

Republic of Sudan



Federal Ministry of Health

Policy for market based private health care sector

Draft

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1 Foreword

The Federal Ministry of Health, Government of National Unity, the Republic of Sudan places a high level of importance to the private health sector in the provision of much needed health services to the people of Sudan. They are a key pillar of health system and contribute to the overall social and economic development of the country.



In line with the National Health Policy, 25 years health sector strategic plan, 5-year strategic plan and essentially drawing on the national Constitution and international commitments, the health, which being central to the human development, is a social and human right of all citizens of Sudan, irrespective of their regional, religious, racial, cultural or ethnic affiliation. In this endeavor, the market based private health sector is an important partner and government shall harness its capacity in a meaningful manner.

The Federal Ministry of Health working with stakeholders has developed this policy for the market based private health sector. It is essentially a win-win strategy in order to create an environment which is conducive to developing an active partnership by providing a framework for building trust and promoting healthy interaction between the public sector and private health sector. This policy, in this manner, acts as a platform for exchanging the experience and organizing resources and commitment of all partners to the increasing health needs of the people of Sudan and realizing the Millennium Development Goals.

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2 The context

In Sudan both public and private sectors provide health care. The practitioners of these sectors practice allopathic and/or traditional medicine. The allopathic or scientific or modern health care includes the preventive, promotive, curative, and rehabilitative services. In the public sector, these services are provided by the Ministries of Health, Medical Departments of Armed Forces, Police and Security Forces, Health Insurance Organizations, and Ministry of Higher Education through its university hospitals.

The private sector, including 'not for profit' and 'market based' has expanded rapidly during the last two decades. The former, including the Non Governmental Organizations and Faith Based Organizations, is mainly concentrated in the South, Darfur, and the war affected areas of Red Sea, Kassala, Blue Nile and South Kordofan states and to a lesser degree in Khartoum in the camps for the internally displaced people (IDPs).

This policy, which focuses on the market based private health sector, is developed in the context of the interim constitution (2005), particularly keeping in view the provisions under section "National Economy" that ensures framing of policies that encourage free market and prohibition of monopoly. Other important contextual factor is the macroeconomic stabilization policies adopted in the 1990s.

These Macroeconomic Stabilization Policies and particularly the 'Investment Encouragement Act' were designed to streamline the investment procedures, initiate public sector reforms and introduce privatization programmes, institute major agricultural reforms, eliminate non-targeted consumer subsidies, and to partially liberalize the foreign trade and exchange regimes.

Accordingly, wide ranging incentives, facilities and guarantees were offered to the private sector. These included: complete exemption of customs fees on capital projects; freedom of capital transfer; simplification of procedures, like introduction of single outlet "one stop shop"; tax exemption for 5 to 10 years on investment projects; free land for strategic projects and at nominal price for non-strategic projects; and right to build, own and operate project without a Sudanese partner.

One of the consequences of these policies was that the market based private health sector, which mostly provides curative care in Sudan, has flourished.

The outlets for the private health sector include the solo clinics run by the individual practitioners and or institutions like hospitals, polyclinics, health centers, maternity and nursing homes, dental clinics and hospitals, diagnostic labs etc. According to health statistical report (2007), the private health sector is mostly concentrated in urban areas, especially in Khartoum and Gezira states. Out of a total of about 229 private hospitals and medical centers, 162 or over 70% are in Khartoum state. In addition, Khartoum has a variety of solo-clinics: 684 specialist clinics, 392 GP clinics, 173 dental clinics, 447 laboratories, 33 x-ray units, and 7 physiotherapy clinics. On the whole the private health sector own 38% of total hospitals, 6% of bed capacity and 31% of X-ray units¹

There is limited information about the access and utilization of health services. But, a recent survey conducted in Khartoum and Gezera States showed that out of all patients seeking health care, 22% consulted private sector. In terms of hospital admissions and surgical interventions, the share of private sector was 31% and 7% respectively. Twenty two percent (22%) of patients were under cover of an insurance scheme, while 47% came to seek diagnostic services. The cost of admission (per day hotel charges) in a private hospital ranged between SDG 150 to 200 (US\$ 70 to 95) compared to public sector hospitals, where it is SDG 10 (US\$ 5) per day².

