

# The Success of Health Insurance for Saudis Citizens: Hospital Privatization in Saudi Arabia

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## Abstract

In order to fulfill the country's health sector developmental objectives, the Kingdom of Saudi Arabia has endeavored to reorganize and improve its health care systems. One area of health sector that has undergone profound change and significant progress is health insurance. Thus, this study aims to discuss the success of health insurance for citizens through Hospital Privatization in Saudi Arabia. The method of the study was based on a discussion of several studies about Hospital Privatization in Saudi Arabia and health insurance for Saudis citizens. This study found that to success and effectively apply the program of health insurance for Saudis citizens through hospital privatization in Saudi Arabia, it must overcome all obstacles that may face Saudi health system, such as organization of the health power, absence of capital and human asset obtaining coordination, quick increment in health uses, and the method for repayment, expanding competition, and endeavors at controlling costs, as well as, a deficiency of Saudi health experts, the health service's numerous parts, restricted money related assets, changing examples of malady, appeal coming about because of free administrations, a non-appearance of a national emergency administration arrangement, poor availability to some human services offices, absence of a national health data framework, and the underutilization of the capability of electronic health systems. Moreover, the study concluded that the country that wants to privatize its health system, it must take effective strategy producers to direct the part that private medical insurance will play in their health frameworks and direct the segment properly with the goal that it serves public objectives of widespread scope and value. The current form of the insurers may not be able to insurance all citizens, thus, this study recommended that the Saudi government must let the foreign insurance companies to enter into the Saudi health insurance market to enable citizens to get high-quality health service.

## 1. Introduction

The twentieth century has seen the worldwide change of human health, empowering individuals to live more and more beneficial lives. Notwithstanding affecting populace size and structure, better public insurance has enhanced financial development rates everywhere throughout the world. The normal human life range has step by step yet dynamically expanded subsequent to the second 50% of nineteenth century, expanding especially quickly in this century (International Monetary Fund (IMF), 2004). Saudi Arabia is a dynamic nation that appreciates monetary development and political steadiness. This nation is an Islamic kingdom. With current advances in the human services economy, Saudi Arabians have turned out to be more beneficial and solid. The force of human services accomplishments in Saudi Arabia is a sign of the achievement of the nation. Great health empowers Saudi Arabians to profit by enterprising and significant lives. The brilliant health of its residents adds to the riches and general public strength of a nation (Mufti, 2000).

Health care services in Saudi Arabia have been given a high need by the government. Through the previous couple of decades, health and health administrations have enhanced extraordinarily as far as amount and quality. Gallagher has expressed that: Although numerous countries have seen sizable development in their medicinal services frameworks, likely no other country (other than Saudi Arabia) of substantial geographic scope and populace has, in similar time, accomplished such a great amount on a wide national scale, with are a generally abnormal state of consideration made accessible to for all intents and purposes all portions of the populace (Gallagher, 2002).

As indicated by the World Health Organization (WHO) (The world health report, 2000), the Saudi social insurance framework is positioned 26<sup>th</sup> among 190 of the world's health frameworks. It precedes numerous other worldwide medicinal services frameworks, for example, Canada (positioned 30), Australia (32), New Zealand (41), and different frameworks in the area, for example, the United Arab Emirates (27), Qatar (44) and Kuwait (45). Notwithstanding these accomplishments, the Saudi medicinal services framework faces numerous

difficulties which require new methodologies and approaches by the Saudi Ministry of Health (MOH) and in addition compelling collaboration with different areas (Alkhamis, 2012).

Privatization of public hospitals has been seen by policy-makers and researchers as the most ideal approach to change the Saudi health insurance framework (Ministry of health, 2015;Saati, 2003). Ventures to execute a privatization methodology have been started and related direction has been passed by the legislature. Therefore, various public hospitals are liable to be sold or leased to private firms throughout the following couple of years (Walston, Al-Harbiand Al-Omar B, 2008). Privatization of public hospitals is relied upon to convey various points of interest to the government and to the country. It is trusted that privatization will help with accelerating basic leadership, diminishing the administration's yearly use on social insurance, creating new money related hotspots for the Ministry of Health (MOH) and enhancing human services administrations (Saati, 2003).

