Private Sector Engagement in HIV/AIDS and Health in the Eastern Caribbean: Findings from Country Assessments
Summary: This brief is a summary of health systems and private sector assessments conducted in six countries of the Organization of Eastern Caribbean States (Antigua and Barbuda, Dominica, Grenada, St. Lucia, St. Kitts and Nevis, St. Vincent and the Grenadines) in 2011. It highlights how increased collaboration and coordination between the public and private sectors might improve a country’s capacity to lead, finance, manage, and sustain the delivery of high-quality health services, including HIV prevention, care, and treatment. The brief synthesizes private sector findings and recommendations from the assessments according to the World Health Organization health systems strengthening framework. The overall goal is to maximize the contributions of the private sector to strengthen health systems and sustain national HIV responses in the region.
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The response to increasingly complex health challenges in developing countries requires an emphasis on well-functioning national health systems that provide equitable, affordable, and high-quality health services to all citizens. Often facing significant financial and human resource constraints, the governments of developing countries are unable to bear the burden of meeting health care needs without some type of assistance. As such, health systems are increasingly leveraging the assets and mobilizing the resources of both the public and private sectors. In the case of HIV/AIDS, many developing countries are experiencing a shift from emergency care to chronic disease management and are demonstrating a renewed focus on creating comprehensive and sustainable health solutions (PEPFAR Reauthorization, 2008). Failing to recognize the private sector’s strengths and potential contributions to health systems can mean missed opportunities to strengthen health service provision and sustain the HIV response.

To understand more fully the current role of the private sector in the health systems of the Eastern Caribbean, USAID/Eastern Caribbean commissioned the Strengthening Health Outcomes through the Private Sector (SHOPS) and Health Systems 20/20 projects to conduct joint health systems and private sector assessments in six countries of the Organization of Eastern Caribbean States (OECS). One aim of the assessments was to determine the private sector’s current and potential role in addressing critical health needs (including HIV/AIDS) in partnership with the public sector. While the depth and scope of private sector contributions vary by country, this brief identifies areas of regional commonalities in which the private sector is already engaged in health systems. It highlights how increased collaboration and coordination between the public and private actors might improve a country’s capacity to lead, finance, manage, and sustain the delivery of high-quality health services, including HIV prevention, care, and treatment. For purposes of this brief, the private health sector encompasses both for-profit and nonprofit entities (Box 1).

Box 1. What Is the Private Health Sector?

Whether formally or informally, the following actors are contributing to the delivery of health care and HIV/AIDS services in Eastern Caribbean countries:

- Private for-profit hospitals
- Private physicians (e.g., family doctors and specialists) in solo practice
- Private laboratories
- Private retail pharmacies
- Pharmaceutical wholesalers and distributors
- Private practice nurses
- Private diagnostic facilities
- Private health insurance companies
- Private companies
- Nongovernmental organizations
- Faith-based organizations
- Traditional healers/informal health providers
Private Sector Contributions by Health System Functions

The World Health Organization framework of health systems building blocks provides a useful lens through which to explore private sector engagement and contributions to health in OECS countries. The building blocks—or health systems functions—include governance, health financing, service delivery, human resources for health, management of pharmaceuticals and medical supplies, and health information systems. Despite the common assumption that the private sector plays a role primarily in service delivery, private actors can contribute to each health systems function (Figure 1). Recognizing the comparative strengths of private actors and understanding the ways in which diverse skills and resources can be leveraged within each building block can further the pursuit of health systems that promote collaboration and improved health outcomes.

Figure 1: Private Sector Actors Contributing to Health System Strengthening

Source: Arur, A. et al. (2010).

The following sections synthesize findings from the six country assessments according to each health systems function and propose priority recommendations to maximize the contributions of the private sector to the delivery of health care and HIV/AIDS services in the Eastern Caribbean.
Governance

In the OECS countries, Ministry of Health (MOH) capacity to engage and work effectively with the private sector is constrained. Few OECS governments have yet to establish a policy framework, such as a public-private partnership strategy, or plans, such as a national strategic health plan, that incorporate features of the private sector. Yet, both a policy framework and a national strategic health plan are essential for effectively harnessing the involvement of the private sector in the delivery of health care. Most OECS countries lack a central registry of private health providers. As a result, private sector practitioners and facilities go largely unregulated and unmonitored. In addition, private sector entities, including nonprofits, are either poorly organized or ill-prepared to partner with the public sector. Professional associations exist in all OECS countries and represent a range of health personnel, but they vary from highly active and fully capable of representing and advocating for their members to dormant groups that have not met in recent years. Similarly, few health NGOs are active in the region, and their involvement in national health policy and planning is limited.

