

Public Private Partnership in Healthcare Industry in Sri Lanka as an Alternative to Privatization

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ABSTRACT:

The study is focused on the public-private partnership in health sector in Sri Lanka. As a developing country, Sri Lanka faces a challenging task in order to improve the infrastructure facilities of the country after ending the thirty years of war. There is a requirement to develop the country as a whole along with all the industries such as education, health, transport, agriculture, etc. to meet the existing demands of the general public. Sri Lankan government alone cannot fulfill the ever rising demand for product and services to its populace. Healthcare being one of the primary responsibility of the government, Sri Lanka have been able to maintain the health indicators in-par with many of the developed countries. But with the life style changes of the populace, Non-Communicable Diseases (NCD) and the ageing population has increased during the past decade. It is also noticeable that the private health expenditure has drastically increased during last few years while the government health expenditure has reduced during same period. Private sector investments on health are mainly on capital investments, expanding the bed capacity, expanding the technology etc.

The need of the public private partnership arise in this situation to fill the gap in the health sector in the country.

Keywords: Public Private Partnership (PPP), PPP models, Healthcare privatization, Health reform

INTRODUCTION

Public-private partnership is the contractual agreements between public and private sectors in order to provide product or service to its nation (Bennett, 1991). Partnerships help to improve the infrastructure to deliver the quality services as well as enable the public sector to benefit from efficiencies, innovations along with the capitals, skills and experiences of the private sector institutions. By collaborating with each other, both sectors can deliver better service with available resources providing better value for money which would have not been feasible if done individually (Bennett, 1991).

The need for public-private partnerships in healthcare is required due to the inadequacies of the public sector in addressing the total healthcare demands. Although the public-private partnerships generate a powerful tool for providing solutions to the difficult problems by leveraging on the strengths of two different partners, PPP also answer the challenges of the changes in the processes (WHO, 1999).

Generally, the intention of any government in the world is to provide quality and safe healthcare services to all the populace at free of charge or at a minimum cost; the private sector

has their profit motives apart from the above. Though the objectives of these two sectors are different, they normally work together with each another to fulfill the health requirement of any country, especially in a developing country like Sri Lanka where the majority of the population largely depend on the public sector (Annual Health Bulletin of Sri Lanka, 2005).

Different PPP models have been applied in healthcare sectors in all over the world depending on the specific needs of countries. Different factors impact on the success of these partnerships but both sectors gains skills and knowledge from each other. For the PPP's to be successful the legal framework should be favorable for private sector involvement in the providing of health services (Berman, 1995). The paper also shows that the government of a country plays a key role in the PPP process by creating the political environment to win the trust of the general public, trade unions and private sector investors.

Sri Lanka as a developing nation has a rising demand for healthcare with the life style changes and aging population. Government itself cannot find the solution for all the healthcare needs due budgetary restrictions and inherent inefficiencies of the public sector. Various PPPs implemented in other countries provide useful guidelines to the Sri Lanka health sector to reform the health industry by adapting PPPs to suite the Sri Lankan health sector.

Literature Review

There are different definitions for the PPP in general. (Wang, 2000). In general, the public institutions are funded by the government and that operating under government. But the private sector operated beyond the direct control of the government sector (Bennet, 1991). Broadly the private sector is operating with profit motives and government sector is on a welfare basis or not-for-profit basis. In the health sector, clinicians, diagnostic service providers, ambulance operators, facility service providers, blood banks operators, contractors, nursing homes and hospitals in private sector can be named as for-profit operators. Nonprofit services are in disease surveillance programs, charitable clinics or hospitals. Most the government sector health

institutions provide the services free of charge in many countries (Bennet, 1991).

Partnership is commonly used to describe the relationships and collaborations between two organizations or institutes. As per the WHO, the PPP is a tool to bring together some common goals and objectives of improving the healthcare service to benefit the society. Blagescu and Young in 2005 described that the PPP means the government and the private party have agreed to work together in order to implement a program, which each party had clearly defined roles.

