Private Healthcare in Developing Countries

Welcome to the first edition of the Private Sector for Health summary of news and recent publications related to the private delivery of health services in low and middle-income countries.

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NEWS & EVENTS

9/30/08

PFIZER, GE, AND MAYO CLINIC COLLABORATE WITH GRAMEEN BANK FOR MICRO-HEALTH INSURANCE

Pfizer, GE Healthcare, and the Mayo Clinic are collaborating with Grameen Bank of Bangladesh to expand Grameen's micro-health insurance program that provides affordable healthcare through 38 networked community health centers and satellite clinics to over 3.2 million Bangladeshis last year. Grameen intends to expand the number of services centers, as well as use the firms financial expertise to increase cost effectiveness of their services.

10/13/08

UN and DSM Nutritional Products Win Award for Micronutrient Power

ICIS magazine, awarded the UN World Food Program and Netherlands-based DSM Nutritional Products a prize for their joint initiative in producing a cost-efficient micronutrient packet for distribution in the developing world. The MixMe tasteless powder packet contains vitamins and trace minerals which, when added to normally micronutrient deficient foods like corn and rice, helps avert numerous childhood and adult morbidities.

Above, Aravind Eye Care patients

Social Franchising to Improve Quality and Access in Private Health Care in Developing Countries

Bishai et. al., Harvard Health Policy Review 2008

The GreenStar social healthcare franchise in Pakistan is used to illustrate that healthcare franchises can be an effective mechanism to improve quality, equity, and access to care among poor clients, and to do so efficiently. Social franchises, like GreenStar, can be an effective parallel supply to complement government and NGO health delivery. The article develops an economic model of public-private interests in healthcare centered around the concepts of quality, equity, and access It argues that market mechanisms alone will not assure these benefits in a delivery system and that some organizing intermediary instrument, such as social franchising, is required. Panel data from a 2001-2004 study by Tsui et. al. is used to support the arguments.

Specialty Care Systems:A Pioneering Vision for Global Health

Bhandari et. al., Health Affairs 2008

The article defines specialty care businesses as having: 1) a standardized management system with local ownership, 2) a specialized workforce, 3) access to low-cost technology, and 4) high patient volume. Aravind Eye Care System in India is an exemplar of these criteria: it employs a serial production model for medical operations and uses a semi-autonomous systems management agency to improve the planning, efficiency, and effectiveness of it's eye hospitals in India. The authors note that generalizability of this model is limited by the availability of a specialized workforce, population density, patient cultural norms, and the availability of low-cost technology.

The Effectiveness of Contracting-out Primary Health Care Services in Developing Countries: A Review of the Evidence

Liu X et al., Health Policy and Planning 2008

Contracting between governments and non-governmental primary health providers has grown in recent years due to a surge in international health initiatives, frustration over the efficacy and quality of public services, shortages of personnel, and public preference for private care. However, there is a dearth of evidence on whether government contracting out of primary health care services improves the effectiveness and performance of health programs and systems. Reviewing thirteen contracting case studies, the authors see mixed overall performance.

Contracting improves access to health services and equity if "services that most benefit the poor are targeted" but does not necessarily improve equity more than public providers, has mixed results in

NEWS & EVENTS

NOV. 17 - 19
Global Ministerial Forum on Research for Health in Bamako, Mali
This forum will gather policy-makers and researchers to focus on the key linkages between the health sector and research, science and technology, higher education, and the global innovation system.

NOV. 20 - 21
U.S. - Africa Private Sector Health Forum in Washington, D.C., USA
This forum will bring together private and public sector leaders from the U.S. and Africa, including companies, entrepreneurs, financial institutions, and development banks. The forum will highlight investment opportunities in private sector health care and delivery in Africa.

JUL. 11, 2009
Role of the Private Sector in Health Symposium, Beijing, China
This iHEA pre-conference symposium will bring together policymakers and researchers to map out knowledge on the role of the private sector in health care and health systems development and to determine where further research is needed. Sessions will be conducted on innovations in private sector-government health care relations and understanding the nature of mixed health systems, amongst others.

Above, Community-based Health Insurance workers

boosting efficiency, and has unclear results in increasing quality. Variations in contracting success depend heavily on the specific context of implementation and on the specific design features of intervention. Finally, there is "relatively little understanding… of how contracting-out primary health care services influences the broader health system".

Medicines Coverage and Community-based Health Insurance in Low-income Countries

Vialle-Valentin et. al., Health Research and Policy Systems 2008

This article surveys community-based health insurance (CHI) plans in developing countries and reviews their effectiveness in expanding access and use of medicine. Among the highlighted CHI plans are two in Rwanda (Gibumbi and CUSP), where the government is supporting CHI as part of a move towards universal health insurance. The authors note the success of the Gibumbi plan in increasing access and use of medicine among the poor. This is the result of Gibumbi's family enrollment policy and free enrollment of the poor. This is possible in part because out-patient drug coverage is restricted. The CUSP plan does not include subsidized members and uses a fixed co-payment with no drug restrictions. The review also examines the emerging national CHI project in Lao PDR, noting challenges with the program's voluntary membership and it's difficulty reaching the poorest populations. CHI plans need to improve revenue collection and strategic purchasing, specifically in negotiating supplier payments and designing incentives for recommended medicines. There are few tools to assist CHI managers in designing and managing benefit packages adapted to low-income environments and a little support for managers to analyze dispensing data in order to improve use of medicines.

Public Purchasers Contracting External Primary Care Providers in Central America

Macq et. al., Health Policy 2008

Upon review of recent contracting experiences in Latin America the authors conclude that the complexity of contracting requires making clear technical and value-based choices during the nascent stages and adopting flexible behaviors to cope with unexpected planning development and to manage contracting external providers. A review of recent contracting experience is used to support this conclusion.

Choice of healthcare provider following reform in Vietnam

T Nguyen et al., BMC Health Services Research 2008

Rural Vietnamese households overwhelmingly used private providers (60%), followed by self-treatment (23%), then public providers (10%). People with higher education levels and larger families were more likely to seek routine treatment from private providers, while the poorest were more likely to use self-treatment for routine conditions. All rural individuals tended to use public health systems for the most costly treatments. The authors bring new information to this issue, highlighting that private providers are often considered better and cheaper than the nominally free government services.

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