

Class 5. Priority, goals, objective setting, strategy appraisal

Objectives

At the end of this class the students will know

- ◆ what is priority setting
- ◆ why planners do it
- ◆ what are four main approaches used in priority setting
- ◆ what are some planning techniques/ tools used in priority setting
- ◆ what is “mission”, “goal”, “aim”, “objective”, “target”, and how to formulate these concepts

As you remember, the third step of the generic health planning model is *priority, goals, and objective setting; and strategy appraisal* – a complex interactive step in which the results of the situational analysis are used to a) identify the goals, objectives, and targets of an organization feasible within the social and political climate and the context of available resources; and b) generate and assess various options or "option appraisal" for achieving each of the set objectives and targets.

1. Priority setting

Priority setting by itself (determination of priority areas) is a structured process to analyze in a standardized fashion all the important factors, alternatives, and problems in a given situation, and order them by preferences based on a set of criteria. The results are a priority list.

Why determine priority areas?

Most of us have desires that outstrip our available income, and we have to make choices between them, which sometimes isn't an easy process. Such a discrepancy between finite limited resources and varied needs is typical not just in personal life. Organizations and society need to address these areas since available resources are always finite and scarce in comparison to the uses an organization or society has for them. It is important to recognize that scarcity of resources isn't confined just to organizations experiencing financial difficulties or developing countries, but as a concept is equally applicable to wealthy countries and organizations. Even when resources are plentiful, they are often not enough to meet *all* needs and demands, and decisions as to which needs are most important and need to be met, and which will be left unmet are still necessary. This is known as prioritizing.

All of the above mentioned is true for the health sector in dealing with the mismatch between finite resources and infinite health care needs and demands. Moreover, due to changes taking place in the epidemiological profiles of populations, financing and organization of the health system, the new development of science and technology has increased the need for prioritizing. Indeed, a lot of countries in the world (and Armenia isn't an exception) are experiencing population aging, which is a serious factor increasing the burden on health services. Older people are sicker and the services they need are more numerous and expensive. Second, the increase in the level of education of the population leads to an increase in their perceived needs and health care demands. The development of science and fast adoption of new technologies increase the cost of health care (new drugs and techniques are often costly). At the same time

resources are shrinking or not growing fast enough, and in many countries in the world government spending is under greater scrutiny than before. Most low and middle-income countries have reduced their public spending per-capita on health.

Hence, priority setting is one of the most serious questions that must be addressed by health system planners. (remember the definition of planning we have discussed in Class 1 describing it as "a continuous process which involves *decisions, or choices, about alternative ways of using available limited resources* with the aim of *achieving particular goals and objectives* at some time in the future in an efficient manner").

Now when we have an idea about what is priority setting and why it should be carried out by planners, let's discuss a very important issue related to how priorities should be set.

Approaches used in priority setting

As mentioned before, any realistic planning system must ensure that the priorities set are feasible within the context of available resources and the existing social and political climate. To achieve these needs, clear criteria for the selection of the priority problems are needed.

It is important to keep in mind that the way priorities are chosen in a health system highly depends on who is setting them (who determines the needs) as well as on how priority setting players define health, etc.

There are four main approaches used in priority setting:

- A) Epidemiological approach
- B) Economic approach
- C) Community approach
- D) Primary Health Care (PHC) approach

Let's discuss all these approaches in more detail.

A) Epidemiological approach

This approach is based on disease-emphasis – priorities are set according to which diseases are most prevalent and carry the greatest mortality/morbidity burden.

Advantages:

Criteria are clearly set. Common framework is understood by many. Needed data are often available.

Disadvantages:

This approach is based on the *medical* not holistic model of health; it puts priority setting in the hands of health professionals, and doesn't recognize community- perceived needs. Available morbidity and mortality data are not always accurate and are often biased.

B) Economic approach

This approach is based on cost-emphasis – priorities are set according to the cost-effectiveness of various interventions. Later in this class we will discuss questions related to cost-effectiveness in detail. For now let's say that cost-effectiveness analysis looks at the

effectiveness of health-service output in terms of health status (so, looks at outcome) not just at monetary cost.

Advantages:

Allows choosing those interventions, which result in the most outcome for the input ("Get the most bang for your buck"). With the use of composite indicators it is possible now to compare cost- effectiveness of interventions with different outcome measures.

Disadvantages:

It is based on expert opinion, ignoring concerns of the community; tradeoff between cost-effectiveness and equity.

C) Community approach

It is based on the "community emphasis"– priorities are set according to the perceived needs of the community members.

Advantages:

Based on the *perceived* needs of the community it is more likely to receive the community support.

Disadvantages:

Information on perceived needs is difficult to obtain. As perceived needs may differ from actual needs.

D) Primary Health Care (PHC) approach

Priorities are set according to 5 main principles of PHC: equity, health promotion and disease prevention, community participation, appropriate technology, and multi-sectoral involvement.

Advantages:

This approach is based on a holistic view of health; it recognizes the role of other sectors in the health of a population, and involves the community.

