**Title: Can a public purchaser send signals to public providers to improve health systems performance? A case study from the Nigerian public integrated health system**

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**Abstract:**

**Introduction**

In the tax-funded health system in Nigeria, the Ministry of Health (MoH) purchases health services for all citizens who wish to access publicly-provided health services. The services provided are based on a defined benefit package that covers preventive, promotive and curative care at both primary and secondary levels. The MoH owns and manages the public providers who deliver services. In strategic purchasing, the purchaser is expected to use levers to steer the providers towards providing quality health services in an efficient manner. This study looks at the levers being used by the MoH as a purchaser in the Nigerian tax-funded health system and how the levers function in practice.

**Methods**

A qualitative case study was conducted in Enugu state in 2014. In-depth interviews (IDIs) were used to elicit information from respondents drawn from the MoH and providers at the primary and secondary levels. A total of 9 IDIs with purchasers and 11 with providers were held. Analysis entailed characterization of the relationships between the purchasers and providers by comparing key ideal purchasing actions with actual practice.

**Findings**

The study found that monitoring provider performance as a leverage tool is well developed in policy but there is variation in actual implementation – monitoring is often undertaken in an ad hoc manner and inconsistent, partly due to financial and human resources capacity constraints in MoH. Budget and salaries, as a provider payment mechanism, are not linked to performance and no additional incentives, rewards and sanctions are made based on the performance of health providers. As a result, the payment mechanism does not send specific signals for efficient, quality health service delivery. Auditing and accountability mechanisms are weak in that no rigorous auditing of health facilities takes place, and mechanisms to make purchasing decisions transparent to health providers are lacking.

**Conclusions**

Purchasing health services within the tax based health system in Nigeria is passive and the MoH does not effectively utilize existing tools to motivate health providers to perform better. Various ways of promoting strategic purchasing, including improved monitoring and accountability mechanisms, that will positively influence the behaviour and performance of healthcare providers to produce better health outcomes should be considered.