

Break-out Sessions: Public Sector Policies Promoting Private Sector Health

Barbara O'Hanlon

Nov 9 2006 12:40AM

How To Participate In A "Break-Out" Session: Public Sector Policies Promoting Private Sector Health

Welcome to the break out session on public sector policies promoting private sector health services. This is your opportunity to meet others interested in this area and to share your questions and experience on this topic. The policy environment is critical in motivating private sector entities to enter and stay in the health marketplace. We are interested in hearing from you about the types of policies and programs that have helped create a favorable environment for private sector. To start the discussion, the PSP-One Project has some initial questions:

1. Do you have an example of public/private partnerships? Can you share with us what worked or did not work? What did the different actors do to get the public and private sector to work more collaboratively?
2. Clearly the public sector has an instrumental role in stimulating private sector involvement in delivering health services and products. In the case of Indonesia, the government deliberately put into place a series of policies and programs that signaled to both the private sector and consumers changes. Do you know of other country examples where the government intentionally tried to grow the private health sector and did they do it?
3. Legal and regulatory environment sets the stage for health system. Can you share with us examples of changes in policies and/or regulatory reform that had a significant impact in how the private health sector increases access or reach the poor?

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.

Abhay Kudale

Nov 10 2006 7:45AM

Building Public Private Partnerships is evolving process. I'm taking example of Public-Private Partnerships built around TB control. These will take time; nonetheless we have to look at it quite critically, specifically the gains we had so far and the potential gains one could achieve in future. Generating evidence base regarding initiating and sustaining such partnerships is the need of the hour! Expecting views, comments from the experts.

Raman Kutty

Nov 13 2006 7:10AM

this is more of a question: i dont know of many situations where increasing private involvement significantly increased equity or addressed equity concerns. on the other hand, purposeful public sector action (like in china, cuba and other countries) has improved equity in access. can anyone educate me of any experience to the contrary?

Sohail Agha

Nov 13 2006 5:07PM

We've are in the process of completing a 5 country study which shows that private sector expansion of contraceptive did not lead to increased inequality in contraceptive use. The study was presented at APHA. This presentation, which describes the experience of 2 of the 5 countries we examined, can be found at the top right hand corner of the screen on the page with Dr. Ruth Levine's presentation.

Your question is the direct opposite of the question we asked (our question was: does private sector expansion lead to inequality in service use; your question is: does private sector expansion lead to more equality of service use) but our study may be of interest.

Bruce Mackay

Nov 13 2006 9:14PM

Raman Kuthy's question may not have been one which you were asking, Sohail, but I do think the proponents of big donor or government money going to promote greater private sector involvement need to answer his point - that if equity of access is important to my voters, should I as the Minister of Health divert scarce money to the private sector? Furthermore, your own example is of contraception, which is not just heavily favoured by donors but is also one where donor (and some government) objectives demand attention to equity - because it is usually the poor who are having all those children!

Jorge Astorga

Nov 14 2006 7:22AM

A wide range of factors need to be considered in developing countries between provider knowledge and medical practice. Developing, implementing and evaluating strategies to improve the quality of services depend on the involvement of the key stakeholders, policy makers and the private sector providers

International policy maker are recommending greater use of private sector health exchange because increase competition in healthcare market ensuring access to quality and affordable healthcare for poor people, but is this a policy priority?

Sohail Agha

Nov 14 2006 9:16PM

Bruce,

Its a first step to know that under certain conditions (i.e. government services ensure that the poor continue to be served as the private sector expands), private sector interventions do not increase inequality in terms outcomes. This is an important finding. I think many people believe that an expansion of the private sector will necessarily lead to unequal health service utilization outcomes.

While Raman Kutty's question is certainly interesting, I am not sure if anyone will argue in favor of the private sector being an inequality-reducing mechanism.

Susan Scribner

Nov 15 2006 6:44PM

I have a couple thoughts that I would like to hear reactions to. Some people argue that an appropriate role for the private sector is to provide services/products to clients who can pay, thereby freeing up government resources to focus on the poor. This raises some

thorny technical implementation issues about segmenting markets and targeting the poor. However, I am more curious about your impressions of the political feasibility of governments allocating resources to prioritize the poor. The poor are usually marginalized politically, so are not an important constituency for most politicians. Evidence shows that the poor rarely receive their share of government resources, much less a larger share. What examples do we have of government willingness to prioritize serving the poor?

On a related issue, I think we need to distinguish between government -- or often donor -- supported partnerships that require a significant investment, such as contracting, and other less costly mechanisms that encourage private provision of services/products. For the latter, the removal of policy and regulatory barriers does not require a significant financial investment, yet it may open the door for a greater private sector role. Before we dismiss working with the private sector because we think government resources should be targeting the poor, we need to assess what are really the barriers to the private sector.

Frank Feeley

Nov 16 2006 3:22PM

Yes, Governments do allocate resources for the poor, despite the fact that they poor may not vote in proportion to their numbers. (Although, interestingly, the poor probably vote in larger proportions in poor countries than in the US).

