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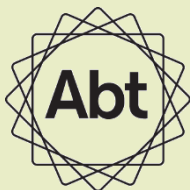


Understanding the Emerging Role of the Private Sector in Medical Education

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SHOPS is funded by the U.S. Agency for International Development. Abt Associates leads the project in collaboration with
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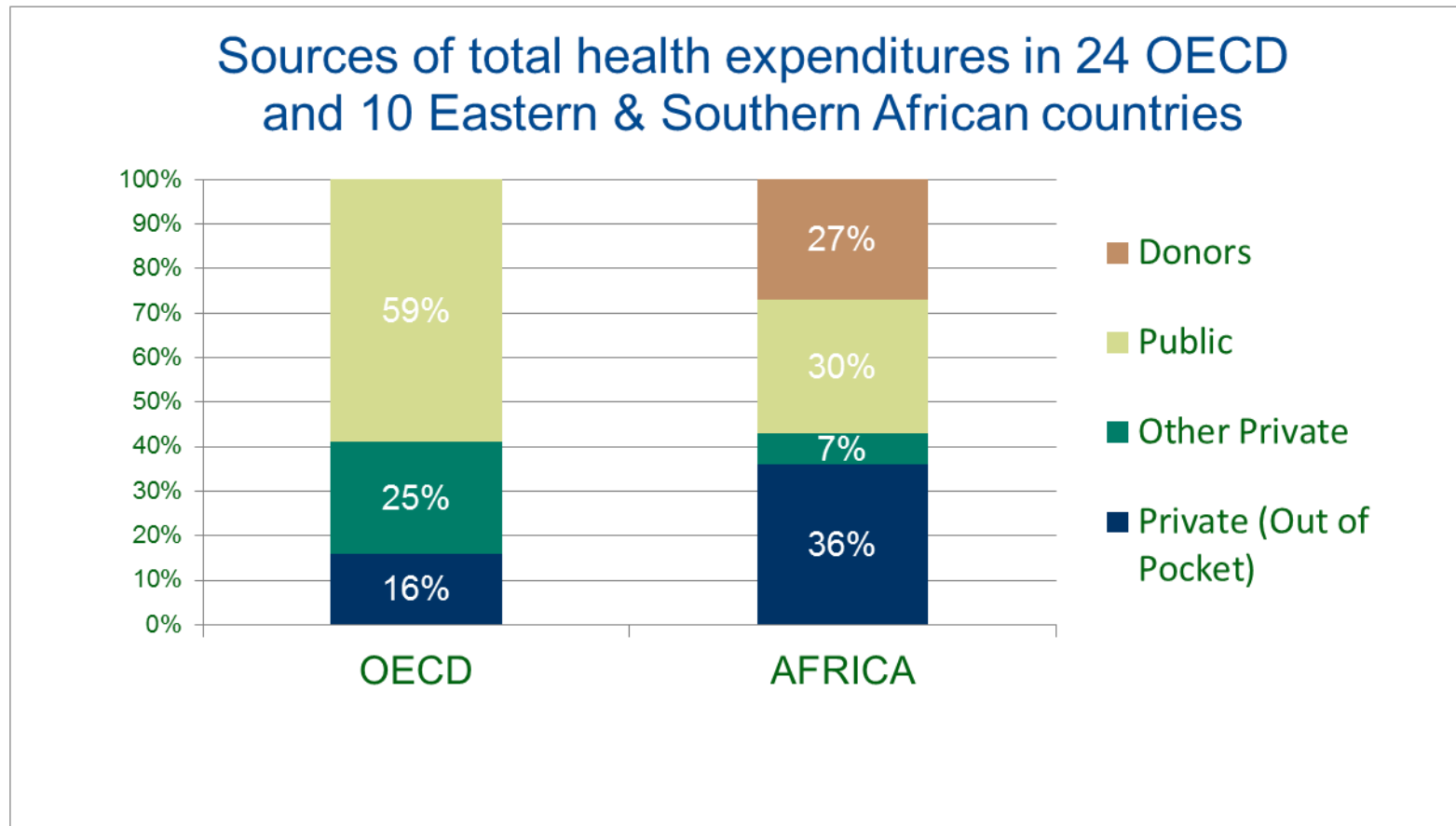
Overview of the Session

