MEI Ideas for a More Prosperous Society

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

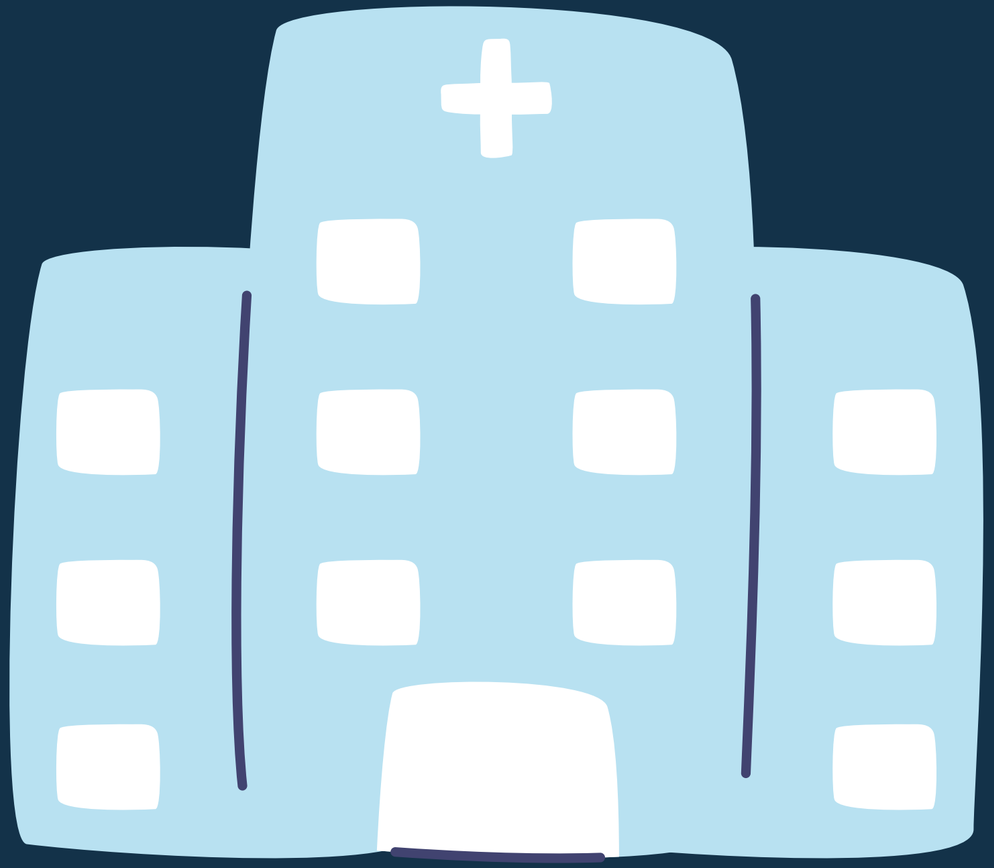
Presented by Maria Lily Shaw, Economist at the MEI

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**

ROLE MODELS FOR HEALTH CARE REFORM

WHY SWEDEN AND THE UNITED KINGDOM?



- 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

	Quebec	BC	Sweden	UK
Health care expenditure per capita, public and private spending combined, 2019	$6,781	$6,582	$7,367	$5,791
Number of physicians per 1,000 population	2.56	2.56	6.92	3.9
Number of nurses per 1,000 population	12.1	10.8	20.14	9.88
Proportion of the population that has waited **over a year** to see a specialist	13.1%	12.9%	4.4%	4.8%
Median wait time for hip replacement (days)	105	96	71	85
Median wait time for knee replacement (days)	118	123	96	90

