



REVIEW

The barriers to the full implementation of strategic purchasing and the role of health policy and decision-makers: past, current status, ethical aspects and future challenges

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Summary

Healthcare systems are complex, multi-level, highly integrated organizations, comprising of different professional figures, institutions, and resources. Such breadth and complexity reflect the multi-dimensionality of the concept of health, which implies the adoption of a holistic approach. Health, rather than merely being the absence of disorders or infirmity, is a highly dynamic state, which represents the abilities of an individual to cope with adverse social, physical and emotional/psychological events and conditions, continuously adapting to them. Ensuring an adequate health state is one of the most important concerns, and the healthcare systems are called to renew themselves in order to meet with the new challenges and health needs. Throughout the last decades, due to demographic shifts and transitions, epidemiological and societal changes, technological achievements and scientific

advancements, healthcare systems have undergone an extensive series of reform plans. Therefore, health policy- and decision-makers have made efforts to develop and implement initiatives for preserving the quality of the healthcare provisions. Strategic purchasing is an approach of purchasing that takes into account several health-related issues such as a proper, comprehensive planning of service delivery, the design and selection of the best packages of services and provisions, the appropriate selection of providers and the allocation of economical and financial incentives to provide better services and to motivate managers to adopt appropriate policies to implement strategic purchasing. Here, we intend to consider the various dimensions and aspects that can be effective in strategic purchasing, as well as the main barriers and obstacles that hinder its full implementation.

No healthcare system is an island: complexity of the health organizations

Healthcare systems are complex, multi-level, highly integrated and coordinated organizations, comprising of different professional figures, institutions, settings and resources [1]. As such, they represent the key determinants of well-being in the modern-day society, being a valuable asset that deliver high-quality health provisions, trying to address the health needs of the target population and to ensure optimal quality of life, functioning, productivity and prosperity [2]. Healthcare systems are an array of cultural and organizational competencies and skills, staff and workforce, economic and financial resources, infrastructures, information technologies, sophisticated equipment and facilities [3]. Such breadth and complexity reflect the multi-dimensionality of the concept of health, which implies the adoption of a holistic approach [4].

Health, rather than merely being the absence of disorders or infirmity, is a highly dynamic state, which represents

the abilities of an individual to cope with adverse social, physical and emotional/psychological events and conditions, and to overcome them, continuously adapting to them [5]. Ensuring an adequate health state is one of the most important concerns as of today, and the healthcare systems are called to renew themselves in order to meet with the new challenges and health needs, reflecting the persistent importance and growing role of policy- and decision-making, state governance and inter-departmental leadership, aiming at maintaining and improving people's health in its various dimensions [6].

Healthcare systems are not islands, that is to say isolated organisms, but interact with a variety of bodies, including other health – and more specifically, public health – agencies, regulators, purchasers and clients at an inter-sectoral level [7].

Throughout the last decades, due to unprecedented demographic shifts and transitions, epidemiological and societal changes, including aging population, increased life expectancy, long-term decline in birth rate and the shift from acute communicable disorders to chronic-de-

generative non-communicable diseases, as well as due to technological achievements and scientific advancements, healthcare systems have undergone an extensive series of reform plans [8, 9].

These aspects are, undoubtedly, among the most important factors directly affecting the delivery of healthcare services and, as such, impacting on the well-being of the society. Therefore, health policy- and decision-makers have made efforts to develop and implement initiatives for preserving the quality of the healthcare provisions [10]. These reforms have aimed at increasing the sustainability of the health organizations, managing the rising costs of development and service delivery, probing and ensuring the tenability of health systems in a globalizing world and promoting the increasing importance of health problems related to lifestyle, environmental and living conditions [11, 12].

Yet, despite such impressive efforts, these reforms and initiatives have failed to provide a true solution to the growing economical, financial and organizational/logistical problems that nowadays healthcare systems have to face [13].

In the next paragraph, we will briefly overview the meaning and the role of strategic purchasing in healthcare organizations. For the present article, we have conducted a literature review using “strategic purchasing” as major key-word and mining the entire content of the PubMed/MEDLINE scholarly database, since its inception, with no time or language filters. Furthermore, we have relied on the expertise of our group, which has already published on this topic.

The role of strategic purchasing

The rising costs of services provided in the health sector represent a significant challenge. Problems such as resources waste, leakages and low efficiency [14], lack of social justice and fairness in access to healthcare services and inappropriate use of financial resources are the main weaknesses that plague the traditional way of purchasing health services and provisions [15].

