Governing Mixed Healthcare Systems

Catherine Goodman

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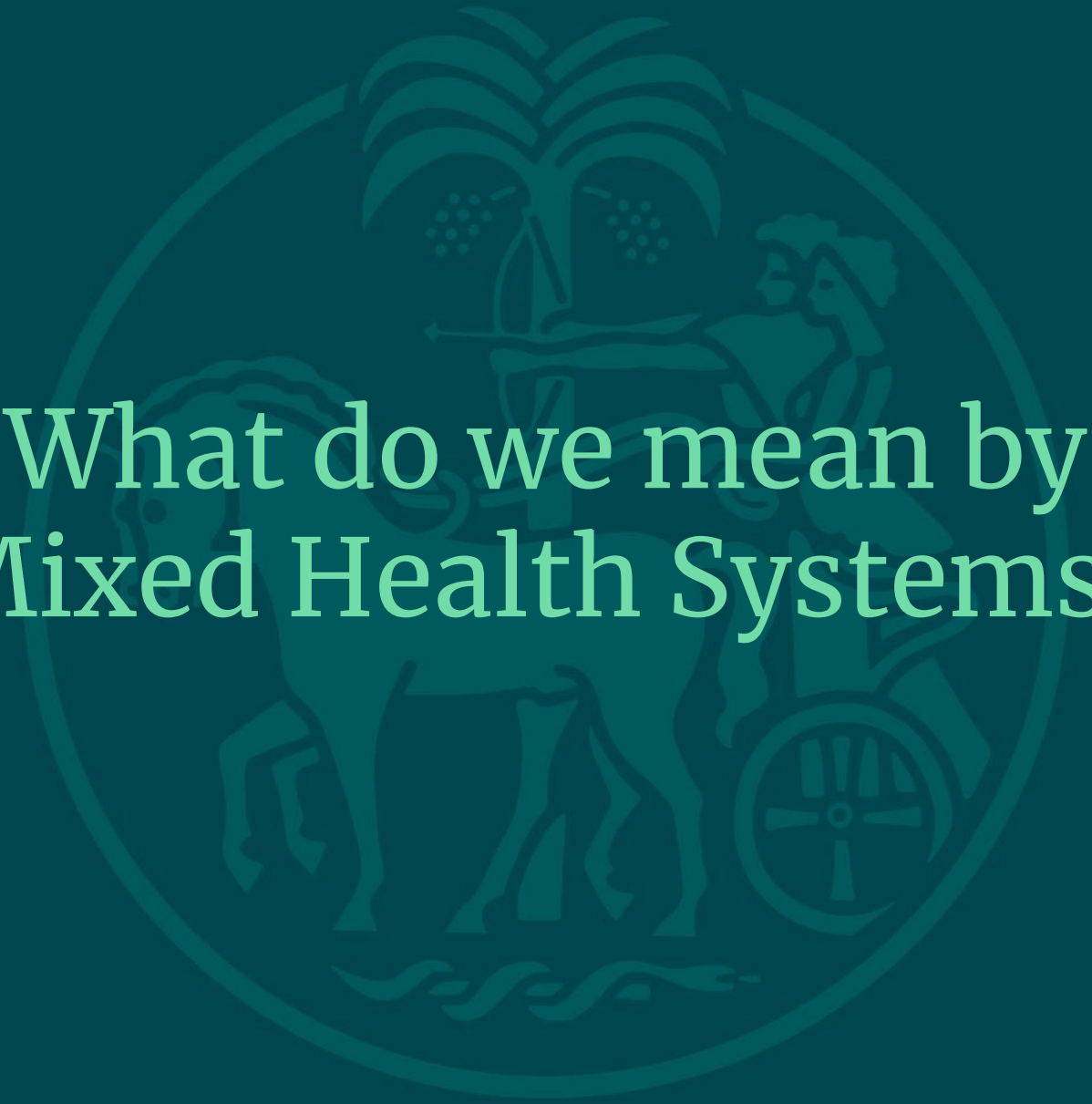
Improving Health Worldwide

What do we mean by ‘Mixed Health Systems’?