It is accepted that the government needs the support of the private sector to generate more resources, expand the services and provide new services. At the same time, the private sector also has their own reasons to get together with the public sector like influencing the government policies in terms of tax exemptions, quality assurance and accreditation and setting up fees for the services (Wang, 2000). Partnerships are more beneficial when the joint efforts gives better results in more efficiently or effectively than individual action (Bazzoli et al., 1997).

Partnerships in the health sector can be initiated for various purposes as summarized in table 1. Many of these have positively contributed to health outcomes; improving technology, contributing to surveillance and screening processes, improve the efficiency of supply chain management systems and are amongst a few examples (WHO, 2003).

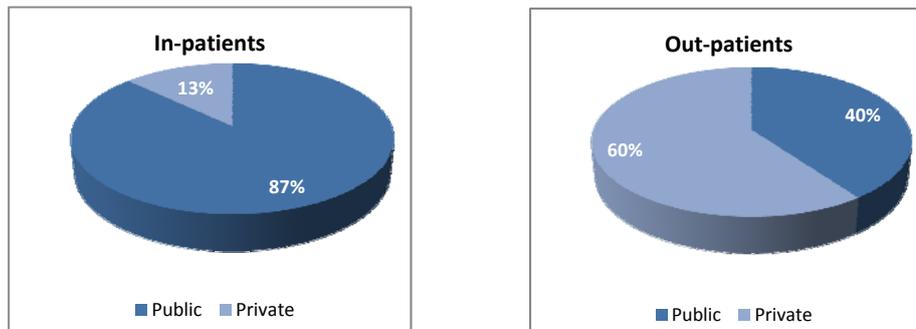
Healthcare Industry in Sri Lanka

Even with the low annual income and many years of war, Sri Lanka's health indicators are much better than those of many other developing countries in the region (Annual Health Bulletin of Sri Lanka, 2006). According the Kaiser Family Foundation's Global Health Database in 2005, Health services in Sri Lanka are provided to all citizens free of charge and more than 93% of the population has access to basic health care in the country.

Sri Lanka has a widely spread healthcare institutional network. The Sri Lankan health system includes of both the government and private health services. They both provide Western, Ayurvedic and Homeopathic medicine. (Annual Health Bulletin of Sri Lanka, 2003).

Table 1: Different models of public private partnerships

Management Contracts	The private sector provides a service or manages a contract to a public service department.
Joint Ventures	The government acts as a regulatory and shareholder in the operating company.
Leasing	The private sector is responsible for operating and maintenance of the asset while government is the owner of the assets
Build Operate Transfers	The private sector is responsible for funding, designing, building and operating the project. The public sector controls and take the ownership of project at the end of the contract.
Build Own Operate	The control and ownership of the project remain in private hands.
Design, Build Finance Operate	Includes one private sector and one public sector party to contract.
Design Build Operate	A single contract is awarded to a private business which design, builds, and operates the public facility, but the public sector retains legal ownership.
Co-operative Arrangements	This type of arrangement makes provision for equity partnership deals and concession type franchise arrangements



Source: Central Bank of Sri Lanka - Annual Report 2010, JBS Research

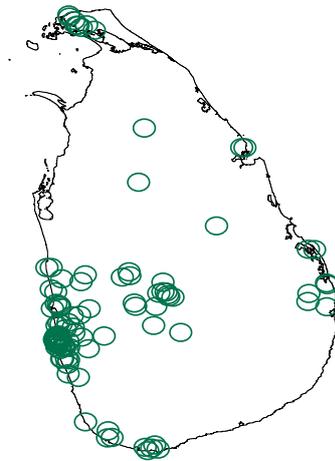
Figure 1: Demand for private and public sector healthcare in Sri Lanka

Though the private health sector in Sri Lanka largely provides out-patient services, they make important contributions to the healthcare service in the country, but have no formal associations with the state sector. Provision of inpatient services is much more limited in the private sector compared with the state sector as shown in the figure 1, with only 4210 beds compared to the 70000 beds in the public sector healthcare facilities (IHP Sri Lanka, 2013).

