Opportunities to enable Universal Health Coverage

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Investing in health is fundamental to economic and social development

Health system objectives	Importance for economic development Examples
Good health outcomes 1	▪ Higher labor productivity ▪ Higher quality of life and living standard ▪ Political and social stability
Financial protection 2	▪ Protection of individuals from health shocks and the associated impoverishing costs, thus supporting consumer demand and economic growth
Responsiveness (patient satisfaction) 3	▪ Meeting people's expectations ▪ Ensures support (from society) of the health system
Country competitiveness 4	▪ Supports attracting talent, capital, and direct investments to the country ▪ Keeps labor costs and tax loads at a globally competitive level ▪ Contributes to fiscal and macroeconomic performance ▪ More productive workforce (esp. through more working hours)

* In addition to the ethical commitment of providing good health services

Source: Team analysis, inspired by WHO, Worldbank, and ILO research

Four common challenges

1. Social Determinants
2. Financing
3. Workforce and infrastructure
4. NCD & Ageing

Source: Ministerial Meeting on Universal Health Coverage, Singapore, March 2015

Opportunities to address common challenges

Challenge	Opportunity (examples)
Social Determinants 1	▪ Leveraging non-healthcare actors to enter/transform healthcare – Technology, in particular cloud & mobile – City planning – Agrisystems & food processing – Expanding education and employment
Financing 2	
Workforce and infrastructure 3	
NCD & Ageing 4	

Source: Ministerial Meeting on Universal Health Coverage, Singapore, March 2015

Mobilising non-health care actors to drive health

1. What we eat: Agrisystem transformation
2. Where we live: Smart cities - Creating a built environment that promotes better health.
3. What we learn: Better education for better health.
4. How we work: Health in the workplace.
5. Our friends, neighbours and communities. Combating social isolation. Digital care resource sharing
6. Our choices: Confronting unhealthy behaviours. Digital Tobacco control.
7. What we value. Measuring societal wellbeing and happiness to shift the conversation from consumption to life satisfaction.
8. Future of technology. Cloud & mobile infrastructure for health
9. Future of work. Train for work.

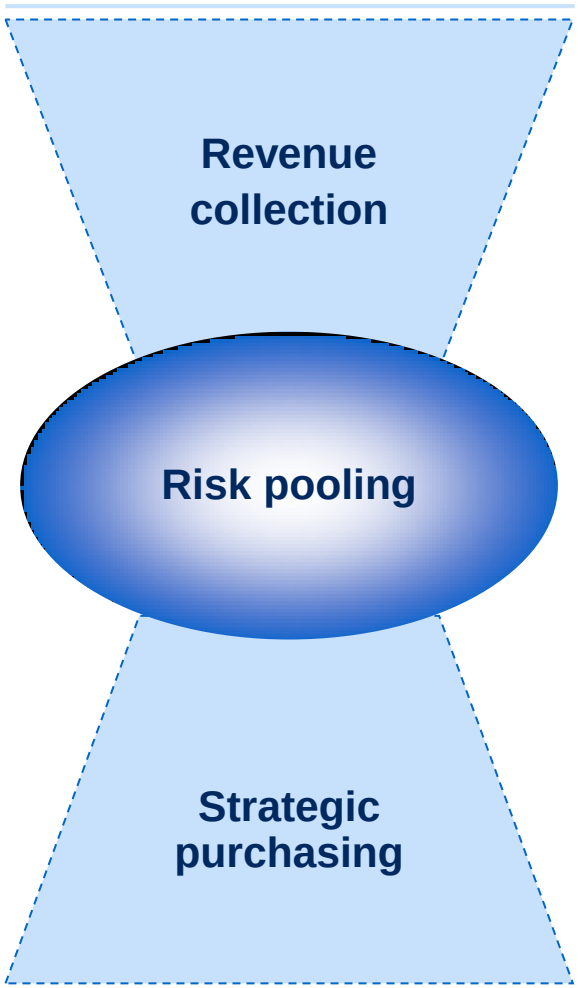
Source: WEF Metacouncil on the Future of Health, Dubai October 2015/2016

