

# **NIGERIA JOINT LEARNING NETWORK**

**“WEBINAR - STATE SOCIAL HEALTH INSURANCE SCHEMES  
IN NIGERIA – THE JOURNEY SO FAR”**

**Strategic purchasing at the state level – what do we know?**

# Poorly-focused health financing debates

Globally, health financing debates often focus on how to generate more money for health or where funds come from.

Limited attention has been paid to how funds can be transferred to healthcare providers in such a way as to ensure that all people have access to quality health services, and that they do not suffer financial hardship when seeking care.

**It is worthwhile asking whether states in Nigeria actively allocate or influence the allocation of healthcare resources to achieve the following objectives.**

**Getting priority services to the greatest number of people,  
especially the most vulnerable.**

**Selecting and engaging the most qualified providers with requisite capacity to provide services to set standards.**

**Paying for services in ways that incentivize providers to provide  
and be accountable for high quality services**

**Putting in place evidence-based monitoring systems that ensure achievement of the above objectives.**

**Developing well-structured mechanisms that govern all these arrangements.**



# Why are these questions important?

- **Individual patients do not have adequate power to significantly influence healthcare access, quality and outcomes at the population level.**
- **Mere allocation of budgets for healthcare does not effectively influence equitable access to quality health services for the population without the risk of financial ruin.**
- **Well organised systems for purchasing healthcare, using their financial strength, systems, technical capacity and networks, can influence equitable access to quality health services for the population while protecting the population against financial ruin**

# Some contextual issues:

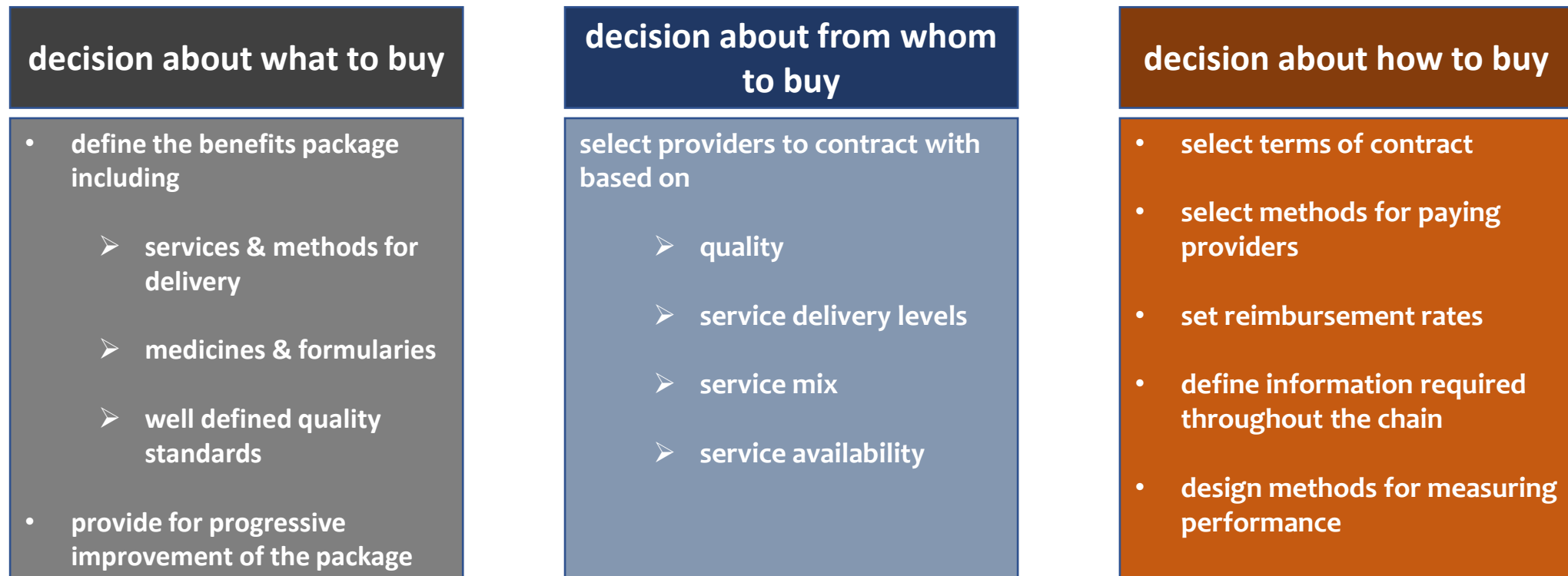
- Nigeria has committed itself to attainment of UHC both at federal and state levels.
- Federal and State funding of healthcare is currently below required levels.
- Out-of-pocket health spending is the most dominant mode of financing healthcare.
- The NHIS coverage has been low.
- Private insurance covers only small sections of the population.
- There are multiple uncoordinated fund-flows that send mixed signals to providers.
- There is increasing momentum for setting-up State Health Insurance Programs.
- There is increasing commitment to delivering universal primary healthcare.
- Access to healthcare is generally not equitable.
- There are serious quality of care issues that need to be resolved.
- Mechanisms for influencing provider behaviour are weak.
- Systems for governing and monitoring the provision of high quality care need strengthening.

