Health Update

THE NEWSLETTER ON HEALTH-RELATED ACTIVITES AT THE OECD

ISSUE 10 DECEMBER 2010

this issue

upcoming events

16 February 2011	Workshop "Building a Smarter Health and Wellness Future"
26-27 May 2011	Meeting of the Health Care Quality Indicators (HCQI) Expert Group
20-21 June 2011	9th Session of the OECD Health Committee
22 June 2011	OECD 50th Anniversary special celebration of '50 Years of Progress in Health'

OECD Health Ministerial 2010

Quality, access, prevention. These were the three policy priorities reiterated by Health Ministers at their meeting in Paris on 7-8 October 2010, and at the high-level policy forum on quality of care that preceded the meeting.

Strikingly, these were the priorities not only of those who were having to wrestle with reduced health budgets, but also those with a better financial situation. Ministers were in agreement that cutting back on the quality of health care would not be acceptable to their citizens, and would be ineffective in any event, as poor quality of care can push up future costs. Similarly, shifting more health expenditure towards out-of-pocket spending by households was not viewed as an appropriate response because it could hinder access to needed health care services by low-income households.

And there was a wide consensus that spending on prevention needs to be maintained, in contrast to what happened in previous recessions, because such spending is so cost-effective.

However, some Ministers did report that they were having to cut spending in other areas. Encouraging generic pharmaceuticals was one way in which many were finding savings, along with deferring new investments. Freezes, or even cuts in the wages and incomes of health workers, are being preferred as a strategy to maintain access to high-quality care, over cuts in the number of employees.

Ministers reported that, so far at least, these measures had worked with little or no adverse effects on either access or quality of care. However, some feared that further cuts would have a negative effect on the quality of services.

7 October 2010- (left/right) Nicola Roxon, Minister for Health and Ageing from Australia, John Martin, OECD Director for Employment, Labour and Social Affairs and Nicole Denjoy, BIAC. OECD Conference Centre, Paris, France.

Photo: OECD/ Benjamin Renout

In the face of such concerns, Ministers looked at policies and instruments that might improve the efficiency and cost-effectiveness of health systems. Prevention was one of the main areas they identified as deserving greater efforts.

Much remains to be done in tackling tobacco consumption, and obesity has increased to very worrying levels in some countries. Greater use of "rational decision making" holds much promise in addressing variations in medical practice within countries, and in determining the prices that should be paid for new technologies or pharmaceuticals, for example.

Minister Strøm-Erichsen from Norway, who chaired the meeting, concluded that "we have addressed two of the most important challenges facing health systems in OECD countries today: how to reconcile short-term fiscal pressures on health systems with long-term goals of improving quality and access, and how to best invest in effective prevention that can deliver better health at low cost".

www.oecd.org/health/ministerial

Contact: Mark Pearson

Who needs to know? Balancing quality and privacy in health care

By Niek Klazinga, Professor of Social Medicine at the Academic Medical Centre of the University of Amsterdam and leader of the OECD Health Care Quality Indicator Project

Quality has become a buzzword in health care, as in so many other sectors. Industrialised countries are shifting gradually from governance based on cost-control towards models that also take the quality of the health outcome and process into account.

This makes sense for many reasons. Judging the "success" of health interventions – whether or not they meet certain quality objectives – is important to any decision on how health care dollars should be spent.

A whole new information industry has sprung up to produce information on different measures of quality for governments, patients, health care financers, managers and professionals alike.

Data about quality are needed if we are to improve systems, but collecting these can be controversial since it means keeping track of some aspects of health delivery that we used to consider "private". The debate around the need to collect data versus the need to protect privacy is only starting in many countries.

For good comparisons on surgical complications, for example, we need to know whether the complaint existed at admission (admission codes indicate this), whether the patient had diabetes or asthma (secondary diagnoses) or whether the patient has also been to another hospital or primary care physician with the same complaint (data linkage via unique patient identifiers).

Gathering this kind of information to improve quality in health care seems justifiable and not the type of privacy invasion that data protection rules were originally designed to cover. Yet the critical attitude towards government and overall concern about privacy currently limit the production of reliable and comparable information on quality and safety.

