
Public Private Partnerships In The Health Sector

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Abstract

Partnerships with the private sector has emerged as a new avenue of reforms, in part due to resource constraints in the public sector of governments across the world. PPPs seek to complement rather than substitute for public health services. Partnerships in the health sector can be for various purposes. Many of such partnerships have positively contributed to health outcomes in the past; developing technologies for tropical diseases, surveillance and screening strategies, etc. Further research on effectiveness of PPP's is needed before substantial resources are invested in the expansion of PPP efforts.

INTRODUCTION

Public Private Partnership (PPP) has become a common approach to health care problems worldwide. Many PPP were created during the late 1990s, but most of them were focused on specific diseases such as HIV/AIDS, and malaria. Due to the well-documented deficiencies of public sector health systems, the poor in INDIA are forced to seek services from private sector, under immense economic duress¹. Partnership with the private sector has emerged as a new avenue of reforms, in the past resulting from resource constraints for the public sector by various Governments across the world.

India has one of the highest levels of private-out of pocket financing to the tune of 87% in the world. Such mode of financing imposes debilitating effects on the poor. Hospitalization or Chronic illness often leads to liquidation of assets, or indebtedness. It is estimated that >40% of hospitalized people borrow money or sell assets to cover expenses and 35% of hospitalized Indians fall below the poverty line in one year. The inequalities in the health system are further aggravated by the fact that public spending on health has remained stagnant at around 1% of GDP (0.9%), against the global average of 5.5%. Even the public subsidy on health does not benefit the poor. The poorest 20% of population benefit only 10% of the public (State) subsidy on health care, while richest quintile (20%) benefit to the tune of 34% of the subsidies².

On the other hand, the private health sector in India has grown remarkably. At independence, the private sector in India had only 8% of health care facilities (World Bank,

2004) but now it is estimated that 93% of all hospitals, 64% of beds, 80-85% of doctors, 80% of outpatients and 57% of inpatients are in the private sector^{2, 3}. Hence the possibility of a PPP in the health sector can be explored to meet the growing health care needs of the population; So that, PPP would improve equity, efficiency, accountability, quality and accessibility of entire health system.

The public private partnership has been defined by different organization as follows:

1. "Means to bring together a set of actors for the common goal of improving the health of the population based on the mutually agreeable roles and principles, (WHO 1999)"².
2. "A form of agreement that entails reciprocal obligations and mutual accountability, voluntary or contractual relationships, the sharing of investment and operational risks, and joint responsibility for design and execution."²
3. A partnership means that both parties have agreed to work together in implementing a programme and that each party has a clear role and say in how that implementation happens (Balgescu and Young, 2005)"².
4. PPP is a variation of privatization in which elements of a service previously run solely by the public sector or provided through a partnership between the government and one or more private sector companies

(En.wikipedia.org/wiki/Public_private_partnership 4). Unlike a full private scheme, in which the new venture is expected to function like any other private business, the government continues to participate in some way. These schemes are referred to as PPP.

5. Most commonly used definition in the health arena is that proposed by Kent Buse and Gill Walt (London School of Hygiene and Tropical Medicine)⁵ A collaborative relationship, which transcends national boundaries and brings together at least three parties, among them a corporation (and/ or industry association), and an inter government organization, so as to achieve a shared health-creating goal on the basis of a mutually agreed division of labour.

HISTORY OF HEALTH RELATED PPP

PPP's at an individual project level are not new. Merck's 1987 donation of "Mectizan" backed up by public and Philanthropic sector provision of the necessary infrastructure to utilize this drug effectively for onchocerciasis control is a shining example of what can be achieved through PPP⁶. During the 1980s, political and economic disruptions in many areas of the world led to a reassessment of the basis of the reliance on the public sector for health care. Both national Governments and Global Economic organizations began to shift to an increasing reliance on the private sector for improvement in health and welfare systems⁷.

The restructuring of the British National Health Service under Prime Minister Margaret Thatcher and the restructuring of Mexican health care system as a part of the international response to its economic crises were examples of the movement towards privatization and increased reliance on market forces that became increasingly widespread. In November 2002, the WHO centre for Health Development in Kobe (Japan) convened the Global Symposium on Health and Welfare systems development, in which the participants stressed PPP as a strategy to improve the health and welfare services in developing countries. In the year 2003, the WHO centre for Health Development asked Stanford University researchers to assist in the development of a research protocol to evaluate the effectiveness of PPP model⁷.

William Hsiao of Harvard University published the effects of these marketization efforts in the health care systems in

four countries. He called for a collaborative effort by public and private sectors to confront the health care challenges of developing countries.

Around the same time, Hsiao published his analysis, perceptions about the role of private sector in providing health and welfare services were rapidly shifting. Instead of adopting a pure privatization model, increased emphasis was placed on establishing partnerships between the public sector and various organizations in the private sector. The term PPP became common and was typically referred to by its acronym.

In one of the articles published in 2000 and 2001 suggested that the challenges of the myriad unmet health needs of the developing nations can be met with by PPPs. An Editorial in BMJ referred PPP as "essential" for getting vaccines and new medicines to world's poorest nations. The enthusiasm for a PPP approach to global health problems arose in response to convergence of a number of forces during the mid and late 1990s. First, was the growing skepticism directed at a private sector approach. Second force was a growing pattern of collaboration in the U.S between the Govt., private universities and private pharmaceutical companies etc. as initiated by the Bayh-Doyle Act. Third force was the decision by the Rockefeller Foundation, the Bill and Melinda Gates Foundation, etc. to rely on PPP model to address the growing worldwide crises of HIV/AIDS, Malaria, Tuberculosis and other major diseases⁷. In 2003, the WHO centre for Health Development asked Stanford University researchers to assist in the development of a research protocol to evaluate the effectiveness of PPP model.

