



What can we learn from European healthcare?

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Plan of the presentation

- How does Canada compare?
 - Health spending
 - Medical resources
 - Quality of care
 - Patient safety
 - Accessibility
 - Hospital efficiency
- Brief overview of three European healthcare systems
 - France, Germany and UK
- What lessons should Canada learn from these countries?
 - 4 key elements of success

Health indicators

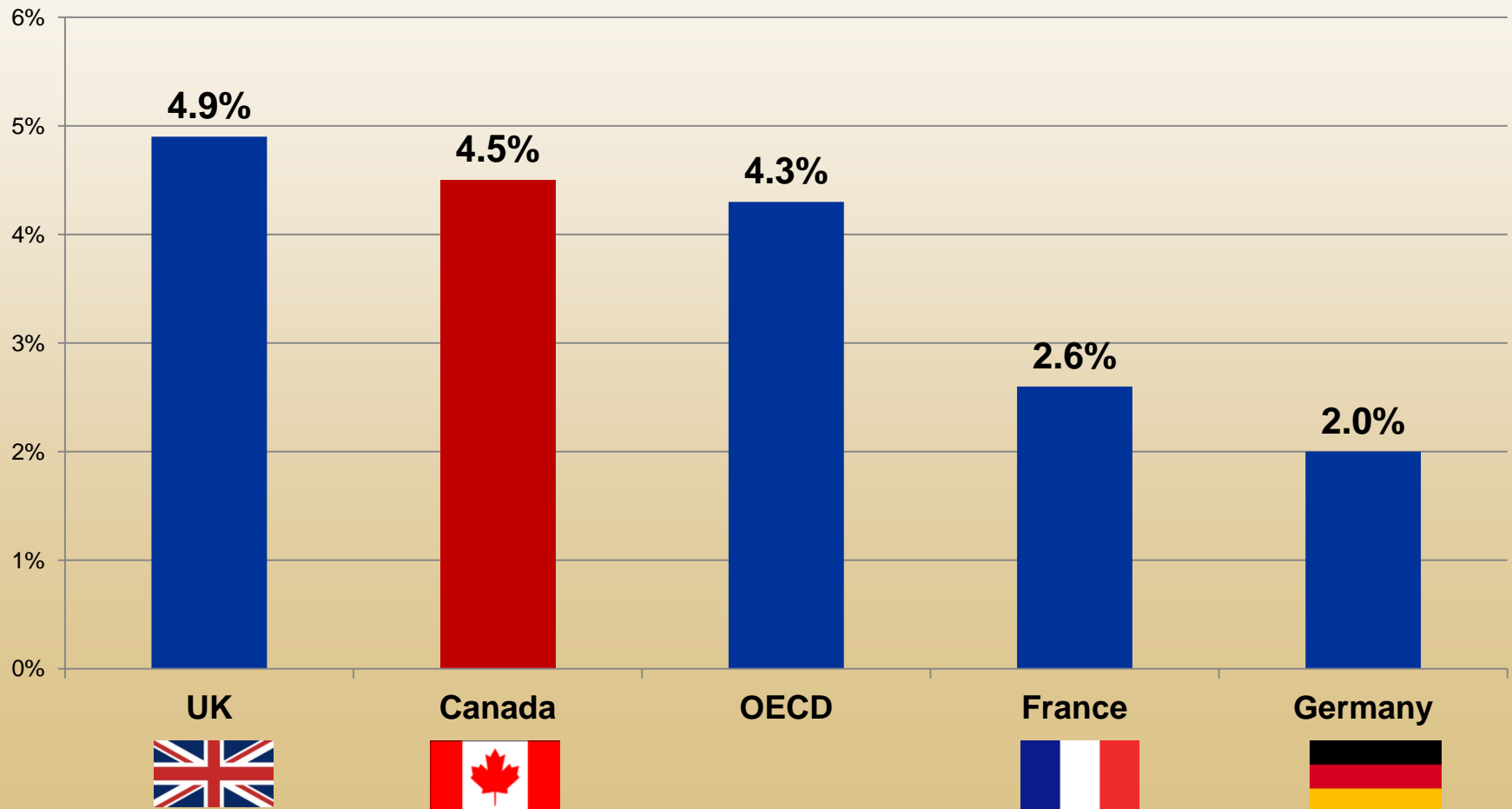
HOW DOES CANADA COMPARE?

Comparative figures for the Canadian and selected European healthcare systems

Indicators	Canada	France	Germany	UK
				
Healthcare spending as a % of GDP (2010)	11.4%	11.6%	11.6%	9.6%
Healthcare spending per capita, US\$ PPP (2010)	US\$ 4,445	US\$ 3,974	US\$ 4,338	US\$ 3,433
Public spending on health as % of total (2010)	71.1%	77.0%	76.8%	83.2%
Population 65 years old and over (2011)	14.4%	17.3%	20.7%	16.2%