A supportive policy framework guided by legislation and regulations is integral to effective stewardship of the health system. As noted, relevant health legislation is lacking or outdated in many OECS countries, and policy gaps are evident throughout the region with respect to (1) enacting and enforcing pharmaceutical laws; (2) establishing standards of care that apply across the sectors; (3) developing guidelines on dual practice; (4) requiring continuing education for health professionals; and (5) strengthening medical and pharmacy councils’ capacity to monitor and enforce existing policies and regulations.

Priority Recommendations

- Strengthen the policy and regulatory framework for the health sector by modernizing outdated legislation and enacting draft legislation already in the pipeline.
- Create a focal point within the MOH to engage and involve the private sector in health policy and planning processes, and to identify opportunities to coordinate and leverage private sector resources.
The Grenada Health Practitioner’s Act of 2010 requires licensure of all private health practitioners. The act is a pivotal component in Grenada’s governance of the private health sector; it addresses weaknesses in the oversight of medical, dental, and allied health practitioners. In addition, private providers have historically played an important role in national medical associations and have typically been represented on medical councils. A significant indicator of collaboration is the voice of private health providers in medical councils and professional associations. Of note, private practice physicians play a major role in both the medical council and medical association of Antigua and Barbuda.

Grenada and Antigua and Barbuda: Leading by Example

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Health Financing

Health financing is the mobilization, accumulation, and allocation of money to cover the health needs of people in a given health system (WHO, 2000). The OECS countries’ understanding of health financing mechanisms is limited by a lack of data on health expenditures, particularly private health expenditures. The absence of recent household data on out-of-pocket expenditures for health translates into little information on (1) who benefits from health spending in the public sector; (2) who pays for health care; (3) how much is spent for health care and where it is spent; and (4) what percentage of people have health insurance.

Despite widespread public opinion in the region that government should provide free health care, patients relying on public sector providers incur costs such as user fees, hospital fees for x-rays and laboratory tests, and other fees for service associated with critical care. The region’s apparent expansion of the private health sector suggests, at least anecdotally, that expenditures in the private sector are significant. However, available estimates of out-of-pocket expenditures, along with key informant interviews with insurance companies and government stakeholders, confirm low levels of private health insurance coverage. Companies offering health insurance to their employees in the region are typically large multinationals, medium-sized to large local manufacturing companies, and hotels, or else they operate in countries with health insurance. Despite substantial employer contributions, premiums are reported to be beyond the reach of many workers. More often than not, private insurance policies exclude coverage for HIV such that those most likely to need chronic medical care lack adequate coverage and may be at risk of incurring catastrophic health expenses.
Another source of private health financing is corporate philanthropy. Companies throughout the region have reported little government outreach to the business sector regarding priority health needs and/or requests for targeted corporate contributions. Governments stand to gain from engaging corporations in advancing national health priorities and national health insurance policies, and some corporations have recognized a social responsibility that incentivizes investments in the health of their employees and customers. Given the region's large and rising costs attributable to chronic noncommunicable diseases (CNCD), coupled with declining external aid to support HIV/AIDS programs, corporate philanthropy is an important area for exploration.

Priority Recommendations

• Conduct and institutionalize National Health Accounts, which include household expenditure surveys, to determine how health funds are spent and to estimate private health expenditures. In view of decreasing donor funding, inclusion of an HIV/AIDS subaccount will enable countries to develop sustainability plans to support national HIV responses.

• Estimate the cost of health services delivered in the public and private health sectors to determine the feasibility of contracting with private providers for certain health services in order to reduce public sector costs and/or improve quality or efficiency.

• Facilitate corporate sector involvement in addressing critical health needs, including HIV/AIDS and CNCDs. Promote expansion of private health insurance with HIV/AIDS benefits for formal sector employees.