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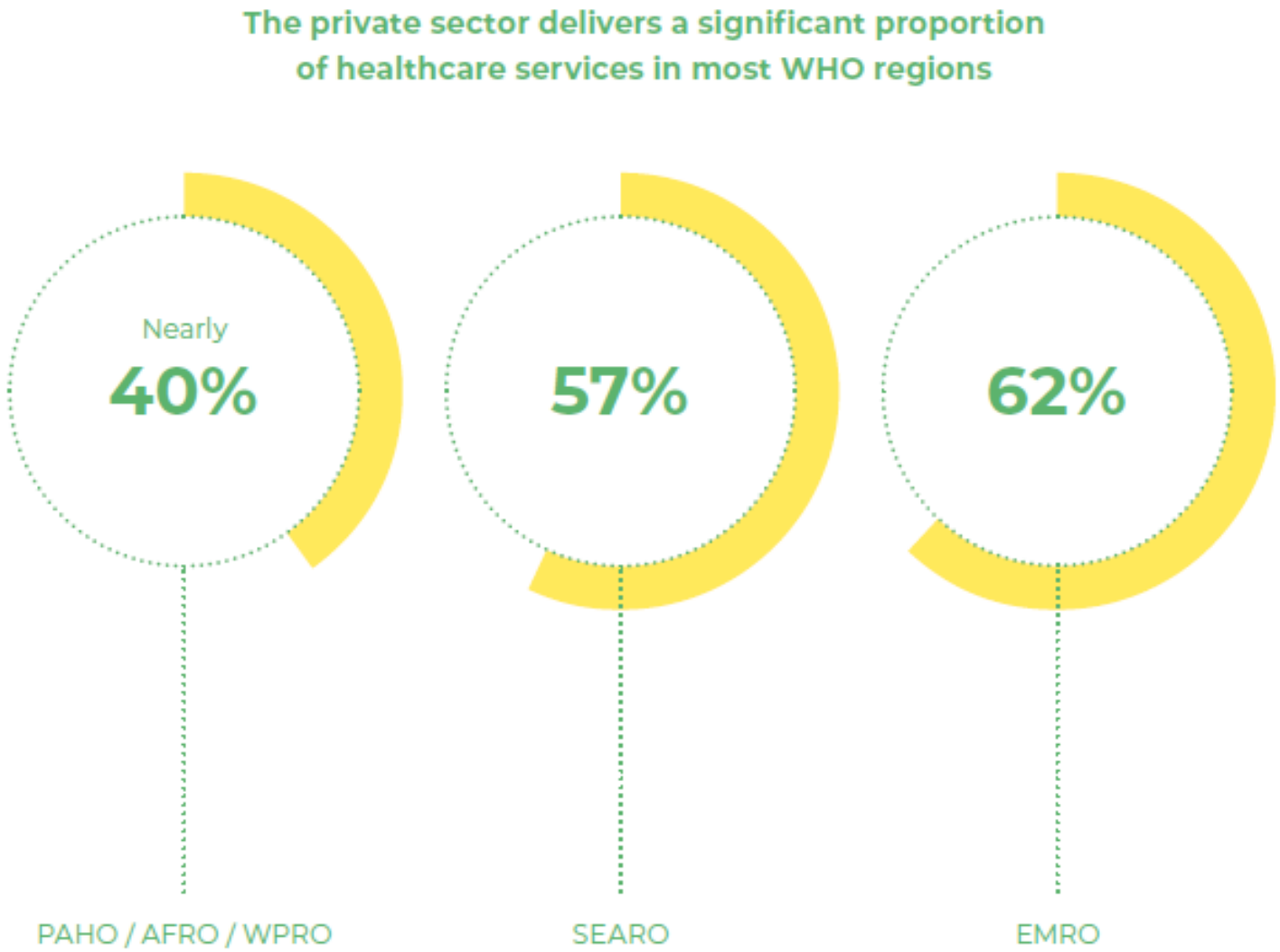
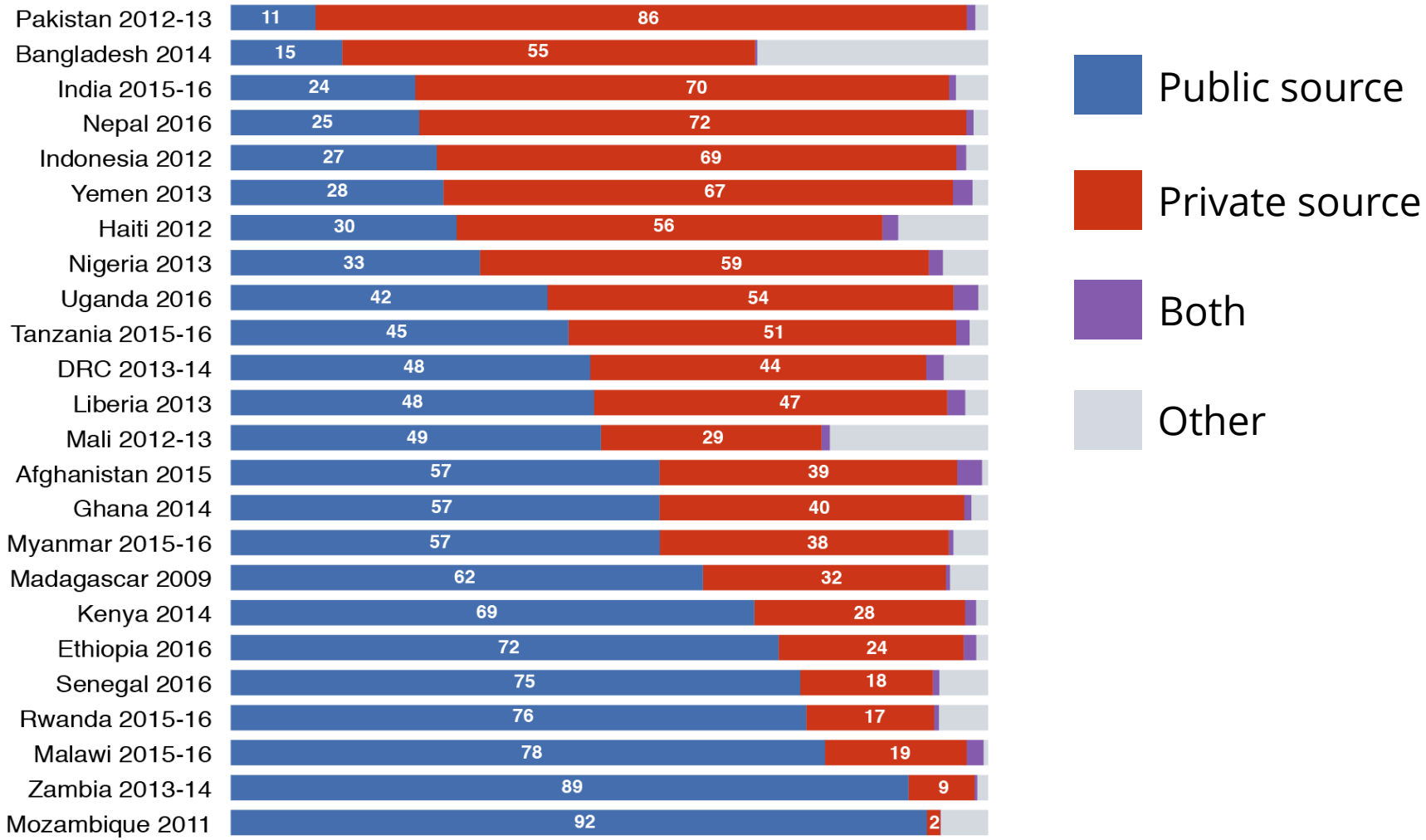
Private sector share of healthcare provision



