Strategic Purchasing for Primary Health Care
STRATEGIC PURCHASING FOR PRIMARY HEALTH CARE (SP4PHC)

Project overview
- An investment by the Bill & Melinda Gates Foundation (BMGF) implemented by ThinkWell with country learning partners
- Project duration from 2017 to mid-2022

Our Goal
- Leverage strategic purchasing to improve primary healthcare (PHC) delivery in 5 countries, with a focus on family planning (FP) and maternal, newborn and child health (MNCH)
- Facilitate learning on strategic purchasing for PHC, FP and MNCH – and the application of that learning to policy and practice – at the national and global levels
Key concepts
DEFINING PURCHASING

What is purchasing?
Purchasing refers to the allocation of pooled funds to providers of health services on behalf of a population [1].

What is strategic purchasing?
Purchasing is strategic if decisions about the allocation of funds is based on information about provider behavior and population health needs in order to maximize health system goals [2].

Stewardship

Resource generation
 Revenue collection
 Pooling
 Purchasing

Service Delivery

Health financing within the overall health system

UHC intermediate goals

Equity in resource distribution
 Efficiency
 Transparency and accountability

Final UHC goals

Utilization relative to need
 Financial protection and equity in finance
 Quality

As countries develop and implement strategies to address these challenges and to achieve UHC, they are focusing on 3 inter-related objectives:

1. Mobilizing more resources for health
2. Reducing financial barriers to access and increasing financial protection
3. Using available funds optimally to achieve health system goals

Making purchasing more strategic is integral to the third objective of getting “more health for the money.” It can serve as a lever for:

- Improving service delivery in the public sector, then using public funds to purchase services from the private sector
- Increasing the share of spending for PHC/FP/MNCH
TYPES OF PURCHASING SCHEMES

Classifying purchasing schemes

Two models based on the institutional separation between the purchaser and the providers, and how payments are made [1]:

- **Integrated delivery**: where purchaser and provider belong to the same organization, and purchaser makes budgetary allocations to cover input costs of the providers
- **Contract-based**: purchaser is distinct from providers, and pays provider based on a contract

The range of purchasing approaches

**Traditional schemes**: public integrated delivery, private integrated delivery, government health insurance and private insurance

**Other purchasing approaches and financing methods**: performance-based financing, user fee reimbursement mechanisms, voucher programs, etc.

Purchasing approaches in SP4PHC countries

<table>
<thead>
<tr>
<th>Integrated delivery</th>
<th>Contract-based</th>
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<tbody>
<tr>
<td>Public-sector integrated delivery (all 5 project countries)</td>
<td>Government health insurance (PhilHealth in Philippines, JKN in Indonesia, NHIF in Kenya)</td>
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<tr>
<td>Private health-care management organizations (Philippines, Indonesia, Kenya)</td>
<td>Private health insurance (all 5 project countries)</td>
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<td>Vouchers (Uganda)</td>
<td>Vouchers (Uganda)</td>
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<tr>
<td>Performance-based financing for facilities (Uganda and Burkina Faso)</td>
<td>User fee removal (Kenya and Burkina Faso)</td>
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SP4PHC focuses on purchasing schemes that are universal or target the poor, and cover PHC services including FP and MNCH.

COHERENCE OF PURCHASING

The purchasing ecosystem

Most countries have multiple purchasers and purchasing schemes. Even if there is one purchaser of choice or a particular scheme that is most relevant for PHC/FP/MNCH, taking a systems perspective to purchasing is important.

Multiple funding flows in Burkina Faso

- Given the mix of schemes, there are multiple resource flows to providers sending different signals for performance.
- Are these signals aligned? Are some signals getting lost in the noise?
- Are there way to make the flow of funds more efficient?
SP4PHC theory of change & theory of action
FRAMEWORK FOR DESCRIBING PURCHASING: KEY ACTORS AND FUNCTIONS

Key governance functions:
- Establish clear frameworks for purchasers, and coherence across them
- Establish clear frameworks for providers, including rules around facility autonomy in the public sector
- Ensure adequate financing to meet service entitlements
- Ensure accountability of purchasers

Key functions of the purchaser relative to providers:
- Select and contract providers
- Develop formularies and treatment guidelines
- Develop and implement provider payment methods
- Monitor provider performance

Key functions of the purchaser in relation to citizens:
- Assess service needs and preferences
- Register clients and inform them about their entitlement
- Ensure population can access services
- Receive and respond to complaints
- Publicly report on use of funds, performance, etc.

Figueras, Robinson et al (2005); Resyst (2014)
SP4PHC’S THEORY OF ACTION

PROJECT INCEPTION
ThinkWell consulted key stakeholders in each country to design tailored strategies.

COUNTY-BASED TECHNICAL ASSISTANCE
Local teams, including technical experts embedded within key government institutions where appropriate, work to catalyze strategic purchasing reforms.

POLICY DIALOGUE
Facilitate discussions between key stakeholders to identify current challenges, design potential solutions, and apply learnings to improve health policy and practice.

ANALYTICS AND LEARNING
Undertake implementation research in collaboration with local research partners, and co-create knowledge across project countries.

