

BIAC CONTRIBUTION

Consultation with the OECD Health Committee

6 July 2009

I. Health care quality indicators/health data

Quality indicators

1. BIAC maintains its strong support for OECD work on health care quality indicators. High quality data and indicators are essential for:
 - a. Understanding population health, health care, prevention and treatment, which are at the core of the OECD work.
 - b. The assessment and development of health care policy.
2. BIAC supports the Expert Group approach to strengthen methodology, namely
 - a. OECD should be transparent on the quality of the data sources on which the indicators are based and OECD should collect information on these data sources in a systematic way.
 - b. OECD should continue existing efforts to improve indicator comparability and coverage.
3. BIAC believes that the development of new indicators, such as patient safety and responsiveness/patient experiences is very useful. We also endorse the work on quality related to specific diseases. We particularly appreciate the Expert Group's diligence in carefully reviewing new indicators and only recommending to the Health Committee the adoption of new indicators which meet high standards.
4. BIAC supports efforts recommended by the Expert Group to advance work on infrastructures for electronic health records.

Health data

1. BIAC welcomes the new issue of the OECD Health Data and notes the steady progress in providing reliable and comparative health data for the OECD countries.
2. BIAC notes the improvements in the data in several areas:
 - a. addition of information on the intensity of use of medical technologies
 - b. enrichment of the database on the medical profession
 - c. addition of the long-term spending to the data

II. Next Steps for the OECD Health ICT project

BIAC has been a strong supporter of the OECD Health Committee's work on health ICTs. In particular, we have welcomed the Committee's work on the development of indicators for international comparisons of health ICT adoption and use.

OECD's role towards wider health ICT adoption

BIAC believes that the OECD has an important role to play in encouraging and supporting governments towards wider adoption of ICT in healthcare. The OECD, within its remit, is a credible and influential platform to elaborate tools for governments that will help ensure that the healthcare sector benefits from the enormous transformative potential of ICTs.

We therefore urge the Health Committee to continue the work on health ICTs. BIAC also believes that this work would benefit from a horizontal approach reflecting existing or future OECD work that supports the objectives of this project. Given ongoing work in other international fora, BIAC hopes that the OECD will continue to work closely with WHO and the European Commission to develop international indicators that will encourage measurement of health ICT project outcomes by governments, enable comparability of measurement and provide a platform for best practices exchanges.

Model Survey approach

During the 3rd Expert Meeting for ICTs in the health sector that took place on 25-26 May 2009, OECD member countries' experts and BIAC members supported the proposal of a Model Survey approach as described by the Secretariat. OECD member countries representatives and industry agree that there is a strong need to showcase evidence-based benefits of the use of certain ICT tools and exchange experiences on various issues at international level.

We hope that the OECD would consider extending the scope of this work to an international survey in cooperation with other international fora such as the WHO and the European Commission. The establishment of an international e-health Observatory would enable continuity of relevant work at international level.

Strategic thoughts on next steps

Given the key role that the OECD's work on health ICT can play in enabling wider adoption of ICTs in healthcare, we hope that the focus of the next steps will help demonstrate, measure and exchange on the opportunities that information and communication technologies can bring to healthcare systems and will not limit its potential to dwelling on the barriers to adoption of health ICTs. We are confident that at this stage health ICT policy reflections need to move forward with a positive focus if we are to allow technology to contribute to the transformation of all areas of clinical care management, clinical research analysis, strategic and marketing planning, organizational management and performance management.

As the project moves forward, we acknowledge difficulties related to e.g. the lack of data or inconsistent data that challenge the development of indicators or longstanding debates related e.g. to privacy considerations with the use and processing/analysis of medical data. We offer our support and encourage the continuation of the project also in view of the 2010 Ministerial. In times of financial difficulty and instability health ICTs can play a key role in efficiency and long-term sustainability of healthcare systems and we hope that Health Ministers will have the opportunity to exchange views on these issues.

As indicated by the OECD Secretariat during the 3rd Expert Meeting, the focus of the project has been on *readiness* and *intensity* in relation to use and adoption of health ICTs. Measuring readiness and intensity of the ICT use in the OECD countries is important but it is unlikely that simply automating current delivery practices will achieve desired transformation of the health care systems and the improvements in efficiency. The natural evolution of this project will be to look at *impact* of the use of health ICTs. It will be of great benefit to health ICT users and providers to not only measure “*what is out there*” but also consider information/service quality as the next step of the project’s focus.

