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## SECURE WEBINAR 20

# PUBLIC PRIVATE PARTNERSHIPS IN HEALTH CARE: EXPLORING CHALLENGES AND OPPORTUNITIES IN ASIA AND THE PACIFIC



20 FEBRUARY 2025

2:00-3:30 PM Manila time

### **Welcome and Opening Remarks**

**Dr. Alexo Esperato**

Senior Health Specialist, Human and Social Development Office (HSD), ADB

### **Context Setting and Panel Introduction**

**Dr. Vasoontara Yiengprugsawan**

Senior Universal Health Coverage Specialist (Service Delivery), HSD, ADB



# 1. Introduction & Context

# Introduction to the Asian Development Bank

- The Asian Development Bank (ADB), established in **1966**, is a leading regional development finance institution **with 69** member countries—**49** from within Asia and the Pacific and **20** from outside the region
- Headquartered in **Manila, the Philippines**, ADB collaborates with governments, the private sector, and development partners to provide both public and private sector operations, advisory services, and knowledge support.



## Strategy 2030

**Mission:** envisions a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty in the region.

ADB assists its members, and partners, by providing loans, technical assistance, grants, and equity investments to promote social and economic development.

Source: <https://www.adb.org/documents/strategy-2030-prosperous-inclusive-resilient-sustainable-asia-pacific>





# ADB Health: Key trends, focal areas, and links to Universal Health Coverage

**Key trends:** Provide long-term direction, guide knowledge activities, and multi-sectoral endeavors



**Opportunities and challenges in urbanization**



**Demographic trends (e.g., ageing and non-communicable diseases)**



**Decentralization and regionalization (e.g., health security)**



**Digitalization of society and processes**

**Focal areas:** Health system strengthening (delivery and financing), workforce skills-building



**Governance, policy and public goods:** regulation, legislation, and stewardship



**Architecture:** infrastructure, data systems and supply chains



**Financing and incentives:** both public- and private-led



**Workforce:** clinical, technical and managerial including allied health

## Universal Health

Progress towards achieving UHC and resilient health systems

Affordable, high-quality infrastructure & services for the poor and vulnerable

More inclusive and effective regulatory and institutional environment for health

**Cross-cutting priorities:** Enhance projects' development effectiveness

***Gender equality across all domains***

***Climate change mitigation and adaptation***

***Address lingering impact of COVID-19***

Read the *Health Sector Directional Guide* in full here:

<https://www.adb.org/documents/strategy-2030-health-sector-directional-guide>

# Health Systems Strengthening and ADB's Regional Technical Assistance

This webinar will explore the role of Public-Private Partnership (PPP) in health care, share best practices and lessons learned, and discuss the opportunities and challenges associated with implementing PPP projects in the sector.

<b>Experience Sharing</b>	Amit Goyal, Partner, Ernst and Young LLP Alok Kumar, Principal Secretary, Government of Uttar Pradesh, India Rohit Sigh, CEO of International Business, Nephroplus
<b>Lessons Learnt from PPP projects</b>	Dhawal Jhamb, Principal Markets Development Advisory Specialist, ADB Paul Da Rita, Founder and Principal, PdR Infra Advisory, Health PPP

<b>Q &amp; A</b> Jae Kyouon Kim, Health Specialist, ADB	<b>Synthesis</b> Eduardo Banzon, Director, Health Practice Team, ADB
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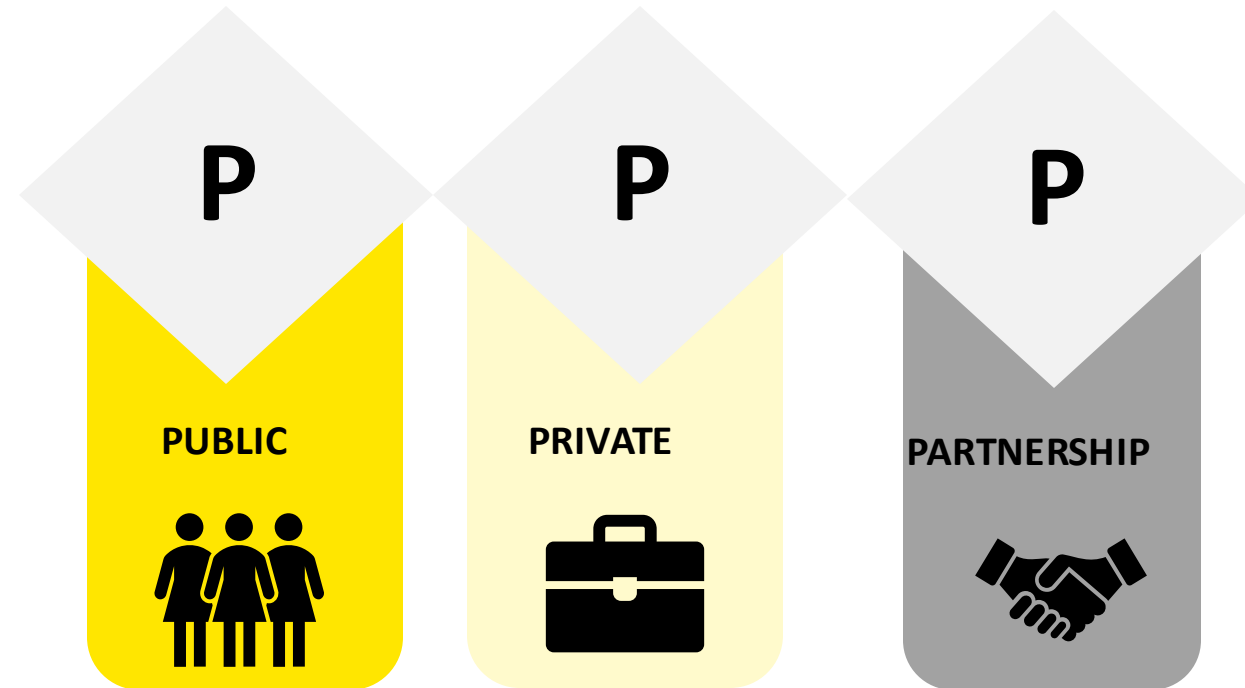


