

# Analysis of private health sector regulatory frame work in Sri Lanka

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**Abstract:** Health of a population is considered the wealth of a nation. The health system in Sri Lanka has incorporated with universal system that extends free healthcare to all citizens. Establishment of the open economy in 1977, with the private health services was expanded island wide and the government granted permission for public sector medical officers to engage in private practice.

Easy access, extraordinary physical quality, efficiency of services, prompt attention and high responsiveness in the private sector compare with high waiting time, low responsiveness and poor physical quality experienced in the government sector may be the reasons for attraction towards the private sector.

Medical negligence, inadequate quality of services and unethical behavior of management were reported from various places in Sri Lanka. In 2006, the Sri Lankan government took an initiative in regulating the private health services by enacting the “Private Medical Institutions (Registration) Act, No.21 of 2006”.

**Objective:** To assess the current private health sector regulatory frame work in Sri Lanka.

**Methodology:** A descriptive cross-sectional study was conducted using secondary data. Annual reports of Private Health Services Regulatory Council, records of PHSRC, publications of Ministry of Health, key important interviews and focus group discussions were used to gather information.

**Result:** A significant number of Private Medical Institutions were registered in PHSRC during last 15 years, after its establishment. All most all private hospitals and Nursing Homes got registered under PHSRC. Registration of part time private medical practitioners including dental clinics are significantly low.

**Conclusions and recommendations:**

- Details of private medical institutions should be carried out at Medical Officer of Health area level which should be under the supervision of the Regional Director of Health Services.
- Ensure the minimum expected standards with accreditation mechanism.

**Keywords:** Private Medical Institution, Regulation, Private Health Services Regulatory Council.

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## 1. INTRODUCTION

Health of a population is considered the wealth of a nation. The health system in Sri Lanka has incorporated with universal system that extends free healthcare to all citizens. Establishment of the open economy in 1977, with the private health services was expanded island wide and the government granted permission for public sector medical officers to engage in private practice. Considerable demand for medical investigations, vaccination and treatment for tourists developed with in short period of time. Growth of the private medical sector with the establishment of hospitals, nursing homes and the full time & part time general practices were the direct results of this [1].

Demands for modern health care, rise of people’s income, improvement of health literacy and development of infrastructure facility have set the ground in the emergence of a need for private health services.

Easy access, extraordinary physical quality, efficiency of services, prompt attention and high responsiveness in the private sector compare with high waiting time, low responsiveness and poor physical quality experienced in the government sector may be the reasons for attraction towards the private sector [2]

According to the statistics in Sri Lanka, the contribution of the private sector in outpatient care, surgical procedures with need of advanced technology are more than 50% of total admission<sup>3</sup>. Private sector hospitals have shown a rapid growth during the last two decades, which exceeds 120% compare with government sector [1]

### Justification

Private health care services play a significant role in the provision of health services in Sri Lanka and the numbers of private medical institutions are increasing rapidly. Private sector contributes to the effective provision of health care but they forgot their roles and responsibilities and the behavior of health care workers. Medical negligence, inadequate quality of services and unethical behavior of management were reported from various places in Sri Lanka. The growth of the service created many problems that emphasized the need for effective regulation. In the absence of a proper mechanism for regulation, there is no control over the medical services carried out by private medical institutions. The governments' responsibility to intervene and take necessary action to assure the reliability, quality and safety of service provision and protect the care receivers from abuse, malpractice and negligence. Care Quality Commission (2009) and National Health Service - Improvement (NHSI) (2016) are the regulatory bodies established in United Kingdom to improve quality, safety and effectiveness of medical care and continuous quality improvement of institution. Sri Lanka has several mechanisms to regulate medical feiled such as Sri Lanka Medical Council for the medical officers, and other councils for nursing officers and Paramedical staff for registration and investigate misconduct engaged in both public and private health care services. In addition, National Medicinal Regulatory Authority (NMRA) regulates the pharmaceuticals and medical devices used both in public and private sector.

In 2006, the Sri Lankan government took an initiative in regulating the private health services by enacting the "Private Medical Institutions (Registration) Act, No.21 of 2006". This facilitated the process of registration, regulation, monitoring and inspection of private medical institutions and fostered the development of private medical institutions (Government of Sri Lanka, 2006).

### Objective

To assess the current private health sector regulatory frame work in Sri Lanka.

## 2. METHODOLOGY

A descriptive cross-sectional study was conducted using secondary data at Directorate of private health sector development in Ministry of Health and Private Health Services Regulatory Council (PHSRC). Annual reports of Private Health Services Regulatory Council, records of PHSRC, publications of Ministry of Health, key important interviews and focus group discussions were used to gather information. Qualitative and quantities methods were utilized.