Otherwise, privatization may influence the current coordinated framework amongst healing centers and primary health care offices (Walston, Al-Harbiand Al-Omar B, 2008). As healing centers get to be privatized, they will concentrate on drawing in patients, even the individuals who may not require clinic level consideration. Besides, individuals with health spread may like to get to enormous hospitals straightforwardly rather than by means of primary health care focuses or group healing centers. Furthermore, private hospital will have motivating forces to move non-refundable expenses back to the publicprimary health care (Walston, Al-Harbiand Al-Omar B, 2008). Such practices will put monetary weights on the government (Alkhamis, 2012).

A further downside of privatization is that the customary state/public hospitals will not have the capacity to ingest enough of the human services market contrasted and privately owned businesses, unless they overhaul at all levels (such as, administration, foundation and workforce) before beginning to privatize (Walston, Al-Harbiand Al-Omar B, 2008). In the move to privatization, privately owned businesses are liable to center their exercises inside urban areas and bigger groups, leaving individuals in rustic regions at a difficulty. The government ought to set controls that ensure the privileges of rustic groups and give them reasonable and fair human services administrations (Alkhamis, 2012).

In the end, if the government does not have any significant bearing satisfactory control over the medicinal services market, use on human services may increment radically as an aftereffect of higher evaluating and benefit looking for behavior (Walston, Al-Harbiand Al-Omar B, 2008).

Thus, this paper outlines the success of health insurance for citizens through Hospital Privatization in Saudi Arabia. A particular emphasis has been given to privatization of the Saudi system of government especially in healthcare sector, including the privatization mechanism (Health Insurance). In addition, this paper will review the most successful hospital privatization in US.

## **2. The problem of the study**

With an expected populace of 26 million occupants with a yearly development rate of 2.2%, the Saudi Arabian medicinal services division takes into account a quickly developing populace and the simultaneous expanding request on the human services segment. By and large the supply of human services offices battles to keep pace with the thriving populace, a circumstance perceived by the Government who have as of late acquainted activities with urge the private division to coordinate the shortage and advantage from this possibly lucrative area (Yusuf, 2014; CIHO, 2012).

The Healthcare area in the Kingdom of Saudi Arabia is fundamentally overseen by the Government through the Ministry of Health (MOH) and number of semi Public association who particularly work clinics and therapeutic administrations for their representatives. Likewise, private segment administrators are additionally assuming a key part in giving quality social insurance administrations in the Kingdom (CIHO, 2012).

The Saudi Healthcare part is organized to give a fundamental stage of social insurance administrations to all, with particular treatment offices offered at some private and public clinics. Colliers International Healthcare overview (CIHO)gave a brief depiction of the key elements affecting the Saudi Healthcare segment and the future standpoint (CIHO, 2012).

At present, the Saudi Arabian government finances a large portion of the interest for human services capital and working uses. In any case, experts trust that administration alone will be notable keep on meeting this interest. They have presumed that the best way to guarantee that Saudi nationals' health needs will be met without unfavorably influencing financial advancement is to build private area support in the medicinal services framework. Just by drawing in accomplices from the private division who can bring world-class medicinal learning, administration abilities, as well as, cash-flow to the part will Saudi Arabia have the capacity to make

top notch human services accessible to everybody in Saudi society. The administration has remembered this circumstance, and has distinguished human services as one of the key areas focused in its far reaching privatization program (Barrage, Perillieux and Shediak, 2007).

The government of Saudi Arabia has ended up mindful of this circumstance and has concocted activities to bolster the private part to coordinate the shortfall and expansion benefit from the possibly remunerating division. The human services part is under the administration of the government through the Ministry of Health. Moreover, the private division assumes a key part in offering quality public insurance administrations. The public insurance segment has been organized in a manner that it gives a fundamental stage to medicinal services administrations to each subject with particular treatment offices gave at public and private associations, which work restorative offices (Mitchell, 2009).

