Better health facilities & services for the public

IFC Public-Private Partnerships

All societies have rising expectations for more and better health care services, yet most face serious resource constraints. The public sector often lags in capital funding, technology, skilled management, and efficient delivery. As a result, governments are turning to the private sector to expand key health services and improve quality, complementing the traditional public-sector approach with various forms of public-private partnerships.

IFC advises governments in creating public-private partnership (PPP) transactions that provide high quality, efficient health services to the public, and are affordable for governments. IFC’s technical, financial, contractual and procurement expertise helps governments expand services, especially in underserved areas, and leverage more and better services with the public funds being spent.

For over 20 years, IFC has been a trusted advisor to governments on structuring PPP transactions, working on over 350 projects in 99 countries, including many of the world’s poorest. In the health sector, IFC advises on PPPs for a broad range of health facilities and services, including primary care, specialized services, and hospitals. These projects include strict performance standards and monitoring arrangements to ensure that the providers deliver high quality health services to all public patients within the parameters established in the contract.

In partnership with Catalonia, Netherlands, Sweden, Switzerland, South Africa, the Brazilian Development Bank (BNDES), the Global Partnership on Output-Based Aid (GPOBA), and the Inter-American Development Bank (IDB).
NIGERIA: CROSS RIVER STATE HOSPITAL (2013)
Cross River State has the lowest density of hospital infrastructure in the South-South region of Nigeria. In response, the Cross River State government proposed the establishment of a specialist referral hospital to serve the needs of the capital city, Calabar, and its environs. The government sought IFC’s support to attract qualified private sector firms for the design, construction, equipping, and management of a 105-bed hospital through a transparent tender process. The 10-year project term will include up to two years for construction and eight years for operation. A gateway clinic will be included, offering primary health care services and a solid referral mechanism for the hospital, ensuring that only patients requiring secondary care are admitted. The project is expected to improve access to services, encourage private investment in the health sector, and build expertise among health professionals through exposure to international best practices.

EGYPT: ALEXANDRIA UNIVERSITY HOSPITALS (2012)
Egypt has a well-respected system of medical education, but has difficulty delivering high-quality medical care because of inadequate hospital facilities. The government of Egypt sought IFC’s assistance in the country’s first PPP in the health sector for the design, construction, financing, equipping, and facilities management of two teaching hospitals at Alexandria University. The first, a 200-bed gynecology/obstetrics hospital and state-of-the-art blood bank, will be part of the larger Smouha hospital complex, which includes pediatric and emergency hospitals. The second, the Mowassat 224-bed specialized hospital, will provide highly sophisticated services in neurosurgery, urology, and nephrology. A consortium led by Bareeq Capital, an Egyptian private equity firm, together with local and international partners, G4S, Siemens, and Detac, won both 20-year concessions.

INDIA: MEGHALAYA HEALTH INSURANCE (2012)
IFC assisted the government to structure a PPP to expand the health insurance program to the entire population of the state of Meghalaya, regardless of their income level, complementing and building upon the existing national health insurance scheme—Rashtriya Swasthya Bima Yojana (RSBY). The new insurance scheme, to be implemented by ICICI Lombard General Insurance Co. Ltd., is being offered for a price of about $9 per family per year for the expanded benefit package that doubles the RSBY annual limit and adds coverage for defined high-cost ailments, potentially offering coverage of up to about $3,000 per family of five per year. The newly-launched program is among the first of its kind in India, enabling Meghalaya to move steadily toward universal and portable health care coverage.

INDIA: SHILLONG HEALTH PROJECT (2012)
IFC assisted the government of Meghalaya in implementing a PPP to establish a medical college and teaching hospital that will address critical regulatory, technical, and commercial issues. Once established, the medical college will address the severe shortage of doctors as well as the lack of available medical training in the state, training 100 doctors per year starting in 2020. The 500-bed teaching hospital project was awarded to KPC Medical College and Hospital and is expected to be operational by 2018.

