

Governance of the private sector in health:

A public health policy framework approach

ABOUT THIS BRIEF

This public health policy framework brief is part of a technical workstream on governance of the private sector in health. The workstream employs a collaborative and iterative process for the design of interim “modular” products. These are used as a basis for engaging WHO teams and other country stakeholders in the process of product refinement and/or further inquiry to improve utility and application. The approach leverages the Country Connector on Private Sector in Health, optimising the resources and skill sets of the various channels and collaborations.

The audience for this brief is country-based policy makers and implementers, inclusive of public and private sector entities involved in health service and product delivery. A secondary audience consists of development and implementing partners working on health governance and health system strengthening.

Our motivation in developing this brief is to promote a public health policy framework that is inclusive of the different parts of the private sector in health to maximize efforts towards the achievement of Universal Health Care (UHC). This builds from a 2019 call to action on the private sector in health and UHC.¹ More than a ‘nice-to-have’, there is ‘need-to-have’ more inclusive public health policy.

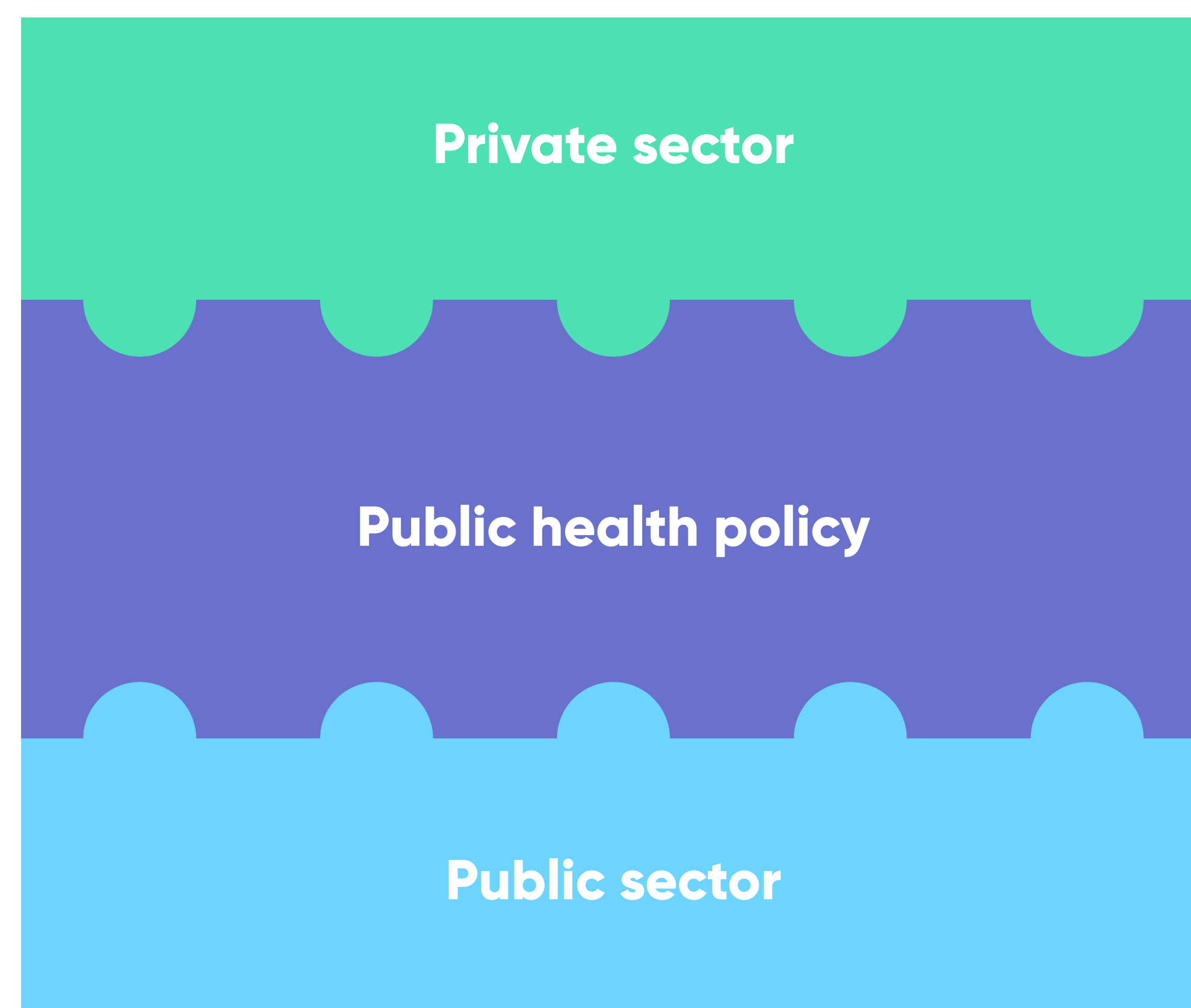
Additionally, we seek to reinforce that a shift in the public-private mix of finance and provision is a consequence of market forces and sectoral policies and should not be considered an objective in and of itself. Ministries of health need to be aware of the range of tools and techniques available to them for managing the different sub-components of the private sector, and to ensure that the right approaches are being used with key private entities.

