

Public Private Partnership: Opportunities and Challenges in Health Care Industry

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Abstract: The present paper highlights the importance of public private partnerships in a developing nation like India. India is one such country that has witnessed several hardships in funding its various major infrastructure projects. The PPP model provides perfect solution to such problems. The present research article discusses the same. The article tries to explain and elaborate on various sectors that have successfully implemented PPP projects. The special focus of this paper being health care industry and PPP, the paper tries to bring about issues and challenges in this sector. The paper concludes that Health care is one such sector which needs huge investments and this can only come from corporate in collaboration with state.

Key words: PPP, Triple P, 3P, infrastructure, health care

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I. INTRODUCTION:

Public Private Partnership popularly known as Triple P(3P) model or PPP model is gaining popularity in India owing to its usage to the State, Private organizations and common public alike. The large scale government projects such as Roads, Bridges, Hospitals, Power projects, Sea ports, Airports etc can be completed with private funding. Such partnerships work well because of its nature of association. State provides budget and other needed logistics, this combined with private funding and technology, help major government projects to take off successfully. This is very popular trend in India, specially in Infrastructure Industry.

The projects that are taken up under PPP are high priority government planned projects aimed at benefit of common public. Governments aim to utilize the technology, capital and expertise of private sector in major government projects while giving them maintenance of such projects for a certain period of time to enable them recover their investments and also make profits. The innovation and technology of private sector combined with the state support in logistics and sanctions will enable a major project to be finished in comparatively short span of time than any completely state owned project.

There are many such projects in India which have been completed successfully under the 3P model and many more are under completion. It has been a successful partnership so far where both the parties involved have gained. The projects that common man benefitted largely are in infrastructure industry. Examples of such projects are Airports, Metro Railways, Sea ports, Fly overs, Power Projects etc.

II. RELEVANCE OF THE STUDY:

India is a country with vast population where the state takes charge of providing the common man with basic infrastructure like roads, railways, power projects, irrigation projects, bridges, dams, airports, sea ports, educational institutions, hospitals etc. It is a major challenge for the state to fund such huge projects and at the same time maintain them profitably in the long run. Even completion of such projects is a major challenge owing to major constraints like technology, capital, man power etc. These constraints can be overcome when state collaborate with private sector in taking up such projects. The private sector can contribute capital, technology and expertise and state can provide necessary sanctions, funds and other logistics needed. The present study aims at understanding such initiatives in India, their prospects and problems.

Since such partnerships are growing in number and size in India under various infrastructure projects, the study becomes relevant to the present day context.

III. STATEMENT OF THE PROBLEM:

Infrastructure industry is the most desired and hugely funded industry in India. It is a challenge to fund, raise and run such industry by the state alone. There are several contexts where governments, either central or state governments have found it extremely difficult in finishing such projects. The challenge in taking up such

projects is its completion on stipulated time without wasting much funds and man power. The much needed partnership between private and public sector comes handy in such a situation. Though there are many institutional problems involved in execution of such projects, they can be overcome with minimum damage to such partnership. The study examines such situations and gives inputs on major successful projects in India highlighting their success stories and challenges alongside.

OBJECTIVES OF THE STUDY:

The present study aims to accomplish certain objectives outlined as under. The important objectives of the study are:

1. To examine the status of Public Private Partnership projects in Indian Infrastructure Industry.
2. To evaluate the challenges, growth and prospects of PPP in infrastructure industry with special reference to Health care industry in India

IV. REVIEW OF LITERATURE:

The studies taken up earlier in this area will give an insight into the challenges faced by the researchers in undertaking a particular study. It also helps to identify gaps and provide an opportunity to examine the gaps. The following articles, research papers have been referred to gain an insight into the topic undertaken for study:

