World Health Organization

Advancing country's capacity to govern the private sector in health

Background

The private sector's involvement in health systems is growing in scale and scope and it includes the provision of health-related services, medicines and medical products, financial products, training for the health workforce, information technology, infrastructure, and support services.

The private sector in health is heterogeneous and constitutes a range of providers and organizations that are both for-profit and not-for-profit in nature. (1)

In the context of the African health systems, the private sector accounts for a large proportion of healthcare service delivery. 35% of all outpatient care is delivered by the private-for-profit sector in sub-Saharan Africa and an additional 17% is delivered by informal private providers. (2) The private sector notably serves as a critical partner in driving innovation and supporting access to health goods and services in underserved areas. (3) Private providers also served as strong collaborators in COVID-19 management efforts across the WHO African region. (4)

Whilst the private sector has emerged as a key partner i n delivering towards the health priorities of nations, the challenges of working with the private sector to meet the Universal Health Coverage (UHC) principles of accessibility, equity, and financial protection persist. In 2020 the World Health Organization (WHO) published a strategy report on "Engaging the private health service delivery sector through governance in mixed health systems" to redress a critical health system governance gap for the effective engagement of the private sector in health in the context of UHC. (5) Among its recommendations to WHO, the Advisory Group recommended the development of guidance on private sector engagement models to promote UHC.

These efforts are also congruent with the guiding commitments and priorities of the African Union (AU)'s "Addis Ababa Commitment toward Shared Responsibility and Global Solidarity for Increased Health Financing Declaration"– ALM Declaration. (6) The ALM declaration notably calls for an increase in "Member State stewardship of private sector support so that such efforts strengthen public health systems and expand access to health services." This propounds the need to forge strategic partnerships with private sector, expand access to quality health care services, and foster greater cooperation between the public and private sectors to create synergies to deliver equitable health for all.

Reflecting these priorities, as a next step to support countries governing mixed health systems, WHO has developed a progress model for better governance of the private sector in health. The progress model will act as a decision support and capacity building tool for alignment of behaviours, capacities, and instruments to govern the public and private sectors as one. The model will be a medium- to long-term tool for countries to develop their capacities to work productively with the private sector and maximize their efforts to achieve UHC.

Objectives to be pursued by users

The utility of the progress model does not depend on the specific policy goals to be pursued through improved governance effectiveness. State authorities may have a variety of objectives, such as:

- **Align** private sector efforts to national, regional and continental health priorities;

- **Promoting** the safety, reliability, appropriateness, and effectiveness of health care provided in the private sector (alongside the public sector);

- **Ensuring** that the operation of the private sector does not undermine the public sector's ability to mobilise adequate financial and technical resources.

- **Achieving** low levels of out-of-pocket payments and related social harms (e.g., catastrophic and impoverishing health care-related expenses);

- **Constraining** differences in access to / utilization of health care as a function of socioeconomic position, gender, ethnicity, vulnerability and other social stratifies;

- **Enabling** competition, enhancing responsiveness to patient preferences, and encouraging innovation; and

- **Reducing** reliance on public funds to address health care needs.

However, the exact mix of objectives and the order of priority among them vary across member states and are not for this progress model to define.

Use of the model

The results of the progress model assessment will allow state authorities to:

- **strengthen** the public health system and support countries to expand access to quality assured health services and increase equity;

- **increase** stewardship of private sector support, to increase health impact and enabling the participation of a broad set of partners;

- **identify** country needs together (through deeper participatory engagement in problem analysis and solution design).

- **assess** the comprehensiveness of existing governance arrangements - including which governance domains or policy mechanisms are absent or inadequate;

- **consider** how areas of absence of inadequacy may be associated with private health sector or broader health sector performance problems; and

- **define** and prioritise among strategies for improving performance through consolidated, strengthened, or optimized governance arrangements.

Approach

The design of the progress model is informed by a review of existing assessment tools used in the health sector, and tools focused on governance from other sectors. Its content has been drawn from a systematic review alongside expert consultation. The progress model has been informed by pre-testing which is still in progress and will be further refined based on future pilots and key informant interviews.

Structure of the progress model

The progress model is structured according to six governance behaviours (see column (a) below), namely:

- Deliver strategy;
- Align structures;
- Build understanding;
- Enable stakeholders;
- Nurture trust; and
- Foster relations.

In turn, these six aspects of governance connect to a set of related governance mechanisms for influencing the operation and performance of the private health sector. For each mechanism, the progress model sets out a series of four progress levels relating to the extent of governance effectiveness (namely: emerging, progressing, established, and advanced).

Figure 1: progress model overview

Governance Behaviour	Definition	Level			
		1	2	3	4
Deliver strategy	Government has articulated clear strategic objectives for the health system as a whole, and the roles of the private health sector in achieving these.	Emerging	Progressing	Established	Advanced
Align structures	Government takes action to ensure alignment and coordination between the private sector and the public sector in service delivery.				
Build understanding	Government has taken action to ensure that it has access to comprehensive, up-to-date and high-quality data on the operation and performance of the private sector.				
Enable stakeholders	Government acts to influence the operation and performance of the private health sector through the use of financing and regulatory policy mechanisms.				
Nurture trust	Government takes action to safeguard patients' rights and financial welfare in relation to their interaction with the private sector; and provides structures to ensure public accountability / patient redress.				
Foster relations	Government has established inclusive policy processes, in which a broad range of stakeholders (including the private health sector, but also other actors) plays an active role.				

