ESSENTIALS OF UNIVERSAL HEALTH CARE

OREGON LEGISLATIVE ASSEMBLY
TASK FORCE ON UNIVERSAL HEALTH CARE

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OUTLINE

1. UNIVERSAL HEALTH CARE: TYPOLOGY
2. UNIVERSAL HEALTH CARE: FINANCE AND ORGANIZATION
3. MANAGEMENT OF UTILIZATION
4. BARRIERS AND CHALLENGES TO UHC

1. UNIVERSAL HEALTH CARE: TYPOLOGY

Universal Health Care: Politics vs. Science

Variations in Health Systems

- **Values**
  - **Distributive Justice Principle**
- **Goals**
- Functions
- Culture and Norms
- Historical context

❖ **Politics**

- Determines **VALUES** and **GOALS**

❖ **Science**

- Determines **METHODS** to realize **VALUES** and **GOALS**

Classifications of National Health Insurance Systems: Financing Sources

HS.1. Transfers from government domestic revenues

HS.3. Social insurance contributions

HS.4. Compulsory prepayment (other than HS.3.)

HS.5. Voluntary prepayment

A System of Health Accounts, 2011, OECD/WHO

Classifications of National Health Insurance Systems: Financing Agents

FA.1.General Government

FA.2.Insurance Corporations

FA.2.1. Commercial Insurance Companies

FA.2.2. Mutual and Other Non-profit Insurance Organizations

FA.3.Corporations (Other than Insurance Corporations)

FA.4.Non-profit Institutions Serving Households

FA.5.Households

A System of Health Accounts, 2011, OECD/WHO

Classifications of National Health Insurance Systems: Financing Schemes

HF.1.1. Government Schemes

HF.1.2.1. Compulsory Social Health Insurance

HF.1.2.2. Compulsory Private Insurance

HF. 1.3. Compulsory Medical Saving Accounts

HF.2.1. Voluntary Health Insurance Schemes

HF.2.2. Non-profit Institution Financing Schemes

HF.2.3. Enterprise Financing Schemes (other than employer-based insurance)

A System of Health Accounts, 2011, OECD/WHO

Quick Summary of Typology 1:
National Health Services (NHS)

- **Public Finance**

- **Public Delivery**

Quick Summary of Typology 2:
National Health Insurance (NHI)

- **Public Finance**
  - General Revenue
  - Earmarked Tax
  - Mixed
- **Pooling**
  - Single pool
  - Multiple pools
- **Schemes**
  - Single government scheme
  - Multiple government schemes
  - Public regulated private schemes
  - Mixed schemes

2. UNIVERSAL HEALTH CARE: FINANCE AND ORGANIZATION

Public Finance of NHI

1. General Tax Revenues
2. Earmarked Tax
    - Payroll tax
    - Income tax
3. Special Taxes
4. Mixed Taxes

Financial Burden and Distributive Justice

- **Most nations apply the ABILITY-TO-PAY principle**
  - **Progressive taxation**
  - **Income-based, not utilization or health based**

Private Finance within the NHI

- Out-of-Pocket payment
- Supplemental health insurance (private)
- A mixed system of public and private health insurance with strict regulation

Payment Systems

1. Fee-for-Services (FFS)
2. Prospective Payment System
   - DRG
   - Point System (Japan, Taiwan)
3. Capitation – U.S. Style
4. Capitation – U.K. Style
5. Global Budget
6. Salary (Physicians)
7. Salary with Volume Incentives (Physicians)
8. Pay-for-Performance (add-on)
9. Mixed Payment Method

Organization and Delivery

- Public – private mix
- Variations in for-profit and non-profit
- Variations in the role of primary care or "gate keeper"
  - Variations in patients' direct access to secondary and tertiary care

3.MANAGEMENT OF UTILIZATION

Utilization Management: Provider Side

- Global Budget
- Capitation
- Prospective Payment
- Concurrent Review
- Retrospective Review
- Health Information System
- Mixed System

