

Pluralistic Purchasing

Purchasing healthcare from the private sector

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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.



health

Department:
Health
REPUBLIC OF SOUTH AFRICA



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA



Analyse
Assess
Activate

Strategic & Technical Advisory

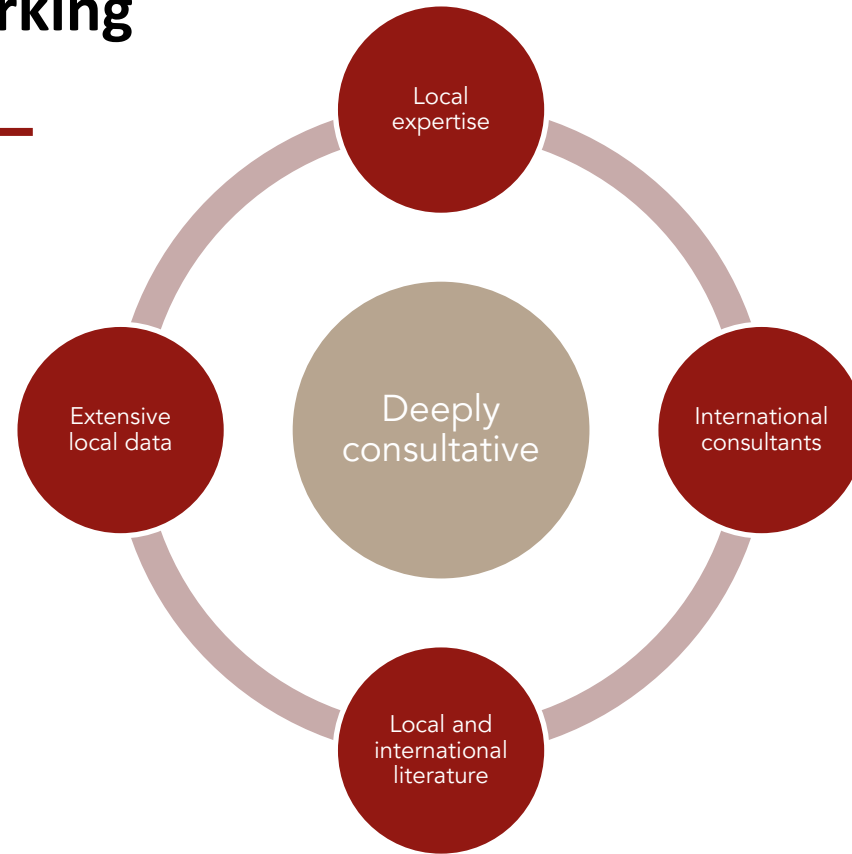
National Treasury
REPUBLIC OF SOUTH AFRICA



