EUROPEAN HEALTH CARE OUTCOMES, PERFORMANCE AND EFFICIENCY





Country level differences – Are they related to health care systems?

Clas Rehnberg Karolinska Institutet Stockholm, Sweden





### Financing of health systems:

Tax-based health system (the Beveridge-model): Finland, Italy, Norway, Scotland (U.K.) and Sweden

Social Health Insurance System (the Bismarck-model): Hungary and the Netherlands

### **Financing and structure of EuroHOPE countries**



### Tax-based systems

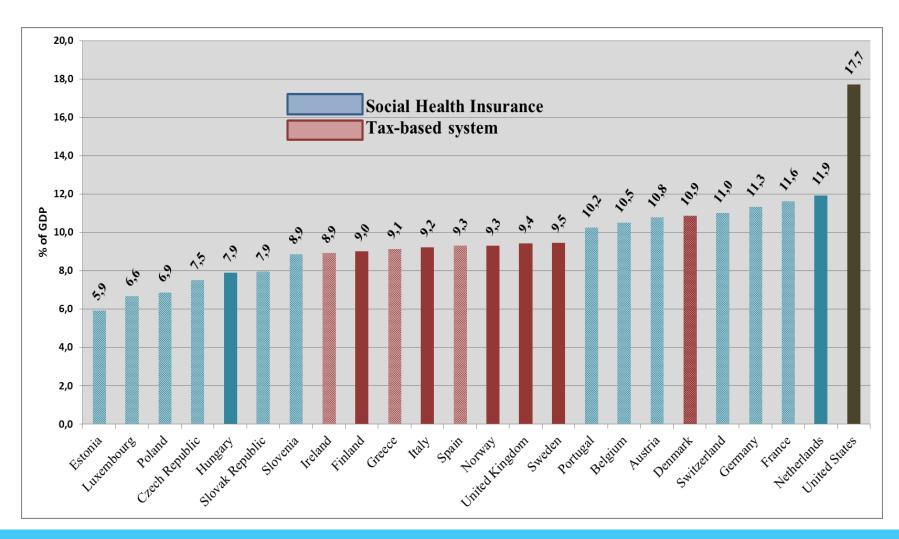
- Nordic countries; regionalized tax-based systems (Norway moved towards more centralized funding)
- Scotland part of the NHS (centralized with some autonomy)
- Italy decentralization towards regional levels

### Social Health Insurance systems

- Hungary a single social health insurance scheme
- The Netherlands regulated competition between sickness funds

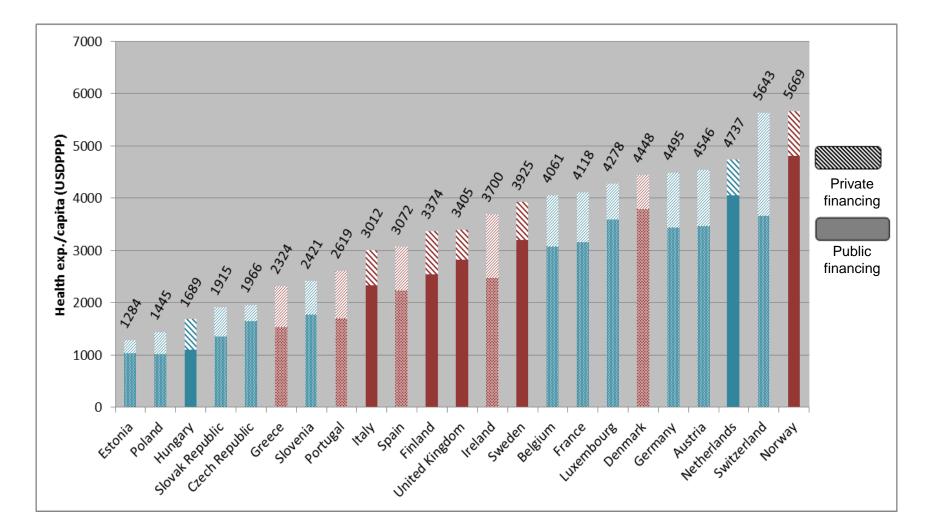


### Health care expenditures as a share of GDP: Tax-based systems and Social Health Insurance systems





### Health care expenditures per capita: Tax-based systems and Social Health Insurance systems



#### **Provision of hospital services in EuroHOPE countries**



### Tax-based systems (public provision)

- Finland, Italy and Sweden: Regionalized hospital system
- Norway: (larger regional entities)
- Scotland:(centralized with some autonomy)