Utilization Management: Consumer Side

- Gate Keeper and Referral
- Cost-sharing
- Explicit Prioritization
- Capacity Limit
- Health Information System
- Mixed

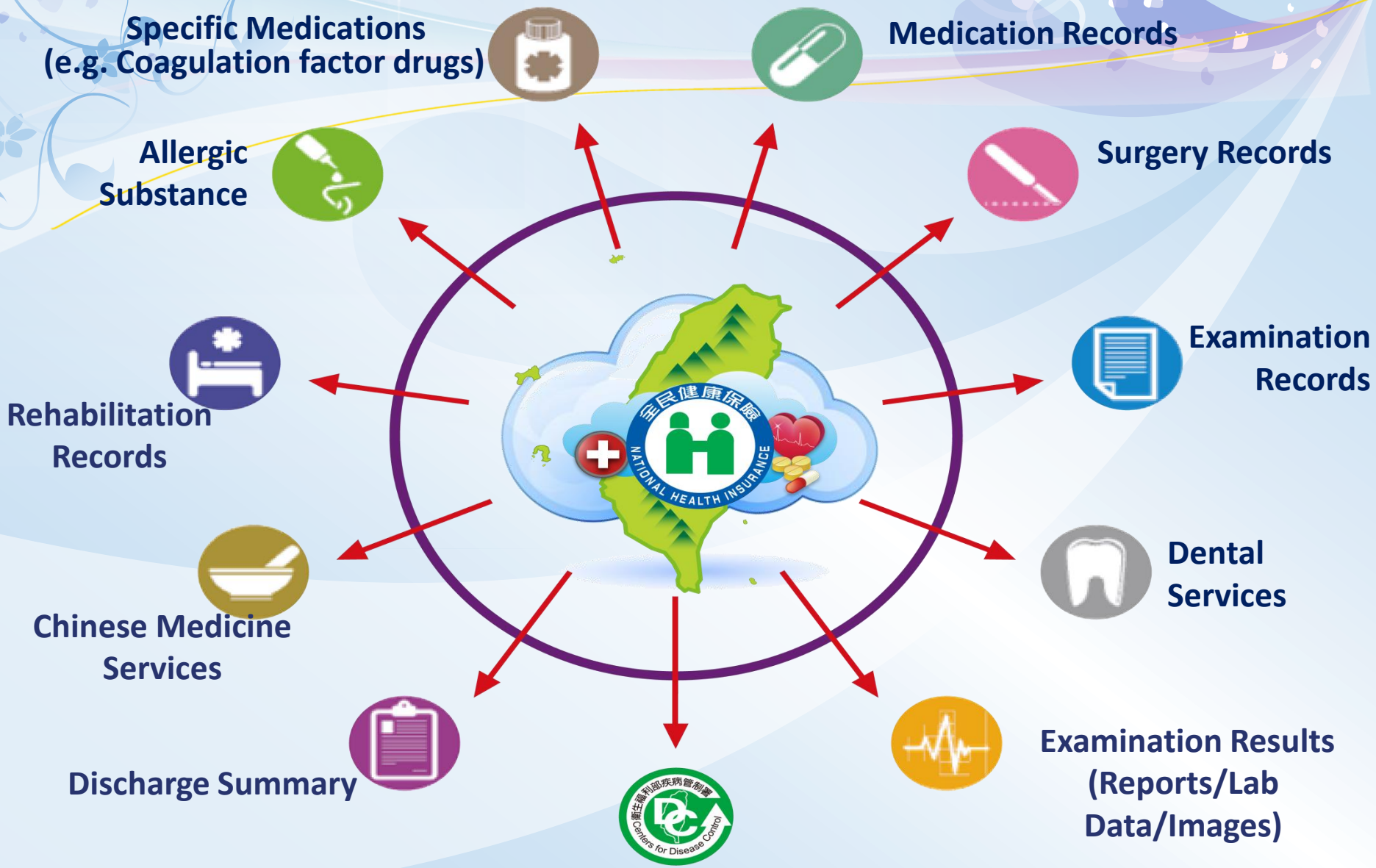
NHI Cards

- Heavy-user detection & management
- Infectious disease tracing & monitoring
- Daily updates of medical visit data
- Simplification of management process