Strategic purchasing is a concept initially introduced by the Thatcher’s government (Tab. I), implying an active role of purchasers in contracting and buying, in which aspects like population needs and health, quality, scientific evidence, efficiency and effectiveness, and equity and fairness are incorporated [16]. As such, strategic purchasing is a highly participatory and shared series of processes, in which a variety of stakeholders (from citizens and patients to purchas-

ers, providers, regulators, and governments) [15] are actively involved. This calls up for a shift from passive to active purchasing [17].

In 2000, the World Health Organization (WHO), in its report, recommended the adoption of strategic purchasing as a valuable tool for improving the healthcare system’s performance and the quality of service delivery, increasing responsiveness, ensuring fairness in funding allocation and a wider access to healthcare services [18]. Strategic purchasing as a dynamic and non-traditional process of contracting and purchasing has led to the following questions: namely, i) which healthcare services we should buy, ii) from whom we should buy healthcare services, iii) how healthcare services should be bought, and iv) how much money we should pay for buying healthcare services [18, 19].

Strategic purchasing as an important strategy requires attention to several health-related issues such as a proper and comprehensive planning of service delivery in the different health sectors, the design and selection of the best packages of services and provisions, the appropriate selection of providers and the allocation of economical and financial incentives to provide better services and to motivate managers to adopt appropriate policies to implement strategic purchasing [4, 20].

Indeed, the different aspects and dimensions of strategic purchasing should be taken into account when implementing a policy [16]. Undoubtedly, if policy- and decision-makers in the world are trying to achieve the ambitious goal of the universal healthcare or Universal Health Coverage (UHC) [21], they should pay particular attention to strategic purchasing and they should identify and address the opportunities as well as the challenges they are facing. UHC requires the development of new financing schemes and, as such, strategic purchasing can be a very valuable tool to reach that goal [20]. Health policy- and decision-makers should consider the four dimensions of strategic purchasing, in terms of the above-mentioned questions, in order to develop an appropriate strategy (Fig. 1).

In the current paper, we intend to consider the various dimensions and aspects that can be effective to ensure strategic purchasing, as well as the main barriers and obstacles that hinder its full implementation.

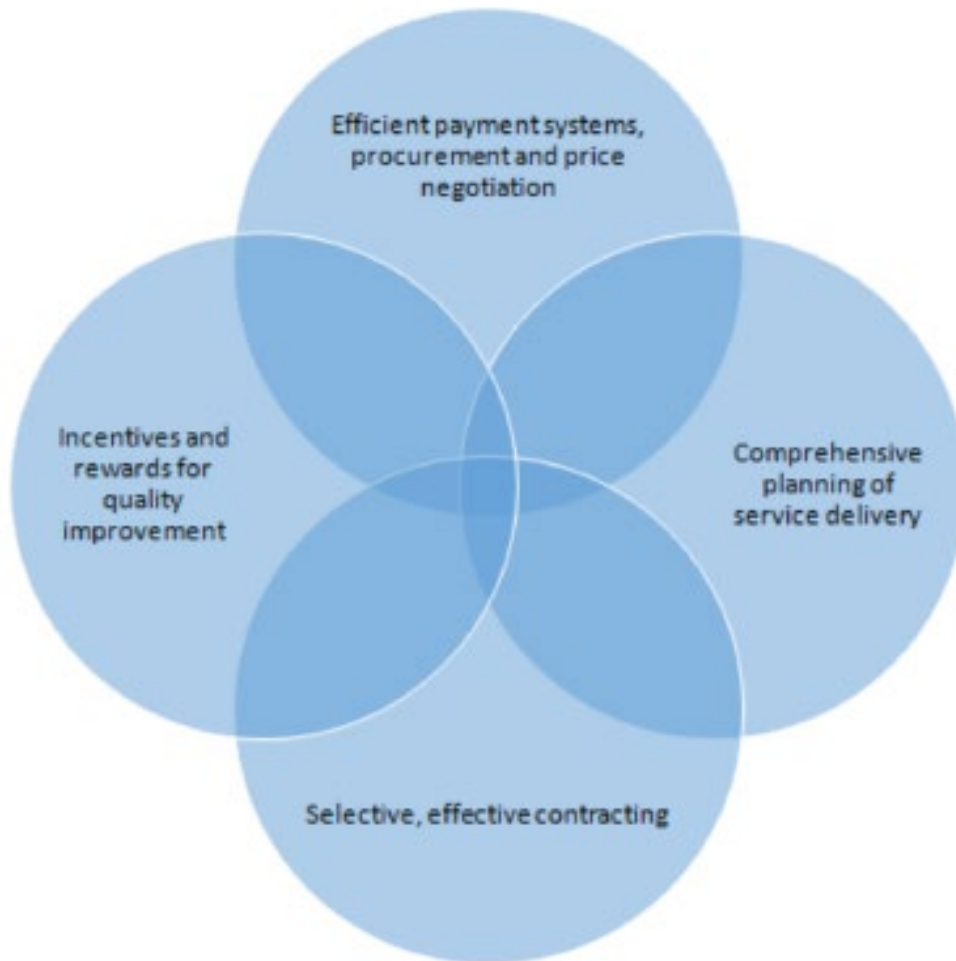
Which healthcare services should we buy?

