

# The Privatization of Health Care System in Saudi Arabia

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**ABSTRACT:** Saudi Arabia's Vision 2030 highlights the development of the health care sector through privatization. This study examines the factors that prompted the privatization of the health care sector in Saudi Arabia. This is a scoping review based on an extensive review of both published and unpublished documents. We have accessed different search engines and databases to collect various research publications, journal articles, government reports, policy and planning documents, and relevant press reports/articles. While privatization of the health care sector in Saudi Arabia has experienced an upward trend, the public health care sector remains vital to bring in overall improvements in the health of all sections of Saudi Arabia's population. Keeping this in view, the government must strengthen its public health care sector to ensure affordable, accessible, and high-quality health care for all. This manuscript focuses on the policy aspect of the privatization of health care and is based on secondary research material. Increased privatization leads to rising expenses in health care, while adversely affecting equity and accountability in the provision of its services. Although this study is an independent analysis of Saudi Arabia's health care system, lessons learned from this context could be used widely for policy-making in other countries with similar socioeconomic settings.

**KEYWORDS:** Development, Healthcare, Private Sector, Privatization, Saudi Arabia

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## Introduction

The constitution of Saudi Arabia elucidates health care as a fundamental right.<sup>1</sup> The public health system and the Ministry of Health (MOH) were established in 1925 and 1949, respectively, to provide free health services to its citizens.<sup>1</sup> The Kingdom has followed welfare policy and provided universal access to health care for many decades since its establishment.<sup>2</sup> This resulted in improved population health compared with other nations, including the Gulf Cooperation Council (GCC) countries.<sup>3</sup> The public sector provided free health services to the Saudi population without any need for supplementary financial support due to oil revenues. The government successfully implemented various development projects in the last few decades.<sup>4</sup> However, the government has recently faced challenges to sustain free health services to its population.<sup>5</sup> This is due to escalating costs of health care, diminished revenues from oil, changes in demographics, improved life expectancies, a larger shift to sedentary lifestyles in the country, changing disease patterns, high expectations from consumers, as well as inadequate management practices in the delivery of health services. There have also been issues with providing free services to the country's large expatriate population. In this context, the government has been keen to reform the health sector to provide the best possible health services to maintain and fulfill social demands of quality improvement and reduce expenses.<sup>6</sup>

## What is Privatization?

Privatization refers to the transfer of ownership of an entity either partially or fully from the government to either private for-profit or private for-nonprofit sectors.<sup>7</sup> Privatization in

health care is a process where non-governmental actors become increasingly engaged in the health sector in the provision of health care through finance and management services.<sup>8</sup> The state partially or fully withdraws itself from its historical role in the provision and management of the health sector. There are various processes of privatization, including the delivery of health services by private providers, contracting-out of health care management, and load-shedding by passing on the burden to individuals, families, or third parties like insurance providers.<sup>9</sup> Privatization is also seen as “the myriad ways in which the private for-profit sector displaces the public sector in the provision of goods and services”<sup>10</sup> Health care privatization in Saudi Arabia was an outcome of the various socioeconomic challenges faced by the nation. Health policies implemented by the Saudi government to fund, manage, and deliver public health care services gradually resulted in a health care system that was centralized, weak, and fragmented. Privatization of health care was thus seen as a solution to bring in efficiency, quality, and public satisfaction in the provision of health services, while ensuring that the state can fulfill its public obligations.<sup>11</sup>

## The Framework

This article followed the theoretical framework of Mercille and Murphy<sup>10</sup> where privatization is seen as a multidimensional process. It materializes through one or several of these modes in combination such as when ownership is transferred to private interests, financing comes from private sources, management is controlled by private entities, and production and provision are managed by private firms.<sup>10</sup> This framework is used in analyzing health care privatization in Saudi Arabia. This helps with understanding the relationship between political and economic



processes of development.<sup>12</sup> Not only does this article analyze issues relating to the privatization of the health sector in a health context but it also provides a wider perspective on the socioeconomic and policy contexts of Saudi Arabia. In analyzing the privatization of the health care system, this article aims to describe the following: (1) the legislative history that contributed to establishing the Saudi Arabian health care system and the legislative development toward privatization, (2) process and plans for privatization, (3) factors that contributed to privatization, and (4) the potential consequences of privatization based on existing literature. The last section of this article discusses the conclusion and suggests policy recommendations.