The private sector services are mainly limited to the main urban areas in and around Colombo as indicated by figure 2.

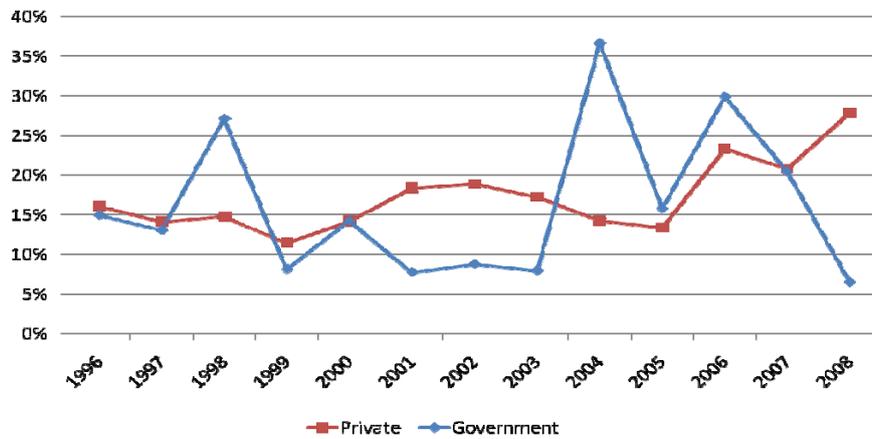
Private health expenditure has drastically increased within last few years while the government health expenditure is not considerably improving or reducing during past few years (figure 3). Private sector investments are mainly on capital investments, expanding the

bed capacity, expanding the technology and so on. In Health Master Plan 2005-2016 Sri Lanka, it is mentioned that the investments will be forecasted on IT and technology expansion in the government sector as well. There are so many reasons for the Sri Lankan government to improve and develop the healthcare services in the country. Rapid ageing of the population and rising non-communicable diseases including cardiac diseases, mental health, accidents and injuries have created a demand for healthcare services than before. As the figure 4 shows the ageing population in the country is forecasted to be increased by 25% in 2025. According to WHO, 65.4% of deaths due to non-communicable diseases in Sri Lanka in 2009. Private sector has timely forecasted the future demand for the healthcare in the country and rapidly increasing their investment on health resources.



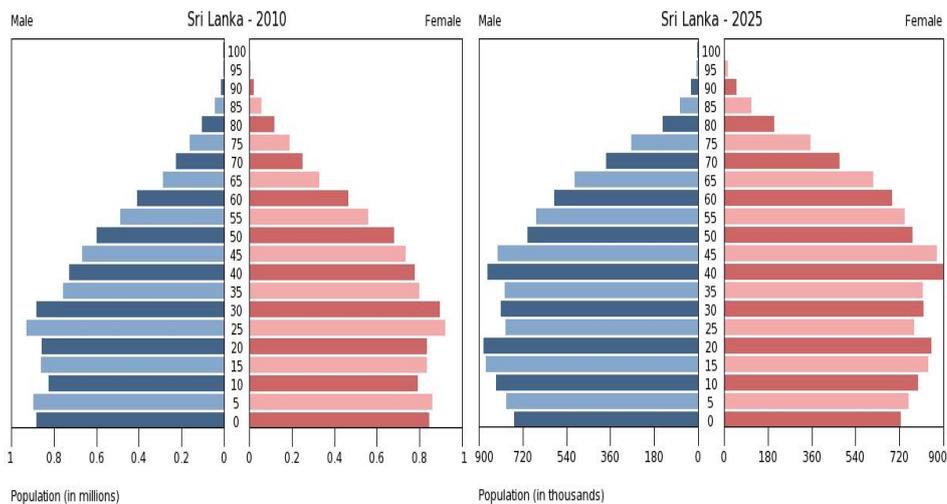
Source: IHP, 2013

Figure 2: Distribution of private hospitals, Sri Lanka



Source: WHO, 2010

Figure 3: Growth % in expenditure on health in Sri Lanka



Source: WHO, 2008

Figure 4: Growth in aging population in Sri Lanka

PPP in Health Sector in Sri Lanka

Research Intelligence Unit of Sri Lanka has revealed that the investment in PPP projects within last fifteen years for 15 projects with total investments of US \$1651.9 Million. When compared with other countries in the region Sri Lanka is behind India & Pakistan and Bangladesh

in terms of Investment and implementation of PPP projects. These projects also limited to infrastructure development projects like, high way developments, port expansion, harbor expansion project, power plants ect. Still the PPP is not very common in service sector in Sri Lanka.