LESOTHO: MEDICAL WASTE PPP (2012)
As part of a long-term reform process to improve the efficiency of the health sector, the government of Lesotho, with IFC’s help, turned to the private sector to create a sustainable health care waste management system that protects public health and the environment. Mediwaste, a consortium between Ditau Health Solutions, a South African firm, and Matsete Investments, a local company, won the tender. Under the terms of the agreement, the consortium will create a pilot system to collect, treat, and incinerate hazardous medical waste in an area serving 300,000 people.

MOLDOVA: RADIOLOGY AND DIAGNOSTIC IMAGING (2011)
Moldova’s government has been reforming and modernizing its health care system, which suffers from insufficient funding and outdated equipment. To address these problems, the Moldovan Ministry of Health turned to IFC to attract private sector investors through PPPs in the health sector. Magnific, a Moldovan healthcare services provider, won the 12-year concession to renovate, construct, equip, and operate a new diagnostic imaging and radiology center at the Republican Clinical Hospital in Chisinau. This was the first PPP executed in Moldova and will serve as a model for further private sector participation in the country’s health sector. The hospital will be able to provide modern and efficient diagnostic imaging services which are expected to benefit over 100,000 patients annually.

BRAZIL: HOSPITAL DO SUBURBIO, SALVADOR, BAHIA (2010)
IFC advised the Bahia state government on a PPP to manage and equip a new emergency hospital serving a poor area of the state capital, Salvador. The 298-bed facility includes a surgical center, clinic, medical laboratories, physical therapy unit, and pharmacy. In addition to standard emergency care, the hospital provides specialized treatment for trauma, orthopedic emergencies, and other complex injuries. The project was awarded to Promedica, a leading Brazilian regional health care company, and Dalkia, a French company specializing in facilities management and non-medical services.

INDIA: ANDHRA PRADESH HEALTH SERVICES (2010)
To help the state government of Andhra Pradesh to improve access to and availability of advanced diagnostic services, IFC assisted the government in structuring a novel PPP model for upgrading radiology services at four teaching hospitals attached to public medical colleges in Kakinada, Kurnool, Vishakhapatnam, and Warangal. The project was awarded to GE-Medall.

MEXICO: STATE HOSPITALS (2010)
Outdated hospital facilities meant long lines and substandard care for the citizens of Toluca and Tlalnepantla, two densely populated areas in the state of Mexico. To improve hospital facilities and services to patients, the government hired IFC as lead advisor to the state’s health insurer. IFC crafted an innovative PPP for two new 120-bed hospitals to replace outdated facilities and provide patients with improved services while creating a business model for optimal health care in the state. In Toluca, the contract was awarded to a consortium led by Prodemex, and in Tlalnepantla to a consortium led by Marthnos.

LESOTHO: NATIONAL REFERRAL HOSPITAL AND PUBLIC CLINICS (2009)
With IFC’s help, the government of Lesotho implemented Africa’s first full health PPP for a new 425-bed national referral hospital and network of refurbished primary-care clinics. All the facilities were designed, built, and financed, and are being operated by the Tsepong consortium, together
with local women-owned businesses, local health care providers, and other investors. The new hospital is providing public services to one-third of the country’s population and also be a major clinical teaching facility.

ROMANIA: DIALYSIS CLINICS (2008)
IFC and the government of Romania completed a pilot program to convert dialysis clinics at eight public hospitals to private management and operation. Under the PPP contract, the private operator assumed full responsibility for renovating and equipping facilities; purchasing, maintaining and operating the equipment; procuring all medical supplies; recruiting, training, and managing staff; and treating dialysis patients according to the new national quality standards. The privately-managed clinics delivered higher-quality care at a lower cost to the government than their publicly-managed counterparts.

The government of Romania requested IFC’s assistance to reshape the country’s health care system and encourage greater private sector participation. Under the first PPP, Colentina Hospital, a major public hospital in Bucharest, received a full range of radiology and imaging equipment and allowed the private operator to provide imaging services to both private and public patients, resulting in lower costs. A second PPP upgraded and re-equipped the laboratory, and improved the efficiency of the hospital’s clinical services.