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SWEDEN REFORMS

<1980
BEFORE REFORMS

Nationalization plus expansion of primary care and hospitals

Very little room for the private sector

1980
BEGINNING

Deteriorating economic climate

Change of attitude towards the public sector

1982-1991
PHASE I

Decentralization to county councils

Financing for private practice

1991-1995
PHASE II

National Guarantee of care

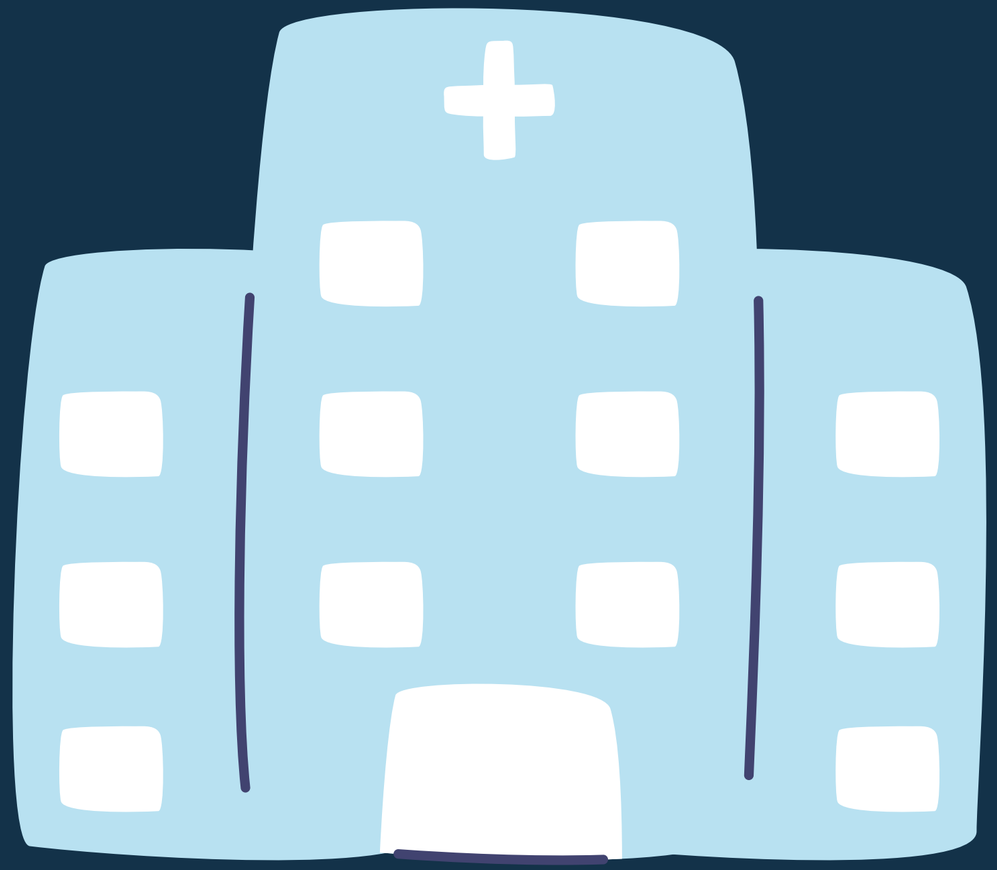
1995-2010
PHASE III

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

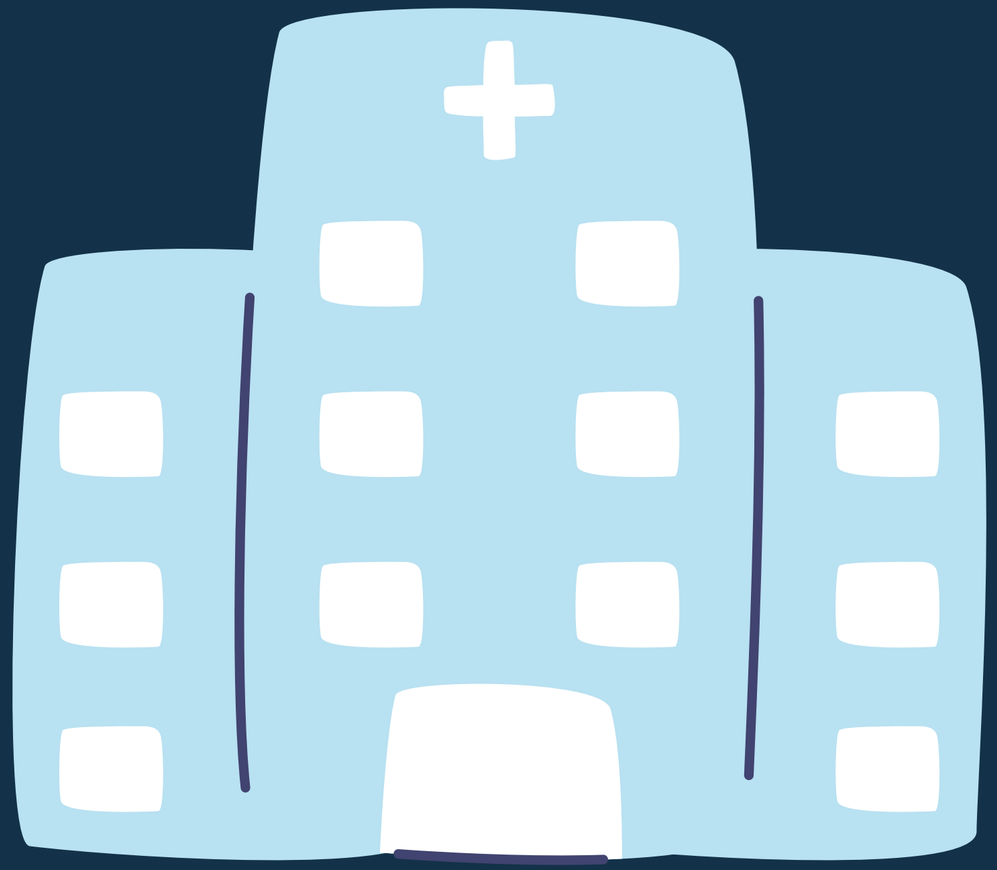
WHY THE FIRST ATTEMPT FAILED