The Private Sector Foundation for Health in Dominica was established in 2005. The founding members recognized that the health sector was in crisis and that the government alone could not address the country's health needs. Comprised of 18 corporate members, the foundation offers a unique private sector contribution to health financing that, in collaboration with the Ministry of Health, channels corporate funds to purchase medical equipment at Princess Margaret Hospital. It also provides direct grants to Dominicans to cover needed medical treatment not available on the island.
Service Delivery

Service delivery is the most visible aspect of the health system because it is where health consumers interact directly with service providers. As in other parts of the world, OECS countries’ health systems are principally under the purview of the MOH, which is responsible for the financing, regulation, policy development, human resource management, and delivery of health services. However, the assessments found a considerable, and in some cases growing, role for privately delivered health services in many OECS countries. Common reasons that patients seek health care from private providers are presented in Box 2.

Although varying by country, private practitioners throughout the OECS provide a range of clinical and consultation services, including HIV testing and treatment in some countries. Private laboratories and diagnostic facilities provide HIV testing, ultrasound, sonograms, hematology, and radiology services. Private and parastatal health facilities often possess sophisticated diagnostic equipment and specialized surgical facilities that are unavailable in the public sector. Nonprofits such as Planned Parenthood often provide essential health promotion and community health services, particularly related to reproductive health, and, as in the case of St. Jude’s Hospital in St. Lucia, FBOs supplement public health services. Private companies invest in the health sector by undertaking workplace health promotion programs and contributing to community health services such as regional HIV testing days supported by Scotiabank in partnership with MOHs in 18 countries and the Caribbean Broadcast Media Partnership.

The prevailing view in the region that government should provide universal access to free, publically provided health services collides with two realities. First, the region’s increasing incidence of CNCDs, such as diabetes and hypertension, has led to growing demand for chronic care and treatment, further stretching already constrained domestic health budgets. Second, available information suggests that a considerable proportion of the region’s population (not necessarily restricted to the wealthy) relies on the private health sector for at least some of its health needs (Figure 2). While the private health sector is relatively robust in some countries (such as St. Lucia), it plays a smaller but vital role in the delivery of health services in others (such as St. Kitts and Nevis) by, for example, reducing overcrowding and wait times in public facilities and filling public sector gaps as needed.

In any event, to improve patient outcomes, there is room for improved communication and coordination between the public and private health sectors. Limited communication between sectors affects referrals and can jeopardize continuity of care for patients seeking medical attention from both sectors. For example, mistrust commonly leads to re-administration of tests and procedures, thereby delaying treatment, placing an undue financial burden on patients, and compromising patient care.
Priority Recommendations

- Conduct a census of the private sector in order to develop a database of available resources which may contribute to public health needs, including HIV/AIDS.

- Formalize referral processes and normalize coordination between public and private providers in order to improve continuity of care, especially critical for chronic conditions including HIV/AIDS.

- Initiate dialogue between public and private sector stakeholders, ideally through a forum or technical working group, to identify opportunities for public-private partnerships that address existing gaps or challenges.

- Explore opportunities to contract with private entities for the provision of medical specialties and technologies (e.g., diagnostics) not available in the public sector to encourage greater efficiencies. This could also include outreach to vulnerable populations provided by NGOs and FBOs.
Human Resources for Health

An adequate, effective, and enabled health work force is the backbone of any national health system and is integral to advancing the delivery of health services. While a majority of health workers in the OECS are concentrated in the public sector, a significant number may also practice in the private sector, and the trend toward strictly private practice appears to be gaining momentum. In most OECS countries, the majority of pharmacists work in the private sector. In some OECS countries, staffing in the public sector is insufficient; in other OECS countries, staff demonstrate an inadequate mix of skills, and the distribution of health personnel is uneven. Most OECS countries suffer from a lack of specialized medical and nursing personnel, compounded by a shortage of qualified administrative and management personnel. The assessments revealed that most OECS governments do not maximize the expertise available in the private health sector and instead sometimes send patients “off-island” for diagnostics, specialty care, or surgery that might have been available on the island from private practitioners.

