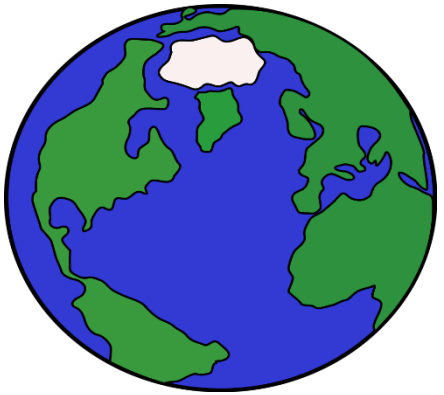

ENHANCING U.S. HEALTHCARE– A GLOBAL COMPARISON & ADOPTING STRATEGIES THAT WORK!

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WHY STUDY HEALTHCARE SYSTEMS OF OTHER COUNTRIES?

- Healthcare systems vary greatly by country.
- Each system has strengths and weaknesses.
- "Experts" do rate some features & systems above others.
- Foreign healthcare systems were cited as ***models to emulate*** or ***cautionary tales*** in our reform efforts.
- ***Therefore, understanding other health systems has and may continue to help US leadership enhance our health system!***

LEARNING OBJECTIVES: AT THE END OF THIS MODULE, PARTICIPANTS SHOULD BE ABLE TO:

- ***Describe*** some comparative healthcare data by country:
  - Spending
  - Resources
  - Process
  - Outcomes
- ***Compare and contrast*** healthcare systems' features.
- ***Analyze and review*** the most desired and least desired features of health care systems.
- ***Recommend*** potential features which could be adopted by our Leaders to *improve the US healthcare system*.
- ***Identify & evaluate*** additional resources.

A QUESTION ABOUT GLOBAL HEALTHCARE SYSTEMS

- In which of the following two countries do severe health conditions (e.g., cancer) result in the highest level of personal bankruptcies and financial catastrophes?