Source: WHO, Private Sector Landscape in Mixed Health Systems, 2020

Variation in role across countries

Curative care for under 5s



Source: Bradley et al. Global Health Science and Practice, 2020

Variation in type of mixed system

- **Universalist public sector** where private sector plays a minor complementary role: Sri Lanka, Thailand, UK, Portugal
- **Dominant private sector** with weaker public provision: India, Nigeria
- **Stratified systems:**
  - High-cost private sector mainly used by richer groups: Argentina, South Africa
  - High cost for better-off and low cost for the poor: Tanzania, Malawi, Nepal
- **Pooled financing used to purchase from public and private providers:** Germany, Greece, Austria, France

Mackintosh et al, Lancet, 2016; Beaton et al, 2018

Large & diverse private sector involved in health

PRIVATE INSURANCE FIRMS

DRUG RETAILERS

PRIVATE HOSPITALS

BLOOD BANKS

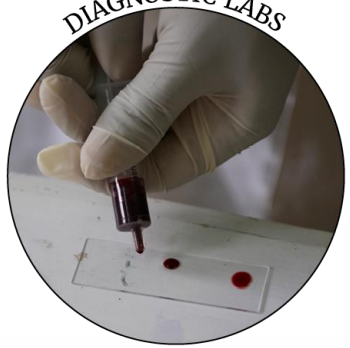
HW TRAINING

PRIVATE EQUITY INVESTORS

DIGITAL HEALTH

PHARMA MANUFACTURERS

DIAGNOSTIC LABS



MEDICINE DISTRIBUTERS

INFORMAL PROVIDERS

FOOD & DRINK PRODUCERS

Why do we need Good Governance?

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Mixed health systems - What could go wrong…?