Under this heading the OECD could examine the role of electronic medical records and other ICTs in health system transformation taking a “bottom–up” approach rather than “top–down”. This could involve looking at the requirements, barriers, and solutions encountered by users in particular cases where ICT has been applied locally for the management of a chronic disease, emergency care or long-term care. There might also be lessons to be drawn from the international issues in managing biomedical databases and in the efforts of patients suffering from rare diseases who are attempting integration of data for the purpose of information exchange, communication with doctors and to stimulate research. In particular, the experience with human genetic databases which have been studied by the OECD Biotechnology Committee could provide some useful insights.

These suggested OECD case studies would point to the need to develop standards that would be sufficiently flexible to accommodate different needs of users – whether doctors, administrators or patients- in order to permit aggregation of local “vocabularies” to a common level.

We suggest below some topics for the thematic focus of the project’s next phase. The overarching theme of **how health ICTs can enable the transformation of health systems** summarises well our vision. Health ICTs are a powerful tool that has not yet been used to its full potential; they can undoubtedly transform health systems, healthcare delivery and ultimately the practice of medicine. These are some of the thematic angles that we would hope to see included in the next steps of the project:

Efficiency

Innovative technologies and services have the potential to make health systems more efficient. For instance, targeted healthcare delivery encompasses productivity gains. But also the wider uptake of technology as a decision-support tool for the management of healthcare systems can improve considerably the efficiency of the systems and consequently the quality of care as long as the adoption of ICTs is accompanied by the necessary organisational and cultural changes.

The introduction of technology in healthcare systems can also enable the measuring of health systems' performance which is fundamental for their improvement and viability. The analysis of data generated with the use of ICT allows a detailed overview and assessment of the systems' performance and can help healthcare organizations achieve "business" goals related to cost control, revenue generation, human resources allocation and overall strategic performance management.

Workforce related issues, acceptance by all stakeholders involved, governance, cultural challenges within and throughout the health systems are inherent considerations that need to be address so that health ICTs can deliver efficiency gains.

Sustainability

Especially within the current economic crisis, the financial sustainability of health systems is a primary concern. Health system efficiencies generated by the use of health ICTs can play an important role towards ensuring the - not only financial- sustainability of our healthcare systems. Some considerations within this thematic:

- Economic benefits: Health ICTs can bring enormous savings; if properly deployed, health ICTs could change substantially business models of healthcare facilities. It is often stressed that the claims regarding "pure" financial benefits by the use of ICTs have never been convincingly proven. Although we do believe that financial gains from proper deployment of health ICTs are indisputable, the economic benefits of their use should not be sought in the form of return of investment (ROI). We need to look at wider economic benefits stemming from efficiency and productivity gains as well as the societal "return on investment" with the quality improvements.

Furthermore, the use of ICT tools can help address healthcare fraud. In the US for example, healthcare fraud costs the industry an estimated \$45 billion to \$150 billion each year whereas only an estimated 10% is recovered. A sustainable healthcare system needs to detect and address insurance fraud.

- Societal benefits: Health ICTs should also be considered as a potential creator of new jobs as new services and technology applications become more widely adopted as well as an enabler of growth. At the same time, it is imperative to improve the skills base of healthcare practitioners and address the challenges of e-literacy and accessibility to new technologies.

Innovation

Technology evolution in e.g. biotechnology, molecular imaging and genetics combined with advanced computing and analytics continues to rapidly increase our understanding of how the human body works paving the way towards revolutionary developments on detection, diagnosis and treatment.

Moreover in today's data-powered healthcare, the emerging trend of personalized medicine can enable holistic, pre-symptomatic treatment focused on preventing conditions rather than treating them after the fact. Patient-centric healthcare models empowered by e.g. telemedicine, internet and mobile technology as well as analytics have the potential to transform healthcare experience for patients and address social challenges such as the

ageing population. New health services are emerging as the use of EHRs and medical data expands and as the role of interoperability standards is being acknowledged.

The USA is currently proposing widespread uptake of EHRs through its economic stimulus package and it may be that this will not only provide economic benefits now and future cost efficiencies, but also future economic benefits from the commercial application of appropriately protected and anonymised data. OECD should consider, as an integral component of ICT innovation, the role that EHRs could play in providing important insight into healthcare and empowering better medical research and pharmaco-vigilance.

