

**TUAC DISCUSSION DOCUMENT**  
**FOR 2004 OECD MEETING OF MINISTERS OF HEALTH**  
**TOWARDS HIGH-PERFORMING HEALTH SYSTEMS**  
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**I Overview**

1. Trade union members and their families consider quality, equitable and affordable health care as a top priority. They support strategies that aim to give comprehensive, high quality and affordable health care to all citizens. But when misguided reforms push health costs onto the budgets of working families they will oppose such moves.
2. Most industrialized countries have modern health systems, which have already contributed to better health for their populations. But more can be done, as regards health provision and actual well-being.
3. Health systems treat people when they are sick. They must also place greater emphasis on preventing illness and promoting healthier lifestyles. The health system as a whole seeks to overcome health risks and promote prevention, but in fact flexibilisation and increased insecurity in the labour market are increasing health risks.
4. Many health care reform policies have failed to achieve their objectives. Most often they adopt top-down approaches, and limit promises and expectations about what governments should do. They have also put greater emphasis on individual responsibility, often advocating an increased use of market-type mechanisms, which have been shown to be ineffective.
5. Health care cannot be treated like a business. It is a public service that must be equally available to all.
6. Health care reforms must operate through prepayment instead of out-of-pocket payment, thus based on greater fairness in financing and real solidarity through risk pooling.
7. One of the greatest assets of the health sector is its workforce. A well-trained, highly motivated workforce is essential for a health system to function smoothly. Human resource management must recognize the need to provide ongoing, comprehensive capacity building for all health workers, and make lifelong learning a reality for the whole workforce.
8. Health care reform has brought new forms of stress at work. Working conditions need to be improved. The causes of stress are most often organizational so an organizational response is what is required.

9. A top-down approach to health care reform will not deliver effective outcomes. The participation of health workers and their unions in the process of health care reform and their commitment to reform are essential for successful implementation of reform measures.

10. Any attempt to establish personal electronic health records in order to provide better health information to citizens, providers of health care and policy makers requires clear, effective measures to protect personal health information privacy.

11. With regard to advances in medical technology, health technology assessment must be made a vital part of national health systems.

12. The ability of health care providers as well as patients to opt for the most medically effective generic drugs and the most cost-effective prices must be improved. Reference-price systems need to be developed further.

13. There is no one-size-fits-all way to make health systems more efficient, nor is it desirable to propose a universally applicable “blueprint” for a system of health care provision. OECD countries need to share information on what works in practice.

## **II Trade unions are committed to the provision of comprehensive, high quality and affordable health**

14. For trade unions and their members, health care is one of the top priorities. Trade unions are committed to health care services which:

- Achieve the highest standards of patient care;
- Provide universal coverage, timely access and a responsive, comprehensive service;
- Ensure prepayment instead of out-of-pocket reimbursement, based on greater fairness in financing and solidarity through risk pooling;
- Recognize the importance of better information as well as research and development as key for evidence-based decision-making;
- Push back the frontiers of good practice as an employer who values, involves and properly rewards his staff, recognizing them as his greatest asset; and thus,
- Enjoys the confidence and support of the citizens he serves by being directly accountable.

15. Most industrialized countries have highly developed health systems, which have already contributed enormously to improve the health of the population. These are major social achievements in which trade unions have played a key role. The fact that people now live longer is in part a tribute to the quality of our national health care systems. Nevertheless, national health systems can still achieve further improvements in citizens’ health and well-being.

16. A universally accessible public health system is a fundamental right. Health care must be maintained as an essential public good. An accessible, fair national health care system is incompatible with the idea of a fully private, for-profit delivery of health services. Most serious observers of the health service sector believe that for-profit delivery of health services does not reduce health costs, nor relieve pressure on the public system or improve the quality of care.

### **III Health systems must extend their coverage to overcome health risks, promote prevention and prevent exclusion**

17. The purpose of health systems is to protect and improve health. Besides treating people when they are sick, health systems must place greater emphasis on preventing disease and promoting healthier lifestyles. Spending on health promotion activities needs to be increased; it currently represents less than 5 per cent of the total spending on health. It is against this background that trade unions are urging governments to extend the boundaries of health systems; they must encompass all actions whose primary intent is to improve health. Governments must make the formulation and implementation of risk prevention policies a top priority.

