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# **India: A Microcosm of Private Health Sector Innovation USAID/India's Experience**

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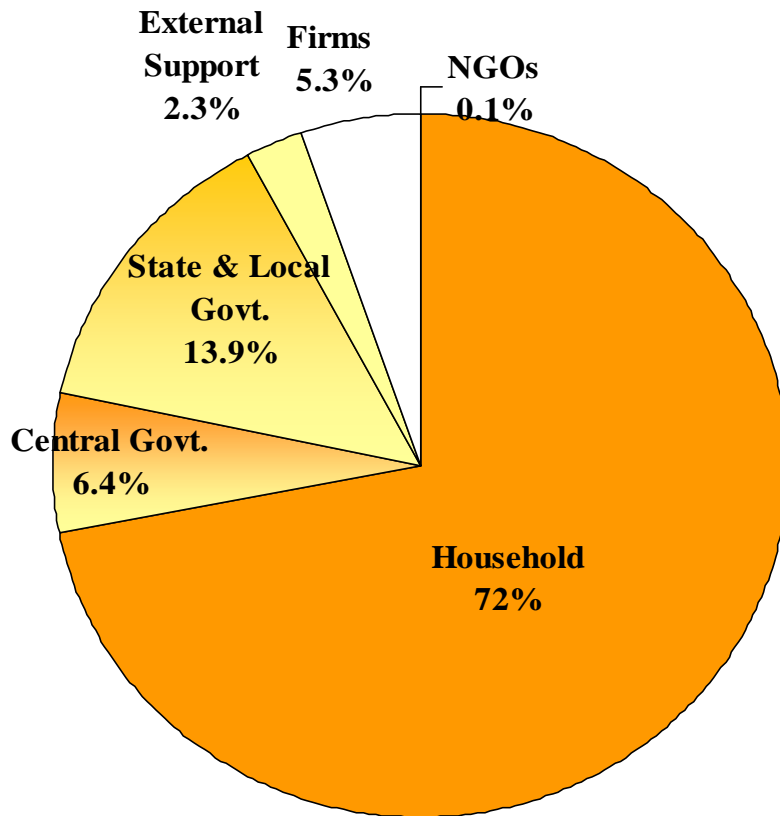
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## Outline

- Context
- Partnerships- framework for service delivery
- Some examples
- Challenges
- Lessons learned
- Take home messages



