



MYANMAR STRATEGIC PURCHASING BRIEF SERIES – No. 1

# Package of Services

May 2017

## INTRODUCTION – THE STRATEGIC PURCHASING BRIEF SERIES

This is the first in a series of briefs examining practical considerations in the design and implementation of a strategic purchasing pilot project among private general practitioners (GPs) in Myanmar. This pilot will start developing the important functions of, and provide valuable lessons around, contracting of health providers and purchasing that will contribute to the broader health financing agenda. More specifically, it is introducing a blended payment system that mixes capitation payments and performance based incentives to reduce households' out-of-pocket spending and to incentivize providers to deliver an essential package of primary care services.

## CONTEXT

Many people in Myanmar access most of their health care through the formal and informal private sector and payment for this care comes mostly out of the patient's pocket. This can cause a significant financial burden to poor and vulnerable populations and lead to a chronic under-use of basic health services.

In response to this challenge, and in support of the Government of Myanmar's long term universal health coverage goal, Population Services International (PSI)/Myanmar has established a pilot project to demonstrate the capacity of private GPs in its Sun Quality Health (SQH) network to offer a basic package of primary care services to poor and vulnerable households. In this pilot, PSI is 'simulating' the role of a purchaser, but expects this role to be taken over at some point by a national purchaser, as outlined in the National Health Plan (2017-2021), and in the long run the role of PSI is likely to evolve into that of an intermediary organization (for more information on this, see "Intermediaries: The Missing Link in Improving Mixed Market Health Systems? Results for Development Institute, July 2016"), supporting the formation of networks of providers that are easier to integrate into payment systems, and by helping these providers meet minimum requirements through quality improvement and management capacity development. At that point in time, the 'package' of services to be purchased from GPs, even if only partial, will need to be fully streamlined with the basic Essential Package of Health Services that is currently being developed at the national level.

Under the pilot, a total of 2,506 low income households in two townships in Yangon region have been registered, and are being screened and issued with health cards which entitle them to a defined benefit package provided by five selected members of the SQH network. The pilot specifically aims to demonstrate an increase in the range of services offered by private providers, a decrease in out-of-pocket payment by the registered households, and a decrease in the time to seek treatment from the start of signs and symptoms.



## OBJECTIVE

At the onset, the project set out to design a package of primary health services that would offer clearly defined benefits and be relevant and appealing to the target audience. The package would need to be consistent with the planned Essential Package of Health Services, comprised of high impact but cost-effective curative and preventive care interventions in health areas with a high burden of disease, and be affordable within the project's budget envelope. The package would include medication, and support the uptake of early, quality primary health care with an aim of reducing the need for later and more expensive secondary or tertiary care that might prove catastrophic to families.

Providers would be responsible for ensuring that clients can receive each and every service in the package, as needed, including medication, at an agreed quality standard, though they themselves do not always have to personally provide each and every service. They could for example contract with a suitably qualified provider in the neighbourhood – such as a midwife – to deliver some of the services.

## KEY CONSIDERATIONS DURING THE DEFINITION OF THIS PACKAGE

### Broad vs. narrow focus

An early decision was whether this package would be narrowly defined and focus on the existing services provided by PSI-trained service providers in the SQH network, or whether it would broaden out to add new services beyond PSI's current expertise, where PSI does not have established and documented quality standards and protocols.

The decision was influenced by the desire to offer a more comprehensive package better aligned with that being defined at the national level, and by the need to consider the clients' perspective. For example, if the package covered malaria but not fever in general, a mother may hesitate to bring her child to the clinic given the high likelihood, especially in Yangon, that the fever would not be due to malaria and that she would therefore have to pay out-of-pocket. This would also mean that many actual malaria cases would likely be missed, or at least face considerable delays in being treated.

An additional consideration was the desire to reduce **unnecessary treatments** such as the over-prescription of vitamin injections and saline solution intravenous drips which are common in Myanmar. Simply excluding them from the package would encourage providers to sell these items separately to their clients, since there is a high but misplaced demand for these treatments from clients. The problem would potentially be exacerbated because patients may have more cash in hand since they no longer need to pay for the consultation. By making it clear to providers that these services are covered under the package, the provider has an incentive to discourage unnecessary treatment, as their overprescription would be paid for out of the capitation payment and would therefore reduce the provider's profits. A potential downside of discouraging their use, however, is that patients may go away dissatisfied with the treatment they receive under the package, since they may feel they are now being treated differently from those who pay out-of-pocket.