## Methods

This study followed a scoping review based on an extensive review of both published and unpublished documents.<sup>13</sup> Google Scholar, PubMed, Cochrane Library, EBSCO, Current Contents, ScienceOpen, Directory of Open Access Journals, and Scopus have been used as search engines and databases. Besides, both governmental and non-governmental documents were closely reviewed as secondary data sources. The timeframe of the articles and documents used in this research spans between 2000 and 2019, as this period is the most relevant in grasping the growth of private health care in Saudi Arabia. However, documents relating to government policies, planning, and statistical reports are outside the observed timeframe. Documents that are not in the English language have been excluded from this study. Thematic data analysis technique has been used<sup>14</sup> to focus on the agreement of thematic contents in the available sources. This has helped to triangulate these agreements.<sup>15</sup>

## Legislative Development Toward Privatization

Citizens and expatriates' communities in Saudi Arabia were provided free health care services by the government. But in 1999, the government reformed its earlier policy and preferred private provision of health services to improve the convenience of health care services, and to accomplish uniformity with the advancement of medicine.<sup>2</sup> This contributed to the establishment of the New Saudi Health System (NSHS), which led the private sector to flourish. Under NSHS, insurance companies—both local and foreign—were permitted to deal with expatriates and Saudis who work in the private sector. "Health insurance companies act as a buffer between healthcare services providers and patients or their employers."<sup>2</sup> Health insurance is also seen as a solution for greater access to health care.<sup>16</sup>

Private health insurance in Saudi Arabia was founded through the enacting of cooperative health insurance to overcome shrinking access to health care and the rising costs of medical service.<sup>17</sup> This legislation allowed private health care providers to enter the health care market.<sup>18</sup> It made compulsory for both expatriates and Saudi employees to be insured by their private employers for health insurance.<sup>19</sup> The Compulsory

Employment-Based Health Insurance was recommended by the Cooperative Health Insurance Act of 2003.<sup>20-22</sup> The industry grew to SAR21.104 billion in 2012 from SAR14.61 billion in 2009, registering a compound annual growth rate (CAGR) of 13.04%.<sup>23</sup> Currently (as of December 2018), 27 insurance companies are working and 11 million beneficiaries are registered with these companies to receive health care from the private sector.<sup>24</sup> The government is yet to implement comprehensive health insurance, which will help further boost private sector health care in Saudi Arabia.

The government has been promoting private sector health care since the 1990s.<sup>25</sup> Saudi economy faced a budget deficit in the 1980s due to low oil prices and tried to recover from that deficit in the 1990s. At the same time, the government provided interest-free loans to construct private facilities that led to privatization and expansion of the private health care sector<sup>25</sup> from 18 in 1971<sup>25</sup> to 91 in 2000 and 163 in 2019.<sup>26</sup> Earlier, private hospitals were owned and operated by different individuals, and organizations—mainly physicians or other health professionals who had a desire to expand their practice in the private sector.<sup>27</sup> Through corporate funds and foreign investments, the private sector has now entered this realm in the last few decades. To enhance privatization, the government seeks to bring about changes in primary health care, public-private partnership (PPP), and privatization of one of the medical cities.<sup>28</sup> By 2020, the government intends to privatize 2,259 Primary Health Centers (PHCs) and 295 hospitals, and one of the medical cities.<sup>29</sup> It wants to continue planning, supervising, and owning these institutes but will shift the burden of managing these to the private sector.<sup>28</sup> The principal objectives of privatization were strengthening the targeted private sector in enhancing the investment of state-owned entities, improvement of quality of services, and ease of government finance and diversion of the government's role toward legislative, regulatory, and organizational development. This policy is aligned with the objectives of Vision 2030.<sup>30</sup>