- Setting the context about the role of the private sector in health service delivery
- Understanding more about the emerging role of the private sector in medical education
- Focusing on financial and business challenges
- Personal reflections from private medical training institution proprietors

Three Common Myths about the Private Health Sector

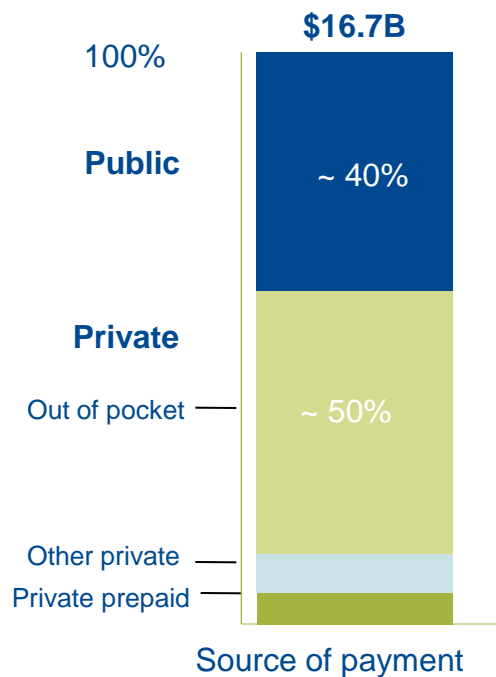
***Myth #1: Health in Africa is
financed primarily by the public
sector***

Health Financing in Africa



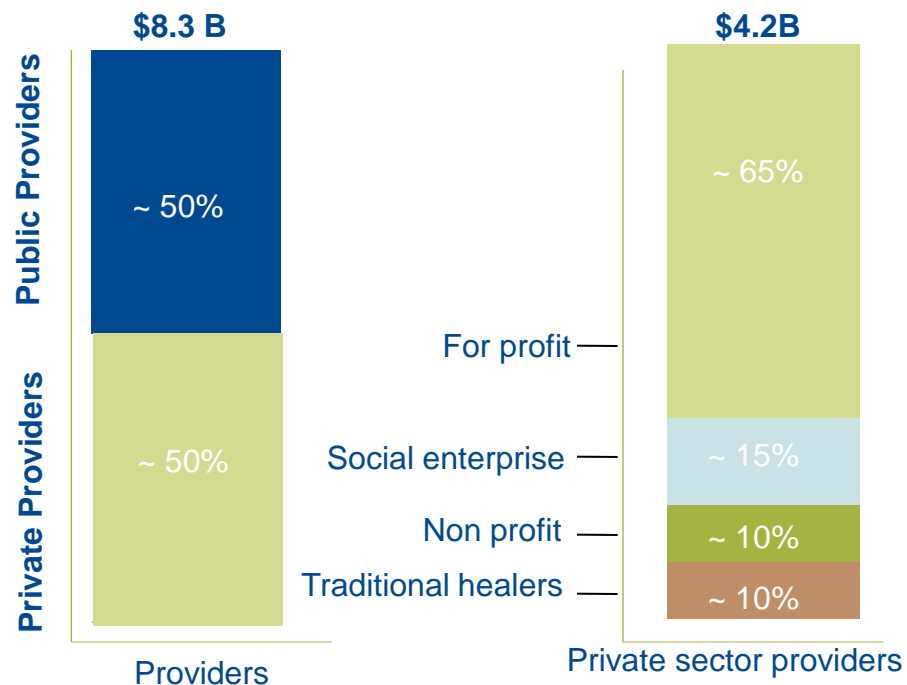
Private Sector Expenditures in Africa

Where Health Funds Come From



Healthcare Expenditure by Financing Agent (%)

Where Private Funds Are Spent



Healthcare Expenditure by Provider Ownership (%)

