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REVIEW

Critical analysis and review of the literature on healthcare privatization and its association with access to medical care in Saudi Arabia

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Abstract This paper is a review of the literature on hospitals privatization to assess the influence of privatization on access to medical care. The results are used to complete further analysis on the situation in Saudi Arabia. Over 979 references were initially identified through a database search, and an additional 237 were included from other sources. From these sources, only 11 articles were considered for review after excluding the ineligible articles, such as those that did not meet the hospitals privatization's definition or other exclusion criteria. There is weak evidence and low scientific validity supporting the argument that privatization could increase access to medical care. Prior to privatization, Saudi Arabia has to consider reforming its healthcare financing, including auditing and efficiency. After privatization, a policy has to be developed to ensure that the most vulnerable groups have access to good-quality healthcare while controlling costs for care providers.

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Introduction

The incentive for the move toward privatization may not be the same for developing and developed countries. The financial crisis was a major motive for a number of countries to opt for privatization [1]. Compared with the private sector, the new liberal economic framework for the performance of public offices is inefficient [2]. This view is supported by three different theories: public choice theory, agency theory, and property rights theory. These theories have one thing in common: an emphasis on privatization helping to improve performance and resource utilization because the objectives, incentives, and control mechanisms of the private sector are different from those of public entities [2]. In other words, public offices fail to provide equal, cost-effective, efficient, and quality services. Furthermore, the World Bank plays a major role by supporting privatization, mainly in developing countries [3]. Most developing countries, which are typically low-income countries, are pressured to privatize by the International Monetary Fund and the World Bank [3,4].

Saudi Arabia, a member of the Gulf Cooperation Council (GCC), shares characteristics with both high-income and low-income countries [5]. Saudi Arabia is considering privatization of its healthcare services with the goal of improving healthcare access and efficiency [6]. The fall in the price of oil has resulted in a reduction of oil revenues, which are the main source for financing government expenditure. GCC countries are expected to face financial challenges, including that of financing their healthcare services.

Currently in Saudi Arabia, the Ministry of Health (MOH) and other government sectors such as the Ministry of Defense, Ministry of the Interior, Ministry of Education, and Ministry of the National Guard are the major healthcare providers that account for approximately 80% of the total services provided nationwide. The MOH alone provides approximately 60% of all services [5]. The MOH and other government healthcare providers deliver all curative services, including primary, second, and tertiary care, rehabilitation, home healthcare, and long-term care.

Compulsory Employment-Based Health Insurance (CEBHI) was introduced in Saudi Arabia in 1999. In the CEBHI system, the employer shoulders the cost of medical care in the private sector. The cooperative health insurance coverage includes all individual employees working in private sector and their families [7].

''Privatization'' is an ambiguous concept; it has different meanings and refers to a different scope of functions or services for different people [8]. For example, a recently published article titled ''the impact of healthcare privatization on access to surgical care: cholecystectomy as a model'' [9] used access to cholecystectomy surgery as a means to compare access between public and private hospitals.

Maarse identified four types of privatization: privatization of health care financing, privatization of health care provision, privatization of health care management and privatization of health care investment [10]. Even the privatization of health care provision can have different meanings. The European Observatory on Health System and Policies defined privatization as the ''transfer of ownership and government functions from public to private bodies, which may consist of voluntary organizations and for-profit and not-for-profit organizations'' [11]. However, other authors believed that the scope of privatization should be sufficiently wide as to include implementing a private-sector management style without affecting hospital ownership [12]. From this perspective, a public private partnership (PPP) is viewed as a form of privatization [12,13]. This stance is, however, contrary to the view of Villa and Kane, who regarded hospital ownership as essential to privatization [14]. Additionally, a vast number of studies have addressed the PPP as either a form of privatization or another model of managing healthcare facilities and controlling resources.

Moreover, there are misperceptions and confusion about the meaning of ''privatization'' and ''contracting'' [14]. Privatization involves changing the identity of an institute; the contracting of an institute focuses on its external relationships [15] or contract periods (short or long) [16]. Other studies have distinguished between pure full privatization and partial privatization. Partial privatization signifies that not all assets are transferred from the government to private ownership: the government retains some of the