

Global Challenges in Leadership and Health Reform

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Global Challenges in Leadership and Health Reform

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2. Global Leadership Challenges

- Poverty
- Growing inequalities – economic, education, health, political
- International migration by disadvantaged people
- Environmental degradation/global warming
- Performance of governmental and non-governmental organizations - international, national and local
- The 'Seven Revolutions':
 - Population
 - Resource management, especially food and energy
 - Technology innovation, diffusion and assistance
 - Information
 - Conflict/Political instability/ Ethnic divisions/Terrorism/ War/ Transnational crime and violence
 - Economic integration/ uncertainty
 - Governance



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3. Global Health Challenges

- Ageing/Independence
- Alcohol abuse
- Climate change
- Continuing challenges of infectious diseases and neglected diseases
- HIV/Aids
- Illicit drugs
- "Iron Triangle" – Quality, Access, Cost (including access to/cost of pharmaceuticals)
- Mental health – lifestyle balance
- Motor vehicle accidents
- Natural disasters
- Nutrition – malnutrition/obesity
- People friendly environments
- Physical inactivity
- Preparedness
- Tobacco use
- Violence



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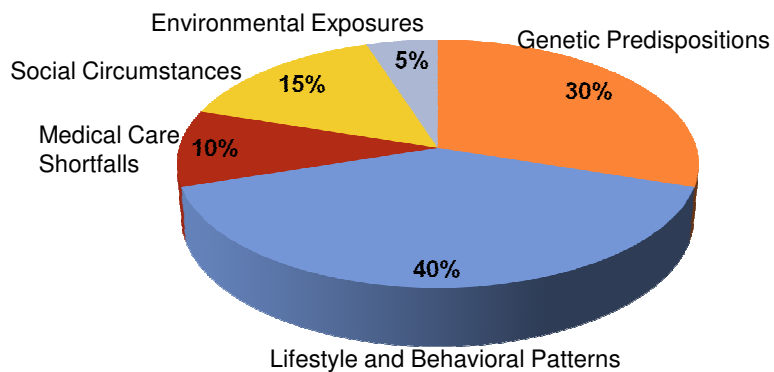
4. Pressures on Health Systems



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Factors Influencing Health Status



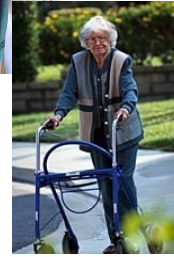
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Source: McGinnis, JM, William-Russo, P, Knickman, JR
(2002) Health Affairs 21 (2) 83



Chronic Disease in 2009

- 133 million Americans have chronic diseases
- Half the elderly have 5+ conditions
- Cause 70% of deaths
- Consume 75% of money
- 40% don't get all recommended therapies



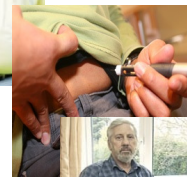
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How Healthy is America?

During their lifetime:

- 1/2 will become obese
- 1/3 will develop diabetes
 - Experience earlier disability
 - Life expectancy will ↓ 2-5 yrs
- 2/3 of disease burden is due to poor lifestyles



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Potential Costs

- Health care consumes 16% of GDP
 - 20% by 2017
- Aging 'baby boomer' generation
 - 78 million in 2011 (30% of population)
 - \$60 trillion dollar liability
 - Medicare
 - 2008 – 9% of federal income tax
 - 2025 – 32% of federal income tax
- Underinsured or none
 - 45 million lacked health insurance of any kind in 2008
 - Current trajectory: 61 million by 2020

