



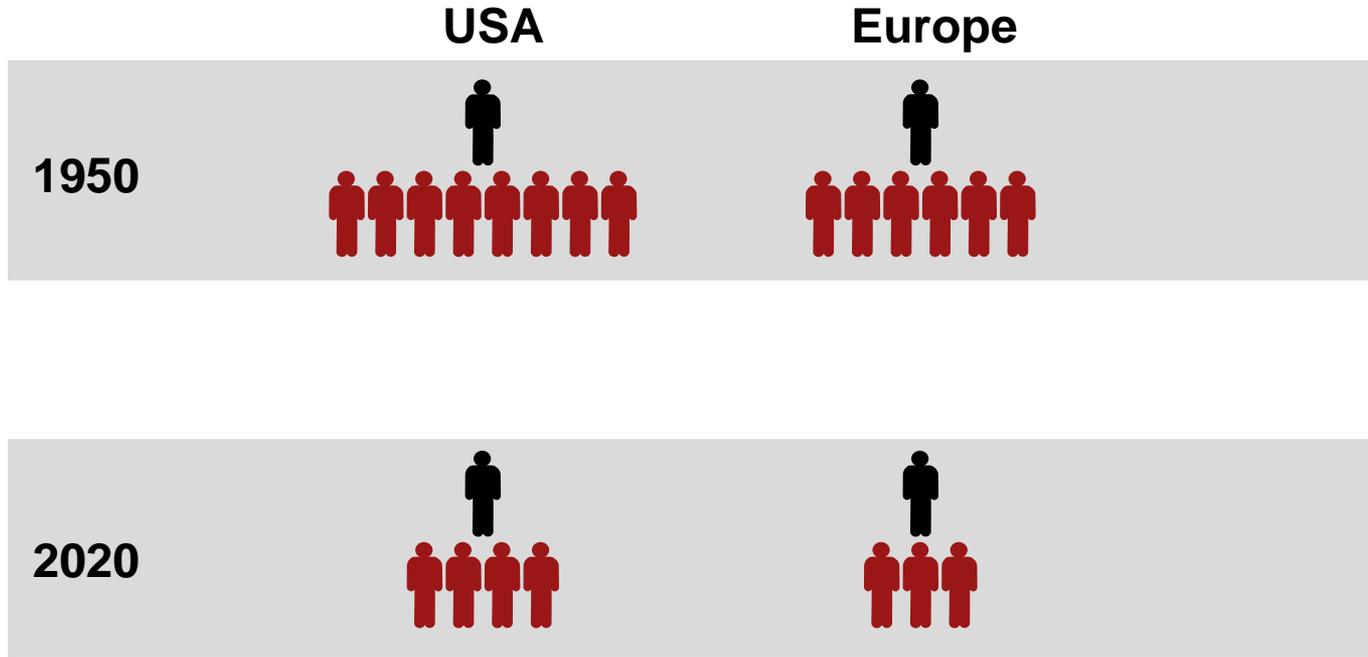
*Sustainable Health in an Environment of
Economic Austerity: The Industry's
Perspective*

March 27, 2014

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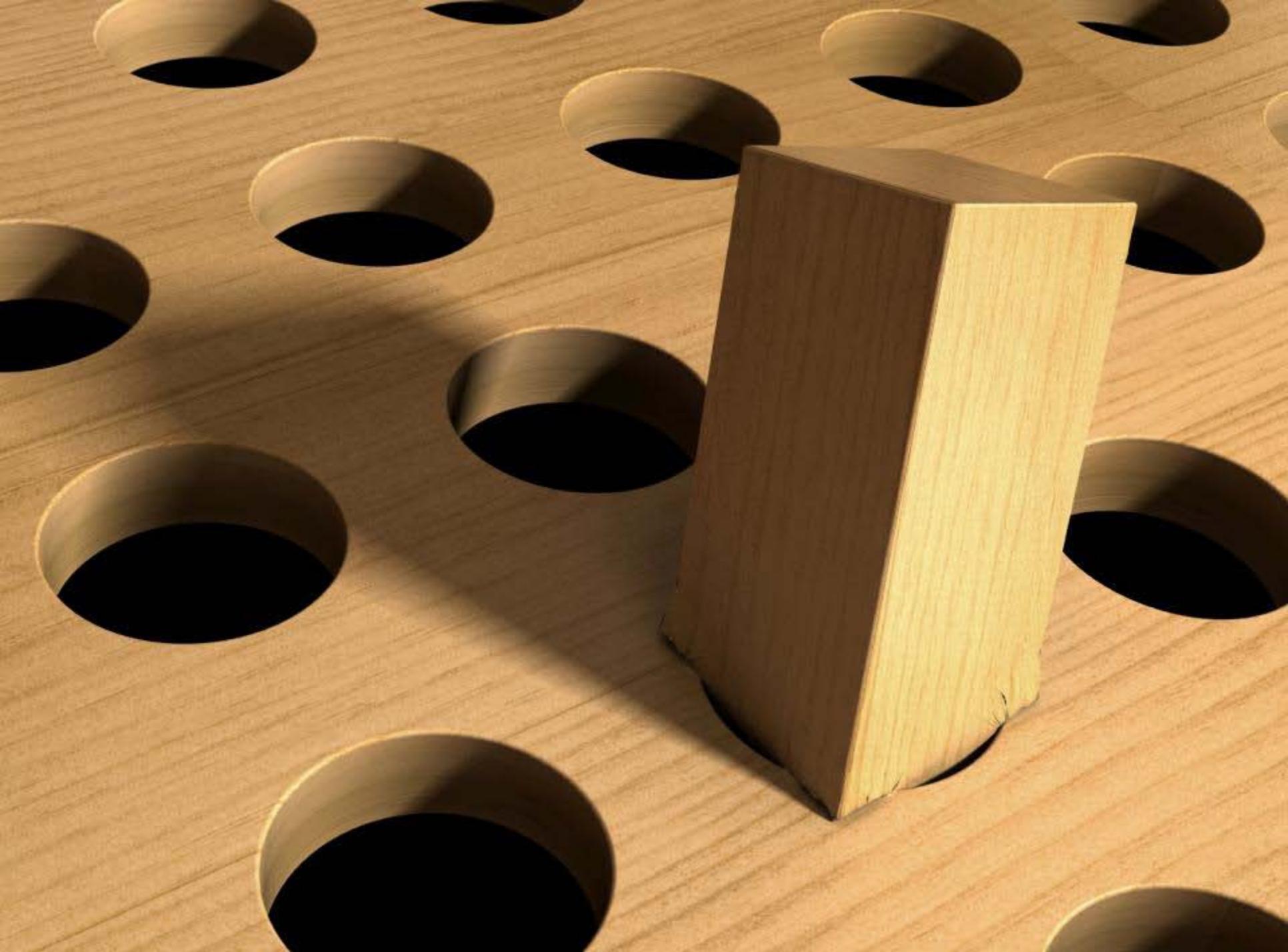


