

MEETING OF OECD HEALTH MINISTERS
Paris, 13-14 May, 2004

“Towards High-Performing Health Systems”

TUAC EVALUATION

1. Health Ministers from the OECD countries met in Paris on May 13-14, 2004, together with representatives of the World Health Organisation and the OECD to discuss the results of the OECD's three-year Health Project which had investigated ways to improve the performance of OECD health systems. The meeting was chaired by Dr. Julio Frenk, Mexican Minister of Health. It was divided into two sessions. The first one focussed on *Better health through prevention and high-quality care*. The second session focused on *How can efficiency in health care systems be improved?* A TUAC delegation led by Ken Georgetti had consultations with the Chair of the Ministerial meeting on the evening of 12 May.

Issues addressed by Ministers

2. During the course of sessions Ministers addressed the following issues:-

- *What population health and prevention strategies have been shown to be cost-effective?*
- *How can improved quality-of-care standards and implementation of best practices be encouraged?*
- *What role should competition play in improving efficiency in health care systems?*
- *How can the public debate about health care performance be better informed, and what role can international cooperation play in this?*

3. During a joint session with OECD Ministers of Finance, the issue of how to ensure financial stability of health systems was addressed. This session focused on:-

- *How can the rising trend in the health spending/GDP ratio be contained without doing damage to health outcomes?*
- *If health care expenditure does increase faster than GDP, is it necessary or desirable that private financing and private insurance play a greater role in financing that expenditure?*

Background of the Meeting: the OECD's 3-year project on health

4. The discussions of the Ministers were based on the final report of the OECD's 3-year project on health. The Report highlighted practices that according to the OECD Secretariat can be employed in efforts to improve health-system performance. Among the practices identified as efficient in improving the performance of health systems were the following:-

- Health systems should invest in automated health-data systems, including electronic medical records and systems to automate medication orders in hospitals.
- Economic incentives should be realigned to support cost-effective care.
- Well-designed strategies are needed to prevent illness and disability.
- Improving the quality of care may require some initial investments, but it can result in savings over the long haul.
- Increasing hospitals' surgical capacity or productivity can help to bring down waiting times, although increasing the volume of services is also likely to increase cost pressure.

5. However, the Report stressed that there is no one-size-fits-all approach to performance improvement. Countries' unique circumstances need to be taken into account when determining appropriate policy. This applies in particular to policies designed to introduce co-payments and to strengthen the role of private health insurance. In this regard the report stated that “modest co-payments can relieve public financing systems, but are no magic bullet, partly because vulnerable populations must be protected to avoid restrictions on access that could be costly in the long run”.

6. The Report also stated that “private health insurance can increase consumer choice and the responsiveness of health systems, but has not provided much help in reducing public spending, due to complex interactions between the public and private sectors”. It was emphasized, therefore, that well-designed government interventions, such as subsidies or regulation, are critical if equity of access and financing is to be assured.

7. These issues were covered in the written TUAC statement to the Ministerial Meeting.

Consultation with Ministers

8. In his introductory remarks at the consultations Ken Georgetti, the chair of the TUAC delegation, emphasized that trade union members consider the attainment of the highest possible standard of health as a fundamental human right and that governments have a positive obligation to take steps to achieve these rights. He also referred to the social function of health systems which is of paramount importance; based on equitable access, risk pooling across society and health as a public good, it creates the conditions for attaining the highest standard of health.

9. TUAC delegates pointed out that the solution to the crisis of medical costs, access to coverage, and reliability and quality of care is not to somehow make health systems more like a market. On the contrary, patients or individual buyers of health care services are not armed with adequate information and adequate choice. Thus, they can't “regulate” producers by knowledgeably shopping around for products and services. The performance of the market-based US system was criticised as being both costly and inequitable.

10. “Prevention pays off”, was also a major message conveyed by TUAC delegates during the consultations. Health care systems will be more sustainable if primary care systems had an optimum balance between preventing illness and treating people when they are sick; if they would aim to provide the right care, at the right time by the right provider.

11. TUAC delegates also emphasized the importance of occupational health and safety standards in preventing illness and disease. Weak standards and the lack of appropriate regulation put workers at a higher risk of injury and disease. Moreover, they prevent

employers from improving health and safety in the workplace. Thus, weak standards place an unnecessary burden on public health systems.