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## 2. Overview: Public-Private Partnerships in Healthcare

# Introduction to Public Private Partnerships



A Public-Private Partnership is a **long-term contract** between a **private entity** and a **government entity**, for provisioning public asset or service. The core idea of a PPP is to leverage the expertise, efficiency, innovation and capital of the private sector while allowing the public sector to retain oversight and ensure that public policy goals are met.



# Key Challenges in Health Sector



## Infrastructure

- Limited infrastructure and facilities for provision of healthcare services
- Limited availability of necessary technology, equipment, and materials

1



## Human Resources

- Limited availability of specialized healthcare professionals
- Need to enhance the capacity building/training programs

2



## Healthcare Financing

- Limited health insurance coverage
- High out-of-pocket expenses for healthcare services
- Insufficient funding resulting in care-related gaps

3



## Service Provision

- Limited primary and preventive healthcare services
- Significant urban vs rural disparities in access to quality services
- Lack of specialized services and care-continuity challenges

4

# PPPs in Healthcare: Thrust Areas

## Infrastructure Development

- ✓ Planning, Design and Development of Healthcare Facilities
- ✓ Owning and Operating diagnostic services



## Improved access to healthcare

- ✓ Extending services to remote regions by leveraging private sector logistics, mobile clinics, and telemedicine platforms
- ✓ Enhancing emergency preparedness



## Enhanced quality of services

- ✓ Improving quality of services through innovation and technology
- ✓ Introducing state-of-the-art equipment and advanced medical practices.



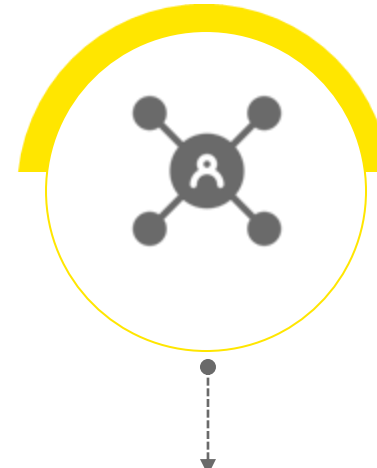
## Management & Operations

- ✓ Infrastructure maintenance & upkeep
- ✓ Ensuring more sustainable financing, often with performance-based payment models
- ✓ Hospital & Inventory Management



## Outsourcing of services

- ✓ Diagnostic services, Ambulance services
- ✓ Dialysis services, Cath Labs
- ✓ Mobile medical units, LINAC services





### 3. Experience Sharing: Case Studies



# 3.1

**Development of 500 bedded Multispecialty Hospital by setting up the proposed Jayaprabha hospital on PPP in Patna, Bihar**



## Problem Statement:

Gap in healthcare infrastructure, accessibility and affordability to healthcare services in Bihar, India



Bihar, the third most populous state in India with over **130 million population**, with ~89% of it rural, faced significant gaps in healthcare accessibility and affordability.



Healthcare Infrastructure Deficit

High Patient Load

Limited access to medical services

Shortage of healthcare workforce

Patients travelling to other cities

The state has an average of only **0.06 hospital beds per 1,000 population**, the lowest in India.

Bihar had approximately 58,144 doctors available, resulting in a ratio of **less than 1 doctor (0.4) per 1,000 population**.

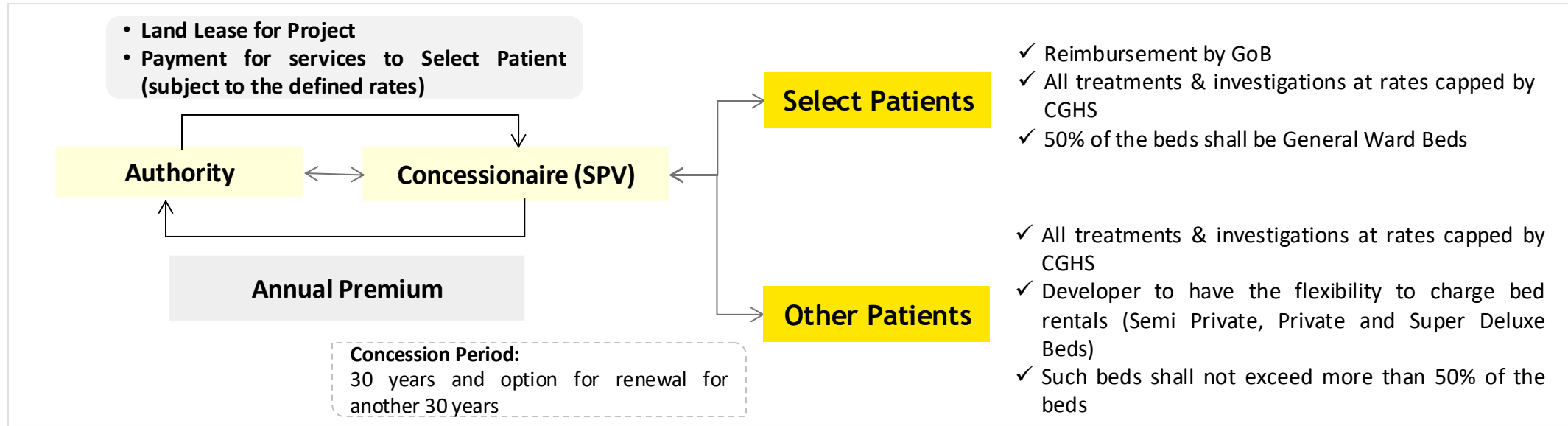
Patient load on registration counters in district hospitals was up to 208% higher than normal capacity.