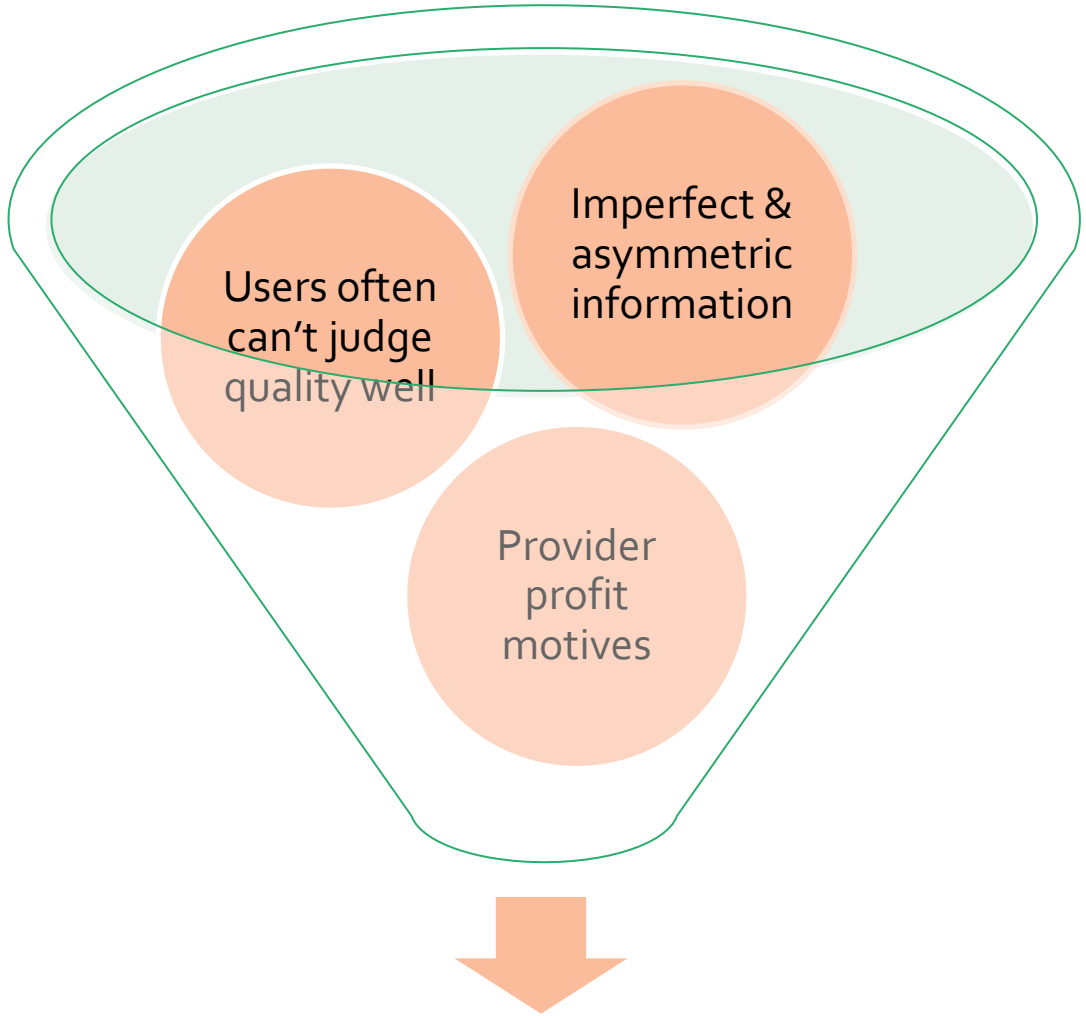
Quality and safety of private provision highly variable

Poor coordination between public and private sectors

Unaffordable care, and risk of price gouging

Vested interests influence and distort health system

Problem 1: Quality and safety



Poor quality and safety

Private providers may be more likely to:

- Focus on easily observable elements of quality (waiting times, hotel facilities, time with HWs)
- Cut corners on less visible elements of technical quality
- Provide unnecessary or even harmful services and procedures

One large study of Indian providers…

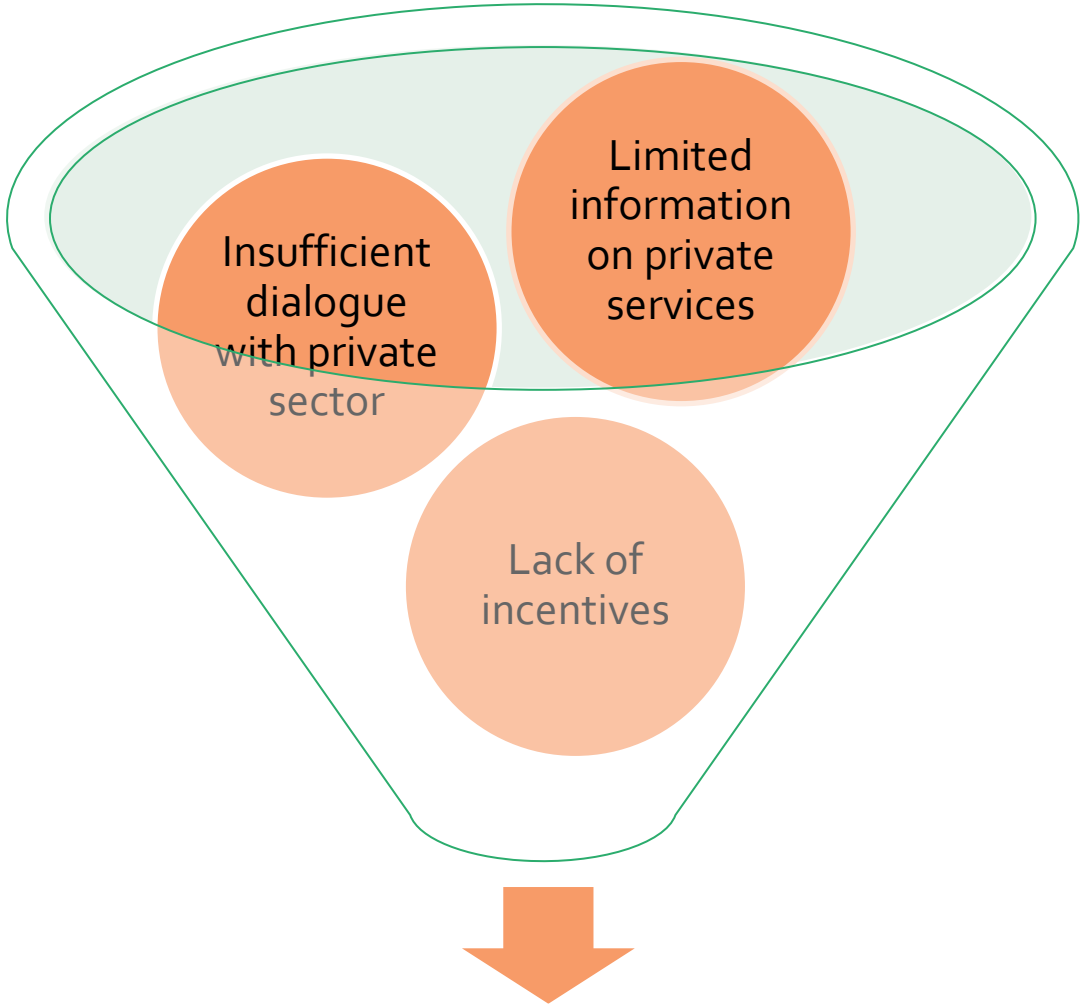
"Private sector practitioners do more or less what is expected of them by patients. Poorer patients receive low quality advice and spend a fair amount of money for nothing—on low-value advice and unnecessary drugs.

