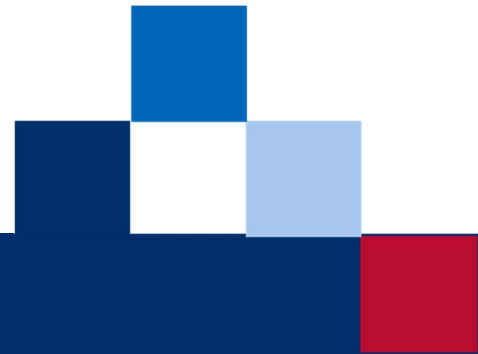




USAID
FROM THE AMERICAN PEOPLE



Assessment of Private Health Sector Engagement in Timor-Leste

Local Health System Sustainability Project

September 2023

Local Health System Sustainability Project

The Local Health System Sustainability Project (LHSS) under the USAID Integrated Health Systems IDIQ helps low- and middle-income countries transition to sustainable, self-financed health systems as a means to support access to universal health coverage. The project works with partner countries and local stakeholders to reduce financial barriers to care and treatment, ensure equitable access to essential health services for all people, and improve the quality of health services. Led by Abt Associates, the five-year project will build local capacity to sustain strong health system performance, supporting countries on their journey to self-reliance and prosperity.

Recommended Citation: Elizario Leoneto, Derriennic Yann, dos Reis Juliao, Jain Bhavesh. The Local Health System Sustainability Project (LHSS) under the USAID Integrated Health Systems IDIQ. September 2023. *Assessment of Private Health Sector Engagement in Timor-Leste*. Rockville, MD: Abt Associates.

Date: September 2023

Submitted to: Scott Stewart, COR
Office of Health Systems
Bureau for Global Health

Dr. Teodulo Ximenes
Activity Manager/Project Management Specialist - Health Governance
USAID/Timor-Leste

Dra. Telma Oliveira,
Activity Manager/ Project Management Specialist - Health Governance
USAID/Timor-Leste

Submitted by: Abt Associates
6130 Executive Blvd., Rockville, MD 20852
(301) 347-5000

USAID Contract No: 7200AA18D00023 / 7200AA19F00014

This publication was produced for review by the United States Agency for International Development (USAID). It was prepared with support from the Local Health System Sustainability Project under the USAID Integrated Health Systems IDIQ.

CONTENTS

Acknowledgements..... **Error! Bookmark not defined.**

Acronyms..... iii

Executive Summary 1

 Key Findings 1

 Recommendations 2

Background..... 3

About the Assessment 5

 Purpose 5

 Methodology 5

Key Findings of The Desk Review..... 7

 Institutional Arrangements for Private Health Sector Governance 7

Government Policy and Legal Frameworks for the Private Health Sector..... 9

 Legal Framework 9

 Policy Framework..... 12

Key Findings of In-depth Interviews 16

 There Is Limited Government Engagement with the For-Profit Private Health Sector..... 16

 Lack Knowledge About the Legal Framework Governing Engagement with the For-Profit Private Health Sector 16

 Gaps in Policy and Legal Frameworks that Govern the For-Profit Private Health Sector 17

 Differing Perspectives on the Role of the For-Profit Private Health Sector 18

Priority Considerations 19

 Public-Private Partnership for Diagnostic Services..... 19

 Contentious Issue of Dual Practice 19

 Lack of Criteria for Registering Private Sector Hospitals 19

Conclusions and Recommendations 21

 Conclusion 21

 Recommendations 22

References 24

Annex A. List of Interviewees 25

Annex B. Interview Questionnaire 26

LIST OF TABLES

Table 1. Registered Private Health Units..... 3
Table 2. Licensed Health Professionals in Private Sector Health Units 4

ACRONYMS

IFC	International Finance Corporation
KII	Key In-depth Interview
LHSS	Local Health System Sustainability Project
MOF	Ministry of Finance
MOH	Ministry of Health
MOU	Memorandum of Understanding
PPP	Public-Private Partnership
SERVE, I.P.	Business Registration and Verification Service / Serviço de Registo e Verificação Empresarial
USAID	U.S. Agency for International Development
WHO	World Health Organization

EXECUTIVE SUMMARY

The private health sector in Timor-Leste is a crucial element of the health care system, complementing government services to ensure that all citizens have equitable access to quality and timely information and care. Timor-Leste has experienced significant growth in its private health sector in recent years, positioning its enhanced role and importance in reaching the country's constitutional mandate to achieve universal health coverage. Growth of the private health sector encompasses increased numbers of providers, health care facilities (including maternity practices), and laboratories, totaling 137 private health facilities as of July 2023, 73 percent of which are in the capital Dili. The expansion of private health care capacity triggers the emerging need for comprehensive policies to ensure private providers and clinics maintain high standards of care, offer affordable services, and contribute positively to the national health care system.

Given the expanding importance and role of the private health sector, the USAID Health System Sustainability Activity (the Activity) supported the Ministry of Health (MOH) in assessing gaps associated with its policies and legal frameworks governing how it engages this sector and developed recommendations to enhance cohesion and complementarity between services delivered by the private, public and civil society health sectors.

This report summarizes the findings of said assessment conducted by the MOH's newly established Cabinet for Licensing and Registration of Health Activities with support from the Activity. Conducted through a desk review and in-depth interviews with key stakeholders, the purpose of the assessment was to:

- Map and identify existing policy, legal frameworks and regulatory statutes governing the MOH's engagement with the for-profit private health sector.
- Gather information on how stakeholders view the role of the private health sector and implementation of the government's regulatory statutes to identify gaps in the laws, policies, and regulations that govern how the private health sector functions.

Findings and recommendations from the assessment will support imminently needed alignment among the MOH, civil society and private health sectors, and guide the development of new tools and guidelines for synergistic public-private health sector collaboration.

KEY FINDINGS

The desk review identified one parliamentary law and five government decrees pertaining to the private health sector covering the following: 1) the role of the private sector as complementary to that of the public sector, 2) regulations governing the licensing, operations, and supervision of private health facilities, 3) the regulation of pharmaceuticals, and 4) the regulation of public and private health professionals. Policies governing the public and private sectors include the Health Policy Framework (2002), national health strategic plans, and policies associated with pharmaceuticals.

The existence of these laws and decrees plausibly signals the government's intention for the private health sector to complement its own delivery of health services. In stipulating how private health care is regulated and delivered, these statutes ensure private health facilities adhere to quality standards and patient safety, support the pharmaceutical supply chain, and provide provider guidelines for ethical standards and quality of care.

Given the growth in private health sector services, it will be important to update policies governing how the private health sector delivers care, and its synergistic role with services provided by the public sectors. Currently a public-private partnership (PPP) for diagnostic services is being developed which would greatly enhance the role of the private health sector. The question of what role private hospitals will play in the health system remains open and merits special consideration. Finally, interview respondents flagged the contentious issue of 'dual practice' (i.e., providers working in both the public and private sectors), which is currently unregulated.

Finally, the enforcement of laws governing how the private health sector and its providers function remains a challenge due to various structural issues, and how the government engages with the private for-profit and non-profit sector varies based on provider type. While some wished for greater levels of engagement with the government, others did not.

RECOMMENDATIONS

Enhancing the scope and role of the private health sector will require updating, uniformly integrating, and carefully communicating to all stakeholders' new regulations governing the delivery of care. Based on the assessment findings, and to ensure complementarity of the private, public, and civil society health sectors, the Activity offers the following recommendations to strengthen the MOH's engagement with the private health sector:

Policymaking and Stakeholder Engagement:

- Clarify how and at what level of government policies are developed and approved.
- Advocate with private health sector leaders to create a unified body charged with engaging with the MOH to develop a private sector engagement policy and hold regular dialogues to navigate the sector's role, legal requirements, and operational parameters.