# What is strategic health purchasing

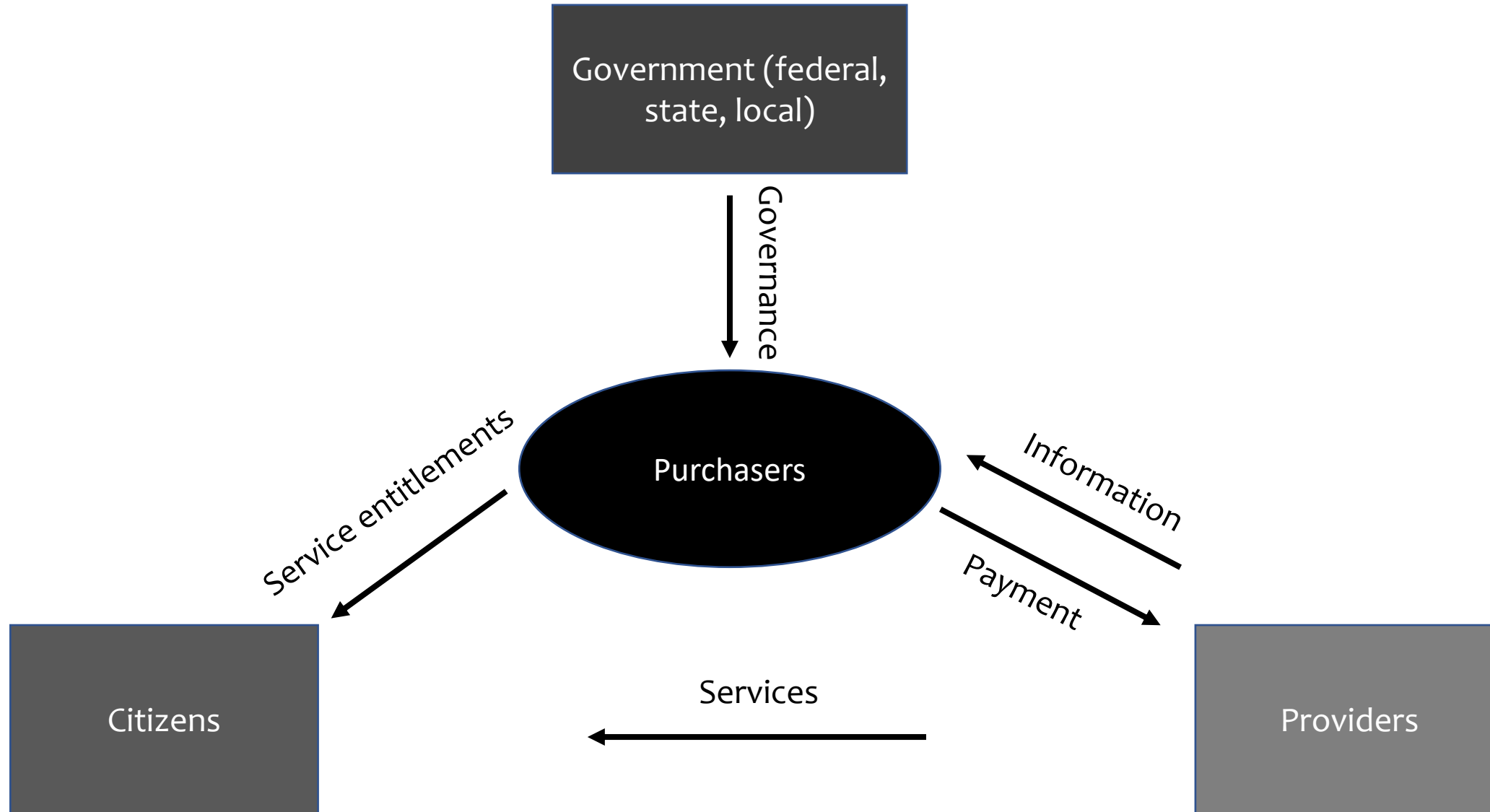
To achieve UHC, states need to deliberately:

- Direct health funds to priority populations.
- Direct health funds to priority interventions, services and medicines.
- Create incentives so that health funds are used equitably and efficiently.

A key approach for realizing this is called Strategic Purchasing which involves three key decisions as indicated below:



# Healthcare purchasers engage actively across 3 relationships



# Moving from passive to strategic purchasing

Passive

Strategic



- “Passive”

- resource allocation using norms
- little/no selection of providers
- little/no quality monitoring
- price and quality taker

- “Strategic”

- **payment systems that create deliberate incentives for efficiency and quality**
- selective contracting
- quality improvement and rewards
- **price and quality maker**

Slide from WHO Advanced HF training, Tunis 2014

## **Concluding statements**

**Purchasing healthcare strategically should engage the active attention of states in Nigeria, especially state health insurance programs.**

**It provides a lever for using scarce resources efficiently, transparently and accountably to:**

- Provide equitable access to priority services to the population.**
- Improve quality of care.**
- Provide financial risk protection to the population.**

**THANK YOU**