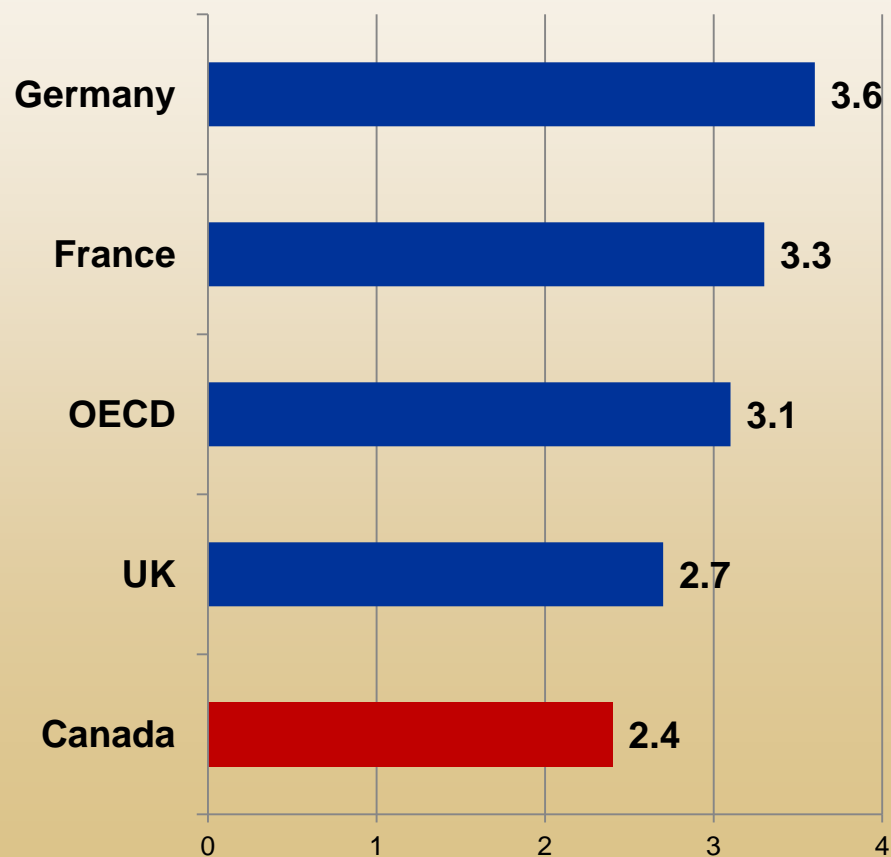
Health spending growth

Average annual growth rate of total health expenditures, 2000-2009, real terms

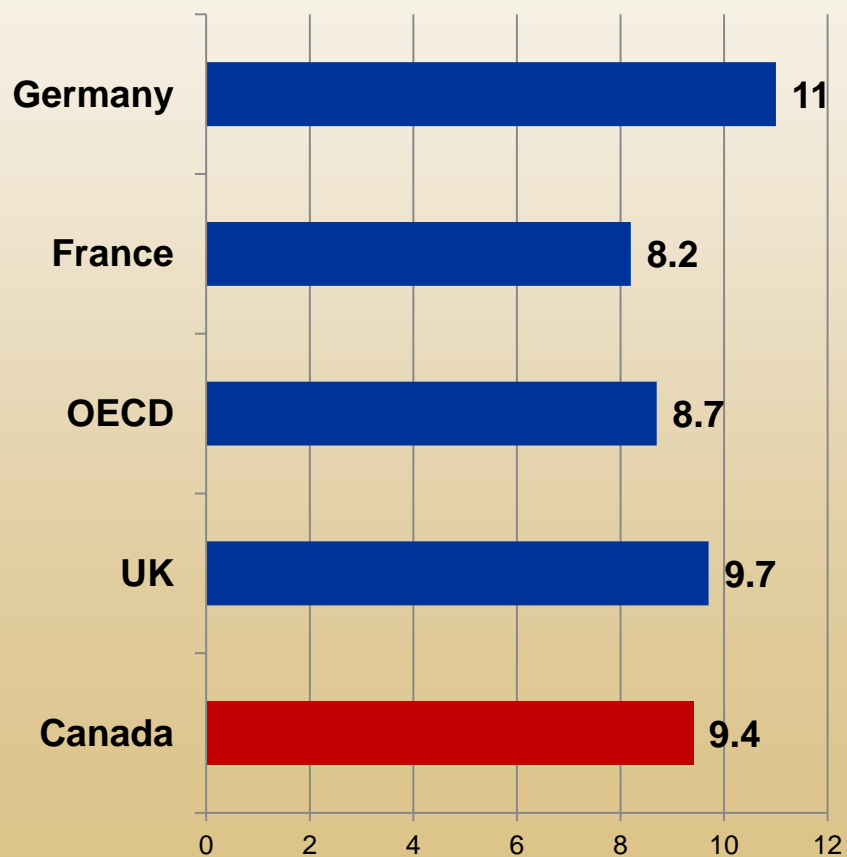


Resources: Health professionals

Physicians per 1000 population, 2010

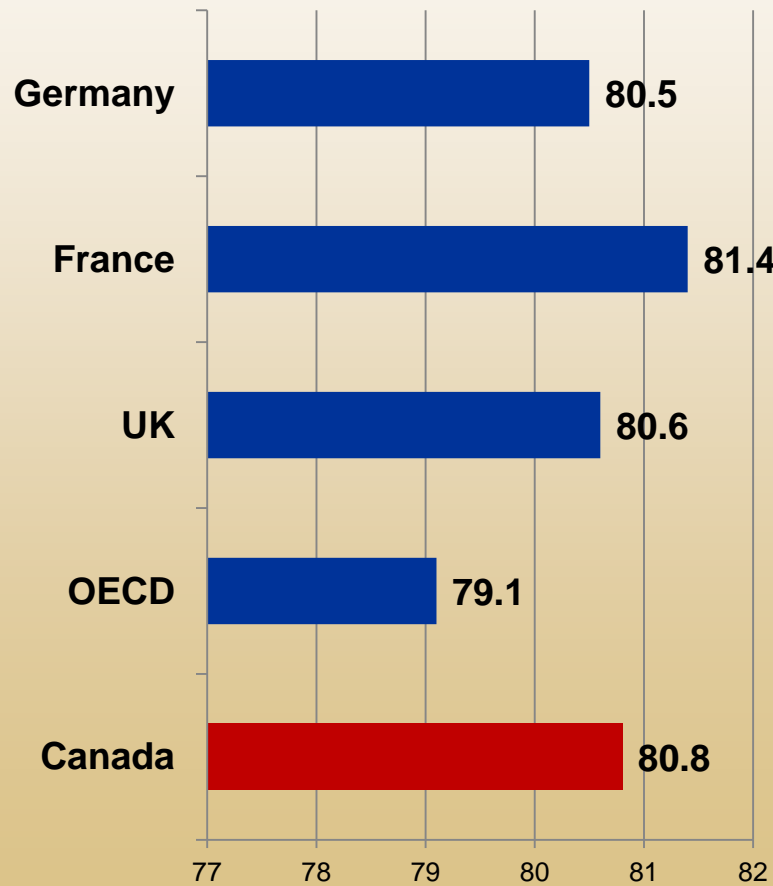


Nurses per 1000 population, 2010

