Meeting
This report contains the collective views of an international group of experts, and does not necessarily represent the decisions or the stated policy of the World Health Organization.

“Strategic purchasing: an emerging agenda for Africa”, a WHO/CoP PBF & FAHS workshop
30 September 2016, Ecole Nationale de Santé Publique, Rabat, Morocco

Overview
In the context of the African Health Economics and Policy Association (AfHEA) 4th biennial scientific conference, the WHO Health Governance and Financing department joined efforts with the Communities of Practice Performance-Based Financing and Financial Access to Health Services (CoP – PBF & CoP - FAHS) to organise a bilingual workshop on strategic purchasing with the following objectives:

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

The workshop assembled a mixed audience of 30 people with a wide range of profiles (country policy makers, managers, researchers and policy analysts) from 13 different countries (Benin, Burkina Faso, Cameroon, DRC, Mali, Morocco, Nigeria, Rwanda, Senegal, South Africa, Uganda, Chad, Tunisia) and various organisations (Ministries of Health, Development partners, Research institutes, NGOs, etc.)

Content
The workshop started with a bilingual introductory presentation (in English and in French) on strategic purchasing that served to outline what is purchasing and strategic purchasing and how to distinguish it from procurement.

It also provided the participants with an overview of WHO thinking on four key themes in strategic purchasing: 1) governance; 2) benefit package design and alignment with provider payment methods; 3) mixed provider payment systems; and 4) information management systems.

This presentation was followed by a group exercise. The audience was split into 4 groups, each group having the responsibility to discuss one of these above-mentioned themes in-depth in the light of the participants’ experiences. This exercise sparked fruitful discussions between the participants, and allowed to identify key points pertaining to these four themes. For more details on this discussion, please see the detailed meeting report here.

Participants were then conveyed in a plenary session in order to present the fruit of their discussions, and to draw collaboratively the transversal lessons of the workshop.

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, and 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 neither 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.
Key lessons

- Moving towards strategic purchasing is acknowledged to be a critical reform to make significant progress towards UHC for its potential impact in terms of cost-containment, efficiency and equity. It is also key for governments to restructure and regulate their health systems;
- Introducing strategic purchasing measures is particularly difficult in a context where the overall Health Financing architecture is still incomplete and fragmented. It is, however, recommended to identify key “small” incremental measures that initiate this process;
- There is no clear blue print to identify and implement these concrete steps, and the path taken by each country will be highly-context dependent. Concrete steps for low-income countries will differ from strategic purchasing efforts in middle-income countries, where the rapid development of the private sector requires effective regulation and clarification of roles. Performance-based Financing, if well-integrated into the financing architecture and politically accepted, could be a first step towards strategic purchasing;
- However, it is important not to leave the reform incomplete, to the risk of generating counter-productive behaviours, especially on the providers’ side, e.g. balance billing;
- In order to have the intended system-wide effects, transformational measures are needed across the health system’s building blocks in order to address governance issues and gaps in the health financing architecture that will hamper any progress towards more strategic purchasing e.g. role and regulation of private sector provision in mixed health systems; institutional anchorage of the purchasing function; the role, responsibilities and governance structures of purchasing institutions;
- The move towards more strategic purchasing requires a strong commitment from the government as a whole and from the Ministry of Health in particular, as steward, as well as capacity strengthening efforts to make strategic purchasing a reality e.g. stewardship, mixed-payment modalities.

Ways forward

at global level:
- Develop a case for more strategic purchasing as a condition, if not sufficient at least necessary, to gear up health systems for UHC.
- Provide a methodology to identify inefficiencies and estimate potential efficiency losses at country level;
- Provide evidence that introducing more strategic purchasing yields return for UHC;
- Disseminate existing knowledge and tools/approaches on strategic purchasing

at country level:
- Advocate, sensitize and make the case for strategic purchasing at national level so as to put strategic higher on the national health financing policy agendas
- Establish a country diagnostic that maps out the actors involved in purchasing, identifies their stakes, as well as analyses the current situation in terms of inefficiencies and provider payment modalities in place
- On the basis of this country diagnostic, develop policy options and opt for a long term strategy/vision towards strategic purchasing;
- Clarify roles, responsibilities and governance modalities of the different stakeholders involved in the implementation of this strategy, in which development partners could play a supportive role (when relevant);
- Develop a comprehensive capacity strengthening plan for strategic purchasing e.g. contracting, payment methods;

Specific suggestions for WHO:
- Provide a reference document on strategic purchasing, illustrating what strategic purchasing implies and what measures and concrete steps can be undertaken to enhance 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:

• Need for experience exchange 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;
• Engage with other partners (e.g., JLN, RESYST);
• Facilitate experience exchange, knowledge sharing and joint learning across countries and peers to provide examples on what has worked in strategic purchasing in order to be able to start with something concrete, inter alia 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.