### 3. Methods

This study used a descriptive approach by relying on previous studies developed to discuss the success of health insurance for citizens through Hospital Privatization in Saudi Arabia and review the most successful hospital privatization in US, despite the importance of health insurance for Saudis citizens; however, a small number of researchers discussed this issue, and based on the researcher knowledge most of the researchers, who spoke on this subject of the relation between the success of health insurance and Hospital Privatization throughout the world in general and especially in Saudi Arabia were very few and old, and the most prominent of these studies are:

Mckell Institute (2014) explored the possession structure of the health framework and distinguished that privatizing Public resources is a business full of danger, particularly when it identifies with medicinal services. It highlighted the requirement for more prominent thought by policymakers of the dangers identifying with the privatizing of public hospital and doctor's facility administrations. It additionally basically inspected a variety of contextual analyses from prior privatizing endeavors as some of them fruitful and others not, and has established that privatizing endeavors have once in a while possessed the capacity to convey on their indicated advantages for citizens, government and particularly patients. This report highlighted discoveries by the Productivity Commission which showed that public hospital in New South Wales and Victoria are more cost proficient than their private partners by more than 3% and 4% separately. This is in spite of public hospital working in far more noteworthy numbers in rustic and provincial regions (customarily significantly more costly to benefit) and regardless of their high-cost obligation regarding giving mischance and crisis room administrations. Notwithstanding some hospitals services are more proficient when given by the private part, the critical dangers highlighted by before privatization endeavors ought to be sufficient to make any legislature deliberately rethink the implied benefits of privatization inside the hospital system. This report additionally inspected a late pattern in healing facility possession structures and the distribution of obligations inside secretly run however freely claimed hospitals. This report noticed a concerning pattern in which private administrators can pick and choice just the most beneficial administrations to run, leaving people in general part the unenviable job of undertaking the additional unnecessary and troublesome work. This permits private administrators to catch an extensive offer of working income while presenting citizens to more serious danger and higher expenses. This report additionally inspected a late pattern in hospital ownership structures and the assignment of obligations inside secretly run however freely claimed hospital.

Furthermore, the administration of Saudi Arabia has given high need to the improvement of human services administrations at all levels: essential, auxiliary and tertiary. As a result, the reliability of the Saudi populace has significantly enhanced in late decades. Nevertheless, the most obstacles face Saudi health system are a deficiency of Saudi health experts, the health service's numerous parts, restricted money related assets, changing examples of malady, appeal coming about because of free administrations, a non-appearance of a national emergency administration arrangement, poor availability to some human services offices, absence of a national health data framework, and the underutilization of the capability of electronic health systems (Almalki, FitzGerald and Clark, 2011).

On the other hand, Al-Qudah (2011) exhibited audit of medical insurance circumstance in Jordan - opportunities it gives, the difficulties it countenances and it raises concerns. A discourse of the ramifications of privatization of insurance on health part from different points of view and how it will shape the character of their human services framework is additionally undertook. According to several number of the past study related to this issue, it was found that Jordan government mindful of working through Ministry of Health resolved to give sponsored health administrations to all natives, whether they are secured by umbrella of medical insurance or not, it likewise

assessed around up to 54% of aggregate populace are not secured by umbrella of medical insurance, but rather with access of health administration as financed health gave by hospitals and health focuses. This study concluded that both medical insurance parts highlighted a basic requirement for strategy plan and evaluation, unless privatization and the advancements of health care insurance seen is overseeing great then just it or may have aggressive effect of conveying public insurance particularly to a huge section of populace in the nation at high caliber and as per fulfilling people groups needs of having better than average administration then it can enhance the entrance of straightforwardness consideration to all in this way thinking about the overall health status in the nation quickly. Jordanian medical insurance situation not the same as different fragments of other insurance business as more mind confusing, on account of its genuine clashes emerging out of unfavorable determination, moral risk, and data hole issues. For instance, encounters from different nations recommend that the passage of private firms into the medical insurance area, if not legally controlled, has unfriendly results for the expenses of consideration, value, purchaser fulfillment, extortion and moral guidelines.

