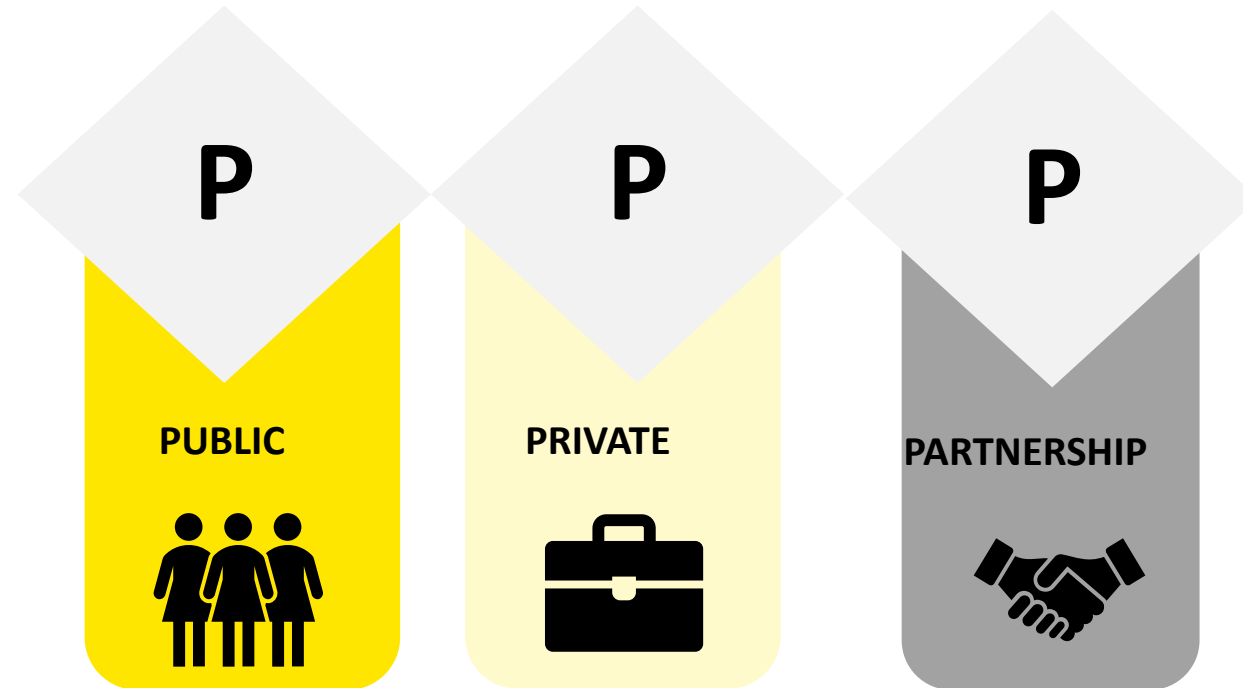


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2. Overview: Public-Private Partnerships in Healthcare

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

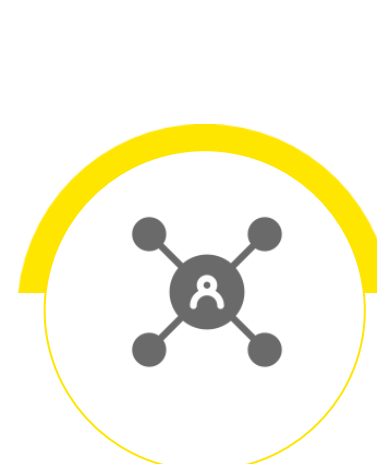
- ✓ Planning, Design and Development of Healthcare Facilities
- ✓ Owning and Operating diagnostic services

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**.

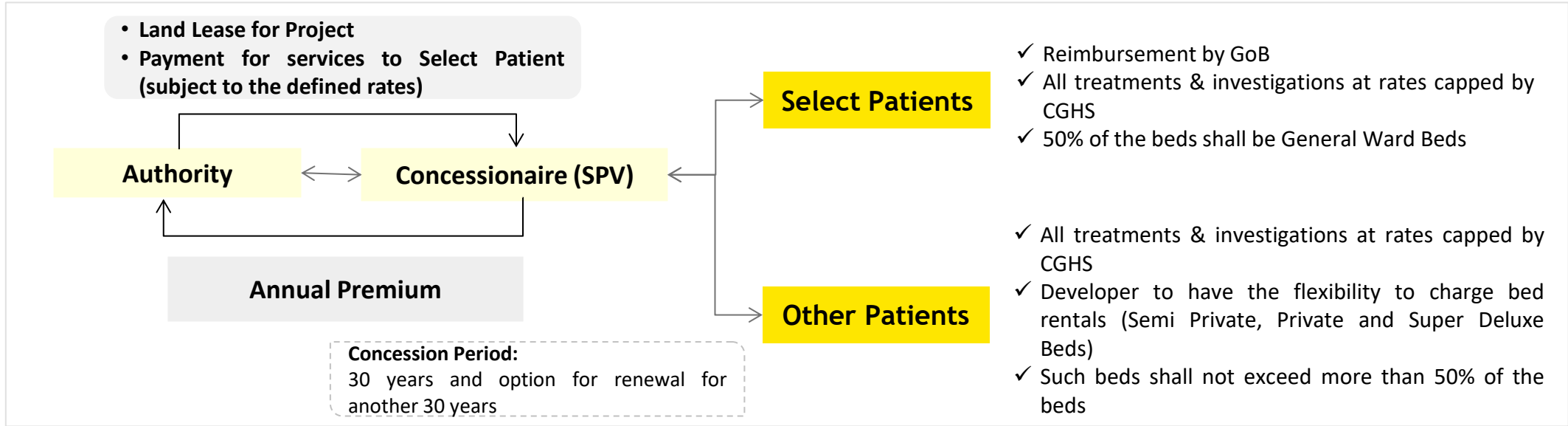
Patient load on registration counters in district hospitals was up to 208% higher than normal capacity.