Legal Framework Improvement:

- Ensure equitable application and enforcement of how the private health sector is governed, irrespective of type of organization.
- Convene a dialogue with representative private sector counterparts to vet and resolve the issue of dual practice.
- Inform key public health sector stakeholders about the existing laws, policies, regulations, and tools to support collaboration with the private health sector.
- Improve government communication and response time for approval requests.
- Finalize detailed criteria for establishing new private clinics and hospitals in addition to general conditions stipulated in the Decree Law No. 18/2004.

Capacity Strengthening:

- Invite private providers to participate in skill-building in-service trainings provided by the MOH and the National Institute of Public Health (Instituto Nacional de Saúde Pública Timor-Leste) and share updated guidance/guidelines on improving quality of services and medicines with the private sector.

BACKGROUND

Timor-Leste has experienced significant growth in its private health sector in recent years in both the for-profit and non-profit arenas. Factors contributing to this expansion include rising demand for health services, improved living standards, increased health awareness among the population, and potential investments from domestic and international sources.

The for-profit sector refers to private health facilities operated by individuals or commercial companies, such as the Dili Medical Center and Foho Osan Mean. Non-profit private health facilities are run by civil society organizations, including church-based organizations, such as Meterniade Nossa Senhora de Fatima Fatumeta.

While the role and coverage offered by the private health sector has expanded, the current understanding of many current government officials and the private health sector is that there are no specific policies outlining how the government should engage with this important source of health care delivery. Neither does an organizing body yet exist to ensure services are delivered in a cohesive manner and in accordance with national guidelines ranging from governance to quality of care. As a result, there are inefficiencies in coordinating with public health sector coverage, lack of dialogue platforms to address challenges, and missed opportunities to pursue mutually beneficial initiatives.

The overarching goal of Timor-Leste's National Health Sector Strategy 2021–2030 is to build a stewardship role for the MOH in driving progress toward universal health coverage. The strategy recognizes the role of the private sector as a direct and important contributor to achieving this goal. In 2019, the MOH established a new directorate charged with regulating the private health sector in the areas of registration and licensing of private health units, pharmaceutical activities, and the practices of health professionals. To complement the work of this new Cabinet, the existing Health Inspection and Audit Department also has a mandate to inspect and audit public and private health care providers.

As of July 2023, the MOH's Cabinet for Licensing and Registration of Health Activities had registered a total of 137 private health units (see Table 1). Of these, 111 are for-profit private health units and 26 are non-profit private health units. Among the private health units, 73 percent are based in the capital, Dili. The remaining health units are in other municipalities around the country.

Table 1. Registered Private Health Units

Private Health Unites	For Profit	Non Profit	Total
Polyclinic	30	19	49
Laboratory	18	0	18
Dental Clinic	10	0	10
Maternity	4	5	9
Radiology	10	0	10
Medical Consultancy	34	2	36
Inpatient 3-5 days	3	0	3
Health Posts	2	0	2
Total	111	26	137

Table source: Cabinet of Licensing and Registration of Health Activities. Only cumulative data as of 2023 is available, not time series.

The Cabinet of Licensing and Registration of Health Activities also registered a total of 91 pharmacies, 76 of which are currently in operation. The remaining 15 are no longer active. The MOH also registered and provided licenses to 38 drug importers, of which 19 are currently in operation.

A total of 288 national and international health professionals working in private health facilities were registered between 2018 and 2022 (see Table 2). The Cabinet registered 79 health professionals in 2018, but the number declined in 2019 due to a transition of responsibility for health professional registration from the Cabinet of Quality Control to the Cabinet of Licensing and Registration of Health Activities. The number of licensed health professionals rose in 2021 and 2022, with 41 and 94 registrations, respectively.

Table 2. New and Renewed Licensed Health Professionals in Private Sector Health Units

Year	TL Health Professionals Registered by Gender		Nationality	
	Male	Female	TL	International
2018	31	46	77	2
2019	0	6	6	1
2020	0	7	7	0
2021	7	31	38	3
2022	45	31	76	18

Table source: Government of Timor-Leste, Ministry of Health Licensed Health Professional in Private Sector 2022.

Of the total 228 licensed health professionals in the private health sector, the majority are nurses' aides and nurses (83 and 81, respectively). Only six medical specialists were registered during this period, from 2018-2022. This data does not indicate whether these health professionals are also practicing in public health facilities.

In 2022, the Director of the Cabinet of Licensing and Registration of Health Activities and the Activity jointly identified the need to assess the legal and regulatory frameworks for the government's engagement with the private for-profit health sector. This assessment also aligns with the Activity's capacity building plan which was co-developed with the MOH to strengthen governance in the health sector.

ABOUT THE ASSESSMENT

PURPOSE

The purpose of this assessment was to:

- Map and identify the existing policies and legal framework governing public-private health sector engagement.
- Assess the MOH's policies and regulatory framework for the for-profit private health sector.
- Gather information on stakeholder perspectives about the role of the for-profit private health sector and current implementation of regulatory frameworks.
- Identify gaps in the laws, policies, and regulations that govern the for-profit private health sector.
- Inform key stakeholders about the existing laws, policies, regulations, and tools to engage and regulate the for-profit health sector.
- Initiate a sector-wide dialogue about the role of for-profit private health facilities and providers. This will be achieved through dissemination of and subsequent convenings to discuss findings from this assessment.



Definitions

Laws are the legislative acts drawn up by the National Parliament. Laws made by the National Parliament generally have the highest degree of power.

Decree laws have the force of law emanating from the executive branch of the government.

Policies are predetermined courses of action and principles developed by the government that serve as a framework for achieving specific goals and objectives.



METHODOLOGY

The assessment used a mixed-method approach, with a desk review of the existing materials and key in-depth interviews (KIIs) with stakeholders to gather perspectives on the private health sector's role, and the legal and regulatory landscape for its engagement. The exercise focused on mapping and identifying the existing policy and legal frameworks.

DESK REVIEW

Official policy documents (i.e., policies and strategic plans) were collected from publicly available online sources and through direct consultation with relevant offices within the MOH. Additionally, several legal frameworks, such as the Parliamentary Law and government decree laws, were collected from the Journal of the Republic and relevant MOH offices.

STAKEHOLDER INTERVIEWS

The assessment team conducted interviews with 23 key government officials, directors from the for-profit and non-profit private health sector, and key public figures familiar with policies and laws regulating the private health sector (including the former minister of health responsible for

approving laws regulating the private health sector). Building on the desk review, stakeholder interviews aimed to assess the gaps and challenges in the existing policies and legal frameworks identified in the desk review. The interviews also captured stakeholder perspectives on the role of the for-profit private health sector and implementation of associated regulatory frameworks. The complete list of people interviewed is presented in Annex A.

LIMITATIONS

The assessment applied a dual methodology (i.e., the desk review and key informant interviews) to compensate for limitations embedded in each source.

The KIIs took place during a period of transition between the eighth and ninth constitutional government. This change in leadership triggered reassignment and new arrivals of several key MOH officials. As a result of these shifts, the assessment team was unable to meet with the Minister and the Vice Minister of the MOH.

KEY FINDINGS OF THE DESK REVIEW

INSTITUTIONAL ARRANGEMENTS FOR PRIVATE HEALTH SECTOR GOVERNANCE

This assessment was initiated when the eighth constitutional government was in office. However, the institutional relationships illustrated in Figure 1 below are based on the recent MOH's Decree Law No. 51/2023.¹ This decree law defines the structure of the MOH and the roles of its entities, cabinets, and directorates that are fully or partially engaged with the private health sector.