Wealthier patients get better advice, both because they see more competent providers and because their providers put in more effort. But wealthier patients also spend a fair amount of money for nothing, on unnecessary drugs."

Das & Hammer, "Money for nothing: the dire straits of medical practice in Delhi, India", JDE, 2007

Problem 2: Poor Coordination

- Private providers may not follow treatment/policy guidelines
- Lack of public/private referral links & continuity of care
- Production of HWs misaligned with need



Problem 2: Poor Coordination

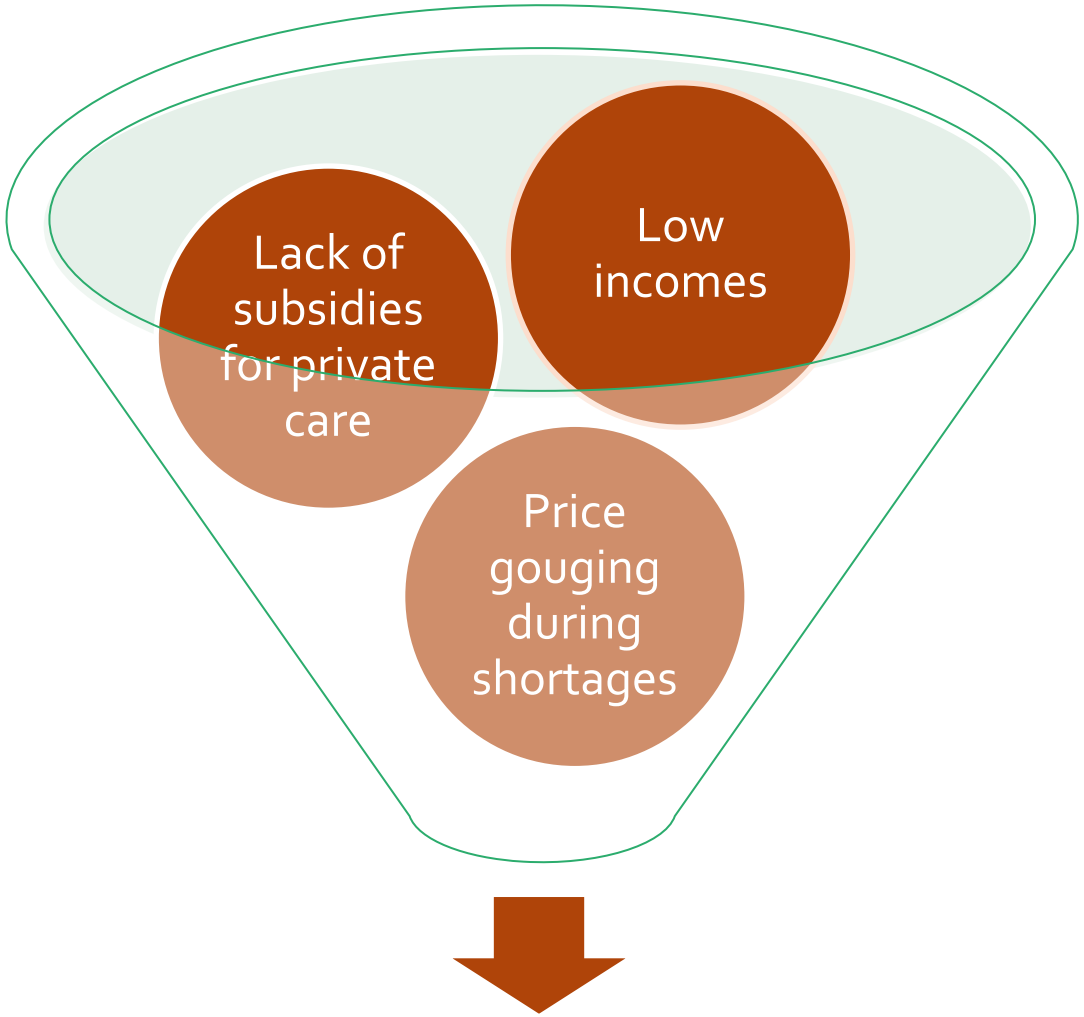
"In high-, middle- and low-income countries, there are accounts of 'brain waste' which occurs when trained medical doctors, nurses, midwives, and pharmacists find themselves unable to secure decent, regular and regulated work and become 'surplus' to the absorption capacity of the health system."

