A guide for the Management Healthcare System reform

A model for the future

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Authorities, partners and friends

It is for me a pleasure to participate in this important event. My best thanks to Professor Pais Clemente whom I have had the pleasure of attending in Madrid. I thank him for his presence in the acts of the Bamberg Foundation.

Given the numerous sector analysis reports and recommendations, the Bamberg Foundation has taken a step forward by proposing, in line with most of the recommendations provided by the many existing reports, a new political, organisational and functional model to address the issues raised. This new health care model would be comprehensive, coherent and consistent between all parties and could be adapted to different future economic situations in the most effective and efficient manner.

This model is based on principles such as the essential objective of health care as a country's strategic value, equality of access and enjoyment of public health services and cohesion among their citizens and territories, applicable also to different European countries.

The model is based on the idea that the Government, through revenues obtained from taxes, has to ensure services such as education and health in order to produce a healthy and educated population that is thus capable of developing financially, culturally and socially. To this end, the State, in the case of health care, must establish the ground rules necessary to guarantee public health and the proper delivery of health services regardless of if they are public or private.

The model is also based values such as effort, creativity, innovation and recognition of results achieved as the basis of economic, scientific and cultural progress. These values should be rewarded by recognising them both socially and economically.

Welfare models based on public production of goods and services—with a civil service structure, a public accounting and financial system and depending hierarchically on the government and therefore subject to political interventionism—have been shown to be entirely bureaucratic, inefficient and ultimately ineffective and corrupt.

Models based solely on private initiative that fail to address necessary planning in terms of territory and population structures are incomplete and largely ineffective in achieving the strategies aimed to ensure the health of the population, the nation's health. It is therefore necessary to combine planning with free enterprise and free market.

The model for the future must provide for and reconcile planning with freedom and both with regulation and transparency.

To this end we propose the separation between the activities of Funding, Insurance and Provision of health services:

FIRST:State **funding** of a core portfolio of services to all their citizens, under the general budget.

The national government is responsible for determining the financial capacity available for health services because it determines the country's fiscal policy and collects resources.

SECOND Insurance. This is the most important function since it focuses on determining the premium payable for the portfolio of insured services.

These jobs are what determine the extent of the services, prioritizing and directing them according to the availability of funds to cover the specified premiums.

In order to give this function more visibility, the creation of a State Insurer Entity should be considered. Likewise the State should consider the possibility of complementing this function with private insurers that may offer lower premiums or better benefits.

THIRD: Delivery of health services. The model therefore proposes that regional authorities handle the planning and creation of Health Areas and Benchmark Health Centres to ensure accessibility and equity in the country’s various territories and populations. The determination of the non-regional Benchmark Health Centres would be handled by the State.

The Model proposes the outsourcing of care management of Areas to self-managed public or private Health Managing Entities made up of all health care centres required. In other words, they will manage all human, technological and material resources necessary for carrying out their activity in accordance with quality standards and outcomes set forth with respect to health services insured by the State. These Entities must operate under a single management and shall consist of hospitals and health centres.

The Model stipulates that payment to the Health Managing Entities is according to a per capita scheme, that means, a fixed amount for each individual from the area served. Services would be billed when provided to patients from outside the Area.

Capitative payment leads to health promotion and disease prevention by Health Managing Entities. Self-management and crossinvoicing leads to competitiveness, driving innovation and quality enhancement.

The Model is completed with individuals' **free choice** of insurance company, healthcare centre and doctor throughout the State and crossinvoicing for care to patients in other Areas in any Region, thus ensuring cohesion between country's territories.

Free choice, can, in turn, allow effective access and equity among all citizens of all territories. People will no longer have to be resigned to their local hospital being better or worse in the treatment of a particular pathology, but can choose the best hospital based on the information available.

The value of competitiveness

A Health Managing Entity, whether public or private, needs to pursue quality and clinical excellence to survive. If it fails to do so, it falls short of its function and patients will not show up. But they also need financial sustainability. Without it they will have to close.