Figure 1. Institutional Arrangements for Private Health Sector Governance



¹ The organizational arrangement chart is designed based on the new Organic Law of the Ministry of Health 2023. Decree Law No.51/2023. Organic Law of Ministry of Health 2023. https://www.mj.gov.tl/jornal/public/docs/2023/serie_1/SERIE_I_NO_31_A.pdf

- The Cabinet of Health Policy, Planning, Cooperation and Development participates in the negotiation process and finalizes agreements and protocols with public and private entities of international scope, in collaboration with the Ministry of Foreign Affairs and Cooperation. Under this Cabinet, the Health Management Information System Department is responsible for the collection and provision of health services data.
- The Cabinet of Deontological Ethics and Quality Assurance monitors the accreditation processes for all health care institutions in the country and defines quality of care standards in coordination with other bodies responsible for managing private health units.
- The Cabinet of Health Inspection and Audit governs inspections and audits of private health units and develops guidelines for these activities. The Cabinet also works to ensure that private health units, including pharmaceutical units and health laboratories, operate within legal parameters.
- The Cabinet of Licensing and Registration of Health Activities is responsible for licensing pharmaceutical activities, private health units, and the health professional practices both in the private and public health facilities. The Cabinet also issues licenses for practices of health professionals, the manufacturing and import of tobacco products, emergency transportation and first-aid services.
- The National Directorate of Pharmacies and Medicine, under the Directorate-General of Hospital Services implements, monitors, and evaluates the national policy for medicines, pharmaceutical activities, and laboratories. It also develops technical guidelines to establish and operate pharmaceutical activities managed by manufacturers and wholesalers, pharmacies, and pharmaceutical services in public or private hospitals and clinics.
- The General Directorate of Hospital Services contributes to the development of best practice manuals and operational procedures for the provision of specialized health services by public and private hospitals in the country.
- The Project Management Unit, another MOH unit, oversees large construction projects and service provision contracts in the health sector, manages external funds allocated to the health sector, and monitors the contracts award and execution processes associated with PPPs in the health sector. These are done in collaboration with the Ministry of Finance (MOF).

In practice, there are two departments responsible for private sector engagement: the Cabinet of Licensing and Registration of Health Activities and the Cabinet of Health Inspection and Audit. The information collected through KIIs indicated that inspections and audits are carried out on an ad-hoc basis in response to emergencies. In contrast, the Cabinet of Licensing and Registration of Health Activities regularly engages with the private sector. The 2019 changes to the Ministry's structure put this cabinet at the heart of private sector engagement.

In addition to the cabinets and units within the MOH, other government institutions, such as Serviço de Registo e Verificação Empresarial (SERVE, I.P.), a public institute responsible for business registration and verification, and the Customs Authority also play an important role in engaging with private businesses, including those in the health sector. SERVE, I.P. is responsible for business registration and collaborates with the MOH when issuing business licenses to for-profit private health facilities. The Customs Authority oversees the import of medicines by licensed importers.

GOVERNMENT POLICY AND LEGAL FRAMEWORKS FOR THE PRIVATE HEALTH SECTOR

LEGAL FRAMEWORK

In 2004, Timor-Leste established a legal framework to regulate the private health sector. The framework provides guidelines on how providers can practice in the private and public health spheres and outlines how private health facilities and pharmaceuticals are regulated.

The framework is comprised of one overarching parliamentary law and five decree laws, as described below:

THE HEALTH SYSTEM PARLIAMENTARY LAW NO. 10/2004 (*LEIS DO PARLAMENTO NACIONAL*)

This overarching parliamentary law establishes health protection parameters for public and private health institutions in the areas of prevention, promotion, and treatment.² It recognizes the private sector as a complementary partner to the public sector in achieving national coverage of health services and stipulates that for-profit and non-profit private health facilities are subject to licensing, regulation, and quality surveillance by the MOH.

The Health System Law recognizes state support through financial subsidies and technical assistance for non-profit health providers. For example, Maternidade Nossa Senhora de Fatima, has a memorandum of understanding (MOU) with the government to finance its work to improve access to health care services among disadvantaged and underserved populations. Similarly, the Cooperativa Café Timor, a non-profit private health provider, has a technical agreement with the government's Instituto Nacional Saude wherein they can participate in health care trainings and receive in-kind subsidies.

The Health System Law was amended in 2021 with Decree Law No. 24/2021 to approve exceptional and temporary health surveillance measures in response to the COVID-19 pandemic.³ In 2022, the law was further amended⁴ with changes in 22 articles, including Article 5 which recognizes private health units as one of the principal actors in promoting health and the prevention and treatment of diseases.

DECREE LAW NO. 18/2004 (REGULATES LICENSING, OPERATIONS, AND SUPERVISION OF PRIVATE HEALTH FACILITIES)

Decree Law No. 18/2004 authorizes the National Directorate of Health Policies and Planning to license and supervise the operations of private health facilities and to ensure quality standards are maintained. Private health units are defined under this law as health facilities, for-profit or non-profit, that provide medical, nursing, diagnostic, or therapeutic health care. For a private health unit to operate, it should obtain a license from the MOH. This decree law originally authorized the National Directorate of Health Policies and Planning to be responsible for processing and issuing licenses. However, this responsibility was shifted in 2020 to the Cabinet of Licensing and Registration of Health Activities in the law's first amendment with Decree Law No. 23/2020. The Cabinet is required to issue licenses for private health facilities within a

² Health System Law 2004

³ Decree Law No.24/2021 was the first amendment of Decree Law No. 10/2004.

⁴ The second amendment of the law was Decree Law No. 13/2022.

maximum period of 90 days and 120 days in the case of hospitals clinics. Licenses remain valid for three years.

This decree law also regulates the establishment of private health facilities, including the establishment, organization and operation of hospitals, and the equipment used in such facilities. Of note in the decree law, Article 24 states “hospital access must be accessible for patients, and services should allow easy passage and stop of ambulances, easy movement of stretchers and wheelchairs,”⁵ and Article 26 states “hospitals must be equipped with general equipment to create adequate service and comfort conditions in accordance with minimum standards of quality and safety.”

DECREE LAW NO. 12/2004 (REGULATES PHARMACEUTICAL ACTIVITIES)

Decree Law No. 12/2004 creates supervisory bodies to regulate pharmaceutical activities, including the import, storage, export, and wholesale and retail sales of medicines for human use. The decree aims to ensure that said pharmaceutical activities are only carried out by registered and licensed companies. It is the Health Inspection Office’s responsibility, working in collaboration with the Regulatory Commission for Pharmaceuticals and the Department of Pharmaceutical Services, to supervise all activities and transactions associated with pharmaceuticals.

This decree law has not been amended since its creation in 2004. However, the Regulatory Commission for Pharmaceutical Activities responsible for issuing licensing at the time, no longer exists. Instead, this responsibility now lies with the MOH’s Cabinet of Health Activity Licensing and Registration.

