

Draft-AmCham Position Brief on Health Care

Intro

The Minister of Health has committed the Czech Republic to raising the healthy life yearsⁱ by two years by 2020. We believe this move can lead to substantial improvements in the health of the population and dramatic improvements to the value provided by the health care system.

The health care system needed an unified, clear and measurable target for determining how successfully the system operates. Without a way to measure how well the system cares for health, policymakers focused on how often the system performed certain tasks, or how much an activity cost. These were management measures without any direct correlation to the purpose of health care policy. Healthy Life Years gives the government a relevant target for health care. Furthermore, it provides a standard methodology for comparing how well the Czech health care system performs to other EU countries.

Establishing healthy life years as the ultimate goal of health care decisions and spending also eliminates the need to continue the irrelevant debate about whether the system can only be improved through “revolution” or “evolution”. Setting the target of increasing healthy years acknowledges that the system must improve, even as the aging population means fewer people will be paying health care taxes and more people will require higher levels of care.

Finally, the focus on Healthy Life Years allows policymakers to break the parameters of addressing health care only by addressing the health care system. In fact, the health care system plays a minor part in creating a healthy individual. The greatest gain to healthy life year will come when policies concerning the environment and nutrition and physical exercise can be aligned with those of the health care system.

Connecting what we do with what we want

Now that we know what the goal of health care policy is, we will need a way to measure whether what we do has the optimal possible benefit to achieving that aim. Healthy Life Years may be a direct measure for some health care decisions and spending, but policymakers will likely have to translate the overall goal into complementary goals in most day-to-day activitiesⁱⁱ. For instance, healthy life years must be converted to more specific measures that will determine how pre-treatment, treatment and post-treatment of various diseases and injuries contribute to the overall goal.

In essence, Healthy Life Years can be divided into three basic factors: lifespan, the number of times someone has a disability, and the duration of those disabilities. While lifespan is affected greatly by lifestyle and genetics, the incidence of disability and duration of disabilities can be applied to most activities within the health care system. The incidence of disabilities and the duration of those disabilities might be the best way to measure the contributions of specific areas of treatments to increasing Healthy Life Years.

To give the government greater ability to improve performance, it would be very useful to create a monitoring system that can track how changes in policies affect those measures. For that reason, we suggest that the government take advantage of information technology not only to improve patient access and care, but to create a national monitoring system that can measure how each area in health care contributes to the increase in healthy life years. Such a system can track regional differences, and pinpoint specific areas in which policy could be improved to reach the overall goal.

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Effectiveness Measure	Efficiency Measure
Avg. Number of Healthy Life Years	System Cost/ Total Number of Healthy Life Years

That monitoring system should track more than performance. It should also indicate value: the cost for every year of healthy life. Since a primary constraint to increasing healthy life years will be the financial sustainability of the health care system, introducing a value measure (benefit over cost) will allow policymakers to determine the optimal changes to make to policy. An effective monitoring system will also force healthcare providers and suppliers to innovate- to create more benefit per crown spent.

Procurement: How do we know what we buy delivers the most value to the system?

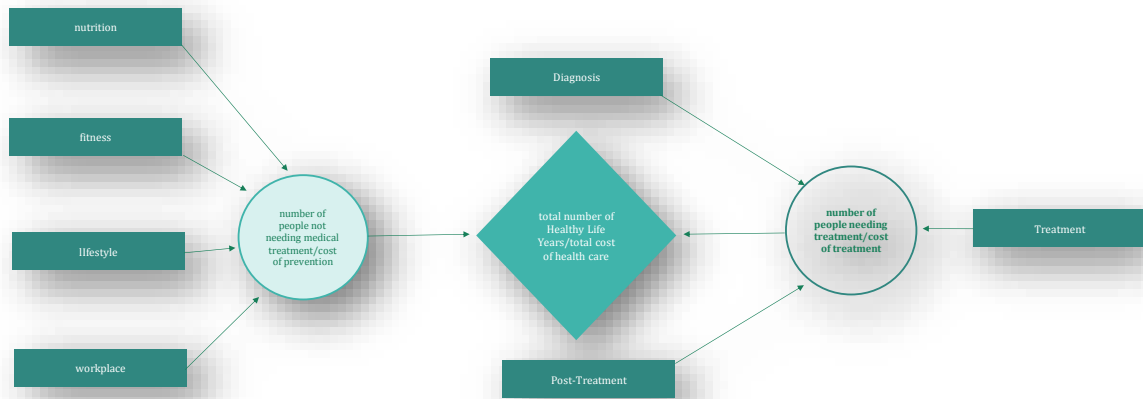
Procurement is the nexus where company interest intersects with the public interest. The company interest always is to create a premium for their product by most effectively meeting the public interest. In other words, companies wish to get the most revenue they can for providing the solution that best achieves what the health system demands. Today, whether this policy is stated explicitly or not, the system is demanding lowest price. Competing on price makes it difficult to sustain value. That is why we believe the current procurement system is in fundamental conflict with the goal of improving Healthy Life Years.

