Alma Ata Declaration

- The Declaration - 'Health For All' by 2000 AD
- Principles
  - Health as a Human Right
  - Equity and Social Justice
- Strategies
  - New Economic Order
  - Inter-sectoral collaboration
  - Appropriate technology
  - Comprehensive Primary Health Care away from a disease-based orientation
  - Calls for the governments to take action....
- 8 Components of Comprehensive Primary Health Care
  - Nutrition
  - Water and Sanitation
  - Education
  - Prevention of endemic diseases
  - Mother and Child Health
  - Immunization
  - Treatment of minor ailments and injuries
  - Access to Essential Medicines.

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- 8 Components of Comprehensive Primary Health Care
  - Nutrition
  - Water and Sanitation – Government
  - Education – Government
  - Prevention of endemic diseases – Government
  - Mother and Child Health - Government
  - Immunization – Government/Private
  - Treatment of minor ailments and injuries – Government/Private
  - Access to Essential Medicines – Government/Private

So Alma Ata Declaration was a hugely political Statement !!

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Politics of Alma Ata and the Crisis in WHO

• Alma Ata was a Political Statement and **NOT** a technical document

• 1980 – Bellagio Conference on Selective Primary Health Care – Comprehensive Primary Health Care of Alma Ata considered too abstract and costly (Walsh and Warren, 1980)

• Adoption of the GOBI – FFF (Growth Monitoring, Oral Rehydration, Breast Feeding Immunization – Family Planning, Female Education and Food supplements) as a Selective strategy

• UNICEF abandons HFA and embraces Selective PHC (Italian Global Health Watch, 2008)

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Politics of Alma Ata and the Crisis in WHO

· **1988 – 1998** WHO in crisis due to various factors – Frozen funding; Poor leadership (Nakajima) and also the rise of World Bank.

·Assessed Contributions (AC) from member countries were frozen (untied funds) and 'Voluntary Contributions' tied to projects were encouraged reducing the flexibility of WHO in executing its projects

· 1993 – World Development Report – "Investing in Health" brought out by World Bank

Beginning of multitude of Vertical Programs ☹

•1980's – Rise of World Bank, Neoliberal, structural adjustment policies, market logic as against social logic of Alma Ata

• Since then WHO has been struggling to reinvent itself and forced to undertake certain reforms

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Private Sector in Health care delivery

By: Prasanna Saligram

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Private Sector – The Puzzle

What is Private Sector ?

- Mother providing warm milk mixed with Turmeric, Concoction (Kashayam, kaada)
- Informal, untrained providers
- RMPs
- Local Healers – bone setters, naadi vaidyas etc.,
- Your family Doctor
- Small dispensaries / Clinics
- Family clinics chain – franchises [Eg. Swasthi, Access health]
- Nursing Homes
- Mission Hospitals
- Not-for-profit facilities
- Private medical college tertiary facilities
- Corporate hospitals

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Mixed Health Systems Syndrome

- Mixed Health Systems – Private sector operates side-by-side with the centrally planned public health sector. Most countries' health systems are mixed

Specific characteristics

- Heterogeneity and diversity of providers
- Weak Public Health Services
  - Chronic underinvestment in public health systems (less than 1% of GDP)
  - Lack of staff and infrastructure for proper delivery of services
  - Poor quality of service delivery

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Mixed Health Systems Syndrome

- Poorly organized private markets
  - Highly unregulated
  - Inequitable, high Out-Of-Pocket payments dominate
  - Most of the care is in the private sector (nearly 80%)
- Blurring of boundaries between public and private
  - Public personnel 'moonlighting'
  - Private providers 'contracted-in'

All these result in

- Unnecessarily High costs of care
- Variable, often poor Quality of Care
- Irregular ethical conduct of the providers
- Unavailability of Care

All these together make up for 'Mixed Health Systems Syndrome' (Nishtar 2010)

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What are the reasons for engaging the Private sector?

- **Efficiency Argument** : Markets provide for competition and hence there are efficiency gains from using the market route
- **Poor quality of services by the public sector :** Public sector with centralized global budgets are not responsive to people's needs and because of monopolies performance is very poor and quality of services are overall poor
- **Majority of the services are anyways provided by the private sector:** Majority of the population access private providers (formal, informal, trained, untrained) for their services particularly OPD services and hence it makes sense to 'harness' the private sector services
- **Budgetary constraint :** The public sector could have fiscal gains by contracting out. Instead of one-time investment which shows up in the budget, the government could pay the private provider over 20 years

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'Make' or 'Buy' decisions in health care

- **Measurability** – The ability to measure the services delivered. For eg. 'X' number of vaccines delivered
- **Contestability** – The ease with which manufacturers/service providers can enter or exit the market. For eg. Setting up a pharmacy store or diagnostics