## Sources of Health Financing in India

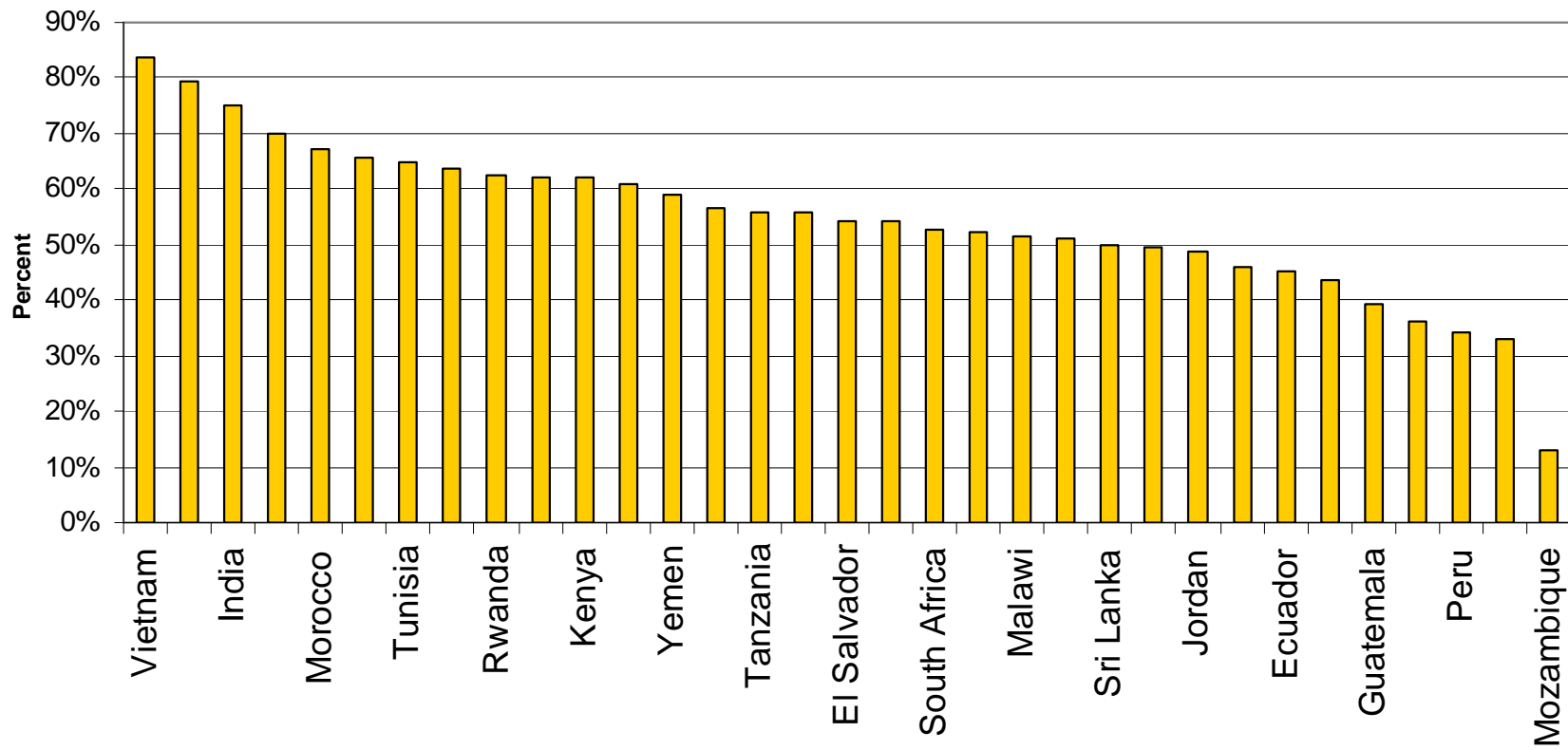


Private Sector: 77.4%  
Public Sector: 20.3%  
External Support: 2.3%

- Households spend 5-6% of their total expenditure on health
- 9% of health spending is on family planning, immunization & child-birth related services



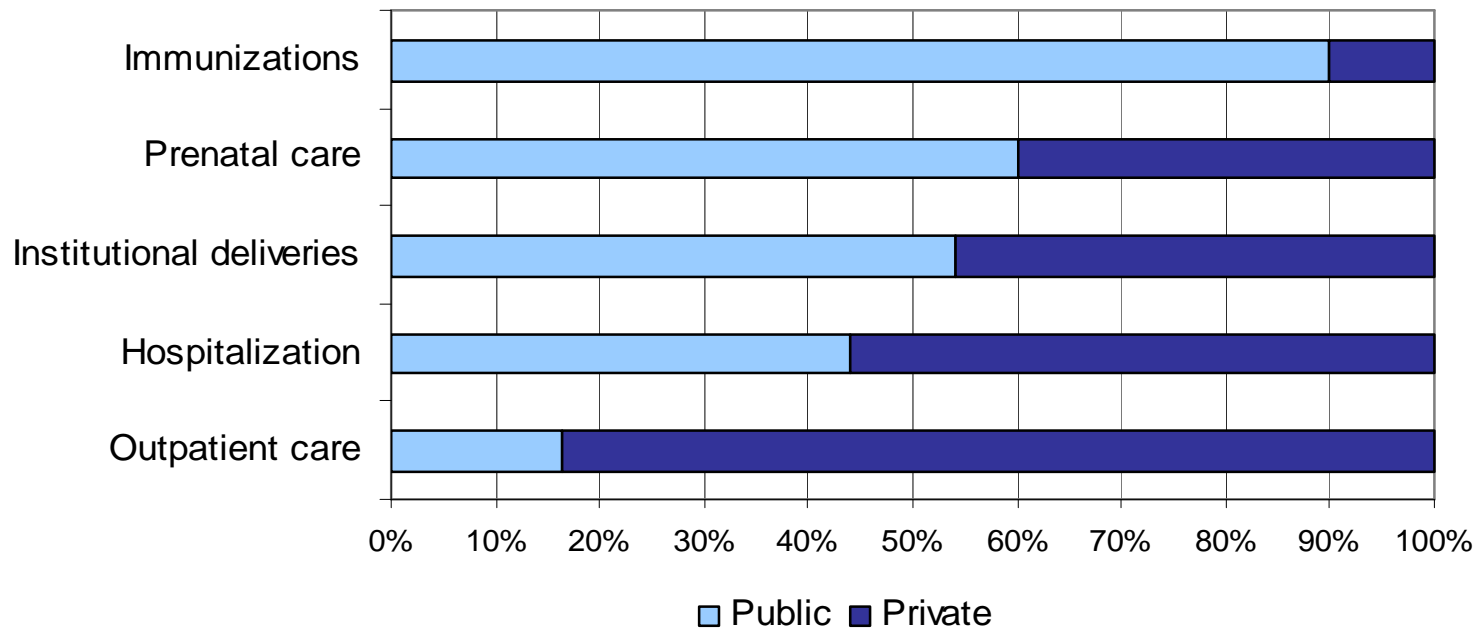
## Private Health Expenditure as Percent of Total



