

NAVIGATING THE WAVES OF HEALTH TRANSFORMATION PROGRAM OF TURKEY: A CRITICAL EXAMINATION OF THE SHIFTING LANDSCAPE FOR PRIVATE SECTOR *

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Abstract

Over the last two decades, Turkey has experienced significant shifts in its healthcare system through the implementation of the Health Transformation Program (HTP) led by the Justice and Development Party (AKP). Initially closely tied to AKP's political goals, the HTP has evolved, displaying different phases at its journey and, thus, prompting a reflective look. The recent controversial initiative by the AKP government, the establishment of Public-Private Partnership (PPP) hospitals, commonly known as *şehir hastaneleri* (city hospitals) in Turkey, has underscored a need for a reflective examination that considers various actors to comprehend the formation of health policies. This study critically delves into the HTP's transformation, noting a reduced emphasis on healthcare policy within the AKP's priorities, by exploring how private sector players respond and position themselves in Turkey's healthcare reform scene. Using official reports and declarations, the research investigates private actors' views on AKP's healthcare strategies, their satisfaction levels, policy adjustments, and financial impacts. The aim is to unravel the narratives and strategies of the private sector in the changing landscape of the HTP.

Keywords: Health Transformation Program (HTP), Turkish health care reform, PPP hospitals, Private sector in health, Health policy

Türkiye'nin Sağlıkta Dönüşüm Programı'nın Evreleri: Özel Sektör için Değişen Tablonun Eleştirel İncelemesi

Öz

Son yirmi yılda Türkiye, Adalet ve Kalkınma Partisi'nin (AKP) liderliğindeki Sağlıkta Dönüşüm Programı'nın (SDP) uygulanmasıyla sağlık sisteminde önemli değişiklikler yaşadı. Başlangıçta AKP'nin siyasi ve popülist hedefleriyle yakından ilişkili olan SDP özelinde, artık aynı hükümetin sağlık politikasını eskisi kadar önemlemediği bir konumda olduğu düşünüldüğünde, sözkonusu yirmi yıl içerisinde geçirilen farklı aşamaların incelenmesi gerekliliği ortaya çıkmıştır. Son dönemlerin tartışmalı girişimi olan ve "şehir hastaneleri" olarak bilinen Kamu-Özel Ortaklığı (KÖO) hastanelerinin kurulması, sağlık politikalarının oluşumunu kavramak için yalnızca siyasi aktörleri değil farklı aktörleri de dikkate alan bir incelemeye duyulan ihtiyacın altını çizmiştir. Bu çalışma, bahsedilen ihtiyaçlardan yola çıkarak, özel sektör oyuncularının Türkiye'nin sağlık reformu sahnesinde kendilerini nasıl konumlandıklarını ve AKP'nin sağlık politikası hamlelerine nasıl tepki verdiklerini inceleyerek, SDP'nin dönüşümünü ve geçtiği aşamaları eleştirel bir şekilde ele almaktadır. Araştırma, resmi raporlar ve beyanları kullanarak özel sektör aktörlerinin AKP'nin sağlık stratejilerine ilişkin görüşlerini, memnuniyet düzeylerini, politika düzenlemelerini ve mali etkilerini tartışmaktadır. Amaç, SDP'nin değişen ortamında özel sektörün konumuna ilişkin anlatıları ve stratejileri ortaya çıkarmaktır.

Anahtar Sözcükler: Sağlıkta Dönüşüm Programı (SDP), Sağlık reformu, Şehir hastaneleri, Sağlıkta özel sektör, Sağlık politikası

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Navigating the Waves of Health Transformation Program of Turkey: A Critical Examination of the Shifting Landscape for Private Sector

Introduction

Over the past two decades, Turkey has witnessed a transformative shift in its healthcare landscape through the implementation of the Health Transformation Program (HTP). The comprehensive reforms under the HTP was launched by the conservative Justice and Development Party (AKP) government and, within the AKP's political agenda, it stands as one of its cornerstone projects, firmly entwined with the government's exercise of power. Significantly, today's President Recep Tayyip Erdoğan has characterized the comprehensive reform process and the establishment of Public-Private Partnership (PPP) hospitals, commonly referred to as *Şehir Hastaneleri* (City Hospitals) in Turkish, as a personal vision, underscoring the strong link between these healthcare institutions and political authority. The HTP in Turkey has thus been a complex journey, demanding what (Agartan, 2015: 969) aptly labels as an "extraordinary mobilization of political authority and will" along with introducing market incentives and significantly changing the organization and delivery of health care (Agartan, 2012). The government's role in this transformative process has expectably undergone rigorous scrutiny from various vantage points in the scholarly discussions.

