



Ghana

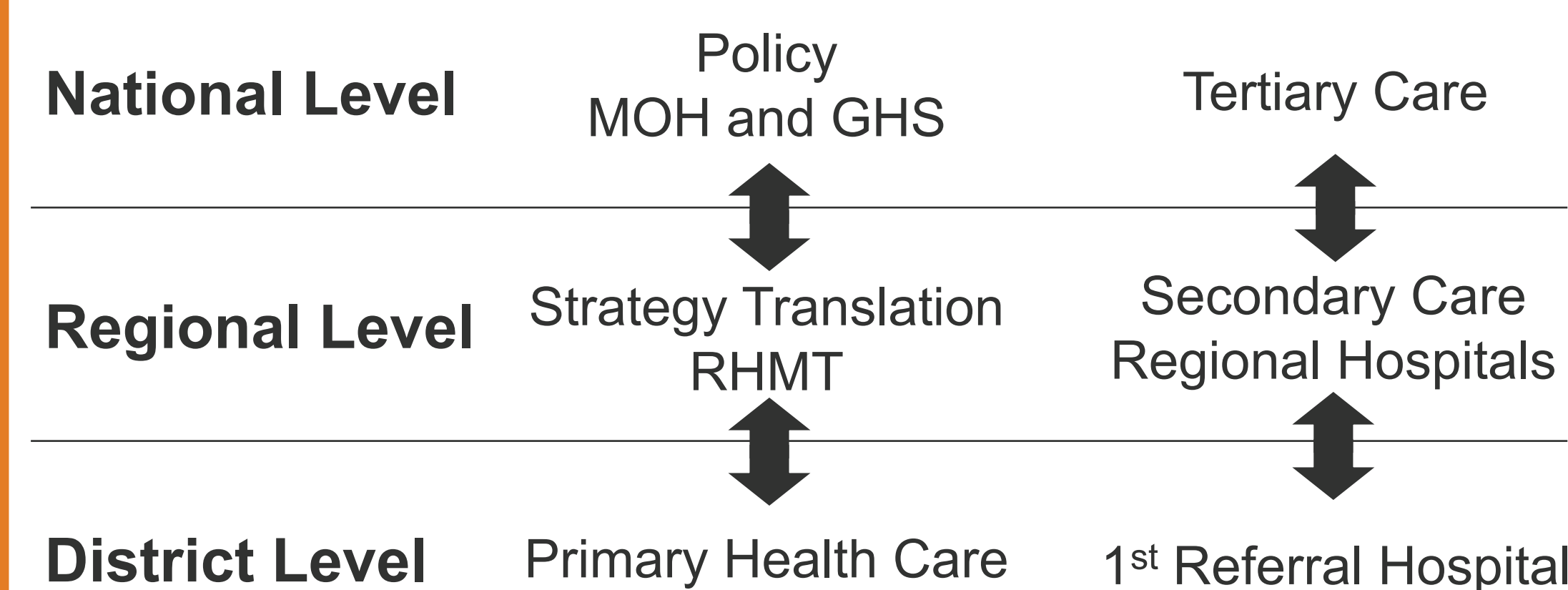
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Making Provider Payment Mechanisms More Strategic: Removing the Roadblocks to Implementation

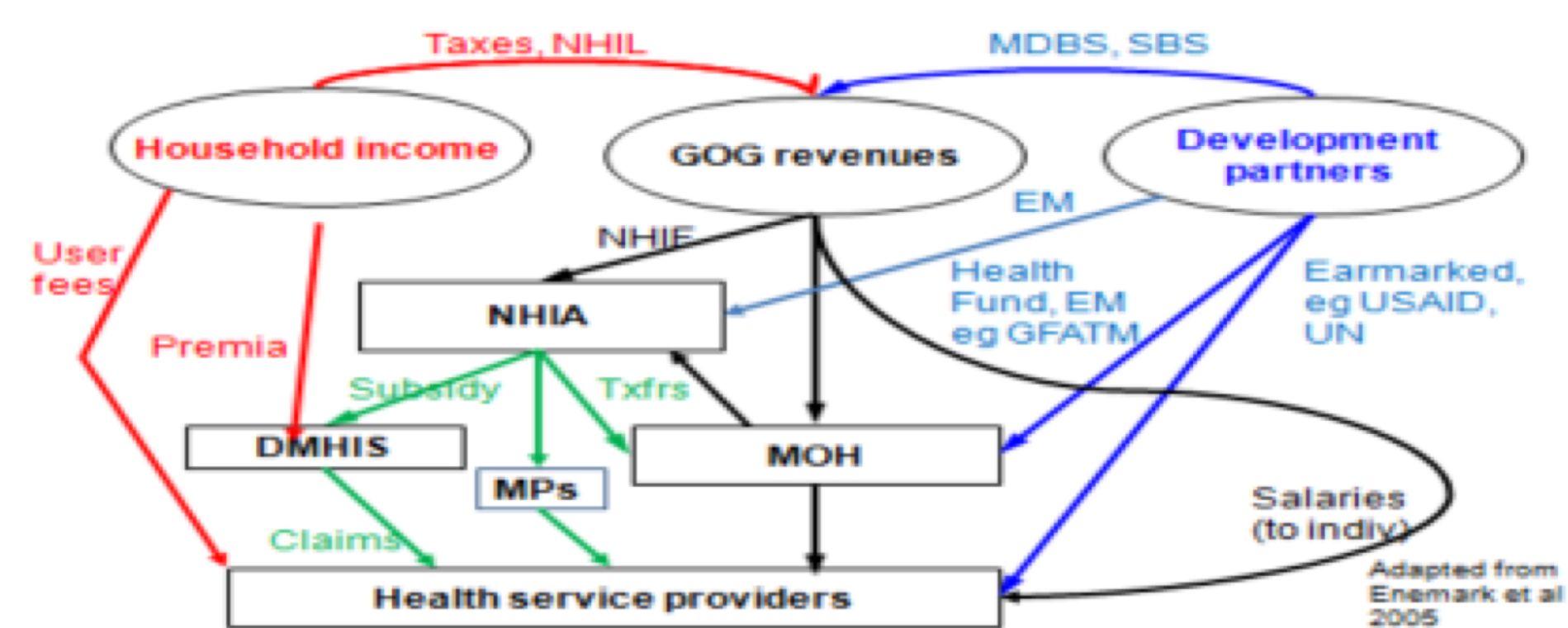
Context:

Population	29M (2018 Estimate)	
GDP/ Capita	\$1,813.80 (USD, 2015)	
THE/ Capita	\$145 (USD, 2014) THE as % of GDP as at 2014 (WHO) 3.6%	

Organization of the Health System



Funding Flows



Monitoring

Capitation

- Monitored through NHIS reporting format of claims submission
- Template developed and installed at provider sites to help capture utilization data
- M&E was very weak in pilot

LI 2255

- VAT Implementation Committee converted to a Monitoring Team
- NHIA monitors implementation through existing M&E system: regional offices monitor medicine availability and prices as part of regular checklist

Provider Payment Mechanisms



GDRG Claims Re-imbursments for Services	Ongoing
Itemized Bills Re-imbursments for Drugs Supplied to Clients	Ongoing
Out-of-Pocket Reimbursments	Ongoing
Capitation	Suspended

Innovations

Capitation

- Most recent PPM innovation introduced
- Suspended since August 2017

Objectives

- Test overall effectiveness of capitation payment system in achieving objectives identified by the PPM TSC
- To control exponential growth of utilization and claims, particularly OPD claims due to provider shopping
 - To identify features of implementation essential for success
 - Make recommendations for scale-up after the pilot phase

Implementation

Piloted in Ashanti Region for ~5 ½ years
Stakeholders engaged before roll out
Consensus reached that left out services such as drugs, maternal care and restricted itself to 30% of basic OPD services

L.I. 2255: To Reduce Drug Prices

- Passed November 2017, Implemented July 1 2018
- Abolished 17.5% VAT rates on raw materials imported drugs and eliminated 10% import duty tax

Objectives

- To bring cost of drugs down in Ghana by an average of 30% by:
- Making drugs affordable to citizenry
 - Controlling escalating cost on NHIS, which contributed ~55% of total NHIS claims envelope

Implementation

- Technical Committee formed at behest of MOH included a wide variety of stakeholders
- Agreement reached to implement L.I. 2255 to reduce prices by an average of 30% from NHIA drugs payments regime that trickled down to all layers of supply chain

Lessons Learned

- ✓ Evaluation of Capitation policy showed mixed results:
 - ✓ Larger facilities with wide range of services saw the policy as good; smaller facilities that could not attract good number of enrollees suffered.
 - ✓ Smaller facilities that were sited close to bigger facilities also suffered low enrolments.
 - ✓ Helped to reduce claims processing at the OPD level.
 - ✓ Improved personal relationship between clients and providers.
- ✓ Procurement regime made it difficult to introduce “price controls” on supplies of Drugs to enforce compliance to “New Price Regimes”
- ✓ Change management on L.I. 2255 implementation very complex

Success and Challenges

Capitation

Successes

- Improved liquidity of facilities since payments came before service delivery
- Brought certainty to potential sustainability of scheme since cost containment was largely achieved in pilot region
- Provider shopping curtailed due to strict adherence to Preferred Primary Provider to receive one's OPD services

Challenges

- Capitation rate
- Delayed payments
- Low enrollment in small facilities
- Non-renewal of NHIS subscriptions on time
- Providing service to clients enrolled at other facilities under blanks

L.I. 2255

Successes

- NHIA expects to see claims payments on drugs come down by 30%
- Price of drugs expected to fall by same rate
- Pooled procurement on essential drugs has helped achieve economy of scale through “MOH Framework Contracting Agreement” with Drugs, Manufacturers & Suppliers

Challenges

- Suppliers struggle to meet new supply price regimes to reflect passage of bill
- Smaller procurements disincentivized
- Changing variables in L.I. 2255 formula

Next Steps

1. Capitation reintroduced by the NHIA with potential comprehensive reforms introduced on new package.
2. PPP selection ongoing in 7 out of 10 regions.
3. Evaluation conducted to support re-introduction of capitation.
 - Timeline for the reintroduction unknown
4. Pooled procurement to be entrenched in supplies of Drugs under the MOH Framework Contracting Agreement Regime.
5. Timely releases of claims owed to BMCs seen as key in keeping costs low.
 - NHIA to ensure enforcing early payments regimes from their end to help new PPM implementation succeed.