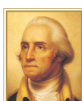
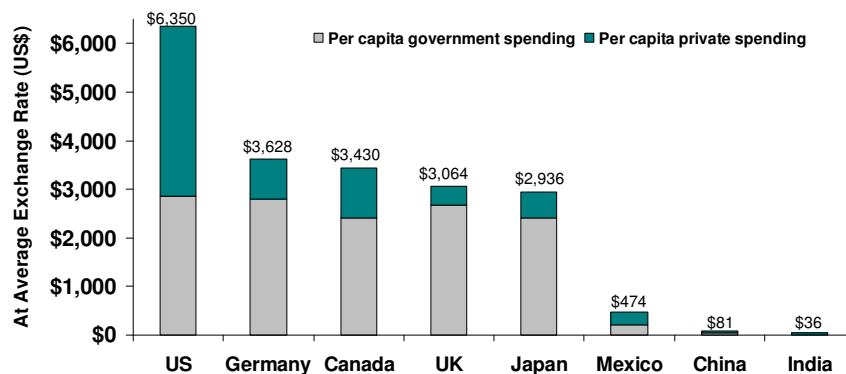


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Straining Business Competitiveness

US private sector spends more per capita on health care than rest of world



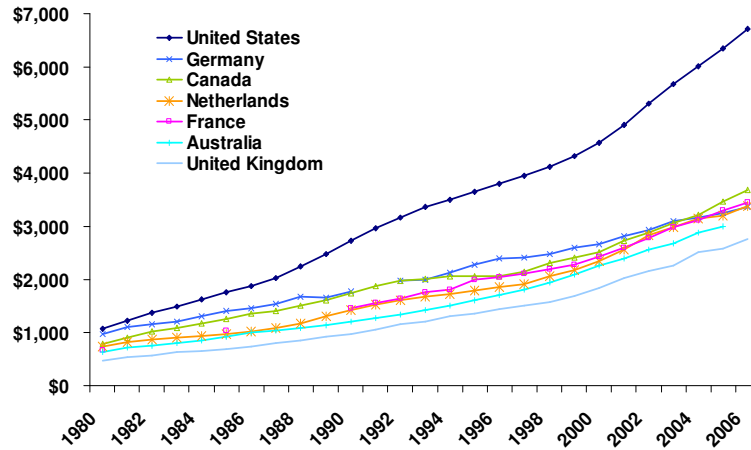
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Note: Figures represent total per capita government spending plus private spending in 2005. China figure does not include Hong Kong and Macao Special Administrative Regions.
Source: 2008 World Health Organization Statistics



International Comparison of Spending on Health 1980–2006

Average spending on health per capita (\$US PPP*)



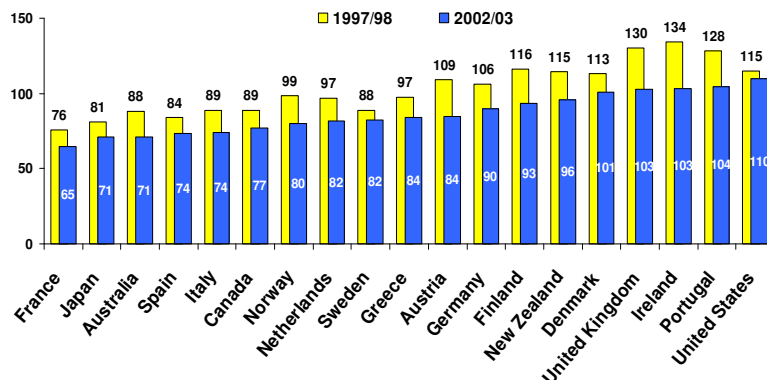
* PPP = Purchasing Power Parity.

Data: OECD Health Data 2008, June 2008 version.

Source: The Commonwealth Fund Commission on a High Performance Health System, *The Path to a High Performance U.S. Health System: A 2020 Vision and the Policies to Pave the Way*, (New York: The Commonwealth Fund, February 2009).

Mortality Amenable to Health Care: U.S. Failing to Keep Pace with Other Countries

Deaths per 100,000 population*



* Countries' age-standardized death rates before age 75.

Data: E. Nolte and C. M. McKee, London School of Hygiene and Tropical Medicine analysis of World Health Organization mortality files (Nolte and McKee, *Health Affairs* 2008).

Source: Commonwealth Fund National Scorecard on U.S. Health System Performance, 2008.

