

Health care systems in the world: a comparative evaluation

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HEALTH CARE SYSTEM - A DEFINITION

A health care system consists of all organizations, people and actions whose primary intent is to promote, restore or maintain health. This includes efforts to influence determinants of health as well as more direct healthimproving activities.

A health system is therefore more than the pyramid of publicly owned facilities that deliver personal health services. It includes, for example, a mother caring for a sick child at home; private providers; behaviour change programmes; vector-control campaigns; health insurance organizations; occupational health and safety legislation.

Everybody's business. Strengthening health systems to improve health outcomes: WHO's framework for action. WHO 2007







SOME QUESTIONS



- Why have health care systems been established?
- Can we classify the different types of health care systems worldwide?
- Can we frame the Italian health system in a global context?
- Which are the results of a comparative assessment aimed to identify the "ideal" health system?







THE KEY PROBLEMS OF ECONOMIC ORGANIZATION



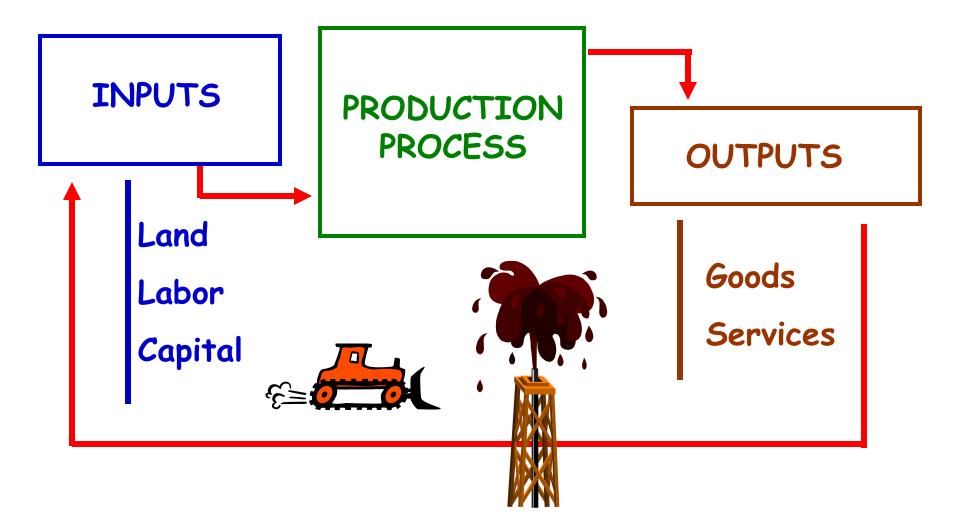


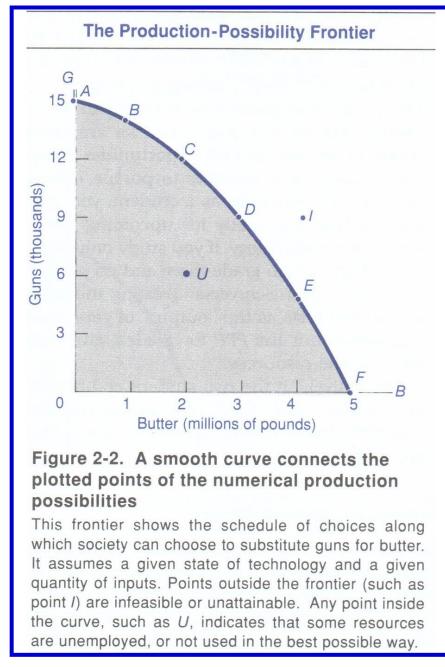




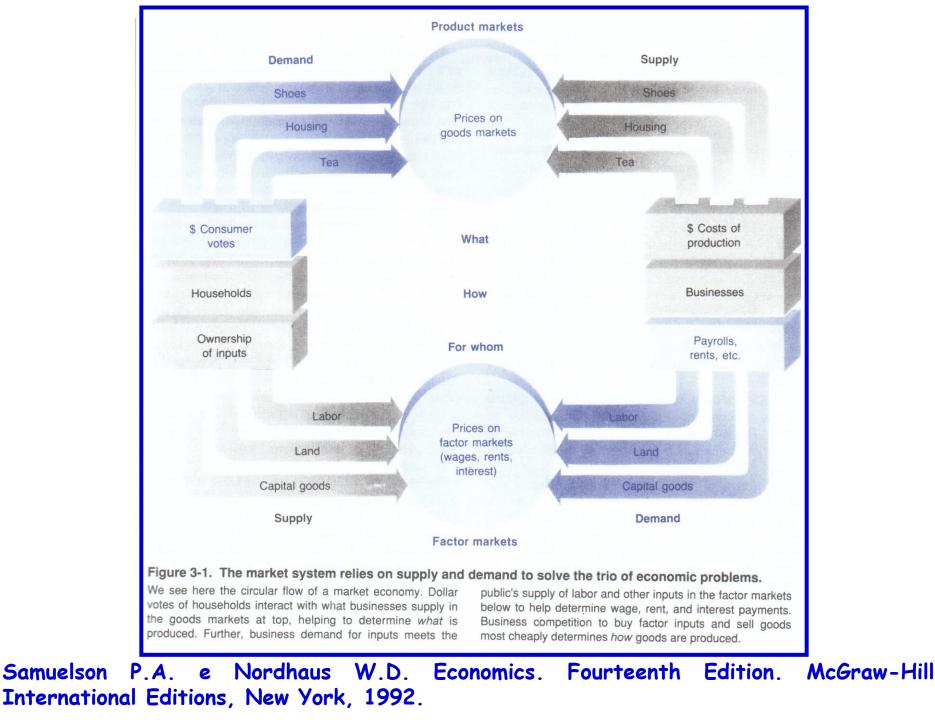
For whom to produce?

THE PRODUCTION PROCESS AND THE PRODUCTION FACTORS





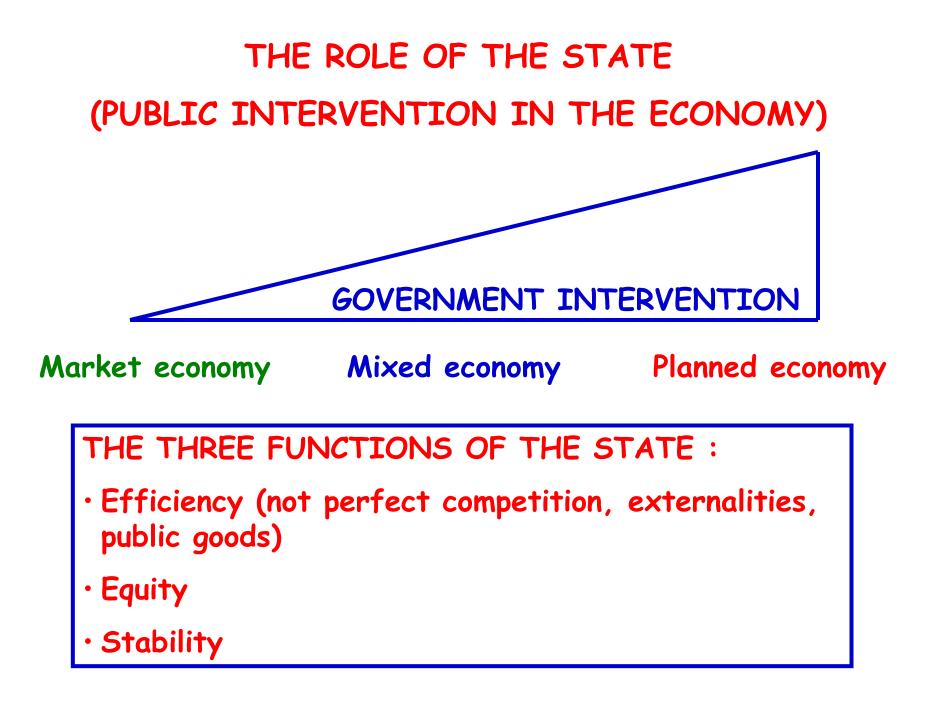
Samuelson P.A. e Nordhaus W.D. Economics. Fourteenth Edition. McGraw-Hill International Editions, New York, 1992.



