The Private Health Sector: An Operational Definition

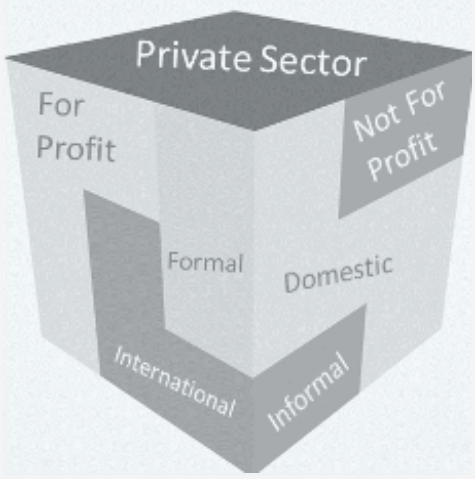
This is a discussion document commissioned by the World Health Organization and recommended by the Advisory Group on the Governance of the Private Sector to support the development of a WHO strategy.

INTRODUCTION

The World Health Organization (WHO) has set up an Advisory Group on the Governance of the Private Sector for Universal Health Coverage (UHC). The aim of the Advisory Group is to support WHO's work in strengthening private health sector engagement under the guidance of WHO's Health System and Governance Department. This document provides an operational definition of the 'private health sector' as well as further analysis on what is included in the private health sector "box" (Box 1).

Box 1. Definition of the private health sector

The private health sector is the individuals and organizations that are neither owned nor directly controlled by governments and are involved in provision of health services. It can be classified into subcategories as for profit and not for profit, formal and informal, domestic and international.



WHAT IS THE PRIVATE HEALTH SECTOR?

There is increasing recognition of the private health sector within mixed health systems. However, private health sector recognition, scope, and definition are not consistent across health system stakeholders. The private health sector - sometimes referred to as 'non-state actors' - includes all actors outside the government. Although this serves to gird the public sector, it does little to communicate what falls on the other side of this delineation.

While 'sector' is used to distinguish public from private orientation, in practice the private sector is less bounded and *"generally large, poorly documented, and very heterogeneous"*.[1] It consists of both formal and informal providers ranging from drug shops to specialised hospitals, comprising both for-profit and non-profit entities, both domestic and foreign. Self-care interventions may also be catalogued as part of the private sector if models of self-care are provider-assisted and dependent on how the public sector interacts with or acknowledges these forms of care[2].

The role of the private sector within mixed health systems can take a virtuous form, where competent health systems generate a *"complementary, reasonable-quality private sector"* [1]; in contrast, the private sector may take on less scrupulous forms, if left unregulated. Consumers may also seek services outside of the formal health system, such as through informal static, itinerant or digital dispensers of health products and services. These forms of care challenge traditional boundaries of health systems, precisely because they are often unbounded or unrecognised by government (and are often "lumped" into the private sector "box").

The absence of a common definition of the private health sector may result in an underappreciation of its ubiquity. A systematic review by Basu et al reported that the coverage of private health sector was higher than the public health sector when the definition included unlicensed and uncertified providers.[3] This review underscored the need for an inclusive definition of the private health sector. It also underscores the need for an operational understanding of health service delivery.

WHAT UNDERPINS OUR UNDERSTANDING OF THE PRIVATE HEALTH SECTOR?

Defining private health sector necessitates a clear understanding of the concept of service delivery, types of private health actors and characteristics of the private health sector.