The team decided that a catch-all '**general illnesses**' category was needed that would ensure a low-cost consultation for other common symptoms. This would minimize barriers to effective screening for clients even though this could lead to a diagnosis that would require a higher out-of-pocket co-payment or a referral out of the network for an excluded category of services. Due to their varied nature, the project decided not to define clinical standards for the general illness category as this would prove impractical. Instead, providers were given a clinical handbook that was recently issued by the Myanmar Medical Association.

### The selected package of services

Family planning, primary care for children under five including nutrition interventions, antenatal and post-natal care, malaria, tuberculosis detection and treatment, sexually transmitted infection and HIV testing and treatment, detection and treatment of pre-cancerous cervical lesions, and management of uncomplicated diabetes and hypertension. These services, including medication, are provided with a small, out-of-pocket co-payment, which corresponds to around 20% of the average cost that might otherwise be incurred at a private sector provider.

The team consulted with providers and agreed on a list of common 'general illnesses' that would also be covered under the core package. These include minor injuries, flu, abdominal pain, fatigue and conjunctivitis. These general illnesses incur a higher but still fixed and affordable co-payment.

The package also covers facility-based delivery for both normal and obstructed labour, though these are not provided directly by the GP, but through a local maternity unit.

### Referrals outside the network

The project chose not to cover the cost of referrals, including transport costs, in part due to limited budget, but also due to the perceived unpredictability of costs (the exception for this is for labour/obstetric care, described in more detail below). In principle, most referrals should be treated free of charge in government hospitals, though in practice many patients will face either formal or informal out-of-pocket expenditure, or both. The informal nature of many of these costs would limit the ability of the project to contract with public providers to deliver this service even if a budget were available. For similar reasons, the project decided not to cover the cost of diagnostics beyond those in the basic services package.

### Family planning

Family planning services represent a major category within the package. Short-term methods (pills, injections, emergency contraceptives, condoms) are available at all clinics and long-term methods (IUDs and implants) are available from trained providers practicing within each catchment area. The level of copayment for both short and long-term methods is the same, to reduce the risk that short term economic factors such as available cash flow might influence the client's choice.

### Antenatal and post-natal care

GPs in Myanmar do not traditionally provide ANC or PNC services. Following the recent publication of ANC and PNC guidelines by the Ministry of Health and Sports (MoHS), the project worked with providers to identify which elements could be provided by the GPs directly (e.g. pregnancy confirmation, hypertension screening, breastfeeding counselling) and which should be referred out to MoHS facilities (e.g. syphilis screening). In addition, providers agreed that they would monitor clients to ensure all four ANC visits were completed, and that children received their full schedule of vaccinations, which are also commonly delivered at MoHS facilities.

### Labour/obstetric care

In addition to the risk of maternal death associated with labour, obstetric care can be a major source of financial hardship on a family. Due to the unpredictability of costs and the inability to contract with local public services, the project chose to take a demand side financing approach in the form of a conditional cash transfer to the mother (based on attendance at four ANC sessions leading up to the delivery) to help reduce the financial burden and to encourage facility-based delivery (see Issue Brief #2). None of the SQH Network clinics is currently registered as a labour/obstetric care centre.



### Chronic Diseases

Chronic diseases have a significant impact on the number of visits, cost, and long-term responsibility to the client, and may require significant capacity investments among GPs. HIV treatment is already included as part of PSI's existing programme, but due to low disease prevalence, it is not expected to have a major cost impact in the package. The cervical cancer component identifies and treats precancerous lesions as a form of prevention, but does not treat the cancer itself. Due to the high prevalence and clear interest from clients, providers and MoHS, the project chose to include uncomplicated diabetes and hypertension, and exclude other chronic illnesses.

### Package Customisation

Ideally, all providers would deliver the entire package to ensure a one-stop shop for all services for clients. However, it was recognized that there are some enhanced services that only some providers can deliver at this stage. For example, only some private providers are authorized to deliver ART, and there are practical constraints that limit the number of clinics that can be supported around certain services delivered free or heavily subsidized through private GPs under a public private partnership, such as HIV testing or TB management. In addition, not all providers chose to go through the stringent training and certification that enables them to offer long-term family planning methods.