Disadvantages:

Very difficult to do in real life.

Planning techniques and tools used in priority setting

Several planning techniques are used in priority setting. Among them are the following:

1. Burden of disease assessment
2. Economic appraisal of options (Cost- Effectiveness Analysis (CEA)/Cost- Benefit Analysis (CBA))
3. Multi-variable decision matrices
4. Priority setting done by leader
5. Priority setting done by consensus opinion (Delphi or Nominal Group techniques)
6. Community meetings.

1. Burden of disease

This term means the burden placed by the disease/injury on the population in terms of premature mortality and disability. It is usually measured by using mortality data, that is, assessing of years lost of premature mortality, and ranking diseases according to their contribution to this total. In the last few years a number of countries have attempted burden of disease studies which include disability composite measures such as the YHLL and DALY.

YHLL (Years of Healthy Life Lost) – numbers of healthy years of life that are lost through illness, disability and death as a consequence of the disease; and

DALY (Disability-Adjusted Life Years) – numbers of years lost due to premature mortality and disability from disease

2. Economic appraisal of options (Cost-Effectiveness Analysis (CEA)/Cost-Benefit Analysis (CBA))

Both CBA and CEA are concerned with the cost of intervention and compare the resources used in a particular intervention (cost of an activity) with the expected outcome (benefits) resulting from it. The difference between CBA and CEA is that in CBA benefits are valued in monetary terms; CEA are left as outcomes (the simplest outcome measure used is deaths averted, which can be made more sophisticated by measuring life-years saved; and so on.)

3. Multi-variable decision matrices

A technique for priority setting which allows consideration of the multiple variables in the decision making process. In this approach, various reasons for giving priority to a health problem are set (size of the problem in terms of morbidity; consequent suffering and disability; effects of the problem on disruption to the family; economic consequences of the problem; likely demand from the public for the problem to be dealt with; technical feasibility of a solution to the problem, and social consequences of the problem). Professionals with expertise related to each of the variables are asked to rank which health problems they thought were most important in terms of that variable alone. Then, weights are given to the variables. Alternatively, tables are developed and used as background documents for decision-makers.

Such an approach, although allowing for limited community input, is generally used professionally to selected problems. One advantage is that this approach does not rely on quantified indicators.

4. Priority setting done by a leader

This involves a clear leadership role. The individual is in charge of making the decisions, usually because of her/his position. The leader may consult colleagues and communities, using some other techniques, but ultimately the leader makes the final decision.

5. Priority setting done by consensus opinion (Delphi or Nominal Group techniques)

Based on the desire to reach a clear consensus of opinions in an open and fair manner. These techniques are closer to the philosophy of primary health care, though may be a far more laborious process.

Several techniques may be used to facilitate this process. One of them, the Delphi technique, involves a group of individuals asked to give answers to questions (in this case related to priorities), and the answers are *shared* among the group. The same question is then asked a second time. As a result of first sharing of answers, some individuals may shift their position. The process continues till a consensus is reached.

Thus, priority-setting involves a combination of techniques and value judgments. What values are chosen, the health professionals, community members, etc, is a critical decision.

2. Formulating goals, objectives and targets from priorities

As was mentioned before, priority setting is needed to determine the *goals, aims, objectives, and targets* of the organization – in other words, for the identification of *what the organization wants to achieve*.

To avoid possible misunderstanding of these terms, first let's define them. All the terms describe the desired direction of a service, but differ in terms of breadth and detail. Below are the definitions of these terms according to A. Green (“An Introduction to Health Planning in Developing Countries”).

Mission	Describes an organization's reason for existence.
Goal	A broad statement, often general and abstract, of a desired state toward which a program is directed. There is generally one goal for a service. This might be: “Health for All by 2000”.
Aims	There are number of aims relating to the goal. They are specific to particular health problems. One might be: “To raise the nutritional status of women and children”.
Objectives	A specific operational statement detailing the desired accomplishments of a program. For each program aim, there may be a number of objectives, which are specified, in measurable terms. An objective for the above aim might be: “To ensure that 95 percent of children are adequately nourished”.
Targets	An established measured amount of output to be achieved in relation to a health objective. For each objective, there may be various targets, which specify various points on the way to the attainment of the objective. They are defined in relation to the point in time. For example, a target for the above objective might be: “To ensure that 75 per cent of children are adequately nourished by 1995.”

While writing targets for your future plans please keep in mind that it needs to define the target population and be SMART, i.e. include:

- S-** Specific aim or purpose (one)
- M-** Magnitude of the change or result expected
- A-** Action- oriented verb
- R-** Result (that can be measured)
- T-** Time frame for the change.

For example, for “Basics of Health Planning” e- course targeting health care professionals working in Yerevan, incorrect target is “To support health care professionals in their planning activities”.

A well-written target is “80 % of all health care professionals participating in the course will accomplish it successfully by September 2002. (Good luck!)

