

# The Social, Political & Economic future of Health Systems

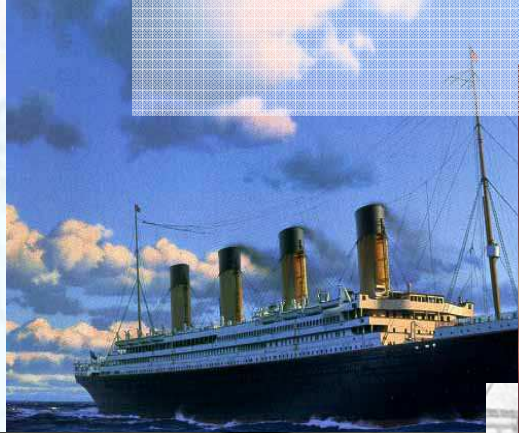
*Evidence based.....  
Forecasting or Wishful Thinking?*

---

Stockholm, 27<sup>th</sup> November 2013  
Josep Figueras

[www.healthobservatory.eu](http://www.healthobservatory.eu)

# The Future.....



Pressures



Let the  
down



Leadership &  
Governance



Change the  
airs?

## What Response from policy makers?

# TITANIC

© 1997 by Paramount Pictures

Source: Thompson, S; Thomson. S & Figueras, J

# Key questions for the crystal ball

---

1. Health: a productive sector?
2. Innovation: will it save the day?
3. Coverage: catching before rationalising?
4. Performance: implementing structural reform?
5. Political health: the political economy of HiAP?
6. EU Health Policy: Quo Vadis?

**Learning from external shocks  
The impact of the Crisis**





# *Learning from the Crisis*

---

**WHO Oslo Ministerial Conference 2 “*Health Systems and Economic Crisis*” April 2013**

**Gastein European Health Forum “*Resilient and Innovative Health Systems in Europe*” October 2013**

**Lithuanian EU Presidency Conference “*Sustainable health systems for inclusive growth*” November 2013**

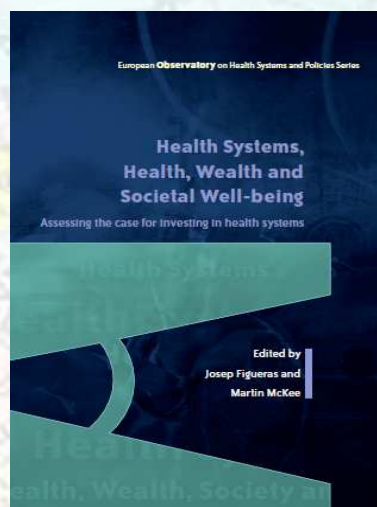


Tamás Evetovits,  
Philipa Mladovsky,  
Anna Maresso,  
Hans Kluge

# 1. Health: a productive sector? *'Health is Wealth'*

## Health Systems

Cost effectiveness



Direct contribution to the economy

Health

Wealth

Effects of ill health on economic growth

*Figueras J, McKee M 2011*



WHO European Ministerial  
Conference on Health Systems:  
"HEALTH SYSTEMS,  
HEALTH AND WEALTH"  
Tallinn, Estonia, 25–27 June 2008



The Tallinn Charter: Health Systems for Health and Wealth

## Tallinn Follow up October 2013

### **Health Systems**

*Reforms aiming at sustainable investments and cost-effective spending can bring savings and secure better health outcomes.*

### **Human Capital**

*Health can boost economic growth by enabling people to remain healthier and active for longer.*

### **Health Inequalities**

*Reducing inequalities in health contributes to social cohesion and helps reducing poverty and social exclusion.*



