



PUBLIC PRIVATE PARTNERSHIPS (PPPs); INNOVATIONS AND IMPROVEMENTS FOR FUTURE HEALTH CARE SYSTEMS IN PAKISTAN.

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ABSTRACT... Public Private Partnerships (PPPs) is defined as “arrangements between government and private sector entities for the purpose of providing public infrastructure, community facilities and related services. The partnership must be based on a mutual agreement between the public and the private sectors, be in a form that the service provision purpose of the public sector and the profit goals of the private sector can agree, and be mutually liable for risks. The evaluation of the institution of the PPPs along with suggestions for future action aimed at profit maximization, better utilization of the projects and maximization of social benefits are made, taking under consideration the ever-increasing demands and special socio-economic circumstances of our contemporary society.

Key words: Public Private Partnerships (PPPs), Medical Tourism, Health Services.

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Public Private Partnerships (PPPs) is defined as “arrangements between government and private sector entities for the purpose of providing public infrastructure, community facilities and related services. Such partnerships are characterised by the sharing of investment, risk, responsibility and reward between the partners”.

“Public” refers to the communal resources of the central and the regional governments and “private” refers to the resources of the private sector convergent on private companies. PPP refers to “the procurement of public services and all related elements through the establishment and execution of a partnership between the public and private sectors of a country”. The partnership refers to “a voluntary and collaborative agreement for cooperation among participants of equal capacities from various fields to accomplish a communal objective or to meet a particular requirement that carries with it a collective risk, liability, measure, and capability”.

Co-operation between two or among multiple institutional and private sector partners to execute a particular developmental assignment”. The partnership refers to “forming not only a ‘win-

win-win’ relationship among the government, the service provider, and the benefactors, the constituents of the community, by enlisting them as partners but also an alliance between the public and the private sectors across all specialties, including businesses in infrastructure establishments and as public services in general from education to health and medicine to social welfare”.

EVALUATION OF PUBLIC PRIVATE PARTNERSHIPS (PPPs)

Concepts and principles

The appropriateness for PPP concepts, the consensus was that the most appropriate form of public and private partnership is “to acknowledge the public and the private sectors as equal entities and to utilize each sector’s advantages.”

- The partnership should be based on a mutual agreement between the public and the private sectors in a form that the service provision purpose of the public sector and profit goals of the private sector can agree, and be mutually liable for risks.
- The second consensus was that the

partnership must be in a form “of a mutual investment by the public and private sectors in which clearly defined demands of both the public and the private sectors can be met through appropriate distributions of remunerations, resources, and risks by utilizing each partner’s expertise as base.”

- The third consensus was “to combine the expertise and technologies of the private sector with the knowledge and legitimacy of the public sector for mutual profits.”⁴

In assessing the evaluation results of the appropriateness for PPPs principles, consensus showed three most appropriate forms of public and private partnership;

- Transparency
- Trust
- Competencies

It was emphasized that in order for the partnership to operate successfully, joint access of transparent information must be agreed on as a prerequisite, risk and liability should be mutually managed based on trust, and a partnership principle that can maximize the capabilities of each sector should be established.¹

The evaluation of the institution of the PPPs along with suggestions for future action aimed at profit maximization, better utilization of the projects and maximization of social benefits keeping ever-increasing demands and special socio-economic circumstances of our contemporary society under consideration.

Public Private Partnerships leads to economic growth which involves a combination of mutually reinforcing measures to reduce poverty such as;

- (i) Promoting pro-poor sustainable economic growth
- (ii) Ensuring level playing political field or good governance
- (iii) Social safety nets for inclusive social development

Asian Development Bank (ADB), emphasized that “economic growth can effectively reduce poverty, only when accompanied by a comprehensive program for human capital development, social capital development, gender development, and social protection”.²

Population in Pakistan is increasing at a higher pace than the development of required social infrastructure such as hospitals, schools, play areas, roads, railways and energy section. The Government tries its best to develop required social infrastructure but is unable to match with the population blast.