1. Last Six Medical Visits
2. Drug Prescriptions, Drug Allergies
3. Catastrophic Diseases
4. Organ Donation Consent
5. Palliative Care
6. Do not resuscitate (DNR)

SOURCE: NHIA, Taiwan, 2020-8

NHI MediCloud System



SOURCE: NHIA, Taiwan, 2020-8

My Health Bank

- Heightening the awareness of self-care
- Reaching self-data anytime anywhere

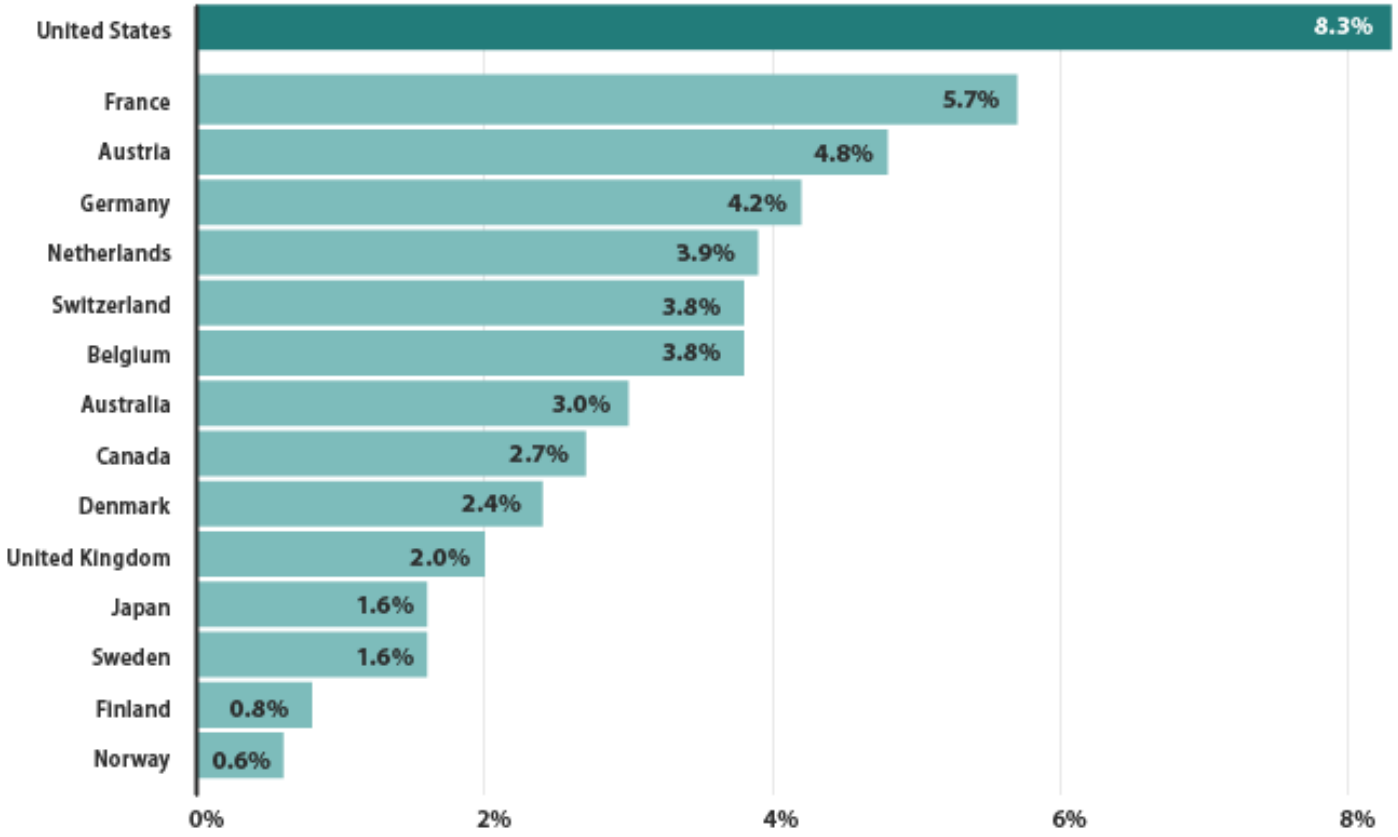
SOURCE: NHIA, Taiwan, 2020-8

4.BARRIERS AND CHALLENGES TO UHC

FIGURE 1

