

# Moving from passive to active purchasing in health in LMICs: Achievements and Challenges

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Over the last decades, health financing reforms in low and middle income countries (LMICs) have primarily been characterized by efforts channelled towards reforming resource generation, pooling, and risk sharing. It is only in very recent years that both the policy and the academic community have started to pay closer attention to purchasing mechanisms in health. Specifically, many LMICs and their development partners are working to promote a progressive shift from passive (i.e. budgets allocated ex-ante to health facilities irrespective of actual service output) towards active (i.e. reimbursements to health facilities allocated ex-post depending on actual service output and based on pre-agreed service-specific prices) purchasing of health services. Active purchasing of health services is also referred to as strategic purchasing, the term strategic identifying the steering function that output based payments are expected to bear in aligning demand and supply in service provision. The shift from passive to active purchasing in health, however, is not an easy one, as it relies on several parallel changes to occur in related health system structures. For instance, a shift from passive towards active purchasing implies the need to verify what services are provided, to manage contracts and claims between purchasing agents (i.e. government institutions, insurance agents, or development partners) and health providers (i.e. facilities), and to use information for decision-making (for instance by redefining price items and priorities as the health needs of a nation change over time).

We offer medical students the opportunity to engage in an operational research project (i.e. a research project that is embedded within the implementation of an existing intervention and that aims at producing information with direct relevance for further implementation) to look at achievements and challenges related to the shift from passive towards active purchasing of health services. We have opportunities to pursue related research questions in Malawi (within the framework of a performance-based financing program), in Tanzania (within the framework of the Redesigned Community Health Fund program), and in Burkina Faso (both within the framework of a performance-based financing program and within the

framework of the recent user fee removal policy). Specific research questions that can be pursued are: a. what are differences between reported and verified health services and what factors can explain these differences; b. are differences in claims across facilities/districts attributable to different underlying epidemiological profiles or are they driven by other factors?; c. what use of data is made to inform purchasing decisions in health?; d. what is the cost of verification compared to the savings accrued from verification activities?

The broad range of possible research question leaves open opportunities to engage in both quantitative and qualitative research, depending on the candidate's specific interest. All proposed research questions are suitable for a mixed methods approach, should the candidate be interested to acquire such an expertise.

Cooperating partners:

Health Systems Support Unit, Swiss Tropical and Public Health Institute (Swiss TPH), Basel, Switzerland

Community Health Funds, Ministry of Health, Community Development, Gender, Elderly and Children (MoHCDEC), Tanzania

President's Office of Regional Administration and Local Government (PORALG), Tanzania

Ministry of Health, Burkina Faso

Ministry of Health, Malawi

Options Consulting Services, London, UK