**Regulating private healthcare institutions**

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Covid-19 proved to be detrimental for the economy and society across the world. It badly hit mankind, yet it has become a blessing in disguise for various areas, which ultimately witnessed a meteoric rise. In Pakistan, the outbreak of the deadly infection unveiled the weaknesses of our healthcare sector—mainly the capacity and efficiency of private hospitals. Nevertheless, it provided a solid opportunity to these “non-for-profit entities” to expand services and operations with the support of the government. The State Bank of Pakistan (SBP) came out with a soft loan scheme for the healthcare sector after the first wave of Covid-19 hit the country. The objective of the scheme is providing relief to masses through private hospitals and healthcare service providers in the country.

More than 40 hospitals and service providers have availed the scheme so far to improve the scale and quality of the services, mainly for the patients of Covid-19 and in general. The scheme is one a unique initiative in the history of the central bank itself, which seems instrumental to address the growing issue of Covid-19 treatment that needs separate wards, specialised staff, and extra equipment such as ventilators. Various commercial banks have provided financing of over Rs10 billion to various hospitals and healthcare services providers including diagnostic labs at the low financing rate of 3 percent. Charitable hospitals and big names were top of the list to take advantage of the scheme, not only for arrangement of a Covid-19 set up, but to expand their overall network of services on a long-term basis.

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The development of the healthcare sector seems promising through the scheme but the objective of this facility seems unachieved with a proper check and balance in the health sector. The central bank’s role is commendable but limited to measure the benefits of the loan scheme. Banks consider these healthcare entities nothing more than the borrower. So, which authority will keep a check on this sector? Some hospitals are charging above Rs12,500 for a diagnostic test of Covid-19, which is being done by a charitable hospital at an average rate of Rs6,000. Besides, exorbitant charges are received from patients by different hospitals treating Covid-19 on a daily basis without any justification.

Historically, no such body exists in the country, which oversees the service charges of the private healthcare sector. For instance, an angioplasty surgery along with the placement of a cardiac stent is carried out below Rs50,000 at the Karachi Institute of Heart Disease—a local government-owned hospital in Karachi. The same surgery costs more than 4 to 5 times in renowned private hospitals. Similarly, the delivery of the babies costs up to Rs25,000 in a private maternity unit in Karachi, but these charges vary up to 5-6 times at major hospitals.

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Of course, the difference of quality treatment and doctors’ fee vary from hospital to hospital, and these factors should be taken into consideration for calculating the cost of services, but there should be a limit, particularly when these institutions avail different benefits from the government including tax exemption. Otherwise, such a financing scheme will be useless to meet the objective of serving masses, but will instead support the expansion of groups of hospitals, which are spreading countrywide like chains of retail outlets targeting the local markets full of customers. Many of these hospitals also receive donations from CSR programs of corporations and funds of philanthropists every year, but their beneficiaries are limited due to the strict criterion. There are numbers of complaints reported every day about the poor quality of treatment, negligence from medical staff and overcharging from private hospitals but nothing is ever done.

Surprisingly, the demand of the private sector hospitals is always high in a densely populated country because of the low-to-no quality of services at several public sector hospitals, which are overloaded already from patients with no option; hence a vast population has to rely on these private hospitals for treatment.

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The treatment of private hospitals is not only costly but it is also unavailable to the patients who can afford heavy charges. This situation has been exposed surprisingly in Covid-19 at these hospitals—running out of ventilators and beds in ICUs and wards. Even before Covid-19, the shortage of beds mainly in ICUs and ventilators were frequently reported that cost the lives of many patients in the country.

An authority should set targets for these hospitals to enhance the capacity of these hospitals on a yearly basis, audit the utilisation of donations and soft loan schemes and oversee the charges of treatment. In 2017, the federal government planned to set up the authority under National Health Services to regulate the private sector healthcare institutions across the country, but this idea did not advance seemingly from concept papers. Last year, the announcement was made to establish a regulatory authority in Islamabad but it remains an announcement yet.