Administrative costs comprise a larger share of health care spending in the United States than in other high-income countries

Administrative spending as a percentage of total health expenditures, 2016*



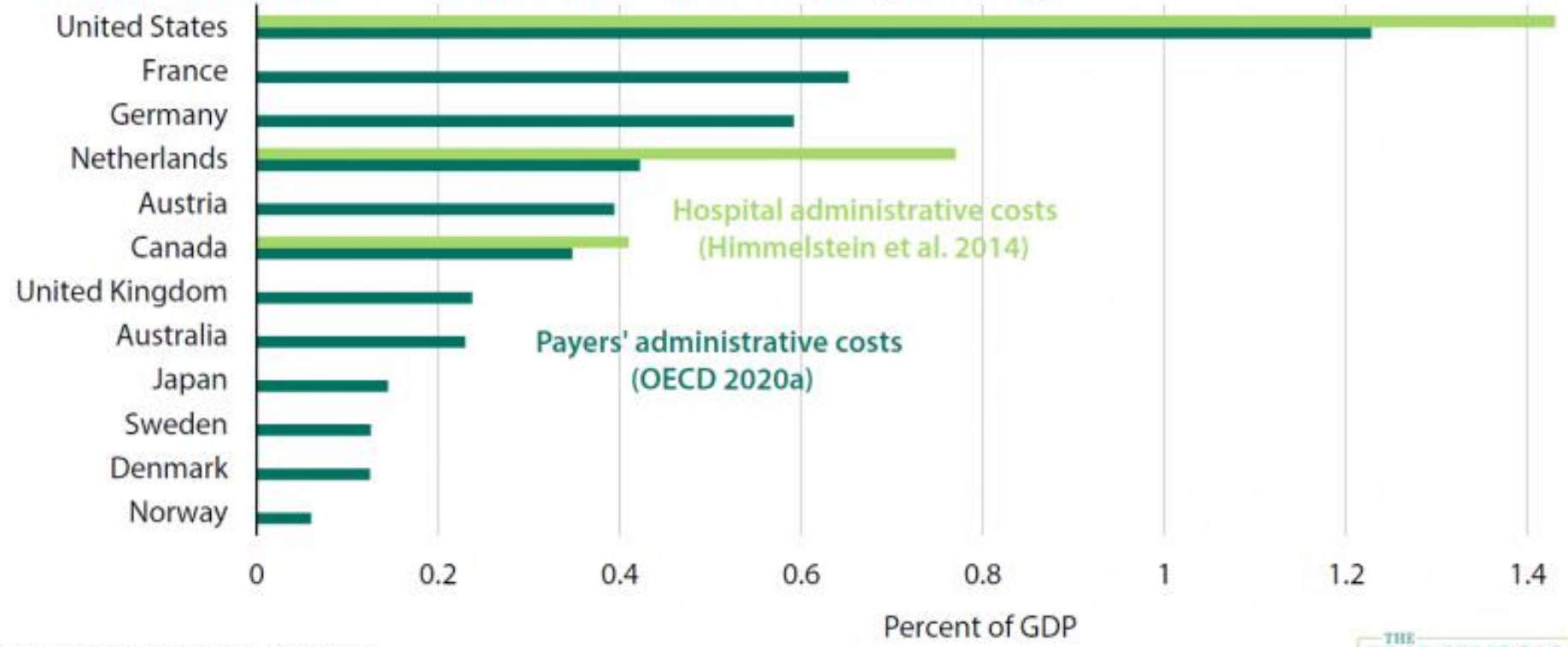
*Note: Data for Australia and Japan are for 2015; data for all other countries are for 2016.
Source: Organisation for Economic Co-operation and Development, "Health expenditure and financing," available at https://stats.oecd.org/index.aspx?DataSetCode=SHA (last accessed January 2019).