Health Advance Institute

Pioneering Inspired Solutions

The way of working



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

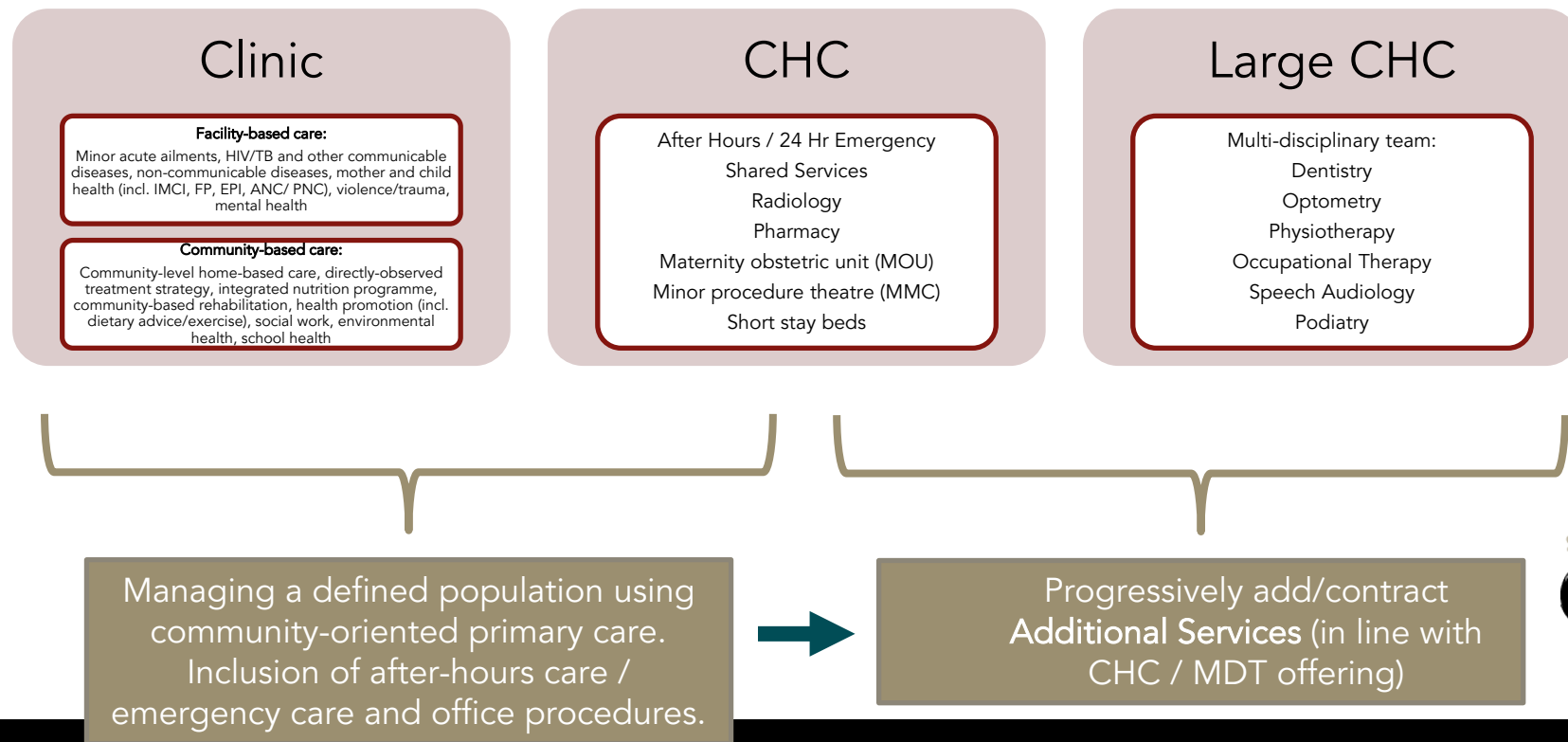
Performance indicators



Service Package



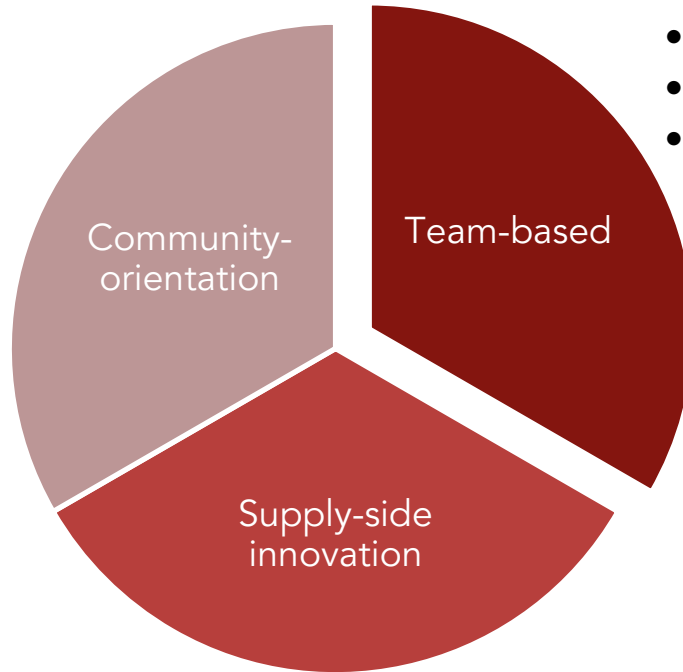
