

Current climate and prospects in Africa for Private-Public Partnerships in Health

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Presentation Overview

- ❖ Three common myths about the private sector in Africa
- ❖ Rationale for working with the private health sector
- ❖ Challenges in working together from the public **and** private sector perspective
- ❖ New roles for the public and private sector to work together

Presentation Overview

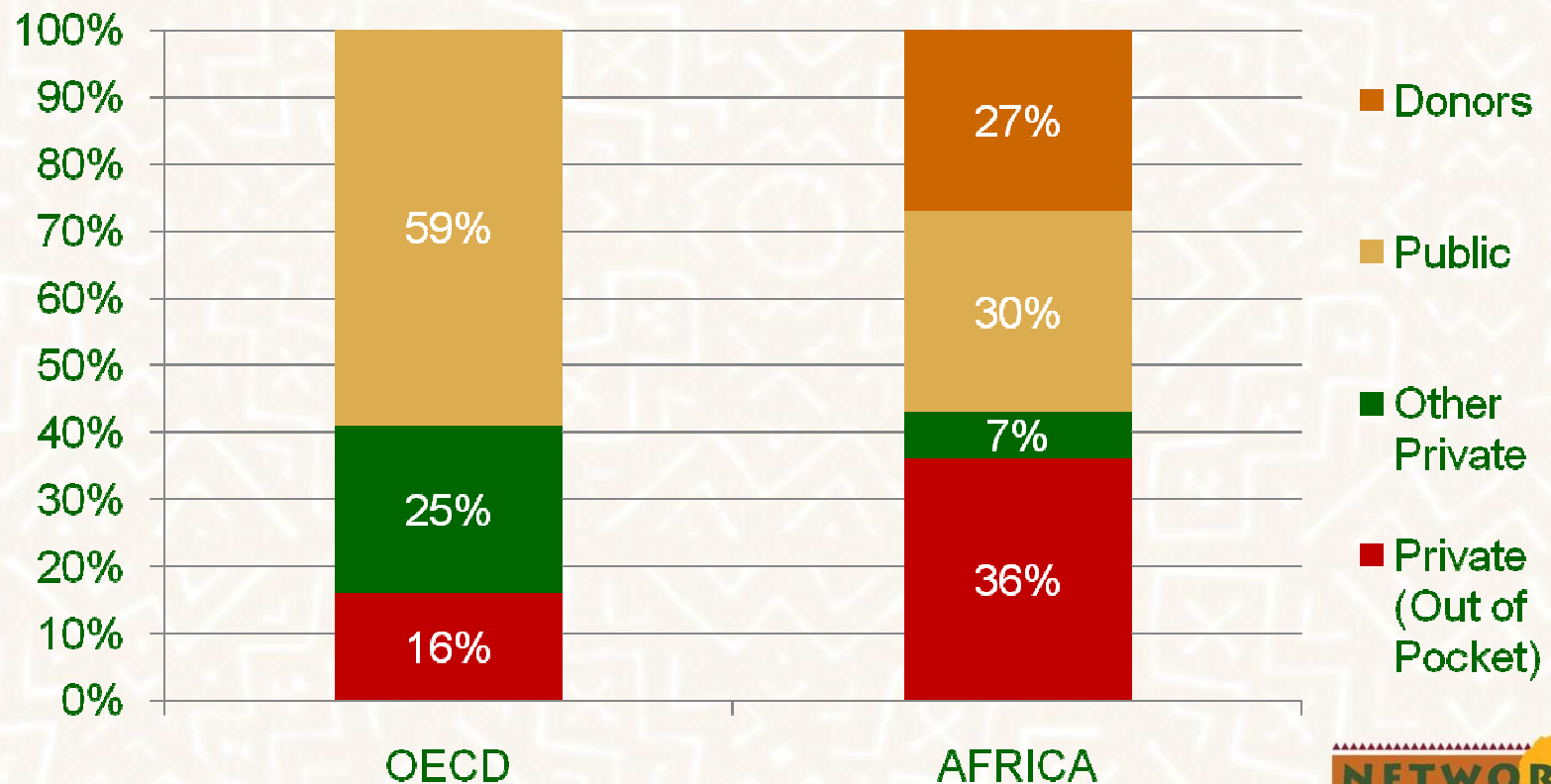
- ❖ Three common myths about the private sector in Africa

