

Challenges and impact of privatising health care in Saudi Arabia

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Background

Privatisation of the health sector is a significant element of the broader Vision 2030 reforms of Saudi Arabia, aimed at diversifying the economy, improving service efficiency and ensuring sustainability of the health system (1). However, there have been several challenges in the privatisation process and its long-term effectiveness remains a subject of debate. This commentary summarises the policy context, challenges and progress in the Saudi health care privatisation. It uses data from internal performance reports to present the radiology model.

Rationale for the privatisation

Historically, the public health care system in Saudi Arabia has been heavily funded by the government, providing free or highly subsidised services to citizens. Although the system has helped ensure universal access to basic health services, it has also created a strain on government resources, particularly due to increasing health care costs and the changing Saudi population demographics (2). As the Kingdom's population continues to increase and age, there is an increasing demand for services, placing additional pressure on public health institutions. Privatisation by increasing capacity and service delivery through private enterprises is a way of meeting the increasing demand. It is perceived as a means to increase competition, improve the quality of care and encourage innovation in the health sector (2–4).

Implementing privatisation in Saudi Arabia

Health care privatisation in Saudi Arabia has been a gradual process, with the government introducing public-private partnerships (PPPs) as a key mechanism for reform. The Vision 2030 framework outlines specific goals for the privatisation of various public sector services, including health care. One of the most notable steps in this direction has been the partial privatisation of government hospitals and clinics, with an increasing number of health facilities operating under private management while still receiving partial government support. The Saudi Government plans to increase private

sector contribution from 40% to 65% by 2030, including the privatisation of over 290 hospitals and 2300 primary health centres. This is expected to reduce government's role in direct health care provision, allowing the private sector to invest in health care infrastructure and take on more service delivery roles.

As of 2020, Saudi Arabia had 504 hospitals, of which 287 were operated by the Ministry of Health, 50 by other government institutions and 167 by the private sector (5), which is approximately one-third of the Kingdom's hospitals.

A case study of the radiology model

In 2023, the Saudi Ministry of Health launched a landmark PPP with the UK-based Takhassusi Alliance to manage radiology services across 7 public hospitals in Riyadh: King Fahad Medical City (KFMC), Prince Mohammed bin Abdulaziz Hospital (PMAH), Al-Majmaah, Al-Zulfi, Al-Artawiyah, Al-Dawadmi, and Al-Diriyah (6).

Internal performance reports by the Ministry of Health and Takhassusi Alliance, which were validated by independent auditors, highlight several achievements. First, the collaboration helped integrate advanced technological solutions from the private sector, such as automated systems for capturing patient and physician satisfaction data, thus enabling real-time feedback to enhance service responsiveness. A patient dosage monitoring system was deployed to ensure that radiation exposure remains within safe limits and strengthen patient safety protocols. A comprehensive archiving and data management system was established for organised storage of operational and patient safety data. This infrastructure supports better case management, auditing and research.

The adoption of a centralised digital platform facilitated seamless coordination between hospitals, allowing faster patient referrals and more efficient use of resources. This system allowed the sharing of radiology images and reports across all participating hospitals, improving overall patient care continuum. All 7 hospitals attained ISO 9001:2015 certification and adhered to national and international standards, including those of the Saudi Central Board for Accreditation of Healthcare Institutions (CBAHI), the Saudi Food and Drug Authority

(SFDA), the Joint Commission International (JCI), and the Environmental and Social Management System (ESMS) (6).

Significant improvements were documented by the end of the first year of implementation. Radiology productivity surged by 40–50%, with smaller hospitals doubling their output. Waiting time decreased dramatically. At KFMC, outpatient CT scan wait time decreased from 40 to 11.8 days, and inpatient CT wait time decreased by half. Emergency CT report turnaround time decreased from 2 hours to just 36 minutes. Specialised services expanded, including functional imaging at KFMC, cardiac imaging at PMAH and upgraded CT/MRI technology across all sites. Emergency radiology reporting now operates 24 hours everyday at major centres.

The initiative also included education, with KFMC becoming a training centre for CT/MRI, offering new continuous medical education and fellowship programmes, and launching weekly multidisciplinary sessions. The initiative provided professional development opportunities for staff, which enhanced their skills and contributed to higher quality service delivery.

The financial impact was impressive; the model generated savings of SAR 350 million within 13 months while maintaining 95% of the existing workforce.

The adaptability, scalability and focus of the model on sustainability have set a precedent for future PPP projects in the health sector, demonstrating the potential of PPP to help optimise efficiency, maintain international quality standards and reduce costs.

The economic and social impact of privatisation

One of the main expected benefits of privatisation is improved efficiency of the health system. Private health care providers are generally seen as more cost-effective and more responsive to market demands, which could result in improved service delivery, better resource allocation and more efficient use of public funds. Privatisation could attract foreign investment into the Saudi health sector, bringing in advanced medical technologies and expertise that could enhance the quality of care (7,8).

However, privatisation has its challenges. One concern is the potential for increased health care costs, particularly for lower-income individuals. If the government reduces its financial support for services, there is a risk that the cost of care could increase for certain segments of the

population, leading to disparities in access to services, particularly if private providers prioritize profit over patient care, which is a common criticism of privatised health systems globally (7).

There are concerns about the impact of privatisation on health equity. Although the private sector may help improve the overall quality of care, it may also create a 2-tier system where wealthier individuals have access to higher quality services while poorer individuals continue to rely on an overburdened public system (9). Ensuring that privatisation does not result in inequitable access to services will be a critical challenge for Saudi Arabia as it continues to progress with its privatisation agenda.

Another concern is the impact of privatisation on the workforce. Privatisation could lead to job losses in the public sector and require significant retraining of health workers to meet the standards of private sector employers (7,8). The government needs to ensure that health workers are adequately supported through the transition to avoid disruptions to service delivery.

There are institutional challenges related to the integration of private providers into the existing public health infrastructure. Although PPP offers opportunities for innovation, it also requires complex negotiations and long-term commitments from the government and private companies (7–9).

The future of health care privatisation in Saudi Arabia

Privatisation of health care in Saudi Arabia is still in its early stages, and its long-term impact is yet to be fully realised. As the government continues to implement its Vision 2030 reforms, it should closely monitor the effects of privatisation on service quality, cost and accessibility. Studies and evaluations should be conducted to know whether the goals of privatisation, including increased efficiency, improved care quality and reduced government expenditure, are being met.

There are several important considerations for the future of health care privatisation in Saudi Arabia. First, the government should ensure that privatisation does not lead to greater health care inequality. Policies that promote equity and protect vulnerable populations from increasing health care costs will be critical. Second, the Saudi Government should invest in building a robust regulatory and oversight framework to ensure that private providers maintain high standards of care and prioritise patient outcomes.

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