PERFECT COMPETITION BASIC ASSUMPTIONS

• The consumers have good information about the price and the quality of all products in the market

- There are not externalities
- There are many producers, and every producer aims to profit maximization
- The product in the market is homogenous; it is not a "public good" or a "merit good"
- The consumers pay the full cost of the product



THE "REALITY" OF THE HEALTH CARE MARKET

- Consumers have poor information and depend on agents (physicians) to provide efficient care ("supply-induced demand")
- Positive and negative externalities
- Possibility of monopoly/oligopoly and extra-profit actions
- Health care assistance as a need and a right; mixture of consumption and investment aspects
- Irregularity and unpredictability of the diseases:
 - * "third payer"
 - * "moral hazard"

PLANNING

Fully planned

Planned market

Regulated market

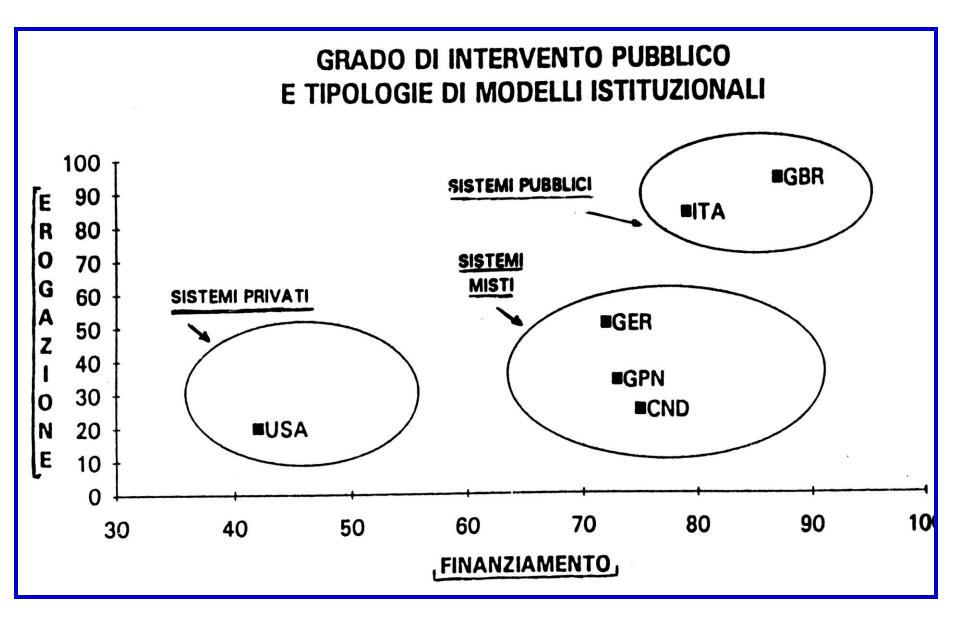
Free market

MARKET

Saltman and Von Otter, 1992

Every health care system consist of a mixture between "public" and "private" sectors

	Collective funding	Individual funding
"public" provision	The state funds and delivers services	The state delivers services fully paid by consumers
"private" provision	The state funds private providers (profit and no profit) to deliver free services	The consumers pay directly the full cost of the service

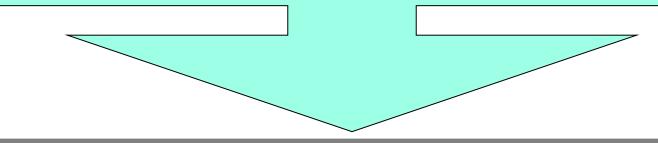


Three basic models for health care systems in developed countries

- The Beveridge model (NHS UK, Scandinavia, Italy, New Zealand)
- The Bismarck model (Germany and Continental Europe)
- The private insurance model (mixed) (USA)

