



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

Maria M. Hofmarcher-Holzhacker

“Current Status Austria: New Challenges for the Health  
Care System”

14<sup>th</sup> Summit Talk on the Schafalm

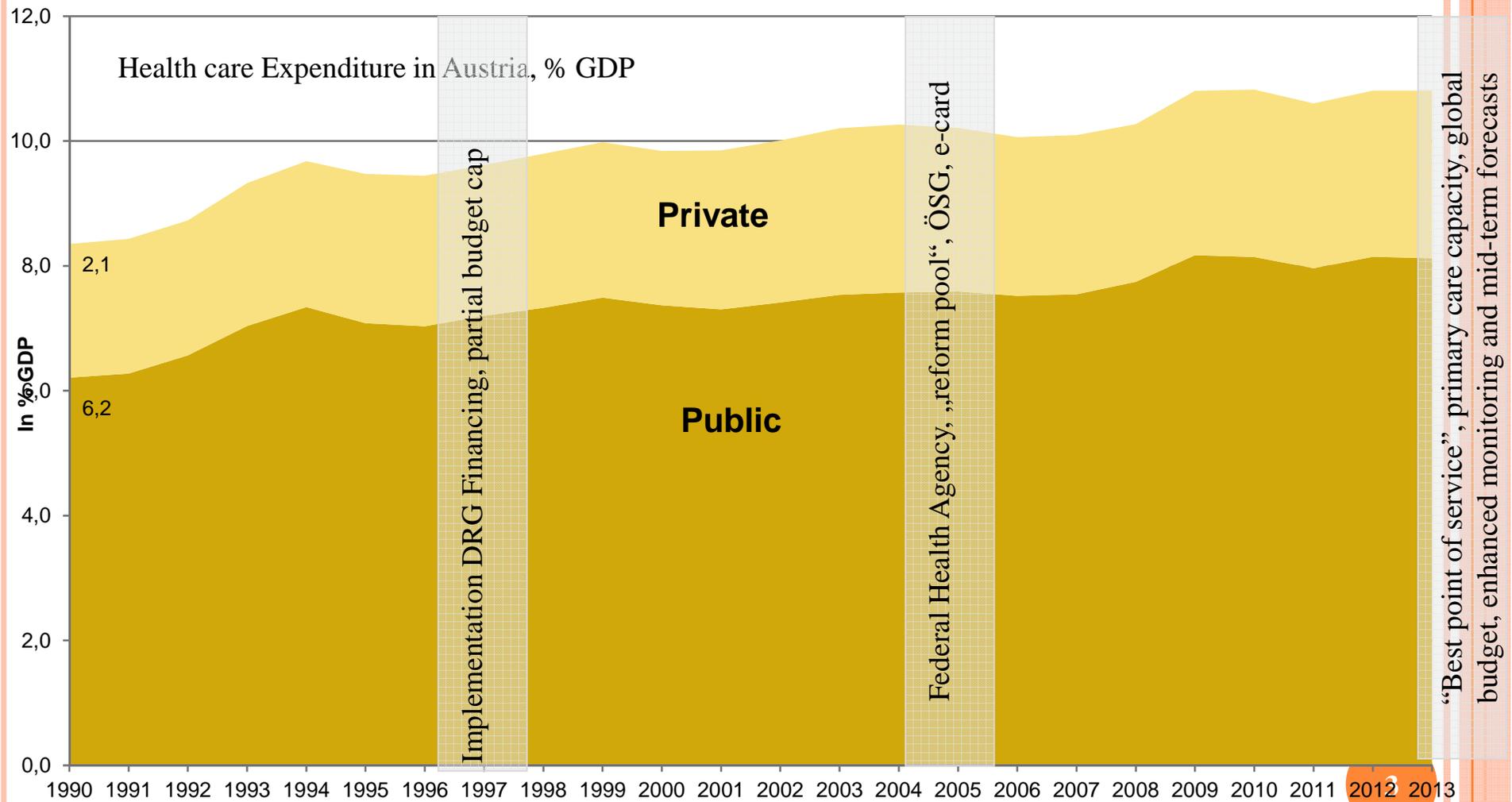
Alpbach, August 25, 2015

<http://www.healthsystemintelligence.eu>  
<http://healtheconomics.meduniwien.ac.at>

## KEY MESSAGES

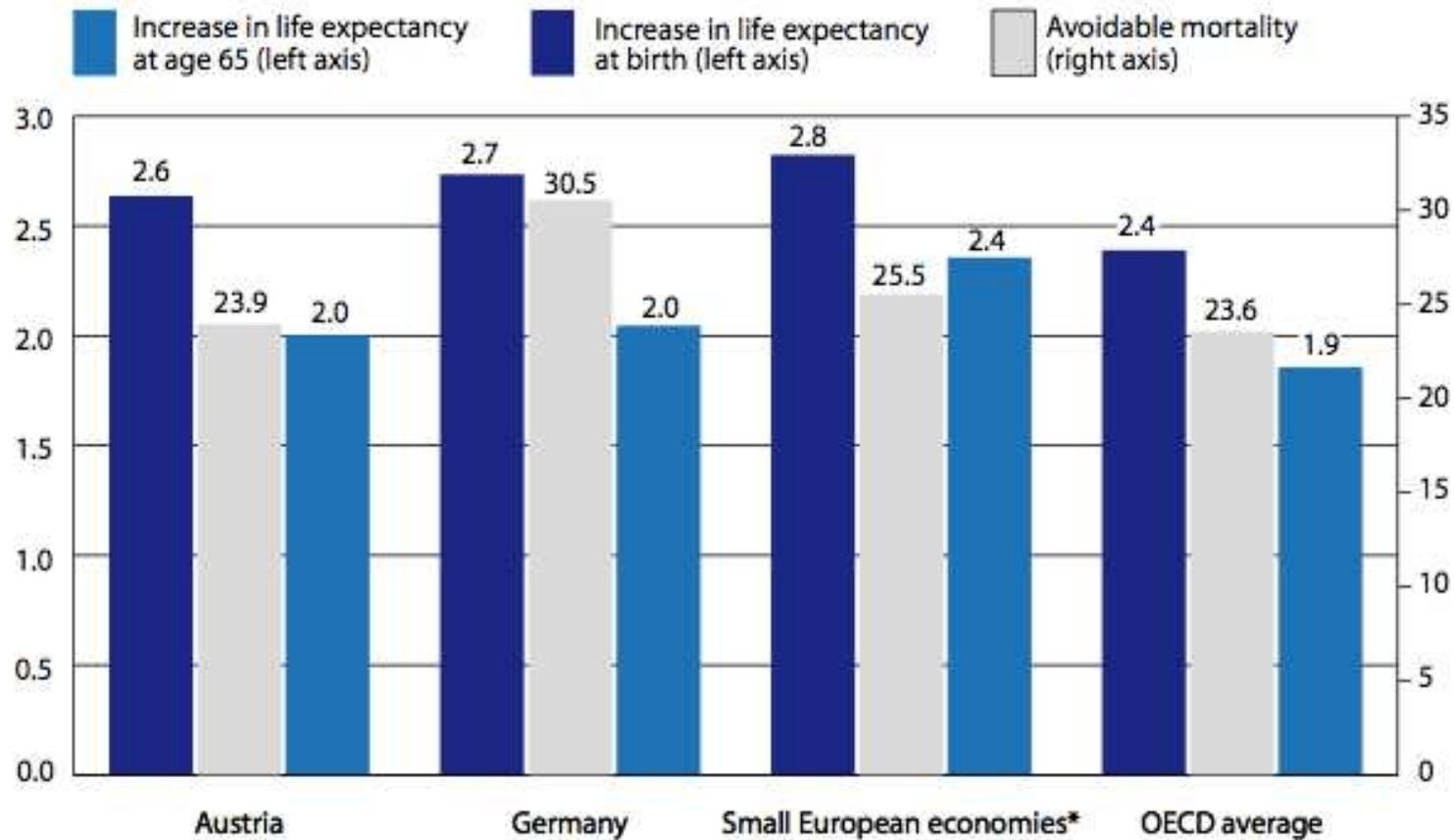
- Health outcomes could be better with the money invested
- Health reform 2013
  - is ambitious in trying to re-shape the delivery chain and to further optimize care processes
  - does not explicitly address the issue of waste
  - is path-dependent in aiming at making “hostile” actors working together
- 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