Most health systems were designed for a demographic different to today's



 = Working age

 = Retirement age

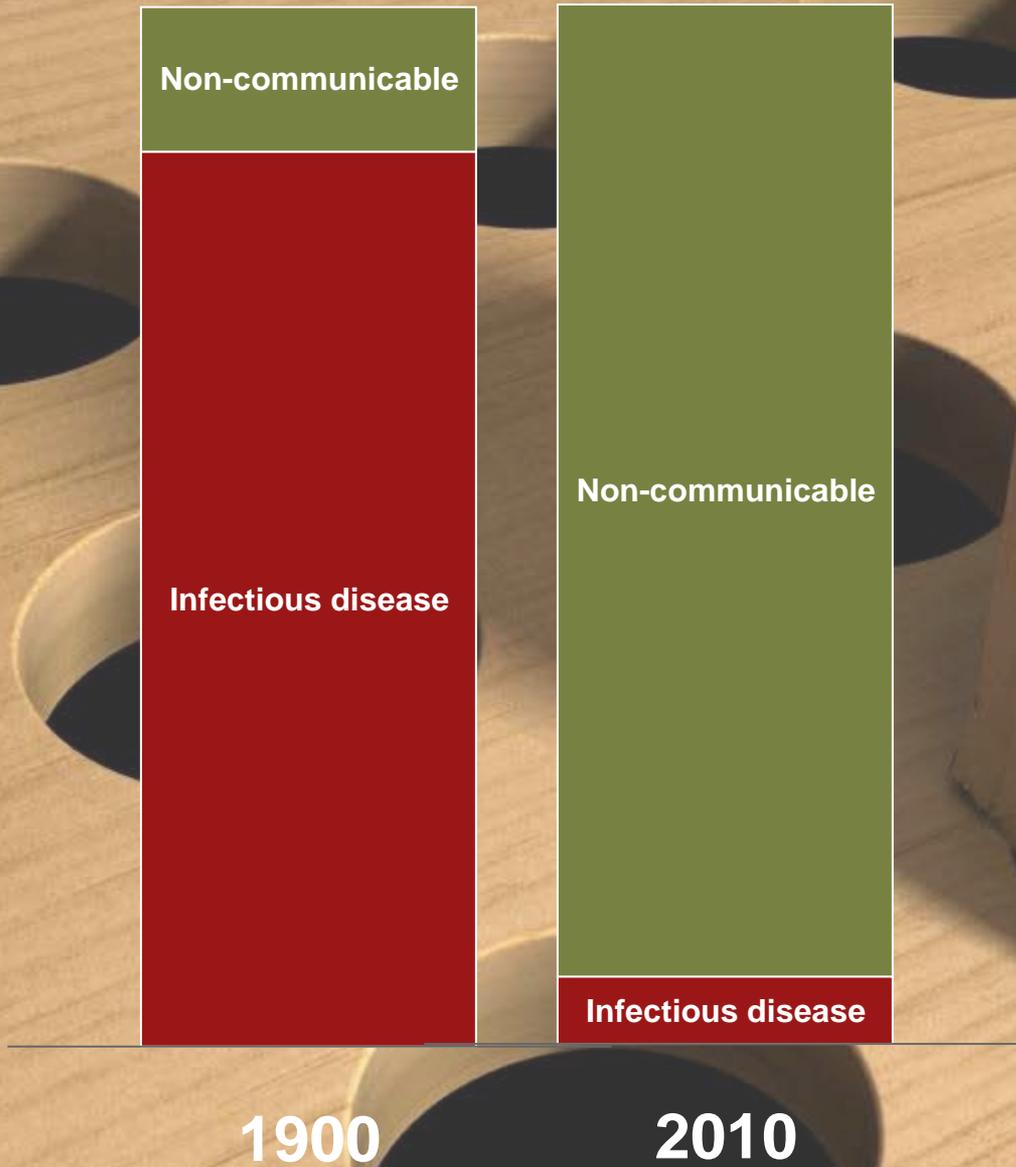


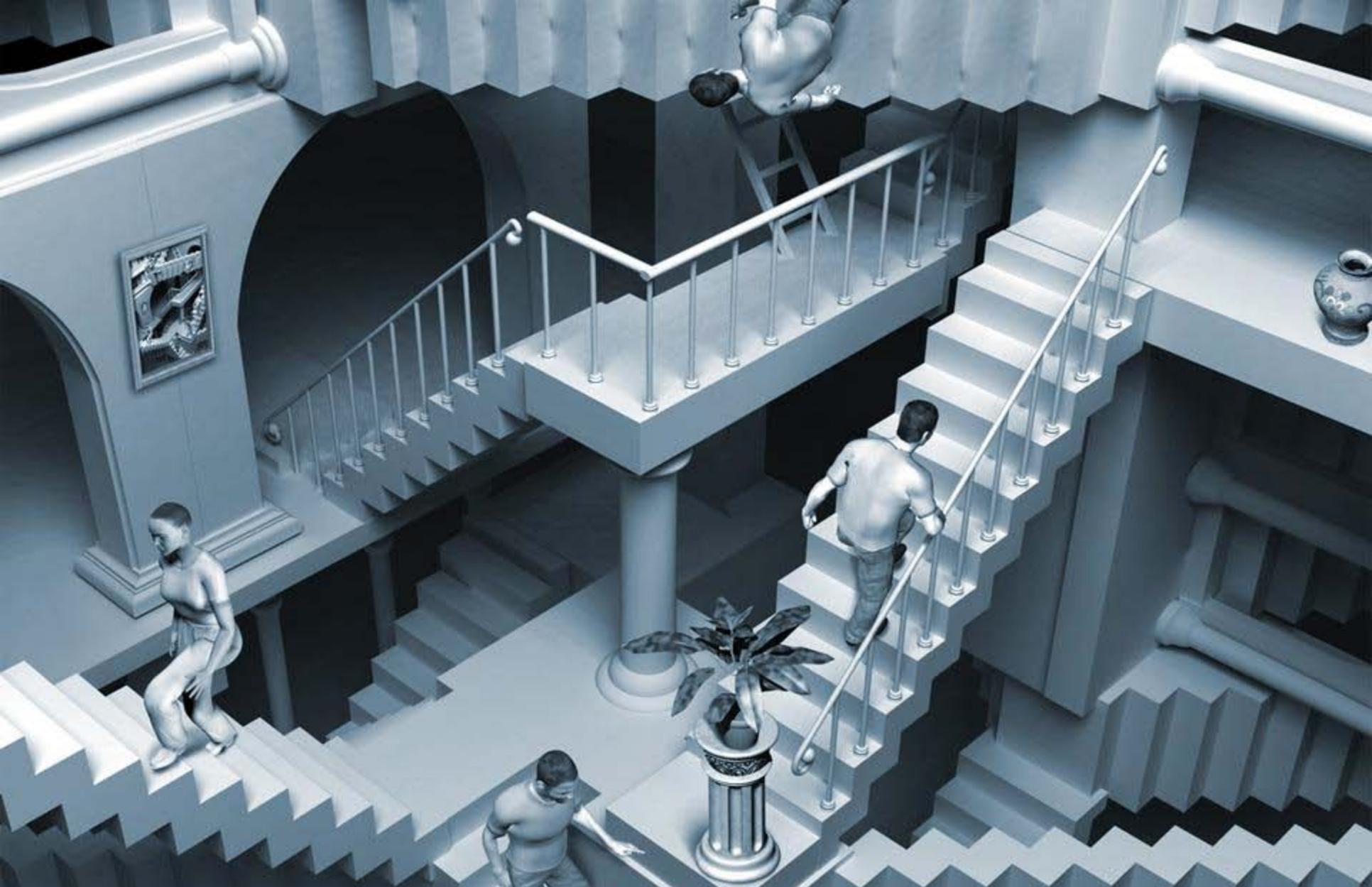
Causes of death: US, Canada, Western Europe