Four common challenges

Health system objectives	Importance for economic development Examples
Social Determinants 1	
Financing 2	▪ Expanding/securing funding ▪ How to handle SHI deficits ▪ Personal incentives for health?
Workforce and infrastructure 3	
NCD & Ageing 4	

Source: Ministerial Meeting on Universal Health Coverage, Singapore, March 2015

Health system financing main functions…



SOURCE: Team analysis; inspired by WHO; Worldbank and ILO research

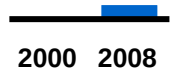
Revenue collection requires formal sector to fund healthcare

	Type of collection	Description	Example	Country	Percent covered
1	General taxation or other government revenues	Funding comes from the national budget which consists of revenues mainly from general taxation	National Health Services (NHS), e.g. UK, Scandinavia	▪ UK ▪ Spain ▪ Canada	▪ 100% ▪ 98,3% ▪ 100%
2	Payroll-Tax	Contributions are made usually in the form of payroll taxes which make the formal workforce eligible for health services	Social security organizations	▪ Germany ▪ France ▪ Japan ▪ Chile (FONASA)	▪ 89,4% ▪ 99,9% ▪ 100% ▪ 41%
3	Risk-rated and flat premiums	Contributions are paid according to individual health risks and usually rise with age	Voluntary or mandatory health insurance systems	▪ Netherlands ▪ Germany	▪ 98,5% ▪ 10,4%
4	Personal savings (e.g., out-of-pocket expenditure)	Payments from own savings made at the point of service, alternatively personal savings are mandated to be eligible for coverage	Individual health provision, personal medical savings scheme	▪ Mexico ▪ India ▪ Korea ▪ Singapore	▪ 52,4%[1] ▪ 75,2%[1] ▪ 36,8%[1] ▪ ~10%[2]

1 Percentage OOP of Total Health Expenditure
2 Percentage of Medical Savings Accounts used for health care expenditure in relation to Total Health Expenditure

SOURCE: OECD Data Health 2009; WHO EMRO report Lybia 2007

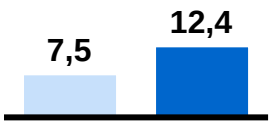
Turkey improved care and financial protection by unifying payors and extending the benefit package



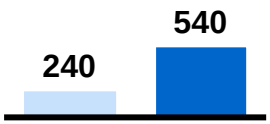
Outcomes

Greater access to care

Utilization of healthcare as admissions per 100 population

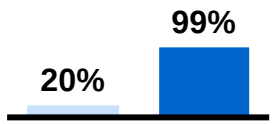


Inpatient



Outpatient

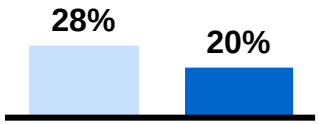
Access to emergency care



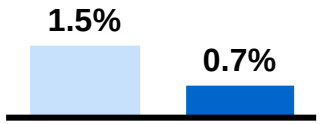
Rural population

Greater financial protection

OOP expenditures as share of Total Health Expenditures



Households reporting catastrophic events



Satisfaction with health services increased from 40% to 67%

Main elements

- **Established protection for poor population through "Green card", including inpatient and outpatient services**
- **Unified schemes into one national payor covering 72% of the population**
  - **Extended benefit package covering preventive primary care, most inpatient services and pharmaceuticals**
  - **Established stable financing through 12.5% payroll tax (out of which 7.5% employees contribution) and co-pays of non-Green Card holders (10-20% excl. inpatient)**
  - **Established output based financing usind DRGs as purchasing mechanism**
- **Increased government healthcare expenditures from 4.9% to 6.3% of GDP**

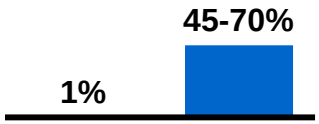
Ghana created a National Health Insurance Fund to govern all district schemes and finance comprehensive care