Health care is a very sensitive and important issue for every nation. Our administrations have tried to offer as best a service as possible. These services have been cut down due to financial problems over years. The need for effective and up to date health care system has increased requiring much larger chunk of public funds and effective management.²

Pakistan is a reasonably developed Muslim country which is progressing as well. It is thickly populated country, full of natural resources and hardworking human resources.

Unfortunately the management and governance is less disciplined and less organized. It doesnot achieve the desired results. The health care system requires visionary and practical improvements.

The government has less money available and even the amount allocated is not spent on health sector developments as it is diverted to other regional development projects, politically more suitable to government.

The amount spent on health is not spent ideally and efficiently. A higher percentage is wasted leading to inadequate progress in health sector.² Government hospitals are working at low efficiency at present.³

The performance of the institutions directly relates to the quality of men running these. It

is emphasized that the managers and staff of institutions (Hospitals) be selected on merit.²

The private sector has tried to fill the gap of development but has been unable to cover the required deficiencies. The public and private sectors both are integral part of the state of Pakistan. Both have to participate in social work programs for the benefit of people.

The number of hospitals and available beds are insufficient for increasing population in Pakistan at present. It needs of money and time to construct new hospitals within a short period. Different options need to be explored to increase the hospitals or hospital beds in a short span of time.

Pakistan is lucky in having well trained and skillful manpower in health sector. Quality control of health services can be maintained and even further improved with some effort. It is well within the control.

The health sector has two main groups looking after the community;

- Public (government) Sector
- Private (private controlled) Sector

Both sectors look after primary secondary and tertiary health care. Unfortunately it is unorganized as compared to rest of the developed world.¹

The government and private sector in Pakistan are facing financial problems required for efficient innovations and progress in health sector. It requires practical and innovative initiatives for progress. It is possible and is well within the reach.

Many countries (Almost all) face problems in health care systems in their country. The think tanks (innovative health sector groups) analyze the problems and find out feasible and workable solutions. The Government and private sectors take initiatives and solve the problems. Thus desired progress is achieved.

Collaboration between public and private sector has been used in many countries as private public partnership (PPPs) very successfully but it requires honest and just collaboration sharing dividends and risks on equal basis.⁴ Many countries have used public private partnership successfully.

The state is responsible for health care of its public. The state may pay for the poor patients who are unable to afford even the most economical packages.

Unfortunately the government and private sector relationship has never been exemplary in Pakistan for various reasons. The attempts for better collaboration has never been seen between governments and private sector.

The government having authority, responsibility and financial security has to take initiatives for improvements and should lead all the stake holders in field of health care. The government has to take initiatives itself or in collaboration with the private sector.

GOOD GOVERNANCE

The first and the most important single factor required to improve and economize health care is **to register the population**. It is important for immunization, community preventive measures, awareness, record keeping, audit and research to run an effective health care system.²

It can be easily and economically handled by primary health care givers. It is likely to avoid duplication of service utilization and the unnecessary load of work from secondary and tertiary care hospitals. The patients are referred to secondary and tertiary care centers allocated to associated primary areas.

The organized and allocated referral system is likely to unburden the centers from unregistered rush.

It will fix the responsibility of patient care and record keeping adequately. It will bring patient care in

control and will help in further improvements and innovations in future in an organized well documented fashion.

MEDICAL TOURISM

PPP defines cooperation between the government ministries of health, tourism, social welfare, transport and health infrastructure, education, public hospitals and health care services on one hand, and the corporate private sector hospitals on the other hand, which will not only enhance the competitive advantage of medical tourism industry between the various stake holders: such as government departments, corporate private hospitals and other business involved in supporting the medical tourism industry, but will also lead to inclusive development of appropriate policies and regulations for implementing and improving the access to healthcare facilities and treatment.

Indian Model

Medical tourism is an example of international trade in healthcare services which has grown dramatically in India due to low cost, no waiting period for surgery, qualified professional medical staff, affordable and ease of travel and Joint Commission International (JCI) quality of healthcare.