One important vantage point in these discussions came from prominent figures in Turkish social policy, such as Buğra and Keyder (2006) alongside Buğra and Adar (2008). The scholars contend that neither maintaining the old welfare system nor wholly embracing privatization would adequately address the structural demands posed by the urban and informal sector's population growth. They assert that reformists within the AKP played a pivotal role in steering Turkey's social welfare regime toward a universalist healthcare system.

The Turkish experience under the AKP has also become a noteworthy example in discussions of new neoliberal populism. While acknowledging potential contradictions in various social policy areas, the AKP, through its emphasis on programs like universal healthcare coverage, has effectively

targeted economically disadvantaged sections of society. This approach not only bolsters the AKP's popularity by securing an electoral base but also mitigates the impact of privatization, as argued by Akcay (2018) and Özdemir (2020).

A third critical analysis strand emerges from organized circles opposing healthcare privatization, encompassing activists and members of the Turkish Medical Association (TTB). Their primary objective is to inform and caution the public, presenting a counter-narrative to the prevailing discourse on healthcare policies in Turkey (Elbek, 2015; Sönmez, 2011; TTB, 2011).

One undeniable inference drawn from the extensive discussions on the introduction and repercussions of the HTP is its adept utilization as a political strategy by AKP governments. The AKP has remained a central driving force behind the initiation and expansion of the HTP, effectively aligning it with global policy paradigms and navigating the reforms through their distinctive political strategies. However, recent developments on the Turkish political landscape suggest that, as the last two decades have drawn to a close, the expansion has come to an end and healthcare policy is no longer a priority for the AKP. The once-robust connection between the AKP and the HTP, which was strategically vital for the party's political narrative, has gradually lost its relevance. This shift in emphasis is particularly evident in the fate of PPP hospitals, which, rather than yielding tangible advantages, have drawn criticism for their burden on the government budget. In response, the government acknowledged this predicament by discontinuing the use of the PPP model for hospital projects and removing them from their political agenda by the end of 2019. This move reflects a broader transformation in the AKP's priorities, indicating a reevaluation of the political significance of healthcare policies in the party's overall agenda.

As we navigate through this reevaluation, it becomes imperative to explore other actors within this landscape. Understanding how different actors influence and shape healthcare policies will provide a more nuanced perspective on the current state of healthcare in Turkey and its trajectory in the post-HTP era. I argue a systematic investigation into the responses and positioning of private sector actors can contribute significantly to our critical understanding of Turkey's healthcare policy landscape over the past two decades. Thus, the following research questions guide our inquiry: How did private actors assess the healthcare policies championed by the AKP? Which private-sector entities expressed satisfaction with specific policies and which did not? Have there been any policy adjustments made by the AKP in response to these assessments? Ultimately, which actors have reaped financial benefits from this transformative journey?

To address the research questions, this study primarily draws on an extensive review of official reports, declarations by private sector representatives in interviews, and press statements issued by these stakeholders. The text and

discourse analysis aim to comprehensively explore how private sector actors have positioned themselves in the transformative landscape of the HTP, allowing to decode the nuanced narratives and strategies employed by these actors as they navigate the dynamic terrain of healthcare reform in Turkey. By scrutinizing their official statements and reports, this paper aims to shed light on their evaluations of the AKP's healthcare policies, their areas of satisfaction or discontent, and the implications for their financial interests within the healthcare sector. This analysis will allow us to trace the evolution of these perspectives over time, highlighting any shifts, adaptations, or changes in response to the evolving healthcare landscape. In doing so, it is possible to capture the multifaceted nature of private sector actors' engagement with the HTP and the varying dynamics at play within this transformative process. In order to fully comprehend the intricate dynamics and outcomes of the HTP, this paper's first attempt will be to place this healthcare initiative within the broader historical context of health policy changes in Turkey.

