

# Eleven things we learnt at IFC Global Private Health Conference 2023



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**Last month, thought leaders from private healthcare systems across the globe gathered in Cape Town, South Africa, to network, share their findings, and consider how emerging markets can become more resilient. HBI was there, and these are our key themes and takeaways.**

## **Crisis presents opportunity, and spurs development**

As the IFC's first in-person conference since 2019, it was no surprise that Covid remains an issue, and was high up on the agenda. For emerging markets, the fragility of supply chains and the overdependence on international networks were laid bare. These must improve. When something is urgent enough, however, greatly accelerating the process from research to market becomes possible. Former World Bank Group health advisor Dr Khama Rogo's keynote speech highlighted sobering concerns that the industry has too short a memory, and lessons from the last three

years must not become a mere footnote. After two days of discussion, the consensus was that true resilience is defined not only by whether countries are prepared for the next pandemic or not – pre-existing issues need to be solved at the root.

## **Location, location, location**

Post-pandemic, more localised healthcare is one solution to the equity gap problem in rural communities.

The appetite for regionalisation and shift away from globalisation was plain to see; both South Africa and China are building up their capacities for the production of local drugs in order to become more self-

sufficient. Conference panelist and partner at Leapfrog Investments Biju Mohandes was clear that manufacturing needs to become more local, but questioned just how far down the chain this will be possible. From an investor perspective, investing in a smaller chain of clinics might be smarter than having the biggest and best hospital in the centre of a capital city. And for now, emerging markets need reassurance that if another pandemic were to strike, they could rely on international support.

## Embrace Digital as a Connector

One way of building more resilient emerging markets is stretching access by harnessing the power of digital. Thanks to the unstoppable explosion in cell phone coverage, once inaccessible patients are now firmly on the patient map. This increased visibility means households can be better identified, reached, and served, leading to better data capturing and sustainability in the long-term. But providers need to bear in mind that technology is not an end in itself. Rather, it gives more individual agency and an opportunity to focus on wellness in addition to treatment. Speaking to HBI, the founder of KENA Health Saul Kornik had some advice to budding digital disruptors: “Solve a healthcare problem, don’t create a tool you think people might need. If you can’t leave your country, let alone your house, remote technology is the only way. Many bureaucratic inefficiencies can be addressed through blockchain and AI, and the tools are already available, ripe for plucking and ready for use.”

## Fix the Brain Drain

Emerging markets have developed a well-deserved reputation for producing some stellar talent over the years, then exporting it out the country – often to the detriment of the local population. In his welcoming address, IFC’s global director of health and education Farid Fezoua pinpointed the importance of more investment into education and training. At the rate it’s going, if unaddressed, the brain drain trend will likely only get worse. According to Dr Rogo, 10,000 Kenyan nurses graduate every year but as few as 10% stay in the country to work. The CEO of a Mozambican hospital told HBI that the country is suffering from an acute shortage of radiologists, and there were similar stories in other areas for all sectors. And yet, the private sector doesn’t need to wait for governments to open new schools. Most of the markets under discussion may not have finished or appropriate pathways, but as one panelist put it, performance is a simple formula; talent x motivation. There’s no shortage of talent, so robust investment into workforce retention should be non-negotiable.







Farid Fezoua is the Global Director of Health & Education at the IFC.

Fezoua will be on the panel discussing Investing in Emerging Markets at HBI 2023 - June 19 -21.

For more information about HBI 2023 and the Investing in Emerging Markets discussion panel.

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## A Woman's Place is...?

From the mother in the village to the CEO in top-level leadership, the role of empowering women in the pursuit of resilient systems cropped up time and time again. As a reproductive health and rights champion, Dr Rogo was especially keen to highlight challenges in rural communities. He warned that while clashes are inevitable in conservative markets, if the private sector doesn't step in, the consequences can be disastrous for women. Women represent 75% of the global healthcare workforce, and as the founder of Hemen Hospital Zufan Lakew pointed out, women often run small and medium size facilities in low-middle income countries – yet face the huge barrier of ownership rights. Panellist and CEO of PharmAccess Nicole Spieker stressed the importance of top-down representation.

## Simple, cheap precautions can have a huge effect

Africa was not ravaged by Covid in the way many worried it would. Dr Rogo attributes this to the lifestyle and behaviour of people in the continent, as opposed to the efficacy of its healthcare systems, and there are lessons to be learned here for the world. For context, the country with the highest vaccination rate for Covid in Africa is Kenya, and the national average is only 30%. He said: “What we've seen here is that the outdoor life in Africa helped us against Covid. We do not have big malls, big indoor recreational facilities. Most of Africa is tropical so there's no winter or crowding in the office. In Africa, Covid was not defeated by vaccines. It was defeated by people being normal.” Additionally, there were zero cases of cholera during COVID, but it has since returned. The lesson? Small, cheap behavioural changes like washing hands can actually have the biggest – and often underestimated – impact on health outcomes.

## Mind Your Language

The language around healthcare is evolving. ‘Health-for-all’ is now ‘universal health coverage’. And what exactly do we mean when we say a system needs to be resilient? In some circles “for-profit” has become almost a pejorative term or as Dr Rogo called it, “venomous in medical discussion”. Others argued that there’s nothing wrong with the term since profit drives invention and resilience. We often use the words ‘system’ and ‘institution’ interchangeably, but there is an important distinction. Before we can begin to address the issues, these definitions and distinctions need to be hashed out. And there needs to be an understanding that for-profit in healthcare is not synonymous with wrong when properly deployed.

**The competition is not one another, it’s the status quo.**



## The Elephant Not in the Room

The private sector cannot exist in a silo and must sit down and learn how to partner with the public sector to fill the gap for those who need quality care but cannot afford it in its current state – and the public sector needs to recognise the good it can do. Many conference speakers – like Clare Omatseye, managing director of JNC International – were quick to question why the industry was speaking to one another but the public sector wasn’t in the room.

Better relations and stronger public and private dialogue are essential. One speaker even went as far as to claim that the biggest threat to resilient health systems is the stakeholders – those who go into markets with conviction but don’t spend enough time on the ground consulting with teams. The lasting message was that everyone needs to be better listeners. The competition is not one another, it’s the status quo.



## The Importance of Good Payor / Provider Relations

The relationship between payors and providers can be very adversarial. As speaker Anuschka Coovadia, partner at Usizo Advisory explained, they each have their own interests and aren't one homogeneous group. In places like South Africa, this is beginning to settle. We are witnessing the advent of truly universal health coverage in parts of Africa, and many are looking to see more cooperative behaviours between the payors and the providers. Providers are keen to scale and their main concern is about what tariffs are going to look like and when they can expect to get paid. This requires transparency and stability and in that climate, everyone benefits. Whether over the next five years relations will sour or sweeten was, for many, a key unknown.

## The Push for Primary Care

Another major recurring theme was the rise of primary care in emerging markets. Implementation is a major challenge; every market is different, stakeholders have to contend with differing regulatory challenges, and it can be very difficult to make it sustainable financially. Primary care cannot function without a clear financial benefit for the client, the payor, or the patient. This hasn't stopped places like The Philippines. Paolo Borremeo CEO Ayala Health explained there was a huge lack of primary care in the country when they first started and Covid made it easy for facilities to shut down, but recently there has been a marked return to brick and mortar.



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