Dual practice, whereby health practitioners combine salaried public sector clinical work with private practice, is common among physicians in the region and, to a lesser degree, among pharmacists and nurses. Dual practice can affect a health system either favorably or adversely. On the positive side, it offers the potential to increase government capacity to recruit and retain qualified personnel and affords greater access to training opportunities provided through the public sector, thus contributing to increased knowledge and clinical skills that spill over into private practice. On the negative side, if guidelines outlining possible areas of conflict between public and private practice are vague or nonexistent, as is the case in most OECS countries, practices are left to individual interpretation. The assessments revealed a knowledge gap among various stakeholders about the extent of dual practice and an absence of policies and procedures governing such practice.

Some countries permit private physicians to treat their private patients in public hospitals. With variation by country, the assessments revealed that, when granted privileges in public hospitals, private providers sometimes transferred clinical expertise to their public sector colleagues and made available specialized equipment not available in the public sector. However, most such arrangements are based on informal agreements that are loosely monitored. In addition, private sector use of public facilities gives rise to opportunity costs within the public sector in terms of access to services, facilities, and finances. A few government officials indicated that the MOH would greatly benefit from requiring compensation from private providers—whether financial or otherwise—for the privilege of delivering care in public hospitals.
Priority Recommendations

- Develop clear guidelines for dual practice and establish a system for monitoring and enforcing guidelines. Guidelines could be developed for the region and then tailored to the needs of individual countries.
- Formalize contracting mechanisms between the public and private sectors that could, for example, establish terms and conditions for private providers’ use of public facilities and permit public facilities to secure the services of private specialists.
- Maximize reliance on local health care personnel by identifying ways in which the private health sector can provide specialty care not available in the public sector that would otherwise be sought off-island.

**Human Resources for Health Registry in St. Lucia**

In 2005, St. Lucia conducted a human resources evaluation to facilitate staffing projections in preparation for construction of the new national hospital. As part of the evaluation, St. Lucia developed a database of all human resources, public and private. The database, which includes information such as the name, sector, and specialty of personnel, undergoes an annual update to give residents a clear understanding of the range of on-island providers and services.

**Management of Pharmaceuticals and Medical Supplies**

Access to essential, high-quality medical products and technologies is a critical component of a well-functioning health system. To address public health needs adequately, pharmaceuticals must be available and affordable. Effective pharmaceutical and supply chain management is pivotal to containing costs associated with procurement and ensuring effective distribution of drugs and medical supplies.

Private pharmacies are growing rapidly throughout the region and play an integral role in delivering essential medicines. Several countries’ robust private pharmaceutical sectors replenish public pharmacies during stock-outs. Although out-of-pocket expenses are higher at private pharmacies, some OECS consumers prefer a private pharmacy for the convenience (more locations and longer hours of operation) it offers and for the wider choice of brand-name drugs not available in public facilities. In addition to providing an important source of supply, the private sector often operates as a stop-gap during periods of public stock-outs of certain drugs. In a few countries, the assessments took note of informal collaboration between public and private pharmacies for popular medications, such as hypertensives, antibiotics, and diabetes medications. In some countries, controlled medicines such as antiretrovirals are available only at public
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facilities. While restrictions on dispensing essential medicines allow for tight control, the public sector has nowhere to turn to fill gaps during stock-outs. Similarly, laboratory reagents and other medical supplies are often not procured through centralized supply chains. As a result, both sectors face severe shortages of these products.

Despite the critical role played by pharmaceutical distributors, government regulation is weak and, in some countries, nonexistent. While several OECS countries have enacted pharmacy acts and established councils to provide regulatory oversight, gaps remain, most notably with respect to the importation and distribution of medicines through private channels. The result is that private distributors purchase pharmaceuticals or medical supplies from unknown or questionable sources. Moreover, throughout the region, MOH capacity to monitor and enforce regulations governing private distributors is limited. Private pharmacies generally comply with facility licensing, and individual pharmacists are certified and licensed, but governments struggle to verify licensing and the proper storage and handling of drugs. As a practical matter, the private pharmaceutical sector is self-regulating. While the assessments found little evidence of counterfeit or substandard medicines, regulation and oversight of the private pharmaceutical sector is vital to protect the public.

OECS countries are facing an increased burden of chronic disease, including HIV/AIDS, and the rising cost of medicines requires them to look for more coordinated and efficient procurement, management, and distribution systems. In countries with small populations, limited economies of scale pose a significant challenge. Accordingly, appropriate regulation of private supply of medicines and formal collaboration between public and private pharmacies is a priority.