# The Economic Dividend of Health

---

- 11% of GDP
- 7% exports
- 15% employment
- 20% final consumption



# ***Contribution of the technology and pharmaceutical sectors to the EU Economy?***

---

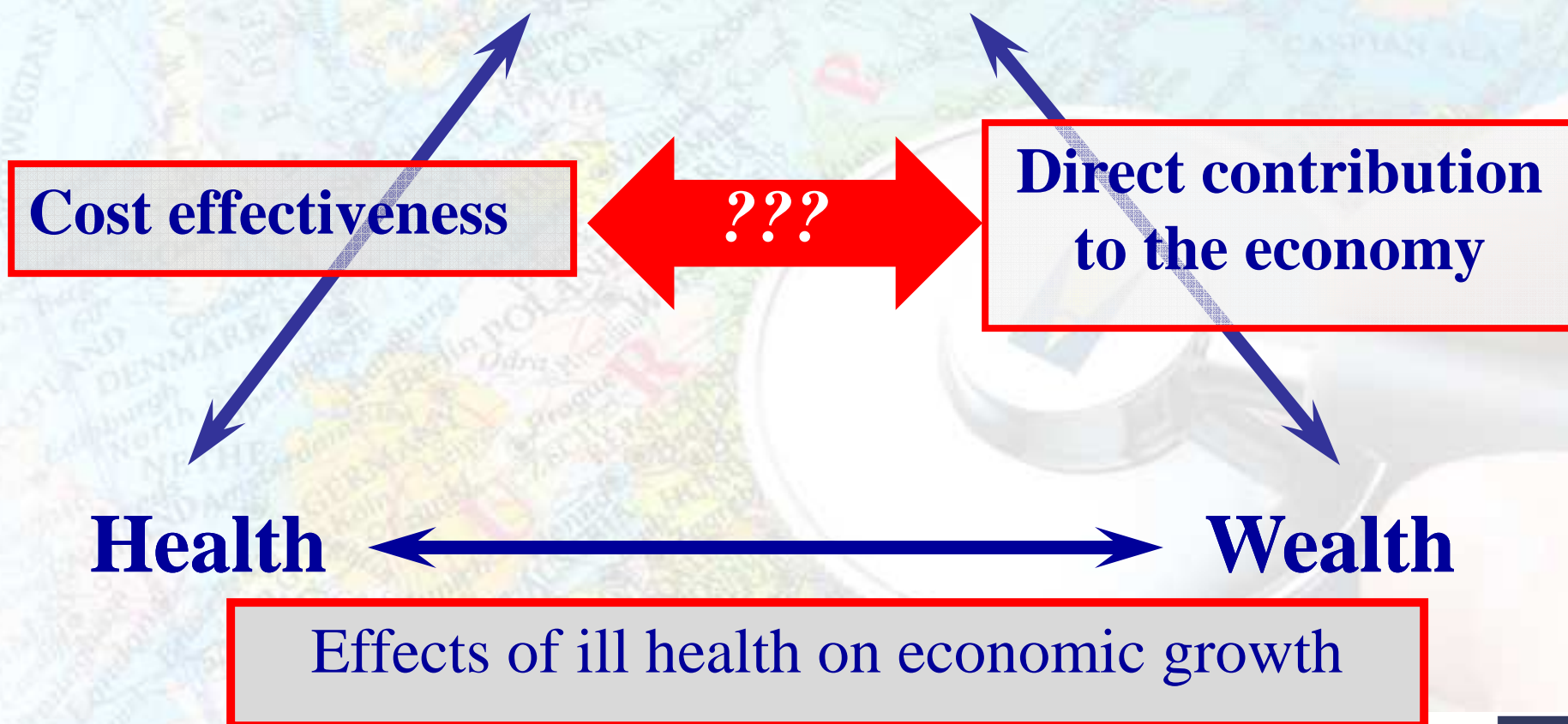
---

- Pharmaceutical sector
  - €196 billion in 2008
  - 5th largest sector in the EU
  - Over 640,000 jobs
- Technology sector
  - Sales of €95 billion in 2009, 5% annual growth rate
  - 8% of sales reinvested into R&D
  - 22,500 medical technology companies employing 500,000 staff

# 1. Health: a productive sector?

*'Health is Wealth'*

## Health Systems



*Figueras J, McKee M 2011*

## 2. Innovation: will it save the day?

### European Innovation Partnership on Active & Healthy Ageing

How?

#### Innovation is the key

In genetics, e-health, ICT, bio-technology & bioinformatics, & material sciences

**Technological change** = **driver** for improved productivity & economic growth

**Substitution** of old treatments with **novel ones**

❖ productivity gains, improved health outcomes

**Expansion of innovative treatments**

❖ => demand & supply match, diagnosed & treated patients, improved health outcomes

**Business & growth opportunities** for pharmaceutical, medical devices & products sectors

action in the field of health for the period 2014-2020

A European Innovation  
Partnership

# 2. Innovation: will it save the day?



 EUROPEAN COMMISSION

Brussels, 9.11.2011  
COM(2011) 709 final  
2011/0339 (COD)

**Health for Growth**

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on

establishing a Health for Growth Programme, the third multi-annual programme of EU action in the field of health for the period 2014-2020



**Active & Healthy Ageing**  
*A European Innovation Partnership*

## 2. Innovation: will it save the day?

### THE "VALUE" PROPOSITION OF INNOVATION IN HEALTH CARE

Impact of the innovation on outcome:

Impact of innovation on total treatment cost:

DECREASE

NO CHANGE

OUTCOME IMPROVES

NO CHANGE

INCREASE

OUTCOME IS WORSE

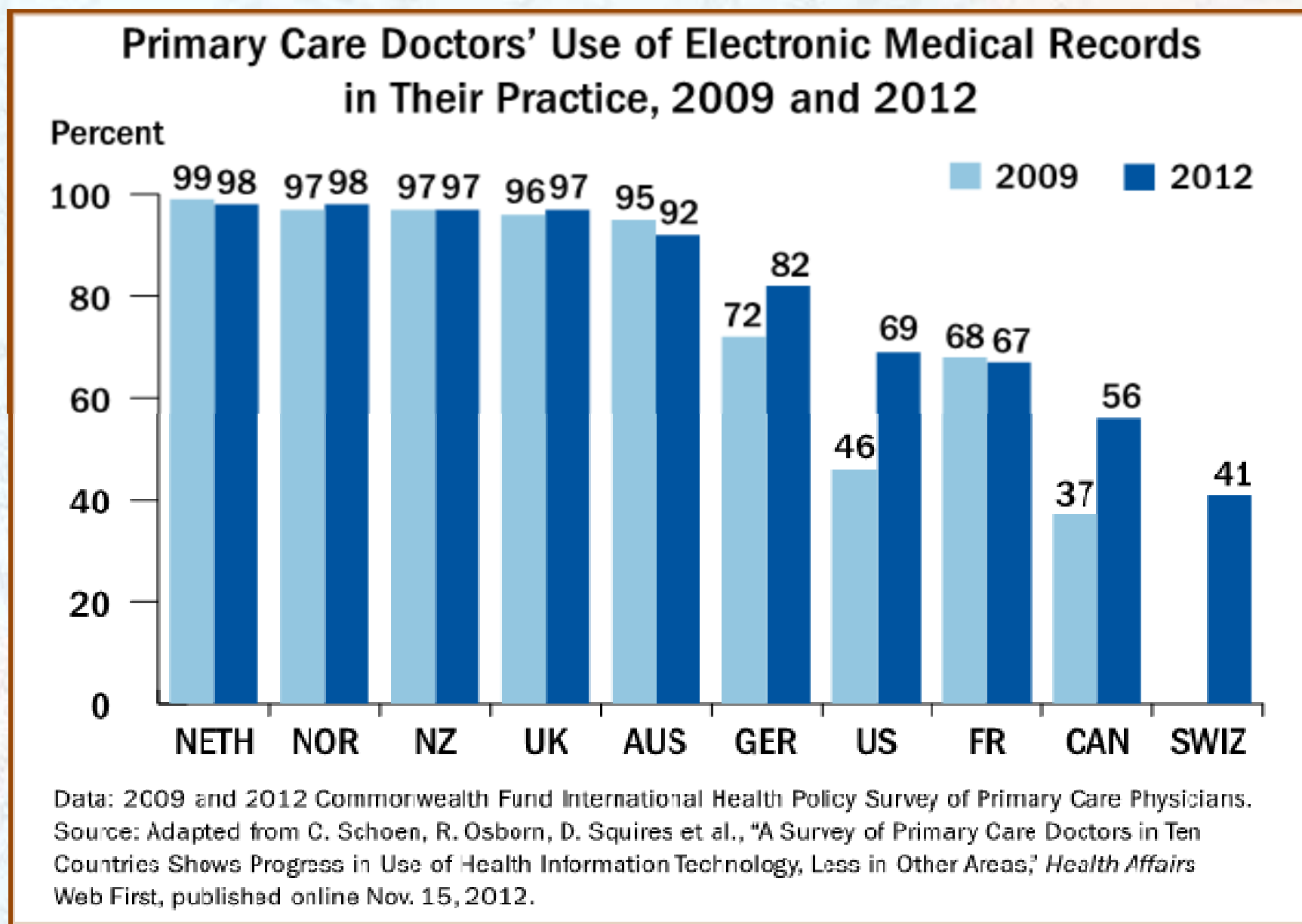
	DECREASE	NO CHANGE	INCREASE
OUTCOME IMPROVES	Adds value	Adds value	Does nothing
NO CHANGE	Adds value	Does nothing	Lowers value and should be rejected
INCREASE	Does nothing	Lowers value and should be rejected	Lowers value and should be rejected