DECREE LAW NO. 14/2004 (REGULATES HOW HEALTH CARE PROVIDERS CAN PRACTICE)

Decree Law No. 14/2004 regulates the practices of all health professionals, regardless of their nationality, and requires them to register with the MOH.⁶ Applications for registration are regulated, and applicants are required to submit specific documentation. This decree law has been amended three times: in 2011, 2019, and 2022.⁷

Within the amended articles, health care professionals are concerned about changes made to the duration of registration validity, practice requirements and administrative fines. Providers are particularly disquieted by the decreasing timeline for registration validity. The original Decree Law No. 14/2004 did not stipulate an expiration period unless the holder encountered a disciplinary sanction. An initial amendment to this law reduced introduced a five-year registration validity for Timorese citizens (one year for foreigners), followed by a second amendment which further reduced the validity to two years for citizens (maintaining one year for foreigners). Similarly, the original Decree Law No. 14/2004 allowed health professionals holding

⁵ Decree Law No. 18/2004. Private Health Units 2004.
https://www.mj.gov.tl/jornal/public/docs/2002_2005/decreto_lei_governo/18_2004.pdf

⁶ Decree Law No.14/2004. Pharmaceutical Activities 2004.
https://www.mj.gov.tl/jornal/public/docs/2002_2005/decreto_lei_governo/14_2004.pdf

⁷ Articles that were amended in the first, second, and third alteration are listed here. Decree Law No. 20/11: This first amendment of the original Decree Law No. 14/2004 brought changes in the following articles: 3, 4, 5, 6, 9, 11, 13, 15, 16, and 20. Decree Law No. 4/2019: The second amendment made changes in article number 9 of Decree Law No. 14/2004 and Decree Law No. 20/2011. Decree Law No. 88/2022: The third amendment changed the following articles: 3, 4, 5, 6, 8, 9, 10, 11, 13, 14, 15, 16, 17, 20, and 21.

advanced degrees and relevant internships to practice without a license. This decree was subsequently amended (Decree Law No. 20/2011) to require all health professions to hold advanced degrees and be licensed.

Similarly, the original decree law stipulated administrative fines ranging from USD \$100-\$300 for health care professionals practicing without a registration. These fines were increased in 2011 to USD \$500-\$3,000, and again in 2022 to USD \$1,000-\$2,000. Health care facilities hiring unlicensed health professionals face fines ranging from USD \$2,000-\$5,000.

DECREE LAW NO. 13/2012 (REGULATES CAREER OF HEALTH PROFESSIONALS)

This decree law regulates the careers of health professionals in the public sector and does not specifically regulate health professionals in the private sector. However, it was included in the assessment because dual practice is common and many of the doctors practicing in private health facilities come from the public sector.

Decree Law No. 13/2012 aims to guarantee and organize medical activity in the National Health Services. It aims to promote staff retention, in-service training, and the promotion of scientific research.

The issue of dual practice is controversial and the subject of policy debate. Article 33 of this decree law states, “Physicians integrated into the career are prohibited from engaging in private activity as a liberal profession.” This article of the decree law has become a focus of discussion—about whether public sector doctors should be practicing in private health facilities outside of their working hours at public health facilities.

DECREE LAW NO. 72/2022 (REGULATES PUBLIC-PRIVATE PARTNERSHIPS IN MEDICAL DIAGNOSTICS)

Historically, the legal framework for PPPs was approved by Decree Law No. 42/2012, with amendments introduced by Decree Law No. 2/2014 and regulated by Decree Law No. 8/2014. The Decree Law No.72/2022 establishes the legal regime applicable to partnerships between public and private entities.

The government has been exploring innovative health sector management by mobilizing non-public investment in the national health system, especially to improve access to quality health services. To this end, the government approved a decree law in 2022 to establish the legal parameters for PPPs in diagnostic services. Before the decree law was created, several preparatory feasibility studies were carried out. According to this decree law, a private partner is selected and assigned for a period of 11 years through the implementation of a PPP agreement. The private partner will be responsible for providing laboratory and diagnostic services, including financing, construction, and renovation services as needed. PPPs ensure sustainability, risk mitigation, operability, and quality of health care services.

KEY TAKEAWAYS

The Health System Law in Timor-Leste establishes a legal framework that supports collaboration between the public and private healthcare sectors. It emphasizes regulatory oversight and state support for private health sector development. Other legal frameworks also govern the licensing and operation of private health facilities, ensuring that these facilities meet quality standards, maintain accessibility for patients, and have the necessary equipment to provide health care services safely and effectively. The laws also outline the regulations and

requirements for pharmaceutical activities, with a focus on ensuring the safe and controlled distribution of medicines for human use. The laws establish the regulatory framework for health professionals, including registration, licensing, practice parameters, and the imposition of fines for non-compliance. The government's focus on non-public investment in health care has led to the establishment of a legal framework for PPPs, specifically in diagnostic services. These partnerships are intended to enhance the quality and accessibility of health care services in Timor-Leste by leveraging private sector resources and expertise.

POLICY FRAMEWORK

The government currently does not have any specific policies governing how the public health sector should engage with its private sector counterparts. There are outdated policy frameworks, laws, and strategic plans that recognize the importance of the private sector and define its role in providing health care services. The government also created generic policies on certain aspects of the health sector (i.e., drug/medicine policy) that aim to engage with both the public and private sector.

HEALTH POLICY FRAMEWORK 2002

Timor-Leste's Health Policy Framework was developed in June 2002, at a time when the government was foreseeing growth in the private health sector, but no regulatory mechanisms had been established. This policy served as the basis for the ensuing legal framework established in 2004, including the Health System Law of the National Parliament and the 2004 government decree laws. The policy framework defines the role of the private sector as complementary and supplementary to public health. It further lays out options for a mix of health care provisioning, where the government can work with the private sector in financing and/or providing services.

The policy framework recognizes the important role the private sector, both for-profit and non-profit, plays in providing health services. It recognizes that regulated private health sector participation can promote equitable access to health care services, especially among vulnerable and underserved populations. Given the recognition of the private sector's role and the identification of financing and provision mechanisms, the framework sets forth options for how the government can engage with the private health sector, including PPPs. These include schemes where the government provides financing for private sector health care services (public-private), the private sector finances public sector health care services (private-public), and the private health sector services are financed by the private sector (private-private).

The framework establishes the policy context in which the MOH will be the main provider and financier of health services in the medium term, while the private sector will serve as a complementary and supplementary health service provider. The government's role is to promote the private sector in health care provision through dialogue and collaboration, explore initiatives, and establish legal parameters for the private health sector. The policy framework also provides a clear role distinction between the private and public sectors by identifying the comparative advantages of services provided by each actor, allowing the government to contract with the private health sector to provide services it is not able to deliver.

HEALTH POLICY GUIDELINES UNDER THE HEALTH SYSTEM LAW

No clear and comprehensive policy documents have been created since the 2002 East Timor Health Policy Framework. However, some policy guidance is integrated into the legal

framework. For example, the Parliament's Health System Law includes the following policy guidelines:

- “The freedom to provide health care and the creation of private entities, whether for-profit or non-profit, aimed at that provision, with respect for technical conditions and appropriate professional qualifications, subject to discipline and supervision by the State.”
- “The development of the private health sector is supported, in particular the initiatives of non-profit institutions, in complementarity with the public sector.”
- “The activity of production, import, distribution, and commercialization of chemical, biological, and pharmaceutical products, as well as other means of treatment and diagnosis, is subject to the discipline and supervision of the State.”⁸

NATIONAL HEALTH SECTOR STRATEGIC PLAN II 2021–2030

The National Health Sector Strategic Plan II recognizes that the for-profit private health sector is gradually expanding, especially in urban settings, and recognizes the private sector's role in bridging gaps in health care services. Notably, the strategic plan highlights the importance of PPPs and states that the government should explore this approach and develop management models to establish and implement these partnerships.