CAP

https://cdn.americanprogress.org/content/uploads/2019/04/03105237/Admin-Costs_webfig1.png

FIGURE 10.

Selected Administrative Costs as a Share of GDP, by Country



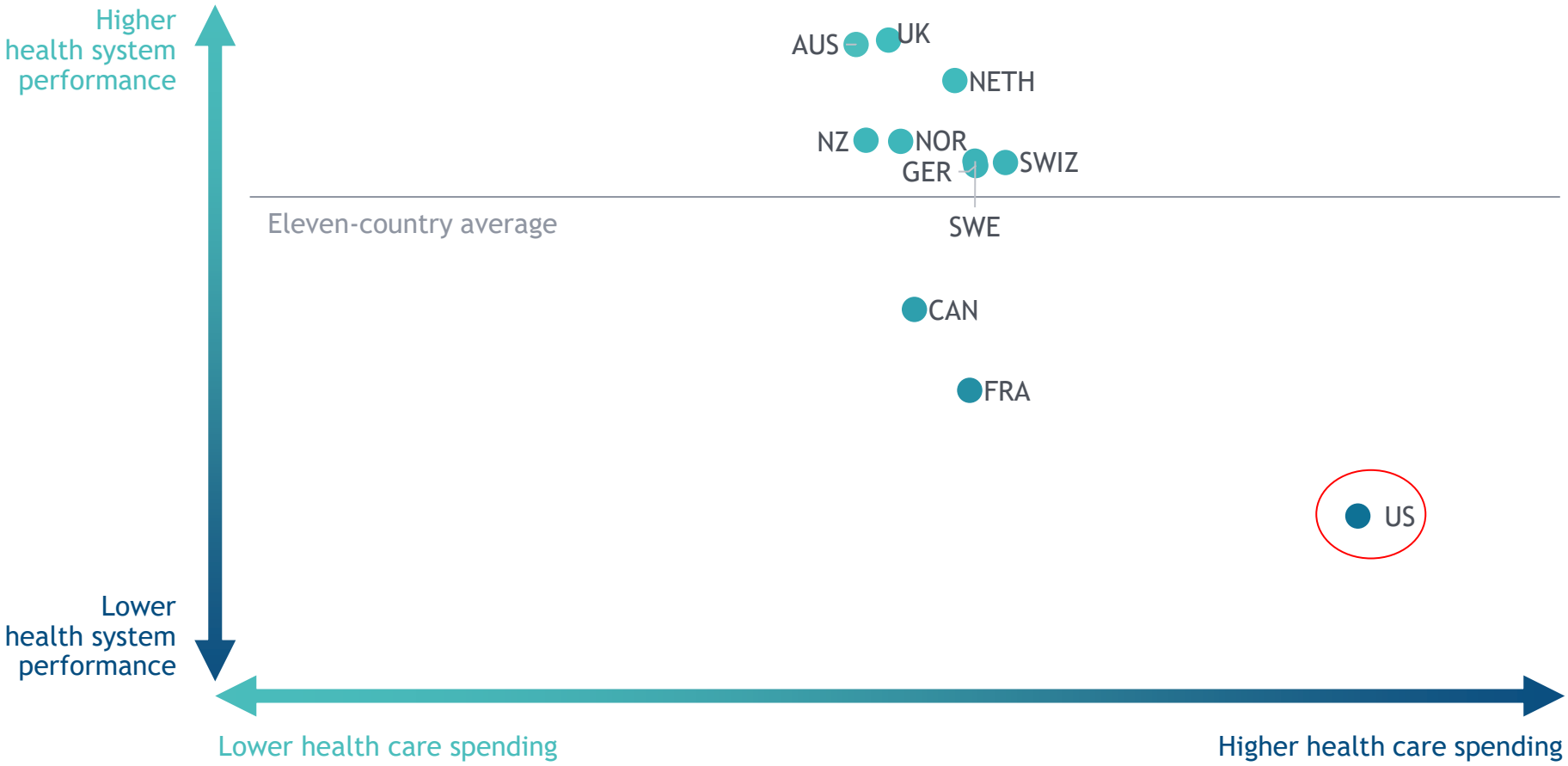
Source: Himmelstein et al. 2014; OECD 2020a.

