



**“Strategic purchasing: an emerging agenda for Africa”
WHO/ COP workshop**

30 September 2016, Ecole Nationale de Santé Publique, Rabat, Morocco

SUMMARY REPORT

Objectives:

- To explore priorities and issues on strategic purchasing of policy makers, practitioners and researchers
- To identify capacity strengthening needs and other potential entry points for country policy support
- To inform a global collaborative work agenda on strategic purchasing

Overview

The workshop assembled a diverse group of 30 people, such as country policy makers, managers, researchers and policy analysts, from Benin, Burkina Faso, Cameroon, DRC, Egypt, Mali, Morocco, Nigeria, Rwanda, Senegal, South Africa, Uganda, Chad, Tunisia as well as from development partners (Swiss Development Cooperation, the Alliance, MSH).

The workshop started with an overview and introductory presentation on strategic purchasing, which served to outline what is purchasing and strategic purchasing and how to distinguish this from procurement, as well as to share WHO thinking on four key themes in strategic purchasing issues that could benefit from more attention in both conceptual as well as country work: 1) governance; 2) benefit package design and alignment with provider payment methods; 3) mixed provider payment systems; and 4) information management systems.. This was followed by plenary discussion and group work discussions on these themes and a final session on next steps and the way forward. Figure 1 illustrates how these four themes are inter-linked.

Discussion outcomes

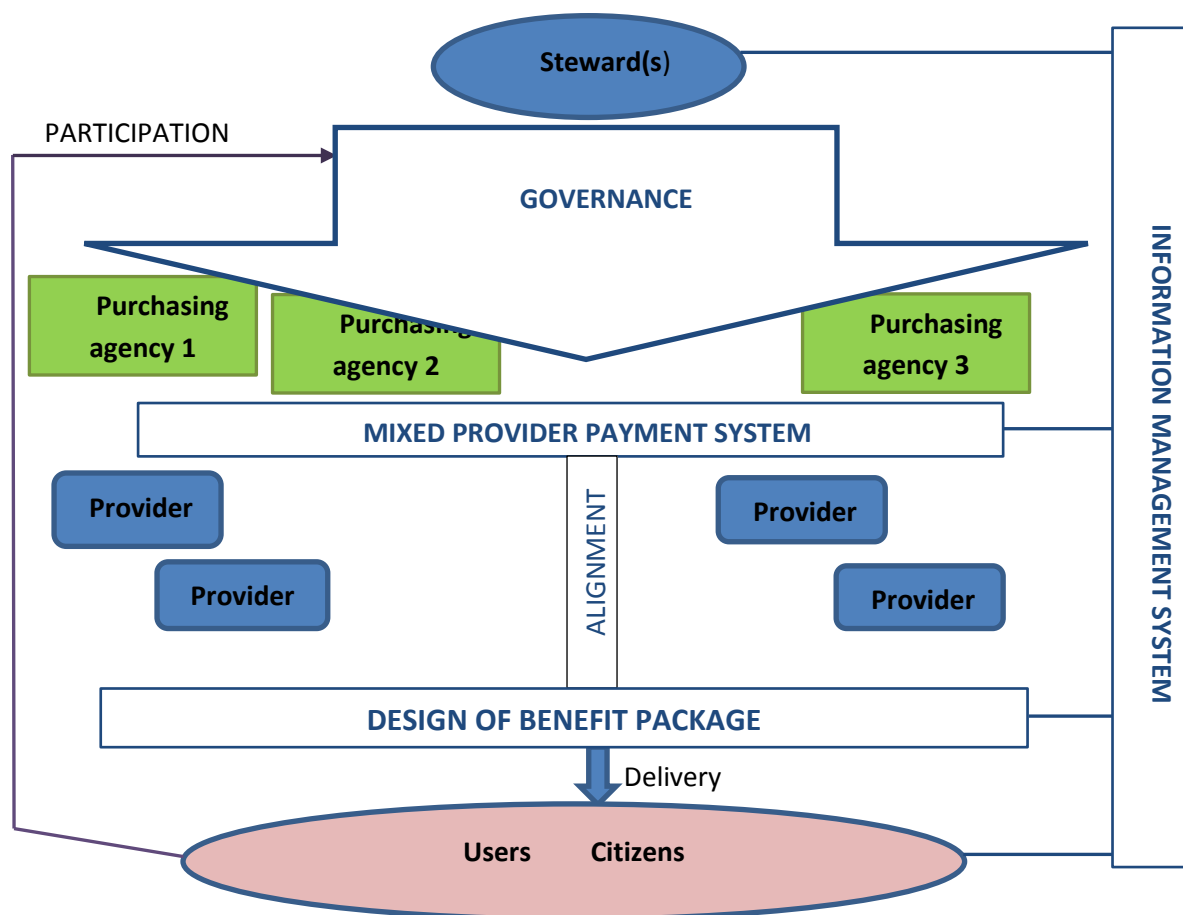
Governance

- The health financing system is highly fragmented in many countries with multiple purchasers, even within the public sector.
- A move towards more strategic purchasing requires reforms in several areas (e.g., human resources, medicines, public finance, provider payment). The challenge is who is in charge, which reforms to start with and how to sequence reform.
- Purchasing agencies with little or no purchasing power struggle to introduce strategic purchasing measures. There is a need to get stronger support from the Ministry of Health and the Government in developing, setting up and enforcing regulations in that respect.
- Purchasers as well as public health facilities need to have an adequate degree of autonomy (not just on paper) and need to be strengthened in their capacity for strategic purchasing to have an impact.

