



The Voice of OECD Business

CONSULTATION WITH THE OECD HEALTH COMMITTEE

Paris, 14 December 2009

INITIAL BIAC COMMENTS

The following initial comments have been prepared by the BIAC Task Force on Health Care Policy in light of the agenda for the BIAC/TUAC consultation. These comments will be complemented by more detailed comments after the December meeting and as the preparations for the Ministerial further develop.

I. INTRODUCTORY REMARKS

Implications of the economic crisis

Apart from a few countries, health spending has grown more rapidly than GDP over the last ten years, resulting in a higher share of GDP allocated to health. Healthcare spending is likely to increase for a number of reasons, including demographics, improved health outcomes, expanded healthcare coverage, etc. The economic crisis has created major change in the financial balance of many companies and public administrations. This situation will impact the behaviour of managers of providers and suppliers of health services and goods for a number of years, which may however also impact quality and equitable access to health care.

Threats to the availability of funding in health insurance are temporarily associated with available funds in the stock markets. This creates distortions, which can be extremely hazardous for the future.

Public or private health insurers, hit by the lack of resources caused by unemployment and decrease of profits, will be tempted to exert pressures on providers. At the same time, citizens have less money for paying out-of-pocket health expenses.

Inevitably, this situation will lead to a modification of behaviours. These impacts are likely to converge toward a weakening of the performance of public health systems. The following issues require urgent attention:

1. Health service providers will be under pressure to increase their productivity. Where will they find money to invest for increasing their productivity?
2. Health good providers are likely to find funds in the stock market, but will face gloomy investment perspectives because of pressures on prices of innovative products.
3. Citizens will reduce their out-of-pocket expenses and their health will ultimately suffer.

We therefore suggest that health authorities consider the following issues, which are based on the private sector's experience from previous crisis:

1. Preserve investments in health devices, services and products by differentiating "capital expenditures budget" and "operational budget": Preserving medical progress and promoting an innovation-friendly environment to improve the efficiency and quality of care are key as it would be practically impossible to make up for the lost time later on.
2. Not ask for productivity without capital expenditure: A lack of associated investment in health facilities and care networks will lead to poor performance and decreased productivity.

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3. Seize the opportunity to reconsider the way that healthcare is provided to foster prevention, early diagnosis, efficient treatment, healthy lifestyles and the development of patient centred integrated care models.

II. HEALTH MINISTERIAL

1. Consultation process

BIAC appreciates the opportunity to participate in a consultation, together with TUAC, with the Bureau of the OECD Health Ministerial, thus allowing the business community to provide direct input to the Ministerial discussions. In order to make the consultation a success, we would like to draw the Committee's attention to the following issues:

- The consultation agenda should be developed in close cooperation with stakeholder participants, including BIAC and TUAC.
- Background documents should be made available early in the process so that all stakeholders, including BIAC and TUAC, can comment and prepare for the consultation accordingly.
- Once the Bureau has been created, BIAC would appreciate the opportunity to meet with the respective country delegates to discuss Ministerial preparations.

Furthermore, we would encourage the Health Committee to explore possibilities of further strengthening stakeholders' contribution to the Ministerial beyond the consultation, to include direct communication by stakeholders to the Ministerial, in line with the positive experience at other OECD Ministerial meetings (e.g. participation in part of the Ministerial; providing the business key messages to the full Health Ministerial at the beginning of the meeting; etc.). We encourage the Health Committee to explore whether such models, which have been successfully applied to other OECD Ministerials, could also apply for the Health Ministerial as they reflect a multi-stakeholder approach for addressing the challenges we are facing.

2. Agenda

Health system priorities when the money is tight

BIAC believes that improving efficiency and finding innovative solutions to address health challenges is essential. The session should encourage Ministers to exchange views with a long-term vision in mind. Getting better value for money out of our investments in health is indeed a major policy challenge and will remain one after the crisis. In this context, we would like to underline the importance of addressing the following over-arching issues:

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- Ensuring the long-term financial sustainability of healthcare systems and containing the overall financial burden for employers, which is essential for job creation and economic prosperity;
 - Promoting an innovation-friendly environment to improve the quality and efficiency of healthcare;
 - Fostering good management methods and support innovative health delivery approaches by all actors to improve the health systems' performance as well as evaluation of the implementation of health care reforms;
 - Addressing health workforce issues, including education and training, as a key priority;
 - Encouraging competition among all public and private actors in the health sector to improve systems' performance;
 - Promoting the use of ICT to increase the efficiency of health systems with innovative tools to help ensure the sustainability and scalability of health systems and to improve the quality of healthcare;
 - Ensuring reimbursement models balance patient needs with governments' needs to receive value for money;
 - Speeding up the adoption of medical advances, including innovative methods, technologies and processes that have proven their ability to enhance the efficiency of healthcare;
 - Addressing both communicable and non-communicable diseases in any future work on prevention;
 - Reducing economic strain on healthcare systems by prioritizing efforts to incentivize and induce lifestyle habits associated with primary prevention (e.g., balanced nutrition, regular physical exercise, smoking cessation, etc.)
 - Promoting health literacy and informed decision-making of healthcare consumers;
 - Taking a multi-stakeholder approach for addressing public health challenges.