1. The Broader Context of Health Policy Changes in Turkey

The transformation of health policies in Turkey reflects a paradigm shift that commenced in the 1990s, impacting traditional welfare state systems. These changes were primarily driven by the introduction of reform packages in developing countries, aligning with a global trend of health reforms. These reforms were often implemented as part of structural adjustment programs (SAPs) orchestrated by international financial institutions, especially the World Bank and the International Monetary Fund (IMF), under the framework of the Washington Consensus. The altered paradigm sought to modify the state-business relationship, encouraging or at times compelling developing nations to embrace policies that are more pro-market yet socially inclusive. Consequently, the growing engagement of the private sector in healthcare aligns with the expansive tendencies of governments, operating harmoniously within the broader global social policy paradigm (Babb, 2013).

The motivation behind the Washington Consensus lay in the belief that developing countries faced a health crisis due to inadequate cost-effective measures, the presence of inefficient public programs, and an inequitable distribution of benefits (Akin, Birdsall and De Ferranti, 1987). In response, the translation of these deficiencies led to an increasing trend toward marketization and the expanded role of the private sector, particularly in healthcare. The IMF and World Bank-led reforms found a compatible economic, political, and social policy environment in the country, further shaping the Turkey's health policies.

After 1980, Turkey saw a series of structural changes, signaling the advent of a new social policy paradigm. This transformation began with a constitutional change that shifted the state's role from exclusive responsibility for administering healthcare, as seen in the 1961 Constitution, to a more coordinating role, as established by the 1982 Constitution. This shift paved the way for fundamental changes in healthcare management. The implementation of the 1987 law governing healthcare services facilitated the transformation of public hospitals into public enterprises. This change introduced new financial management models, incorporating revolving funds funded by user payments.

In the 1990s, alongside bureaucratic restructuring, Turkey initiated health projects supported by World Bank loans and other initiatives based on assessments by international organizations. These endeavors commenced with a loan agreement signed in 1990, launching the First Health Project spanning from 1991 to 1998. Subsequently, another agreement in 1994 initiated the Second Health Project for the period between 1995-2001. A third project was initiated in 1997, but it faced obstacles and couldn't be realized, primarily due to the instability of coalition governments. The World Bank assessed the First Health Project as partially successful, attributing this to the execution falling short of the projected objectives (World Bank, 2004), primarily due to disruptions in the policymaking process. However, during this period, the involvement of the World Bank and its officials familiarized the Ministry of Health with their approach to health policy (Yilmaz, 2017). To execute these projects, a Health Project General Coordination Unit was formed as a unit within the Ministry to reflect on the World Bank Project Evaluation Report and the loan agreement's provisions, overseeing the preparation and implementation of health projects alongside World Bank experts.

Until 2003, reform attempts were fragmented and unstable due to various disruptions in the policymaking process, particularly because of legal challenges, shifting political landscapes, and civil society interventions. Meanwhile, the 1990s witnessed deteriorating health provisions, marked by limited coverage, significant regional disparities in access to healthcare, and poor health outcomes, including high infant and maternal mortality (Agartan, 2015). In 2002, only 67.2% of the population was covered by the public system, excluding segments in poverty and less developed regions (Agartan, 2012: 461), with even fewer (58%) having access to pharmaceutical repayment (Dorlach, 2016: 62).