3. Strategy development/option appraisal

After objectives and targets are set the next activity in the planning process is *generation and assessment of various ways/options for achieving each of them* (so-called, option appraisal).

There are a number of ways to achieve the target. For example, diarrheal disease in children can be reduced by following strategies: (1) increase in quality of water; (2) increase in quantity of water/access to it; (3) health education –hygiene and sanitation; (4) vaccination. *An option appraisal is the process of deciding between alternative approaches and determining the best way to meet a target*, that then guides programming and implementation. So, option appraisal deals with the question – *how/in which way* the set targets can be accomplished.

Potential resources for the development of strategies include: (1) community; (2) organizations participating, or implementing the program; (3) local/regional expertise (MOH, NGOs, WHO, universities, etc); (4) consultants; (5) literature (including the internet); (6) database (USAID; WHO; etc).

At the preliminary stage, options that need high resource implications that are socially or politically unacceptable as well as technically non-feasible, should be excluded. Each of the options remaining in a shortlist then should be assessed at least in three major ways: (1) impact on the set target; (2) assessment of the resources needed by the option in terms of affordability/availability, and the cost-effectiveness of the option; and (3) feasibility of each approach – whether there are other barriers to its success (such as political constraints, etc).

A full list of the criteria to be considered during strategy appraisal may include:

- ◆ economic issues
- ◆ technical, administrative and legal feasibility
- ◆ financial and resource availability
- ◆ long-term sustainability
- ◆ acceptability
- ◆ social, economic and political effects
- ◆ gender effects
- ◆ environmental and ecological effects
- ◆ wider development objective
- ◆ expansion from a pilot project, etc

One of the main aspects of option appraisal already mentioned is economic aspects. An economic appraisal sets out a framework for comparing the resources (costs) used in a particular

intervention with the expected outcome (benefits). Two major techniques are usually used for an economic appraisal - CBA and CEA (we have already discussed them in general). For the detailed description of how economic appraisal works, see A. Green's textbook "An Introduction to Health Planning in Developing Countries".

An important part of the option appraisal, economic appraisal deals with the relationship between the input (resources) and output (benefits) and does not deal with the process of getting from input to output (option appraisal). Effects on the social structure of a community, value judgments, etc. should also be considered during option appraisal.

Let us come up with a simplified scheme presenting the main activities of strategy appraisal:

1. Identify alternative strategies
2. Exclude most unfeasible or uneconomic options
3. Perform economic and non-economic analysis
4. Present results
5. Appraise options

To conclude the lecture, let us say that "*Setting priorities, objectives, targets and strategies*", being a step in the planning cycle, is an interactive cycle, including the following steps:

- A. Draft a list of specific problems needing actions
- B. Prioritize
- C. Draft objectives for high-priority problems
- D. List and appraise strategies to address each priority, and if either
 - (1) the priority list, objectives and or strategies require further refinement, or
 - (2) available resources have been under- or over-utilized

then return to either "A" or "B", and start the cycle again, and then

- F. Finalize the priority list, objectives, and strategies.

So, now we know why and how to identify goals, objectives, and targets as well as how to generate and assess various options ("option appraisal") for achieving each of the set objectives and targets. The next step is resource allocation and budgeting, the process whereby the objectives can be translated into action through the medium of financial allocations and the authority to spend.

Questions

- 1. Priority setting by itself is a structured process to analyze in a standardized fashion all the important factors, alternatives, and problems in a given situation and order them by preferences based on a set of criteria.**

True False

Answer: True. See page 1.

- 2. The epidemiological approach used in priority setting is based on the holistic model of health.**

True False

Answer: False. See page 2.

Epidemiological approach is based on the *medical* not holistic model of health; it puts priority setting in the hands of health professionals and doesn't recognize community-perceived needs.

- 3. The following 5 main principles, including 1) equity, 2) health promotion and disease prevention, 3) community participation, 4) appropriate technology, and 5) multisectoral involvement are used by**

- a) Epidemiological approach,
- b) Economic approach,
- c) Community approach,
- d) Primary Health Care (PHC) approach.

Answer: d). See page 3.

- 4. Burden of disease assessment, economic appraisal of options (cost- effectiveness analysis/cost-benefit analysis), multi-variable decision matrices, and priority setting done by leader are the planning techniques/ tools used in priority setting.**

True False

Answer: True. See page 3.

- 5. While writing targets for future plans, one needs to keep in mind that it should define the target population and be**

- a) SMART
- b) WISE
- c) HAPPY
- d) EASY

Answer: a) SMART. See page 5.

While writing targets for your future plans please keep in mind that plans should define the target population and be SMART , i.e. include:

S- Specific aim or purpose (one)

M- Magnitude of the change or result expected

A- Action- oriented verb

R- Result (that can be measured)

T- time frame for the change.

6. “A broad statement, often general and abstract, of a desired state toward which a program is directed” is a

- a) mission
- b) aim
- c) target
- d) goal
- e) objective

Answer: d). See page 5.