“Healthy choices”

BIAC appreciates the continued opportunity to provide the OECD Health Committee with comments on the 2010 Health Ministerial proposed theme entitled “Healthy Choices.” BIAC is pleased that “Healthy Choices” is one of the proposed themes of the 2010 Health Ministerial. We strongly support the idea that government policies should focus on helping people improve their lifestyles by educating individuals on how to make their own informed choices. BIAC agrees that countries should adopt a “multi-stakeholder” approach as the most sensible way forward in the prevention of chronic, communicable and non-

communicable diseases. We feel that the theme encompasses the spirit of urging all stakeholders to cooperate and create partnerships, including with the private sector. The theme also indicates that having “choices” is crucial and that individuals should be encouraged to lead healthy and informed balanced lives.

We all understand that healthcare costs have been rising for decades at higher rates than GDP growth. There are multiple reasons to this, including, but not limited to, increasing life expectancy and the capacity to respond to new diseases. This poses an increasing burden for public, individual and company resources. On the other hand, the growing health market and investments in innovation have significant potential to improve quality of life and generate business growth, which in turn benefits the overall economy. In this context, there have been calls for a more prominent role for disease prevention and health promotion. Given the limited funds available for healthcare and current difficult economic situation for all stakeholders, the added benefits to be gained from preventive healthcare should be given special attention.

While the current OECD project focuses on lifestyle-related chronic diseases, there are various healthcare risks associated with both communicable and non-communicable diseases that should be effectively addressed by well-designed preventive programs. Prevention is a concept that includes a wide range of approaches and services, such as counselling of individuals at risk of chronic diseases, smoking cessation programs, addressing abuse of alcohol consumption, vaccination, hand washing, appropriate diet, regular physical activity, early detection of major diseases (including screening tests for cancer and other diseases, through mammography, etc.), the reduction of acute care associated with complications in chronic diseases, and a more comprehensive approach to addressing medical/medication risks and adverse events (the so-called patient safety imperative).

BIAC encourages the OECD to consider these aforementioned preventive measures to address rising costs and improve efficiencies. We therefore recommend that the 2010 Ministerial discussion focus on prevention in an integrated and comprehensive manner. It should focus on prevention as a means to promote overall wellbeing and healthy living which includes mental health. We encourage the OECD Health Committee to work in close cooperation with other OECD committees and directorates to address this topic to ensure a complete and holistic approach befitting the issue itself. BIAC believes that prevention, early detection and the development of patient-centric integrated care models will need to play an increasingly important role. Medical and information technology will act as a key enabler in this respect.

We are therefore interested in the report on “Incentives for Primary Care Physicians to Promote Prevention” and hope that Ministers will discuss this important topic. Although the report is in the early stages of its development, BIAC would like to highlight the following issues with regards to its content:

- Given the rising importance of emerging economies, it would be interesting to have a section to address some of the opportunities and challenges that differ in those countries than from those in the more developed markets.

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- The health of employees cannot be overlooked, therefore, it would be important to have a section on the role of employers in prevention incentives.
 - From a policy perspective, it would be interesting for the paper to explore the topic of “right-skilling.” The draft report briefly discusses how nurses and other qualified professionals are doing more, for example providing counselling, etc. This would be an area of interest for BIAC.
 - Given the limited consultation time available during a visit with a primary physician, a discussion on how to incentivize primary care physicians to discuss lifestyle issues (e.g. balanced nutrition, regular physical exercise, smoking cessation, etc.) would be highly valued.
 - BIAC would also be interested in learning how much detail will be given with regards to smoking cessation and obesity.

As the report develops, BIAC looks forward to continuing to provide input. We are also interested in learning more about the short paper on the differences between policies to reduce tobacco consumption and to tackle obesity. We look forward to reviewing this report so that we may provide input during the early stages of that project and contribute to the report itself.