1900

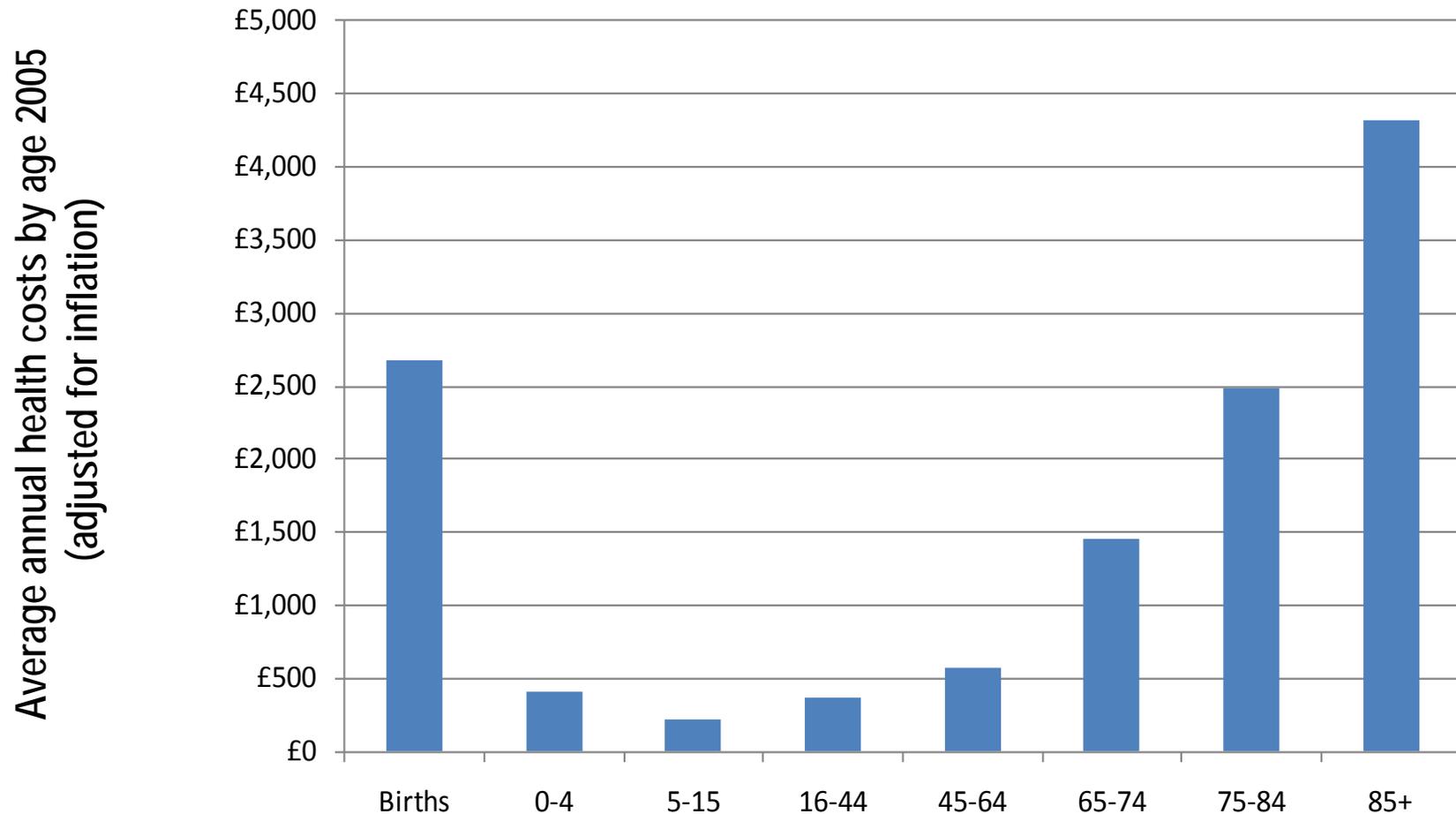
Causes of death: US, Canada, Western Europe





...but we can't seem to get there

Healthcare costs rise exponentially after the age of 65 years...