Three common myths about the private health sector

- ❖ Myth#1: Health in Africa is financed primarily by the public sector

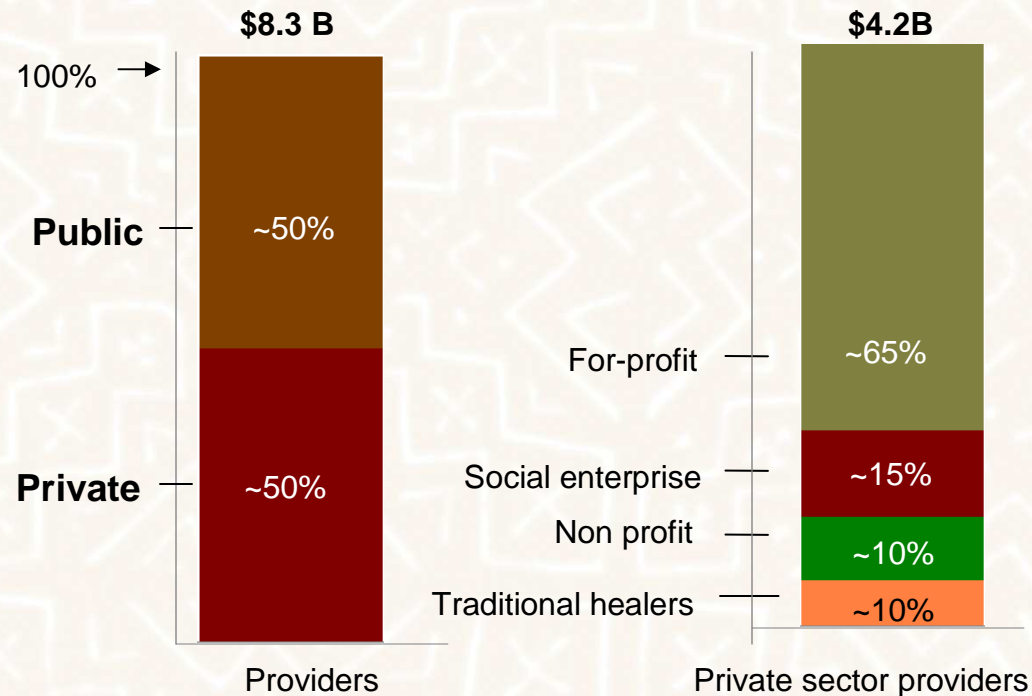
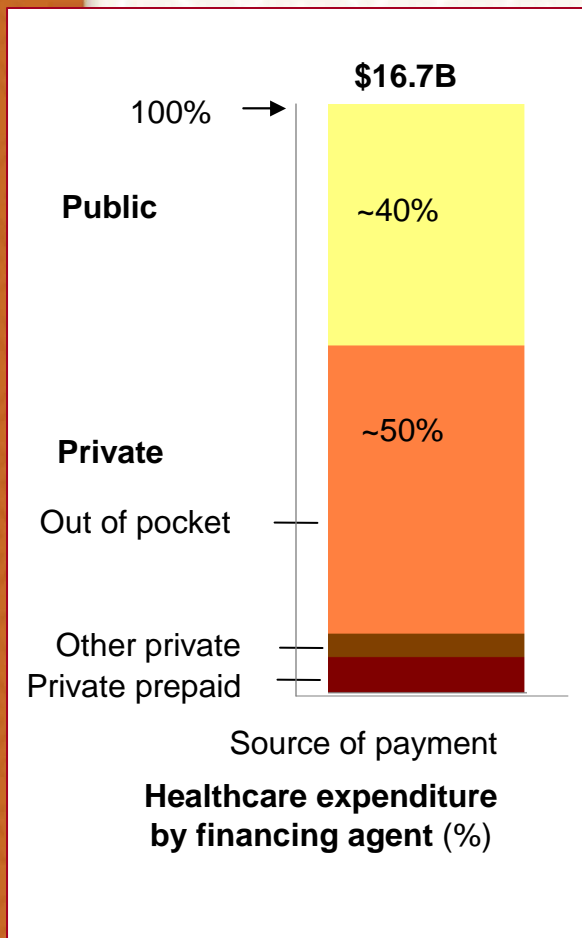
Health Financing in Africa