Patients travel from Patna to hospitals in other cities such as AIIMS Delhi, CMC Vellore for specialized care

The development of the 500-bedded multispecialty hospital-Jayprabha Hospital in Patna, Bihar, through a Public-Private Partnership (PPP), aimed to address these key challenges

# PPP Structure

## Project Structure



## Bid Parameter

Annual payment (Concession fee & 1% of annual revenue). The Concession fee will increase by 6.5% every year

## Role of Government

- ✓ Provide support in procuring applicable permits and due payments
- ✓ Provide 7-acre Land & access to infrastructure like water supply, power and other utilities (except equipment)
- ✓ Monitor adherence to all KPIs

## Role of Private Partner

- ✓ Develop, equip, operate, maintain a 500-Bed Hospital
- ✓ Recruit sufficient manpower
- ✓ Operate and maintain a HMIS
- ✓ Obtain and maintain NABH, NABL, and other relevant accreditations




# Impact & Learning

Jayaprabha Hospital, first successful greenfield hospital PPP project in Bihar is providing holistic healthcare at an affordable cost to the citizens of Bihar, with its skilled medical professionals, advanced technology, and comprehensive range of specialties. Increased access to ICUs, advanced diagnostics, and super-specialty care significantly improved survival rates and health outcomes for critical patients.

**Improved Healthcare Infrastructure** 

- ✓ Increased bed capacity
- ✓ Tertiary care access
- ✓ Enhanced diagnostic facilities

**Reduced Patient Load** 

- ✓ Reduced burden on existing government hospitals-Patna Medical College and Hospital and Nalanda Medical College and Hospital

**Access to healthcare services** 

- ✓ Access to healthcare by underserved people
- ✓ Reducing travel to other cities for treatment

**215 + Experienced doctors**

**900 + Trained staff**

**29 + Super specialties**

**182,500+ Annual IPD**

The hospital also acts as a training hub for healthcare professionals, fostering skill enhancement and education.

## Lessons Learnt

- Contract should be designed in a manner so that **minimum government interventions** are there to avoid disputes
- Establishing **robust monitoring and evaluation systems** ensures that the private partner adheres to quality and affordability standards.
- **Simplifying and expediting regulatory approvals** can avoid unnecessary delays. Dedicated PPP cells can provide technical and administrative support.
- Balancing public interest with project attractiveness required careful **stakeholder engagement**.
- **Transparent policies with clear risk-sharing mechanisms** foster trust and accountability between partners.

# 3.2

**Development of statewide network of Diagnostic and Pathology labs in hub and spoke model in Jharkhand, India**



# Development of statewide network of Diagnostic and Pathology labs in hub and spoke model in Jharkhand, India

**Problem:** Due to a shortage of public health diagnostic facilities, residents of Jharkhand often either forgo essential diagnostic services or rely on expensive and sometimes substandard private healthcare providers, leading to high out-of-pocket expenditures. To address this gap, the Jharkhand Health Department initiated a **hub-and-spoke model for diagnostic services** through a **PPP framework**. This initiative aims to establish **advanced radiology and pathology centres** across **24 district hospitals and 3 medical colleges**, ensuring **affordable, high-quality diagnostic services** for all.

## Need of the Project

### Limited Access to Quality Diagnostics

Residents in Jharkhand's rural and semi-urban areas including tribal population had minimal access to reliable diagnostic services, often traveling long distances or foregoing essential tests.

### Financial Barriers

High out-of-pocket expenses deterred many from seeking necessary diagnostic care, exacerbating health disparities.

