**A Policy Dialogue to identify key priorities and mechanisms for Institutionalizing Strategic Health Purchasing in Nigeria**

**Authors**: Obinna Onwujekwe, Chinyere Mbachu, Uchenna Ezenwaka, Chinyere Okeke and Benjamin Uzochukwu

**Affiliated organization**: Health Policy Research Group, University of Nigeria, Enugu Campus, Enugu, Nigeria

**Key Message**

In the midst of inadequate funding for health, effective use of available resources is imperative. We used a policy dialogue approach to convene state and non-state stakeholders to discuss findings from Health Policy Research Group’s evidence generation activities on strategic purchasing.

The outcome of the policy dialogue was to identify key next steps to institutionalize strategic purchasing in Nigeria including:

* *Broadening participatory approaches in the medium-term sector strategy within government tax funding and annual budgets*
* *Entrenching strategic purchasing in all health purchasing decisions*
* *Designing and implementing appropriate decision-making structures for strategic purchasing*
* *Undertaking provider payment mechanism reforms to enhance strategic purchasing*

**Executive Summary**

The Health Policy Research Group (HPRG), which is the Strategic Purchasing Africa Resource Center (SPARC)[[1]](#footnote-1) technical partner in Nigeria hosted a country-level policy dialogue on the 9th of February 2022 in Abuja, Nigeria. The purpose of the policy dialogue was to disseminate findings from HPRG’s evidence generation activities, and to provide an opportunity for key state and non-state stakeholders to identify priorities for strategic purchasing in Nigeria. The policy dialogue was also used to validate the findings and elicit stakeholders’ views on the key next steps for strategic purchasing actions in Nigeria.

The one-day event convened a total of 43 stakeholders in the Nigerian health financing ecosystem, including representatives from the Federal Ministry of Health, and its departments and agencies, international partners, donor agencies, implementing partners and civil society organizations. It was facilitated by researchers from HPRG, led by Professor Obinna Onwujekwe, and presented findings of an assessment of purchasing functions in health financing schemes in Nigeria for reflection by participants.

Group discussions were used to identify and validate the priority policy issues in strategic purchasing, the policy options and reforms required to improve strategic purchasing in Nigeria. Four key priorities emerged from the group discussions: (1) Institutionalization broad participation in the medium-term sector strategy (MTSS) within general tax revenue (GTR) and annual budgets; (2) Developing mechanisms for the use of strategic purchasing in all health purchasing decisions in Nigeria; (3) Entrenching appropriate decision-making structures for strategic purchasing in Nigeria; and (4) Undertaking provider payment mechanism reforms that enhance the use of strategic purchasing.

**Introduction**

Throughout Sub-Saharan African, including Nigeria, inadequate funding for health has been a perineal problem, and is compounded by poor use of available resources. Strategic purchasing has become a key policy intervention for improving the use available resources to provide quality health care to the population, by effectively allocating or transferring health resources to health care providers in an equitable, transparent and efficient manner.

HPRG convened a policy dialogue to bring technical partners and relevant stakeholders in Nigeria together, to identify country priorities and define key next steps to improve strategic purchasing in Nigeria. A policy dialogue is an event where a deliberative process (i.e. a structured discussion) is held on recent evidence, as well as relevant case studies from countries that have faced a similar question. In this setting, HPRG focused the deliberative discussion on evidence generated by HPRG on strategic purchasing between 2019 and 2021 – including policy briefs, blogs, and research papers which were outputs from an assessment of purchasing functions of health schemes in Nigeria. Policy dialogues have emerged as a promising governance tool to enhance the quality of engagement between state and non-state stakeholders to address a policy question within the health sector’s cross-cutting challenges and can occur at any level of the health system to address a policy question and develop an action plan.

This policy brief outlines the activities that were undertaken by HPRG to steer country stakeholders in identifying priorities for strategic health purchasing in Nigeria during the policy dialogue.

