Health Policy Analysis

Stewardship as a Fundamental Challenge in Strategic Purchasing of Health Services: A Case Study of Iran

DJavad Ghoddoosi-Nejad, PhD[1,4], Ali Jannati, PhD[2,*], Leila Doshmangir, PhD[2,3], Morteza Arab-Zozani, PhD[4], Ali Imani, PhD[5]

[1]Social Determinants of Health Research Center, Department of Public Health, School of Health, Birjand University of Medical Sciences, Birjand, Iran; [2]Tabriz Health Services Management Research Center, Department of Health Services Management, School of Management and Medical Informatics, Tabriz University of Medical Sciences, Tabriz, Iran; [3]Social Determinants of Health Research Center, Health Management and Safety Promotion Research Institute, Tabriz University of Medical Sciences, Tabriz, Iran; [4]Iranian Center of Excellence in Health Management, School of Management and Medical Informatics, Student Research Committee, Tabriz University of Medical Sciences, Tabriz, Iran; [5]Tabriz Health Services Management Research Center, Department of Health Economics, School of Management and Medical Informatics, Tabriz University of Medical Sciences, Tabriz, Iran

A B S T R A C T

Objective: To understand the stewardship challenges in strategic purchasing of health care in Iran's health system from the viewpoints of experts, policy makers, and decision makers. **Study design:** This was a qualitative study. **Methods:** Researchers used interviews and FGDs for collecting and framework analysis for analyzing data. **Results:** Stewardship challenges were classified into three themes and nine subthemes. A lack of management information systems, a lack of enforcement for rules and laws, a lack of stewardship units, and the conflict of interest between the Ministry of Health and insurers as care purchasers in the health system are among the main challenges identified in the implementation of the strategic purchasing of health care in Iran. **Conclusion:** A strong stewardship is needed for implementing strategic purchasing of health care, which requires participation of all stakeholders.

Keywords: health services, Iran's health system, stewardship, strategic purchasing.

© 2018 International Society for Pharmacoeconomics and Outcomes Research (ISPOR). Published by Elsevier Inc.

Introduction

Stewardship, creating resources, service delivery, and financing are four functions of every health system [1]. According to the World Health Organization (WHO), components of stewardship are *intelligence generation*, *policy forming*, and *regulation*. Effective functioning of these components is an assurance for good stewardship [2].

Despite the importance of stewardship, developing countries suffer from challenges in this function [3]. WHO identifies stewardship problems in the health sector in developing countries: a lack of attention to all the factors and stakeholders in policy making, with only legislation and regulations considered; a lack of attention to other components of stewardship, such as knowledge generation, implementation, and monitoring of policies and laws; and a lack of attention to some major problems, especially in private-sector providers [3,4].

Purchasing is the process in which pooled resources are allocated to a series of health services that are useful in the promotion of people's health. Strategic purchasing is a search to find the best possible ways of maximizing health system performance through decision-making about what interventions, for whom, from whom, at what cost, and at what price should be purchased [1,5].

Based on a report by Iran's Ministry of Health published in 2008, the diversity and complexity of the stakeholders and providers in Iran's health systems lead to high costs and excessive consumption of resources. These aspects are similar to those seen in developed countries. Nevertheless, unlike developed countries, the consequence of desirable health has not been achieved [6].

In Iran's health system a need is felt for stewardship [7] considering the importance of strategic purchasing to improve the quality [8] and cost of health care [9,10], as well as getting more value for money [11,12].

This study aims to identify and classify the challenges health system faces in stewardship of strategic purchasing from point of view of experts.

* *Address correspondence to:* Ali Jannati, PhD, Tabriz Health Services Management Research Center, Department of Health Services Management, School of Management and Medical Informatics, Tabriz University of Medical Sciences, Tabriz, Iran.
E-mail: janati1382@gmail.com.

