

# The Southeast Asia Strategic Health Purchasing Registry: Launch Event

Post-Event Summary Report

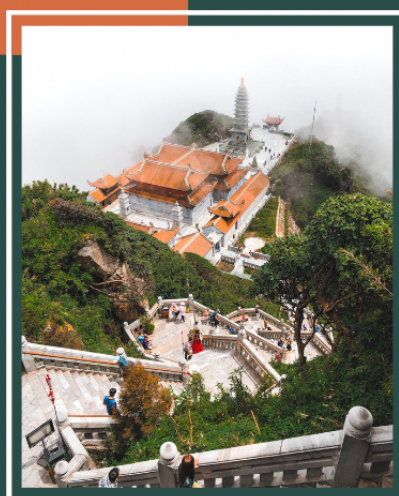
17 February 2023

<https://blog.nus.edu.sg/searchsp>

The Southeast Asia  
Strategic Health  
Purchasing Registry:  
Launch Event

17 February 2023  
3:30-5PM SGT

Shaw Foundation Alumni  
House Auditorium, Level 2



Saw Swee Hock  
School of Public Health

BILL & MELINDA  
GATES foundation

# I. Introduction

This document outlines the launch of the Southeast Asia (SEA) Strategic Purchasing Registry. The SEA Strategic Purchasing Registry was developed by the SEARCH (Southeast Asia Regional Collaborative for Health) network. SEARCH is a mutual learning and knowledge-sharing network aiming to enhance uptake and understanding of Universal Health Coverage (UHC) in the region. SEARCH is focused on health systems strengthening in Southeast Asia, with strategic health purchasing and primary healthcare as primary focus areas.

Recently, there has been a greater focus on strategic purchasing as a tool to strengthen healthcare systems and enable UHC worldwide. Strategic purchasing maximizes health expenditure through evidence-based resource allocation – such as data on an individual country’s needs, healthcare provider performance and evaluation of past purchasing decisions. SEARCH aims to consolidate the research, resources and stakeholders involved in strategic purchasing across Southeast Asia.

SEARCH’s strategic purchasing focus area has conducted a descriptive overview of health purchasing mechanisms of Southeast Asia. The findings of this landscape overview are presented in an **online registry** ([www.blog.nus.edu.sg/searchsp](http://www.blog.nus.edu.sg/searchsp)). The registry provides a starting point for further comparison and evaluation of strategic purchasing across ASEAN health systems. Through further cross-country collaboration, ASEAN governments will be able to learn from each other on best practices to maximise health system efficiency and to purchase strategically.

The registry was developed by **researchers from the National University of Singapore** - Dr Jeremy Lim, Dr Swee Kheng Khor, Ms. Capucine Barcellona, Dr Abhishek Bhatia (intern) and Ms. Gugma Vidal (intern) - and **ASEAN Country Convenors** - Dr. Thu Ha Nguyen, Dr Khairol Asmiee Pg Hj Sabtu, Dr Ryan Rachmad Nugraha, Dr Theepakorn Jithitikulchai, Mr. Maximillian Ventura and Dr Aznida Firzah Abdul Aziz.

The registry is the first known repository of health purchasing information for the whole of Southeast Asia. The registry will continue to be updated as progress in strategic purchasing is made regionally and as health systems are restructured.

## II. Event summary

A launch event for the online registry was held at the National University of Singapore (NUS) on Friday February 17<sup>th</sup>. The launch event took place in a hybrid format (in-person and Zoom) and brought together health systems experts, government officials, researchers and other stakeholders from across the region. The launch of the registry was followed by an expert panel discussion of challenges and opportunities for strategic health purchasing in ASEAN.

### **IIA. Opening remarks (Dean Teo Yik Ying, Saw Swee Hock School of Public Health)**

The launch event began with opening remarks from Professor Teo Yik Ying, Dean of the Saw Swee Hock School of Public Health. In his speech, Dean Teo underscored the importance of strategic purchasing as a driver of sustainable and efficient healthcare financing and ultimately, Universal Health Coverage. Dean Teo emphasised that the registry is not a Singapore-focused initiative; collaboration must take place between the Saw Swee Hock School of Public Health, regional governments and corresponding units for financing, drug procurement and primary healthcare. The success of SEARCH will require buy-in from governments and other stakeholders. Prof Teo gave special recognition to the Bill & Melinda Gates Foundation for funding the early stages of the work.