- **Vishaka.K, VidyaPrakash.T (2014)** in their research article “Public Private Partnership in India-An Over view in current scenario” discussed emergence of PPP projects in India as a very feasible viable ventures. They concluded that Indian PPP scenario as it stands today presents an optimistic picture.
- **Tilak.Ch.Das, SujitSikidar(2014)** in their paper “ Public Private Partnership in India-its operational mechanism and challenges ahead” discussed projects in physical infrastructure sectors covered under the PPP model. An attempt has been made to focus in the constraints that are revealed in the course of study over implementation of PPP projects
- **Nagesha.G.K.Gayithri(2015)** in their article titled “A Research note on the Public Private Partnership of India’s Infrastructural Development” analyzed trends and patterns of various infrastructure sectors and regional distribution of PPP’s at India’s national and sub national levels. The present article explores the possible reasons for the uneven growth in India in promotion of PPP projects.
- **M.S.Khan, Neeraj Kumar Ojha(2015)** in their research article titled “A study of Public Private Partnership with special reference to infrastructure has proclaimed that PPP project has been found a cost-efficient as well as improved in work quality services. The paper aimed to find out the possibilities of success of PPP in India and highlight various challenges which create difficulties to promote PPP.
- **Ramakrishna.N, HarisTauseef, Farhan(2018)** in their research paper “Factors affecting the success/failure of Road infrastructure projects under PPP in India” has upheld that road/highway infrastructure in India has not been developing at required pace. The authors identified various critical success/failure factors to assess the same.
- **AshwinMahalingam (2019)** in his paper titled “Public Private Partnership Experiences in Indian cities: Barriers, Enablers and the way forward” suggested that urban local bodies lack the financial resources and the capacity to develop the projects on their own. He also opined that PPP need to play a crucial role in development of urban infrastructure. The paper gave strategies to improve quantity and quality of infrastructure success in Indian cities.
- **Muralri.P, Rupalsethi (2018)** in their research paper titled “An Analysis of PPP in Infra structure of provision of Public Goods through e-Governance in India” examines the PPP’s in investment in infrastructure of provision of public goods in India beset with institutional failures at several fronts. The paper analyzed the PPP model in the domain of ICT development projects carried out by the Indian government as e-governance.
- **Sandeep G Kudtarkar (2020)** in his research article titled “Re-settling Public Private Partnership in infrastructure Model in India post COVID-19 pandemic” has set out to understand why a large number of PPP Projects delayed, stalled and terminated in the largest PPP program in India. The study proposes a 20 point conceptual institutional framework suggesting policies and project level measures of effective execution of PPP in India.

RESEARCH GAPS:

The previous researches run in the area of Infrastructure with respect to PPP projects have largely focused on major projects like highways/roads and other public utility projects. There are not many articles on health care sector, education, power and irrigation projects under PPP. Hence this project work has been taken up. The objective of the study is to understand PPP projects in general and with special focus on health care sector in India.

SCOPE OF THE STUDY:

The study aims to undertake research within a given scope owing to certain practical difficulties in its accomplishment. The scope of the study is as follows:

1. The study takes up to examine only projects under PPP model
2. It covers only the infrastructure projects taken up under PPP model
3. The study aims to examine Roads/highways, Power Projects, Irrigation Projects with special reference to Health care projects in India.

V. RESEARCH METHODOLOGY:

Secondary Data:

The data required to conduct the study is vastly available in various websites of the public and private companies. Some information is also available in Ministry of Finance website, the official website of Central Government

ANALYSIS OF THE DATA:

Table-1

Projects under various sectors in India

S.No	Sector	No. of projects	Sponsoring authority
1.	Ports	37	Ministry of shipping
2.	Railways	6	Railways
3.	Tourism	5	Ministry of Home Affairs
4.	Airport	10	Airports Authority of India
5.	Roads	266	Ministry of Road Transport and Highways
6.	Sports	5	Ministry of Youth Affairs and Sports
7.	Housing	10	Ministry of Home Affairs
8.	Others	1	Department of Telecommunications

Source: www.pppinindia.gov.in/list-of-all-ppp-projects

Interpretation: From the table above it is very clear that there are no PPP projects under health care sector. Majority of the projects are Roads and there is no sector which is anywhere close to PPP projects under Roads. Health in India has always been a government initiative for the common man. Government has several schemes and policies for health besides government health centers. That could be the reason why there are no projects under PPP in the sector.