Classification of health care systems

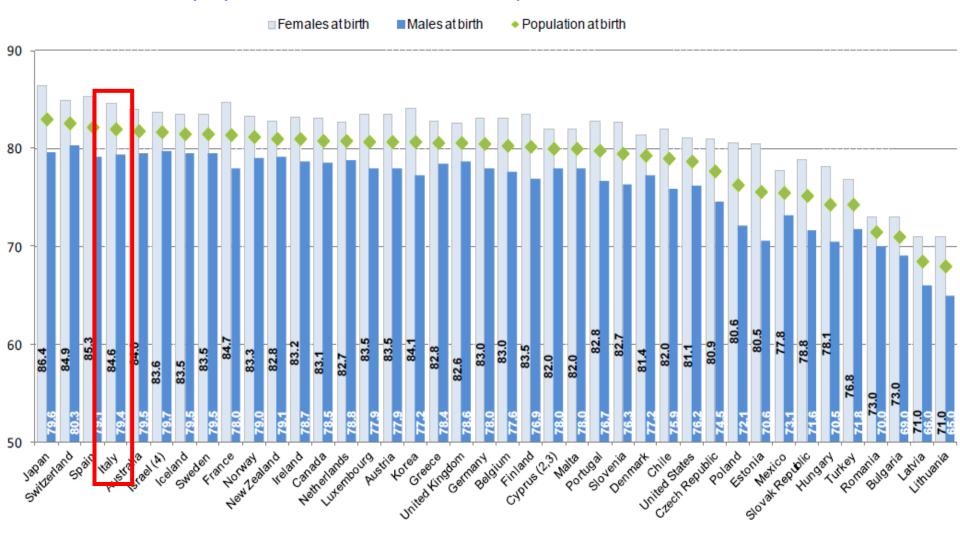
- What kind of "good" is health care?
- What is the relevance and the modality of government intervention?
- What is the configuration and the legal nature of third payer?
- What is the government planning and the resource allocation mechanism?



- Pluralistic health systems
- Mutual health-insurance systems (Bismark model)
- Universal health coverage systems (Beveridge model)

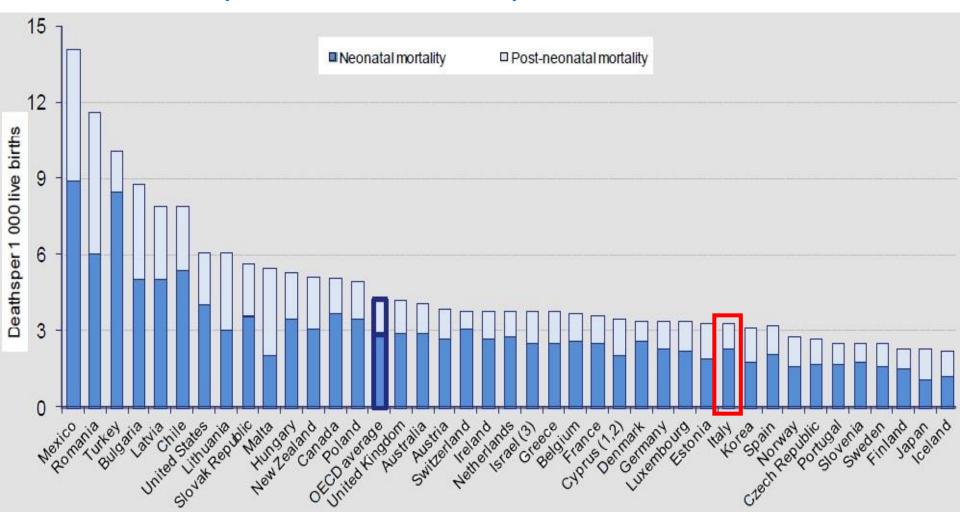
The study of the Italian Health Care System may be interesting because ... (I)

Life expectancy at birth in 2010 (or latest year available): total population, number of years, OECD countries



The study of the Italian Health Care System may be interesting because ... (II)