The OECD Ministerial conference provided a forum for information exchange between countries where these debates are farther along, and those still in the middle of it seeking a balance between the quest for better comparative information and privacy concerns.

Fit Not Fat in the media

Obesity and the Economics of Prevention – Fit Not Fat was released on 23rd September 2010, in conjunction with the OECD Health Ministerial. This book contributes to evidence-based policy making by exploring multiple dimensions of the obesity problem. The report had an impressive media impact, generating news and debate worldwide.

Coverage was especially strong in America. The Huffington Post and USA Today published detailed reports, the former by AARP's Carole Carson, a leading advocate in the fight against obesity. The New York Times and the Wall Street Journal presented key findings on their websites. CBS's 60 Minutes showed OECD obesity projections. In Mexico, coverage included the highly respected Channel 11 Tonight.

Health and education Ministers were called upon by the media to comment on OECD work.

Fit not Fat was also well received in Europe, with citations in the Economist. Leading national newspapers, including El Mundo, Le Point, Le Monde, Il Sole 24 Ore, The Independent, the Daily Mail, the Irish Independent, Frankfurter Allgemeine Zeitung, Spiegel Online, wrote extensively about the OECD report.

In the Pacific region, *Fit not Fat* appeared in Nihon Keizai Shimbun (Japan), the Tokyo Shimbun, The Age (Australia), The Sydney Morning Herald, The Korea Times and, in China, The People's Daily.

In the week following the release, www.oecd.org/health/fitnotfat was the most visited page on the OECD portal. Peer-reviewed academic journals including The Lancet, The Journal of Public Health Policy and Obesity Reviews will publish reviews of the book.

An extension of the analyses contained in *Fit not Fat* to major emerging economies has been published in The Lancet in November as part of a prominent series on Chronic Diseases.

Contacts: Franco Sassi and Michele Cecchini

Fit Not Fat in the window of the OECD bookshop during the Health Ministerial meeting.

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Health Challenges After the Crisis

By Anne-Grete Strøm-Erichsen, Health Minister, Government of Norway, and Chair of the 2010 OECD Health Ministerial Meeting

In the aftermath of the financial crisis, one question is how to balance the short-term pressure on the health budgets with the long-term obligations to deliver ever better health services to the public. Striking the right balance is not an easy task.

The financial crisis may also increase social inequalities in health between and within our countries. To avoid inequalities there is a need to integrate health into all policies. These challenges were on the agenda of the OECD Ministerial meeting in Paris, October 2010. The outcome of the meeting provided valuable input for all health Ministers. The economic crisis provided a window of opportunity to rethink health priorities.

As health Minister in Norway, I face a number of challenges. Norway and other OECD countries are highly integrated in the global economy. The challenges are therefore common for many countries. The demographic change with growing numbers of elderly people is one major issue. In some countries the percentage of people over 80 is expected to double by the year 2040. A longer life is one of the great success stories of our health systems. However, an aging population will require more health and care services. Furthermore, we are facing the challenge of a smaller percentage of population working to finance these increasing costs.

At the same time the burden of disease is changing in most OECD countries. The number of patients with chronic diseases, such as diabetes, is rapidly increasing. More people are diagnosed with mental problems. Obesity is increasing. All this has to be handled through our health systems. A major challenge is to organise the health systems so that they maximise health and give better value for money. If the highest amount of resources is spent at an early stage, then more efforts can be channeled to prevent, for example, diabetes, and the overall costs will be reduced.

Many of today's most common diseases are caused by poor lifestyles–smoking, harmful use of alcohol, and being overweight and unfit. Several OECD countries have had great success in reducing the number of people smoking–though more still needs to be done. From this success, there is a challenge to find ways to tackle obesity and harmful use of alcohol.

The Norwegian government is about to implement a health reform which emphasises prevention and early intervention. Primary healthcare is a key component of our health systems. A major challenge is the level of co-ordination between the specialist and primary healthcare. Too many patients end up being hospitalised because they do not get the appropriate treatment at local level. This is expensive and does not benefit the patients. We also know that the most vulnerable groups often do not receive the services they are entitled to.

We must not allow the aftermath of the financial turmoil to contribute to wider social inequalities in health. Instead we must use this opportunity to reform and improve our healthcare systems. Prevention, strong primary care and increased co-ordination are keys to meet changing demographics and new disease patterns.