Security and privacy remain challenges that will need to be addressed both at policy and technology level.

Final remarks

As the OECD Health Committee considers the next steps of the project, we hope to have provided workable ideas on what we consider are the key opportunities with the use and wider adoption of health ICTs.

There is wide consensus between government and industry that we are lacking proof, data-based evidence of how health ICTs can transform -and on many occasions have already transformed- health systems and the delivery of healthcare. We believe that the OECD project can help fill this gap.

Acceptance and trust by all stakeholders are important challenges towards the wider adoption of health ICTs. One of the reasons why technology penetration in healthcare has not been as rapid as in other sectors, is indeed the number of stakeholders involved in the system and the fact that they have different (although not necessarily contradicting) needs and interests.

As we continue to reflect on technologies, services and business models that empower patients, we must not forget the importance of empowering health practitioners -doctors and nurses- with ICT tools that they will embrace because they improve their quality of work, save them time and money. The tools are ready to deliver, it's the way they are used and deployed that we need to reflect upon.

We hope that the next steps of the OECD health ICT project, whilst focusing on the transformative opportunities of health ICTs, will include all stakeholders as well as the wide spectrum of information systems that cover interaction between them.

(See also the attached BIAC/COCIR paper on indicators for international comparisons of health ICT adoption and use)

III. Economics of Prevention

The Business and Industry Advisory Committee to the OECD (BIAC) appreciates the continued opportunity to provide comments on the ongoing OECD project on the Economics of Prevention. Given the limited time we have for the Consultation, we would like to make the following statements concerning the project.

We appreciate that the recent document entitled “The Economics of Prevention: Extended Outline for a Final Publication Reporting Overall Project Findings” recognizes the importance of adoption of a “multi-stakeholder” approach as the most sensible way forward in the prevention of chronic diseases and that the cooperation and partnership with the private sector is extremely important.

However there are several issues we would like to highlight and hope that the Health Committee take into consideration as the final report is being developed.

Policy Question:

As the final publication of the Economics of Prevention project will be issued under the authority of the Secretary-General and whereas the aforementioned publication will serve as a key background document for the proposed 2010 Ministerial, it is absolutely critical that the publication clarify its policy objective. Paragraph 7 of the Outline suggests that the objective is “developing and evaluating policies to maintain and improve population health by reducing the occurrence and the impact of non-communicable diseases ... and the consequences of unhealthy diets and sedentary lifestyles.” Throughout the document, however, the question seems to shift around policies to affect behavior, policies to reduce obesity and policies to affect life expectancy while focusing on an overarching analysis of the myriad of diseases affected by changes in diet, physical activity and BMI. While there may exist overlap between all of these policy areas, a clear policy question with an outline that clearly follows from that policy objective and corresponding analysis and research is fundamental.

The Outline also states that the Economics of Prevention project team will include an oral presentation to the Health Committee on financing and payment mechanisms and on a comparison between “approaches to prevention in the areas of tobacco smoking and obesity”. BIAC would appreciate the opportunity to comment on these two documents as the research and analysis phases progress.

Scope of Analysis:

As the Outline itself states, “the publication would present work on a problem that is more multidimensional than many the OECD tackles” and that the project is burdened by the difficult task of finding objective evidence. Paragraph 18 even states that “No comprehensive assessment of large-scale interventions has ever been carried out” and Paragraph 43 states that “overweight and obesity” are social phenomena.” For this reason and others, it is imperative that quantifiable evidence from, and review by, a number of different sources – internal and external to the OECD – be considered and incorporated

before finalizing a publication intended for the 2010 Ministerial. Indeed, we appreciate that the Outline itself suggests that the final publication is not intended to be portrayed as a “silver bullet” (Paragraph 61) and believe that such a multi-faceted policy question should include input from other OECD committees and directorates.

Fiscal Measures:

We believe that the report fails to fully assess the true cost-effectiveness of implementing fiscal measures and strongly reject a key conclusion of the report that states “Because of the very low costs of implementation, fiscal measures appear to be cost saving”. The study fails to clarify what is meant by ‘fiscal measures’ beyond taxes, tax exemptions and subsidies. The type of fiscal intervention will impact on the associated costs that include basic administration, planning, monitoring and enforcement at the national level. Sweeping conclusions based on generalizations of a broad range of fiscal measures are unwarranted.