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 prohitibition on dulpicate 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 pubilc insurance plan

RECIPE FOR SUCCESS

Remove the prohitibition 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

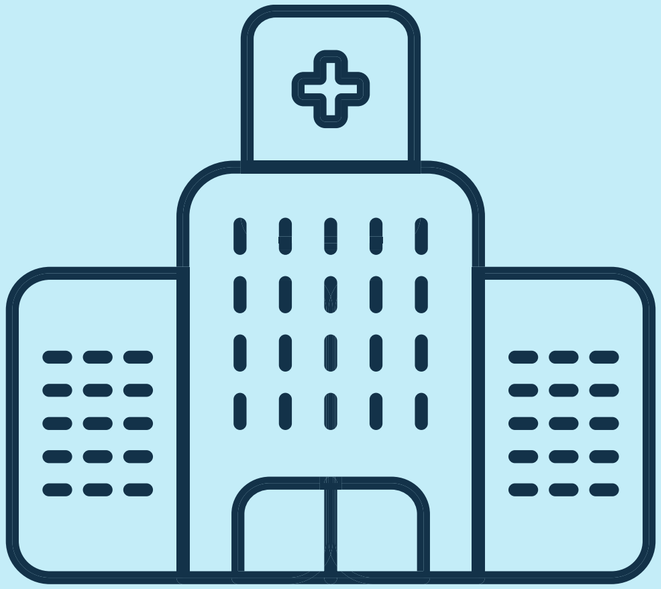
2. Facilitate the entry into the workforce for foreign-trained medical professionals

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

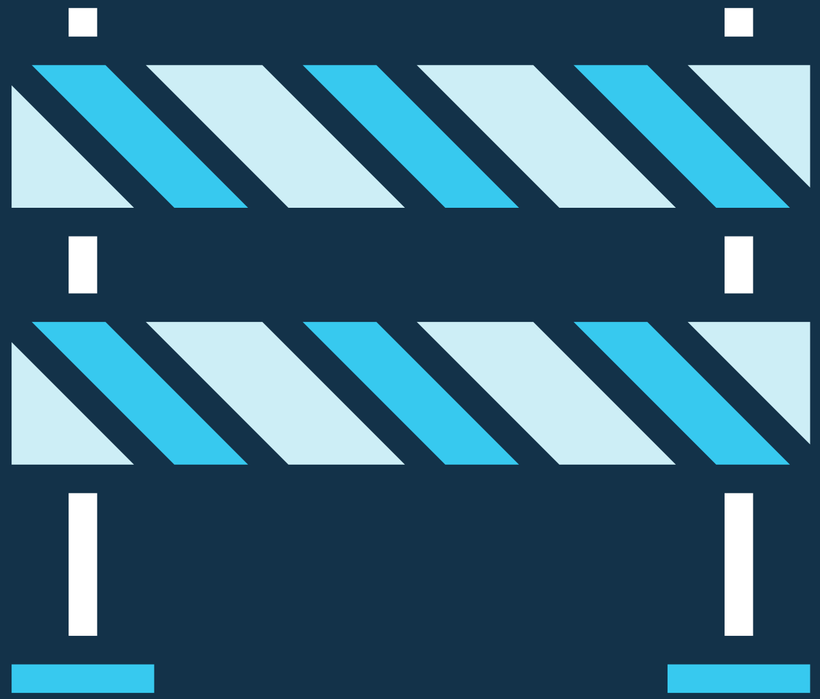
Current situation

- 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!

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