3 The rationale

The macroeconomic and sectoral reforms implemented during 1990s led, *inter-alia* to exponential increase in private health sector. While it could be a welcome sign for enhancing the coverage and access, there are indications of increasing inequity and mal-distribution of health services. This situation therefore necessitates introduction of

¹ Federal Ministry of Health (2007) Annual Health Statistical Report, 2007, National Health Information Centre, Federal Ministry of Health Khartoum

² Bayoumi Ahmed (2005) Role of Private Sector in Health Care Delivery in Khartoum and Gezira States, unpublished report

reforms in terms of defining the roles for the private health sector, strengthening of market approaches to its management, and shift in the financing mechanisms, including for payment and pricing.

The National Health Policy (2007), taking stock of the emerging private health sector required Federal Ministry of Health, in addition to defining the role of private v/s public sector, to institute mechanisms for the regulation of health services delivery, setting up and monitoring of the minimum standards of care, and bring into fold the private sector in reporting within the defined parameters.

This policy serves these purposes by advocating better coordination, encouragement and regulation of the private sector with the objectives to enhancing the investment opportunities, increasing the geographical coverage, attaining equity in distribution, promoting quality and decreasing the gap between the served and the underserved areas.

4 The methodology for development policy contents

The Federal Ministry of Health, recognizing the complementary role of the market based private sector in the provision of quality health services at competitive price especially in the underserved areas, considered it imperative to develop a policy document for this sector.

The Health Policy Department of the Secretariat of Health Planning, Policy and Research was tasked to undertake the policy process. A task force, drawing on a wider stakeholder base consequent to stakeholder analysis was set up. In addition to benefiting from earlier work^{3,4} in Sudan and experience from other countries^{5,6,7,8}, a

³ Ahmed Bayoumi (2005) Role of Private Sector in Health Care Delivery in Khartoum and Gezira States, WHO, Khartoum

series of meetings, group discussions and workshops were held. Furthermore, key informants drawn from the stakeholders were interviewed as part of the policy process.

NB: The draft policy for the market based private health sector will be in discussed in the official forum and will also be posted in the website of the FMOH for seeking comments from the general public. Finally it will be presented in a workshop that will draw participants from all stakeholders for adoption.

5 The policy for market based private health sector

While drawing a policy and defining the roles and responsibilities of the state vis-à-vis the private health sector in the overall context of the health system, it is useful to do it in relation to its core elements: governance, organization, funding, and service delivery.

The governance is about assuring the stewardship or oversight which is clearly the responsibility of the state. Likewise, state would determine how the health system is organized for different levels of care (specialized, tertiary, secondary, primary and community care) and geographical regions. But, the sharing of responsibility between the state and the private sector and the mechanisms for the discharge or implementation of other elements can however, vary and may take following forms: (i)

⁴ Awadalkarim M. A. (undated) Harnessing the private health sector to achieving public health goals in countries of the Eastern Mediterranean, Division of Health Systems and Services Development, WHO/EMRO, Cairo

⁵ Kutzin, J. (1995) Experience with Organizational and Financial Reform of the Health Sector. Geneva: WHO

⁶ Hearst, N and Blas, E (2001) Learning from Experience: Research on Health Sector Reform in Developing World. Health Policy and Planning 16(Suppl 2), 1-3

⁷ Collins, C. (2002) Health Sector Reform and Change: (Lecture handout) Unpublished.

⁸ Collins, C. and Green, A. (1999) Public Sector Hospitals and Organizational Change: An Agenda for Policy Analysis. *International Journal of Health Planning and Management.* (14), 107-128.

public financing and delivery; (ii) public financing and private delivery; (iii) private financing and delivery⁹.

This policy focuses on the health care modality, whereby the private sector finances as well as delivers the health care. But, it also deals with issues surrounding the other alternate mechanisms, i.e. public financing and private sector delivery of health services.

5.1 The values and principles

This policy is framed, within the provisions of the National Health Policy and other such guiding documents, laws and national and international commitments, for allopathic health services financed and/or delivered by the private sector. Specifically, it shares the guiding principles and the values of the National Health Policy:

Partnership and collaboration for health
Quality in health care and assuring the clinical governance
Social determinants of health
Optimum response to consumer needs and assuring patients' rights
Gender mainstreaming and equal opportunities

While the details provided for these above mentioned values and principles enunciated in the National Health Policy apply also to this policy, the 'quality in health care' and 'patients' right' are explained further in the subsequent sections to highlight their importance.