### **IIB. Launch of the Registry (Ms. Capucine Barcellona, Saw Swee Hock School of Public Health)**

The registry was launched by Ms. Capucine Barcellona from *the Leadership Institute of Global Health Transformation*, Saw Swee Hock School of Public Health. In her speech, Ms. Barcellona contextualised the registry within the broader goals of SEARCH – namely the advancement of UHC in Southeast Asia. Inefficiencies in purchasing for health, resulting from inadequate information systems and fragmented purchasing schemes, could be significantly reduced through strategic purchasing. The implementation of effective strategic purchasing across ASEAN could therefore be an important enabler of UHC.

The registry gives a comprehensive overview of health financing, purchasing and procurement systems in each ASEAN country in order to provide a basis for cross-country comparisons. The goal of the registry is therefore to increase understanding of the regional health purchasing landscape. Using the registry, SEARCH aims to develop country- and regional-level policy recommendations for improving strategic health purchasing.

Three preliminary findings from the registry were shared.

First, it was found that there is a high diversity in health financing and purchasing mechanisms across ASEAN. This may pose some challenges to cross-country

collaboration, but knowledge-exchange networks can offer the opportunity to learn from best practices.

Second, ASEAN countries are in different stages of strategic purchasing implementation. Overall, strategic purchasing is still in its early stages in the region. Innovators like Indonesia, Singapore and the Philippines are experimenting with new provider payment mechanisms and health insurance schemes; learners like Cambodia and Lao PDR are implementing health financing reforms which could enable increasingly strategic purchasing; other countries like Brunei and Myanmar have yet to implement steps toward strategic purchasing, but are studying other countries' experiences in the area.

Third, health data systems in ASEAN low- and middle-income countries are not yet sufficiently to support strategic purchasing for the entire health system. Better IT capabilities and clinical, financing and health system data will be a necessary enabler for strategic purchasing.

### **II.C. Presentations from Country Convenors – Thailand and Vietnam**

Two SEARCH Country Convenors – **Dr Theepakorn Jithitikulchai** from Thailand and **Dr Nguyen Thu Ha** from Vietnam, – shared presentations in the format of pre-recorded videos.

Dr Jithitikulchai shared about the development of the registry through in-depth literature reviews and interviews with policymakers and academic experts in Thailand. The preliminary findings from the registry indicate that the National Health Security Office (NHSO) in Thailand is a champion of UHC and strategic purchasing thanks to health financing reforms in recent years. However, other social health insurance schemes in Thailand currently show no evidence of strategic purchasing.

Dr Nguyen also overviewed the research process for the registry, including desk-based research and stakeholder interviews in Vietnam. The primary mechanisms of health purchasing are the Vietnamese Social Health Insurance (SHI) scheme and the State Budget, which both feature some elements of strategic purchasing yet do not select providers strategically nor link health system evidence to future purchasing decisions.

### **IID. Panel discussion**

The launch of the registry was followed by a panel discussion featuring experts in healthcare financing, health procurement and strategic purchasing as guests.

We were honored to have with us in person Mr. Chan Beng Seng from ALPS Ltd (Singapore) and Mr. Sebastian Chua from the Health Promotion Board (Singapore). Attending virtually were Mr. Charlie Villaseñor from the Procurement And Supply Institute of Asia (Philippines), Dr Hasbullah Thabrany from the Indonesia Health Financing Activity (Indonesia), Dr Muhammed Anis Bin Abd Wahab from the Ministry of

Health (Malaysia) and Dr Bouaphat Phonvisay from the Lao PDR National Health Insurance Bureau (Lao PDR).