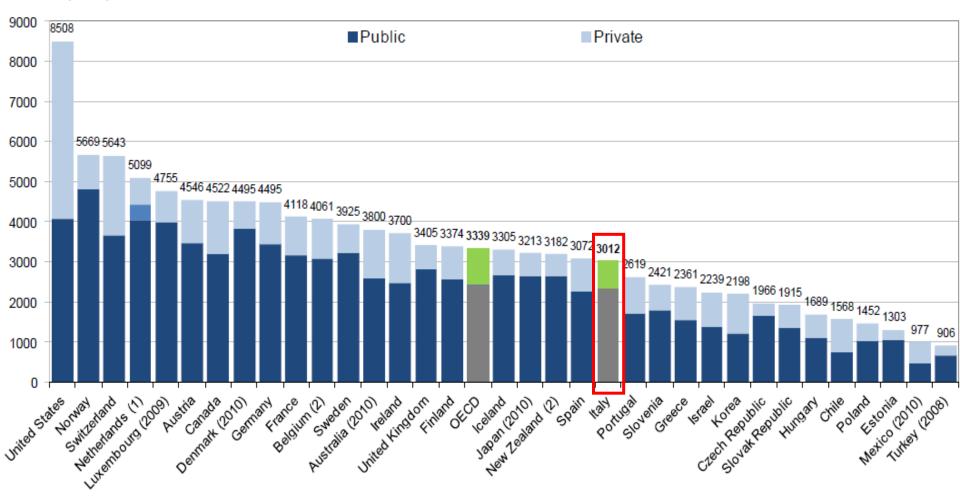
Infant mortality in 2010 or latest year available: OECD countries



The study of the Italian Health Care System may be interesting because ... (III)

Health expenditure per capita, public and private expenditure, OECD countries, 2011

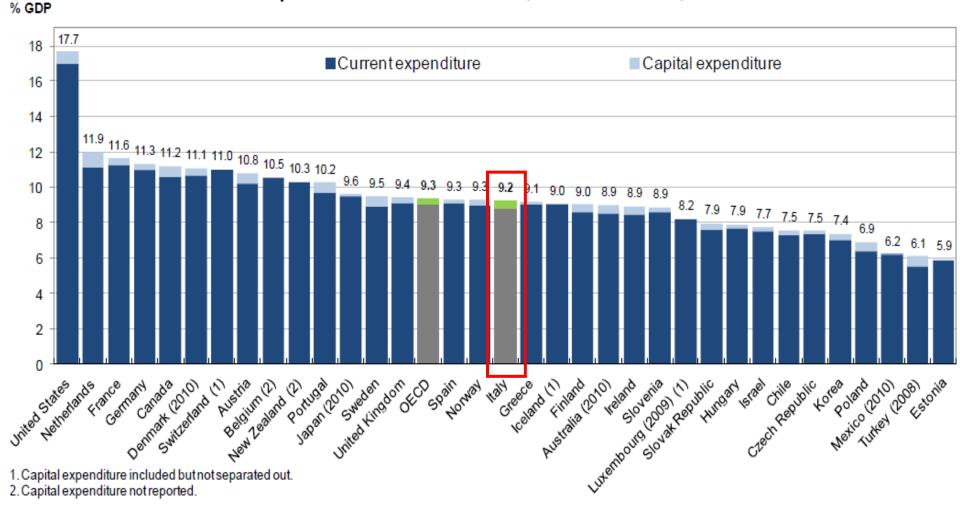
US\$ PPP per capita



1. In the Netherlands, it is not possible to distinguish clearly the public and private share for the part of health expenditures related to capital expenditure. 2. Total expenditure excluding capital expenditure. Source: OECD Health Data 2013, June 2013.

The study of the Italian Health Care System may be interesting because ... (III)

Health expenditure as a share of GDP, OECD countries, 2011



OECD (2013), "Country statistical profile: Italy", Country statistical profiles: Key tables from OECD.

