

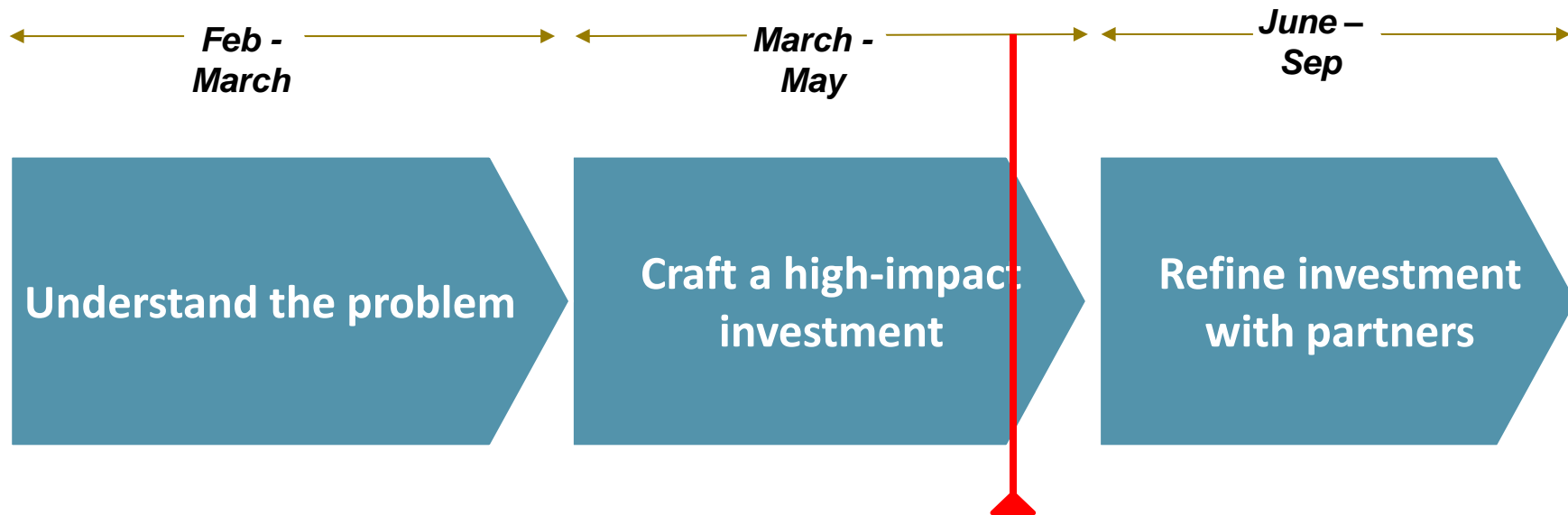
SCALING STRATEGIC PURCHASING

WHO Strategic Purchasing Forum, Geneva 25-27 April

BILL & MELINDA
GATES *foundation*

WE ARE PART-WAY THROUGH A PROCESS TO DESIGN AN INVESTMENT IN THE STRATEGIC PURCHASING SPACE

Goal: To support the scale of strategic purchasing of PHC to sustainably increase coverage of effective and affordable health care services for the poor



DETAIL: WE HAVE CONSULTED WITH A RANGE OF KEY INFORMANTS

Select examples of key informants

Purchasing agents, Ministries of Health, etc. in potential partner countries	MIC and HIC who are more progressed in strategic purchasing models	Select associations, networks, in-country representative bodies	Development partners, academics, research consortia
<ul style="list-style-type: none">• Kenya• Mongolia• Malaysia• India• Mali• Malawi• Myanmar• Nigeria• Tanzania• ...	<ul style="list-style-type: none">• Ghana• Vietnam• Indonesia• Morocco• Rwanda	<ul style="list-style-type: none">• Asia Pacific Health Systems Strengthening Network• Health Financing Flagship course• JLN• AfHEA• AMREF	<ul style="list-style-type: none">• WHO• World Bank• USAID HFG• JICA• Experts e.g. Cheryl Cashin, Kara Hanson, Loraine Hawkins, Rick Marshall, Doran Marusic