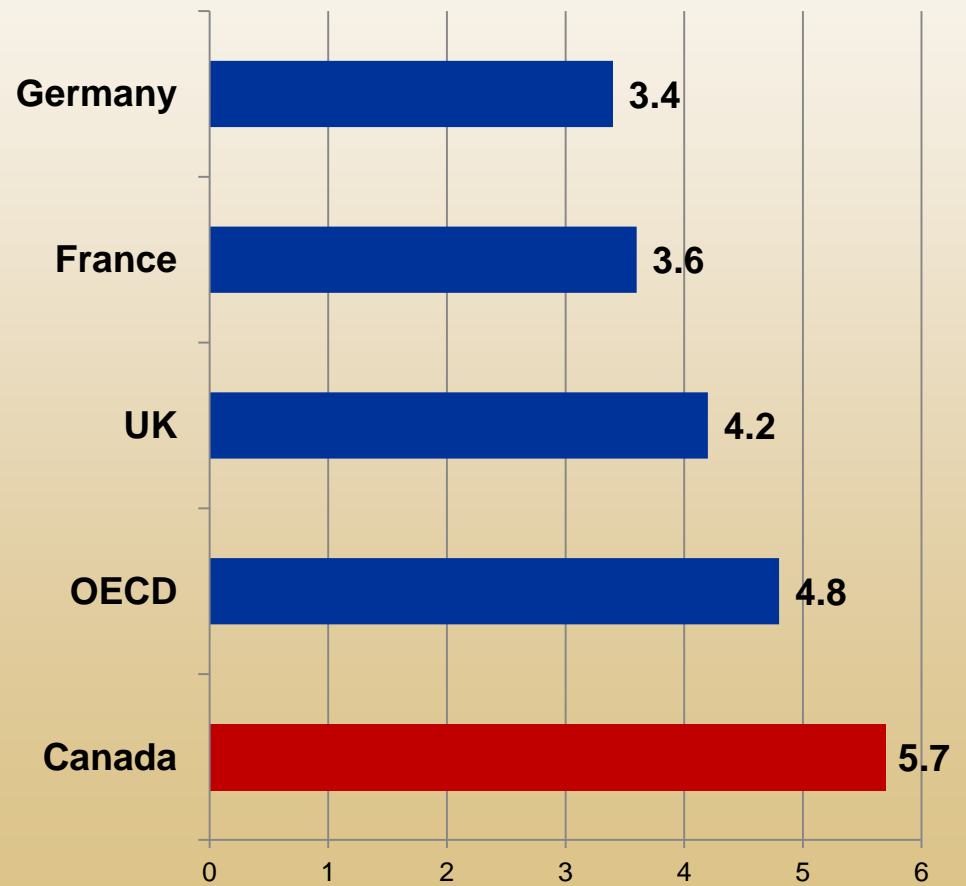


General health indicators

Life expectancy at birth, 2010

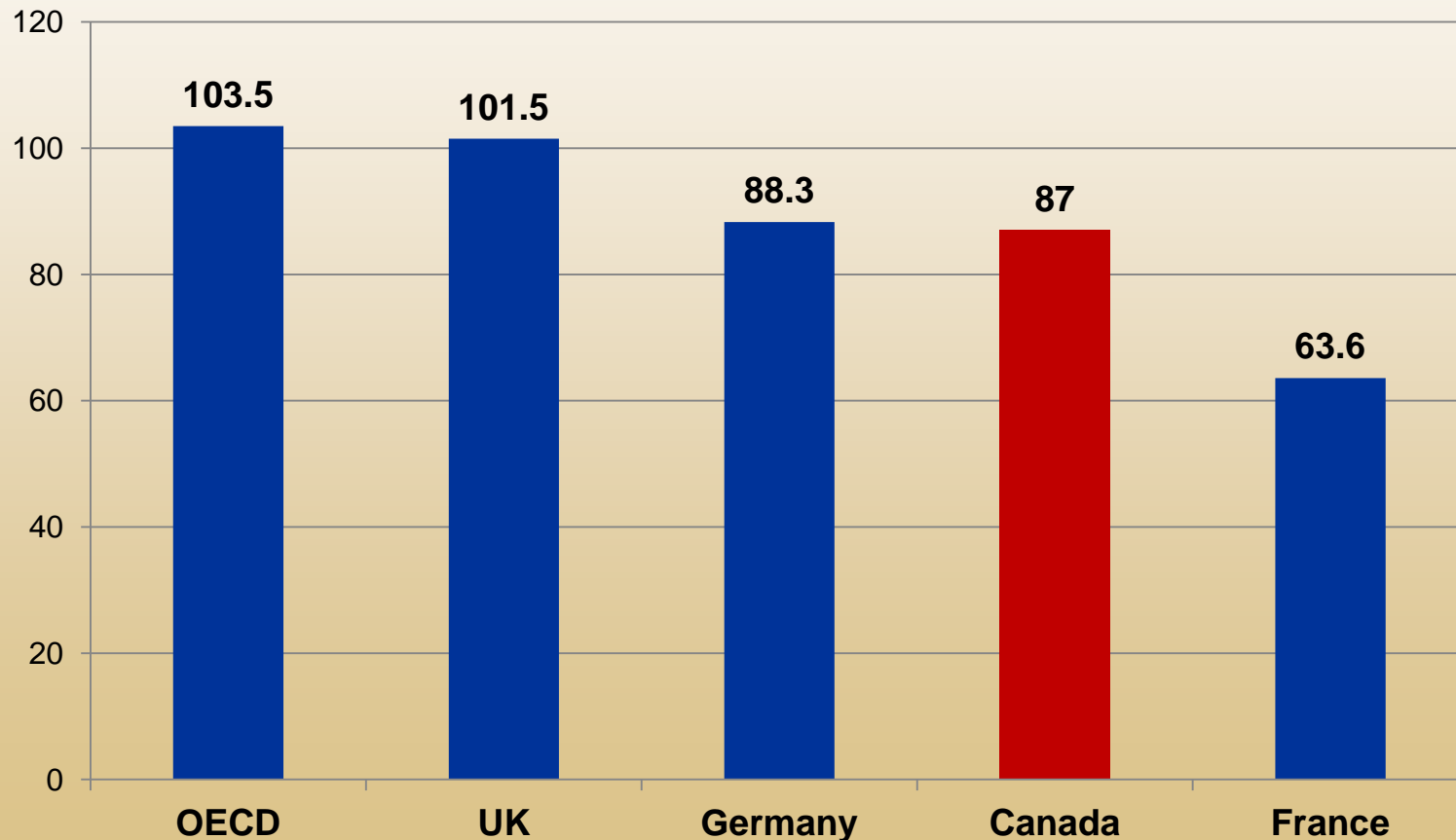


Infant mortality rate, 2010



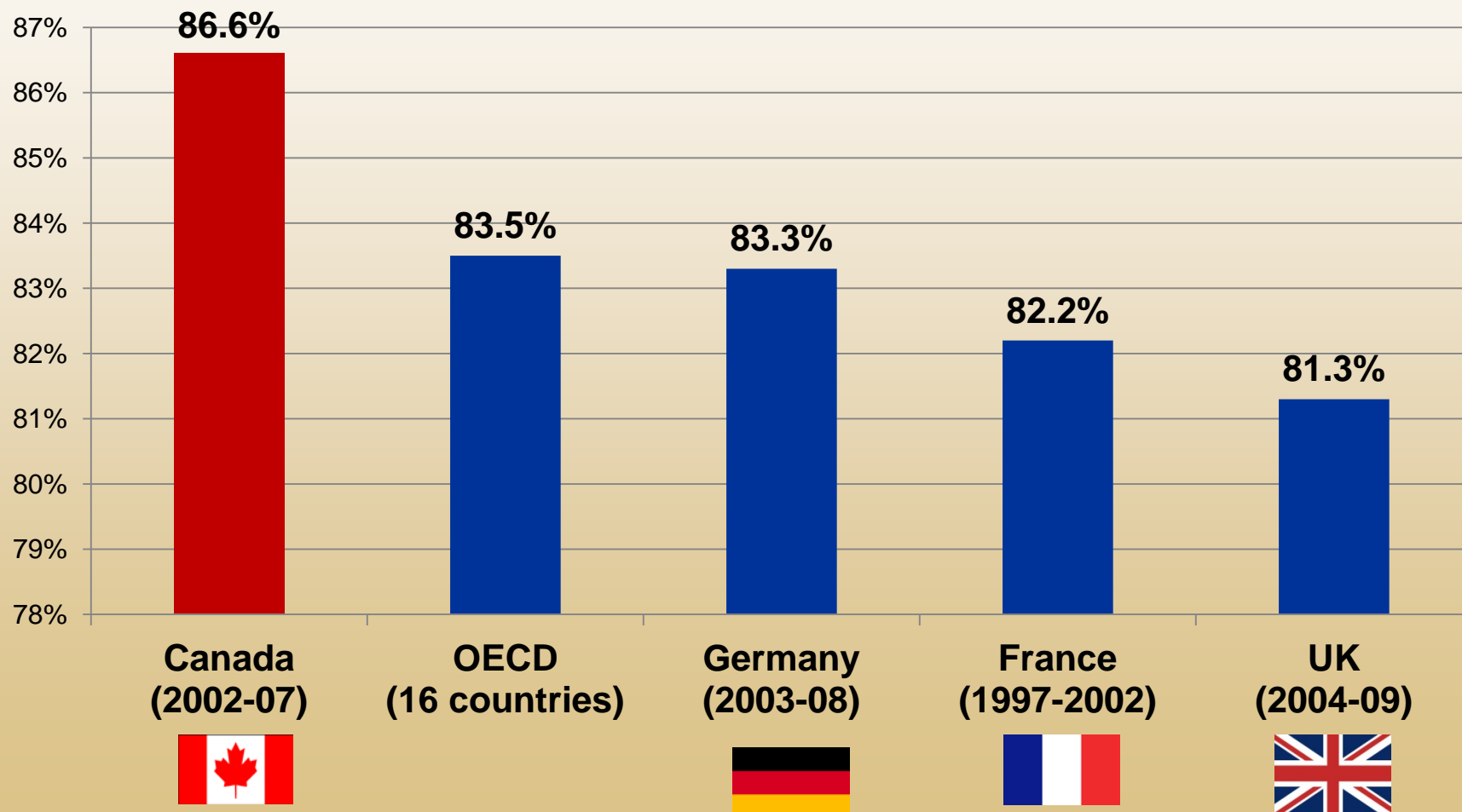
Quality: Amenable mortality rate

Rate of avoidable mortality caused by deficient health care
(per 100 000 discharges), 2007



