



THE HEALTH SYSTEMS TECHNICAL EFFICIENCY GUIDE: Frequently Asked Questions

Demand for health care is growing just as continued donor support is becoming less certain. In response, health system stakeholders in low- and middle-income countries (LMICs) are interested in pursuing strategies for domestic resource mobilization. According to global stakeholders, of these strategies, improving the efficiency is one of the most promising (Barroy et al. 2017). Many existing health system resources (Glassman et al. 2017, WHO 2018, Jamison et al. 2018) help LMIC governments improve **allocative efficiency**: investing in a mix of health care goods and services that reflects the preferences of the populations. Fewer resources focus on **technical efficiency**: achieving better health outcomes using as few inputs, at as low a price as possible, in the production process.

To fill this gap, the USAID-funded Health Finance and Governance (HFG) project developed this Health Systems Technical Efficiency Guide (TEG). It is intended to help health system stewards in LMICs begin improving the technical efficiency of health spending. This Frequently Asked Questions clarifies questions about the TEG's application within the policy process and value for LMIC stakeholders.

Interested in the TEG? Please access it through the HFG website: <https://www.hfgproject.org/technical-efficiency-guide/>.

1. What is the guide?

The TEG is intended to help ministries of health (MOHs) look across the health system and prioritize areas of technical inefficiency that are likely to yield efficiency gains in the short term (1-5 years). It helps users

- ▶ Understand technical inefficiency from a health systems lens and identify multiple entry points for addressing complex and intersecting sources of inefficiency
- ▶ Lead a rapid, evidence-informed, multi-stakeholder assessment process
- ▶ Prioritize areas for targeted quantitative analyses needed to design and implement solutions
- ▶ Overcome technical or political paralysis and build organizational commitment for addressing technical inefficiencies in prioritized areas

In sum, this guide is meant to be the first step in countries' journey to improve technical efficiency.

2. What is the guide not?

The guide is not a comprehensive, all-in-one resource for addressing technical inefficiency. It is also not a deep, micro-level, methodologically rigorous research analysis of inefficiencies.

3. Who is the intended user of the guide?

The primary audience of this guide are ministries of health (MOHs) in LMICs that seek opportunities to improve technical efficiency across the health system. The planning or similar department within the MOH is the likely lead user of the guide. Steering group members and technical staff will come from, or



be supervised by, this department. The steering group is responsible for obtaining a mandate to use the guide from senior leadership in the MOH, leading the prioritization process, and, with results in hand, assigning responsibility for next steps to other actors – likely those in the health department whose responsibilities overlap with the prioritized area of inefficiency. The steering group could be either a newly formed group or an existing technical working group (e.g. health financing or health systems technical working group). If newly formed, the steering group should include representation from each of the [WHO health system building blocks](#), in addition to other key health sector stakeholders. The group should include no more than 10-12 people.

Health researchers or stakeholders interested in deepening their understanding of technical efficiency in health systems may also find TEG resources and recommended processes useful.

4. Who are the other stakeholders involved in the guide assessment?

The steering group will involve many other stakeholders including other departments/units within the MOH, auditors within the MOH and ministry of finance, and MOH leaders, and partners from the private and development sectors.

5. What do guide users get from the process?

Through the guide process, users produce a short list of inefficiencies that are prioritized through an evidence-informed, multi-stakeholder process, and that demonstrate: 1) relevance, 2) relatively large magnitude of loss due to inefficiency, and 3) potential for efficiency improvement from technical, political, and operational perspectives. The TEG also provides resources for communicating the results of this prioritization process, for articulating how health system problems can lead to technically inefficient spending, and for empowering the stakeholders responsible for making the change with strong arguments for advancing efficiency reform in the areas prioritized.

6. What is the guide's analytical approach? What "evidence" does it generate and apply?

The guide aims to drive a flexible, evidence-informed prioritization process that extends across the health system. Despite its broad scope, stakeholders should be able to complete it in about three months. Thus, the guide employs an informal data collection and synthesis approach. Specifically, it draws upon a context-specific interpretation of quantitative data to assess relative size of loss due to each inefficiency. It also draws from interviews to understand systems-level sources of the problems identified and the feasibility of advancing reform and achieving efficiency gain.

7. What content is covered in the guide?

The guide is organized into four clusters: Service Delivery, Health Workforce, Pharmaceutical Products, and Financing and Governance. These clusters roughly align with the WHO health system building blocks, with information systems treated as a cross-cutting issue. These clusters are broken down into 14 modules, and 34 inefficiencies, each of which aligns with a technical inefficiency common in LMICs and its sources. This list was compiled through extensive literature review and expert consultation.



