MoPH Statement on Public Private Partnerships and Specialist Tertiary Hospitals, April 2015

Ministry of Public Health

Statement on Public Private Partnerships and Specialist Tertiary Hospitals

Summary
This statement is to inform stakeholders in the health sector about the intention of the Ministry of Public Health (MoPH), with the leadership and full commitment of H.E. the Minister of Public Health, Dr Feroz, to have strong working partnerships with private investors. The investment will enable the functioning of quality, effective, efficient specialist tertiary care hospitals in Kabul.

Such partnerships will be called public-private investment partnerships (PPIPs) to clearly differentiate them from the wide variety of other public-private partnerships (PPPs) in the health sector that range from donations, working with not-for-profit and for-profit non-governmental organisations (NGOs) on very specific issues to contractual relationships such as contracting out.

Apart from clarifying the terminology as outlined above the statement looks briefly, within the context of Afghanistan, at the main differences between PPPs and PPIPs in health, the four key attributes of PPIPs, what PPIPs will not be and what private partners will do, and the key challenges identified to date.

Why PPIPs and what differences between PPPs and PPIPs?
Currently the Afghan government and the citizens of the country spend more than US$285 million each year getting treatment abroad. This is because there is no specialist clinical care available. It would be much better for patients to be able to be treated within their own socio-cultural setting, closer to their family. The main demand at present is specialist care for patients with cancer or cardio-vascular disease.

PPIPs differ from PPPs for contracting out in that for example, here in Afghanistan the funding for partnerships to deliver the basic package of health services (BPHS) and the essential package of hospital services (EPHS) comes from a mix of the public sector and/or donors while PPIPs are mostly financed by the private sector. With PPIPs there tends to be an investment by one investor that covers a long period e.g. 10 years whereas PPPs tend be shorter term and the partner may change.

Four key attributes of PPIPs in health

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Unlike other PPPs, PPIPs in health go beyond private investment in buildings and maintenance, the private partners are responsible for ensuring the necessary equipment and delivering all services in the hospital from clinical medicine to surgery to radiography and ambulances.

The control and ownership of assets e.g. a hospital remains with government with the private sector aligning itself with government policy on health.

A PPIP comprises a long term commitment, 10 years or more, by both government and a private sector investor to provide, in the case of Afghanistan, specialist tertiary care services.

The private investor/partner is responsible for meeting stringent service quality benchmarks. In addition, the private partner assumes risk for delays and cost overruns, human resource issues and failure to achieve efficiency in service delivery.

**A PPIP will not:**

- Mean the privatisation of specialist health services. Ownership of the hospitals will remain with the government.
- Be a contractor providing outsourced services, it will be a co-investor.
- Share a physical space, be a co-locator in a hospital. For example, have a private wing in an otherwise public sector run hospital. Risk transfer especially for human resource issues and efficiency in service delivery is impossible to do in such a setting.
- Have a concession contract. In such a contract the private sector manager inherits significant responsibility but possesses little authority e.g. no hiring and firing authority.

**The private partner in a PPIP will:**

- Commit to serve patients and the government and to work within the framework of the national health policy and strategy and government regulations.
- Ensure that the poor have access to all the specialist care, free of cost if too poor to pay.
- Agree the mission and values of the specialist facility with the MoPH along with its’ planned impact, outcomes and outputs with monitoring indicators especially on quality and access by the poor.
- Set high and transparent standards of care and of hospital management and allow for independent monitoring and evaluation of its services and management.
- Demonstrate that it has a patient friendly culture and that it is gaining and maintaining public confidence.

**Challenges**

The following are the three key challenges currently being addressed:

- Approval of a regulation on PPPs that includes aspects of PPIPs
- Need for a special presidential decree authorizing the start of hospital PPIP procurement if the approval of the regulation by parliament will take some time
- Strengthening the capacity of the MoPH PPP Unit