**Introduction and transfer of innovation  
Organizational as well as technological**

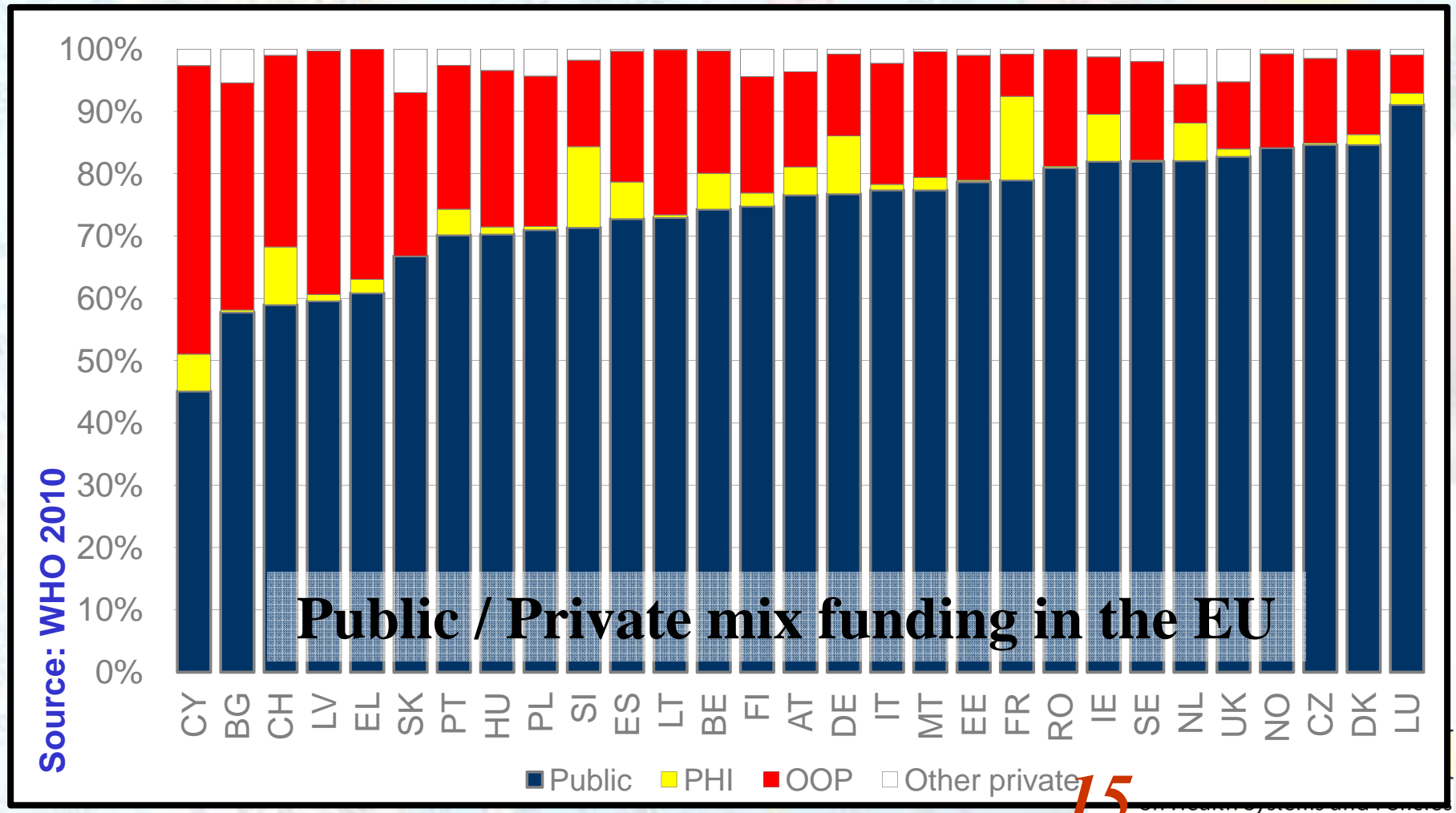
**Calls for benefit-cost analysis**

**Calls for cost analysis**

## 2. Innovation: will it save the day?



### 3. Coverage: rationalising before rationing?



Source: WHO 2010

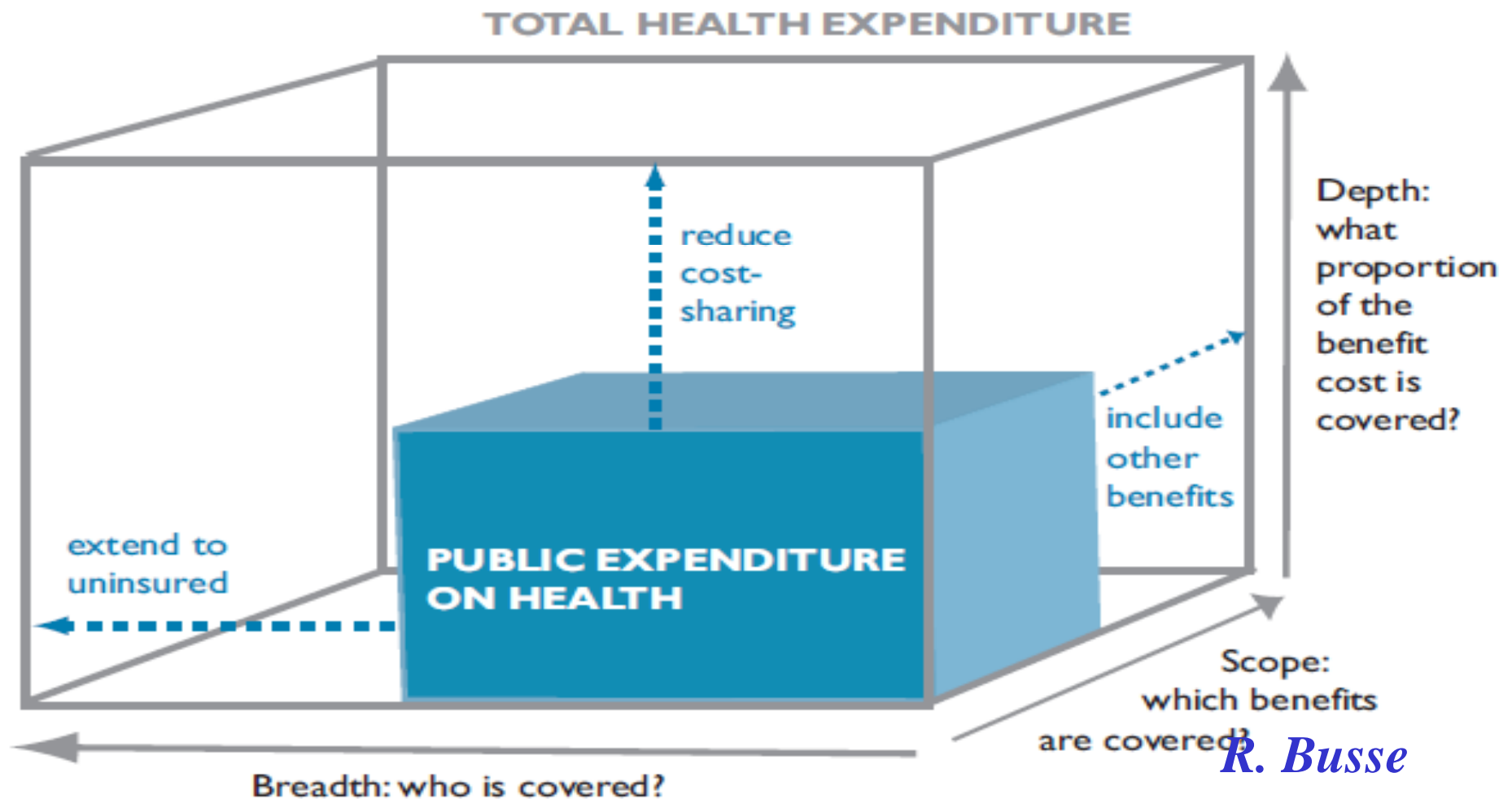
Public / Private mix funding in the EU

Public PHI OOP Other private

15

### 3. Coverage: rationalising before rationing?

#### Coverage Dimensions





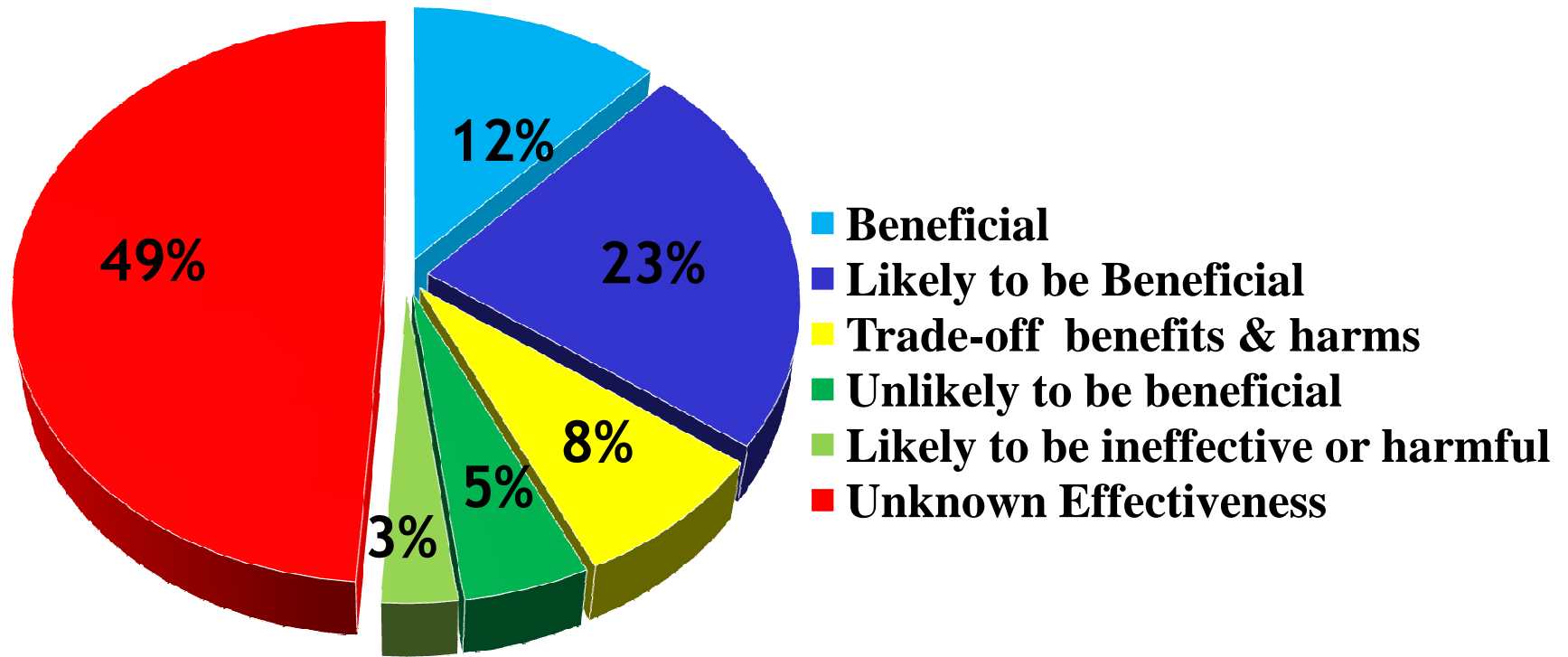
### 3. Coverage: rationalising before rationing?

#### Response to the Financial Crisis, 2012

<b>COVERAGE</b>	<b>Population</b>	<b>Benefits</b>	<b>User Charges</b>
<b>No change</b>	BG HR DE DK EE FI HU IT NL PT RO SK UK	DE DK FI LT SK SE SI UK	
<b>Increase</b>	AT BE FR LT SE	AT BG BE FR IT	AT BE DE DK HU SK
<b>Decrease</b>	CY CZ IE	CY CZ EE EL ES HU IE LV NL PT RO	BG CY CZ IE RO SI
<b>Mixed</b>	LV SI		EE EL ES FI FR IT LT LV NL PT UK