New!

Health at a Glance: Europe 2010

This special edition of *Health at a Glance* focuses on health issues across the 27 European Union member states, three European Free Trade Association countries (Iceland, Norway and Switzerland) and Turkey. It gives readers a better understanding of the factors that affect the health of populations and the performance of health systems in these countries. Its 42 indicators present comparable data covering a wide range of topics, including health status, risk factors, health workforce and health expenditure.

Each indicator in the book is presented in a user-friendly format, consisting of charts illustrating variations across countries and over time, brief descriptive analyses highlighting the major findings conveyed by the data, and a methodological box on the definition of the indicators and any limitations in data comparability. An annex provides additional information on the demographic and economic context within which health systems operate.

This publication is the result of collaboration between the OECD and the European Commission, with the help of national data correspondents from the 31 countries.

www.oecd.org/health/healthataglance/europe

www.ec.europa.eu/health/reports/european

Contacts: Gaetan Lafortune and Michael de Looper

Forthcoming: Health at a Glance: Asia/Pacific 2010

This first edition of *Health at a Glance: Asia/Pacific* presents a set of key indicators of health status, the determinants of health, health care resources and utilisation, and health care expenditure and financing across 27 Asia/Pacific countries and economies in the Asia/Pacific region.

Drawing on a wide range of data sources, it builds on the format used in previous editions of *Health at a Glance: OECD Indicators*, and gives readers a better understanding of the factors that affect the health of populations and the performance of health systems.

Related reading
OECD Health Data 2010
Health at a Glance: Europe 2010
Health at a Glance: OECD Indicators 2009

www.oecd.org/health

www.oecdkorea.org

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Joint OECD – Korean Development Institute Conference: "Making Reform Happen"

26 November 2010- (Left/right) José Manuel Barroso, President of the European Commission, Angel Gurría, Secretary -General of the OECD and Oh-Seok Hyun, President of KDI at a press conference at OECD Headquarters. Paris, France.

The Making Reform Happen (MRH) project, launched in 2007, aims to increase the OECD's support to governments in their reform efforts by working to identify and better understand the factors behind successful reforms and by providing direct support to member countries designing, adopting and implementing policy reforms.

The joint OECD - Korean Development Institute (KDI) Conference "Making Reform Happen" was held at the OECD Headquarters on the 25-27th November 2010. The event addressed the key question: "How can we apply the lessons learned in MRH to the global challenges of OECD and emerging economies?"

The conference launched a comprehensive report, titled "Making Reform Happen: Lessons from OECD Countries". It also introduced KDI's parallel research on Korean reforms in the post-1987 democratisation, "Making Reform Happen: Lessons from Korea".

The high-profile plenary on Friday 26 November was opened by Angel Gurría, OECD Secretary-General and Oh-Seok Hyun, President of the Korea Development Institute, with a keynote speech from José Manuel Barroso, President, European Commission.

This conference was one of the first major events marking the OECD's 50th anniversary.

Social policy reforms: challenges in education and healthcare

Governments seeking to *reform healthcare and education systems* are likely to confront a number of common challenges, connected largely with the fact that both involve a great deal of direct service provision by the public sector.

There is no consensus about how to assess outcomes in health care and education. This is partly due to the complex mix of goals to be pursued in both fields, but it also reflects the lack of reliable, generally accepted indicators of the quality of outcomes and their value.

Evidence-based reform is difficult where the evidence is either lacking or contested. That is why work by national or international organisations to generate reliable, credible information on policy outcomes can be very valuable in clarifying the terms of debate.

Policy in both fields tends to be characterised by long time lags between conception and implementation. Often, governments are not in office long enough to receive credit for the benefits of the reforms they initiate.

In some policy domains, one can identify a broad consensus on certain essential elements of a sound policy framework. In health care and education, however, there is no such model of best practice against which to assess individual policy regimes.

Despite the presence of this formidable array of obstacles, many OECD members have undertaken education and health-care reforms in recent years. Their experiences suggest a number of lessons concerning how governments tackle these challenges:

Major changes are very rarely imposed on medical professionals or educators: successful reforms tend to involve sometimes substantial concessions to them. Healthcare reform, in particular, tends to be expensive – even if it is expected to improve outcomes and help contain costs over time, it often involves expensive concessions in the short term.

