

Public–private partnership in healthcare and in organizations

Welcome to the special issue on “Public-private partnership in healthcare and in organizations”.

Health care has experienced considerable growth in recent years and the global coronavirus pandemic has further accelerated the changes taking place in the sector. Health care can be considered as the collection of all the aspects, services and devices for taking care of health. The WHO’s vision and aim is to protect people’s health as much as possible thus keeping the world’s population safe and putting these social values into practice. On the other hand, the idea of organizations as entities responsible for carrying out a fundamental function of social order is taken up and fully theorized by [Parsons \(1956\)](#). The origins of organizational theory can be traced in the works by [Taylor \(1947\)](#) that conceptualize organizations as bureaucratic and therefore rational, collaborative apparatuses. Partnerships are crucial in sharing and in achieving mutually determined goals. Indeed, the term “partnership” is often used interchangeably with the term “collaboration” ([Gottlieb et al., 2005](#)). A collaborative approach allows public and private actors to contribute according to their possibilities sharing resources, expertise and skills ([Panda, 2016](#)). Public–private partnerships (PPPs) play a vital role in diverse sectors, not just because the financial pressure on public finances has, in recent decades, encouraged public sector reforms but also because markets have increased their dependence on both inputs for production and for the direct services supply. In the literature, it is possible to highlight different definitions of PPPs. For example, [Koppenjan \(2005\)](#) defines a PPP as “a form of structured cooperation between public and private partners in the planning/construction and/or exploitation of infrastructural facilities in which they share or reallocate risks, costs, benefits, resources, and responsibilities.” On the other hand, [Grimsey and Lewis \(2007\)](#) state that PPPs are “arrangements whereby private parties participate in or provide support for, the provision of infrastructure, and a PPP project results in a contract for a private entity to deliver public infrastructure-based services.”

Besides the definitions, a growing enthusiasm for using PPPs to improve organizations and health service delivery has been identified ([Torchia et al., 2015](#); [Littlejohns and Wilson, 2019](#); [Deng, 2021](#)). This spreading is justified by the fact that all organizations (public and private) involved in health management are looking for strategies to balance the increase in health costs and the relative decrease in funding ([Basińska-Zych and Springer, 2021](#); [Joudyian, et al., 2021](#)).

Many studies suggest that public–private collaboration creates better performance in terms of efficiency, effectiveness, responsiveness and quality of care ([Hernandez-Aguadon and Zaragoza 2016](#); [Joudyian, et al., 2021](#); [Sepuru, et al., 2021](#)). Littlejohns and Wilson (2019) assert that the health sector is one of the most complex sector to govern and manage, so the engagement of various actors and the development of a partnership are considered a strategic way to address health issues. Both public and private actors recognize their individual inability to face the ever-new emerging public health challenges, but they can achieve together a broader goal that a single actor would not be able to achieve ([Schneider et al., 2019](#)). Consequently, there are a growing mandate to create PPPs, which have the capacity to build, adapt and even grow in the face of turbulent social and organizational changes ([Zou et al., 2014](#); [Schmitz and Glänzel, 2016](#)). There are a number of important drivers in the PPPs evolution toward dynamic and efficiency alliances, ranging from



public-private' organizational characteristics to factors such as value co-creation, new management and organizational techniques and the role of alliances in health systems resilience. Similarly, there is a number of different major areas of strategy development adopted by PPPs aiming to improve their position in the health-care context (Hashim *et al.*, 2016; Alonazi 2017). Thus, this special issue brings together research on the determinants of success of PPPs in health care and in organizations, focusing on all factors that may affect PPPs' proliferation.

Papers in the special issue

The focus of this special issue is to offer new insights about the spreading of PPP. Despite the growing popularity of the PPP, many issues are not sufficiently addressed. First, there is no unanimous consensus on the PPP concept. As a result, research aim at exploring the various PPP models is encouraged, as well as studies with the aim of systematizing the most relevant literature on the topic. Second, there are some common PPP elements, such as collaboration, development of mutual products/services, sharing of costs, risks, benefits and reciprocal value addition. More specifically, we aimed to launch in-depth empirical investigations on these issues as they can be useful to better understand how PPP can influence the success of a partnership. In this regard, the special issue welcomed theoretical, comparative case studies and mixed-methods approaches that address one of the indicative (but not exclusive) following themes: leadership and governance structure; managerial practices in public-private partnership; partners' role, tasks and responsibility; performance measurement and management; cost assessment and accountability; risk management in public-private partnership; public network definition and criteria; competences in cross-sectoral partnership; building consensus and trust among partners; involvement evaluation of private partners; ethical issues in the health partnership; potential risks of the health policies; value co-creation in health; macro- and microeconomic impacts of PPPs in health; macro- and microeconomic analysis of policies; public-private partnership models; financial relationships; project financing in health; and outcome and quality assessment.