A more significant transformation in the healthcare system was postponed until the AKP achieved electoral success. In 2003, when the AKP came to power as a single-party government, a stronger commitment to the principles of the Washington Consensus organizations prevailed. Immediately after coming to power, the government introduced the HTP as its major program offering. The

HTP instigated significant alterations to Turkey's healthcare system, shifting from a previously diverse and occupation-based insurance scheme to the adoption of a universal general health insurance model. This change ensured universal public health insurance coverage and significantly reducing disparities among occupational groups. Consequently, public health insurance coverage expanded significantly, with the latest available statistics indicating that in 2020, an impressive 98.5% of the population benefited from this coverage. Notably, while some scholars have pointed out that occasional challenges related to means-testing methods can hinder access to healthcare for those living below the poverty threshold (Yilmaz, 2013; Yoltar, 2009), there has been a notable upswing in citizen satisfaction with the healthcare system. This increased satisfaction is evident in polls (KONDA, 2018) and Life Satisfaction Surveys (Uğur and Tırgil, 2018). This transformation underscored a key change in the healthcare system's responsiveness, previously characterized by lengthy patient wait times at both health centers and hospitals (OECD, 2009).

The AKP government's investments in World Bank-prescribed health policies were reflected in official statistics, showing an increasing trend in current expenditures as a percentage of GDP in the early years of the reform. While the percentage stood at 4.6 in 2000, it increased to around 5.5 by 2009. However, this expansion receded around the end of 2009. Current health expenditure levels dropped below the pre-2003 levels, reaching the lowest point in 2016 and 2018 at 4.12%. Likewise, the private sector's investment percentage never fully rebounded to the levels observed in the first phase of the HTP (WHO, 2023). Yılmaz and Yentürk's (2017) analysis indicates a continuous upward trajectory in long-term public health expenditure data, commencing in 1988. The surge in public expenditures correspondingly spurred greater involvement and investment from the private sector in healthcare within this period. Evaluations from various organizations and capitalist circles initially expressed optimism about the Health Transformation Program (HTP) and its potential benefits for the private sector, as will be elaborated in the subsequent section. However, this trend experienced a significant deceleration after reaching its zenith in 2009. The scholars' evaluation led them to the conclusion that the anticipated surge in government health expenditures did not unfold as anticipated.

These statistics suggest the possibility of dividing the HTP into two phases: the "expansion" period until 2010 and the subsequent years characterized by new political and economic solutions. This expansion can be considered a period during which the AKP government made significant investments in health policy, however it was not sustained during the AKP's tenure and the recession of the expansion required new moves from the government. These shifts in healthcare policies set the stage for a deeper understanding of the private sector's

role and responses in the context of the HTP. The subsequent section delves into the positioning and evaluations of private sector actors within this transformative journey and their implications for Turkey's healthcare landscape.

2. From a Promising Start to What Private Sector Actors Deemed "Not Enough": Evaluations of the Initial Phase by Private-Sector Stakeholders

One of the earliest assessments of the AKP's HTP from the perspective of private-sector actors came in the form of a 2005 report published by Turkey's preeminent capitalist organization, the Turkish Industry and Business Association (TÜSİAD). The report was formulated by public health experts affiliated with various international organizations and Turkey's Ministry of Health (TÜSİAD, 2005). Centering its analysis on private sector concerns within the health domain and related reforms, the mentioned report endorsed the idea of universal coverage while simultaneously advocating for a business environment conducive to private insurance providers. It proposed the introduction of an opt-out provision in public insurance for citizens above a specific income threshold, envisioning a pathway to unlock the potential of the substantial private health insurance market.

However, when the HTP mandated universal health insurance coverage for all citizens in 2012, the opt-out provision did not find a place on the government's agenda. In contrast to some developing nations, Turkey's private health insurance industry constitutes a relatively modest market (TOBB, 2017). Despite the private sector's demands and expectations towards a bigger private health insurance market, the AKP governments have not oriented its policies to actively bolster private insurance companies. It was only in 2014, the government opened a rather small window for private health insurance companies in the form of complementary health insurance. Presently, a mere 2.5-3% of Turkey's population holds private health insurance, including those with complementary health insurance. This rate is considered quite low by health insurance managers and the extensive coverage of social health insurance is considered one of the main reasons (Özsarı and Güdük, 2020).

Beyond the opt-out proposal and expectations to expand the private insurance market, all of TÜSİAD's additional recommendations in this early report saw gradual realization during the implementation of the HTP in its early years (Yılmaz, 2017). It is clear that this initial report primarily delves into the advantages of the remedies proposed by the international policy paradigm for the

health sector. However, it is equally clear that it serves as a testament to private-sector actors' endorsement of the AKP government's HTP and the requisite legal modifications.