2003 2009

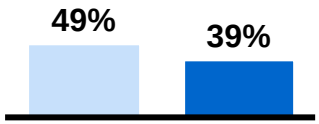
Outcomes

Greater financial protection

Insurance coverage as percent of all residents

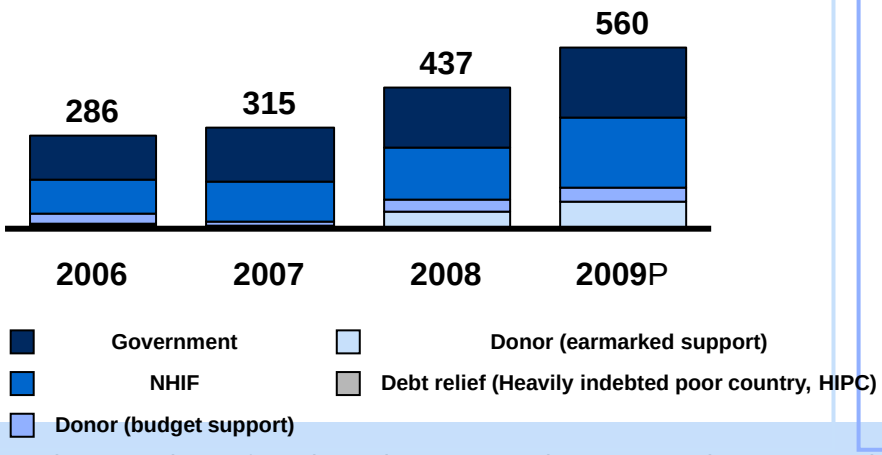


OOP expenditures as share of Total Health Expenditures



Higher funds for MoH

Ghana MOH health resource envelope by funding source[1] Millions USD[2]



Main elements

- **Created the National Health Insurance Fund to govern all social health insurance funds in the country**
  - **Established stable financing through 2.5% payroll tax, 2.5% VAT contribution and interest on the fund**
  - **Created a mechanism for the fund to finance (and therefore control) admin expenditures of district schemes**
  - **Developed dedicated collection processes for the informal sector**
  - **Established a benefit package with inpatient and outpatient services, focusing on primary care**
  - **Established free maternal care**
  - **Established strategic purchasing using DRGs**

1 Assumption: NHI share of IGF is 5% in 2006, 20% in 2007, 50% in 2008, 70% in 2009

SOURCE: Ghana MOH; World Bank; McKinsey analysis

Tackling the growing SHI underfunding problem - examples

Broader	**Germany**	**Further increase contribution (now ~15 % of salary)**
	US	**Massive provider price cuts, incentives for healthy behaviours/high deductible plans**
	UK	**£ 22 billion efficiency programme 2015-2021**
	Turkey	**SHI – expansion from 4.9 to 6.3 % of GDP**
	…	
Narrower	**Indonesia**	**Government subsidized premiums for the informal sector and the poor Infrastructure fund, focus on Primary Care**
	China	**Budget allocation favouring preventative efforts, e.g. epidemic prevention, pre and post natal care**
	Taiwan	**Budget re-allocation to rural facilities, including infrastructure funding**
	Ethiopia	**Narrow service bundle (MMR, community)**
	Many	**Sin taxes**
	...	