Sources of total health expenditures in 24 OECD and 10 Eastern & Southern African countries



Marek T, et al. 2005

Private sector health expenditures in Africa

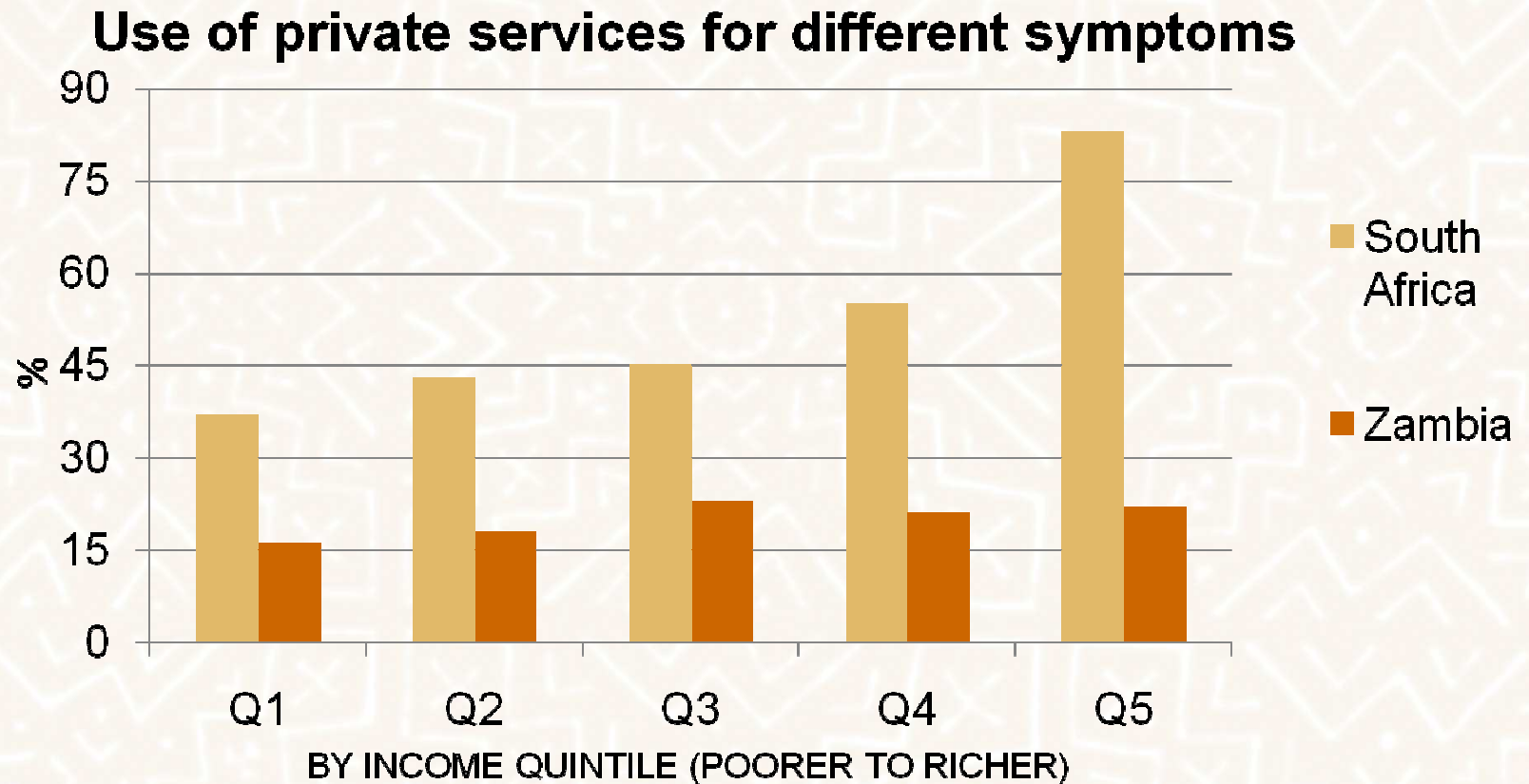


IFC Report, 2007

Three common myths about the private health sector

- ❖ Myth#2: The private health