**Mr. Chan Beng Seng** shared valuable insights on Singapore's recent progress toward strategic purchasing. Five years ago, the Singapore public healthcare system was buying its medical supplies separately, with each entity conducting its own procurement. To centralise the purchasing of pharmaceuticals and supplies, ALPS Ltd was formed as the purchasing agent for Singapore's three regional health clusters – the National University Health System (NUHS), SingHealth and the National Healthcare Group (NHG). ALPS now collaborates with the regional clusters and the Ministry of Health on pricing, distribution and contracting of drugs, medical devices, consumables, facilities management and supplies across public healthcare. The timely establishment of ALPS prior to the COVID pandemic facilitated the bulk purchasing of supplies for Singapore's public healthcare. Beyond scaling up joint procurement, Singapore is working on linking its healthcare financing policies with decisions on purchasing. There are ongoing reforms in provider payment mechanisms for the three public healthcare clusters and, as part of HealthierSG, of select private General Practitioners (GPs) to incentivise preventive and cost-effective care.

**Mr. Sebastain Chua** discussed some internal and external challenges faced in the health purchasing and procurement sector. Mr. Chua outlined the CARE framework for purchasing ethically. The four cornerstones an agency must uphold when purchasing include Customer experience, Accountability, Relationships and Empathy. Procurement agencies must understand the needs and motivations of stakeholders and empathise with those they are working with. This will enable better internal practices for procurement and protect against external pressures on the health system, such as inflation.

**Dr. Hasbullah Thabrany** commented on the state of Indonesia's health purchasing system. Indonesia has started using a capitation payment model for primary health care; healthcare providers are given a set budget which covers consultations, supplies and medical supplies. These healthcare providers must produce outcomes measured through diagnosis, treatment and recovery rates for selected interventions. Strategic purchasing was only recently introduced to Indonesia, and there is a current focus on utilising strategic purchasing for tuberculosis treatment due to Indonesia's high burden of disease.

**Mr. Charlie Villaseñor** discussed challenges to strategic purchasing in the Philippines and general good practices to be implemented across Asia. There is currently rampant corruption in the Filipino health industry; procurement enforcement mechanisms and other governance standards must be implemented as a prerequisite for strategic purchasing. Developing areas in the Philippines include assurance of supply, regulatory

compliance, quality of service and innovation. Stakeholders need to be trained to understand strategic purchasing, and digital technology must be adapted and improved across health financing activities.

**Dr. Muhammed Anis** discussed Malaysia's challenges in the implementation of strategic purchasing. Malaysia remains a passive purchaser in health financing, demonstrating an absence of quality monitoring and provider selectivity. There were five challenges presented: 1) the lack of cost-effectiveness and technology assessments for benefit packages, 2) limited provider capacity to deliver healthcare services, 3) limited flexibility to meet the needs of the population, 4) the need to ensure equity for vulnerable groups, and 5) the need to align strategic purchasing objectives with the objectives of the Ministry of Finance.

**Dr Bouaphat Phonvisay** was regrettably unable to share due to technical issues. We thank Dr Phonvisay for her attendance and guidance through the development of the registry.

## **IIE. Audience Question & Answer Session**

The panel discussion was followed by an audience Question & Answer session. Questions from in-person and online attendees were collated using PollEverywhere. Relevant and commonly-asked questions were posed to the panel speakers. A summary of each question and panelist response is below.

### **Q1: What are your thoughts on establishing a regional procurement office in ASEAN? What are the challenges and opportunities for such an initiative?**

*Dr. Hasbullah Thabrany:* The establishment of a regional procurement/purchasing entity will vary depend according to *what* is being purchased. Purchasing for healthcare services would be difficult to implement regionally, but the procurement of drugs could be. However, strategic purchasing goes beyond the mere procurement of medicines or supplies. Strategic purchasing aims to link provider payment and service packaging with outcomes at a population-level. Large-scale procurement of drugs could facilitate efficiency, but it is only one element to be considered. In this regard, strategic purchasing cannot be *fully* implemented at a cross-country level.

*Mr. Charlie Villaseñor:* Centralised procurement has several meanings. There is a significant opportunity to centralise, but there are also other approaches. The key element is strategic sourcing – aka getting the most advantageous deal. Even with centralisation, some units will still work with their favorite suppliers, both appropriately and inappropriately. Therefore, technology such as electronic catalogues and category management can be instituted.