95%

Medical specialists

84%

Radiologists

33%

Laboratory Technicians

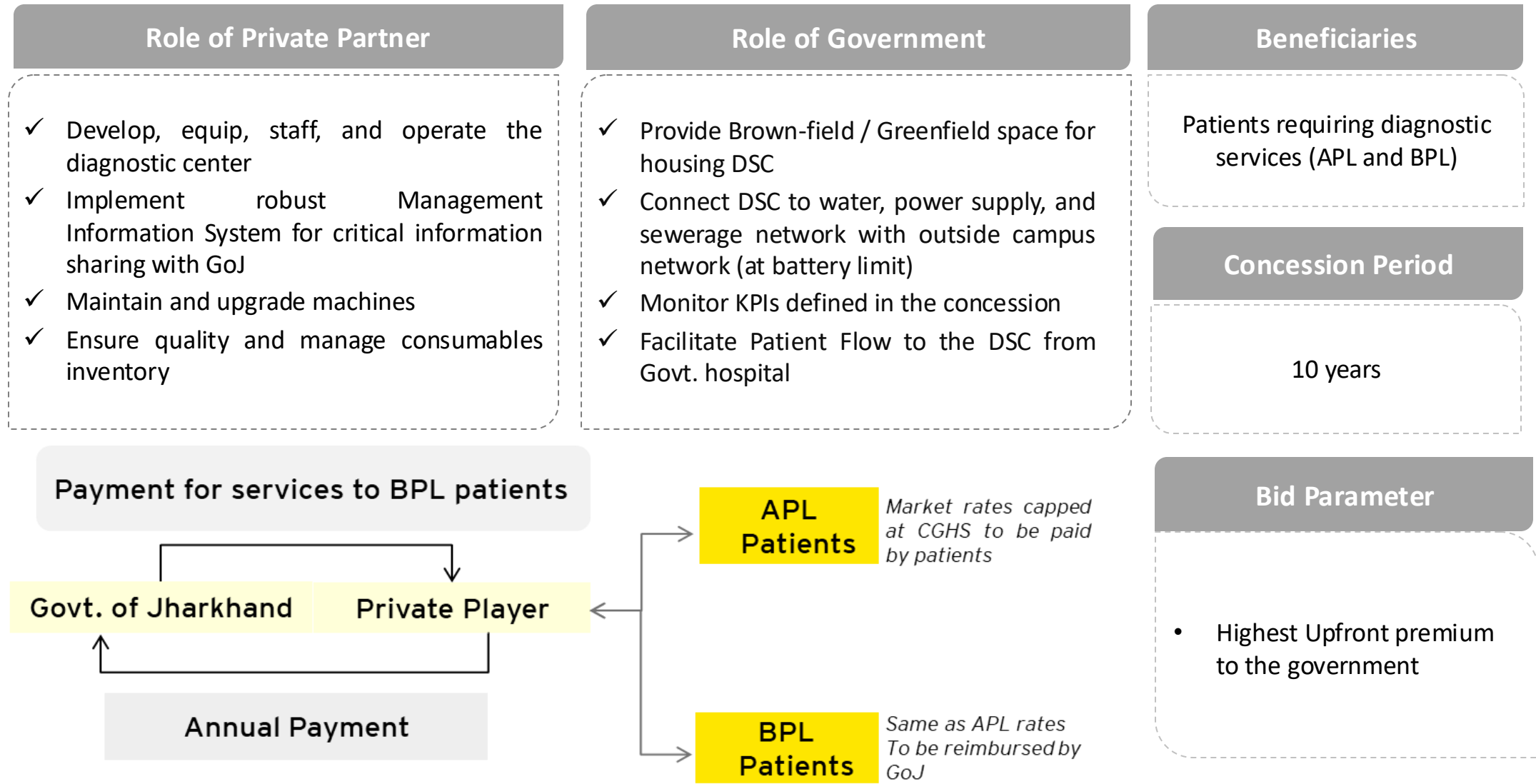
*Shortfall in District and Smaller hospitals*

## Expected Outcomes

- Mobilize approximately **\$2 million** in private sector investment
- Generate an annual concession fee of **\$360,000** for the state government
- Provide improved access to high-quality pathology services to an estimated **3.5 million people**, enhancing primary and preventive care
- Increase the number of organized labs in India by about **5%**



# PPP Structure



# Impact & Learning

The statewide diagnostic network in Jharkhand, developed through a PPP model, has significantly enhanced access to affordable, high-quality diagnostic services. By bridging infrastructure and workforce gaps, the initiative has improved early disease detection, reduced financial burdens on patients, and strengthened the overall healthcare system

## Lessons Learnt

- Integrated **hub-and-spoke approach** improves efficiency but needs robust infrastructure.
- Workforce shortages persist, necessitating parallel investments in both **in-house capacity building** and external capacity development to ensure long-term sustainability.
- **Strong governance** and **monitoring mechanisms** ensure service quality and compliance.

### Strengthened Healthcare Infrastructure

- ✓ Establishment of diagnostic centres across hospitals and medical colleges
- ✓ Implementation of a hub-and-spoke model for efficient service delivery
- ✓ Integration of advanced technology

### Improved Accessibility & Affordability

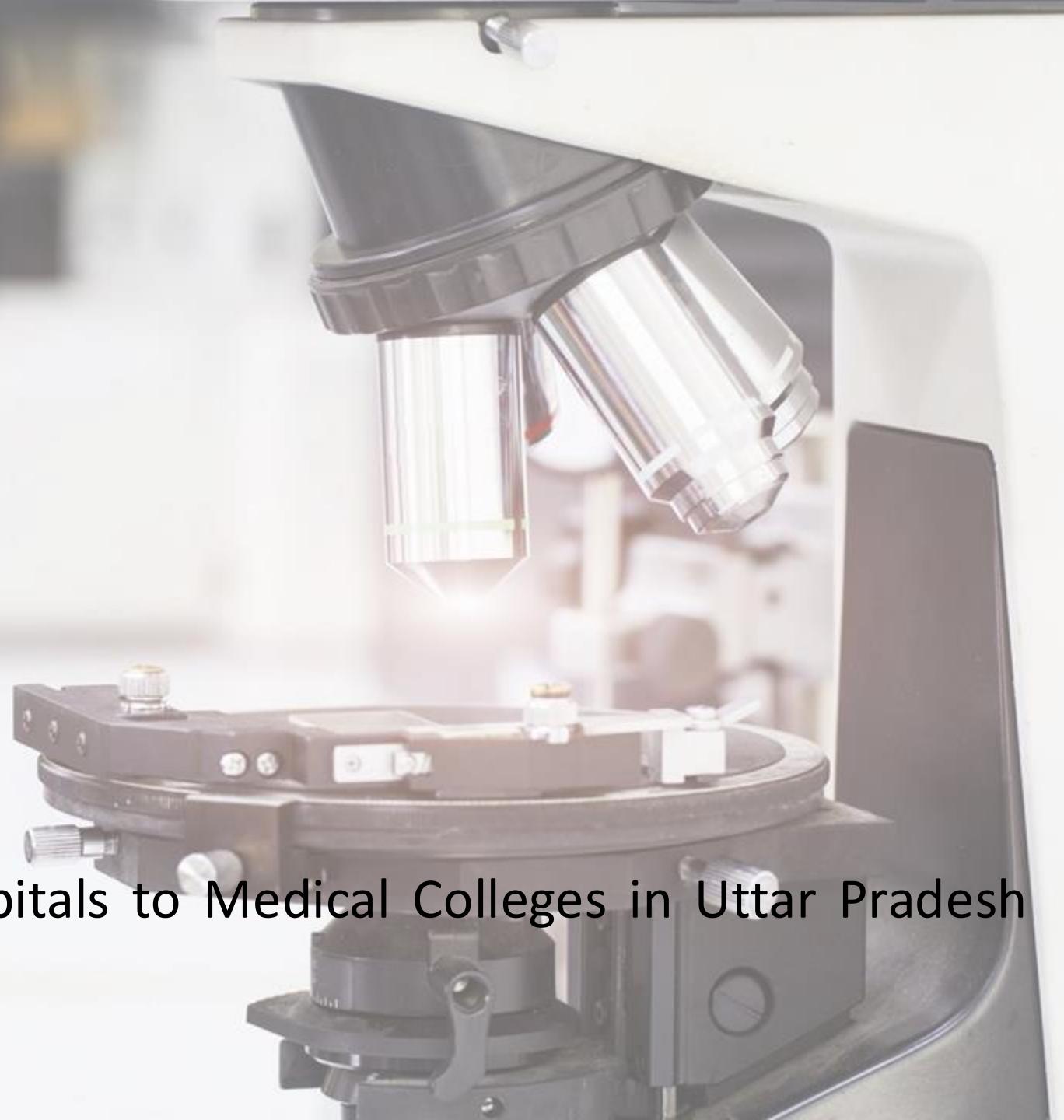
- ✓ Free and subsidized diagnostics for low-income patients
- ✓ Availability of services closer to rural and underserved populations
- ✓ Reduced Out of pocket expenditures

