A health system perspective on efficiency in health program delivery

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Main messages up front

- Be clear on how to think about the issues
  - As with UHC, the appropriate unit of analysis for considering efficiency and sustainability is the entire system, not the program
  - Goal may be framed as sustaining effective coverage of priority interventions, not to sustain a “program”
  - So, “what is a program?” must be disentangled

- Bring efficiency to the sustainability debate
  - On the revenue side, can’t have a tax for each disease
  - Most focus still on revenue side, but can’t just spend way to UHC
  - Program silos are talked about but not being addressed

- Our approach to this aspect of the efficiency challenge
  - “Cross-programmatic” efficiency diagnostic (being piloted)
1. EFFICIENCY AND SUSTAINABILITY CONCEPTS
Efficiency and sustainability concepts as framing for the approach

- Useful to frame fiscal sustainability as the budget constraint, rather than as an objective per se
  - Maximize mix of health system goals subject to the constraint of living within our budget
  - Puts focus on efficiency, i.e. to get more and/or better results from the same resource inputs
  - Budget balance (absence of deficit) is not the health policy objective (can do better or worse with same funds)

- Treating sustainability as a constraint puts the focus on efficiency, which in turn provides a basis for action in the health sector
What are we trying to sustain?

- Neither “health programs” nor “health systems” – These are means, not ends

- Instead, objective is to **sustain increased goal attainment**, such as effective coverage with priority interventions, within budget constraints
Efficiency (and UHC) unit of analysis

As with progress towards UHC, the proper unit of analysis is the entire system, not each individual program
  - Similar to the “scheme vs system” issue that arises with fragmented insurance funds
  - Depending on design and implementation, schemes (programs) may contribute to or detract from population-wide progress

Specific health programs may be well-run, but if they duplicate functional responsibilities (e.g. contracting with providers, procurement, monitoring, information systems, etc.), they impose high costs on the system as a whole and may also confuse incentives and accountability lines
This is not a simple call for “integration”

- Like any health reform, integration is not a policy objective

- The right question is this
  - What specific parts of the health system can be consolidated without a loss of accountability for results (or delivery of priority interventions)?
2. BALANCING THE “SUSTAINABILITY AND TRANSITION” DEBATE
How not to do it

Over past 18 months, growing number of health programs asking us the same thing

- Domestic resource mobilization, “innovative financing”, donor funding, investment cases…
- …for their program
- How much money is needed for HIV/AIDS, NCDs, NTDs, nutrition, RMNCAH, TB, malaria, …

Some have made strong effort towards more integrated approach

- Approach to health financing strategies as described in GFF Business Plan
- Approach to financing issues in WHO Global Health Sector Strategies on STIs, viral hepatitis, and HIV/AIDS
Two problems here

1. We can’t (or shouldn’t) be arguing that every important disease needs its own tax and revenue stream
   - Can’t approach the revenue question on a disease-by-disease, program-by-program basis

2. And sustainability is not only a revenue question; we have to think about managing expenditures better
   - And we can’t approach the efficiency question on a disease-by-disease, program-by-program basis
Our (WHO’s health financing team) agenda

- Ensure that the sustainability and transition agenda is not only about revenues; the expenditure side (improving efficiency) must be part of the dialog.

- Ensure unit of analysis is system level, not program level.

- Maintain or even increase accountability for results that is typically associated with “health programs”, focusing on:
  - Clear accountability for ensuring delivery of priority, quality services to the populations that need them (i.e. for effective coverage).
  - Reduce costs to the system of doing this (e.g. addressing duplication and overlap) so that progress towards coverage goals can be sustained.
Analyzing Efficiency across Health Programs
A WHO Diagnostic Tool
Draft 2

3. OUR EFFORT TO “WALK THE WALK”
Roots of this approach: 2005 analysis of HIV, TB, drug abuse, and health systems in Estonia

- Country had a good understanding of who the clients (target population) were, what interventions were needed, and even how to reach them via NGOs and the prison system.

- But the financing and delivery (and stewardship/governance) arrangements were obstacles were not well aligned to reach coverage objectives.
“Follow the money”: financing framework applied to programs and their services

**Sources**
- employees
- employers
- self-employed
- individuals, firms, consumers
- External sources

**Collection**
- Compulsory health insurance contributions
- General tax payments (income, VAT, etc.)
- Local governments

**Pooling**
- MOJ Prison Health programs
- EHIF
- Uninsured
- MoSA
- NIHD
- County governments, municipalities

**Purchasing**
- MOJ Prison Health facilities
- Contracted health care providers
- NGOs providing TB, HIV and drug abuse interventions (separately)

**Provision**
- Municipal TB & HIV related interventions
Untangling this, with particular focus on HIV/AIDS

- Main clients are IDUs concentrated in a few municipalities and the prison population (shared target populations)
  - One implication: HIV and drug abuse programs need to work together

- System was designed to “fund programs” rather than explicitly to “reach clients”, resulting in inefficiencies
  - Instead of pooling their funds and knowledge to reach their common clients, the HIV and drug abuse programs used their vertical budgets to separately contract with NGOs
Important policy questions emerged

- How to align the service delivery system to best meet the needs of these clients?

- How to align the flow of funds to facilitate an appropriate organization of service delivery that best packages the relevant interventions and inputs?

- How to ensure that roles are defined to enable system leaders (stewards) to “manage across” (planning, regulation, monitoring, evaluation) rather than in programmatic silos, because clients are shared?
Analyzing efficiency across health programs: a WHO diagnostic instrument

- One element of “Montreux Collaborative Agenda” on Fiscal Space, Public Financial Management, & Health Financing

- Applied health systems analysis, driven by concerns that analysis only at program level misses important issues
  - “Functional decomposition” of all/main health programs
  - Look at all system functions, not just financing
  - Examine for misalignments or conflicting incentives
  - Examine for duplication and overlap across programs and the wider system, particularly re underlying support systems (information, procurement, supply chain, etc.)

- Inform agenda for both reform and possible “transitional” investments to address identified problems
Fragmentation in TB financing emerging in Estonian pilot of the new instrument

- Ambulatory and hospital care and lab tests are paid by the health insurance fund (EHIF); Public Health Institute pays for DOTS and patient incentives; TB program centrally procures drugs delivers to providers for DOTS

- Facilitating policy dialog
  - “Useful to have the instrument to really walk through how each of the health system functions operates within a program and across programs…everyone speaking in the same concrete terms…to jointly distill the key issues”

- Led to recommendations from the TB program:
  - Shift all (including for DOTS) provider payment to EHIF, integrating payment systems and reducing duplicate contracting
  - TB program to focus on training, surveillance, contact tracing etc. (i.e. what it should be focused on)
Summary messages

- Take system-wide unit of analysis for efficiency assessment
- Get the questions right (sustain effective coverage, not "programs")
- Disentangle programs
- Identify opportunities to consolidate and strengthen cross-cutting sub-systems
- Ensure accountability for results is maintained or strengthened
- Balance the debate on sustainability and transition