Otherwise, Saudi Arabia has encountered high expenses alongside worries about nature of consideration in its public services. To address these issues the country is presently rebuilding their public insurance framework to privatize public hospitals and existing insurance scope for both foreign staffs and citizens. The progressions give a fascinating and smart case for the difficulties in profoundly changing a country's medicinal services framework. The circumstance likewise exhibits a one of a kind case in the Middle East for more noteworthy dependence of the private segment to address quickly heightening human services costs and breaking down quality. The many-sided quality of changing a social insurance framework is directed to numerous difficulties connected with the change, for example, organization of the health power, absence of capital and human asset obtaining coordination, quick increment in health uses, and the method for repayment, expanding competition, and endeavors at controlling costs (Walston, Al-Harbi, and Al-Omar, 2008).

Differently, Sekhri and Savedoff, (2005) looked into universal encounters and demonstrated that private medical insurance is noteworthy in nations with generally diverse salary levels and health framework structures. It differentiated private medical insurance crosswise over areas and highlighted nations with especially high rates of private uses. It was found that in the African nations, private insurance covers a generally little share of the populaces, notwithstanding speaking to a huge offer of aggregate consumptions. Dissimilar with the Sub-Saharan nations, have the Latin American nations had much bigger private medical insurance markets. In Chile, the part of private insurance in health financing is express and permits the individuals who can manage the cost of it to 'quit' of the freely subsidized health framework and purchase private spread. By divergence, Brazil's private medical insurance market developed in spite of public approaches went for setting up an all-inclusive freely financed health framework. In both Chile and Brazil, private safety net providers rose with moderately light direction, yet since the late 1990s, as a consequence of business sector disappointments, the administrations of both nations have been attempting to force more stringent controls on the operations of back up plans. Otherwise, the United States is the main rich nation to depend on intentional private insurance to give scope to the vast majority of its people. This study concluded that strategy producers need to defy the part that private medical insurance will play in their health frameworks and direct the segment properly with the goal that it serves public objectives of widespread scope and value.

### *3.1 The most successful hospital privatization in US*

#### *3.1.1 Columbia/HCA: The Most Fruitful*

The successful models of health insurance in US privatization hospitals about government and state examinations of the moral and charging practices of Columbia/HCA—the country's biggest hospital chain, with 338 healing facilities and incomes of \$20 billion dollars—were front page news amid the late spring and fall of 1997. Columbia/HCA CEO Richard Scott, who assembled the organization through forceful acquisitions, was required to leave by the organization's Board of Directors. Board Vice Chairman Thomas Frist Jr., M.D. assumed control as CEO and refocused the organization on its interior operations, which implies much slower, if not stagnant, organization development for quite a while. As of December 1997, the aftereffects of the progressing government and state examinations were still obscure (Lagnado, Sharpe and Jaffe 1997). The State of Alabama did, be that as it may, give Columbia/HCA a spotless report taking into account state reviews led in August and September (Reese, 2014). News reports have concentrated on government charges of untrustworthy practices, for example, Columbia/HCA's system of making specialists "accomplices" by giving them an offer of the benefits they created. Contingent upon one's perspective, these impetuses are either exemplary free-advertise private enterprise that drive productivity enhancements, or an irreconcilable circumstance. The fact of the matter is disputable now—Columbia/HCA's board requested the practice ended. There have additionally been allegations

that a few Columbia/HCA healing centers put cost-cutting in front of value, along these lines imperiling tolerant consideration. Such allegations, which are completely taking into account periodic data, run counter to more thorough free assessments. For instance, 23% of Columbia/HCA offices are authorize with honor by JCAHO, the free healing center audit organization, against a national normal of just 4% at all hospitals (Lagnado, Sharpe and Jaffe 1997). Such an acclamation rating shows prevalent quality at these Columbia offices.