Thus, the service package and the capitation payment have been customized to take into account whether or not providers offered these enhanced services, and referral paths have been established to other providers in the network

### Co-payment

In consultation with providers, the project introduced a small out-of-pocket co-payment that would be incurred by the client for each and every service received under the package.

This would contribute around 15%-20% of the total earnings to the provider, and ensure that providers retain an incentive to remain client focused and offer quality services, while clients would be discouraged from consuming unnecessary care.

Any potential adverse effects – for example creating a barrier to access necessary care among low income people – will be monitored carefully during the project implementation.



where necessary. Fortunately, most of these services are relatively specialized and are only likely to affect small numbers of people. The project recognises that customising capitation payments in this way adds complexity which would present additional challenges in any eventual scale up, and should be limited as much as possible.

### Improving counselling and related services

The project identified the need for counselling and related skills for providers such as adolescent-friendly reproductive health and identification of signs and symptoms of gender-based violence. Training and sensitization was offered to providers, as well as clear information about effective referral options where they exist. These efforts build on to existing counselling skills among SQH providers such as for family planning or exclusive breastfeeding.

### Commodities and supply chain

Providers are expected to use commodities that are low-cost generic products that meet Food and Drug Administration standards and are in line with national treatment guidelines. PSI discussed WHO's list of essential medicines with SQH providers and developed and agreed upon a list of medicines that should be in stock at all times at the pilot clinics. Providers could purchase some products from PSI using existing established supply chains for family planning, HIV, TB and child health products, but additional commodities required for services included in the package, such as for hypertension and diabetes need to be procured by the providers themselves. For clients, the cost of medicines for all services included in the basic package are fully covered. It was agreed that all children between two and five years of age would receive a full course of nutritional supplements, otherwise known as sprinkles, at the time of registration with the provider (and accompanying medical check-up), and that these would be supplied free of charge from PSI's nutrition programme.

The project is aware that by promoting the use of quality generic products rather than the branded drugs that GPs more commonly prescribe, the beneficiaries of the scheme may again feel they are being treated less well than customers paying full fee for service, but this was a risk the project is willing to accept. It is also in line with MoHS plans to encourage increased use of generics, as articulated in the National Health Plan (2017-2021).

### IMPLICATIONS FOR PROJECT PLANNING

The decisions taken during the planning stages had considerable implications around quality assurance systems, since new quality standards and protocols would need to be developed; supply chain management, particularly in the monitoring of the availability of a wider range of medications at the various facilities; training both for providers and for PSI's team; information systems, including the need to develop an electronic medical record system to improve documentation and ease of reporting; financing systems, such as for the conditional cash transfers for labour/obstetric care; and the requirement of additional programme implementation permission from MoHS.

There were valid concerns from providers regarding their limits of liability, both financial and medical. Financial liability is covered in Issue Brief #2. Regarding medical liability, primary responsibility for ensuring clients receive quality health care rests with the provider. However, there are limited opportunities for obtaining medical liability insurance in Myanmar, and in the past PSI has supported providers and patients around adverse events reported for IUD clients. The project agreed to design a small fund for providers that would offer a limited sum of money in the unlikely event of a legal claim against them, provided that they have agreed to undergo quality assurance reviews, and have sufficient underlying client and inventory records that demonstrate their adherence to a reasonable standard of care.

Basic Package of Services		Excluded services:	Referral to secondary and tertiary care:
Core services: <i>co-payment 500 Kyats (\$0.40) per consultation, including medicine:</i>	Core services: <i>co-payment 1,000 Kyats (\$0.80), per consultation, including medicine:</i>	<p><i>Out-of-Pocket.</i></p> <p>Example: ongoing management of externally diagnosed systemic diseases.</p>	<p><i>The consultation with the SQH provider is free of charge, but any costs associated with the referral itself are out-of-pocket</i></p> <p>Examples: emergency cases such as stroke, major injuries, unconsciousness, other serious systemic diseases.</p>
Primary care package for children under five; selected ANC and PNC services; malaria; STIs; short term family planning; TB screening; limited management of uncomplicated diabetes and hypertension.	General illnesses.		
Enhanced services: <i>co-payment 500 Kyat (USD 0.40), not available at all providers:</i> TB treatment, HIV testing and treatment, cervical cancer screening and treatment, long term family planning.	Example: minor injuries, flu, abdominal pain, fatigue, conjunctivitis.		

**Myanmar Strategic Purchasing Brief Series:**

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