1. Clarke D, Doerr S, Hunter M, Schmets G., Paviza A. The private sector and universal health coverage. Bull World Health Organ 2019;97:434–435 (<http://dx.doi.org/10.2471/BLT.18.225540>).

INTRODUCTION

The focus of this brief is on strengthening government inclusive health policy to respond to the growth in scope and role of the private sector in health. The private sector for health is diverse; it consists of both formal and informal entities ranging from drug shops to specialised hospitals, comprising both for-profit and non-profit entities, both domestic and foreign. It follows that governments need an array of policy instruments to respond to the private sector in health and guide diverse entities towards the objectives of equity and efficiency. The selection of policy instruments should enable an inclusive public health framework approach, allowing ministries of health to steer diverse interests through different means to ensure the achievement of Health for All objectives. Steering refers to the capacity to develop a vision for health and the health system of a country and provide the strategic direction necessary to implement that vision through the whole health system. Alignment through health policy that is responsive to the public interest is represented in Figure 1.

Figure 1. Steering the private sector for public health policy



PUBLIC HEALTH POLICY FRAMEWORK

The longer-term vision is of central ministries being less involved in supervising service delivery and more involved in strategic planning, target setting, and monitoring of all the components of pluralistic health sectors. The management of contracted services, in particular, is likely to be an increasing function of government. Several countries have embarked on administrative decentralization of health service delivery. However, few ministries of health have reassessed their own structures and staffing, particularly in relation to overall information and liaison functions with multiple public and private sector entities.

A public health policy framework is necessary for two reasons:

1. Because ministries of health are responsible for the whole health sector, not just the part for which they have direct financial responsibility.
2. Where policy makers have actively pursued private sector initiatives, the primary rationale has not been that of equity.

A "framework" approach is recommended in which the role of ministries of health is re-oriented to the provision of support to public and private entities, equated to the governments' "rowing" (direct provision via the state) and "steering" functions (indirect provision via the private sector through policy direction).

This would entail consultation, negotiation, contract setting and information support in lieu of more command and control-oriented approaches. Comprehensively detailed strategic plans for several years of activity would be replaced by statements of vision which specify the objectives of policy, identify the principal entities (public and private), and outline procedural rules.

A public health policy towards the private sector, in the sense of a framework, means:

- the clarification of the principles and values of overall health policy in terms of the priority assigned to equitable access to health care, overall service quality, the mobilization of resources for health (including equity in raising revenues), the efficiency of the health care system, and emergency preparedness and response
- outlining broadly the role assigned for different types of actors in private financing and provision of health care
- outlining the mechanisms for assurance of quality and the roles of different government, non-government, private and professional bodies
- specifying the information and regulatory machinery
- providing information to the public in order to clarify what they, as consumers, can expect in the way of service quality and accountability from health entities of all types; and
- identifying mechanisms for consultation and coordination among different entities.