Community Practice Service Package



Key Principles for Delivery Platform



Key Principles for the Delivery Platform



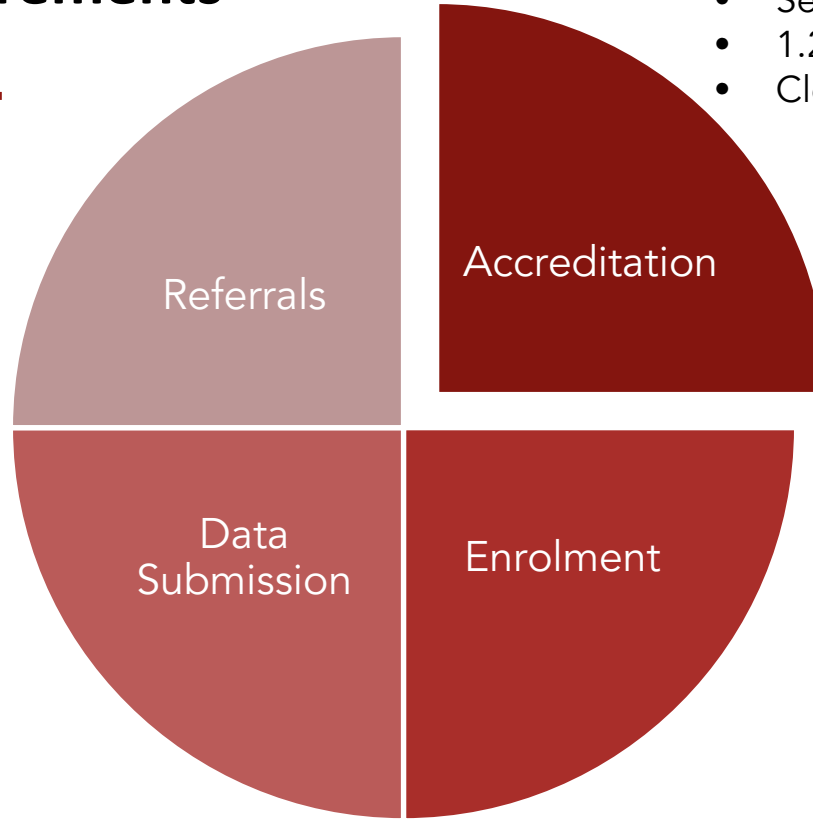
- Personnel standards
- Bonuses
- Reflected in price-setting