BIAC would like to underline that any preventive intervention should be measured according to its cost efficiency, effectiveness, equality, proportionality, and least possible interference on personal choices, one of the core tenets of democratic societies. The OECD Health Committee Secretariat has acknowledged that the use of intrusive measures such as dedicated taxes “are not always the more effective than less intrusive measures in changing behaviours” (DELSA/HEA(2009)14 para. 56 p.15). BIAC therefore discourages any Ministerial discussion on so called “fat taxes.” These taxes have not been proven to be effective at reducing overweight or obesity, are inefficient and unwieldy to administer and are regressive, disproportionately affecting lower socioeconomic levels. There are many other options that should be considered to encourage healthy and informed choices, such as incentives to promote education and physical activity.

BIAC recommends that the OECD further highlight the importance of physical activity to address obesity. 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. It should be borne in mind that the key issue is energy balance, i.e. 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 education and close collaboration with stakeholders, including the sports and exercise industry.

For these reasons, BIAC believes that a discussion on “fat taxes” would not be a valuable use of time for the Ministers during the 2010 Health Ministerial. Moreover, these kinds of discriminatory taxes have been considered and analyzed by several national governments who have come to the conclusion that they are ineffective, inefficient and regressive; and in

contradiction to well-documented best practices in fiscal policy. As stated above, BIAC urges the Ministerial discussion on prevention to be broad and take into consideration preventive measures to reduce chronic, communicable and non-communicable diseases.

With regards to the draft issues paper related to this theme, BIAC would like to provide the following input:

Paragraph 54

- Effective "joined up" Government actions should include civil society and the private sector. No one sector of society can do it on their own.

Paragraph 56

- As paragraph 56 states, fiscal measures are not always more effective than less intrusive ones and violate one of the core tenets of a democratic society.

As for the "Questions for Discussion" during the Ministerial,

1) BIAC believes it is important that governments continue to spend more on prevention than they currently do.

2) BIAC supports education and health literacy as a way to help citizens make informed choices. However, we do not support the introduction of new, discriminatory taxes as there is no evidence that they influence individual choices.

3) Policy approaches should follow a multi-stakeholder approach where Government, Civil Society and the Private Sector work together to address public health challenges. No one actor can do it alone.

3. Background documents

Introduction

Citizens around the world need and deserve healthcare systems involving a modern approach to both demand and delivery. In essence, OECD countries should be trendsetters for 21st century healthcare systems to address the evolving needs of ageing populations and younger population cohorts. Today, countries are faced with unprecedented challenges of growth, public finance, employment and solidarity. Cooperation and partnerships involving policy makers and all stakeholders should help optimise the health benefits we can all enjoy as a society.

The 20th century saw substantial advances in both human life expectancy and quality of life. In the field of human health, the continuing development of innovative healthcare products and services can offer new and better ways to prevent or treat illnesses and conditions.

Rapid developments in life sciences mean that our understanding of how the human body works at its most fundamental level has increased substantially. Technologies such as

genetics, genomics, proteomics and biomarkers have opened up new avenues of treatment in previously incurable diseases.

The demographic deficit in the majority of developed countries, emerging health challenges such as rising levels of obesity, mental illness, work-related diseases, anti-microbial resistance and potential epidemics will increase demand for biopharmaceutical innovation. However, these advances are unlikely to continue without an ongoing commitment to innovation in healthcare (including healthcare products and services, as well as processes) and healthcare systems (including funding mechanisms and incentives for optimal use of resources).

BIAC recommends building on achievements in science and technology to improve and extend the lives of citizens. BIAC is prepared to collaborate and work together to ensure that healthcare systems are structured and equipped to reduce inequalities in health and support innovation in healthcare. Improved healthcare efficiency and patient safety, tackling the increasing disease burden of an ageing population and the rise in lifestyle-related conditions should be part of priority setting in healthcare policies in OECD countries, transition economies and beyond.

Ministerial Meeting in (October) 2010

In preparing for the 2010 Ministerial Meeting, the OECD Health Committee agreed that the main theme of the meeting will be *“Health policy in the aftermath of the economic crisis”*. It was agreed that the main thrust of the agenda will be on how to reconcile cost-containment with efficiency in health performance.

The Health Committee proposed that the Forum, held on the morning of the first day would focus on the collection of key quality indicators for future progress. The first session of the Ministerial (starting in the afternoon of the first day) should review health system priorities by reviewing what countries are doing within their systems to meet tight health expenditure targets. The second session would focus on prevention policies.

BIAC's views

The focus of the Ministerial meeting on implications of the financial and economic crisis on healthcare is appropriate. However, by October 2010 – when the meeting will take place – the majority of countries will have addressed immediate concerns, and (short-term) measures will be in place.

