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# Yielding Public-Private Partnerships to Achieve Equity Goals

Presenter's Name

Date

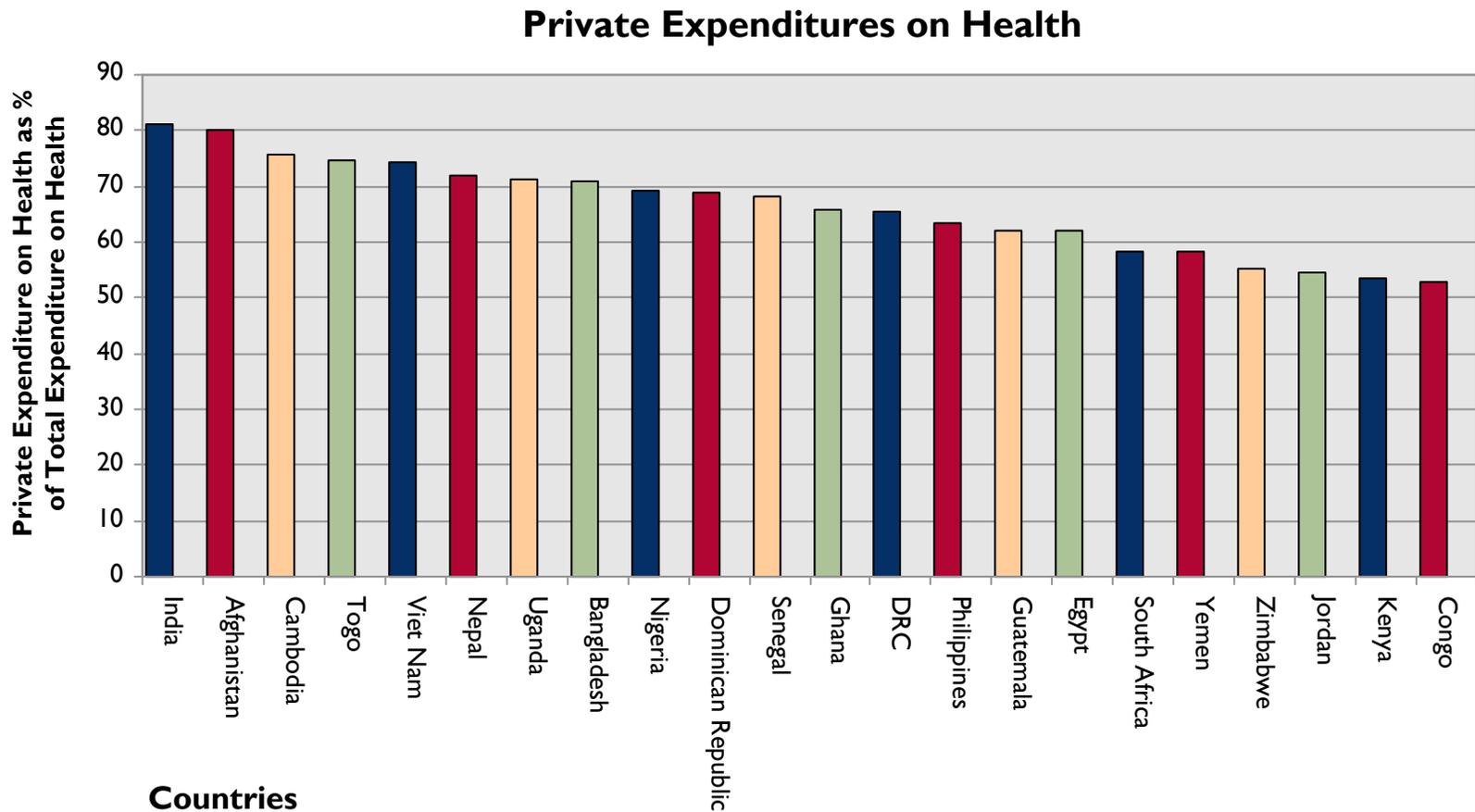


Photo credits: Suneeta Sharma, Futures Group

# Why Greater Private Sector Participation?

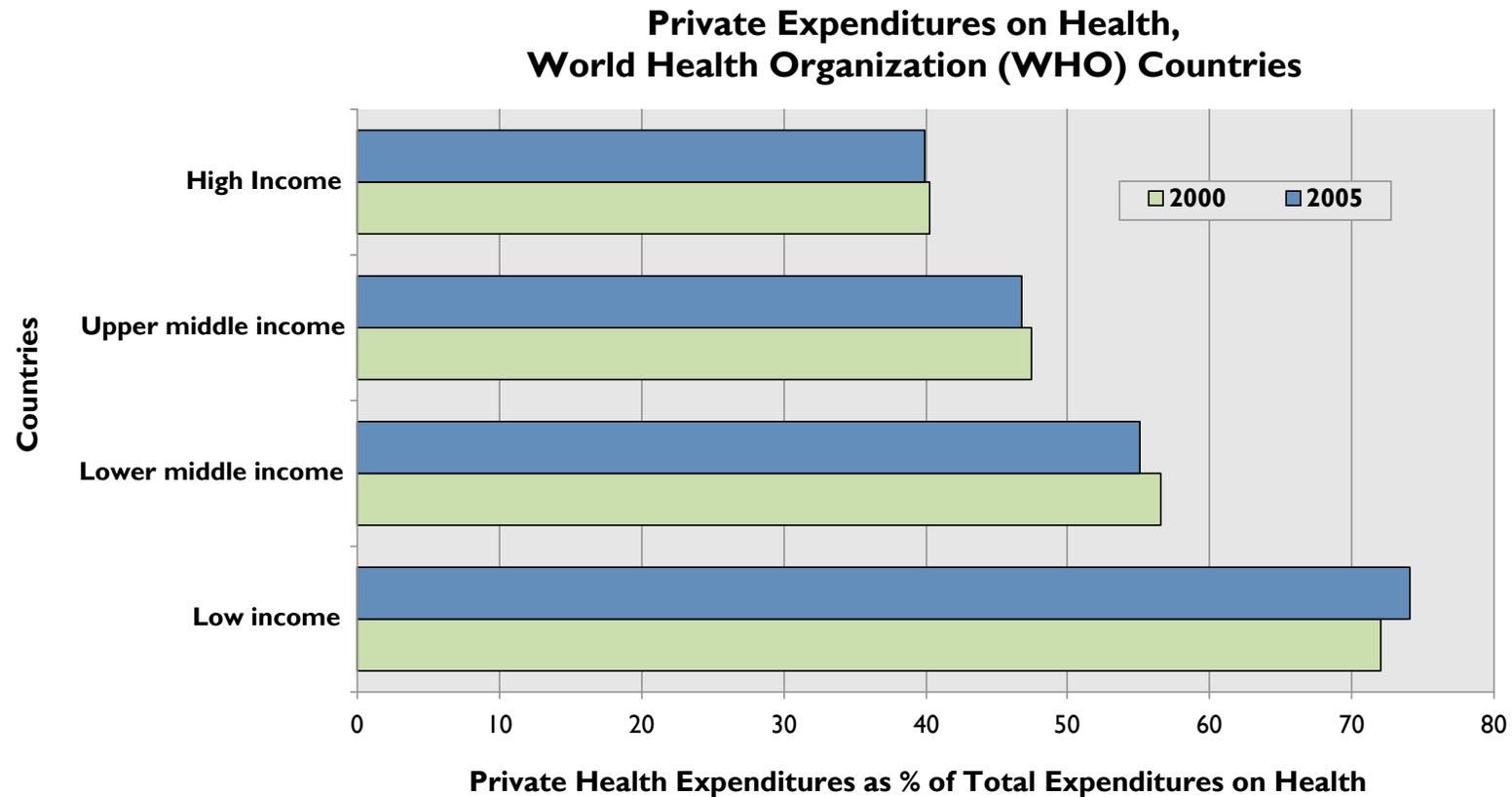
- The private sector is already playing an important role in providing healthcare services for the poor and non-poor.
- The private sector expands consumer choices and ensures equity in the contraceptive market.
  - Greater involvement of the private sector can free up donor and government resources for the poor.
  - Governments can create favorable conditions for private sector providers in family planning.