The introduction of a fiscal approach very quickly becomes cumbersome to manage and complex to administer. National level tax systems will move away from international best practice that suggests that taxes should be broad based to avoid distorting consumer choices and do not discriminate against particular products.

Fiscal measures also have potentially large re-distributive effects and would most likely hurt lower-income individuals who spend a larger proportion of their income on food. Tax rates should be kept low on products that account for a relatively high proportion of spending by the poorest groups in society. In this instance, taxes on food will discriminate against low income households, resulting in an inequitable approach to the question at hand.

The impact on consumption patterns from implementing fiscal measures is unpredictable. Changes in consumption will depend on the price elasticity of each good (assuming the tax is passed on to consumers). The French study which the Secretariat cites has relatively little impact on consumers’ food choices - a 10% increase in prices translating into only a 2% decline in consumption. Again, sweeping generalizations fail to take into account the price elasticity and inelasticity of each particular food item.

Cost effectiveness Issues:

We believe that there is a fundamental problem with assessing the cost effectiveness of specific policy interventions when the overall effectiveness of the interventions (without regard to cost) has not been proven. No recognized effective silver bullet addresses the multi-factorial characteristics of obesity.

We would also like to draw attention to pervasive deficiencies relating to the measurement of cost effectiveness for anti-obesity interventions. Understanding and accounting for these deficiencies will improve government decision-making. Based on the work of The Partnership to Fight Chronic Disease, a diverse, US-based coalition of over 200 organizations, we believe there are at least two critical deficiencies that lead to insufficient recognition of the gains available through investments in prevention and disease management: The typical study, restricted to a limited time period, cannot account for the long-term value of population health improvement programs aimed at increasing physical

activity. The typical study employs trend lines that fail to account for the societal multiplier effect (e.g. increased productivity that increases government tax revenue) of decreased obesity and chronic disease.

Macro-economic trends:

We believe that the report should include macro-economic trends which have changed how people eat and work both professionally and in a home setting. These include:

- A decline in the relative cost of food and increases in the relative cost of exercise.
- Reductions in physical activity resulting from technology changes in how work is performed
- Increased popularity of sedentary pastimes
- Reduction in time families spend preparing meals
- Migration of population to cities and urban design

Focus on physical activity:

We believe that the report should highlight the effectiveness of physical activity as a means to improve the health of an obese population. Clearly, any anti-obesity intervention must include physical activity as a central and constant component. Regular physical activity, as a core component of prevention and health promotion will lead to a healthier, happier and more productive population, while reigning in sky rocketing health care costs.

Though we appreciate the breadth of studies included in the study, we urge the Secretariat to consider studies demonstrating the cost-effectiveness of eliminating financial barriers to exercise.

Physical Activity is Crucial:

The key issue is ENERGY BALANCE - that on an individual basis total energy intake exceeds total energy expenditure resulting in the increase in fat stores leading to overweight and obesity. Member States should explore opportunities for encouraging greater physical activity among populations through policy schemes like civic planning, education, transportation and collaboration with other stakeholders, and for the sports and exercise industry to play an active role. Encouraging greater physical activity, along with managing calorie intake, must be part of the overall approach to addressing obesity.

Marketing:

With regard to the self-regulation of advertising, we do not support the way that the current paper assesses its effectiveness. First, the analysis is based on a 2006 study, which was conducted prior to the industry's commitments to change practices with regard to marketing

to children. The first of the marketing pledge programs, the US pledge program, was launched in 2006. Furthermore, the paper only cites one study in the area of advertising, which was a hypothetical study.

Furthermore, the industry disputes the Project Team's assertion that regulation of advertising has been shown to be an effective response to obesity. Industry acknowledges that existence of a "modest effect" on food preferences and choices, but advertising is not the strongest or most important determinant of children's longer-term diets and health.

For a more details, we would like to draw the attention of the Health Committee to the recent document by the food, beverage, sports and exercise industries for the 3rd OECD Expert Meeting on the Economics of Prevention held on April 29th (**see attached**).