### 3. Coverage: rationalising before rationing?

#### Clinical Effectiveness



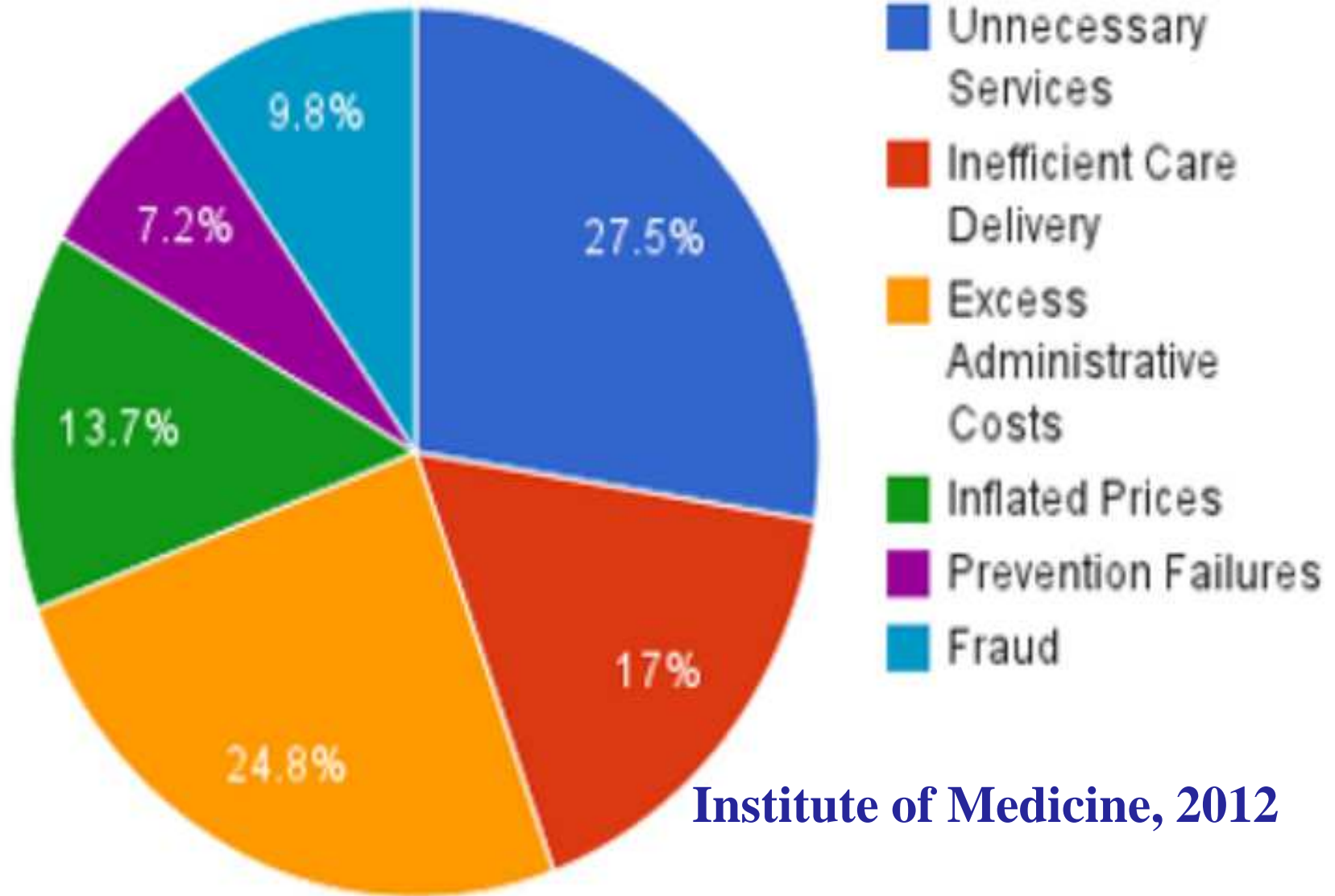
N=2500 Treatments

# 3. Coverage: rationalising before rationing?

---

- **Health Technology Assessment (e.g.)**
  - **NICE UK, HAS FR, SBU SE, KCE BE, IQWiG DE**
  - **EUNetHTA** (European Network of HTA)
- **Priority Setting / Benefit Packages**
- **Stepping up negative lists (goods & services)**
- **Value Based User Charges (?)**

# How the US Health System wastes \$750 billion a year



**Institute of Medicine, 2012**

## 4. Performance: implementing structural reform

---

- **Enhancing Integrated Care**
  - Disease Management Programmes  
E.g. *AT, DE, DK, FR, HU, IT, NL*
  - Paying for integrated care (e.g.)  
*Bundled Payments NL, QOF UK, CAPI FR, Personal Health Budgets NL, UK, 'Gesundes Kinzigtal' DE*
- **Rationalising hospital / specialist services**
  - Closures, mergers, restructuring & centralization  
E.g. *BG, CY, CZ, DK, EL, HU, IT, LT, LV, PT, SK, SI, ES*
  - European Centres of Reference

## 4. Performance: implementing structural reform

---

- **Linking provider payment to performance**
  - Case mix payment (e.g.): *AT, BG, CZ, HU, LT, ...*
  - Procurement drugs & devices (e.g.): *BG, CZ, EL, SK, UK*
  - Value based pricing (e.g.): *DE, ES, FR, IT, ...*
- **Skill Mix Optimisation**
  - Advance Practice Nurses (e.g.) *ES, FI, UK*
- **Strengthening Primary Care**
  - Key in crisis response (e.g.) *EE, ES, EL, HU, LT, LV, PT, SI*

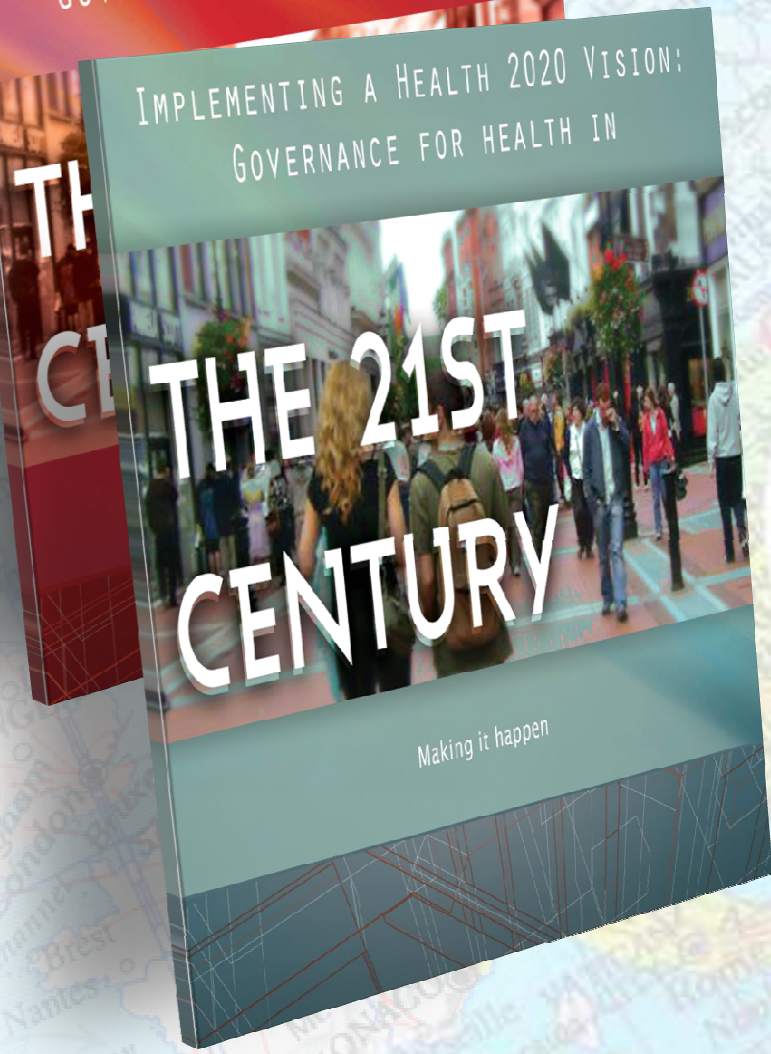
# 5. Public Health: the political economy of HiAP?