sector is mostly for the rich

The poor do use private health services

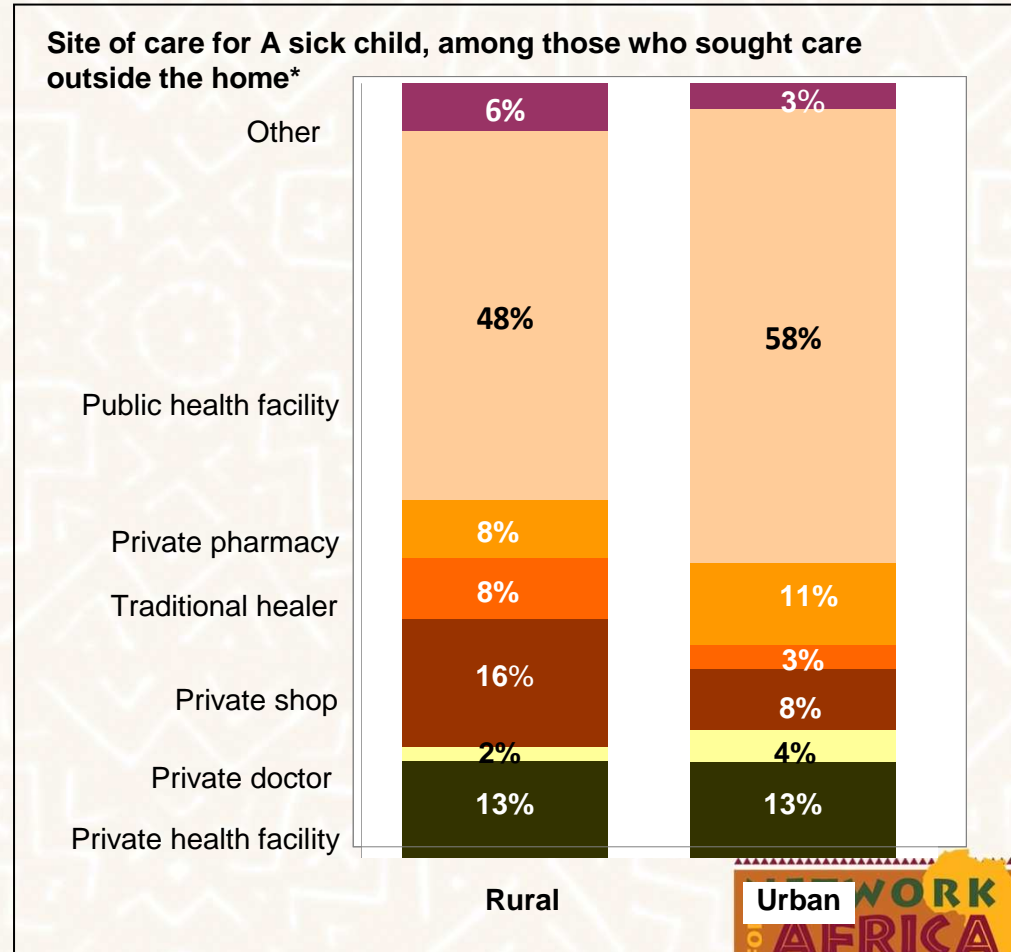
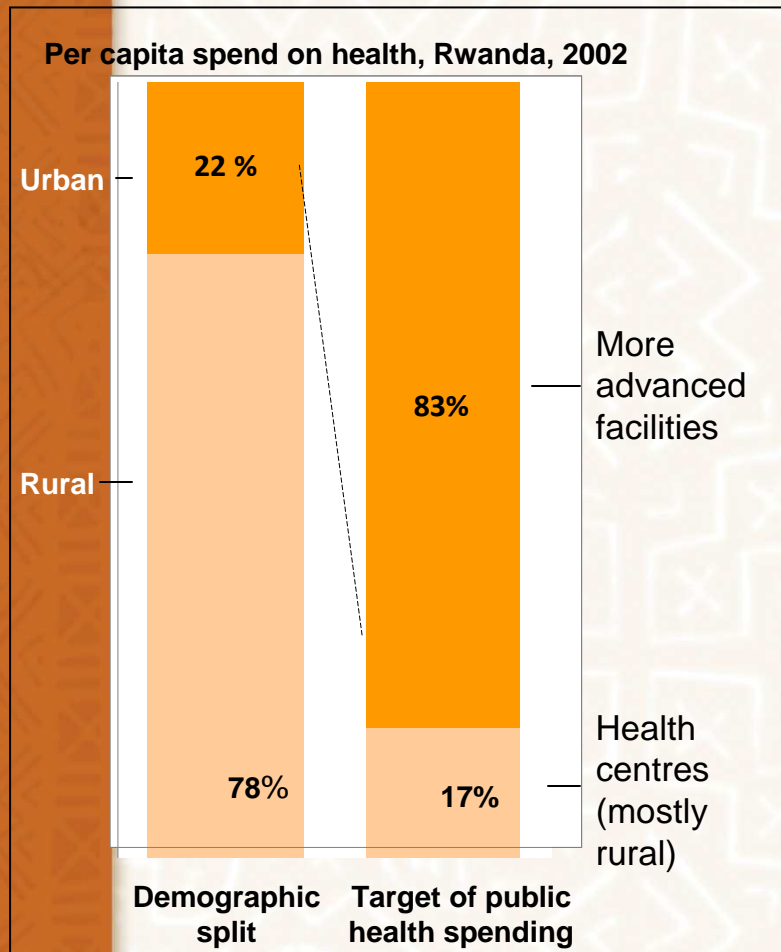