Table 1 – Characteristics of research participants.		
Organization	**Position**	**Number**
Ministry of Health and Medical Education	Expert at budget office, top manager at deputy of health, member of policy-setting council, former minister of health chancellor	4
Health Insurance Organization	Top manager in health insurance organization, member of committee of strategic purchasing in health insurance organization, expert in health insurance organization	6
Armed Forces Insurance Organization	Experts in armed forces insurance organization, top manager in armed forces insurance organization in strategic purchasing	3
Social Security Organization	Senior manager in social security organization, head of the department of health economy and planning department of social security organization	5
Academicians (Faculty Members of Medical Sciences Universities)	Faculty members in health economics, faculty members in health service management, faculty members in health policy	4
Medical Universities	Senior manager in management and resource development deputy, senior manager in deputy of health in medical university	2
Total		26

Methods

This is a qualitative study. In total, 21 semistructured interviews were carried out, of which 14 were face-to-face and 7 were by phone. In addition, five of the specialists took part in a Focus Group Discussion.

Participants and Sampling

Purposive sampling and snowball sampling were used as tools to select participants in this study. Because participants with information and knowledge on strategic purchasing who were able to provide us with valuable information were rare, very limited, and rather unknown in some levels for researchers, we used snowball sampling so that we could make a network to find every key-informant person in research scope. Because of few numbers of specialists in this scope-strategic purchasing, using sampling methods with more reliable approaches was not possible.

To minimize side effects of snowball sampling before the study, no initial estimate for the number of participants was done. In this regard, the number of key and knowledgeable specialists needed was interviewed to reach the data saturation point, as recommended for qualitative studies [13,14].

The characteristics of participants are shown in Table 1. About questionnaire, researchers used an interview guide based on basic important questions about stewardship challenges of strategic purchasing. These questions were obtained from WHO, high-quality articles, and literature in strategic purchasing. Five experts in this field approved the questions. The questionnaire was tested on the participants not recruited in the study to confirm the order and number of questions in the interview guidelines. Interviews were carried out in the interviewees preferred time and space (for in-person interviews). The interviews were recorded by a digital voice recorder with the permission of the interviewees. Then they were transcribed word by word and analyzed a short time after the interviews.

Researchers assured the participants that their personal information would be kept confidential, their statements would be encoded in the article or any kind of publication, and their identity would be kept anonymous. The participants were informed that they could stop participating in the study at any time without any consequences. Informed consent was obtained from the participants.

The interviews ranged from 38 to 109 minutes based on the interest and tolerance of the interviewees. The average interview time was 55 minutes. Data collection lasted 11 months (from August 2014 to July 2015). Data collection was prolonged because of data analysis after each interview or FGD. The results were saturated before the last three interviews were done. The following criteria were used to increase the data credibility based on Lincoln and Guba's method [15]: allocating enough time to any interview or FGD to gain the trust of participants and prolonged engagement with the data; combining different methods of data collection, such as interviews, FGDs, observation, and transcribing; reviewing transcribed interviews and peer checking the codes and extracted themes and subthemes and reaching an agreement on them; and revision and approval of the perceptions from transcribed interviews by the respondents to remove possible ambiguities and respondent validity.

A framework [16], thematic [17], inductive–deductive analysis approach assisted by MAXQDA 10 was used for data analysis, which is a useful software for helping researchers to categorize and make sense of encoded parts of transcribed interviews [18]. First, all of the texts were coded. Then findings were extracted and allocated to different subthemes of the WHO framework for stewardship [2]. The same researcher carried out all the interviews. To enhance rigor and reliability, semistructured processes were used to conduct the interviews and analyze and interpret qualitative data [19].

Results

Challenges stated by interviewees were categorized into three themes and nine subthemes as classified by WHO in the *World Health Report 2000* [1,2]. Issues within every theme and subtheme are shown in Table 2.

Table 2 – The thematic framework explaining the themes and subthemes about challenges of implementation of strategic purchasing of health services in Iran.