### Enhanced Disease Surveillance & Timely Intervention

- ✓ Faster and more accurate surveillance leading to better treatment outcomes
- ✓ Improved internal public health capacity

# 3.3

Upgradation of 16 District Hospitals to Medical Colleges in Uttar Pradesh (UP)



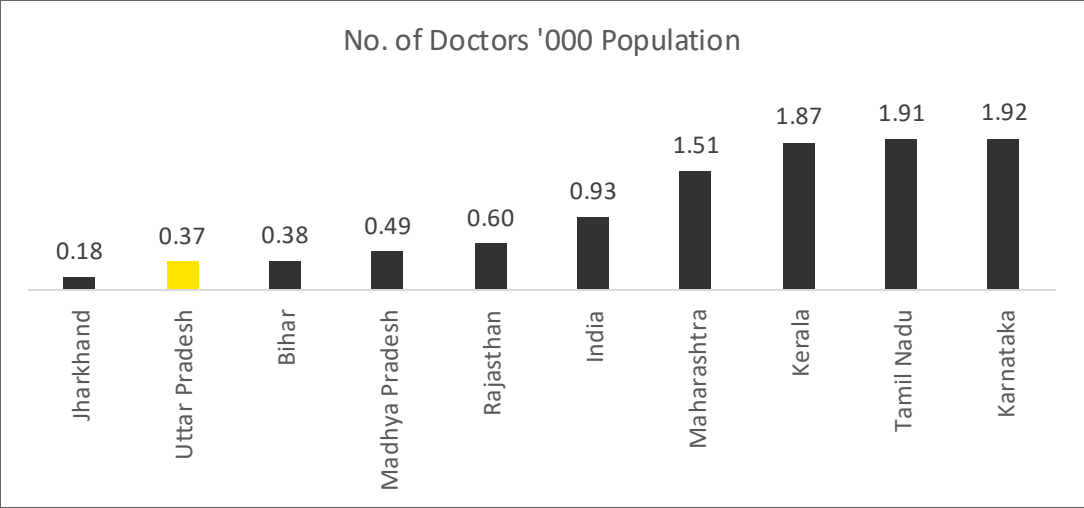
# Problem Statement:

Gap in healthcare infrastructure & medical professional in India's most populous state

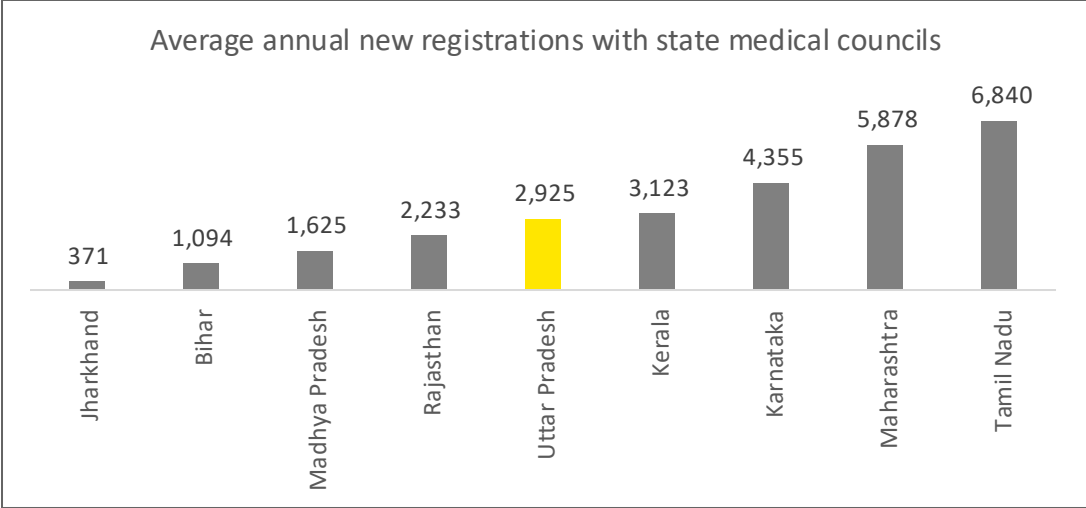


Uttar Pradesh, the most populous state in India with over **240 million population**, faced significant gaps in healthcare infrastructure and medical professional.

