

Stewardship of purchasing

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The logo for the European Observatory on Health Systems and Policies is located in the bottom right corner. It consists of the text "European" in a small font, "Observatory" in a large, bold, black font, and a blue square icon with a yellow triangle pointing to the right. Below this, the text "on Health Systems and Policies" is written in a smaller font.

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.”*



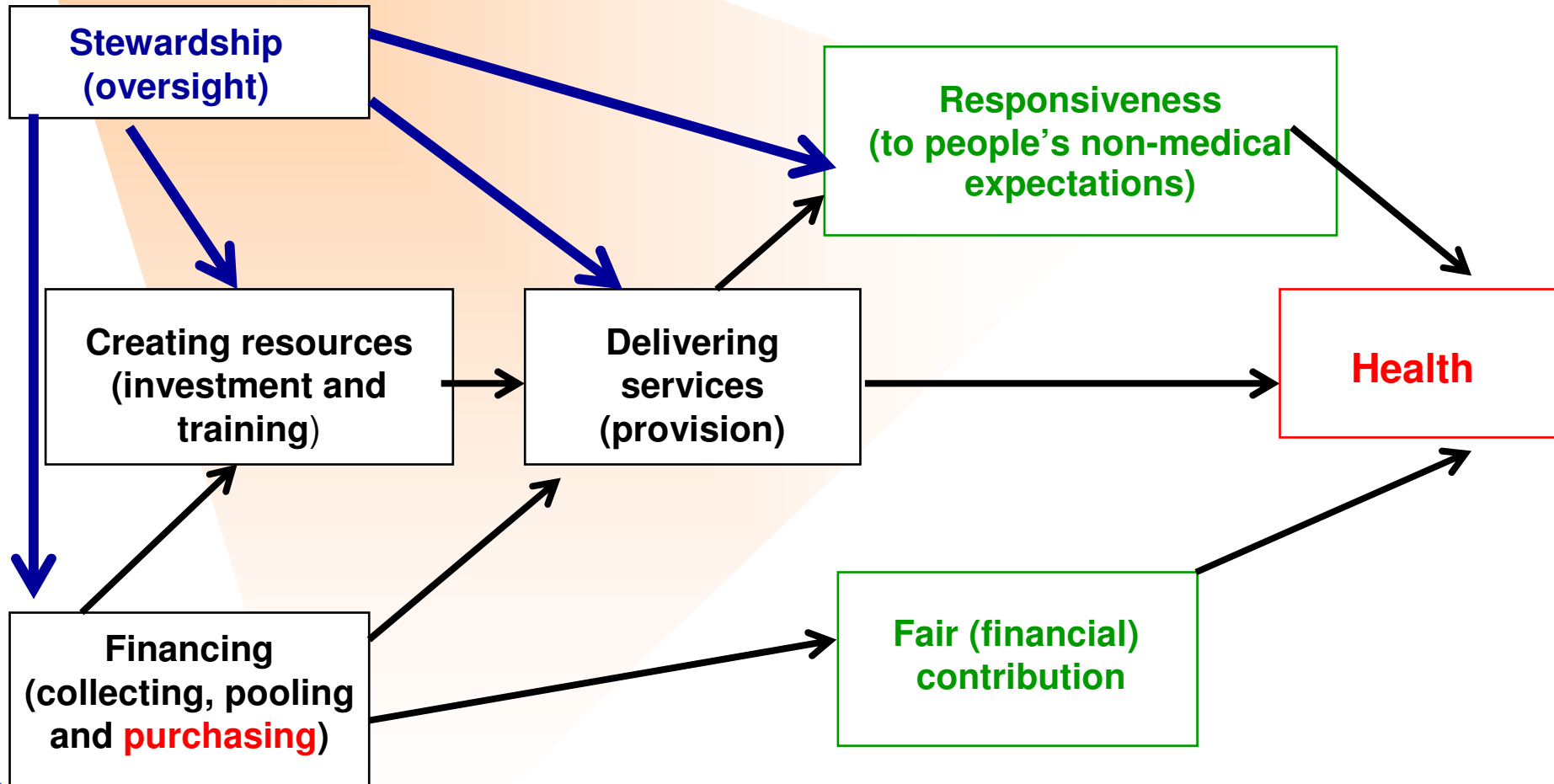
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Health system functions and Goals