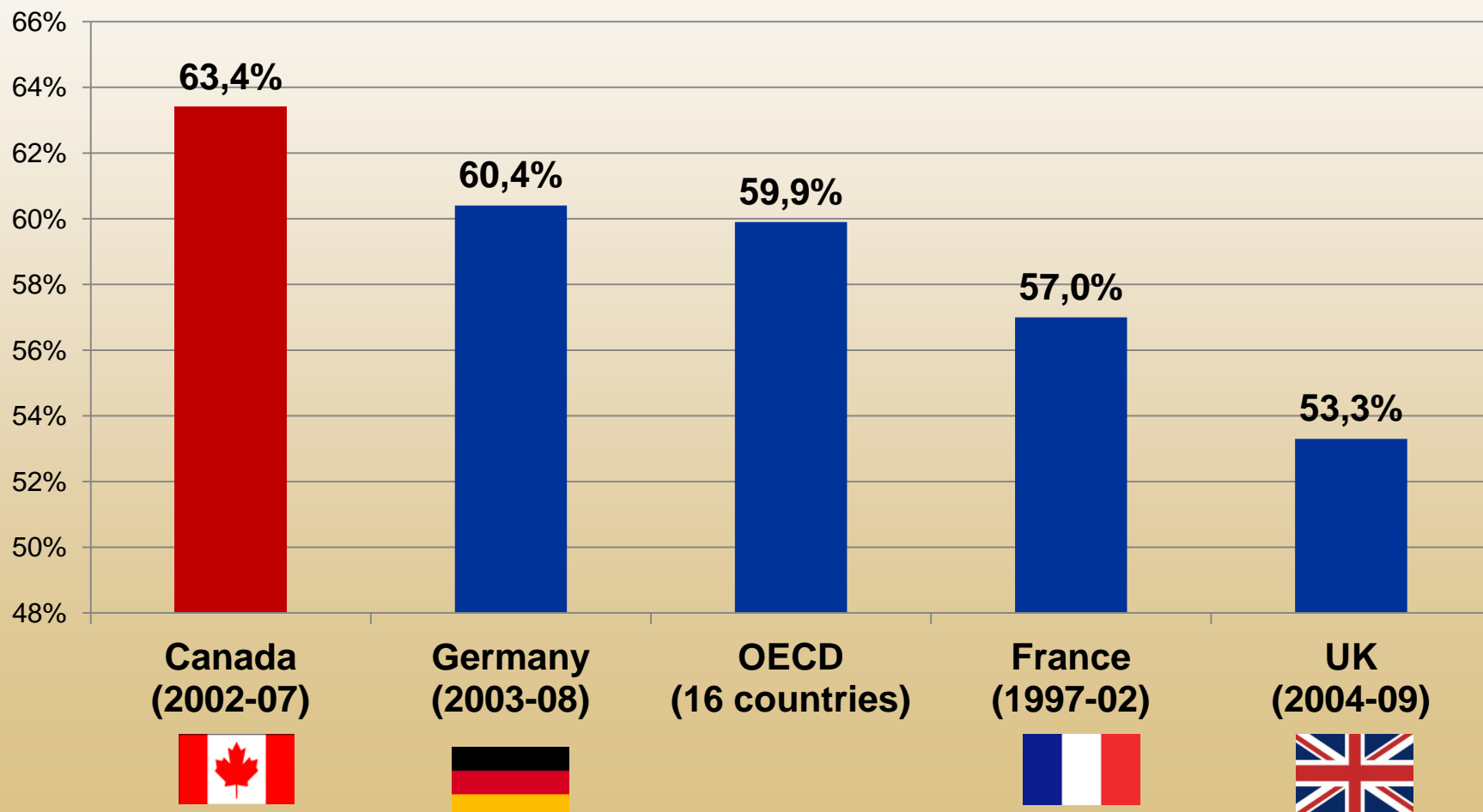
Cancer care

Breast cancer, five-year survival rate



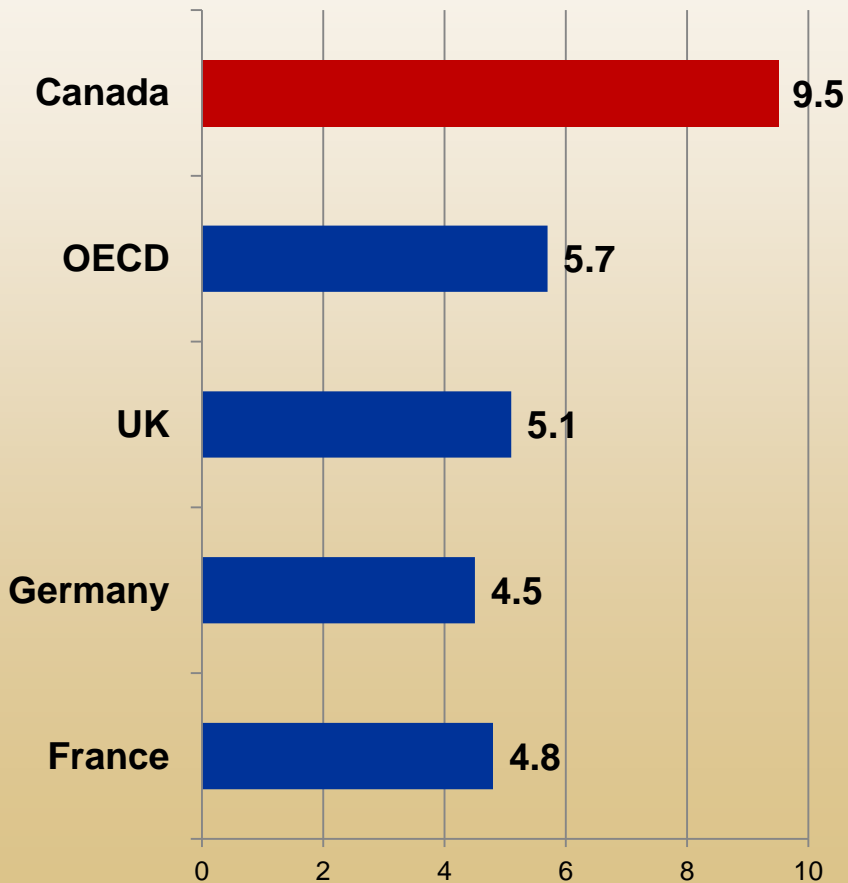
Cancer care

Colorectal cancer, five-year survival rate

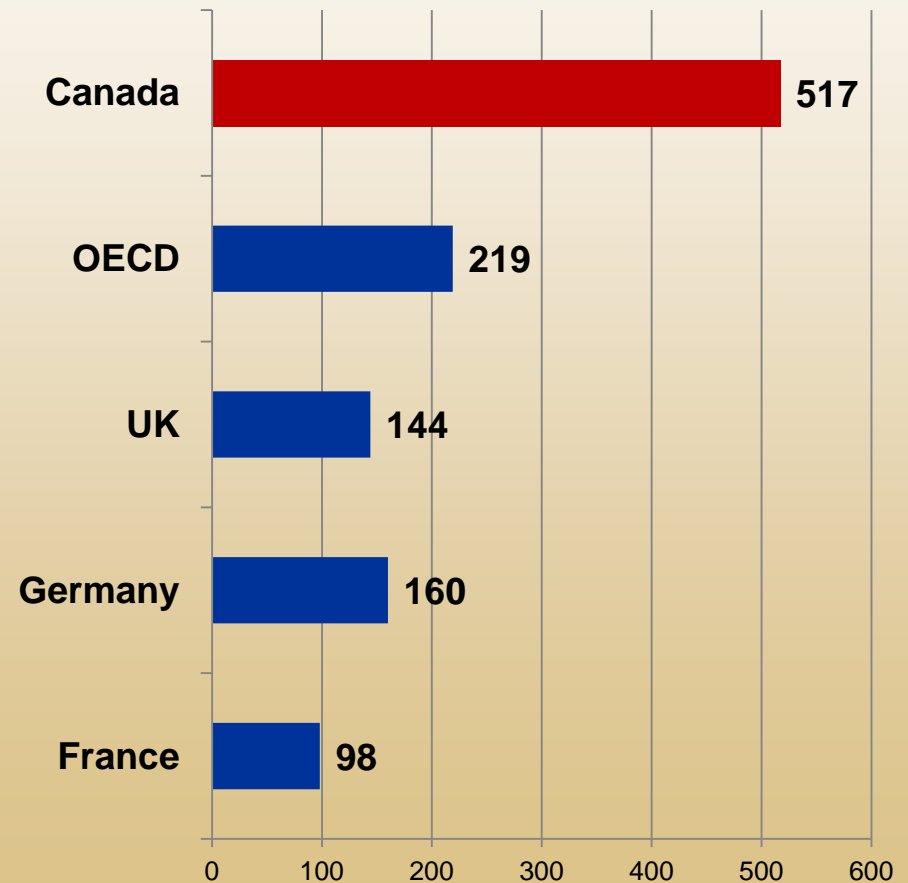


Patient safety

Foreign body left in during procedure,
(per 100 000 discharges), 2009

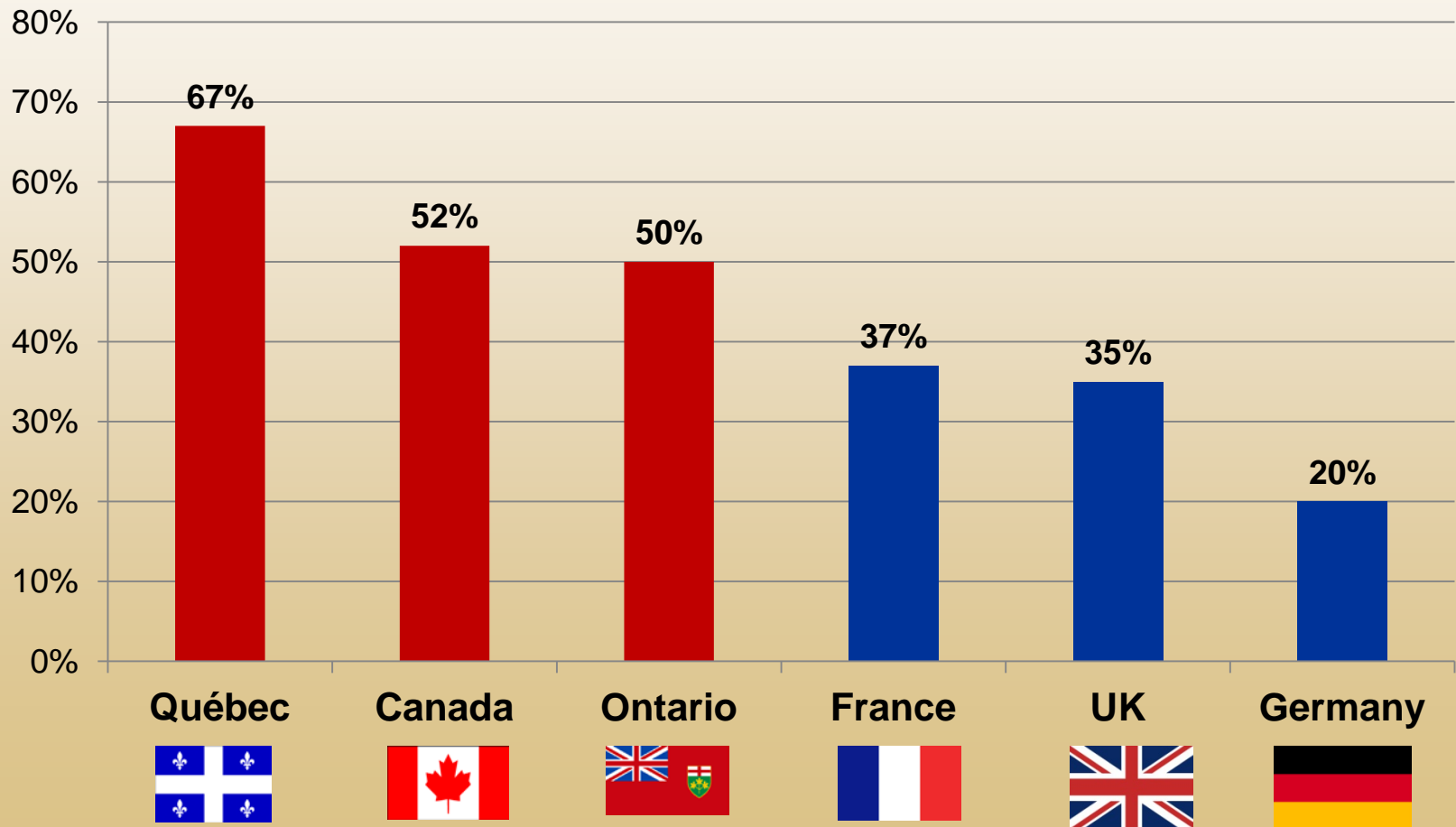


Accidental puncture or laceration,
(per 100 000 discharges), 2009



