This is a new section of the Public-Private Partnership Resource Center website and is currently in draft form. Your feedback is welcome: If you would like to comment on the content of this section of the website or if you have suggestions for links or materials that could be included please contact us at ppp@worldbank.org.

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hospital

Dialysis Services in Andhra Pradesh, India

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On this page: *A case study on Dialysis Services in Andhra Pradesh, India. Find more at the Municipal Public-Private Partnership Framework - Project Summaries section for brief summaries of around 100 projects from around the world, examples of successes and challenges, as well as innovative ideas on solutions, or visit the Guidelines on Innovative Revenues for Infrastructure section.*

Project Summary:

Background

The Government of Andhra Pradesh was faced with a high demand for dialysis service requests from below poverty line (BPL) patients. However, the existing public facilities had limited capacity to perform such services. Furthermore, the qualified facilities charged around INR 1,200 to 2,000 (USD 17 to 28) per dialysis, which was too high for BPL patients in need of regular dialysis. Under the circumstances, the Government of Andhra Pradesh decided to pursue a PPP to increase its capacity to provide dialysis to low-income patients.

Project Structure

To improve the quality, accessibility, and affordability of dialysis care, especially for BPL patients, the Government of Andhra Pradesh selected B Braun Medical (India) Private Limited to build and operate dialysis centers in 11 tertiary care state-run hospitals. B Braun Medical (India) is a subsidiary of B Braun Melsungen AG, a leading healthcare supplier from Germany. Private operations were to begin in 2010 and last for seven years. After the contract term, the dialysis centers would be transferred to the government.

Under the agreement, the private operator would establish the dialysis centers at an anticipated investment cost of about INR 45 million (USD 630,000). In return, the Government of Andhra Pradesh agreed to pay about INR 1,200 (USD 17) per dialysis treatment, of which INR 1,080 (USD 15) was payable to the private partner and INR 120 (USD 2) was payable to the host hospital.

The Government of Andhra Pradesh also assumed responsibility for mobilizing patients, while the state-run hospitals would be responsible for providing space, an uninterrupted power and water supply, and a clinical nephrologist. The hospitals also assumed clinical liability for the patients, as 90 percent of staff were hired from state-run hospitals to make the project cost-effective. Through this PPP, the population of Andhra Pradesh, including and especially BPL patients, would be able to access dialysis care at no cost through Aarogyasri, a state-sponsored health insurance scheme.

Lessons Learned

Following the end of the contract with B Braun in 2016, the Government of Andhra Pradesh expanded the project to cover 26 hospitals in the state at a lower cost per treatment, about INR 1,000 (USD 14), and selected another private operator, NephroPlus, through a competitive tender. Under the current scheme, the private operator is obliged to follow world-class protocols and undergo regular audits. In 2018, NephroPlus reported having served more than 5,000 patients through the project.

The project benefitted from economies of scale through bundling services for several state-run hospitals under one PPP agreement.[1]

Footnote 1: Source(s) http:// healthsystemshub.org/ uploads/resource_file/ attachment/567/PPP_ in_health_sector_2-_ Muraleedharan.doc.pdf accessed 18 February 2019

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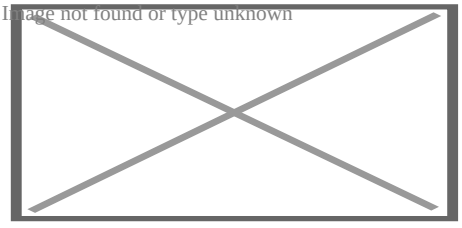
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The Guidelines on Innovative Revenues for Infrastructure (IRI) is intended to be a living document and will be reviewed at regular intervals. They have not been prepared with any specific transaction in mind and are meant to serve only as general guidance. It is therefore critical that the Guidelines be reviewed and adapted for specific transactions.

To find more, visit the Innovative Revenues for Infrastructure section and the Content Outline, or Download the Full Report. For feedback on the content of this section of the website or suggestions for links or materials that could be included, please contact the Public-Private Partnership Resource Center at ppp@worldbank.org.

