

How to purchase health services during a pandemic?

Five critical purchasing actions to support the COVID-19 response

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The challenge

- Responding to the pandemic entails increased costs beyond previously planned budgets for the health sector, and most systems cannot simply absorb these.
- Governments have to reprioritize and provide additional funding for the Ministry of Health and other purchasers of health services.
- **Purchasing arrangements play a critical role**
 - facilitates and supports the needed adjustments and reconfigurations in service provision.
 - serves to ensure financial viability of health service providers.

Purchasing =

Allocation of pooled funds from purchasers (MoH, health insurance schemes, sub-national health authorities, etc.) to health care providers on behalf of the population for the provision of health services:

What to buy, from whom, how to pay and how much

1. Ensure that public funds are effectively translated into the provision of Common Goods for Health by appropriate purchasing arrangements

- Challenge: Resources need to reliably and quickly reach the relevant agencies and actors in charge of these functions and activities.
- The predominant purchasing arrangements are budget allocations to public institutions

Any barriers to full and rapid budget execution need to be removed.

Contract tracing, testing by multiple actors: require context-specific purchasing arrangements and payment methods to capacitate and set appropriate incentives for providers to deliver these services.

2. Expand benefits and inform the public with clear and simple messages

Benefits may need to be clarified / expanded to ensure that COVID-19 personal health services are covered,
e.g. by adjusting the positive list of services, treatments and diagnostics.

All co-payments / user fees for all patients need to be suspended for a defined period of time
to ensure financial access to COVID-19 care.

Additional resources are needed to compensate providers for lost user fee revenues to keep them operational.

3. Adjust payment methods and rates to new service delivery arrangements and ensure continuity in funding flows to health care providers

Additional funds should quickly be provided to providers to be used in a flexible way to compensate the losses and adjust to changing health care needs.

Retrospective payment methods need to be shifted to advance payments
e.g. upfront budget against anticipated claims based on some increase over historical utilization levels.

Purchasers need to amend payment methods and rates to incentivize existing and adoption of new delivery arrangements.

e.g.,
for home based or outside hospital care, new forms of testing, teleconsultation;
to increase the number of ICU beds;
to adjust for decreased demand in other areas/postponed non-urgent care.

4. Use private sector capacities where needed

Explore the potential contribution of private sector providers to surge capacity for the COVID-19 response.

Where needed:
Develop (simplified) contracting protocols and adjust public financial management rules.

Where needed:
Specify contract features,
e.g. registration and empanelment criteria, payment arrangements and rates, accountability mechanisms to ensure compliance.

5. Establish governance arrangements for accelerated decision-making and set clear reporting standards

Need for effective governance arrangements to take fast purchasing decisions,

this may require modifying procedures to accelerate decision-making processes.

Have clear rules and mandates for decision-making across gvt agencies and betw. different government levels,
e.g. through a coordination body.

Need for clear and uniform reporting and recording standards for all purchasers,

to monitor service provision and to have relevant and sufficient information to take purchasing decisions.

Concluding remarks

- A strategic approach to purchasing is crucial to keep providers financially viable for COVID-19 and non-COVID-19 care.
- Purchasing measures cannot be undertaken in isolation and need to go hand-in-hand with other health financing and health system measures; they must be aligned with service provision.
- These purchasing adjustments also provide room for innovation by adapting to changing needs and patient responsiveness, and they could contribute to increased efficiency in the future.

For further reading:

Recent blogs:

Purchasing: <https://p4h.world/index.php/en/who-purchasing-health-services-during-pandemic>

Health financing priorities: <https://p4h.world/index.php/en/who-priorities-health-financing-response-covid19>

Budgeting: <https://p4h.world/index.php/en/node/8821>

Private sector engagement: <https://www.uhc2030.org/news-events/uhc2030-blog/all-hands-on-deck-mobilising-the-private-sector-for-the-covid-19-response-555347/>

See also:

<https://www.who.int/activities/making-purchasing-more-strategic>

<https://www.who.int/publications-detail/purchasing-health-services-for-universal-health-coverage-how-to-make-it-more-strategic>

<https://www.who.int/teams/health-financing/covid-19>

<https://p4h.world/en/blog>