5. Success Stories from Abroad

- **Positives and negatives of international comparisons**
- **Cultural, social, economic and political differences but lessons can be learned**
- **Too much focus on health expenditures, insurance administration, etc**
- **Opportunities to learn-**

Netherlands, Denmark, Germany,
England, Australia



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U.S. Spends Most and Ranks Last

Country Rankings	1.00-2.66	2.67-4.33	4.34-6.00			
	Australia	Canada	Germany	New Zealand	United Kingdom	United States
Overall Ranking, 2007	3.5	5	2	3.5	1	6
Quality Care	4	6	2.5	2.5	1	5
Right Care	5	6	3	4	2	1
Safe Care	4	5	1	5	2	6
Coordinated Care	3	6	4	2	1	5
Patient-Centered Care	3	6	2	1	4	5
Access	3	5	1	2	4	6
Efficiency	4	5	3	2	1	6
Equity	2	5	4	3	1	6
Healthy Lives	1	3	2	4.5	4.5	6
Health Expenditures per Capita, 2004	\$2,876*	\$3,165	\$3,005*	\$2,083	\$2,546	\$6,102

Source: K. Davis, et al. Mirror Mirror on the Wall: An International Update on the Comparative Performance of American Health Care. The Common Wealth Fund, May 2007.

Opportunities to Learn: Netherlands

- Often stands out in comparison to the U.S. and other countries
- Stark contrasts:
 - Costs low compared to the U.S.
 - Broad access and financial protection
 - Most positive public views
- Dutch 2006 reforms and innovations
 - Individual mandate and “managed competition”
 - Risk equalization fund
 - Payment reforms
 - Quality and patient experiences

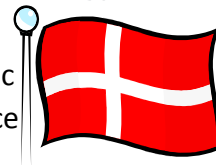


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Opportunities to Learn: Denmark

- Rated highest of European health systems by public
- Strong primary care system: blended fee-for-service and medical home payments
- Organized ‘off-hours’ care system integrated with primary care
- Strong IT system
 - Comprehensive patient record with individual identifiers; health data flow through government-funded portal
 - Beginning focus on better health outcomes, e.g. diabetes registries, anti-coagulation therapy
- Health insurance pays lowest price for drug in a class; prices updated biweekly; part of physician and pharmacy IT system
 - Prescription drug costs are 1/3 the U.S. level



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Opportunities to Learn: Germany

- Chronic disease program
 - Embedded nurse model
 - Tracking health outcomes and resource costs
- Primary care and care coordination
- Global fees: moving to more “bundled” per episode
- Comparative Effectiveness: benefits and pricing
 - Part of multiple country global efforts
 - Priorities set by national policy
 - Reference pricing for prescription drugs
- Insurance market reforms
 - Cooperation and competition?
 - Dutch and German approaches differ; risk equalization and financing
- Leadership authorities



Opportunities to Learn: England

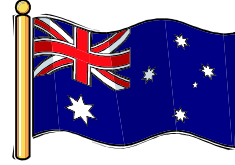
- New GP Contract implemented nationwide, 2004
- Developed collaboratively by government and providers
- Focuses on quality and outcomes
- Bonuses to physicians based on performance
- Average score for practices in the first year was 959 out of a possible 1050
- Some higher performance may have been improved documentation



Opportunities to Learn: Australia

Hospitals and Health Services Commission

- Guided by the 'Primary Health Care' model
- Key element in a system of comprehensive health care
- Emphasis on continuing care of persons
- Links to and from other elements in the system should be strong and reliable
- Personal health care remains a personal responsibility to a considerable extent



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6. Responding to Health Challenges



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Promotive, Preventive and Curative Responses...

- Health Communications
- Health Education
- Technology
- Role Models – Peers, Family, Work
- Life Style and Behavioral Changes – Balanced nutrition strategies, exercise, etc.
- Environmental and Occupational Health Measures –
Sensible approaches to work and recreation...



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System Responses...