Marek T. et al., 2005

Rural populations also rely heavily private sector services

Little public money reaches rural populations . . .

. . . making them dependent on private providers



Source: Marek, T. et al, 2005; World Economic Forum; team analysis 2007

Three common myths about the private health sector

- ❖ Myth #3: The private health sector is insignificant in Africa

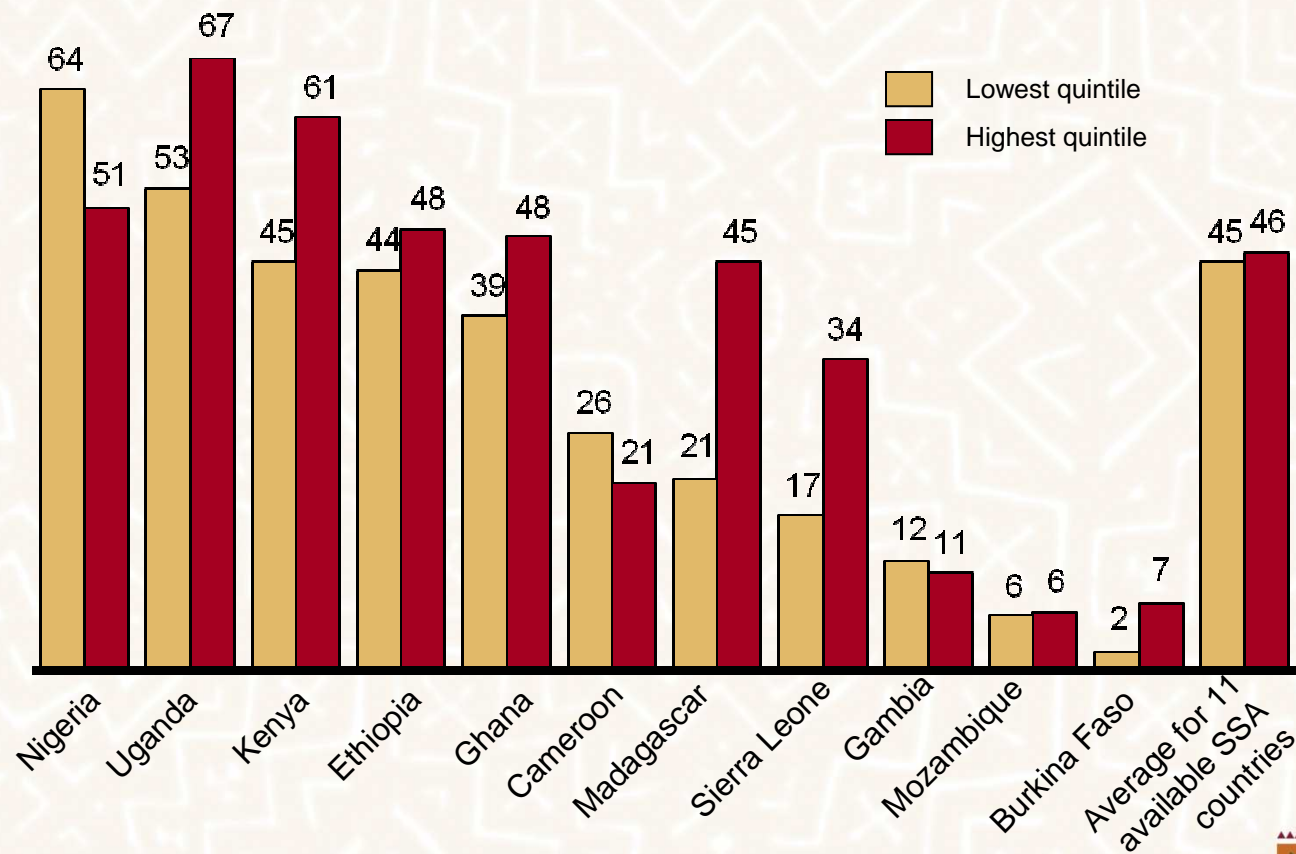
Existence of a large and growing private health sector in Africa

Geographic Region	% of doctors working in the private sector
Asia (6 countries)	60%
Sub-Saharan Africa (8 countries)	46%
Latin American & Caribbean (5 countries)	46%
North African & Middle East (7 countries)	35%

