



RESEARCHING PURCHASING TO ACHIEVE THE PROMISE OF UNIVERSAL HEALTH COVERAGE

Kara Hanson

Professor of Health System Economics

Department of Global Health and Development

LONDON
SCHOOL of
HYGIENE
& TROPICAL
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OUTLINE

The UHC challenge

Strategic purchasing as the bridge to effective health coverage

Researching purchasing – economic theory-driven, case studies in multiple country settings



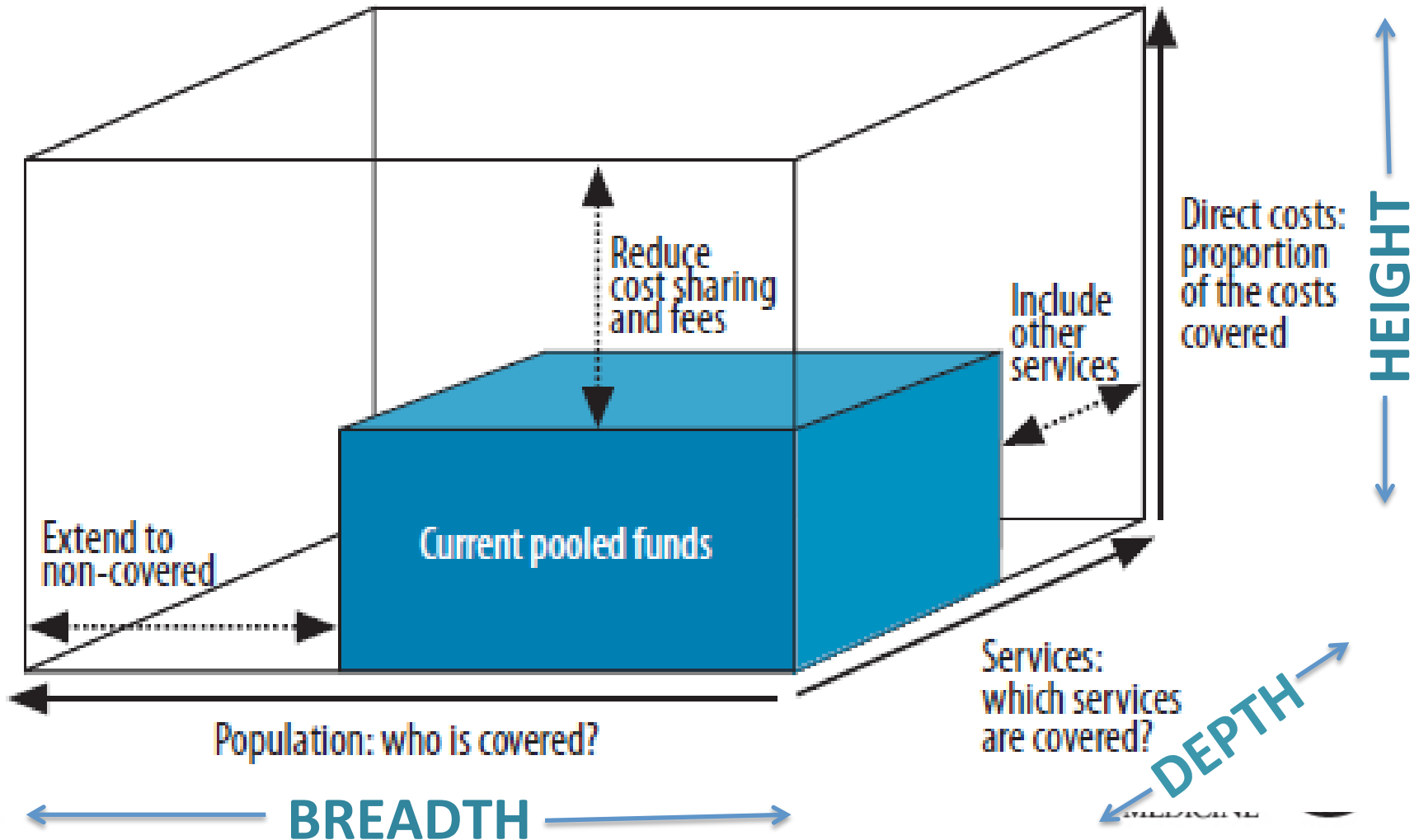
THE CHALLENGE OF UNIVERSAL HEALTH COVERAGE