The study of the Italian Health Care System may be interesting because ... (III)

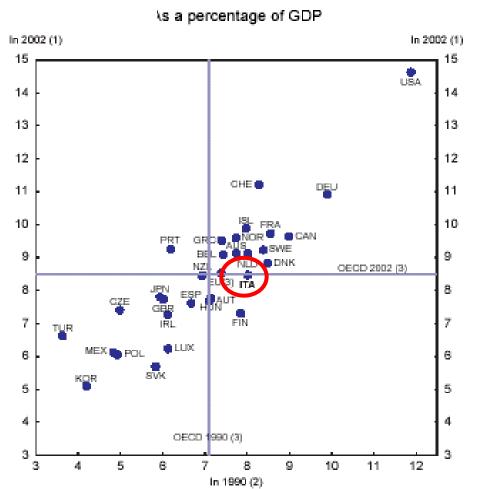
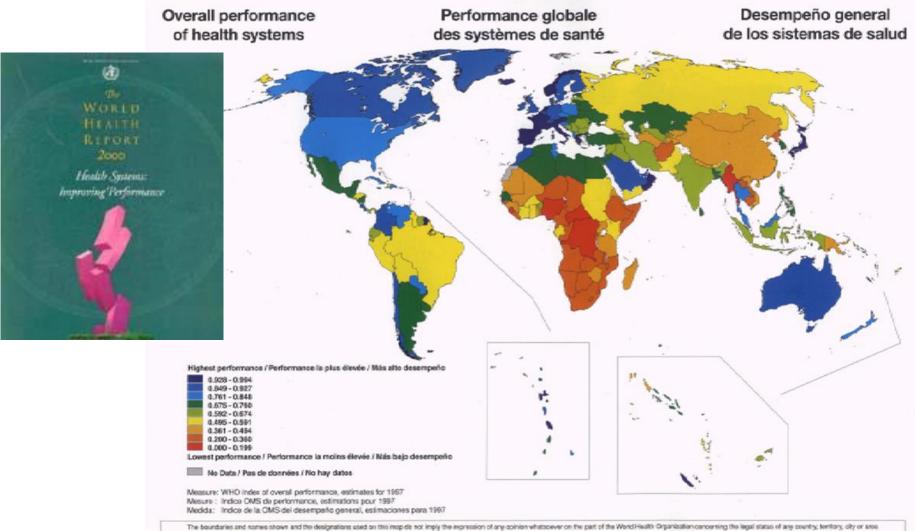


Figure 2.8. Total expenditure on health care

- 1. Data refer to 1997 for the Netherlands; 2000 for Turkey; 2001 for Australia and Japan.
- 2. Data refer to 1991 for Hungary; 1992 for Germany; 1995 for Belgium; 1997 for the Slovak Republic.
- Unweighted average; includes all available countries at the relevant point of time.

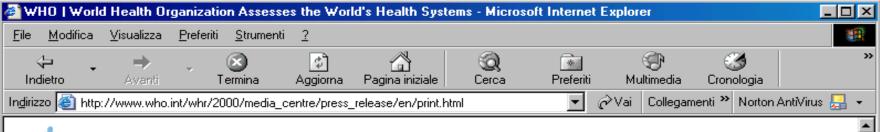
Source: OECD Health Data, 2004.

The study of the Italian Health Care System may be interesting because ... (IV)



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The study of the Italian Health Care System may be interesting because ... (IV)





World Health Organization

World Health Organization Assesses the World's Health Systems

World Health Organization Assesses the World's Health Systems

The World Health Organization has carried out the first ever analysis of the world's health systems. Using five performance indicators to measure health systems in 191 member states, it finds that France provides the best overall health care followed among major countries by Italy, Spain, Oman, Austria and Japan.

The findings are published today, 21 June, in The World Health Report 2000 - Health systems: Improving performance*.

