



THE REPUBLIC OF UGANDA

# Private wings in government hospitals: What are the challenges?

## Overview

The goal of the Health Sector Development Plan (HSDP) FY2015/16-2019/20 is to accelerate movement towards universal health coverage with essential health and related services needed for promotion of a healthy and productive life.

The HSDP financing reform strategy is to make available resources for delivery of the essential package of services in an efficient and equitable manner. Funds for health care financing are mobilized from the government, development partners, health insurance schemes, community health financing, global health financing and direct out-of-pocket expenditure by the patients.

Direct out-of-pocket expenditure plays a big role in financing health even in countries where extensive public funded health services exist like Uganda. In Uganda, the direct out-of-pocket health expenditure stands at 37%, majority of which goes to the private sector.

In the current health policy, private wings are avenues to raise additional funds to improve the quality of services, and increase the take home package for health workers in public facilities. A number of hospitals are providing a private wing service but there is need to scale up to meet the demand.

This policy brief looks at the challenges arising from the provision of private/paying services at public/government health facilities, and gives recommendations.

## Key Issues

- Outdated operational guidelines from Ministry of Health to guide hospitals on provision of private services.
- Inadequate staffing in private wings which affects service provision.
- Overcrowding in health facilities exempted from official charges, thus causing poor service delivery to the citizens.
- Diversion of medicines and other medical sundries that are supposed to be used in the non-paying wings.

## Introduction

The two tier charging system is a well-known international phenomenon in hospitals in both high and low income countries. This is one of the means to bridge the gap in the funding needs in hospitals while taking into consideration the limited ability to pay for health services in purely private hospitals by majority of the population. Private health services in public facilities are affordable and available to those who can afford to pay.

In a quest to develop and support alternate financing systems, private wings, user fees, health insurance and community resource mobilization were identified in the Health Sector Strategic Plan/ Health Sector Development plan FY2015/16-2019/20.

Private wing services offer faster, better ambience, private rooms, and privileged access to higher cadre of medical staff, food and other personal care.

Paying service is available at designated public hospitals, where the recipient pays for his/her medical bills under the private wing arrangement. Some of the hospitals with private services include, Mulago, Butabika, FortPortal, Jinja, Masaka, Mbarara, Mbale, Kabale, Gulu and some district hospitals. The charges vary from one hospital to another.

There is therefore need to harness these resources from the public by providing affordable health care services in public facilities which in turn will augment the financing of the health sector.

## Key Results

- **Increased revenue**

Using the non-tax revenue or appropriation of aid as a proxy for income generated from private wings. The revenues generated from the private wing services have increased from Ug shs 9.627 billion in 2011/12 to Ug shs 1.774 trillion in FY2014/15 (National Budget Framework Papers for FY2012/13-FY2014/15). Scaling up this practice in many regional and general hospitals will therefore help in closing the financing gap in the health sector.

Table 1: shows the Non-tax revenue (appropriation in aid) that generated by some government facilities that offer private services.

**Table 1: Non-tax revenue generated from selected private services in Ug shs millions**

Institution	Financial Years			
	2012/13	2013/14	2014/15	2015/16
Uganda Heart Institute	683	2,850	3,000	3,000
<b>Hospitals</b>				
Fort Portal	44.972	180	200	450
Mulago	6.548	7,000	8,000	7,000
Jinja	148	170	290.5	290.5
Mbarara	35	400	560	724.5
Gulu	92.61	203	203	150

Source: Ministry of Finance, Planning and Economic Development: Approved Revenue and Expenditure for FY2012/13- 2015/16

- **Improved quality of service**

Service has greatly improved in the private wings, owing to advantages of locality and specialists in several fields at the government hospitals. The investment in infrastructure and equipment by government has reduced the need for referrals abroad. This is evident at the Uganda Heart Institute in Mulago Hospital.



*An Auto Hematology analyzer at the Uganda Heart Institute*

Under the Uganda Health Systems Strengthening Project and the Rehabilitation of Facilities in

Western Region, a number of high tech diagnostic equipments were acquired for regional and general hospitals leading to better facilities/wards. The improvement has encouraged more patients to seek care in public hospitals.

- **Improved accountability**

Accounting officers or directors of the hospitals have instituted proper measures to ensure funds from private wings are receipted and utilized. Committees for management of private wings have been set up. For example, Kabale Regional Referral Hospital has hired competent accounting staff to strictly manage finances for the private wing.

## Challenges of private wing service

Although the private wings have been applauded as a big benefit to the health sector, they are faced with a number of challenges.

### 1. Inadequate human resources

The private wings still use human resources that are normally employed in the public wing. Use of the same staff in both wings stretches the already inadequate human resource in public facilities. Since private wings generate revenues, they are preferred work stations for the health workers so the attention given to patients in the private wings may deny the general clinics adequate attention.

### 2. Lack of operational guidelines

The private wing scheme still lacks proper guidelines which can be adopted to streamline this service. Management of records and fees

structure needs to be streamlined. For instance, there are pricing disparities between hospitals.

### 3. Diversion of medical supplies

A report of the Parliamentary Committee on Health FY2012-13 observed that there are negative un-intended consequences of creating private wings in public hospitals. For instance public medicines and other sundries were diverted to the private wings to generate more money for the doctors and administrators at the expense of the other patients in non-paying wards.

### 4. Overcrowding in facilities exempted from fees

Due to demands for more space for the private patients, the management of hospitals tends to prioritize construction of private wings at the expense of expanding the general side. This results into overcrowding in the free facilities.



*Overcrowded Out-Patient Department at Soroti Regional Referral Hospital*

## Conclusion

The private wing facility in the national, regional and district hospitals is offering a service that is sought out by a sizeable number of the well-to-do Ugandans who seek better health care services. There is need for proper guidelines to streamline the operation of private care services in public hospitals to avoid marginalization of the free health facilities.

## Recommendations

- 1) Ministry of Health should finalize formulation of operational guidelines on management of the private wings within public hospitals.
- 2) The Health Service Commission should recruit full time staff for the private wings to avoid constraining the already inadequate human resources in the public facilities. Private wing committees should be instituted to support in the management and planning for efficient running of the facilities.
- 3) Ministry of Health should benchmark with other countries in the region for good practices. The sharing of experiences would enhance effectiveness of the private services being offered.

- 4) Ministry of Health should ensure holistic investment in hospital infrastructure to reduce disparities between free and paid for services in terms of staffing, equipment, and physical infrastructure. This would check the reinforcement of inequities in health service provision between the rich and poor citizens.

## References

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