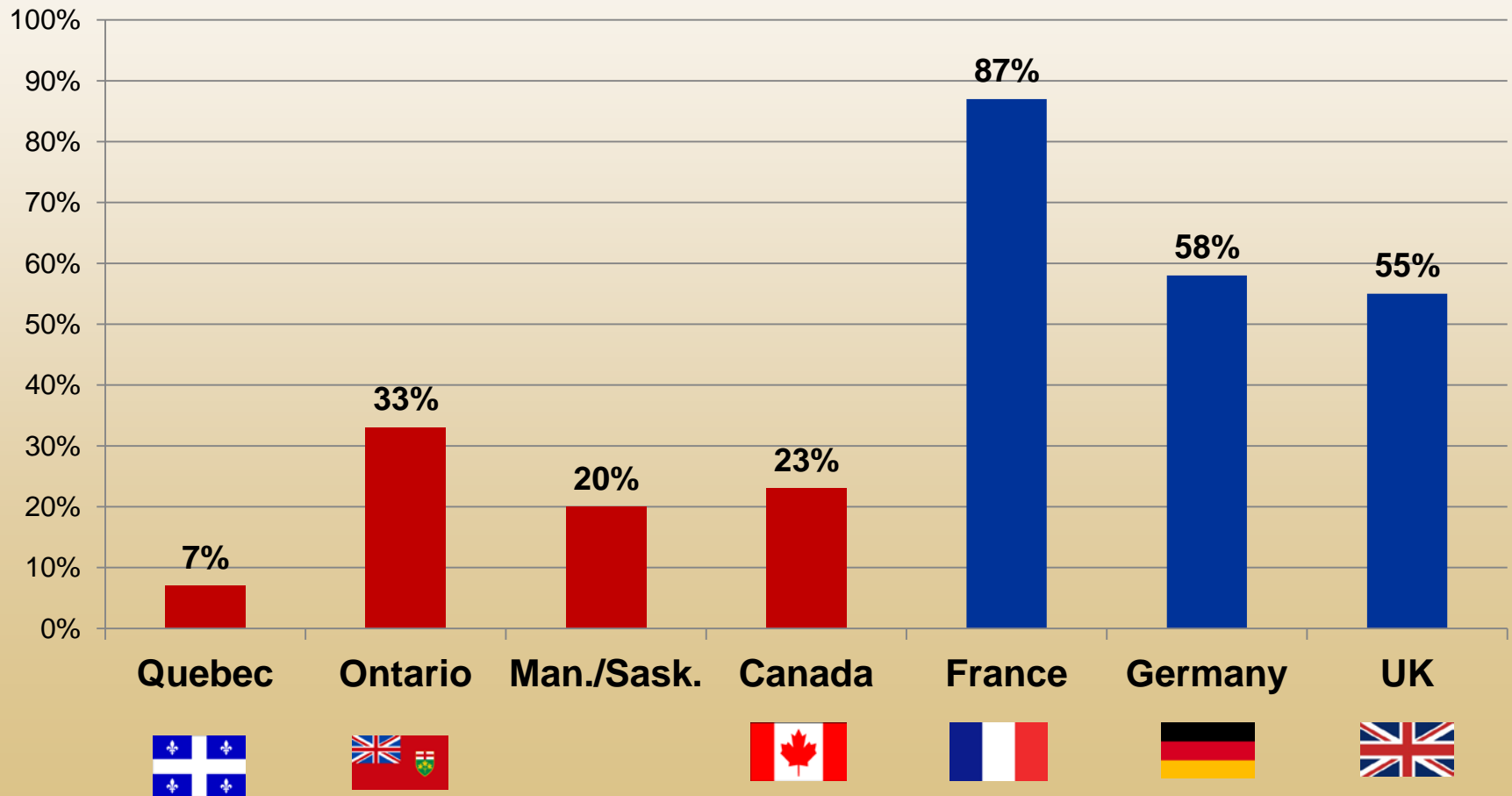
Accessibility and wait times

Patients who must wait 2 hours or more in emergency room (%), 2010



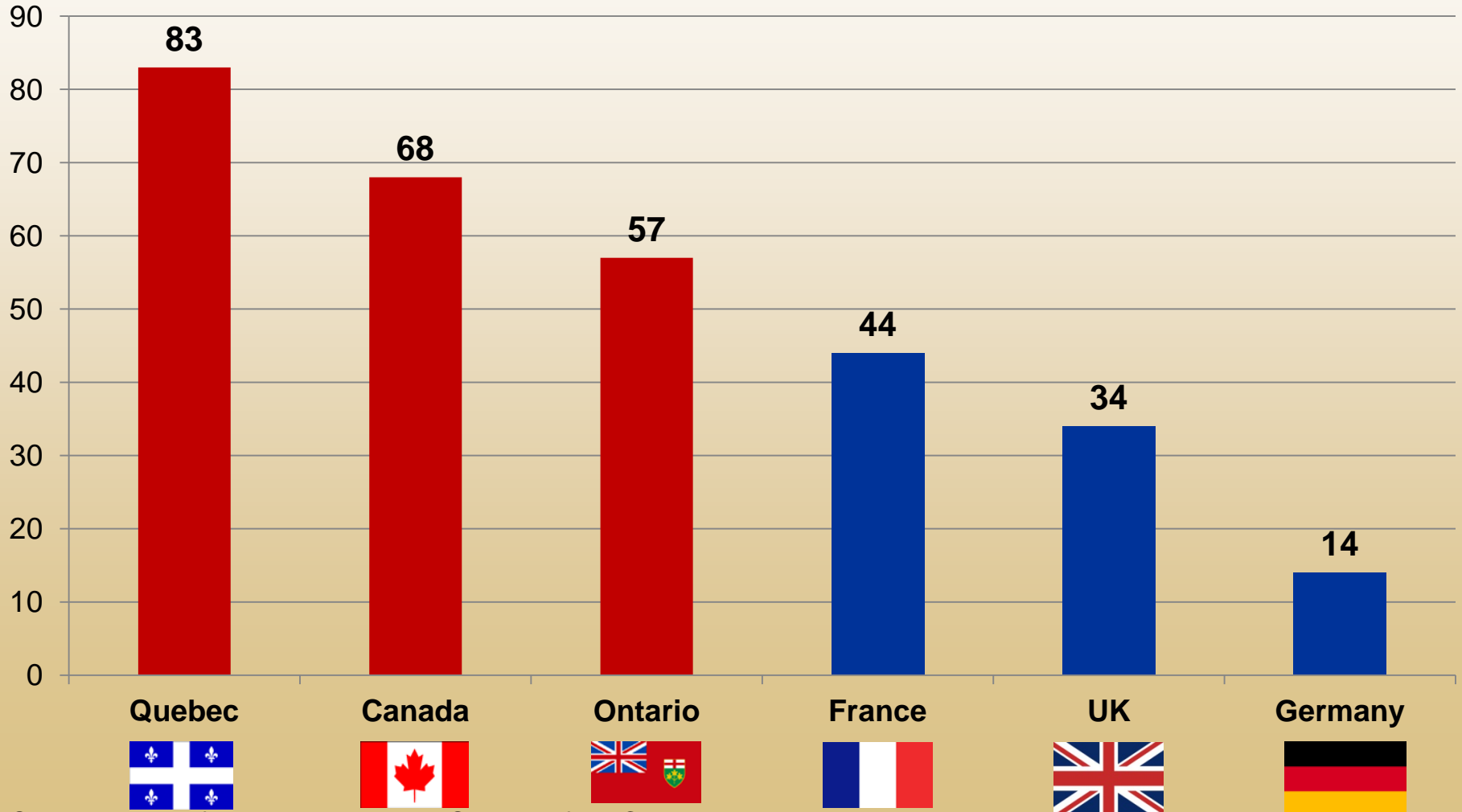
Accessibility and wait times

Patients who saw doctor the last time they needed, the same or next day, 2011



Accessibility and wait times

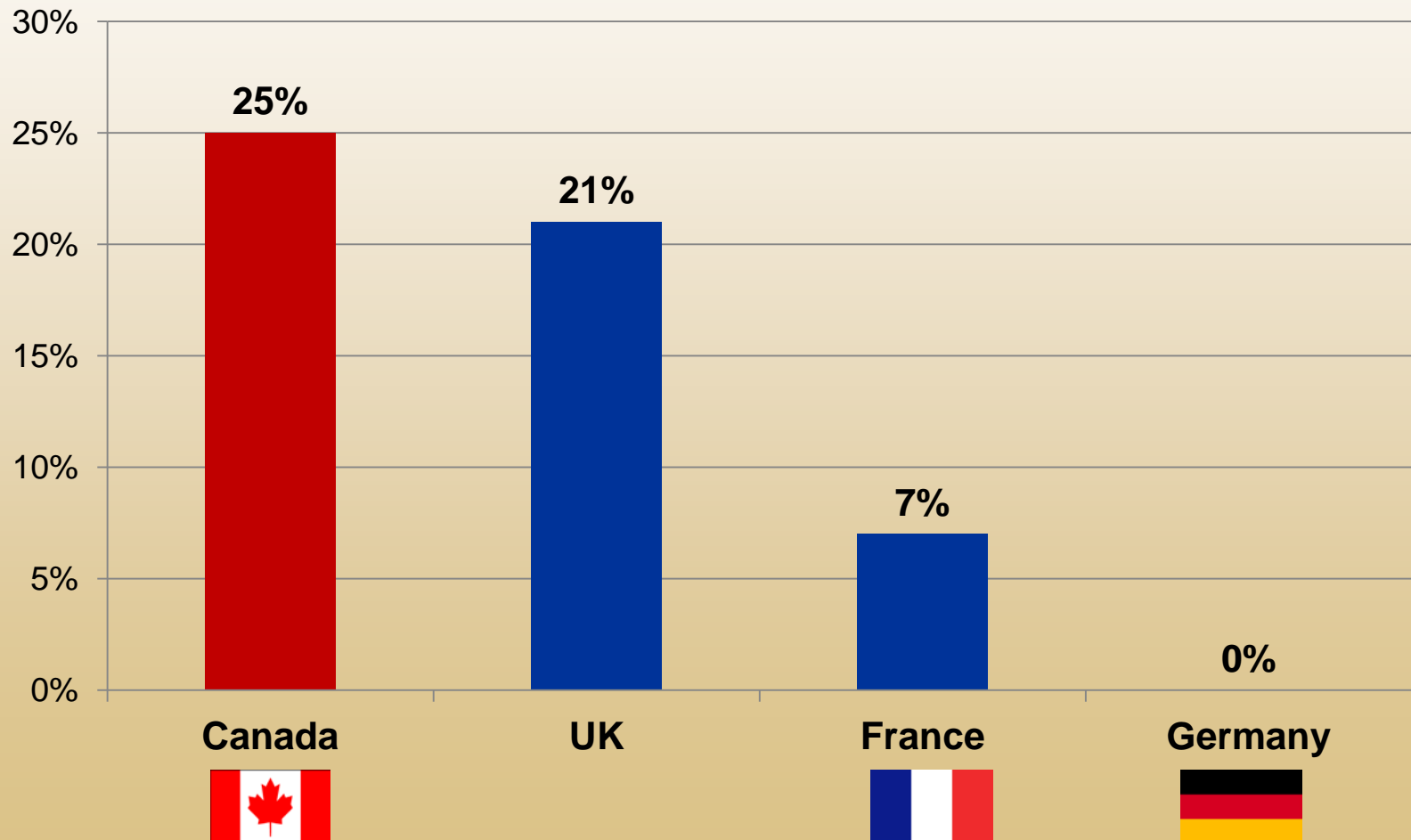
Average number of days before seeing a specialist, 2010



