Universal health coverage and private hospitals are not mutually exclusive

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The private sector can be a boon for healthcare in poor countries, something the World Health Organisation ought to consider as its annual meeting convenes

This week health ministers from around the world gather in Geneva for the annual meeting of the World Health Organisation (WHO). While they will no doubt take some time to enjoy the beautiful scenery, their working agenda will cover some of the world's biggest health challenges, including planning for the next pandemic Ebola and influenza outbreaks.

Decisions will also be made on topics that are less alarming but equally important for health. Chief among these is how to encourage developing countries to move towards universal health coverage (UHC), in which everyone in a country can access basic health services without facing financial hardship.

The WHO director general, Margaret Chan, has described UHC as "the single most powerful concept that public health has to offer". Given that 150 million people each year suffer financial catastrophe due to paying for healthcare, this is no exaggeration.

UHC now tops the domestic agenda in countries from India to Uganda, thanks partly to WHO-led advocacy. But progress is being complicated by a needless debate about the role of the private sector in healthcare provision in poor countries.

Oxfam, which has the ear of many development officials, summed it up in a series of papers attacking private sector involvement in healthcare, describing it as "unregulated, unaccountable, and out of control".

According to this view, which is shared by many western aid agencies, UHC can only be achieved by a massive expansion of government-owned hospitals and clinics in developing countries.

The idea that involving the private sector is antithetical to UHC is bizarre. The private sector (which includes non-profit providers) forms the backbone of healthcare in a range of Organisation for Economic Cooperation and Development (OECD) member countries including Japan, South Korea and Germany.

In fact, more than two-thirds of all OECD countries rely mostly on private outpatient care and some of the best performing countries also deliver the majority of inpatient care through private hospitals. All of these countries have achieved both universal coverage and high levels of patient satisfaction.

The private sector also provides up to 80% of healthcare in many developing countries. Proponents of public sector care are therefore effectively asking governments to massively expand government health provision in order to duplicate existing hospitals, doctors, labs, clinics, blood banks, maternity homes, and pharmacies.

This is not only an unrealistic proposition, it is also pointless. There is no evidence that government control is the only way to achieve UHC. Quite the opposite: the evidence suggests there are many ways to get to UHC, and advising countries otherwise will drive them into needless, substantial spending to replicate resources that already exist.

Harnessing the private sector to achieve UHC need not be traumatic. National or social health insurance schemes should be agnostic about whom they purchase services from: private or public, so long as quality, fairness and cost standards are met.

This approach works well in many developing countries. Certain districts in Thailand have achieved UHC by allowing all residents to use private hospitals, and then reimbursing those facilities. In the Philippines, growing numbers of pregnant women use private midwives, reimbursed by the national social health insurance fund, PhilHealth.

Expanding health insurance coverage to poor people, allowing them to freely access private providers, is well underway in Ghana, Thailand, Taiwan, Korea, Malaysia and many other countries. A host of other countries are moving towards this approach, including Kenya, Indonesia, India and Uganda.

The idea that such “tawdry” notions as profit and business have no room in healthcare is perhaps understandable among those who have made a career in public health, and whose motivations are altruistic rather than financial.

Even a cursory examination of most health systems, however, reveals that very few countries can meet this high moral standard: pharmacies in the UK, France, and in most other countries are private, profit-driven, and most effective when they are well-run businesses. Dental services in most countries are private, as are outpatient clinics. Good care is still delivered. High-quality medicines can still be found at Boots, Watsons, or Walgreens.

As a growing number of developing countries stand ready to redouble their financial and political commitments to making healthcare more accessible to their citizens, we do them no favours by giving them ideologically-driven advice.

Cuba has the best health system in the world according to the WHO, and Brits are impressively vocal about their love of the NHS. But surveys tell us that the Dutch, Germans, and Japanese, though not as vocal, are no less satisfied with their private-delivery-based health systems.

The WHO and the supportive aid ministries in the developed world should provide the best objective advice and evidence to developing countries on this topic. UHC is the goal; let's not be sidetracked by pointless debates about getting "my way" or "your way". However we arrive at our goal, a great many people will benefit.

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