Stewardship of purchasing

Reinhard Busse, Prof. Dr. med. MPH FFPH
Professor of Health Care Management,
Technische Universität Berlin
Associate Research Director,
European Observatory on Health Systems and Policies

www.observatory.dk
What is stewardship?

• Interpreted as the “careful and responsible management of the well-being of the population” stewardship in health is the “very essence of good governance” (WHO 2000: xiv).

• “…concerned about the trust and legitimacy with which its activities are viewed by the citizen”

• “Arguably the most important function of the health system which influences the way other functions are undertaken and how they impact on health system goals.”
Health system functions and Goals

- Stewardship (oversight)
- Financing (collecting, pooling and purchasing)
- Creating resources (investment and training)
- Delivering services (provision)
- Responsiveness (to people’s non-medical expectations)

Health

- Fair (financial) contribution
Why stewardship?

- Health care resources
  - Misuse and inefficiency in use of scarce resources
  - Fragmented and obscured lines of accountability
  - Inadequate co-ordination of sectors and actors
- Pressures for cost-containment and retrenchment of public sector
- Bureaucratisation of health systems and proliferation of regulations etc.
- New developments in approaches to public administration
Stewardship and related concepts

• Steering: “row less and steer more”
  – Governments to focus on vision and less preoccupied with operational delivery

• Governance
  – Transparency, accountability and participation
  – Improving health as main focus of stewardship

• Accountability
  – For performance outcomes / ‘top-down’
  – For reasonableness: procedural justice
Concepts of stewardship: WHO

- Requires “vision, intelligence and influence, primarily by the health ministry, which must oversee and guide the working and the development of the nation’s health actions on the government’s behalf”

Core tasks:
- Developing and formulating health policy
  - defining the vision and direction of the health system
- Exerting influence
  - Setting fair rules of the game
- Collecting and using intelligence
  - Assessing performance and sharing information
Dimensions of stewardship

**Stewardship as an interactive process**
- Accountability
- Consultation
- Advocacy
- Negotiation
- Co-ordination
- Consensus building

**Stewardship as an instrumental process**
- Legislation
- Codes
- Standards
- Incentives
- Oversight
- Regulations
- Procedures
- Guidelines
- Sanctions
- Intelligence

**Stewardship as a normative and value-laden process**
- Ethical values
- Self-determination
- Self-direction
- Emerging values
- Organisational culture

Adapted from Wilson & Saner 2003
Developing health policy

• Explicitness
• Transparency
• Focused on health gains and outcomes
• Road map for the future
• Tools for change
• Values and trade offs explicit
• Prioritization of objectives

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Developing health policy

- Absence of government leadership in many western SHI countries and CEE /NIS
- If existing, eloquent and ambitious but unrealistic strategies
- Aspirational in nature, long in rhetoric but short in delivery
  - Implementation gap
  - Lack of practical and managerial implications
- Gap with purchasers sickness funds
Setting the fair rules of the game and ensuring compliance

- Substitution of hierarchical command and control
- Management decentralization
- Plurality of public and private providers
- Increased organizational complexity
- Melting boundaries public and private
- Setting an effective regulatory framework
Rules of the regulatory road

1. Appropriate balance between pro-entrepreneurial regulation (stimulating) and regulation that sets boundaries (restricting) to individual entrepreneurial behavior to ensure the achievement of health system objectives.
Rules of the regulatory road

1. Appropriate balance between pro-entrepreneurial regulation (stimulating) and regulation that sets boundaries (restricting) to individual entrepreneurial behavior to ensure the achievement of health system objectives.

2. No de-regulation without simultaneous re-regulation

3. Regulate complexly: multi level regulation and broad integrated regulatory framework

Saltman and Busse, 2002
**Integrated regulatory framework**

- Citizen information and accountability
  - Information about access and quality, representation, patients rights, ombudsperson, complain mechanisms, …

- Insurance
  - Mandatory insurance, number and organization of health insurers (funds), competition?, open enrolment, standardisation in the package of benefits, contribution rate/ community rated premiums, redistribution formulae, …
**Integrated regulatory framework**

- Purchasers (sickness funds)
  - Governance structure (bi-partite, tri-partite, direct governmental control), minimum numbers or insured, minimum management capacity, degree of decision-making rights on extra benefits, contribution rate/ premium, minimum reserves, maximum deficit, time to recover deficit …
Integrated regulatory framework

• Providers
  – Licensing, certification and accreditation
  – Quality standards (e.g. minimum service volumes)
  – Mandatory treatment of all (insured) patients
  – Equal rights/ obligations for public and private providers
  – Capital expenditure investment
  – …
Integrated regulatory framework

- Purchaser / provider relationship – market structure
  - Depends on degree of market competition
  - Framework and rules for collective (or selective) contracting
  - Specifying roles of partners: providers, government, ...
  - Quality standards
  - Payment system requirements and price regulations
  - Open information, monitoring, evaluation
  - Negotiation and litigation rules
  - Addressing monopoly or monopsony situations
  - Regulating entry and exit into the market

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“Intelligence is broader than information ... It implies identifying and interpreting essential knowledge for making decisions from a range of formal and informal sources – routine information, research, the media, opinion polls, pressure groups, ... etc”
Information and intelligence

Examples

• HTA National Agencies
• Evidence based medicine
  – Guidelines and protocols
• Clinical governance
• National public health reports
• National observatories
  – France, Portugal, UK, Italy and Spain