- *Universal health coverage* means that everyone has access to quality health services that they need without risking financial hardship from paying for them
- Subject of many international and national plans and targets:
 - UN General Assembly Resolution A/67/L.36: “Recognises the responsibility of national governments to urgently and significantly scale up efforts to accelerate the transition towards universal access to affordable and high quality health services” (December 2012)
 - Plethora of country plans, roadmaps, strategies,



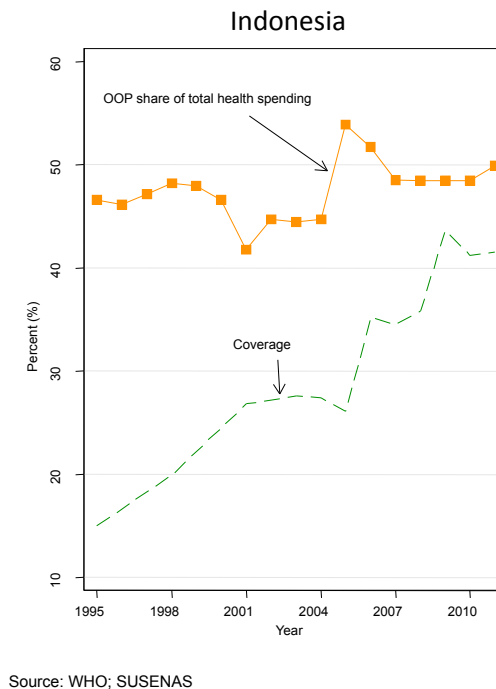
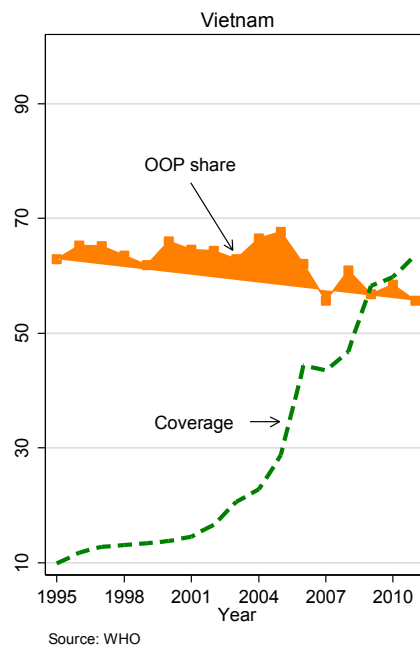
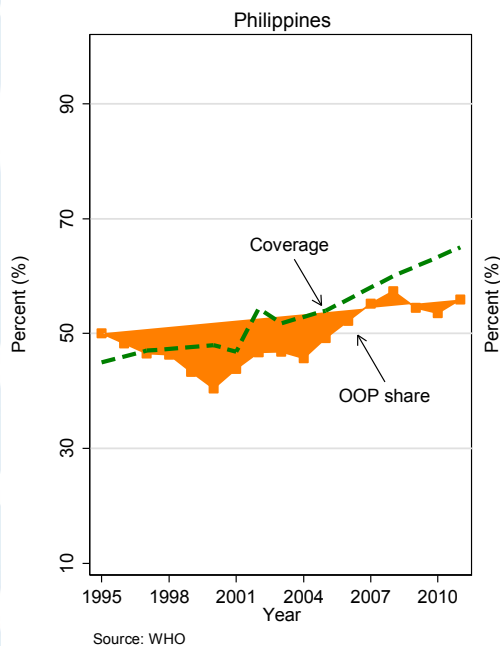
THE THREE DIMENSIONS OF COVERAGE

(WHO, 2010)



“COVERAGE WITHOUT FINANCIAL PROTECTION”

- Philippines, Indonesia, Vietnam – have all seen increases in population coverage but no decrease in out-of-pocket payments



WHAT MIGHT BE THE CAUSES?