### Social Health Insurance systems

- Hungary publicly owned hospitals run by regional authorities
- The Netherlands Private non-profit hospitals (university hospitals under public ownership)

# Determinants for country and regional variation in utilization and outcomes



Macro-economic factors:

- GDP level associated with health expenditures and health outcomes
- Unemployment
- Socio-economic differences and health status

Demand-side factors:

- Age
- Income and education
- Health status

# **Macro-economic indicators**



				Country					
	Finland	Hungary	Italy	Netherlands	Norway	Scotland/ UK	Sweden	OECD EU	
GDP/ capita	37479	21409	32648	42716	61060	36158	41461	37050	
Life expectancy	80.6	75	82.7	81.3	81.4	81.9	81.1	80.4	
Infant mortality	3.6		4.4	6.3	4.9	7.5	4.9	5.6	
GINI	0.259	0.272	0.315	0.286	0.250	0.32/0.34	0.259	0.286	
Source: OECD Health Database									

# Determinants for country and regional variation in utilization and outcomes (con'd)



Supply-side factors:

- Capacity (doctors, beds, medical technologies)
- Centralization/decentralization of services
- Monopoly/competition

### Institutional factors:

- Reimbursement and incentives
- Patients fees/gate-keeping
- Freedom of choice
- Regulation of providers
- Guidelines

# **Regional structure of health care**



- Division of regions different functions
  - Health care
  - Non-health care (other public authorities, historical reasons etc.)
- Function of regions (from a health service perspective)
  - Funding health service
  - Purchasing of health service
  - Provision of health service
- Size and number of regions



#### **Structure of purchasers/provider relationship**

Function	Finland	Hungary	Italy	Netherlands	Norway	Scotland	Sweden
Number of funders	320	1	6	24	1	1	21
Number of purchasers	320	1	6	24	4	14	21
(Monopsony purchasers	Yes	Yes	Yes	No	Yes	Yes	Yes
Number of hospitals	32	63	42	100 (appr.)	39	35	65
(Monopolist provider)	(Yes)	No	No	No	(Yes)	(Yes)	(Yes)
Herfindahl-Hirschman index (hospital)	0,75	0,37	0,22	0,23	0,69		0,63
Number of regions (N)	19	20	6	12	10	9	21
Role of region (F, P, H) (F=Funder, P=Purchaser, H=Hospital provider)	н	Н	F, P, H		(P)/H	(P)/H	F, P, H

## **Payment and incentives**



- Fixed payments (budget allocation)
  - Finland
  - Scotland
  - part of Sweden
- Activity based funding (DRGs etc.)
  - Hungary
  - Italy
  - The Netherlands
  - Norway
  - part of Sweden
- FFS
  - Partial service (PCI in Hungary)



# Health care capacity and medical technologies

			Country					
	Finland	Hungary	Italy	Netherlands	Norway	Scotland/ UK	Sweden	OECD EU
Hospital exp./Total HEC exp	36	30.2	47.1	33.5	37.5	NA	43.4	37
Total beds/capita	5,5	7,7	3,4	4,7	3,3	2,7	2,9	5,2
Curative beds/capita	2,9	4,1	2,7	3,3	2,4	2	2,4	3,5
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CT-scanners, total, per million pop.	21.3	(7.3)	32.1	12.5	NA	8.9	20.0	17.9
Practising doctors/1000pop.	2.7	3.1	3.7	2.9	4.0	2.6	3.7	3.2
Source: OECD Health Database					$\smile$	$\smile$		