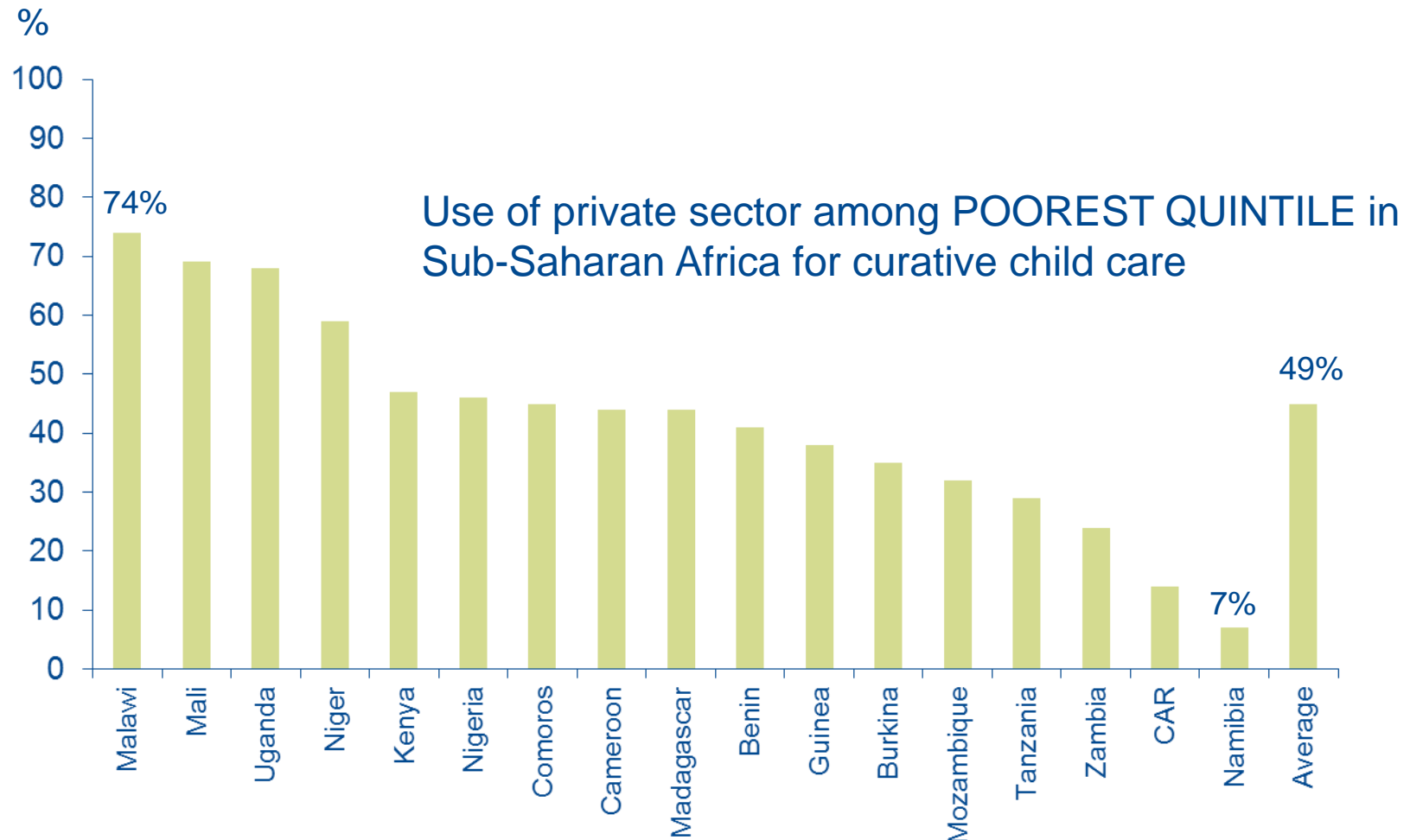
Private Financing Trends

- Over half of total health expenditures for households are in the private sector
- Private sector health expenditure is generally in the form of direct payments at the point of service
- Out-of-pocket health expenditures has increased in both absolute and relative terms
- Some evidence that donor funding may be affecting private investment in HIV