IV. MAKING REFORM HAPPEN

This first paper demonstrates a noticeable progress toward “easy to monitor” healthcare systems. BIAC has on several occasions requested the development of such kind of analysis. Nevertheless, BIAC regrets that the approach has been too narrowly focused on the decision making process and encourages the Secretariat to consider further work on an end-to-end approach.

We need to avoid political reforms that could have disastrous effects when being implemented. How can it be said that the NHS was perceived as a success while it was obvious that the management of hospitals was poor and the waiting lists were long? The reforms undertaken can only be considered a success when waiting lists disappear. In this context, it should be borne in mind that the hospital sector is essential from several perspectives, including citizens’ health and care for acute patients, addressing waiting lists, innovation spread and employment. The role of private hospitals should be given due attention in this context.

Political reforms must be driven by outcomes in cost, times and quality. The OECD should clearly underline that a successful reform is a reform which improves conditions of citizens and care for patient.

Political and administrative reforms are preconditions, but to make a change a success, we must have successful implementation at the citizen level. Resistance to change is often to excuse poorly designed reforms.

What can we often see in reality? Once the reform is implemented, professionals are often not sufficiently trained or mobilized or simply not enough in numbers. BIAC recommends that the OECD give more attention to the most critical part of a reform: the implementation in the real world.

The OECD paper addresses primarily the precondition for the success of a reform, but does not go beyond the political and administrative sphere. While we appreciate that the crisis is being discussed, BIAC recommends that the above-mentioned points be also addressed.

We see as an important element of the report the emphasis given to the critical role of diagnostic data and analysis of such data as a precondition for successful reforms. Evidence-based health policy and outcome measurements are key. Information and communication technologies can provide powerful tools in health systems’ reforms by enabling availability and analysis of information as suggested in the report and supporting overall the design, execution and evaluation of reforms.

V. IMPACTS OF THE ECONOMIC CRISIS

BIAC appreciates the discussion on the impacts of the financial crisis on health care and has noted the question raised in the paper on how the main stakeholders of the health care sector should react to the economic crisis.

Preliminary remarks:

1. Why is the focus on the ratio: health expenses/GDP? It would seem more relevant to have expenses expressed in value.
2. The impact of the crisis on health expenses will be specific to each country and will depend on the characteristics of each country.
3. The statistical approach can reveal unknown findings and interesting trends to explain. But this approach needs to be complemented by a validation of a set of hypotheses.
4. The definition of expenses is not clear. How to make a distinction between operating cost and investment capital?

If we assume that there is a possible improvement of public policy due to a better knowledge of the behavior of the health expense, we would suggest the use of a simulation tool:

- This tool should allow taking into account the specificities of each health systems;
- It should allow the validation of a set of hypotheses derived from the statistical analysis.

This method would quickly give some answers by country:

- What are the components of health expenses?
- What are the fixed (unavoidable) costs in health systems?
- What is the sensitivity of consumption to price in health expenses?

All these questions should be addressed to avoid panic when governments consider cutting or containing costs.

BIAC is concerned by the confusion between operating expenses and capital investment and by the possible reduction in capital investment in health care. One lost year is difficult to make up for. On the contrary, the contribution of the health sector to the global economy is far from being modest, and soon the health sector will become one of the main sectors in the economy.

The quality of health care and the outcomes for patients should remain a priority issue. The issue of patient health should not get lost in discussions of cost containment and should be kept at the forefront in discussions of health care outcomes. At the same time, BIAC is

concerned by a possible increase of the burden of health insurance for companies and employers, which in the end will have a detrimental impact on economic activity.

There is no one-size-fit-all response to this unprecedented crisis. It will require a thorough analysis of each national health system before proposing decisions. At the same time, the crisis can strengthen the already strong incentives for productivity increases and better quality in the healthcare system.

BIAC appreciates the OECD historical analysis of the impacts of the financial crisis on health care spending relative to the GDP changes during previous recessions as guidance to the challenges emerging from the current crisis. Given the variety of individual country circumstances, the paper notes that there have been lags in the drop of health care spending in response to the fall in income in the past. The current increase in the public debt sets the stage for the pressure on health care spending in the medium- and long-term. BIAC hopes that governments will not try to meet this pressure with ineffective cost-containment measures. Instead, it is our hope that the OECD will help countries to adopt the necessary reforms of the health care systems and support their continued investment in innovative solutions.