TESTING SOLUTIONS
Support government institutions to design, test and implement strategic purchasing reforms.
THEORY OF CHANGE

Strengthen capacity along all three axes:
- Government – purchasers
- Purchasers – providers
- Purchasers – citizens

Improved government stewardship of purchasers
Appropriate incentives for providers
Greater responsiveness to population needs

Equity in resource allocation
Efficiency
Transparency and accountability
Equitable access
Financial protection
Quality of care

PROJECT INCEPTION
COUNTY-BASED TECHNICAL ASSISTANCE

POLICY DIALOGUE
ANALYTICS & LEARNING
TESTING SOLUTIONS
Country programs
MAKING PURCHASING MORE STRATEGIC IN 5 COUNTRIES

**BURKINA FASO**
- Supporting MOH improve implementation of gratuité policy for MNCH and scale up free FP
- Working to build greater coherence between gratuité and other mechanisms (including GFF-funded program)

**UGANDA**
- Helping MOH draw lessons from existing initiatives to make purchasing more strategic (including the GFF-funded RBF program) and apply them to health financing reforms
- Supporting Kampala city authority develop a model for contracting private providers

**KENYA**
- Building county systems and capacity for strategic purchasing
- Improving implementation of free MNH services and, more recently, the SDR pilot
- Supporting GFF project in country
- Facilitating policy dialogue around coherence

**PHILIPPINES**
- Supporting PhilHealth roll out a comprehensive benefit package
- Working to enhance PhilHeath’s value proposition for private providers
- Assisting DOH and 2 provincial governments implement new UHC law

**INDONESIA**
- Supporting pilot testing of a new approach to contract and pay private midwives
- Analyzing the effect of JKN on FP uptake (and its limits) and on protecting the poor and rural from OOP payments
- Assisting MOH to build strategic purchasing capacity of districts
OUR COUNTRY LEADS

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INDONESIA
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Monitoring, evaluation and learning (MEL) activities
PROJECT MONITORING, EVALUATION AND LEARNING ACTIVITIES

Monitoring country indicators

Curated learning agenda

Partnerships
COUNTRY FACT SHEETS

Standard health and financing indicators
Track national indicators related to health spending, FP and MNCH

Purchasing landscape profiles
Provide an overview of the country purchasing landscape

Health purchasing indicators
Track performance of specific purchasers and purchasing schemes
### Key Themes for the Learning Agenda

<table>
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<tr>
<th>Prioritizing PHC</th>
<th>Purchaser Provider Engagement</th>
<th>Access and Equity</th>
<th>Quality</th>
<th>Efficiency</th>
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<tr>
<td>How can strategic purchasing be used to ensure prioritization of PHC?</td>
<td>How can purchasers improve the value proposition of strategic purchasing schemes for providers?</td>
<td>How can strategic purchasing be used to increase access to key FP and MNCH interventions, especially among vulnerable population groups (e.g., adolescents, the poor etc.)?</td>
<td>What levers can strategic purchasing approaches use to promote quality of FP and MNCH interventions, and promote the quality assurance functions of the health system?</td>
<td>How can purchasing improve efficiency in delivery of FP/MNCH/PHC services?</td>
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**Country Research**  
**Global Synthesis**
WORKING WITH PARTNERS AND OTHER INITIATIVES

**CONTRACT**
Sub-contract country-based learning institutions to undertake policy-oriented research and program analytics

**COLLABORATE**
Collaborate with partners and initiatives at both county and global levels to jointly implement learning activities and disseminate findings

**CONVENE**
Bring together stakeholders at the global and country levels and lead dialogue on key issues related to strategic purchasing for PHC/FP/MNCH

**ENGAGE**
Share information with global and country-based partners on an ad-hoc basis
ACHIEVEMENTS TO DATE

Journal articles
- 1 published in WHO Bulletin
- 3 under review
- Several more in production

Policy reports, briefs & factsheets
- 7 reports
- 10 briefs
- 15 country factsheets

Organized panels at conferences
- 3 HSR
- 3 IHEA
- ICFP planned

Blog posts
- P4H
- HSG Collaborative
- SRHM
- BMJ Global

Monitoring country indicators
Curated learning agenda
Partnerships

https://thinkwell.global/projects/sp4phc/
Adapting to COVID 19
OUR TEAMS HAVE BEEN SUPPORTING THE COVID-19 RESPONSE IN ALL 5 COUNTRIES

Burkina
- **Policy support**: help MoH to use the *gratuite* mechanism to channel more funds to dedicated COVID public facilities
- **Learning**: document how COVID response impacts health financing arrangements in the country to inform post-COVID planning for epidemics

Philippines
- **Policy support**: assist PhilHealth roll out new benefit packages for COVID; synthesize evidence to inform DOH policies and plans for scaling up testing, estimating and sourcing PPE, scaling up telemedicine, etc.
- **Operations support**: support Region 6 provider network in response activities; support DOH develop and roll out a system for recruiting and allocating health volunteers

Uganda
- **Operations support**: support KCCA with COVID response in Kampala
- **Communications**: roll out training developed by MOH and CDC for private providers
- **Learning**: with local learning partner, document how the response impacts health financing arrangements

Kenya
- **Operations support**: support Council of Governors coordinate the COVID response, as well as county-level activities in Isiolo, Makueni and Kilifi counties
- **Learning**: with local learning partner, explore how financing structures should be enhanced to improve readiness for epidemics

Indonesia
- **Analytics**: conduct costing analyses for rapid expansion of COVID-19 services (with HFA project)
- **Policy Support**: rapidly assess impact of response on routine RMNCH services, budgeting practices, BPJS-K purchasing etc
- **Learning**: document how the response impacts health financing systems to inform how Indonesia responds to epidemics in the future
Coherent health financing for the COVID-19 response: a perspective from the Philippines

In the Philippines, the COVID-19 response has called for rapid adaptation of purchasing arrangements. In early 2020, the Philippines passed a Universal Health Insurance Act. We have written about this and the implications for health financing during the pandemic. Here, we discuss the challenges and opportunities for equitable health financing and access to COVID-19 services in the Philippines.

Thank you

https://thinkwell.global/projects/sp4phc/