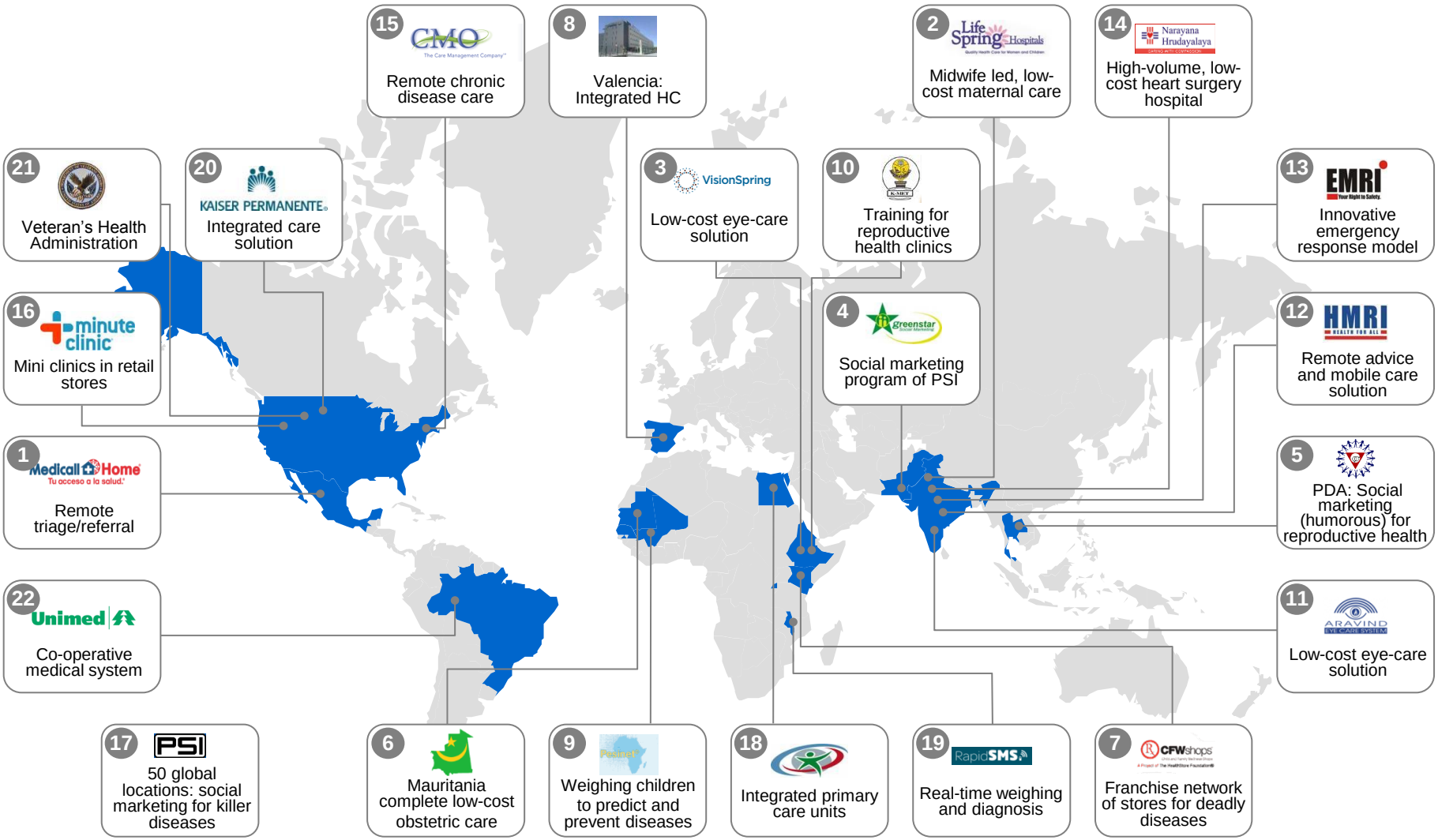
Four common challenges

Health system objectives	Importance for economic development Examples
Social Determinants 1	
Financing 2	
Workforce and infrastructure 3	▪ Innovative delivery models – Franchising / stronger primary/community care – Rural/local education and training – Tele/remote care
NCD & Ageing 4	

* In addition to the ethical commitment of providing good health services

Source: Ministerial Meeting on Universal Health Coverage, Singapore, March 2015

Innovation in healthcare delivery is taking place around the world



SOURCE: McKinsey analysis

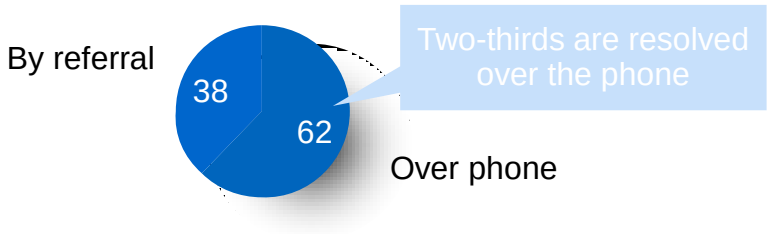
Step-change improvements in productivity are possible