### 3.1.2 University of Cincinnati Medical Center (UCMC)

The Community Health Needs Assessment (CHNA) is a necessity of all expense absolved (501(c) (3)) hospitals starting with financial year 2013. As a component of the Internal Revenue Service Form 990, Schedule H, separately authorized not-revenue driven hospitals are required to evaluate the health needs of their group, organize the health needs, and create execution gets ready for the organized health needs they have tended to University of Colorado Health (CU Health) has been working with Truven Health Analytics (in the past the Healthcare Business of Thomson Reuters) since October 2012 on finishing the CHNA for four of the UC Health offices: University of Cincinnati Medical Center, West Chester Hospital, UC Health Surgical Hospital and Drake Center. Truven Health utilized inpatient information to characterize the group served for the UC Health hospital. Except for UC Health Surgical Hospital, the group served for every clinic was characterized as the areas that include up to 80% of inpatient releases. UC Health Surgical Hospital imparts a group served definition to West Chester Hospital given shared operations (University of Colorado Health (UC Health), 2013).

### 3.1.3 Oklahoma Medical Center

The University of Oklahoma Medical Center (OU Medical Center) in Oklahoma City, Oklahoma, is the biggest hospital in the state, with a sum of 784 beds in three clinics. Late redesigns inside the current impression looked to enhance the patient environment—especially in the Cardiac Catheterization and Electrophysiology Labs, and in addition the Neurosciences and Transplant Intensive Care Unit (ICU). The office serves forty-eight Oklahoma Counties and two areas in North Central Texas (Wilbarger and Wichita) with a veteran populace of more than 225,000 (Oklahoma City VA Medical Center, (OCVMC) (2009) Oklahoma Tax Commission, Oklahoma Resources Integration General Information Network System (ORIGINS), and the Bureau of Economic Analysis show that 22.5% of the salary in the Tulsa metro zone is spent at foundations that gather deals charge inside the Tulsa metro territory. Given that the aggregate salary effect of the OSUMC is \$121.3M, the retail deals catch proportion recommends that \$27.3M of that is spent on retail deals locally. The state gathers charge on that cash (4.5%), which infers that the monetary movement produced by OSUMC is giving over \$1.2M to the state's financial plan every year. Correspondingly, Tulsa area acquires an offer of the cash spent on retail deals (0.85%), proposing that OSUMC contributes of \$200K to the region spending plan every year (Whitacre, Brooks and Landgraf, 2013).

See table 1, which shows the recent hospital privatizations in US, and table 2, which shows the benefits and obstacles of these hospitals.

## 4. Results

According to the studies above related to the success of health insurance for Saudis citizens: hospital privatization in Saudi Arabia, it can be concluded that the country that wants to privatize its health system, it must take an effective strategy producers to direct the part that private medical insurance will play in their health frameworks and direct the segment properly with the goal that it serves public objectives of widespread scope and value by using descriptive method based on reviewing the past studies related to this issue. Moreover, some studies have compared between group of countries that intended or made the privatization of hospitals, which found that US included the most successful hospital privatization through corporation health insurance. Two previous studies determined some of the obstacles that may face Saudi Arabia, such as organization of the health power, absence of capital and human asset obtaining coordination, quick increment in health uses, and the method for repayment, expanding competition, and endeavors at controlling costs, as well as, a deficiency of Saudi health experts, the health service's numerous parts, restricted money related assets, changing examples of malady, appeal coming about because of free administrations, a non-appearance of a national emergency administration arrangement, poor availability to some human services offices, absence of a national health data framework, and the underutilization of the capability of electronic health systems. In order to success and effectively apply the program of health insurance for Saudis citizens through hospital privatization in Saudi Arabia, it must overcome these obstacles.