For there to be real competition—not on price but on volume of activity, productivity, costs, quality and innovation—it is necessary, whether for public or private centres, that they have their own legal personality as well as modern and effective management tools, like those available to private companies, without losing sight of the core values and commitment involved in health care delivery.

Freedom of access, transparency, homogeneity and free competition are the elements needed to optimise the markets for goods and services. Our Model addresses the need for transparency of information regarding resources, activities and health outcomes of healthcare institutions, whether public or privately owned, and professionals. Also addresses the competitiveness between hospitals or medical centres, both within and outside the health area, to care to citizens insured, centres billing each other for care offered to a citizen by a centre or hospital other than the patient's local hospital.

The Role of Public Administration

In health care, the role of government is essential. First, the government plays an important role as director of social policy, having to determine, with the approval of Parliament, the volume of the national budget to be allocated to health care. This involves determining what proportion of money raised will go to the public health policy development and delivery of public health services.

Besides its role of financier, it is also involved in regulation and control of the market to avoid a permanent prevalence, in order to avoid speculation, monopoly or oligopoly scenarios. The State shall regulate the health and welfare activities by establishing the necessary measures to ensure transparency with regards to knowledge of the characteristics, resources, services, activities and health outcomes of each centre and medical service, whether public or private. It should also develop the semantic interoperability and technology regulations for all health care software systems and the evaluation and approval of health technologies, medications and service portfolios. Regulations should focus more on the prevention policies which entities should follow that on the penalties for noncompliance.

Clinical care

The model hinges on the concept of the general practitioner as steward of the citizen's health management. This implies a new role for family doctors as co-managers of the health of their patients, and the removal of levels of care by transforming care into integrated processes.

Health Management Entities must develop a comprehensive, proactive, preventative and predictive management system. The general practitioner has to manage the personal risks of the assigned population arising from their congenital risks, age, sex, unhealthy habits such as smoking, poor diet and sedentary lifestyle, and environmental risks arising from their natural and social environment and occupational risks. They should also be involved in managing their patients' disease, cooperating and sharing information of the various processes and episodes treated by other specialists. Clinical care has to be organised by processes, integrating all actors within and outside the hospital, focused on patients with particular attention to the most prevalent as Cardiovascular, Oncology, COPD, and Mental Health. Each patient is a case, mostly with multiple pathologies and diseases in which multidisciplinary care is needed.

Health staff

A revaluation of the doctors is required, in which the professional is valued in terms of authority, participation in management and initiative. It is necessary to create the conditions to get a social recognition, authority and independence and participation in management. Doctors should stop being civil servants in the service of the public administration in the power.

It is necessary to ensure the transparency of the labour market in terms of needs and compensation, promoting and ensuring freedom of contract staff mobility.

Compensation systems should be based on skills and competencies and incentive evaluation should hinge mainly on health outcomes, not on activity undertaken, as is the case today.

This must all be done under a Statute for all professionals, regardless of whether the centre where they work is public or private, which should facilitate personnel management based on a clear value proposition for all health care professionals, covering aspects such as the development of a socially recognised professional activity in a pleasant and safe working environment, the development of the clinical profession in all its areas: health care, research and teaching, access to competitive and fair compensation based on individual and collective achievement, and the appropriate work-life balance.

It is also necessary to strengthen civil society through the transformation and development of the role and relevance of national professional bodies of doctors, nurses and pharmacists, as catalysts for professional development, self-control and expression, as well as professional associations and scientific societies.

Guide for reform

To manage the reform, it is desirable to have an independent entity supported by the Ministry of Health, the participation of regional government and the representation of civil society (private sector). This entity should be able to integrate reform proposals,

Urgent measures for cost containment are interim measures, and reforms should not end there. The Model outlines the set of structural measures that have to be taken to achieve the optimisation of health management: maximum benefit in terms of quality and health outcomes at the lowest possible cost, enabling and fostering scientific development and innovation.

The State, with the commitment of civil society, should set a Target Model, for which this model can serve as a benchmark, and set the road map to reach it, taking gradual steps while avoiding unwanted side effects which might arise from not taking other steps simultaneously.