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 analysis + risk of gaming (PBF)
• In-depth analysis of data
• Defining how equity is apprehended
• Ownership, sustainability and continuous funding of donor-driven initiatives

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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

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