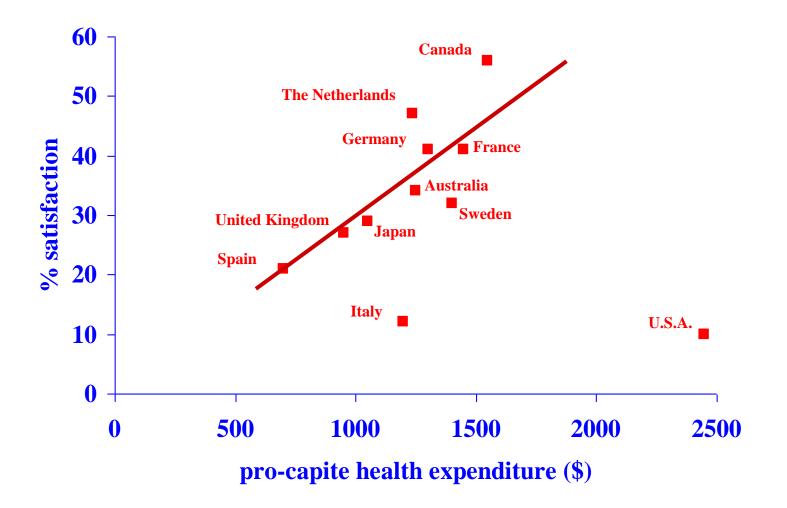
*Copies of the Report can be ordered from bookorders@who.ch.

The U.S. health system spends a higher portion of its gross domestic product than any other country but ranks 37 out of 191 countries according to its performance, the report finds. The United Kingdom, which spends just six percent of GDP on health services, ranks 18 th. Several small countries – San Marino, Andorra, Malta and Singapore are rated close behind second-placed Italy.

The study of the Italian Health Care System may be interesting because ... (V)

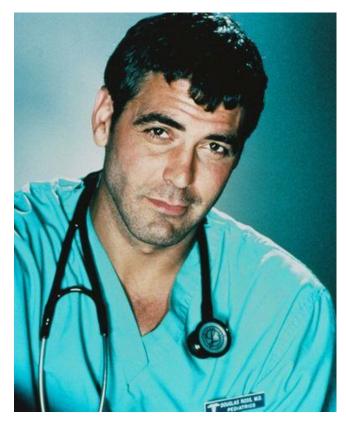


SATISFACTION WITH HEALTH CARE SYSTEMS IN TEN NATIONS



Blendon et al. Health Aff (Millwood) 1990; 9:185-192.

PUBLIC PERCEPTION OF ITALIAN NATIONAL HEALTH SERVICE (NHS)





AMERICA'S ANATOMY

NON ABBASTANZA POYERI PER ESSERE CURATI

Davanti alla Casa Bianca si manifesta per la salute di nove milioni di bambini.

> Don't VETO Health

Rann

Health care reform in the United States: "The Obama's dream"

- 1. Mandatory health insurance
- 2. Health coverage for who do not have financial ability
- 3. Employer's duty to ensure their employees in all the circumstances of employment
- 4. Obligation of health insurance coverage to child
- 5. Extension of eligibility for the Medicaid program
- 6. New National Health Plan

New National Health Plan

- It is aimed at people who cannot afford private insurance, but to not qualify for Medicaid or Medicare programs
- It is characterized by low prices
- It will compete with private health insurance companies
- Creation of the:

"New National Insurance Exchange"

aimed to regulate the private health insurance by setting standards of quality, efficiency and equity (preventing the pre-existing conditions)

The New York Times

On Day 1, Parks Close, Workers Stay Home and 'Panda Cam' Goes Dark



theguardian

US government shutdown: House votes to delay Obamacare law



The US government is on the precipice of a historic shutdown that would result in hundreds of thousands of federal workers being placed on unpaid leave, after House Republicans refused to pass a budget unless it involved a delay to Barack Obama's signature healthcare reforms.

The Washington Post

House Republicans are failing Americans in their effort to kill Obamacare

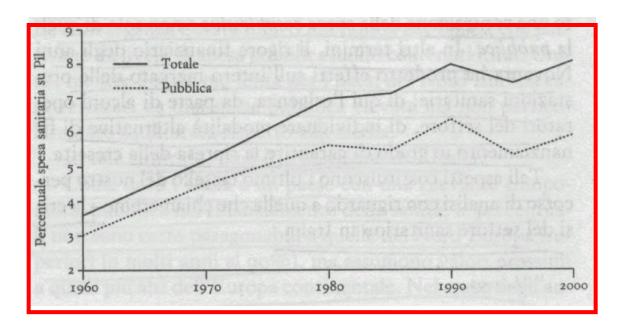
By Editorial Board, Published: October 1

....