MATURITY MODEL: WE AIM TO SUPPORT COUNTRIES TO “GRADUATE” UP TO DIFFERENT MODELS OF PURCHASING MATURITY

	Stage 1 <i>Line item budgeting</i>	Stage 2 <i>Contracting e.g. program budgeting, internal contracting</i>	Stage 3 <i>Beginning to scale</i>	Stage 4 <i>Scaling and thinking about sustainability and capacity</i>	Stage 5 <i>Strategic purchasing at scale with multiple capacities present and executed with resilience</i>
Description	<ul style="list-style-type: none"> Often LIC, limited pooled funds (or commonly from a donor basket fund) Limited understanding of purchasing in-country No policy for purchasing Weak supply-side; public sector large (unregulated) informal sector 	<ul style="list-style-type: none"> Pilots e.g. RBF that are seeking to scale Vertical systems e.g. FP, HIV, MNCH seeking to integrate Supply-side largely public sector (with partners/NGOs, etc) Little capacity or framework for purchasing 	<ul style="list-style-type: none"> Often LIC shift to LMIC; Suffers similar complex devolution / political economy issues Depends on political will; otherwise system may be constrained by lack of pooled funds or supply-side PHC Limited integrating of private/public Private insurance risks 	<ul style="list-style-type: none"> Benefits package re-designed to focus on PHC Under pressure to achieve more coverage, better outcomes, lower OOP payments Fiscal space is not bigger Policy framework exists for purchasing 	<ul style="list-style-type: none"> Data-use culture and performance management Able to meet challenges with new or refined strategic purchasing approaches Increasing system “resilience”
Examples	India (UP, Bihar) Malawi Mali Senegal	Cambodia	Kenya Nigeria	Ghana Rwanda Indonesia Philippines Vietnam	Thailand

MATURITY MODEL: WE RECOGNISE STRATEGIC PURCHASING IS COMPLEX, REQUIRES A NETWORK OF INSTITUTIONS, FUNCTIONS, DATA

Topic	Functions	Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Critical considerations	Government ownership / "buy-in" for purchasing					
	Basic information e.g. input data collected in a standard way, utilized for next steps					
	Sufficient alignment with MoF / public financial management agenda					
	Pooled funds sufficient to undertake intended purchasing					
	Express clear goals and objectives for purchasing					
	Institution with clear mandate to purchase (MoH, purchaser, other)					
	Monitor gap between purchasing design vs reality vs goals					
What to purchase	Talent pipeline, understanding of purchasing					
	Define benefit package					
For whom to purchase	Encounter information and other critical data for PHC					
	Defined target customers, with information to do so					
From whom to purchase	Demand-generation					
	Community and civil society engagement					
	Contracting methods					
How to purchase	Integrate public and private delivery					
	Accreditation					
Governance	Provider autonomy					
	Payment method (e.g. output based, cost sharing, other)					
	Performance management					
	Quality assurance					
Governance	Monitoring, accountability, information systems and use					
	Supply-side reforms; public and private sector ready to be purchased					
	Clarity in institutional structure/roles and responsibilities (e.g. via legal/regulatory)					
	Governance across purchasing task network					
	Implementation planning (pilot, phasing, etc)					
	Transparency, accountability and reporting mechanisms					
Sustainability	Manage change across stakeholders					
	% domestic financing					

% domestic financing

Performance against goals set out: Equity, efficiency, coverage/access

Sustainability of system overall (vulnerability to political change, fiscal crisis, etc)

Legend

Doesn't exist

Weak capacity

Capacity in some areas

Capacity improving

Capacity consistent / at scale

AT A HIGH LEVEL, WE HEARD COMMON REQUESTS FOR SUPPORT FROM SSA, SE ASIA, AND INDIA CONSULTATIONS

Requests for “what” help is needed

1. **“Advocacy”** help elevating, educating and articulate the value of strategic purchasing to Prime Minister/ President level; and amongst donors and development partners
2. **Implementation technical assistance that navigates:**
 - **political economy issues e.g. power blocs**
 - **public-private provider management,**
 - **implementing across decentralised systems**
 - **Sequencing, phasing, co-ordination across entire system**
3. **Global, regional, country action to “professionalise” a cadre of purchasing experts** instead of it being a niche skill learned through apprenticeship under a few key experts
4. **Better tools, evaluation, monitoring to support implementation**

Requests for “how” help ought to be delivered

1. **Country-led support** delivered in partnership with countries, aligned to policy cycle, and with joint govt teams
2. **Peer-learning models** that enable regional and cross-country learning during implementation
3. **Support across longer time frames** than 3 years
4. **Higher quality support that is co-ordinated and targets practical implementation** i.e. pragmatic and less inconsistent
5. **Help with specific technical issues faced by the country** e.g. weighted capitation costing and implementation
6. **More flexible, specific funding to help strategic purchasing** not tied to other programs
7. **Build capacity rather than “fill” capacity**

Note, in all our consultations, “strategic purchasing” as a term has been difficult to communicate in a simple, impactful manner ... and more needs to be done to “package” this idea better

CURRENT ARCHITECTURE FOR STRATEGIC PURCHASING SUPPORT INCLUDES EXAMPLES AT GLOBAL, REGIONAL, AND COUNTRY LEVEL

Select examples of funders: World Bank, USAID, DFID, GIZ/BMZ, UNAIDS, JICA, NORAD, SIDA, KOICA, Rockefeller, BMGF

