

Summary messages on strategic purchasing core areas of work

Strategic purchasing is not just about health financing, it goes beyond – it is an integrative platform for a holistic view on related health systems areas and the following core areas of work:

- Benefit package design processes: To define benefit entitlements, three critical steps in the priority-setting process need to be considered: data collection & analysis, participatory dialogue, and decision-making, including civil society organizations' and citizen engagement.
- Mixed provider payment systems (MPPS): MPPS need to be better understood by applying a system perspective that helps assess the combined (complementary or contradictory) effects of different payment methods applied in a country. It is not about one instrument or one payment method – it is a matter of a coherent set of incentives within the payment system to contribute to UHC objectives. Alignment of MPPS can be an entry point, while related areas such as insufficient provider autonomy, rigid public financial management rules and inadequate service delivery models also need to be addressed to accompany the move to strategic purchasing.
- Governance: Governance for strategic purchasing refers to a) the multiple purchaser market; b) the relationship between the oversight body and the purchaser(s); and c) the internal management of a purchasing agency. The governance function is particularly critical in fragmented health financing systems, whereby governance roles and responsibilities need to be clearly specified and split between the various ministries, purchasers and purchasing administrators, while accountability of governance and purchasing actors at national and local levels needs to be strengthened.
- Information management systems: Fragmented information systems are a major obstacle to enhance strategic purchasing. Many low- and middle-income countries have several parallel sub-systems. These multiple data systems contain relevant information, but due to their fragmentation they are not effectively interoperable and can therefore not be used as a single database to inform payment towards strategic purchasing. But countries can move progressively towards unified information system, as data pooling is critical to make strategic purchasing a reality. There is a need to advance the thinking on the implementation sequencing of such a transformation and to address the several implementation challenges that such a reform entails.
- Pay-for-performance (P4P): P4P, or also referred to as Performance / Results Based Financing (PBF or RBF) is one way of paying providers, but moreover, it can also act as a catalyst for health system reform. There is need to shift from a simplistic notion to a more holistic view around a multi-faceted intervention that urges to 1) move away from pay for input to pay for output; 2) invest into good data systems, and 3) make explicit choices on benefit package prioritization. If coupled with autonomy, this has the potential to improve efficiency and service responsiveness.

In sum, with the growing commitment to deliver on UHC worldwide, strategic purchasing benefits from renewed interest. It provides a feasible entry point into health financing strategy implementation. To do so, further conceptualisation is needed to better frame strategic purchasing and outline its meaning and purpose, with governance being at the heart of this framing. Apart from conceptual work, we need to boost and consolidate a global community of strong supporters for strategic purchasing that will influence global and country thinking and agenda setting on strategic purchasers for UHC. Key areas of collaboration include knowledge management, capacity strengthening and institutionalising learning systems, as well as policy dialogue and technical support tailored to country specific needs and demands.