Themes	Subthemes	Issues
Generation intelligence	Stakeholder involvement	• Lack of organization of stakeholders in developing and executing policies for strategic purchasing • Lack of enforcements and guarantees for rules and laws for managing stakeholders for strategic purchasing • Lack of knowledge and proper attitude of stakeholders about their role in purchasing health services
	Generation and management of information	• Lack of criteria for needed information for strategic purchasing • Lack of information management system for implementing strategic purchasing • Limited expert personnel for managing information related to strategic purchasing
Forming policy	Distinctive vision and specified plan	• Lack of clear vision and strategic plan for strategic purchasing • Multiple different controversial plans and priority settings for strategic purchasing based on purchaser goals
	Policy making and planning systems	• Weaknesses in decision-making system and evidence-based policy making • Diversity of policy makers in different purchasers with conflicting interest • Lack of monitoring and evaluating system for purchasers of health services • Lack of a unique decision maker stewardship for health system
Regulation	Protecting consumers and customers	• Lack of knowledge about patients' rights • Lack of hearing patients voice for purchasing health services • Lack of supervision canals for monitoring people's right • Unfair financial contribution of people (out of pocket payment affects strategic purchasing)
	Regulating providers' behavior	• Inequality of rules for purchasers and providers • Lack of MoH supervision on purchasers and providers
	In accordance with the program structure with no overlap	• Ambiguity in plans and strategies for reaching vision of health system that affects purchasing function • Too many decision maker centers for purchasing health services
	Accountability system	• Lack of plan progress report for community • Low participation of professional associations in policy making and decision-making • Ambiguity in role of nongovernmental organizations (NGOs) that can have a part in purchasing health care • Weakness in supervision rules for private, NGO, and nonprofit sector • Instability of managers that limits accountability
	Intersectoral partnership	• Lack of trust in insurance organizations • Conflict of interest of managers of MoH, because they work in both public and private sectors

Theme 1: Generating Intelligence

This theme includes two subthemes: stakeholder involvement and generation and management of information. An issue with stakeholder involvement is that interviewees thought that there was a lack of organization of stakeholders in developing and executing policies for strategic purchasing. They believe that the stakeholders involved in purchasing health services are not clear and they suffer from a lack of organization.

Another issue stated by the interviewees was a lack of knowledge and proper attitude of stakeholders about their role in purchasing health services.

Another issue was limited expert personnel for managing information related to strategic purchasing. Interviewees believed that Iran's health system suffers from a lack of informed experts who can manage information about strategic purchasing:

> "[T]hey don't have experts who are aware of the strategic purchasing or designing such a system. A major problem is that they don't have people who are skilled and experienced in their work. They cannot" (p. 3).

Theme 2: Forming Policy

This theme includes the following two subthemes: 1) distinctive vision and specified plan, and 2) policy making and planning systems.

There were two main issues extracted from experts' opinions on a distinctive vision and specified plan. First was a lack of clear vision and strategic plan for strategic purchasing. They thought a higher organization, in this case MoH, should clarify the vision, and once it was clear, it should be followed by a well-defined plan to reach the maximum benefit.

According to the experts, policy making and planning systems suffered from five important issues. First, they stated that there is a weakness in the decision-making system and in evidence-based policy making. Centralized decision-making with no attention to the environment of decisions and no attention to evidence-based approaches will cost the health system.

Some of participants stated that there is a lack of a unique decision maker about stewardship for Iran's health system. The deputy president of Strategic Planning and Control, Ministry of Health, the High Council of Health, the High Council of Insurance, Iranian Health Insurance Organization, the Ministry of Welfare, and the Social Security Organization all have a part in stewardship of health care in Iran. Sometimes the directions do not give the same opinion and there is always a potential conflict of interest. Interviewees believed that a single unique powerful steward could act more favorably and earn better health outcomes. But at the moment, there is not such a unique stewardship in Iran's health system.

> "One of our problems is that in this process—strategic purchasing—everybody looks at himself as a little part with no power to manage the situation. There is not such a powerful entity that can influence the others and make them act based on policies and rules" (p. 16).

Theme 3: Regulation

This theme includes five main subthemes with issues within every subtheme.

The first subtheme in this area is protecting consumers and customers. In this regard, four issues were stated by the participants. They thought that there was a lack of knowledge about patients' rights and also a lack of patients' voices heard in regard to purchasing health services. Interviewees believed that receivers of health services are not aware of their rights and this will decrease the quality of service delivery because no one listens to the customers' voices and processes improvement based on people's true expectations. Because the prime goal of strategic purchasing prime is to decrease costs and improve quality, it seems that people's low knowledge about their rights will affect strategic purchasing.

Another challenge was a lack of supervision channels for monitoring people's rights. While people may be unaware of their rights for numerous reasons, it is stewardship that should monitor and supervise people's rights. In this case, Iran's health system suffered a lack of supervision channels for monitoring people's rights.