Three Common Myths about the Private Health Sector

Myth #2: The private health sector mostly benefits the wealthy

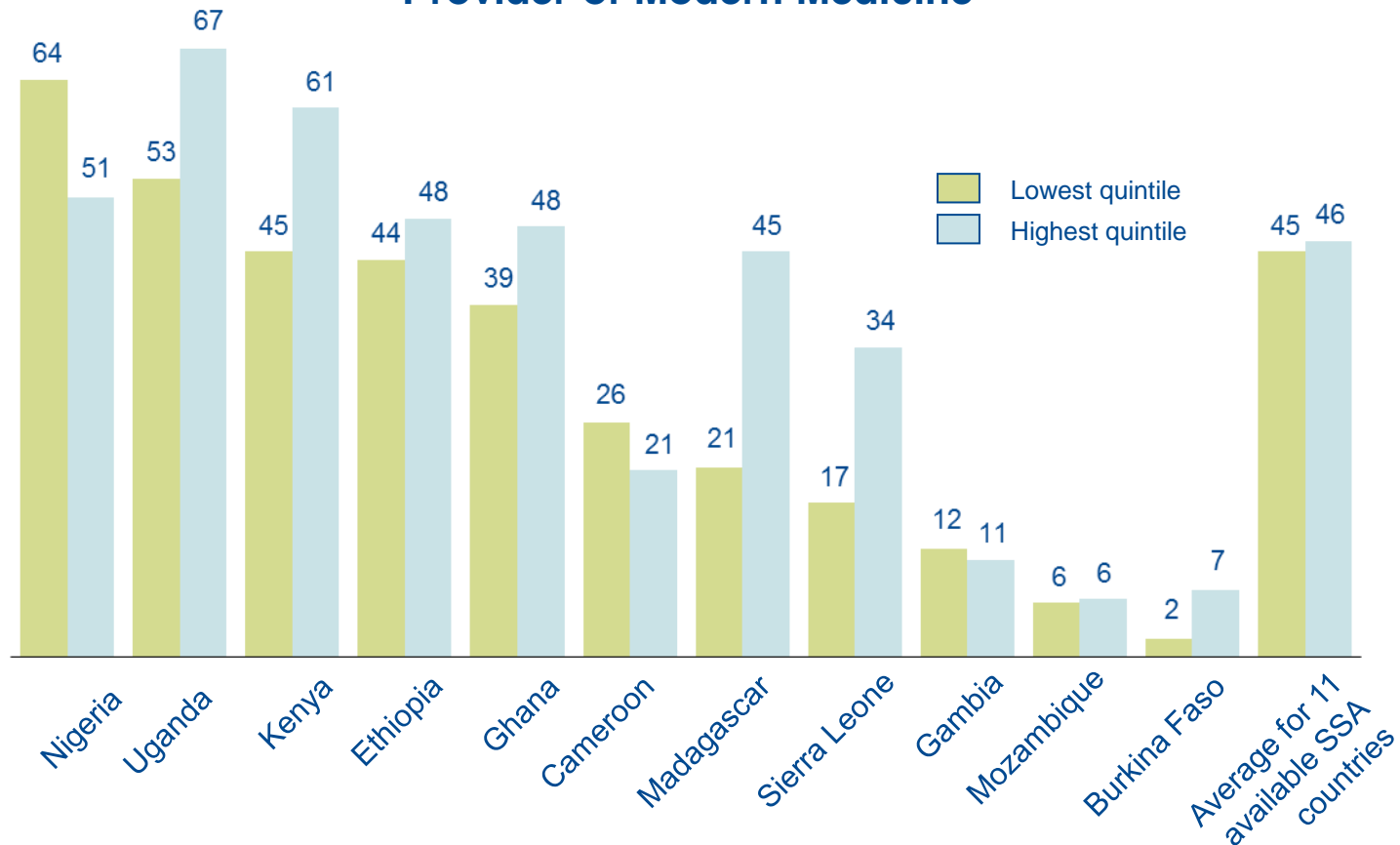
All Population Segments, Including the Poor, Access the Private Health Sector



