Country Conversations

COUNTRY CONNECTOR
on Private Sector in Health

Engaging the Private Health Sector in Fragile, Conflict-Affected and Vulnerable Settings

A case study series from…

Afghanistan, Myanmar, Occupied Palestinian Territory and Syrian Arab Republic

Governance of the Private Health Sector in Afghanistan

SITUATION

The private sector has played an important role in providing health-care services. Since the sharp reduction in international financial and technical support after the takeover of the Taliban in August 2021, the health system has faced severe challenges. These can be encapsulated as follows.

- The Taliban takeover resulted in significantly less international development funding for Afghanistan's public health system. Given the government's minimal contribution to primary health care, the system was left susceptible to failure following the withdrawal of aid. Staff shortages and supply problems intensified as did security issues, prompting numerous Afghan health professionals to either leave the country or resign from their positions.
- The Taliban's restrictions on women's freedom of movement and employment have impeded their access to health services, while the prohibition of education for women and girls has obstructed the training of future female health professionals. By the end of 2023, nearly two thirds of the population required humanitarian aid, with a prolonged drought and natural disasters intensifying the crisis.
- Disparities in health-care access continue, marked by urban-rural, gender, and socioeconomic divides. Consequently, the situation is still dire and collaboration of the public and private sectors is vital.
- Over the past decade, Afghanistan has achieved notable progress in delivering primary health services and establishing hospitals. However, despite improvements in health coverage, the development of financial protection for patients has lagged.
- The private health sector has experienced rapid growth in Afghanistan over recent decades. Meanwhile, the public health sector faces substantial challenges in covering certain costs and one solution is leveraging the capabilities of the private sector. Additionally, public participation can effectively enhance the sustainability of government health programmes.

+65%

of the population turning to the for-profit sector, including private doctors, clinics, and hospitals, for health services.

Key strategy and tools for private sector engagement

Afghanistan's private sector directorate has pursued various strategic approaches to attain universal health coverage, including funding private health centres across the nation and revising the service fee structure for secondary and tertiary health care, ensuring equitable access to services.

PROCESS

Given financial constraints, the government health sector is unable to guarantee basic health services and their quality. Consequently, the private health sector is stepping in to provide essential services. This contribution is expected to grow further as specific monitoring mechanisms and quality assurance are implemented.

Private health centres are established in accordance with private health sector regulations. These regulations apply to public hospitals, private hospitals, outpatient clinics, radiology centres, physiotherapy centres, laboratories and imaging services such as CT scans, X-rays and ultrasounds.

RESULTS

The primary outputs and outcomes include continuous monitoring and evaluation systems, personnel capacity development, and the provision of resources such as securing land from the government, resolving electricity tax issues, and creating incentive structures through government tax breaks on services.

The increase in the number of private health centres in recent years has contributed to the improvement of health service quality and fostered competition among private providers in the country.

Learnings:

- **Keeping up with online training and conferences** was vital during health emergencies. At the same time, innovative methods like undertaking scientific initiatives, spreading medical advancements, and broadcasting and publishing key medical journal articles were just as critical.
- **A fully integrated health system** has been shown to be highly effective in mitigating community health issues internationally. This is due to the collaboration between government and private health sectors through specialized mechanisms.
- Additionally, the **quality of health service delivery** in the private sector must be enhanced with the increased support from the government and dedicated international organizations.
- Developing and revising **legal and administrative frameworks** is crucial for implementing mechanisms in private hospitals, as well as for monitoring the growth and advancement of private health centres.
- Regular **assessments** of the health system's efficiency and effectiveness are necessary to pinpoint opportunities for improvement and cost savings.
- Establishing **strategic research and educational collaboration** with both domestic and international institutions involved in health economics and financing is also vital. This includes creating annual research agendas that feature surveys and studies on health costs and financing, as well as fostering capacity building among health system practitioners to ensure the effective use and management of health resources.
- The establishment of specialized private health centres and the provision of advanced tertiary health services, such as organ transplants, angiography, angioplasty, and high-quality imaging services like MRI and CAT scans, are also essential.

Strategic Purchasing of Health Services from Private Institutions in Myanmar

SITUATION

Myanmar’s health system is fragmented with private sector predominance both in financing and provision of health-care services. Myanmar has some of the highest household out-of-pocket (OOP) expenses, accounting for over 75% of current health expenditure in 2020. Public sector provision is focused on secondary and tertiary care – hospitalization is largely in the domain of public authorities while outpatient care services are predominantly served by private providers. In conflict areas, there is limited public sector delivery and for-profit and not-for-profit institutions (ethnic health organizations) play a vital role.

Myanmar's current health system is under significant strain due to political instability, conflict and a depleted tax base, impacting overall health and well-being and disrupting delivery of essential health services. There is less routine immunization, increased risk of vaccine-preventable diseases, and limited surveillance, diagnosis, and treatment for TB and malaria. The ongoing conflict has also resulted in displacement and the need for emergency care for conflict-related injuries, further straining the health system.