Though the registered and formally agreed PPP projects are not very common in Sri Lankan healthcare sector, there are various PPPs in practice informally for last few decades. Some examples for PPP involvements in the health sector in Sri Lanka are mentioned below.

- ✓ Involvement of Traditional Health Care Providers- Ayurveda, Homeopathy
- ✓ Referrals to State Hospitals by private sector Medical Practitioners and to the Private Hospitals by Government practitioners
- ✓ 'Channel Practice's-working in private sector by Government Sector Consultants after their working hours in the government sector
- ✓ Supply of equipment and drugs by private sector
- ✓ Clinical Investigations and admissions to the state sector hospital through private channel consultations and vice-versa
- ✓ Medical consultation services, Laboratory and other diagnostic services in public sector are obtained during trade union actions, machine break downs and when the government hospitals are overcrowded.
- ✓ TB/Influenza prevention/vaccination programs in private sector funded by government.
- ✓ President's Fund – assistance in major surgical procedures, treatment in private sector
- ✓ Govt. servants' insurance – provision to get treated by private sector
- ✓ National Blood Bank Operation – Provide blood to the private sector
- ✓ Outsourcing of Facility Services – Cleaning, Clinical waste management, Laundering, Cafeteria, ect

Most of the above arrangements are not covered by the legal framework of the country though the practices have evolved for more than two decades.

Objectives of the Study

- ✓ To study the need and suitability of public-private partnerships in health sector in Sri Lanka
- ✓ to look at the international best practices
- ✓ to determine empirically the perceptions of the healthcare personal on PPP
- ✓ to make proposals and conclusions that could guide the implementation of PPPs in the healthcare service in the country with

appropriate PPP models

Research Implications

This study is based on limited sample size though it is generalized to the whole country. For further studies, it will be helpful to expand the sample frame extending to comparison of the Public Private Partnership models applied in India and Sri Lanka. Comparison method will be useful to adopt the best possible PPP model in the health sector in Sri Lanka

Research Questions

- ✓ To what extent can the concept of public-private partnership be applied in the provision of health sector in Sri Lanka?
- ✓ To what extent the PPPs have successfully achieved the healthcare targets internationally.
- ✓ What are the views of public and private sector healthcare personal on public-private partnership in the provision of improving the healthcare services in Sri Lanka?
- ✓ What impact can a public-private partnership have on healthcare services?
- ✓ What are the requirements for successful implementation of PPP in Sri Lanka?

RESEARCH METHOD

This study is empirical study and the research methodology is mainly of a qualitative nature. Research data was collected by means of a literature study of the available internal and external sources dealing with topics of public private partnerships, interviews and observations. Action Group discussions also were held with staff members of the Ministry of

Health, Private Healthcare Regulatory Council, Board of Investment of Sri Lanka, PPP unit and WHO officials of Sri Lanka. Interviews were also conducted with members of Provincial Councils and public and private hospital officials. Web based questionnaire was also used to gather the information on perception and acceptance of the public private partnership among the health officials.

A sample of 18 healthcare institutions will be examined under this research. These 18 institutes consist with public hospitals and private hospitals representing the three major districts in the country. Survey confined to three districts for reasons of cost and time. Districts selected to

be representative of inner and outer economic core of country:

✓ Colombo, Gampaha, Galle

Sampling frame for government hospitals from MoH (Ministry of Health) listed hospitals and private hospitals from IHP (Institute for Health Policy of Sri Lanka) Database.

