

Private Sector Participation to Increase Access to Quality Health Services in Uzbekistan

1. The IFC and WB held a high-level roundtable in Tashkent on February 18, 2020. The Roundtable focused on the private health sector's potential role to increase access to quality health services in Uzbekistan. The objective of the workshop was to foster open discussion between key government ministries to align their vision and approach to private sector engagement (PSE). The joint team therefore convened a small group (25 participants) of high-level government officials (deputy ministerial level) from the Ministries of Health, Finance and Economic Development. The World Health Organization (WHO) Country representatives, as well as GIZ and KfW representatives participated in the event. Given government's strong interest and political prioritization in the topic, there was full (e.g. 100% response rate) and robust participation in the roundtable. The participants remained throughout the entire day's agenda and actively engaged in the discussions with honest comments on their expectations of the private health sector role in healthcare provision, and on the required support for capacity building and technical expertise to advance the strategy of private sector involvement in the health sector of Uzbekistan.

2. International experts from the IFC and WB team delivered several presentations to inform the roundtable deliberations. Topics covered included: key considerations in governing a mixed public-private healthcare system; the role of health financing in growing/harnessing the private health sector; the role of master planning to guide public and private investment in health; and types of private sector projects and public private partnerships (PPP) that can help governments achieve their health sector goals and objectives.

3. Discussions focused on three areas: i) challenges in engaging the private health sector, ii) government expectations of the private health sector, and iii) support needed by the government to engage the private health sector. Through the course of the day's deliberations, key challenges emerged:

- Insufficient public funds allocated to the health sector
- Absence of a clear financing strategy for the health sector
- Obsolete and out-of-date policy and regulatory framework to engage the private health sector
- Weak government capacity to regulate the private health sector and to carry out private sector projects including PPPs
- Limited interactions between public and private health sectors
- Risks linked with sole sourcing local providers through ad-hoc contracting
- Insufficient data on private health sector activities to effectively contract public and private health providers

4. Regarding government's expectations of the private health sector, they ranged from transferring of expertise and competency – e.g. management, efficiency of service delivery – to public sector; to better alignment and coordination of public and private sector activities to achieve national goals and objectives in health; to improve quality of private health services, and to attracting private investment in health infrastructure.

5. Workshop participants requested support in two core areas: i) capacity building and ii) technical assistance. In the areas of capacity building, participants focused on two areas: i) all aspects related to PPPs (e.g. project identification, feasibility studies, tender process,

contract management, etc.) and ii) health administration and management, particularly in subjects of policy and planning of a mixed health systems and hospital management.

6. Request for technical assistance centered on the following:

- **Conduct analysis needed to inform medical health insurance design.** Participants specifically identified the need for technical assistance to establish/cost a basic minimum health package, analyze cost to deliver basic package in public and private health facilities, to determine reimbursement rates for public and private health services, and strategies to recover costs in public health facilities.
- **Drafting a Strategic Plan for the healthcare sector, including on Private Sector Engagement in health.** Support entails reaching agreement on strategic objectives for private sector engagement and defining private sector role and contribution in health sector, as well as performing several analytics requested by the government to inform the design and strategies outlined in a Private Sector Engagement (PSE) Strategy. Participants asked for a legal and regulatory review to better understand the policy framework and enabling environment supporting and/or hindering private sector participation in health. In addition, it was requested to assist with defining a tested approach and tools for the Government to steer private sector participation towards the agreed strategic objectives.
- **Conduct analysis needed to inform public and private investment going forward.** A key requirement to rationalize and develop public and private investment in health is a Hospital masterplan. Participants requested assistance to conduct master planning exercise for the entire country to help structure and plan health infrastructure investments through public procurement or through private sector participation. Taking stock of the current healthcare infrastructure, public and private, the masterplan would include all levels of care and help to create an effective interface between private and public sectors (e.g. working relation between sectors and coordination/ duplication of health services). It was stressed by participants the importance of conducting a masterplan in one of the regions in order to reach a demonstration effect.

ANNEX 1. PRIVATE SECTOR ASSESSMENT (PSA) APPROACH -UZBEKISTAN

General description: A PSA provides a “snapshot” of private health sector activity at one point in time. The data and accompanying analysis help foster dialogue between government and non-state actors on how to maximize the private sector’s role in the health sector to address health priorities. Assessments also offer recommendations on needed policy reforms and highlight areas for improved coordination and partnerships between the public and private sectors.

The PSA approach encompasses four interrelated elements critical to understanding the role of the private health sector:

1. Assessing the policy environment including a review of related regulatory issues and market conditions.
2. Identifying health financing opportunities and constraints to understand how private health services are financed —out-of-pocket payments, health care insurance or third-party payment mechanisms such as contracting or vouchers.
3. Documenting private provision of health services to assess the size of private providers and range of health services they offer and quantify human resources for health available in the private sector. Depending on the PSA focus, the assessment also maps the supply of health products in the private sector.
4. Analyzing demand to assess existing and potential demand for selected health products and services from the private sector and understand factors influencing this behavior.

Phased approach: The PSA will be carried out as a joint-collaboration between the WB and IFC. The WBG team proposes a phase approach.

Phase One: Review of policy framework. The objective of the legal/regulatory review is to identify policy constraints and market barriers to a greater private sector role. The review encompasses policies, regulations, standards, strategies and plans. The review also examines government institutional arrangements and capacity to enforce these policies and regulations. As a first step, the team proposes a policy roundtable to share international experience in policy frameworks supporting private health sector and best practices in policy/regulatory design and implementation.

Phase Two: Assessment of private health services size and scope. The task entails pulling together public and private data to quantify the number, type and regional distribution of private health facilities. Time and data permitting, the PSA compares public and private facility data to identify gaps and duplication. If the data is available, the PSA also compares public-private mix of in-patient and out-patient services.