This process of negotiation means that reforms tend to involve extensive study and long preparation times: these are not domains in which "big bang" reforms are likely to succeed.

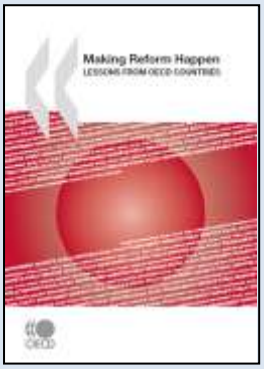
More and better data and analyses, including international comparisons, often help, though a great deal depends on consensus regarding the value and meaning of such evidence.

www.oecd.org/mrh

Effective Ways to Realise Policy Reforms in Health Systems

Chapter 7 in *Making Reform Happen: Lessons From OECD Countries* investigates the factors that can help or hinder the reform of health systems in OECD countries. "Reform", here, refers to changes to health systems which aim to improve their performance in one or more dimensions.

The chapter is written mainly from a prescriptive point of view – what should governments do to increase the prospects for successful reforms? It is also written mainly from an economic perspective, although some references are made to political science literature. The first part of the chapter considers the need for reform in health systems. It goes on to set out a general framework for examining the determinants of success and failure in health reforms and to focus on the governance of reforming health systems, identifying some enabling and disabling factors that are likely to be partly under the control of governments.



The second part of the chapter presents five case studies of the factors associated with successful and unsuccessful reforms, based on five recent OECD Reviews of Health Systems – in Finland, Korea, Mexico, Switzerland and Turkey. Two final sections discuss the findings that emerge from the case studies and draw some conclusions.

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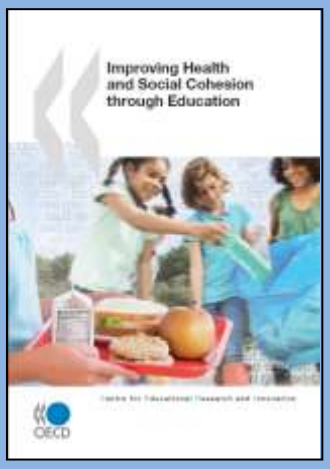
www.oecd.org/health/update

New Publications

Educational Research and Innovation
Improving Health and Social Cohesion through Education

October 2010



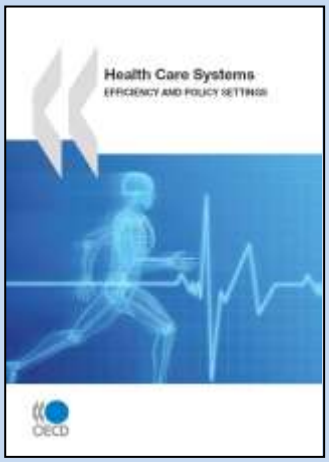
Today's global policy climate underlines the importance of better addressing non-economic dimensions of well-being and social progress such as health, social engagement, political interest and crime. Education plays an important role in shaping indicators of progress. However, we understand little about the causal effects, the causal pathways, the role of contexts and the relative impacts that different educational interventions have on social outcomes.

This report addresses challenges in assessing the social outcomes of learning by providing a synthesis of the existing evidence, original data analyses and policy discussions. The report finds that education has the potential to promote health as well as civic and social engagement.

www.oecd.org/edu/socialoutcomes/cohesion

Health Care Systems: Efficiency and Policy Settings

November 2010



Improving health care systems, while containing cost pressures, is a key policy challenge in most OECD countries. The recent economic and financial crisis weighed heavily on fiscal positions – with gross government debt projected to exceed 100% of GDP on average in the OECD area by 2011 – and reinforced the need to improve public spending efficiency. Public spending on health care is one of the largest government spending items, representing on average 6% of OECD GDP. Health care costs are escalating rapidly, driven by population ageing, rising relative prices and costly medical technology. Public health care spending is projected to increase by 3.5 to 6 percentage points of GDP by 2050 in the OECD area. Against this background, exploiting efficiency gains will be crucial to meet rapidly growing health care demand, without putting the public finances on an unsustainable path.

