



Meeting the Challenges of Ageing and Multiple Morbidities

**BIAC Task Force on Health Care
submission to the**

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The Business and Industry Advisory Committee (BIAC) to the OECD is the officially recognised voice of business at the OECD.

The BIAC Task Force on Health Care contributes the views and expertise of the private sector to the on-going work of the OECD on matters related to health care. It represents employers in the business sector at large, including private hospitals, biopharmaceuticals, medical devices, medical information systems and technologies, food and beverages as well as sports.

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Key messages

The Business Industry Advisory Committee (BIAC) congratulates the OECD on its 50th Anniversary and thanks the Health Committee for the opportunity to cosponsor this conference. The BIAC Task Force on Health Care Policy underlines the importance for employers of a healthy work force, sustainable health care budgets as well as an enabling framework for businesses to provide high quality products, services and technologies that lead to efficiency improvements.

The combination of greater longevity and falling birth rates poses many challenges: for individuals approaching retirement, for governments dealing with the rising pension and health care costs and for companies. And while much is known about the impact of these demographic changes on public finances, less is known about the effects on business. Business plays a key role in the following areas: as contributors to rising health budgets, as employers of older workers, and as marketers of goods and services for older consumers.

Against this background, it is timely that the Health Committee, on the occasion of the 50th anniversary of the OECD, is dedicating a conference to ageing populations. This conference offers a significant and unique opportunity to help move forward approaches to seize opportunities for improving healthy ageing and to address the challenges related to demographic changes and the management of multiple morbidities. BIAC encourages the OECD to:

1. Elevate healthy ageing to a horizontal priority for the OECD, in which the Health Committee, in addition to other parts of the Organisation, should play an active role
2. Encourage active ageing and address the complexities of managing multiple morbidities by seeking close cooperation and partnership of governments with the private sector
3. Better manage costs by rewarding results and seeking ways to improve efficiencies
4. Align human resource policies to the new demographic realities and consider medical workforce and skills strategies to help address the challenges of healthy ageing
5. Foster innovation for health promotion, disease prevention and treatment as well as other innovative approaches that improve the lives of older citizens

The following sections summarise our comments and recommendations to the various session themes of the 50th Anniversary Conference.

The challenges of ageing and multiple morbidities

Life expectancy has increased dramatically thanks to improvements in living conditions as well as innovation in disease prevention, diagnoses and treatments. On the one hand, this has led to an increase in productive years and retirement time. However, also associated with greater life expectancy are longer intervals of chronic disease and people with multiple chronic conditions. Such multiple morbidities, and their increased prevalence in older persons, have major economic implications for total health care spending. Managing multiple morbidities is much more complex than addressing a single chronic disease for many reasons, including:

- The varying interaction of causes and symptoms of multiple chronic diseases can delay and make diagnosis difficult.
- Alzheimer's disease and dementia can create additional difficulties for diagnosis and treatment.
- The coordination of care among various providers and treatment modalities is becoming increasingly difficult.
- Dynamic complexities arise from providing different and possibly uncoordinated therapies and medications for the management of discrete chronic diseases.
- Appropriately qualified professionals and a provider culture prepared to deal with multiple morbidities are lacking.
- Payment mechanisms and quality improvement approaches designed around the treatment of individual diseases do not necessarily work well for multiple morbidities.

Financing and payment systems

Cost efficiency is critical for the sustainability of both public and private health insurance. The objective is to improve health care through sound, evidence-based medical management in order to generate better health outcomes while promoting affordability, efficiency, accessibility and quality of care. Ageing and multiple morbidities impose a significant financial burden on health insurance systems, requiring a close examination of the roles of public and private health insurance, further improvements in insurance premium pricing models, as well as ways to better manage payments to patients. Recognising that there is no one-size-fits-all solution, BIAC recommends considering the following actions:

- Explore ways to better manage rising insurance costs by supplementing collective financing of social insurance with individually funded risk insurance
- Improve payment for results rather than procedures and reduce bureaucracy through administrative simplification
- Consider new ways of incentivising early diagnosis and prevention measures to anticipate and help minimise the likelihood of multiple morbidities
- Identify how health information technology can lead to a better understanding and management of cost drivers and to improving the quality of care for multiple morbidities
- Consider new incentives for providers to deliver quality care, and foster improved care coordination and the development of provider networks addressing multiple morbidities
- Foster more patient-centric treatment to address individual needs while promoting efficiency and assess ways to expand the use of proven self-care management, home and community-based services

Human resource policies

The growing costs associated with age-related health challenges represent huge fiscal challenges to public and corporate budgets. Aligning human resource policies to the new demographic realities is a driver for internal corporate behaviour linked explicitly to economic interests, moral guidance, as well as the marketplace drivers themselves. As demographic changes lead to new

challenges, human resource policies need to be adapted to meet new requirements. To that end, BIAAC proposes exploring the following framework:

- Opportunities for additional working years that align to the 21st century's longevity as well as for facilitating employment for those who want to work longer
- Age-related programmes to provide the skills and capabilities for ongoing work as well as applications of health literacy to support age-related wellness needs
- Voluntary wellness and prevention programmes as well as “medical home” approaches where primary care doctors and specialists coordinate their expertise to provide comprehensive integrated care for patients
- Programmes that provide long-term care support for elderly parents and/or disabled spouses and that explore opportunities for workers to accommodate such needs
- Analysis of medical workforce requirements, including skills requirements, geographical distribution, migration issues, and medical education towards patient-centric health care

Innovation, partnership and multiple morbidities

To respond to current and future challenges related to ageing, innovation and partnerships are necessary in many areas: health promotion, disease prevention and treatment, a shift towards community and home-based care, and the development of new technologies to promote independent living. To address the particular needs of older adults, we propose thinking beyond health care needs by encouraging ageing-specific innovations, for example, to improve transport systems for older people, build smart age-friendly cities, adapt housing, and foster social connections. Ageing at home means more than staying at home; it has a major impact on ageing persons' ability to live the life they wish. We encourage the OECD to explore ways to:

- Support collaboration and partnership between industry, governments and academia, and ensure that publicly funded projects have clearly defined goals that take into account people's real needs and practices
- Encourage a shift towards a more innovation-driven, patient-centric health care model that fosters patient empowerment and drives integrated patient-centric pathways to improve the efficiency and productivity of health care
- Support stable and transparent regulatory frameworks that provide sufficient incentives for investment and promote market access for goods and services to address the new challenges of ageing populations
- Expand its work on ICT to enhance cost-efficiency, access and quality of care, recognising the important role that ICT can play in the areas of telemedicine, homecare, remote patient monitoring, and in how clinicians are remunerated through new approaches, such as telehealth
- Facilitate the transition from research to commercialisation, thereby improving the efficiency of biomedical research and diagnostics for prevention, early diagnosis and intervention