Source: Statistik Austria 2015, own compilation

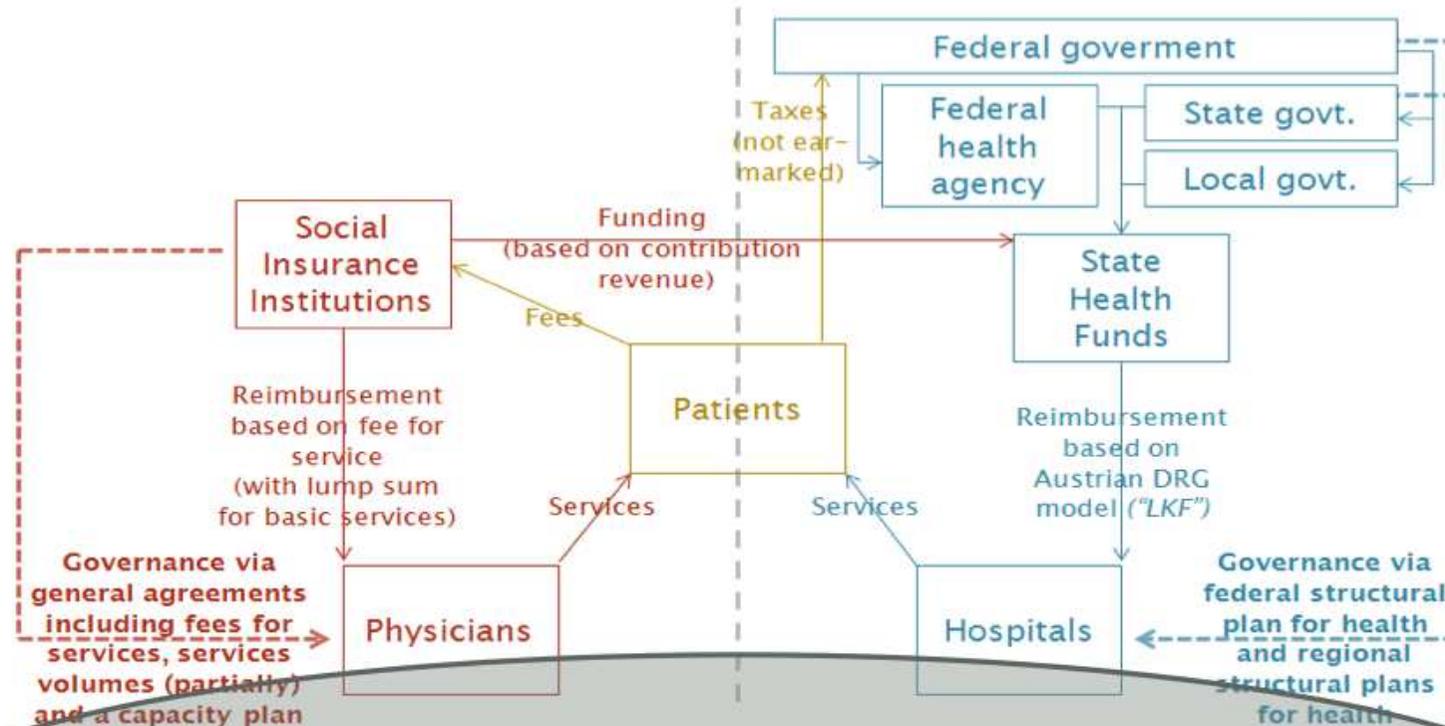
# YET, HIGHER LIFE EXPECTANCY COULD BE ACHIEVED WITH THE MONEY INVESTED



Note: \*Arithmetic mean of other small high-income European economies: the Netherlands, Denmark and Sweden.  
Source: Joumard et al. (2010); own image.

# 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



- Target-based, coordinated and co-operative governance system amongst federal government, state governments and social insurance institutions
- Executed by federal and state governance commissions via the resolution of federal and state contracts on health and financial targets

