FISR2

STRUCTURAL REFORMS BETTER INTEGRATED WITHIN FISCAL FRAMEWORKS

Managing Health Care Structural Reforms

Why structural reforms in health care matter for Economic Reform Programme?

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Content

- Global trends
    - Challenges in the Public Health Care Systems
    - Global Health Outlook Report 2022
    - WHO Report on Technologies
- Structural reform measures in ERPs
- Discussion

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Challenges in the Public Health Care Systems

- Fundamental Issues
  - Financial operations and performance improvement
  - Care model innovation
  - Digital transformation and interoperability
  - Future of work in health care (demography, skilled staff, etc.)
- COVID-19 Lessons learnt

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Global Health Outlook Report 2022

1. Health equity
2. Mental health and well-being
3. Future of medical science
4. Public health reimagined
5. Environmental, Social, and Governance (ESG)
6. Digital transformation and health care delivery model convergence

https://www.deloitte.com/global/en/Industries/life-sciences-health-care/perspectives/global-health-care-sector-outlook.html

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Health equity

Health equity is an opportunity to achieve an overall state of well-being encompassing clinical, mental, social, emotional, physical, and spiritual health that is influenced by not just health care, but also social, economic, and environmental factors

- Structural flaws in the health system
- Systemic and unintentional bias
- Drivers of health
  - Economic, social and envioronmental determinants of health can account for up to 80% of health outcomes, whether positive or negative

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Health equity

Three reinforcing capabilities for driving change on global level:

- Action & Impact
  - Pro bono consulting service to support with health equity initiatives or hard dollar donation to key collaborators
- Knowlegde & Evidence
  - Publicly-available eminence and playbooks to assist both public and private sector efforts to address gaps in health equity
- Data and Analytics
  - Combining data on health disparities and our data equity to enable insights to inform impactful action

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Health equity

WHO Strategic Objective 7: To address the underlying social and economic determinants of health through policies and programmes that enhance health equity and integrate pro-poor, gender-responsive, and human-rights-based approaches

WHO/Europe promotes an intersectoral and whole-of-government approach:

- Technical assistance, including capacity building and learning exchange
- Evidence, data collection and analysis
- Gender and Health: promoting gender responsive policies
- Promoting the health of vulnerable groups
- Strengthening local-level governance – Healthy Cities
- Strengthening subnational governance – Regions for Health Network

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Mental health and well-being

The health, social and financial stressors from the pandemic have unveiled the ubiquitous lack of access to timely, high-quality, and affordable mental health services worldwide.

Nearly 800.000 people die by suicide each year

- Stigma, discrimination and absence of medical and legal protection
- Chronic underspend, inaction and lack of access
- Subscale and siloed health systems
- Gaps in clinical and scientific knowlewgde
- Changing determinants of the mental health

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Mental health and well-being

The World Economic Forum and Deloitte have developed a global governance toolkit related to mental health support, aiming to help the stakeholders:

- Understand the potential for digital mental health services in improving the mental and behavioral health of all people
- Develop principles and standards for the safe, ethical, and strategic implementation of digital mental health services
- Adapt, pilot, and adopt these standards and principles in countries, jurisdictions, health systems, and across the globe Improve access, efficacy, quality, and safety of digital mental health solutions by adopting better practices and standards
- Make strategic investment and incentivization decisions in the global digital mental health ecosystem to encourage its growth
- Make informed decisions to seamlessly incorporate digital mental health tools into a health system, workplace, community, product, or service

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Future of medical science

Medical science is currently being transformed by scientific discoveries that will dramatically advance the way we diagnose and treat different diseases

- Transformational innovations
  - Digital medicine
  - Nanomedicine
  - Genomics
  - Artifical Intelligence (AI) and big data
- Obstacles to innovation: Cost, scale, trust

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Future of medical science

Future actions of the medical science organizations/companies:

- Tap into consumer empowerment
  - Making it easy for empowered consumers to experience medical innovations first-hand is an important driver of adoption
- Establish health system innovation hubs
  - The biopharma industry has long used innovation hubs as incubators for medical science advances that, biopharmas hope, will become future revenue-generators
- Explore collaborative funding and development models
  - Companies are experimenting with various business and operating models to offset the considerable expense and time involved in developing, obtaining regulatory approval, and commercializing medical science innovations.

Link between transformative innovations and public policy makers

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Public health reimagined

Public health is defined as "the art and science of preventing disease, prolonging life and promoting health through the organized efforts and informed choices of society, organizations, public and private communities, and individuals."

