Health care system typology

Content

- Healthcare system typology
- First Team Presentation – Rebeka, Joe and Augustin (OECD+Welfare, Ireland)

Some technical issues first …

Commentary

- Thank you for uploading your first assessment - commentary☺
- We will go through and will share our feedback with you (via Moodle)
- Points for Commentary activity will be awarded within ten days

Presentation and Overview

- Presentation points will be awarded approximately one week after the last presentation (20/3).
- Overview points will be awarded approximately ten days after the final version of the overview has been submitted (24/3).

Classification of health systems

Most common dividing criteria is:

- Type of financing
- Objectives of the system

Source: series of OECD studies

But there are many alternatives, e.g.

Wendt, C. (2009). Mapping European healthcare systems: a comparative analysis of financing, service provision and access to healthcare. Journal of European Social Policy, 19, 432 - 445.

Joumard, I., C. André and C. Nicq (2010), "Health Care Systems: Efficiency and Institutions", *OECD Economics Department Working Papers*, No. 769, OECD Publishing, Paris,

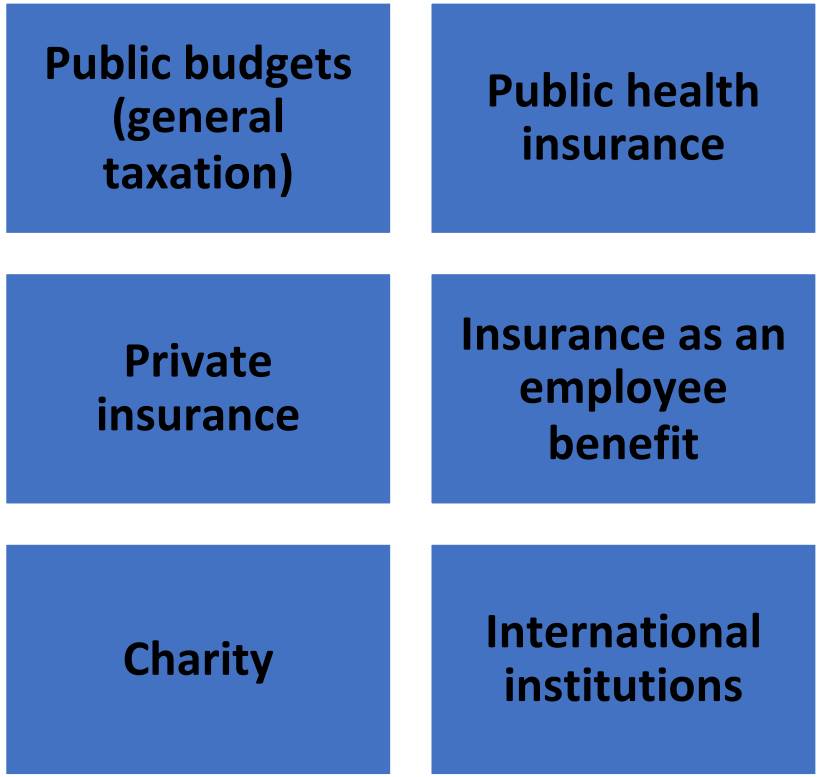
Böhm K, Schmid A, Götze R, Landwehr C, Rothgang H. Five types of OECD healthcare systems: empirical results of a deductive classification. Health Policy. 2013 Dec;113(3):258-69. doi: 10.1016/j.healthpol.2013.09.003. Epub 2013 Sep 13. PMID: 24095274.

Moran, M. (2000) Understanding the Welfare State: The Case of Health Care. *The British Journal of Politics and International Relations*, *2*(2), 135-160. https://doi.org/10.1111/1467-856X.00031

Toth F. (2016). Classification of healthcare systems: Can we go further. Health Policy. Volume 120, Issue 5: 535-543. Doi org/10.1016/j.healthpol.2016.03.011.

Types of financing

Indirect financing



Direct funding

= direct patient payments

USA, Singapore, Australia, New Zealand, Switzerland (until 1996)

Why indirect financing

- Spread the risk among all participants in the system (healthy and sick, older and younger, men and women, ..)
- Ability to spread financial risk at the time care is provided
- Based on prepayment = premium/tax (before illness/care)
- Premiums/taxes often combined with (the possibility of) direct payments (co-payments for care provided)

Types of health systems by predominant source of funding

Public budgets/taxes (general/health/social)

Public health/social insurance

vs.

Private/company insurance

General difference: state guarantee of care

- It exists:
  - A system financed through general taxation
  - Schemes financed through public health insurance

- It doesn't exist:
  - Systems based on a pure market mechanism

Tax-funded schemes = National Health Service

Beveridge's

Combination of public and private health services

1948: NHS (UK) and further for example:

Italy, Portugal, Spain, Greece, Ireland, Scandinavia, Costa Rica, Mexico and Botswana.

