A winning recipe for the successful overhaul of the health care system

Presented by Maria Lily Shaw, Economist at the MEI
AGENDA

- Role models for health care reform
  - Sweden Reforms
  - United Kingdom Reforms
- Recipe for the successful overhaul of the health care system
  - 6 steps Quebec and British Columbia should follow
  - Obstacles to the successful overhaul of the health care system
- Conclusion
Both health care systems outperform Quebec's and BC's in many respects.

Their starting point was similar to the current situation in several provinces (monopolistic).

They maintained universality throughout the reforms.
### Health care expenditure per capita, public and private spending combined, 2019

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<1980 BEFORE REFORMS

- Nationalization plus expansion of primary care and hospitals
- Deteriorating economic climate
- Very little room for the private sector

1980 BEGINNING

- Decentralization to county councils
- Financing for private practice
- Change of attitude towards the public sector

1982-1991 PHASE I

1991-1995 PHASE II

- National Guarantee of care

1995-2010 PHASE III

- Hospital funding reform
- Delegation of hospital management
- Reforms targeting patient choice
SWEDEN REFORMS – THE SAINT-GÖRAN EXAMPLE

- Managed by entrepreneurs and funded by the government
- Outperforms other Swedish public hospitals in terms of wait times and operational costs
- High degree of satisfaction among employees
UNITED KINGDOM REFORMS

<1990
BEFORE
REFORMS
Excess bureaucracy and high costs

1990
BEGINNING
International political movement encouraging the use of competition to reform inefficient and unresponsive public services

1990-1997
PHASE I
First attempt at the “internal market,” which separated the roles of purchaser and provider of health services

1997-2012
PHASE II
Second attempt at the internal market
Hospital funding reform

PHASE II - CONTINUED
Creation of foundation trusts
Reforms targeting patient choice

WHY THE FIRST ATTEMPT FAILED
Rapid rollout
The funds did not follow the patient
Too much political involvement
UNITED KINGDOM REFORMS - FOUNDATION TRUSTS

Greater managerial autonomy and operate at arms length of the government

There are strict quality prerequisites to become a foundation trust

Represent 60% of government-owned hospitals
WHAT SWEDEN & THE UNITED KINGDOM HAVE IN COMMON

- Decentralization
- Activity-based funding for hospitals
- Recognize the importance of patient choice
- Dual practice permitted
- Duplicate health insurance permitted
- Involve entrepreneurs in the provision of care
RECIPE FOR THE SUCCESSFUL OVERHAUL OF THE HEALTH CARE SYSTEM

1. ADOPT ELECTRONIC HEALTH RECORDS
2. REMOVE PROHIBITION ON DUPLICATE HEALTH INSURANCE
3. REMOVE PROHIBITION ON DUAL PRACTICE
4. INCREASE THE NUMBER OF DOCTORS
5. ADOPT ACTIVITY-BASED HOSPITAL FUNDING
6. DELEGATE HOSPITAL MANAGEMENT TO ENTREPRENEURS
RECIPE FOR SUCCESS

Adopt electronic health records (EHRs)

- **Current situation (QC)**
  - There are over 9,000 different platforms that do not communicate with each other
  - Vital information is still being communicated via fax or CD
  - EHRs are missing key information (allergies, vaccines, hospitalization summaries, etc.)

- **Why it's important**
  - The efficiency of other reforms depends on having access to such information
  - Will enhance the quality of care
  - Saves time for health professionals and patients
RECIPE FOR SUCCESS
Remove the prohibition on duplicate health insurance

- **Current situation (QC)**
  
  Quebecers are allowed to purchase duplicate health insurance for three specific surgeries:
  
  1. Knee replacement
  2. Hip replacement
  3. Cataract extraction or implantation

  The duplicate insurance can only be used in 25 clinics across the province.

- **Why it's important**
  
  - Will improve the accessibility of services for patients seeking care in an independent facility for a treatment that is already covered by the public insurance plan
RECIPE FOR SUCCESS
Remove the prohibition on dual practice

Current situation

- Physicians are prohibited from being remunerated by public funds and patients at once when providing care covered by the public insurance plan.
- In order to be remunerated by their patients for providing publicly covered services, physicians must formally opt out of the public system.
- There are currently hundreds of doctors and specialists who have opted out.

Why it's important

- The prohibition limits the resources that can be used to alleviate pressure on the public system.
- Greater flexibility for health care workers.
**RECIPE FOR SUCCESS**
Increase the number of doctors

**Current situation (QC)**
- 17.5% of Quebecers do not have a family doctor
- The average time spent on a waiting list to be assigned to a family doctor is 599 days
- More than 157,000 Quebecers are on a waiting list for day surgery

**What can be done**
1. Eliminate medical school quotas
2. Facilitate the entry into the workforce for foreign-trained medical professionals
3. Adopt national licensure
4. Expand the scope of practice of existing health care professionals (i.e. nurses, pharmacists, etc.)
RECIPE FOR SUCCESS
Adopt activity-based hospital funding

Current situation
- Hospitals are funded according to activity of previous years
- Historical budgets do not reflect the actual volume of patients treated in the institution
- Hospitals have no incentive to improve their efficiency or increase quality

Why it's important
- Will make it easier for hospitals to respond promptly to unexpected surges in activity
- Activity-based funding encourages cost containment, accountability, productivity, and improves quality of care
RECIPE FOR SUCCESS
Delegate hospital management to entrepreneurs

Current situation
- Hospitals are managed by public servants
- Hospitals do not have the right to decide how many doctors they can employ

Why it's important
- Combined with activity-based funding and the principles of a competitive market, entrepreneurs would have all the right incentives to provide the best possible care
OBSTACLES TO THE OVERHAUL OF THE HEALTH CARE SYSTEM

- Legal feasibility
- Bureaucracy
- Cooperation of all parties involved
- Public opinion
Thank you!