

Strategic Purchasing

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1. BACKGROUND

- The private sector plays a significant role in the provision of healthcare in Myanmar, where out-of-pocket spending on health is over 70%.
- At the request of the Ministry of Health and Sports, PSI introduced a pilot to show how strategic purchasing can improve health and family planning outcomes for low-income clients in two peri-urban townships of Yangon.
- PSI contracted five private Sun Quality Health clinics to provide a defined primary health package to a total of 2,506 low income households, using a fixed monthly capitation payment.
- Over 80% of selected beneficiaries came from the lowest two socio-economic quintiles in the targeted communities and make a small co-payment contribution.
- The research aimed to evaluate whether out-of-pocket expenditure (OOPE) went down when they sought healthcare or family planning from these clinics.
- This pilot is one of a series of pilots testing whether providers outside of the public sector can be contracted to deliver a package of essential health services, in order to inform the national Health Plan (2017-2021).

2. METHODS

- The evaluation is based on the results of the baseline and midline of a longitudinal study among the beneficiaries of the project.
- The OOPE incurred for healthcare and family planning was measured at different providers used by the beneficiaries.
- Transport costs to and from the provider were included in the calculation of OOPE.
- Client satisfaction after using the service was also measured.
- Paired-T test was used to detect the changes between baseline and midline results.

3. RESULTS

- The pilot area had multiple choices of providers, and many beneficiaries still sought services at providers not supported by the project, probably due to geographic proximity, or a long standing relationship.
- Despite the fact that most of the clients who were beneficiaries of the project were from low socio-economic groups, they still predominantly used private sector providers both before and after the project began.
- Those who continued using non-contracted private clinics at this midline stage experienced no change in OOPE.
- Clients who switched to the contracted Sun clinics from using other private clinics, public health facilities and traditional healers at baseline experienced a significant decline in OOPE.
- For those who switched from a pharmacy to the Sun clinics, OOPE went up, in part due to the increased travel costs of reaching the Sun provider.
- Client satisfaction scores were similar among those who sought care with lower OOPE at Sun clinics compared to other providers.

Figure 1. Most clients switching to contracted Sun clinics had been using the private sector at baseline (Source: baseline and midline surveys)

Source of most recent treatment in month prior to the survey at baseline, among users of the contracted Sun clinics at midline who were sick at baseline:

- Private clinics
- Sick, but sought no treatment
- Other
- Pharmacy
- Public Sector facility

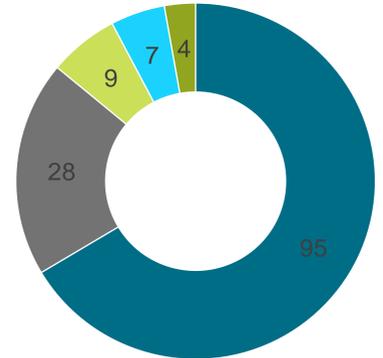


Chart 1. OOPE dropped significantly between baseline and midline for clients switching to contracted Sun clinics from most provider types (Source: baseline and midline surveys)

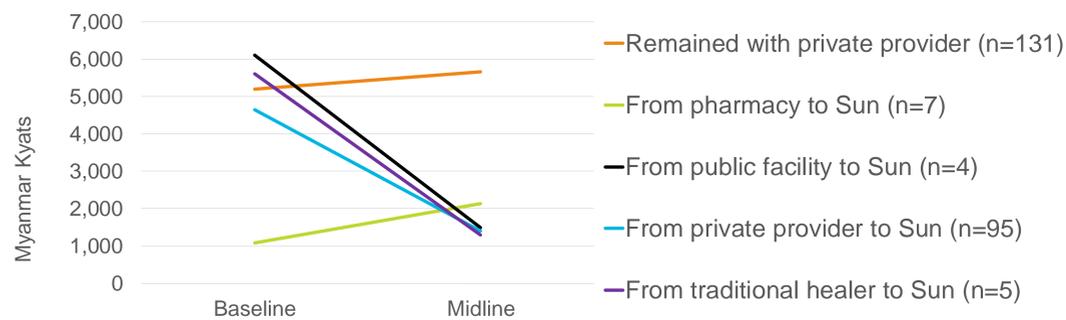
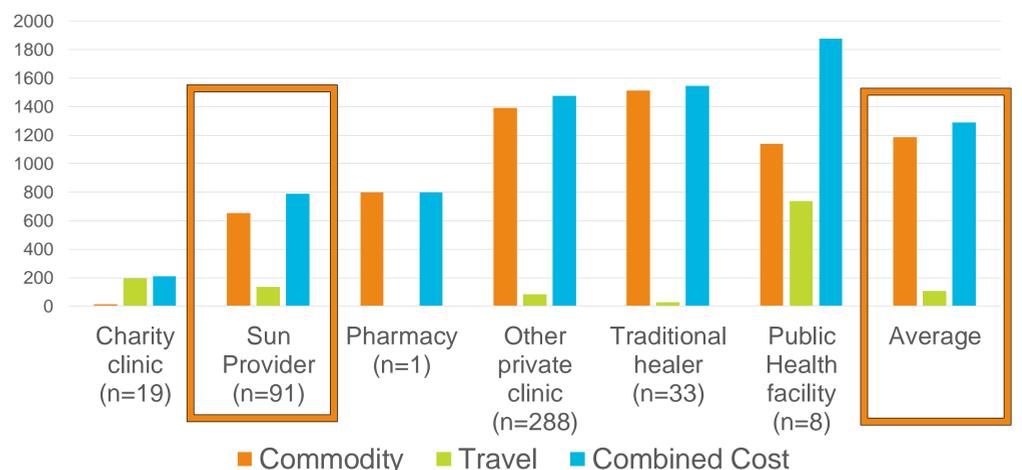


Chart 2. Cost of three month injectable contraceptives at contracted Sun clinics was cheaper than the overall average (Source: midline survey)



4. CONCLUSION

- Private providers play a significant role in the delivery of healthcare in urban and peri-urban areas, including among low-income people.
- General practitioners contracted using a capitation payment can provide quality health and family planning services at a reduced price to low income-clients, thus helping them reduce their OOPE.
- Some beneficiaries still chose to remain with their existing private providers despite the economic costs, highlighting the importance of consumer choice. The project could have further increased impact on OOPE by recruiting more providers into the capitation scheme, and offering more choice to beneficiaries.
- The Ministry of Health and Sports, and the people of Myanmar, could benefit from strategic purchasing arrangements with private providers when scaling up its plans for achieving Universal Health Coverage.



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