Semashko's

The absence of private health services

Soviet bloc

Today only Cuba

Dougles'

Combination of public and private health services

The federal government subsidizes the provinces, which are responsible for funding and providing care

Canada, Australia

Main value: universal access to health care and equal, i.e. fair, access to health services

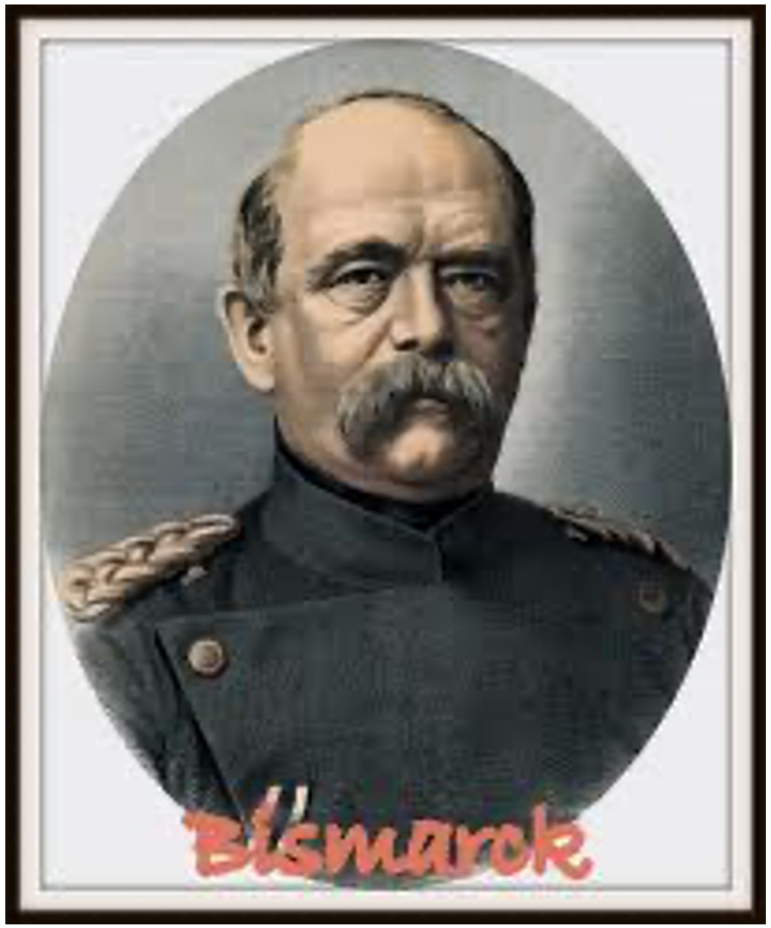
Beveridge system

- A system with universal access to care
- Health care " free " for all citizens in need of care
- Mainly financed by general taxes (82%)
- Autonomy of care providers: freedom to choose where they want to work (private, public or a combination) and freedom to prescribe
- General practitioner (GP) as gate keeper
- Hospitals as trusts, freedom in pricing policy, wage/salary setting, focus or size
- Equality as a core value
- Waiting lists as a major weakness

Insurance-financed schemes

- Social health insurance model
- Compulsory income tax contributions
- Operated by self-administered health insurance companies
- Providers contracted to health insurers or billing health insurers for care
- It does not pass directly through the public finances
- Can exist as centralised (France) or decentralised (Germany)
- Efficiency as a core value

Germany, Austria, Switzerland, France, Holland, Belgium, Czech Republic, Slovakia, Hungary,



The Bismarck system

- It can exist in various forms
- Often compulsory insurance based on membership of a profession and funded by premiums that are shared between the employee and the employer (may exist in the form of different schemes for different professions, e.g. France)
- The often important role of the GP/treating/family doctor who coordinates care and " filters" patients for secondary/tertiary care
- Hospitals private and public, for-profit and not-for-profit
- Different methods of reimbursement: DRG (Germany), budget (France), combination of both (Czech Republic)
    - Different ways of reimbursing physicians for care (fee-for-service, capitation, combination)
- The degree of price regulation (of drugs, services) varies (more regulated in France or the Czech Republic and less in Germany, the Netherlands, Switzerland)
- Degree of patient "freedom" varies (greater in Switzerland, the Netherlands and less in France)

Market system (USA)

- Role of the state limited, care not guaranteed, no universal access to care
- No obligation to be insured (8.4% (2022) of the population uninsured)
    - Obama care (still 27.6 million (2022) uninsured)
- Insurance either individually or through your employer
- For some populations, care covered by public funds (Medicare, Medicaid) - elderly, veterans, vulnerable populations
- Quality as the main value of the system
- High-level science and research
- Highest health spending (17.7% of GDP, 2019)

Data source: CDC, 2023

Tax based

- Low motivation of civil servants to be effective while using the scarce resources
- Low administrative cost (NHS approx. 5%, US more than 2O%)
- Level of government information
- Emphasis on prevention
- Relatively high access of HC services

Insurance based

- High motivation to use the resources in an effective way
- Better information about the health care costs
- Higher transaction power
- More transparency of financial flows, better predictability of resources
- Competitiveness of payers => influence on cost containment
- No prevention stimulus
- Cream – skimming
- Problem with uninsured people

For next week …

Please watch M. Moore's Sicko document (link in Moodle),

and

be ready to discuss next week what you found most interesting, surprising...

„Sicko is a 2007 American political documentary film by filmmaker Michael Moore. Investigating health care in the United States, the film focuses on the country's health insurance and the pharmaceutical industry. Moore compares the for-profit non-universal U.S. system with the non-profit universal health care systems of Canada, the United Kingdom, France and Cuba."

On you now ☺

First Team Presentation – Rebeka, Joe and Augustin

- 10-15 minutes for presentation
- Establish a clear connection to the assigned readings (Commentary): OECD+Welfare,
- Health System (Overview): Ireland
- Topics for discussion

Other teams

- In teams, you are asked to give constructive feedback to your peers who are presenting