The Medicare and Medicaid programs in the US were targeted to increase access for groups that could not afford health care without such support---and the volumes of care they received increased as a result. As countries develop towards a comprehensive social insurance system (Korea, for example), they usually adopt a program that includes the poor---but only after most other groups are included in a risk pooling mechanism. Although it has been painful, the South African Government has limited spending in teaching hospitals in order to increase resources in primary care clinics which are used by the poor.

Susan's point about regulatory barriers is a good one. If access to services is limited by regulation, the effect may be to increase cost, and force the poor to do without, or to pay higher prices. Restricting the sale of oral contraceptives to pharmacies in a country that has few such outlets would be an example. Preventing nurses and clinical officers from operating an independent private practice means that such services go underground, or must hire a supervising physician (thus increasing prices). At the same time, individuals with the same training may be providing the same services with substantial clinical autonomy in the public sector.

Finally, I would say that the use of partial subsidies to leverage private resources is Government policy in many areas (think of all the tax subsidies), and it should be considered on the basis of cost effectiveness. If, for example, providing donor subsidized ARV's to a company clinic will get that clinic to treat employees with AIDS on site, using facilities and staff paid for by the employer, the Government is better off than if it refused to provide such a subsidy. If, as we see in many studies, it is of questionable economic benefit to an employer to provide HAART for a low skilled worker, then such a worker with AIDS will otherwise wind up in a Government clinic---where all costs are incurred by the Government or donor, or will not be treated at all.

April Harding

Nov 17 2006 1:37AM

You asked for examples of successful initiatives to work through the private sector to address equity issues. At this conference, Benjamin Loevinsohn presented a number of successful contracting initiatives which specifically targeted expanding access to services for poor people. His presentation is titled "Achieving Twin Objectives of Equity and Quality: Contracting Health Services with the Private Sector". As I recall, the countries he mentioned where this approach had been used included Cambodia, Afghanistan and Pakistan.

April Harding

Nov 17 2006 1:45AM

In response to Barbara's kick-off query - about examples of where gov'ts had decided to grow the private sector, and what happened

The transition countries of Central Europe (Poland, Estonia, Croatia, Latvia, Czech Republic etc), in the early nineties the governments converted their salaried primary care physicians to contracted self-employed/ small businesses (as part of their move to establish social health insurance systems). By and large these reforms have been seen as successful - in increasing productivity and access. I haven't seen anything that looked seriously at quality - though there do not seem to be particular concerns about any deterioration - with one exception. Some concern is now arising related to excessive fragmentation, reducing the ability of providers to coordinate in the provision of care. Likewise there is now some concern that the practice sizes may be too small to ensure quality.

olayinka Ayankogbe

Nov 17 2006 4:55PM

I hear a lot about policies and evaluations from the macro-level. I hear very little about research of what is going on on the ground level where the impact of what is workable (or not workable) is not being investigated. In-country perspectives at the ground level need to be incorporated into programmatic interventions. This is where research and academic institutions in developing countries need to be encouraged to provide evidence from the point of view of end users, when designing, implementing and evaluating public private partnerships. Our experience at the College of Medicine, Lagos is that up to 95% of doctors in private practice are ready and willing to participate in research conducted in collaboration with academia that seek perspectives and answers to the multifarious problems that they face both clinically and in health service delivery. In fact there is a massive investigation going on now that is practice-based, with the collaboration of the College and the Association of General Practice and Private doctors to map out what diseases present at all the clinics in Lagos State. We intend to build on that experience to strengthen more collaboration in other relevant areas where ground level evidence is lacking. More of this kind of public private partnerships need to be looked into.

Yinka

Tarry Asoka

Nov 18 2006 9:01PM

A private sector led economy is one of the major planks of the economic reforms of the Federal Government of Nigeria. This broad strategic approach does not rule out any sector including the major social sectors of education and health. Fortunately, the health sector is on top of the game and has developed a policy framework for engaging the private sector - a National PPP Policy. (I cannot promise to provide a copy during this conference - may be later)

While the implementation of this policy will vary depending on the state involved (Nigeria has 36 states and a federal capital territory, with considerable autonomy); the federal government has started contracting whole Hospitals to management agencies. Another interesting element is the involvement of the private "commercial sector" including banks and other financial institutions in applying a 'business case' to working with the public sector. This has happened mainly at the invitation of the public sector. In Lagos state for example, revenue collection, laundry, motuaries and even pharmacies in hospitals have been out-sourced to the private sector.

The federal government has also directed all its teaching and specialist hospitals to undertake Strategic Planning both as a mechanism for sustainability in the face of dwindling resources and to introduce professional management to these organisations. We expect to see greater involvement of the private sector in new ways other than what is obtainable - following on the footsteps of "Nollywood" (as the Nigeria home video industry is popular known - apart from being widely acclaimed within sub-Saharan Africa, Nigerian film makers are noted to produce a film in one week at a profit).