- Incomplete coverage –
 - Benefit package doesn't meet perceived needs
 - Unlimited co-payments/"balance billing"
- Insurance-induced utilization (with incomplete coverage)
- Weak referral system
- Perverse incentives to providers (eg. FFS, pharmaceutical revenue maximization)
- High use of "out-of-plan" providers (private sector)



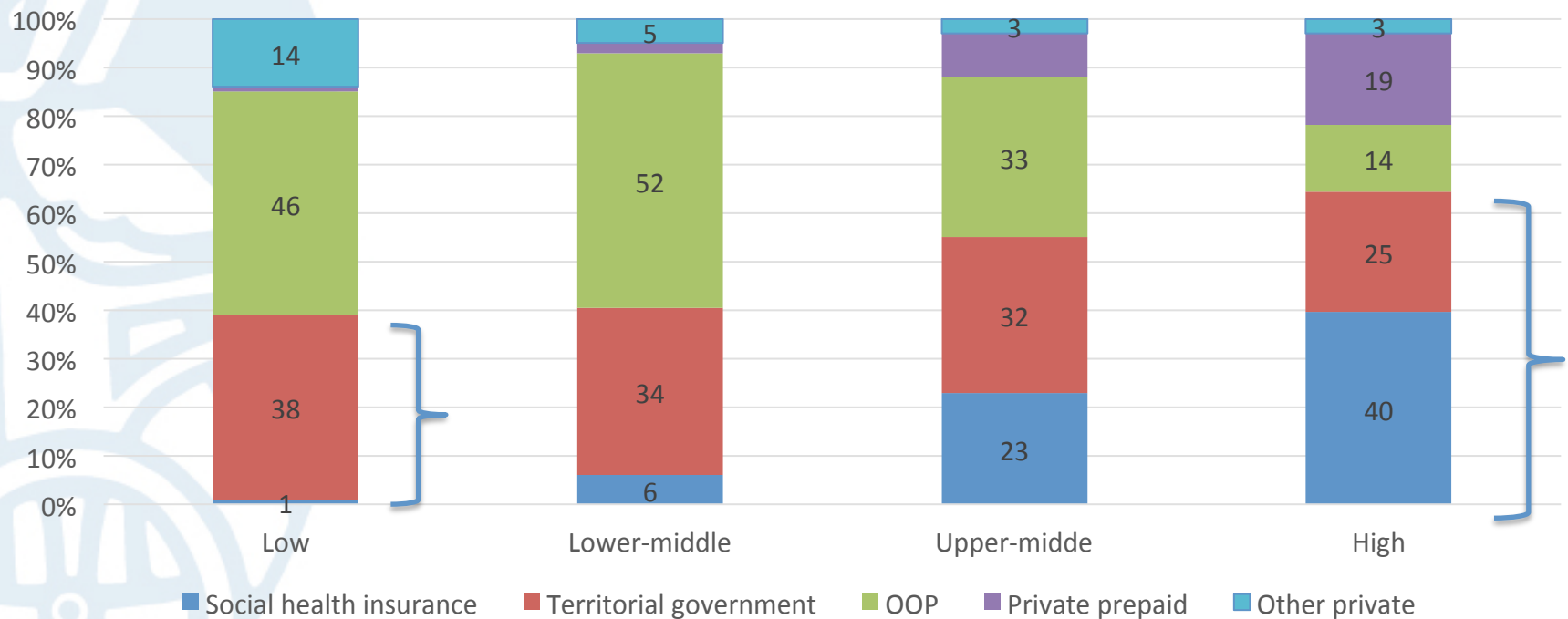
HEALTH FINANCING FUNCTIONS AND UNIVERSAL HEALTH COVERAGE

1. Revenue generation
2. Revenue pooling
3. Purchasing



SOURCES OF HEALTH FINANCING 2010 (Source: WHO NHA)