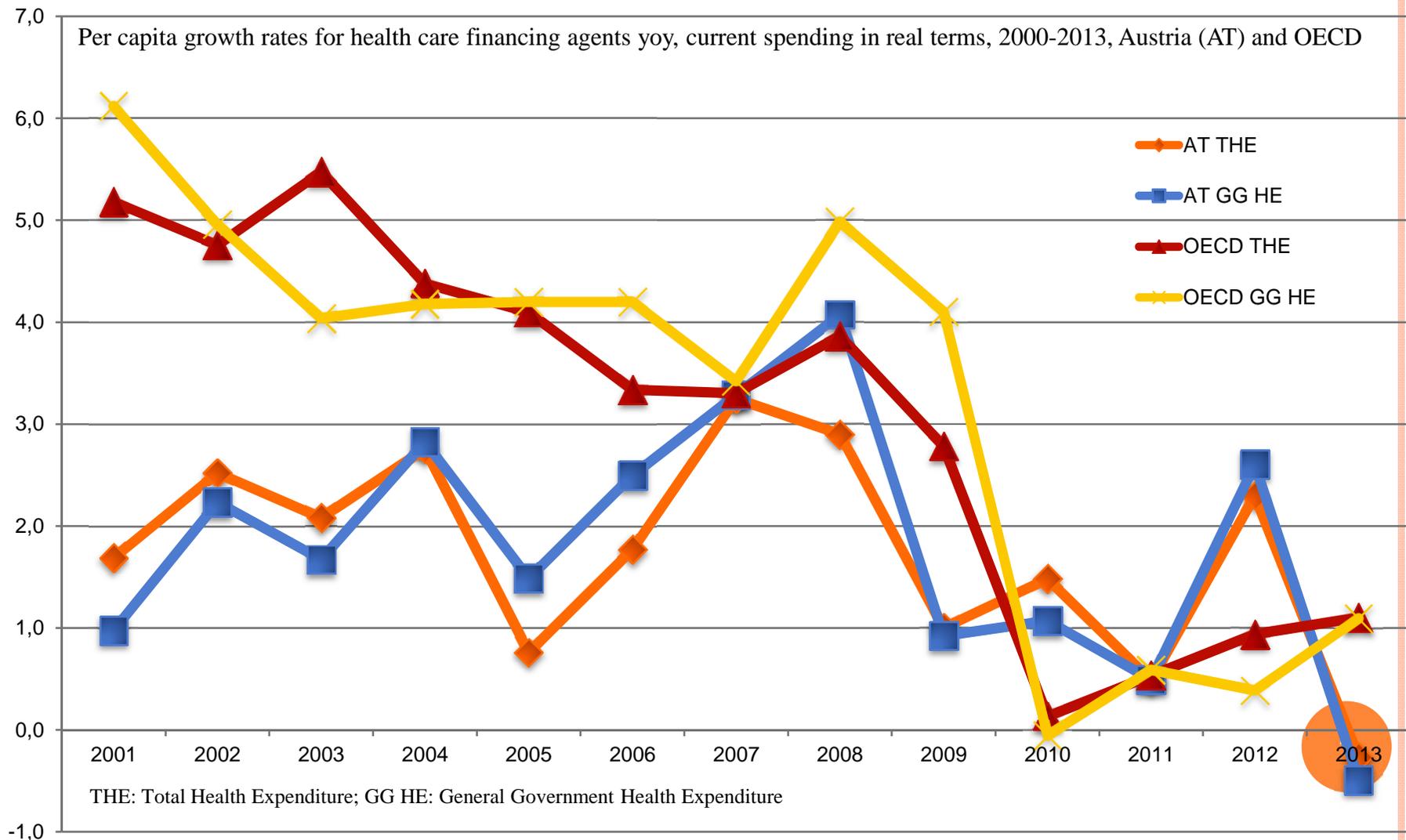
# MEASURES PROPOSED BY HEALTH REFORM 2013 WHICH ARE SUBJECT TO IMPACT ASSESSMENT IN 2017

		Likelihood of achievement in 2017	Remarks
Measure 1	Ensure best point of service		
	<ul style="list-style-type: none"> <li>Increase day care 4.2 pp. to 25 per cent of all hospital admission</li> </ul>	****	Average length of stay targets expected to be failed
	<ul style="list-style-type: none"> <li>Reduce bed-days</li> </ul>	****	
Measure 2	Build capacity for innovative, multidisciplinary care models		
	<ul style="list-style-type: none"> <li>Increase the number of such models</li> <li>Make existing ambulatory care more responsive to patient needs, e.g. opening hours</li> </ul>	**	Target is conservative: 1% of the population should be cared in such models
Measure 3	Enhance targeted health promotion and prevention		
	<ul style="list-style-type: none"> <li>Definition of unified principals for newly established funds on the regional level</li> <li>150 Mio. Euros between 2013-2022</li> </ul>	**	Funds will operate in parallel with other funding and governance sources
Measure 4	Enhance quality with focus on outcome quality		
	<ul style="list-style-type: none"> <li>Establish outcome measurement comparable across sectors by 2014</li> </ul>	--	Largely devolved to the regional level
Measure 5	Establish a monitoring system to enable evaluation of objectives and to promote transparency		
	<ul style="list-style-type: none"> <li>Establish a monitoring framework in 2013</li> <li>Provide annual monitoring reports per „Land“, first 2014 for the year 2013</li> </ul>	****	1. Monitoring report: June 2014; 2. Report: February 2015
Measure 6	Warrant effective and efficient use of drugs		
	<ul style="list-style-type: none"> <li>Establish a commission in 2013 which recommends the use of high price drugs used across sectors and recommend which reimbursement mode is to apply</li> </ul>	--	Established

Note , \*low likelihood, \*\*\*\*very high likelihood.

Source: Gesundheitsreformgesetz 2013, Gesundheit Österreich GmbH 2014/2015, own compilation and assessment

