

Engaging the private sector for universal health coverage and health security

April 2023

There is a clear need to find ways to effectively harness and steer the public, private and civic sectors to achieve the Sustainable Development Goal (SDG) target 3.8 on universal health coverage (UHC) (1). Effective engagement of the private sector in health can maximize countries' efforts to secure financial risk protection and ensure access to quality essential health-care services as well as safe, effective, quality and affordable essential medicines and vaccines for all.

Key messages

- The private sector in health contributes a large and growing proportion of health-care services, particularly in low- and middle-income countries (LMICs). This contribution is estimated to range from 40% to 62% and varies across WHO regions.
- Despite its large contribution to health services, the private sector in health remains poorly governed and largely excluded from the setting of health policies in most LMICs.
- The goals and priorities of health systems need to be shaped, shared and ultimately implemented across all health entities, including the private and civic sectors.
- Learning from COVID-19 suggests that governments that invested in the organization of health systems and models of care were better able to delineate roles between response levels and distribute power and resources across health entities, including private and civic entities.
- Developing and implementing a health policy that is inclusive of private and civic health entities is imperative to UHC and health security.

Background and challenges

The SDGs, and specifically SDG 17, call for cooperation, collaboration and partnership between government, civil society and businesses to achieve the goals of the 2030 Agenda for Sustainable Development. In the health sector, this creates a strong imperative to find ways to effectively harness and steer the public, private and civic sectors to achieve health goals and targets, especially SDG 3.8 on achieving UHC. Effective engagement of the private sector in health can maximize countries' efforts to secure financial risk protection and access to quality essential health-care services as well as safe, effective, quality and affordable essential medicines and vaccines for all (2).

Most countries have mixed health systems, in which a combination of public and private entities deliver health-related goods and services. Health systems are defined as “the ensemble of all public and private organizations, institutions and resources mandated to improve, maintain or restore health” (1). An important challenge in governing health systems relates to the diversity of characteristics and interests of health entities. This is especially challenging when it comes to the private sector. The private sector in health is less bounded than the public sector and is “generally large, poorly documented, and very heterogeneous” (3). It consists of both formal and informal entities, ranging from pharmacies to specialized hospitals, and comprising for-profit and non-profit entities, both domestic and foreign. Digital health and self-care interventions may also be categorized as part of the private sector in health.

In many LMICs, the private sector in health contributes a large and growing proportion of health-care services (4). It therefore represents an untapped resource that can help address the quality health-care access gap through: a) financial instruments to close the financing gap, b) expert capacities to close the innovation gap and c) local development and health providers to close the supply gap.

This large potential contribution to health-care provision underscores the importance of ensuring that formal private entities (including pharmacies) are integrated into overall health systems. It also suggests that governments should develop inclusive health policies that set out the rationale for private and civic sector engagement and respective roles for the different types of entities, including the implementation means, if health systems are to deliver equity in service use, quality and financial protection.

Key actions and policy recommendations

Inclusive health policy

Develop inclusive health policy that sets out the rationale for private sector engagement and the respective roles for the different types of private sector entities.

Disaster preparedness

Review, update and align legal provisions and institutional arrangements to ensure these guide disaster risk management and preparedness. The private and civic sectors should be included within these provisions and arrangements to facilitate surge capacity and response.

Regulatory provisions

Establish regulatory provisions for meaningful private sector engagement, aligned with national health strategic priorities, to facilitate the achievement of these priorities and the equitable access of health-care services.

Care and referral pathways

Clarify the role of different levels of care across and within sectors to ensure that models of care and referral pathways are reinforced and used.

Affordable emergency care

Establish mechanisms to support the fair costing of, and monitor the pricing for, emergency services to facilitate access to emergency care, including through the private and civic sectors.

Health information systems

Invest in health information systems that capture and integrate data from all sectors at both the national and local level.

References and resources

1. Tallin Charter: Health System for Health and Wealth. Geneva, World Health Organization; 2008.
2. Clarke D, Doerr S, Hunter M, Schmets G, Paviza A. The private sector and universal health coverage. Bull World Health Organ. 2019;97:434-435.
3. Mackintosh M, Channon A, Karan A, Selvaraj S, Cavigner E, Zhao H. What is the private sector? Understanding private provision in the health systems of low-income and middle-income countries. Lancet. 2016;388(10044). doi:10.1016/S0140-6736(16)00342-1
4. Private Sector Utilization: Insights from Standard Survey Data in Private Sector Landscape in Mixed Health Systems. Geneva: World Health Organization; 2020.