Without progressive action, society's projected disease burden will inevitably lead to long-term increases in healthcare expenditure. This will mean that an increasing proportion of expenditure will be used on social costs, as a result of higher levels of sick leave, lower productivity and increasing rates of early retirement. Greater use of innovative technologies, products and services can reduce this burden, delivering benefits that can significantly outweigh the initial investment. Policymakers need to recognise this growing threat, and view investment in health as part of an efficient solution.

Whilst it is appropriate to learn from past experience – as suggested in documents # 15 and 16, BIAC would recommend that, at this point in time (and even more so in October 2010, at the time of the Ministerial), greater attention must be given to a long-term strategy for healthcare issues.

BIAC's vision regarding the improvement of healthcare systems rests on three main pillars:

1. Addressing the challenges of financial sustainability of healthcare systems, taking into account pressures due to demographic developments, and general budget constraints (including effects of the financial crisis that may last for several years). In this respect, short-term measures that have adverse effects on the mid-long term should be either avoided (where possible) or reversed (as soon as the need for immediate budget shortage has been resolved).
2. Promoting an innovation friendly environment to improve the quality and efficiency of healthcare systems through sound macro-economic policies and pro-competitive policy frameworks. Science, technology and innovation will be essential in providing solutions to address major global challenges in a variety of societal areas, particularly in health and wellness. Private innovators strive to develop and commercialise products with improved performance characteristics for the ultimate consumer, i.e. the patient. Successful public policy rests on providing the enabling frameworks for innovation, including incentives to guide the private sector towards both private and public priorities.
3. Fostering good management methods of all actors to improve health systems' performance as well as monitoring capabilities to evaluate the implementation and effects of healthcare reforms. Public policy in healthcare should reflect the full multidimensional nature of demand and offer among all relevant actors, including for example, consumers, patients, insurers and medical and research professionals. IT will play an ever-increasing role in patient and hospital management. There will be a growing need to integrate different IT systems across the healthcare system.

Although the financial and economic crisis has – and will further – exacerbate pressures on public health funding, public policies should be directed towards high quality and sustainable healthcare for current and future generations, and should not lose sight of the long-term goals of the public healthcare systems.

Outline of the background report “*Health system priorities when money is tight*”
(provisional title)

At its July 2009 meeting, the Health Committee agreed to have two background reports for the Ministerial meeting. It is our understanding that, later today, the Health Committee will discuss further preparations for the Ministerial, including the two background reports on: (i) Prevention; (ii) Health system priorities when money is tight.

Neither of these publications would formally be part of the Ministerial documentation. Instead, a short summary of key findings and messages would be included as formal ministerial documentation.

However, the intention would be to release the publication(s) under the responsibility of the Secretary General around the time of the Ministerial.

BIAC's views

While resources are finite, spending on healthcare remains an investment demanding adequate and sustainable funding. This should mean allocating those resources to where quality is achieved and where public health outcomes are maximised. Effective ways to achieve this are:

- Improving disease prevention: Chronic conditions are among the most prevalent and resource intensive of all healthcare problems, yet are often the simplest where prevention would alleviate resource needed. Although effective prevention programmes can require up-front investment, they will lead to improved outcomes and will significantly reduce new spending.
- Improving efficiency: Efficient practices, including prevention programmes, routine screening, early diagnosis and treatment as well as rehabilitation can provide a more efficient use of healthcare resources, leading to overall savings. Such policies will result in the more appropriate use of medicines, both qualitatively and quantitatively, and will release resources for use elsewhere in the system.
- Integrating care of chronic diseases and viewing healthcare budgets holistically: Governments have an inclination to look at healthcare expenses in “silos”. Although this may appear expedient, it fails to provide a true assessment of the relative contribution of the various components of healthcare systems. A holistic approach would deliver a more realistic assessment.
- Improving understanding of the cost-effectiveness of innovative products and technologies: Governments should identify savings, to be able to redirect expenditure towards innovative products and technologies addressing unmet medical need, allowing targeted and affordable access to advanced healthcare technologies.
- Recognising the role of comprehensive vaccination programmes in cost-effective prevention: Many diseases that have a direct cost to society can be effectively prevented by vaccination. Comprehensive immunization programmes and the development of new vaccines offer unprecedented opportunities to enhance and sustain health. However the public needs to grasp the benefits of immunization and why it is vital to maintain high levels of coverage.
- Increasing citizens' and patients' health literacy: There may also be scope for a better understanding by patients as to when they should make contact with the health system,

e.g. through better health education and widespread dissemination of information on early warning signs within the context of broader efforts aimed at disease prevention and health education and promotion.

