Strategic verification for strategic purchasing

*Health insurance schemes and performance-based financing in sub-Saharan Africa: sharing experiences for more effective verification*

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The World Health Organization (WHO) report in 2010 estimated the cost of inefficiency at 20-40% of the total health spending. In health facilities, one part of inefficiency arises from “Fraud, Waste and Abuse” (FWA). For instance, under an output-based financing, FWA can manifest themselves by intentionally declaring false benefits to receive higher reimbursements. Under an input-based financing, health facilities may present erroneous invoices. The risks of FWA also exist in health insurance schemes. By way of illustration, under a nominative insurance scheme, there may be attempts to commit identity fraud (e.g., borrowing a neighbor's insurance card). Making strategic purchasing in health more strategic also means limiting this type of inefficiency. According to the WHO, strategic purchasing refers to linking the allocation of the pooled funds with the health needs of the population, taking into account the cost-effectiveness.

In recent years, development partners helped many low and middle-income countries to develop their strategic purchasing systems by improving quality of care and data through Performance-Based Financing (PBF) or Health Insurance models. These solutions include a verification system to mitigate FWA risks and improve the governance of health systems in general. Under these funding schemes, verification refers to the control process established to ensure that invoices submitted to the purchaser comply with the rules and criteria established for payment. These criteria can relate to many elements, for example, the obligation to go through the first level of healthcare before consulting a specialist, the completeness of information on the patient's journey, or the satisfaction of complex quality
Because it is a condition for payment, the verification process has an imposing force: it consolidates the credibility of contracts, recalls the exact nature of their content, discourages fraud, and ensures full compliance with administrative standards. If it has an interactive component (e.g., visiting the health facility), it can also be a channel of supportive supervision. The verification will also help consolidate the accuracy of the information reported for the purchase. **However, feedback from experiences of some African countries implementing PBF and Health Insurance programs have shown that verification can require heavy investments (in terms of logistics, for instance) in strategic purchasing systems for Universal Health Coverage (UHC). So, a question of what direction future verification should take arises.**

In this context, a **collectivity working group** with strategic purchasing experience was initially created to raise awareness at the national and international levels on the roles of digital tools in enhancing the strategic purchasing functions including verification. As the first step of its work, the working group is organizing a series of webinars both in French and in English on the theme “**Strategic verification for strategic purchasing**”.

**Main expectations:** the webinars will give the audience the opportunity to gain valuable insight on how countries are addressing the verification issues and the common challenges encountered to improve strategic purchasing. These events will generate conclusions about strategic directions in verification to improve data accuracy for a more strategic purchasing system.

**In a second step, the group intends to organize an international meeting in the future where various case-studies of identified opportunities for digital technologies to support specific functions of strategic purchasing of health services will be presented.**

**Contact for more information**

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