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# How do we build private sector capacity to participate in government health policy initiatives?



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**New research aims to understand what policy tools and contextual factors can enable or constrain market-based approaches to deliver health services to the working poor.**

Our group, Insight Health Advisors of Nairobi, is kicking off a one-year **research project** with the BEAM Exchange focusing on market systems approaches in health. Recognition of the private sector's role in health systems has increased significantly in the past years; however, most of the work around market-based approaches to date has focused on agriculture and finance. The main differences between the health sector and others are: a heavy reliance on donor funds in health that crowd-out the private sector; the fragmentation and diversity of private sector entities in health; and the Ministry of Health (MoH) as both a regulator and actor in health markets.

The purpose of our research is to understand what policy tools and contextual factors can enable or constrain market-based approaches to deliver health services to the working poor. IHA works across East Africa in market systems healthcare initiatives and has observed that even when policies are designed to harness the capacity and scale of private health businesses, these businesses often struggle to qualify to participate.

*There are many tools available to harness the private sector. But several governments not only lack the skills needed to implement them but also do not have the skills to identify and engage the private sector. MoHs do a terrible job in*

*reaching out to the private sector and promoting these government programs.'* - International Donor Organisation

*Our [social franchise] outlets are not very flexible... The small private outlets we mainly work with don't have enough capital to invest in automation that would reduce the burden of reporting and increase efficiency – and they don't have strong business skills. These would give them a foot in the door toward being included as a reimbursable provider by National Health Insurance.'* - Private Social Franchise Manager

Observing these gaps, we have titled our study *Private Capacity, Public Payment: Private business participation in government initiatives to improve access to critical health services*. This study seeks to contribute to knowledge and practice by answering the following questions:

- What are the barriers private health businesses confront in learning about and participating in policy initiatives?
- What strategies/interventions have successful private businesses employed to partake in policy initiatives/programmes?
- What skills, capacity and/or mechanisms are needed for private health business to qualify for these government programmes? What role can governments play to facilitate greater private sector participation in policy initiatives?

We plan to collect primary data in Kenya, Uganda and India. We will focus on medium-sized businesses providing primary / ambulatory care (including social franchises, pharmacy chains, and individual providers) with the potential to scale, serving low-income groups (among others). Our goal is to identify businesses that work with national health insurance funds, MoH, or county/district/municipality governments under contracting, grant, voucher and/or subsidy policies.

As part of the research, we also want to learn from your experience:

- Do you know of any initiatives with these characteristics in the countries on which we're focusing?
- Do you know of any health businesses in primary health care that have tried to take advantage of the policies mentioned and would make good cases?
- What have we missed in our thinking so far?

We'd love to open a dialogue with anyone interested in contributing knowledge or experience to further our research! If that's you, please contact us at [Meghan@health-e-net.org](mailto:Meghan@health-e-net.org)!

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*Read more about the research project.*

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