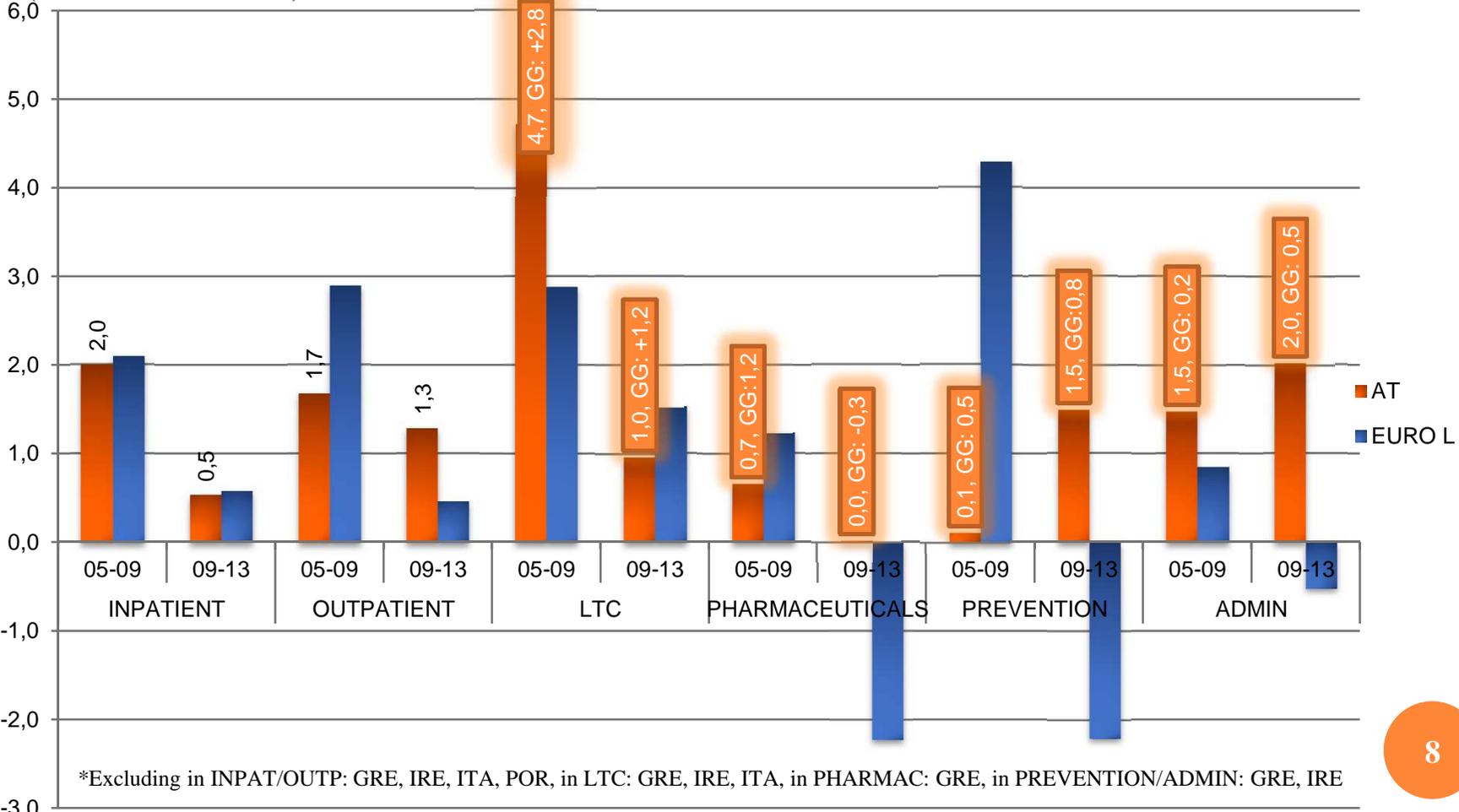
# THE AUSTRIAN GROWTH PERFORMANCE DIFFERS FROM OECD AND IS RECENTLY PRETTY VOLATILE!?



Source: OECD August 2015, own calculations

# DOES THIS HERALD BADLY WANTED STRUCTURAL CHANGE IN CARE DELIVERY?

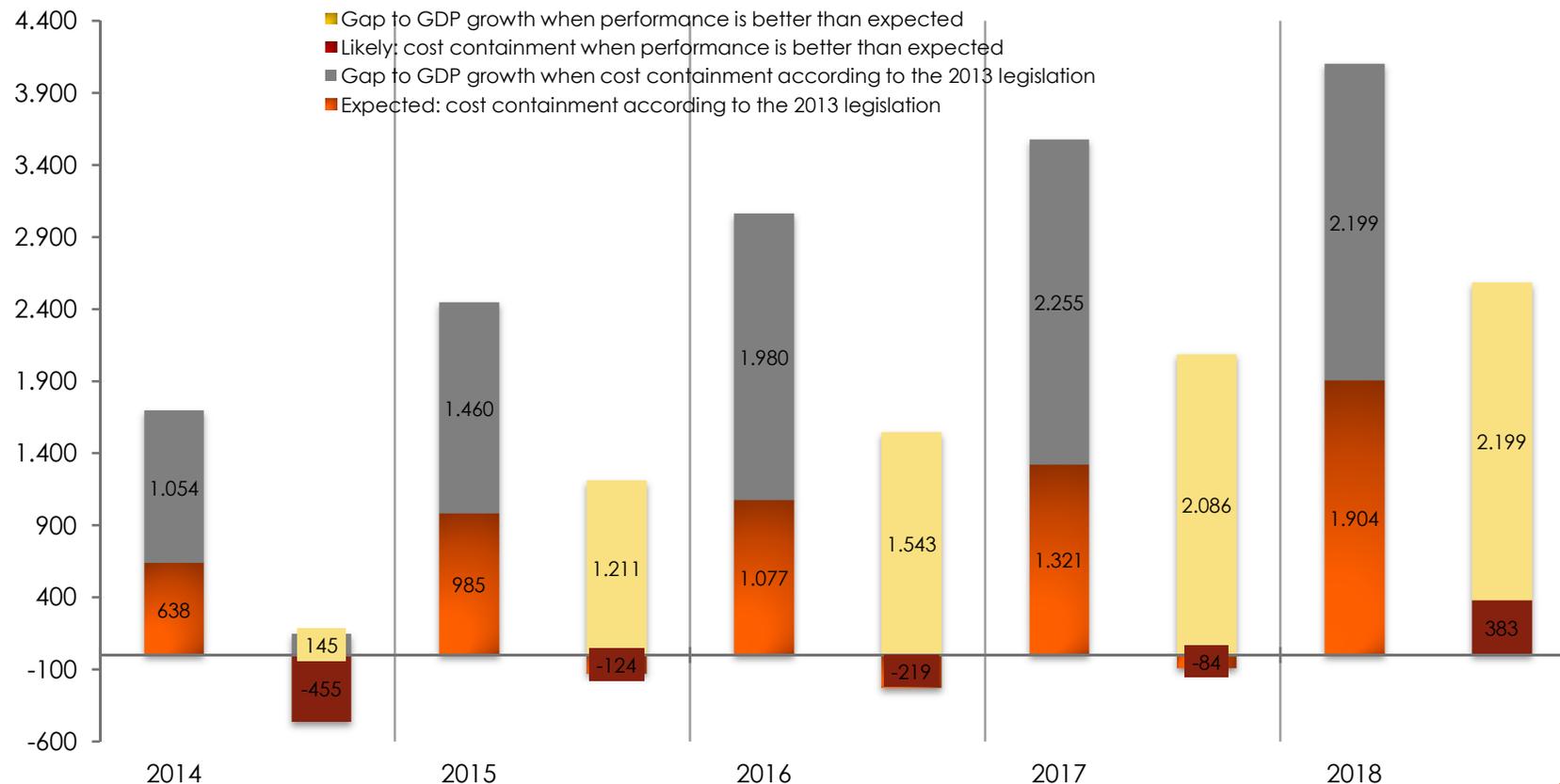
Average annual per capita growth rates for health care spending components, in real terms, 2005-2013, Austria (AT) and Euro Countries (Euro L)\* (GG: General Government)