Challenge | **Impact**

Access

Medicall Home — Tu acceso a la salud.®

Call resolution, (incoming calls)

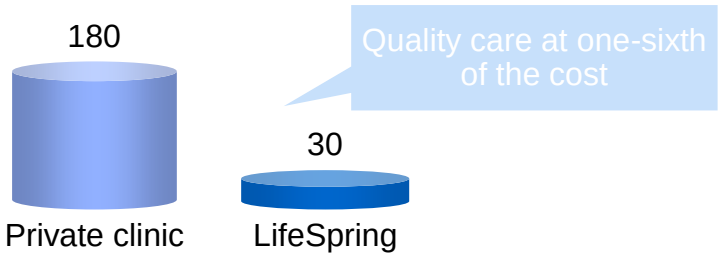


- 1 million households subscribe
  - 90,000 calls per month
  - Two-thirds avoid need to see doctor

Cost

Life Spring Hospitals

Price for normal delivery, ($)

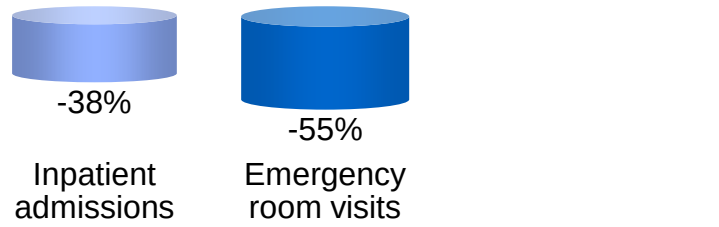


- Compared to private clinics, each doctor performs 3 times as many surgeries per week
- Drives down costs, raises quality, and dramatically extends access

Quality

CMO — The Care Management Company™

Reduction in elderly hospital visits (patient episodes)



- Remote monitoring and management
- During first year of program, dramatic reduction in hospital visits was observed

SOURCE: McKinsey, WEF

Secrets of Success

1. **Get close to the patient and follow their established behaviour patterns**
   - Lower distribution costs
   - Improve adherence to clinical protocols

2. **Reinvent the delivery model by using proven technologies disruptively**
   - Extend access to remote areas
   - Increase standardisation
   - Drive labour productivity

3. **Confront professional assumptions and 'right-skill' the workforce**
   - Reduce labour costs
   - Overcome labour constraints

4. **Standardise operating procedures wherever possible**
   - Eliminate waste
   - Improve labour and asset utilisation
   - Raise quality

5. **Borrow someone else's assets**
   - Utilise existing networks of people or fixed infrastructure
   - Reduce capital investment and operating costs

6. **Open new revenue streams across sectors**
   - Share costs
   - Capture additional revenues
   - Enable cross-subsidisation

SOURCE: McKinsey analysis

Four common challenges

Health system objectives	Importance for economic development Examples
Social Determinants 1	
Financing 2	
Workforce and infrastructure 3	
NCD & Ageing 4	▪ Population health delivery – Patient segmentation/understanding – Organize delivery around patient (segments)