- Identifying sustainable funding sources for the future: The current situation, where governments are the sole purchasers / insurers of healthcare, is unsustainable in the medium to long-term. Governments need to look at new methods of healthcare funding. These should include a greater role for private health insurance and increasing efficiency in all the components of healthcare markets to create savings. In addition, governments should incentivize healthcare professionals to make best use of their skills and innovation.

Against this background, BIAC would recommend more innovative thinking, addressing the multidimensional aspects relevant to health, healthcare and healthcare funding – including social, economic and medical aspects – without losing sight of the dynamics of scientific and technological progress and innovation. The general objective of the (10 page) executive summary that will be included in the formal ministerial documentation should allow the debate to answer the following key questions:

- How can public policy promote better quality healthcare and intervention choices by responding to (unmet) medical needs?
- What value solutions can public policy provide to meet national healthcare and social security budgets (including in times of soaring public finances and in a sustainable manner in the long run)?
- Which public policy can enhance investment in innovation, generating both highly skilled employment and contributing economic benefits?

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Specific comments on the documents submitted to the Health Committee

DELSA/HEA(2009)15

Part I – Policy response to the economic downturn

Following the outline, chapters 1 to 3 will be primarily descriptive. These chapters will also assess the impact of policies implemented in the countries.

Under **point 12**, it is stated that: “The survey on policies adapted ... will collect information on both positive and negative measures (i.e. investments in health and spending cuts) directly affecting resources available to healthcare.”

BIAC would suggest that the survey be expanded to also evaluate the impact of measures on access to healthcare, especially for the most vulnerable part of the population. The economic crisis will increase social and economic vulnerability, and as a consequence increase medical vulnerability (more so in the unemployed).

Part II – Bending the cost curve

Chapter 4 will review the current state of knowledge on controlling health spending in the long run.

Under **point 13**, the outline starts from the premise that “the major driver of increased spending is technological change.”

BIAC would suggest that this statement be qualified, considering that such statement could only be validated in a “silo” approach of healthcare expenditure. BIAC would also recommend that the analysis be expanded to the productivity of healthcare spending with regard to addressing unmet medical needs and improved quality of care.

Point 14 refers to work carried out by OECD’s Economic Department on efficiency of public spending in health, concluding that: “... many systems do not achieve the level of health commensurate with how much they spend.”

BIAC supports any public policy fostering efficiency gains in healthcare. However, when benchmarking performances of healthcare systems, one should also keep in mind the economic and political diversity within the OECD countries. Whilst learning from the experience from different countries may be valuable, replicating approaches from one country to the other will not necessarily deliver the same outcomes. Efficiency gains in healthcare should therefore lead to improved healthcare delivery and improved access to healthcare, not to increased inequalities and rationing.

BIAC particularly welcomes the focus of **chapter 5** on care management as a promising area for bending the cost curve and improving the long-term efficiency of the health sector. Indeed methods such as predictive modelling can help to:

- identify at-risk individuals
- predict which members are likely to consume significant medical resources
- know which interventions make the most medical and financial sense
- determine if demand for medical resources will match supply

By combining and analysing patient claims, demographic and intervention data, such methods allow a comprehensive, integrated approach to providing care – one that gathers all the information (including claims information, pharmacy records and lab results), then identifies and classifies at-risk members. Such methods targets intervention and prevention plans to improve quality of care, enhance quality of life and optimise resources, while reducing total costs. BIAC members would be happy to help identify case studies and share experience in this area.

In relation to **chapter 7** on **health technology assessment**, BIAC believes that HTA can provide valuable insight when evaluating the clinical and cost-effectiveness of treatments and technologies. However, to really improve patient care and physician decision-making, this process needs to be both transparent, scientifically robust and should not delay patient access. The value of HTA should lie in appraising both the direct and indirect benefits of new

treatments and technologies to patients and society; not as measures for cost-containment or as ways to delay access to treatment.

The collection of information on various methodologies and procedures used by countries around the world in HTA should help stakeholders to understand what health outcomes research can deliver, as well as the limitations of HTA in terms of economic evaluation and assessment of innovative health care technologies.

BIAC considers that OECD discussions on HTA should be governed by a set of core policy principles that should be agreed among stakeholders. It should be clear that the purpose of HTA is not to create another technical barrier to trade or simply to delay the entry of new technologies onto the market, but to ensure patient access to life saving and life enhancing medical technologies. HTA should assist this process of making a rational choice among different therapeutic alternatives. HTA should help improve the level of healthcare provided to patients.