The health sector has also been opened up for foreign investment, unlike other sectors of the economy, where 100% ownership can be retained by foreign investors.<sup>29</sup> In 2018, foreign investment reached US\$ 3.5 billion in Saudi Arabia. Many foreign companies are investing in joint ventures with Saudi investors and individuals. It is also expected that by 2020, total private investment in the health sector will reach US\$100 billion (SAR375 billion). At present, only five health care companies with a total capital investment of SAR3.66 billion are listed on the Saudi stock market. They have a market value of SAR26 billion, while their total profit amounted to SAR967 million by the end of last year. The privatization move was aimed at increasing private sector participation in the health care sector and to add 26,000 beds for health care by 2035.<sup>29</sup> Partial privatization of national health care systems was offered as a profitable venture to attract global capital investment to ease access, quality of services, and to overcome long waiting

times. The government is in the process of developing “medical cities” to provide specialist health care services and expand coverage with intending investments of US\$4.3 billion. The plan is to build 264 hospitals with 70,694 beds, 2,750 PHCs, and 27 specialist medical centers by 2020.<sup>31</sup>

A recent initiative was undertaken by the MOH to establish a corporation, under which 6 regional corporations will be created. Of these, only 3 regions will come under the present implementation phase.<sup>32</sup> This model is expected to enhance privatization. The government will invite private and foreign direct investments in the sector worth US\$70 billion, to bring up total private investment in the health sector to US\$100 billion by 2020, adding 12,500 new beds each year. The government also plans to privatize all public hospitals and build PPPs. At present, the public sector contributes to 80% of the total bed capacity, which is expected to increase to 73,768 beds in 2020. Meanwhile, the private sector is expected to add 26,000 beds by 2020. It is reported that a private group of investors is building 8,130-bedded hospitals, 60 outpatient clinics, and other necessary facilities in a medical village in Riyadh. On its part, the government is constructing 36 new hospitals with 8,950 beds and 2 medical cities. Moreover, the government plans to build another 18 hospitals, adding 9,904 beds over the next 2 years. In July 2018, the government signed an agreement with the private sector for a SAR407 million loan to establish hospitals and medical facilities to fulfill the objectives of Vision 2030.<sup>32</sup> As part of the privatization process, the government is planning to establish a holding company and 5 regional companies. The government allowed the holding companies to manage 15 hospitals and 100 PHCs in 2018, and the government has also planned to privatize 290 hospitals and 2,300 PHCs by 2030.<sup>33</sup>

### Process and Plans for Privatization

Public health care in Saudi Arabia is financed through oil revenue generated by the government, and private health care expenditures are financed through a combination of employee insurance and out-of-pocket payments by the employer and consumer.<sup>6</sup> The government provides financial support, including tax benefit, noninterference by the government on private entities, and 100% ownership for foreign investors in health care.<sup>34</sup> In some countries, including Saudi Arabia, tax credits and other forms of benefits were offered to private investors as incentives.<sup>25</sup>

Both the World Health Organization and the World Bank have been advocating for PPPs as a way of improving health care service delivery to the population.<sup>35,36</sup> The government has drawn up a PPP law which is expected to boost the private sector.<sup>37</sup> It is expected that PPP models of health care unlock value in the health system and allow for an increase in private sector contribution against total health care spending.<sup>38,39</sup> It is expected that both the Saudi economy, international entrepreneurs and health care providers will be benefited from a

market-driven health care system. It allows private players to venture into the largest health care market in the Middle East as more entrepreneurs will take the opportunities to invest.

### Development of Privatization

The state has endeavored to implement a broad health service network—including building necessary infrastructure, recruiting required human resources, and assisting in providing free services—to meet the population’s health needs. However, the state went through a severe fiscal crisis in the 1980s and moved to deregulation and encouraged private sector participation in the provision of health care. The following sections analyze the factors prompting the privatization of health care in Saudi Arabia.