In what follows, we have identified several thematic areas on the topic of PPP. In this way, through this special issue, we have contributed to an important topic of discussion and debate by providing food for thought to scholars in the sector.

The paper "Public-Private: Unequal Competition Israeli Public Hospitals vs. the Private Health-care System following Government Reforms," by Lior Naamati Schneider, is a good starting point to begin this special issue, as the author defines and describes perceptions and changes in public hospitals in response to competition with the private health system. In Israel, recent health-care reforms have brought about far-reaching changes. At the same time, a growing private health-care system has begun to compete unequally with the public system, forcing public institutions to adopt strategies that are not aligned with their basic nature.

Through a qualitative data analysis of 40 open and in-depth interviews with key professionals in the health-care system and administrators at various management levels, this study described the solutions adopted by public hospitals and considers their implications for the business and strategic management of those hospitals. The main findings of the study are related to the identification of an evolution state of public hospitals. Public hospitals are constantly adopting changes due to state-imposed reforms and increasing competition with private hospitals. The main evolutions adopted include:

- making hospitals customer-oriented;
- adopting business-oriented behaviors; and
- adopting competitive strategies.

As public hospitals are unable to introduce radical changes, they typically introduce hybrid services (private sub-services within public services) and other creative solutions, such as research foundations funded by the organizations that work with them.

Consecutively, the theoretical study “Patient Satisfaction in the Context of Public-Private Partnerships,” by Amani Mallat, Demetris Vrontis and Alkis Thrassou, illustrates the success factors and the existing literature on the relationship between service quality and patient satisfaction. This study provides insights into the PPP concept and its performance measurement in the health-care sector, identifying and refining the key elements of health care for the PPP implementation. Through an in-depth exploration of the existing literature on the relationship between quality of service and patient satisfaction, a culture-specific conceptual model linking the drivers of patient satisfaction with PPP was developed. Extensive theoretical research has focused on the PPP qualitative performance indicators, as well as corresponding related factors. The results of this research, through a multifactor perspective (demographics, quality of service factors and emotions elements), show how improvements in services quality and patient satisfaction emphasize the role of PPP in health-care organizations.

In summary, the theoretical model developed is based on a complete set of cognitive and affective determinants. Thanks to these results, as well as their causes and effects, the foundations have been laid for controls and for the development of future in-depth research. Furthermore, the results of this study can be of help as a theoretical basis for developing a framework for measuring the PPP qualitative performance.

In the following article “How Does Telehealth Shape New Ways of Co-Creating Value?”, by Agne Gadeikiene, Asta Pundziene and Aiste Dovaliene, the authors contribute to the field mainly by transferring the business research applied concept of value co-creation into the social-purpose driven health-care industry. The rise of telemedicine is evident around the world, and right now, it offers wide opportunities for health-care organizations to create added value available to various stakeholders. However, even in the current situation of extreme health emergency, the progress of telemedicine is rather slow. In this context, it is necessary to consider how the application of telemedicine services allows the co-creation of additional value. The aim of this study is to investigate telemedicine services and the added value they co-create for various stakeholders in publicly and privately oriented health ecosystems.

This study adopted a qualitative research approach based on an exploratory and comparative path to investigate the perceived added co-created value. The authors implemented an analysis using a semi-structured interview form. The interviews were conducted in two countries with different health-care systems: Lithuania (publicly oriented health-care system) and California Bay Area, USA (private health-care system). In this way, obtaining two completely mirrored points of view, the research investigated telemedicine services following the perspectives of the different stakeholders involved in the health-care ecosystem. The findings underline that although value-in-use is essential in the case of telemedicine, value-in-exchange is fundamental to describe the relationships between insurers (public or private) and health-care providers. Despite the type of health-care system, the added telemedicine value-in-use was perceived to be quite similar in both research contexts, and the differences could be distinguished mainly at the sub-dimensional level. The added value-in-use for patients includes economic, functional and emotional value, whereas health-care professionals potentially gain functional added value-in-use (it consists of economic and functional value identified only in the Lithuanian context). Those results show that there is still a glaring lack of health insurance companies ready to recognize

telemedicine as a valuable service. Therefore, the added value-in-exchange is hardly created, and this prevents the co-creation of the added value-in-use.