Hutchinson et al The paradoxical surplus of health workers in Africa: The need for research and policy engagement, IJHPM 2023

"Status quo of public and private sectors existing in two separate worlds"

Open Phences 2022

Problem 3: Unaffordable care



Unaffordable care

- Good quality private care unaffordable to the majority
- High levels of inequity
- Undermines solidarity

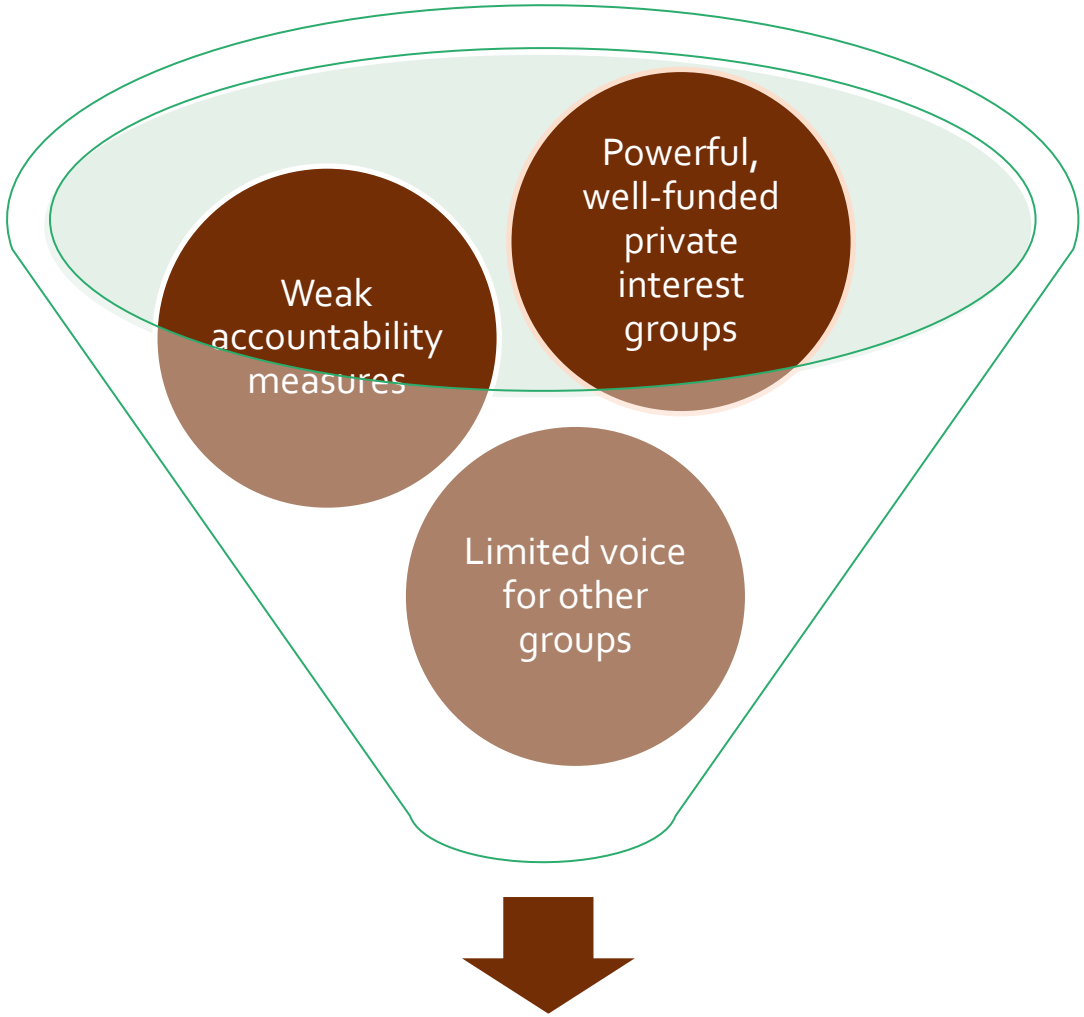
A news review of pandemic practices revealed….

"…filtering of patients based on the ability to pay; gouging on price, and brinksmanship on price per patient to be paid by governments dependent on access to private hospital beds."

