

Summary report on the

WHO-EM/HEC/047/E

Regional workshop on strategic purchasing for universal health coverage: how to implement innovative provider payment methods

Cairo, Egypt
10–12 June 2015



**World Health
Organization**

Regional Office for the Eastern Mediterranean

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1. Introduction

A regional workshop on strategic purchasing for universal health coverage: how to implement innovative provider payment methods was organized by the WHO Regional Office for the Eastern Mediterranean from 10 to 12 June 2015 in Cairo, Egypt. The meeting was attended by representatives of Member States of the Region, experts from United Nations agencies, representatives of nongovernmental organizations, and WHO country office staff.

In 2012, the 59th session of the WHO Regional Committee for Eastern Mediterranean adopted resolution EM/RC59/R.3, which identified the importance of health system strengthening as a priority to tackle the health challenges of the Region. The WHO Regional Office has since then been involved in discussions about identifying approaches for strengthening health systems in the three groups of countries of the Region, including by reforming health financing systems. In this regard, options for: 1) “revenue raising” to collect sufficient resources for health; 2) “pooling” through prepayment arrangements to enhance financial protection; and 3) “purchasing” to ensure efficient allocation of the pooled funds and maximize benefits and enhance sustainability, have been repeatedly discussed to document global practice and develop regional and country-specific recommendations on a way forward.

This workshop focused on the “purchasing” function of the health financing system and in particular, on the question of “how to pay providers”. Focus was on the instrumental linkage between provider payment methods and the move towards universal health coverage in countries.

The specific objectives of the workshop were:

- to elucidate the central role of health financing and its three specific functions (collection, pooling and purchasing), in enhancing the move towards universal health coverage;
- to introduce the different forms of purchasing and describing the decisions involved in a purchasing process; i.e., “what to purchase”, “from whom to purchase”, “for whom to purchase”, and “how to pay”;
- to detail the different provider payment methods, emphasizing their impact on efficiency and equity, with focus on design and implementation aspects;
- to share global experiences in strategic purchasing and examine their relevance for countries, while identifying potential challenges for implementation.

The workshop was inaugurated by Dr Jaouad Mahjour, WHO Director of Programme Management, who delivered a message from Dr Ala Alwan, WHO Regional Director for the Eastern Mediterranean. Dr Awad Mataria, Regional Adviser for Health Economics and Financing, presented the objectives of the workshop and agenda.

The workshop addressed four main areas: identifying “what to purchase”, “how to pay”, “from whom to purchase” and “how to implement” strategic purchasing.

2. Summary of discussions

Participants were briefed on the concept of strategic purchasing as an interface between financing and provision. An overview of universal health coverage in the Region was presented which illustrated that out-

of-pocket expenditure and population coverage varied significantly between countries. Emphasis was placed on the importance of moving from passive to strategic purchasing where proactive decisions are made regarding which services should be purchased, how and from whom. The benefits of the purchaser-provider split were discussed which included improving provider performance. Contractual arrangements in different countries in the Region were also analysed. A panel discussion on “Purchasing health services in the Region” followed. Panelists from Afghanistan, Islamic Republic of Iran, Morocco, Saudi Arabia and Sudan discussed purchasing arrangements in their respective countries. An overview of health financing systems in the Region was provided with emphasis on purchasing arrangements.

Regarding “what to purchase”, presentations provided information on how to develop an essential package of health services by giving country-specific examples and explaining the usefulness of the “One Health Tool” in costing the essential package of health services. In order to actively make such a decision, there are potential trade-offs between population coverage, benefits coverage and financial protection. For example, if benefit coverage is extensive with a high premium, the ability to expand population coverage may not be feasible, and vice versa. The process of costing the benefit package was discussed in detail – starting from understanding the disease burden in a country, setting priorities, and identifying the actual costs of providing identified services.

With respect to “how to pay”, topics such as options for paying providers, how much to pay them, paying for performance, and the challenges to purchasing reform were covered. This was followed by a one-hour discussion and group activity in which country participants worked to design an essential package of health services. Specific examples were highlighted regarding paying for primary care services, as well as hospital care. Regarding financing primary care,

Kyrgyzstan's experience in designing and implementing a capitation arrangement for primary care was discussed, as well as Japan's experience in implementing a fee schedule on the path to universal health coverage. This was supplemented by a group activity. Concerning financing hospital care, the example of case-based payments by focusing on diagnosis related groups was discussed, as well as the designing and implementation of a global budget payment mechanism for hospitals. A third group work session followed focusing on hospital payment mechanisms.

Contracting in the health sector using case studies from Afghanistan, Liberia, South Sudan and Somalia was discussed under the "from whom to purchase" title. The benefits of results-based financing, as well as the nature of purchasing services in an integrated system (mainly focusing on health maintenance organizations) were also explored. The case of strategic purchasing regarding medicines specifically was examined thoroughly using two case studies: the case of pooled procurement in member countries of the Gulf Cooperation Council and in Jordan.

3. Action points

Based on the discussion that took place and the challenges identified, a number of action points were proposed.

To Member States

- Move from passive to strategic purchasing in a manner to enhance health system performance and ensure accountability and value for money.
- Establish and/or strengthen an independent or quasi-independent purchasing body to be responsible for implementing purchasing reforms for universal health coverage.

- Consider strategic purchasing from a systems perspective, not to be narrowly limited to decisions related to contracting or payment arrangement.
- Reflect on strategic purchasing as more than a tool and as a way of thinking and of taking action to achieve the goals of universal health coverage and health system objectives.

To WHO

- Develop guidance for establishing and/or strengthening purchasing bodies and their functions.
- Share global and regional experiences in purchasing reforms, including in purchasing and changing provider payment methods.
- Maintain efforts to build regional and national capacities in different aspects of strategic purchasing, including in provider payment methods design and implementation.
- Establish a community of practice on strategic purchasing for the Region to facilitate joint learning through the sharing of experiences.



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