

The privatisation of healthcare: A Narrative Review

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Objective: This literature review aims to examine the outcomes of healthcare privatisation, considering both positive and negative aspects.

Materials and methods: PubMed and Google Scholar were used to identify relevant studies fitting inclusion and exclusion criteria.

Results: The results depict a mixed picture of healthcare privatisation, with advantages including higher patient satisfaction and efficiency in the private sector but potential negative impacts on patient outcomes and overall efficacy.

Discussion: The review highlights the multifactorial aspects of healthcare privatisation, analysing motivations, benefits, disadvantages, and comparative performance. The findings concentrate on the need for careful consideration of impacts on quality of care, efficiency and equity.

Research limitations: the scope of this review is to understand the broad concepts and principles of private healthcare and does not specifically focus on a particular type of privatisation or the healthcare policies of any specific continent or country.

Keywords: “healthcare privatisation”, “private sector”, “primary healthcare”, “outsourcing” and “public private partnerships”

INTRODUCTION

In 1978, the 134 national governments who were part of the World Health Organization (WHO) signed the Alma-Ata Declaration, which introduced Primary Health Care (PHC) as the official health policy of all its members after acknowledging health as a fundamental aspect of social determinants and social justice. The declaration underlines the importance of reducing health inequities, particularly between developed and developing countries as well as implementing practical and scientifically accurate interventions, accessible to all. (1)

After economical and socio-political turbulences in the world during the past forty years, the focus of governmental policies around the globe shifted. As a result, governments are increasingly turning to more efficient and economical solutions to manage public health, often by downgrading the role of the state and strengthening the private sector. (2) Healthcare privatisation refers to the outsourcing of healthcare services from public entities to private ones. This can affect access to care, quality of care as well as equity, for a more cost-effective solution to public health.

Two theories have paved the way to embrace healthcare privatisation. Firstly, the Public Choice Theory which suggests that individuals and groups pursue their self-interests within the public decision making and secondly, the Property Rights Theory which backs the fact that property rights incentivize individuals to invest, innovate and efficiently allocate resources more effectively. (3)

Some key definitions are needed to deeply grasp the following review:

- 1) Privatisation is described as “the process in which non-government actors become increasingly involved in the financing and provision of health care services”. (4)
- 2) Main types of privatisation:
 1. Termination (or liquidation): which means the state divests itself of public assets,
 2. Contracting (or outsourcing): which involves transferring partial or full responsibility for delivering medical or other services, to the private sector while the public sector maintains the responsibility for the overall financing and finally,
 3. Public-private partnerships: which implies a cooperation between the private and public sector on funding, construction, maintenance and infrastructure of hospital or other healthcare facilities. (4)

This literature review aims to shed some light on the different aspects of health privatisation by considering various parameters such as efficiency, ease of access, time spent with physicians and quality of service. Additionally, it seeks to examine the borders between public and private sector and the trend of privatisation in the 21st century.

RESULTS

This section summarizes the results and provides a clear understanding of the reasons behind privatisation, as well as of the benefits and the disadvantages of privately owned healthcare facilities; it also hints at what has already been done regarding privatisation, by examining different countries’ policies. Upon reviewing the selected articles, several key findings emerged regarding the effects of healthcare privatisation such as the reasons behind the belief that private means best service and, the supposed inefficiency of the public sector. The results even shed some light on the different risks of infection depending on cleaning services.

- **Privatization trends:** Private healthcare growth is driven by revenue and mergers. (5) An example of that is Greece's thriving private sector due to dissatisfaction of the public with the national health system. (6)
- **Reasons for privatization and public demand:** Governments privatize for efficiency, quality, and consumer choice. Another factor is public dissatisfaction due to inefficiency and corruption of the public sector. (4)
- **Benefits and disadvantages of private healthcare:** Patients prefer private sector for faster, more flexible services as well as for time spent with physicians, which tends to be more than in the public sector. (7) There has been some opposition in Spain and concerns about rising costs. (12) Potential drawbacks in the private sector due to (8).
- **Comparative performances:** Challenges in comparing quality and outcomes due to patient differences. (9, 10) Privatization may lead to social inequalities. (8) Some studies however suggest fair treatment in both sectors. Public hospitals transitioning to private ownership in Germany show modest efficiency increases. (3)
- **Complexities of private and public sector interaction:** Collaboration between private and public sectors is common. (11) Definitions of for-profit and not-for-profit hospitals vary by country which leads to confusion in certain areas. (11)

DISCUSSION

Upon a comprehensive analysis of the selected articles, valuable insights were provided. The private sector is undeniably growing exponentially. Privatisation of public hospitals and public-private partnerships, allow governments to reduce their expenses and focus on different sectors i.e., military. With that being said, the private sector doesn't necessarily equal to better performances, patient outcomes, and quality of care, but rather means a more efficient resource allocation.(12)

Factors such as dissatisfaction, need for faster and more efficient service, rising healthcare costs, infrastructure and the preference for better quality services have contributed to this rapidly growing phenomenon. Benefits of private healthcare include higher patients’ satisfaction, shorter waiting times, efficiency, more time with physicians and better staff availability. Comparative studies show a superior responsiveness to patients’ needs. However, privatisation is not perfect. The main concerns were the reduction in equity, poor adherence to treatment protocols, unnecessary and often risky surgical procedures, and even inadequate management of diseases, in private healthcare settings.

By conducting further research, we pave the way to a more sustainable healthcare and its financing, which will ultimately lead to efficient evidence-based policies and strategies to improve health and life expectancy.

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