Operational Requirements



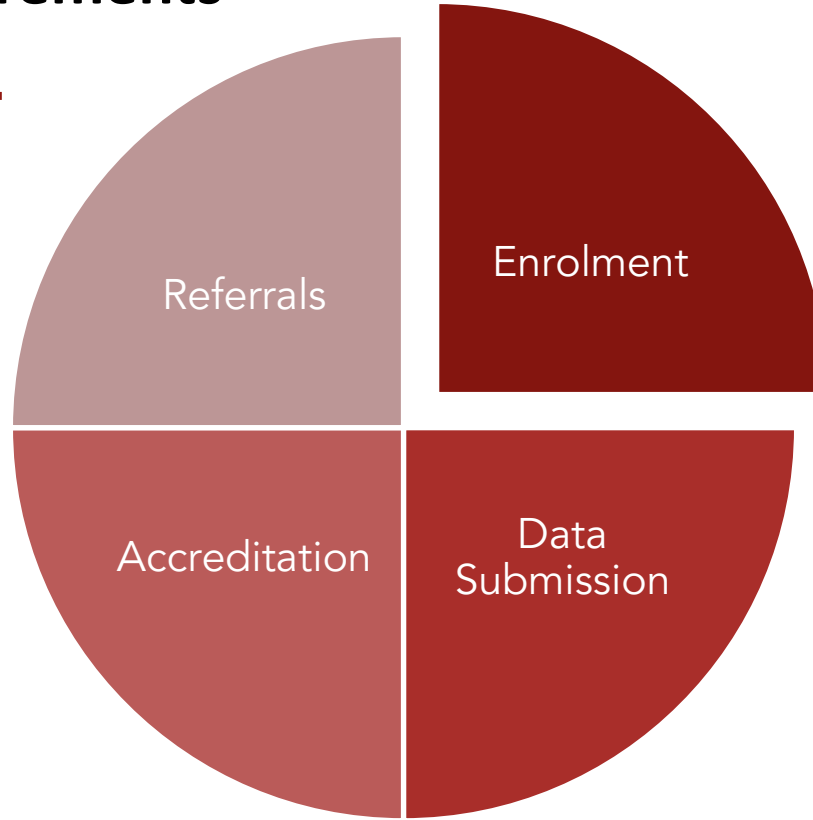
Operational requirements



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



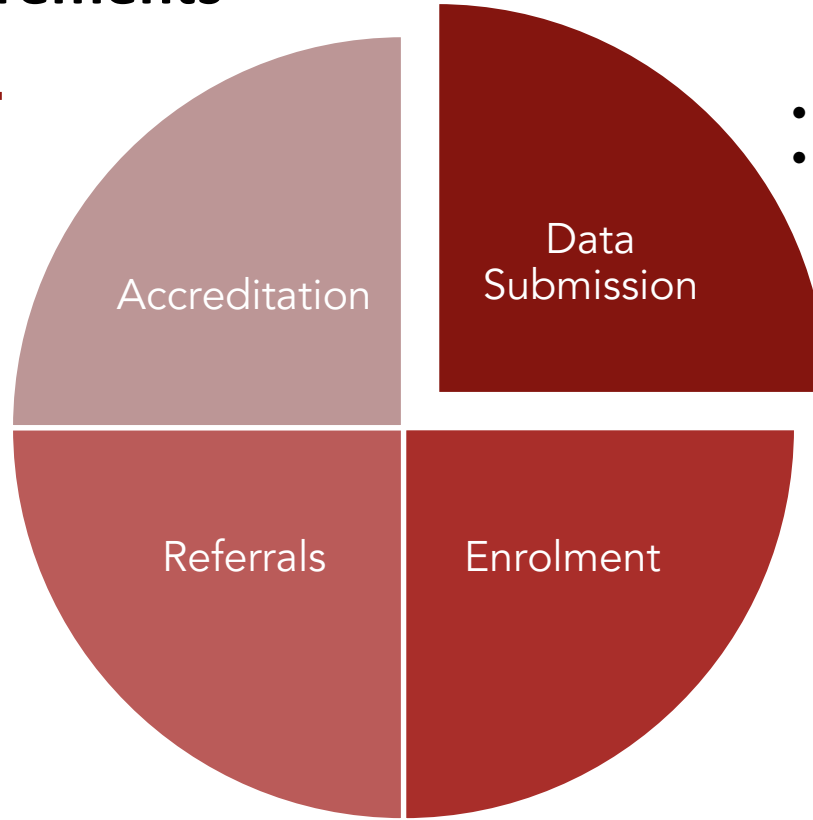
Operational requirements



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