Source: SARA Project 2004

The For-profit Private Sector Provides Care Across all Income Groups

Urban and Rural Population Receiving Care from Private for-Profit Provider of Modern Medicine



*Percent: Most recent survey year available between 1995-2006

Source: WB Africa Development Indications 2006, team analysis

Three Common Myths about the Private Health Sector

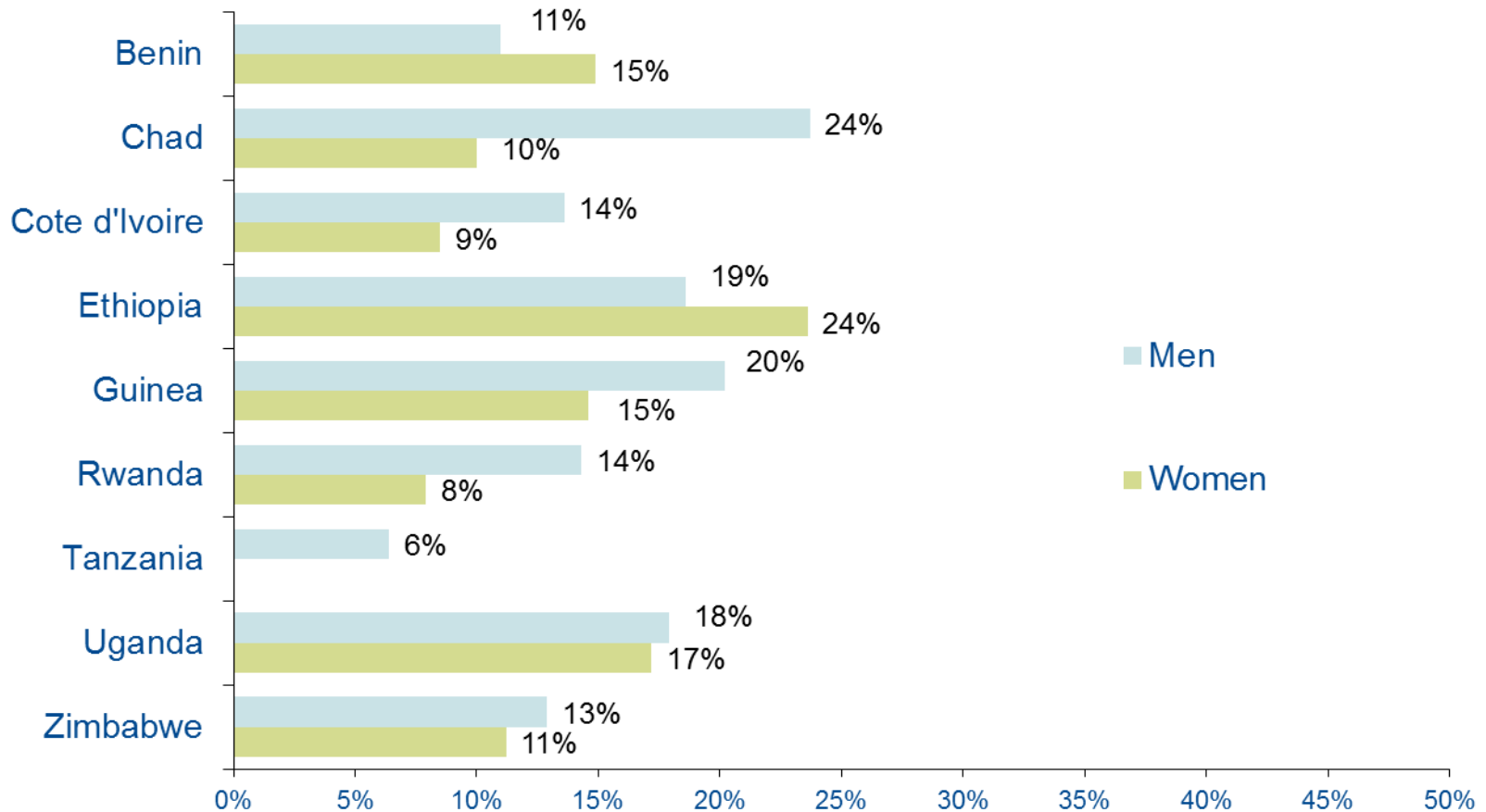
***Myth #3: The private health
sector is insignificant in
Africa***