18. Policy approaches to improve health must take into account the socio-economic context of life and work. The history of health improvements provides clear evidence that changes in social, economic and environmental factors can do a lot to improve health status. This applies in particular to the reduction and elimination of health risks. For example, improvements in drinking-water supply and sanitation, mass immunization programmes and legislation that reduces risks on the roads and in the workplace have contributed to a fall in the number of premature deaths.

19. However, health and safety problems continue in many workplaces. Among them is the phenomenon of increased insecurity and work intensification that has resulted from more flexible labour markets. It has become an established reality for many workers in OECD countries over the last decade. Employees may be working somewhat shorter hours but their pace of work has increased, in certain cases markedly. Trade unions are fighting these trends by extending occupational health and safety rights into the workplace as well as in the wider arena of environmental protection. Together with employers, unions are breaking new ground in collective bargaining in the areas of health, safety and environmental protection.

20. Historically, health systems have undergone a great number of reforms. However, they continue to face new challenges such as the way they deliver services and are financed. Health care reform policies, most often based on top-down approaches, have sought to limit promises and expectations about what governments should do. At the same time they have put greater emphasis on individual choice and responsibility. Moreover, many scientists and policymakers have advocated radical solutions for reforming health care: an increased use of market-type mechanisms such as user-fees, medical saving accounts, de-listing services, greater privatization and a parallel private system.

21. Health systems must also protect workers against the financial costs of illness. Thus, in order to achieve equity, strategies to ensure and expand risk pooling are indispensable. Those who are healthy must subsidize those who are sick; those who are rich must subsidize those who are poor. The risk of having to pay for health care must be borne by all members of a group and not by each individually. Otherwise, social security cannot be maintained.

22. As regard income-related inequities in health care, it is essential to address inequality and poverty; friends of poverty are enemies of health. According to the WHO, persisting inequalities in life expectancy are strongly related to socioeconomic class, even in countries that enjoy an average of quite good health. The wide gap between rich and poor is particularly striking “when life expectancy is divided into years in good health and years of disability. In

effect, the poor not only have shorter lives, a longer part of their lifetime is surrendered to disability”<sup>1</sup>.

23. As the report of the OECD Health Project notes, attempts to increase the private share of health financing raises equity issues. Cost sharing in health services, for instance in the form of co-payments or user fees, are highly unlikely to reduce the burden on “public” financing systems. Shifting more of the costs to patients however, creates financial access barriers for low wage earners. Necessary counter measures, like exempting the poor from co-payments are costly; they impose substantial administrative costs.

24. A similar concern is related to policies promoting the development of private health insurance markets. These cannot be considered an effective means to reduce demand and cost pressure faced by publicly financed health systems. Increasing the private share of health financing raises also equity issues. Moreover, the coexistence of publicly financed health care and private health insurance creates different incentives for consumers dependent on income, contribution levels and health risks. A framework, under which low-risk contributors can opt out of the public system and direct their contributions to private insurance, leaves high-risk members with the public system and increases the per capita costs of services for the members of the public system.

25. Making health care more like a business and stopping to treat it as an essential public service, available equally to all, does not lead to a sustainable health care system providing high quality services. The evidence suggests that co-payment models, public-private partnership and extended private health insurance have not delivered better or cheaper care or improved access.

26. Trade unions continue to support serious attempts to reform health care systems. This applies in particular to reform approaches not based on market approaches but on practical evidence. Thus, trade unions support the analysis of cost, feasibility and strategies to provide comprehensive, high quality and affordable health care to all citizens. However, they oppose attempts to push health costs onto the budgets of working families.

#### **IV A well-trained, motivated workforce and good working conditions are essential for a high quality, effective health care service**

27. In the health sector, management is an administrative overhead that does not of itself produce value but can influence whether or not and how effectively value is produced. Management of institutions providing health care sets the scene and shapes the environment as a facilitator but not as a deliverer of effectiveness. Thus, effective and sustainable workforce development requires the participation of employees in the reform of health systems.

