Health Intervention and Technology Assessment Program (HITAP)

Policy Brief

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Using Financial Mechanisms to Develop a Quality and Outcomes Framework: Issues and Challenges

In the fiscal year of 2014, the National Health Security Office (NHSO) started to disburse its budget based on the Quality and Outcomes Framework (QOF). The QOF is a budget allocation mechanism that incentivizes hospitals to provide quality primary care and achieve results based on the defined indicators. A study conducted in 2015 showed that using QOF can help improve quality care and services. However, this project should be improved in terms of management and the indicators used. This includes developing a system for monitoring and evaluating the program as well as determining how to overcome problems and obstacles by using evidence to assist decision-making.

Getting to know QOF

What is QOF?

The QOF is a budget allocation mechanism that incentivizes hospitals to provide quality primary care and achieve results based on the defined indicators.

When was it initiated?

The QOF has been implemented since 2014 by the NHSO.

Research result

Based on the study on current situation, the QOF is able to promote quality care and services. However, it still faces issues in terms of appropriate management, indicators, and budget allocation.

Areas of improvement to make the QOF more effective

QOF

- Separate the QOF budget from capitation payment
- Develop appropriate indicators based on evidence, transparency, and stakeholder input
- Develop an information system and information technology
- Develop the capacity of primary care units to deliver quality care

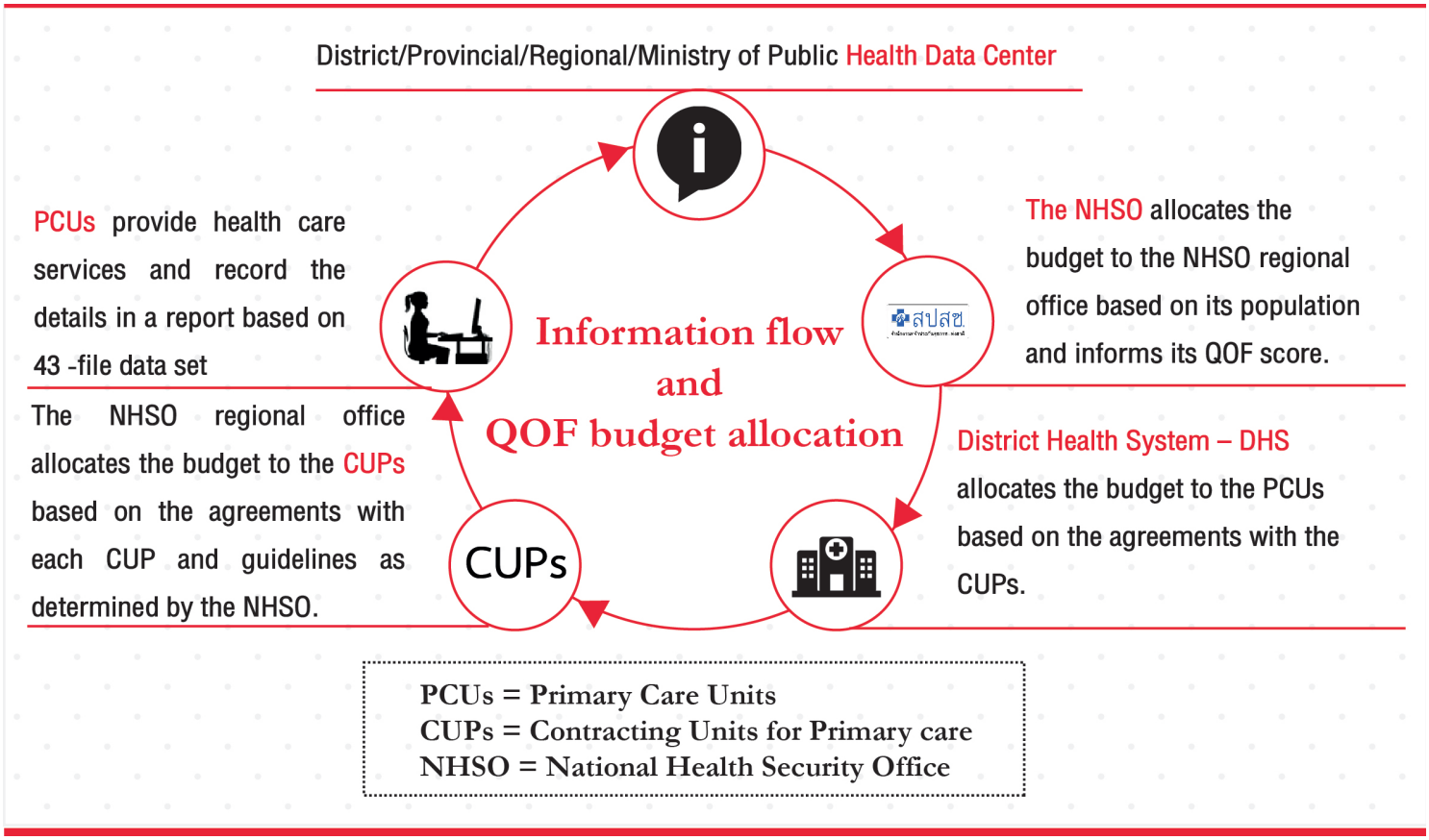
The Ministry of Public Health and National Health Security Office should manage the QOF together on a policy-making level (joint ownership of the program).