✓ Stratified sampling within districts, having stratified by size and nature (General, Teaching and District hospitals)

At least one member from each institute was included for the survey. Total of 18 personal were included for the survey in the mean of online questionnaire, face to face interview or by telephone interview, assuming that they were rich with information with regard to the details of the provision of PPP concept and the application of PPP in health sector.

Almost all the most senior positions were taken in to the survey, Because of their positions, they are the ones who experience most of the difficulties that are associated with the provision of service delivery. In addition, as head of institutes responsible to work within the given budget and to deliver the efficient and effective services to the patients. So they were selected as the core team to answer the questionnaire as decision makers in the particular sector.

ANALYSIS AND INTERPRETATION

The empirical study was based on the use of a web based questionnaire to collect data from the officials of the selected healthcare facilities (Public Hospitals, Private Hospitals); interviews on key people in the Ministry of Health, Officials of WHO, IHP, Provincial Council, PPP Unit; and observation on some aspects of the activities of healthcare service providers. The data collected through these means will be analyzed below.

Data from Questionnaire

As stated in the Research Methodology chapter, a total of 18 healthcare officials were targeted for the study and, therefore, the same number of questionnaires was dispatched to these healthcare facilities. Consequently, the analysis is based on the 18 questionnaires that were received and found to be useful for the study.

The general impression on applying of PPP in

health sector in Sri Lanka in the research population is mixed of ideas. 92.24 percent agree or strongly agree that the healthcare services in the country should be reformed in order to provide a better service to the community. Majority suggest to use PPPs in to improve the health sector amounting 72.2% while four officials out of 18 does not have any opinion on that. Half of the population is in the view of that the PPP is appropriate for clinical as well as nonclinical services where the others do not agree with that or they do not have any opinion on that. Only four out of 18 have a working knowledge of PPPs and they represent both government and public sectors equally.

Generally the respondents are in the view that the healthcare service and the resources are not adequate and should be improved in the country. Except one responded, all the others agreed that the existing healthcare resources are not sufficient enough to meet the demand and there is a requirement for more healthcare resources/facilities in the country. They share a similar opinion on distribution of the healthcare resources across the country. Except one, all agreed that the accessibility to healthcare facilities is not equal in all the areas in the country and most of the developed and advanced healthcare resources are limited to the urban areas.

As far as the shortage of trained and qualified healthcare staff are concerned, again the majority, 81.20% agree that there is a shortage of trained and qualified health staff in the in the country. Collectively 78 percent of the respondents are strongly agree and agree that the investment on healthcare resources/facilities are very expensive, but most of the respondents are in the agreement that the private sector can invest more than the public sector. 14 respondents have agreed and strongly agreed that the private sector healthcare facilities can be used to provide a better health service in Sri Lanka with proper administrative structure within a proper legal framework.

Whereas the empirical research population generally believed that it is feasible to provide health service and through PPPs to reform the healthcare services in the country. 90.12 percent of the population agree that there should be a strong political leadership to drive the PPP arrangements in the country and the healthcare

officials also should be knowledgeable on that.

67.23 percent of the populace suggested to hand over the investment and management aspect of the healthcare services to the private sector with set quality targets while 30 percent of them does not want to share any opinion on that. But 86 percent of the officials agree to hand over mainly the nonclinical services-cleaning, dietary services, ambulance services, security, and, maintenance of the property to the private sector.

51 percent of the population agree and strongly agree that the quality and the standards of the health services will be improved by collaborating with private sector while 42.20 percent does not agree to that statement.

Everybody agreed that the awareness should be created on PPPs among the general public and the trade Unions and consent also should be taken before implementing such arrangements.

The survey data can be concluded as the perception of the health officials in the country is favorable and they accept that the PPPs is feasible to use in health sector to reform the health services in the country.

Data from Observation

Observation involves watching the relevant facilities in operation and, where possible, asking questions to clarify issues surrounding some functions (leedy and Ormrod, 2005) which for purposes of this study were mainly done observing some clinical and non-clinical activities in outpatients departments and inpatients areas in related to the demand for the services, performance of the activities, reaction of the patients, attitude of the service providers and general impression on the entire service. In this exercise, four healthcare facilities were observed, namely two public hospitals and two private hospitals in the selected districts in the country.