The paper “Value-based health-care principles in health-care organizations,” by Fiorella Pia Salvatore, Simone Fanelli, Chiara Carolina Donelli and Michele Milone, shows how important and current the analysis of outcomes is for making informed decisions, directing and planning organizational changes by improving the quality of care and services. Excess or insufficient treatments, excess or defective diagnoses, uncontrolled costs and ineffectively distributed incentives are just some problems of health-care organizations which can be tackled through the concepts, practices and tools of value-based healthcare (VBHC). VBHC concerns the integrated management of a clinical condition (disease management) considered in the context of the treatment process as a whole rather than as an individual care episode. Building a VBHC system and providing continuous care and services improvement are goals shared by many industrialized countries and international organizations. To this end, this study aims to define a strategy to guide the evolution of health-care organizations toward a VBHC model. Ensuring economic sustainability and, in the meantime, improving the quality of care allow to redefine the concept of competition in health care and align it with the concept of maximizing value for patients.

Performance measurement is a crucial aspect of health-care organizations’ analysis. Using Porter’s model allowed the authors to develop an effective analytical technique. The assessment should reflect the overall cycle of care, in both short and long terms, with reference to a period of time long enough to achieve the best outcomes. The authors presented the measurement of health outcomes based on health conditions, the efficiency of health-care organizations and the type of service provided. As a result, clinical outcomes and data on each patient’s cost of care are essential information to assess the improvement in treatment value over time. Carrying out the assessment of what happens to patients in their care path allows expanding and generalizing the outcomes measurement model to all related health services.

The paper “Evolution of Public-Private Partnership: The UK Perspective through a Case Study Approach,” by Marios Adamou, Niki Kyriakidou and Jon Connolly, critically evaluates the PPP experience in the UK context through the National Health Service (NHS) perspective. Since the 1990s, NHS professionals have developed considerable experience in managing the process of specification, acquisition, procurement and management of PPP projects. However, a relatively coherent trajectory has been identified in the PPP evaluation studies since its initial introduction in the health-care sector to date. For this reason, further studies are needed both to grasp the challenges of the 21st century and to identify the critical success factors during the implementation of PPPs.

Nowadays, building strong partnerships is shifting service delivery from a project-by-project approach to one that includes strategic and policy developments for long-term results. Therefore, the purpose of this study is to evaluate the PPP in the UK using a case study. To achieve this objective, the authors have implemented a critical review of the most up-to-date research studies and innovative approaches in this area. The partnership literature focuses primarily on process issues and the partnerships’ impact on improving outcomes cannot be assumed. Specifically, therefore, they conducted an investigation of the literature on the PPP role in the UK health-care context by conducting a review of their role in the resilience of the system. A case study was used to describe the processes of a PPP agreement.

Overall, the results show that health-care PPP is one of the options related to health system resilience. However, their contribution to the NHS was found to be mixed, with success found in short-term clinical and service contracts. While the long-term value-for-

money argument has not been proven. The role of PPPs in bringing together elements that support system resilience (finance, management and innovation) in the UK has not always been successful, and NHS providers have at times tried to get out of such deals.

Using the same approach, the study “Public-Private Partnership in Health Care organizations. How to cope with complexity issues: a comparative case-study between Italy and the United States,” by Phillip McMinn Singer and Lorenzo Pratici, highlights the different methods to arranging health-care PPPs in the different settings by identifying some major problems. Health-care systems around the world share several pressing challenges, including rising costs and delivering higher quality outcomes for patients. Certain types of agreements, such as PPPs, can be adopted to address these challenges. Although the promise of PPPs is great, so are its risks if agreements are not properly managed and regulated through the contracting process. Contracting, therefore, helps to manage the complexity of these agreements. Policymakers and health-care professionals should ensure that PPP contracts clearly outline audit and performance measurement, compensation and risk management. This paper aims to analyze how PPP contracts explain three main issues: performance measurement and auditing, remuneration and risk management.

The case study analysis to PPP contracting underlines the variation in contractual approaches between two different countries (Italy and the USA). Although the structured literature review was performed on the Scopus database using a Boolean keyword search. For each major issue, the authors defined several secondary issues retrieved from a widely used institutional framework. In each sub-issue, a documentary analysis was carried out on all published information relating to the approaches used by the two countries. This has led to obtaining different results. However, the main findings show that the PPP contract in the USA appears to be more oriented toward institutional change management, as well as greater flexibility in determining deductibility and compensation for organizations and providers, suggesting that this organization is more change oriented. Instead, in Italy, the PPP contracts suggest a more practical approach, outlining the risk allocation among the organizations included in the PPP.

