

## The Private Sector's Role in Providing HIV Services in Ivory Coast

Ivory Coast, a lower middle-income country in West Africa, has one of the region's most severe HIV epidemics. In the late 1990s, prevalence among the adult population peaked at more than 6.6 percent and was estimated at more than 10 percent among pregnant women (UNAIDS, 2013; Sangare, Coulibaly, and Ehouman, 1998).

In recent years, increased commitment by the government of Ivory Coast and donors has helped expand and strengthen the national HIV response. These investments have helped the HIV prevalence rate decline to 3.2 percent in 2012 and the enrollment in antiretroviral therapy (ART) increase from 37 to 55 percent of eligible people living with HIV between 2009 and 2012 (UNAIDS, 2013). Of Ivory Coast's five immediate neighbors, only Liberia has a lower percentage of eligible patients enrolled in ART (UNAIDS, 2013).

As reforms to advance toward universal health coverage take hold in Ivory Coast, stakeholders aim to continue increasing ART coverage and ensure access to HIV services in a sustainable way that is led by the government. Part of the solution to the health financing and service coverage challenges in Ivory Coast may lie with the prominent private for-profit health sector. Throughout sub-Saharan Africa, national governments have established public-private partnerships or subcontracting relationships for referrals in ways that have maximized the contributions of public and private entities involved in the HIV response. Approximately half of the facilities in Ivory Coast are for-profit. Thus, the private sector is a key partner that the government can tap to make the country's HIV response more sustainable (Barnes et al., 2013).