Source: Williams et al, "The failure of private health services: COVID-19 induced crises in LMIC health systems, GPH, 2021

Problem 4: Vested interests

- Undue influence on policy of some actors
- Regulatory 'capture'
- Undermining trajectory towards UHC



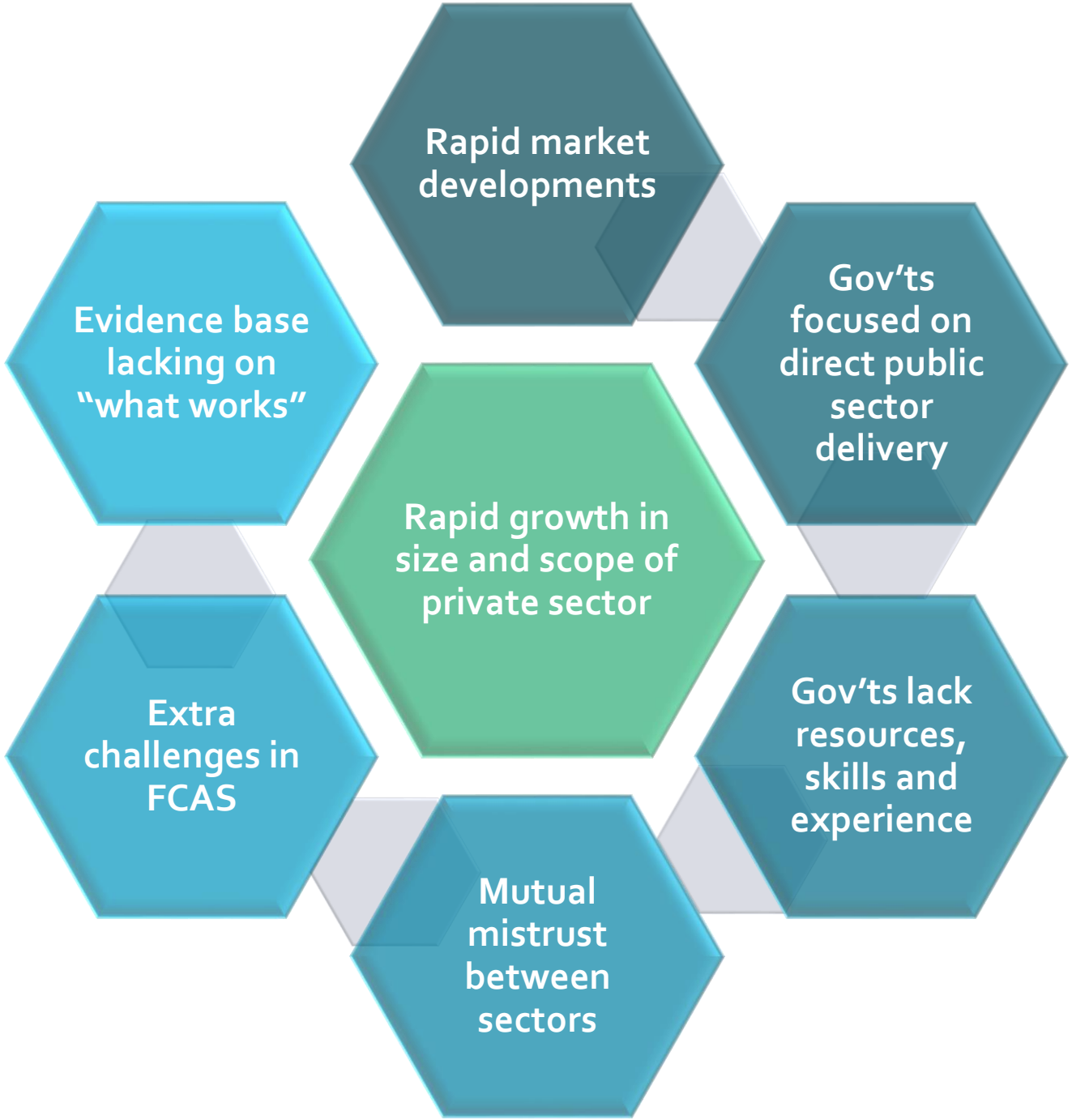
Distort health system

The importance of path dependence…

In Brazil, a comparatively large and entrenched private sector… and a sizable private health insurance industry has exerted powerful influence on health policy, weakening the public sector. In Thailand, constraints on private health insurance growth and sustained investment in public health infrastructure and governance have helped check the growth of private sector influence, although battles over health policy still remain contentious.

Source Harris & Libardi Maia, "UHC does not look the same everywhere: Divergent experiences with the private sector in Brazil and Thailand, GPH 2022

Why has the private sector been under-governed?



What do we mean by Good Governance?

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One of the six building blocks of a health system

What do we mean by Governance?

- "Ensuring strategic policy frameworks exist and are combined with effective oversight, coalition-building, regulation, attention to system design and accountability" (WHO 2007)
- "Governance reflects how governments and other social organizations interact, how they relate to citizens and how decisions are taken in a complex world." (Kickbush & Gleicher, 2014)
- "Inclusive, transparent, accountable to all stakeholders, and responsive to the demands of the governed" (Ciccone et al 2014)
- "A well-governed mixed health system is one in which public and private actors collectively deliver on public health goals, health security, UHC and health systems resilience" (WHO 2020)