No. of doctors per 1000 population in Uttar Pradesh is **one of the lowest** in India



Average annual new registrations in U.P. were 3 times lower than Tamil Nadu



**39 districts** had no medical colleges

**23 medical colleges** set up using State funding

For remaining **16 districts** private sector participation was envisaged

Model 1 – State incentive scheme for private sector investment in Medical colleges in 16 specific districts

Model 2 – PPP approach with viability gap funding (Capital support and OpEx support)

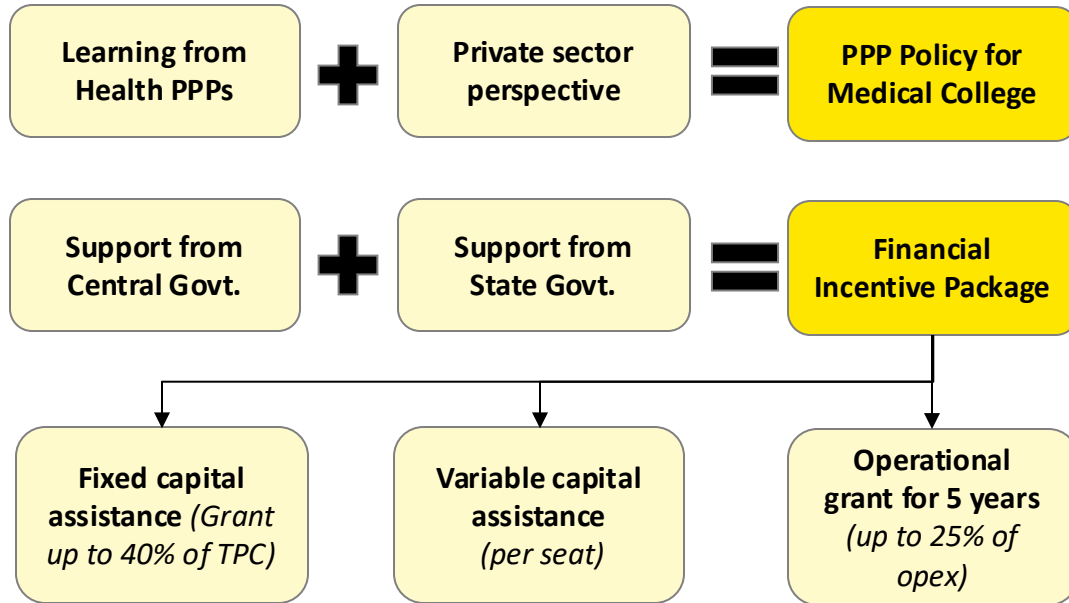


# Approach:

16 underserved districts were selected for upgrade



## Approaches for Development



## Intended Outcome

**Improve access** to medical education and healthcare in underserved districts

**Modernize infrastructure** of district hospitals for better service delivery

**Strengthen workforce** by addressing shortages of medical professionals

**Enhance self-reliance** in healthcare and reduce dependency on other states

# Models for Private Sector Investment in Medical College and Hospital Development

## Two-Pronged Approach

### Model 1: State Policy for Private Sector Investment

Where Private hospital and land can be leveraged for development of medical college

Where Private hospital can be leveraged. Govt. to lease land for medical college

Where government district hospital can be leased with private sector land for medical college

**A**



Private hospital

Private land

**B**



Private hospital

Govt. land

**C**



DH

Private land

Incentives

- Interest subsidy-5%
- Seat Assistance-28.8K USD per student for first two batches
- 100% exemption of conversion of land and stamp duty

- Land at no cost
- Interest subsidy-5%
- Seat Assistance-11.5K USD per student for first two batches
- 100% exemption of conversion of land and stamp duty

- Free OPD consultation/diagnostics
- Interest subsidy-5%
- Equipment subsidy (20%)
- Seat Assistance-17.2K USD per student for first two batches
- 100% exemption of conversion of land and stamp duty

