

Commission : Private Sector

Facilitator : Prof David Sanders

Resource person : Dr Richard Friedland

Rapporteur : Dr Krish Vallabhjee

20 October 2018

Scope / Definition of the Private Sector

- This was unclear.
- Assumption is it was for - profit sector.
- However, some **missing players** such as big pharma manufacturers, consumables etc – they need to be engaged.
- What about the **commercial and social determinants** of health that private sector plays a role in (health harming industries eg tobacco, alcohol, processed foods, etc) – major impact on health of the population and service pressures downstream.
- This needs to be flagged for attention and has to be addressed. .

Process Issues

- Wide ranging set of questions – can only explore in a few hours but not feasible to get to concrete solutions.
- Initially bit unstructured – but overtime we warmed up to a few coherent themes that began to emerge.
- **Overlap with other commissions** > e.g.
 - leadership and governance
 - Service delivery
 - Infrastructure planning
- **HMI** > report & recommendations.
- Look at **integration and coherence** between all the discussions in various places

Relationship between Private & Public Sectors

- **Trust deficit for too long** > have a crisis in health sector > cannot continue business as usual. Need a sense of urgency to respond.
- For too long we talk of 2 sectors > have to seriously move towards a **unified health system that has a shared vision, common higher purpose and tangible commitment** to meeting the needs of the total population.
- Develop a **charter /framework** and set of principles that provides permissions and boundaries and fosters and enables collaboration in practice.
- Need **collective leadership and stewardship** to unify both sectors around common goals
- Often focus on big structural questions related to the private sector and we do not move beyond that – so we miss **huge opportunities to collaborate in the short term** and achieve quick wins.
- **Whole System architecture and service design** needs to be reviewed within which we locate the numerous commission interventions.
- **Building the relationship in the trenches** is key as opposed to rhetoric.

Relationship between Private & Public Sectors :

Short term actions

Presentation and discussion:

- Acknowledgement that the **public sector forms the bedrock of the health system and must be strengthened.**
- Analysis undertaken > **Major under – utilised capacity** within the private sector > that could accommodate the needs of a further 7,7m people. Huge implications for planning, infrastructure and technology, finance, HR and service delivery to meet the unmet needs of the population.
- acknowledge **maldistribution of existing facilities** in urban areas > could be used to free up public sector resources for rural areas.
- The **art of the possible** – great examples :
 - Cataract surgery thro Mobiles in UK NHS at nationally agreed tariffs.
 - Cardiac surgery in Netcare facility in North West > cost of about R70-80 000 which in the private sector usually costs about R300 000 – R400 000.
- **Other Opportunities :**
 - Training, strengthening mx capacity, sharing of polices and protocols, IT assets and systems
 - Learnings from both sectors – good examples in the public sector too.

Areas requiring attention....

- **Regulation :**
 - Need for supply side regulation was generally accepted
 - Current regulations are outdated – do not address outcomes, quality, norms for changing service delivery models.
 - Regulations should be amended to foster teamwork eg group general practices with a range of services, that will generate better outcomes, greater efficiencies and innovation.
- **Costs** in the private Health Sector and inequity between both sectors – more questions than answers - requires a multi-pronged strategy
 - Paucity of costing data in the public sector to provide comparators
- **Contracting opportunities :**
 - Lessons from NHI pilot sites and other experiences
- **Lack of clarity** on purchaser – provider split, governance arrangements and service delivery model that can better inform these debates.

Way Forward (1)

- Acknowledge both sectors have their challenges
- Positive energy has been unleashed thro the Summit engagement – willingness and palpable desire to be part of the solution.
- The processes going forward must continue to harness this energy through visibility and transparency, effective communication and feedback to stakeholders and enabling opportunities, nationally and locally, to be part of the system response to the challenges that face us.
- Convert resolutions to action plans, allocate responsibility and monitor progress.
- Data is a key enabler – access to costing data, patient activity data, quality and outcomes etc for both sectors needs to be addressed.
- Closely monitor the movement of funds in this period especially the unintended consequences of weakening the public sector.

Way Forward (2)

- **Specific actions :**

- Charter / Framework to mandate collaboration based on principles including affordability, good governance – provide a basis for “modus co-operandi”.
- Regulation and self-regulation of health-harming industries eg tobacco, alcohol, unhealthy foods, polluting industries
- Health care supply side regulation – including of prices, establishment of new facilities, ? Certificate of need
- Defining the service needs and lay out the challenge to be met by the Private sector - and specifically look at under-utilised capacity and actions to access for unmet needs.
- Encourage local experiments with collaboration, innovative service delivery models and governance arrangements that we can learn from.
- Address the recommendations of the HMI report (PS : the scope of the HMI was limited and does not address the full scope of challenges in the private sector).

Key Messages : Private Sector (1)

1. Outputs from the Private sector Commission, HMI report and other commissions need to be coherently integrated.
2. Scope of the private sector is wide – big pharma, consummables etc.
3. Social and commercial determinants have to be addressed including health harming Industries which impacts on health outcomes and service pressures.
4. Relationship building with the private sector needs serious attention :
 - Needs collective leadership, stewardship and governance
 - Trust building
 - Charter of enabling principles to foster collaboration
 - Tow way sharing of good practice and lessons
 - Define needs and access under-utilised capacity based on affordability and other principles.
 - Encourage local collaboration and learning

Key Messages : Private Sector (2)

- Range of areas require in depth attention:
 - Clarity of the model under NHI, roles and responsibilities that would inform contracting, service models.
 - Regulation
 - Costs and financing models, contracting
 - Data is a key enabler – access to data from private sector, costing data from the public sector
- Address the recommendations of the HMI report
- Inclusive process and mechanism to sustain the energy and desire to be part of the solution.