

# A brief reflection on strategic purchasing governance

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# The analytical framework for assessing the governance of strategic purchasing

- System-level governance – Governance of purchasing markets
- Agency-level governance – Governance of purchasing organisations
- Factors conducive to strategic purchasing – How governments can enable strategic purchasing
- Draws on WHO WPRO studies on healthcare purchasing in Cambodia, Mongolia, Lao PDR, and Viet Nam

# Governance of purchasing markets (System-level governance)

## **Coordination of mixed payment systems where multiple purchasing mechanisms operate within a country**

- In Lao PDR, multiple social protection schemes targeting different segments of the population and using various purchasing arrangements have fragmented healthcare purchasing
- In Mongolia, line item budgets are paid to providers in parallel with MHI payments, undermining the MHI's ability to use payment mechanisms for efficiency gains
- Government should align payment and reporting mechanisms in all schemes

# Governance of purchasing organisations (Agency-level governance)

## **Governance structures for purchasers to enable the effective implementation of strategic purchasing**

- The NSSF in Lao PDR and MHI in Mongolia are accountable to a number of different ministries
  - Governance structures should be re-designed to allow inter-sectoral coordination, including access to information systems that are operated by different sectors
- The VSS in Vietnam is accountable to multiple government organisations
  - Clarity is required in the shared roles and responsibilities of government organisations, particularly in relation to purchasing decision-making

# Factors conducive to strategic purchasing

- **Information management systems that facilitate the use of evidence in purchasing decisions**, particularly the development of benefit entitlements and payment rates
  - Countries lacking well-functioning information systems require infrastructure development and capacity building for those using the system
  - Countries with multiple information systems need mechanisms to coordinate existing systems
  - Coordinated use of information requires sound organisational arrangements and a solid information platform

# Factors conducive to strategic purchasing

- **Development of capacity in government, healthcare purchasers and providers** to enable effective strategic purchasing
  - Purchasers require: technical capacity to manage contracts with providers; and financial and human resource capacity to ensure sustainable healthcare purchasing
  - Government organisations require adequate resource capacity to effectively oversee purchasing markets and establish legal frameworks that allow purchasers to undertake strategic purchasing actions
- **Healthcare service delivery to meet the needs of the population**, both in terms of availability (i.e. distribution of facilities and human resources) and quality of healthcare services
  - Some strategic purchasing actions, e.g. accreditation of healthcare providers, were ineffective due to the limited availability of healthcare services