Pluralistic Purchasing



Purchasing healthcare from the private sector

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20

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The Draft NHI Bill

Pluralistic Purchasing

The draft NHI Bill allows for the creation of a purchaser/provider split in the health system, and quite explicitly allows for the NHI fund to purchase services from the private sector ("pluralistic purchasing")

It also specifies that PHC services in particular will be purchased on a risk-adjusted capitation basis.



Conceptual development and testing

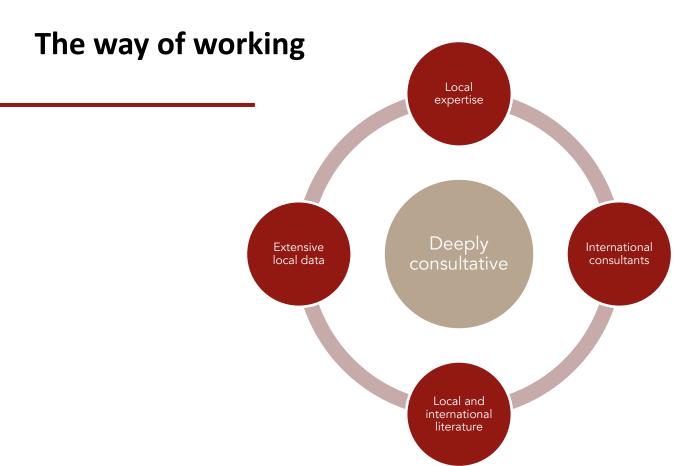
Opportunity to begin to learn about contracting-out, and to test concepts before large-scale roll out.













Scope of work

Service Package and Delivery Platform

Service package alignment with public sector

Key Principles for Delivery Platform

Operational Requirements

Contracting parties

Accreditation

Enrolment

Data submission

Referrals/Review

Financial Model and Costing

Reimbursement Structure

Price comparators

Performance indicators



Community Practice Service Package

Clinic

Facility-based care:

Minor acute ailments, HIV/TB and other communicable diseases, non-communicable diseases, mother and child health (incl. IMCI, FP, EPI, ANC/ PNC), violence/trauma, mental health

Community-based care:

Community-level home-based care, directly-observed treatment strategy, integrated nutrition programme, community-based rehabilitation, health promotion (incl. dietary advice/exercise), social work, environmental health, school health

CHC

After Hours / 24 Hr Emergency
Shared Services
Radiology
Pharmacy
Maternity obstetric unit (MOU)
Minor procedure theatre (MMC)
Short stay beds

Large CHC

Multi-disciplinary team:

Dentistry
Optometry
Physiotherapy
Occupational Therapy
Speech Audiology
Podiatry

Managing a defined population using community-oriented primary care.
Inclusion of after-hours care / emergency care and office procedures.

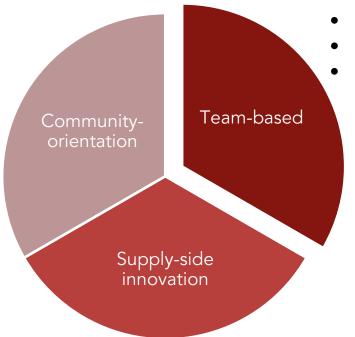


Progressively add/contract
Additional Services (in line with
CHC / MDT offering)



Key Principles for Delivery Platform

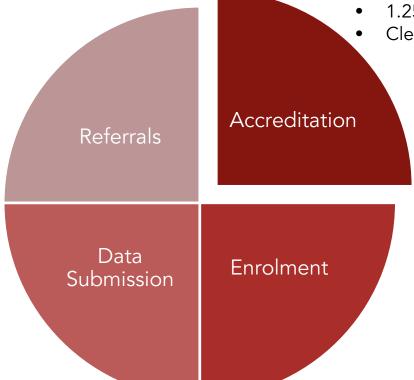
Key Principles for the Delivery Platform



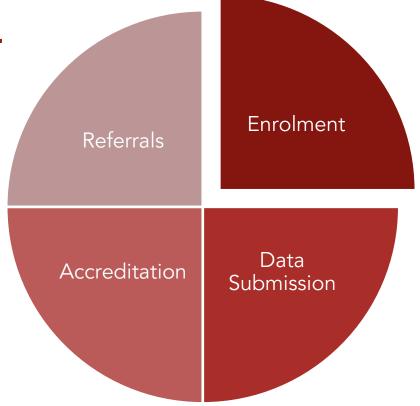
- Personnel standards
- Bonuses
- Reflected in price-setting