Note: Data for the United Kingdom are for 2013. All other data are for 2010. See Himmelstein et al. 2014 and OECD 2020a for details.

THE HAMILTON PROJECT
BROOKINGS

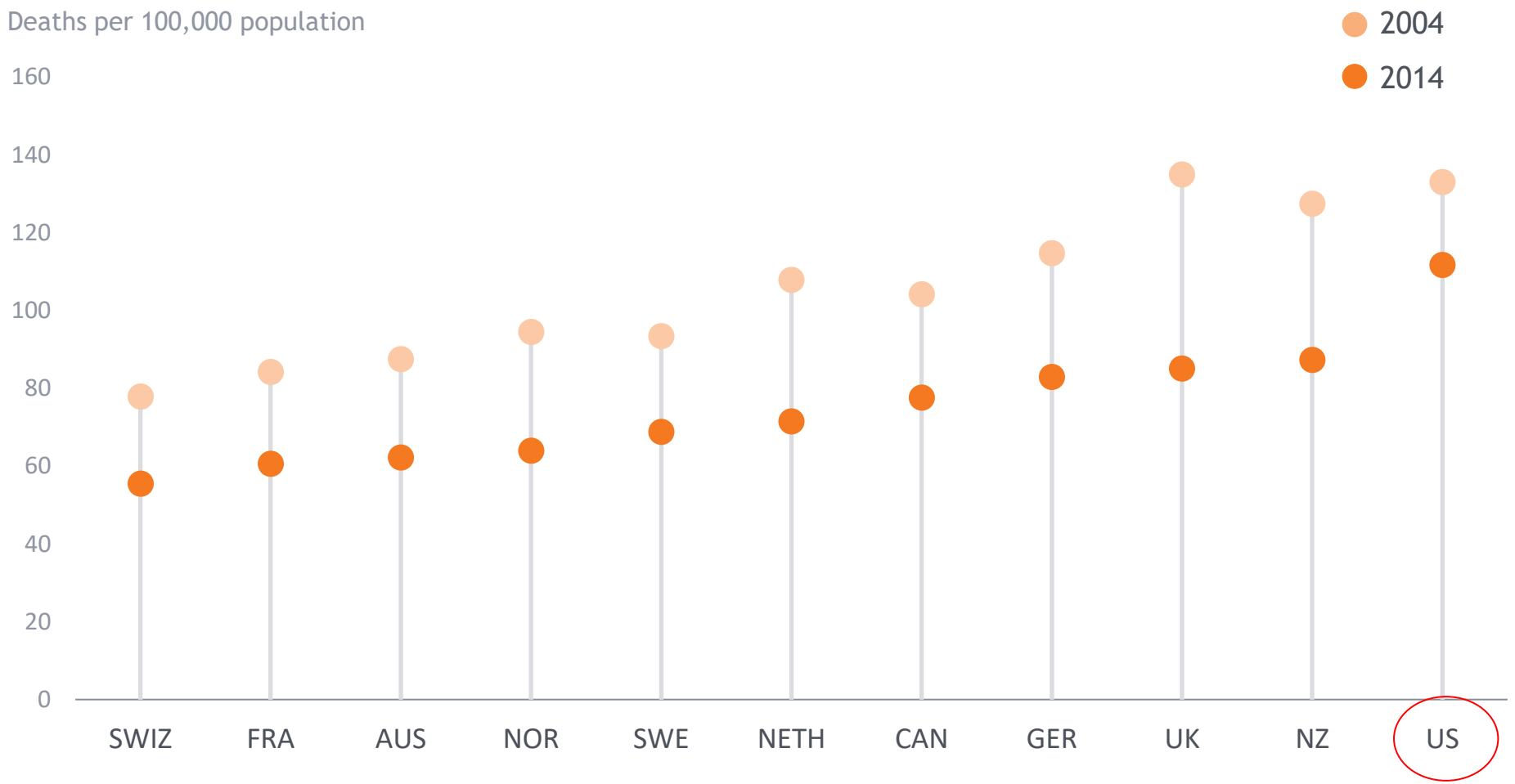
https://www.hamiltonproject.org/ee-ce-image/made/assets/img/uploads/wysiwyg/fig10_LO_WEB_800_419.PNG