BIAC is prepared to take part in discussions aimed at fostering the development of HTA. However, it will oppose initiatives that purport to assess the relative or added effectiveness or therapeutic value, or the cost effectiveness of a medicine at the global level. Such an approach is intrinsically linked to the particularities of a country's healthcare environment and infrastructure, characterized by different morbidity and mortality patterns, treatment practices, prioritization of healthcare resources, healthcare funding structures, direct and indirect cost impacts, etc. In short, the assessment will vary from one country to another depending on public health priorities and the clinical setting environment.

HTA should continuously involve stakeholders (patients that potentially benefit from treatments and companies as the main producer of evidence) in the assessment of value. This is needed to ensure good results but also because participation in itself offers credibility and makes implementation easier. HTA bodies also have a role in sending signals to drug developers about what medicines are needed and add value. Industry has a considerable scientific capability to bring to the table in helping governments leverage HTA to its full potential as a policy tool in the strategic planning for sustainable systems.

Preventive and therapeutic progress comes in many forms. Some new treatments will represent revolutionary breakthroughs; others will provide incremental benefits over existing treatments, offering greater efficacy, improved tolerability or improved mode of administration. Such incremental benefits are important, making a real difference to the lives of individual patients. They can also indicate the path to further radical improvement. Where payers rightly seek value for money, manufacturers understandably need reward for delivering value.

BIAC believes that those who provide healthcare technology, together with healthcare professionals, payers and political decision makers should engage in a collaborative dialogue. BIAC would recommend that OECD promote a rational and forward-looking approach to addressing HTA so that it will not impede the development and diffusion of important health technologies.

Chapter 8 will look at “the pharmaceutical sector where technological change has been driving increasing health spending at a rapid pace in most OECD countries.”

Singling out the pharmaceutical sector is not justified by the evolution in healthcare costs. Since the early 2000s, the proportion of pharmaceuticals in total healthcare expenditure is stable at 16.5-17.0%, which suggests that other categories of healthcare have grown more than medicines. Focusing on the pharmaceutical sector particularly also suggests that private healthcare industries, even when they only represent a minority share in the healthcare budgets, need closer monitoring and control than the public healthcare sectors (including hospitals). This is not what healthcare accounts would suggest.

BIAC is concerned that focusing on one element of the healthcare expenditure confirms the “silo” approach, which does not give due attention to efficiency gains and savings that innovative treatments can generate in other parts of healthcare and / or social security budgets.

BIAC also is concerned that limiting access to new medical technology is not the optimal approach to addressing the growth in health spending. BIAC would suggest modifying the recommendation cited in the paper that “to the extent that rising healthcare costs are, to some degree, the result of technological change, moving onto a slower growth path will necessitate constraining the introduction and/ or use of new medical technology.”

In this regard, BIAC would suggest that the study pay more attention to the notion of manpower efficiency. A major area for efficiency gain in the healthcare systems of many countries is in the projected growth of manpower in the healthcare sector. There may be a time when there will simply not be enough people available in work in the health sector. This will put pressure on healthcare workers. There is enough evidence to support that innovative healthcare products and technologies slow the inevitable manpower growth. They also can help systems avoid the crisis of not being able to supply the manpower because it is simply not available.

BIAC would also appreciate the opportunity to submit comments on document 16 depending on the outcome of the discussions.

4. Forum on quality of care

As previously stated, BIAC very much supports the idea of organizing a Forum on Quality of Care prior to the Ministerial. We believe the general approach to the agenda and the content proposed will provide a useful platform for member governments.

We welcome the idea of an OECD publication on quality of care to support the discussions of the Forum and believe that it will be a helpful tool for policy makers. Two main messages of particular importance are already included in the outline:

- The importance of measuring health system performance of which quality of care is a key component.

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- The need to overcome limitations in national information infrastructures. The examples of the use of administrative databases and EHRs are particularly useful. Policy makers and providers should embrace cutting-edge technology, such as advanced clinical information systems and specialized tools for health professionals, imaging/clinical data centres, regional/National Health Information Networks and advanced Electronic Health Record (EHR) systems, disease-oriented solutions for integration across the healthcare chain, and more personalized health systems and services, such as disease management services, remote patient monitoring (e.g. at home), tele-consultation, tele-care, tele-medicine, tele-radiology, etc. We also believe that the outlined messages of chapter 4 are of great significance:
 - underlining the need for patient-centric information systems that collect (and allow patients to share) clinical information across their care providers
 - the key role to this end of adequate confidentiality and privacy protection for patients and the need to develop common data definitions and data standards to facilitate information transfers

BIAC supports the idea of a Ministerial declaration on Quality of Care along the lines of the OECD publication that will be prepared, as it would bring due attention to the importance of measuring quality of care. This can also be an effective tool in ensuring closer ministerial engagement to the Forum and a good level of ministerial attendance.