It was found out by the observation, that the public hospitals are overcrowded and there are patients on the floor on most of the times without a bed. Out patients services provided by the public hospitals are crowded too and observed that the public sector clinicians prescribe the diagnostic test and the drugs to get from the private sector institutes. It is been observed that there are restricted visiting hours in the government hospitals but not in the private

hospitals. Customer service is better in private sector than the public sector and the interaction with the patients and the patient party is also minimal in the public sector. Cleanliness of the public hospital is generally acceptable and found out the cleaning services are provided by the private companies in most of the public hospitals. Security, laundering and car parking services are also outsourced in both the public hospitals under this observation.

One important observation under this study was that both public and private institutes are operating with short of clinical staff where most of the clinicians working in the private sector are permanent employees of the public sector hospitals. They work in the private sector after their usual working hours of the government hospitals. Out patients services of the private sector is crowded in most of the private hospitals and this service is mostly limited for four hours in the private sector. The government Doctors who provide the consultation services in the private hospitals, admit the patients under their care in the private hospitals.

Private sector consists with technologically advanced machineries and equipment and public hospitals also refer patients to such facilities to get the services done. Maintenance of the machines also not up to the standards in the public sector and found out that the machine breakdowns are more obvious in the public hospitals.

Data from Interviews

The purpose of this section of the empirical study is to collect views from senior officials in the health care institutes on the possibility of providing healthcare services through PPPs in Sri Lanka.

The perception of the senior officials referred to above was that the health services in the country should be improved to provide a quality and safe healthcare service to the nation. They are also in the view of the healthcare services should be fairly distributed among all the Districts in Sri Lanka. Most of the fully fledged facilities mainly available in urban area as all the large scale private hospitals are based in and around Colombo. They agree that in most of the cases, patients are referred to the other facilities from the rural hospitals to get the services done where the rural hospitals are limited to the primary care with

limited resources. Government hospitals refer patients to another government hospitals if the patient is not able to afford for private services. In this context, they have to wait for long period to get the service through the government hospitals where there are long queues for some limited services like CT Scans and MRI tests. Health officials mentioned that the patient who are affordable get the service from the private sector where there are no long waiting lists.

However, the officials admitted that currently a lot of these patients are not provided with an acceptable healthcare services in most of the areas in the country due to lack of resources. Even the private service providers are not widely spreads their services all over the country as it does not very attractive to set up health care facilities in rural areas in business point of view. Private sector officials accepted that the investment and the risk to set up a health facility in rural areas are higher than setting up a facility in main cities due to unavailability of human resources, transport cost, infrastructure constraints, management difficulties and demand for services. They, the private sector is in the view, if the government facilitate them to diverge their business to the remote areas by providing lands, infrastructure, tax exemptions, they will expand the services for a wider coverage in the country.

The Government officials said to be more positive towards the government policies on PPP initiatives in the country. But they all accept that the government should move in to the direction of PPP to address the rising healthcare need of the country with budgetary constraints to fund adequately to develop the healthcare industry. As per the government officials, the biggest challenge ahead is to convince the Trade Unions and the general public of the country to implement PPP models. They are in the view that the general public are in fear of PPP thinking that the government is moving towards privatization of public services.

As per the private sector officials, they are willing and able to invest on healthcare facilities if the government support is assured in volumes, revenue, tax exemptions to minimize the risk.

It is been explored that the knowledge on PPP among the public officials is not adequate, and the expertise and the experience on PPP in related to the healthcare services is lacking even

in policy making level in the country.

Few officials are working hard to implement PPP in the health sector after consulting many of the Indian successful PPP projects. The officials acknowledged that the concept of PPPs was new to Sri Lanka and to the health sector to the extent that the Government is still trying to adapt it into government structures and processes. It is also revealed that the Health Ministry is planning to reform the health services through the Health Master Plan to address most of the industry related problems. And they are in the view that the public in the rural areas could be provided with better health service through the PPP projects.