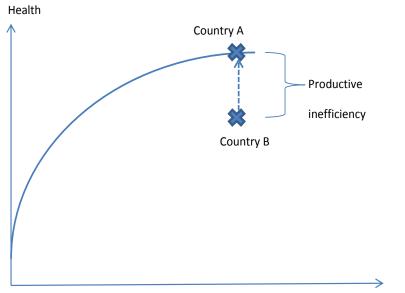
# **Differences in production function?**



- What impact does the general health status in a country have on hospital outcomes?
- Differences in socio-economic status and unemployment linked to health status
- Is the production function embodied in each health system different across countries?
- Explaining cross-country differences and regional variations by allowing the production function to differ

## **Different production functions**

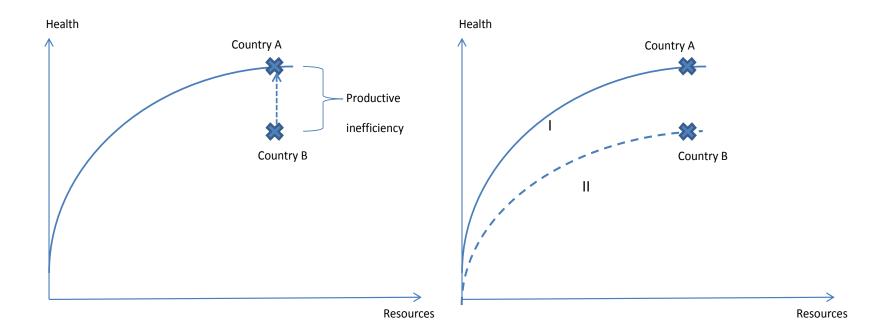




Resources

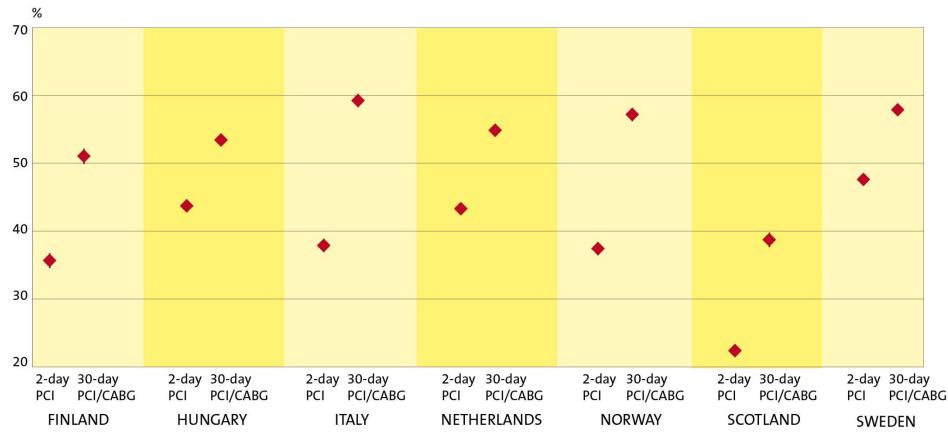
## **Different production functions**





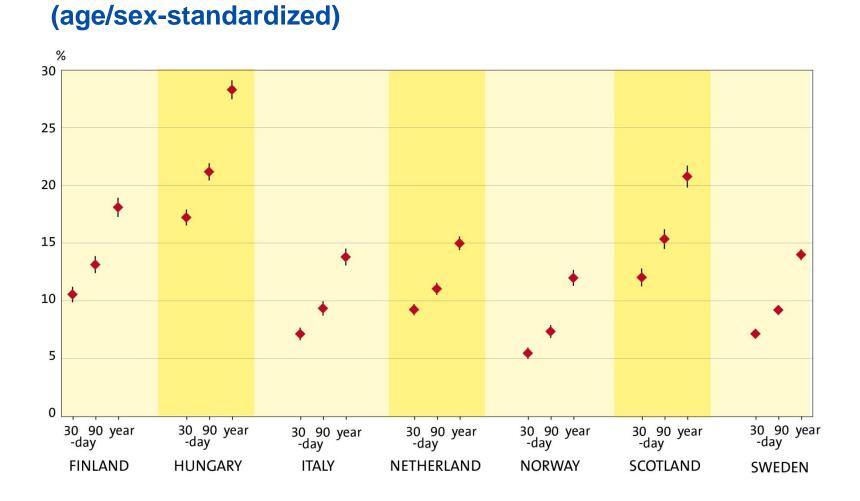
# **Country-level differences:** PCI and PCI/CABG rate (2-day and 30-day, age/sex-standardized)