Phase Three: Analysis of financing opportunities. The PSA examines the draft health care financing strategy, national health accounts, public expenditure review and economic policies as well as any examples of purchasing of private health services and/or outsourcing to determine if there are sufficient incentives and/or opportunities to attract the private sector.

Phase Four: Examination of public-private interface. The PSA conducts key informant interviews of both public and private stakeholders to i) gauge the working relationship between public and private sector, ii) identify barriers to greater coordination and collaboration, and iii) discover opportunities and mechanisms to strengthen public-private interface.

The PSA approach convenes public and private stakeholders throughout the process to identify data sources, vet preliminary findings and to co-develop the recommendations and action plan.

Annex 2.

Private Sector Participation To Increase Access to Quality Health Services in Uzbekistan

Roundtable

February 18, 2020

Tashkent Hyatt Regency Hotel



co-funded by



Participants

Government of
Uzbekistan

Prime Minister office

Ministry of Health

Mr. Alisher Shadmanov, Minister of Health of Uzbekistan

Mr. Bakhodir Yusupaliev, First Deputy Health Minister

Health policy and strategy department

Ministry of Finance

Mr. Shokhrukh Shorakhmedov, Deputy Minister of Finance

Mr. Golib Kholjigitov, Deputy Minister of Finance, Director of the PPP Development Agency

Ministry of Investment and Foreign Trade

Mr. Shukhrat Vafaev, Deputy Minister for Investment and Foreign Trade, Alternate Governor of the World Bank Group for Republic of Uzbekistan,

World Bank
Group

Mr. Hideki Mori, Country Manager, Uzbekistan

Ms. Tania Dmytraczenko, World Bank, Practice Manager (Europe and Central Asia), Health, Nutrition and Population Global Practice

Ms. Susanna Hayrapetyan, Program Leader, Central Asia

Ms. Elvira Anadolu, Senior Healthcare Specialist, World Bank

Ms. Karine Bachongy, Senior Investment Officer, Health Public Private Partnership (PPP) lead, IFC

Ms. Christel Vermeersch, Senior Economist, World Bank

Mr. Paul da Rita, Senior Expert, IFC

Mr. Pranav Mohan, Investment Officer, IFC

Ms. Barbara O'Hanlon, Consultant, World Bank

GIZ / KfW

Mr. Shokhrukh Irnazarov, Head of KfW Office, Tashkent

Agenda

- 8:00-9:00 **Registration**
- 9:00-9:30 **Opening by Mr. Hideki Mori, Country Manager, World Bank Uzbekistan and Mr. Zafar Khashimov, Sr. Country Officer, IFC Uzbekistan**
- Session 1: Government vision and strategic plan for the healthcare sector in Uzbekistan: Health financing and healthcare delivery system**
- Presentation by:**
- First Deputy Minister Mr. Bakhodir Yusupaliev, MOH
 Deputy Minister Mr. Shokhrukh Shorakhmedov, MOF
 Deputy Minister of Finance Mr. Golib Kholjigitov, Director of the PPP Development Agency
- 9:30-10:30 **Session 2: Moving towards a mixed public-private health system: key considerations**
- Presentation:** Tania Dmytraczenko, Practice Manager, Health, Nutrition and Population Global Practice, World Bank
- *Is there an optimal mix of public and private services in the health sector?*
 - *Identification of the roles of public and private services in the health sector*
 - *Steps required to develop a mixed system while ensuring access to quality and affordable care*
 - *Regulating public and private healthcare systems for quality assurance*
 - *Link with health financing strategy*
- Presentation:** Karine Bachongy, Global Sector Lead, Social Infrastructure, IFC
- *Attracting high-quality private providers, operators and/or investors: lessons from other countries*
 - *Fostering public-private dialogue: a stepping stone for private sector engagement*
- Presentation:** Barbara O’Hanlon, Consultant, World Bank
- *Recommendations from the WHO Advisory Group on the Governance of the Private Sector for UHC*
- Discussion**
- 10:30 – 11:00 **Coffee break**
- 11:00-12:00 **Session 3: Health financing and insurance development**
- Presentation:** Susanna Hayrapetyan, Human Development Program Leader, Central Asia, World Bank
- *Health financing reforms: learning from regional and global examples*
 - *Experience of Uzbekistan implementing health financing reforms*
- Presentation:** Pranav Mohan, IFC health PPP Investment Officer
- *India’s Meghalaya health insurance PPP - Harvard case study*
 - *Pre-requisites for private sector participation in health insurance*

Discussion

12:00-13:00

Lunch

13:00 -14:00

Session 4: Healthcare infrastructure and service delivery planning, optimization and financing

Presentation: Elvira Anadolu, Senior Healthcare Specialist, World Bank

- *Why is it crucial to plan hospital sector development mid- to long-term? What should Uzbekistan start with?*
- *The role of the Hospital in modern healthcare delivery*
- *Why is it important to reinvest in public hospitals?*

Presentation: Paul da Rita, Senior Expert, IFC

- *Implementing the health system master plan*
- *Ways to procure a hospital: public procurement versus PPP*
- *Handling unsolicited proposals*

Discussion

14:00-15:00

Session 5: Sustainable health PPP in Uzbekistan

PPPs should be in the public interest, but also need to make sense from a private sector perspective. Good PPP projects are those for which the underlying investment is justified on economic and social grounds, where there is a demonstration of financial viability and added value of private sector participation, and that remain affordable to the budget.

Presentation: Karine Bachongy, Global Sector Lead, Social Infrastructure, IFC

- *Screening of healthcare PPP and projects selected by the Government*
- *Key structuring aspects and case studies*
- *IFC Healthcare Quality Tool*

15:00

Closing statements and conclusions