A. England & China

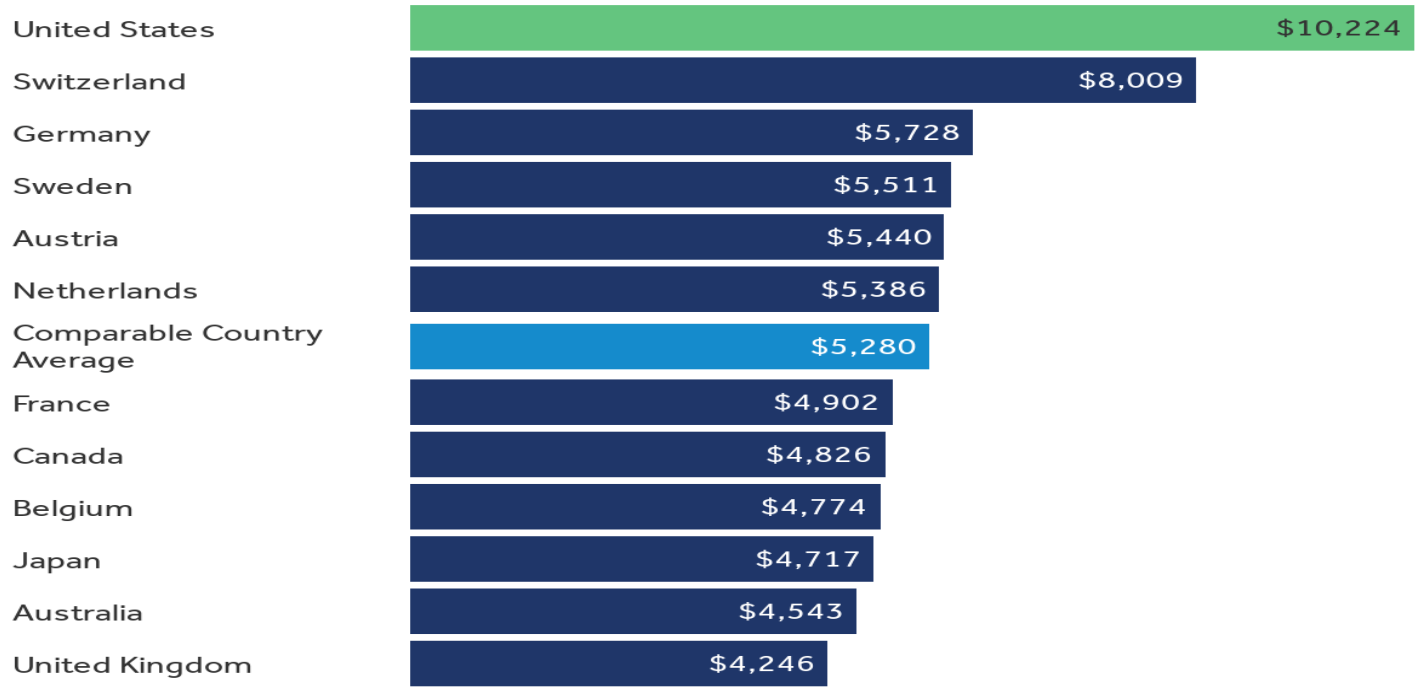
B. The US & India

C. Cambodia & Vietnam

D. France & Spain

COMPARATIVE HEALTHCARE SPENDING BY % GDP (SOURCE: COMMONWEALTH FUND, 2022)

COMPARATIVE PER CAPITA HEALTHCARE SPENDING



Notes: U.S. value obtained from National Health Expenditure data. Health consumption does not include investments in structures, equipment, or research.

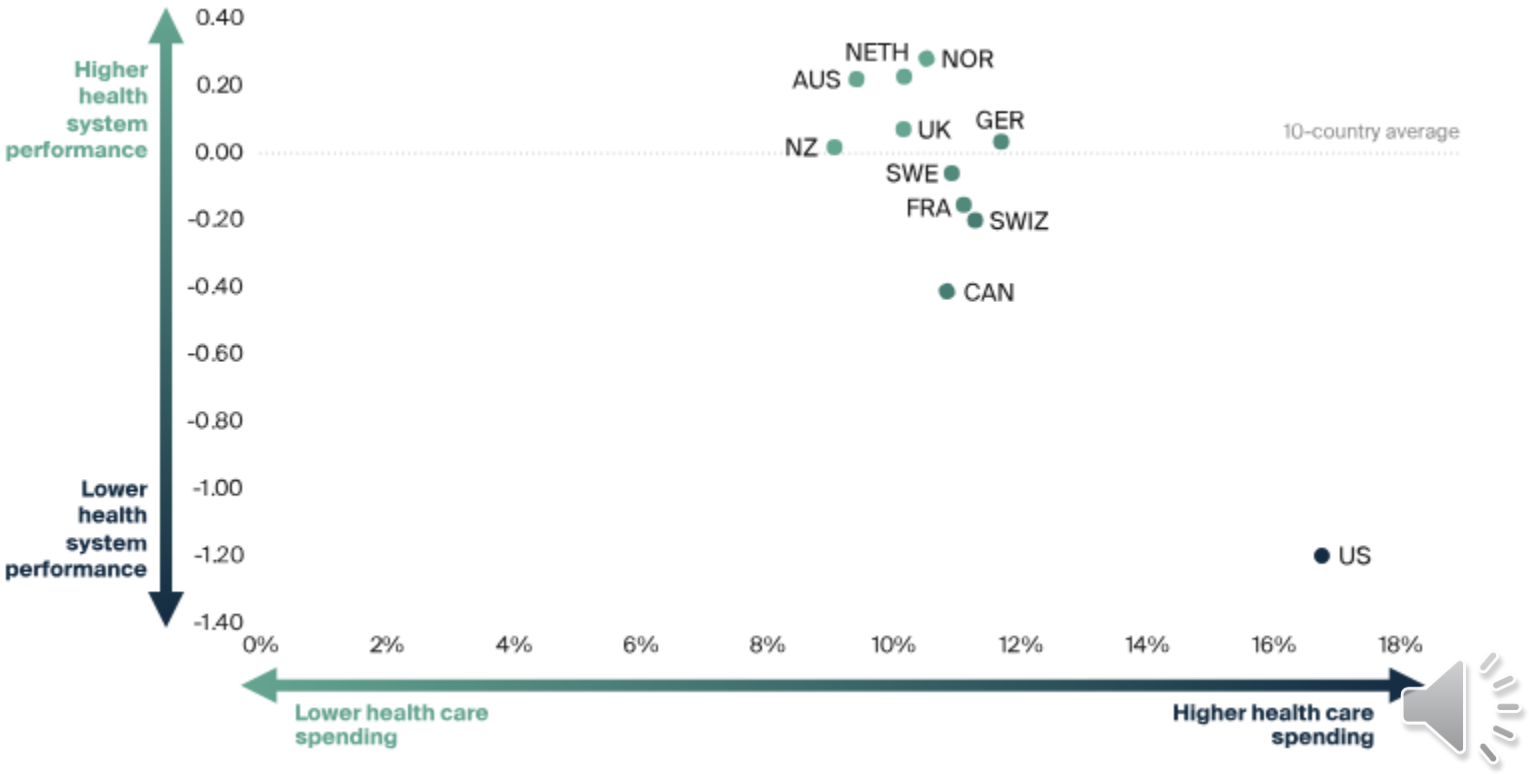
Source: KFF analysis of OECD and National Health Expenditure (NHE) data