Notwithstanding the push to explore private partnerships, the strategic plan emphasizes PPPs should not eclipse the importance of ensuring accessible public sector health care services considering the limited purchasing power of Timorese citizens. The strategic plan aims to develop action plans for the implementation of a PPP for diagnostic services at level-2 and level-3 community health centers (CHCs)⁹ and hospitals. The project to implement this PPP is now progressing.

One of the strategic plan's strategies is to disseminate and socialize all relevant health sector legislation and policies to all levels of the health services delivery system, community representatives, and the private sector.

The plan also calls for community and private sector involvement in the planning and delivery of health services. The objective is a cost-effective and needs-based health system that specifically addresses the health issues and problems of women, children, and other vulnerable groups, such as the elderly and disabled. To drive data-based decision-making through a more robust health management information system, the plan aims to establish regulations for data collection from the private sector.

The strategic plan states the following goals for the government's engagement with the private health sector: review current legislation for the provision of health services by the private sector; introduce guidelines for quality control and consumer protection from private health providers under public-private mix arrangements; expand training capacity and rationalization of private sector personnel to ensure equitable distribution of qualified staff; promote the development of

⁸ Health System Law 2004.

https://www.mj.gov.tl/jornal/public/docs/2002_2005/leis_parlamento_nacional/10_2004.pdf

⁹ Level-I CHCs (CHC-1) are located in most administrative posts (posto administrativo) of the country; they provide ambulatory health services to a population of between 7,500–12,000 in rural areas and to around 15,000 in urban settings. Level 2 CHCs (CHC-2) are located in some administrative posts, covering populations of around 20,000. These CHCs offer the same services as CHC-1 but also have an inpatient department with up to 20 beds.

modern practice by the private sector; and develop criteria for contracting private sector services.

NATIONAL DRUG POLICY 2018

The original National Drugs and Medicines Policy of 2010 served as basic guidance for the management of medicines nationwide. Now referred to as the National Drug Policy, this guidance was updated in 2018 with new strategies for medicines management. The policy provides guidelines for the manufacturing, distribution, and use of medicines in the public and private health sectors. True to its original goal, the policy focuses on promoting timely and equitable access to and use of pharmaceuticals and other health commodities.

The National Drug Policy also requires licensing of private and public sector health care providers and institutions before they are allowed to deliver healthcare services and/or import, sell, distribute, and prescribe medicines.

The policy prioritizes key outputs and aims to strengthen the following:

- “Establish a National Drug Administration (National Drug Regulatory Authority), in line with [World Health Organization] WHO recommendations for national drug regulatory authorities in small countries with limited resources, including key functions such as drug registration, market regulation, surveillance and control, and control of drug use in all segments of public and private health care.”
- “Update laws, legislations, and regulations for the pharmaceutical sector and for the control of prescribing and use of medicines in all sectors of public and private health care.”
- “Implementation of regulatory, administrative, and quality standards in the pharmaceutical sector and for handling and use of medicines in all segments of public and private health care.”
- “Supervision of pharmaceutical practices and supervision of safe prescribing and dispensing practices in public and private hospitals and clinics.”¹⁰

GOOD PHARMACY PRACTICE GUIDE 2018

The Good Pharmacy Practice Guide helps the government regulate quality assurance requirements for pharmaceutical practices and services in the private and public health sectors. This guidance is based on legal and professional requirements formulated by the WHO and applies to all public and private pharmacies that stock, prescribe, dispense, import, distribute, and handle pharmaceuticals. The Guide also outlines how pharmaceuticals should be handled in clinics and hospitals with embedded pharmacies.

KEY TAKEAWAYS

The 2002 East Timor Health Policy Framework acknowledges the value of a well-regulated private healthcare sector and outlines a collaborative approach between the public and private sectors to improve equitable access of quality health care services nationwide. The framework emphasizes the government’s role in regulation and partnership, aiming to optimize the strengths of each sector to benefit the population’s health and well-being.

¹⁰ National Drug Policy 2018

The 2002 Framework has yet to be updated with a much-needed set of clear and comprehensive new policies. However, certain policy guidelines have been integrated into the legal framework, particularly within the Health System Law. These guidelines emphasize the importance of regulating and supervising private health care entities, supporting non-profit institutions, and ensuring oversight of activities related to health care products and services by the State. This reflects a commitment to maintaining quality and accountability within the private health sector in Timor-Leste.

The NHSSP reflects a strategic approach to engage the private health sector as a partner in delivering healthcare services in Timor-Leste, with a focus on quality, equity, and regulatory transparency. Timor-Leste's National Drugs and Medicines Policy strongly emphasizes regulatory control and quality assurance in the management of medicines in both the public and private health sectors. It seeks to establish a regulatory authority, update regulations, and enforce quality standards to enhance the safety and efficacy of healthcare practices and improve access to essential medications for the population. The Good Pharmacy Practice Guide serves as a crucial document in Timor-Leste's efforts to maintain the quality and safety of pharmaceutical practices and services in both the public and private health care sectors.

KEY FINDINGS OF IN-DEPTH INTERVIEWS

The assessment included interviews with select stakeholders to gather their perspectives on the role of the private sector in health and the regulatory landscape for its engagement. The Activity selected the interviewees based on their knowledge or experience with the for-profit private health sector. Interviews were conducted with a total of 23 people (5 females and 18 males), including current and former MOH officials, for-profit and non-profit private health providers, and other individuals with knowledge of the health sector. The key insights from these interviews are summarized below.

THERE IS LIMITED GOVERNMENT ENGAGEMENT WITH THE FOR-PROFIT PRIVATE HEALTH SECTOR

Responses of interviewees from the private sector, especially from the for-profit sector, are unanimous about there being no clear policy to guide the government's engagement with the for-profit private health sector. To date, engagement has been limited to regulations concerning registration and licensing of private health sector providers and facilities. In contrast, the non-profit private health sector has been engaging with the government through MOUs and participating in the government's strategic plans and other important MOH initiatives. Some for-profit private providers are seeking expanded engagement with their government counterparts. Others did not immediately see the necessity for engaging with the government (e.g., organized private health sector networks or associations).

Interviewees from the non-profit health sector cited having a good relationship with the government. They reported engaging with the public sector on financial and in-kind subsidies and technical assistance, such as in-service training and logistical assistance (i.e., vaccine cold chain). For example, the government previously covered costs for patients unable to pay the fees at a church-affiliated maternity center, although this stopped with a change of government in 2018. Cooperativa Café Timor, a coffee growers' cooperative and non-profit health provider, is a case in point. The government considers its health care system of 18 facilities and three mobile clinics to be of public interest. They have an MOU with the government regarding health services, and the government provides it with inputs such as medical supplies and medicines. Notably, the Cooperativa director has also participated in the development of health policies in the past.

LACK KNOWLEDGE ABOUT THE LEGAL FRAMEWORK GOVERNING ENGAGEMENT WITH THE FOR-PROFIT PRIVATE HEALTH SECTOR

The Health System Law No. 10/2004 was unfamiliar to many of the interviewees even though it provides the overall legal framework for the health system in Timor-Leste. The Health System Law is the parliamentary law that clearly states that the private sector is to complement the health services provided by the public sector. Other legal frameworks include decree laws for private health units, practices of health professionals, and pharmaceutical activities (see Section 3.3.1). These decree laws and their details were known only to the officials working closely on regulation and licensing activities and those in the legal department. Other officials were unaware of these laws. Those who were not familiar with the laws were only able to describe the provider registration and licensing processes. These interviewees were not aware of the conditions or criteria for establishing private hospitals, even though Decree Law No. 18/2004 provides this detailed information.