Virtually Half of all Physicians Work in the Private Health Sector in Africa

Geographic Region	% of physicians
Asia (6 countries)	60%
Sub-Saharan Africa (8 countries) Mali Kenya	46% 50% 74%
Latin American & Caribbean (5 countries)	46%
North African & Middle East (7 countries)	35%

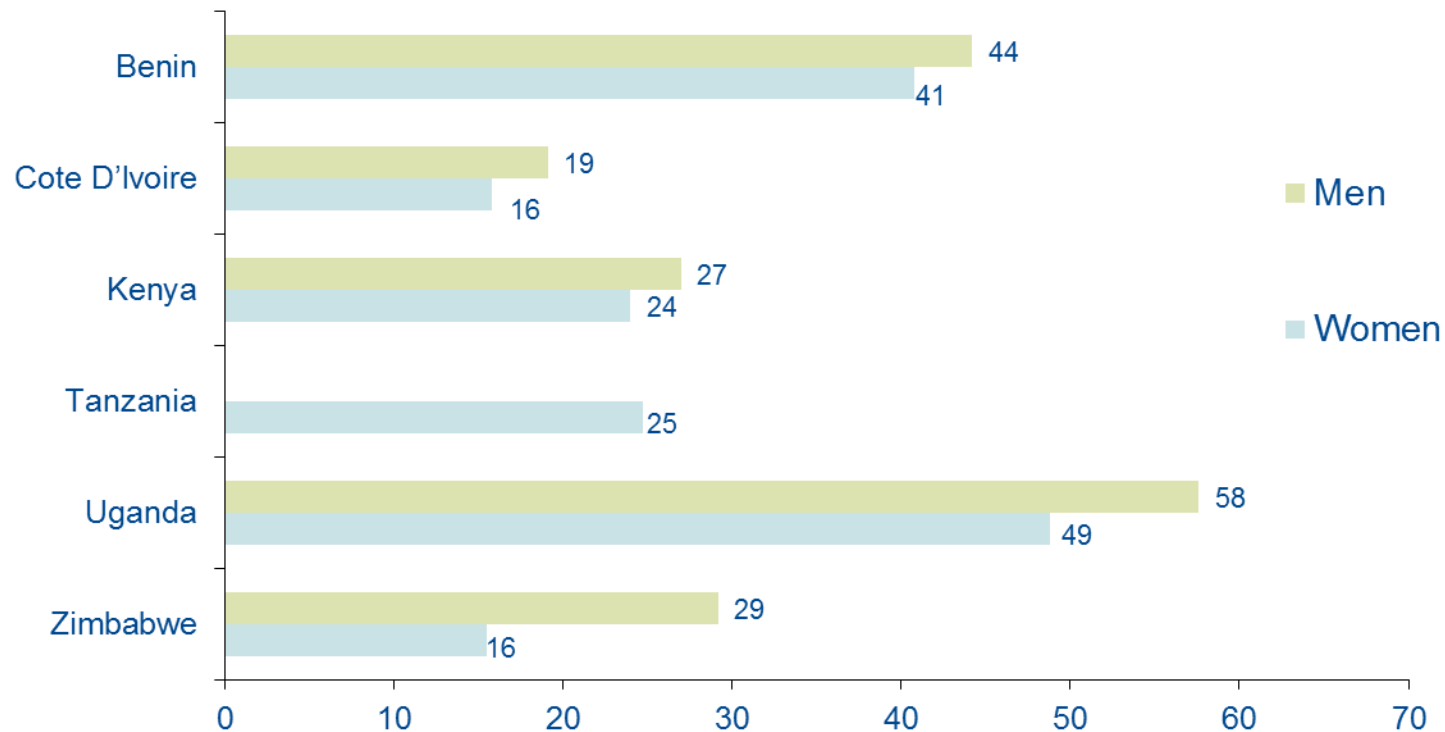
Source: Marek, T. Presentation in South Africa 2005, WB 2005, IFC Country Assessments of the Private Health Sector