Healthy Life Years requires a change in how procurement is organized. A health care system centered on maintaining the same quality of care can organize procurement to create value solely by lowering costs. On the other hand, a system that measures value increases demand for innovative solutions, because it requires an improvement of care while measuring value by assessing the cost of each incremental improvement in the quality of care. Innovative solutions will require that procurement officers contribute to the increase in the quality of care of their institution, while being responsible for improving the value of care by limiting the growth in costs of each Healthy Life Year.

Such a shift does not require a change in legislation. The current legislation allows selection based on economic value. The Ministry could define economic value as how that product contributed to measurable health outcomes related to Healthy Life Years (effectiveness of treatment, duration of treatment, and reduction of side-effects (including infection)). In essence, the effectiveness of each procurement department could be measured by the cost of any increase or decrease to the factors which create Healthy Life Years. These outcomes could be used by the government to guide investment into the areas that create more value.

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Recognizing that health is more than the health care system



The map above identifies the factors influencing healthy life years at the level at which policy influences practice. At this level, policymakers can begin to debate how certain policies (school lunches, external reference pricing, health-care technology assessment, discounts/rebates) influence the whole, and devise policies that bring the maximum improvement to people's health.

One of the greatest benefits of measuring health care system performance by Healthy Life Years is that the government can now pursue health, and not purely the maintenance of the health care system. We would recommend a interministerial task force be established that could identify policy changes throughout the government could contribute to an increase in healthy life years.

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ⁱ Healthy Life Years, Females, Central European Region, Eurostat data

CEE Region	2005	2006	2007	2008	2009	2010	2011	2012	2013
Austria	60.1	61	61.4	59.9	60.8	60.8	60.1	62.5	60.2
Bulgaria	na	71.9	73.9	65.7	65.9	67.1	65.9	65.7	66.6
Croatia	na	na	na	na	na	60.4	61.7	64.2	60.4
Czech Republic	60	59.9	63.3	63.4	62.7	64.5	63.6	64.1	64.2
Estonia	64	64.9	65.6	65.1	65.2	58.2	57.9	57.2	57.1
Greece	67.4	68.1	67.6	66.2	66.8	67.7	66.9	64.9	65.1
Latvia	53.2	52.5	54.8	54.3	56	56.4	56.6	59	54.2
Lithuania	54.6	56.5	58.1	59.6	61.2	62.3	62	61.6	61.6
Hungary	54.3	57.2	57.8	58.2	58.2	58.6	59.1	60.5	60.1
Poland	66.9	62.9	61.5	63	62.5	62.3	63.3	62.8	62.7
Romania	na	na	62.5	62.9	61.7	57.5	57	57.7	57.9
Slovenia	60.1	61	62.3	60.9	61.5	54.6	53.8	55.6	59.5
Slovakia	56.6	54.6	56.1	52.5	52.6	52	52.3	53.1	54.3
Finland	52.5	52.8	58	59.5	58.6	57.9	58.3	56.2	na

Healthy Life Years, Males, Central European Region, Eurostat data

CEE Region	2005	2006	2007	2008	2009	2010	2011	2012	2013
Austria	58.2	58.7	58.7	58.5	59.5	59.4	59.5	60.2	59.7
Bulgaria	na	66.2	67.2	62.1	62.1	63	62.1	62.1	62.4
Croatia	na	na	na	na	na	57.4	59.8	61.9	57.6
Czech Republic	58	57.9	61.4	61.3	61.1	62.2	62.2	62.3	62.5
Estonia	48.3	49.6	49.8	53.1	55	54.2	54.3	53.1	53.9
Greece	65.9	66.5	66	65.6	66.1	66.1	66.2	64.8	64.7
Latvia	50.8	50.8	51.4	51.6	52.6	53.1	53.6	54.6	51.7
Lithuania	51.4	52.6	53.3	54.5	57.2	57.4	57	56.6	56.8
Hungary	52.2	54.4	55.1	54.8	55.9	56.3	57.6	59.2	59.1
Poland	61.2	58.4	57.6	58.6	58.3	58.5	59.1	59.1	59.2
Romania	na	na	60.5	60	59.8	57.3	57.4	57.6	58.6
Slovenia	56.4	57.7	58.7	59.4	60.6	53.4	54	56.5	57.6
Slovakia	55.2	54.5	55.6	52.1	52.4	52.4	52.1	53.4	54.5
Finland	51.7	53.2	56.8	58.6	58.2	58.5	57.7	57.3	0

ⁱⁱ Healthy Life Years combines life expectancy, incidence of disability, and duration of disability. Most disease and injury categories can be measured by incidence and duration. Most devices and pharmaceuticals can also be measured by how they contribute to incidence and duration.