Peterson-KFF
Health System Tracker

ANOTHER QUESTION ABOUT GLOBAL HEALTHCARE SYSTEMS

- ***Question***: True-Or-False:
- Given the healthcare ***"spending advantage"*** in the US, our clinical outcomes (e.g., infant mortality, life expectancy), are superior to those of most other countries.

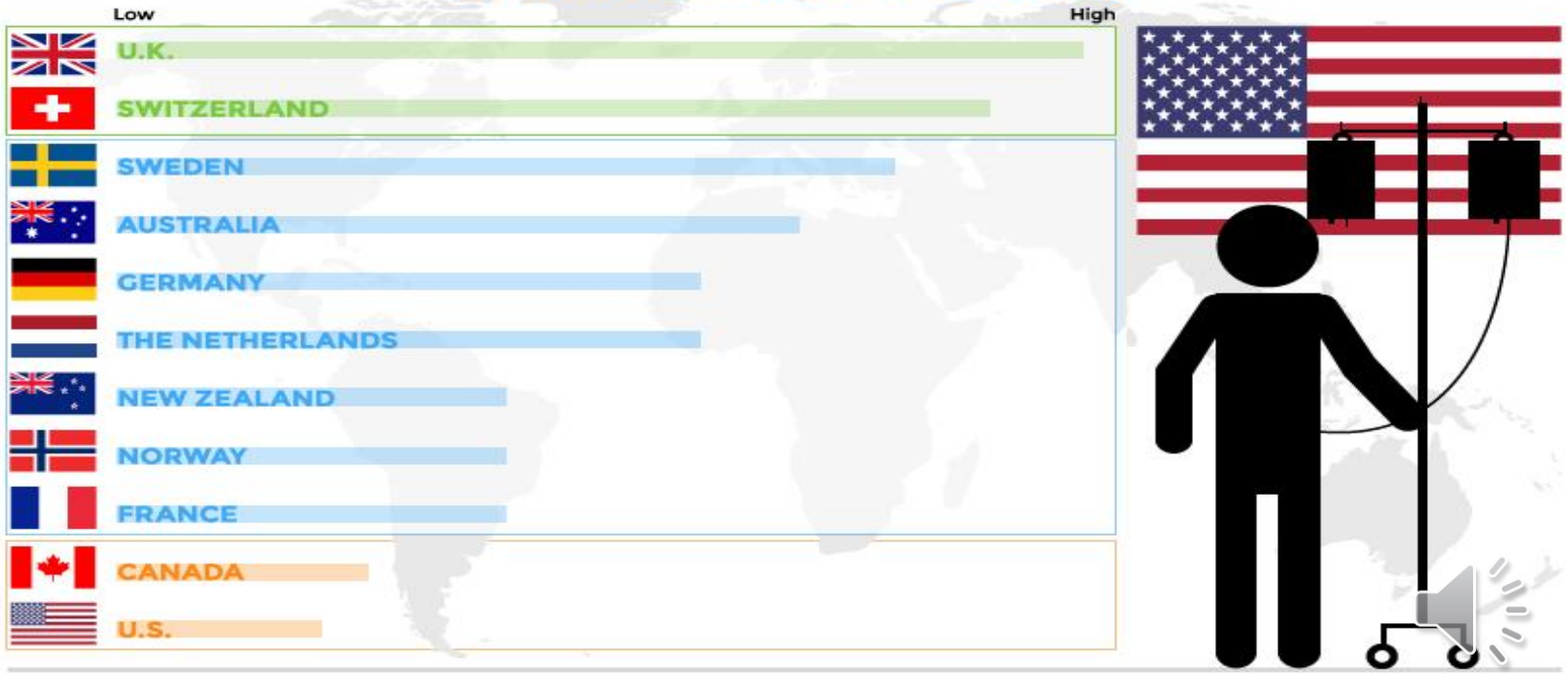
HEALTH SYSTEM PERFORMANCE COMPARED TO SPENDING (SOURCE: COMMONWEALTH FUND 2022)