- Policy and Planning
- Financing mechanisms – public and private
- Human resources
- Education and Incentives
- Public Health
- Global Cooperation



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Some Guidelines for Individuals

- Accept responsibility for your health
- Implement a sensible approach to diet, exercise, and alcohol consumption – do not smoke and avoid secondary smoke
- Use authority and influence to encourage positive, and discourage negative, attitudes and behaviors
- Be good role models for others
- Stay informed and seek advice from health professionals



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A Summary of Effective Strategies

- Increased individual responsibilities
- Better Surveillance
- More effective health promotion and disease prevention
- Sound clinical interventions
- Well designed organizational and policy initiatives – avoid fragmentation
- ‘Country specific’ “balance” of public/private provision and financing
- Leadership



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7. Role and Importance of Leadership for Health



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- Change requires leadership at numerous levels:
 - Individuals
 - Households, families
 - Schools
 - Places of employment: private and public sectors
 - Governments
- Leadership is challenged by ...
 - Availability and dissemination of knowledge
 - Political and societal priorities
 - Difficulties in changing human behaviors/life style, i.e. smoking, diet, alcohol consumption, exercise, sexual behavior
 - Different time frames
 - Individuals: ‘Will not happen to me’
 - Organizations: Responsibility for employee health?
 - Government: Short time frames; next election



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8. Illustrations of Health Leadership

- United Kingdom: Introduction of National Health Service, numerous health reforms
- Germany and the Netherlands : Public or private health insurance
- Canada: Introduction of universal health insurance
- United States: Medicare and Medicaid, health care reform
- Australia: Hospitals and Health Services Commission; Medibank; Medicare; health promotion initiatives



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9. Some Lessons from International Comparisons

- Gaps between average performance and benchmarks make compelling case for change
- What receives attention gets improved
- Country patterns reflect underlying strategic policy choices
 - National leadership on health policy matters
 - Universal coverage matters
 - Having an integrated health care “system” matters
- Better primary care and care coordination hold potential for improved outcomes at lower costs
- Align incentives to promote more effective and efficient use of staff, IT, and clinical resources
- Health information technology has significant potential but needs to be coupled with physician leadership and buy-in, care redesign, incentives
- Comparative effectiveness has significant potential but needs to be linked to payment and benefit design

10. What Lies Ahead for the U.S.?



Obama's Health Reform Principles

- Protect Families' Financial Health
- Make Health Coverage Affordable
- Aim for Universality
- Provide Portability of Coverage
- Guarantee Choice
- Invest in Prevention and Wellness
- Improve Patient Safety and Quality Care
- Maintain Long-Term Fiscal Sustainability



Source: Office of Management and Budget: A New Era of Responsibility: America's Promise. Washington DC, GPO, 2009



Obama/Baucus Framework

- New insurance exchange to enhance choice and improve insurance efficiency
- Affordability
- Shared responsibility to support affordable coverage for all
- Insurance market reforms to focus competition on outcomes, assure access, and lower administrative costs



Agenda for Change

- The U.S. has an historic opportunity to adopt reforms that will achieve a high performance health system
- The key ingredient is instituting a reform proposal that will ensure quality, affordable health insurance for all
 - The U.S. has a path towards expansion of health insurance to all
- Coverage for all must be pursued *simultaneously* with comprehensive reforms in cost, quality and access
 - Payment reform to encourage integrated health care organizations and other providers to be accountable for results and resources
 - Rewarding primary care and patient-centered medical homes
 - Instituting a global fee covering hospital, physician, and other services including 30-day follow-up for acute episodes of care
 - Incentives for adoption of information technology
 - Information on comparative effectiveness and evidence-based medicine



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11. Imperatives for Successful Health Care Reform



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- Establish visionary, but realistic, goals
- Implement strategic communications to build elements of the shared vision
- Define benefit packages, including dental health, mental health and vision services
- Integrate health promotion, disease prevention, treatment and rehabilitation
- Prioritize national metrics
- Emphasize the fundamental importance of bold, sustained leadership to balance the pressures of powerful interest groups against data-driven needs for health improvement and other desirable societal goals



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Questions and Discussion



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