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PRIVATE HOSPITALS AND ENHANCEMENT OF GEOGRAPHIC EQUITY IN
HEALTH ACCESS: THE CASE OF TURKEY

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In 2003, Turkey initiated a ten-year Health Transformation Program (HTP). The two main ideals at the basis of this program are “Health Comes First” and “Equity in Health and Health Service Delivery”, both of which promote the ultimate purpose of improving public health. The objectives of the health reforms introduced through the program were to achieve universal health coverage, improve access to health care, enhance efficiency and reduce health inequalities.ⁱ To achieve these goals, the program implemented health reforms aimed at increasing the overall capacity and efficiency of the health system while at the same time striving toward universal insurance coverage. The Ministry of Health furthered these goals and reforms by encouraging private sector involvement while also implementing significant government regulation, that increased the overall capacity of the hospitals within a relatively short period of time.ⁱⁱ

Beginning in 2003, citizens covered under public health insurance were allowed to receive services from private hospitals through their public insurance by paying limited additional fees. This practice reduced the burden on public hospitals and enabled private providers to compete with public providers for low- and middle- income patients. As a result, private hospitals have been increasingly involved in health care delivery. The government then introduced a *Certificate of Need (CON)* requirement in 2008 which increased regulation on the establishment and expansion of private hospitals.ⁱⁱⁱ After CoN practice, existing private hospitals need to obtain approval from the Health Planning Agency of the Ministry of Health to expand their capacity; likewise, a prior consent is needed to establish a private hospital. This regulation curbed the rapid expansion of private hospitals.

ENTRY OF PRIVATE HOSPITALS & EQUITY IN ACCESS

PRIVATE HOSPITALS AND REGIONAL INEQUALITY

Before the HTP, private hospitals were largely concentrated in the west of the country. More than half of private hospitals were located in İstanbul, İzmir and Ankara. In 2002, 41 of 81 provinces had no private hospitals. Following the reforms, as of 2014, there was at least one private hospital in 69 of 81 provinces; 28 of the provinces had five or more private hospitals. Despite the continuing concentration of hospitals in the major three provinces, the geographical distribution pattern of hospitals shifted in favor of previously underserved regions. Particularly, there was a rapid growth of the private hospital sector in the south and southeast part of Turkey (see Figure 1-2).

THE RISE OF THE PUBLIC-PRIVATE MIXTURE IN HEALTH CARE PROVISION.

During HTP the number and capacity of both private and public hospitals increased. Notably, this growth was more significant in the private sector. During the initial phase of the HTP, 2003-2008, the capacity and market share of private hospitals rose sharply. After the introduction of the restrictive CoN practice, during the second phase of the HTP, 2008-2013, the rapid growth of the private hospital sector slowed down. Although the public sector still dominates the hospital market in Turkey, the share of private sector hospitals rose sharply during the implementation of HTP.^{iv}

ENHANCEMENT OF EQUITY IN ACCESS TO HEALTH CARE - SERVICE AVAILABILITY.

Before the HTP, there was inequality among Turkey's provinces in the distribution of hospitals, particularly of private hospitals. The geographic location of health care production affects the total economic cost, i.e. total price, paid by each patient: this includes travel cost, opportunity cost of travel time along with direct financial costs. Equity in access requires that all individuals

have the same opportunity to receive health care services while paying the same price. Individuals who live far from hospitals face higher costs in terms of both time and money. Since the implementation of the HTP, it appears that geographic equity among the provinces in access to health care has been dramatically enhanced, with greater availability of both public and private hospitals.

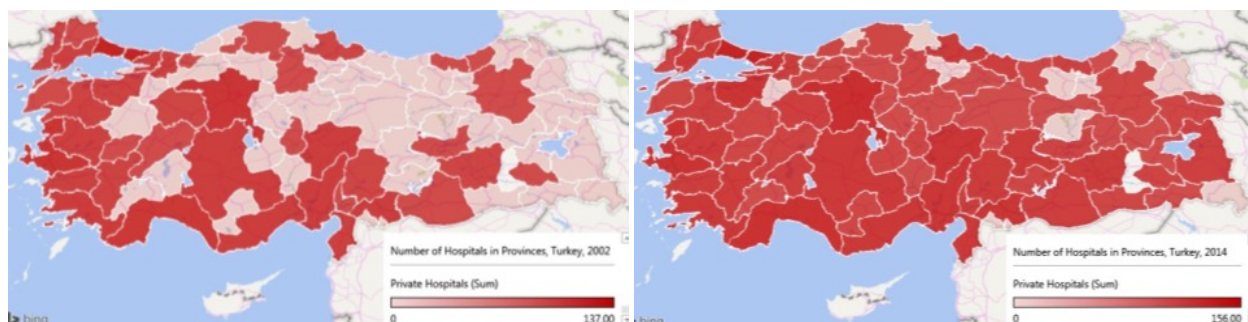


Figure 1 The geographical distribution of private hospitals among provinces of Turkey, 2002 vs 2014.