Private-for-profit Providers are a Sizable Source for HIV Testing in Africa



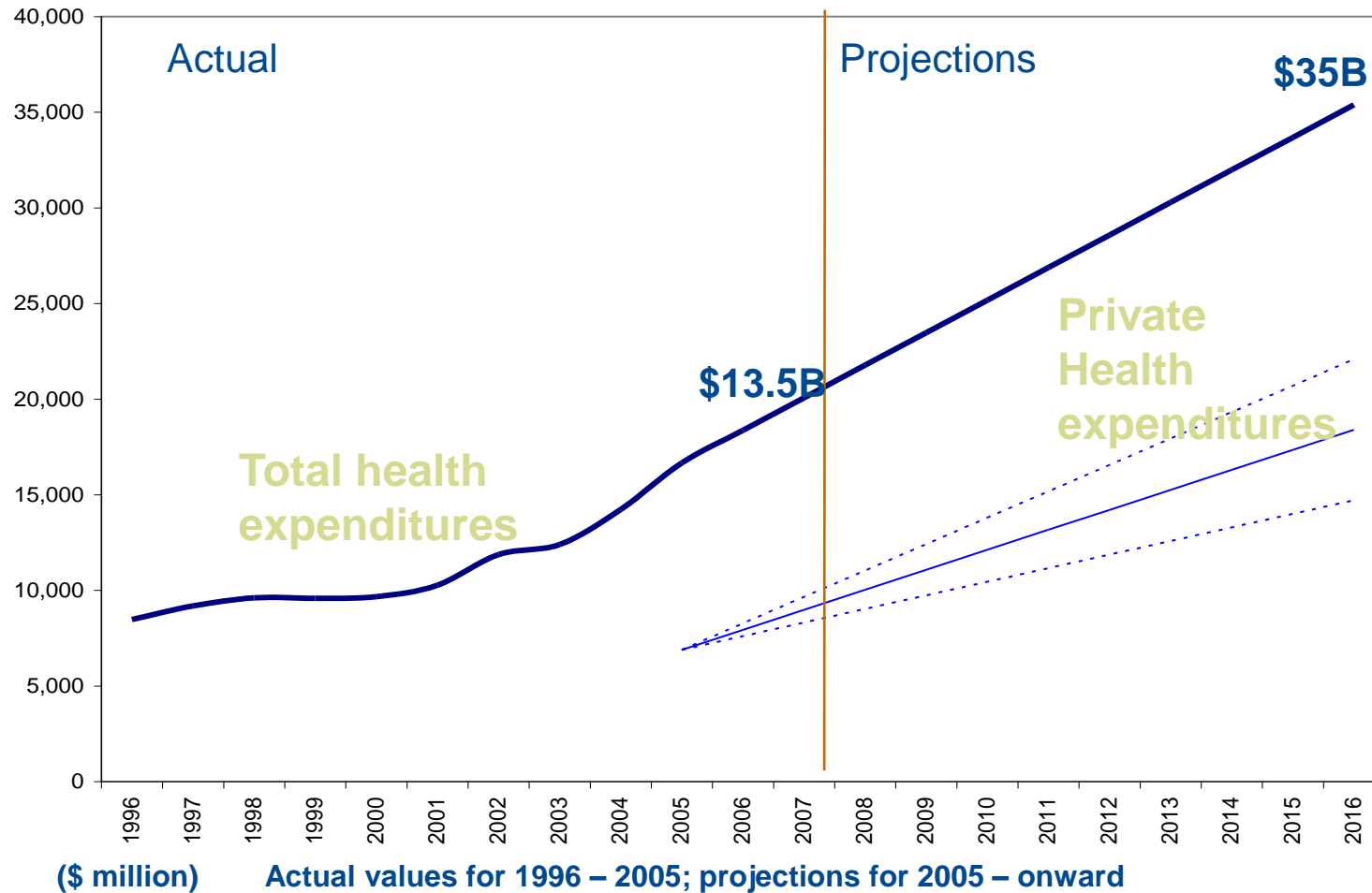
Source: Most recent Demographic and Health Surveys (DHS) and AIDS Indicator Surveys (AIS)

