advisory services for private health care businesses in the following areas:

- General business skills
- Marketing
- Business planning and feasibility studies
- Financial management and accounting
- Managing payment systems, including health insurance, contracting out, and fee-for-service arrangements
- Loan applications
- Loan packaging and referrals to financial institutions
- Loan management
- Integrating family planning and reproductive health services in a financially sustainable manner

In exchange for our assistance, private health care businesses agree to promote the delivery of family planning and other reproductive health services in a financially sustainable manner.

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The Banking on Health Project is a USAID-funded project that improves the ability of private health sector businesses to access credit, thereby expanding their capacity to deliver high-quality reproductive health and family planning services. Banking on Health partners with:

- Midwives
- Doctors
- Other small-scale providers
- Health clinics
- Health networks and franchises
- Private hospitals
- Pharmacies and drug shops
- Pharmaceutical manufacturers
- Pharmaceutical distributors
- Health insurance plans
- Non-governmental organizations
- Other health sector businesses

## Examples of the Banking on Health Project's Work with Private Health Care Businesses

**Philippines:** Since February 2005, Banking on Health has been working to help private practice midwives in the Philippines expand and improve the delivery of sustainable reproductive and other health services. Banking on Health has conducted assessments of midwives' financing needs, barriers to financing, and related training needs. As a result of the assessment findings, Banking on Health has conducted several training sessions for private practice midwives. Entitled "Financing the Private Midwife Practice," the training addresses topics such as basic financial record keeping, financial management, and accessing financing. The course and follow-on technical assistance enable midwives to become confident, successful loan applicants and borrowers. The course also provides important loan and contact information for local financing sources and guides midwives in establishing goals related to the achievement of the Philippines Department of Health's "Birthing Home" requirements.

**Nicaragua:** In Nicaragua, in an effort to achieve family planning and reproductive health outcomes, Banking on Health is working to strengthen large, private health care providers that contract out through the government's social security system. The providers have revenues between \$900,000 and \$3 million and assets of between \$600,000 and \$2 million. Banking on Health designed and delivered two training courses for the private providers. "Strategies for Survival and Growth under a Capitated System" worked with private providers to help them gain a better understanding of how to manage and control costs within a capitated system, with a focus on the importance of promoting and investing in preventive care, including family planning and reproductive health. The second course worked with providers to improve their financial management and analysis skills, develop an understanding of mergers and acquisitions, prepare business plans and conduct feasibility studies, and apply for and manage credit.

**Uganda:** In Uganda, Banking on Health worked to strengthen the internal capacity of a private hospital that provides reproductive health and family planning services, helps prevent mother-to-child transmission of HIV/AIDS, and makes available antiretroviral drugs to a rural and peri-urban clientele. Banking on Health provided advisory services to the hospital in financial management and internal control and evaluated the feasibility of a prepaid school health plan in an effort to increase the hospital's utilization. Banking on Health also conducted a training of trainers to institutionalize business skills training within several associations of providers in Uganda.