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



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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



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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



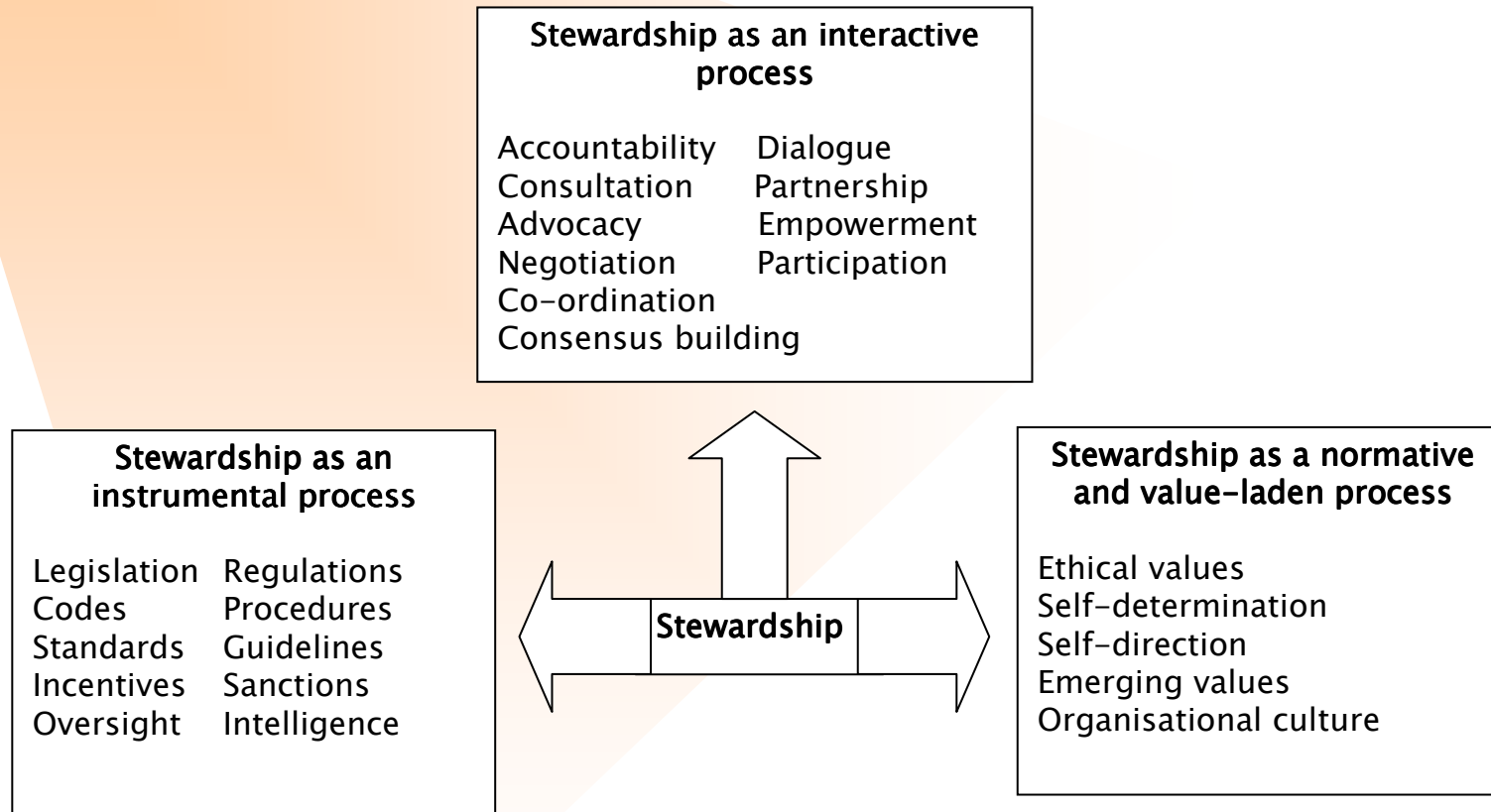
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Dimensions of stewardship



Adapted from Wilson & Saner 2003
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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



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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



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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.



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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



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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, ...



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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 ...



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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
 - ...



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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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Information and intelligence

*“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”*



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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



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