Health systems offer a high variety of services; as such, health policy- and decision-makers are trying to provide service recipients with a suitable and comprehen-

Tab. I. An overview of the major steps in the development of strategic purchasing as a main concept for healthcare organizations and systems.

Year	Major event
1979-1990	Introduction of the concept of strategic purchasing during the Thatcher’s government
2000	The WHO recommended the adoption of strategic purchasing from healthcare systems and organizations
2005	A similar recommendation is made by the RESYST consortium
2007	A similar recommendation is made by the European Observatory, the World Bank and the Department of Health of several countries, including the UK

Fig. 1. The key components of strategic purchasing.



sive package of services [22]. The precise nature of this package is one of the challenges that health managers have to face: the package of services can vary according to the specific needs and available resources and facilities of each country or setting in which they are offered, but an array of minimum essential services should be guaranteed at least. In identifying health needs, health policy- and decision-makers should combine the methodological rigor and transparency of the epidemiological surveys and investigations with fairness and equity in access to healthcare services [20].

Ethical aspects should be always considered when planning and implementing programs in the health sector, taking into account also patients' values, preferences and perspectives [2, 19].

An approach that integrates both components is, for instance, the Health Technology Assessment (HTA), which, being based on a multi-disciplinary, multi-dimensional framework, can play a major role in determining the type and number of services to offer and in providing policy- and decision-makers with valuable evidence, while ensuring economic and financial sustainability [19].

From whom should we buy healthcare services?

The relationship between purchaser and provider is of crucial importance in funding allocation in the health sector [23]. Service providers (either private or public) can have a direct impact on strategic purchasing-based strategies and policies. The number, the nature of providers and the conditions they impose are all factors that influence funding allocation [24]. Purchasers should identify and choose the best healthcare providers, but, often, information on costs is not transparent or reliable, hindering purchasers from having a full control over the procedure of providers selection [3]. This represents, indeed, a true and fundamental challenge. Failure to provide and disclose proper and relevant information regarding service costs to providers will result in a lack of strategic purchasing [4].

The criteria for selecting providers should be clearly *a priori* defined: high quality and high standards should be met, without the interference of political lobbies. Separation/split between the purchasers and the service pro-

viders is an adequate model for achieving a transparent contracting and strategic purchasing [25].

How should healthcare services be bought?

This is another important challenge for health decision- and policy-makers. The solution can also vary, depending on the type of insurance system adopted in each country [12]. The involvement of insurers makes it possible for health managers to develop and implement high-quality packages of healthcare services and provisions. Negotiations can, indeed, have a major role in contracting and strategic purchasing [26].

Government institutions, the intrinsic duty of which is to monitor and guarantee high quality, should be involved in all the steps and stages of the process of strategic purchasing [7]. The use of electronic records, quality indicators and appropriate feedback systems can be extremely helpful in monitoring and keeping track of the buying process [27].

How much money should we pay for buying healthcare services?

Economical and financial resources for properly implementing and making effective contracting and strategic purchasing are another big issue that should be taken into serious consideration [28]. Since the amount of money available is limited, the principle of cost-effectiveness should be adopted in order to prioritize the healthcare services offered in the package of provisions [21].

Barriers and obstacles to the full implementation of strategic purchasing

The shift from passive (or traditional) purchasing to strategic active purchasing is not without any barrier or obstacle [15]. First, health policy- and decision-makers need a specific framework that can be implemented: as such, the existence of a precise definition of what contracting and strategic purchasing-based processes are is of crucial importance [3, 15].

