Public- Private Partnership Strategy for Sustainable Healthcare

A sample from the Health Care Accreditation Council

Le Royal Hotel, Amman, Jordan - Dec 7th to 9th, 2015
Public Private Partnerships is a joint ownership of a program / project to achieve a **Common** goal

### Characteristics of PPP

- Clear specific realistic and shared goals
- Clear agreed upon roles and responsibilities
- Distinct benefits for all parties
- Transparency transparency transparency
- Active maintenance of the partnership
- win win for both parties
- Meeting joint vision

### Needs for Success

- Legal and regulatory framework
- Transparency and accountability
- Suitable public policies
- Commitment to public good
- Common understanding
- Sharing of resources
- Consumers and community informed

### NOT ALL INTERACTIONS ARE PPP…… PPP ENCOMPASSES

- Clear terms and conditions
- Clear partner obligations
- Clear Performance indicators
- Stipulated time period
- Overall Health Objectives

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...a collaborative relationship between the partners with...
Challenges facing PPPs

**Challenges in the Public Sector**

- Lack of strategies and policies which can jeopardize continuity
- Lack Organisation/ Institutional structures to manage PPP
- Lack of Institutional Capacity to design, contract and monitor PPPs
- Concerned primarily with input based contracting Rather than output contracting

**Challenges in the Private Sector**

- Diversity of Private Sector:
  - made of Individual / small units- not easy to contract
  - Big units interested, but on their own terms.
- Lack of Accreditation, Quality Standards
- Payment Delays – Thus financial risk
- No Revision of contracts

Successful PPP
There are several models which can be followed

<table>
<thead>
<tr>
<th>Illustrative Options</th>
<th>Private Sector Responsibility</th>
<th>Public Sector Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collocation of private facility within or adjacent to a public hospital</td>
<td>Operates private facility/wing including accommodation and/or clinical services</td>
<td>Manages public hospital and contracts with the private facility for shared costs, staff, and equipment</td>
</tr>
<tr>
<td>Outsourcing of clinical support services</td>
<td>Provides clinical support services (e.g., radiology, laboratory)</td>
<td>Manages hospital and provides clinical services</td>
</tr>
<tr>
<td>Outsourcing core and specialized clinical services</td>
<td>Provides core or specialized clinical services (e.g., radiology, laboratory)</td>
<td>Manages hospital and provides other clinical services</td>
</tr>
<tr>
<td>Private financing, construction, and leaseback of a new hospital</td>
<td>Finances, constructs, and owns new public hospital, and leases it back to the government</td>
<td>Manages hospital and makes phased lease payments</td>
</tr>
<tr>
<td>Private financing, construction, and operation of a new hospital</td>
<td>Finances, constructs, and operates a new public hospital, and provides hospital services</td>
<td>Reimburses operator for capital costs and recurrent costs for services provided</td>
</tr>
<tr>
<td>Sale of public hospital for alternative use</td>
<td>Purchases facility and converts it for alternative use as per contract</td>
<td>Monitors conversion to ensure contract compliance</td>
</tr>
<tr>
<td>Sale of public hospital as a going concern</td>
<td>Purchases facility and continues to operate it as a public hospital under contract</td>
<td>Pays operator for hospital services, and monitors and regulates services and contract compliance</td>
</tr>
<tr>
<td>Private management of a public hospital</td>
<td>Manages public hospital under contract with government or public insurance fund, provides clinical and non-clinical services; may be responsible for employing staff or new capital investments</td>
<td>Contracts with private partner for provision of public hospital service, pays for services provided, and monitors and regulates services and contract compliance</td>
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</table>
Internationally, there are many success stories for PPP in healthcare provision

### Case Studies

<table>
<thead>
<tr>
<th>Country</th>
<th>Project Description</th>
<th>Results</th>
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</table>
| **Romania** | Privatization of Outpatient Dialysis services | - NHIF did not finance the modernization from public funds  
- Significant average savings expected in comparison with the public hospitals  
- Quality of services and patient satisfaction increased at lower cost, more efficient structure and organization by the private partners |
| **Austria** | Shared regional hospital sterilization service | - Public partner didn’t fund the modernization  
- Cost reduction estimated at EUR 2 million  
- Agreed payment per sterilization box fixed at production cost  
- Better specialization and quality in a shred unit, standardized quality, including lower quality insurance investments required |
| **Denmark** | National E-health Portal | - EUR 2.3 billion average saving  
- 66% reduction in hospital telephone calls  
- 50 min per day saved in medical practices  
- Prescriptions sent electronically to pharmacies  
- 97% lab results sent electronically  
- 84% discharge letters electronically transferred to GPs |
| **Germany** | Catering at the Charite Clinic | - Saved the Charite EURO 800,000 over 5 years  
- High Quality Food delivery enables Catering unit successfully ISO 9001:2000 certified  
- Upgrading the facilities and equipment improved the working conditions – more efficient workforce |
| **Sweden** | Privatization of St. Goran’s Hospital, Sweden | - Seen as a solid working model of PPP  
- Continues to be ranked among the best in class  
- Cost reductions achieved through more streamline operations and management  
- Shorter waiting times, work schedules changed to lower staff cost |
| **Germany** | Better IT for better health | - Electronic patient card to allow for better and more efficient sharing and control of information  
- E-Prescription to accrue annual benefits of EUR 516 million |
MENA region models of PPP with key stakeholders out of health industry

Models of PPP

- Contracting (‘in’ and ‘out’)
- Build/ Rehabilitate, Operate, Transfer
- Demand/ Supply Side Financing
- Joint Ventures
- Mobile Health Units
- Telemedicine
- Franchising
- Social Marketing
- Public-Private Mix
For PPP to be successful key stakeholders should work together......
In Jordan, the Ministry of Health has led in 2015 a committee with the private sector to ensure partnership on several healthcare sector related areas.