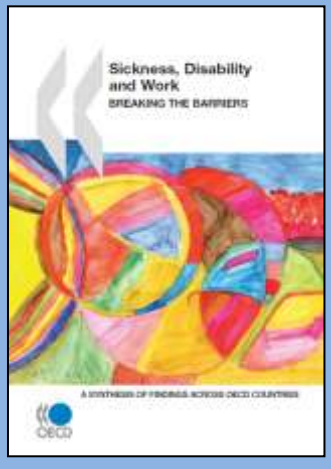
The OECD has assembled new comparative data on health care system performance and health policies. They allow the identification of strengths and weaknesses of each country's health care system and the policies that will boost efficiency. The first chapter of this book reviews existing measures of, as well as recent developments in, health care outcomes and spending. The second chapter presents two approaches to cross-country comparisons of health care spending efficiency and compares these with existing performance indicators. The third chapter provides a brief overview of the main health policy instruments and institutional features which affect health care system efficiency and presents indicators built on the basis of a questionnaire completed by 29 OECD countries. The fourth chapter identifies empirically different types of health care systems. It then investigates the links between policy settings and health care system efficiency.

www.oecd.org/eco/structural/health

For additional information or to purchase visit www.oecdbookshop.org

Sickness, Disability and Work: Breaking the Barriers

November 2010



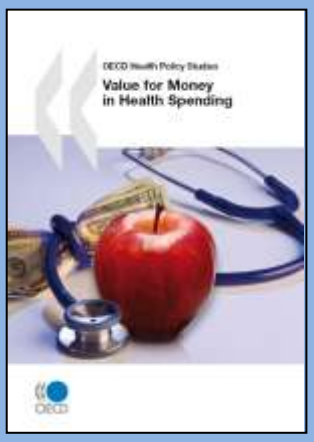
Too many workers leave the labour market permanently due to health problems or disability, and too few people with reduced work capacity manage to remain in employment. This is a social and economic tragedy common to virtually all OECD countries. It also raises an apparent paradox that needs explaining: Why is it that the average health status is improving, yet large numbers of people of working age are leaving the workforce to rely on long-term sickness and disability benefits?

This report, the last in the OECD series *Sickness, Disability and Work: Breaking the Barriers*, synthesises the project's findings and explores the possible factors behind the paradox described above. It highlights the roles of institutions and policies and concludes that higher expectations and better incentives for the main actors – workers, employers, doctors, public agencies and service providers – are crucial. Based on a review of good and bad practices across OECD countries, this report suggests a series of major reforms are needed to promote employment of people with health problems.

The report examines a number of critical policy choices between: tightening inflows and raising outflows from disability benefit; and promoting job retention and new hiring of people with health problems. It questions the need for distinguishing unemployment and disability as two distinct contingencies, emphasises the need for a better evidence base, and underlines the challenges for policy implementation.

www.oecd.org/els/disability

New Publications



Value for Money in Health Spending

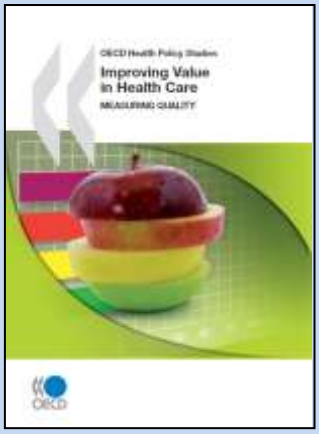
October 2010

Health spending continues to rise inexorably, growing faster than the economy in most OECD countries. Most of this spending comes from the public purse. Given the recent economic downturn, countries are looking for ways to improve the efficiency of health spending. This publication examines current efforts to improve health care efficiency, including tools that show promise in helping health systems provide the best care for their money, such as pay for performance, co-ordination of care, health technology assessment and clinical guidelines, pharmaceutical re-imbursement and risk-sharing agreements, and information and communication technology.

www.oecd.org/health/valueformoney

Improving Value in Health Care: Measuring Quality

November 2010



Are breast cancer survival rates higher in the United States than in the United Kingdom and France? Are a patient's chances of dying within 30 days after admission to a hospital with a heart attack lower in Canada than in Korea? Are surgeons in some countries more likely to leave "foreign bodies" behind after operations or make accidental punctures or lacerations rates when performing surgery?