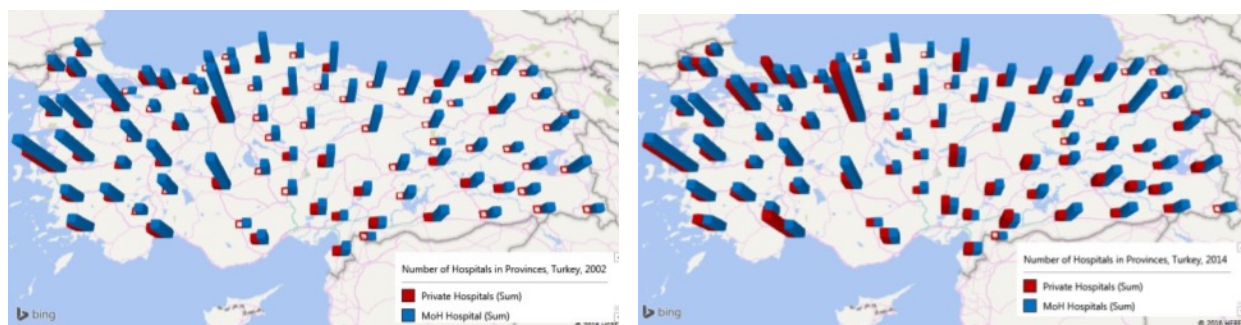


Figure 2 Distribution of public (MoH) and private hospitals in provinces of Turkey (except İstanbul), 2002 vs 2014.^v

DISCUSSION

The mushrooming growth of private hospitals has affected health care delivery in Turkey in several ways. First, private hospitals have directly increased the supply of health care and narrowed the gap between demand and supply. Second, the expansion of the private hospitals has reduced the burden on public hospitals. In addition, private hospitals became more inclined

to offer different levels of treatment 'quality' to patients. In this regard, the coexistence of public and private hospitals offers individuals more options with regard to receiving health service from public and private providers.

It appears that the entry of private hospitals has indeed expanded the provision of health care to those who had previously had limited access for socioeconomic or geographical reasons. Compared to the pre-HTP period, Turkey has been successful in reducing inequality in access to health care, at least with respect to the distribution of the hospitals among provinces. However, more in-depth research would be needed in order to conclude that hospitals are distributed more equitably among different areas and groups in proportion to their actual health care needs.

The case of Turkey's Health Transformation Program provides lessons on the ways in which public-private mixtures in health care may help achieve the goals of the national health system within a relatively short period. When the public sector has limited capacity, encouraging public-private mixtures in health care policy seems to be a fruitful strategy.

ENDNOTES

ⁱ Ministry of Health. 2012. Turkey Health Transformation Program Assessment Report (2003-2011)

<http://sbu.saglik.gov.tr/Ekutuphane/Home/GetDocument/452> (accessed February 17, 2017).

ⁱⁱ Atun, R., S. Aydın, S. Chakraborty, S. Sümer, M. Aran, I. Gürol, S. Nazlıoğlu, Ş. Özgülcü, Ü. Aydoğan, B. Ayar, U. Dilmen and R. Akdağ. 2013. "Universal Health Coverage in Turkey: Enhancement of Equity." *The Lancet* 382 (9886): 65-99.

ⁱⁱⁱ Republic of Turkey Official Gazette. 2008. Özel Hastaneler Yönetmeliğinde Değişiklik Yapılmasına Dair Yönetmelik (Bylaw on the establishment of private hospitals). Date: 15.02.2008. Number: 26788.

<http://www.resmigazete.gov.tr/eskiler/2008/02/20080215-5.htm> (accessed February 17, 2017).

^{iv} Republic of Turkey, Ministry of Health. 2014. HEALTH STATISTICS YEARBOOK 2014.

<http://sbu.saglik.gov.tr/Ekutuphane/kitaplar/EN%20YILLIK.pdf> (accessed February 17, 2017).

^v **Note: Istanbul is excluded from the map to better visualize the other provinces. Since Istanbul has a relatively greater number of hospitals, it causes a spike on the map. The**

height of the bars represents the number of hospitals in a province. In provinces represented with red hollow square, there are no private hospitals.