### Model 2: Leverage Viability Gap Funding-Govt. of India

Sufficient land/ Hospital space available

Greenfield Development

**D**



DH



Govt. land

**E**

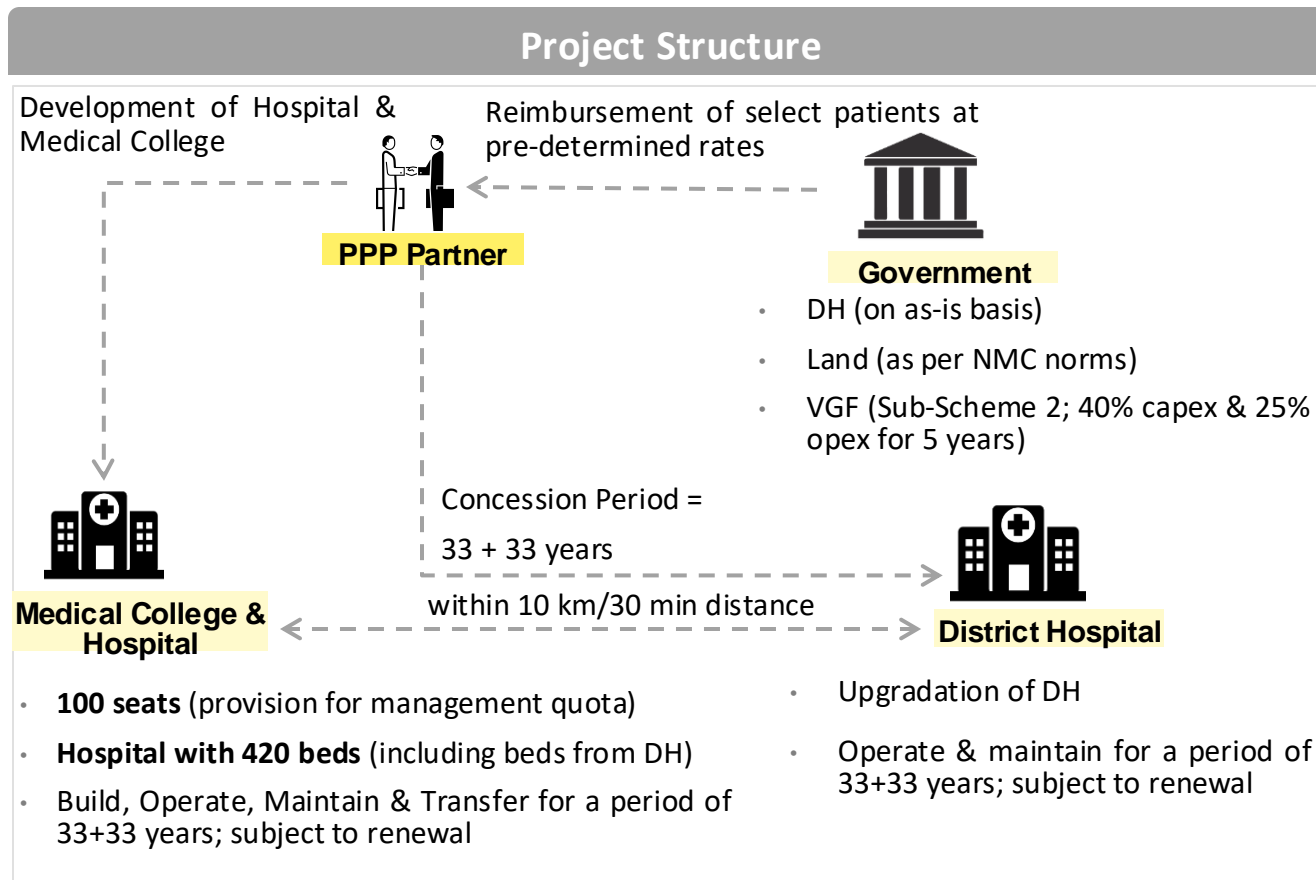


Govt. land

- **40%** CapEx support
- **25%** OpEx support for initial five years

# Modus Operandi:

## PPP Structure (Model 2)



### Role of Government

- Provide DH and site on lease for 33 years + 33 years (co-terminus with concession period) at annual lease rent of Re. 1
- Provision of VGF (subject to approval from Central Govt.)
- Transition support by existing workforce at DH over two years (50% at the end of each year)
- Monitor KPIs to ensure effective service delivery

### Role of Private Player

- Upgrade existing District Hospital
- **Design, Built, Finance, Operate and Transfer** Medical College & Hospital for 33+33 years
- Provide free OPD to all & free IPD services up to the capacity of DH handed over + 20% of all additional beds augmented by Concessionaire

### Application under sub-scheme of

#### Sub-Scheme 2

- ✓ Max. 40% Capex grant
- ✓ Max. 25% Opex support for 1<sup>st</sup> 5 years of operations

### Bid Parameter

Lowest Grant sought from the Govt (Capex + Operational)

# Impact & Learning:

## Capacity expansion across the board



- **4** Medical College Operational
- **6** nearing award; 6 under approval

Improved **access** to healthcare services including tertiary care for rural and underserved populations



- **6,700** bed addition
- **0.5 Mn** Addition of annual IPD Capacity

Improved **healthcare outcomes** addressing critical health gaps in populous regions



- **USD 640** Million private sector investment
- **USD 160** Million support from government

Catalyzed **economic growth** in rural areas, fostering regional development



- Annual Capacity addition of more than **1,600 Doctors**
- Direct **employment** for more than **10,000** clinical workforce

Strengthened the state's capacity to produce **skilled healthcare professionals**

**Affordable Inpatient Care:** Free IPD beds for underserved patients; additional beds capped at 1.5x CGHS Lucknow rates.

**Essential Medicines:** Free essential medicines for government-supported patients; transparency ensured for paid patients.