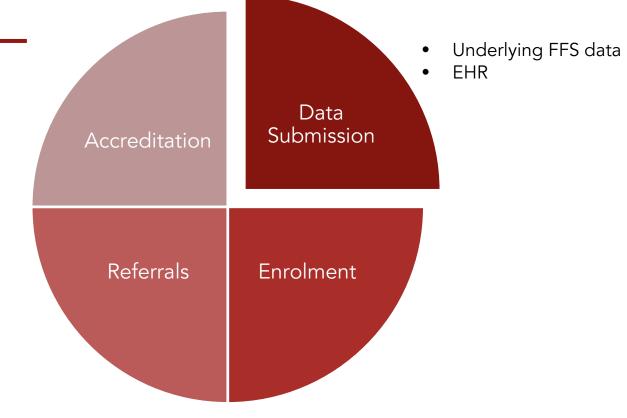


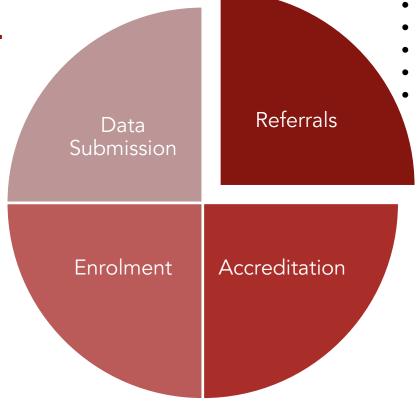
- Self-assessment
- 1.25 audits per 5 year cycle
- Clear criteria



- Choice
- Defaults
- Registration
- Primary/Secondary
- Switches
- Panel size: 2 500 10 000
- Closures







- Up & down
- District referral centres
- Data follows patient
- Monitoring freq & cost
 - Peer review



Financial Model and Costing





Set in relation to current public and private costs, adjusted for efficiency and expected changes in utilisation

Age, sex, chronicity, rurality

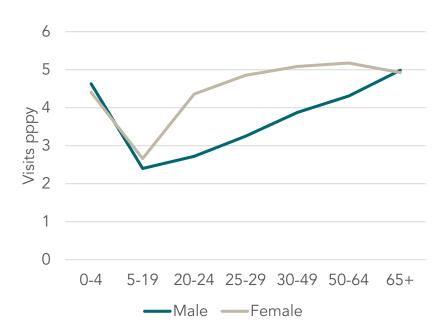
Alignment between need and fee. Prevents cherrypicking To ensure alignment on cost (KCIs) and quality (KPIs) To incentivize supply-side reorganisation Specific list of preventive care and minor procedures (listed)
Payment for nonpanel patients referred from public sector

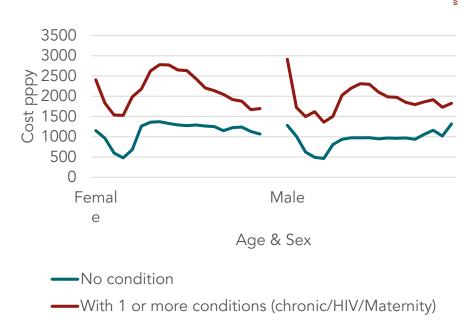
Base Fee

- Service package vs. what is included in cap fee
- International move away from fund-holding models
- Leveraging public-sector purchasing
- Public sector comparator (fair-playing field comparisons)
- Cost per visit X visits pppy
- Normative costing



Risk Adjustment





Source: Discovery KeyCare

Payment for Performance

- Indicators
 - Cost and quality (i.e. value)
 - Indicators depend on data submissions
 - Keep it few and practical
- Make it matter: 10-25% of payment
- Evolves year-by-year
- Cost
 - Referral rates
 - Admission rates
 - Utilisation of tests and medicines
- Quality
 - Patient experience and patient reported outcome measures (PROMS)
 - Process measures (e.g. number of patients tested)
 - Normative want to drive quality improvement



Next Steps