*Mr. Chan Beng Seng:* There are many issues to work through for regional collaboration, but it is an interesting idea with potential. In which area of purchasing could this work?

It will not work for *all* health purchasing categories. But we could ask, are there one or two areas where is a case to doing things together on a regional level? We also have to consider that some suppliers may not like the idea, for example, if there are separate suppliers in different countries. This is part of considering what is possible and what is not.

*Mr. Sebastian Chua:* We first need to understand the definition of demand aggregation – where you aggregate all the demands and hopefully get better value for money. But a sector or country must consider if they are able to commit the volume for such large purchases.

**Q2: How do you overcome differences between end-user demands and costs? For example, in financing expensive interventions, treatments or medicines (e.g. biologics for cancer).**

*Dr. Hasbullah Thabrany:* There is always uncertainty in healthcare needs in terms of time, volume and location. Therefore, healthcare financing should be public financing – we cannot rely on individual financing. Public financing can be government-funded like in the Malaysian model, or combine government- and non-government. The delivery of care for expensive treatments such as cancer can be done by private or public providers. In Indonesia, risk is pooled in a national scheme and contributions are set according to income level. The delivery of healthcare is then determined by the level of need and not the level of contribution. But this cannot be the case for private health insurance. Only public financing can ensure appropriate equity levels: even if the poor contribute low amounts, if their healthcare needs are high, they still have the right to treatment. That is the way that all countries should go. There are only two options: public provision like in the Malaysian system, or the option of national risk-pooling as in Indonesia and Vietnam.

*Dr. Muhammed Anis:* Public financing has to be the predominant model. That is the only way to ensure equity and the provision of healthcare according to need. Financing for this can be through general taxation or through a contributory system. Currently Malaysia is looking at both concepts and seeing what makes sense in terms of political, technical and financial feasibility.

**Q3: What are the benefits of having a common registry rather than each country doing one themselves?**

*Ms. Capucine Barcellona:* There is limited knowledge and cross-country collaboration on strategic purchasing. Countries in ASEAN are currently experimenting and setting up their own systems – such as what Singapore is doing with ALPS, or how Malaysia is considering healthcare financing reforms. There is currently no platform for knowledge exchange on the topic, and we hope to build such a platform through SEARCH. We

believe that collaboration and mutual learning opportunities will help all countries in the region.

#### **II.F. Summary and concluding remarks**

At the conclusion of the event, Ms. Barcellona reminded the audience that strategic purchasing was selected as a SEARCH area of focus due to its potential to support UHC. Strategic purchasing is a means to an end, and not an end in itself. There are opportunities to collaborate and maximise health system efficiency across ASEAN, and SEARCH's future activities hope to leverage on these opportunities.

### **III. Conclusion**

Following the successful launch of the registry, the SEARCH network is moving on to *evaluate* Southeast Asian countries' performance in strategic purchasing and to *develop policy recommendations* at the country- and regional-level, emphasizing the need for cross-country collaboration in health financing. These recommendations will be presented in a policy report to be published within 2023. Further network-building and engagement activities are also planned featuring academic experts, private sector stakeholders, government stakeholders and other global health financing networks.

### **IV. Acknowledgments**

We thank the following Country Convenors for their research and network-building efforts in developing the registry: Dr Thu Ha Nguyen, Dr Khairol Asmiee Pg Hj Sabtu, Dr Ryan Rachmad Nugraha, Dr Theepakorn Jithitikulchai, Mr. Maximillian Ventura, Dr Aznida Firzah Abdul Aziz.

We thank the NUS research team leading the development of the registry: Dr Jeremy Lim, Dr Swee Kheng Khor, Ms. Capucine Barcellona.

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We thank other members of the SEARCH network currently or previously based at the National University of Singapore: Dr Helena Legido-Quigley, Mr Foo Chuan De, Ms Monica Verma, Ms Pami Shresta, Ms Melisa Tan, Dr Abhishek Bhatia and Dr Tan Si Ying.

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