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Study of Insurance Economics

# Études et Dossiers

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**The New Welfare: The Counter-Ageing Society**

**“Lengthening of Life-cycle, Employment,  
Pensions and Health”**

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# Scenarios for Health Funding and Policies in Europe

Nick Bosanquet

## Defining the new Health Agenda

- Impacts from change in the wider economy
- Faster growth - surprise winners such as Ireland, Finland and Slovakia
- Tax constraints - competition from low tax economies
- Declining number of young tax payers and rising older beneficiaries

## The new service economy

- 70 % Services
- Growth from new services
- Mobile phones/Airlines
- Gains in access for low income groups
- Schumpeter's view of capitalism
- Impact of globalization in new industries, sources of capital
- US Steel produces more steel in Slovakia than in US

## Power to the customer

- Information/internet
- "Thirty years ago the customer did not matter .... there has been a secular shift of power from the supplier to the customer" (Mercer)
- Teenagers better access to new digital world than health professionals

## Household capital

- Wealth and human capital
- Assets of households greater than corporate sector
- Financial power
- Information/computer power

## Public sector time warp

- Flexibility
- Productivity
- Innovation rate
- Consumer choice

## **New health services agenda**

- Healthcare paradigm
- Prevention
- Screening
- Rapid diagnosis and treatment
- Care programmes
- Support for carers

## **Success in local programmes**

- CHD
- Runcorn/Gravesend
- Identify high risk patients
- 3000 from 60,000
- Use of statins
- Prevent 27 deaths a year

## High benefits from day/short-stay care

- Diagnostics
- Early detection in cancer
- Angioplasty
- Orthopaedics
- Ophthalmology

## Rising demand

- Supply side reform makes services more attractive
- UK knee arthroscopy - 65 to 84 per 100,000 in last two years
- UK digital hearing aids - waiting list now 500,000
- Lifestyle change - in the wrong direction

## The Pareto group

- Survival success - but high morbidity and disability
- End stage renal failure
- Cystic Fibrosis
- Learning disability

## Unpopular diseases

- Stroke - recurrence risk and disability
- Mental illness
- COPD

## Health service quality

- Shortage of experienced staff - now and in the future
- Greater labour market competition for management/professional ability
- Did Nightingale spirit go out with the Nightingale wards?

## Searching for solutions

- No one magic answer
- Increase options and incentives for local health professionals
- Raise sense of ownership of funds
- Healthcare as a communication programme

## Pressures on district hospital

- Speciality centres with 24 hour cover by multi-speciality teams
- Ambulatory treatment centres
- Issue of separation between elective and emergency treatment
- One stop shops/increase in diagnostics
- Reduction in admissions
- Problems of care in hospital

## Extended primary care

- Team work
- Technology
- Early access
- Can deliver services for one or two 00s

## **The new International leaders**

- Mixed systems
- Scandinavia
- Spain
- New Europe
- HMO Lessons - move to mixed system in US
- Germany - more change in 2 years than in previous 50

## **New policy directions to promote change and more effective use of resources**

- Patient choice
- Tariff/DRG funding
- Money follows the patients
- Local budgeting
- Informatics

## Challenge to public sector

- Flexibility
- Secondary/primary
- Social/medical
- UK must do - reduce costs 10%

Continued...

- Raise activity 20%
- New team approach
- Local skill development
- One stop shop/diagnostics
- Waiting time pressure to emergency treatment

## Possible role of private sector

- Access to capital
- Project speed
- Market size required for investment/innovation
- Free up resources or investment in new programmes

## New partners

- Pharmacies
- Opticians
- Patient testing/diagnostics
- Telemedicine
- The expert patient

## **New partnership role for health insurance**

- Complementary to public sector funding role
- Support outside core services

## **Health insurers as commissioners**

- Care programmes
- Life-style change
- Access to primary care/diagnostics.
- Counselling/stress management.
- Health Insurers as innovators.

## **New international network**

- AXA
- Generale
- Europ assistance
- BUPA
- Standard Life/WPA.
- Increasing affordability through a modular approach.

## **Great divide with health professionals**

- Little support for new policies
- Step by step approach
- Stronger primary care
- Independent Trusts for hospital system
- Use retirement
- Greater range of options for a newer generation of health professionals

## Case studies in private/public partnership

- Pharmacies
- Increased activity in testing
- Chlamydia testing
- Opticians
- Extended eye care
- Direct referral for cataract/low vision problems

## Gains to pluralism

- Dialysis units
- Satellite dialysis

## Gains to choice

- Learning disability services
- Long term care.
- Intensive home care for people with disability
- Greater ability to develop new teams/new services

## New informatics

- Catch up with supermarkets
- Health carer as a communication programme
- Different versions of telemedicine – from mobile phones through remote monitors to PACS

## Pressures to rationing

- If rationing is not by waiting time and/or quality
- How are services to be rationed?
- Equity between IPOD generation and WOOP generation
- Insecure/pressured/Overtaxed and debt ridden