Towards the latter part of the 2000s, the narrative of Turkey's largest capitalist organization underwent a transformation from being supportive to articulating concerns regarding the health care environment. The Health Study Group of TÜSİAD expressed several "concerns" through reports published in 2009 and 2012. A case in point is TÜSİAD's 2012 report, which assessed the government's commitment to the private health sector with less optimism. The noticeable concerns highlighted encompassed unclear regulations, constraints imposed by the fixed reimbursement rates set by the AKP, and impediments to establishing private hospitals. TÜSİAD finally recommended that the government promote the PPP model in the healthcare sector to overcome challenges encountered by private sector (TÜSİAD, 2012).

The assessments in the reports highlighted potential risks associated with alterations to the original legislative framework of the 2008 general health insurance scheme. These risks included the implementation of increased fees at private hospitals for state-insured patients and insufficient legal regulations supporting the effective operation of both public and private sectors. In the 2009 report, the group expressed dissatisfaction that government initiatives in the health sector appeared to favor public hospitals. Thus, the report suggested that the Ministry of Health was not maintaining an equal distance from the all private actors but restricting private hospitals. This restriction was evident in regulations limiting actions such as hiring healthcare professionals and acquiring technical equipment, resulting in unfair competition in favor of public hospitals (TÜSİAD, 2009).

Another private actors' organization, the Union of Chambers and Commodity Exchanges of Turkey (TOBB), echoed a similar assessment of the private sector's advantages and disadvantages during the HTP years in a later report. TOBB defined the period from 2003 to 2009 as the era that laid the foundation of the reform initiative and ensured maintainable demand for the private sector but added that there had been a "stable regulatory environment" for private providers after this era. Accordingly, policy incentives for the development of the private health insurance sector since then have been unsatisfactory, primarily due to no opt-out option and unfulfilled government promises (TOBB, 2017). The Union also emphasized the declining trend in private hospitals' market share, accounting for 27% of the healthcare market in 2011 but dropping to 13% by 2019 (Dünya, 2020). Regarding this decrease, PPPs are seen as crucial to the private health sector's growth, especially concerning projects for PPP hospitals and health tourism. TOBB's evaluations commend the

initial promises of the reform but express growing disappointment with the progress of the health reform, particularly after 2009.

The Private Hospitals and Health Institutions Association (OHSAD), an active interest group, has been notably vocal about the policies of the AKP government concerning private hospitals. Established in the aftermath of the HTP, OHSAD's executive board features members from the health care bureaucracy and AKP leadership, signaling ties between the organization and the government. Despite the tendency of many prominent groups to engage in particularistic relationships (Yilmaz, 2017), OHSAD's reports and discourses are positioned to represent the majority positions within the sector, encompassing 80% of private healthcare providers. In a 2012 press release, OHSAD asserted that the private hospitals market had expanded since the HTP and depended on the government's commitment to its promises and implementation plans. Nevertheless, they declared that the owners of private hospitals encountered a crisis as the government's payments for services remained low for hospitals to generate profits (OHSAD, 2012).

OHSAD actively engages in frequent meetings with Turkey's Social Security Institution (SSI), government officials, and other organizations representing the private health sector to address private hospital owners' dissatisfaction. The organization contends that government-set prices for healthcare provision in private hospitals have resulted in decline in private healthcare expansion. During media appearances where demands for price increases were expressed, OHSAD president Resat Bahat claimed that private hospital investors should be included in PPP hospital projects. In response to the statements of then-Prime Minister Erdoğan in 2010 during the launch of the PPP hospitals project, Bahat voiced OHSAD's complaints about the failure of AKP government policies to protect investors in private hospitals. He asserted that the growth of the private sector is prevented with the implementation of publicly owned new hospital projects (SağlıkAktüel, 2010).