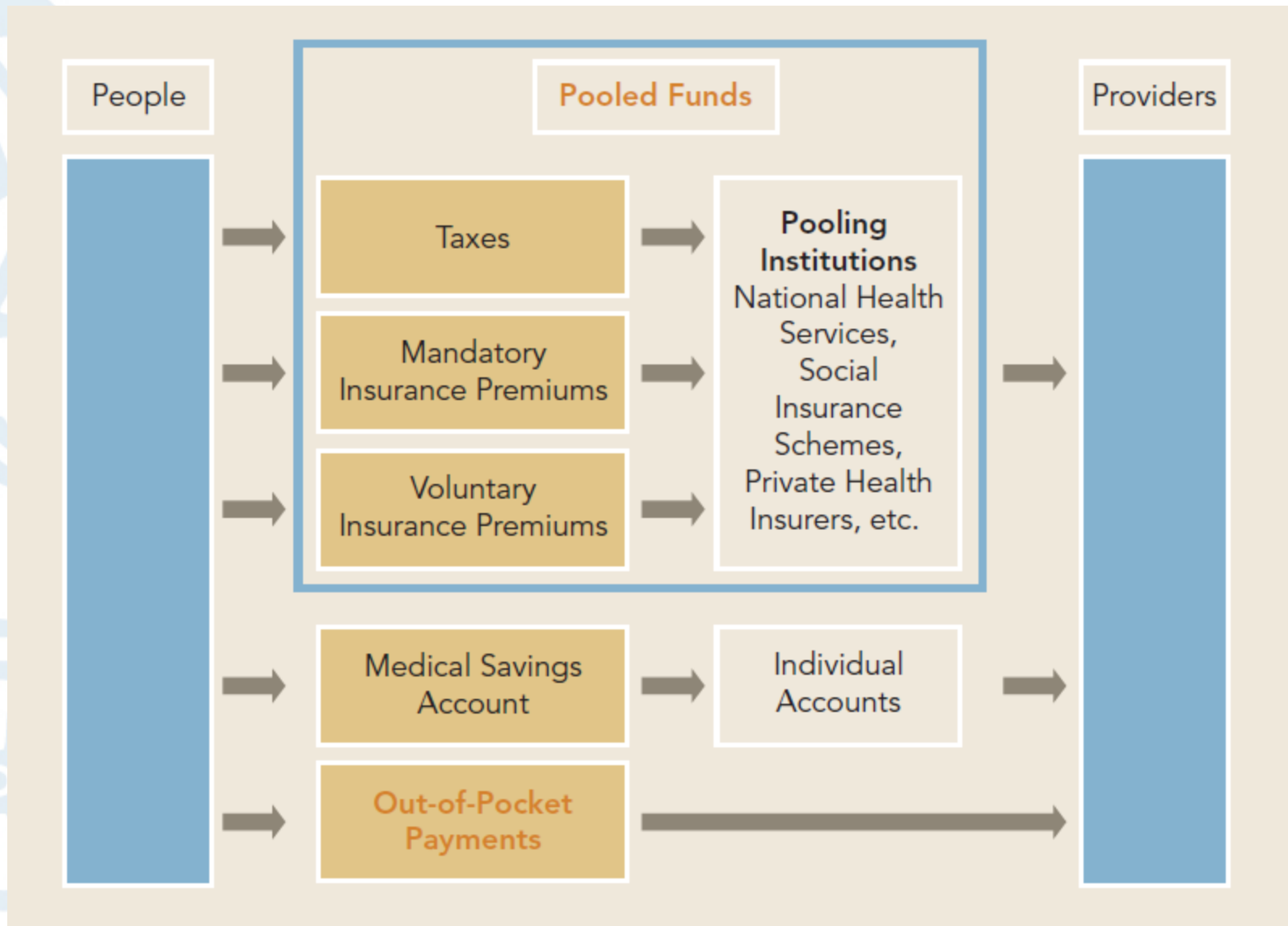
Stacked bar chart by financing agents, 2010



POOLING

Accumulating prepaid health care revenues on behalf of a population, with a particular emphasis on the population coverage and composition of groups which are covered by a specific pool





Savedoff. Transitions in health financing ...



PURCHASING

- “Strategic purchasing aims to increase health systems’ performance through effective allocation of financial resources to providers, which involves three sets of explicit decisions:
 - *Which* interventions should be purchased in response to population needs and wishes, taking into account national health priorities and evidence on cost-effectiveness;
 - *How* they should be purchased, including contractual mechanisms and payment systems; and
 - *From whom*, in light of relative levels of quality and efficiency of providers.” (Figueras et al. 2005)



SPECIFICATION OF THE SERVICE ENTITLEMENT

- List what is excluded or what is included?
- Guarantee 'basic' package?
- Interventions selected based on criteria of cost-effectiveness or financial protection?
- Comprehensive package or hospital care only?
- How to involve users in the setting of the package?



CONTRACTING AND PROVIDER PAYMENT

Key difference between passive purchasing and strategic purchasing

Specification of “contracts”

Provider payment mechanisms?

Pay for performance?

What information systems needed for monitoring?

How to build in support for quality improvement?



SELECTING PROVIDERS AND ORGANISING ACCESS

- Limit to public providers only or use as a tool for involving the private sector through contracts?
- Can provider selection be used to improve quality (eg. Accreditation)?
- Limited list of eligible providers (e.g. through accreditation scheme) or all?
- Rules/limits on access to private providers?
- Patient incentives to encourage care at most appropriate level (e.g. bypass fees)?
- Primary care gatekeeper role to limit access to higher levels of care?
- Make primary care a budget holder for referral care?