Priority Recommendations

- Support MOHs in prioritizing the implementation and enforcement of new and existing national pharmacy acts. Private pharmacists can play an important role in advocating for such legislation because they, too, have a stake in the overall quality and safety of the drug supply.
- Build the capacity of MOH staff to develop, improve, and/or enforce regulations in the pharmaceutical sector.
- Explore partnerships to strengthen coordination between the public and private pharmaceutical sectors to avoid stock-out and ensure access to and affordability of essential medicines. Partnerships could develop a system of pooled public and private sector procurement to improve coordination and cost-effectiveness or to formalize arrangements with private pharmacists to supply medications in the event of public sector stock-outs.
- Support MOHs in the development and implementation of national medicines policies to ensure access to and rational use of pharmaceuticals and medical supplies in both the public and private sectors.
Health Information Systems

Health information systems support the operation of the overall health system and involve the collection, analysis, and application of health data. Limited data availability and underdeveloped capacity in the region pose a challenge to MOHs in terms of informed decisionmaking on how to plan and allocate resources in the health sector. National health information systems rarely capture health services and tests, including HIV tests, provided in the private health sector because of either the absence of laws mandating such reporting or inadequate MOH staff capacity to enforce reporting.

Despite uneven reporting of health data in the region, private sector providers indicated a willingness to share information with the MOH, especially information pertaining to the detection of communicable diseases. Private facilities, including pharmacies, laboratories, and some private medical offices, are well equipped to report to the MOH via already existing electronic record-keeping systems. The challenge is to develop efficient reporting processes that do not unreasonably burden private health providers. In addition, efforts should be made to deliver regular updates on health statistics to private providers. In most OECS countries, private health providers noted that they receive only limited information from the MOH on national health priorities, disease outbreaks, and other relevant national health trends and generally must rely on media outlets for such information.

Priority Recommendations

- Build the public sector’s capacity to collect, analyze, and use data from both the public and private health sectors to inform policy development, resource allocation, and planning. Simultaneously, increase the private sector’s awareness of and willingness to report critical health data to the health information system.

- Support public-private dialogue for jointly determining health indicators and efficient reporting systems as a means to encourage regular reporting on the part of private health providers. HIV/AIDS and other communicable diseases can provide the foundation for this initiative. The use of mobile technology could be explored to encourage and streamline reporting.
CONCLUSION

The intent of this brief is to highlight current and potential private sector contributions to meeting the Eastern Caribbean region’s pressing health needs. Greater understanding of opportunities for and existing barriers to increased private sector participation can aid policymakers, donors, and other interested stakeholders in mobilizing all available resources to strengthen health systems and sustain national HIV responses.

To this end, the SHOPS and Health Systems 20/20 projects convened stakeholder consultations in each OECS country to validate the assessment findings and recommendations, and to prioritize critical technical assistance needs for potential support from USAID and other development partners. In response to stakeholder input, the priorities identified in each country, and requests for technical assistance submitted to USAID by individual MOHs, SHOPS will provide tailored assistance for leveraging private sector contributions to health and HIV/AIDS services. Initial technical assistance will include quantifying the private health sector to identify and maximize on-island health resources. SHOPS will also initiate dialogue between the public and private sectors by establishing public-private forums or working groups to identify opportunities for increased collaboration. Specific partnership opportunities will correspond to identified local needs and may include reliable private sector reporting of key health information, improved referrals between public and private health providers, and formalizing existing public-private cooperation in health.

For more information on specific findings and recommendations mentioned in this brief, look for individual country assessment reports in the resource center at www.shopsproject.org.

• Ensure the regular exchange of information with the private sector through a variety of fora (town hall meetings, workshops, planning discussions, professional association meetings).

Improved Monitoring of HIV Patients in St. Kitts and Nevis through Private Reporting

With international support, St. Kitts and Nevis created a critical care team for HIV/AIDS services. The team is composed of both public and private sector health care providers. As a condition of participation on the team and the receipt of free antiretrovirals, private providers are required to report all new HIV cases and the number of patients initiated on treatment. Combined reporting from both public and private facilities helps the MOH better track the number of new cases and monitor the quality of treatment.
REFERENCES


