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EXPERIENCES AND EMERGING LESSONS FROM PRIMARY HEALTH CARE PUBLIC-PRIVATE PARTNERSHIPS IN URBAN BANGLADESH

LEARNING BRIEF

May 2023

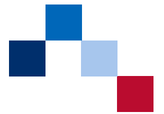
The USAID Local Health System Sustainability Project (LHSS) in Bangladesh works with local government stakeholders to improve access to locally resourced and managed quality urban primary health care (PHC), particularly for vulnerable populations. The project works in 11 district municipalities and three city corporations across Rajshahi, Sylhet, and Chattogram divisions, aiming to strengthen the capacity of each local government institution (LGI) to develop and implement their own PHC plans and budgets, along with managing and monitoring care.

Historically, the country's health and local government ministries and LGIs have shared the responsibility of delivering urban health services. However, these government entities have lacked guidance and policies governing oversight of primary care, since urban PHC has largely been financed and delivered by development partners. Bangladesh's recently approved National Urban Health Strategy (NUHS) 2020 and the Local Government Division (LGD) circular of March 2021 have clarified that LGIs have the primary responsibility for the governance and delivery of urban PHC. Despite this mandate, LGIs do not have the operational or financial resources to carry out such services. Undeterred, many LGIs are initiating efforts to finance and deliver urban PHC using various models and by leveraging their own resources.

An important example of LGI's commitment to ensuring urban populations have access to PHC services comes from Bogura Municipality. Here, officials decided to transform four former health facilities that have been vacant for nearly a decade into functioning PHC centers by contracting operations to a private sector entity. Through deeply contextualized technical assistance, LHSS is supporting the Bogura Municipality breathe new life into these facilities to expand access to PHC services among marginalized urban populations. The project has supported this process by reviewing tendering documents, supporting the bid selection procedures, and providing training materials on how to establish contracts to outsource PHC service delivery in urban areas. This learning brief captures LHSS's experience in supporting municipal-level partners through the contracting process and distills emerging lessons to inspire other municipalities to pursue public-private partnerships as a vehicle for expanding access to urban PHC services.

Urban Primary Health Care in Bangladesh

Healthcare infrastructure varies greatly among rural and urban areas in Bangladesh. Unlike in rural settings, the Ministry of Health and Family Welfare (MOHFW) supports only secondary and tertiary care in urban areas, and historically has left the responsibility for primary care to LGIs. According to Local



Government Acts 2009 and 2010, all LGIs are mandated to provide PHC services in urban areas. Prior to these acts, donors including Marie Stopes and USAID's Surjer Hashi Network largely supported PHC delivery programs. This resulted in LGIs not having adequate experience in managing or financing large-scale public sector PHC programs, particularly for low-income and slum communities. Further, the Ministry of Local Government, Rural Development, and Co-Operatives (MOLGRDC) is responsible for guiding LGIs and provides them with block grants for development, but since LGIs make autonomous decisions on these grants, local actors often prioritize addressing infrastructure needs over health. Health needs that have been addressed by block grants consist largely of immunization, sanitation, and malaria control, and less on PHC system strengthening.

Beginning in 2021, LHSS has worked with 14 LGIs to strengthen their capacity to meet the PHC needs of their respective populations. By engaging local stakeholders to co-assess their organizational, financial, and resource mobilization capacity, LHSS has supported LGIs in co-developing locally viable strategies and building PHC service delivery models that can be sustained past the life of the project. Critical to this support has been engaging LGI-led health standing committees (HSCs), a government-mandated function for establishing coordination among health system actors in urban areas for PHC. Through LHSS's proactive support in revitalizing these committees and supporting their regular agenda-driven deliberations on priority health needs, HSCs in project-supported areas are more engaged than ever and committed to prioritizing the funding and delivery of urban PHC programs.

