

Press Release:

BUILDING PRIVATE-PUBLIC PARTNERSHIPS KEY TO HEALTHCARE TRANSFORMATION

1 September 2014; Developing a National Health Insurance (NHI) system offering universal health cover would be impossible without the full participation and collaboration of the private sector in the delivery of health care services. This has been proven around the world where such systems have been introduced successfully.

However, establishing partnerships between the public and private sectors needs collective activism from the private sector to show government concrete evidence of the benefits of their involvement, leadership at all levels of care and a solid commitment from both sectors to expanding quality services to all.

Australia and the UK's NHS systems are examples of the efficiencies private-public partnerships (PPPs) can bring to reduce waiting lists and improve access to quality, affordable healthcare while at the same time driving costs.

Collective activism from private funders

"If you want to make significant change, it is imperative that you have a private sector that works collectively to make their resources available to the public sector and use their power to lobby government to embrace their expertise and ideas to the betterment of the whole system," said Hon Dr Michael Armitage, CEO of Private Healthcare Australia (PHA), the umbrella body for the majority of healthcare funders in Australia. He was speaking at the Board of Healthcare Funders' (BHF) 15th Southern African Conference held in Durban.

Members of the PHA fund the healthcare of close to 12 million Australians and work with government to deliver community and public health services to the uninsured. The most important measures they have introduced to boost the numbers of the country's insured population are the introduction of a 30% rebate for the insured, a robust data collection system, a stringent code of conduct for the industry and a vigorous campaign to lobby politicians to include private funding in their policies.

Delivering the data

Dr Armitage underscored the importance of a credible data collection system that allows funders to provide continuous evidence of the difference interventions can make to improve and expand care.

The information is provided to a Productivity Committee tasked with investigating the data and providing unbiased reports. Amongst others, this data has confirmed that the private sector's involvement has resulted in shorter waiting times, higher labour productivity, safer infection control and that it can provide services at a lower cost than the public sector. It also showed that offering the rebate was a huge incentive to take out private health insurance boosting the numbers of the insured in Australia to 45% of the population.

Pricing of services is based on a procedure banding system that allows for the setting of a price range, which is calculated by taking all direct costs involved in the procedure such as staffing, theatre and anaesthetic costs and consumables into consideration.

“This has taken much of the tension out of price negotiations with providers, as it provides the data that can be used as a starting point for the negotiations,” Dr Armitage said.

The Code of Conduct is aimed at improving the relationship between funders and consumers. Signatories to the code have an obligation to ensure that issues such as the standards of practice and service are improved; promote better informed decisions about products and services, provide consumers with information about their rights and obligations and give them easy access to the fund’s internal resolution process.

PPPs in the NHS

Speaking about the process to include private providers in delivering services to the NHS in the UK, Lord Nigel Crisp, a member of the House of Lords and the former CEO of the NHS emphasised the importance of building strong relationships between the two sectors and a coalition of leadership on all levels of healthcare delivery.

“Getting the relationships right is more important than getting the policy right,” Lord Crisp said, emphasising the importance of a national service framework that brings together all the different people involved in healthcare provision.

However, he conceded that it was not an easy process because of the fundamental differences in the thinking of the private and public sectors.

In the UK, it took many years to convince the government of the value and benefits of involving the private sector to assist in addressing the many challenges the NHS were facing such as long waiting lists and a decrease in the quality and accessibility of services.

Lord Crisp pointed out that the private sector was initially reluctant to get involved until South Africa’s Netcare was brought in to provide some services to the NHS and showed that it could be done successfully without increasing costs. This has changed the whole ball-game in convincing the private sector to get involved, resulting in the NHS becoming the biggest source of income for private healthcare providers.

Referring to the national service framework, Lord Crisp underscored the importance of getting all stakeholders involved under the coalition of leadership to implement both clinical and organisation measures that will ensure ‘decent, quality care’.

“Although a frustrating process, we need to get everybody at every level on board and stop the tendency to blame others for the problems in the system. You need a vision and a plan. You need the outcomes of that plan to be measurable, while at the same time ensuring that all role players know where they fit in and are receiving the support that will allow them to provide a better service,” Lord Crisp concluded.

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Editor's Notes:

The Board of Healthcare Funders of Southern Africa (BHF) is the representative body for the majority of medical schemes throughout South Africa, Lesotho, Namibia, Botswana, Mozambique and Zimbabwe.

Issued by Epic Communications on behalf of The Board of Healthcare Funders of Southern Africa