

Break-out Sessions: Financing Approaches to Ensure Equity in the Private Sector

Barbara O'Hanlon

Nov 9 2006 12:38AM

How To Participate In A \"Break-Out\" Session:

Financing Approaches to Ensure Equity in the Private Sector

Welcome to the break out session on financing approaches to ensure equity in the private sector. This is your opportunity to meet others interested in this area and to share your questions and experience on this topic. We hope to encourage a lively discussion on both the strengths and weaknesses of different financing mechanisms. To start the discussion, the PSP-One Project has posted some initial questions.

1. Vouchers appear to be an interesting mechanism to increase financial access to private sector health services but there appear to be a few practical challenges in implementing and financing a voucher program. Can anyone share lessons learned in how to design and implement a voucher program? Have there have been any examples where governments have stepped in to fund the program after a donor has started one?
2. Government contracting of private health services appears to be increasing in developing countries. What has been your experience in contracting out health services to the private sector? Do these contracted services in the private sector offer appreciably better quality services? Are they better able increase access and reach underserved populations?
3. Is it appropriate to use public funds to finance health services delivered in the private sector?

Please respond by clicking on the \"contribute\" button and writing your comments in the text box. When you are done, click the \"submit\" button.

We look forward to hearing from you.

Jeffrey Barnes

Nov 15 2006 5:48PM

Vouchers seem to be a useful tool for ensuring equity of access while making the best use of donor resources AND actually encouraging private sector development. Large scale, untargeted provision of subsidized products and services have the potential to waste government and donor resources by giving subsidies to consumers who can afford to pay full costs and to discourage private sector investment in provision of those products and services because they cannot compete with subsidized competition. It seems to me that vouchers can solve this problem provided you meet three conditions:

- 1) you know who needs the subsidies and can reach them
- 2) you have a mechanism for managing a voucher program in a transparent and cost-effective way
- 3) there are enough quality providers who will redeem the vouchers

Depending on the context, these conditions may not be easy to meet. I have a particular question regarding condition #2. It seems to me that purely from the standpoint of conserving donor resources, that you need to have a critical mass of consumers to be cost-effective. Without this, the costs of administering the voucher program (including the risks of voucher fraud) would exceed the costs of the unneeded subsidies. Does

anyone know of a study which has done compared the prospective costs of a voucher program with the costs of continuing an unneeded subsidy?

Edith Patouillard

Nov 16 2006 10:50AM

In response to Jeffrey Barnes

Dear Jeffrey

Here is a cost-effectiveness study of a voucher programme which might be of interest
Borghi et al. 2005 Health Policy and Planning 20 (4)

April Harding

Nov 17 2006 2:13AM

In response to Ruth's query on the appropriateness of using public funding for privately provided services....

In my experience, this is a question that arises only in discussions related to developing countries. In the OECD countries, virtually all primary care is delivered under precisely this arrangement. It is only in Norway, Finland and Sweden that the majority of PHC is delivered by public providers). In these countries (which include Canada, the UK, the Netherlands, Germany, France....) the government (either directly or via social insurance organization(s)) pursues the goal of ensuring access to high quality services by contracting with private providers. It is only in the context of developing countries that there is perceived to be a need to justify using private providers to achieve social goals. I'm often perplexed by this.....

Alison Bishop

Nov 17 2006 3:38PM

Here is the resources Edith mentioned." "Competitive Voucher Scheme"
"Borghi_cost-effectiveness_of_competitive_voucher_scheme.pdf"

Meaghan Smith

Nov 17 2006 5:48PM

I would like to contribute to the second point on sharing experiences in contracting out health services in the private sector. Here is a powerpoint that I gave at the Global Health Conference in May about Banking on Health's experience working in Nicaragua with the Social Security Institute." "Strengthening Contracting Out"
"BoHNicaraguaGHCMay2006.ppt"

Moises Rosas

Nov 22 2006 4:10PM

Dear April:

Here is a very interesting resource that may help your perplexity.

Regards

Moises

" "Mexico and Cuba" "The_structuring_of_health_systems_-_looking_at_Mexico_and_Cuba_1153839485.pdf"

Barbara O'Hanlon

Nov 15 2006 5:34AM

Please click on the graphic above to view a video that was presented at the original conference on May 30th, 2006 in Washington, D.C. The video features six experts in the field of Public Health on the role of the Private Sector.

Speakers include:

Jim Shelton, USAID

Duff Gillespie, Johns Hopkins University

Nils Daulaire, Global Health Council

John Borrazzo, USAID

Joan Robertson, USAID

Ahmed Al Kabir, RTM Int'l