The need for answers to these kinds of questions and the value of measuring the quality of health care are among the issues addressed in this publication.

Many health policies depend on our ability to measure the quality of care accurately. Governments want to increase "patient-centeredness", improve co-ordination of care, and pay providers of high-quality care more than those who underperform. However, measuring the quality of health care is challenging.

The OECD's Health Care Quality Indicator project has overcome some of the problems, though many remain. If policy makers are serious about improving the body of evidence on the quality of care, they need to improve their health information systems.

This publication describes what international comparable quality measures are currently available and how to link these measures to quality policies such as accreditation, practice guidelines, pay-for-performance, national safety programmes and quality reporting.

www.oecd.org/health/measuringquality

OECD Economic Surveys: Indonesia 2010

November 2010

The Indonesia health-care system: An overview

A special chapter in the recent OECD Economic Survey of Indonesia looked at enhancing the effectiveness of social policies. Indonesia's health care system was originally set up as a publicly funded primary care system with national coverage. Because of chronic underfunding, a health insurance pillar was created, including mixed private and public insurers to cover private provision. A 2004-05 Health Insurance Law leans towards a mixed-economy approach with multiple health care schemes, including a government financed scheme for low-income individuals.

Health care is provided in a decentralised manner, with responsibility for managing government-financed healthcare facilities and medical personnel (doctors, nurses and midwives) delegated to the provinces and local governments. The local authorities have the power to set fees and user charges for public health services and to allocate the transfers received from the central government to finance provision. The central government sets employment and pay conditions for medical personnel and manages the health-insurance scheme for the poor.

Each sub-district has at least one health centre headed by a doctor, usually supported by two or three sub-centres. At the village level, the Family Health Post provides preventive-care services. To improve maternal and child health, midwives are being deployed to the villages. There has been increased use of health care-related conditionality in the design of targeted income support with the launching of the PNPM and PKH programmes in 2007.

www.oecd.org/eco/surveys/indonesia

OECD Health Update
www.oecd.org/health/update

The *OECD Health Update* newsletter offers the latest information on health-related work at the OECD.

Intended mainly for delegates to OECD meetings with an interest in health, *OECD Health Update* will also be informative for the wider health community.

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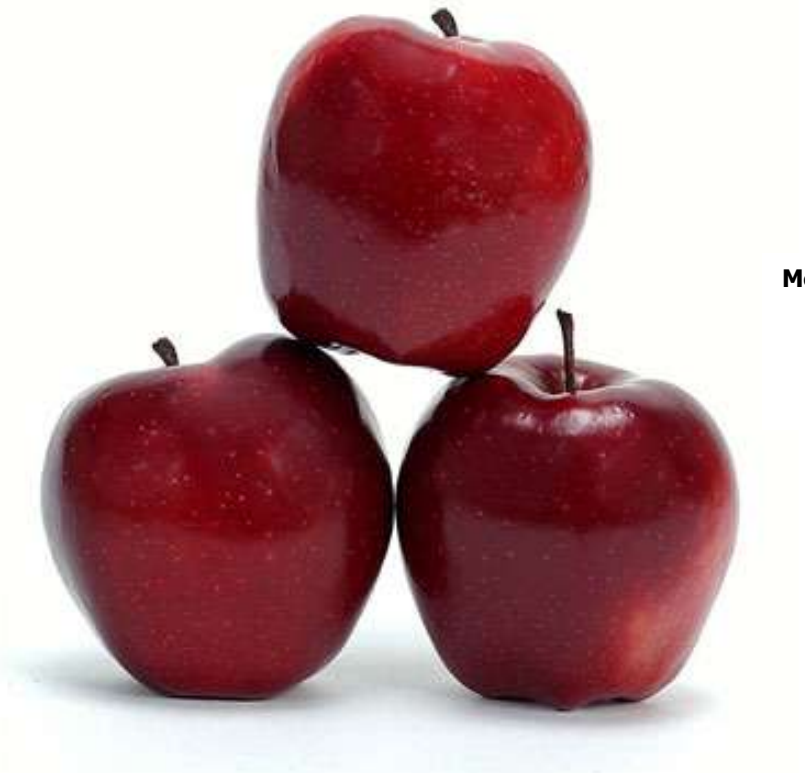

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