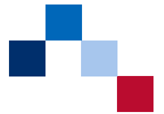
Primary Health Care in Bogura Municipality

Given the administrative and financial capacity limitations among LGIs in delivering PHC services, many municipalities have turned to outsourcing health care service delivery through a private-sector contracting model.[1] Agencies would then make health services available to residents at affordable costs, and limited LGI resources could feasibly be used to serve poorer populations for free. Such processes are seen to increase access to affordable, cost-effective, and quality services for urban populations.

To better understand Bogura Municipality's urban PHC landscape, LHSS conducted an assessment of existing health facilities within the municipality in 2021. The project found that, aside from private hospitals and diagnostic centers, the municipality has two public hospitals, three public clinics, and one USAID-funded clinic providing comprehensive PHC services. Since 2013, three public clinics and one comprehensive reproductive health center have remained vacant. These four facilities had been operated by the Asian Development Bank (ADB)-funded Urban Primary Healthcare Services Delivery Project but closed when funding ended. The facilities are in four different wards, accounting for 81,000 residents, or 14 percent of the total population of Bogura Municipality.

LHSS presented these findings to the municipality HSC in late 2021, highlighting the necessity of reopening the closed clinics to offer much-needed PHC services to urban residents, particularly underserved populations. The committee became interested in reopening the four clinics and converting them into urban PHC centers. In March 2022, the HSC agreed to pursue a public-private partnership to sustainably support the centers. A month later, LHSS facilitated a stakeholder workshop with municipality actors to explore possible funding streams that support the long-term viability of the centers. Following the workshop, the municipality announced it would use an outsourcing model for

[1] Islam, R., Hossain, S., Bashar, F. et al. Contracting-out urban primary health care in Bangladesh: a qualitative exploration of implementation processes and experience. Int J Equity Health 17, 93 (2018). https://doi.org/10.1186/s12939-018-0805-1



both the physical renovation and operation of the four centers to a private agency on a fee-for-service basis. The municipality also determined that the selected agency would provide free-of-charge services to 25 percent of patients coming from low-income households.

The Contracting Experience

For nine months, LHSS supported Bogura Municipality in leading a competitive bidding process to identify firms to manage operations in the four PHC centers. The bidding process had three phases: 1) soliciting bids, 2) evaluating bids, and 3) awarding the contract.

Soliciting Bids

Two documents were necessary to begin the bidding process: an expression of interest (EOI)—a short announcement notifying potential bidders of the contracting opportunity and proposal deadline—and a request for proposal (RFP)—the official bidding document noting technical and financial proposal requirements for all bidders. For two months, LHSS worked with the municipality's Tender Evaluation Committee, an existing entity that examines and evaluates submitted bids, to develop the two documents, specifically working with the committee's Executive Engineer and municipality administrative Pouro Nirbahi Officer (PNO). This included supporting the municipality in assessing the four unused clinics, determining the financing modality through which the facilities would reopen and operate, the various municipality operational assets to include within the RFP (i.e., medical equipment within the four centers, center infrastructure status, furniture, and fixtures), and the package of services required for the operator to provide.

LHSS supported the municipality in releasing the EOI and RFP in June 2022, inviting proposals from non-governmental organizations (NGOs), private clinic operators, and corporate agencies. The RFP specified an agreement period of five years, with an option to extend based on satisfactory performance. LHSS supported the municipality in coordinating a pre-bid meeting prior to the RFP deadline of late July 2022 to clarify the proposal process, review requirements for both technical and financial proposals, and answer questions about the scope of work. Meeting participants included 14 potential bidders interested in learning more about the contracting terms and conditions.

After the meeting, the municipality's HSC proposed expanding the Tender Evaluation Committee to include both HSC members and health specialists to advise on PHC clinic operations. Identified members of this new 11-member PHC Contract Management Committee (PCMC) were the HSC president, PNO, counselors from the four center areas, representatives from the national level health ministry, a WHO representative, an LHSS team member, and the tender committee Executive Engineer. Expanding the committee allowed for greater representation and fostered buy-in from various corners of the government and relevant technical experts.