**Methods**

* Forty-three people participated in the dialogue. The selection of the participants was based on mapping of key stakeholders by HPRG in the healthcare financing space. The mapping was done in consultation with the Director and Staff of the Department of Health Planning and Statistics, Federal Ministry of Health, Abuja, Nigeria, together with the R4D Nigeria country office, Abuja, Nigeria. The participants included 17 government policymakers and implementers involved in developing health financing policies; 21 development and implementing partners (including donor agencies) and civil society organizations that influence health financing and purchasing decisions; and 5 researchers from HPRG. The stakeholders were mobilised using email messages, phone calls and WhatsApp messages with constant reminders. The fact that HPRG had networks and linkages with some of the stakeholders aided mobilization.
* HPRG designed the agenda for the meeting. Consideration was given to the objectives of the policy dialogue in developing the agenda. The agenda was developed by a group at HPRG, as part of a series of planning meetings by HPRG for the event. The group decided to present the main messages from all the outputs that HPRG developed on strategic purchasing. Soft copies of the policy briefs were produced and shared with invited participants, and hard copies were printed and shared at the venue of the policy dialogue before the discussions started.
* The half-day event had two main sessions. The first half consisted of an introductory session, presentations of key findings of situational analysis of strategic purchasing practice in Nigeria, and reflections from participants on the findings in a plenary format. The presentations were designed to create a baseline understanding of the work undertaken by HPRG assessing purchasing arrangements at the Federal level and 4 south eastern states in Nigeria (Anambra, Imo, Ebonyi and Enugu) , and subsequent work to document evidence on how strategic purchasing leads to improvement in service delivery or universal health coverage (UHC) outcomes of equitable access to good quality care and financial protection.
* The second half consisted of small group discussions, and a final plenary discussion. HPRG aimed for a participatory approach to discussions at the meeting to ensure that all participants had a chance to provide their reflections, comments, suggestions to the findings. The small group discussions were facilitated with a structured guide developed by HPRG, focused on *‘what’* and *‘how’* to optimally entrench strategic purchasing in Nigeria. The participants at the policy dialogue were purposively assigned into four groups to enable reflections and in-depth discussions of policy issues in SHP. To maximize views in all the groups, the assignment to the different groups took into consideration institutional affiliation to ensure participants from the same organisation were assigned to different groups.
* The small group discussions were used to identify and validate the priority policy issues in strategic purchasing, the reforms that are required in strategic purchasing, and the policy options for strengthening strategic purchasing in Nigeria; and the specific actions to institutionalize strategic purchasing in all health purchasing. HPRG researchers were assigned to each group to facilitate the group discussions using a guide to explore participants’ views on eight (8) topics (Annex 1).
* The small group discussions were moderated by volunteers in the group and documented by group-appointed rapporteurs. The discussions lasted for a little over an hour.
* Transcripts and notes from the discussions were synthesized and analyzed manually and used to arrive at the key findings.

**Key Findings**

Figure 1 shows the key priorities emerging on strategic health purchasing from small group and plenary discussions. Priorities focused on two schemes – the government budget and the National Health Insurance Scheme (NHIS). Whilst some of the priorities are unique to the government budget or the NHIS, some applied to both of them.

Figure 2 shows the specific actions that the participants identified that could be used to institutionalize strategic purchasing in all health purchasing decisions in the country. The four major headings were advocacy and capacity strengthening; governance; data and information systems; and provider payment mechanisms.

***Figure 2****: Identified mechanisms of institutionalizing SHP in all health purchasing decisions in Nigeria*

Participants made suggestions for key actions to take forward and the mechanisms for implementing these actions.

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| --- | --- |
| What to do | How it should be done |
| Data use for decision-making | * Use of real-time data and evidence in deployment of provider incentives * Use of evidence to determine the best provider payments mechanism |
| Gatekeeping | * Institutionalize gatekeeping (mainstreaming) * Being careful that the gatekeeping policy does not reinforce informal payments |
| Output-based financing | * Moving from input-based to output-based financing |
| Monitoring systems | * Continuous monitoring and evaluation, and incorporating lessons learned for purchasing improvements |

**Conclusion**

By using a policy dialogue approach, HPRG was able to consult a broad base of stakeholders to reflect on the current status of strategic purchasing in Nigeria, and proffer strategic actions to enhance institutionalization of strategic purchasing. The participatory approach created a baseline understanding of strategic purchasing in Nigeria and allowed HPRG carry along all stakeholders and obtain buy-in to take forward identified actions. The implementation of the suggested actions from the policy dialogue may help address the efficient use of available resources for providing quality care towards achieving UHC.

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1. SPARC is an African resource hub for strategic purchasing. SPARC has implemented a series of activities with a consortium of technical partners –including HPRG— since 2019, to advance strategic purchasing knowledge and awareness in sub-Saharan Africa. [↑](#footnote-ref-1)