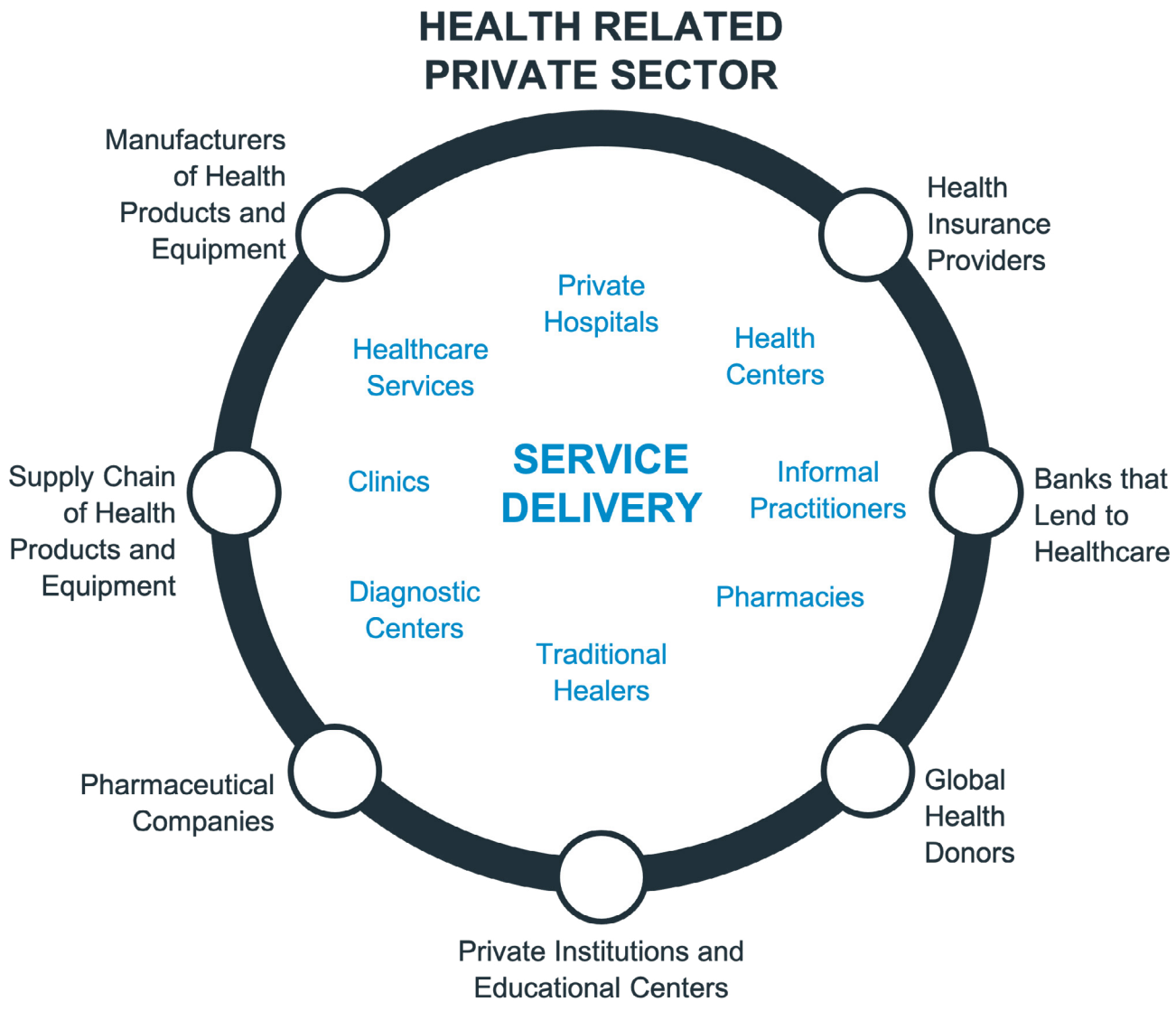
Service delivery. As one of the WHO health-system building blocks, service delivery involves provision of effective, safe, good quality personal and non-personal care to those that need it, when needed, with minimum waste. These services may include

[1]Mackintosh M et al. What is the private sector? Understanding private provision in the health systems of low-income and middle-income countries. Lancet. 2016
[2]World Health Organisation, 2019. WHO consolidated guideline on self-care interventions for health: sexual and reproductive health and rights. Geneva: World Health Organization. Licence: CC BY-NC-SA 3.0 IGO.
[3]Basu S, Andrews J, Kishore S, Panjabi R, Stuckler D (2012) Comparative Performance of Private and Public Healthcare Systems in Low- and MiddleIncome Countries: A Systematic Review. PLoS Med 9(6)

prevention, treatment, or rehabilitation.[4] With the advancement of technology, our understanding of service delivery is also evolving. More 'traditional' forms of service delivery involving physical interaction between a patient/client and healthcare provider may now be accompanied by 'virtual' health services such as digital health and telemedicine. Low-cost access to expert advice through communication media, innovations in direct-to-consumer product distribution and development of mobile phone payment mechanisms are some of the recent innovations that have been tapped for health service delivery.