Government of India took the initiative to promote India as a 'Global Healthcare Destination' to the world and introduced Medical-Visa (M-Visa) in 2003, which is valid for a year and Medical Escort Visa (MX) for accompanying family and friends.

Scheme for medical tourists was introduced in 2010 to reduce bureaucratic delays and expedite visas on arrival (VoA). National Accreditation Board for Hospitals (NABH) certification body, of the Indian Government has been approved by the International Society of Quality in Health Care (ISQUAH), to promote a uniform regulation at state and central level, of quality of healthcare facilities and treatment, ethical standards and equal access to healthcare for treating foreign as well as domestic patients. National Association of Health Tourism also took the responsibility

of promotion of alternative medicine through overseas Indian high commissions and medical tourism.³

Indian government adopted various alternate measures to provide and finance new economic and social infrastructure by corporatization, deregulation, privatization, commercialization, commodification of all public services including healthcare in the pursuit of economic development and growth.

Various sectors were opened to free market reform by the Rao government. Deregulation, corporatization and privatization initiatives were adopted under the new economic policy reform initiatives to finance many infrastructure projects after the 1990 Indian financial crisis.

Public Finance Initiatives (PFI) or Public-Private Partnerships (PPP), initiatives of the Thatcher and the Reagan government in UK and USA was adopted by the Indian government.

The new economic policy reform strategy in India started in 1990, was oriented towards privatization, foreign investment and development of industry through free market. However, since the 11th five year plan the government is concerned about inclusive development and growth with a human face in all sectors.

The corporate sector hospitals need to play a major role by PPP, for making medical tourism pro-poor in providing cost effective, innovative solutions by adopting urban slums and rural villages to ensure inclusive and sustainable development of first world healthcare facilities in regions that are economically underdeveloped and support the idea of universal access to healthcare for the poorest.

Political commitment is essential between the key stake holders for providing efficient, effective, equitable and accredited quality of health care for the long term sustainability of the medical tourism industry for the host country, given the increasing competition, as well as to guarantee

well developed rural infrastructure facilities such as roads in particular to have easy access to health and educational facilities, quality of service, affordable price, accreditation of public and corporate private hospitals and handling of any legal disputes for all patients (domestic and foreign) to ensure universal access to healthcare.

The country will generate wealth, if its population is in good health. It will promote sustainable inclusive development and growth for all sectors of the economy.³

PPP strategy that is in ordinance of domestic situation, should be implemented to secure the position of exceptional comparative advantage of international expertise in the field of healthcare.

(Greek Model)

Public-private partnerships (also known as PPPs) in the Greek health care sector, since its first introduction to the country with the ratification of the law. The impact of entrepreneurial activity on the development of innovation is noted. The primary focus of this activity is to provide a complete and updated picture of the institution of the PPPs and to evaluate them as an alternative means of production of public works and services.

New insight into the identification of entrepreneurial opportunities is provided through public-private partnerships, while comparing the implementation of the PPPs in several projects across different European countries, providing an overview of the Greek experience of the public-private partnerships.⁵ It is examined to give a reliable evaluation of those types of investments. Advantages of the PPP contracts help in choosing a model of mutual cooperation-partnership.

There has been uncontrolled growth of healthcare costs and there is need to reduce these. Central to this philosophy of policy decision making was the assumption that the government is responsible to provide universal high quality health services to all citizens without exception.

The public services proved to be insufficient and

fragmented, creating the need for a new model of healthcare provision in which leveraging strong associations between different partners is expected to provide the means for healthcare spending and budgetary control as well as the necessary surveillance measures.

The unbreakable and harmonious cooperation between the public sector and leading financial institutions in the private sector carries the potential for projects economically efficient and socially beneficial for all parties involved. PPPs are certainly a promising model, which in conjunction with other economic and social policies could lead to new ways of commissioning care and promoting innovative practice. Besides everything else, PPPs in Greece can provide a great opportunity to improve the infrastructure and services of the healthcare system with the primary goal being to secure increased user satisfaction.⁵

Advantages and disadvantages of public-private partnerships were evaluated making a case for a clear separation between the public and private sector involvement activities, and reaching the following conclusions:

1. PPPs in healthcare should be distinguished from a general move towards privatization, which is also the prevalent trend of our time.
2. It is necessary to set apart the objectives for public healthcare policy and the rules governing the operation of private sector initiatives.
3. It is of paramount importance to guarantee the social character of health services under the model of public-private partnerships.
4. Improving product quality, improving and strengthening health services, enhancing the education of citizens as end-users of these services.