Health Care System Performance Compared to Spending



Note: Health care spending as a percent of GDP.
Source: Spending data are from OECD for the year 2014, and exclude spending on capital formation of health care providers.

Mortality Amenable to Health Care, 2004 and 2014



Source: European Observatory on Health Systems and Policies (2017). Trends in amenable mortality for selected countries, 2004 and 2014. Data for 2014 in all countries except Canada (2011), France (2013), the Netherlands (2013), New Zealand (2012), Switzerland (2013), and the U.K. (2013). Amenable mortality causes based on Nolte and McKee (2004). Mortality and population data derived from WHO mortality files (Sept. 2016); population data for Canada and the U.S. derived from the Human Mortality Database. Age-specific rates standardized to the European Standard Population (2013).

Three Objectives of Universal Health Coverage
[WHO UHC Initiative]

1. **Equity in access to health services** - everyone who needs services should get them, not only those who can pay for them;

2. The **quality of health services should be good enough** to improve the health of those receiving services; and

3. **People should be protected against financial-risk**, ensuring that the cost of using services does not put people at risk of financial harm.

https://www.who.int/health_financing/universal_coverage_definition/en/

Common Challenges in Universal Health Systems: POLITICAL

1. **Solidarity and sharing capacity**
   (***sustainability***)
2. **Equity**
3. **Efficiency**
4. **Governance: Who and How**
5. **Imagination**

Common Challenges in Universal Health Systems: TECHNICAL

1. Quality Improvement
2. Cost Control
3. Improving Access
4. Governance: Institution & Process
5. Health Information Technology

The Critical Role of a Universal Health Care System in Controlling a Pandemic: Example from Taiwan

- Health care system as an integral part of a national health system.
- Universal free testing and treatment: no financial barrier
- Integrated health information system for contact tracing, and monitoring isolation and quarantine.

Taiwan's Pandemic Control Achievements

- No community outbreak
- With 23.7 million population, 487 cases & 7 deaths
- 1.44% case-fatality rate, 93.84% recovery rate, 20.5 cases per million, and 0.3 death per million

Success in what?

1. Delivering Health Care Services (OUTPUT)
2. Improving Health (OUTCOME)
3. Health System Strengthening
4. Improving Social Equity
5. A Better Society for All

(and resilience against future pandemics)

The Nature of Health Care System

- A country's health care system tells us about the nature of the people and the society. [Chi 2008]

- "Health care system is a social institution… (It reflects) what sort of community would we prefer to live in?" [Mooney 2012]


THANK YOU
VERY MUCH