FAILURE OF PPP PROJECTS UNDER HEALTH CARE IN INDIA, WITH SPECIAL REFERENCE TO KARNATAKA:

Though the Union government claims that PPP projects in health sector are successful in accomplishing their tasks, the health experts have a contradictory opinion. The health experts opine that government should develop primary health centers in every panchayat's and fund them to serve common man instead of funding the corporate. Health sector cannot be coalition of government and private sector to make profits. The wider objective is to cater to the needs of the common man in the health sector. The implementation of PPP projects under health sector in Karnataka has been a major challenge for various reasons.

Table-2

Reasons for failure of PPP under Health sector

S.No	Reason for failure
1	Non Compliance with rules
2	Misuse of funds
3	Lack of accountability
4	Poor availability of qualified Human Resources
5	Failure to provide quality service to patients by the NGO's running primary health centers
6	Poor governance
7	Financial sustainability of private partner

Source: <https://www.newindianexpress.com/nation/2020/jan/03/public-private-partnership-in-healthcare-not-good-idea-experts-2084375.html>

OVERVIEW OF THE MAJOR GOVERNMENT HEALTH SCHEMES IN INDIA:

In India, Government runs schemes under health care sector for the benefit of the people. For example, the Central Government has launched PradhanMantri Jan ArogyaYojana in the year 2018. It's a major health insurance scheme that reaches 50 crore economically vulnerable India. Centre spends 1.13 percent of GDP on health care of which 65% comes from pockets of citizens.

It is observed that health care industry is disproportionately distributed between Urban and Rural areas.

- 75% Infrastructure is utilized by 27% population living in Urban areas
- 74% Doctors in India practice in Urban areas
- 73% of population living in rural areas lack access to primary health care facilities
- Recommended doctor patient ratio recommended by WHO is 1:1000
- The current ratio in India is 1:1445

**Table-3
Government sponsored Health schemes in India**

S.No	Name of the Government scheme	Description
1	AyushmanbharathYojna	It is a universal health insurance scheme of the Ministry of Health and Family Welfare, Government of India. PMJAY was launched to provide free healthcare services to more than 40% population of the country.
2	PradhanMantriSurakshaBimaYojana	It aims to provide accident insurance cover to the people of India. People in the age group of 18 years to 70 years
3	AamAadmiBimaYojna	It basically covers individuals from the age of 18 years-59 years. AABY insurance scheme is tailored for all those citizens living in the upcountry and in the rural areas.
4	Central Government Health Scheme	A central government scheme that provides comprehensive health care facilities for central government officials and pensioners residing in cities
5	Employment State Insurance Scheme	A central government scheme for all the workers of India
6	Jan shreeBimaYojna	It is a central government initiative designed for individuals in the poor category who are within the age group of 18-59 years
7	Chief Minister's Comprehensive Insurance Scheme	Initiative of Tamil Nadu government in association with United India Insurance Company Ltd, for people of Tamil Nadu
8	Universal Health Insurance Scheme	It's a central government funded scheme for people below poverty line
9	West Bengal Health Scheme	Funded by West Bengal government for its employees and pensioners
10	Yeshaswini Health Insurance Scheme	Funded by Karnataka government for peasants, farmers and people associated with a co-operative society
11	Mahatma JyotibaPhule Jan ArogyaYojana	Funded by Maharashtra government for people below poverty line and for farmers
12	MukhyamantriAmrutamYojana	Funded by Gujarat Government for the people below the poverty line and for lower middle income group
13	Karunya Health Scheme	Funded by Kerala Government for listed chronic ill nessess
14	Telangana State Government Employees and Journalists Health Scheme	This scheme is for its journalists and employees. It is beneficial for the employed, retired, and pensioners.
15	Dr YSR Aarogyasri Health Care Trust	Funded by A.P. Government for the people below poverty line

Source: www.pppinindia.gov.in/list-of-all-ppp-projects

THE SUCCESSFUL PPP PROJECTS UNDER HEALTH CARE SECTOR IN INDIA:

The Public Private Partnership projects under health sector may have several problems but there are some projects which are executed successfully. The co-ordination of state and private insurance companies has enabled this venture to benefit the needy. While protecting the interest of the stakeholders, both state and private units have enabled a successful partnership in the larger interest of the society. Some of the successful PPP ventures are listed below:

**Table -4
Successful PPP Projects under Health sector in India**

S.No	Name of the PPP	Description
1	Yeshasvini Health scheme	A joint venture of NarayanaHrudayalaya, superspecialty heart hospital in Bangalore, and by the Department of Co-operatives of the Government of Karnataka
2	ArogyaRaksha Scheme	Initiative of Government of Andhra Pradesh in collaboration with the New India Assurance Company and private clinics
3	Telemedicine initiative by NarayanaHrudayalaya	Collaboration of The Government of Karnataka, the NarayanaHrudayalaya hospital in Bangalore and the Indian Space Research Organization initiated project called 'Karnataka Integrated Tele-medicine and Tele-health Project' (KITTH), which is an on-line health-care initiatives
4	Contracting in Sawai Man Singh Hospital, Jaipur	The SMS hospital has established a Life Line Fluid Drug Store to contract out low cost high quality medicine and surgical items on a 24-hour basis inside the hospital. The agency to operate the drug store is selected hospitals
5	The Uttaranchal Mobile Hospital and Research Center (UMHRC), Uttaranchal	It is three-way partnership among the Technology Information, Forecasting and Assessment Council (TIFAC), the Government of

		Uttaranchal and the Birla Institute of Scientific Research (BISR) to provide health care and diagnostic facilities to poor
6	PHC's in Gumballi and Sugganahalli, Karnataka	A joint venture of Government of Karnataka and Karuna Trust to serve the Tribal communities in the hilly areas.
7	Emergency Ambulance Services scheme, Tamil Nadu	This scheme is part of the World Bank aided health system development project in Tamil Nadu in collaboration with SevaNilayam as the potential non governmental partner in the scheme. Government only provides vehicles
8	Urban Slum Health Care Project, Andhra Pradesh	A joint venture of Andhra Pradesh Ministry of Health and Family Welfare with NGOs to manage health centers in the slums of Andhra Pradesh
9	Rajiv Gandhi Super-specialty Hospital, Raichur, Karnataka	A Joint venture of Government of Karnataka and Apollo Hospitals with financial support from OPEC (Organization of Petroleum Exporting Countries). The basic reason for establishing the partnership was to give super-specialty health care at low cost to the people Below Poverty Line
10.	Community Health Insurance scheme, Karnataka	Karuna Trust in collaboration with National Health Insurance Company and Karnataka government covers few districts of Karnataka to give basic health care facilities

Source: www.gidb.org/health-ppp-health-sector

VI. Conclusion:

Public Private Partnership projects in India are picking up in terms of size and number. The success story began in the early nineties when the then Government announced several projects under PPP. Though it began on a slow note, it picked momentum within 10 years of its inception. The tables above show the success story of the PPP projects in India.

But on the contrary, the health care sector unlike other sectors did not witness any investments. Some states in India have come up with several health schemes for the poor and down trodden people, but they are solely sponsored by state. Several partnerships were tried and executed for some time but they did not go long way. For example, Government of Andhra Pradesh under Dr.Rajasekhar Reddy's rule has a tie up for 108 health service by Satyam computers. But Satyam computers could not take it long and when the company was sold to Mahendra, the health services got shelved. The total pressure of sponsoring Arogyasree fell on state and eventually state also could not support for long time.

This is one example of failure of PPP under health care industry. There are several examples in various other states too. Central government has not come up with any such tie ups with corporate and health department. There are some organisations that have tied up various government agencies working for the health care of the poor and needy. These organisations run on professional lines and have been doing good job so far.

Suggestions:Health care industry is key to the developing economy. It's growth in terms of size and magnitude matters the most to the common man. In developed economies, health is completely a state subject. States take complete charge of the health care industry. Many countries do not allow any private partnership in this sector. India has to strike a balance between state sponsored health services and corporate health sector. Several projects under PPP in various sectors have been executed successfully. Roads, Airports are the best examples. It is observed that Government in India is investing huge amounts on various health welfare schemes. These schemes are popular but there is shortage of resources in the long run. Such popular schemes cannot be sponsored by states in the long run and they need finances from corporate. A PPP initiative would come handy in overcoming this problem. Therefore a state can take this option in the best interest of all.

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