## 3. RESULT

The Act has facilitated to establish the Private Health Services Regulatory Council (PHSRC) which comprises representatives from both government and private sectors [5]. PHSRC which is chaired by the Director General of Health Services and assisted by the secretary - the Director of Private Health Sector Development (PHSD) of the Ministry of Health, Members representative from medical and dental practitioners' associations, private hospitals associations, other non - health fields (appointed by minister), Registrar – Sri Lanka Medical Council and nine Provincial Directors [4].

Following are the objectives of PHSRC.

1. formulation of quality standered and monitoring and evaluation of the quality of patient care & conduct quality improvement programs also.
2. Maintain and prepare the minimum standards for recruitment and standers of training.
3. Maintain the health information system and publication of relevant statistics.
4. Implementation of a system of grading according to the services offered and facilities available in Private Medical Institutions.

It also has a responsibility in any other functions which might be required to accomplish its objectives. Five main subcommittees were established to maintain and achieve the objective of PHSRC.

1. Registration evaluation committee.
2. Training committee.
3. Office management committee.
4. Charges committee
5. Complain handling committee.

### **1 Registration evaluation committee**

Eleven categories of medical institutions (private hospital, laboratory, ambulance service, part time and full-time general practice (GP), dental practice and nursing training school) are registered under PHSRC. All information on registration process is distributed to relevant agents. Circulars and guidelines are developed time to time to implement various health related activities. Rules and regulations are to be developed to improve data processing, upgrade physical environment, equipment management, and enhance facilities in the institution and other emerging services. All most all private medical institution registered under PHSRC. But 90% of part time GP are not registered due to taxation issues and protest of trade union. Registration is legal requirement to service provider. An acceptance of insurance payment, VISA medical investigation and treatment for tourist needs registration.

### **2. Training committee.**

Nursing training and dental assistance training program are conducted by PHSRC.

### **3. Office management committee.**

Issuing guide line, circulars, meeting arrangement, financial management are the main function of this committee.

### **4 Charges committee.**

Charges for laboratory investigation, channeling fee and medical and charges for medical checkup decide by the committee. Complain against price and charges issues are also manage.

### **5. Complain handling committee.**

Public complains are investigated and report to the MoH. There is no legal power to punish the victims and all decision favor to the private medical institutions side.

Temporary registration for consultants, approves new hospitals or new procedures and coordinate the PHSRC with the MoH are the main functions of PHSD [4].

## **4. DISCUSSION**

There is evidence of deficiencies in the efficiency of regulatory systems in low- and middle-income countries [3] Regulatory mechanism in such countries is faced with a number of challenges. Sri Lanka being a low-income country is yet to overcome challenges such as political constrains, administrative constrains, and information constrains, high cost in regulation mechanism, inefficient governance and poor government provisions that contribute to a poor regulation mechanism. Many developed countries carry out regulatory functions under a strong purview of the government.

Sri Lanka developed sound, reliable regulatory framework to improve quality, safety and efficiency of private health services that is covering the whole country. Private health services growing very quickly gathering infrastructure and technology in service provision. It shares the government burden of health care cost, meeting the demand of people. Increasing the income of people, improving health literacy, aging and prevalence of Non-Communicable Diseases. All the private medical institutions and persons need to be registered under the PHSRC according to act. The amended act in 2016 regulatory powers have been given to RDHS and the Fly Squad Unit [4].

Private Medical Institutions (Regulation) Act - No 21 of 2006 [8] is the foundation for the Private health sector regulatory framework. It acts as main body to the regulation, registration, monitoring and inspection of private medical institutions in

the country and facilitate their development. Healthcare providers in the private sector are under a well described legislative framework which includes Private Health Sector Regulatory Council (PHSRC) and private health sector development (PHSD) units in MOHs. [4]

PHSD is responsible for providing approval for new hospitals, commencing new units or interventional procedures in the private institution such as dialysis units, stem cell therapy units etc. It also provides assistance for the legal division in investigating the complaints.

Functions handled by PHSRC include registration and regulation of private medical institutions (evaluation committee), handling public complaints, implementation of rules & regulations, control of charges (charges committee), issuing circulars, guide lines with the help of MoH and conducting training programs for Nursing Officers with the help of national apprentice and industrial training authority (NITA) 4.