Two main issues were stated by the interviewees in the subtheme "structure according to the program with no overlap." First, there is ambiguity in plans and strategies for reaching the vision of health systems, which affects the purchasing function. Second, there are too many decision-making centers for purchasing health services. The interviewees believed that there are too many decision makers in the health system that intervenes in the purchasing function. An accountability system was another subtheme. Participants declared five important issues in this domain. The first issue was a lack of plan progress reports for the community. They believed that proper periodic reports of the plan's progress are not available for the people. As one of the participants mentioned:

> "Have you seen ever that they present a report of their progress? Because they don't feel they are accountable to the people" (p. 11).

In addition, low participation of professional associations in policy making and decision-making was stated by many of interviewees. Associations such as medical association, which has great power and influence on physicians and many providers, do not participate effectively in the process of policy making and decision-making. Therefore, these associations do not feel responsible for obeying those policies. This will lead to a situation in which can have a part in purchasing health care as well as professional associations which addressed before is another issue.

> "Managers come and go and current managers blame former managers and they don't take the responsibility for their decisions" (p. 13).

Discussion

Despite the importance of the stewardship in health systems for achieving better health outcomes and reducing injustice [15], as well as the importance of strategic purchasing [16] in Iran, there are some issues. The results showed that there were serious challenges in all three areas of stewardship: generating intelligence, forming policy, and regulation.

Studies have been conducted in other countries to examine the experience of strategic purchasing of health services. In Cambodia, the policymakers and planners targeted the poor. In 2009, they designed plans for strategic health purchasing in which the poor received the most benefits and bore only a small part of the health costs. Cambodian policymakers planned to reduce the burden of health care costs for low-income families by reducing out-of-pocket payments. They used health equity funds to fulfill this purpose. Despite advantages such as better access and higher satisfaction, Cambodian planners faced challenges in stewardship during the plan implementation. The first challenge was a difficulty in identifying the needy and poor [17], because of a lack of access to right information to identify the very needy people.

The participants of the present study believed that identification of the poor and needy would be a major challenge for implementing strategic purchasing. It seems that the development of an effective information management system including all people's health information will be a solution to achieve benefits of strategic purchasing—a system in which the poor, needy,

wealthy, and healthy can be identified. In this regard, the introduction of the electronic health records can be a useful strategy. A management information system is necessary for better implementation of strategic purchasing [20].

Results of this study showed that there was no information management system that can help strategic purchasing in Iran. Evidence has suggested that there needs to be an online database including information about individuals, patients, purchasers, providers, and families to better manage strategic purchasing.

In Italy, *focused purchasing* through contracts was used as the strategic purchasing plan to rationalize expenses and reaching effectiveness and efficiency. Benefits such as economies of scale, macrosavings, and higher quality were obtained. Nevertheless, they were faced with a lack of commitment to the contracts [19]. This showed that there was no proper legislation to control the providers' behavior.

In the current study, the responsibility of insurance organizations or providers was among the challenges presented by participants. They believed that purchasers do not show any responsibility for people's health and have utilitarian for-profit attitudes. Results showed that the laws were not the same for various purchasers and providers. In this regard, poor stewardship damages competition and destroys effective motives for purchasers and providers. A lack of proper monitoring by the Ministry of Health on health care purchasers and providers was also one of the challenges expressed by the participants.

In this study, interviewees stated that purchasing is a professional job that requires knowledge of specialists who are rarely found in the present health system, especially in the purchasing organizations.

In 1994, contracting was used to achieve efficiency through the split of the purchaser and provider in New Zealand. Purchasers were asked to deal in a contract based on improving, maintaining, or restoring the health of the people. New Zealand's health system authorities found that the process of allocating resources for health care was not so clear. Because the government was the only purchaser, a lack of competition for purchasing was another issue. They also found that specialists working in public facilities were also working in private sector, and as a result there was no competition between public and private providers. Another challenge in New Zealand was about contracts. Clarifying items of contracts and close monitoring of agreements were time consuming and costly [20].

Participants stated that there may be access to strategic purchasing in the case of strong united stewardship. Nevertheless, there is no such stewardship at present. They believed that, because of a lack of united stewardship, each player uses his or her own language, and the playing field contains multiple actors who sometimes do not understand each other's language, which can cause conflict among them. This situation is consistent with what described by Wittgenstein in language game theory.

Therefore, it is suggested that a common language be created for strategic purchasing in Iran's health system to help purchasers and health system authorities to comprehend and implement this strategy appropriately and accordingly.