Source: OECD August 2015, own calculations

# WEAK ECONOMIC CONDITIONS CHALLENGE FISCAL SUSTAINABILITY AS DEFINED IN 2013

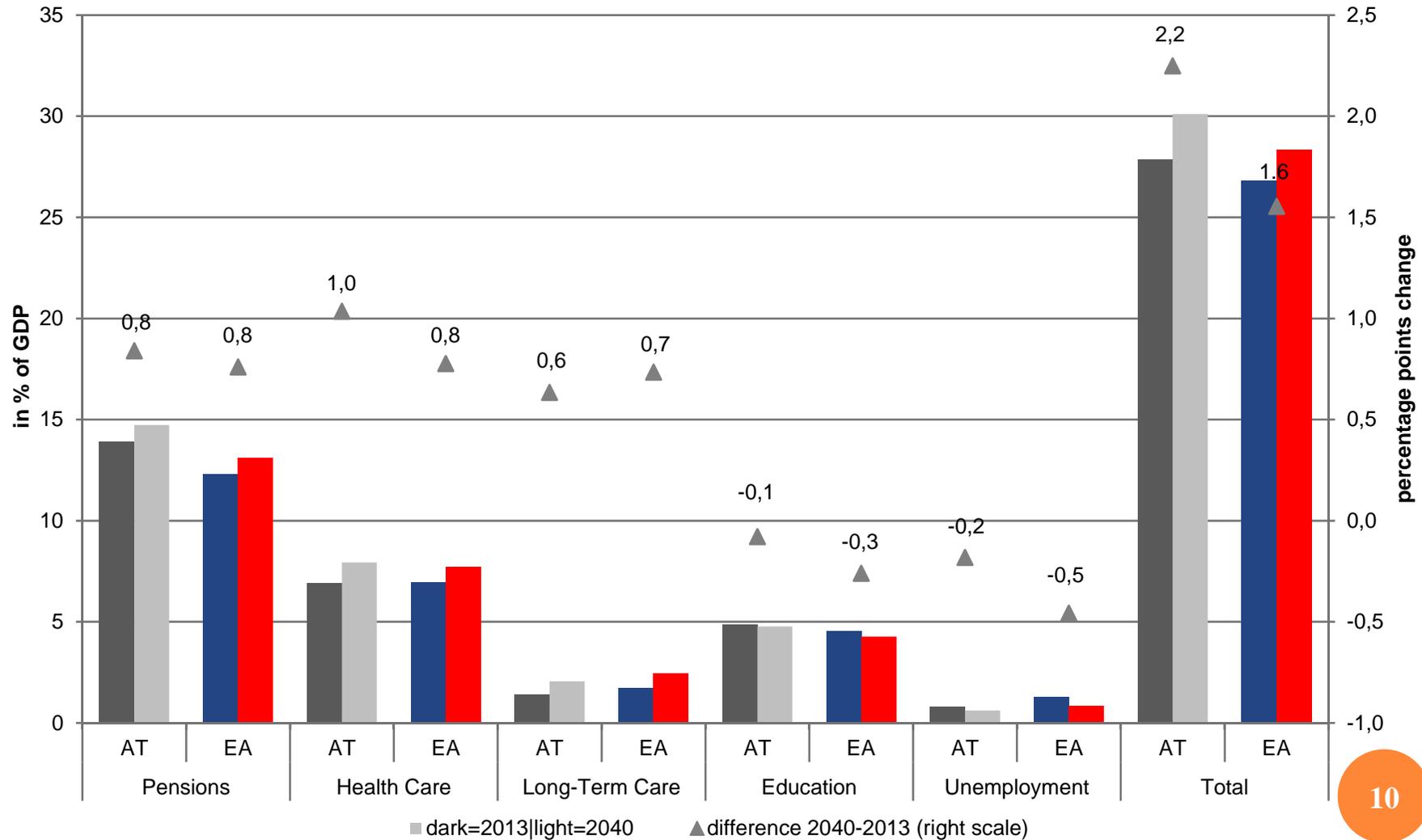
*The spending gap is increasing but likely less strong than expected, in 1000 Euros*



Source: Gesundheitsreformgesetz 2013; 2017-2018: own estimates, Hauptverband der Sozialversicherungsträger; 2014: final; 2015-2016: forecasts; 2017-2018: own estimates, 2013-2015: Bundesfinanzrahmen 2013; 2016-2018: Bundesfinanzrahmen 2014; Gesundheit, Mittelfristige Prognose WIFO - Monatsberichte, 1/2015; 2014-2019

