

## 3P's in Health Sector

*Perspectives from the Private sector*



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## Understanding PPP

### ■ 3 Main Factors for PPP

1. TRUST (Co-operation)
2. CONFIDENCE  
(Responsibility & Accountability)
3. RESPECT (win-win situation)



## Understanding PPP

- Definition used by the Canadian Council for P3:  
*"A cooperative venture between the public and private sectors, built on the expertise of each partner, the best meets clearly defined public needs through the appropriate allocation of resources, risks and rewards."*
- UN Millennium Development Goals converges its focus on Health, Education and Environment.  
*Child Health, Maternal Health, Combat HIV/AIDS, Environmental Sustainability, Global Partnerships etc.*

## PPP in Health Sector

- Health care service delivery is complex comprising many facets:
  1. Promotive
  2. Preventive
  3. Curative
  4. Rehabilitative aspects.
- Private sector has been very instrumental right from Human Resource Development to Healthcare service delivery.
- For Example: Private Medical Colleges, Hospitals, Diagnostics Centres, Nursing Homes, Pharmaceuticals, Surgical and other consumables suppliers in private sectors.

## Health Sector..

- Private Sector includes all sectors outside the Govt. system, ie.
  - Both Profit and Not for Profit Entities.
  - Direct service providers and indirect contributors, such as Hospitals, Pharmaceutical Companies and medical equipment manufacturers.

## Govt. of Nepal & PPP

Govt. of Nepal has endorsed its relevance and describes the spirit under output 3 – Public Private Partnership (PPP).

- *“The role of private sector and NGO’s in the delivery of health services recognized and developed with participate representation at all levels which ensure consumers get access to cost effective high quality services that offer value for money”*

## Health Infrastructure in private sector

■ Medical Colleges Teaching Hospitals -----	13
■ NGO Hospitals -----	15
■ Eye Hospitals -----	17
■ Private Hospitals/Institutions -----	40
■ Pharmaceutical Industries Private Nepalese-----	39
■ Pharmaceutical Industries (Foreign) -----	240
■ Diagnostic Imaging like CT, MRI, Angiogram, Echo including Nuclear Imaging -----	40
■ Radiotherapy including Brachytherapy-----	2

## Other ..Private sectors

- Life support system devices more in private/NGO sector,
- Various sophisticated technologies in private/NGO sector,
- Equipment and devices supplier only private sector,
- Pharmaceuticals suppliers mostly private/NGO sector
- Surgical items, prosthetics, orthotics, Hearing Aids, Assistive & other devices,
- Intra Ocular Lens (IOL) only private/NGO sectors
- and consumables like vascular stents, auto sutures supplies only private/NGO sectors

## Govt. Health Facilities

■ <b>Total Hospitals under Ministry of Health</b>	<b>89</b>
■ Medical Colleges Teaching Hospitals	2
■ Specialized/Central Hospitals	5
■ Regional Hospitals	1
■ Regional/Sub Regional Hospitals	4
■ Zonal Hospitals	8
■ District Hospitals	67
■ District Health Office	75
■ Primary Health Care Centre (PHC-C)	180
■ Health Centre	13
■ Health Post (HP)	711
■ Sub Health Post (SHP)	3,179
■ PHC Outreach clinics	15,548
■ Pharmaceutical Industries	1
■ Radiotherapy	2
■ Diagnostic Imaging like CT, MRI, Angio, Echo	10

## Academic Institutions

Particulars	Govt.	NGO/Pvt.	Total
■ Medical Colleges (Graduation)	2	13	15
■ Dental Surgery (Graduation)	-	4	4
■ Post graduate Medical studies	3	1	4
■ Graduate Pharmacy program	1	4	5
■ Post Graduate Pharmacy program	-	2	2
■ Health Professional education program	3	7	10
■ Nursing education program	10	30	40
■ Ancillary health education program	5	120	125

\*This does not include facilities meant for security personnel like Army Police.

## Delivery of Health Care Service

Health care service delivery should not focus only on clinical treatment, but also should Focus on:

- Expand on Procurement,
- Distribution and rational use of drugs,
- Consumables and equipments.
- Timely availability of quality health commodities at right place.

## PPP and Nepal Pharma Market

- Total Drug Consumption – NRs. 12 Billion.
- Market Share: National Industries – 35% and rest (65%) from Imports.
- Annual growth of drug consumption – 18%
- Nepal has made significant stride in the pharmaceutical sector, though it has long way ahead to destination.
- Capacity to manufacture from oral solid liquid and topical dosage forms to parenteral dosage forms, expanding to therapeutic wing.