Many important system design questions
Little evidence from LMIC settings

RESEARCHING PURCHASING



CHARACTERISTICS OF HEALTH POLICY AND SYSTEMS RESEARCH

OPEN ACCESS Freely available online

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PLoS MEDICINE

Policy Forum

Building the Field of Health Policy and Systems Research: Framing the Questions

Kabir Sheikh^{1*}, Lucy Gilson^{2,3}, Irene Akua Agyepong⁴, Kara Hanson³, Freddie Ssengooba⁵, Sara Bennett⁶

¹ Public Health Foundation of India, New Delhi, India, ² School of Public Health and Family Medicine, University of Cape Town, Cape Town, South Africa, ³ Department of Global Health and Development, London School of Hygiene and Tropical Medicine, London, United Kingdom, ⁴ Ghana Health Service/University of Ghana School of Public Health, Accra, Ghana, ⁵ School of Public Health, Makerere University, Kampala, Uganda, ⁶ Health Systems Programme, Johns Hopkins Bloomberg School of Public Health, Baltimore, Maryland, United States of America

Health Policy and Systems Research A Methodology Reader

Edited by Lucy Gilson



Alliance for
Health Policy and
Systems Research

What do we mean by rigorous health-systems research?

www.thelancet.com Vol 372 November 1, 2008

**Anne Mills, Lucy Gilson, Kara Hanson, Natasha Palmer,
Mylene Lagarde*

Department of Public Health and Policy, London School of Hygiene
and Tropical Medicine, London WC1E 7HT, UK
anne.mills@lshtm.ac.uk

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CHARACTERISTICS OF HEALTH POLICY AND SYSTEMS RESEARCH

- Nature of the questions – exploratory/explanatory (“Why/How”) as well as normative/evaluative (“What works/What is the best way to”)
 - Study design dictated by the type of question
 - Value of *case study designs* to link theory with process and outcomes
 - Approaches to achieving methodological rigour with case study research
 - Select cases carefully to offer insights
 - Gather rich and deep information on contextual features relevant to each case
 - Adopt an explanatory rather than a descriptive focus
 - Consider multiple cases and conduct cross-case comparisons
 - Use relevant theory to guide inquiry
- » Walt, Shiffman et al. “Doing” health policy analysis.... *Health Policy and Planning* 2008



MULTI-COUNTRY STUDY OF PURCHASING ARRANGEMENTS:

- Describe the current purchasing mechanisms in participating countries
- Illustrate each of the selected purchasing mechanisms using a framework of three core principal-agent relationships
- Critically assess the existing purchasing performance by examining what actually occurs in current purchasing practices, focusing on the behaviour/ actions undertaken by the purchasers (*actual practice*), and compare this with what purchasers would be expected to do under a strategic purchasing mechanism (*ideal practice*)
- Identify factors that enable or hinder effective purchasing
- Draw lessons and make policy recommendations to promote effective purchasing arrangements for universal coverage.