**Diagnostics:** Free OPD-related tests as per IPHS; affordable rates for other diagnostics with insurance support



# 3.4

Nephroplus- Dialysis project on PPP in Uzbekistan



# NephroPlus – Chain of Dialysis Centers in Uzbekistan on PPP Model

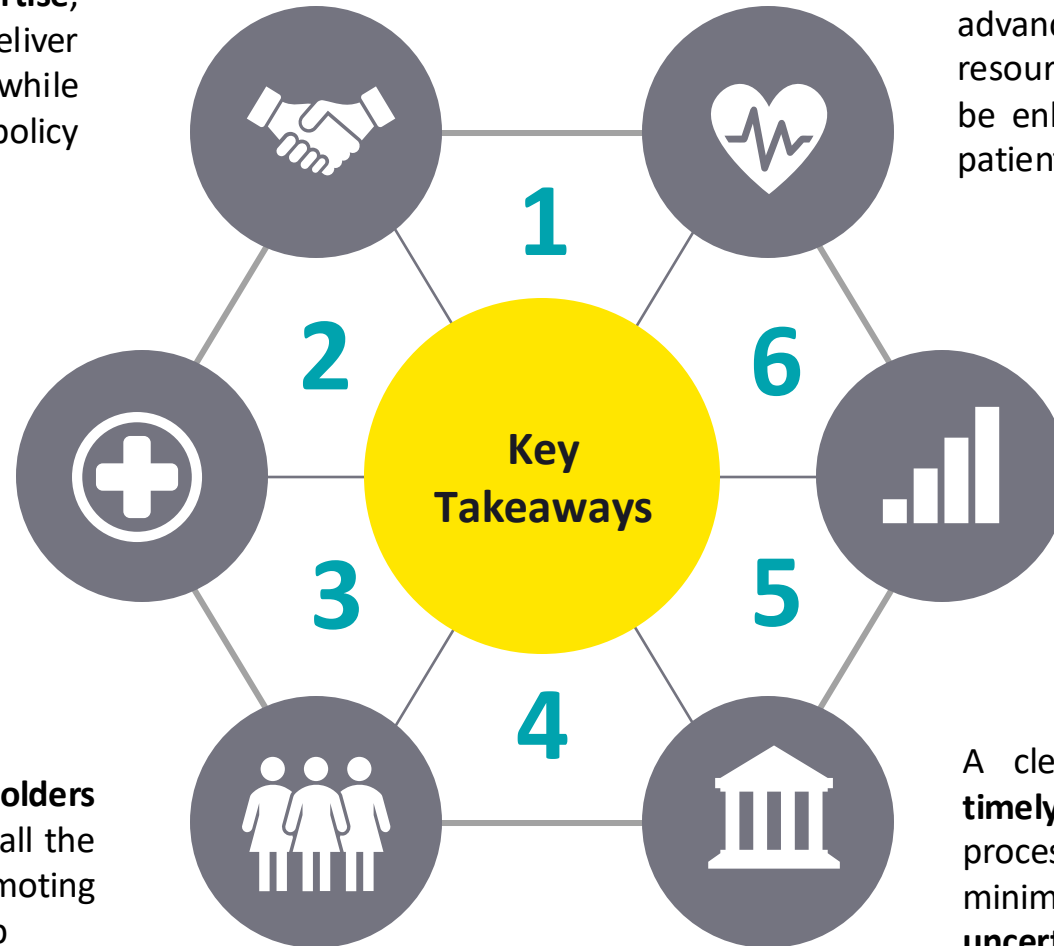
Purpose of the Project	Role of Public Partner	Role of Private Partner
<ul style="list-style-type: none"> <li>▪ To enhance dialysis service quality and accessibility</li> <li>▪ To reduce cost per dialysis</li> <li>▪ Develop dialysis infrastructure</li> <li>▪ To introduce advanced technology</li> </ul>	<ul style="list-style-type: none"> <li>▪ Manage patient waitlist and refer to private providers</li> <li>▪ Set national dialysis standards</li> <li>▪ Guarantee minimum patient volume; compensate for missed sessions at a reduced rate</li> <li>▪ Pay for guaranteed public patients based on agreement</li> <li>▪ Monitor service quality with performance penalties or incentives</li> </ul>	<ul style="list-style-type: none"> <li>▪ Renovate/lease suitable premises</li> <li>▪ Procure and install equipment to meet quality standards and patient volume</li> <li>▪ Recruit and train staff</li> <li>▪ Provide quality dialysis to patients referred by MOH</li> <li>▪ Treat private patients at commercial rates</li> <li>▪ Educate patients on transplantation options</li> <li>▪ Submit monthly and quarterly performance reports to MOH</li> </ul>
<h3>Impact of the Project</h3>		
<ul style="list-style-type: none"> <li>▪ Over <b>2,80,000</b> treatments provided across three regions</li> <li>▪ Patient mortality reduced by <b>40%</b> since May 2021</li> <li>▪ 1,100+ patients surveyed gave a satisfaction score of <b>4.7/5</b></li> <li>▪ NephroPlus Academy trained and recruited <b>300+</b> clinical nurses and doctors</li> <li>▪ Financial Impact: NephroPlus tariff - \$50, Regional hospital tariff - \$85, Total savings for government - <b>\$8.4 million</b></li> <li>▪ Country-level <b>Hep C patient count has been reduced</b> by <b>15%</b> in two years of operations</li> </ul>		
<p><b>PPP Model: Build Operate and Transfer</b></p>	<p><b>Concession Period: 10 years</b></p>	
<p><b>Total Funding: Upto \$8.39 million</b></p>		

# Key Takeaways

PPPs **leverage** private sector **expertise**, efficiency, and innovation to deliver public infrastructure and services while ensuring alignment with public policy goals

PPPs can be utilized across the sector for **hospital infrastructure** development, medical **equipment procurement**, healthcare **service delivery**, integration of **digital health solutions**, deploying **tele-radiology**, **pathology networks**, and **mobile units**

**Collaboration** with relevant **stakeholders** ensures that the project addresses all the needs and concerns thereby promoting broad-based support and ownership



By leveraging **shared accountability**, advanced technology, and efficient resource use, healthcare quality can be enhanced, costs can reduce, and patient outcomes can improve.

A **clear risk allocation and mitigation strategy**, performance-based contracts tied to **measurable KPIs**, is required for ensure long-term sustainability

A clear regulatory framework with **timely approvals** and streamlined processes is imperative for PPPs, minimizing delays and **reducing uncertainty** for both public and private partners.