U.S. HEALTH CARE RANKS LAST AMONG WEALTHY COUNTRIES

A recent international study compared 11 nations on health care quality, access, efficiency, and equity, as well as indicators of healthy lives such as infant mortality.

Overall Health Care Ranking



COMPARISON OF DOMESTIC HEALTHCARE PRICES

Healthcare System Features—Categories Used to Compare Health Systems

- Role of Government & Key System Governance
- Who/What is Covered?
- How is "Insurance" Financed?
- How is the Delivery System Organized?
- Strategies to Ensure Quality
- Cost Containment
- Innovations & Reforms

CANADA

- **The Role of Gov't:**
  - Because of ***decentralization***, provinces have primary jurisdiction.
  - The federal gov't ***funds provinces on a per capita basis.***
    - Through the ***Canada Health Transfer***.
    - ***Taxes are much higher*** than in the US.
- ***Who is Covered & How Financed?***
  - ***Expenditures are about 11% of GDP.***
  - Per capita healthcare spending is about ***$5,000/year.***
  - Supp'l private insurance, held by about 2/3's of Canadians.

CANADA (CONTINUED)

- How is Delivery Organized & What is covered?
  - Primary care: ***Primary care physicians act as gatekeepers.***
    - Most physicians are in private practices and paid fee-for-service.
  - In several provinces, networks of GPs collaborate and share resources.
    - Family Health Teams in Ontario support ***interdisciplinary health professionals*** (e.g., nurses, pharmacists, and dietitians).
    - Canada is emerging as a leader in ***Interprofessional Care.***
      - ***McGill University, Montreal***
  - Hospitals:
    - Hospitals are a mix of public and private, mainly not-for-profit.
    - Hospitals in Canada generally operate under annual global budgets, negotiated with the provinces or territories.
- Strategies to Help Ensure Quality?
  - The federally funded ***Canadian Patient Safety Institute*** promotes best practices and quality
  - The use of financial incentives to improve quality is limited.
  - ***No central system of professional revalidation of MD's.***
- Cost Containment Strategies
  - $ controlled mainly through single-payer purchasing.
    - Negotiated fee schedules for providers, drug formularies, etc.
    - Strategic restrictions on new investment in capital and technology.
- Innovations and Reforms
  - Provinces ***consolidate*** resources to achieve efficiencies.
    - ***Quebec merged 182 Health/Social Centres***, into 28.