# FISCAL PRESSURE FROM AGEING IS EVERYWHERE

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

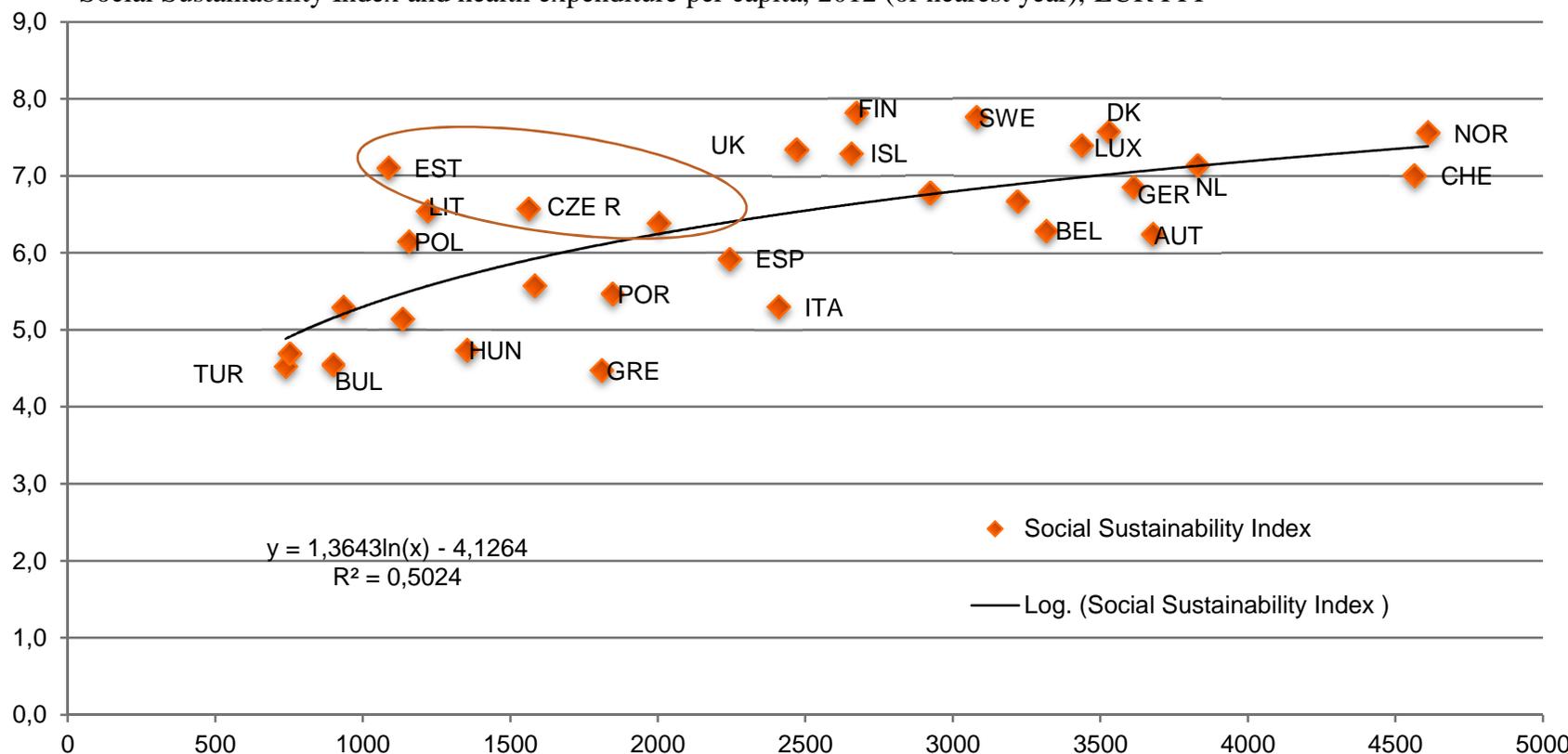


Source: European Commission, Aging Report 2015, baseline scenario: Pension, Education, Unemployment; Health Care and Long-Term Care: AWG risk scenario, own compilation.

# SOCIAL JUSTICE NEEDS TO BE ADDRESSED AND MORE ATTENTION

Rank	Country	Score			Change
		SJI 2008*	SJI 2011*	SJI 2014†	
1	Sweden	7.53	7.34	7.48	-0.05
2	Finland	7.20	7.10	7.13	+0.03
3	Denmark	7.39	7.08	7.06	-0.33
4	Netherlands	7.09	7.05	6.96	-0.14
5	Czech Republic	6.62	6.67	6.63	+0.02
6	Austria	6.82	6.72	6.61	-0.21

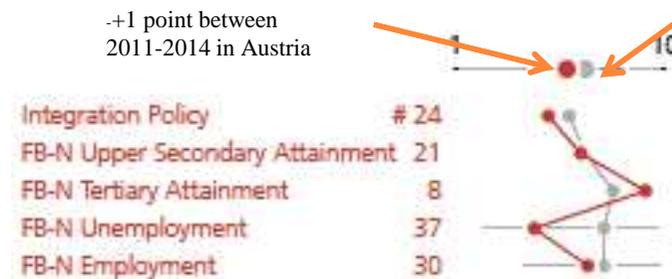
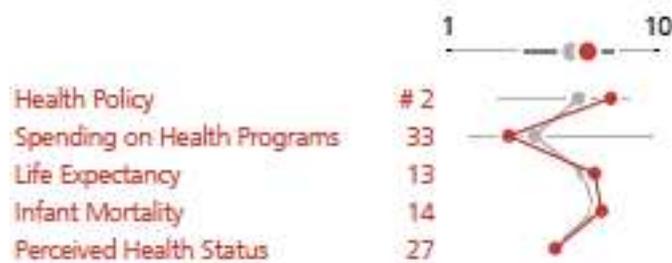
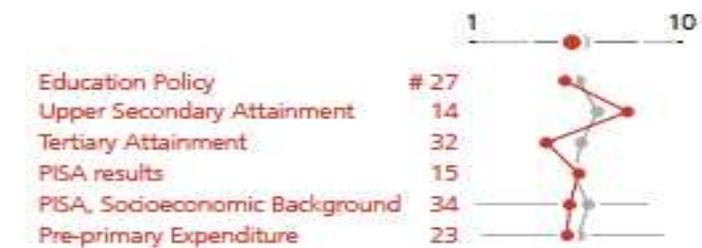
Social Sustainability Index and health expenditure per capita, 2012 (or nearest year), EUR PPP



Source: Bertelsmann Stiftung: Sustainable Governance Indicators <http://www.sgi-network.org/2014/>, OECD Health at a Glance Europe 2014, own compilation