#### *Unsustainable economy*

Unlike other Gulf states, Saudi Arabia is built on depletable reservoirs of natural gas and oils. With reduced oil prices, an evolving strategic environment, and sustenance of the existing rentier system under new fiscal and geopolitical realities, the government has taken policy decision to leave some of the financial responsibility for consumers to sustain public sector activities and allowing the private sector to boost<sup>5,40</sup> through investment and provide quality health services to consumers.<sup>41</sup>

Since the 1970s, the Saudi economy has relied heavily on oil revenues, and the oil sector contributes about 35% to gross domestic product (GDP) and 90% of total government revenues.<sup>42</sup> The total government expenditures increased to US\$158.9 billion in 2010 from US\$1.6 billion in 1970.<sup>42</sup> Being the largest economy in the region, the Saudi national budget was SR890 billion (US\$237 billion) in 2017. Saudi Arabia’s health care expenditure is projected to grow to US\$45 billion in 2020 from US\$35.4 billion in 2014.<sup>43</sup> The government has been facing a budget deficit in the last few years to the extent of 2% in 2014, 15% in 2015, and 17.3% in 2016. A deficit of 4.7% of GDP was expected in 2019, compared with 5.9% in 2018 and 9.3% in 2017. This confirms that efforts to ensure financial sustainability with progress in implementing projects and developing the private sector will continue.<sup>44</sup> Between 1980 and 2017, there were 13 budget surplus years of between 1% and 32% and 22 budget deficit years of between 2% and 25%.<sup>45</sup> Saudi Arabia aims to have a balanced budget by 2020 and stabilize its economy, as the government withdrew subsidies from different sectors, such as welfare benefits, and warned people about more radical changes to come. Reduced government spending and stimulants for increased efficiency, fiscal discipline, and nonoil revenues are on the cards.<sup>5,45-47</sup> Over the past few decades, the government could not maintain sustainable budgets. Taking these economic uncertainties into consideration, the government decided to shift some of the health care burdens to consumers.<sup>6</sup> This allowed the government to direct policy toward private sector health care.

The government spent 74.2% in 2016 of the total expenditure and private sector expenditure at 25.8% in 2016. This is expected to increase to 28.1% by 2025.<sup>34</sup> About 75% of patients who use private health care are citizens of Saudi Arabia. While the private sector contributes to about 25% of the nation's health care services, this share is set to expand in the coming years<sup>48</sup> with the implementation of National Transformation Program (NTP).<sup>49</sup> In the case of outpatients between 2010 and 2016, the private sector share increased to 37% (51 million) at a CAGR of 4.6% from 31% (40 million). For inpatient services, the share increased to 35% (1.3 million) at a CAGR of 2% from 32% (1.1 million). This has been compared with the negative growth in facilities under the MOH, which has primarily been attributed to the increasing number of expatriates who have insurance cover and the increasing popularity of private health care facilities among Saudi nationals.<sup>34</sup> The MOH was allocated 7.01% in 2016, 7.61% in 2017, and 6.57% in 2018 of the total governmental budgets, which was little compared with countries with similar GDPs. Poor allocation in the public sector will lead to private sector growth.<sup>26</sup>