Such a framework should be publicly available. The drafting, publicizing and discussion of it are essential steps in establishing its existence and legitimacy as a code of practice for all actors in the health system.

COUNTRY EXPERIENCE AND INTERVENTION

Countries are currently at very different positions with respect to the role of the private sector in health, ranging from limited tolerance to promotion within a regulated public framework, to a more laissez-faire attitude. A growing number of experiences can now be analyzed. These can be classified in two over-arching - and sometimes overlapping - policy approaches:

- changes applied predominantly in the organization and regulation of service provision arrangements
- measures designed to affect the balance of financing from public and private sources

Whatever the policy chosen, it should be assessed in the light of its effect on the equity and efficiency of overall health financing and service provision, relative to what would have been likely to occur in the absence of the policy. **A shift in the public-private mix of finance and provision is a consequence of market forces and sectoral policies; it is not an objective in and of itself. What is important is an effective governance response to these developments which should aim to ensure that health systems remain people-focused, equitable, resilient, and efficient.**

To achieve this goal, ministries of health need to be aware of the range of tools and techniques available to them for managing the different sub-components of the private sector in health, and to ensure that the right approaches are being used with key private sector entities. This starts with fundamental questions: Are private sector entities safe? Are they complementing the public sector? Should they be supported, directly or indirectly, by government? Is government support and/or regulation cost-effective?

Questions would prompt ministries of health to:

- Identify individual entities/sources of supply and finance
- Assess each in terms of complementarity/conflict with public health objectives, service access and quality, and competitiveness or complementarity with public service provision
- Review whether existing restraint/status quo/regulation/promotion policy is appropriate and being implemented in a cost-effective way, and
- Review alternative options for regulatory strategies

The basis for intervention and regulation is information. Registration provides baseline data on the types of facilities in different geographic areas and the range of services provided. Licensing provides an opportunity to review premises and qualifications, and to act against entities which do not meet the required standards. Inspection is, of course, necessary to ensure that licensing is carried out properly. Accreditation may require much more detailed assessments of a health facility or practitioner's activity.

But the government is not the only agency that can carry out these functions: professional bodies and associations, or non-governmental bodies, can carry out some of these basic tasks on a voluntary or contracted basis. In short, regulation itself costs money, and requires resources. How can regulatory priorities be set? How much should ministries of health invest in regulatory activity? Of what type?

Each intervention, whether regulatory, restrictive, or promotive, also has costs and benefits, and will affect the objectives of the policy in varying degrees. In considering existing and potential alternative interventions in the health care marketplace, ministries should undertake "option appraisals" of the main alternatives by considering:

- Who is involved in regulation?
- Can the "regulators" be expanded to include professional associations, etc.?
- What capacities does the ministry currently have to carry out the information, monitoring, negotiating and supervisory activities that a more active engagement with the private sector entails?
- How can these be developed in a cost-effective way and in a short-time period?

CONCLUSION

A public health policy framework includes an understanding of the structure of the whole health sector, not just the public part, so that suitable incentives and control can be identified for private entities. Ministries of health responsibilities are not limited to the public sector, but to the whole health system. To allow such a position to be defined, existing data on the private sector in health need to be collated and may require to be supplemented with additional research. There must be a readiness to begin dialogue, review stakeholders, functions and structures both within ministries of health and outside. Need will remain for strategic control of investments in the health sector - premises, equipment, pharmaceuticals, and for overall monitoring of change in relation to the key objectives of national health policy.

CITATION

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ABOUT THE COUNTRY CONNECTOR ON THE PRIVATE SECTOR IN HEALTH

WHO's Country Connector provides a platform to support countries to manage the private sector's contribution to the response consistent with national health priorities. The Country Connector shares experiences across countries, connects countries to the resources, tools and guidance needed for stronger health system governance and better public policy toward the private sector in health



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