Table 1: The recent hospital privatizations in US, source: Tradewell, 1998

Jurisdiction	Hospitals Privatization	Type of Privatization
Hospital complete (Privatization)	University of Cincinnati Hospital.	Conversion to nonprofit.
	Oklahoma Medical Center	JOA between State and Columbia/HCA
	Spalding Regional Hospital	Sale to Tenet; 15 year option buy-back
	Boston City Hospital	Conversion to nonprofit
	Washington, D.C. General	Hospital Conversion to nonprofit
	Northwest Mississippi Regional Medical Center	Lease to Health Management Associates
	Wake County Medical Center, NC	Sale and conversion to nonprofit
	Brackenridge Hospital, TX	Long-term lease to Seton Health Care
	Desert Hospital, Palm Springs, CA	Conversion to nonprofit; subsequent sale to Tenet and conversion to for-profit.
	Edge Regional Medical Center, Troy, AL	Sale
	Sale to Universal Healthcare Systems	Sale to Universal Healthcare Systems
	Sequoia Hospital, Redwood City, CA	Joint Venture Agreement with Catholic Healthcare West
	Fallbrook Hospital, Fallbrook, CA	Leased (30 years) to Columbia/HCA
	West Contra Costa Health Care District, Richmond, CA.	Sale to Tenet.
	Conroe Regional Medical Center	Sale to Health Trust/Columbia
Hospitals proposed or in progress (Privatization)	Eden Medical Center, Castro Valley, CA	Joint Venture with Sutter Health (to close 1/98).
	Parrish Medical Center, Titusville, FL	
	Los Angeles County (2 hospitals)	
	New York City (2 or 3 hospitals)University of California (San Francisco teaching hospitals)	

Table 2: The main benefits and obstacles of hospital privatizations in US, source: Tradewell, 1998

Options	Benefits	Obstacles
Sell the hospital	Pay off Public bonds . Increase new capital for poor consideration trust store. Increase new capital for other public administration purposes. Decrease hospitals obligation costs. Decrease compensation and representative advantage costs. Increase extra assessment income for group. Decrease neighborhood charge rate. Expand nurture indigents. Grow essential consideration.	Public representative union restriction . Conceivable people group resistance to saw loss of public foundation . Trouble of deciding honest worth Seen loss of direct control . Seen pointed notoriety for public
Lease the hospital	Diminished people group resistance . In advance capital embodiment. (Accept 30-to 40-year least). Hold some control. All different advantages apply.	Some public representative restriction . To some degree decreased measure of capital . Decreased control.
Form a joint-venture or JOA partnership	All advantages apply.	May require uncommon state enactment.
Shed the service.	Re conveys area to its most astounding and best utilize.	Open and union resistance; open hearings; aggressive offers.
Contract out: community-wide competitive bidding	Makes rivalry among suppliers to serve uninsured patients.	No obvious impediments.
Restructure or outsource	Lessened pay and advantage costs. Lessened assessment rate . Reasonably streamlines bureaucratic structure . May put private security net clinics indanger.	Some open representative restriction . Open representative restriction Holds moderate government choice structure Generally easy to execute.

The National Transformation Program 2020 has been created to satisfy Saudi Vision 2030 by setting up key destinations and distinguishing the activities vital for accomplishing particular meantime focuses in 2020. Saudi Vision 2030 is a massive privatization and financial change program that expects to reposition the Kingdom's economy far from its reliance on oil send out incomes and Government spending. It includes vital destinations, targets, results situated markers and responsibilities that are to be accomplished by general society, private and non-benefit divisions in the Kingdom Project (Development and Finance, 2016). See table 3, which shows goals of the Saudi vision 2030.

