Health care Reforms in an Ageing European Society – some reflections and thoughts for action

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&
European Observatory on Health Systems and Policies
Health care – and health care reform – relates to more than financing

THE WHO HEALTH SYSTEM FRAMEWORK

SYSTEM BUILDING BLOCKS

- SERVICE DELIVERY
- HEALTH WORKFORCE
- INFORMATION
- MEDICAL PRODUCTS, VACCINES & TECHNOLOGIES
- FINANCING
- LEADERSHIP / GOVERNANCE

OVERALL GOALS / OUTCOMES

- ACCESS
- COVERAGE
- QUALITY
- SAFETY

- IMPROVED HEALTH (LEVEL AND EQUITY)
- RESPONSIVENESS
- SOCIAL AND FINANCIAL RISK PROTECTION
- IMPROVED EFFICIENCY

Health care – and health care reform – relates to more than financing

What is the special dimension of ageing?

The good news: We get older, because we are healthier (even though some still have doubts)
So what’s the bad news? Public spending on health in each age group, share of GDP per capita (%)
Higher life expectancy is generally associated with higher health spending per capita, although this link is not existing in countries with higher spending.

2007 (or latest year available)

Separating the (high) costs of dying from overall health-care costs shows a more modest picture.
<table>
<thead>
<tr>
<th>Country</th>
<th>Age effect</th>
<th>Income effect</th>
<th>Residual, i.e. other factors</th>
<th>Total spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia (to 2001 only)</td>
<td>0.5</td>
<td>1.7</td>
<td>1.7 (1.4)*</td>
<td>4.0 (3.6)*</td>
</tr>
<tr>
<td>Austria</td>
<td>0.2</td>
<td>2.5</td>
<td>1.5 (0.0)*</td>
<td>4.2 (2.2)*</td>
</tr>
<tr>
<td>Belgium (from 1995 only)</td>
<td>0.4</td>
<td>2.2</td>
<td>0.6</td>
<td>2.9</td>
</tr>
<tr>
<td>Canada</td>
<td>0.6</td>
<td>2.1</td>
<td>0.4 (0.6)*</td>
<td>3.1 (2.6)*</td>
</tr>
<tr>
<td>Denmark</td>
<td>0.2</td>
<td>1.6</td>
<td>0.1 (-0.5)*</td>
<td>1.9 (1.3)*</td>
</tr>
<tr>
<td>Finland</td>
<td>0.6</td>
<td>2.4</td>
<td>0.5 (0.2)*</td>
<td>3.4 (2.6)*</td>
</tr>
<tr>
<td>France</td>
<td>0.3</td>
<td>1.9</td>
<td>1.6 (1.0)*</td>
<td>3.9 (2.8)*</td>
</tr>
<tr>
<td>Germany</td>
<td>0.3</td>
<td>1.6</td>
<td>1.9 (1.0)*</td>
<td>3.7 (2.2)*</td>
</tr>
<tr>
<td>Greece (from 1987 only)</td>
<td>0.4</td>
<td>2.1</td>
<td>0.8</td>
<td>3.4</td>
</tr>
<tr>
<td>Ireland</td>
<td>0.0</td>
<td>4.4</td>
<td>0.9 (-1.0)*</td>
<td>5.3 (3.9)*</td>
</tr>
<tr>
<td>Italy (from 1988 only)</td>
<td>0.7</td>
<td>2.2</td>
<td>-0.1</td>
<td>2.1</td>
</tr>
<tr>
<td>Japan (to 2001 only)</td>
<td>0.6</td>
<td>2.6</td>
<td>1.8 (1.1)*</td>
<td>4.9 (3.8)*</td>
</tr>
<tr>
<td>Luxembourg (from 1975 only)</td>
<td>0.0</td>
<td>3.3</td>
<td>0.7 (-0.1)*</td>
<td>4.2 (3.8)*</td>
</tr>
<tr>
<td>Netherlands (from 1972 only)</td>
<td>0.4</td>
<td>2.0</td>
<td>0.9 (0.3)*</td>
<td>3.3 (2.6)*</td>
</tr>
<tr>
<td>New Zealand</td>
<td>0.2</td>
<td>1.2</td>
<td>1.4 (1.0)*</td>
<td>2.9 (2.7)*</td>
</tr>
<tr>
<td>Norway</td>
<td>0.1</td>
<td>3.0</td>
<td>2.2 (1.5)*</td>
<td>5.4 (4.0)*</td>
</tr>
<tr>
<td>Portugal</td>
<td>0.5</td>
<td>2.9</td>
<td>4.4 (2.8)*</td>
<td>8.0 (5.9)*</td>
</tr>
<tr>
<td>Spain</td>
<td>0.4</td>
<td>2.4</td>
<td>2.5 (0.8)*</td>
<td>5.4 (3.4)*</td>
</tr>
<tr>
<td>Sweden</td>
<td>0.3</td>
<td>3.7 (-0.4)*</td>
<td>2.5 (1.5)*</td>
<td></td>
</tr>
<tr>
<td>Switzerland (from 1985 only)</td>
<td>0.2</td>
<td>2.9</td>
<td>2.9</td>
<td>3.8</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.1</td>
<td>5 (1.0)*</td>
<td>3.8 (3.4)*</td>
<td></td>
</tr>
<tr>
<td>United States</td>
<td>0.3</td>
<td>7 (2.6)*</td>
<td>5.1 (4.7)*</td>
<td></td>
</tr>
<tr>
<td><strong>Average</strong></td>
<td><strong>0.4 (0.3)</strong></td>
<td><strong>2.5 (2.3)</strong></td>
<td><strong>1.5 (1.0)</strong></td>
<td><strong>4.3 (3.6)</strong></td>
</tr>
</tbody>
</table>
US forecast ...
Interpretation / conclusions (1)