At the initial stages, the Director PHSD & PDs of nine provincial councils were given the regulatory powers. Absence of arrangements to ensure the continuity of this process, created to deficiencies in the system. Subsequent amendments in the act have offered the regulatory powers to the RDHS & the Flying squad units at MoH. Provided regulatory powers and provision to manage malpractices and negligence are inadequate. capacity due to Lack of man power to carry out poor monitoring supervision has led to a failure in initiating the process of regulation. The system is arranged in such a way that, man power requirement at private institutions is filled by hiring government employees or employees retired from the Government service and by recruiting unqualified employees. Expansion of the private sector is limited due to unable to recruit fulltime medical staff.

Inadequate trained employees including medical officers, nurses, paramedical staff and other technicians was the main reason for the failures in maintaining the expected standards at private sector institutions. Medical Officers engaged in part time private practice in dispensaries & surgeries show a resistance for registration due to taxation issues. This has resulted in poor coverage and poor regulation by the PHSRC mechanism to identify new entrants can be easily done using the widespread network of field officers such as Public Health Inspectors.

Enforcement of powers such as suspension/cancellation of registration and implementation of other types of penalties needs strengthening. Penalties may have a positive consequence on performance. Inappropriate regulatory mechanism to supervise health insurance policies. Most of policies are unfavorable to customer. There is no mechanism to evaluate the performance of private sector institution. Inadequate actions taken to maintain the Health Information System when compare the government.

Disciplinary actions are taking against the poor knowledge and skills, malpractices, negligence of practitioners, who have registered only once with the professional bodies, with no requirement for renewal.

Proper regulatory mechanism is an essential element in countries where private sector plays a prominent role in the health system. Incorporation of a strong regulatory mechanism in to the existing system, in developing countries, influential power of patients' groups is at minimum level. Professional associations do not take significant responsibility in regulation related activities. A significant political and social interference that affect the transparency of the regulation process, disciplinary actions and surcharge of procedure, is clearly evident in Sri Lankan set up.

Despite the wide distribution of Training Schools for Nursing Officers in the island, teaching and training carried out at such schools is way below the required standards. The nurses trained at such schools are not recognized by SLMC or SLNC and are registered under PHSRC.

Maintenance of a Health Information Management System is crucial in making evidence-based decisions with regard to morbidity and mortality data and availability and distribution of health facilities, expertise and services.

## 5. CONCLUSION

The regulation of the private health sector is big challenge in under developing countries like Sri Lanka. The recognized organization like PHSRC for regulation of the system will not bring about the expected outcome. Involvement of various parties like NGOs, insurance companies, colleges of various specialties and health regulatory bodies like Sri Lanka Medical Council must support to achieve this target.

Private health sector regulatory framework has revealed both strengths and weaknesses. Legislative power for registration, investigation, decision making and handling patient complaints in island wide are positive impact of private health sector regulation. On the other hand, inadequate full time medical personal, resistance of powerful unions protesting against training of medical personnel, resistance for registration due to tax issue, inadequate resources, insufficiency information and high costs for services seen as threats and weaknesses. Part time General Practitioners seemed to be reluctant to proceed with registration due to taxation issues.

PHSRS set up a guideline, but it needs to update expected from public and government like parking facility, waste management process, clinical waste disposal, radiation safety, infection control and pricing of procedures etc.

Human resources and infrastructure underutilized at government training schools and training centers can be assigned to carry out training for paramedical and nursing staff required for the private sector.

## 6. RECOMMENDATIONS

- Details of private medical institutions should be carried out at Medical Officer of Health area level which should be under the supervision of the Regional Director of Health Services. Field officers must be appointed at the RDHS area level to collect quarterly detail of institution including man power, qualification of employers, charges, and to ensure the quality of procedures and equipments.
- Implementation of penalties such as suspension/cancellation of registration should be strengthened to control malpractices and negligence.
- Minimum standards of the institutions could be maintained by updating registration every year by inspecting the authorized officer and recruiting employees with minimum required qualifications.
- Performance of private medical institutions should be informed to public via accreditation mechanism. There is a possibility of adapting the health sector accreditation mechanisms introduced by developed countries like United Kingdom, Australia and Japan.
- Convert the Health Information Management System (HIMS) to e format and establish the information sharing via electronic media.
- Enhance the transparency of the information regarding charges of procedures. That system can be upgraded by updating the website regularly with all the essential details.
- Expand the capacity of PHSD by strengthening it with required human resources.
- Appointing a separate
- Deputy Director General or CEO and assigning several directorates under him.
- Develop the mechanism to regulate intermediate centers such as fitness centers, yoga centers beauty salons. They have created conflicts, misconducts, use of illegal medicine, performing illegal procedures.

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