*Clinic Emmanuel in Yamoussoukro, Ivory Coast*

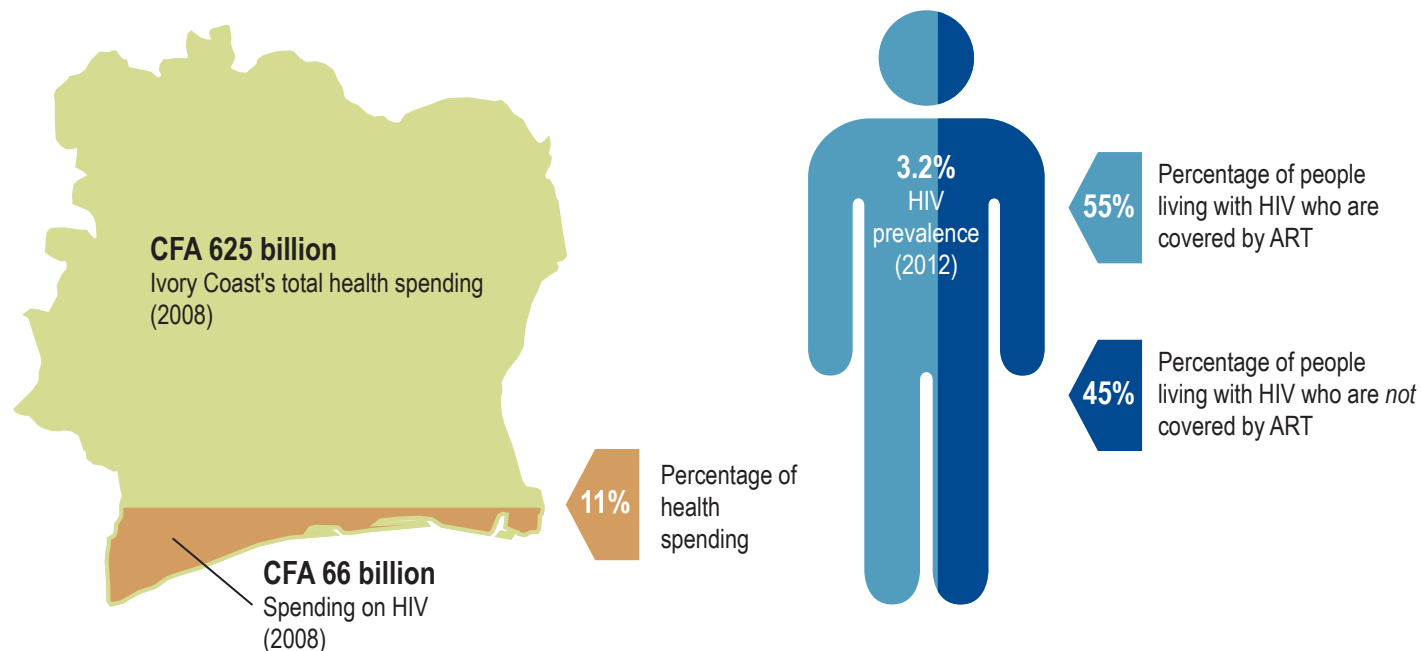
James White

### Health Spending in Ivory Coast (2008)

- Gross domestic product: CFA 10.7 trillion (\$21.6 billion)
- Total health spending: CFA 625.2 billion (\$1.3 billion, or 6 percent of gross domestic product)
- Total HIV spending: CFA 66 billion (\$133.2 million, or 11 percent of total health spending)
- HIV spending at private for-profit clinics and pharmacies: CFA 1.9 billion (\$3.8 million, or 3 percent of HIV spending)
- HIV spending at public hospitals, clinics, pharmacies, and public health programs: CFA 56.2 billion (\$113.8 million, or 85 percent HIV spending).

Note: All financial figures are for the year 2008 and were converted to 2010 West Africa CFA francs using gross domestic product deflator estimates from the IMF World Economic Outlook Database. U.S. dollar equivalents were estimated using exchange rates from the World Bank.

## Financing and ART Coverage in Ivory Coast



Data on past HIV spending in Ivory Coast's health sector, tracked using the national health accounts (NHA) and HIV subaccounts methodologies, help explain private sector engagement in the HIV response and can support the government of Ivory Coast's efforts to improve the sustainability of its HIV programs. The SHOPS project used the most recent NHA data (Ivory Coast Ministry of Health and Public Hygiene, 2010) to track how HIV funds flow through Ivory Coast's health system and identify implications for how donors and the government can better work with the private health sector.

NHA tracks a country's total health expenditures from their original sources through entities that allocate them, and finally to providers who deliver services.\* While general NHA tracks total health spending, the HIV subaccounts detail health spending on HIV to show how resources flow through the health system. Total health spending in the HIV subaccounts only includes spending on HIV activities that aim to improve, maintain, or prevent deterioration of health. It does not include non-health programs such as those focused on orphans and vulnerable children. NHA and HIV subaccounts data can inform decisions about resource allocation and strategic planning, increase transparency, track progress toward spending goals, and inform civil society advocacy efforts.

### Private Health Sector Composition

The nonprofit sector consists of:

- Faith-based organizations
- Charities
- NGOs
- Community-based organizations

The for-profit sector consists of a wide range of commercial entities, including:

- Medical facilities
- Pharmacies and pharmaceutical wholesalers
- Laboratories
- Consultation and ambulatory care centers

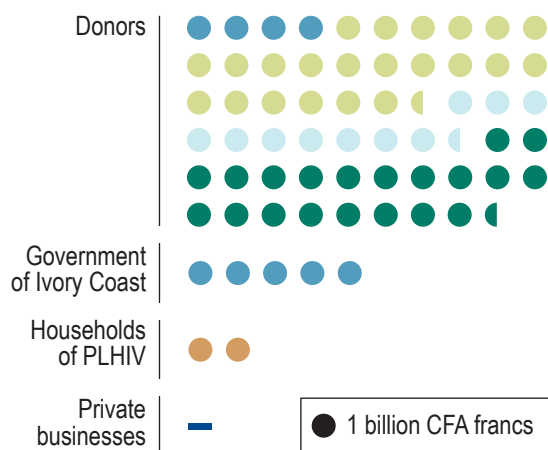
\*This methodology was updated in 2011. The Ivory Coast data used in this fact sheet was generated before the update.

## The Flow of HIV Funds to For-Profit Facilities

The diagram below illustrates the flow of HIV funds from various sources to public and private managers, and depicts the following findings:

- Donors account for 87 percent of Ivory Coast's HIV response, which is more than their share of general health funding (13 percent).
- The government of Ivory Coast provides 7 percent of HIV funds; it decides how 14 percent of those funds are spent.
- Donor and government spending has kept out-of-pocket expenditures on HIV at 3 percent, which is 63 percentage points lower than out-of-pocket spending on general health.
- Private businesses and other private entities that provide local donations are the smallest of the major sources of HIV funds, amounting to CFA 120 million—less than 1 percent of HIV expenditures.