- Ageing explains only a small part of increasing health-care expenditures.
- The observed stagnating and falling level in utilization rates at older ages (approximately after 80 years of age) shows that policy-makers may have to refocus. There is an increasing number of much older people (80 years and over) but this may not have as many financial implications regarding health-care as is often believed – unlike long-term care for which the relationship with age is much clearer.
• But policy-makers should be aware that increased numbers of people aged 65–79 will require greater resources than they may have anticipated (while long-term care costs for these will decrease).

• Proximity to death is a more important predictor for increasing health-care expenditures than ageing. However, good data on spending per age group are prerequisites for achieving a meaningful analysis and projection.
Interpretation / conclusions (3)

- Challenge for belief “longer life expectancy = higher total lifetime expenditures”. Longer life expectancy decreases death-related costs that in turn offset the added health costs incurred as a result of the gains in life expectancy. → Focus on establishing an effective health system with active policies to facilitate healthy ageing, enabling older people to remain economically active.
Important to concentrate on the modifiable portion
Addressing challenges at provision side

- Reduce ineffective and inappropriate provision → Health Technology Assessment and evidence-based medicine
- Put attention on prevention (never too late to start)
- Integrate care across providers (and across diseases)
- Develop new technologies to enable people to stay home longer (also good to address workforce shortage due to its ageing)
Health care and long-term care → different patterns

Figure 6.2: Annual government health expenditure by age and service group (males and females combined), 2003/04
### Burden of disability and dependency

#### 2.25 million people in need of long-term care (2.5% of the population) in 2007

<table>
<thead>
<tr>
<th></th>
<th>Home care</th>
<th>Institutional care</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.54 million recipients (68%)</td>
<td>709,000 recipients (32%)</td>
</tr>
</tbody>
</table>

#### Informal care

- 1.03 million recipients
  - Care levels:
    - I: 61.8%
    - II: 29.9%
    - III: 8.3%

#### Professional care

- 504,000 recipients
  - Care levels:
    - I: 52.5%
    - II: 35.4%
    - III: 12.1%

#### Provided by family & other non-professional caregivers

- 11,500 providers

#### Institutions

- 11,000 institutions

*1.5% not assigned

Source: Adapted from German Federal Statistical Office 2008b
Burden of disability and dependency

2.25 million people in need of long-term care (2.5% of the population) in Germany

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<thead>
<tr>
<th>Home care</th>
<th>€</th>
<th>Cash</th>
<th>Home</th>
<th>Inst</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.54 million recipients (68%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>I</td>
<td>235</td>
<td>450</td>
<td>1023</td>
<td></td>
</tr>
<tr>
<td>II</td>
<td>440</td>
<td>1100</td>
<td>1279</td>
<td></td>
</tr>
<tr>
<td>III</td>
<td>700</td>
<td>1550</td>
<td>1550</td>
<td></td>
</tr>
</tbody>
</table>

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Source: Adapted from German Federal Statistical Office 2008b
The European Observatory on Health Systems and Policies
www.healthobservatory.eu
POLICY BRIEF 10
How can health systems respond to population ageing?
Bernd Rechel, Yvonne Doyle, Emily Grundy, Martin McKee