Key strategy and tools for private sector engagement

Strategic purchasing of health services from private institutions in protracted emergency settings: in 2021 the WHO Country Office (WCO Myanmar) initiated an innovative approach to purchasing health-care services for conflict-affected populations. It involves close collaboration with local and international NGOs, and for-profit health facilities. The services procured through this initiative (WCO Myanmar serving as payer and purchaser of health services) focus on life-saving and essential health care, including primary health care, maternal, child, adolescent, and neonatal care (RMNCH), COVID-19 screening and treatment, trauma care, and screening and treatment for noncommunicable diseases. Additionally, it includes awareness sessions and training activities to improve care in these areas.

PROCESS

The initiative has now expanded with significant funding (over US$ 6 million) and about 20 projects under way. The scale and impact of this initiative are expected to grow substantially in the coming years, given Myanmar's continued classification as a “protracted emergency”. Private sector engagement included i) direct purchasing by WCO Myanmar (serving as payer and purchaser) and ii) indirect purchasing by WCO Myanmar (serving as payer while a network provider purchases), linking them with GPs and providing referral services to secondary care facilities. The purchaser-provider split was well demonstrated in the contracting mechanism. Purchasing of contracts was carried out with private suppliers through WHO’s Agreement for Performance of Work (APW) and Grant Letters of Agreement (GLOA) modalities.

RESULTS

The strategic purchasing initiative demonstrates a concerted effort to address health-care disparities and improve access to essential services for vulnerable populations across diverse regions, from urban centers like Yangon to townships in the Yangon and Sagaing regions, as well as conflict-affected areas in states like Kachin and Shan. Initiatives targeting internally-displaced persons extend their reach to camps and host communities in townships, with estimates of over 300 000 beneficiaries across the projects.

Common themes emerged throughout these initiatives. Firstly, there was a strong emphasis on primary health-care services, encompassing preventive, diagnostic and treatment services for a wide range of health conditions. Many initiatives also prioritized community engagement through health education sessions, awareness campaigns, and involvement in decision-making processes related to health-care delivery. Training programmes were integral to most benefit packages, aiming to enhance the skills and knowledge of health-care providers, community health workers and volunteers. Finally, initiatives focused on integrating various health-care services to ensure holistic care delivery and maximize impact, especially in remote or underserved areas. The benefits packages purchased from private organizations had two major components: the core component, comprised of support for COVID-19 response, RMNCH services and NCD management, and the second capacity building and training, health education and awareness-raising. The purchasing mechanisms with the private health sector present a holistic strategy for enhancing health-care management.

The agreements not only consider RMNCH and infectious diseases but also NCDs by incorporating screening, diagnosis and treatment for conditions such as hypertension and diabetes while bolstering health-care providers' capacity to manage these diseases. Emergency and trauma care provisions are outlined, offering training and resources to handle severe cases effectively

Additionally, the agreements incorporate telemedicine to overcome geographical barriers, ensure continual care, and enhance provision and referral services for specialized care needs. Capacity building and training are also central to nearly all purchasing mechanisms. There is also significant emphasis on public health education and awareness, with initiatives designed to inform the public about critical health issues such as COVID-19, antimicrobial resistance, food safety, and general health practices. Preliminary outcomes suggest that the purchasing mechanisms have been effectively addressed and most of the contracts have successfully achieved their targets. In terms of budget utilization, all major contracts have shown more than 80% expenditure.

Learnings:

- Monitoring reports highlight the challenges, which include financial constraints and fund management issues, supply chain constraints, and logistical challenges including security that hamper effective utilization of the agreements.
- In purchasing agreements, where the maximum shared cost provided for is often exceeded, there is evidence of **out-of-pocket expenditure by patients**.
- **Financial management processes and capacity of private health providers** are key bottlenecks in the effective utilization of the purchasing agreements. This includes the complexity of cash withdrawal processes due to banking policies: challenges in processing cash advances were found to affect budget management and resource allocation of private health institutions.
- Constraints in the **procurement and supply chain management** system are another key challenge.
- **Delayed procurement of medical supplies and infrastructure** impede service provision and office operations, exacerbating logistical challenges.
- **Fluctuations in market prices** coupled with the **banking crisis** complicate procurement processes, leading to delays in obtaining necessary supplies and disbursing funds.
- There are also **service disruptions** including the closure of GP clinics and private hospitals, as well as high turnover of volunteers that hinders the continuum of care.

Contracting the Private Health Sector in the Occupied Palestinian Territory

SITUATION

The Ministry of Health is the largest provider of health services to the Palestinians. However, not all services can be provided in-house which implies that these services need to be purchased from other providers, in particular oncology, cardiology and ophthalmology services. During the fiscal crisis of recent years, Ministry of Health outside medical referrals have increased for reasons including drug shortages, equipment malfunction, bed shortages and lack of specialized services. The Ministry has established a contractual relationship with the East Jerusalem Hospitals Network, especially Augusta Victoria Hospital (oncology and pediatric kidney analysis), Al-Makassed Hospital (cardiology/other services) and St John's Eye Hospital (ophthalmology), to which patients from the West Bank are referred.

Key strategy and tools for private sector engagement

Memoranda of Understanding (MoUs) are established between Ministry of Health and hospitals in East Jerusalem.