THE ENGLISH SYSTEM

- ***The Role of Gov't:***
  - ***Centralized***: Responsibility for legislation and policy rests with the Country's Government.
  - Comprehensive health service are ***free of charge.***
  - Rights for those eligible for ***National Health Service (NHS***) care are summarized in the NHS Constitution.
- ***Who is Covered & How Financed?***
  - U.K. spends about ***9 % of GDP on health care***,
    - Funding for the NHS comes from general taxation & payroll taxes.
  - Private insurance: About 11 percent of the UK have private ***voluntary*** health insurance through employers.

ENGLISH SYSTEM (CONTINUED)

- How is Delivery Organized & What is covered?
  - Primary care: ***Primary care physicians act as gatekeepers.***
  - However, ***choice is effectively limited*** - many ***practices are full.***
  - Hospitals:
    - Many ***hospitals are Gov't owned by NHS*** ***and*** accountable to the Department of Health
      - They are reimbursed mainly via nationally determined diagnosis-related groups (DRG).
    - ***Private hospitals/clinics*** offer services and treatments unavailable in the NHS or subject to long waiting times (e.g., Bariatric surgery & Fertility treatment)
- Strategies to Help Ensure Quality?
  - Quality is overseen by the ***Care Quality Commission (CQC).***
    - CQC monitors performance using nationally set quality standards.
    - Monitoring includes results of national ***patient experience surveys (like our Patient Satisfaction Surveys).***
- Cost Containment Strategies
  - Some compromise quality; Most notably waiting times.
  - Cost-containment strategies to date include:
    - Freezing staff pay increases
    - Increased use of generic drugs

NOT ALL SINGLE-PAYER SYSTEMS ARE ALIKE!

- Canada and England are both:
  - ***Single-Payer Systems--***Tax revenue is used by the Government to pay for healthcare which is provided to everyone.
  - **Universal**– Coverage provided to all citizens
- However There are Differences.
- ***Canada***
  - The National Gov't allocates funding to the provinces.
  - Clinicians are generally not employed by the Gov't.
  - Many hospitals are privately owned and run.
- ***England***
  - The Gov't (NHS) runs hospitals and employs most health workers.

THE GERMAN HEALTH SYSTEM

- The Role of Gov't:
  - Health insurance is mandatory in the ***statutory health insurance (SHI)*** system or substitutive ***private health insurance (PHI)***.
  - ***Exchanges*** consisting of competing, not-for-profit, nongovernmental health insurance funds ("sickness funds")
    - Our Exchange was modeled after this one
  - Municipalities own about half of hospital beds
- Who is Covered & How Financed?
  - Publicly financed health insurance: Health expenditures are as **11.5 percent of GDP.**
  - Sickness funds ***funded by compulsory payroll tax***.
- How is Delivery Organized & What is Covered?
  - Physicians are in regional associations that negotiate with sickness funds.
  - ***Use of doctors' assistants is common (like our PA's).***
  - Registration with a family physician is not required, and ***GPs have no formal gatekeeping function—Unlike Canada.***

THE GERMAN SYSTEM (CONTINUED)

- Cost Containment Strategies
  - Drug companies are required to produce scientific dossiers for new drugs showing added benefit.
  - ***The Hospital Care Structure Reform Act:*** links hospital payments to good service quality, & reduces payments in the case of "low value." ***(basis for our VBP Model)***
- Strategies to Help Ensure Quality?
  - All new procedures are evaluated in terms of benefits and efficiency.
  - ***Minimum volume thresholds*** have been introduced for a number of complex procedures (e.g., transplantations).
  - Quality are addressed through the mandatory ***Hospital Quality Reporting System***.
    - Like our CMS Reporting Systems.