# Out-of-Pocket Expenses Are Substantial



Source: World Health Statistics 2008.

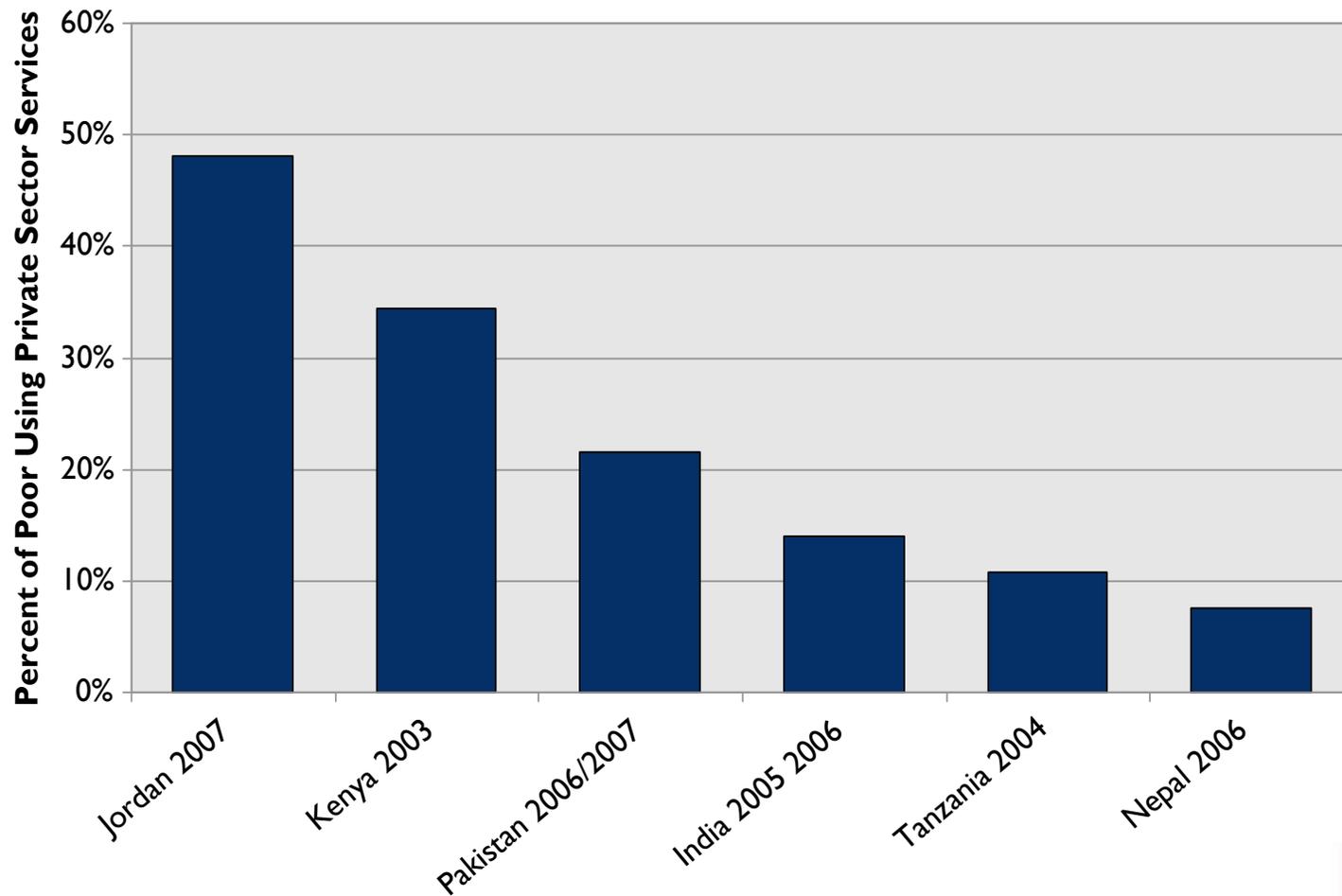
# Out-of-Pocket Expenses Are Higher in Low-Income Countries



Source: World Health Statistics 2008.

