



Towards a Sustainable Health Care Model

**BIAC Task Force on Health Care
submission to the**

**OECD Health Ministerial Meeting
Paris, 7-8 October 2010**

The Business and Industry Advisory Committee (BIAC) to the OECD is the officially recognised voice of business at the OECD.

The BIAC Task Force on Health Care contributes the views and expertise of the private sector to the on-going work of the OECD on matters related to health care. It represents employers in the business sector at large, including private hospitals, biopharmaceuticals, medical devices, medical information systems and technologies, food and beverages as well as sports.

TOWARDS A SUSTAINABLE HEALTH CARE MODEL

BIAC Task Force on Health Care submission to the OECD Health Ministerial Meeting

The challenges to our health care systems

The financial and resource pressures facing health care systems today, which have been further exacerbated by the recent global economic crisis, are likely to rise because of ageing populations and changing patterns of disease. In order to become sustainable in the long term, our health care systems need to address significant challenges, including: growing complexity and inefficient management, fragmented care delivery, major deficits of public health insurance schemes as well as, in some cases, fraud and abuse.

Business and our economies are broadly dependent on healthy and active populations and workforces. Business is greatly concerned about the challenges to our health care systems and the implications of rising non-wage labour costs for companies' competitiveness and economic growth. At the same time, business is part of the solution as it is instrumental in finding innovative solutions for sustainable health care systems and in addressing the urgent health care challenges we face today. We therefore need to work closely together and maximise limited resources to obtain better value for money, while improving the quality of health care and patient outcomes.

Five key business recommendations

The OECD can play an important role by providing rigorous and fact-based analysis, benefiting from its economic focus and unique strength in data analysis and taking into account the horizontal nature of health care issues. BIAC therefore calls upon Health Ministers to set clear priorities for future OECD work, taking into account the following five business priorities, which are of equal importance:

1. Improve the efficiency of health care delivery to citizens and patients
2. Encourage innovation in health care
3. Enhance the quality of health care delivery
4. Foster a solid infrastructure and appropriately trained workforce
5. Promote disease prevention and personal initiative for healthier and more active lifestyles

Without change, today's health care systems are not likely to be sustainable in the long term. It is therefore critically important that all stakeholders – including government, industry and civil society – co-operate to develop new health strategies that improve quality, efficiency and ensure overall economic prosperity.

Business is an integral part of the solution and stands ready to work with the OECD and governments towards these objectives. BIAC calls upon Ministers to foster close co-operation with the private sector to adopt these priorities and related recommendations for future OECD work.

Detailed briefing: key business recommendations

Our five key recommendations are further developed hereafter. We call upon Health Ministers to take these recommendations into account when setting priorities for future OECD work on health care.

1. Improve the efficiency of health care delivery to citizens and patients

Business is greatly concerned about the challenges to our health care systems and the implications of rising non-wage labour costs for companies' competitiveness and economic growth. In order to allocate limited resources more efficiently, improved efficiency across the entire health care delivery chain and greater transparency in the quality and effectiveness of health care services are therefore important. Competition is another essential element for increasing value for money. In view of the importance of a healthy workforce, greater efficiency in health care would also serve to reduce the average leave of absence due to illness, thereby increasing labour productivity. Business calls upon the OECD to explore opportunities for increasing productivity and:

- focus on improved and innovative systems management, including payment models;
- facilitate better use and integration of innovative technologies and services, including e-health adoption;
- improve disease detection and prevention;
- foster competition between public and private providers and payers;
- encourage better care co-ordination and greater quality controls;
- improve health literacy; and
- address fraud and abuse.

2. Encourage innovation in health care

Addressing the challenges at hand will require innovation in the provision of health services, funding schemes, products and devices, as well as in the organisation and management of medical facilities. Innovation needs to be supported, recognised and rewarded by sound macro-economic policies, pro-competitive policy frameworks, strong political will and a whole-of-government approach. A number of barriers need to be addressed to accelerate uptake and encourage a more rapid translation of innovation into patient benefits and health care efficiency.

In line with the OECD Innovation Strategy, which was submitted to the OECD Ministerial Council Meeting in May 2010, business calls upon Health Ministers to support cross-cutting OECD work on fostering an innovation-friendly policy environment to address global health challenges. This work should be co-ordinated with other on-going initiatives promoting innovation in the EU, US and other parts of the world.

3. Enhance the quality of health care delivery

Quality systems need to be designed to improve care and reduce medical errors. Business has actively supported the OECD health care quality indicators' work, recognising that improving access and collection of data is indispensable for overall quality improvement.

We encourage the OECD to develop and apply the right tools and methods to integrate, analyse and understand these data. The OECD should seek to find ways for better co-ordination of care to improve quality by helping patients obtain better health care services, while generating programme savings. Health care providers and payers need to be rewarded for quality and outcomes achieved rather than having their role restricted to the delivery of care to the sick.

4. Foster a solid infrastructure and appropriately trained workforce

As demographic changes lead to new challenges and as systems reform and adopt new technologies, infrastructure and workforce need to be adapted to meet new requirements. It is critical to address fundamental infrastructure needs over the longer term and ensure that available resources are used efficiently. Private sector solutions should be considered part of the strategy, including private insurance systems, information and medical record systems, private hospitals, and innovative services and products. Investments should be based on cost-benefit analysis to ensure that resources are used most efficiently. An appropriately trained workforce, equipped with up-to-date knowledge and skills, is another essential component of health systems. A long-term strategy is required to ensure that the size and specialisation of the workforce remain fit for purpose and address current and future demands.

We call upon the OECD to identify the requirements for a solid infrastructure of health care systems and to address health workforce issues in a comprehensive manner, including how to meet future demand as well as continued education, training and professionalisation requirements to respond to specific needs.

5. Promote disease prevention and personal initiative for healthier and more active lifestyles

Prevention includes a wide range of approaches, such as screening and early detection, diagnostics, long-term care and monitoring, better adherence to treatment, education programmes, vaccination, preventive medicines, tobacco control and dependence treatment, mental health issues, addressing abuse of alcohol consumption, hand washing, appropriate diet, and regular physical activity. The OECD can play an important role by analysing long-term quality and efficiency improvements through well-designed prevention programmes. BIAC calls upon the OECD to address prevention in a comprehensive manner, by analysing measures that address both communicable and non-communicable diseases and result in improved population health, while delivering economic benefits.

Business strongly supports government policies and educational programmes that encourage individuals to make informed choices and take personal initiative and accountability for leading healthier and more active lives.

Additional information on the OECD Health Ministerial Meeting is available online: www.oecd.org/health/ministerial.

For further information on BIAC's work on health care, please contact Hanni Rosenbaum (rosenbaum@biac.org) or visit the BIAC website (www.biac.org).