# MORE INCLUSIVE PREVENTIVE CARE AND BETTER INTEGRATION POLICY IS NEEDED

## Performance in Social Policy areas, Austria compared to Eurozone countries

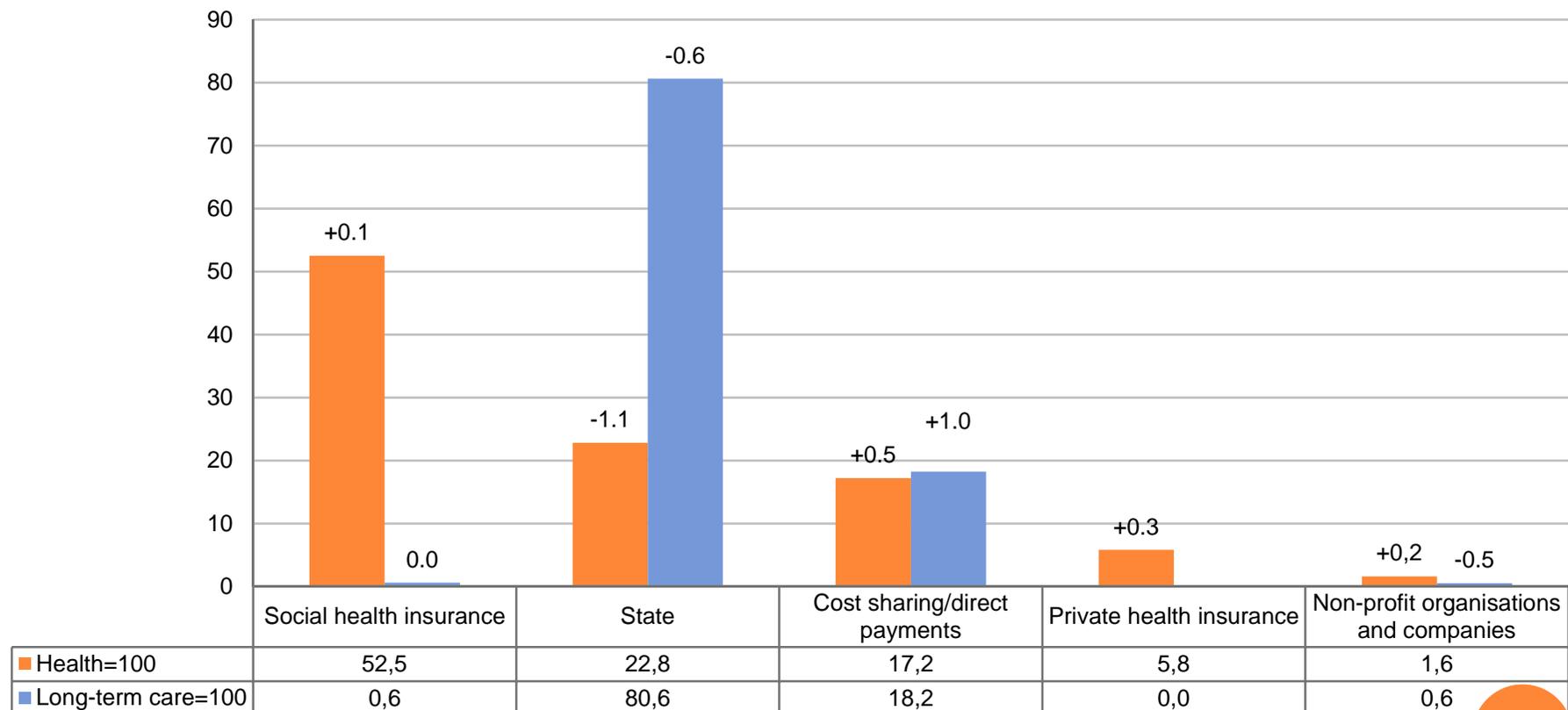


-0.3 points between 2011-2014 in Eurozone.

+1 point between 2011-2014 in Austria

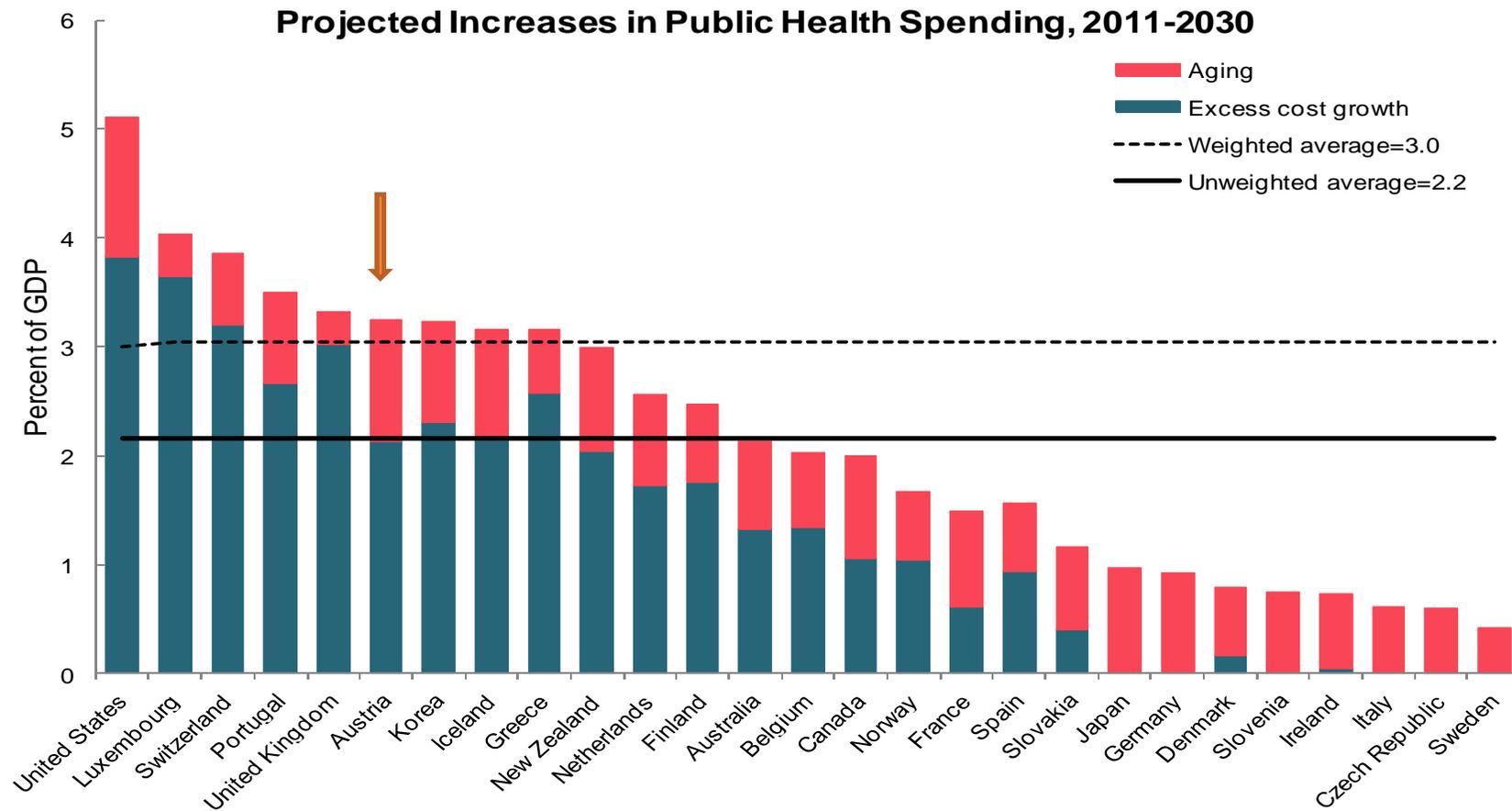
# MAIN CHALLENGES REMAIN: GOVERNANCE AND ACCOUNTABILITY