Source: Ministerial Meeting on Universal Health Coverage, Singapore, March 2015

1 Understanding needs of population requires segmentation

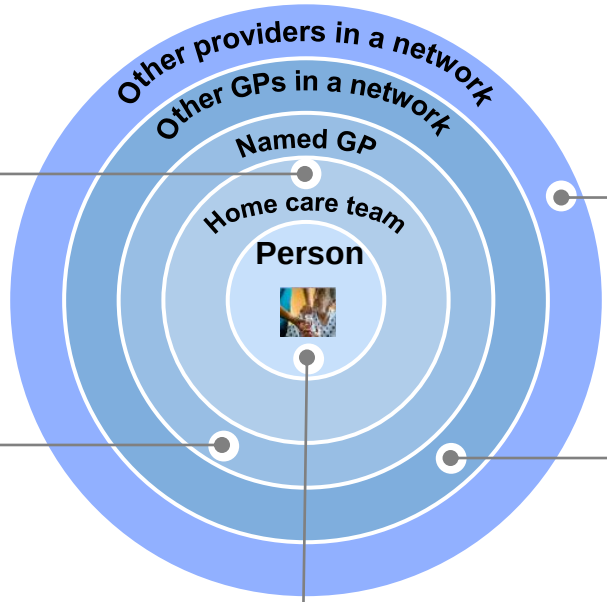
		Patient story	Non-elective ad-missions per year	GP contacts per year	Annual cost £
Mostly healthy adults	1  Joe, 34 No LTC	▪ Joe is a healthy adult ▪ He rarely visits his GP ▪ Joe was admitted to hospital with appendicitis 5 years ago but made a full recovery	▪ <1	▪ 1 visit	▪ 800
Mostly healthy children	2  Abbie, 1 No LTC	▪ Abbie is a healthy child, attending GP mainly for planned appointments (e.g. immunisations) ▪ She receives care from GP, practice nurses, health visitor	▪ <1	▪ 1 visit	▪ 650
Elderly people with one or more long term conditions	3  Frank, 79 Diagnosed with CVD, COPD and diabetes	▪ Frank has multiple long term conditions, and is having trouble navigating disease pathways ▪ He was admitted to hospital twice this year with complications for diabetes, including a foot ulcer	▪ 2	▪ 9 visits	▪ 9,500
Children with one or more LTCs	4  Susie, 10 Diagnosed with epilepsy	▪ Susie was diagnosed after being admitted to hospital after experiencing a partial seizure	▪ 2	▪ 5 visits	▪ 3,600
Adults and elderly people with SEMI	5  Janet, 25 Diagnosed with schizophrenia	▪ Janet was diagnosed at 19 ▪ She lives with her parents ▪ She has recently been discharged from hospital after a 45 day stay in the psychiatric ward	▪ 1 (45 day stay)	▪ 8 visits	▪ 27,000

SOURCE: Example health economy, McKinsey analysis

2 Organise delivery around the person

Home-care team
- Provide health and social care multidisciplinary support
- Modify home environment to facilitate independence

Named GP
- Provides regular monthly review and same day care when needed, 20-40 minute appointments
- High service user/GP continuity
- Manages list of ~450 service users
- Develops trusting relationship with patient
- Leads multidisciplinary team
- Facilitates production of care plan



Person
- Takes ownership of care
- Seeks education on condition
- Makes decisions on best care to suit preferences
- Self-manages some conditions

Other providers
- Provide social and mental health input where required
- Provide specialist advice on site and remotely
- Provide inpatient beds and treatment

Other GPs
- Participate in regular review of patient care within practice/network
- Provide informal advice when necessary
- Provide peer review of named GP's outcomes
- Provide out of hours care as part of network

Four common challenges

Health system objectives	Importance for economic development Examples
Social Determinants 1	▪ Leveraging non-healthcare actors to enter/transform healthcare – Technology, in particular cloud & mobile – City planning – Agrisystems & food processing – Expanding education and employment
Financing 2	▪ Expanding/securing funding overall (Ghana, Turkey) or selective packages (Ruanda/Mexico SP/Chile) or narrow (Ethiopia) ▪ How to handle SHI deficits (China, Indonesia, Chile) ▪ Personal incentives for health (e.g. Discovery)
Workforce and infrastructure 3	▪ Innovative delivery models – Franchising / stronger primary/community care – Rural/local education and training – Tele/remote care
NCD & Ageing 4	▪ Population health delivery – Patient segmentation/understanding – Organize delivery around patient (segments)

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