Source: Results from the International Surveys of the Commonwealth Fund, 2010

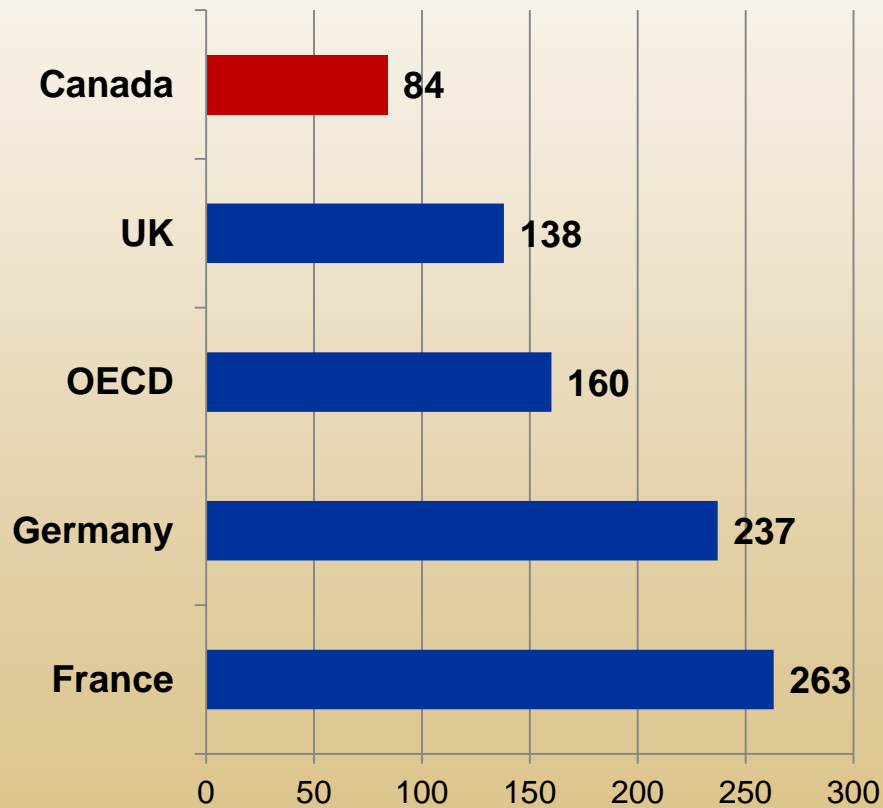
Accessibility and wait times

Patients who must wait 4 months or more for elective surgery (%), 2010

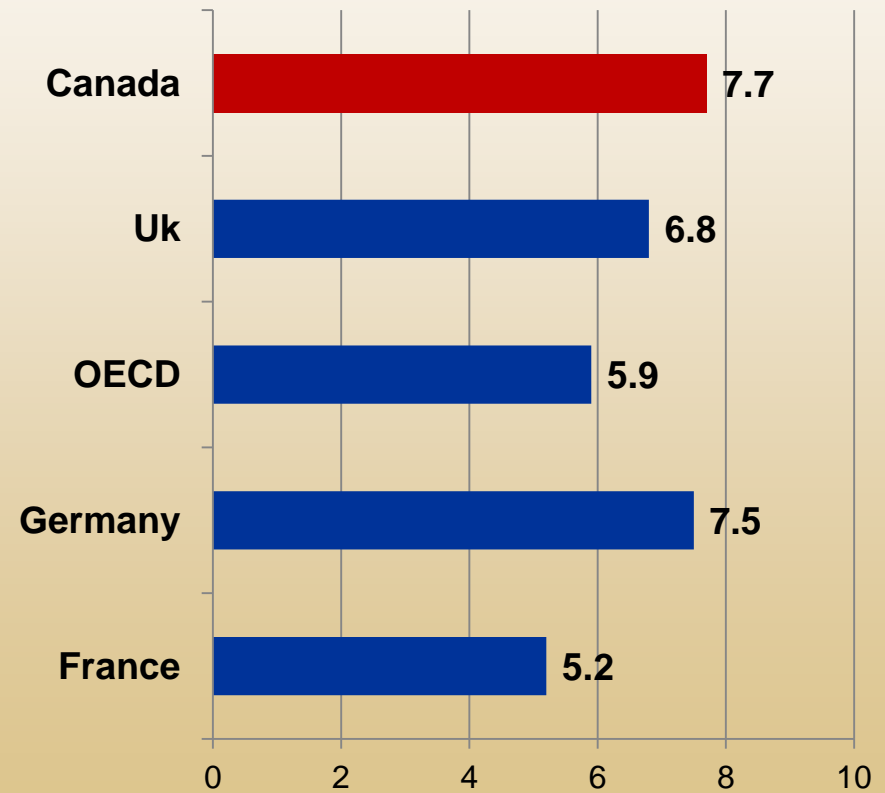


Hospital system effectiveness

Hospital discharges (per 1000 pop.)

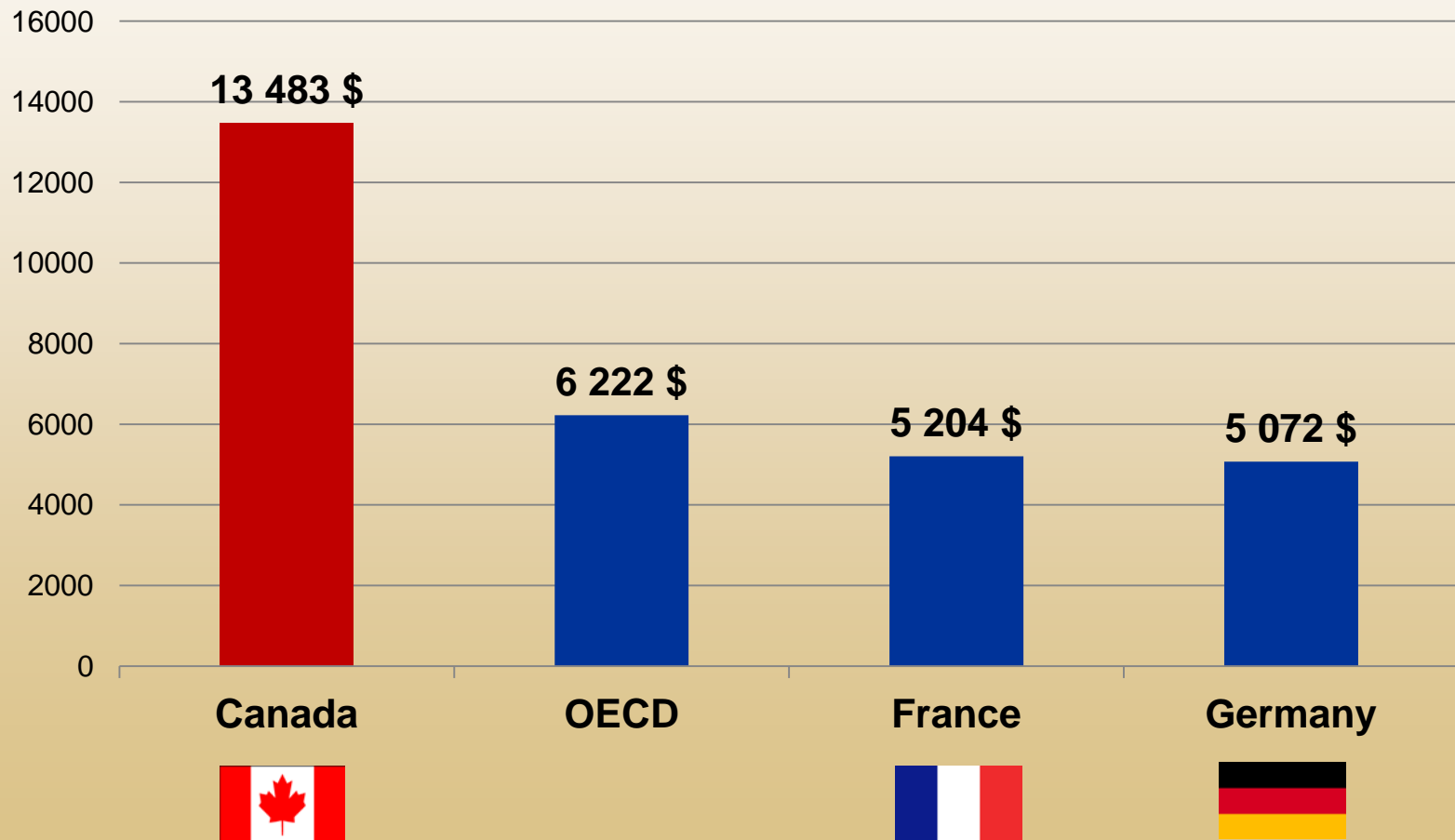


Average length of stay, acute care (days)



Cost efficiency in hospital spending

Hospital Spending per Discharge, 2009 (US\$, Adjusted for Differences in Cost of Living)



Source: David Squires. *Explaining high health care spending in the United States: An international comparison of supply, utilization, prices and quality*. Commonwealth Fund, May 2012.