Even Higher Reliance on Private Health Sector for STI Care



Source: Most recent Demographic and Health Surveys (DHS) and AIDS Indicator Surveys (AIS)

Private Healthcare Market in Africa Expected to Double by 2016



Moving from Service Delivery to HRH: The Private Sector Role in Medical Education

Private Sector Actors in Each Building Block of the Health System

Private Sector Actors by WHO Health System Building Blocks



Source: Arur A. et al. 2010. *Strengthening Health Systems by Engaging the Private Health Sector: Promising HIV/AIDS Partnerships*. SHOPS Project, Abt Associates.

Setting the Stage

- Globally, the share of total enrollment in private tertiary education is 30 percent
- Asia is the region with the highest level of private tertiary enrollment (e.g., Philippines at 75 percent)
- Growth in private medical tertiary education in Africa in the context of stronger emphasis for pre-service education

Greater Linkages with the Public Sector in the Education Sphere

- Partnerships between the public and private sectors are more of a norm in medical education than in service delivery
- Few purely private models of private education → high interdependence
- Public-private partnership (PPP) in medical education is a formal collaboration with any level of government and the private sector to jointly regulate, finance or deliver medical education

Public and Private Actors in Medical Education

PUBLIC

- Ministries of Health and Education
- Professional Councils
- Public Universities and Training Institutes
- Public Teaching Hospitals

PRIVATE

- For-profit or not-for-profit Universities, Teaching Hospitals, and Training Institutes (PMTI)
- Associations of Private Training Institutes
- Research Organizations
- Management Consultancies

The Public/Private Mix in Medical Education

Ownership / Delivery			
		PUBLIC	PRIVATE
Financing	PUBLIC	<p><i>Traditional public institutions</i></p> <ul style="list-style-type: none"> - Subsidized or no tuition fees 	<p><i>Private institutions that receive government support</i></p> <ul style="list-style-type: none"> - Contracting out - Targeted vouchers - Tax incentives - Transfer payments or subsidized loans
	PRIVATE	<p><i>Public institutions with private cost-sharing</i></p> <ul style="list-style-type: none"> - Tuition fees - Student loans - Private contributions 	<p><i>Independent private institutions (for-profit and not-for profit)</i></p> <ul style="list-style-type: none"> - Tuition fees - Student loans - Private contributions, equity or debt

Types of PPPs in Medical Education

- Contractual or “contracting out”
- Legal requirements or tax incentives
- Supply-side subsidies
- Demand-side subsidies
- Sale of public assets
- Voluntary or philanthropic partnerships
- Medical education franchising

Some Emerging Lessons

- PPPs in medical education are nascent compared to service delivery
- Growth of PMTI is a precursor to PPPs→ many barriers to the growth of PMTI in Africa still exist
- Effective student loan initiatives require the sharing of risk between public and private stakeholders and can benefit from innovative PPPs
- Major gaps in the adequate flow of information from the private education market to consumers



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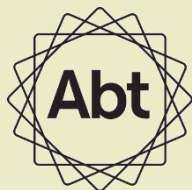


Strengthening Health Outcomes
through the Private Sector

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Wrapping It All Up

- There is significant potential for the growth of private medical education and PPPs
- However, there are major challenges- particularly around financial and business issues- facing private medical education
- Other issues around private medical education including quality of instruction; accreditation systems; and regulatory environment differ across Africa→ hard to generalize
- Often need to dig deep to the institution-level to truly understand the landscape

Eager to Hear from the Audience

- What are the main challenges in private medical education in your country?
- Do you think the private sector has been adequately incorporated into human resources for health efforts? Why or why not?