It is evident that the promising start of the health transformation began to wane in the early 2010s for major private sector actors. Despite the AKP government's continued references to its health policies and sector transformation in populist discourse, the initial expansion clearly cooled. While recognizing the benefits of those initial years, organizations began voicing concerns in the 2010s. This observation is crucial for understanding the determinant dynamics of the later period of the HTP.

Despite opposition from physicians' associations, notably TTB, and certain trade unions against the market-oriented transformation, the AKP governments maintained widespread support for health policies. It is crucial to emphasize that the steadiness of the expansion did not lead the general public to

become more critical of the AKP's health policies. Popular support has barely changed, largely attributed to the initial enhancements in health care accessibility. To sustain this support and address the growing demands of private sector actors, the AKP government took the next significant step with the PPP hospital projects. These were presented as extensive, luxurious state hospitals intended to resolve issues arising from budget cost pressures related to the efficient delivery of health care services. Therefore, the initiation of the PPP hospital projects can be seen as a pivotal moment in the trajectory of the health transformation.

3. The Unfinished PPP Hospitals Project: Evaluating its Remedial Impact

The initiation of the PPP hospital projects coincided with the AKP government shifting its focus in favor of the private sector, aligning with the completion of the first phase of the HTP. Despite the controversial nature of PPP health care projects, given their failures in various countries, including significant costs and deficits experienced by UK hospitals, the AKP government, facing the aftermath of the 2008 crisis, was willing to take more risks. This was a strategic move to maintain its electoral support and propel the health care transformation forward after stabilizing the initial "good" phase.

Prior to the 2007 elections, Erdoğan presented the hospital projects to the public although concrete steps were minimal until that year. The government officially opened tenders for PPP hospitals in 2009, following some legal preparations. However, the process faced delays due to the government's implementation of an inadequately planned legislative process, hastily put together to meet short-term needs. In 2013, facing legal challenges that impeded tender and construction processes, the government responded by formulating the most comprehensive draft law. This led to the enactment of Law No. 6428, aiming to clarify the details of PPPs in healthcare as an investment model. The law altered the landscape of PPP hospital tendering by exempting it from state and public procurement laws. Companies securing contracts received a full treasury guarantee for their debts, and the government provided them with treasury land free of charge. Subsequent amendments to the law tilted the balance in favor of contractor companies, enabling the non-enforcement of annulment decisions in lawsuits, allowing contract modifications with ministerial approval, and specifying that disputes could be subjected to foreign arbitration upon the request of credit institutions (Erbaş, 2021: 28-29).

Originally scheduled for completion in 2015, the PPP hospital projects faced substantial delays, with the first hospitals becoming operational only in 2017. A combination of legal complications, difficulties in securing international loans by companies involved, and multiple changes in contract ownership contributed to this significant setback. The AKP government, leveraging its parliamentary majority, utilized political propaganda to promote the projects and stifled opposing voices that criticized the PPP hospitals, alleging they were not in the public interest and would not effectively serve health goals. Despite these efforts, the projects deviated from the initial plans due to financial challenges faced by contractor companies. These companies struggled with the sheer scale of the hospitals, leading to the termination of PPP hospital construction in November 2019. Consequently, the number of projects with PPP contracts decreased from the initially proposed 31 to 18. Given that most lease agreements span 25 years, the financial burden was anticipated to have a devastating impact on the state budget. In 2021 alone, approximately 28% of the Ministry of Health's budget was allocated to PPP hospital expenses (Emek, 2020).

The involvement of private sector actors in the PPP hospitals phase of the health transformation proved intricate compared to the first phase. While specific business groups directly benefited from the projects, others considered them a "disappointment." The medical device industry, for example, voiced discontent over the unrealized benefits of the PPP hospital projects. In 2019, the head of Turkey's Health Industry Employers' Association contended that, despite the significant opportunity the hospitals presented for the medical devices sector, local actors were unable to capitalize on it. The chairman emphasized that, despite regulations mandating PPP hospitals to source 20% of their medical devices from domestic providers, the sector had not expanded sufficiently to fulfill this obligation (Price Waterhouse Coopers, 2014). PPP hospitals failed to offer new opportunities to domestic producers, paving the way for the entry of international technology giants such as General Electric and Siemens. These companies, involved in the consortia responsible for PPP hospital construction, emerged as "solution partners," with GE Health reportedly signing contracts for two hospitals, amounting to nearly 15% of the projects' total cost.