PROCESS

Negotiations take place between the Ministry of Health strategic purchasing unit and the hospital representatives. The Ministry of Health coordinates with the Ministry of Finance on the conditions of the agreement, especially in relation to pricing and payment conditions. Finally, an MoU is prepared and signed for a specific duration.

RESULTS

After the MoU is signed, the Ministry refers patients according to need and as per the conditions of the Outside Medical Referral process and the MoU. The hospital bills the Ministry after the services are provided. The Ministry of Finance audits the bills for payment.

Learnings: *Several challenges were noted in the process:*

- The Ministry of Finance raised issues with **finalizing payments** to hospitals due to management and financial system gaps at the level of the hospitals, leading to major delays in settling payments.
- The Ministry of Finance also faced **extreme delays** in paying the hospitals because of the fiscal challenges facing the Palestinian Authority, causing large and unsettled debts.
- Several trials, also supported by donors, sought to **ensure strategic purchasing**, but were not conclusive.
- **No feedback on services** has been provided by patients, thus the Ministry of Health cannot be sure of the value of its investment relative to the care provided.
- **The internal management, financial system and governance structure of both contracting parties** are key to ensuring a successful relationship between the partners.

Engaging the private sector to deliver **specialized services** in the Occupied Palestinian Territory

SITUATION

Many specialized services are unavailable at Ministry of Health facilities. They include heart procedures (open heart surgery, catheterization, and treatment of complex cases), some specialized surgeries, as well as hematology, and oncology treatments.

East Jerusalem hospitals provide high-quality specialized services and serve as major referral centers for Ministry of Health patients in need of services that are unavailable at Ministry of Health facilities.

Key strategy and tools for private sector engagement

In 2002, a memorandum of understanding (MoU) was signed between the Ministry of Health and Augusta Victoria Hospital (AVH), a tertiary hospital owned by an NGO in East Jerusalem. The MoU covered the provision of oncology and kidney dialysis services to patients from the West Bank and Gaza, setting out objectives, services, prices, payment, and other contractual terms. The agreement has since been updated three times. It contains provisions for formal letters between AVH and the Ministry of Heath to be used to agree additional services not included in the MoU.

RESULTS

The agreement has helped cancer patients access treatment, especially in radiology services, that would otherwise be unavailable to them. Referrals from the Ministry of Health to AVH have also enabled the treatment of kidney dialysis patients.

Referrals between 2019-2021:

Duration	Number of kidney dialysis referrals	Number of oncology referrals
July–Dec 2019	188	9 932
Jan–Dec 2020	382	11 914
Jan–Jun 2021	177	7 965

Governing the private sector in the Syrian Arab Republic

SITUATION

Syria is committed to the right to health of its population. In 2021, the Universal health coverage (UHC) service coverage index was 64. The private sector is a major contributor to health services.

Before the war

In 2010, before the war, a Ministry of Health study indicated high use of the private health sector in the country. The private sector was the main provider of inpatient care and was of course the more expensive one. Financial issues were the main reason for people preferring to seek care with other services. Waiting times of about two weeks were reported at times, with a maximum stay of 85 days at hospital in one case. The public sector covered about 50% of health expenditures in Syria, with the private sector providing the other 50%.

Current Situation

Due to the crisis in Syria and the impact on the health system, one third of health facilities in Syria have been rendered nonfunctional, according to Health Resources and Services Availability Monitoring System (HeRAMS) data.

There are no updated figures for out-of-pocket expenditure.

Private health facilities are owned by individuals, companies, charities, religious institutions, professional syndicates, or private educational institutions. They provide various paid health services and are subject to the supervision, follow-up and control of the Ministry of Health. They operate in accordance with Ministry laws and are obliged to comply with its regulations. These hospitals are concentrated in Damascus, Rural Damascus and Aleppo.

Key strategy and tools for private sector engagement

At the level of secondary care, the Ministry of Health regulates the health services provided by all sectors, including private health facilities.

PROCESS

The Directorate of Health Facilities has a specific department to supervise the work of private hospitals. Statistics from private hospitals are shared with the Directorate of Planning and International Cooperation. The Ministry of Health has the authority to license or delicense private hospitals.

RESULTS

The model is robust. It is worth noting that more work is needed around maintaining quality and license to work in the private sector, including managing the volume of health professionals, incentives/restrictions regarding location, sanctions for poor behaviour and a ceiling on fees to ensure affordability.

Learnings:

Though the regulation exists for the Ministry of Health to exert control over private hospitals, and although the private sector adds new resources to the health system, **more systematic evidence is needed around its regulation to avoid distorting the quantity, distribution and quality of health services, and to enhance the financial protection of patients.**

Better models of private health sector engagement are urgently needed in the country.

Additional Resources:

Understanding the private health sector in in the Syrian Arab Republic.
https://vlibrary.emro.who.int/?goto=Q04jBjQNRBtEPjNfCxJARQYeNjhVTj4UTkUfUBlSC0Yweh8UOjd9XnJTCk8QFGp9An1UXUoxWQVrOic2

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