Source: Various National Health Accounts



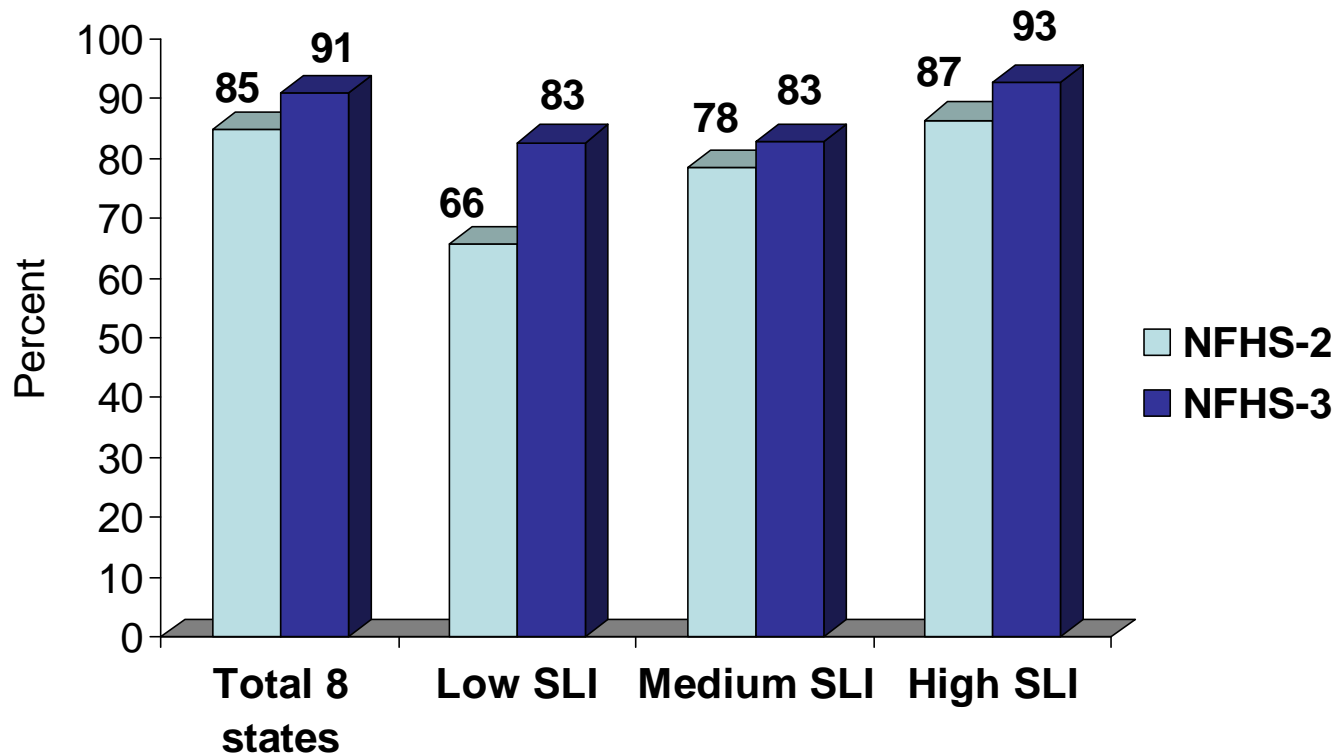
## Private Sector is Crucial Component of Healthcare Delivery in India