Benefit package:

- There is considerable lack of information on population needs, utilisation rates and costs/prices in order to move towards more strategic purchasing.
- There is a need to ensure that the benefit package definition is in line with the functional operations of the different care levels.
- There is strong need to align free health care policy initiatives with the benefit package that is publicly financed and provided as well as with the benefit package of specific schemes.

Figure 1: Linkages of the four thematic areas



Mixed provider payment systems:

- Strategic purchasing cannot be considered separately from human resource management: How can a country shift to strategic purchasing when even the basics are not in place?
- It is difficult to do cost containment through changes in provider payment methods when there is insufficient capacity to regulate and control for balance billing.
- Separate vertical disease programs are usually based on fragmented funding flows and may procure supplies and services, complicating the provider payment system and contributing to inefficiencies.

Information management systems:

- One key challenge relates to how to get even the minimal information and data to design and implement a more strategic provider payment method.
- Health information management systems are fragmented across levels (central, regional, district), programs and different purchasing agencies and are not sufficiently standardized nor inter-operable.
- An integrated information management system is needed to engage in strategic purchasing, but this is not currently a priority for decision makers in the course of health financing reforms.

Way forward and next steps

Key lessons:

- The move towards more strategic purchasing requires a strong MOH in its role as steward and calls for strengthening its stewardship capacities.
- Moving towards more strategic purchasing is particularly difficult in a context where the overall HF architecture is not (yet) clear and it is fragmented. Nonetheless, even then it is possible to start moving towards more strategic purchasing.

- Moving towards strategic purchasing can start with “small” incremental measures. For example, PBF can be an entry point towards more strategic purchasing, if well integrated and designed to be scaled up.
- However, to be effective and have system-wide impact, this requires transformational measures. It is not so much about PPM only, but more about architectural and governance questions related to the role of private sector provision, purchasing agencies and beneficiaries.
- Moving towards strategic purchasing also touches upon the central question of the role of the private sector in overall health care delivery. This is particularly relevant where formal sector employees are covered by health insurance.
- Reduction of OOP expenditures requires revenue raising strategies as well as improved purchasing mechanisms to avoid that improvements in provider payment geared towards efficiency result in balance billing or other such strategies.
- Countries will need concrete steps to move towards strategic purchasing (and UHC). However, there is no blue print for strategic purchasing: concrete steps for low-income countries largely relying on public sector and budget allocations will be different than strategic purchasing efforts in middle-income countries with strong private sector provision and larger health insurance type purchasing agencies. The second setting requires effective regulation and clarification of roles, as the development of the private sector is rapid.

Key suggestions

at global level:

- While strategic purchasing is nothing new, there is need to give it more attention and to put it more prominently on the health financing policy agenda at country level, whereby donors and development partners could play a supportive role;
- Provide a methodology to identify inefficiencies and estimate potential efficiency losses at country level;
- Provide evidence that engaging in and trying to progress towards more strategic purchasing is worth the effort and outline how it is linked to UHC: provide concrete country examples that illustrate the benefits and that connect to the broader efficiency agenda;
- Advocate, sensitize and make the case for strategic purchasing.

at country level:

- Start with mapping the actors involved and affected by purchasing;
- Assess the country’s purchasing situation and identify inefficiencies, on the basis of which to develop policy options and a long term strategy/vision towards strategic purchasing;
- Organise training courses and capacity strengthening in strategic purchasing, incl. contract negotiating;
- Need to disseminate existing knowledge and tools/approaches, e.g. the JLN Provider Payment Costing Tool.

Specific suggestions for WHO:

- Provide a reference document with conceptual clarification on strategic purchasing versus procurement and outline and illustrate what strategic purchasing implies and what measures and concrete steps can be undertaken to progress towards more strategic purchasing;
- Advocate, sensitize and make the case for strategic purchasing;
- Contribute to training and capacity strengthening;
- Take on a facilitating and coordinating role between government and partners.

Specific suggestions for the CoP:

- Engage with other partners (e.g., JLN, RESYST);
- Need for experience and knowledge exchange and joint learning across countries and peers and need to learn from scheme examples on what has worked on the basis of which to identify concrete next steps;
- Organise a workshop with health insurance agencies and other purchasing agencies (e.g. those in charge of PBF) on how to move towards strategic purchasing.