POLICY BRIEF 11
How can European states design efficient, equitable and sustainable funding systems for long-term care for older people?
José-Luis Fernández, Julien Forder, Birgit Trukeschitz, Martina Rokosová and David McDaid
Observatory Venice Summer School 2011
The Ageing Crisis: A Health Systems Response
San Servolo, Venice, 24–30 July 2011

Background

The Ageing Crisis: A Health Systems Response

The Objectives: To bring together high and mid level policy-makers in a stimulating environment to focus on ageing and what it means for health systems. Summer School draws on the latest evidence; a team of experts; the experiences of participants in practice; and a tradition of promoting evidence-based policy-making and fostering European health policy debate. It aims to raise key issues, share learning and insights and build lasting networks.

Approach: The six day course combines a core of formal teaching with a highly participative approach involving participant presentations, round tables, panel discussions and group work. There will be opportunities for participants to develop a concrete case study that cuts across themes and to engage in political dialogue at the opening session.

Accreditation: Summer School is accredited by the European Accreditation Council for Continuing Medical Education and participation counts towards ongoing professional development in all EU Member States.

Organization: Summer School is organized by the European Observatory on Health Systems and Policies and the Veneto Region of Italy, one of its partners.

Recent Summer Schools: have focussed on Human Resources for Health (2007), Hospital Re-engineering (2008) and Health Technology Assessment (2009), EU Integration and Health Systems (2010).
The Ageing Crisis: A Health Systems Response

Summer School 2011 will focus on the implications of population ageing for health policy and the ways health systems can provide solutions to the challenges of an ageing society. The course will present a multi-faceted picture of the ageing effect on health systems and policies, looking at the evolving life expectancy and morbidity ratios; changing needs, the implications for financing, and the interface between different types of care, taking into account variations across Europe and inequalities between and within countries. A particular focus will also be the potential of health promotion and prevention to maintain people’s health and self-reliance as well as the use of technology and innovative models of integrated care to better assist older people living with chronic conditions.

The Summer School will address the topic of ageing from a policy makers’ perspective, outlining models for developing an integrated policy that can meet all these challenges, providing practical examples and tools but also taking into account the constraints and pressures that policy makers have to face. Crucially, the course will draw on the participants’ experience and sharing of knowledge and insights, and will build contacts and networks and to provide resources for future work. An important contribution to the Summer School will also be the approach taken on this issue at European and international level, including by the World Health Organisation and the European Union.

Faculty:
The Summer School will involve a group of expert lecturers and facilitators led by

- **Reinhard Busse** (European Observatory on Health Systems and Policies and Berlin University of Technology) as Director and his Co-Directors
- **Emily Grundy** (London School of Hygiene and Tropical Medicine) and
- **Nick Fahy** (Nick Fahy Consulting Ltd).
The WHO focal point will be
- **Manfred Huber** (WHO Regional Office for Europe)
MODULE 1: The challenges of ageing

The first module will set out the overall challenges that demographic ageing will bring; including
• Projections – the anticipated challenges of ageing reference scenarios
• Wider policy challenges the implications for society and the economy of demographic ageing
• Context of health system challenges the wider set of issues facing health systems as populations age and their health needs change

MODULE 2: Promoting healthy ageing

This module will set out how to promote healthy ageing from overall principles and techniques to key areas including practical examples and resources.
• Key targets for promoting healthy ageing and minimizing illness will draw on evidence identifying the key causes of mortality and morbidity where interventions make a real difference.
• Best practice in health promotion for older people will draw on evidence and experience from across Europe of what works best
• Working in partnership – will tackle how health systems can best work with older people and the organizations that represent and support them in effective partnerships.
• Maintaining economic and social integration - will explore the scope for a more integrated approach with employment, education, training and social services to sustain independent living and involvement in the society and economy as people age.

MODULE 3: Adapting health systems to ageing

Health systems will have to change in order to respond to population ageing. This module will address some of the key issues, potential solutions and resources.
• Ensuring integrated care- combining different elements of provision (primary, hospital, rehabilitative) to ensure a coherent overall package of care
• New technologies for supporting healthy ageing - technologies available or on the horizon and how they can support objectives such as healthy independent living and integrated care.
• Ethical issues- including end-of-life issues such as euthanasia and the role of palliative care; how to involve older people in decision making even in difficult circumstances later in life
• Supportive financing mechanisms – how different approaches and structures can support the overall objectives of healthy ageing for individuals and for the system as a whole.

www.observatorysummerschool.org