We recommend that the preparatory paper should clearly mention the importance of cooperation with BIAC, both in preparation of and during the Forum. We do hope that the Committee will recognize the benefit of including industry input in this work. The BIAC health task force members in their daily operations strive to ensure adequate measurement of health systems performance, define and promote the use of quality indicators, operate, implement and provide health information systems to these ends. There is a wealth of expertise that we can bring to this Forum.

III. HEALTH WORKFORCE MIGRATION

BIAC welcomes OECD efforts to monitor developments in the international migration of health professionals at the national and international levels to provide an up-to-date information base to support policy discussions.

Many countries - both developed and developing - will face increasing difficulties in responding to the growing demand of health professionals over the next years. BIAC has therefore consistently underlined that health workforce issues should be considered as an overarching priority of the program of work of the Health Committee.

While migration is important, it should not be the only issue to be addressed in this context. BIAC therefore recommends that the Health Committee take a broader approach, focusing not only on analyzing shortages, but also exploring possible solutions.

It is becoming increasingly urgent to adopt a solution-oriented strategy and take concrete measures as soon as possible. Addressing barriers to mobility is one possible response. However, a range of other options should be explored, including, but not limited to: using new and effective technologies to enhance efficiency; new divisions of work among health care professionals; fostering productivity improvements in hospitals; addressing issues related to the attractiveness of health professions, etc.

We encourage the OECD to consider further improving the information base related to health professionals and finding solutions to addressing shortages as a key priority in its future program of work.

IV. HEALTH SYSTEMS CHARACTERISTICS/EFFICIENCY

Introduction

BIAC is very interested in OECD's work seeking to discover measures of healthcare efficiency and the improvements in health outcomes that increased efficiency can achieve.

Improving healthcare efficiency is important for patients, populations, providers, industry and governments. A key objective of the Health Committee and WP1 is to ultimately identify institutional features conducive to a well-performing health sector.

The Health Committee and WP1 face significant challenges in seeking to achieve valid and reliable measures of efficiency according to the paper and to the comments of government experts and invited consultants at a September 14-15 expert meeting held at the request of the Health Committee.

BIAC has previously submitted comments on this work to WP1, which are repeated here.

BIAC's comments fall into three areas: the measures of the characteristics of healthcare systems, the measures of efficiency, and the interpretation of linkages between these measures.

Measures of the characteristics of healthcare systems

The measures of institutional features used by the Health Committee and WP1 are derived from responses to a complex OECD questionnaire that focuses mainly on financing. These characteristics alone are insufficient to adequately describe healthcare systems. OECD needs to consider other institutional characteristics, as noted at the expert meeting, including stewardship/governance, and the creation of resources, such as manpower, and service delivery. To these, we would strongly recommend the consideration of innovation in healthcare because it can achieve diverse types of improvements in efficiency.

BIAC shares the concerns expressed at the expert meeting about (1) the accuracy and completeness of responses to the questionnaire and (2) the doubtful added value of the

composite indicators. We strongly agree with the experts that micro level data would provide much more realistic information about the real world of patient care and outcomes.

Measures of efficiency

BIAC would like to make several comments for consideration in the development of this work.

We would like to stress that directly measuring health outcomes is critical to the true measurement of healthcare efficiency, which must of necessity be a measure of the value to patients that results from healthcare spending. In this sense, direct measures of health outcomes such as disease recovery rates are more meaningful than proxies such as percentage of population covered by health insurance, which reveals little about the care that is actually received by patients. In another example, avoidable mortality provides a more precise and useful statement about healthcare than life expectancy, as discussed at the expert meeting.

OECD should also consider that patient satisfaction is in itself an important value provided by health systems that may not be captured by other more traditional measures of health outcomes.

Interpreting linkages between institutional characteristics and measures of efficiency

A brief section at the end of the WP1 paper describes an initial effort to link several institutional characteristics and a measure of efficiency previously used by OECD. The paper notes that the results should be taken with caution because of the lack of confidence in the measures used.

BIAC echoes this need for caution noted in the paper and urges that great care be taken in describing any observed linkages, as correlations or clusters should not be inappropriately interpreted to infer causal relationships.

Likewise, observed healthcare linkages can defy static interpretations as healthcare systems are highly complex and very dynamic. For example, improvements in efficiency resulting from a single or multiple interactive changes in healthcare characteristics might take years before they can be observed and then difficult to fully understand.