# The Poor Rely on Private Sector FP Services

Percent of Poor (Bottom 40%) Getting FP Services from Private Sector



# The Poor Incur Substantial Expenses for Reproductive and Child Health Services

Average Expenditure per Childbirth by Pace of Delivery in UP and India (rupees)

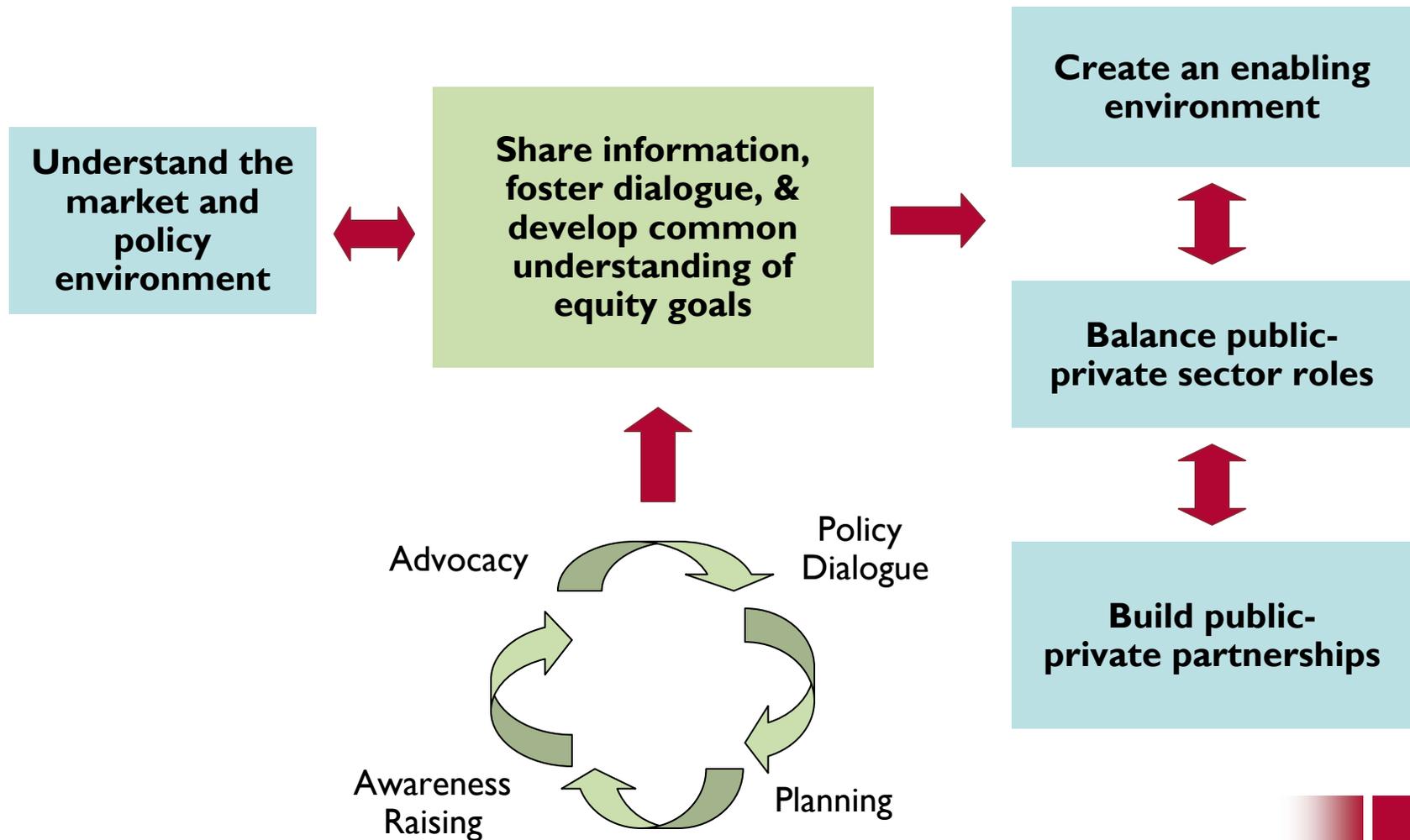
	Gov't	Private	Home	All
<b>Rural</b>				
<b>UP</b>	1,725	4,008	505	856
<b>India</b>	1,165	4,137	414	1,169
<b>Urban</b>				
<b>UP</b>	1,688	4,361	643	1,851
<b>India</b>	994	5,480	552	2,806

Source: National Sample Survey Organization (NSSO) 2004.

