The Global Challenge of Health Systems

Ariel Pablos-Mendez, MD, MPH
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A brief history of Global Health

- Tropical Medicine
- International Health
- Global Health

- End of Euro-colonialism
- End of the Cold War

1960’s
1990’s
A new set of Problems

Access
- Limited access to care, especially in rural areas
- Inadequate pool of medical and nursing staff
- Uneven availability of medicines and supplies

Affordability
- High out-of-pocket expenditure
- Impoverishing catastrophic expenses
- Undeveloped health insurance mechanisms

Quality
- Lack of enforced quality standards
- Varying provider incentive structures
- Recent IOM reports
Pocantico II

The Global Challenge of Health Systems

September 20–21, 2007
What are Health Systems?

All organizations, people and actions whose *primary intent* is to promote, maintain or restore health
RF analytic lenses

• Health Equity

• “Good health at low cost”

• The Economic transition of health
“Good health at low cost”

Variation in health outcomes highlights considerable room for improvement in the performance health systems.

R² = 0.58

Source: WHO
The Economic Transition of Health

U.S. Health expenditures

<table>
<thead>
<tr>
<th>Year</th>
<th>Billions (USD)</th>
<th>GDP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>28</td>
<td>5.2%</td>
</tr>
<tr>
<td>1970</td>
<td>75</td>
<td>7.2%</td>
</tr>
<tr>
<td>1980</td>
<td>255</td>
<td>9.1%</td>
</tr>
<tr>
<td>1990</td>
<td>717</td>
<td>12.4%</td>
</tr>
<tr>
<td>2000</td>
<td>1,359</td>
<td>13.8%</td>
</tr>
<tr>
<td>2004</td>
<td>1,878</td>
<td>16.0%</td>
</tr>
</tbody>
</table>
“The First Law of Health Economics”

Health Spending grows faster than GDP

Source: WHO / McKinsey Consulting
Health spending takes off in China

Healthcare cost as a percent of GDP (USD and RMB in billions)*

- **Government**
- **Social Insurance**
- **Out-of-Pocket**

<table>
<thead>
<tr>
<th>Year</th>
<th>Government %</th>
<th>Social Insurance</th>
<th>Out-of-Pocket</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>3.17%</td>
<td>$1.8 (14 RMB)</td>
<td></td>
</tr>
<tr>
<td>1990</td>
<td>4.03%</td>
<td>$9.6 (74 RMB)</td>
<td></td>
</tr>
<tr>
<td>1995</td>
<td>3.69%</td>
<td>$27.8 (215 RMB)</td>
<td></td>
</tr>
<tr>
<td>2000</td>
<td>5.13%</td>
<td>$59.1 (458 RMB)</td>
<td></td>
</tr>
<tr>
<td>2002</td>
<td>5.51%</td>
<td>$74.7 (579 RMB)</td>
<td></td>
</tr>
<tr>
<td>2003</td>
<td>5.62%</td>
<td>$84.9 (658 RMB)</td>
<td></td>
</tr>
<tr>
<td>2004</td>
<td>5.55%</td>
<td>$97.0 (759 RMB)</td>
<td></td>
</tr>
</tbody>
</table>
... and in Botswana

Source: WHO, World Bank
GDP/Cap vs. Total Health Spending/Cap for USA, Canada, UK, France, Mexico and Korea, 1980-2005

OECD, IMF
“Baumol’s Disease”

**Baumol's cost disease:** Labor intensive services, such as health care, face productivity lag - cannot substitute capital for labor as efficiently as the general economy, so the cost of producing them goes up faster than general inflation

5 ways to improve productivity:
- Increase capital per worker
- **Improve technology**
- Increase labor skill
- Better management
- Economies of scale

We need to improve the performance of health systems
RF exploratory initiatives 2008

- **Capacity:**
  - New competencies for public health & HS

- **Technology:**
  - Global eHealth initiative

- **Policy:**
  - The role of the private sector in health
Why Focus on the Private Sector?

The private sector in most developing countries is...