### *Saudi Vision 2030 and leadership*

The Saudi government was curious about its neighbor's visionary policies for economic development and took a close look at their pathway of economy and development. At that time, most of the GCC nations had prepared visionary policies—Oman already had Vision 2020 and was preparing Vision 2040; the UAE, Bahrain, and Kuwait each had a Vision 2030; and Qatar had a National Vision 2020 for sustainable development.<sup>50</sup> Development experts emphasized and advocated that Saudi Arabia should follow the path to “diversify the economy, industrialize and eventually move to a knowledge society.”<sup>50</sup> The government aims to break the cyclical nature of its expenditure pattern and prefers to overcome “oil addiction” and build a self-reliant economy. The government believes that a self-reliant economy would encourage the private health care sector to flourish, which will ensure accountability, transparency, communication, and public engagement. Vision 2030 highlights the role of the private sector as the main engine for social and economic reforms to transform the economy toward multidimensional growth with improved competitiveness.<sup>30</sup> It also emphasizes fostering the private sector investment in sectors funded previously by the government.<sup>30</sup> It is expected that the private sector contributes to sustainable development by bringing both the public and private sectors together. This connection helps to improve the level of care, increase patient satisfaction, and reduce financial risks in the public sector.<sup>51</sup>

Leadership plays a contributing role in private sector development in the policy process. In 2015, Saudi Arabia “witnessed the accession to power of a new generation of middle-aged leaders who, driven by a bold new policy orientation, are working to reshape their countries' economies.”<sup>47(p323)</sup> The Crown Prince

Mohammed bin Salman openly professes neoliberal ideology, where the market is allowed to play a central role in development. He advocates reforming the rentier welfare state by privatizing state assets and withdrawing subsidies.<sup>47</sup> Moreover, the King, Crown Prince, Ministers, Shura Council members, and other key persons in policy-making emphasized on the importance of the private sector in realizing Vision 2030, which is expected to contribute to economic growth and sustainable development.<sup>51,52</sup> The year 2016 was a turning point for the conservative nation when the new leader founded a visionary outlook to uplift the nation from its traditional way of thinking and modernize the people by instilling a new economic system of self-reliance and overcoming its dependence on oil resources.<sup>47</sup> Following the declaration of Vision 2030 and National Transformation Plan of 2020, the leaders reaffirmed the role of the private sector in fulfilling the demand for health care from a growing population, encouraging the sector's involvement in the provision of health care.<sup>28</sup>

### *Social factors*

Saudi Arabia has a population of more than 34.4 million that is projected to grow to 34.7 million in 2020. Life expectancy is expected to increase to 75.2 in 2020<sup>43</sup> and further expected to rise to 78.4 (men) and 81.3 (women) by 2050.<sup>24</sup> The population between the ages of 40 and 59 years is expected to increase by 1.5 times and that above the age of 60 years is projected to increase more than 3 times. With 44% of the population older than 40 years and 14% older than 60 years in 2035, the demand for health care due to lifestyle diseases and noncommunicable diseases (NCDs) is set to increase.<sup>24</sup> Noncommunicable diseases are estimated to account for 73% of all deaths by 2025.<sup>53</sup> The World Health Organization has indicated that the country's demand for highly specialized medical and surgical care due to increased lifestyle diseases and associated comorbidities will also see an upsurge.<sup>54</sup> As much as 70% of the Saudi population belongs to the upper and middle classes and can easily afford health care from the private sector, which further contributes to privatization<sup>55</sup> (Table 1).<sup>56</sup>

Currently, Saudi Arabia has 494 hospitals with a capacity of 75,225 beds, employing 104,775 doctors, 184,565 nurses, 4,006 pharmacists, and 69,530 allied health personnel.<sup>26</sup> To meet the needs of a rising population, the country will need 5,000 more beds by 2020 and 20,000 more beds by 2035. Taking the global average bed density into consideration, Saudi Arabia faced a deficit of 14,000 beds in 2016, which is expected to rise to 40,000 beds by 2035.<sup>24</sup> The government will also need 13,700 doctors by 2030.<sup>29</sup> It will be a difficult task for the country to provide access to efficient and quality health care for all residents even if it is successful in financing health care through privatization and PPPs.<sup>57</sup> It is suggested that the government needs to quicken the pace of the shift from its current government-led economic model to a more market-based approach<sup>58</sup> which will be filled by the private sector.