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



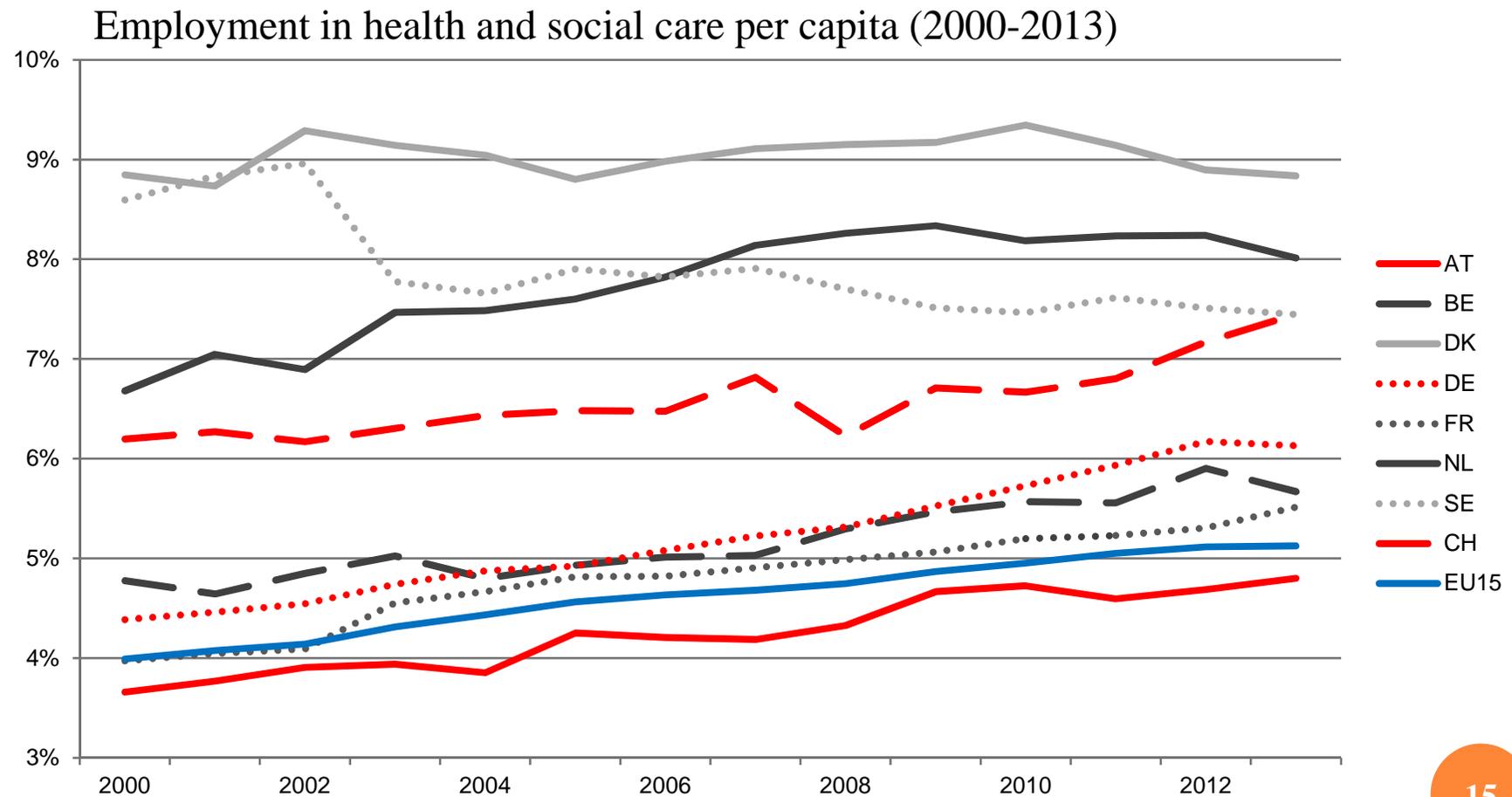
Sources: Statistik Austria, own calculation

# TARGETING “WASTE” IS IMPORTANT AS THE COST DRIVER “AGING” IS ONLY PART OF THE FUTURE CHALLENGE



Quelle: IMF, FAD June 2011

# SMART INVESTMENTS IN HEALTH EMPLOYMENT IS CRUCIAL TO BETTER ACCOMMODATE FUTURE HEALTH NEEDS AND TECHNOLOGICAL CHANGE



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

Studien zu Migration und  
Gesundheit in Österreich  
verbessern die Erreichung  
GÖG 2015

“...Die für die Umsetzung des Rahmen-  
Gesundheitsziels „Gesundheitliche  
Chancengerechtigkeit“ gebildete  
Arbeitsgruppe hatte rund ein Jahr nach  
Beschluss der Rahmen-  
Gesundheitsziele noch immer keine  
Indikatoren für die Zielerreichung  
festgelegt...”  
Rechnungshof, Feb. 2015

- OECD 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

# THANK YOU FOR YOUR ATTENTION

## Selected Readings

- **OECD (2014): Health at a Glance Europe**, OECD Publishing.  
[http://ec.europa.eu/health/reports/docs/health\\_glance\\_2014\\_en.pdf](http://ec.europa.eu/health/reports/docs/health_glance_2014_en.pdf)
- **OECD (2014): Social Expenditure Up-date, November 2014:** <http://www.oecd.org/social/expenditure.htm>
- **Schraad-Tischler, D., Ch.Kroll (2014) Social Justice in the EU – A Cross-national Comparison Social Inclusion Monitor Europe (SIM) – Index Report:** [http://www.sgi-network.org/docs/2014/basics/Social Justice in the EU 2014.pdf](http://www.sgi-network.org/docs/2014/basics/Social_Justice_in_the_EU_2014.pdf)
- **GÖG (2015): Migration und Gesundheit:**  
[http://www.goeg.at/cxdata/media/download/berichte/migration\\_und\\_gesundheit\\_2015.pdf](http://www.goeg.at/cxdata/media/download/berichte/migration_und_gesundheit_2015.pdf)
- **EC (2015): The 2015 Ageing Report Economic and budgetary projections for the 27 EU Member States (2010-2060):** [http://ec.europa.eu/economy\\_finance/publications/european\\_economy/2012/pdf/ee-2012-2\\_en.pdf](http://ec.europa.eu/economy_finance/publications/european_economy/2012/pdf/ee-2012-2_en.pdf)
- **Hofmarcher M.M. (2014) The Austrian health reform 2013 is promising but requires continuous political ambition, Health Policy, October 2014, Volume 118, Issue 1, Pages 8–13:**  
<http://dx.doi.org/10.1016/j.healthpol.2014.09.001>
- **Hofmarcher M M, (2013) Austria: Health system review. Health Systems in Transition, 2013; 15(7): 1–291,**  
[http://www.euro.who.int/data/assets/pdf\\_file/0017/233414/HiT-Austria.pdf](http://www.euro.who.int/data/assets/pdf_file/0017/233414/HiT-Austria.pdf)
- **Gönenç, R., M. M. Hofmarcher and A. Wörgötter (2011), “Reforming Austria's Highly Regarded but Costly Health System”, OECD Economics Department Working Papers, No. 895, OECD Publishing.**  
<http://dx.doi.org/10.1787/5kg51mbntk7j-en>
- **OECD (2010), Health Care Systems: Efficiency and Policy Settings, OECD Publishing.**  
<http://dx.doi.org/10.1787/9789264094901-en>