

'Disease outbreak guarantees'—A proposed mechanism for enhancing public health capacity

June 16 2016



The possibility of offering disease outbreak guarantees is an idea being posed by two global health researchers, including Georgetown's Rebecca Katz, who suggest that a mechanism for establishing such an instrument could be tied to public health investments. Credit: Lisa Helfert/Georgetown University Medical Center

What if private companies could obtain some coverage to protect their foreign investments in developing countries against crippling infectious disease outbreaks such as Ebola?

The possible path to offering disease outbreak guarantees is an idea being posed by two global health researchers who suggest that a mechanism for establishing such an instrument could be tied to [public health](#) investments.

Writing in the *Journal of Health Care Finance* published online today, global health science and security expert Rebecca Katz, PhD, an associate professor in Georgetown's School of Nursing & Health Studies, and Richard Seifman, JD, MBA, an international health consultant formerly of the World Bank, say there is a circular relationship between foreign investments and the ability of a country to fight an infectious disease.

"Foreign companies may be wary of investing in a location that lacks the capacity to mitigate the consequences of disease or exposes workers to dangerous pathogens," write Katz and Seifman. "Yet, many nations lack the resources to build sufficient capacity to prevent, detect and respond to disease without sufficient investments and improve economic status."

Katz and Seifman propose a solution that would incentivize potential investors while at the same time encourage development of public health systems to prevent, detect and respond to [outbreaks](#).

The two propose that guarantees to potential external investors be provided through an existing mechanism called the "Multilateral Investment Guarantee Agency" (MIGA), part of the World Bank Group.

MIGA is designed to guarantee private investors concerned about risks, which impact the decision of whether or not to invest. The researchers

say its Articles of Establishment provide flexibility in interpreting what these risks might be and in calculating the premiums required for coverage of such risks.

"We are trying to propose innovative methods to incentivize the development of the public health infrastructure to prevent, detect and respond to infectious disease threats," explains Katz. "We think MIGA might be one way to do this."

Katz and Seifman suggest that such an innovative [mechanism](#) would significantly induce the beneficiary country to take reasonable steps to establish the core elements of a public health system ("core capacities") set forth by the World Health Organization's International Health Regulations. This part of the MIGA Agreement would be reinforced by a "breach of contract" clause.

"There is much work to do to explore the possibility of expanding MIGA coverage to deal with public health emergencies, but public health emergencies are here to stay, the public sector cannot do it alone, and the external private sector has much to lose or gain, depending on what core capacities in [health](#) are in place," conclude the authors.

Provided by Georgetown University Medical Center

Citation: 'Disease outbreak guarantees'—A proposed mechanism for enhancing public health capacity (2016, June 16) retrieved 1 May 2024 from

<https://medicalxpress.com/news/2016-06-disease-outbreak-guaranteesa-mechanism-health.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.