

Ministry of Health and Population

## Public Private Partnerships in Health Services in Nepal

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### Defining Public-Private Partnerships in the Health Sector



### Definition

An agreement between the government (public sector) and non-government (private sector, for-profit and non-profit) for the purpose of delivering health services cost effectively and equitably.

### PPP: Key Guiding Principles

☐ **Sustained collaboration** among public, civil society, Cooperatives, community or private organizations in order to maximize access, quality, equity and effectiveness.

Contributing to the **design, financing and project implementation** according to each partner's abilities, capacities and needs.

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### PPP: Key Guiding Principles

**Each partner taking on and managing risks** related to the benefits to be achieved from the mutual objectives.

“To develop and coordinate government/ non-government partnerships in such a way as to **strengthen the capacity of the public sector in the long run**”

-- Nepal Health Development Partnership (IHP Compact) Draft

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### Who are the partners in health sector?

<u>Non-state/Private Partners</u>	<u>State/Public Partners</u>
<ul style="list-style-type: none"> <li>• Individual practitioners</li> <li>• Associations of practitioners</li> <li>• I/NGOs</li> <li>• Cooperatives</li> <li>• Community organizations</li> <li>• Civil society networks</li> <li>• Private companies/association like FNCCI</li> <li>• Private hospitals</li> <li>• Private research institutions</li> </ul>	<ul style="list-style-type: none"> <li>• MoHP and its agencies</li> <li>• Other ministries</li> <li>• Social insurance institutions</li> <li>• Local government units</li> <li>• National Research Institutes/NHRC</li> <li>• Public health education facilities</li> </ul>

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## PPP Related Policies & Strategies in the Health Sector of Nepal

- National Health Policy, 1991
- Second Long Term Health Plan (1997-2017)
- Health Sector Strategy, 2003
- Nepal Health Sector Program-Implementation Plan (2004-2009) (extended up to 2010)
- Ten Point Policy Guideline, 2006
- Three Year Interim Plan (to 2010)
- National Health Development Partnership



### New government's policy, plan and programmes (2008/2009)

Ministry of Health: PPP should strengthen the public sector not weaken or displace it. PPP should facilitate the implementation of national health policies.

#### Finance Ministry

- "Public-Private Partnership will be the basis of our economic policy....."

#### Budget Speech, 2008/2009

- "The roles of the public, private and cooperative sectors in the economy will be redefined keeping the interests of the country and the people in mind, as the single-handed efforts of the public sector will not be adequate to accelerate the pace of economic growth.....(19).

## Institutional Arrangements for PPP

1. **Policy Planning and International Cooperation Division, MoHP** is responsible for promoting public-private partnerships.
2. **Public Health Administration, Monitoring and Evaluation Division, MoHP** is responsible for monitoring of Private Sector Health institutions based on the guidelines, 2061
3. **PPP Policy Forum** for ongoing dialogue among partners established in 2007 and made functional.



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### PPP Policy Forum: Overall objectives

To support MoHP by providing stakeholders' perspectives and policy inputs for the promotion of PPP in the health sector ensuring that the health service users get increased access to cost effective high quality services that meet their health needs.

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## PPP Policy Forum

### Specific Functions

- To provide Forum for policy dialogue and to establish clear line of communication for PPP in the health sector,
- To exchange ideas and experiences (both national and international) that help MoHP in formulating and implementing PPP policy and strategy,
- To work as an advocate for PPP in the health sector,
- To provide support in strengthening the MoHP/DoHS's capacity in adopting stewardship role.