**Large:** A large percentage of health expenditure and provision is already private.

**Growing:** Much of the expected growth in overall health expenditures is likely to initially be in the private sector.

**Neglected:** Ministries of health, along with international agencies and donors, tend to focus on the public sector.

Source: De Costa, 2007
SUB-SAHARAN AFRICA 2006

**Health care expenditure by financing agent**
Percent

- **Public**: $16.7B
- **OOP**: $5B
- **Other private**: $5B
- **Private prepaid**: $5B

**Health care expenditure by provider ownership**
Percent*

- **Public**: ~50%
- **Private**: ~50%
- **For-profit**: ~65%
- **Social enterprise**: ~15%
- **Nonprofit**: ~10%
- **Traditional healer**: ~10%

* 52% of expenditure is on private providers when extrapolated for SSA (excluding South Africa) from most recent year available between 1995-2002 from NHA reports for Ethiopia, Kenya, Malawi, Namibia, Nigeria, Rwanda, Tanzania, Uganda, Zambia, Zimbabwe; 41% when other sources for an additional 13 countries are included (at average exchange rate)

Source: NHA, MoH, WHR 2006, team analysis
Rationale for RF

+ Neutral broker with experience in Public-Private Partnerships.
+ There are significant gaps in addressing the top five opportunity areas:

<table>
<thead>
<tr>
<th>Area</th>
<th>Knowledge Development</th>
<th>Convening</th>
<th>Advocacy</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk-pooling and insurance</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Regulation</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracting</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supply Chain &amp; innovation models</td>
<td>✓ ✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Product Development</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Investment Capital</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Human Resources</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
</tr>
</tbody>
</table>

- High level of activity in area
- Medium level of activity in area
- Low level of activity in area
- Virtually no activity in area
Objectives of the Development Phase
(January to December 2008)

1. Identify **promising models on the ground** on five health systems areas.

2. Advance thinking on **how countries can strengthen health systems** that leverage the public and private sectors.

3. Understand the **major barriers to changing policy**, practices and funding priorities related to engagement with the private health sector.
Working Group

Julian Schweitzer, The World Bank
Eduardo Aninat, Isapres, Chile
Anne Mills, LSH&TM
Marie-Odile Waty, French Development Agency
Sangita Reddy, Apollo Gp, India
Sania Nishtar, Heartfile, Pakistan
E.A. Elebute, Hygeia Ltd, Nigeria
Suwit Wibulpolprasert, Thai Ministry of Health
Ariel Pablos-Mendez, Rockefeller Foundation
Miriam Were, AMREF, Kenya
David de Ferranti, Brookings Institution

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What is eHealth?

eHealth: the use of information and communication technologies (ICT) in health systems
Growth of ICTs in the World

Mobile phone subscribers (per 100 inhabitants)

* Opportunity for Leapfrogging

Source: BCG, International Telecommunication Union, World Bank WDI, WHO
“A thousand flowers blooming”

Global / Regional

- Health Metrics Network
- WHO GoE
- GOARN
- Weekly EPI Record (WHO)
- NEDSS (CDC)
- HAN (CDC)
- Antimicrobial inform. bank
- FluNet and RABNET
- APEC EINET
- Health InterNetwork (US)
- Roland Koch Institute
- ... and more

Country / local

- HIV-EMR system
- Web based clinical information system for researchers
- PIH-EMR electronic medical record supports TB and HIV
- Regional HIV data center
- SiCLOM delivery ARV treatment
- eLearning to train nurses
- Patient vaccination records
- HealthNet info network (6)
- EMR for AIDs and TB care (2)
- Uganda Health Information Network (UHIN)
- Teledermatology
- District public health tracker
- GENNET forum for gender issues
- On Cue SMS drug reminders for TB patients
- ... and many more

Sample demonstrates wonderful progress, but significant fragmentation & stovepipe risk

Source: BCG research
STRATEGIC APPROACH

GLOBAL SOUTH:
Evidence, capacity building, integrated approaches

POLICY & INTEROPERABILITY:
National and District level, Interoperational standards,

PARTNERSHIPS:
Key players (experts, users, agencies, NGOs, corporations, donors)
Key domains, governance, funding

Global eHeath Series 2008
Bellagio, Italy
Objectives

– Agenda-setting

– Frameworks for policy and Interoperability

– New Partnerships
Month Structure – 8 conferences

- **Week 1: Interoperability and public health**
  - The Path to Interoperability
  - Public Health Informatics

- **Week 2: Capacity and Knowledge**
  - eHealth capacity building
  - Access to information and knowledge-sharing

- **Week 3: Core eHealth Applications**
  - Electronic Health Records
  - mHealth (cell phones) & telemedicine

- **Week 4: Policies and Markets**
  - National eHealth Policies
  - Unlocking the Markets
CONCLUSIONS

• Global health was transformed in the last 10 y & a new economic transition is underway

• Health systems are weak around the world and have been relatively neglected

• The Rockefeller Foundation looks forward to working with its partners in a new era of better health for all around the world
THANKS!