Service delivery actors. In many LMIC contexts, there are a diverse range of service delivery actors. Figure 1 illustrates the range of health actors that may exist and fall within the private health sector (they also have public sector forms).

Figure 1. Service delivery actors



[4]Everybody's business. Strengthening health systems to improve health outcomes: WHO's framework for action. Geneva: World Health Organization; 2007.

Characteristics of the private health sector. The private health sector has different characteristics. Common characteristics include:

- **Ownership.** The private health sector works outside the public health sector[5] and outside the direct control of the state[6]. They are non-state actors[7] who are not owned or controlled by governments[8] but instead owned by individuals, families, or corporations.[9]

- **Motive.** The aim of the private health sector may be philanthropic or commercial[5] and comprises of for-profit and not-for-profit entities. The not-for profit organisations further include faith based organisations (FBOs), non-governmental organisations (NGOs) as well as civil society organisations (CSOs)[10].

- **Training.** Based on the training that the service providers receive, the private health sector may include formally trained providers (pharmacists, doctors, nurses, and midwives) or informally trained providers (traditional healers, ayurvedic medicine, etc.)[6]. Many countries rely heavily on informal providers and they tend to constitute a large group. For health interventions to be successful, it is important to understand and acknowledge their role within the health system.

- **Geography.** The scope of a private organization can either be domestic or international based on the extent of population that it covers[8].

CONCLUSION

The private health sector operational definition has been adopted by the Advisory Group on the Governance of the Private Sector for UHC. The Advisory Group is providing strategic guidance on the development of a roadmap on the private health sector and service delivery. The roadmap outlines governance behaviours to align private health sector service delivery with UHC goals.

[5]Mills A, Brugha R, Hanson K, McPake B. What can be done about the private health sector in low-income countries? Bulletin of the World Health Organization 2002;80:325-330
[6]Smith A, Brugha R, Zwi A. Working with Private Sector Providers for Better Health Care. Options. 2001
[7]Engaging private health care providers in TB care and prevention: a landscape analysis. Geneva: World Health Organization; 2018.
[8]Clarke D, Paviza A. Technical Series on Primary Health Care: The private sector, universal health coverage and primary health care. World Health Organization 2018.
[9]Better together: Unleashing the Power of the Private Sector to Tackle Non-Communicable Diseases; Dave Prescott and Darian Stibbe, The Partnering Initiative (Oxford), UICC (Geneva) and Bupa (London), 2017
[10]Managing markets for health: Introduction. 2016.

ABOUT THE PROJECT

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This document was commissioned by the World Health Organization and recommended by the Advisory Group on the Governance of the Private Sector for UHC as part of its ongoing work to develop a strategy for the World Health Organization and member states to effectively engage the private sector for the governance of mixed health systems.

The Advisory Group on the Governance of the Private Sector for UHC was convened in February of 2019 to act as an advisory body to the WHO about developing and implementing governance and regulatory arrangements for managing private sector service delivery for UHC. The group was formed with the primary goal of providing advice and recommendations on the regulation and engagement with the private sector in the context of the WHO GPW goal of 1 billion more people benefiting from Universal Health Coverage, and in particular outcome 1.1.4 of this goal – “Countries enabled to ensure effective health governance”. Members of the Advisory Group include: Dr. Gerald Bloom, Mr. Luke Boddam-Whetham, Ms. Nikki Charman, Dr. Mostafa Hunter, Mrs. Robinah Kaitritimba, Dr. Dominic Montagu, Dr. Samwel Ogillo, Ms. Barbara O’Hanlon, Dr. Madhukar Pai, Dr. Venkat Raman, and Dr. Tryphine Zulu.

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