The officials admitted that there are some functions in public hospitals that could be better performed by the private sector and the following were cited: maintenance, dietary, security, cleaning, and laundry. They observed that these services were being delivered by people who are not qualified to do them and therefore were of low quality. This further suggests that such functions should be performed by organizations that specialize in them so that they could be delivered in a truly value-adding framework.

RESULTS

Recommendations

Sri Lanka should change the strategy for the provision of healthcare services to have a healthy nation. With the budgetary constraints, the government is failed to invest on improving the health services to provide the access to quality and safe healthcare to its nation. Though the healthcare is free to all the citizen of the country, private sector is rapidly developing their health services due to the inadequacy, inefficiency and inequality of public healthcare resources. While the private sector investment healthcare is rapidly growing, the government expenditure on healthcare is not sufficient to meet the healthcare demand of the country. As a result government hospitals divert the patients to the private sector mainly for the services not available or inadequate in government hospitals. Capital intensive nature of the investment for health resources, government could not make any major difference to develop the health sector during past few years. But the private sector has invested on health resources/facilities within last

few years remarkably. Therefore, resources in Sri Lanka, just like in many other developing countries in Asia, are inelastic whilst demands for services continue to increase due to rising of life style diseases and ageing population (Jonker, 2001; Try et al., 2007). Sri Lankan government has to find remedial actions to reform the healthcare service across the country in order to provide better healthcare services to the nation. Followings can be recommended to improve the health services in Sri Lanka with the involvement of the private sector, who is willing and able to invest on health sector to provide a better healthcare:

- ✓ Embrace the PPPs in the provision of healthcare

It has been shown that it is quite possible to engage the private sector, in the form of partnerships with the public sector, in order to expand the scope and improve the healthcare services in the country. The Government should therefore embrace PPPs in the provision of healthcare services in Sri Lanka. However, because of the reliability of the empirical research undertaken in this study, the use of PPPs in the provision of health sector can be extended to other sectors in the country. Through PPPs the Government should build more health facilities to enable every person to get the maximum health services through the system. In addition, the existing healthcare facilities in the country also can be incorporated into the PPP arrangement in order to develop and provide high standards of services. The PPP model that is deemed appropriate for this purpose is DBOF (Design Build Operate and Finance) so that at the end of the contract period all the health resources/facilities under PPPs revert to the public sector. During the course of the contract, facility management, dietary services, security services, the maintenance services, cleaning services should be handled by the private sector.

- ✓ Establish PPPs national policy framework

PPPs can be employed in many public service areas. In that context the Government of Sri Lanka should attempt to establish a national policy framework which will drive PPPs in the. Without such a policy framework, it would be very difficult to have efficient and effective PPPs. It is further proposed that the Government of Sri Lanka should also empower the existing

PPP unit to oversee PPP projects in the entire public sector. It appears. There must also be a mechanism to monitor the PPP project in order to assure the quality of the delivery of services through PPPs.

- ✓ Renovate healthcare facilities

The use of the resources and expertise of the private sector organizations, through PPP arrangement, can help renovate and modernize health care facilities in the country. The need to renovate and modernize these facilities arise because they do not seem to differ much from what they were several decades ago yet they exist in an environment that is rapidly changing. Public healthcare facilities should be renovate and modernize to make more patient friendly environment. Not only should the hospital environment, the attitude towards the patients also be changed to stimulate safe and pleasant patient care process. The mode of delivering some services also can be modernized in particular, the administrative functions through be ICT driven to maximize the efficiency

Through the DBOF model of PPPs, the private partner can be required, to design and build modern healthcare facilities. The renovation of existing public hospitals, through PPPs, can also include the element of renovation and modernization.

- ✓ Change the mindset of the healthcare workforce

To transform the healthcare system in the country, it is required to change the mindset of the workers who are responsible to deliver the patient care in both public and private sectors. The attitude also matters in healthcare delivering activities. In general, the workforce must be on the lookout for customer centricity, new technology, ideas, and ways to continuously improve the delivery of public services and the general welfare of the populace.