Recently, Klasa and colleagues [15], synthesizing and harmonizing the various definitions of strategic purchasing from the WHO, the World Bank, the RESYST consortium, the European Observatory and the UK Department of Health, have proposed to define strategic purchasing as “an evidence-based process that sculpts health care systems by prioritizing the financing of certain goods and services over others through collaborative planning across various healthcare stakeholders while incorporating the needs and priorities of citizens in the distribution of health care and promoting equity, quality of care, efficiency, and responsiveness in the provision of health services” [4, 15].

This conceptual framework can be the basis for reaching a consensus among scholars and different health-related organisms, paving the way for conducting *ad hoc* studies and establishing adequate measures and interventions for reaching the ambitious goal [4, 8, 15].

Other factors that prevent the full implementation of strategic purchasing can be collected from the existing scholarly literature. For instance, our group has recently performed a qualitative study and framework analysis in Iran in 2014-15, sampling 34 individuals from decision- and policy-makers and executives of the “Iran Health Insurance Organization” (IHIO), stakeholders involved in the purchasing process, and university experts [3]. We were able to identify 12 main themes: namely, i) the regulatory aspect (laws and regulations for purchasing), ii) the organizational aspects of the purchasing process and how strategic purchasing is structured and implemented, iii) the choice of qualified and authorized providers (healthcare services providers selection), iv) the identification of the right type of health services and provisions, v) the design and development of the right type of contracts, vi) the identification of the target group(s) for purchasing, vii) the financial and economical schemes and constraints (in terms of funding and resources allocation, financing and pricing systems), viii) strategic purchasing as a way for improving performance and increasing the quality of health services offered, ix) strategic purchasing as a strategy for shaping the market and increasing competition, x) strategic purchasing as a tool for ensuring good health state for people and society, xi) guided strategic purchasing and governmental stewardship, and xii) the political and organizational issues (in terms of structure of the decision-making process implemented in the health and welfare ministries).

Always in Iran, Kalantari et al. [25] have recently conducted a similar study, finding 5 main concepts: namely, i) political economy, ii) policy design, iii) organizational/logistic structure, iv) organizational environment, and v) management capacity. A study by Ghoddoosi-Nejad and coworkers [23] has identified stewardship as a major challenge in fully implementing the strategic purchasing process of healthcare services and provisions. More in detail, this challenge has been classified into three main themes and nine subthemes, with a lack of adequate management information systems, enforcement for rules and laws, stewardship units, and the conflict of interest between the Ministry of Health and insurers as purchasers being the major obstacles.

Similar findings have been found in other countries. For instance, in Mexico [24], the major barriers to strategic purchasing are represented by the lack of specific funds allocated by the system of social protection in health and the autonomy of healthcare service providers, in order to reduce out-of-pocket (OOP) expenditure and to ensure equity in access to high-quality services.

Similar problems have been described in Cambodia [20] where the establishment of *ad hoc* funds (the health equity funds, or HEQs) has curbed the phenomenon of

OOP expenses from patients and facilitated the achievement the goal of strategic purchasing.

On the other hand, also in developed countries, strategic purchasing is yet to be fully implemented [15]. As maintained by Klasa and collaborators [15] as of today, there is little evidence of the positive impact and benefits of strategic purchasing in terms of improved health at the population level, and citizen empowerment and self-management.

Conclusions

Strategic purchasing is a concept introduced in Western Europe in the sixties [29]: since then, despite impressive efforts in order to improve healthcare systems responsiveness and effectiveness and efficiency in funding allocation, there is still a long and winding road towards the full implementation of strategic purchasing. On the one hand, health policy- and decision-makers need to pay attention to the different components of health and healthcare services delivery, in terms of policies and strategies. On the other hand, further scholarly research in the field is urgently needed to collect and provide stronger evidence of the impact and effects of strategic purchasing.

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Conflict of interest statement

The authors declare no conflict of interest.

Authors' contributions

HAG, NLB designed the study. MasB, MM and HAG conceived the study; MasB, NLB and MM drafted the manuscript; MM, MB and MeyB revised the manuscript. MB, NLB and AR performed a search of the literature. All authors critically revised the manuscript. All authors have read and approved the latest version of the paper for publication.

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