This time, fiscal responsibility isn't even a topic. Instead, Republicans have shut much of the government in what they had to know was a doomed effort to derail the Affordable Care Act. That law, in case you've forgotten in the torrent of propaganda, is hardly revolutionary. It is an effort to extend health insurance to some of the 40 million or so people in this country who have none. It acts through the existing private-insurance market. Republicans tried to block its passage several times and failed ... They're entitled to keep trying, of course — though it would be nice if someday they remembered their promise to come up with an alternative proposal. But their methods now are beyond the pale.

Health expenditure (public and private) in Italy as percentage of GDP, (1960-2000)

Oecd, 2002



THE REASONS OF RISING HEALTHCARE COSTS

- The technological imperative HEA
- The medical paradox
- The "hippocratic imperative"
- "Gray-areas" of effectiveness and costs of medical interventios
- Lack of consumer awareness about health technologies
- Economic development and expanding concept of health

Health expenditure 5000 -(public and private) as USA 4500 percentage of GDP, 4000 pro capite (\$ US PPP) developing countries, 3500 2000 Svizzera 3000 Germania / S Islanda Oecd, 2002 2500 Francia . Norvegia Belgiosanitaria Olanda Italia C 2000 Irlanda N. Zelanda Austria Giappone Regno @ Portogallo Spesa Unito Finlandia 1500 Grecia Spagna Rep. Ceca IL RENDIKENTO "DECRESCENTE" 1000 Ungheria Corea BELLA SPESA SANITADIA Messico Rep. Slovacca 500 $R^2 = 0.8271$ Turchia 20 25 07472 Pil pro capite (migliaia di \$ US PPP) 21 SALUTE Health Care Costs Containment should be a must for health care system SPESA SANITARIA (% SUL PIL)

Health expenditure as a share of GDP 1990 to 2011, OECD countries

1990 2000 2005 2008 2009 2010 2011

Italy	7,7	7,9	8,7	8,9	9,4	9,4	9,2
Spain	6,5	7,2	8,3	8,9	9,6	9,6	9,3
France	8,4	10,1	11,0	11,0	11,7	11,7	11,6
United Kingdom	5,8	7,0	8,3	9,0	9,9	9,6	9,4
Germany	8,3	10,4	10,8	10,7	11,8	11,5	11,3
United States	12,4	13,7	15,8	16,6	17,7	17,7	17,7

Source: OECD Health Data 2013

THE HEALTH CARE SYSTEM OBJECTIVES

	"Public" system	"Private" system
 Maintenance, improvement and recovery of the population health 	?	?
 Control of the resources allocation for production and delivery of health services 	***	*
 Competition between the different providers 	*	***
 Free choice of citizen and quality of health assistence 	*	***
 Universal access to health care 	***	*

COST CONTAINMENT MECHANISMS IN HEALTH CARE

DEMAND

Cost-sharing

SUPPLY

- Increasing the competition between providers, after separation between funders and providers
- Introduction of funding mechanisms as global budget or prospective payments with budget limitations
- \cdot Expenditure ceilings for physicians, list of free drugs
- Guidelines for diagnosis and therapy
- Hospital reorganization and strengthening primary health care

SYSTEM

Setting priorities in health care

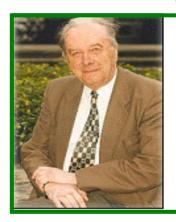
Years '90

Years 2000

Reforms and fiscal measures aimed primarily at health care cost containment *(economic imperative)* Reforms for cost containment through improving of efficacy, efficiency and appropriate use

"All effective treatments should be free" Archie Cochrane, 1971





"All cost-effective treatments should be free" *Alan Williams, 1997*