Marek, T. Presentation in South Africa 2005

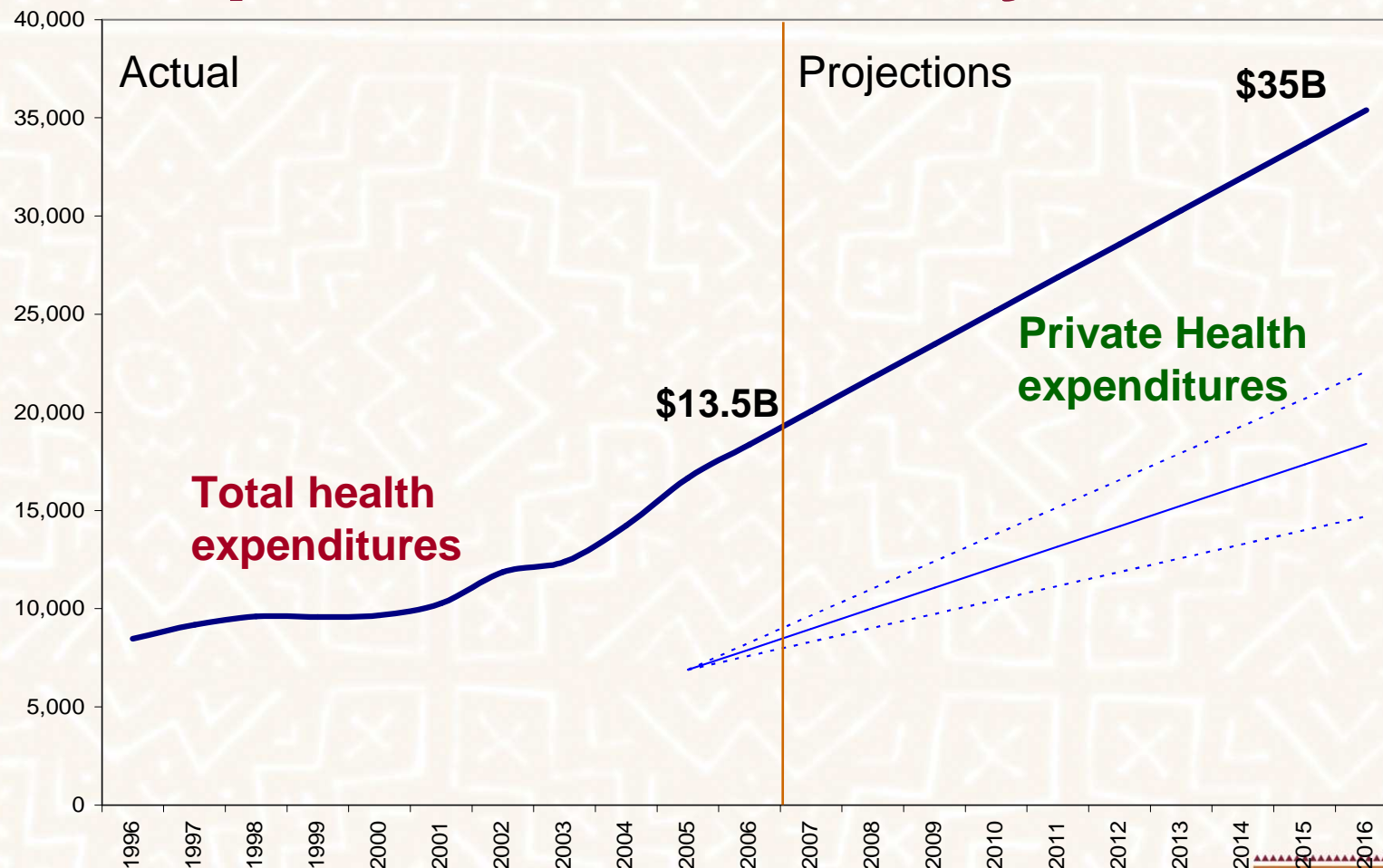
The for-profit private sector provides significant care across income groups in a range of SSA countries

Urban and rural population receiving care from private for-profit provider of allopathic medicine
Percent*



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

Private healthcare market expected to double by 2016



(\$ million) Actual values for 1996 - 2005, projections for 2005 - onward

Presentation Overview

- ❖ Rationale for engaging with the private health sector

Key issues faced by all Ministries of Health

- ❖ Not enough resources in the public sector
- ❖ Can not rely forever on development partners (donors) funds
- ❖ Inadequate pooling in the private sector
- ❖ Ineffective spending patterns

How the private health sector can help

- ❖ Public / private partnership can help expand the pool of human resources
- ❖ Private health sector can extend the reach of the public sector
- ❖ Allows public sector to focus on those most in need
- ❖ Private sector services and products require little support from donors and government budgets