Finally, the last two studies of the special issue examine the different determinants of PPPs’ evolving phenomenon and the process of improving of a hospital service. The study entitled “Stakeholders of Public-Private Partnerships in Poland: An Analysis of an Evolving Phenomenon,” by Tomasz Kusio, aims to diagnose the maturity of PPPs in Poland, taking into account the range of stakeholders’ participation in public-private initiatives, by providing perspectives on the issue of personal context of PPPs and social capital. The main attention has been paid to the PPP stakeholders other than companies and public administration. In addition, attention was paid to the consequences of carrying out activities other than those intentionally planned (economic profit and implementation of regional strategies). What is highlighted is the particular importance given to the social reference. In other words, it is explained why social leaders and social organizations seem to have a growing influence on regional initiatives of which they are usually not partners. Although references to the PPP benefits are discussed in the literature, there is little discussion about measuring their social utility. Evaluating the level of utility before starting to make design decisions is considered less important. The benefits of implementing partnerships are being identified, and the presence of social stakeholders is becoming more and more evident, which in the case of Poland is only just beginning.

The PPP stakeholders study has been based on the reports analysis of Polish initiatives and the comparative analysis of the case studies. The study results indicate that PPP is present to a very limited extent in the Polish case. As the PPP market is still

developing, the stakeholder issue should be taken into account in the PPP development processes in Poland. The results aim at discussing the pros and cons of PPPs in this context, and pushing their diffusion across the country can support the improvement of legislation at the regional level.

Then, the study “The importance of the partnership between the public and private healthcare institutions to improve interhospital patient transfers,” by Rimantas Stašys and Kristupas Žegunis, evaluates the use of tools and skills provided by a PPP to improve patient transport from smaller hospitals to health-care organizations with advanced intensive care or urgent care units. The literature and statistical data show an increasing demand for the number of interhospital transport services. Therefore, the timely and qualified transport of patients between different health institutions should be considered as the activity that directly and significantly affects the patient’s health status and the overall quality of health services. The patients transport can be improved through partnerships between public and private health institutions. In particular, this study presents the classification of interhospital transfer problems, determines the main reasons for the interhospital transfer of the patient, creates the model for the process flows of patients of emergency medical services (EMS) and defines five EMS categories for the assessment of the condition of the patient.

The methodology included the quantitative method, statistical data analysis and generalization of theoretical data. Furthermore, the systemic analysis of the scientific literature was performed. Both primary and secondary data were collected and analyzed. The expert opinion was investigated through a survey conducted in Lithuania. The interviewees selected were the general managers of the health and emergency care institutions, the physicians of the intensive care units and the physicians of the emergency room.

The results of the study showed that because of the centralization and regionalization of health services, the number of patients transferred between hospitals by EMS and personal health institutions has increased. Furthermore, it has been shown that university hospitals are not sufficiently ready to accept an increasing flow of patients in accordance with the guidelines of the Ministry of Health. The five EMS categories could be used to improve patient transfer between different levels of health-care institutions. To increase the PPP, incentives should be provided for the development of private health-care organizations, as well as encouraging campaigns should be launched to increase Lithuanian demand for private health-care services.

Conclusions

The opportunity provided by the partnership to share resources, expertise and skills appears to be extremely useful, especially in this period of health emergency. The recent events generated by the COVID-19 pandemic have once again highlighted the numerous shortcomings in the management of public and private health-care organizations. At the same time, however, we have seen an evolving phenomenon where the renewed resilience, innovation and flexibility of employees in organizations have proven useful in achieving best practice to date as well as working hard to improve health-care services delivery in the next future. We hope that the management and organization research continues to discover how businesses can come together to take advantage of common skills while pursuing the goal of positively transforming their organization with the help of public entities.

All the papers included in this special issue represent an interesting overview of the PPP in health-care organizations highlighting important aspects, key elements and future trends

that certainly will “open” new scientific paths and directions in this field. The papers here presented add new insights and understanding to the way in which PPP can achieve better findings in all its facets. These range from recognizing VBHC principles, to identifying patient satisfaction in the context of partnerships, to recognizing the importance of partnership in improving particular health-care services for the patient, to identifying greater internal flexibility in health-care organizations among other important issues. Finally, each of the papers covers a different context within the PPP, is capable to provide academic and practical implications and uses different research methods across quantitative and qualitative designs for advancing theory on PPP.

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