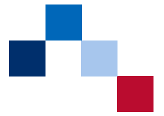


Figure 1: Pre-bid meeting with 14 potential bidders held at Bogura Municipality and chaired by the mayor, in order to explain details of the contracting process.

Evaluating Bids

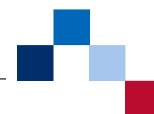
In August 2022, LHSS drafted and offered evaluation guidelines and selection criteria for potential bidders to PCMC members for their review and approval. Criteria points were offered to agencies with experience in essential service package (ESP) delivery, providing free-of-charge services for the poor, managing PHC programs in similar geographical areas in Bangladesh, and supervising and monitoring services for quality care.

The municipality received only one application by the original deadline in September 2022. In response, it decided to re-advertise the tender and extend the deadline for an additional three weeks, reflecting public-private procurement rules for bid extensions. The PCMC did not receive additional bids by the extension deadline and proceeded to evaluate the single proposal received from Light House, a local non-profit organization, and ultimate contract winner.

Awarding the Contract

In November 2022, the municipality held its first meeting with Light House to formally negotiate the contracting terms and conditions. Both parties agreed on the service package[2] to be offered to residents, the terms with which changes to the package or service charges would be made, and the time period of no later than six months from the effective agreement date for the four clinics to become operational. The agreement also specified the provision of free services to at least 25 percent of patients based on socioeconomic and other factors determined by the operator through identification cards, the monthly lease amount, and various other operational logistics.

[2] ESP entails services for (i) reproductive health, such as maternal care and nutrition, family planning, and assistance for women survivors of violence; (ii) child health care, such as immunization, diarrheal disease, acute respiratory infections, micronutrient deficiency, and communicable diseases such as tuberculosis, malaria, and dengue fever; (iii) limited curative care, first aid for emergency medical care, and the treatment of minor infections; and (iv) behavior change communication.



By end of the month, the municipality's HSC updated its councilors on the contracting process status and determined that a smaller sub-set of the PCMC should be created to focus solely on monitoring the final stages of the tendering process. This smaller committee was also charged with monitoring the quality of clinic operations and services provided once they begin. The committee was thus reduced to eight members, keeping the HSC president, PNO, municipality accounts lead, representatives from the national level health ministry, a WHO representative, and an LHSS team member. In December 2022, both the condensed PCMC and Light House formally reviewed and finalized the agreement for signature. LHSS and the municipality agreed upon the project's role in supporting the committee to oversee the implementing agency, providing technical assistance to develop monitoring and quality assurance checklists, identifying reporting minimum requirements for the operator, determining ways in which the operator might identify low-income patients to provide free-of-charge services, and orienting the committee on such materials and ways of addressing challenges that may arise.

Nov 25, 2021
Health Standing Committee Reconstituted

Health Standing Committee Meeting
Mar 10, 2022

Workshop with Municipality Stakeholders
Apr 21, 2022

Bid Document Preparation
Apr - June 2022

Bid Document Published
June 25, 2022

Pre-Bid Meeting
Aug 1, 2022

PCMC Formation
Aug 1-2, 2022

PCMC Orientation on Bid Evaluation
Sep 14, 2022

Bid Document Re-Advertised
Sep 16, 2022

Bid Evaluation
Oct 17, 2022

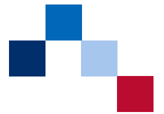
Municipality and Operator Negotiation
Nov 7, 2022

Mayor Presentation to Municipality Councilors
Nov 27, 2022

Pre-Contract Signing Meeting
Dec 18, 2022

Municipality General Council Meeting
Jan 17, 2023

Figure 1: Timeline of Bogura Municipality's PHC Contracting Process



Emerging Key Lessons

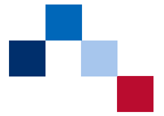
LHSS identified several emerging key lessons throughout the Bogura Municipality's public-private partnership contracting process for PHC, noted below.