There were response discrepancies between former higher-level government officials and current mid-level government officials.¹¹ For example, higher-level officials cited the Timor-Leste Health Policy Framework of 2002, which they had a role in crafting, as recognizing the importance of the private sector's role in providing health care services. In contrast, current mid-level government officials, who have more recently been charged with engaging with the private health sector, were not aware of this policy. The higher-level officials also cited the government's engagement with the private health sector through MOUs and stated that the for-profit private health sector complements the public health sector.

The current mid-level government officials cited the absence of clear policies and steps for private sector engagement. However, they did point to the PPP the government has initiated for health diagnostics. These officials highlighted that at the technical level they develop, according to the role they are given, strategic plans and standard operating procedures to engage with the private health sector. They also mentioned that the National Health Strategy stated the need for engagement between the government and the private sector.

GAPS IN POLICY AND LEGAL FRAMEWORKS THAT GOVERN THE FOR-PROFIT PRIVATE HEALTH SECTOR

Interviewees from the private sector mainly discussed concerns about the registration and licensing processes. They stated that although there are clear criteria for these functions, the Cabinet of Licensing and Registration of Health Activities is slow to process applications and renewals. The interviewees also mentioned that there was poor communication between the Cabinet of Licensing and Registration of Health Activities and SERVE, I.P., around the registration process, reflecting fragmented coordination between these entities.

Several of the government officials interviewed stated that although the requirements of the regulatory framework were enforced, human and financial resources were lacking to implement the regulations in a full and timely manner. This challenge was cited by the interviewees representing the Cabinet of Licensing and Registration of Health Activities and the office of the health inspector. The official from the Cabinet of Health Quality Assurance stated that there were insufficient resources to even consider monitoring and regulating the private sector, and that the Cabinet was focused on the public sector.

Government officials also discussed challenges the government experiences in expanding coverage and quality of health services. These interviewees also cited that there is a need to have a standard policymaking process within a government institution, including the MOH, to help them understand how and at which level a policy should be crafted.

Private sector interviewees spoke about complications engaging with public health sector systems (e.g., differing licensing requirements for clinics, laboratories, and pharmacies). Interviewees also mentioned that the government has limited human resources to expand oversight for health care services in the private sector. The information is not clear about the duration for renewing licenses for clinics; whether it should be renewed every three months or every three years.

¹¹ Higher-level (former) officials are those who have held positions of minister, vice-minister, and his/her advisors, whereas mid-level government officials are those who are in the position of director generals.

DIFFERING PERSPECTIVES ON THE ROLE OF THE FOR-PROFIT PRIVATE HEALTH SECTOR

While government interviewees varied in their responses, most suggested that the private sector should be filling the gaps in public health care. When queried about whether the public sector should contract the private sector for services that are currently not provided, or poorly provided, by the government, respondents answered in the affirmative. Some suggested that the current model of public financing and public provision (National Health Service) should be modified to a social health insurance system, with the public sector as the single payer but providers can be different (e.g., public providers, non-profit private providers, or for-profit private providers). The interviewees suggested that the end of the current health strategy, 2030, would be a good time to review the approach and give patients the ability to choose from among different providers. They also stated that competition between public and private sectors could improve the quality of public sector services. No respondents suggested that the government should ban or restrict private health providers.

Among the interviewees, only two suggested that the private sector should be complementary to and not emerge as a competitor of the public sector. These responses align with the policy framework prepared in 2002 and the Health System Law approved in 2004.

The differing perspectives on the role of the for-profit private health sector in Timor-Leste suggest ongoing policy debates and decisions that will shape the future of the health care system. Key implications include potential shifts in the healthcare financing model, opportunities for collaboration between public and private providers, the importance of effective regulation, and the acknowledgment of the private sector as a valuable contributor to health care services. Ultimately, the direction chosen will impact access, quality, and equity in health care delivery in the country.

PRIORITY CONSIDERATIONS

Findings from this assessment, particularly the interview responses, brought into focus three priority areas that merit further exploration and analysis: the PPP for diagnostic services, the issue of dual practice, and criteria for registration of private hospitals. These three topics are briefly discussed below.

PUBLIC-PRIVATE PARTNERSHIP FOR DIAGNOSTIC SERVICES

This PPP initiative was launched in 2016 in response to the lack of quality diagnostic services in the public sector. It initially focused on the Guido Valadares National Hospital, which is the sole tertiary facility in Timor-Leste. The initiative has since evolved into a proposal to provide diagnostic services to the entire public health care system in the country. The result of this project would be the MOF signing a 10-year contract with a private provider. The MOH would be responsible for managing the agreement. The International Finance Corporation (IFC), a member of the World Bank group, is currently facilitating the process. The PPP's cost to the government is estimated at USD \$17 million per year. The IFC will provide post-transaction advice to the MOH, after a formal contract has been signed with the winning bidder. This would be the largest health-sector PPP in Timor-Leste.

The PPP has been shaped through years of careful analysis and deliberation within the government. Currently, the tender is pending approval by the new government. It will be launched in 2024 and open for application to all private health sector entities. If the PPP is approved, the private sector will manage all diagnostics for the health system, including labs, Magnetic Resonance Imaging scans, cancer screening, and X-rays. The PPP will mark a major step forward in engaging the for-profit private health sector.

When queried about the PPP, the interviewees who responded were positive about it although there were concerns about costs and the MOH's technical capacity to manage the contract. Several respondents did not know enough about the PPP to comment on it.

CONTENTIOUS ISSUE OF DUAL PRACTICE

The term "dual practice" refers to when government health providers who are employed in the public sector also work in the private sector. While dual practice is illegal in Timor-Leste, it is common and tolerated. However, unregulated dual practice can lead to conflicts of interest that may adversely impact the quality of public health care. Notably, all interviewees said that this practice will continue, and the government will not attempt to end it. Some commented that enforcement of the ban could lead to an exodus of medical personnel from the public sector. It was suggested that one way to address the issue of dual practice is not to focus on the private sector but to instead improve public sector performance. Interviewees suggested that the government should allow doctors to practice in private facilities after meeting their required work hours in the public sector.

LACK OF CRITERIA FOR REGISTERING PRIVATE SECTOR HOSPITALS

Lack of criteria was cited by several respondents as the reason why the MOH has not authorized the registration of private hospitals. Several private sector interviewees stated that they had a hospital project in development and were waiting for clarification on criteria for establishing a new hospital. One approached the MOH three years ago but to date has not yet received this clarification. Another stated that his group had already invested money in hospital infrastructure and equipment.

This feedback should be taken into consideration given that legislation and criteria for establishing hospitals already exist. Decree Law No. 18/2004 set the conditions and criteria for licensing, operation, and supervision of private health facilities (see Section 3.3.1). Notably, the government officials providing this feedback stated the need for more specific and comprehensive criteria than those contained in the decree law.

The Health System Law clearly states the overall role of the private sector as being complementary to the public sector. Hospital development by the private sector will be allowed if the proposed hospital provides services different from that of the national hospital. Hence, the government does not outright prohibit investment in private hospitals, but proposals must clearly communicate the anticipated role of private hospitals as being complementary, not a competitor. Lack of clarity and direct discussion about the intended role of proposed hospitals may explain why several private sector applications to establish hospitals have not moved forward.

CONCLUSIONS AND RECOMMENDATIONS

CONCLUSION

Timor-Leste has several legal frameworks that regulate the private health sector, with some existing gaps. Stakeholder interviews reflected enforcing established regulations remains a challenge. Interviewees pointed out that coordination is fragmented, communication from and among government entities is weak, and application timelines are lengthy for licensing and inspections. The government's engagement with the private health sector varies based on the type of private provider (for-profit or non-profit). Unlike the for-profit private providers, a non-profit private health provider indicated they participated in the government's strategic plans and other initiatives. Importantly, while some for-profit private providers wished for more engagement, others did not see the necessity to engage with the government (e.g., through more organized private health sector networks or associations).

