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Strategic purchasing for health: conceptual and implementation challenges in low- and middle- income countries

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Background

- “Purchasing is considered to be strategic when [allocations of pooled funds to healthcare providers] are linked, at least in part, to information on aspects of provider performance and the health needs of the population they serve, while managing expenditure growth” (WHO/UCH/HGF/PolicyBrief/19.6)
 - Strategic purchasing (SP) is seen as a way to increase efficiency, provide value for money, and improve equity → touted as a key mechanism to deliver progress on UHC
 - Despite its popularity, SP remains conceptually ambiguous, encompassing several potentially disparate elements
 - Confusion between PBF and SP
 - SP difficult to implement, even in HICs
- ⇔ **Aims of this exploratory study:**
- To shed critical light on how SP is understood as a health reform tool
 - To examine likely implementation challenges in LMICs



Methods

- Literature review
- Individual semi-structured interviews (n=6)
- Focus group discussions (n=2)
- Totalling 18 African health practitioners:
 - Benin: 2
 - Burkina Faso: 1
 - DRC: 12
 - Ivory Coast: 1
 - Rwanda: 1
 - Senegal: 1
- All but one had some experience in designing or implementing some form of SP (incl. PBF)



Results

1. Understanding of SP concept

- SP implemented to various extents in different countries – through several mechanisms/tools identified:
 - The purchaser (e.g. health insurer) determines a package of services
 - Needs-based allocation of resources / to vulnerable areas/populations
 - Target/priority-based planning (ex: program budgeting, vertical programs)
 - Incentives for quality / efficient use of resources; PBF
 - Contracted service providers
 - Joint purchase of medical products
 - DRC: “single contract” MoH-PDs-DPs
 - Subsidized & accessible flat-rate pricing



Results

1. Understanding of SP concept

- Related concepts:
 - Results-based management
 - Evidence-based planning
 - PBF (in theory; but practice diverges from theory)
 - Search for efficiency
- Duplication & lack of coherence/harmonisation of SP-related mechanisms
- SP potential for UHC inherent to the expansion of health insurance
- SP remains a fuzzy concept, misunderstood by many
- Common thread = priority needs of beneficiaries (& health providers)



Results

2. Implementation challenges in African contexts

- Politicians & donors' disrupting interference
- Defining/agreeing on priority needs & indicators
- Accurately measuring results
- Measuring quality of services
- Risk of distortions in activities
- Independence and cost of verification + risk of gaming (PBF)
- In-depth analysis of data
- Defining how equity is apprehended
- Ownership, sustainability and continuous funding of donor-driven initiatives



Results

2. Implementation challenges in African contexts

- SP requires:
 - Understanding by decision-makers & political commitment
 - Improved governance & accountability; stability
 - Separation of functions
 - Information system enabling to elicit populations' needs
- Selection & autonomy of providers
- Continuous HSS
- Improved quality of care
- Continuous provision of inputs
- Reducing wasting
- Donor harmonisation
- Ensuring financial access to health services



Conclusion

- UHC requires access to needed and quality healthcare ⇔ SP viewed positively as facilitating progress towards UHC & equity
- However:
 - The concept of SP needs to be clarified / explained to decision-makers and field actors
 - Need for more contextual evidence on specific SP mechanisms
 - Need of coherence between SP initiatives
 - Priority setting is a key challenge
 - Implementation challenges should not be overlooked

