HEALTH CARE SYSTEM:
NEW CHALLENGES
SMART INVESTMENTS FOR A SUSTAINABLE
HEALTH CARE SYSTEM

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“Current Status Austria: New Challenges for the Health Care System”
14th Summit Talk on the Schafalm
Alpbach, August 25, 2015

http://www.healthsystemintelligence.eu
http://healtheconomics.meduniwien.ac.at
KEY MESSAGES

- Health outcomes could be better with the money invested
- Health reform 2013
  - is ambitious in trying to re-shape the delivery chain and to further optimize care processes
  - does not explicitly address the issue of waste
  - is path-dependent in aiming at making “hostile” actors working together
- Social Justice is still high but slightly down
- Clever policies are required focusing those most in need while improving policy coordination in particular across policy areas
GRADUAL EXPANSION OF PUBLIC COVERAGE OF HEALTH CARE SERVICES HAS BEEN ACCOMPANIED BY EFFORTS TO IMPROVE EFFICIENCY AND GOVERNANCE

Health care Expenditure in Austria, % GDP

Public

Private

Implementation DRG Financing, partial budget cap

Federal Health Agency, “reform pool”, ÖSG, e-card

“Best point of service”, primary care capacity, global budget, enhanced monitoring and mid-term forecasts

Source: Statistik Austria 2015, own compilation
Yet, higher life expectancy could be achieved with the money invested.
Health Reform 2013 aims to overcome the governing divide and to enhance performance through:

- Better formalised cooperation and coordination — "ZIELSTEUERUNG"
- A global budget cap which is expected to leverage structural change in care delivery

Source: Hofmarcher 2014
# Measures Proposed by Health Reform 2013

## Which are Subject to Impact Assessment in 2017

<table>
<thead>
<tr>
<th>Measure</th>
<th>Likelihood of achievement in 2017</th>
<th>Remarks</th>
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<tbody>
<tr>
<td><strong>Measure 1</strong> Ensure best point of service</td>
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<tr>
<td>• Increase day care 4.2 pp. to 25 per cent of all hospital admission</td>
<td>****</td>
<td>Average length of stay targets expected to be failed</td>
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<td>• Reduce bed-days</td>
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<td><strong>Measure 2</strong> Build capacity for innovative, multidisciplinary care models</td>
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<tr>
<td>• Increase the number of such models</td>
<td>**</td>
<td>Target is conservative: 1% of the population should be cared in such models</td>
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<td>• Make existing ambulatory care more responsive to patient needs, e.g. opening hours</td>
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<td><strong>Measure 3</strong> Enhance targeted health promotion and prevention</td>
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<td>• Definition of unified principals for newly established funds on the regional level</td>
<td>**</td>
<td>Funds will operate in parallel with other funding and governance sources</td>
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<tr>
<td>• 150 Mio. Euros between 2013-2022</td>
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<tr>
<td><strong>Measure 4</strong> Enhance quality with focus on outcome quality</td>
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<tr>
<td>• Establish outcome measurement comparable across sectors by 2014</td>
<td>--</td>
<td>Largely devolved to the regional level</td>
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<tr>
<td><strong>Measure 5</strong> Establish a monitoring system to enable evaluation of objectives and to promote transparency</td>
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<tr>
<td>• Provide annual monitoring reports per „Land“, first 2013 for the year 2013</td>
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<tr>
<td><strong>Measure 6</strong> Warrant effective and efficient use of drugs</td>
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<tr>
<td>• Establish a commission in 2013 which recommends the use of high price drugs used across sectors and recommend which reimbursement mode is to apply</td>
<td>--</td>
<td>Established</td>
</tr>
</tbody>
</table>

Note, *low likelihood, **very high likelihood.
Source: Gesundheitsreformgesetz 2013, Gesundheit Österreich GmbH 2014/2015, own compilation and assessment
THE AUSTRIAN GROWTH PERFORMANCE DIFFERS FROM OECD AND IS RECENTLY PRETTY VOLATILE!??
Does this herald badly wanted structural change in care delivery?

Average annual per capita growth rates for health care spending components, in real terms, 2005-2013, Austria (AT) and Euro Countries (Euro L)* (GG: General Government)

*Excluding in INPAT/OUTP: GRE, IRE, ITA, POR, in LTC: GRE, IRE, ITA, in PHARMAC: GRE, in PREVENTION/ADMIN: GRE, IRE

Source: OECD August 2015, own calculations
WEAK ECONOMIC CONDITIONS CHALLENGE FISCAL SUSTAINABILITY AS DEFINED IN 2013

The spending gap is increasing but likely less strong than expected, in 1000 Euros

FISCAL PRESSURE FROM AGEING IS EVERYWHERE

Main areas of social spending 2013 and 2040, Austria (AT) and Euro Area (EA), %GDP

SOCIAL JUSTICE NEEDS TO BE ADDRESSED AND MORE ATTENTION

Social Sustainability Index and health expenditure per capita, 2012 (or nearest year), EUR PPP

MORE INCLUSIVE PREVENTIVE CARE AND BETTER INTEGRATION POLICY IS NEEDED

Performance in Social Policy areas, Austria compared to Eurozone countries

Source: Bertelsmann Stiftung: Sustainable Governance Indicators http://www.sgi-network.org/2014/Austria/Social_Policies
MAIN CHALLENGES REMAIN: GOVERNANCE AND ACCOUNTABILITY

Sources of financing in % of current health expenditure, 2013 and growth since 2010 (pp-change over each bar)

<table>
<thead>
<tr>
<th>Source of Financing</th>
<th>Social Health Insurance</th>
<th>State</th>
<th>Cost Sharing/Direct Payments</th>
<th>Private Health Insurance</th>
<th>Non-Profit Organisations and Companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health=100</td>
<td>52.5</td>
<td>22.8</td>
<td>17.2</td>
<td>5.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Long-term care=100</td>
<td>0.6</td>
<td>80.6</td>
<td>18.2</td>
<td>0.0</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Sources: Statistik Austria, own calculation
TARGETING “WASTE” IS IMPORTANT AS THE COST DRIVER “AGING” IS ONLY PART OF THE FUTURE CHALLENGE

Projected Increases in Public Health Spending, 2011-2030

Quelle: IMF, FAD June 2011
SMART INVESTMENTS IN HEALTH EMPLOYMENT IS CRUCIAL TO BETTER ACCOMMODATE FUTURE HEALTH NEEDS AND TECHNOLOGICAL CHANGE

Employment in health and social care per capita (2000-2013)

Sources: EUROSTAT, NACE rev. 1.1 and 2, own calculation 2014
To jointly address challenges clever policies are required focusing those most in need while improving policy coordination within health and across policy areas.

OEC 2011:
- Implement more effective public health programmes with respect to nutrition, smoking and alcohol consumption.
- Continue to develop “children health” programmes which have positive life-long impacts.
- Develop special programmes for vulnerable groups which lag behind in lifestyles and prevention, notably low education immigrant and resident groups.

Source: Daniel Kahnemann: Don’t Blink! The Hazards of Confidence, NYT Magazine, October 19, 2011
Selected Readings

- GÖG (2015): Migration und Gesundheit: 