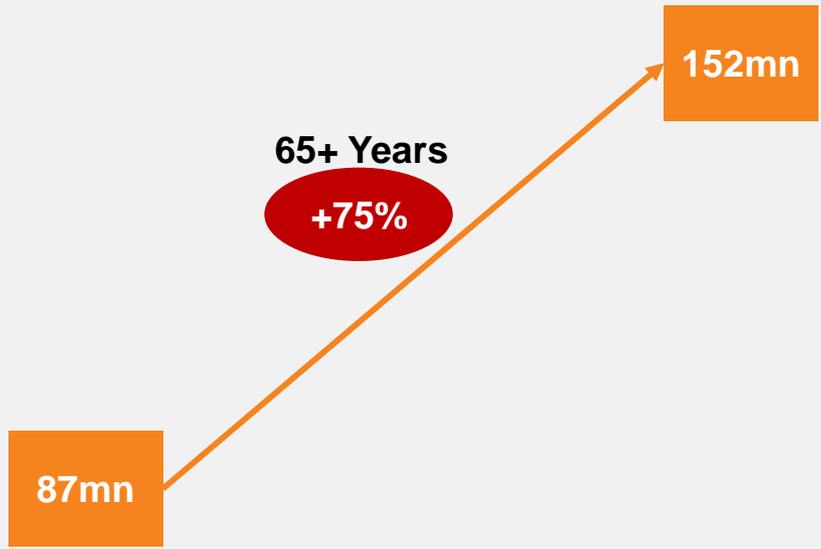


Department of Health (2005) Social Trends 35: 2005 edition. Chapter 8. Social Protection.



Looking to the future, Europe needs to find solutions to pressing demographic challenges that will impact health spending

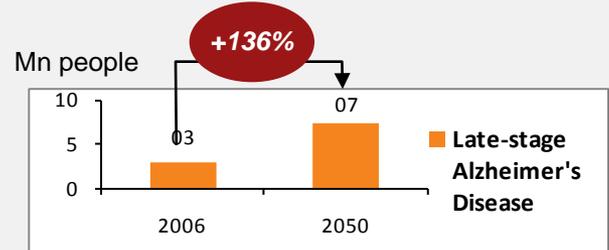
Demographic Development*



System Impact: Severity, length and increased incidence



Increase in severity of Degenerative Diseases[†]



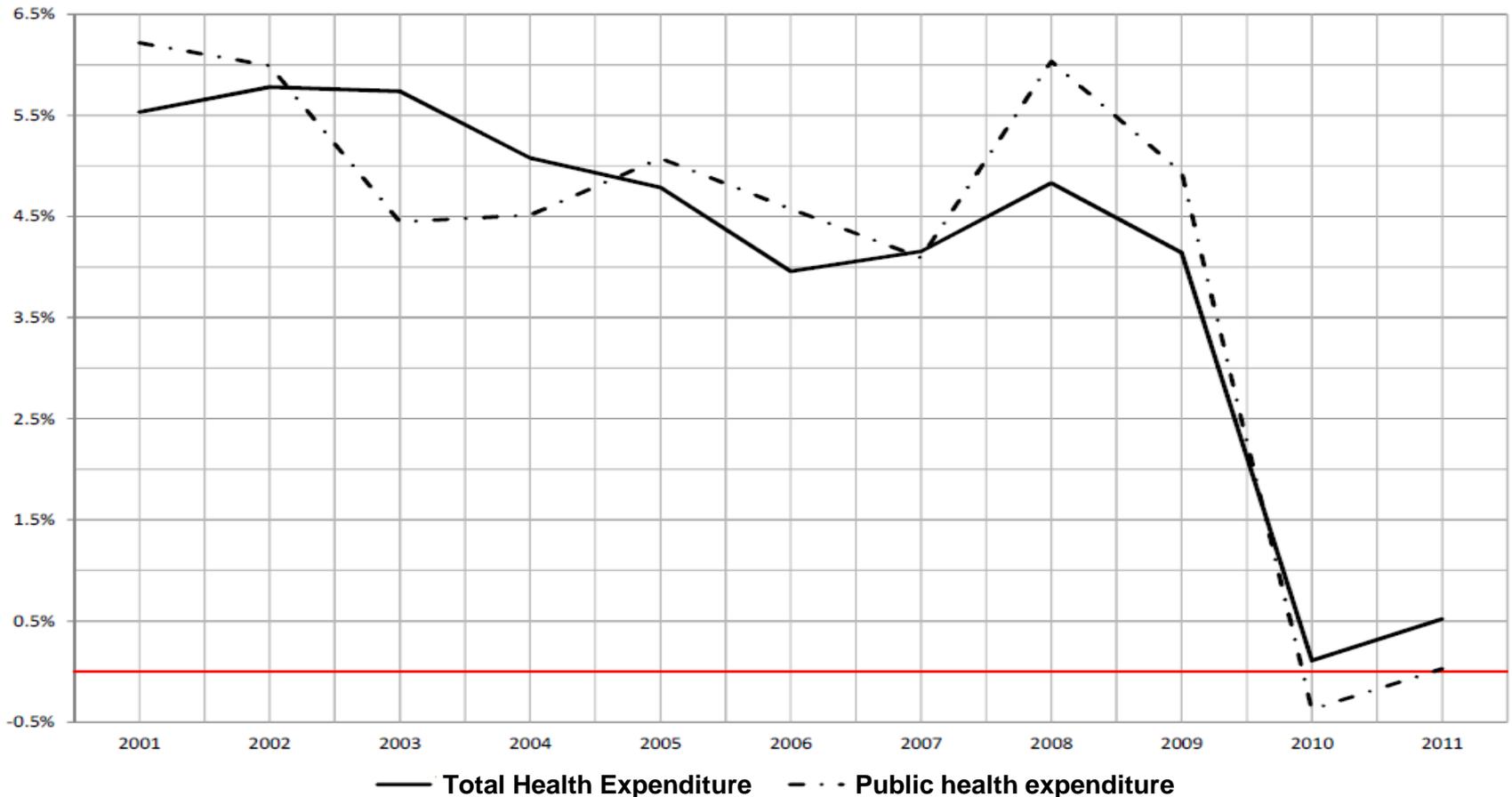
Costs are set to continue to rise...