Measurability and Contestability Matrix (Preker et al 2000)

Contestability / Measurability	High Contestability	Medium Contestability	Low Contestability
High Measurability	Stationery Consumables Drugs	Wholesale distribution of drugs	Production of Pharamaceuticals, Diagnostics
Medium Measurability	Non-clinical activities – Laundry, canteen	High technology diagnostics – For eg Cancer	Research Higher Education
Low Measurability	OPD services	Public Health activities – SDH	Policy Making, M & E

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'Make' or 'Buy' decisions in health care

Measurability and Contestability Matrix (Preker et al 2000)

Contestability / Measurability	High Contestability	Medium Contestability	Low Contestability
High Measurability	Buy		
Medium Measurability		Regulations and Contracting	
Low Measurability			Make

High Asset Specificity – Assets generated specific to the services provided
***Ex- Ante* Competition** – Competition before the bidding process
***Ex- Post* Competition** – Competition after the award of contract
Competition in the market – Eg. Pen
Competition for the Market – Market failure. Eg. Roads

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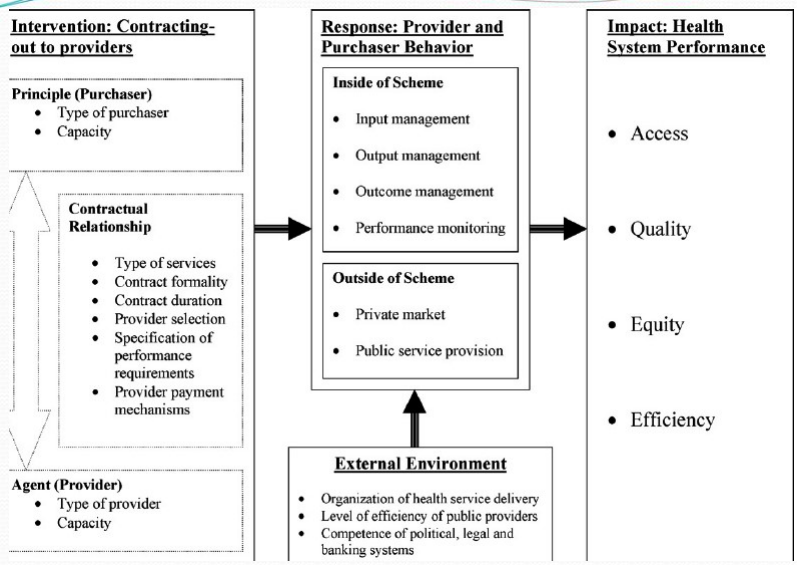
Framework for Contracting out Health services



(Source: Liu et al. 2007)

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Contracting

- **Contracting - in** : Private providers are contracted into the public health system for delivery of specific services. For eg. Gynecologists who retired from Karnataka health system were contracted-in by the Karnataka Government in Northern Karnataka

- **Contracted – Out :** The government contracts out certain provisions of services to private sector. For eg. Karnataka government till recently contracted out the running of PHC services to NGOs.

Is contracting out Privatization?

- Not necessarily as the assets are still owned by the government

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Public – Private Partnerships

- **Are these Public-private partnerships?**

1. National Highways Authority of India (NHAI) wants to construct the airport road between the new airport in Bangalore and Hebbal. A tender is called and private players like L & T, GMR and Navyuga constructions bid for it. Navyuga Constructions wins the bid, finances it and then constructs the six lane airport road and is given the permission to collect **Toll** for the next 20 years

2. Karnataka state government decides to construct a four lane Bangalore – Mysore highway. It calls for tenders from construction players. L & T, GMR and Navyuga constructions bid for it and L & T wins the contract. The four lane is constructed and the government pays L & T the tender amount after completion.

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Public – Private Partnerships

3. Karnataka Government wants to construct a hospital and invites tenders from private construction players to construct the hospital and the lowest bidder gets the contract to construct the hospital

4. Karnataka Government contracts out Primary Health Center to NGOs and medical colleges.

5. Karnataka Government constructs a hospital in Raichur (Rajiv Gandhi Super Specialty hospital also called as OPEC hospital) from the funds received from OPEC countries. After construction it hands over the running of the hospital to Apollo hospital for 10 years with the understanding that Apollo shall provide free services for BPL population

6. Braun company negotiates with the Andhra Pradesh government for installing Dialysis units in the Government hospital premises and shall charge user-fees to the patients. BPL families' treatment is reimbursed by the government/RKS

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Public – Private Partnerships

CONDITIONALITIES TO BE CALLED A TRUE PPP

A PPP arrangement has four conditions that need to be met;

- It must serve a public service which is a 'market failure' (such as health, as described above)
- A long-term contract must exist between the public and the private entity;
- The private entity owns and finances assets to produce and supply services
- There must be optimal allocation and transfer of risks (Välilä, 2005)

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Public – Private Partnerships

CONDITIONALITIES TO BE CALLED A TRUE PPP

"..*a PPP is a long-term contract between a private party and a government entity, for providing a public asset or service, in which the private party bears significant risk and management responsibility, and remuneration is linked to performance*" (World Bank, 2017, p.1)

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Public – Private Partnerships?