12. The policy recommendations of the OECD Health Project acknowledged the important role of health care workforce in providing high quality care. This is clearly reflected in the suggestion that nurses and general practitioners should act as gate keepers in managing demand. TUAC, however, criticised the fact that the Project has not given broad attention to the role of the health care workforce in providing high quality care. It was emphasized therefore, that human resources are the most important input into the health system. The performance of health care systems depends ultimately on the knowledge, skills and motivation of the employees responsible for delivering services. Health systems, which depend upon human resources, require a highly qualified, experienced and motivated staff to function well.

13. However, according to reports TUAC received from unions organising the health care workforce, inadequate pay and benefits, a lack of training opportunities, together with poor working conditions are frequently mentioned as the most pressing problems facing the health care workforce. Incentives and human resources management have an indirect impact on the use of other resources in providing health services. For example, many payment systems provide physicians and providers with incentives to use more or less medical equipment, testing and medicines.

14. TUAC delegates urged policy makers and providers to note that strategies for intervening on the health care workforce cannot be decided autonomously by a single organisation or a unit at the Ministry of Health. They have to incorporate the views of a wide variety of institutions and organisations, in particular unions representing the health care workforce. Therefore, the implementation of human resources policies in the health sector must be an ongoing process, conducted with the full participation of the health care workforce.

15. TUAC Vice-President Tine Aurvig Huggenberger emphasized that human resources policies must also take into account that the health sector is a major employer of women, who are increasingly active in the labour market while fulfilling other social and family responsibilities. Thus, particular attention must be given to policies providing an appropriate work-life balance. And it goes without saying that particular attention must be given to the improvement of working condition and the provision of training. Otherwise, strategies to recruit and retain staff are not going to work, generating additional problems regarding health care systems. A conclusion to be drawn from that is to include workforce issues in future health related analytical work of the OECD.

16. TUAC delegates also drew attention to the role of pharmaceutical companies. They drew attention to a survey of US corporations, based on data provided by the related industry association that revealed that marketing alone is where the major drug makers have been expanding employment. It is striking to see that their R&D employment was slightly higher in the mid 1990s than it was at the end of the decade.

17. Roland Schneider from TUAC also spoke at Ministerial Round Table on 13 May on the contribution of research and innovation to improving the performance of health systems. In addressing the issue of government support for innovation he expressed concern about insufficient public funding of research and development, particularly in Europe. He also

expressed concern regarding the increasing negative cost impact of developing and marketing drugs upon health care expenditure. In acknowledging the role performed by patent protection up to date he wondered whether what may have once been the most efficient way to support pharmaceutical research, will continue to be the most efficient means to support research as costs continue to increase. He suggested exploring the feasibility to develop and apply alternative methods of promoting pharmaceutical research and providing incentives, for example by direct contracting to develop drugs or vaccines.

Main conclusions of the Ministerial meeting

18. Ministers concluded that OECD countries should:

- (a) Build upon current success in improving life expectancy and health status, by using the most cost-effective means to provide the highest quality of health care to their citizens;
- (b) Attach priority to illness prevention and promotion of healthy lifestyles in the face of rising threats to health, such as obesity, tobacco, alcohol and drug abuse, mental disorders and traffic accidents;
- (c) Reduce the lingering disparities in health and access to healthcare in OECD countries;
- (d) Continue to secure the financial sustainability of their health care systems; if private health insurance plays a role in this task, it requires a well-designed regulatory framework to support its development;
- (e) Strive to achieve the gains in productivity that are required to contribute to financial sustainability and to improve quality of care;
- (f) Do more to encourage industry to develop innovations which meet health needs in an affordable way;
- (g) Ensure that long-term care offers quality and choice, and is affordable;
- (h) Make sufficient investment in human resources and their professional development to meet the future demand for health care.

Assessment

19. TUAC welcomes the conclusion of the Ministers to continue to improve health status and to provide the highest quality of health care to citizens in an effective way, to attach priority to illness prevention and promotion of healthy lifestyles, to reduce the lingering disparities in health and access to healthcare as well as to secure the financial sustainability of their health care systems are welcome. With regard to the issue of financial sustainability however, it is regrettable that Ministers neither addressed the issue of access nor the issue of vanishing employer responsibility regarding the provision of health insurance coverage as observed in a number of OECD countries.

20. TUAC also welcomes the suggestion of Ministers to make sufficient investment in human resources in the health care sector and in their professional development. To invest into human resources is of great importance; by itself, however, it is not sufficient. It needs to be linked to an improvement of working conditions. Moreover, the implementation of human resources policies in the health sector must become an ongoing process, conducted with the full participation of the health care workforce. In this regard TUAC will continue to propose that workforce issues should be included in future health related analytical work of the OECD.