Country	2007	2040 Baseline
United States	15.7	23.8
France	11.0	15.7
Switzerland	10.6	16.3
Germany	10.4	12.5
Austria	10.3	15.4
Canada	10.1	13.4
Belgium	10.0	14.1
Portugal	9.9	16.2
Denmark	9.7	9.6
Greece	9.7	15.3
Netherlands	9.7	12.1
New Zealand	9.1	11.7
Sweden	9.1	10.4
Norway	8.9	14.5
Italy	9.1	11.4
Spain	8.4	13.5
United Kingdom	8.4	11.0
Finland	8.2	11.6
Japan	8.1	11.5
Average	9.4	13.4

High projection applies a 2.5% probability of being on standard deviation higher to each year

Impact of the financial crisis on health budget

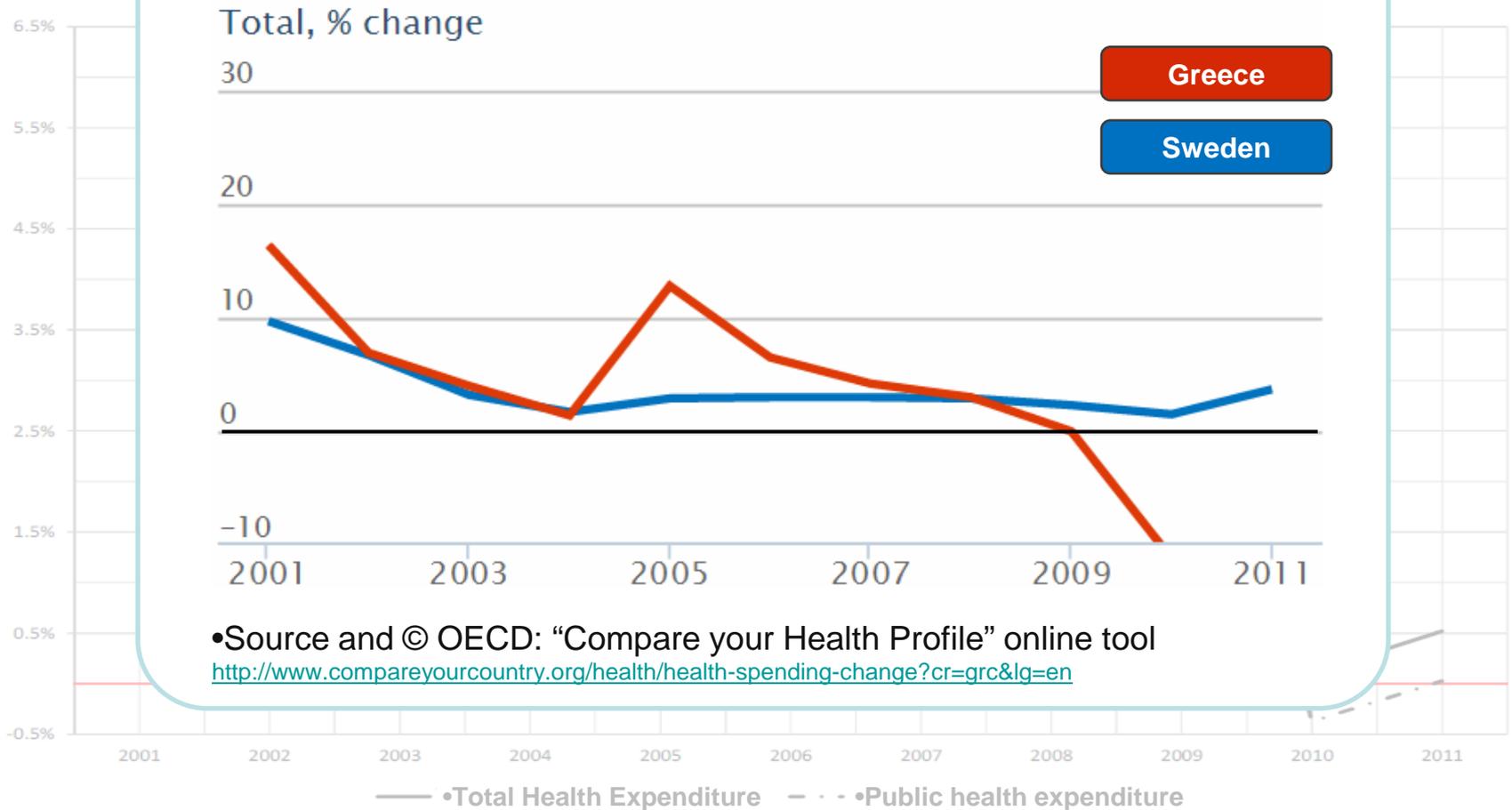
Average OECD health expenditure growth rates from 2000 to 2011, public and total