The government's policy toward the for-profit private sector has not changed since the country's independence in 2002. The policy sees the private sector as being vital and complementary to the public health sector. With the recent growth of the for-profit private sector, this policy and the parliamentary law need to be reviewed and updated. A PPP for diagnostics is currently being shaped, and its eventual approval and rollout would greatly increase the role the for-profit private sector plays in health care delivery in Timor-Leste. What role the for-profit private hospitals play is an issue that requires measured reflection. Finally, dual practice was also highlighted by the assessment as an issue that needs to be addressed, possibly by legalizing and regulating the practice.

KEY TAKEAWAYS

- **Legal frameworks for engaging the private health sector exist:** Timor-Leste has several legal frameworks governing how the private health sector functions and the government's engagement with this important actor. These frameworks encompass various aspects of private healthcare service delivery, licensing, regulations, and quality standards.
- **Enforcement challenges:** Despite the existence of a robust legal framework, enforcement of these laws is challenging, and regulations may not be effectively implemented.
- **Coordination and communication between public and private health sector actors is weak and fragmented:** Coordination among government entities responsible for regulating the private health sector is fragmented, and communication among these entities is weak. This lack of coordination can lead to delays in processing license applications and conducting inspections.
- **The government engages differently with for-profit v. non-profit private health sector entities:** The government's engagement with private health providers varies depending on whether they are for-profit or non-profit. Non-profit private providers indicated more active participation in government initiatives and strategic plans compared to for-profit providers.
- **Current policies require review and updating:** The government's policy toward the for-profit private sector has remained unchanged since the country's independence in 2002. However, with the growth of the for-profit private sector, these policies need to be reviewed and updated to reflect the changing healthcare landscape.
- **A new public-private partnership for diagnostics is being established:** The government is actively shaping a PPP for diagnostics, which could significantly increase the involvement

of the for-profit private sector in healthcare delivery. The approval and implementation of this PPP will be a significant development in the healthcare sector.

- **Dual practice requires legalization and regulation:** Dual practice, where health care professionals work in both the public and private sectors, is highlighted as a ubiquitous challenge that needs to be addressed. Legalization and regulation of dual practice may offer a potential solution.

RECOMMENDATIONS

The prevalent narrative from current government officials and the private health sector states that there are no policies for engaging with the private health sector. Since the private health sector is expanding, there is an imminent need to develop well-structured engagement policies and a legal framework that encompasses a broad range of areas including quality standards, licensing requirements, pricing mechanisms and market segmentation. Well-structured policies can help ensure that private health care providers maintain high standards of care, offer affordable services, and contribute positively to the overall health care ecosystem. The framework should have the capacity to adapt to changing circumstances and emerging health priorities. It should prioritize patients' rights and protections, while incorporating emerging trends in healthcare (e.g., advancements in medical technology, telemedicine, data privacy). Finally, it should incorporate elements to build trust with government counterparts and constituent communities in aspects such as access to accurate information, transparency, and dispute resolution.

Enhancing the role of the for-profit private health sector requires that the existing rules, regulations, and guides be communicated clearly to all stakeholders and the development of a systematic engagement mechanism to facilitate collaboration between public and private health sector actors. Based on the insights from the assessment, the following actions are recommended to the MOH to strengthen the public health sector's engagement with the private health sector:

POLICYMAKING AND STAKEHOLDER ENGAGEMENT

- Clarify which hierarchical levels and processes should be used to develop and approve relevant policies.
- Encourage the for-profit private health sector to self-organize (e.g., form a leadership association) to facilitate systemic and cohesive engagement with the MOH and other government entities. Such an association can:
 - Hold regular policy dialogues with the government, clarify the role of for-profit private health providers, participate in the development of new policies and laws pertaining to public-private collaboration, and provide valuable input on priority amendments needed to existing laws and policies.
 - Consider developing a private sector engagement policy, with an implementation plan that has clear measurable steps. This plan should seek to increase resources for the institutions within the MOH that currently interact with the for-profit private sector so that they are able to fulfill their role adequately.
 - Consider having a private sector focal point within the MOH to serve as a liaison for private sector engagement and clarification of queries/concerns.

IMPROVING THE LEGAL FRAMEWORK

- Ensure that enforcement of rules and regulations is applied in an equitable manner to all private health sector actors, irrespective of type.
- Hold deliberations on the issue of dual practice and collaboratively identify and implement a practical solution that is beneficial to all parties.
- Educate key health sector stakeholders about the existing laws, policies, regulations, and tools to implement government collaboration with the private health sector. Dissemination of this assessment report offers an opportunity to share this information.
 - Improved communication among government entities engaging with private health sector partners will facilitate timely resolution of pending applications and queries (e.g., finalizing criteria for establishing private hospitals).

CAPACITY STRENGTHENING

- Invite private providers to participate in skill-building in-service trainings provided by the MOH and the National Institute of Public Health (Instituto Nacional de Saúde Pública Timor-Leste) and share updated guidance/guidelines on improving quality of services and medicines with the private sector.

REFERENCES

- Government of Timor-Leste, Ministry of Health. 2004. "Decree Law No.12/2004 on Pharmaceutical Activities." *Jornal da República Timor-Leste*.
- Government of Timor-Leste, Ministry of Health. 2012. "Decree Law No.13/2012 on Career of Health Professional." *Jornal da República Timor-Leste*.
- Government of Timor-Leste, Ministry of Health. 2004. "Decree Law No.14/2004 on the Exercise of Health Personnel." *Jornal da República Timor-Leste*.
- Government of Timor-Leste, Ministry of Health. 2004. "Decree Law No.18/2004 on Private Health Units." *Jornal da República Timor-Leste*.
- Government of Timor-Leste, Ministry of Health. 2004. "Decree Law No.20/2011, the First Amendment of Decree Law No.14/2004." *Jornal da República Timor-Leste*.
- Government of Timor-Leste, Ministry of Health. 2020. "Decree Law No.23/2020, the First Amendment of Decree Law No.18/2004." *Jornal da República Timor-Leste*.
- Government of Timor-Leste, Ministry of Health. 2022. "Decree Law No.72/2022 on PPP Diagnostic." *Jornal da República Timor-Leste*.
- Government of Timor-Leste, Ministry of Health. 2022. "Decree Law No.88/2022, the Third Amendment of Decree Law Decree Law No.14/2004." *Jornal da República Timor-Leste*.
- Government of Timor-Leste, Ministry of Health. 2002. *East Timor's Health Policy Framework 2002*. Timor-Leste: Ministry of Health.
- Government of Timor-Leste, Ministry of Health. 2010. *Good Pharmacy Practice Guide*. Timor-Leste: Ministry of Health.
- Government of Timor-Leste, Ministry of Health. 2019. "Organic Law of Ministry of Health." *Jornal da República Timor-Leste*.
- Government of Timor-Leste, Ministry of Health. 2023. *Registration and Licensing Administrative Data*. Timor-Leste: Ministry of Health.
- Government of Timor-Leste, Ministry of Health. 2018. *The National Drug Policy*. Timor-Leste: Ministry of Health.
- National Parliament of Timor-Leste. 2004. "Decree Law No.10/2004 on the Health System Law." *Jornal da República Timor-Leste*.
- National Parliament of Timor-Leste. 2021. "Decree Law No.24/2021. The Frist Amendment of Decree Law No.10/2004." *Jornal da República Timor-Leste*.