References:

1. The private sector in health service delivery: an operational definition. Geneva: World Health Organization; 2023. Licence: CC BY-NC-SA 3.0 IGO [forthcoming]

2. Private Sector Landscape in Mixed Health Systems. Geneva: World Health Organization; 2020 Licence: CC BY-NC-SA 3.0 IGO
[Available at: **https://www.who.int/publications/i/item/9789240018303**]

3. Africa's population will triple by the end of the century even as the rest of the world shrinks. World Economic Forum. Jul 23, 2020
[Available at: **https://www.weforum.org/agenda/2020/07/africa-population-triple/**]

4. Towards better engagement of the private sector in health service delivery: a review of approaches to private sector engagement in Africa.
Geneva: World Health Organization; 2022 [Available at: **https://www.who.int/publications/i/item/9789240047273**]

5. Strategy Report: Engaging the private health service delivery sector through governance in mixed health systems. Geneva: World Health Organization; 2020
[Available at: **https://www.who.int/publications/i/item/9789240018327**]

6. Africa Leadership Meeting: Investing in Health. Briefing document for the Specialised Technical Committee (STC) on Finance, Monetary Affairs, Economic Planning and Integration.We describe what each level of progress looks like in the table below:

Governance Behaviour	Definition	What progress looks like
Deliver strategy	Government has articulated clear strategic goals for the health system as a whole, and the role(s) of the private health sector in achieving these.	**Effective delivery of strategy requires:** • The existence of up-to-date documents, e.g., legal documents or policy statements, that define clear objectives for the private sector, in line with health system goals (e.g., universal health coverage, emergency preparedness, and health promotion). • The inclusion, in such documents, an articulation of how specific policy mechanisms will be used to influence the operation and performance of the private sector in line with defined strategic objectives.
Align structures	Government takes action to ensure alignment and coordination between the private sector and the public sector in service delivery.	**Effective alignment of structures involves:** • Government acts to include the private sector in all relevant quality of care promotion initiatives. • Government acts to include the private sector in all relevant public health programmes – e.g., ensuring that reciprocal arrangements are in place to encourage and enable the private sector to contribute to programme goals. • Government acts to ensure that the private sector is included all relevant referral networks.
Build understanding	Government has taken action to ensure that it has access to comprehensive, up-to-date and high-quality data on the operation and performance of the private sector. This information is used for strategic and operational decision-making, and relevant data is also shared with the public.	**Effective building of understanding involves:** • Government acts to ensure that the private sector is integrated in all relevant facility-level public health reporting systems. • Government acts to ensure that the private sector is integrated in all relevant facility-level service delivery reporting systems. • Government acts to ensure that all such data is organised to enable and encourage evidence-based strategic and operational decision-making. • Government acts to ensure that the data is used in this way (i.e., to increase the extent to which strategic and operational decision-making is evidence-based).
Enable stakeholders	Government acts to influence the operation and performance of the private health sector through the use of financing and regulatory policy mechanisms.	**Enabling stakeholders means:** **Regulatory interventions, and specifically:** • Facility registration and licensing processes are well-defined and effectively-enforced, such that all private health facilities are competent to provide safe, effective, and high-quality health services. • The regulation of private private health care training / education institutions ensures that all trainees / graduates from such institutions are competent to provide safe, effective, and high-quality health services. • Registration and licensing of health professionals employed in the private sector is well-defined and comprehensive (i.e., including doctors, nurses and pharmacists, and other cadres that are important to the operations of the domestic private sector). • Clinical practice guidelines, treatment guidelines, clinical protocols and care pathways are used as key mechanisms for improving overall quality of care, reducing variation in clinical practice, and the rate of error in medical care, with regard to private providers. • The pharmacy licensing regime is well-defined and effectively-enforced, such that all private retailers are competent to provide safe, effective, and high-quality health products. • The anti-trust / economic regulation regime is robust enough to protect the public against the accumulation and/or abuse of market power by private health care providers. • The private health insurance (PHI) industry is regulated to protect consumers. **Effective financing interventions, and specifically:** • Ensuring that purchasing and/or contracting arrangements are well-designed and effectively implemented, enabling private providers to contribute to policy goals such as equity of access, financial protection and quality of care without detriment to the financial sustainability of public health expenditure."

Nurture trust	Government takes action to safeguard patients' rights and financial welfare in relation to their interaction with the private sector; and provides structures to ensure public accountability / patient redress.	**Nurturing of trust in the mixed health system requires:**
		• Government acts to ensure that consumer protection laws are well-specified and well-enforced, such that they:
		  • ensure that the rights of patients receiving care in the private sector are enforced;
		  • ensure that patients do not receive unsafe, inappropriate or unnecessary care in the private sector; and
		  • ensure that patients are not financially exploited in the private sector.
		• Government ensures that patients have a voice in relation to the private health sector's activities and their experiences in related facilities - including via structures such as: patient fora, AGMs, complaints processes (with defined processes, including recording of complaints, and mechanisms for enforcement of disciplinary measures); and monitoring by CSOs.

Foster relations	Government has established inclusive policy processes, in which a broad range of stakeholders (including the private health sector, but also other actors) plays an active role.	**Fostering relations involves:** • Government has established platforms for open, transparent and purposeful policy dialogue. • These platforms have been institutionalised (i.e., are sustained over time), and have a meaningful impact on the nature of policy formulation in the long-term beyond the scope of individual programmes (e.g., donor-funded programmes). • Government encourages the private sector to establish representative bodies, with whom it engages in purposeful and sustained dialogue. • Government ensures that a broad range of other stakeholders – including patients' associations, community leaders, representatives of vulnerable groups, etc - are also included, as a matter of routine, in dialogue structures. • Government takes robust action to mitigate the potential for bias, conflict of interest, or corruption, in policy formulation.