



**REGIONAL COMMITTEE FOR THE
EASTERN MEDITERRANEAN**

9 October 2013

**Sixtieth Session
Muscat, Oman, 27-30 October 2013**

TECHNICAL MEETING

**HEALTH SYSTEM STRENGTHENING – ROLE AND REGULATION OF THE
PRIVATE SECTOR**

Objective of the session

The session aims to present the results of a study on the private health sector in the Region and two studies from Egypt and Yemen on the challenges related to regulation of the private health sector. The session will identify gaps in information, highlight challenges and opportunities, and provide key messages to better engage private sector in support of universal health coverage.

Background and discussion points

The importance of the private health sector in the three groups of countries of the Eastern Mediterranean Region¹ is increasingly being acknowledged by ministries of health. Despite this recognition, it has not been possible to formulate an evidence-based strategy on the role and contribution of the private health sector towards the achievement of public health.

Privatization policies in Region have followed three main trends: free market, driven towards privatization generally; natural growth in the private sector leading to a mixed public and private health sector; and maintaining the traditional role of the state where the public sector remains in control. The major factors that underlie the expansion of the private sector are the poor image and reduced quality of care offered by the public health sector; better perception of the private sector among communities; absence of public facilities in underserved areas and incentives from governments to encourage the expansion of the private sector; urban migration and inability of the public sector to cope with increasing populations; low government spending on health; and an increasing tendency among populations to turn to the private sector.

Approximately US\$ 125 billion were spent on health in 2011 in the Region. The share of out-of-pocket spending varied between 32% and 79% in Group 3 countries, 19% and 58% in Group 2 countries, and 11% and 18% in Group 1 countries. The trend of out-of-pocket spending on health over the last two decades has fluctuated around 50% for Group 2 countries, and has increased from 59% to 69% for Group 3 countries. The few equity studies carried out in Group 2 countries have shown that almost 5% of the households face a financial catastrophe following ill health and that a significant number of households are pushed into poverty, nearly 1%–1.5%.

¹ Group 1: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and United Arab Emirates; Group 2: Egypt, Islamic Republic of Iran, Iraq, Jordan, Lebanon, Libya, Morocco, occupied Palestinian territory, Syrian Arab Republic and Tunisia; Group 3: Afghanistan, Djibouti, Pakistan, Somalia, South Sudan, Sudan and Yemen.

Generally, the role of the private health sector is not well defined, its capacities are poorly understood, and practices are not monitored. The range of services provided is variable, standards are questionable, regulation is poor and there is insufficient information about financial burden to the users of these services. Private care providers are reluctant to invest in preventive care and in remote or deprived areas. Absent and/or weak regulatory systems in addition to absent and/or weak formal mechanisms to monitor the quality of health care services offered by various private providers are among the major challenges.

Within the private health sector significant challenges exist regarding workforce. These include: duality of practice between the public and private sectors; concentration of workforce in urban areas; rapid and unregulated expansion of private health professional training institutions; and lack of proper accreditation and national standards for the education of health professionals. In some countries public sector employees are not permitted to engage in private practice. Most countries of the Region have little reliable data about health workforce distribution, salary structure or multiple job holding. The issue of dual employment often results in competition for services and staffing between the private and public health sectors.

On average more than 60% of pharmacies in countries of the Region are in the private sector. Anecdotal evidence shows high levels of irrational prescribing. Over-the-counter dispensing and the sale of antibiotics without a medical prescription are a major concern in many countries. There is little or no consumer awareness of the negative impact of antibiotic misuse.

Governance of the private sector focuses on: government policy on the private sector; the existence of a regulatory system and its implementation; the institutional capacity of the ministry of health; and experience with public–private partnerships and contractual arrangements. Regulation and enforcement of standards in the private sector are among the biggest challenges faced by governments and ministries of health. The policies for engaging with the private health sector are evolving across the Region and are most developed in Group 1 and some Group 2 countries. Among Group 3 countries policies and regulation of the private health sector are weak or nonexistent.

In depth reviews of private health sector regulation in Egypt and Yemen show that while regulations for governing the private health sector exist, they are outdated and cannot cope with the advancement in health practice and government reform policy to encourage a public–private mix. There is little regulatory control on the quality of care offered or on pricing.

It is essential to assess the potential of the private health sector in the Region for contributing to the goal of universal health coverage. The key challenges are: weak governance and regulation, inequitable financing, duality of workforce, inappropriate and irrational use of technologies including medicines, lack of data on quality of health care, utilization rates and cost of care. The private sector at the same time provides a unique opportunity for increased partnership, greater engagement and contribution towards public health goals. Such opportunities have not been adequately explored by public sector policy-makers. There is a need for systematic ongoing country-level private health sector studies which will close information gaps and shed more light on the private health sector.

Expected outcome of the session

The session will raise awareness of Member States about the situation and importance of the private sector as a partner in promoting public health goals.