It seems that Iran has a long way to go to overcome the stewardship challenges in the health system for strategic purchasing. If stewardship finds its proper role, it can improve other aspects of strategic purchasing and facilitate and accelerate the implementation process of strategic purchasing.

Conclusions

Because of a lack of resources and the increasing demands, strategic purchasing is considered a priority for Iran's health system. According to the results of this study, the most basic step seems

to be establishing a proper stewardship that can direct strategic purchasing to desired potential goals. A comprehensive online information management system about purchasers, providers, and people is another key for improving strategic purchasing stewardship. Reaching a clear agreed-upon definition of strategic purchasing and its requirements on which all stakeholders of Iran's health system agree is yet another basic step. It seems that if all stakeholders in the health system take part in the plan, the possibility of success will be greater.

REFERENCES

[1] World Health Organization. The World Health Report 2000: Health Systems: Improving Performance. Geneva: World Health Organization, 2000: 56–79.

[2] Travis P, Egger D, Davies P, Mechbal A. Towards Better Stewardship: Concepts and Critical Issues. Geneva: World Health Organization, 2002: 2–48.

[3] Biglar M, Bastani P. The challenges of stewardship in medical education system: a qualitative approach. Payavard Salamat 2013;7:299–311.

[4] Ribera J. Managing health systems for better health: the stewardship function of health ministries. Eurolac Conference IV, held in February 2002 in Malaga, Spain. Estudios y Ediciones IESE; 2002.

[5] Busse R, Figueras J, Robinson R, Jakubowski E. Strategic purchasing to improve health system performance: key issues and international trends. HealthCare Papers 2007;8:62–76.

[6] Secretariat of the Council Policy Making and the Health Sector Reform. Status of Iran Health System: Challenges and Solutions. Tehran: Ministry of Health and Medical Education, 2008.

[7] Tahani B. Stewardship of national oral health system in Iran: its strengths and weaknesses. Arch Iran Med 2013;16:717.

[8] Figueras J, Robinson R, Jakubowski E. Purchasing to Improve Health Systems Performance. London: McGraw-Hill Education (UK), 2005.

[9] Ghoddoosi-Nezhad D, Janati A, Zozani MA, et al. Is strategic purchasing the right strategy to improve a health system's performance? A systematic review. Bali Med J 2017;6:102–13.

[10] Janati A, Nejad DG, Doshmangir L, Imani A. Challenges of implementing strategic purchasing of health services in Iran: a qualitative study. Acta Med Mediterranea 2016;32:1033–8.

[11] Preker AS. Public Ends, Private Means: Strategic Purchasing of Health Services. Washington, DC: World Bank Publications, 2007.

[12] Preker AS, Langenbrunner J. Spending Wisely: Buying Health Services for the Poor. Washington, DC: World Bank Publications, 2005.

[13] Doshmangir L, Rashidian A, Ravaghi H, et al. The experience of implementing the board of trustees' policy in teaching hospitals in Iran: an example of health system decentralization. Int J Health Policy Manage 2015;4:207.

[14] Walker JL. The use of saturation in qualitative research. Can J Cardiovasc Nurs 2011;22:37–46.

[15] Guba EG, Lincoln YS. Competing paradigms in qualitative research. Handbook of Qualitative Research. In: Denzin NK, Lincoln YS, eds., Thousand Oaks, CA: Sage Publications, 1994: 163–94.

[16] Johnson RB, Onwuegbuzie AJ. Mixed methods research: a research paradigm whose time has come. Educ Res 2004;33:14–26.

[17] Braun V, Clarke V. Using Thematic Analysis in Psychology Qualitative Research in Psychology, 3. Bristol: University of the West of England, 2006:77–101.

[18] Schönfelder W, ed. CAQDAS and Qualitative Syllogism Logic—NVivo 8 and MAXQDA 10 Compared. Forum Qualitative Sozialforschung/Forum: Qualitative Social Research; 2011.

[19] Carey JW, Morgan M, Oxtoby MJ. Intercoder agreement in analysis of responses to open-ended interview questions: examples from tuberculosis research. Cultural Anthropol Methods 1996;8:1–5.

[20] Asefzadeh S, Rezapour A, Ghodusinejad J. Cost analysis of information generation in Alborz Healthcare. J Guilan Univ Med Sci 2010;19 (74):29–38.