Source and © OECD, 2013; "Recent Health Expenditure Trends", November 7, 2013

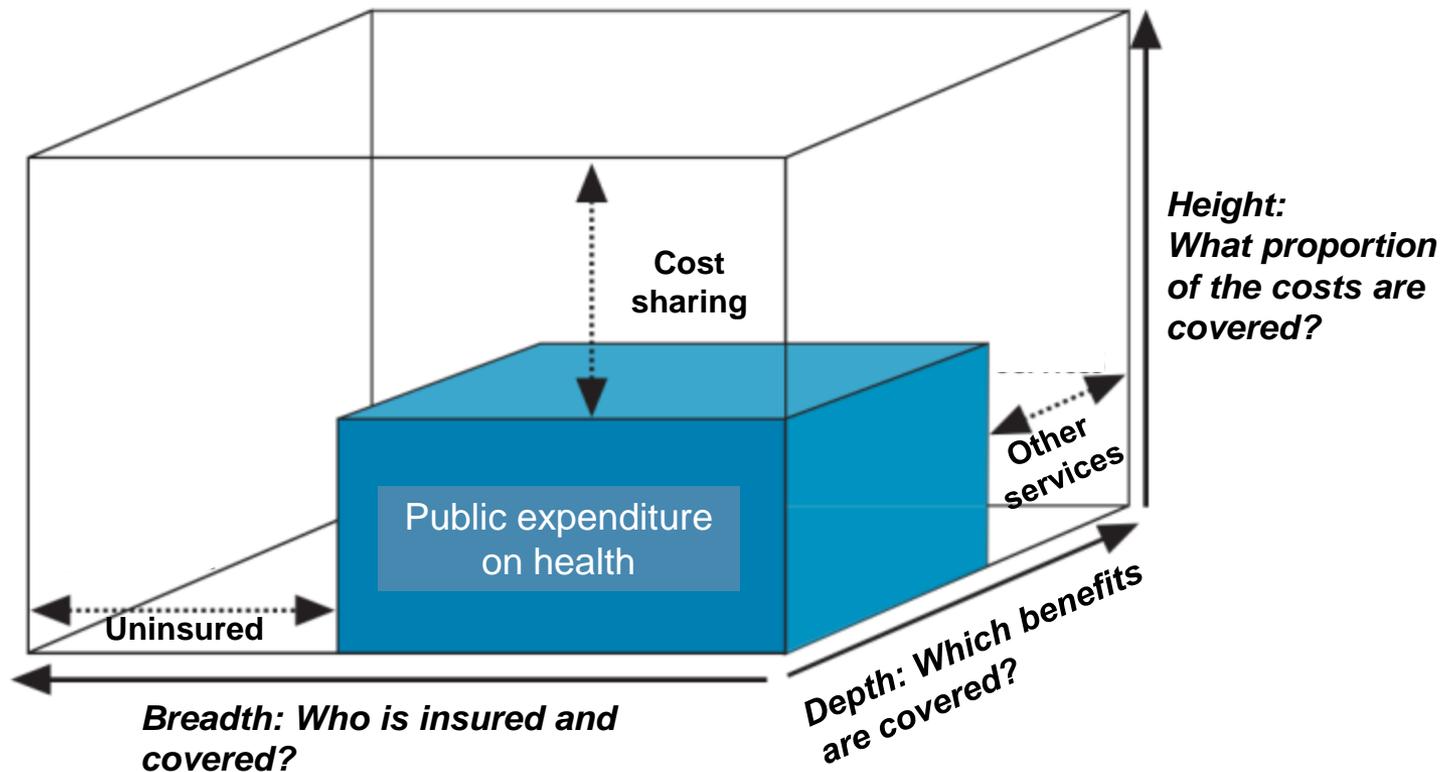
Impact of the financial crisis on health budget

Health expenditure growth rates from 2000 to 2011, public and private



Three dimensions of healthcare financing

Three dimensions of healthcare financing policy

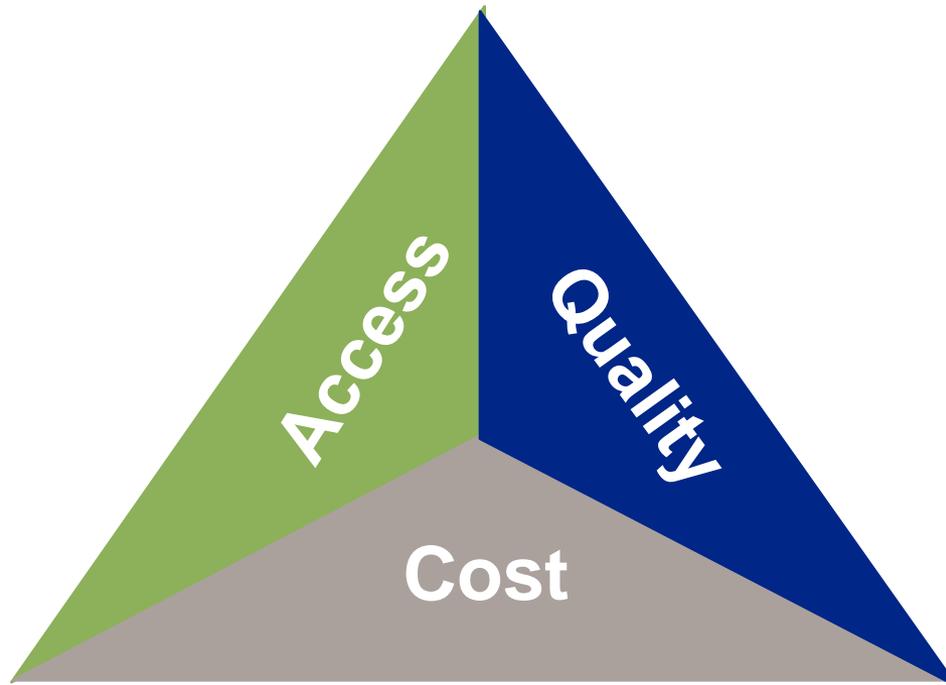


SOURCE: Busse R, Schlette S, eds. Health Policy Developments Issue 7/8. Focus on prevention, health and aging, new health professions. Gütersloh, Verlag Bertelsmann Stiftung, 2007

http://www.hpm.org/Downloads/reports/Health_Policy_Developments_7-8.pdf

The Healthcare Iron Triangle

Improving Access to Quality Healthcare without Breaking the Budget



Which tyre would you buy?



Price: 200 Euros

Mileage: 10,000 Km



Price: 400 Euros

Mileage: 45,000 Km

The one that gives better value for money...

If the US system moved to value based payments towards health care professionals...