ISRAEL'S HEALTH SYSTEM

- The Role of Gov't:
  - Israel provides for universal coverage via Ministry of Health (MoH).
  - Gov't also owns about half of the nation's acute care bed capacity.
- Who is Covered & How Financed?
  - ***Publicly financed health insurance:*** Covers citizens & legal residents.
  - Funded ***through a combination of income health tax & general revenues.***
  - ***Private (supplemental) voluntary health insurance (VHI):*** 87% Have it.
- How is Delivery Organized ?
  - ***Most primary care is provided in clinics owned by an insurance plan.***
  - ***Hospitals:*** Central government- 50%; Regional gov't -30%; other nonprofits-15%;
  - Strategies to Help Ensure Quality?
  - ***Comparative data*** on hospital quality is published.
  - Provides hospitals with incentives to improve performance.
- Health Disparities and Measures to Reduce them
  - Reducing financial barriers to care, particularly for vulnerable populations.
    - Increasing the supply of beds and advanced equipment
    - ***Providing financial incentives for physicians*** to work in the periphery.

ISRAEL (CONTINUED)

- Cost Containment Strategies
  - ***Israel is one of the most successful high-income countries in containing costs,*** with health expenditures remaining below 8 % of GDP. Strategies include:
    - Channeling ***funding through a single, tightly controlled, source***
    - Maintaining ***tight controls on key supply factors*** (e.g., hospital beds)
    - Use a system of ***community-based service to*** reduce high-cost care
    - ***Using electronic health records effectively***
    - ***Purchasing pharmaceuticals in bulk*** and relying heavily on generics
    - Setting ***maximum hospital reimbursement*** rates
    - Explicitly ***prioritizing public funding*** for new technologies
- Innovations and Reforms:
  - ***Reducing surgical waiting times:*** Is a High priority.
    - Expanding hours of operation & a series of changes to improve efficiency.
  - ***Improving*** waiting times in ERs.
    - Enhanced physician, nurse, and physician assistant staffing
    - Engaging operations management experts to improve workflow.

SPAIN—A SOMEWHAT "SPECIAL" CASE

- The Role of Gov't:
  - Spanish Constitution gives all citizens the right to health services.
  - Regions provide healthcare funded by the central gov't.
- Who is Covered & How Financed?
  - ***Spanish National Health System*** provides universal coverage.
  - The World Health Organization ranked Spain 26th of 191 countries in its fairness in financing.
- How is Delivery Organized & What is covered?
  - Access to health services will be facilitated by use of an individual health card (tarjeta sanitaria individual)
    - Entitles the holder to health services and provides basic health data.
    - Health facilities have appropriate equipment to read such cards.
  - **Primary care**: ***PCP's act as coordinator*** of care throughout life.
  - **Hospitals:**
    - "healthcare centers" (centro sanitario) are facilities which provide primary care and preventative care.
    - Specialized centers: Focus on specific health conditions/services such as cancer, dialysis, etc.

SPAIN (CONTINUED)

- Spain spends about 1/3 as much (per capita) on healthcare versus the US and in several categories, has better access & outcomes.
- Spain has 3.8 doctors per 1,000, versus 2.5/1,000 for the US.
- Outcomes: Spain vs US
  - Infant Mortality:
    - Spain= 2.1/1,000;
    - US = 4.9/1,000
  - Life Expectancy: Spain = 79.2 , US = 78.8

SUMMARY COMPARISON BY-COUNTRY

Country	Cost of Care	Quality	Wait Times	Patient/ Family Input into Care Plan	Provider Induced Limitations on Care	
US	High	Med	Varies*	High	Varies*	
England	Med	Med	High	Med/Low	Med/High	
Canada	Med	Med	High	Med/Low	Med/High	
Germany	Med	High	Med	Med	Med	
Japan	Med	High	Med	Med	Med	
China	Med/Low	Varies*	Varies*	Low	High	
Rwanda & Tanzania	Low	Low	High	Low	High	

* = Varies largely based on factors such as socioeconomic status.

