

## Public-Private Partnerships (PPP) in Public Health

### A. Introduction

Public-private partnerships (PPP) are forms of cooperation between public authorities and private partners which aim to ensure the funding, construction, renovation, management or maintenance of an infrastructure or the provision of a service. The following elements normally characterize PPPs:

- The long duration of the relationship, involving cooperation between the public partner and the private partner.
- The method of funding the project, in part from the private sector, sometimes by means of complex arrangements between the various players.
- The important role of the economic operator, who participates at different stages in the project (design, completion, implementation, funding). The public partner concentrates primarily on defining the objectives to be attained in terms of public interest, quality of services provided and pricing policy, and it takes responsibility for monitoring compliance with these objectives.
- The distribution of risks between the public partner and the private partner, which is determined case by case, according to the respective ability of the parties concerned to assess, control and cope with this risk.

The public authorities of the member states of the European Union have already applied PPP arrangements in many cases, in particular in sectors such as transport, public health, education and national security. As far as public health is concerned, in United Kingdom 64 out of 68 major health projects have been or are to be implemented by PPP method. Furthermore, the public authorities of France, Spain, Portugal and Sweden have already started to apply the aforementioned partnerships. PPPs have also been included by the World Bank and the International Monetary Fund in the economic adjustment programs for developing countries.

In Greece, PPPs are provided by the provisions of Law 3389/2005.

## **B. The appliance of PPPs on the sector of public health within the Greek legal order**

Before Law 3389/2005 comes into force, public-private partnership developed in few sectors of public health. The aforementioned cooperation was implemented by limited duration contracts between hospitals and traders and concerned cleaning and storage of hospitals buildings, catering and feeding. Moreover, hospital technical equipment could be supplied by leasing.

After specific legislation came into force, PPPs were applied in the following cases:

- 1. Implementation of the new General Hospital of Preeveza.**
- 2. Implementation of the new Oncology Hospital of Thessaloniki.**
- 3. Implementation of the Pediatric Hospital of Thessaloniki.**
- 4. Implementation of Rehabilitation and Recovery Centre of North Greece.**

All the above PPPs concern the planning, the foundation, the construction, the maintenance, the technical management (cleaning services, clothing, garbage and hospital waste management, feeding), security and storage building, provision of necessary medical equipment and furnishing, including its replacement and maintenance as well.

Furthermore, the Ministry of Health and Social Solidarity intends to apply PPPs for the purpose of construction new hospital units such as a new hospital in Athens (which will replace the old one), a National Transplant Centre etc.

The main common characteristics of PPPs regarding the areas of primary and secondary health care are, inter alia:

- Equal and free access of all citizens.
- Full integration of medical and nursing staff in the National Health System.
- Public Administration of the institutions.

## **C. New forms of cooperation between public authorities and private individuals in the health sector according to the recent legislative reforms**

### **1. Supply Contracts (Art. 2 of Law 3918/2011)**

These contracts have as their subject the purchase, lease, rental or hire purchase, with or without option to buy of products, such as:

Implantable and non - implantable products, dental products, in vitro diagnostic products, anesthesia and ophthalmic products, medical devices, transport means etc.

## 2. Service Contracts (Art. 3 of Law 3918/2011)

These contracts have as their object the provision of services such as catering, cleaning, security-storage, maintenance, real estate management, computerization, education, advise, cleaning - ironing clothing, waste management, logistical support, specialized transport (blood, blood products, transplants, vaccines etc.), product-equipment distribution and warehouse.

## 3. Framework agreement (Art. 4 of Law 3918/2011).

These are agreements between one or more contracting authorities and one or more economic operators concerning the supply of similar products or the provision of similar services. Their duration cannot exceed a four year's period.

Crucial innovations of the new system of the publication and of awarding supplies and services to private operators are:

- The possibility of assigning the responsibility of carrying out the procedure or/ and of materializing the contact to third parties, either with open procedures or with the procedure of competitive dialogue.
- Public authorities can sing a loan contract with a bank. By this contract it is agreed that the bank will pay directly the supplier or the provider of services under conditions which are agreed between the public authority and the economic operator. The amount of loan can not exceed the 70% of the budgeted expenditure of the contract.

## 4. Strategic investments with public-private partnership according to the provisions of Law 3894/2010.

The aforementioned investments are productive investments which have a qualitative and quantitative impact on the national economy, help the country to come out of the economical crisis and relate to the construction, the rebuilding, the expand or the modernization of infrastructure and nets in many sectors such as the the sector of health services.

The lack of public finance of the National Health System puts into jeopardy the character of public health as a social good, as it leads inevitably to a qualitative and quantitative downgrading of the health services which are provided. Within the aforementioned conditions of financial crisis, finding private economic operators and developing different kind of partnerships between public and private authorities is of extreme importance- more than ever. PPPs can safeguard a high level of public health in the field primary and secondary health care. For that reason, the State has to expand the cooperation with private economic operators by building healthy conventional relations, preserving at the same time the public character of health.

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