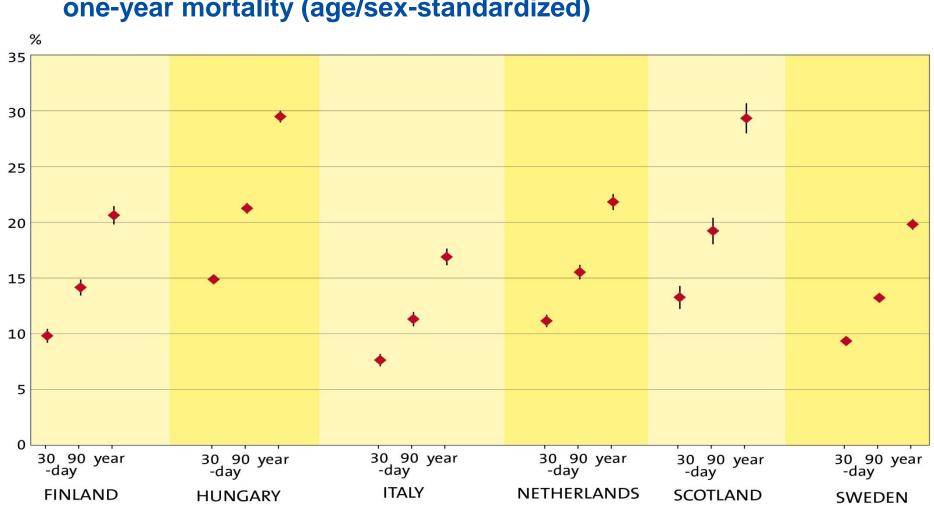






### **Country-level differences** AMI: 30-day, 90-day and one-year mortality





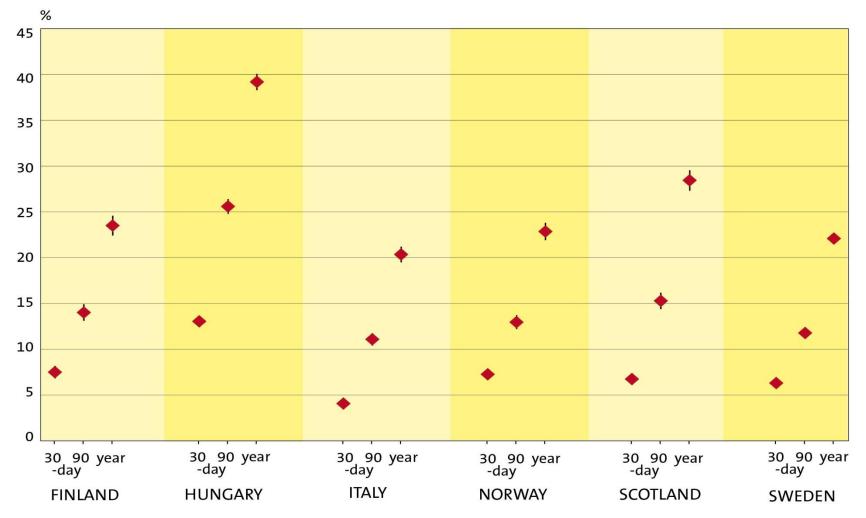
# **Country-level differences**

Ischaemic stroke patients: 30-day, 90-day and one-year mortality (age/sex-standardized)