Embedding local ownership at each stage for sustainability. Though donor-supported municipalities largely select contracting approaches for private agencies to offer PHC services, LGIs are rarely involved, with donors driving the bidder selection process, document preparation, and operational logistics. Municipality actors are typically left unengaged or uninformed until a bidder has been selected. Considering sustainability as an integral facet of LHSS's work in Bangladesh, LHSS supported Bogura Municipality in leading its own contracting process, leveraging their existing HSC to lead contract planning, inventory assessment, decision-making, implementing, and monitoring. Tasked with coordinating health system actors in their jurisdiction, HSCs have the authority to generate locally-led solutions to address local health challenges. As such, HSCs can make consequential decisions, engage a wide array of stakeholders, and oversee annual budgets. Considering that no HSC member had familiarity with the contracting process through the four formerly ADB-run clinics, LHSS supported the PCMC at each step, advocating for their meeting agendas to continuously include contracting process discussions, and providing technical assistance wherever needed until the contract was awarded. Engaging such stakeholders was not without its difficulties; doing so extended the contracting timeline to accommodate for differing schedules, and when the contract was finalized, the agreement signing became delayed to accommodate LGD review and approval. LHSS addressed these challenges by facilitating meetings between the municipality and operator to develop mutually agreeable risk-mitigation terms (e.g., the risk of building and asset depreciation), and supported the municipality in advocating for an expedited review by the LGD.

Understanding and engaging key political actors to expedite contracting processes. Municipality politics and the level of engagement by elected officials vary by locality. At the start of the contracting process, LHSS identified key political actors and their level of influence and engagement in health-related issues to determine which stakeholders were important to engage to build ownership and sustainability. Beyond the HSC members, LHSS discovered that the municipality mayor was keenly interested in pursuing development initiatives and efforts to improve health care outcomes in his area. Knowing this, LHSS encouraged the HSC to include the mayor in a meeting to discuss its assessment results on existing and open health facilities and options for reopening the four closed clinics. Since then, the mayor attended every HSC and PCMC meeting, and even oriented other ward councilors during the municipality regular General Council meeting on the necessity of the contract. Soliciting his support from the contract's early stages was critical in ensuring the contract process was continuously progressing.

Conducting a rigorous market analysis for a competitive, mutually beneficial contracting agreement. Though the tender was re-advertised to solicit additional applications, the municipality received only one application, limiting its ability to compare private agency experience and cost against the contracting need. A market analysis prior to the contracting process may have allowed the municipality to better understand the landscape of actors positioned to deliver contracting services, and tailor or target such actors by supporting their RFP applications.

Engaging LGD members to expedite contracting. Considering the autonomy LGIs experience in governing municipality proceedings, HSC members were unaware of any requirements to involve the LGD in the contracting process. However, the municipality received a request to submit further information about the contracting and agreement details to the LGD. Given their lack of familiarity with the contracting details, the municipality is still awaiting final signature and sign-off from the LGD to proceed with agreement signing with Light House. By involving the LGD throughout the contracting process and ensuring their buy-in and exposure, other municipalities can expedite similar partnership engagements.



Conclusion

Engaging the private sector in repurposing existing infrastructure to create new PHC centers points towards a fruitful approach to addressing the gap in urban PHC services within resource-constrained LGIs. By partnering with contractors, LGIs can leverage their limited resources and provide affordable health care services to urban households. Bogura Municipality's new PHC centers are not only anticipated to reach over 4,000 patients per month, but will offer financial protection to the poor through free-of-charge services, contributing towards their increased access to quality health care services.

The Local Health System Sustainability Project (LHSS) under the United States Agency for International Development (USAID) Integrated Health Systems IDIQ helps low- and middle-income countries transition to sustainable, self-financed health systems as a means to support access to universal health coverage. The project works with partner countries and local stakeholders to reduce financial barriers to care and treatment, ensure equitable access to essential health services for all people, and improve the quality of health services. Led by Abt Associates, the five-year project will build local capacity to sustain strong health system performance, supporting countries on their journey to self-reliance and prosperity.

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