## Partnership Initiatives in the Health Sector

### PPP in the Health Sector at a Glance:

- Initiated in the 1950s through (I/NGO co-operation) (Mission hospitals)
- Some government resources currently go to NGOs acting as partners, to run health services
- PPP arrangements presently exist in service delivery, infrastructure development and human resource development for health

### Public vs. Private: Current Status

- **Government efforts concentrated on Public health and essential health care services (EHCS)** & some secondary care and tertiary care. Small contribution in Human Resources for Health (production)
- **Private Sector (NGOs/not for profit) mainly secondary and tertiary care** in such areas as maternal health, child health, eye care, cancer, TB control, leprosy, safe abortion, outreach services and rehabilitation services

### Public vs. Private: Current Status

- **Private sector (for profit) - secondary and tertiary care (highly urban centered)**, drug production and HR production (rapidly increasing)
- **Community organizations / civil society - health facility management, social mobilization, community financing**
- **Local governments** – Local Self Governance Act (LSGA), 1999 clarifies roles and responsibilities. Local governments have contributed significantly, but better integration into planning and programmes is needed.
- **Cooperatives** – new group for health, expanding rapidly in urban centers. Great potential, including cross-sectoral (e.g. health/agricultural cooperatives).

### Partnerships in service delivery

- **Health service delivery:** Partnership with Mission Hospitals, Medical colleges and NGOs - programme level (IMCI, safe motherhood, etc.)
- **Family planning services:** Partnership with NGOs and for-profit sector (VSC and others)
- **Eye treatment:** Partnership with NGO - one of the best in the region
- **HIV/AIDS:** Partnership with NGOs and civil society organizations
- **TB treatment:** Partnership with NGOs, communities and civil society organizations, which is considered one of the best in the region.

## Why Public-Private-Partnerships in the Health Sector?

### What Should Health Sector PPP Achieve?

- To strengthen public sector and implementation of national health policies.
- To enhance equity, efficiency & effectiveness (a major focus of reform)
- To reduce both duplication and gaps in health services
- To promote innovation, and equitable access to the fruits of innovation
- To enhance the role of private sector (or non state agencies) in delivering health services to achieve Millennium Development and Health Sector goals by joint efforts

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## Different PPP Models Used in the Health Sector of Nepal

### 1. Service Contracts

- **Blood transfusion** services with Nepal Red Cross Society
- **Family Planning** Services with Family Planning Association of Nepal
- **Safe abortion** services with Mary Stopes clinics
- Eye services with Nepal Netra Jyoti Sangh

### 2. Management Contract

- **Lamjung District Hospital and Dadeldhura Hospital** with NGO (Human Development & Community Services)
- **Jiri Hospital** with local community



### 3: Build, Own, Operate & Transfer (BOOT)

- Maternity Hospital Thapathali- by Paropakar, a national NGO
- Phaplu Hospital, Phaplu- Himalayan Trust
- Am Pipal Hospital, Gorkha, UMN/local community
- Manipal Medical College, Pokhara- 50 years contract
- Bharatpur Medical College, Chitwan- 50 years contract
- **Build and Transfer:** Lahan Hospital, Several eye hospitals
- **Build, Operate and Transfer:** Trisuli Hospital, Nuwakot
- **Build, Transfer and Operate:** Western Regional Hospital, Pokhara with INF

#### 4. Joint Venture

- Nepal Eye Hospital

#### 5. Leasing

- Pharmacy services in several hospitals

#### 6. Contracting + Pay for Performance (P4P)

- Prevention and surgery of uterine prolapsed cases (currently being designed)

#### 7. Contracting via Social Franchising

- Potential model for drug supply management

## Recent PPP initiatives and practices

### Recent Initiatives

- MoHP appreciates **the role of private sector particularly of not-for-profit** in IMCI (integrated management of childhood illness), safe motherhood and family planning and these services are available in all registered private facilities
- **The safe delivery incentive scheme**, a demand side financing scheme has been expanded to the private sector (not-for-profits) to achieve the MDG 5.
- **Safe abortion** (policy and skill development support by the government) – 88 % conducted in private facilities (2006/2007).

