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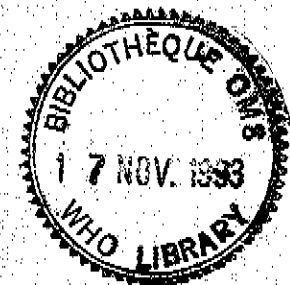
THE FUTURE OF HEALTH CARE FINANCING: Increasing demand and limited resources

Summary Report on a WHO Meeting

Kiel, 9 - 12 November 1992

ABSTRACT

Experts from Europe and North America discussed the future of health care reform. Emphasis was placed on the problem of coping with increasing demand for services at a time of shrinking resources, and particularly the ethical questions that this situation raised. It was acknowledged that although major reform involved a wide range of considerations, reform of any national system would have to take account of the specific societal conditions prevailing, and priorities established accordingly.



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TARGET 27
HEALTH SERVICES RESOURCES AND MANAGEMENT

By the year 2000, health service systems in all Member States should be managed cost-effectively, with resources being distributed according to need.

Keywords

DELIVERY OF HEALTH CARE – trends
HEALTH CARE COSTS
CCEE

Introduction

The meeting was attended by 17 temporary advisers from 13 countries in western, central and eastern Europe and from the United States of America. In addressing the agenda, particular attention was paid to the problem of increasing demand for limited resources.

Discussion was wide ranging, addressing current problems in the financing of health services, and assessing the goals, objectives and process of future health system reform. Important individual presentations were made on the process of reform in Germany, Hungary, the Netherlands, the Russian Federation and the United Kingdom, and served to place the general discussion in context.

While attempts at major structural reform of any health care system tend to occur at discrete intervals, the intrinsic dynamism of health care systems means that the process of reform tends to be ongoing. A substantial part of the meeting was concerned with analysing the conditions faced by countries in attempting reform. There emerged a high degree of consensus on the factors considered most important in both directing and facilitating health system reform. This included an acknowledgement that all systems are having to cope with an apparently limitless range of health needs with fewer resources. This implied facing up to the challenge of rationalizing and setting priorities, while limiting access to or use of services is considered necessary in some countries.

Under these conditions, any proposal for health system reform must attempt to balance concerns of equity with a situation where choices are, of necessity, limited. It is at this level that the ethical aspects of apparently conflicting objectives must be resolved. Some assessment of micro and macro efficiency, both of the current and of the planned system is essential. This type of analysis will require accurate, adequate, comprehensive and timely information, which is also a necessary precondition for evaluation of health policy in general. An assessment of how much the community may be willing to pay for a given level of health gain is an important guiding principle for any proposed reform of the health care system.

The planning and implementation of a major structural reform is an enormous challenge, requiring consideration of a wide range of factors. While the initial choice of a certain model or approach may be considered important, such choices may in fact be governed by prevailing societal commitments, such as the close relationship between citizens' rights and access to health care. Standard models like a national health service, insurance-based systems (whether social or private) or the private market approach may attract initial consideration, though in all cases a

choice of model for reform must be specific to the society for which it is conceived.

The objectives and priorities driving any reform may be expected to be closely related to the issues providing the initial impetus for reform. If the need to limit expenditure, together with changing expectations and consumer dissatisfaction, come to the fore in the drive for reform, then these factors will emerge as priorities in choosing an alternative model. Given the prevailing economic climate in recent years, it would be expected that all new attempts at reform would also need to have regard to efficiency.

Irrespective of the model adopted, any change in the operation of a health care system will have to take a number of core factors into consideration. These include population coverage and access, services offered and the approach to financing, resource allocation, reimbursement, monitoring and control. The whole range of options may not be available for each of these factors: where a system currently covers all basic services for most of the population free of charge, it would be very difficult to move abruptly to one in which access was restricted and determined on a financial basis. Theoretically, the choices facing strategists are wide-ranging; in reality, however, the range of options will be greatly limited by the situation prevailing within the health care system at the time of reform.

In addition to being affected by the local, economic and political environment, the pace of implementation of any agreed reform will be influenced by such factors as the availability of capital and human resources. In particular, the mix and availability of these resources will be directly related to the types of service that can be delivered. While the urgency for reform may be generally acknowledged, it may be necessary to proceed step by step if adequate stability is to be maintained within the system as a whole.

Conclusions

The process of health system reform is currently the subject of consideration, debate, implementation or evaluation in many countries. Such processes are taking place in the post- "cold war" era, where many of the countries of Europe are forging closer political and economic ties. It is to be hoped, therefore, that the debate on health system reform will increasingly concentrate on the issues and less on ideology, as was previously often the case.

It is proposed that the challenge lies in balancing the so-called "health policy equation". One side of this equation would be expected to encompass such issues as entitlement to health services, and the financing, organization and management of services, together with human resource development and

technological advances. These factors warrant inclusion on any agenda concerned specifically with health care expenditure. This needs to be balanced by questions of public policy, specifically such issues as citizens' rights, patient satisfaction, health service

performance and quality of care, health outcomes and health gain. While it may be rather ambitious to hope for a reasonable balance of these issues in the near future, it remains a worthwhile objective for strategists planning future reforms.