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%

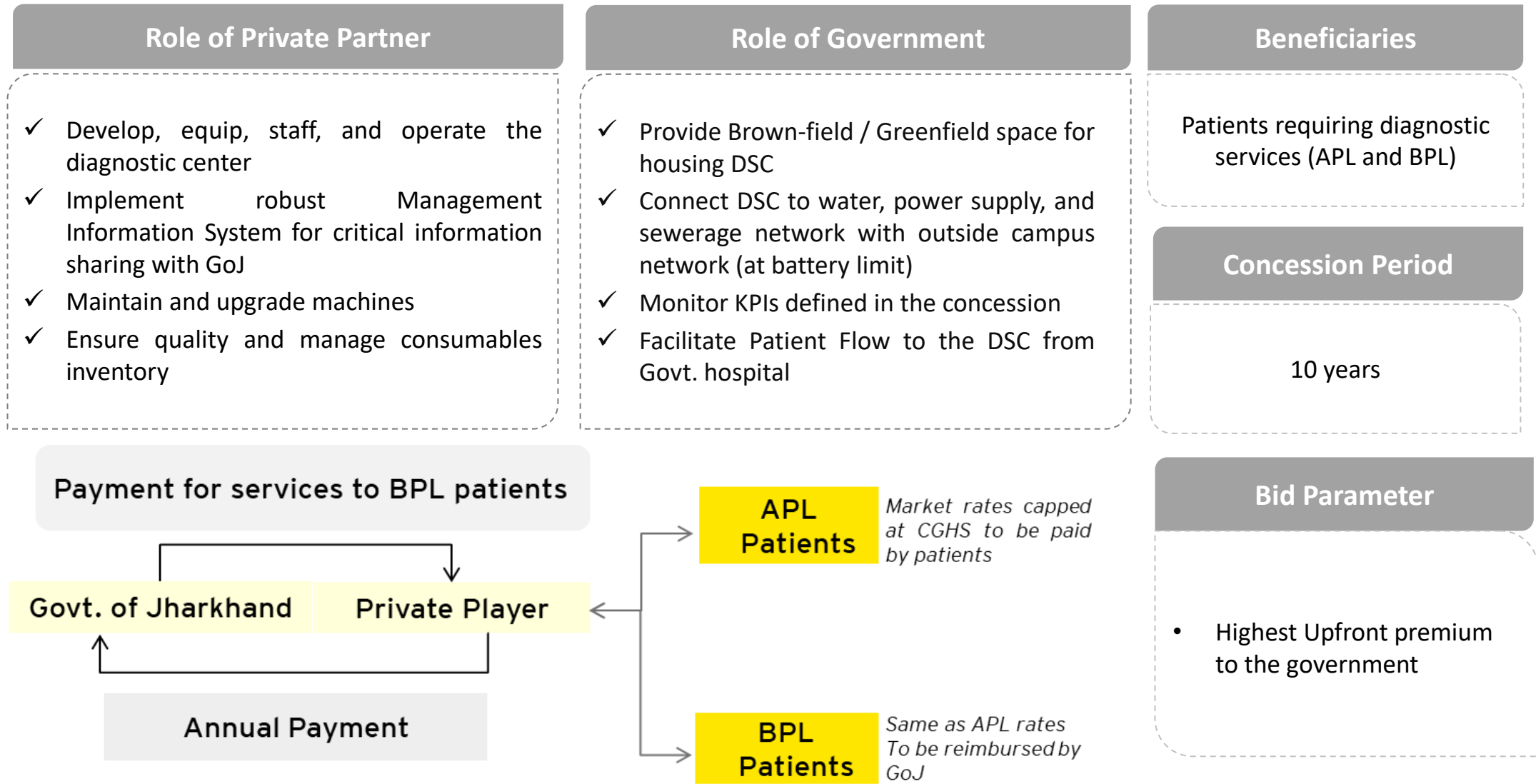
Laboratory Technicians

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

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

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.