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## Choosing the Best Service Delivery Mechanism

While there may be many different ways of preventing or treating a health problem, few are likely to be feasible, either because of cost or other constraints. However, there may still be some choices, such as what level of provider (nurse or doctor) will provide the service. In the case of prevention, there are often several options and there may be more liberty to use different mechanisms. Both in terms of treatment and prevention, there may also be new options that can be piloted.

Several factors can be used in a full appraisal of options, and the process can be quite complex. (*See Green, 1999.*) At the district level, it is better to select a limited range of options and then to choose a few important and simple criteria to determine the most appropriate among them. It may not be necessary to have precise answers to the criteria, a “high”, “medium” or “low” answer will often be sufficient.

It will be necessary to have some important information at hand when reviewing the options, such as the following:

- The amount of budgetary funding likely to be available (normal budget and conditional grants) through the medium-term expenditure framework (MTEF).
- The proposed service platform plan<sup>5</sup>.
- Performance last year in terms of implementing objectives, and what lessons should be taken into account in reviewing service delivery options.

In selecting a short list of options available, the most important questions to ask are:

- Is it approved under DOH policy and in service delivery guidelines<sup>6</sup>? Or can it be tried as a pilot?
- Is it legally feasible? For example, are the staff qualified and approved?
- Is it administratively feasible based on other government policies<sup>7</sup>?

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<sup>5</sup> Cost effectiveness analysis should also be used in analysing service platform options.

<sup>6</sup> For example the PHC Package and Norms and Standards and the TB Service Guidelines.

<sup>7</sup> For example the Public Finance Management Act and Municipal Finance Act (under development), Certificate of Need and PPP Guidelines, National and Provincial Health Acts.

- Is the DOH already locked into a particular mechanism because it is covered under an existing service level agreement or contract, or an agreement with a municipality under an integrated development plan.

**Any option that does not satisfy all of the above questions should be eliminated.** The remaining options on the short list can then be subjected to the following criteria:

- What is the likely success rate in terms of preventing or curing the problem?
- How cost-effective is it?
- How affordable is it in terms of overall funding and specific resources (e.g., doctors)?
- What are the likely knock-on effects? For example, will treating one condition more successfully lead to a greater demand for other services?
- Is it acceptable to the community and to health workers?
- Is it equitable in terms of access and quality?
- Is it likely to reach the target group (e.g. women)?
- How well will it reach the target groups?

Table 7 provides an example of how these criteria can be set out and how each option can be ranked.

**Table 7. Pulmonary TB treatment - service delivery mechanism criteria (illustrative)**

Priority Ranking	Mechanism	Likely success rate	Cost effectiveness	Affordability	Knock – on effects	Acceptability	Equity	Reaching target group
1	DOTS	Medium	High	High	Low	High	High	High
2	Hospital	High	Medium	Low	Low	Medium	Medium	Medium
3	Etc							

*(Note that the above “scores” are examples only and are not real)*

This process of selecting the most appropriate option should also be applied to the support services. For example, cost-effectiveness and affordability criteria should be applied to determine which additional drugs should be bought or which information technology system to install.

Since there will rarely be enough resources to meet health needs and demands, it will always be **important to allocate the available resources as cost-effectively as possible**. Effective allocation is “doing the right thing”, as opposed to efficiency, which is “doing the thing right”. The selection of priorities is the first step in ensuring effectiveness, and the choice of mechanisms is the second step. The cost-effectiveness of each option can be determined by comparing the cost per outcome. Simple outcomes should be used, such as patients likely to be successfully treated or children immunised. The numbers of outcomes should be estimated and then divided by the total cost of resources, which gives a cost per outcome. For example, the cost per patient of providing TB treatment may be relatively low if little effort is spent on following up potential defaulters, but the cost per successful treatment will be relatively high because few patients may be cured.

Another example of cost-effectiveness relates to economies of scale. Economies of scale result when fixed resources can be used to achieve increased outcomes. An example is where a specialist health care provider, such as a paediatrician, is based in a facility where his or her time is fully used. Locating such specialists at hospitals, where there are many referral patients, is likely to be more cost-effective

than locating them at clinics, where there are fewer patients and their time is less than fully used. It is important, however, to take into account any negative impacts on patients, such as reduced access to poorer members of the community due to having to travel greater distances for care.

The analysis of causes of the problems mentioned in Section 3 is also important, as some problems may have the same cause. Also, addressing the cause may have different cost and resource implications than only treating the effects. It is possible that certain activities can be combined, for example, a media campaign for family planning and one for HIV/AIDS. The problem tree shown in Figure 1 can be used to identify common causes and should be completed as part of the situation analysis. If possible, put the most influential causes at the top.

Examples of increased cost-effectiveness might be:

- Development of day surgery in a CHC to reduce inpatient care at a hospital;
- Care for HIV/AIDS cases in the community, rather than in the hospital;
- Using lower level providers for treating simple ailments;
- Rationing of lower-priority services (e.g. adult minor ailments);
- Expanding mobile services instead of building a new clinic;
- Using lower-cost generic drugs.

When the appropriate option(s) are selected for each objective, the number and cost of each type of resource needed should have already been identified as part of the process. The next steps will be to estimate the total amount of resources available and adjust the objectives to match the resources.