Public assessments by business associations appraising the health sector commonly indicate that PPP hospitals have had limited influence on the sector's expansion, falling short of initial high expectations. Additionally, the inception of these hospitals has sparked substantial conflicts for private providers. Despite initial involvement, major players in the private hospital sector eventually withdrew from PPP contracts. In the case of Elazığ City Hospital, for instance, Medical Park, a major health care group leading the private hospital sector in Turkey, was initially listed as a business partner in the tender submission but later

withdrew. Although not officially qualified, the Ministry of Health later acknowledged that including Medical Park was approved by the administration. The tender got the green light one year after the commission's decision, but by then, Medical Park had already pulled out, and Rönesans Holding, a construction company, stepped in (Erbaş, 2021: 101–2). A similar pattern emerged in the construction of Bursa, Yozgat, and Adana hospitals, initially partnered with Medical Park but eventually built by Rönesans Holding in 2012 (TÜSPE, 2018).

During my interview with a high-ranking anonymous representative of Acıbadem Healthcare Group, another leading hospital group in Turkey, a similar scenario unfolded. Acıbadem, after participating in meetings for potential partnerships through tendering, withdrew from the process. Although initially intending to partner with Rönesans Holding, particularly for design and healthcare services, the decisive factor for withdrawal was the inability to reach an agreement on a profit-sharing scheme with Rönesans Holding. Moreover, established actors who had experienced growth with their private hospital investments perceived partnering with the Ministry of Health as risky due to the multi-partnered nature of PPP hospitals and the complexity inherent in the public–private cooperation model.

The intricacies of the PPP hospital negotiation process became evident during discussions between the Ministry of Health and companies like Acıbadem. Questions posed by these companies regarding the Yozgat hospital construction exposed the intricacy of the partnership. The Ministry of Health, providing vague details on commercial areas, medical service requirements, and medical standards for hospital rooms, assured that these aspects would be evaluated in the offers. However, the ministry explicitly stated it would not address issues related to efficient health service provision, challenges in areas designated for hospital staff, and facility designs that hinder education and research activities.

Beyond financial concerns and investment opportunities, dissatisfaction in the private health sector extends to the competitive dynamics introduced by PPP hospital projects. A recent report from the Health Institutes of Turkey criticizes these projects for fostering a competitive environment at the expense of private hospitals (TÜSPE, 2018). While the ongoing PPP projects contribute to additional bed capacity, they also bring new buildings, technologies, and expanded space, providing a significant competitive edge. The report suggests consolidating small- and medium-sized healthcare institutions to alleviate the associated costs of these developments. The landscape of private sector involvement in PPP hospitals undergoes constant flux from the initiation to the conclusion of tenders. Initial announcements of winning bidders rarely align with the ultimate contractors, leading to a scenario where major private healthcare

providers, including Acıbadem and Medical Park, initially expressing interest, later withdraw.

Surprisingly, the primary beneficiaries in capital accumulation, arising from state-driven opportunities in constructing and operating PPP hospitals, are construction firms. Unlike traditional private sector health groups, these construction companies, seizing the prospects presented by PPP projects, have even ventured into establishing their medical divisions to fulfill the services stipulated in the tenders. For a detailed overview, refer to Table 1, which delineates the contractor companies, their respective shares in total bed capacity, and the corresponding investment amounts.