⁹ There could be another modality, whereby the relation is private financing and public delivery, e.g. patients buying medicines out-of-pocket, while receiving care in public hospitals or when private patients are admitted in private wards of public hospitals. But, it is in essence a variant of 'public financing and delivery' with added element of out-of-pocket expenditure.

Although this policy promotes the motto 'patient first', it does not deny the private sector of its profit oriented direction. In this regard, wherever there is a conflict with the existing laws/acts, the position in the latter will prevail.

5.2 Vision

The private health sector is seen as complementary to the public health sector and crucial for building a healthy nation, achieving the Millennium Development Goals and contributing to the overall social and economic development of the country.

5.3 Mission

The mission of this policy on market based private health sector is to ensure the provision and availability of optimum quality health care at a competitive cost, which responds to the needs of the citizens of Sudan. It emphasizes on the 'win-win' situation between the public and the market based private health sectors in the provision of these services.

The role of the state, as envisaged in this policy for market based private health sector, is focused on, but not exclusive to, its regulation and creating environment conducive to improving efficiency, quality and equity in health services. The government will take necessary measures to encourage the private sector to increasingly invest in the health sector.

6 Policy Implementation, monitoring and evaluation

6.1 Policy implementation

The Federal Ministry of Health through the National Health Coordination Council will oversee and steer the implementation of this policy; including conducting advocacy and harnessing the political commitment to ensure that the vision and mission of the policy are translated into strategic and operational plans. This will involve, *inter-alia*, making available the resources commensurate to the stated targets and creating conditions conducive to achieving the vision and mission.

6.2 Monitoring and evaluation

The objectives of this policy, enshrined as policy statements, will be systematically monitored. The Federal Ministry of Health will take measures, including the provision of adequate resources to institutionalize the monitoring of the achievements towards policy objectives. For this purpose, appropriate indicators will be selected and appropriate mechanisms will be installed to measure and monitor the achievement of the objectives of the policy.

A consolidated periodic health report for all levels of care, which outlines the developments in public health, will be generated. The report should include the implementation stages and the fulfilled purposes of the policy. The health policy department in Federal Ministry of Health will be focal point to coordinate the formulation, implementation, monitoring and evaluation, and reporting on the achievements of the policy.

7 Policy statements

7.1 Certificate of need program

The government will set up a Certificate of Need (CON) mechanism. Under this mechanism, it will be incumbent upon applicant (private sector investor) intending to establish a health care facility or to add or expand service(s) in the existing health facility, to obtain prior approval of the competent authority.

The CON process is required in order to ensure that the services proposed by the health care providers are needed for quality patient care within a particular region or community. In this manner, unnecessary duplication of services will also be prevented.

7.2 Governance and categorization of service level

Since in the private health sector, the market forces guide and determine the level of the service provided, it is imperative to set certain criteria and standards. Effective and efficient healthcare delivery is dependent on the availability of the right mix of healthcare technologies and personnel required for the delivery of specific health interventions.

Integrated Health Technology Package (iHTP) is a tool devised by the World Health Organization to ensure that all resources needed for any particular medical/health intervention are available in an adequate mix that is specific and particular to the local needs and conditions.

The FMOH shall establish a system for using the iHTP for undertaking a comprehensive technology gaps analysis as a means to assessing and regulating the health services for its efficiency and quality in provision.

7.3 Employment of health workforce

Health workforce constitutes the backbone of any health service, be it in the public or private sector. For the purpose of this policy, different categories of health workforce include: (i) health professionals, like doctors and nurses; (ii) associate professionals, like

medical assistants and technicians; (iii) health management professions, like hospital/health managers and accountants; (iv) associate management professions, like the administrative staff; and (v) support staff, like clerks and drivers.

The health facilities in private sector shall be required to have the required number of qualified independent health workforce according to the national norms and standards set for the type and level of health facility.

The private sector can employ public sector health workforce, provided that the latter works with the former in their off hours and that by taking this job in the private sector, their public sector assignment is not affected in terms of the quality and quantity.

7.4 Quality in health care

Quality in health care is one of the values on which hinges this policy. Therefore, while it was mentioned as part of the values, it is reiterated as a specific policy statement.

In order to ensure good quality health care the FMOH, in collaboration with the SMOH and private sector will develop national standards for all levels of care—primary, secondary and tertiary—and for specialized medical, surgical, paramedical, nursing care, etc. In addition, standard operating procedures, clinical practice guidelines and protocols, including for health management, will be developed and /or adapted.