LESSONS FROM ABROAD

- **Poland--Curbing tobacco use**
  - Poland had the highest rate of tobacco consumption in the world. A combination of health education and stringent tobacco control legislation has averted 10,000 deaths a year, has reduced the incidence of lung cancer by ***30 percent reduction, and has helped boost the life expectancy of men by four years.***
- **Thailand--Preventing HIV and sexually transmitted infections**
  - In Thailand, the government's "***100 percent condom program***" ***targeting commercial sex workers and other high-risk*** groups helped prevent the spread of HIV relatively early in the course of the epidemic. ***Thailand had 80 percent fewer new cases of HIV*** in 2001 than in 1991 and has averted nearly 200,000 new cases.
- In **Dubai**, a unique weight loss competition gives out gold as prizes – 1g per kilo lost.
- The **Mexican** Government "programme Oportunidades" Offers ***cash incentives*** for meeting criteria that improve health for young children.
- A **South African** health insurance company offers a more comprehensive rewards system.
  - Similar to supermarkets' loyalty schemes
  - Clients earn points for healthy behaviors (e.g., exercising)
  - Points can be cashed in for rewards.

LESSONS *FROM* DEVELOPING & LOWER INCOME COUNTRIES

- They struggle with many basic needs of nutrition, shelter, etc.
- Still, they are **not** heavily afflicted with issues which plague developed countries such as:
  - Overutilization
  - Futile care & end-of-life ethical concerns
  - When & what to ration
- Hence, there are lessons to be learned form them!
  - ***More Utilitarian***-- make fewer resources go further.
  - Issues related to providing ***futile care are non-existent***.
- Example: Several African countries with high disease burden's and relatively few health resources are developing palliative care best practices and programs.
  - Mozambique, Rwanda, Swaziland, Tanzania, and Zimbabwe.

UNITED STATES "SYSTEM"

- The Role of Gov't:
  - The Affordable Care Act (ACA), enacted in 2010, established "shared responsibility" among the government, employers, and individuals
  - However, ***health coverage remains fragmented***, with numerous private and public sources as well as wide gaps in insured rates across the U.S. population.
    - ***CMS administers Medicare***, a federal program for those > 65 and disabled.
    - ***CMS works with states to administer Medicaid and the Children's Health Insurance Program (CHIP).***
    - State and federally administered private health insurance exchanges provide additional access to private insurance, with income-based premium subsidies for low- and middle-income people.
- Who is Covered
  - In 2020,
    - 55% of the US population received employer-provided insurance
    - 15% acquired coverage directly.
    - 37% were covered by Public programs.
  - In 2020, about 33 million individuals (10.4 % of the US population) were uninsured, down from 47 million.

UNITED STATES (CONTINUED)

- How is Delivery Organized & What is covered?
  - The ACA requires all health plans to cover services in 10 essential health benefit categories (e.g., ambulatory patient services; emergency services; hospitalization; etc).
  - Cost-sharing provisions in private health insurance plans vary widely, with most requiring (increasing) copayments and deductibles.
  - ***Primary care:*** Primary care physicians account for roughly one-third of all U.S. doctors.
  - ***Hospitals:*** Hospitals can be nonprofit (approximately 70% of beds nationally), for-profit (15% of beds), or public (15% of beds).
  - ***Hospitals are paid*** through a combination of methods, including per-service or per-diem charges, per-case payments, and bundled payment.
  - ***Hospitalists*** are increasingly common and now present in a majority of hospitals.

UNITED STATES (CONTINUED)

- Strategies to Help Ensure Quality?
  - **Independent Oversight**-The Joint Commission
  - Public Reporting of Provider Performance Data.
    - ***Hospital Compare***, a service that reports on measures of care processes, care outcomes, and patient experience at more than 4,000 hospitals.
  - Hospital Readmission Reduction Program (HRRP):
    - Incentives to reduce avoidable hospital readmissions among Medicare patients. Since it's initiation, 30-day readmission rates have declined from 24 % to less than 18%.
  - Value-Based Purchasing (VBP):
    - Rewards hospitals for performance in four domains including: Safety, Clinical Care, Efficiency and Patient/Caregiver-Centered Experience of Care.
- Health Disparities and Measures to Reduce them
  - Because of wide disparities in the accessibility and quality of health care in the U.S., the annual ***National Healthcare Disparities Report***, documents disparities among racial, ethnic, income, etc.
  - The ACA contains a number of provisions aimed at reducing disparities: subsidies for low-income Americans to purchase insurance.