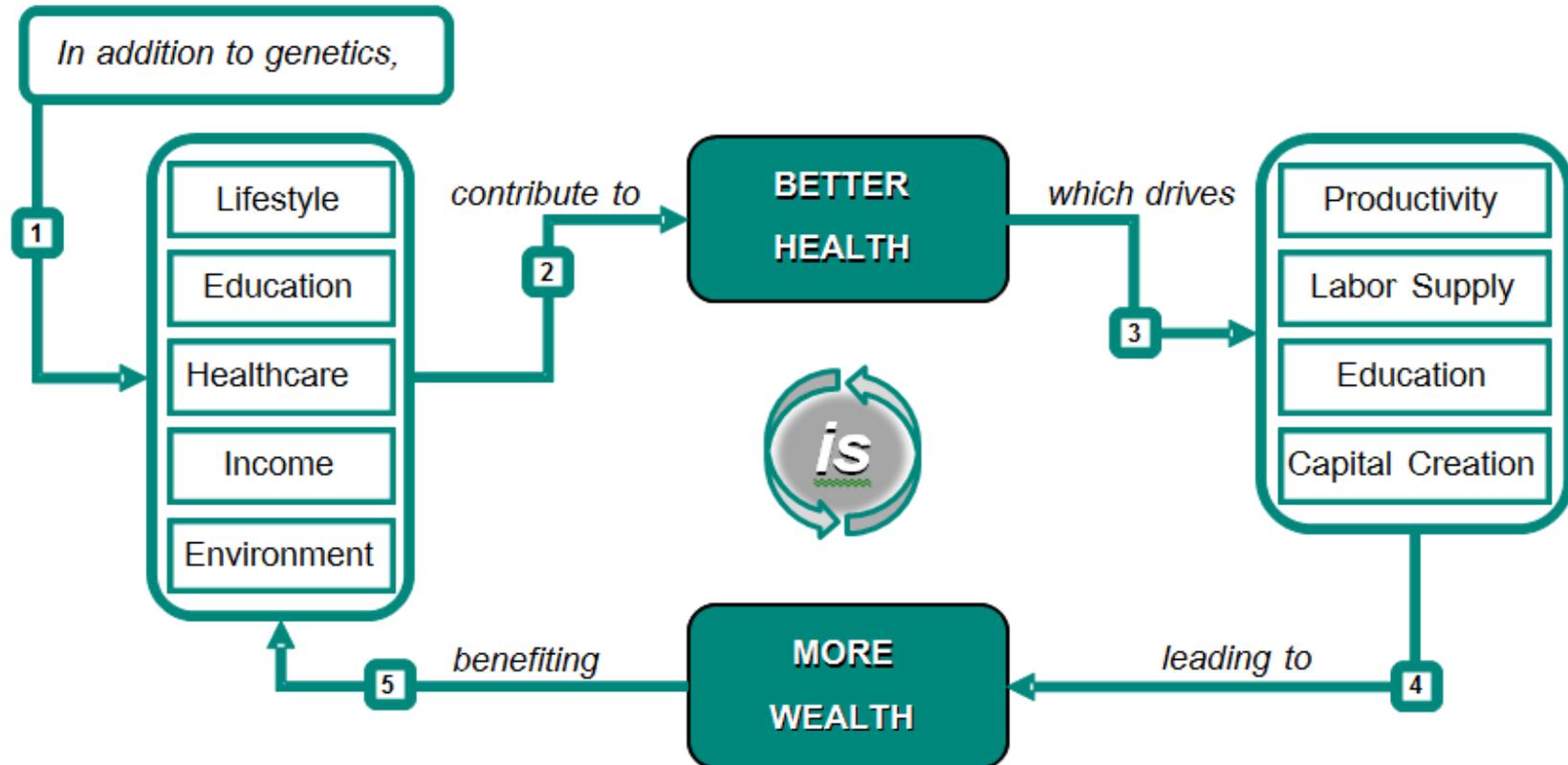
Savings

\$1 Trillion



1. Healthcare is the solution, not the problem

Health spending is a crucial investment to promote economic growth



SOURCE: MSD, adapted from "The contribution of health to the economy in the European Union", Suhrcke, McKee for the European Commission, DG Sanco (2005)

2. Focus on the patient



From Payer/provider-centered healthcare

System designed for disease

Patients are passive consumers of care services

Reactive – aim for cures when symptoms occur

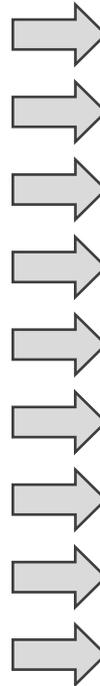
Providers held responsible for advising patients