### **Country-level differences** Hip fracture patients: 30-day, 90-day and one-year mortality (age/sex-standardized)

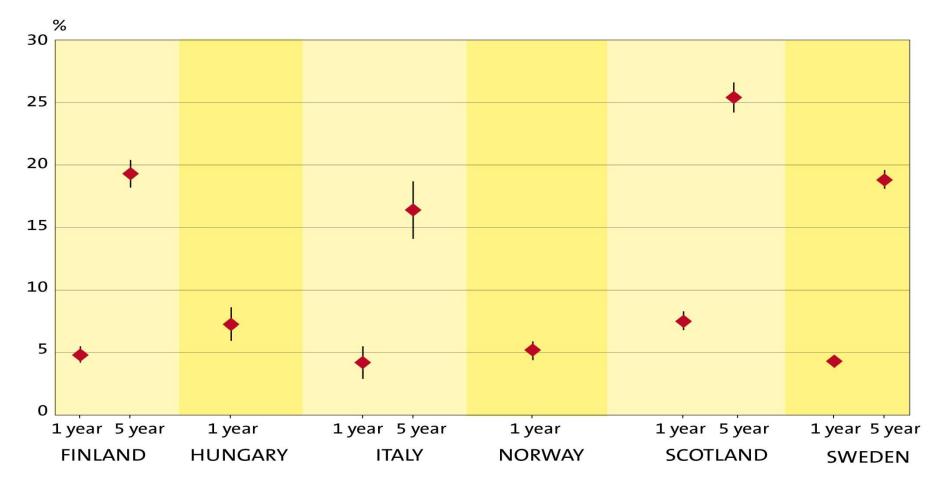






# **Country-level differences**

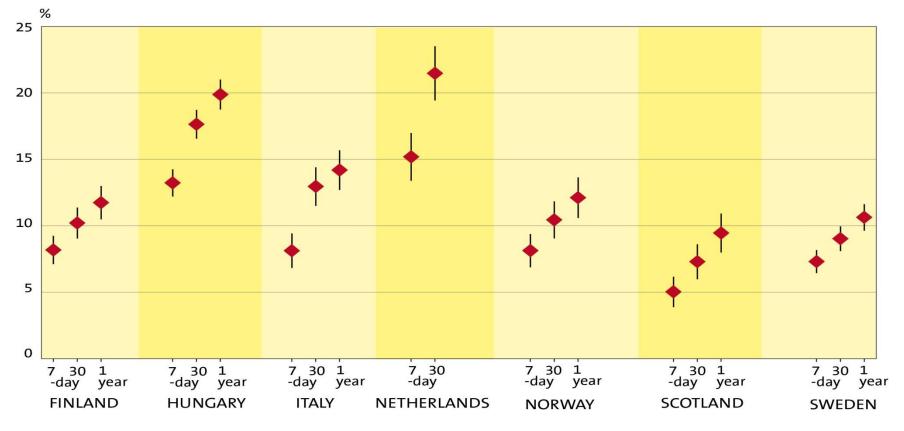
# Breast cancer patients: one-year and five year mortality (age/sex-standardized)





## **Country-level differences**

Very low birth weight and very low gestational age infants: 7-day, 30-day and one-year mortality (risk-adjusted)



### Hypotheses to be considered



- Macro-economic indicators
  - Country differences
  - Regional variations within countries
- Demand factors
- Supply of services
- Reimbursement and incentives
- Regulation and guidelines

# **Concluding remarks**



- Funding of health services largely public and universal
- Differences between integrated provision and contracted services
- The function of regional structure differ according to levels of funding, purchasing and provision
- Differences in reimbursement and incentives
- Differences in determinants of resources and outcomes implies regional variations (GDP/capita, health status, provider structure and regulation)
- Socio-economic differences and health status might effect the production function in each country

### Lenght of first acute hospital episode for AMI,stroke and hip fracture patients by country



