

***What is best and at what cost?
OECD study on cross-national
differences of ageing - related
diseases: concluding workshop***

Discussion

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Objectives of the OECD study

- **regulations and incentives**
- **International comparisons of performance and outcomes of specific health interventions for the elderly**

Objectives of the OECD study

- **To link macroeconomic analysis of the health care system with economic incentives at the micro level,**

Three main themes developed in the discussion:

- **Measuring the value of increased expenditure: Is spending worth it?**
- **measuring and explaining health outcomes at the international level**
- **The determinants of health care expenditures**

Value of increased expenditure

- **Previous studies on the diffusion of technical progress: Cutler et al. (1998), McClellan and Noguchi (1998)**
- **Cutler's exposition: a cost-benefit type of analysis;**
- **when taking into account the value of improved health outcomes and survival:**

Value of increased expenditure

- ***At the margin, spending doesn't seem like it's worth it.***
- ***On average, spending increases are worth it.***
- **There is a lot of waste.**
 - **Overuse of care**
 - **Underuse of care**
 - **Misuse of care**

Measuring and explaining health outcomes

- **Triplett exposition**
- **He suggested measuring the contribution of the health care sector to the production of health by the incremental contribution to health caused by medical interventions.**
- **The effectiveness of the health care: Raises the issue of the type of data used in the study**

Measuring and explaining health outcomes

- **one needs to “quality adjust” medical expenditure data for changes in the treatments.**
- **Volume comparisons: expenditure = volume (quantity) x price.**
- **Constructing index prices (taking into account quality changes in the different countries)**
- **The Purchasing Power Parity (PPP)**
- **Non-market commodities**

Measuring and explaining health outcomes

- ***My comments:***
- **no discussion of the different measures of health outcome.**
- **How to combine the need for cost effectiveness studies (the best ones, i.e. controlled experiment) with micro-studies of the kind we need?**

Measuring and explaining health outcomes

- **The two approaches may produce controversial, or conflicting results**
- **Example: Breast cancer prevention**

The determinants of health care expenditures

- **Bengt Jönsson's exposition**
- **Gerdtham, Jönsson et al. (1994) using panel data techniques and pooled cross-national data.**
- **They investigated a series of important issues**
- **Motivated in part the OECD study in terms of regulation and incentive mechanisms**

The determinants of health care expenditures

- **Questions investigated:**
- **Would the global organisation of health care systems have an influence on global health expenditure?**
- **Would budget ceilings have an impact?**
- **Would the public/private share play a role in global health expenditure?**

The determinants of health care expenditures

- **health care insurance coverage**
- **reimbursement systems for physicians and its influence on health care spending**
- **gate-keeping arrangements and their possible role in limiting health care expenditure**

The determinants of health care expenditures

- **number of physicians increase and global spending increase**
- **possible role of global balance of care between hospital inpatient care and outpatient care in spending**

The determinants of health care expenditures

- ***My comments:***
 - **Need of a regulation of health care systems approach**
 - **Importance of the « informational paradigm » (information asymmetry)**
 - **Technological progress: fundamental importance**

Results

- **The study highlights the key role of the providers' payment systems, and also the need for further analysis of such systems**
- **the data available appear to show that older patients might be treated less frequently and less intensively than younger patients.**

Results

- **Compare TECH study results on the diffusion of technological progress (importance of institutional arrangements)**
 - **Additional role of property rights, and private insurance**
- **In countries with fixed payment systems there may be a disincentive to pursue more complicated and costly treatments**

Results

- **higher reimbursement levels for BCS influenced providers' propensity to choose breast conserving surgery**

Comment

- **Extreme importance of the treatment of technological progress in the analysis: MAINLY ENDOGENOUS**
- **Extremely important rôle of institutional arrangements**
- **Diffusion and utilisation is dependent the systems of paiement of providers**

Comment

- **These systems thus have an effect on the measurement aspect (value, price index for example) that it would be worth to further explore**
- **Example: health care providers tend to preserve their income, while modifying slightly their production functions to obtain implicit price increases.**

Comment

- **Need for one large database, with information on comorbidity and severity of the disease.**
- **The urgent need and importance of developing high quality information systems**
- **Positive effect of information systems on the quality of care**