Table 3: Goals of the Saudi vision 2030, source: Saudi-US Trade Group 2016

Theme	Goals	Today	2030
A Thriving Economy	Private part commitment (% of GDP)	40	65
	Logistics Performance Index (Rank)	49	25
	Non-oil sends out (% of non-oil GDP)	16	50
	Open Investment Fund resources (SR billion)	600	7,000
	Worldwide Competitiveness Index (Rank)	25	10
	Yearly FDI inflows (% of GDP)	3.8	5.7
	Household yield of the oil and gas area (% of aggregate)	40	75
	The Kingdom's GDP size (Rank)	19 <sup>th</sup>	Top 15
	Saudi unemployment rate (% of Saudi work power)	11.6	7
	Female work power cooperation rate (% of working-age females)	22	30
	SME yield (% of aggregate GDP)	20	35
A Vibrant Society	Number of all inclusive perceived Saudi urban areas	0	3
	Social Capital Index (Rank)	26	10
	Normal future (Years)	74	80
	Multiplying the quantity of Saudi legacy destinations enlisted with UNESCO	-	-
	Family unit spending on society and amusement (% of aggregate)	2.9	6
	Individuals practicing in any event once every week (% of aggregate)	13	40
	Number of Umrah visitors per year (Million pilgrims)	8	30
An Ambitious Nation	Family investment funds (% of family pay)	6	10
	Non-benefit yield (% of aggregate GDP)	<1.0	5
	Number of volunteers every year	11,000	1 million
	Non-oil government incomes (SR billion)	163	1,000
	Government Effectiveness Index (Rank)	80	20
	E-Government Survey Index (Rank)	36	Top 5

## 5. Discussion

The steady increment in the interest for medicinal services and the decline in the contribution of the private part have made the Saudi government devise an assortment of measures that fund of the public insurance division in the nation. The government has established insurance arrangement changes and measures that can urge the private division to work intimately with the administration. Insurance changes require businesses (organizations) to get private medical insurance for their representatives. The usage of the approach has confronted a heap of difficulties in light of the fact that there are no compelling insurance controls. What's more, the insurance business is comprised of a predetermined number of organizations (International Business Publications (IBP), 2007).

The insurance arranges that are offered by insurance agencies restrict the expense of treatment in a given year. The insurance agencies have diverse insurance gets ready for different arrangements of people and associations. People and associations need to purchase a particular insurance arrangement as per their needs. As a rule, associations are required to record the quantity of insurance arrangements on a yearly premise. People have the alternative to storing reserves on a month to month or a yearly premise. At whatever point the requirement for medicinal services administrations emerges, people or workers visit one of the healing facilities or centers that are on the rundown gave by a specific insurance agency (O'Kane, 2011).

Private medical insurance is presented by willful and benefit reasonable scope. As of now, the Saudi Arabian government is subsidizing public insurance capital and working costs. In any case, the administration will not be in a position to take care of the rising demand for medicinal services benefits and has conceived a solid institutional framework and viable administrative structure to advance private segment interest in public insurance. The private segment gives consideration to way of life illnesses that are at present expanding among the Saudi populace (Ahmad, 2012).

The Kingdom's examination of hospital privatization with medical insurance is moderately new and loaded with difficulties. Thus, it must to study and examine this issue carefully in order to make health insurance for all Saudis Citizens successful and effectively. Such as Takaful medical insurance in Saudi society, which contributed generally direct positive effect on specific divisions of Saudi economy, in particular insurance industry, private human services business and employment market (Barakah, D. M., and Alsaleh, 2011). Be that

as it may, a few negative fallbacks likewise happened which call for reexamining other extra answers for subsidizing medicinal services administrations. Therefore, Barakah and Alsaleh, (2011) stated that the generally short encounters of the Saudi health division showed the firm need to an extensive general medical insurance. With the admiration to Takaful insurance division, their opinions is that the utilization of supportive medical insurance respectable standards can help with lessening social insurance cost on the off chance that this part is re-organized and directed.

As, talking at the symposium entitled "Medical Insurance Conference – Options and Prospects" wrote by the Ministry of Health on 2011, the Saudi Minister of Health pointed out that the fundamental point of applying supportive medical insurance in the Saudi kingdom is to enhance and build up the health part as per the sound standards of Islamic religion and society without troubling the subjects, similar to the case in numerous different nations. He likewise expressed that there ought to be more endeavors to distinguish the idea, the reasons and the outcomes of insurance, to separate between business medical insurance and supportive medical insurance, and to realize that the idea of insurance is not as a matter of course connected with the privatization of the health area. The experience of created nations showed unmistakably that the usage of business medical insurance and the privatization of the health area prompted expanding expenses of human services (Supportive Health Insurance Council (2009).

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