ANNEX A. LIST OF INTERVIEWEES

Interviewees	Position	Name of Entity/Ministry/Directorate
Mr. Carlitos Correia Freitas	Director	Cabinet of Licensing and Registration of Health Activity
Mr. Narciso Fernandes	Director	Cabinet of Policy, Planning, Cooperation and Development
Mr. Duarte Ximenes	Inspector General	Cabinet of Health Inspection and Audit
Dr. Florindo Cardoso Gomes	Manager and owner	Flodova Clinic
Mr. Inacio dos Santos	Executive Director	Bairopite Clinic
Mr. Marcelo Amaral	Director General	Directorate General of Corporate Services
Mr. Miguel Maria	Director	National Directorate of Budget and Financial Management
Dra. Odete da Silva Viegas	Director General	Directorate General of Health Service Delivery
Dra. Merry Monteiro	Manager	Dili Medical Center (DMC)
Dr. Rui Maria de Araujo	President	Medical Association of East Timor & Moris Foun Clinic
Dr. Rogerio Pedro Sam	Director	Maternidade Nosa Senhora de Fatima Clinic, Fatumeta
Mrs. Marce P. N. B. Soares	Manager	Cooperativa Café Timor
Mr. Feliciano D.C.A Pinto	Director	Cabinet of Deontological Ethics and Quality Assurance
Mr. Jose Abilio	Commissary	Customs Office
Mr. Ismael Barreto	Sector Lead for Health	Partnership for Human Development
Mr. David Freedman	Resident Representative	International Finance Corporation
Dr. Vinay Bothra	Policy Advisor	World Health Organization
Ms. Maria Natalia	Department Chief	M&E Department in Cabinet Policy Planning and Cooperation
Mr. Iris Hamelberg	Health Policy and Management Adviser	MOH Timor-Leste
Mr. Ivo Cornelio Lopez Guterres	Department Chief	Cabinet of Licensing and Registration of Health Activity
Mr. Inacio da Costa	Staff	Cabinet of Licensing and Registration of Health Activity
Mr. Natalino G.de Araujo	Director	Cabinet of Legal Litigation
Mr. Marcelo da Rosa	Advisor	Cabinet of Legal Litigation

ANNEX B. INTERVIEW QUESTIONNAIRE

Private Health Sector Engagement Assessment Questionnaire

A. Identifying information (*note we should have most of this information before the interview and it should be filled out already*)

A.1 Interview date (dd/mm/yyyy):

A.2 Interviewer initials:

A.3 Respondent Name:

A.4 Respondent Title:

A.5 Telephone:

A.6 Email:

A.7 (Private Sector) Company name:

A.8 (Private Sector) Company address:

A.9 Why the respondent was chosen for the interview – to be filled by the Activity team

B. Purpose of assessment and permission to record and quote.

Text explaining the private for-profit assessment. Would include the key contact at MOH (once it has been determined).

The **purpose** or goal of the private for-profit health sector engagement assessment is to: Gather informed perspectives of key stakeholders on the role of the for-profit private providers in the health sector, and identify gaps in the laws, policies, regulations, and tools. Collect recommendations on improving the role, and regulation, of the private sector in the health system.

B.2 Ask permission to record.

B.3 Ask if the respondent can be quoted in the report.

- a. No
- b. Yes, but not identifiable information (official in MOH, MOF, private sector provider, etc.)
- c. Yes, with name and title/position.

C. Policy questions

C.1 To the best of your knowledge, what are the government's policies and strategies to engage with private for-profit health providers in Timor-Leste health sector?

May have to give example of private sector health providers: Clinics, doctors, nurses, health personnel, pharmacies, laboratories (if applicable)

C.2 Does the government seek to promote the private sector in health? If yes, how?

C.3 What are the benefits of the government's current private sector engagement strategy?

Potential answers are: more efficient, more responsive, cheaper than public investment, private sector investment in health, may attract foreign investment and skills (hospital networks, etc.).

C.4 What are the risks of the government's current private sector engagement strategy?
Potential answers are lack of regulatory capacity, out of control private sector, private sector is costlier than public sector provision, state capture (when an actor is so powerful that it drives the policy for private gain not the government).

C.5 What do you think are the major obstacles to implementing the government strategy?

C.6 What could the government do to address/solve these obstacles? What can the private sector do?

- a. Short and medium term (now to 5 years)
- b. Long term (more than 5 years)

Probe the answer to have the most concrete suggestions.

C. 7 What do you think the role of the private sector should be?

- a. Providing medical services that are not offered by the public sector – at the patients' charge. *Complementary*
Example: Providing dental services, or eye services
- b. Providing medical services that are offered by the public sector at charge of the patient. – *Private alternative.*
Example: Providing primary care services; well-baby clinic, deliveries, etc.
- c. Provide non-medical services under contract.
Example: Food in hospitals, laundry services, etc.
- d. Provide medical services under contract.
Example: Providing primary care services; reproductive health services, detection, and treatment of TB
- e. Provide specialized medical services under contract.
Example: Cancer treatment, services current not available in Timor-Leste. Service can be provided by specialist in private or public facilities.
- f. Provide management of public facilities (contract in or outsourcing of management and care provision).
Example: Government finances and build a cancer treatment facility but contracts for management and care
- g. Provide private financing, construction, and operation of new public facilities – outsourcing investment, management, and care provision).
Example: Private sector financing, building, and operating a specialized public facility under government contract – government pays for services

Please note that the following three questions should only be asked if the answer to C.7 is different from the current government strategy.

C.8 What are the benefits of this role for the private sector? *Why is the respondent suggesting this particular role for the private sector?*

Potential answers are: more efficient, more responsive, cheaper than public investment, private sector investment in health, may attract foreign investment and skills (hospital networks, etc.).

C.9 What are the risks of this/these roles?

Potential answers are lack of regulatory capacity, out of control private sector, private sector is costlier than public sector provision, state capture (when an actor is so powerful that it drives the policy for private gain not the government).

C.10 What do you think are the major obstacles to having the private sector fulfill this role, how do they differ from the current obstacles?

D. Legal and regulatory questions

D.1 To the best of your knowledge, what are the laws and regulations that govern for-profit private sector health care in Timor-Leste?

Probe for details of various example of private sector health:

- a. *Private facilities: Hospital, clinics, laboratories, imaging centers*
- b. *Individual practitioners (Doctor, Nurses, Midwife, other)*
- c. *Pharmacies and drug sellers*

This section will have to be modified for the private sector health providers, to probe on the actual regulations and how it affects them.

This section will have to be more specific when the respondent is a regulator (MOH or other)

D.2 Do you think the current regulatory framework is adequate and/or appropriate?

- a. If not, what is missing?

D.3 What are the challenges of implementing the regulatory framework?

Probe: government capacity, knowledge of the law and regulations, lack of enforcement, out of date and inappropriate laws and regulations.

D.4 What would be your suggestion to improve the regulatory framework?

- a. Short and medium term (now to 5 years)
- b. Long term (more than 5 years)

Probe for more specific suggestions as possible, see you can get more than vague statements.

E. Closing

Thank the respondent for his/her time and willingness to answer the questions. State the next steps of the assessment and the dissemination of the results.

Note that we will be able to ask if they want to participate in any follow-on event (dissemination and discussion) should we know it. If not, we should confirm their email address and or text.

E.1 Do you have any questions about the assessment?

E.2 Do you have any comments or requests, and advice concerning private for-profit health sector engagement you wish to share?