## Health Care Market - Nepal

- Health imaging services (including Nuclear imaging) efficiently run by private sector.
- Private Pharmaceutical sector is all set and forging ahead, amidst tough competition among each other and multinational giants.
- The only public sector pharmaceutical industry is trailing behind, almost like sick industry, although enormous funds have been injected to it.

## Health care

- Private Health Care Providers: Nepal with good climatic condition, bountiful natures may be tagged up with health care by enhancing health institutions, medical college sectors. This will add dimension in "HEALTH TOURISM – DESTINATION NEPAL".
- Health service commodities: Particularly pharmaceuticals play crucial role in quality and access to health care. As private sector is largest producer and supplier of such commodities, a better understanding would help set policies that promotes PPP specifically in this area.

## Health..

- Private sector: instrumental in supply of drugs and other medical commodities that's mainly imported from outside country.
- Aiming at maximizing local production.
- Govt. of Nepal and private sector need to take fresh view of the sectors underlying problems towards Nepal's progress in achievement of millennium development goals (MDG).
- We must find out what we need to import and what can be available locally and how to promote indigenous industry that helps to devise efficient facilitative tools.
- To ensure local employment promotion, import substitution and accelerate economic growth.

## Phyto-pharmaceuticals (Herbal medicine)

- Nepal has abundance of flora with diverse species. Nepal is the habitat of approximately 650 species of medicinal plants ranging the important and expensive source of Taxolene, Artemisinin, Lemon grass, Aloe vera, Chamomile and so on.
- The cultivation and replenishment of these plants percolates economic equity to the rural mountainous people. This should be the centre of attraction where PPP has great relevance. The government must identify and explore the partnership along with local community.

## Herbal Medicine..

- Find and study pharmaceuticals and other health commodities and understand the sources of plant medicines.
- What we need to import and what can be available locally, and how to promote indigenous industry.
- Effective domestic product ensures local employment, and promotes import substitution and accelerate economic growth.

## Need for Task force

- Extensive study and analysis must be carried out to formulate effective PPP policy and strategy.
- A task force should comprise of experts and should address crucial contemporary issues related to health care services more effectively, thereby achieve MDG.
- Task force should study the supply and demand factors affective health services and health related goods, commodities, pharmaceuticals, surgical and consumables and help set policies that promote PPP in this area.

## Govt. and Private sector task force

- Both should work in tandem to achieve MDG's and optimally utilize the investments measured by output.
- Govt. must play role of catalyst and facilitator rather than controller and regulator.
- Govt. should formulate pragmatic policies to attract and encourage private investment and also congenial law both for investor and labour.

## Govt. and private sector

- Govt. should involve in providing infrastructure like land development, road, electricity, guarantee of investment, improved law and order situation.
- Govt. must provide incentives to the private sector for technology upgradation, R & D, Advocacy for technology transfer as per provisions laid in the WTO TRIPS.
- Govt. thru' its diplomatic mission must propagate:
  1. Foreign investment
  2. Technical and financial assistance.
  3. Health Tourism.

## Govt...

- Equal treatment and reciprocity for export.
- Govt. must adopt National Industry and Services promotion policy.
- Civil society should be oriented for advocacy of the consumption and usage of the indigenous production and services.

## What should be done in PPP !!!

- HRD (increase the capabilities of the employees)
- Technology Transfer
- Export Promotion
- Quality enhancement as per WHO-GMP norms.
- Discourage import.
- Procurement of available domestic products only by the Govt.
- Nepal Drugs Ltd. (formerly Royal Drugs Ltd) to be developed as R & D centre as a joint venture with private sector.

## What to do !!

- Land allotment by Govt. on lease to private sectors for establishment of life saving drugs, anticancer drugs, vaccines & bulk drugs production, cultivation and replenishment of medicinal herbs, medical colleges and hospitals.
- "Medical Tourism" - Health clubs and SPA centre, geriatric / intermediate homes near religious/non-religious places.

## What next !!!

- Soft Loan facilities.
- Suitable govt. policy to be formed in close coordination with private sector and subsequently laws and by-laws to be added or amended, if any.
- Strengthening of the national pharmaceutical Industry.

## FNCCI in PPP

- Build institutional capacity of FNCCI and its local CCIs - to enable them to engage in PPP activities of all scales.
- Build trust with the government - by convincing that if supported with necessary legal instruments and regulations favourable to PPP, it can bring more than investment in the form of:
  1. Expertise and capability;
  2. Advanced Technology.

## Conclusion

- Make best effort to create pro-PPP Champions at the Political, Civil Service, and the Executive levels of the government.
- A mechanism of full people's participation in the design, development and execution of PPP Projects
- Select the sector and projects that best suits PPP execution modality in the given situation of the country.

Remember the 3 basis pillars of success of PPP:  
***Trust. Confidence. Respect***

## Thank you