(For more details, please read the full article)

What is QOF and how does it work?

The QOF is a pay for performance scheme that has been used in the United Kingdom health care system since 2004. Due to its success in improving the quality of care provided, the NHSO decided to implement this scheme in Thailand after making the appropriate adjustments for the local context.

The outputs of primary care units based on the defined indicators are used to calculate a QOF score which is used to allocate additional budgets. The NHSO does this by primarily using data from the Report on Providing Health Care Services of Hospitals under the Ministry of Public Health (based on 43-file data set). That is, whenever a primary care unit delivers services, the details of the service are recorded and sent back to data center at each level starting from the district, provincial, regional, and to the Ministry of Public Health database respectively. For budget allocation, the NHSO reserves a certain amount of capitation payment, which is for providing services to outpatients, health care promotion, and disease prevention, to be used for the QOF. These amounts are allocated to each region based on their population. Then the Regional Health Security Sub-committee (คณะอนุกรรมการหลักประกันสุขภาพเขต-อปสข.) allocates budget to contracting units for primary care (CUPs) based on the QOF score and agreements with each region. After that, the District Health System – DHS will allocate the budget to the primary care units (PCUs) based on the agreements reached with each CUP (as seen in the diagram).



Study on the current QOF situation in Thailand

Currently, the NHSO operates the QOF under the universal health coverage scheme in Thailand. The basis for the study on the current situation, effectiveness, and issues and challenges of the QOF was due to the differences in resources, basic structure, and context when compared to the country where the scheme was first used, as well as the large budget allocated for disbursing to primary care units based on pay for performance in the QOF. Hence, the NHSO delegated the Health Intervention and Technology Assessment Program (HITAP) to conduct a study in 2015 by utilizing in-depth interviews and focus groups. Those who provided the information consisted of senior management, officers, and health care providers in related agencies. Documents were also reviewed in collecting secondary data.

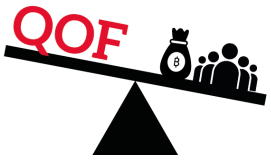
Challenges in using the QOF Framework

The study found that health officers at the provincial and district levels as well as primary care units believed that the QOF is capable of spurring improvement in the quality and results of primary care services for the long term. At the same time, the QOF is able to create a network of primary care providers and develop a robust system for patient refers between hospitals. However, the QOF experienced some challenges such as incorrect data on care provided based on the reporting system of the Ministry of Public Health – both done intentionally and from officers' IT skills limitations. In addition, many counties were still primarily allocating the budget set by the QOF to their primary care units based on the size of the population and other variables rather than QOF score, such as the financial status of the hospital. With these reasons, the QOF budget did not accurately reflect the actual quality of primary care.

Reasons why the QOF score and incentive do not accurately reflect the actual quality

Information about the service provided is recorded differently in the reporting system than the actual service provided.

The staff does not have adequate IT skills.



The Regional Health Security Sub-committee allocates the budget based on the size of the population (the QOF score has very little impact)

Barriers to using financial mechanisms to improve the quality of service

The challenges highlighted above is related to many factors, particularly the design and management of the QOF. Other related factors include the lack of strong cooperation between the NHSO and the Ministry of Public Health in developing policy, e.g. quality indicators and other various requirements, the prioritization of health problems, allocating the required resources, and developing staff capability as well as the basic infrastructure in operating the QOF and providing primary care.

Barriers in implementing the QOF

The Regional Health Security Sub-committee determines the guidelines for allocating incentive to the primary care units via prioritizing other factors over the QOF score.

No specific budget for improving the quality of primary care, on the other hand, sharing from capitation which is for outpatients, health care promotion, and disease prevention.

Communications between related agencies are not clear. As such, providers do not understand both policy and operational practices.

Indicators development are not based on evidence and lack stakeholder involvement.

The electronic reporting system are not trustworthy, lack quality controls, and do not support hospitals that are unable to manage data.

Policy Recommendations

The Ministry of Public Health and the NHSO should manage the QOF together at the policy level or should have ownership of the QOF together. This is because managing primary care falls under the responsibility of both organizations. At the same time, it would be easier to request for an additional budget for improving the quality of primary care without sharing from capitation.

Recommendations for the next steps of QOF:

- Allocate a separate budget for the QOF from the capitation payment to encourage primary care providers in improving the quality of care.
- Develop quality indicators based on evidence via a transparent process that involves all stakeholders.
- Improve the information systems and the IT systems at the Ministry of Public Health in order to get trustworthy data that can be utilized for valuable purposes.
- Develop the capacity of primary care units in order to provide quality care.

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For more information, please visit http://www.hitap.net/research/163354

This paper is a part of a research project entitled developing health care quality indicators and improving the QOF program for the Thai Universal Health Coverage – Part 1 by Roongnapa Khampang, Sripen Tantivess, Sarocha Chootipongchaivat, Juntana Pattanaphesaj, Rukmanee Butchon, Natthida Malathong, Boontharika Rachatasetanant, and Yot Teerawattananon

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