Sr. No.	Name of the 'PPP' model	Type of Engagement	Private Entity / Service provider	Geographical Area
1	Ayushman Bharat - PMJAY	Governments empanel private facilities for cashless treatment for selected tertiary treatments for BPL. Either Assurance model (based on a trust/society run by the government) or Insurance model (private insurance premiums are paid by the government).	Empanelled Public and private facilities	All India except West Bengal
2	Chiranjeevi Scheme	The GoG* contracts-in private facilities on a pre-determined criteria to deliver Maternal services for BPL patients. A package of Rs. 2,70,000 for 100 deliveries irrespective of normal or c-section delivery. Similar are the Thayibhagya Scheme in Karnataka and Janani Sahayogi Yojana in MP, only different in their payment terms	Empanelled Private practitioners	Gujarat
3	Arogya Raksha Scheme – Voucher based system	A GoAP scheme in which anybody who undergoes sterilization is given a voucher which provides hospitalization and personal accident benefits.	New India Assurance Company and private facilities.	Andhra Pradesh
4	EMRI (108) – Emergency Medical Services	Many state governments have understanding with EMRI to undertake emergency medical services (ambulance services). A contracting out mechanism. Similar schemes are the Janani Express in MP.	EMRI	Andhra Pradesh, Karnataka, Madhya Pradesh etc.,
5	Adoption of PHC	State governments hand over the PHC to organizations for running them. One more contracting out mechanism	NGO	Karnataka, Orissa, Arunachal Pradesh etc.,
6	Family Planning Services - I	Agreements were signed between NGOs and the central government to provide family planning and outreach services. These agreements are now managed by state governments. In some case, building and equipment is also provided	NGO	Select states in India, including Karnakata
7	Family Planning services - II	Family planning services are contracted out to private facilities, nursing homes and clinics.	Accredited private facilities	Bihar
8	Haryana Urban RCH model	Private service provider is roped in to deliver specific services to urban residents. The provider gets an incentive of Rs. 100 per patient per year.	Private service provider	Haryana
9	Concessions to corporate hospitals	Government provides concessions such as land, tax exemptions etc. to corporate hospitals in exchange for free treatment (both IPD and OPD) for BPL families.	Corporate hospitals	Delhi
10	Government hospital run by corporate chain	Government constructs hospital and then hands it over to corporate chain in exchange for free treatment (both IP and OPD) for BPL families	Corporate hospitals	Karnataka, Chhattisgarh

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Public – Private Partnerships?

Sr. No.	Name of the 'PPP' model	Type of Engagement	Private Entity / Service provider	Geographical Area
11	Radiological services contracted out to private parties	Government contracts out radiological facilities to private parties who will levy user charges to recover their costs. The patient welfare committees (Rogi Kalyan Samiti) will reimburse the BPL patients	Private facilities	West Bengal
12	Contracting out of Non-clinical services to private companies	The hospital contracts out dietary and kitchen services, Cleaning/Scavenging and laundry facilities to private entities. BPL families get diet free of charge and other patients pay 50% of the charges.	Private entities	West Bengal
13	Service delivery for national health programs	Private service providers contracted in for providing OP services on TB, Leprosy and so on	Private facilities	Nationwide
14	Social Marketing	Government provides subsidized contraceptives to selected organizations which piggy back the marketing of these contraceptives along with their products.	Hindustan Latex Limited and other such companies	Nationwide
15	Telemedicine and Tele Health project	GoK has entered into a contract with Narayana Hrudayalaya to provide online tele-diagnosis and consultation for coronary care in select district hospitals	Narayana Hrudayalaya	Karnataka
16	Build, Own, Operate and Transfer (BOOT)	The GoAP through the Rajiv Arogyasri Trust has entered into a BOOT agreement with Braun for setting up of Heamodialysis units in government hospitals. BPL and Arogyasri card holders are entitled for free treatment and the government reimburses the costs upto Rs. 10000 per month per patient	Braun Company	Andhra Pradesh
17	Contracting-in of specialists	BBMP has signed agreements for services of OB-Gyns in BBMP Maternity Homes. It also has a panel of doctors such as anaesthetists who are paid on a case-by-case basis	OB-Gyn's association/ company, individual private practitioners	Karnataka

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Thank you !!

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