# The Private Sector Has an Important Role to Play

- Working exclusively with the public sector has not solved the problem of lack of access to essential health services, particularly for the poor.
- The private sector is already reaching the poor and offers an avenue for improving access and equity within a supportive policy and regulatory environment.

# Policy Framework for Strengthening Private Sector Role to Achieve Health Equity Goals



# Understanding the Market and Policy Environment



Photo credits: courtesy of Suneeta Sharma, Futures Group

# Assess the Policy and Financing Environment

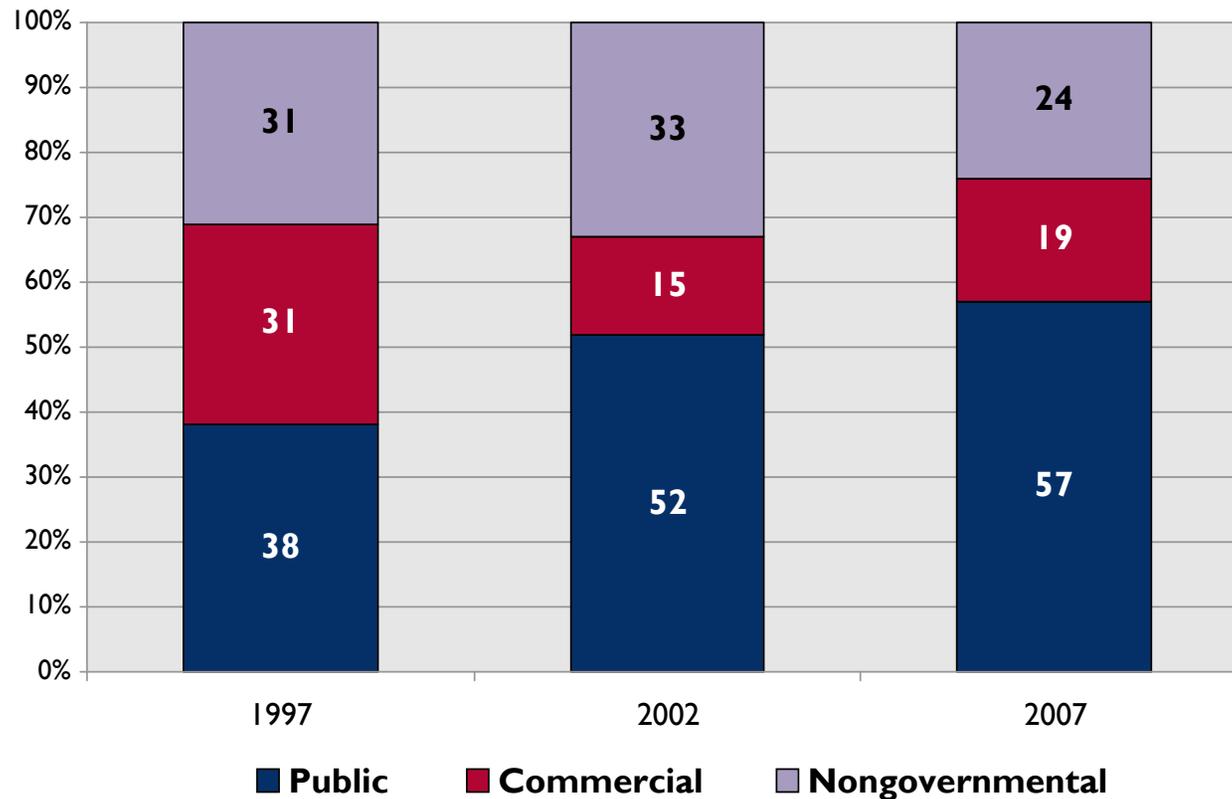
- Review the existing policies, strategies, and regulations affecting the private sector and its ability to serve the poor and non-poor
- Identify the major sources and uses of funds
- Evaluate the costs of accessing FP/RH services, including lost time, transport, medicines, and under-the-table payments in public and private sectors