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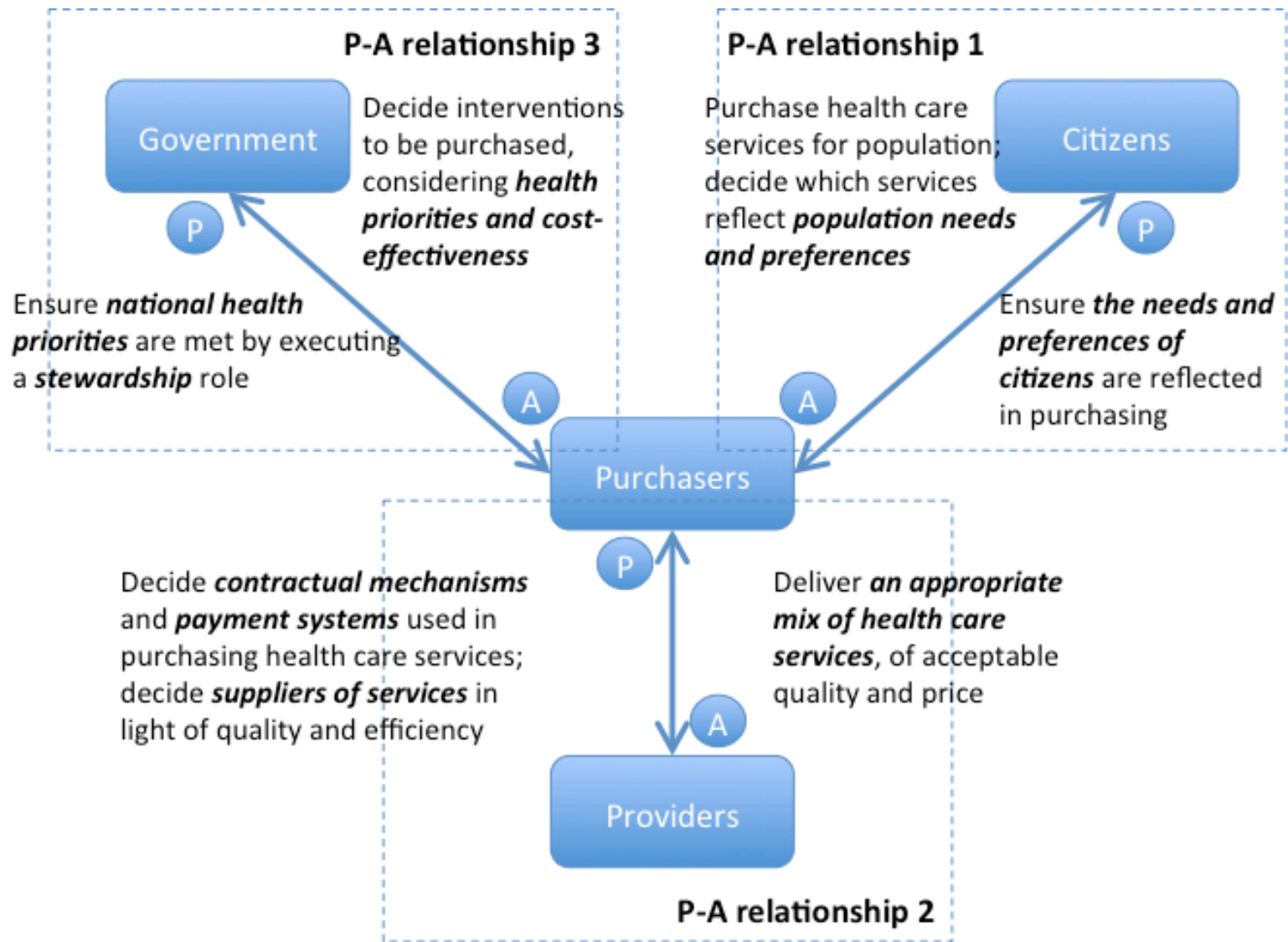
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THEORETICAL FRAMEWORK

- Principal agent theory (Arrow 1985; Milgrom and Roberts 1992)
 - How incentives, information, resources, decision-making, delivery mechanisms and accountability work to structure the relationship between principal and agent to achieve desired outcomes





METHODS

- Case study methodology
- Purchasing mechanism is the “case”
- Mixed methods – document review, key informant interviews, secondary data analysis
- Theory-informed evaluation/assessment: Are the institutions (resources, incentives, information, decision-making, delivery mechanisms and accountability) in place to achieve the objectives of strategic purchasing in a principal/agent framework
- Qualitative methods of analysis: Deductive analysis (based on framework) complemented by inductive analysis + cross-case comparison (within and between countries)



STUDY COUNTRIES

Health Economics and Systems
Analysis Group, LSHTM

Health Policy Research Group,
University of Nigeria

KEMRI-WT Programme

AMREF, Kenya

Ifakara Health Institute,
Tanzania

Health Economics Unit,
University of Cape Town

Indian Institute of
Technology, Madras

Peking University,
China

Health Strategy &
Policy Institute, Vietnam

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PURCHASING MECHANISMS BEING EXAMINED IN STUDY COUNTRIES

	General tax funded service	Social Health Insurance	Private / voluntary insurance
China		√ (NCMS)	
India (Tamil Nadu)	√	√	
Indonesia	√	√√	
Kenya			√ √
Nigeria	√	√	
Philippines		√	
South Africa	√		√
Tanzania	√	√	√
Thailand	√	√ (CSMBS)	
Vietnam	√	√	



CONCLUSIONS

- Achieving UHC requires action on all dimensions of the “cube”
- Purchasing creates the link between pooled funds and effective services; but little research which takes a comprehensive, “strategic” perspective on design of purchasing in health systems
- Theory-driven case studies are a valuable research methodology in health economics and health system research



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