HEALTHCARE STRATEGIES "BORROWED" FROM ABROAD

- ***Health insurance exchanges***, such as those created by the ACA, have been in place in ***Germany*** for decades.
- Our ***Medicare*** is modeled after the ***Canadian*** System.
- Our ***VA Health System*** is like the **UK's Nat'l Health Service**.
- The ***Australians*** pioneered incentives (e.g., tuition forgiveness) to attract doctors to serve remote populations.
- The ***US Pay-for-Performance schemes (e.g., VBP) are modeled*** after those in ***France and Germany.***
- ***Mandatory preventive care*** (like ACA) started in ***Germany.***
- Our ***CMS "Hospital Compare" program*** is similar ***Israel's.***

COMMON VULNERABILITIES OF MANY HEALTHCARE SYSTEMS

- Rising Costs
- Health Disparities: ***Unequal access*** to quality care.
  - Native Populations (Aboriginal, Native American, etc), are ironically, more vulnerable
- Shortage of and Undertrained ***Primary Care Physicians*** (US & UK)
- Long ***wait-times*** (Canada, England)
- Right Talk, Wrong Action: Un/Under Funded Mandates: (India & China)
- ***Aging Populations***: (China & Japan)
- Coverage does not equate to ***access***—(US, UK, Canada)
- ***Lackluster Outcomes***—Relative to Expenditures – (US)
- Balancing Cost and Quality (England met budgets but increased wait times)
- Variable ***Access to Technology-***
  - Too Much: US
  - Too Little: Developing Countries

COMMON STRENGTHS

- Better ***Oversight*** (Than Decades ago)
- Access to ***Technology***
- Better Access to ***Data*** (Analytics from EHRs)
  - QA/QI
  - Research
- ***Safety Nets*** to Help Protect Vulnerable Populations
- ***Value-Based Care***—Israel & United States
- Individual Health-Card for Identification and Accessing Records (Spain, Taiwan)
- ***Consolidation*** of providers to enhance efficiency and reduce cost (Canada & UK).
- ***More incentives*** for clinicians serving vulnerable populations.

ELEMENTS OF THE IDEAL SYSTEM—— ACCENTUATING STRENGTHS & INNOVATION

- Universal coverage
- Education—
  - Healthy Lifestyles
  - Healthcare Literacy
  - End-of Life Mgt
- Smart Regulation & Negotiation
- Rewarding Value
- Transparency
- Technology
  - Digital-Data Analytics, tele-health
  - Clinical
- Reward & Support Health—
  - Mandatory Wellness coverage
  - Consequences for Unhealthy Lifestyles
- Enhance Access-Especially for Vulnerable Populations
- Intelligent and Fair "Rationing"
- Reduce Defensive Medicine--Tort Reform

TAKE-HOME POINTS

- ***Healthcare is "complicated"*****…..!**
- Complex problems usually warrant complex solutions.
- Constructive and Meaningful Reform in the US is possible, ***but several iterations,*** will likely be needed.
- Measures ***don't have to be original***, they just need to work…
- Arguably, there are several **healthcare system "experiments"** going on right now in various countries.
- Some measures ***have been*** and ***may continue*** to be "transplanted" to the US healthcare system from other countries.
- We'll probably get there, but it's going to take time.

ADDITIONAL RECOMMENDED READINGS

- International Profiles of Health Care Systems, The Commonwealth Fund, 2022.
- Comparative Health Systems—Global Perspectives, Johnson JA & Stoskopf, CH, Jones & Bartlett, Sudbury MA.
- Comparative Health Systems Performance (CHSP) Initiative, Agency for Healthcare Research & Quality, https://www.ahrq.gov/chsp/about-chsp/index.html
- Case Studies for Global Health -- Building Relationships & Sharing knowledge. http://www.casestudiesforglobalhealth.org