The government will establish special units within Ministries of Health at the state level responsible to regulate private sector. These units shall enforce rules for registration, licensing, re-licensing and inspection of private facilities in order to insure compliance with the specified standards.

The FMOH, in collaboration with the SMOH, will develop mechanisms, like the voluntary accreditation scheme to measure performance against pre-established agreed-upon standards, and will devise measures for selected indicators and scores to be assigned to a league table for the reference of health care providers.

7.5 Response to patients' needs and rights

The policy for the market based private health sector shares the values and principles as laid down for the national health policy. These values and principles require the fulfillment of patients' needs with maximum competency and to preserve their rights.

This policy emphasizes on the FMOH to take a stewardship role and institute measures, including enforcing the 'Patients' Bill of Rights' to provide, *inter-alia*, the information on

people's rights in relation to the information disclosure; choice of providers and management plans; access to emergency services; participation in treatment decisions; respect and non-discrimination; confidentiality of health information; complaints and appeals. Special considerations are given to vulnerable groups like children, handicapped, mentally ill patients, minorities, etc.

7.6 Services first

Given that the private health sector works for profit, patients may be denied health care because of their inability to pay. This denial of services is particularly dangerous in cases where the patient is in critical condition and land up as an emergency.

This policy emphasizes on the health care provider that they should calculate profit on the overall business and not for each individual case it deals with. In addition, it calls on the ministries of social welfare for establishing a safety net through, for example, zakat fund, to pay the poor and destitute who seek health services from private sector in emergencies.

7.7 Health information

Health information is vital for monitoring the health status and also managing the health services. This includes the health statistics to derive information about health status, health care, provision and use of services and their health impact. Currently, only few health facilities in the private sector link their statistics with the public sector. As a result, it is not possible to assemble data about the status of the health of the population and the services offered either at the state or national level.

This policy emphasizes the importance of the health information and linking of the private sector health facilities with public sector health information system. The private health sector will be responsible for reporting on an agreed set of indicators according to the defined format and parameters. For this purpose, the FMOH will devise or adapt its system.

7.8 Incentive to private sector for investing in health

The government adopted Investment Encouragement Act in order to provide environment that is conducive for investment. Under this law, a range of incentives in terms of the concessions, facilities and guarantees are provided to the private investors.

The government shall extend incentives to the private domestic as well as foreign investment in the health sector, particularly in the tertiary and secondary care, health professional training and the acquisition of new technologies.

This policy emphasizes the Ministries of Health both at the Federal and State level to devise incentive regimen, essentially complementary and not inconsistent with the provisions of the Investment Encouragement Act, to attract investors in the less developed states and localities.

7.9 Cost of health service

The health services are often offered at exponential cost in the private sector; and there is currently no check or regulation governing the level of tariff. This situation, in addition to limiting the access of many to the health services, leads to many households facing catastrophe, pushing them to poverty.

This policy requires the government to set up a system for checking the cost of the health care. This is important given the imperfect conditions that prevail in the health services market. Control measures would include engaging the public sector in providing service at competitive prices. But, direct price control will also be resorted to, *albeit* at a limited scale as an anti monopoly measure.

7.10 Patient referral

Referral of patients from one level of care to the other and between private and public sector is essential for providing comprehensive health services to the population. There is currently an ad hoc system, whereby the patients are referred informally and on voluntary basis. This practice is fraught with unintended complications and deaths.

This policy therefore emphasizes the government to enforce a mechanism for the public sector to accept patients from private sector and *vice versa* for services, including diagnostic, transfusion, invasive and non-invasive procedures, and intensive care. Also, mechanism will be set up for the referral of patients from private to private providers.

7.11 Contracting out/in health services

Contracting out is a mechanism of combining the public sector financing with private sector delivering the services. The private sector may be asked, at the expense of the public sector, to provide services like laundry and central sterilization room, kitchen and catering, gardening and cleansing, etc. But contracts may also be made with private providers to organize and manage health services using public sector infrastructure.

The contracting out arrangement is a sort of public-private-partnership. This policy intends to support this type of intervention. The government will develop a detailed mechanism for instituting arrangements to contract out support services. Also, the

private sector may be contracted in for providing a defined health services package. This intervention will include the contracting process and contract management, including the monitoring and evaluation of the services being provided.

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