8. What are the steps involved in using the guide? What is the anticipated timeline and resource needs?

The steps for using the guide are summarized in Table 1. These steps cover both technical and political aspects of the process. While the timeline and resource needs for completing the process are likely to vary by context, Table 1 presents estimates. Stakeholders will likely need about three months to complete the process. As for resources, each steering group member will need about five days of time, and two supporting technical staff will likely each need about 20-25 days during this three-month period. In addition, the steering group will need resources to host one half-day and one full-day event for 20-30 stakeholders.

Table 1. Steps in the Technical Efficiency Guide Process

Steps	Description of steps
1. Explore guide	<ul style="list-style-type: none"> • Responsible actor: MOH planning unit or related staff • Action: Browse the TEG website to get a sense for how the most common inefficiencies in LMICs are organized; determine the relevance of the guide in your country/region • Work results: Interest in guide. • Resources: 2 hours for interested actors • Timeline: 1 week
2. Initiate process	<ul style="list-style-type: none"> • Responsible actor: MOH planning unit or related staff • Action: Form a central steering group and a technical team with two technical staff to support effort; coordinate with other ongoing initiatives; identify and liaise with stakeholders to initiate engagement and build buy-in; and obtain mandate to use the guide from MOH senior leadership. • Work results: Commitment to use guide; TEG team formed • Resources: 1-2 days for interested actors; venue and refreshments for ½-day event for 20-30 stakeholders • Timeline: 2 weeks
3. Select inefficiencies to include	<ul style="list-style-type: none"> • Responsible actor: Steering group, with broad stakeholder participation • Action: Hold a half-day stakeholder event to formally engage technical and political actors in the process and review the summaries of the 34 technical inefficiencies; based on contextual knowledge, eliminate inefficiencies that are not relevant or worth pursuing, and select those that are. • Work results: Initial short list of relevant inefficiencies in local context • Resources: 6 days for each of 2 technical staff; 1 day for each steering group member • Timeline: 2 weeks
4. Use data to prioritize	<ul style="list-style-type: none"> • Responsible actor: Technical team (within planning division; or consultants) • Action: For all included inefficiencies, prepare all quantitative data needed to score inefficiencies by the amount of loss they incur, relative to the other inefficiencies. Specifically, gather data and use the data to calculate indicators and identify analytical comparators. With the steering group, score each inefficiency on a 1-5 scale. Average the scores of all steering group members and technical staff. If there are more than 6 inefficiencies scored at 5, discuss each inefficiency, coming to consensus on the top 6 inefficiencies that likely incur the largest magnitude of loss. • Work results: Relevant inefficiencies given score indicating relative size of efficiency losses, with 6 inefficiencies selected as incurring the most. Alternatively, include more than 6, increasing resources needed for Step 5 accordingly. • Resources: 6 days for each of 2 technical staff; 1 day for each steering group member • Timeline: 1 month



- 5. Conduct interviews**
 - **Responsible actor:** Technical team
 - **Action:** Review the text on each inefficiency selected to become more familiar with these sources of inefficiency. Select key informants and compile interview guides from questions about the sources of inefficiency in the module and about what should be done and the actors responsible, whether timing (policy cycle, political) is right for pursuing technical efficiency gain in this area. After conducting interviews, compile key points.
 - **Work results:** Identification of health system sources of inefficiency incurring high loss, awareness of the feasibility for addressing them
 - **Resources:** 6 days for each of 2 technical staff; 1 day for each steering group member
 - **Timeline:** 1 month
- 6. Prioritize final list of inefficiencies for action**
 - **Responsible actor:** Steering group, with broad stakeholder community
 - **Action:** Gather stakeholders to validate results and prioritization from steps 3-5. Facilitate a final prioritization process to decide which of the six selected inefficiencies should be prioritized for advancing efficiency reform. In some cases, this could mean using existing data and garnering support for action; in others, it could mean conducting rigorous quantitative analysis and using results to design and implement targeted interventions to improve efficiency.
 - **Work results:** Final prioritization of 1-3 inefficiencies to target for substantive investment
 - **Resources:** 6 days for each of 2 technical staff; 1 day for each steering group member; venue and refreshments for 1-day event for 20-30 stakeholders
 - **Timeline:** 2 weeks
- 7. Assign responsibility and communicate results**
 - **Responsible actor:** Steering group
 - **Action:** Assign responsibility to scope and implement additional activities that lead to improved efficiency in prioritized area. Support these actors by communicating TEG process and results to health and non-health decision makers. Request internal auditors (MOH) and external auditors (national audit office, ministry of finance) to help oversee improvements in efficiency in prioritized area.
 - **Work results:** Next steps assigned to specific units; auditors mobilized to provide oversight over next steps; meetings/presentations sharing results
 - **Resources:** 1-2 days for steering group members
 - **Timeline:** Context specific

9. Can I send in comments on this TEG?

Yes! The TEG remains a work in progress and the development team welcomes your comments. Please share feedback on the guide by emailing technicalefficiencyguide@gmail.com.

References

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