Episodic testing

Focus on current medical problem

Short visits with little information

One size fits all



To Patient-centered healthcare

System designed for health

Patients are active partners in managing own health

Proactive – **aim for prevention** and early detection

Providers held responsible for health of population

Clinically impactful **biomonitoring**

Focus on all risks and needs

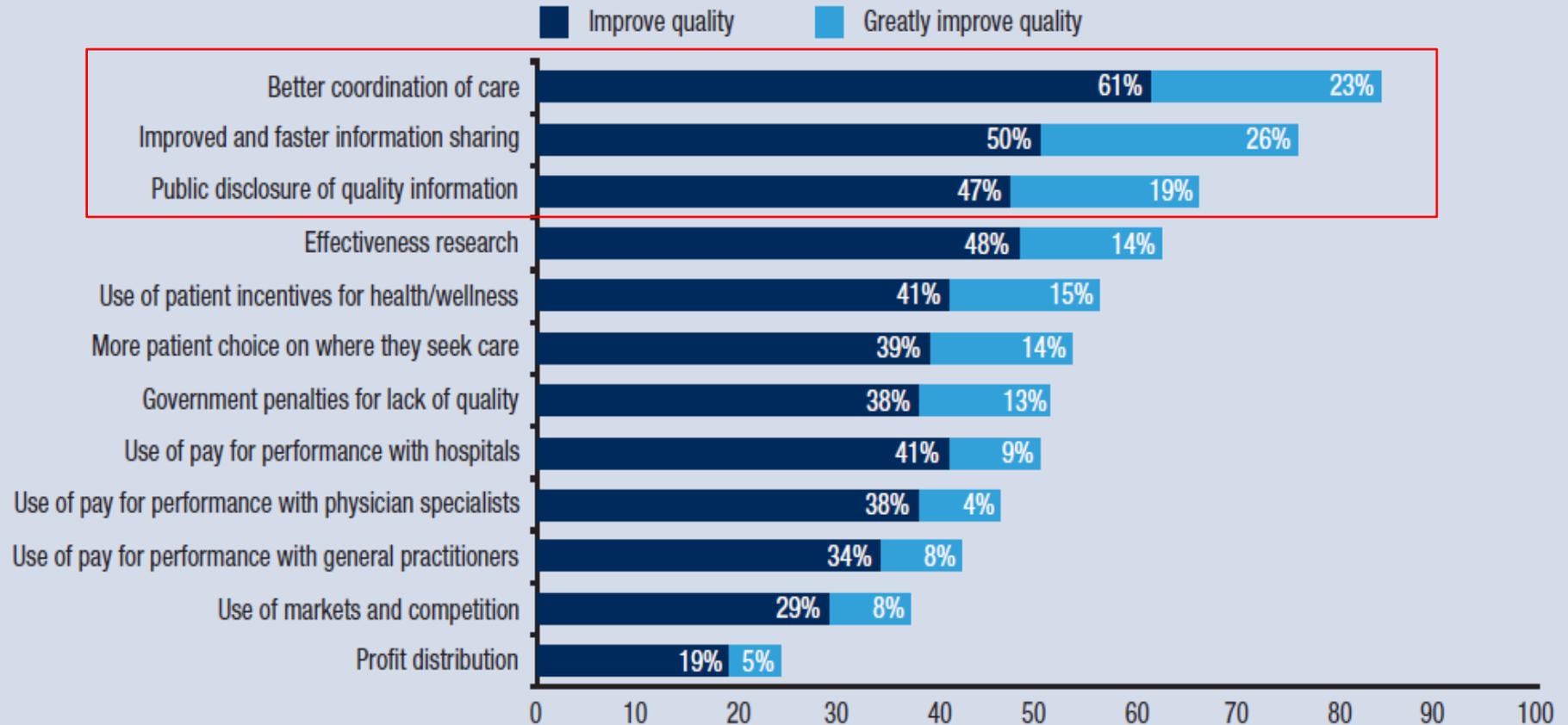
Continuous **personal relationship** with coaching

Customized **personal approach**

SOURCE: *Transforming Pensions and Healthcare in a Rapidly Ageing World*, © World Economic Forum (2009), adapted from Institute for Alternative Futures, *Healthcare That Works for All* (2009), and the World Health Organization, *The World Health Report* (2008)

3. Focus on value to improve quality and efficiency

Which of the following actions would improve the quality of healthcare the most?



Source: “Transforming Pensions and Healthcare in a Rapidly Ageing World”, © World Economic Forum, (2009); Adapted from PricewaterhouseCoopers’ Health Research Institute Survey 2008: *You Get What You Pay For* (2008)

4. Adopt Health in All Policies approach

Our health status is shaped beyond our healthcare systems and is not the sole responsibility of the Ministry of Health



“We have to create an environment conducive to healthier living. [...] All sectors of government and the private sector have to be involved; it is not just the responsibility of the Ministry of Health alone.”

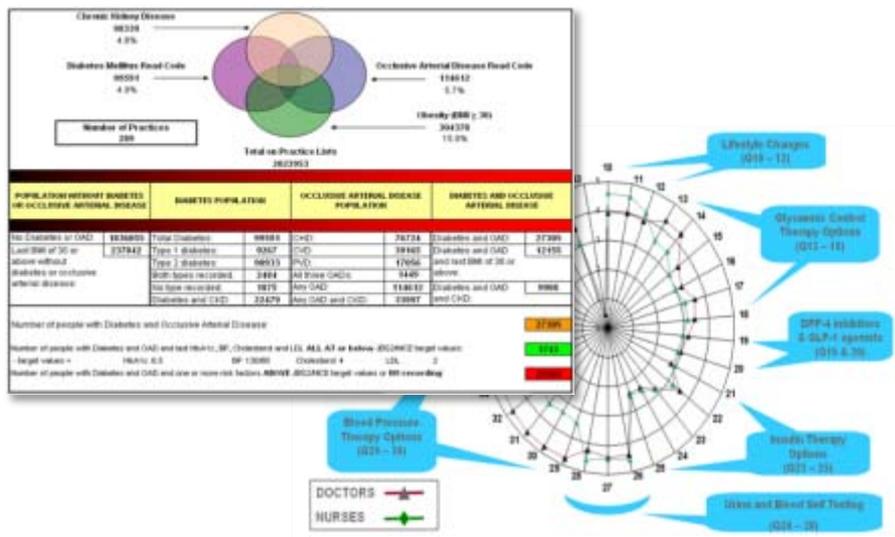
WHO on World Health Day 2013

“All ministers are health ministers”

Sir Michael Marmot, Professor of Epidemiology and Public Health at University College London

5. Embrace innovation and new business models

Case Study – MSD’s Evidence in Practice (EiP) service in the UK delivered measurable decreases in the numbers of diabetic and CVD outpatients



Impact of EiP in NHS Greenwich

- Pilot sites using EiP services saw a **12% and 8% decrease respectively in the number of diabetic and CVD outpatients** over a year
- The local PCT estimated that by extending EiP services to all GP practises, **it could generate over \$1mn in savings p.a.**
- It has also been estimated that over a ten year period, EiP can deliver a **11.9% increase in life expectancy** and a **13.3% increase in QALY**

Following its implementation in Greenwich, EiP has been endorsed by NICE and initial results have been published by NHS Evidence

Good medicine is good business...



We try never to forget that medicine is for the people. It is not for the profits. The profits follow, and if we have remembered that, they have never failed to appear. The better we have remembered it, the larger they have been.

... We cannot rest until the way has been found to bring our finest achievements to everyone.