	Advocacy and policy	Agenda setting Governance	Programs & TA	Capacity building, peer-learning	Research and M&E
Global	<ul style="list-style-type: none"> • WHO / UHC • WB 		<ul style="list-style-type: none"> • WB Health Results Innovation Trust Fund (HRITF) 		
Regional	<ul style="list-style-type: none"> • WHO Observatories; and regional offices e.g. AFRO • P4H – <i>leading to programming, TA and other investments</i> • IHP+ 			<ul style="list-style-type: none"> • Networks: Joint Learning Network, ANHSS • Courses: Flagship Course, MM4H • AMREF 	<ul style="list-style-type: none"> • Research and M&E consortia DFID-sponsored ReSyst/Rebuild program (LSHTM) • Community of Practice on PBF • World Bank and other ad hoc research • Local universities • Africa research networks (not working on purchasing yet) e.g. AERC, AfHEA, ACBF
Country			<ul style="list-style-type: none"> • Programs: <ul style="list-style-type: none"> • USAID HFG, HPP • Various WB PBF programs • Bilateral programming • TA support e.g. Health Technology Assessments from HITAP/NICE/iDSI • Consulting firms e.g. McKinsey, ABT, Broadbranch, Thinkwell, Palladium, Avenir, Pharmaccess, Deloitte/KPMG, R4D, other 		

THE FOUNDATION INVESTS IN STRATEGIC PURCHASING ON A TEAM-BY-TEAM BASIS (BY COUNTRIES, FUNCTIONS AND DISEASES)

Select examples only	Objective			Intervention			
	Ready <u>government</u> to purchase	Ready <u>public</u> sector to be purchased	Ready <u>private</u> sector to be purchased	Direct TA / policy work	Learning networks	Institution building	Programs for delivery
Global: Family Planning Ensure country SP schemes include FP	X	X	X	X			X
Global: Health Technology Assessment NICE / IDSI (largely working with MIC)	X			X		X	
Global: JLN Country peer-to-peer learning e.g. on provider payment	X	X	X		X	X	
Regional: LATAM MesoAmerica PBF scheme	X	X		X			X
India PPP Units; PHC contracting out pilot; other HSS (incl Technical Support Units)	X	X	X		X	X	X
Nigeria PHC reforms and private sector delivery e.g. AHME	X	X	X	X			
China PHC reforms	X	X	X	X			

Legend X Major focus of interventions
X Covered in program but a lesser focus

WE ARE KEEN TO TAKE FURTHER ACTION OVER 5-10 YEARS

We prioritise action that is:

1. Aligned to Foundation priorities

- PHC, integration of private and public sector, priority services (FP, MNCH)

2. Meet *windows of opportunity* in the form of clear demands from country and global/other actors, signaled by...

- Co-funding with other partners or other link explicitly to other partner efforts
- Leverages domestic funding or other commitments

3. Or where there may not be clear “demand” but clear need and opportunity for success

Example opportunity/target: support “vertical” programs to sustainably integrate into country strategic purchasing

Example: FP

Context: Family Planning is excluded from most schemes in Sub-Saharan Africa and Asia (21 / 76 demand-side financing schemes included FP) compared to 6 out of 9 countries in Latin America include Family Planning in their package

Objective: Support strategic purchasing of family planning services through various interventions, with a view to broadening to PHC