Source: NSSO, 52<sup>nd</sup> Round 1995-1996



## Private Source of Supply for Condom: Differentials Across Standard of Living (Urban North India)





## Current Environment for Private Partnerships in Health

- Private sector is the predominant health care provider in India
- Private sector responds better to patient interests than public sector
  - Accessibility, satisfaction with treatment, availability of medicines are important considerations
- Commercial sector hungry for growth & open to partnerships
  - Expansion of core businesses- partnerships; accessing nascent markets
  - Building base-of-pyramid (BoP) and rural markets is an evolving concept especially for health
  - Significant entry barriers that make independent entry difficult
  - McKinsey estimates that health care- third biggest market by 2025, with majority coming from BoP & rural markets



## Defining the Role for Private Sector Partnerships

### *Solutions should not chase problems*

- Identify problems in terms of core health system performance goals
  - Health status
  - Customer satisfaction
  - Financial risk protection
- Trace the causes of problems back to intermediary criteria and their causes
  - Access
  - Quality
  - Equity
  - Efficiency
- Focus on evidence for design, process/ implementation, and consequences





## Assessing Private Sector Partnerships for Service Provision

<b>Modality</b>	<b>Quality improvement</b>	<b>Increased access to services</b>	<b>Increased utilization</b>	<b>Financial protection from service use</b>
<b>Regulation</b>	X			X
<b>Contracting</b>		X	X	X
<b>Franchising</b>	X		X	
<b>Training</b>	X		X	
<b>Information dissemination</b>	X		X	
<b>Social marketing</b>		X	X	



# Public-Private Sector Continuum: Service Delivery

Contracting to fill  
vacant positions  
& procure  
commodities

NGO Programs

Social mktg

Workplace  
Initiatives

Partnerships for  
distribution/  
service delivery/  
information

Contracting  
mgt of public  
sector facilities

Linkages with  
private sector  
facilities

Social  
franchising

Private  
providers

Intense and  
direct public  
sector  
involvement

No public  
sector  
involvement  
except  
regulatory  
role





## India: Partnerships for Enhancing Quality of Production of RCH & HIV Products

- Objective:
  - Technology development, transfer & adaptation; quality up-gradation & expansion of production capacities of key reproductive and child health (RCH) and HIV technologies in India
- Partners:
  - Pharmaceutical companies/ manufacturers
  - ICICI Bank
  - MOHFW, MoS&T
  - PATH
  - USAID





## India: Partnerships for Category Marketing

- Objective:
  - Develop category growth model to increase use of key RCH products in North India
- Partners:
  - Pharmaceutical companies/ manufacturers
  - Provider Associations (IAP, FOGSI)
  - Private providers (specialists, GPs, indigenous providers, pharmacists)
  - Media channels
  - Local partners
  - USAID
  - ICICI Bank
  - MOHFW, MoS&T
  - Futures Group/Abt (CMS/PSP)





## India: Demand Side Financing Partnerships for Equity

- Objective:
  - To improve utilization of RCH services for the poor especially related to family planning (FP), antenatal care (ANC) & institutional births through vouchers
- Partners:
  - GoUP;GoUK;GoJ
  - USAID
  - SIFPSA/UAHFWS/GoJ
  - District Administration & Health Services
  - NGO
  - Health providers- public and private
  - SNMC - Medical College / Voucher Management Agency
  - Futures Group





## India: Private Provider Networks for Improved Service Quality

- Objective:
  - Improve private sector service quality for key RCH services
- Partners:
  - Pharmaceutical companies/ manufacturers
  - Provider Associations (FOGSI, LOGS, IMA, NIMA, LCRA)
  - Private providers (specialists, GPs, indigenous providers, pharmacists)
  - Local partners
  - Helpline provider
  - Implementing agencies (Abt;SIFPSA; HLLFPPT)
  - USAID
  - Technical agencies (Abt; Futures Group)





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## India: Partnerships for Leveraging Private Distribution in Rural Areas

- Objective:
  - To improve access to affordable health products and information through private sector distribution channels in rural areas



- Partners:
  - Channel partners- Hindustan Unilever; ITC e.choupal
  - USAID
  - Commercial manufacturers
  - NGO, SHGs & other community networks





## India: Contracting- out Management of Health Facilities

- Objective:
  - To improve access & utilization of RCH services in urban areas
- Partners:
  - Municipal Corporation/Urban Local Body
  - NGOs
  - Health Department
  - Charitable hospitals
  - USAID
  - UHRC