28. The workforce is one of the greatest assets of the health sector. A well-trained and motivated workforce is essential. Human resource management must recognize the need to provide ongoing and comprehensive capacity building for all health workers. In an effort to reorient human resources for health, greater attention must be paid to identifying and stimulating appropriate professional profiles that can be part of the multi-professional teams

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<sup>1</sup> WHO (2000): The World Health Report. Health Systems : Improving Performance, Geneva 2000, p. xii.

of the health care systems of tomorrow. There is a clear need for a broader vision than that of traditional curative care in the basic training, specialization and particularly continuing education of health care personnel. Quality of care, disease prevention and health promotion must be an integral part of this professional reorientation. Moreover, the concept of lifelong learning must be made a reality for the whole health sector workforce. The combination of new technologies and diverse demographic epidemiological and social challenges require health workers' knowledge and skills to be constantly upgraded. And last but not least, newly designed curricula for health care providers will have to take into account the overall context in which health care reforms are implemented, including economic and administrative training.

29. Reform processes aiming to reduce health costs in many cases lead to retrenchment of workers. Frequently they are also characterized by an intensification of the workload, the extension of job tasks, job insecurity and increased dangers at the workplace. Moreover, there is growing strain regarding the quality of working conditions, workers' emotional involvement, the feeling that their professional value is underrated and that the quality of health services is declining. Reform processes have also brought about changes in shift work, night work and rest periods. They have at the same time contributed to an increase in overtime and in atypical working time arrangements. Another reform-related change affecting the health workforce is the significant increase in the number of staff employed on fixed term and temporary contracts. In a nutshell: The causes of stress and strain are most often organizational in origin and an organizational response is what is required. Measures to improve working conditions should include a redesign of jobs and tasks, the setting of realistic goals, performance standards, targets and deadlines; a better organization of working time as well as improved interfaces between workers and new technologies and equipment.

30. With regard to the importance of increasing efficiency in the workforce workers' participation in the process of health care reform and their commitment to reform are essential for the successful implementation of reform measures. Health workers are the ones who have to manage the reform and to put it into place. Therefore, a top-down driven approach of health care reform does not deliver sustained effective outcomes. Regrettably, however, participation of health workers and their unions in health care reform, in particular in planning and implementing reforms, has been limited. Only a few countries have given them an important role in the preparation and implementation of health reforms.

## **V The application of information technologies in health care requires strong, clear steps to protect privacy**

31. Changes in management are one of the most often mentioned instruments for the implementation of health care reforms. These changes imply the use of modern management techniques and information technologies as well as of outsourcing of auxiliary services. New information technologies have allowed an increasing computerization of personnel administration, patient admission, discharge and billing. This applies to hospitals as well as to individual practices. Such technologies have also facilitated the reporting of data on sicknesses and their processing by the public health authorities. At the same time, however, they have caused concerns regarding privacy.

32. Attempt to establish personal electronic health records in order to provide better health information to citizens, providers of health care, to researchers and policy makers requires clear and effective measures to protect the privacy of personal health information.

33. With regard to advances in medical technology, which frequently bring substantially increasing costs, more attention needs to be given to health technology assessment. By expanding its scope and effectiveness, it must be made a vital part of national health systems.

## **VI Towards higher efficiency in health care provision**

34. A major burden of ensuring the effectiveness of health interventions rests on the shoulders of providers. To play their role effectively, they need adequate inputs as well as incentives. Strategic purchasing of interventions can provide a meaningful external incentive in this respect. As a way of generating better value for money, strategic purchasing can contribute to an improved performance.

35. It is unnecessary to emphasize that pharmaceutical care is an essential part of medical treatment. And it is also well known that pharmaceutical costs have been growing at a rapid pace – largely as a result of health policies pertaining to drug patents that were sought by corporate special interests in the pharmaceutical field. Against the background of high drug prices, the ability of health care providers as well as patients to shop for the most medically effective generic drugs and the most cost-effective prices must be improved. Thus, reference-price systems need to be developed further.

36. With regard to globalization, health systems must be protected from trade agreements that treat patient well-being like a mere commodity.

37. Finally, two points must be emphasized in particular. First, there is no one-size-fits-all solution for making health systems more efficient. It would be impossible and undesirable to propose a “blueprint” for a system of health care provision that would be universally applicable. Second, it may well be the case that the way towards slower health spending growth and improved cost-efficiency requires additional investments into health systems.