Health reforms

BRIEF OVERVIEW OF EUROPEAN HEALTHCARE SYSTEMS

The French Healthcare system

■ Main characteristics



- Universal system
- Health insurance, financed by payroll taxes, covers the entire population
- All French citizens with incomes below 8 644 euros a year are covered by the public insurance with no contribution required from them
- All have freedom of choice between a diversity of providers
- 93% of the population have complementary insurance
- Dual practice for physicians is allowed, with restrictions

■ Recent reforms:

- Activity-based funding of hospitals (T2A) in 2004
- GPs as gatekeepers (2004)

The French Healthcare system

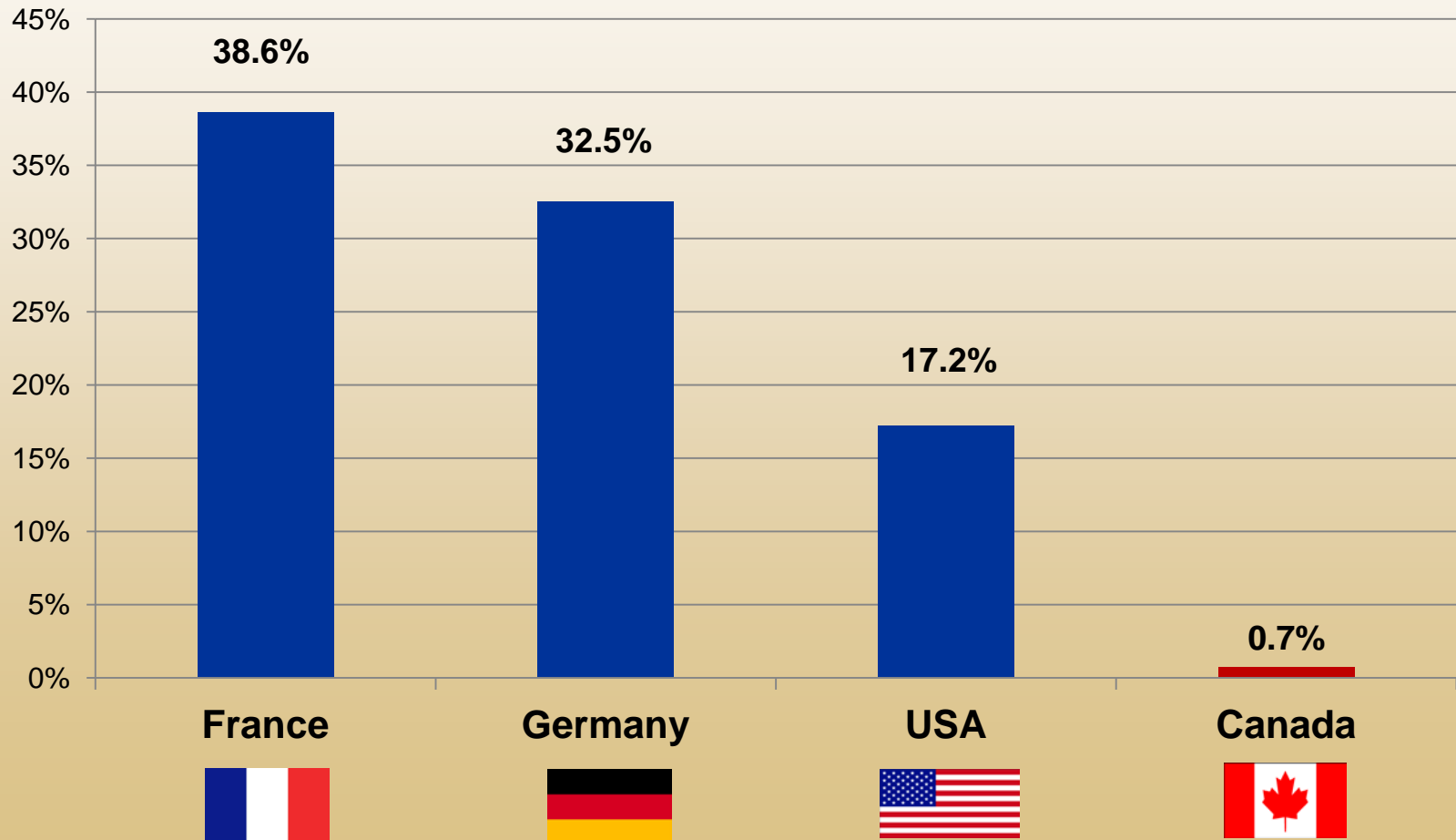
■ Main highlights



- Ranked first among 191 countries by World Health Organization in 2000
- Ranked first in the world for amenable mortality, 1997-2007
- Among the countries with the slowest growth rate of health spending (real terms) in the last decade
- Waiting times are not an issue
- Largest market for private hospitalization in Europe

A large role for private providers in France

Private for-profit hospitals, as a share of total, 2009



The three largest hospital chains in France

	Générale de santé	Vitalia	Capio	Total for-profit hospitals
Hospitals	110	48	26	1,051
Beds	16,200	5,700	3,830	96,460
Average hospital size	147 beds	119 beds	147 beds	92 beds
Employees	23,800	7,200	5,100	150,000
Revenus	€2.0 B	€650 M	€490 M	€12.1 B

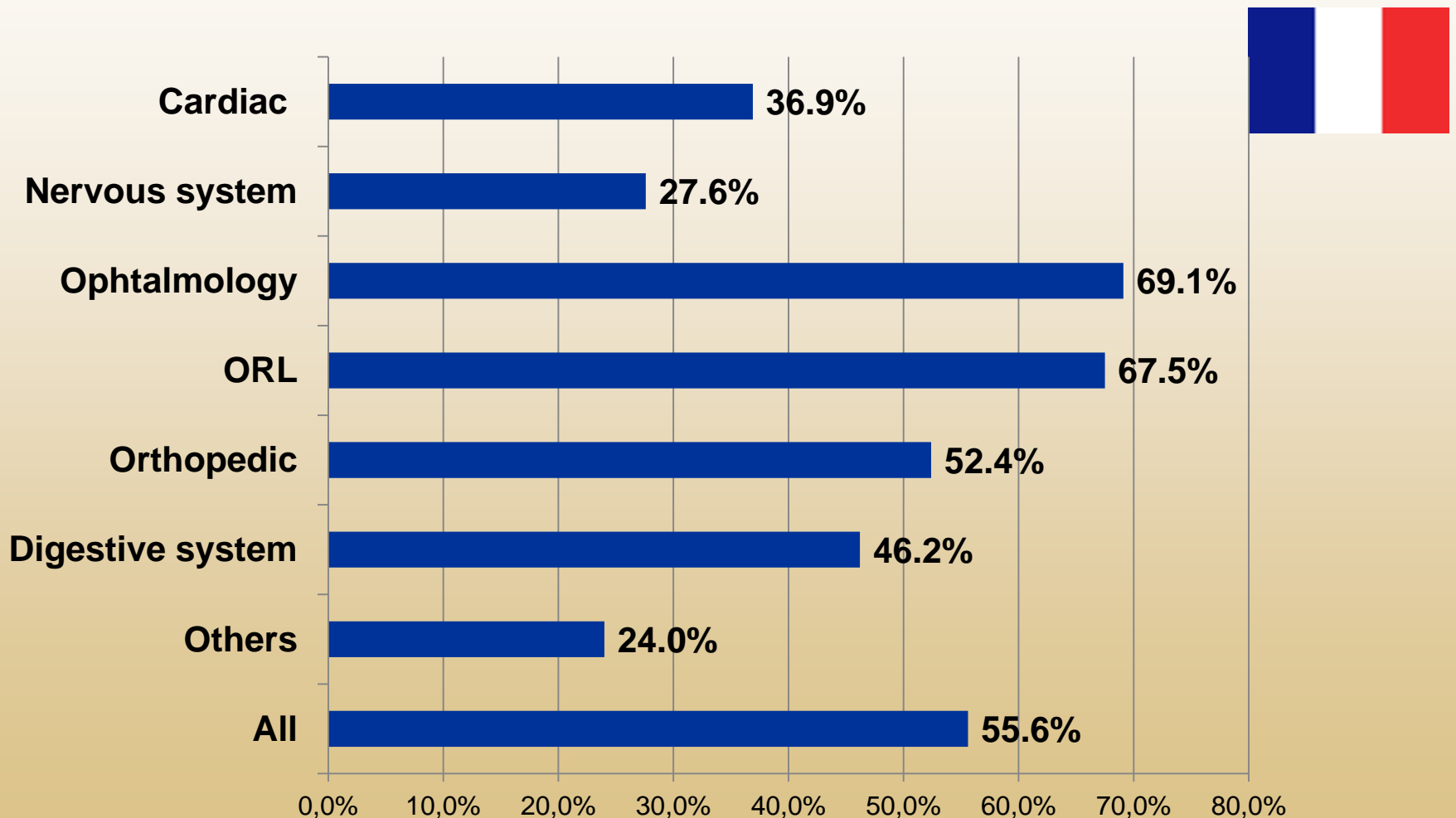
Sources: Annual reports of Hospital chains; Fédération de l'hospitalisation privée; Ministère français de la santé, *Le panorama des établissements de santé*, édition 2011