- Future of public health will be dependent on whole-of-government approaches to care provision and collaborative, multi-stakeholder ecosystems
- Social determinants of health (SDOH) include physical environment, food, infrastructure, economy, wealth, employment, education, social connections, and safety

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Public health reimagined

Policy issues to be considered

- Public health systems *face* persistent clinical, financial, and technology challenges across the service ecosystem – all exacerbated during the pandemic.
- COVID-19 ignited the growing recognition of the need to invest in population health. Strengthening existing and establishing new models of collaboration across professional, institutional, and organizational boundaries is critical to help improve healthcare infrastructures.
- Digital technologies – from targeted applications to entire smart cities are playing an important role in the transformation of public health systems amidst the global crisis.
- Health care systems will require to source investments and promote shared aims of prevention and wellness for communities—a paradigm shift from the traditional emphasis on providing sick care for individuals.

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Environmental, Social, and Governance (ESG)

Health care globally accounts for four percent of carbon dioxide emissions, more than the aviation or shipping industries. This is mainly due to health systems' round-the-clock operations, specialist medical equipment, extensive use of air conditioning and refrigerated storage.

- Most hospitals and care facilities are not designed for energy efficiency
- Mitigating and adapting to climate change presents a global opportunity to remake the foundations of health care and introduce new operational models for resilience and sustainability.

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Environmental, Social, and Governance (ESG)

Policy issues to be considered

- It is time for health care leaders and their organizations to extend the “do no harm” ethic to the environment—to measure, manage, and set targets to reduce the sector’s carbon footprint to combat climate change.
- As climate change’s influence continues to increase, health care leaders will need to build resilience into their system’s infrastructure, supply chain and workforce to withstand natural disasters such as floods, drought, fires, and storms.
- To minimize the future risk on human health, efforts must be directed at ensuring that health care has the capacity and expertise to manage the influx of patients with respiratory, cardiovascular, and other climate change-induced health issues.
- Every public and commercial health care entity has both an individual and a collective role to play in accelerating the transition to a low-carbon economy.

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Digital transformation and health care delivery model convergence

Social distancing measures have already forced many providers to employ virtual care technology for scheduled outpatient appointments. Hospitals and health systems are turning to cloud computing, 5G telecommunications, artificial intelligence (AI), and interoperable data and analytics to address current challenges and build digitally powered care delivery models for the Future of Health

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Digital transformation and health care delivery model convergence

Policy issues to be considered

- Digital transformation is an essential step in preparing for a consumer-centric Future of Health
- While the convergence model is moving forward, there are still questions lingering around the funding and business models, the digital capabilities required to reimagine care delivery, change management across the enterprise, and incentivizing the workforce to embrace the digital.
- Health care cloud investment and adoption is on an upward trajectory. Organizations are turning to cloud and related technologies - Platform as a Service (PaaS), Infrastructure as a Service (IaaS), and Software as a Service (SaaS) to improve operations, smooth capital spend, and eliminate brick-and-mortar data centers.
- Digital technologies will help construct and equip a “hospital without walls” that will blend inpatient care with alternative models including community- and home based care.

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WHO Report on Technologies

Emerging trends and technologies: a horizon scan for global public health

Available at:

https://www.who.int/publications-detail-redirect/9789240044173

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WHO Report on Technologies

Global health priorities ordered by probable timeframe

< 5 years:

Pandemic preparedness and prevention
Vaccine distribution
Machine learning for antibiotic discovery
Apps for disease screening
Coordinated biobanking
Addressing misinformation and disinformation
Using real-world evidence

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WHO Report on Technologies

Global health priorities ordered by probable timeframe

5 -10 years:

Biosensor-based point-of-care diagnostic methods
Artificial intelligence-assisted clinical reasoning support systems
Pull-through drug development
Genetically engineered phage therapy
Digital health and surveillance

≥ 10 years

Telemedicine
Microbiome-based therapies
Migrant health

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Why structural health care reform measures matter for ERP

- Global trends + specific country context
    - Areas of reforms in health care systems in the countries

- Economic Reform Programme ERP aims to identify major reforms for achievment of structural changes in the country
    - The relevance of health care systems rises continuosly
    - Costs of health care reforms should be integrated in medium term fiscal framework

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Challenges in the Public Healthcare Systems in Western Balkan and Turkiye

Note: Presentation on challenges in the public healthcare systems in Western Balkan and Turkiye is based on analysis of structural reform measures of seven countries in the ERPs 2021-2023, ERPs 2022-2024 and ERPs or their drafts for 2023-2025

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COVID-19 as a trigger of healthcare system reforms

- COVID-19 put on surface all negative features of the healthcare systems in seven countries and became a trigger of the reforms
- European Commission has singled out healthcare as specific reform area since 2021

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Three approachs to identification of challenges

Searching for the real obstacles:

- The root of the obstacle
- Listing all not just a general ones

Talking more about accomplishments than obstacles:

- The analysis of obstacles is dealing more with positive results and processes rather bottlenecks of the healthcare system development
- The obstacles are just the general ones

Weak or no analysis of obstacles:

- The obstacles could be assumed from the nature of SR measures
- According to EC Guidance Note you do not have to cover all reform areas with SR measures, but you have to analyze obstacles in all 13 reform areas

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The common obstacles that most of the countries have identified

- Aging population
- Inadequate and insufficient access to healthcare
- Underdeveloped primary healthcare
- Financial unsustainability of the healthcare system
- Low investments in infrastructure and equipment, especially diagnostic
- Doctors and medical staff shortage (“brain drain”)
- Low efficiency due to weak management

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Specific obstacles to healthcare systems development (1)

- Consequences of natural disaster like earthquake (Albania)
- Exaggerated solidarity exceeds the contributions (BiH)
- Difficulties in harmonization with EU requirements (BiH)
- Burden of contributions- lack of paying high contributions makes healthcare system unavailable to 18% of population, while 40% of the healthcare costs is covered by contributors (Kosovo)
- Unutilization of resources due to lack of doctors and medicine staff (Kosovo)
- Air pollution harden health outcomes (Kosovo)
- Low life expectancy addresses necessity of the reform (Kosovo)

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Specific obstacles to healthcare systems development (2)

- Failures to implementation of the new health insurance law (Kosovo)
- High mortality rate caused by chronic diseases (North Macedonia, Montenegro)
- Large consumption of the pharmaceuticals (Montenegro)
- Law efficiency of the monitoring and information systems (Montenegro)
- Difficult accessibility of the healthcare services due to terrain configuration (Montenegro)
- Unaffordability of the private healthcare services makes long waiting lists in public ones (Serbia)
- Large number of immigrants hardens planning and providing healthcare services (Turkiye)

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The challenges defined by identified obstacles

- COVID-19 set many challenges for all seven systems from diagnostic to vaccines, at first place resilience of the system in the long run
- Universal healthcare coverage (equal, accessible, sustainable, affordable)
- Improvement of the quality of healthcare services
- Reorganization of healthcare institutions
- Improvement of efficiency through better management and monitoring, especially HR
- Public finances more oriented to investments in infrastructure and equipment
- Fiscal responsibility in spending healthcare funds
- Setting “the real” strategy for financing healthcare system
- Implementation of the new laws

Note: Some of challenges are drawn from the context

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Structural reform measures in the ERPs

Financial	Quality of service	Access/Coverage	Efficiency	COVID-19
Healthcare system reform and strengthening management and sustainability (BiH 22-24) Ensuring sustainable financing in the health system (Kosovo 23-25)	Improving healthcare services (Kosovo ERP 22-24) Strengthening the quality of the primary healthcare (North Macedonia ERPs 22-24 and 23-25) Supporting clinical trials on vaccines and drugs R&D studies (Turkiye ERPs 21-23 and 22-24)	Strengthen and expand health and social protection coverage reducing inequality and supporting inclusive and sustainable growth (Albania ERP 21-23) Increasing access to healthcare (Albania ERPs 21-23 and 22-24) Improvement of social and healthcare systems (Kosovo ERP 21-23) Improving access to and quality in delivery of healthcare services and digitalization of the healthcare system (Montenegro ERP 22-24) Increasing the access of Syrian national under temporary protection to health services (Turkiye ERPs 22-24 and 23-25)	Use of telemedicine in Montenegro through establishment of information system for telemedicine and development of m-Health (Montenegro ERP 21-23) Improving access to and quality in delivery of healthcare services and digitalization of the healthcare system (Montenegro ERP 22-24) Digitalization of the healthcare system (Montenegro ERP 23-25) Improvement of the efficiency of the healthcare system through process of digitalization (Serbia ERP 21-23) Digitalization of the healthcare system (Serbia ERP 22-24) Improving the efficiency of the healthcare system through the process digitalization (Serbia ERP 23-25)	Strengthening of the Ministry of Health's Covid-19 Response Capacity (Turkiye ERPs 21-23, 22-24 and 23-25)

Conclusions (recommendations)

- Without realistic and analytic approach, which usually needs comparative analysis too, you cannot put a challenge and, according to that, design the quality and effective SR measures that will reduce or eliminate the obstacles and reach sustainable, quality and accessible healthcare.
- You can have a perfect measure which follows the regional trends and EU recomandations. But, without proper analysis and identification of obstacles, to which the measure is addressed, you are not solving the problem your healthcare system is facing.
- Sometimes the measures in the area of public finance management or education or social policies can answer to the challenges of the healthcare system
- Identifying a set of obstacles and according to that defining challenges, designing the measure with activities in all three years in one ERP and not prioritizing any of them in the next ERP, imposes a lot of unnecessary questions.

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Discussion

- At what extent global issues apply to WB and Turkey
- Common challenges in WB and Turkey
- Peer-to-peer learning possibilities
- How to articulate health care reforms through ERP?

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Thank you for your attention

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