

Strategic Purchasing



How ***strategic purchasing*** initiatives will influence quality of care



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Outline



1. What is strategic purchasing...
2. Levers
3. Impact on quality
4. Closing remarks



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What is strategic purchasing...



- Shifting from passive purchasing (simply paying providers based on historical budgets or fee-for-service) to proactive decisions about (1) **what** services to buy, (2) **from whom** to buy them, and (3) **how** to pay for them,
 - **Objective** = align funding with population health needs, provider performance and overall health system priorities.
- **Why is this relevant to quality?** Because when the purchaser utilises these levers strategically, they can nudge and influence providers towards behaviours that improve patient outcomes, safety, responsiveness, **quality** and continuity of care.

A good resource: <https://www.who.int/activities/promoting-strategic-purchasing>



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Levers: mechanisms for improving quality



Benefits definition [what to buy]



Supports quality because it reduces ambiguity, enables measurement, and prevents under-provision or over-provision of services.

Accred. & Contrac. [from whom]



This raises the quality floor of service provision and delivery; enables the purchaser to direct patients to providers most capable of meeting the required standard of care; nudging under-performers.

ARMs + P4P [how to buy]



Capitation (for PHC), bundled payments (for OH Specialists care), and DRGs (for Hospital level care); link these to performance-based payments to focus on quality and patient or population outcomes.

Accountability



Analytics: which providers to renew, sanction and P4P; M&E: strong monitoring and feedback loops, motivate providers to improve quality; Reporting: public awareness, transparent accountability

UHC objective



Quality is not just about clinical outcomes.
It also pertains to fairness, access and service responsiveness.



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Is strategic purchasing's impact on quality traceable?



Improved provider standards and safety:

Uniform baseline of safety & performance requirements

>> reduces variability across providers (public + private)



Better alignment of services with user health needs:

Users receive the right, quality care at the right time

>> enhances continuity of care + focus on ind. & pop. outcomes



Incentivising quality outcomes and continuous improvement:

P4P encourages collaboration (e.g. MDTs), integration and improves patient outcomes



QUALITY CARE IS EQUITABLE CARE

Greater equity and responsiveness:

Resource allocation is driven by both user needs and provider performance

>> raises system-wide quality of care uniformly



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Closing remarks



- ✓ Strategic purchasing presents a powerful mechanism for realising quality health care services for users and patients.
 - ✓ Defining what services are bought, from which providers, and how they are paid, while actively monitoring and reporting performance and aligning incentives, the system can raise provider standards, better align services with health needs, incentivise desired health outcomes, and promote equity.
 - ✓ For patients, this means utilising care that is safer, more accessible, more responsive, and more equitable.
- ✓ Enabling factors: strong governance/oversight, robust and agile information systems, and carefully designed provider payment, contracting and accreditation mechanisms.

“In strategic purchasing, we do not hunt for bargains – we actively seek performance and outcomes”



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