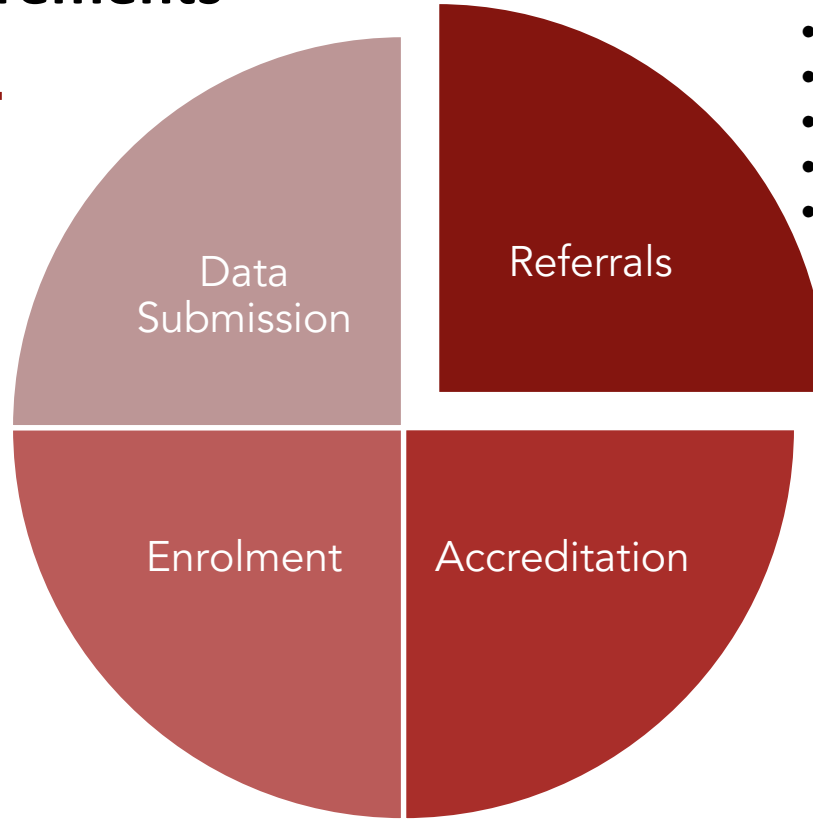
Operational requirements



- Underlying FFS data
- EHR



Operational requirements



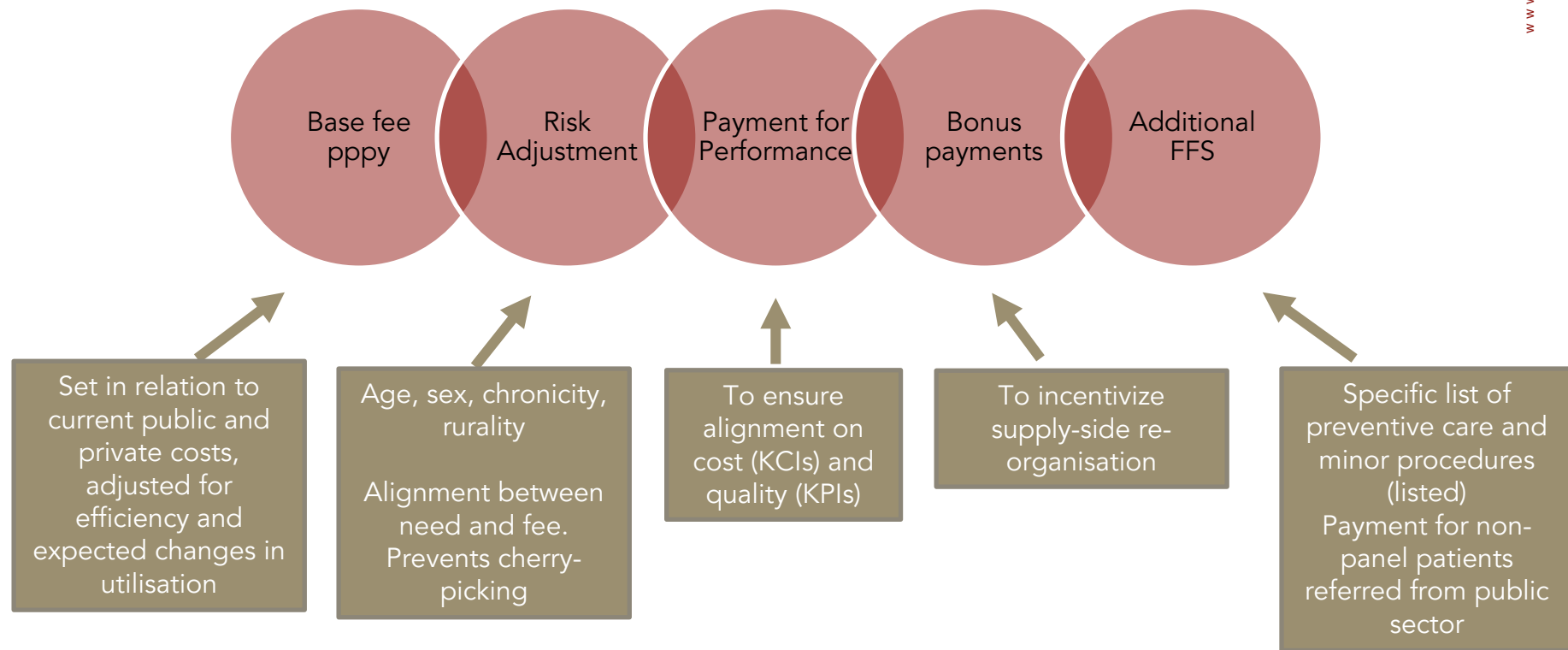
- Up & down
- District referral centres
- Data follows patient
- Monitoring freq & cost
- Peer review