# Assess the Market

- **Assess public sector capacity—physical, financial, and human—to meet growing needs for FP/RH among the poor**
- **Assess private sector distribution and market structure**
  - Private sector distribution, market structure, use patterns, and client profile
  - Trends in market size, method mix, and market share
  - Models of public-private partnerships
- **Conduct market segmentation—analyze segments of the market by income, source of services, and FP/RH needs and preferences**

# Assess the Impact of Policy Decisions on the Market

Source of FP Methods among the Poorest Women in Jordan, 1997–2007



Source: Sharma, S. and Mahesh Karra. 2009. "Effective Policy Approaches to Address Inequities in Health: Examples from Jordan and Egypt." Presented at the International Union for the Scientific Study of Population (IUSSP) International Seminar on Social and Health Policies for Equity: Approaches and Strategies, November 2-4.

# Share Information, Foster Dialogue, and Develop a Common Understanding of Equity Goals



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# Share Information and Foster Dialogue

- Conduct stakeholder analysis
- Organize private sector roundtables
- Organize public-private dialogue
- Develop common understanding on equity goals
- Share key findings on trends in market shares and client profiles

# Creating an Enabling Environment



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# Create an Enabling Environment

## **Involve the Private Sector as a Partner in Policymaking**

- Involve private sector in planning committees
- Present opportunities for the benefit of commercial sector involvement

## **Reduce Legal and Regulatory Barriers**

- Exempt contraceptive import duties/tariffs
- Reduce regulations on advertising
- Allow midwives to insert intrauterine devices

## **Put Incentives in Place**

- Incentives to serve the target group
- Social health insurance
- Contract out FP services in rural areas

# Balance Public/Private Roles

- Target free and subsidized public sector commodities to disadvantaged groups
- Encourage wealthier clients to use the commercial sector
- Sell subsidized products through commercial channels: social marketing

# Build Public-Private Partnerships (PPPs)

PPPs are collaborative efforts between private and public sectors, with clearly identified partnership structures, shared objectives, and specified performance indicators for delivery of a set of health services.

# Models of Public-Private Partnerships

- 1. Social franchising**
- 2. Contracting**
- 3. Social marketing**
- 4. Voucher system**
- 5. Donations from individuals**
- 6. Mobile health vans**
- 7. Involvement of corporate sector**
- 8. Capacity building of private providers**
- 9. Partnerships with social clubs and groups**
- 10. Health insurance**