## *Economics of Prevention*

Table 3.3 Dominant (cost-saving) preventive interventions for non-communicable disease, ACE–Prevention

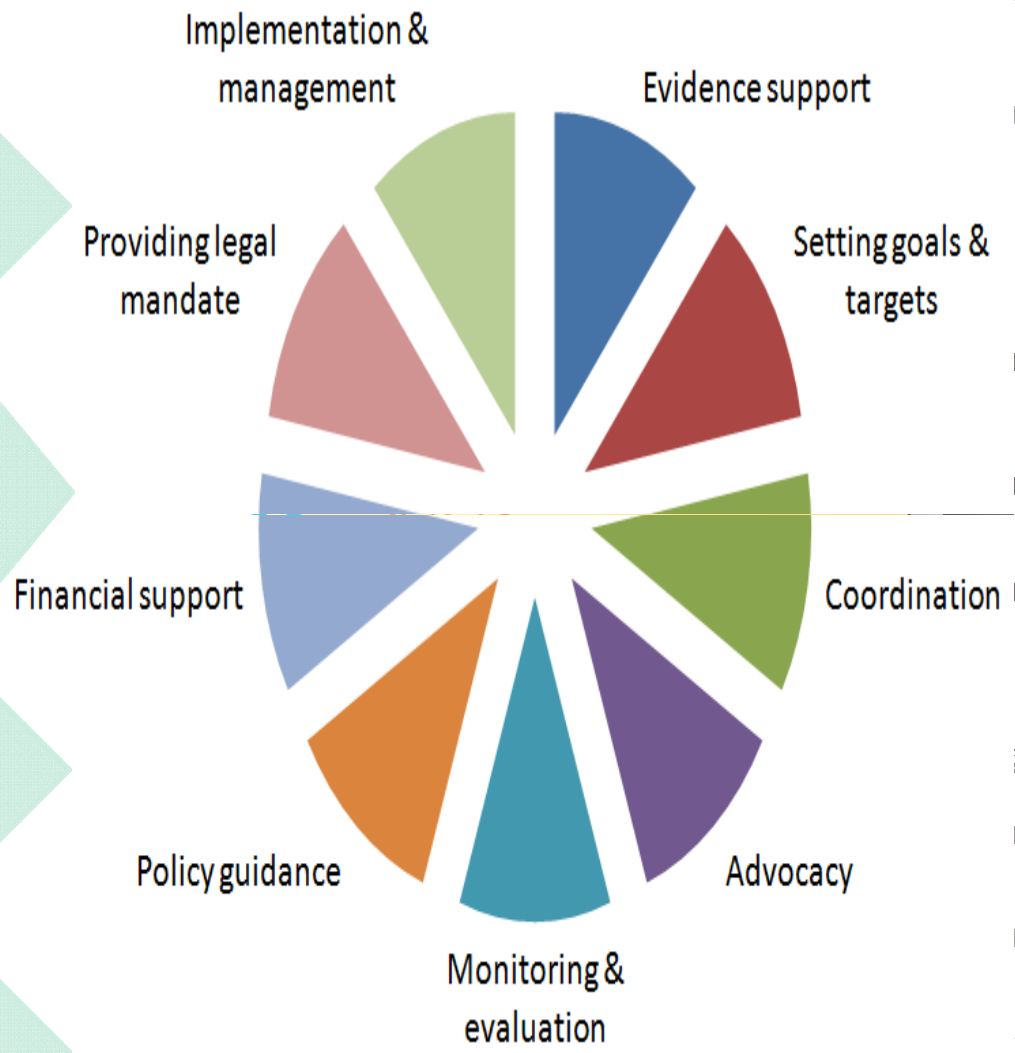
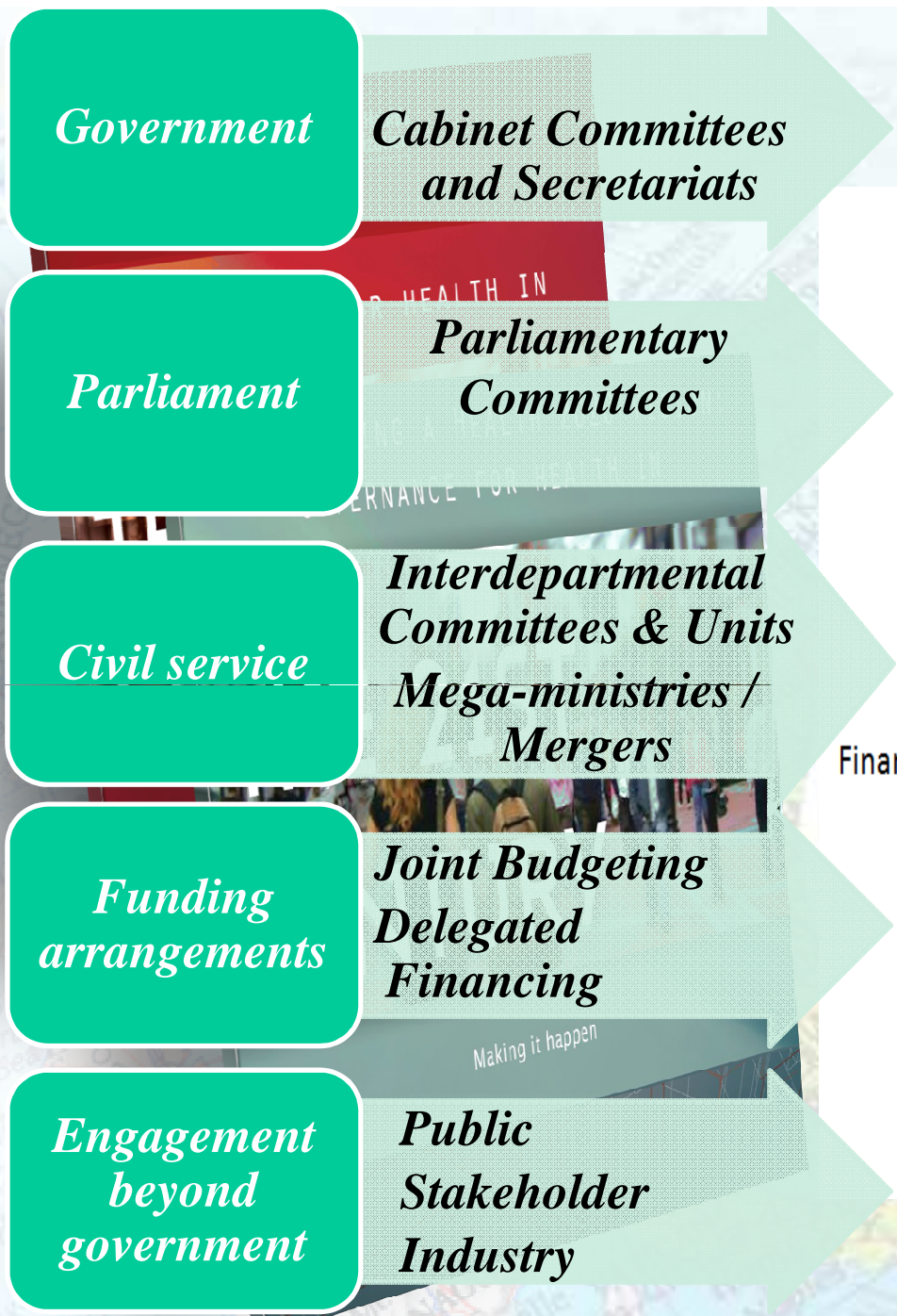
Topic area	Intervention	Lifetime health impact*	Annual intervention cost*	Strength of evidence
Alcohol	Volumetric tax	++	+	Likely
	Tax increase 30%	+++	+	Likely
	Advertising bans	+	+	Limited
	Raise minimum legal drinking age to 21	+	+	Limited
Tobacco	Tax increase 30% (with or without indexation)	+++	+	Likely
Physical activity	Pedometers	++	++	Sufficient
	Mass media	++	++	Inconclusive
Nutrition	Community fruit and vegetable intake promotion	+	++	May be effective
	Voluntary salt limits	+	+	Likely
	Mandatory salt limits	+++	+	Likely
Body mass	10% tax on unhealthy food	+++	+	May be effective
Blood pressure and cholesterol	Community heart health program	++	+	May be effective
	Polypill \$200 for >5% CVD risk	+++	+++	Likely
Osteoporosis	Screen women aged 70+ and alendronate	++	++	Sufficient
Hepatitis B	Vaccine and immunoglobulin to infants born to carrier or high-risk mothers	+	+	Sufficient
	High-risk infant vaccination	+	+	Sufficient
	Selective vaccination of infants with mothers from highly endemic countries	+	+	Sufficient
Kidney disease	Proteinuria screen and ACE inhibitors for diabetics	++	+	Sufficient
Mental disorders	Problem-solving post-suicide attempt	+	+	Sufficient
	Treatment for individuals at ultra-high risk for psychosis	+	+	Likely
Oral health	Fluoridation drinking water, non-remote	+	+	Limited

ACE, angiotensin-converting enzyme; CVD, cardiovascular disease





# Intersectoral Governance for



## 6. EU Health Policy: Quo Vadis?

---

- **Cross border health directive**
  - Health Technology Assessment
  - EHealth
  - European Reference Networks
- **Economic adjustment programmes**
- **Reflection process on modern, responsive and sustainable health systems**
- **Europe 2020 – European semester**

# The Future.....

---

1. Health sector: a productive sector?
2. Innovation: will it save the day?
3. Coverage: rationalising before rationalising?
4. Performance: implementing structural reform?
5. Public health: the political economy of HiAP?
6. Health Policy: Quo Vadis?

**Strengthening (good) Governance**

# 7. Strengthen (Good) Governance

---

- **Policy capacity, vision and leadership**
- **Transparency (performance measurement)**
  - Provider (e.g. hospitals) benchmarking
- **Participation of and Communication with**
  - Health Professionals e.g. to identify & address waste
  - Consumers e.g. to increase acceptability of reform
- **Patient literacy and empowerment**