Financial Model and Costing



Reimbursement Structure



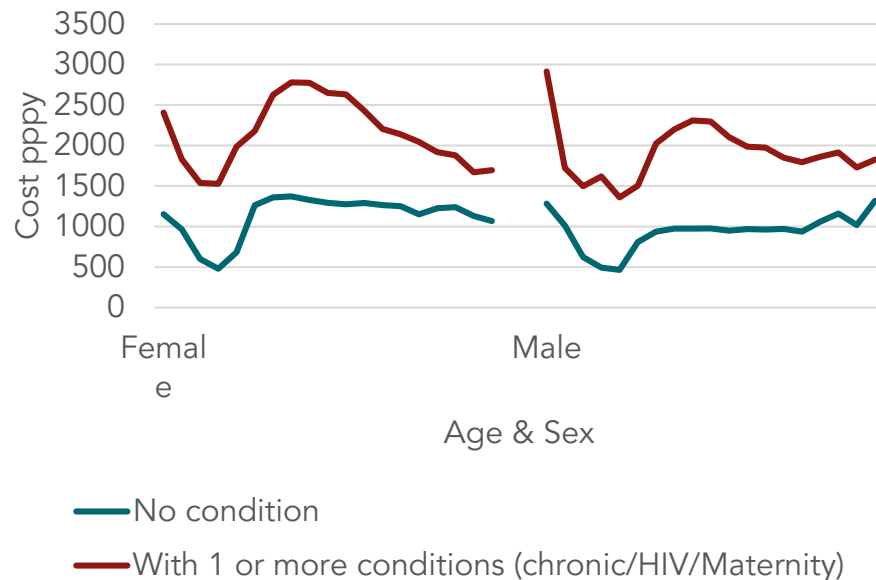
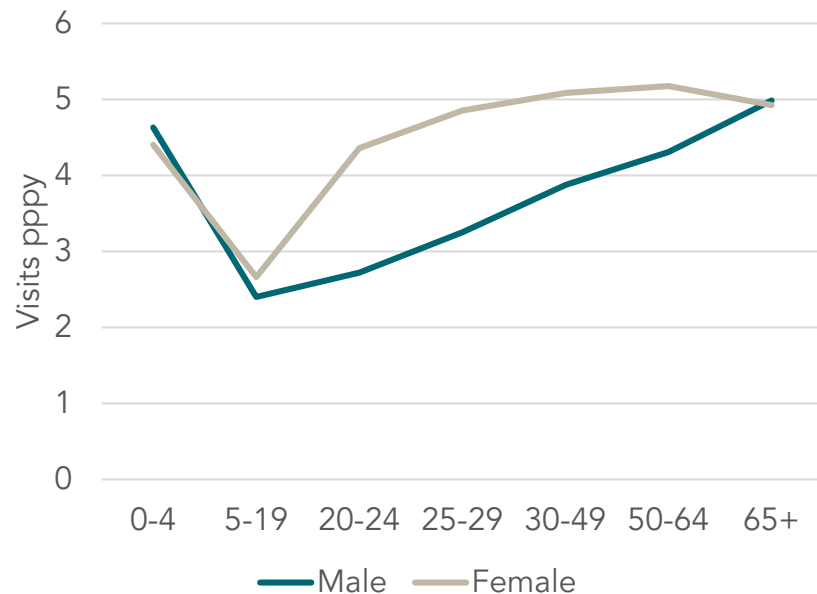
Base Fee

- 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