Table 1. Contractor companies in PPP hospital projects, bed capacities, investment amounts of the contractor companies

Contractor company	Bed capacity and share in total	Investment (in million USD) and share in total
Rönesans Holding (5 hospitals)	8922 30%	3900 35%
Astaldi SPA-Türkerler (3 hospitals)	6891 24%	2200 20%
CCN Holding (2 hospitals)	5098 17.5%	1700 15%
YDA Construction (3 hospitals)	3415 12%	1200 11%
Akfen Holding (3 hospitals)	2316 8%	1000 9%
Kayı Construction (1 hospital)	1875 6.5%	932 8%
Gürüş Construction (1 hospital)	600 2%	187 2%

Source: Turkey's Ministry of Health website and company websites, Transparency International Turkey (2020)

An overall analysis of these actors indicates that, despite not directly investing in AKP politics or expanding their lucrative business ventures during the AKP period due to their pro-Islamist ideological inclinations, they profited

from the AKP's privatization and infrastructure initiatives. Notably, Rönesans Holding's entry into the Turkish market coincided with the AKP's rise to power, and major companies witnessed growth through health investments, establishing a connection between their expansion and the health policies of the AKP. This correlation is linked to the AKP government's construction-centric economic growth strategy, where the construction sector gained strategic importance from the beginning, positioning it at the core of the economy (Balaban, 2012; Yeşilbağ, 2016). As a conclusion, the convoluted tender processes, marked by political intricacies, have presented challenges for major private health actors, leading to their self-exclusion from the projects. This strategic withdrawal, however, left them without compensation amidst the diminishing opportunities within the HTP market. In contrast, for construction sector actors, the projects appeared viable despite the complexities, providing a testament to their resilience in navigating the intricacies of tendering, project design, and controversies tied to public health interests.

4. Conclusion

Through critical analysis, scholars have examined how the AKP strategically utilized the HTP for political ends while navigating various social policy discussions. However, recent shifts in political priorities signal a diminishing emphasis on healthcare policy within the AKP's agenda. The discontinuation of Public-Private Partnership (PPP) hospitals underscores this shift. To better understand these dynamics, this article argued it is essential to explore the roles and perspectives of various actors, particularly the private sector.

It is clear, as the critical scholars mostly concluded, that the historical progression of fluctuations in Turkey's healthcare policy environment indicates a globally orchestrated plan, with contextual variations in legislative alterations and implementation, primarily attributed to the single party AKP government. The execution of the HTP provides insights into the political and economic dynamics shaping Turkey's healthcare transformation, yet the assessments of private sector actors toward policy changes during the reform was underresearched. This study showed, over the span of two decades, the conservative AKP government, as the primary architect of the HTP, engaged in a dynamic relationship with private sector actors, responding to their demands while also encountering conflicts along the way.

The inherently pro-market nature of health reform entailed significant promises for the private sector. In its initial years, the HTP achieved nearly universal coverage, benefiting the private health sector, excluding private

insurance firms. State-covered patients became a stable income source for private hospitals under SSI coverage. Despite later grievances about low state payments, the overall HTP policies allowed private hospitals to expand their market share. The AKP, cautious of jeopardizing universal coverage, avoided expanding the private insurance sector. This study reveals that from 2008 onward, the momentum in public health expenditure expansion and private sector support for the HTP significantly waned, leading to diminished viability of government promises for the private sector in the early 2010s.

The AKP's primary commitment was to sustain, if not expand, the public approval it gained in its initial years, while simultaneously addressing mounting complaints from the private sector. Consequently, the initiation of PPP hospital projects as the HTP's second phase can be perceived as a recovery strategy. Yet, this recovery move did not necessarily fulfill the demands of the private health care actors. Despite initial promises for the private health sector, the projects primarily benefited construction firms not previously involved in the HTP. Nonstandard medical needs and unnecessarily large facilities prompted major private hospital owners to withdraw from the competition. Turkey's medical device sector, comprising small and medium-sized enterprises, struggled to compete with technology giants to meet the hospitals' needs. Ultimately, the projects were handed to prominent construction companies, reshaping the definition of the private sector in health and effectively aligning healthcare with the construction sector until project completion.

As of today, we see that the AKP gave up almost half of the hospital projects it planned in the beginning. This shows that private sector actors who earned or not earned from hospital projects no longer have any hope of profiting from the AKP's health reform. It becomes difficult to say whether the construction industry will continue to be among the top earners in the marketization of health care field or not. After two decades, it is noticeable that the health care reform implemented by the AKP in Turkey is struggling to maintain public support and provide new opportunities for the private sector.

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