

PPP IN SERVICE DELIVERY IN INDIA: ISSUES AND FUTURE OPTIONS

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INEVITABILITY OF PRIVATE PARTNERSHIP

- **Vast, but poorly funded, staffed, and ill-equipped public sector health system**
- **Rapid, Rampant, Unregulated growth of private sector**
- **Predominant provision of health care services (OP,IP, Resources, Diagnostics, Immunization, etc) by the private sector- even for the poor**
- **High OOP –Consequences on the poor**
- **Potential Benefits of PPP- Access, Equity, Efficiency, Rational quality, Regulatory oversight, Resources**

Possible PPP Models

(Venkat Raman, 2012)

INFRASTRUCTURE PPP

Variants of Design, Build, Finance,
Own, Operate, Lease, Transfer
Models (BOO, BOOT, BOLT)
Joint Ventures
PFI-VGF

SERVICE DELIVERY PPP

Contracting ('in' & 'out')
Management Contract
Co-location
Franchising

PPP MODELS

FINANCIAL PROTECTION PPP

Vouchers/ Health Cards/ Coupons
Conditional Cash / Incentive
Community Based Insurance /
Microfinance
Social Insurance
State Illness Assistance fund

OTHER MODELS

Public Private Mix
Technology Enablers (Telemedicine)
Franchising; Social Marketing
Training, Research, Capacity Building
Regulation & Governance
Networks/ Alliances

PPP MODELS



PPP MODELS



संभव
स्वास्थ्य कूपन योजना
कूपन लागो
सहल पाओ
कूपन द्वारा मुफ्त इलाज
अमीन वेलफेयर ट्रस्ट, वी.आई.पी. रोड, जाजमऊ, कानपुर



Yeshasvini
Yeshasvini Co-operative
Farmers Health Care Scheme.
(YCFHS.)



SPECIFIC LESSONS

- OOP under PPP services lower than private sector and some places public sector
- Greater Access and Facility level performance
- PPP ought to be contextually relevant
- Need for better operational management (Payment, Supervision, Verification of beneficiaries, coordination, dispute resolution, etc)

ISSUES AND CHALLENGES

- **Most PPPs are “Initiatives in Good Faith”:** Lack of Policy Driven Strategy thus lack of continuity
- **No Institutional structures to manage or lack of Institutional Capacity for PPPs**
- **Primarily Input-Based contracting**
- **Senior Bureaucracy:** Often Enthusiastic- Pro reform image; but success takes them away
- **View PPP from Infrastructure framework**
- **Health Staff/ Lower Bureaucracy:** Do not comprehend or suspect PPP as privatisation- Fear job loss; Distrust private sector

PERCEIVED RISKS (OF EACH PARTNERS)

•Private Sector , perceived as:

- Variable Quality
- Lack of Accreditation or Regulation
- Inaccurate or delayed diagnosis
- Irrational Treatment – Expensive Drugs
- Retain Patients till they are unable to pay out of pocket
- Exploitative (Cultural stereotype)- Commercial Motives

•Public Sector / Government

- Delay in Payments
- Risk of Public Auditing - Tax
- Incompatible work culture
- interference with hospital routines
- Not Capable of Professional contracting
- Questionable Long term Commitment
- Lack institutional framework to work with Pvt.Sector

- **Diversity of Private Sector: Predominantly Individual run units- not easy to contract.**
- **Variable Quality - Lack of Accreditation or Regulation**
- **Risk of working with Govt.: Payment Delays, Tax Auditing, Incompatible work culture.....**
- **Cultural stereotype/ antipathy/ squeamishness towards private sector or term “profit”**
- **Govt.’s inability to regulate compounds scepticism on ability to manage PPP**
- **Long Term Sustainability – what happens to Public sector capacity?**

PPP: Ideal Strategy

(Venkatraman,2011)