Finally, we would like to stress the strong words of concern expressed at the expert meeting about the way the results of this early work are publically portrayed in order to avoid the pejorative ranking or comparison of healthcare in different countries.

V. PROGRAM OF WORK AND BUDGET

While the Health Committee will discuss the program implementation review for 2007-2008 and the budget situation for 2010, we understand that more detailed discussions on the future program of work will take place next year. BIAC would like to remain closely involved in these discussions. In the meantime, we would like to provide the following initial comments:

BIAC recommends that OECD maintain its focus as an economic organization on its added-value as compared to other international organizations and in line with its own specific positioning. It should guide Members States on the appropriate economic criteria to consider in areas that are not exclusively economic in nature (such as healthcare).

OECD studies should be integrated and respond to a coherent long-term strategy. The long-term strategy should include health-related work across the Organization and adequately reflect the horizontal nature of healthcare. As such, we would encourage horizontal funding and project themes within the OECD.

Business is a major stakeholder in healthcare systems and should be an integral part of these discussions. We appreciate the opportunity to participate in the wide range of expert meetings of the OECD Health Committee and look forward to further improving our dialogue at the strategic level.

BIAC's vision regarding the improvement of the healthcare system should take into account the following overarching considerations:

- Addressing the challenges of financial sustainability of healthcare systems, taking into account pressures due to demographic developments, general budget constraints and the effects of the crisis.
- Promoting an innovation-friendly environment to improve the quality and efficiency of healthcare systems through sound macro-economic policies and pro-competitive policy frameworks.
- Fostering good management methods of all actors to improve health systems' performance as well as monitoring capabilities to evaluate the implementation and effects of healthcare reforms.

A long-term strategy requires certainty with regard to budget allocations. It is BIAC's hope that a sufficient part of the regular OECD budget can be made available for the OECD work on healthcare systems to allow for long-term and strategic planning.

BIAC will provide more detailed comments on the future program of work as discussions further advance and would be pleased to be closely involved in the process of prioritization and strategic planning.

V. ICT IN HEALTH

- As this project approaches its conclusion, BIAC would like to thank the Secretariat for carrying out this work and for their cooperation throughout the project. We would like to reiterate the importance we attach to health ICTs and believe this report will be a useful tool for member governments incentivizing the wider adoption and use of health ICTs.
- In view of the 2010 Ministerial, we hope the outcome of this work will form the basis for sessions dedicated to health ICTs in the frame of both the efficiency discussions during the Ministerial as well as the Forum on quality of care.
- As regards a future OECD project on health ICTs building up on the existing work, we reiterate our firm belief that the OECD has an important role to play in encouraging and supporting governments towards wider adoption of ICTs in healthcare. We therefore urge the Health Committee to continue the work on health ICTs and are hopeful that the necessary funding resources will be made available.
- We support the two projects put forward (model survey questionnaire on readiness and use of ICT as well as the examination of how to structure information systems to extract data to be used in the governance of health systems). BIAC also hopes to see a more horizontal approach to health ICTs in future work, reflecting and taking into account existing or future work across the OECD committees. We also urge the Committee to continue to work closely with WHO and the European Commission.

Specific comments on the content of the report (DELSA/HEA(2009)18)

BIAC is pleased to see that the majority of our comments have been taken onboard. **We urge the drafting team and the Committee to consider again how our comments on standardisation as well as the use of open source software can be better reflected in the report. In particular:**

- **Standardisation:** Although a direct reference has been made to our submission, it does not reflect our position in its entirety. BIAC believes indeed that standards should remain market driven. However, we have also noted that governments have a key role to play in creating a legal framework, enabling interoperability and thus fostering organic evolution of industry standards. BIAC would welcome an open and transparent collaboration network amongst governments, industry, users and other stakeholders to agree on and select standards and standards profiles to achieve eHealth interoperability. These efforts should be made taking into account relevant global standards and by promoting active international collaboration. Such standards development would establish interoperability between the various systems and products and would thus enhance economic efficiency of healthcare operations.
- **Open source software:** Although we welcome the inclusion of the explanatory footnote addressing the issues of definition that we have raised, we believe that any OECD output to member governments must take a more balanced approach towards the use of open source software, particularly in the area of healthcare. We believe the report should not only describe the potential benefits but also raise some caution: indeed open source

software is a lower cost option but much of the cost to healthcare software is related to the need for solid support of ICT solutions in healthcare. Issues with reliability and quality should also be raised with regards to open source healthcare software.