**Table 1.** Health indicators Saudi Arabia.

INDICATORS/YEAR	2000	2006	2010	2014	2018
Total hospitals	318	384	415	453	494
Private hospitals	91	127	127	141	163
Total beds	45,919	53,464	58,126	69,997	75,225
Bed per 10000 population	23	23.1	21.4	22.1	22.5
Physicians	31,983	45,589	65,619	81,532	104,775
Nurses	67,421	83,868	129,792	165,324	184,565
Health care spending as a percentage of GDP <sup>a</sup>	4.21	3.62	3.66	5.23	5.84 <sup>b</sup>
Per capita spending <sup>a</sup> in US\$	384	554	703	1,285	1,147 <sup>b</sup>

Source: Ministry of Health Statistical yearbook—various years.

Abbreviation: GDP, gross domestic product.

<sup>a</sup>[https://www.theglobaleconomy.com/Saudi-Arabia/health\\_spending\\_as\\_percent\\_of\\_gdp/](https://www.theglobaleconomy.com/Saudi-Arabia/health_spending_as_percent_of_gdp/)

<sup>b</sup>This figure is of 2016.

Public awareness and demands are a contributing factor to improved health care in a country. Saudi Arabia now has one of the highest prevalence rates for NCDs, a trend largely attributed to the increasing Westernization of its society over the past few decades. Higher levels of education, health literacy, and awareness among patients about better care of services of quality, cost, effectiveness, efficiency, and doctor-patient communication have all contributed to increased demand for quality health care.<sup>59</sup> Citizens' awareness has reached a level where consumers are asking for increased effectiveness, improved quality of services, advanced hospital management systems, enhanced organizational factors, provision of an adequate level of evidence-based medicine, and expansion of the professional development strategies for secondary care.<sup>25</sup> Generations X, Y, and Z are relatively more health aware and conscious of their appearances.<sup>24</sup> The public sector has been confronting the challenges of the rising prevalence of NCDs and public awareness to maintain the demand made by the patients. On the other hand, the private sector provides care for lifestyle diseases that are currently on the rise in the Saudi population.<sup>60</sup> In Saudi Arabia, more than 3.8 million people aged 20 to 79 years had diabetes, with a prevalence rate of 17.75% in 2017. The country's obesity prevalence rate among adults was 35.4% in 2016, also one of the highest in the Middle East and North Africa region. Hypertension among adults had a prevalence rate of 23.3% in Saudi Arabia in 2015, which was one of the highest in the GCC region.<sup>61</sup>

### *Public sector problems*

Increased use of private health care facilities is linked to consumer dissatisfaction with the public sector.<sup>59,62</sup> Public health care system consumers reported various constraints in accessing services.<sup>63</sup> Public provision of health care noticed few problems which seemed to compromise on patient satisfaction. A

study in Taif found that only 59% of patients who sought treatment at public health care facilities were satisfied with the level of care, whereas it was 77% in the private sector.<sup>64</sup> Studies have found that the Saudi health care system is suffering from issues rising due to long waiting periods, shortage of required human resources, medical errors, and deteriorating services.<sup>65</sup> A survey of both public and private hospitals indicates that about 70% of hospitals do not have medication safety committees and 90% of studied hospitals do not have medication safety officers.<sup>66</sup> Medical errors are common in both public and private hospitals.<sup>67</sup> It is found that multiple factors impede the quality of care being provided by health professionals.<sup>68</sup> Moreover, all these issues have contributed to an expansion in the role of the private sector in the provision of health care services.<sup>69,70</sup> Media reports make it evident that the Saudi public health system has deficiencies in maintaining quality and standards in the provision of services. Cooperative Health Council announced a decree to overcome problems with quality and medical errors in the provision of health care services.<sup>71</sup> A study revealed that in 2009, there were 1,510 cases that reported medical errors which increased to 2002 in 2012. Most cases, ie, 163 of 356 cases, were in the public sector.<sup>72</sup> This, too, contributed to the private sector's growth.