The conclusion drawn is that the rapidly increasing health expenditures in the Greek healthcare

system, coupled with the rapid growth of the private sector over the last 20 years, seem to be inextricably linked with the underfunding of the public healthcare system. A further implication of this is the additional use of private care, which aims to compensate for the weaknesses and gaps in the public healthcare.

Public private partnerships were examined which were in place in-hospital settings across different EU states, concluding that partnerships PPPs show varying results in different countries.

Among the key elements for analysis are the economic and business cycles, levels of economic growth and inflation and the safeguarding of financial resources. It is also important to include social factors that can affect the course of a partnership, by which we mean not only the private and public actors involved, but also the involvement of interested stakeholders e.g. public or local authorities, local communities, service users and their families and other social actors. These seem to be external factors affecting the partnership, but who are, nonetheless, very important too.

(International experience)

In South Africa, the main Hospital of Cape Town, for example, was constructed and operates under the PPP model. The specifics of the project are as follows: the duration of the contract amounts to ten years with no provision of extending for ten more years made. In this case, the private partner provides ancillary and nursing staff, while the government provides the medical staff. At the conclusion of the contract, the hospital services are reserved for the public. By the end of this, the state has undertaken to pay compensation to the private investor by paying a daily hospital fee for each patient.⁶

Infrastructures, projects require more detailed and careful economic evaluation. The study of appropriate indicators for investors combined with an improved methodology for the economic evaluation of PPPs can ensure better results and reduce the related risks.

A crucial factor involves determining the role of the government, which has to do with decisions about the economic viability of a particular work, and also about the ability to attract private funding. A common component of all efforts involving partnerships PPP should be the interests of the general public.

Additionally, the ways and means by which governments innovate and participate in entrepreneurial activities should be further explored, studying the components of successful entrepreneurial innovation when governments work collaboratively with private investors and entrepreneurs. Finally, the potential of PPPs should expand on the European experience with particular reference to their changing role in the midst of the economic crisis.⁶

PPPs are not new institutions; rather, governments have partnered with private organizations to provide public services for hundreds of years. For example, the Dutch East India Company was a partnership between the Dutch government and industry to encourage world-wide trade and during World War II, governments heavily relied on the private industry to provide supplies and services for the war movement. Despite the prevalence of government and non-government partnerships, the term public-private partnership was first used about 40 years ago and since then, it has grown in prominence.

PPPs span sectors and have a variety of functions like policy design, policy evaluation and monitoring, implementation, capacity building, activism and resource mobilization. One heavily cited definition of PPPs is “working arrangements based on a mutual commitment (over and above that implied in any contract) between a public sector organization with any organization outside of the public sector”. This definition is broad and it allows PPPs to have assorted organizational structures ranging from partnerships between national government agencies and companies to partnerships between local government departments and community group.

The complexity and interconnectivity of problems prohibit a single organization from accomplishing their goals, so in order to succeed, organizations must partner together. The need to partner due to increased complexity is especially relevant for organizations working with highly scientific emerging technologies. These technologies are at the forefront of knowledge, and a variety of sectors must share knowledge in order to develop them.

A second reason that organizations form PPPs is that a group of organizations can better overcome market deficiencies than a single actor. For example, some innovations have high technical risk that prevent them from being economically attractive, while other innovations have low monetary return. PPPs can circumvent these barriers by spreading the risk of failure over multiple parties and projects.