Bigdeli et al, 2020

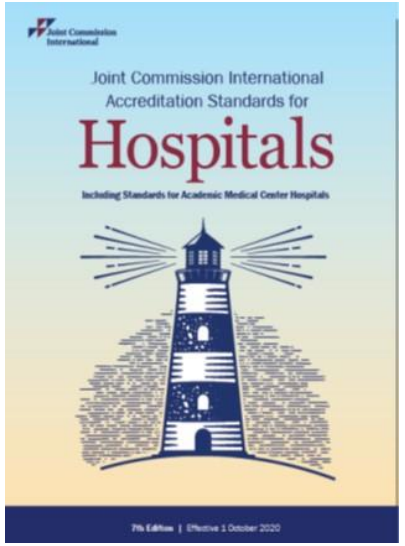
Potentially powerful governance tools:

Legal:

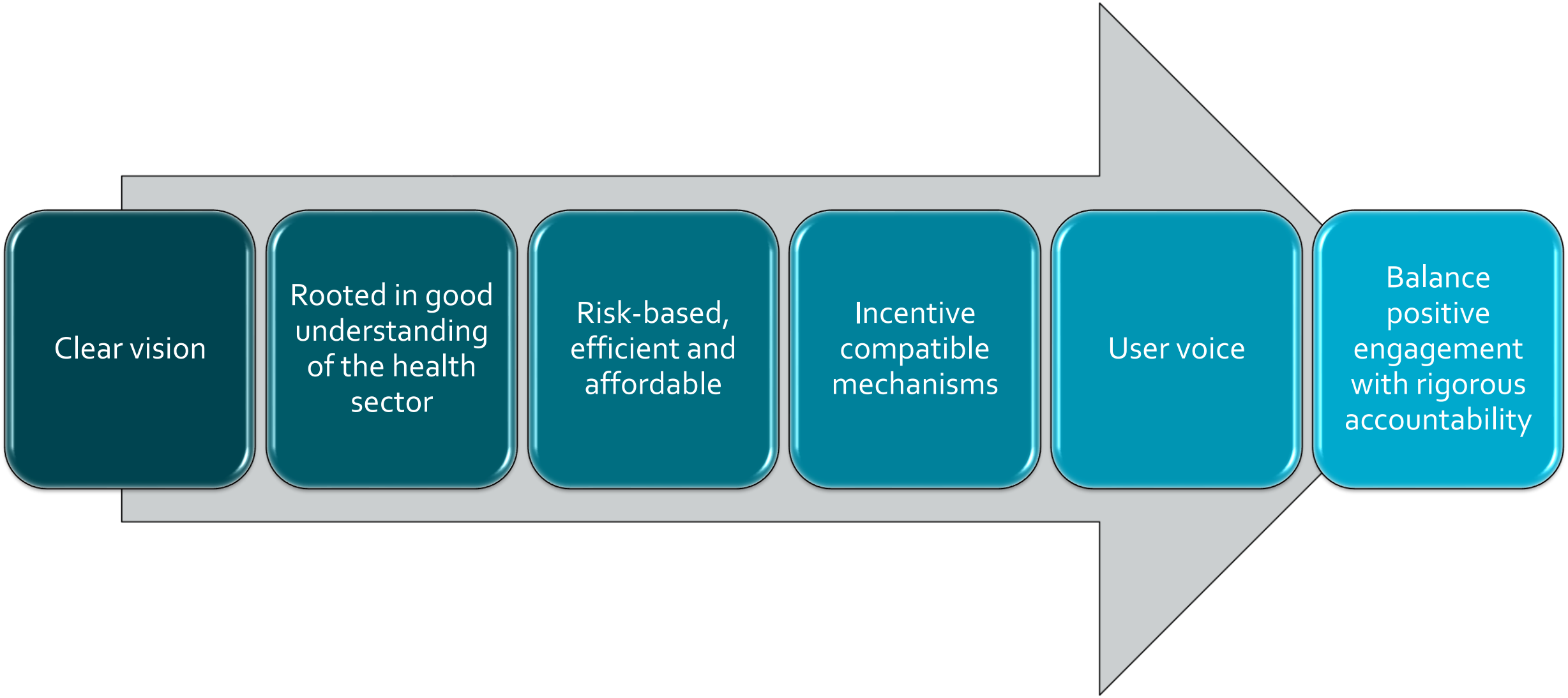
- Licensing & registration
- Regulation of practices
- Consumer protection law

Persuasive:

- Information sharing, training & cooperation
- Accreditation
- Strategic purchasing
- Community accountability mechanisms



Suggested Principles for Good Governance..



In summary…

- Private sector governance is key role of the state, and rapidly becoming more important as the private sector grows and evolves
- Historically private sector governance in LMICs has under-developed and under-resourced
- The consequences of poor governance are serious – in terms of the health system's current performance and future development
- We need to draw on our collective experience to improve our use of the potentially powerful governance tools

Good governance - the problems....

Quality and safety of private provision highly variable

Poor coordination between public and private sectors

Unaffordable care, and risk of price gouging

Vested interests influence and distort health system

Good governance - the potential....

Ensure quality and safety standards, and inculcate a focus on quality improvement

Coordinate public and private contributions in line with government policies

Improve affordability and equity

Shape market development in line with health system goals

THANK YOU

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