

**HEALTH DEPARTMENT  
GOVERNMENT OF SINDH**

To,

The Program Director  
Devolved Social Services Program  
Finance Department  
Government of Sindh  
**Karachi**

Subject: **Health Sector-Public Private Partnership**

In accordance with Policy Area 5: Encourage Public-Private Partnership (PPP) to Improve Service Delivery of Policy Matrix a practical result-oriented Public Private Partnership Plan; in Health Sector at Local Government level, already under implementation is attached herewith (Attachment-I).

Offers to manage the health facilities through PPP were well disseminated through Press and resultantly number of offers were received. Some of such facilities are being managed through foregone strategy. Finance and Health Departments have recently completed a Third Party Validation of Primary Health Facilities for Prioritization which interalia identifies health facilities for operationalization through PPP.

It is expected that upon mobilization of Health Expert through PSU, DSSP a more organic strategy would be developed to take the exercise forward for comprehensive implementation.

## **Public Private Partnership in Health Sector**

Health care services in Sindh Province are delivered through a large network of Primary Health Care (PHC), secondary health care and tertiary health care level facilities located in the Province. The PHC services are provided through Basic Health Units (BHUs), Dispensaries, Maternal and Child Health (MCH) centers, Maternity Homes and Rural Health centers (RHCs), while specific problem-oriented programs such as Expanded Program on Immunization control of Diarrheal Diseases Program, AIDS Control Program and Training of Lady Health Workers Program etc are also in operation for the prevention of communicable diseases. Secondary health care level services are provided through Civil Hospital in district Headquarters, Taluka Hospitals and other major hospitals, almost all of them located in urban and semi-urban localities. Highly advanced specialist or tertiary level care is provided through Teachings Hospitals and specific disease-oriented institutions such as Institutes for Chest Diseases, Skin Diseases, Psychiatry and Urology. The Details of all health care facilities can be seen at Annexure-1. The Department of Health is also providing education to medical undergraduates and postgraduates, nursing and paramedical staff students in order to meet the manpower requirements for the above mentioned health facilities.

The Government of Sindh Spends around Rs. 4.0 billions annually for running of these health facilities and institutions. Almost 80% of the allocated budget is spent on payment of salaries of staff and hardly 20% of the budget is provided for non salary items including medicines, diagnostic services, patient's diet, medical gases, janitorial and other services. It is estimated that only 30-35% of the population utilizes public sector health facilities while rest of the population utilize the services of private sector by paying relatively more from their own pockets due to the fact that the health care services available in the public sector hospitals/health outlets are either of poor quality or inaccessible to the masses.

More than 225 health facilities are completed but are without staff and budget. Around 235 health units are under construction, which are likely to be completed in one and a half-year, Annex I & II. The annual recurring cost of completed and under construction health units would be around Rs. 75 million.

There is a growing worldwide realization that governments alone cannot provide adequate quality health care without an element of cost sharing, even in highly developed countries such as the United States of America and the United Kingdom. It is imperative, therefore, to come up with various types of health care financing such as community involvement, health insurance, public-private partnership etc. Currently the total receipts of fee collected in OPD and indoor patients amounts to less than 2% of the total spending on health.

In view of the above facts, it has therefore become necessary to involve the Communities in operationalization of all constructed facilities. The basic idea is to meet shortage of funds for operationalization of non-functional health facilities. By doing so the resources invested on construction of these facilities would be saved from sinking and damages to constructed buildings could also be avoided.

At present a large number of doctors are unemployed, who could get these health facilities on lease/rent and provide medical care to the people at reasonable cost. Another area could be engagement of bonafide non-governmental organizations (NGOs) and

community-based organizations (CBOs) organizations, or a group of people known to be interested in social work. There are many bonafide NGOs, CBOs and individual social workers who want to share their services with government in delivery of quality health care to the people at an affordable cost on no profit no loss basis. Few health units have been already given to some NGOs and the experience is very encouraging. But in the absence of a broad based transparent and equitable policy, the units can not be let out on large scale.

Therefore, the Governor Sindh has very kindly constituted a committee, which should carve out a comprehensive policy to handle such cases with due care to protect the interests of the masses. The terms of reference of the committee are attached at Annexure II.

In the first meeting on 25<sup>th</sup> October, 2000 held under the chairmanship of Barrister Shahida Jamil, Provincial Minister for Law and Social Welfare, it was decided as under:

*“A separate set of criteria should be developed for different types of health units according to different geographical conditions. Our first priority should be to provide service to the people and then improve the process gradually. Members of the committee should send some proposals in writing which could be considered in the next meeting”.*

Next meeting was to be held on 8<sup>th</sup> November, 2000, but due to appointment of the chairman as Federal Minister, the next meeting could not be held.

It may be pointed out that following two units are already given to the NGOs who are functioning satisfactorily,

- i. BHU Kalu Khohar, on supper high way at Nooriabad, given to the Sindh Graduates Association which is running as Yasmeen Memorial Medical Center.
- ii. RHC Old Thanu in District Malir, Karachi given to ISRA who are running it as Eye Hospitals.



**Terms of Reference – Public Private Partnership**

- 1- The health Units/Centre/Dispensary shall remain the property of Government of Sindh.
- 2- The unit will be made functional by NGO/CBO/Individual on “No Profit No Loss” basis.
- 3- It will be only used for preventive and curative medical facilities. It will not be used for any purpose other than health services.
- 4- No additions/alterations in the physical structures will be made without approval of the Government.
- 5- Performance/Progress will be intimated to Director General Health Services Sindh. Through quarterly returns.
- 6- There will be a committee, which will review functioning of the unit from time to time. A representative from the EDO (HEALTH) will be member of the Committee. Minutes of the meetings of the committee will be provided to the Director General Health Services Sindh regularly.
- 7- Proper inventory will be prepared by the parties at the time of handing and taking over possession. The possession will be handed over after signing of the agreement between the Department of Health and taking over party.
- 8- The agreement will be valid initially for a period of three years from the date of taking over the possession and would automatically stand renewed for another term of three years if there is no breach of agreement and its cancellation.
- 9- Both parties have the right to terminate agreement for justified reason(s) upon giving a three month notice and shall be bound to return the Unit, in proper condition without any litigation.
- 10- The Units will be handed over on “As is Where is” basis.
- 11- Annual maintenance of buildings & equipment and recurring cost will be borne by the taking over party. The unit will be kept in good condition