Presentation Overview

- ❖ Challenges in working together from the public **and** private sector perspective

Health sector is unusual

- ❖ Health care as a public good vs profit maximization, thus it is highly politicised
- ❖ Unique legislative and regulatory framework
- ❖ Lack of reliable market information
- ❖ Perceived high risk / low return
- ❖ Barrier to entry may be high
- ❖ Complexity of management
- ❖ Critical role of the medical profession

Challenges to greater private sector participation

From the public sector perspective

- ❖ Concerns about quality and how to control the private sector
- ❖ Little dialogue and communication between the two sectors
- ❖ Lack of trust between the public and private health sector
- ❖ Suspicion of profit motive

Challenges in working with the private health sector

From the public sector perspective

- ❖ The private health sector is highly fragmented and disorganized, creating a series of implementation challenges.....
 - Entry point to work with private sector is difficult
 - Activities with the private health sector are ad hoc, often not focused on priority issues
 - Little knowledge and information available on private sector (who, what, where)

Challenges to greater private sector participation

From the private sector perspective

- ❖ Lack or no access to supportive infrastructure
- ❖ Limited information sharing and restricted access to key information
- ❖ Not invited to participate in strategic planning or policy reforms that affect the private sector

Challenges to greater private sector participation

From the private sector perspective

❖ Infrastructure & Supplies

- Limited funding in low-income areas
- Inclination to use products or brands promoted by industry which may be more costly
- No access to preferential prices that are available only to public and NGO sectors

Motivation of the private sector

- ❖ Private health sector providers need to earn a profit to stay in business
- ❖ Are motivated by other factors common to public sector
 - pride in skills and competency
 - sense of professionalism
 - desire to improve health of patients and community
 - social mission
 - strategic relations with local government
- ❖ Public sector has more in common with private sector than you think!

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Roles of the public and private sectors

	Stewardship <ul style="list-style-type: none"> •Policy making •Legislation •Regulations <ul style="list-style-type: none"> •Prescriptive •Incentive •Surveillance •Enforcement 	Financing <ul style="list-style-type: none"> •Collection of Funds •Pooling of Revenues •Budgeting/purchasing 	Services and Inputs <ul style="list-style-type: none"> •Service Delivery <ul style="list-style-type: none"> •Programs •Inputs <ul style="list-style-type: none"> •Knowledge •Human Resources •Capital •Pharm/Equipment/Goods
Core Ministries			
Public Agencies			
Private Sector			

Public sector tools available to work with the private health sector

Stewardship role of MOH and its toolkit

❖ Financing

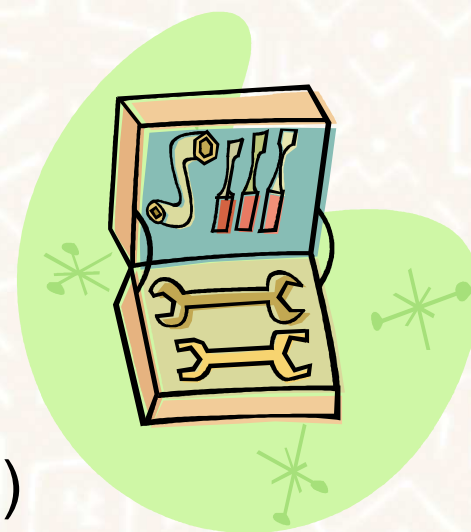
- Health insurance,
- Community based finance schemes
- Vouchers
- Tax exemptions

❖ Regulation of private (& public sectors)

- Licensing
- Accreditation
- Certificate of need

❖ Contracting

- Leasing
- Concessions
- Divestitures



Parting thoughts

- ❖ The private sector is already playing an important role in health care provision and this role will continue to expand significantly
- ❖ Private sector is an untapped resource but there are many challenges
- ❖ To harness the private sector will require changing roles, MOH leadership & help

.....It is time to bring the private sector into the fold as partners to provide quality health services