THE NEED FOR PARTNERSHIP WHY THE SHIFT TOWARDS PPP'S?

It is the result of increased global integration due to⁵:

- Globalization, Epidemiological and Demographic Transition.
- WTO, Patents, TRIPS and other related developments.
- To harness the potentiality of I.T in future management of health care
- To address the digital divide
- Reaching out to the unreached.

- Global epidemic management in view of the current incidence of SARS & Dengue.
- Prioritization areas of potential donor support in health care.

WHAT DO PPP'S ACTUALLY CONTRIBUTE?

PPP's bring outside resources to bear on areas of local need. PPP contribute by₈

- Ensuring sustainability of programs by enhancing the skills and capacities of local organizations, and by increasing the public's access to unique expertise and core competencies of the private sector.
- Facilitating scale up proven, cost-effective interventions through private sector networks and associations.
- Expanding the reach of interventions by accessing target populations in their milieu (through workplace programs) and
- Sharing program costs and promoting synergy in programs. Additional partners contribute in kind –contributions that otherwise would be beyond the reach of implementers.

TYPE OF PPP'S

The database of the Initiative on Public Private Partnership for Health (IPPPH) of the Global Forum for Health Research lists 91 International partnership arrangements in the health sector which can be called PPP. Of these, 76 focus on infectious diseases prevention and control, (AIDS, Tuberculosis, Malaria), 4 on Reproductive health issues, 3 on nutritional deficiencies and the rest focus on other issues (health policy and research, etc.)

Several classifications have been proposed to conceptualize and categorize PPP, which may be based on the terms of the constituent membership or nature of the constituent membership or nature of activity. Based on the definitions and the characteristics of the public and private sectors, it can be stated that PP arrangements are fostered either when Govt. and InterGovt. agencies interface with the for-profit private sector to tap into resources, or the non-profit private sector for technical expertise or outreach.

Transnational partnerships involve a visible role of the for-

profit sector. These usually involve larger partnerships and a complex grouping; depending upon their structure, they may bring together several Government, local and international NGOs, research institutions and UN agencies in transnational programs, often involving the non-profit sector. Such partnerships can be owned by the public sector and have private sector participants such as in the case of Global Alliance for Vaccine Initiative (GAVI), Roll Back Malaria (RBM), Stop Tuberculosis partnership, Safe Injections Global Network (SIGN), etc.

On the other end of the spectrum, there are examples of individual Government forming partnerships with the for profit private sector. There are also examples of situations when a Govt. partner with an NGO with a particular technical strength, technical or outreach related.

In certain cases, the NGOs seek support from corporate partners at National and International level. The World Heart Federation has entered into collaboration with the corporate sector for supporting global programs.

Partnerships in the health sector can be for various purposes. Many of such partnerships have positively contributed to health outcomes in the past; developing technologies for tropical diseases, surveillance and screening strategies, etc.,

KEY CONCERNS/ISSUES TO BE ADDRESSED FOR VENTURING INTO PPP

PRE-REQUISITES FOR EVOLVING EFFECTIVE PPP'S

Following issues are needed to be addressed for organization for venturing with PPPs.

- Representation/legitimacy: There is a questionable involvement of those who actually need such an endeavor.
- Accountability for the outcomes of such partnerships should be clear.
- Sector wide policy framework- there is a need to have “public policy towards private sector”.
- There a need to have explicit, transparent and adequate mechanisms which ensure:
- Involvement of all stakeholders in the process
- Co-ordination across various departments within the govt. & various implementing agencies

- Availability of critical resources such as qualified work force
 - Appropriate monitoring & governance system
 - Social safety nets - Engaging in a partnership mode provides the public sector an opportunity to renounce their responsibilities
6. Adhoc intervention

WHAT ARE THE PROBLEMS/DRAWBACKS SUCH PPP'S? ,

Some of the issues which are yet to be explored are listed below:

1. Little is known about the effectiveness of partnerships,
 2. Lack of transparency in how they operate and what they achieve,
 3. Situations which need to be the sole responsibility of government or public sector might be overlooked,
 4. Problems associated with private sector for profit type of partnerships i.e.
 6. Use of illegitimate or unethical means to maximize profit -High costs
 7. Lack of interest in sharing clinical information
 8. Creating brain drain among public sector health staff
 9. Lack of regulating control over their practices
 10. Clustered in cities
1. Problems associated with Informal / NGO's type of partnerships such as:
 3. Poor quality care
 4. Poorly educated / trained
 5. Small coverage

CONCLUSIONS

PPP's are a central feature of global health landscape. The partnerships, however, clearly require improved system of institutional governance. System should be established with public sector agencies to ensure that the greatest possible importance is attached to protecting the public's interest¹⁰.

There is few available data about the success or problem of using a PPP approach to improve the delivery of health and welfare services¹¹.

Further research on effectiveness of PPP's is needed before substantial resources are invested in the expansion of PPP efforts.

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