



# The role of private sector on urban health service delivery

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# Country context

- 102 million people, will reach 141, million in 14 years
- Urbanization and consumerism
- Expansion of education



# Major Medical businesses

- ***Medical service***
  - preventive
  - curative
  - rehabilitative
  - PPP
- ***Pharmaceuticals***
  - manufacturing
  - Import
  - Wholesale
  - retail

- ***Diagnostics***
  - Laboratory
  - Radiology
  - pathology
- ***others***



# Contribution to the country

- Investment
- Retain high level professionals in-country
- Service/product providers
- Employers
- Tax payers
- Self reliance (local capacity)
- Corporate social responsibility



# Medical service market

- 12,432 facilities currently
- estimated 59 % out patient services in urban areas
- 34 % in rural areas
- Employment opportunity to more than 120,000 people
- Primary clinic to general hospital



# The pharmaceutical market

- Ethiopia: current 800 million USD, growth 25%
  - Manufacturers: 22
  - Importers and wholesalers 415+1
  - Retailers: 5700+ 4000
- Local purchase=1,100,000,000.00
- Storage capacity: 183,000+536,000m<sup>3</sup>
- Inefficient distribution system



# Health spending

- 1.4 billion USD (2015)-expected to rise to 4 billion USD in 14 years
- Out of pocket expenditure is 37% (around 10 billion ETB).



# Disease trends

- Triple burden:
  - communicable (overcrowding/ hygiene and sanitation/ water/air quality)
  - non-communicable (nutrition/lifestyle/social network disruption/consumerism/substance abuse)
  - injuries and accident
- Studies by IFS shows in the next 14 years communicable diseases will decrease ,while NCD will be on the rise





# Global trends

- Welfare states
- P-4 medicine
  - technological advancement (miniaturization)
  - information revolution
  - increasing health literacy(wellness)
  - genetics
- Designer made pharmaceuticals
- Robotic surgery/stem cell technology/3D printing
- Shift of medical practice from reactive to advanced prevention



# Private sector landscape

- Rapid economic and population growth with a market need of medical services in quantity and quality
- Growth arrested by new government policies, huge public sector expansion, increasing land and lease costs , and alienated media



## Private sector landscape cont..

- Preferred, quality and customer oriented service with dynamic and market led management and experienced professionals
- Suffering from: unorganized backward practice and payment models, under financing, staff attrition, competition by character assassination and targeted for unethical practice



# Private sector landscape cont..

- Addis ababa 1770 private health service facilities
- Bahirdar-126
- Harer-96
- Hawassa-116
- Mekele-80



# Way forward

- Major stakeholder in urban health
- Integrating the private sector is the current agenda
- Currently two groups working on IDS
- Medical plaza: tertiary care
- Full franchise scheme
- Creating a brand with similar name/quality/cost/accountability/third party payment systems



# Way forward cont...

- Offering advanced preventive services
  - periodic medical checkups
  - cancer screening programs
  - disease management programs
- Integrating mental health
- Incorporating CSR and pro-poor services
- Municipalities shall start dialogue with the private sector
- 1070 territories identified nation wide for IDS



# Way forward cont...

- CBHIS/SHIS
- Micro insurance
- Managed care
- Voucher schemes



Thank you!

