





Strengthening Health Outcomes through the Private Sector

The Role of the Private Sector in the HIV Response of Four Countries

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Analysis of the flow of HIV spending in Ivory Coast, Kenya, Malawi, and Namibia, reveals opportunities to integrate the private sector into national HIV responses. Integration will help reduce financial barriers to access HIV services while increasing the sustainability of the response.

Ivory Coast (2008)

- Donors account for 87% of Ivory Coast's HIV response, more than their share of general health funding (13%).
- Despite the availability of subsidized services in public facilities, ART coverage remains low, possibly due to high levels of stigma.
- Private facilities receive 5% of HIV spending, primarily from donor-funded NGOs. However, spending at private facilities only accounts for 1% of all NGO spending on HIV.
- Improved integration of private facilities into health sector reforms could increase access to HIV and AIDS services and help overcome non-financial barriers to ART enrollment due to greater perceived confidentiality at private facilities.

The Flow of HIV Funds to For-Profit Facilities in Ivory Coast

Where Do the Funds Originate?

Donors Government of Ivory Coast Households of PLHIV

Private 1 billion CFA francs businesses

Who Decides How to Spend HIV Funds?

- Public agencies
- Private insurance
- Households (out-of-pocket spending by people living with HIV)
- Employers (private and parastatal)
- International and national NGOs
- Donors
- Other

Source: USAID SHOPS Project led by Abt Associates (2014)

Kenya (2010)

- Between 2006 and 2010, as Kenya's HIV response grew, it became increasingly self-financed but remains dependent on donors, which accounted for 51% of HIV funding in 2010.
- Out-of-pocket payments on HIV services have been decreasing, but they still account for a significant amount (19%).
- 15% of HIV spending occurs at for-profit facilities, versus 12% of general health spending that takes place there.
- Spending at for-profit facilities is increasingly coming from insurance mechanisms (National Hospital Insurance Fund and private insurance), but out-of-pocket payments still account for 71% of spending at these facilities. Expanding the population covered by insurance, or subsidizing care for vulnerable groups, may help further reduce out-of-pocket payments.

The Flow of HIV Funds to For-Profit Facilities in Kenya

Where Do the Funds Originate?			
Donors			
Government of Kenya			
Households of PLHIV	$\bullet - \bullet \bullet \bullet \bullet \bullet \bullet$		
Private businesess	- • -		
	1 billion schillings — 455 million schillings		
Who Decides How to Spend HIV Funds?			
Public agencies Private insurance Households (out-of-pocket spending by people living with HIV) Companies (Parastatal and Private) International and national NGOs Donors Public insurance			

Source: USAID SHOPS Project led by Abt Associates (2014)

Malawi (2009)

- Between 2003 and 2009, donor contributions increased from 42% to 83% of HIV spending, increasing donor dependence. Going forward, the government of Malawi and its partners will need to consider how to best use domestic resources to take on some of this burden.
- 11% of HIV spending takes place at private (primarily Christian Health Association of Malawi) facilities, which is slightly smaller than their share of general health spending (12%). Most of this HIV money comes from the government and donors, which should continue to invest in strengthening these flows to better leverage private facilities for HIV services.
- Although low as a share of total HIV spending, out-of-pocket spending has increased at health facilities, especially

The Flow of HIV Funds to For-Profit Facilities in Malawi



1 billion kwacha — < 500 million kwacha</p>

Who Decides How to Spend HIV Funds?

- Public agencies
- Private insurance
- Households (out-of-pocket spending by people living with HIV)
- Companies (parastatal and private)
- International and national NGOs Donors
- Source: USAID SHOPS Project led by Abt Associates (2014)

Namibia (2009)

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- The HIV response is highly dependent on donors, which provide 51% of total HIV spending, compared with 22% of general health spending.
- Less than 5% of all HIV spending takes place at for-profit facilities, compared with 18% of all health spending. This difference is likely the result of donors, who mostly channel funds through public entities and NGOs to public health facilities and prevention programs.
- The Namibian government is already engaging private providers through its employee insurance program. More than half of these HIV expenditures occur at for-profit facilities.
- The difference in spending on HIV and on general health at for-profit facilities reveals a potential untapped capacity for increasing HIV provision in the private sector. Expanding on mechanisms like

The Flow of HIV Funds to For-Profit Facilities in Namibia

Where Do the Funds Originate?

Government of Namibia Households of PLHIV Private businesses	Donors		
of Namibia			
of Namibia		$\bullet \bullet \bullet \bullet$	$\bullet \bullet \bullet \bullet \bullet \bullet$
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of Namibia			$\bullet \bullet \bullet \bullet \bullet \bullet$
of Namibia		••	
Households of PLHIV Private			
of PLHIV	Households		
		$\bullet \bullet \bullet \bullet$	
businesses	Private		
	businesses		NA \$10 million

Who Decides How to Spend HIV Funds?

Public agencies (e.g., ministries, government employee insurance)

for-profit ones. This trend calls for an increased focus on developing equitable and sustainable financing approaches.

the public employee insurance program could help leverage this untapped capacity to take some of the burden off the public sector.

Private insurance Households (out-of-pocket spending by people living with HIV)

International and national NGOs

Source: USAID SHOPS Project led by Abt Associates (2013)



- National health accounts data (SHA 1.0) show how HIV spending flows from its origin to its ultimate end use.
- The SHOPS project analyzed annual resource flows in Ivory Coast, Kenya, Malawi, and Namibia between 2008 and 2010.



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