A large role for private providers in France



- ❑ 56% of all surgeries and nearly 70% of ambulatory surgery in France
- ❑ Nearly 50% of people with cancer and 27% of births
- ❑ 2 million patients treated each year in 130 emergency services
- ❑ 50% of patients receiving social security under the CMU (least well-offs) choose to be treated in for-profit hospitals

Surgeries performed in the private for-profit sector in France, as a share of total, 2011



The French Healthcare system

- What researchers have to say about it:



- “[private clinics] have developed in underserved areas, where public hospitals failed to meet the needs of the population.” (V. Mennessier, 2008)
- “The results show that an admission to a for-profit hospital is associated with a lower conditional probability of death discharge from the hospital” (C.Milcent, 2005)
- “[Activity-based] reimbursement is associated with greater hospital efficiency than reimbursement by global budget.” (C. Milcent, 2005)

The German healthcare system

■ Main characteristics:

- Universal system
- Health insurance, financed through income-based contributions, covers 90% of the population; others are insured by private insurance
- Competition between a diversity of providers is encouraged
- Dual practice for physicians is allowed, with restrictions
- Widespread freedom of choice for patients



■ Recent important reforms:

- Activity-based funding for hospitals (2003)
- Nationwide benchmarking exercise for hospitals
- Hospitals are now required to publish quality reports annually

The German healthcare system

■ Main highlights:



- ❑ Lowest growth rate of health spending per capita (real terms) since 2000
- ❑ Emergency overcrowding and waiting times for elective surgeries are uncommon, if not inexistent
- ❑ Largest database monitoring hospital quality in the world
- ❑ No other country has privatized more public hospitals in the last two decades (the number of for-profit hospitals increased by 90% since 1991)

The three largest private hospital chains in Germany

	Helios Kliniken (Fresenius)	Asklepios	Rhön Klinikum	Total for-profit hospitals
Hospitals	75	66	42	679
Beds	23,000	18,000	16,000	74,735
Average hospital size	308 beds	273 beds	380 beds	110 beds
Employees	43,000	33,500	38,000	n.a.
Revenus	€2.7 B	€2.3 B	€2.6 B	n.a.

Source: Annual reports of Hospital chains; German Statistical Office

The German healthcare system



- What researchers have to say about it:
 - “Our findings show that conversions from public to private for-profit status were associated with an increase in efficiency of between 2.9 and 4.9%.” (O. Tiemann et al., 2012)
 - “The study suggests that private for-profit hospitals provide higher quality of care, measured as risk-adjusted in-hospital mortality rates, compared to other types of ownership.” (O.Tiemann et al., 2011)

The English healthcare system



■ Main characteristics:

- Universal
- Tax-financed (Beveridgian model) like in Canada
- Competition between a diversity of providers encouraged (mostly public and not-for-profit)
- Patients can visit various websites to compare hospitals' performance and make an informed choice
- Dual practice allowed for physicians, though restricted

■ Recent reforms:

- Activity-based hospital funding (Payment by results) in 2003
- Targets for wait times
- Since 2006, GPs must offer patients a choice of at least 4 providers

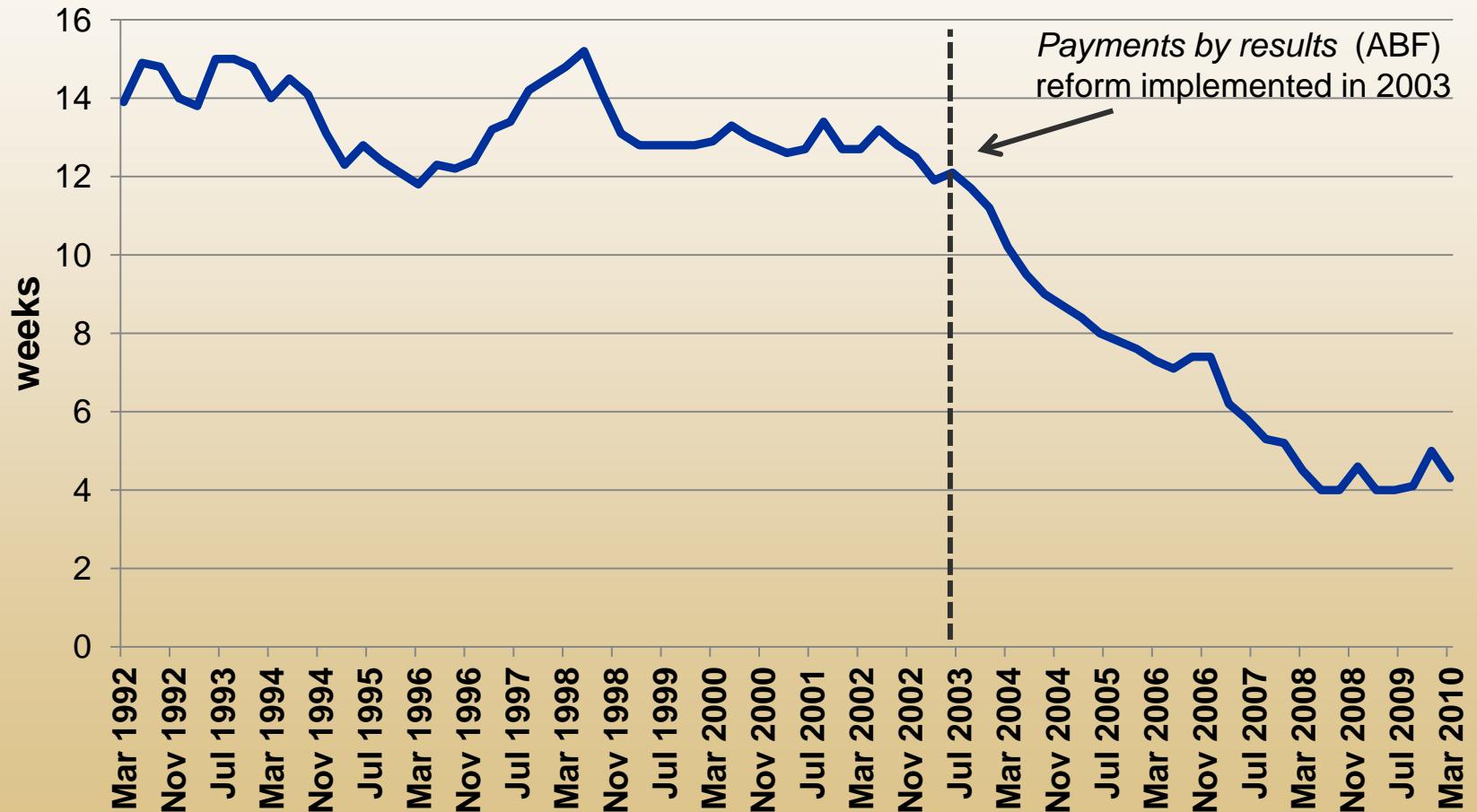
The English healthcare system



■ Main Highlights:

- Average length of stay fell rapidly after the activity-based funding reform
- 97% of patients who show up in an emergency room receive a diagnosis from a physician within 4 hours
- The median wait time for elective surgery decreased by more than 60% between 2002-2010
- Reduction in wait times for cataract surgeries and hip and knee replacements has been greater for patients from less well-off areas.

Median waiting times for elective surgery in England, 1992-2010



The English healthcare system

■ What researchers have to say about it:



- “We find that higher competition [between hospitals] is positively correlated with increased management quality.” (Bloom et al., 2010)
- “We find that the effect of competition [between hospitals] is to save lives without raising costs.” (Gaynor et al., 2012)
- “Reductions in unit costs may have been achieved [following the ABF reform] without detrimental impact on the quality of care.” (Ferrar et al., 2009)

Conclusion

**WHAT LESSONS SHOULD CANADA
LEARN?**

4 key elements of success in these European healthcare systems

1. Competition:

- Allowing a diversity of providers within the public healthcare system (private for profit, not-for-profit, and public hospitals)

2. Activity-based funding:

- Making money follow hospital patients

3. Freedom of choice:

- Giving patients freedom to choose between providers

4. Benchmarking:

- Making performance comparisons and quality indicators publicly available

Conclusion: What lessons for Canada?

- All these factors combined lead to:
 - Improved access to care and reduced wait times
 - Increased innovation: new and better ways of delivering care
 - Improved management practices and cost efficiency
 - Higher quality and more patient-centered care
- And all this without compromising the principles of universality and equity in access to care!

Is the picture all dark for Canada?

- Last March, the Ontario government announced that the province will begin reimbursing 91 hospitals according to services provided (ABF)
- The B.C. government set up a program that applies the same approach to about 17% of hospital funding (with encouraging results so far)
- Some provinces, including Manitoba and Quebec, now make hospital waiting times data available online
- CIHI, an independent research organization, now publicize hospital performance indicators on its website



THANK YOU!

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