### Where Do the Funds Originate?



### Who Decides How to Spend HIV Funds?

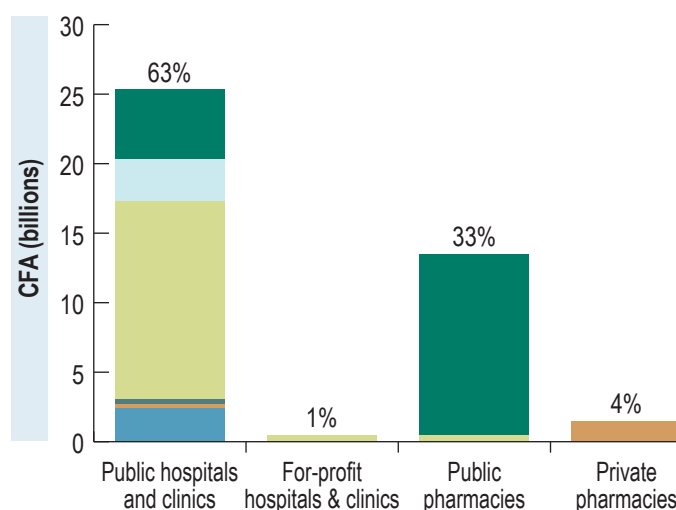
- Public agencies
- Private insurance
- Households (out-of-pocket spending by people living with HIV)
- Employers (private and parastatal)
- International and national NGOs
- Donors
- Other

### Allocation of HIV Funds

The graph below shows HIV spending at public and private facilities. NHA data indicate that HIV spending at public health facilities is much larger than spending at for-profit health facilities and private pharmacies. The data reveal several important findings about how for-profit facilities are financed compared with other types of facilities.

- Donors allocate some funding for HIV to for-profit hospitals and clinics through NGOs. Although NGOs account for 99 percent of spending at these facilities (the remaining 1 percent comes from out-of-pocket payments) this amount is only 2 percent of all NGO spending on HIV.
- No funding from the government of Ivory Coast was spent at for-profit facilities in 2008.
- Despite effective subsidization by donor and government programs, 74 percent of out-of-pocket spending on HIV occurs at private pharmacies. This finding indicates that people living with HIV purchase HIV goods and services in the private sector despite the fact that they are available free of charge in the public sector. This suggests a gap in financial coverage for people living with HIV.

### Facilities that Receive HIV Funds



CFA 41 billion was spent on HIV services at all health facilities in 2008. Ninety-five percent of that spending (CFA 38.9 billion) went to public facilities, while only 5 percent (CFA 1.9 billion) went to for-profit facilities.

## Policy and Program Implications

### *Despite the availability of subsidized services in public sector facilities, ART coverage remains low.*

Out-of-pocket payments for general health are significant—66 percent of total health expenditures. However, out-of-pocket payments by people living with HIV account for only 3 percent of HIV expenditures. This indicates that donor funding and a government policy abolishing fees for HIV goods and services reduce the financial burden on those seeking care. However, ART coverage among people living with HIV was only 55 percent in 2012 (UNAIDS, 2013). This low enrollment might point to other non-financial barriers, including high levels of stigma that have resulted in limited awareness of HIV status (Barnes et al., 2013).

### *Universal health coverage reforms should encompass sustainable and equitable health financing for HIV care.*

Ivory Coast's HIV response is highly dependent on donors, which accounted for 87 percent of HIV spending in 2008. Donor dependency in the HIV response appears in sharp contrast to general health sector financing, in which only 13 percent of total spending originated with donors. Donor support has considerably reduced the burden on people living with HIV to far lower levels than among the general population. As the government of Ivory Coast pursues universal health coverage goals, it will need to consider how to fill the role of donors in providing access to and financial risk protection for HIV services in an equitable and sustainable way.

### *Scaling up provision in the private sector may help overcome non-financial barriers to ART enrollment.*

In 2008, CFA 41 billion was spent on HIV services at a hospital, clinic, or pharmacy. Ninety-five percent of that spending occurred at a public facility. Only CFA 1.9 billion went to private clinics and pharmacies. NGOs, which receive most of their funding from donors, are the primary managers of funds spent at these facilities. In this way, some donor funding has reached private

clinics. However, CFA 1.9 billion accounts for only 2 percent of NGO funding. Since the barriers to increase ART enrollment appear to be mostly non-financial, donors may want to pursue additional strategies to scale up the provision of ART in the private sector where patients may experience shorter wait times and greater perceived confidentiality.

### *More accurate estimates of HIV spending at private facilities can inform strategies to engage the private sector.*

The 2008 NHA and HIV subaccounts likely underestimated spending at private facilities due to several methodological limitations, which contributes to a misrepresentation of the role of the private sector. When the government of Ivory Coast next conducts a health accounting exercise using the updated version of the NHA methodology, a concerted effort should be made to systematically track resource flows through the private sector to more accurately measure its contribution to the HIV response.

## REFERENCES

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For more information about the SHOPS project, visit: [www.shopsproject.org](http://www.shopsproject.org)



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