Most of the experience in PPPs in Jordan is restricted to contracting partnership by outsourcing:
- Catering
- Cleaning
- Dry clean

Service contract agreements
- Ministry of Health insurance and private hospitals

Corporate agreement
- Ministry of Health and Royal Health awareness society
- And partnership with Health care accreditation council
So based on the experiences mentioned, Jordan public private partnership in the health sector stands at the beginning of its potential.
HCAC is an example of an Ideal strategy for a strong PPP with two strong components

Regulation
(Physical Standards, Accreditation; Legal Framework)

Institutional System
(PPP Unit; PPP Policy; Intl. Capacity)

PPP
(Infrastructure; Service Delivery)
The Health Care Accreditation Council

- Who we are?
- What we do? (and we do well!)
- Governance and Sustainability
Who we are,
HCAC is an example of a successful Public Private Partnership

Donor support for government of Jordan on accreditation 2004
Piloting in Hospitals 2006
Surveyor training 2008
ISQua accredits HCAC 2010
First group of accredited hospitals
Diabetes Standards 2012
Cardiac Standards Launched
Primary healthcare centers accredited 2014

12 members form a National Accreditation Committee was approved 2003
First draft of Jordanian Hospital standards was published 2005
Establishment of HCAC 2007
1st edition Primary Health Care Standards 2009
Centers of Excellence First Edition 2011
Breast imaging Units Standards
Medical Transport Standards

Official partnership with Ministry and stakeholders 2013
Mandatory law drafted 2015
That provides services for all sectors and individuals and supports healthcare quality improvement in a non profit manner

**Mission**
- Continuous Quality Improvement and Patient Safety
- Safe health care
- Quality services
- Supportive environment
- Empowered providers

**Objectives**

**Stakeholders**
- Patients
- NGOs
- Government
- Int’l Orgs
- Health Professionals
- Trainers & Academics
- Private Sector

**Components**
- Accreditation
- Consultation
- Capacity Building
- Research
- Decision Makers
- Patients & Families
- Health Professionals
- Institutions
HCAC is governed by a board of directors consisting of 12 representative stakeholder members from within Jordan.

<table>
<thead>
<tr>
<th>Shareholders</th>
<th>Board Members</th>
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<tbody>
<tr>
<td>Ministry of Health</td>
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<tr>
<td>Private Hospitals Association</td>
<td>Royal Medical Services</td>
</tr>
<tr>
<td>Royal Medical Services</td>
<td>Private Hospital Association</td>
</tr>
<tr>
<td>King Abdullah University Hospital</td>
<td>Insurance Association</td>
</tr>
<tr>
<td>Jordan Nursing Council</td>
<td>Teaching Hospitals representative</td>
</tr>
<tr>
<td>HE Eng. Saeed Darwazeh</td>
<td>Jordan Medical Council/Jordan Medical Association</td>
</tr>
<tr>
<td>HE Reem Badran</td>
<td>Five respected community members representing the different sectors</td>
</tr>
<tr>
<td>HE Reem Abu Hassan</td>
<td>- Business/Marketing</td>
</tr>
<tr>
<td>HE Dr. Amjad Aryan</td>
<td>- law,</td>
</tr>
<tr>
<td>HE Dr. Khaled Al-Wazani</td>
<td>- education,</td>
</tr>
<tr>
<td></td>
<td>- finance/ Economics</td>
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<tr>
<td></td>
<td>- Pharma/Lab</td>
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Board Role and Management

Official Documents

- Memorandum of Association
- Articles of Association
- By-Laws

Governance Manual

- Board Formation and life.
- Board Responsibilities and duties
- Board administration and management.
- Board Evaluation
- Board relevant policies and procedures

Board Role

- Company financials, administrative and legal affairs of the company
- Designating the company authorized signatories
- Approve the appointment of the Chief Executive Officer and determine his/her salary, remuneration and authority.
- Prepare the annual balance sheet of the company.
- Prepare an annual report indicating company financials, and activities
- The BOD may, as it deems appropriate, accept and manage funds and donations, determined the policies related to it.
- Advocate for the improvement of healthcare and quality at the national level
The role of the members of the board is spelled out in the By-Laws

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<tr>
<th>IS</th>
<th>IS NOT</th>
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<tbody>
<tr>
<td>The Board IS a decision maker on policy</td>
<td>The Board is NOT a House of Representatives representing personal constituencies</td>
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<tr>
<td></td>
<td>The Board is NOT management</td>
</tr>
<tr>
<td>The Board IS responsible for success of the enterprise</td>
<td>The Board is NOT the legal authority – it must follow the laws of Jordan and the by-laws.</td>
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<tr>
<td></td>
<td>The Board is NOT only a collection of doctors, nurses.</td>
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Board Subcommittees report to the whole board

Audit and Quality
- Assigns audit and reviews
- Reviews quality reports

Finance and Business
- Reviews budget
- Addresses pricing
- Looks at investments
- Advises on business/marketing

Technical
- P&Ps on accreditation
- NQSG
- Approval of awards
- Addresses issues in the field

Governance and Search
- Board Performance
- Recruitment of Members
Sources of Funding

Services
- Training/education
- Accreditation/Reaccreditation/Certification
- Consultation

Funds
- Endowment
- Sponsorships

Activities
- Campaigns
- Conference

Grants
- Government
- Donor
- Organizations
OUR SUCCESS IS NOT MEASURED BY THE NUMBER OF ACCREDITED FACILITIES,
BUT BY THE IMPACT WE MAKE FOR PATIENTS AND THE COMMUNITY
THROUGH RAISING THE LEVEL OF QUALITY
IN HEALTH CARE FACILITIES