### Strengthening knowledge on PPP

- In addition to the regular discussion in the PPP Policy Forum's meetings, a national workshop was organized on March 2008.
- Key PPP concepts and models potentially applicable to the Nepali health system were shared and discussed in detail.
- National and global experiences and learning were shared.
- The report and the proceedings can be downloaded from the Health Sector Reform Support Programme's website: [www.hsrsp.org](http://www.hsrsp.org)



## PPP Related Plans and Programmes (FY 2008/2009)

### FY 2008/2009

- **Continuation of strengthening of successful PPP arrangements** (standardization of MoU, re-defining and/or clarifying role of partners, strengthening oversight mechanism and performance monitoring)
- **Complete, publish and share** Private Health Sector Assessment reports (5 studies)
  - a) Survey of Pharmaceutical Companies
  - b) Survey of Private Health Care Providers
  - c) Labour Market Assessment
  - d) Survey of Household Health Care Utilization
  - e) Stewardship Study

(Cont.....)

## FY 2008/2009

- **Design pilot interventions** to test various models of PPP in the health sector
  - a) Design and implement Pay for Performance model (p4p) for prevention and surgery of uterine prolapsed cases* (concept note and broad strategy prepared, implementation guideline is under preparation)
  - b) Identify district level hospitals* for potential partnership arrangements, assess experiences, design and operate under partnership models (2-3)
  - c) Design and implement partnership* with community initiated hospitals (partnership with communities and cooperatives)

(Cont.....)

## PPP for FY 2008/2009

- **Document key PPP practices and lessons** learned in the health sector of Nepal and share with the partners
- Prepare draft **PPP Policy and Strategy** based on experiences and learning (to be completed in 2009/2010)

## PPP: Experiences and Lessons

### In Summary

- MoHP has successfully piloted almost all types of PPP models, in absence of PPP policy and strategy. All the partnership arrangement agreed upon were on ad hoc basis.
- Till date the partnership in health sector seems to be quite significant, but not documented well and shared with stakeholders.
- The word PPP was misleading to some taking it as divestment by the state or privatization of health services.
- Private sector (for-profit) has been growing rapidly, but only in urban centers. However, there is no solid PPP arrangements yet.

### Experiences and Learning

- **Changing the role and mind-set** of both parties (public/private) is a long-term and difficult task
- **Regular dialogue** between all parties is essential to create a conducive environment for PPP and conceptual clarity about PPP. ( PPP Policy Forum is the mechanism for this)
- **Tailored approach is needed:** Different types of partners (e.g. for-profit/not-for-profit; national/community-level) can make different contributions to meeting national health goals
- **Managing system-wide implications** of PPP arrangements
- **Limited capacity** of both public and private sector at present
- **Ensuring social responsibility** of private sector
- Social protection, **access, equality and quality** issues

### Conclusion

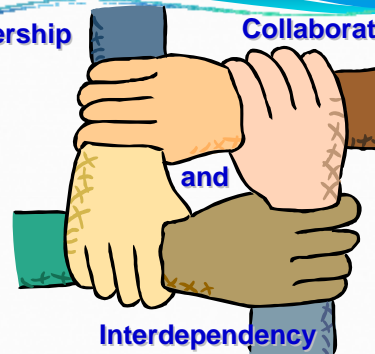
- **PPP** is a policy priority, the conceptualization of which needs further clarification and refinement
- Need to prepare and implement a clear **PPP policy and strategy** based on the following key aspects:
  - a) Sustainable partnership development
  - b) Shared responsibility
  - c) Shared risk, resources and benefits
  - d) Balancing the fundamental responsibilities and comparative advantages
  - e) Ensuring that the public health sector is strengthened for the long-term and constitutional obligations to health as a fundamental right are met

## Discussion Points

- How can **private sector** provide services in remote areas?
- How can **government** support the private sector?
- How can **private sector** support the government?
- How can both public and private sector work in **collaboration** in the context of 'New Nepal'?
- What is the **proper and effective role** of the private sector in areas such as health and education that are constitutionally granted fundamental rights

Partnership

Collaboration



and

Interdependency

Thank You