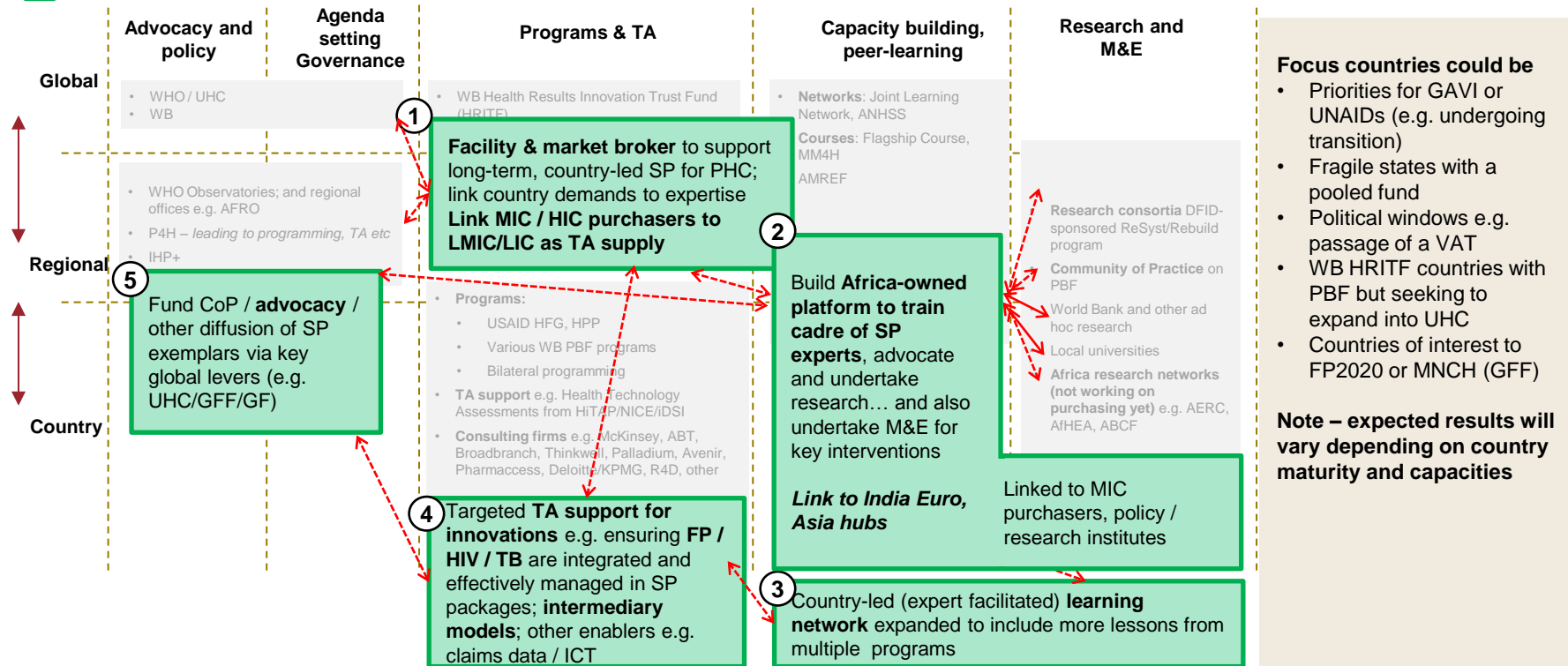
Example: HIV

Context: HIV in SSA rely on external financing (two-thirds) but over two-thirds of general health expenditure is domestic and these finance the health systems upon which HIV services rely. Other countries are facing graduation from funding mechanisms

Objective: Improve financial sustainability of HIV programs via strategic purchasing as a lever systems integration (focus on PHC and delivery systems rather than procurement)

FOR DISCUSSION: EXAMPLE INVESTMENT ARCHITECTURE THAT AIMS TO COLLECTIVELY BUILD ON EXISTING PROGRAMS

Additional functions listed are not a structural recommendation; the functions could be housed in existing programs / platforms



- Focus countries could be**
- Priorities for GAVI or UNAIDs (e.g. undergoing transition)
 - Fragile states with a pooled fund
 - Political windows e.g. passage of a VAT
 - WB HRITF countries with PBF but seeking to expand into UHC
 - Countries of interest to FP2020 or MNCH (GFF)

Note – expected results will vary depending on country maturity and capacities

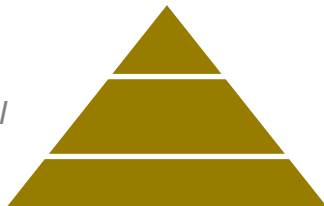
FOR DISCUSSION: THE PROPOSED ARCHITECTURE IS FLEXIBLE, BASED ON AVAILABLE FUNDS AND INTEREST

\$100M over 5 years

global

regional

country



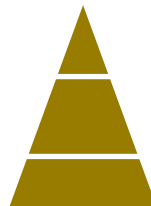
Objectives Long term systems impact at scale in Sub-Saharan and other regions, leveraging existing work

Focus Global, regional and high level of country work. Building institutions to service globally

Interventions ①②③④⑤

Example of scale: MesoAmerica

\$50M over 5 years



Objectives Build sustained regional platforms in SSA to both innovate at country level and diffuse globally

Focus Building cadre of strategic purchasing experts in LMIC countries; supporting innovation and diffusion of country-level work across regions/globally

Interventions ②③④⑤

Example of scale: HTA/IDSI & JLN

\$10M over 5 years



Objectives Fund and diffuse select innovations with greatest ability to shape the field

Focus Innovative TA via consortia of MIC/HIC purchasers; integrate verticals in SP systems (FP, HIV, TB, MNCH)

Interventions ②④

Example of scale: HTA/IDSI “light”

QUESTIONS FOR DISCUSSION

1. What can we do collectively better than individually?
2. Desire for virtual collaboration vs “one pot”?
3. Ideas for specific opportunities within existing large agendas?
 - Global Fund,
 - GAVI,
 - FP2020
 - PBF
 - GFF (global finance facility/WB)
 - HRITF