## India: Partnerships for Financial Risk Protection

- Objectives:
  - Increased access to quality healthcare by the poor
  - Protection against impoverishment by medical costs
  - Reduced out-of-pocket expenses
- Partners:
  - Star Health
  - GoK
  - NACO
  - PSI
  - Health providers
  - USAID
  - Healing Field Foundation
  - DHAN Foundation





## India: Partnerships for Information Dissemination & Counseling

- Objective:
  - To address myths and stigma associated with HIV and expand choice for health education and counseling for PLHAs
- Partners:
  - Tata Business Support Services
  - APAC
  - USAID

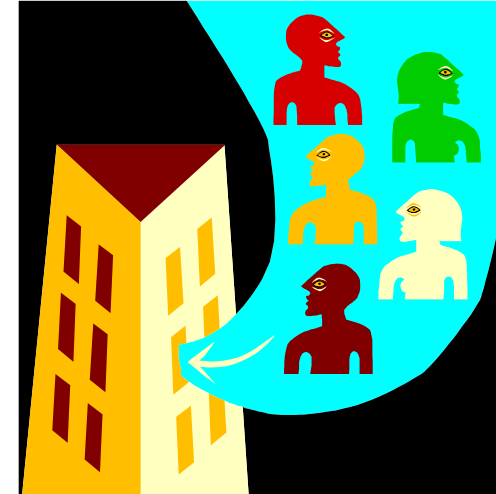


A Toll-Free Helpline For People Living HIV & AIDS



## India : Appealing to Corporate Social Responsibility- Workplace Programs

- Objective:
  - Increase access to HIV/AIDS prevention, care and support services through workplace
- Partners:
  - Organizations supporting workplace programs
  - ILO
  - FICCI
  - PSI
  - State Governments
  - USAID





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## Some Achievements...

- Improved quality standards of key RCH products through transfer of manufacturing technologies/ improved standards e.g. condoms, oral rehydration salts (ORS) and intrauterine devices (IUDs)
- Increased production capacity for condoms & IUDs
- Commercialization of 10 technologies including rapid diagnostics for syphilis, HIV, gonorrhea and malaria; Vaccine Vial Monitors (VVMs); recombinant Hepatitis B vaccine in Uniject devices



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## ...Some Achievements

- Improved access and demand of key health products and services
- Increased use of key health products (e.g condoms, oral contraceptive pills, ORS, injectable contraceptives) and services
- Increased private industry investment for key health products
- Increased health financing (insurance) by private sector



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## Key Challenges...

- Short-term “flash” vs long-term commitment / sustainability
- Partnerships follow-joint agenda - government/donor not in full-control of the partnerships
- Government / donors may not fully appreciate the strengths of private sector & often do not understand that their role needs to change



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## ...Key Challenges...

- Partnership formation takes time and involves high level of policy & negotiation skills
- Private sector understanding of needs of the underprivileged still inadequate
- Private sector's limited outreach in underserved areas  
– need to partner with CBOs



## ...Key Challenges

- Balancing commercial interests with public health impact
  - Brand-share vs. market growth
  - Opportunistic vs. strategic
    - Selection of products and services
    - Technical alignment with USAID priorities
    - Geographic
    - Target Groups
- Motivating potential commercial partner to invest resources
- Exclusivity vs. multiple private sector partnerships





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## Lessons Learned...

- Private sector partnerships do work for health
- Ensure balance between partner interests & public health impact
  - Mutuality of benefits and purpose is essential for a successful partnership
- “Interface agency” is critical
  - Creditable, neutral platform for bringing partners together is key
- Carefully select partners
  - Fence-sitters do not work out in the long run



## ...Lessons Learned...

- Creation of mutual trust between partners is essential
- Engage potential partners early on
- Need to keep expectations realistic
- Roles & responsibilities of partners should be clarified and joint system of accountability established
- Distribute risk among partners



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## ...Lessons Learned

- Need to develop partnerships with CBOs
- Regularly monitor and communicate benefits of both partnership & health impact
- Invest adequate time & resources
- Provide adequate maturation time
- Sustainability & scale-up should be factored in design



## Take Home Messages

- Private sector partnerships are about health impact not just resource mobilization
- It is possible for private sector to benefit public health at the same time make profits
- Engage with partners at design stage itself
- Take the time to look for opportunities for partnerships
- Not all projects lend themselves to private sector partnerships
- Processes are as important as models
- Several successful examples exist



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*Thank you*