- ✓ Management of change

The provision of providing health services through PPPs, as promoted in this paper, would establish a major change in the delivery of health services in the country. But such changes have been viewed as complex and dynamic. Those driving the change, namely the healthcare officials, need to be conversant with the complexities of change management but should also understand the service standards and quality assurance process in order to reform the

health sector in the country.

The officials will need to have a good understanding of the nature and scope of the intended change and the benefits and its necessity. The stakeholders such as the patients, staff, trade unions, suppliers and the public must be taken on board right from the beginning and be psychologically prepared to take up the changes. Such a major change will need to be undertaken professionally and even facilitated by well experienced consultants. In order to convince the public, the Sri Lankan Government officials should also use the success stories of application of PPPs in other countries.

✓ Educate the political leadership of the country

The political leadership of the country should be assisted to have an understanding of the problems that encountered in the health. Influence of the political leadership is vital in initiating PPPs and therefore it is essential that the political leadership of the country is educated on the fundamentals of PPPs and be convinced about the advantages of these arrangements. The support of the political leadership is very critical but it should be driven by a sound understanding of the intricacies of such partnerships.

However, any changes in the administration and management of the public sector need to be within the legal framework of the country. So the legislative authority also should have a clear understanding of the issues involved in the perceived changes.

Limitations of the Study

Though this paper discuss about reforming of healthcare sector in Sri Lanka through public private partnership, the data collection is limited only to three districts. And only one person from each institute were included in capturing data. Sample population is also another limitation of this study. Only the heads of the selected institutes were examined and did not cover the patients, other workers and the general public. Limited time period is also considered as a limitation to conduct a comprehensive study. The study was done during two years time.

CONCLUSION

The provision of public infrastructure and the associated services is a major challenge to governments. However, organizations in the

public sector continue to face increasing demands for more and better public services while, experiencing financial difficulties in acquiring the necessary resources to deliver such services. Sri Lanka is not an exception to this state of affairs where resource limitations have impacted upon the nature and scope of the provision of health care services. As a result, the study has assisted in coming up with conclusions that follow.

(a) Whereas the public sector does not have adequate resources to meet the demands of the public, the private sector is able to invest on resources development in the country. A well-managed and coordinated resources in these two sectors can yield synergy in the delivery of public services, if they collaborate with each other.

(b) It is possible and necessary to improve the healthcare service in Sri Lanka through PPPs and equally possible to transfer the existing ones into a PPP arrangement so that they can be reformed into modern and more effective services.

(c) Existing healthcare resources are inequality distributed among the country where most of the health facilities are limited to the urban areas. And resource inadequacy is common in the health sector therefore negatively impacted on patients care activities. The PPPs will create an opportunity to distribute the health resources equality across the country and generate more facilities through PPPs in the country.

(d) Investment of healthcare resources are very much expensive and operating cost and the maintenance cost is also higher. Through PPPs the existing resources which are not used at the full capacity in the private sector can be utilized up to the maximum and the private sector is willing to invest on infrastructure developments in the health sector.

(e) Due to the inadequacy of health facilities and the higher demand for the free services, government hospitals are overcrowded. The quality and the customer service is compromised due to that.

(e) People who have sufficient financial resources take the services from the private sector where the quality, efficiency and the customer services is perceived to be better than the public sector institutes.

(f) Government sector hospital officials feel unduly overburdened by functions that can be

better performed by the private sector organizations. They also recognize and appreciate the efficiency of the private sector, relative to the public sector organizations, in handling some of the non-clinical functions such as maintenance of the hospital, catering services, cleaning and security.

(g) It is possible for the Government of Sri Lanka to increase access and the quality of health services without shouldering much of the risks associated with such increases by embracing PPPs. It is necessary and possible to provide high quality patient care services in the country. The health officials in both public and private sectors were positive about PPPs in the provision of providing health services as they believed that the private sector organizations could spread the facilities throughout the country and do a better job.

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