# Public-Private Partnerships in Health Models

## Social Franchising

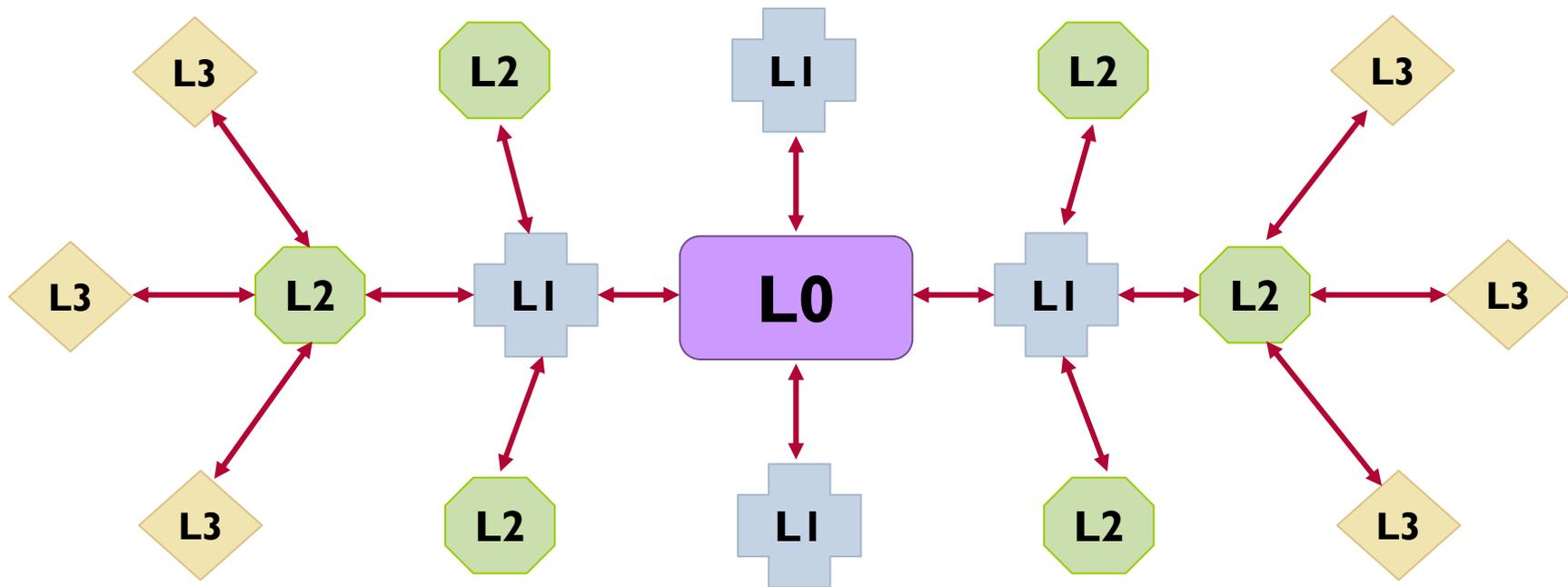
A type of business model in which a manufacturer or marketer of a product or service (the franchiser) grants exclusive rights to local independent entrepreneurs (franchisees) to conduct business in a prescribed manner in a certain place over a specified period.



Photo credits: Suneeta Sharma, Futures Group

# Hub and Spoke Model of Franchise Network in India

Covering 70 districts



**L0: Franchiser hospital (2)**

**L1: Fully franchised units (70)**

**L3: Partially franchised units (700)**

**L4: Community-level committees (10,500)**

# Public-Private Partnerships in Health Models

## Social Marketing

- Marketing to encourage people to adopt behaviors that will enhance their own and others' lives

## Criteria for initiation

- There is a need to combine service delivery with demand creation.
- The availability of products needs to increase through a vast network of easily accessible retail outlets.
- Brand choices and competition need to be encouraged to improve market penetration levels.
- Greater perceived value is attached to priced products than those distributed free.
- There is a need to improve access to affordable products among low- and middle-income and hard-to-reach groups.

# Public-Private Partnerships in Health Models

## Mobile Health Vans

Mobile vans can improve access to services in remote rural areas. These vans go to clearly identified central points on fixed days and provide comprehensive health services to a cluster of villages.

## Public and Private Sector Roles

Private sector: Purchases vans

Public sector: Pays for medical officers and medicines

## Mobile Health Vans are useful for

- Providing access to services for people living in inaccessible terrain
- Making services available at a central location to reduce travel time and costs of clients

# Reaching Out to Underserved Areas via Mobile Health Clinics in Uttarakhand

- 273 camps were held from December to April 2007
- 15,558 clients attended the camps
- 67.4% were female beneficiaries
- 34.5% of beneficiaries were living below the poverty line

# Public-Private Partnerships in Health Models

## Community-Based Health Insurance

Community members pay a minimum insurance premium per month and get insured against a certain level of health expenditure. This protects them from sudden and unexpected expenditures on health.

### It is especially useful when

- The community is willing to pre-pay
- The community has a high incidence of indebtedness due to healthcare expenditure
- Out-of-pocket payments on healthcare are high (childbirth)

# Conclusions

- Stimulating private sector participation in the FP market is urgent.
- The government has a key role to play in creating a favorable environment for private sector involvement in family planning.
- The government can promote public-private partnerships to increase access and resources for FP services.