### **Impact of Private Sector Provision of Health Care**

The private sector in Saudi Arabia has been engaged in a range of activities related to the direct provision of health care services, administration, and management of health care facilities, manufacturing of health care products, and financing of the health care systems.<sup>73</sup> These are carried out by various nonstate actors, including national and multinational companies, non-governmental organizations, non-profit entities, and private individuals working as general practitioners and consultants in the provision of health services.<sup>74</sup> There seems to be an increasing reliance on private actors to provide finance, and supply

health care goods and services.<sup>62,75</sup> The private sector is preferred due to management inefficiency of the public sector,<sup>76</sup> consumer dissatisfaction with public sector services,<sup>63,77</sup> organization behavior of private sector,<sup>74</sup> improved performance of access and equity,<sup>78</sup> better drug supply and responsiveness,<sup>79</sup> greater patient satisfaction or competence<sup>80</sup> as well as user-friendliness.<sup>79</sup> However, there are several complaints about the many inadequacies of the private sector, including poor infrastructure without registration,<sup>81</sup> poor quality of equipment,<sup>82,83</sup> lack of qualified personnel,<sup>83</sup> poor service conditions,<sup>81</sup> higher treatment costs,<sup>84,85</sup> wrong diagnosis of diseases,<sup>85</sup> commission-based services,<sup>85</sup> overservicing, excessive prescription of drugs and tests,<sup>85-88</sup> overuse of technology,<sup>89</sup> fee splitting, profit motivation, negligence in patient care,<sup>85</sup> poor quality and standards,<sup>80,90</sup> lack of business ethics,<sup>87,91</sup> dearth of accountability,<sup>92</sup> and overall deficiency in the expected service quality.<sup>85,86</sup> Even in the global context, evidence on the relative effectiveness, efficiency, and overall advantages of privatization of the health care sector has been largely inconclusive with no study bringing in clear findings in support of or against increased private sector participation.<sup>93</sup> Therefore, there is no consistent manner in which one can measure the value of the private sector's contribution to the provision of health care.<sup>93,94</sup>

### Conclusions and Policy Implications

Driven by a range of social and economic factors, the government of Saudi Arabia has taken consistent efforts to privatize its health care sector. This has come about through economic reforms, policies that favor the development of the private sector, and the development of PPPs. This can be attributed to a growing middle class and its increasing demand for quality health care, macroeconomic stability and liberalization, inherent problems with the management of the public sector, and operational practices. Successive regimes have continued to make and implement policies that push for the private sector's increasing engagement in health care services, evidenced by the fact that the sector now caters to more than one third of the country's total medical care needs.

Inadequacies remain even in the country's private health care sector that is confronted with challenges ranging from the rising cost of health care, input problems, lack of business ethics, inequity, to limited accessibility and accountability in the delivery of services.<sup>95-97</sup> Although Saudi Arabia has already witnessed partial privatization in its health care system, research suggests that such private sector engagement would stand off resources from the public sector, leading to increased social inequities and a rising burden of additional costs.<sup>98,99</sup> In a country like Saudi Arabia, where a sizable share (10%-20%) of its population lives below the poverty line, privatization cannot be seen as a one-stroke solution for ensuring the reasonable provision of health care to its growing population.<sup>95</sup>


While the public sector remains vital in its role to finance and deliver health care, it also plays a crucial part in ensuring universal health coverage. The government, therefore, needs to

remobilize its public health care sector to fulfill its duties. Reforms are much needed in administration, management, governance, and stewardship to bring about comprehensive health care that is accessible and affordable to all. Privatization cannot be the panacea for lack of optimal health care services.<sup>100,101</sup> Privatization of health care leads to rising costs, widening inequities in the provision of services, limited accessibility, less accountability, and overall consumer dissatisfaction as well. Government intervention, thus, needs to be timely and aimed at mitigating the detrimental effects of privatized health care. Political will and the positive action that stems from it are an effective way to combat inadequacies in the public health care sector around the provision of quality health care services, patient safety, and clinical effectiveness.

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