Partnerships also improve the economies of scale of R&D and pool talents across different sectors. Most health PPPs have expert scientific boards from industry, academia and non-profit organizations that assist managers to choose research portfolios that align with the goals of the organization. The boards 'consider the cost and feasibility of projects to decide whether to pursue them. In contrast, independent organizations may not have the personnel and financial resources to manage, evaluate, and implement multiple highly technical projects.⁷

The International Monetary Fund has recommended that countries increase the scope of private sector provision in health care as part of loan conditions, often to reduce government debt. Criticizing such efforts, the international nonprofit organization Oxfam, in its report "Blind Optimism," concluded that "to achieve universal and equitable access to health care, the public sector must be made to work as the majority provider".⁸

Government of Punjab

The government of Punjab has various serious issues in health sector. Discrepancy of hospitals,

hospital beds has occurred due to increase in poor patients.

The Government should identify its problems and try to analyze various options keeping the financial, administrative, legal and infrastructural resources available.

It is the responsibility of Government to find out number of possible solutions for the problems & select the ideal & most suitable one.

- The private sector should be accepted as equal and a partner and must be offered due advantage for making the collaborative projects successful.
- Think tanks should be organized. These should be autonomous, unbiased and independent. These should be given full assistance and access to required information for correct and adequate research and finding useful solutions. The services of think tank should be recognized, appreciated and encouraged.
- The shortage of hospital beds can be corrected by government by building new hospitals but it requires time to plan, construct and commission these hospitals. It will need lot of financial burden and arrangement of hospital staff and equipment.
- The other option is to upgrade its District, Tehsil, Rural and basic health units to keep local patients locally and avoid unnecessary referral to secondary and tertiary care hospitals. It will also need time and financial help for satisfactory up gradation.
- The third option is to use the available beds of private and trust hospitals of the cities as and when required. It will require the payment to hospitals which can be negotiated with hospitals. This arrangement will require special arrangement for law making for such financial arrangements. It is possible for short period and only in emergency. Many

countries like Saudi Arabia are using similar arrangements.

Objectives of public private collaboration

The goals should be very clear and methods to achieve these in the best way should be used.

- To develop accurate register of population requiring health services.
- To increase capacity of critical care beds capacity (emergency beds, labor beds, ICU beds, Pediatric nursery beds) in short term.
- To provide primary health care 24 hours to decrease burden on existing tertiary care hospital.

PHASE I

Registration of patients

Government Health Department should register population in collaboration with NADRA and allocate population to both public and private hospitals emergency and critical care treatment in initial phase. The allocation must be justified by capacity of public and private hospitals

Registration of health care facilities

All available health care facilities in private sector may be registered voluntarily with this program by providing emergency and critical care beds and diagnostic facilities for immediate use.

PHASE II

Operational phase will start with provision of health facilities which may be specified prior to this phase.

Following health facilities can be suggested in the initial phase.

- Medical emergencies
- Trauma and surgical emergencies
- Obstetric care
- Pediatrics and nursery care
- ICU beds

The period of program must be specified before commencement of program.

PHASE III

Private sector health facilities can be utilized for specific treatments such as surgical procedures, diagnostic tests etc.

Quality Control

In the initial phase Punjab health care commission standards of health care can be used until new legislation or standards are developed. The standard SOPs must be developed with close collaboration.

Financial Issues

The government will be responsible to provide financial resources according to the number of registered population to the health care facilities public and private both.

Long Term Future

The government should develop a healthcare think tank which should continuously evaluate the health care in our society and plan for future.

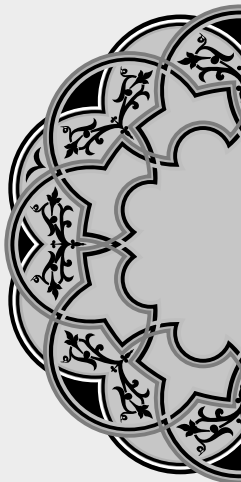
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*“Harder the competition;
greater the success.”*

Shuja Tahir

AUTHORSHIP AND CONTRIBUTION DECLARATION

Sr. #	Author-s Full Name	Contribution to the paper	Author=s Signature
1	Dr. Muhammad Shuja Tahir	Data collection + Complete Preparation	