CANADA COURAGEOUS: LEADING CHANGE AND PRESERVING VALUES

Ian Morrison PhD
Canada
Courageous: Lessons from the Deloitte Study
• Courage
• Values
• Canada’s Health Systems: Strengths and Weaknesses
• Not Just Canada versus United States, but Canada versus Other Advanced Nations (non US)
• A Case for Change
  • Unfinished business
  • Peer Performance
  • Disruption
  • Opportunities
• Leading with Courage
Values: Global

- Universality
- Equity
- Accept Role of Government
- Global Budget
- Rationing
- Technology Assessment/Innovation Control
- Skeptical about markets and competition
Values: American

- No consensus on equity and universality
- Ambivalent to Government at best
- Volunteerism
- Local Communitarianism
- Paranoid about Monopoly
- New technology and innovation
- Competition
- “Skin in the Game”
Canada Health System’s Strengths

- Universal coverage for Hospital and Medical Care
- “Free” at the Point of Care
- Prevention
- Primary Care
- Lower costs and cost growth
- Public Administration
- Simplicity
- High quality well trained providers and facilities
- Regional Concentration: Volume/Outcome
- Politically popular
- National badge of honour compared to US
Canada Health System’s Weaknesses

- Unfinished business on coverage
- Access and waiting times particularly for imaging and elective surgery
- Systematic integration of care delivery models
- Quality Measurement and Reporting
- Speed of Re-engineering
- Innovation: Policy and System Delivery Re-Design
- Information Technology Infrastructure
- Consumer responsiveness
A Case for Change

• Unfinished business
• Peer Performance on Value
• Disruption
• Opportunities
Unfinished Business

- Prescription Drug Coverage
- Long term care
- Value Based Payment
- Quality Improvement
- Integration
- Consumer Engagement
- Large Group Practice
- Social Determinants of Health
Defining Value Of Health Services

Value = \frac{(Access+Quality+Security)}{Cost}
Health Care Spending per Capita, 2000–2016

Adjusted for Differences in Cost of Living

Current expenditures on health per capita, adjusted for current US$ purchasing power parities (PPPs). Based on System of Health Accounts methodology, with some differences between country methodologies (Data for Australia uses narrower definition for long-term care spending than other countries).

Source: OECD Health Data 2017.
HEALTH CARE SPENDING

Health Care Spending per Capita by Source of Funding, 2015*

Adjusted for Differences in Cost of Living

* Data from 2014 in Australia, and 2013 for New Zealand. Current expenditures on health, adjusted for US$ purchasing power parities (PPPs). Numbers may not sum to total health care spending per capita due to excluding capital formation of health care providers, and some uncategorized health care spending. ^ Spending by government and compulsory schemes, including private insurance schemes.

Source: OECD Health Data 2017.
**Hospital Spending per Discharge, 2015***

*Adjusted for Differences in Cost of Living*

<table>
<thead>
<tr>
<th>Country</th>
<th>Dollars ($US)</th>
</tr>
</thead>
<tbody>
<tr>
<td>GER</td>
<td>6,122</td>
</tr>
<tr>
<td>AUS</td>
<td>10,874</td>
</tr>
<tr>
<td>FR</td>
<td>11,149</td>
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<tr>
<td>SWE</td>
<td>13,201</td>
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<td>CAN</td>
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<tr>
<td>US</td>
<td>21,186</td>
</tr>
</tbody>
</table>

* Or nearest year; data from 2014 for Australia and Canada, 2012 for the Netherlands, 2010 for the US. No recent data for New Zealand (since 2007). Data calculated as: (Current expenditures on hospitals in current prices, current PPPs / Number of discharges). ‘OECD median’ reflects the median of 35 OECD countries.

Source: OECD Health Data 2017.
Pharmaceutical Spending per Capita, 2015*

Adjusted for Differences in Cost of Living

* Or nearest year; data from 2014 for Canada and Australia. No recent data available for New Zealand (since 2007).

Current expenditures on pharmaceuticals (prescribed and over-the-counter medicines) and other medical non-durables, per capita, adjusted for current US$ PPPs, representing retail spending of pharmaceuticals delivered outside provider settings. ‘OECD median’ reflects the median of 35 OECD countries.

Source: OECD Health Data 2017.
HEALTH CARE SPENDING

Spending on Health Insurance Administration per Capita, 2015*

Adjusted for Differences in Cost of Living

* Or nearest year; data from 2014 for Australia and Canada. No recent data for New Zealand (since 2007). Data reflect current spending on governance and health system and financing administration, in current prices, current PPPs. ‘OECD median’ reflects the median of 34 OECD countries.

Source: OECD Health Data 2017.
Health Care System Performance Rankings

<table>
<thead>
<tr>
<th></th>
<th>AUS</th>
<th>CAN</th>
<th>FRA</th>
<th>GER</th>
<th>NETH</th>
<th>NZ</th>
<th>NOR</th>
<th>SWE</th>
<th>SWIZ</th>
<th>UK</th>
<th>US</th>
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<tbody>
<tr>
<td>OVERALL RANKING</td>
<td>2</td>
<td>9</td>
<td>10</td>
<td>8</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Care Process</td>
<td>2</td>
<td>6</td>
<td>9</td>
<td>8</td>
<td>4</td>
<td>3</td>
<td>10</td>
<td>11</td>
<td>7</td>
<td>1</td>
<td>5</td>
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<tr>
<td>Access</td>
<td>4</td>
<td>10</td>
<td>9</td>
<td>2</td>
<td>1</td>
<td>7</td>
<td>5</td>
<td>6</td>
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<td>11</td>
</tr>
<tr>
<td>Administrative Efficiency</td>
<td>1</td>
<td>6</td>
<td>11</td>
<td>6</td>
<td>9</td>
<td>2</td>
<td>4</td>
<td>5</td>
<td>8</td>
<td>3</td>
<td>10</td>
</tr>
<tr>
<td>Equity</td>
<td>7</td>
<td>9</td>
<td>10</td>
<td>6</td>
<td>2</td>
<td>8</td>
<td>5</td>
<td>3</td>
<td>4</td>
<td>1</td>
<td>11</td>
</tr>
<tr>
<td>Health Care Outcomes</td>
<td>1</td>
<td>9</td>
<td>5</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>10</td>
<td>11</td>
</tr>
</tbody>
</table>

Source: Commonwealth Fund analysis.
Exhibit 3

Health Care System Performance Scores

Higher performing

UK  AUS  NETH

NZ  NOR  SWIZ  SWE  GER

Eleven-country average

Lower performing

CAN  FRA  US

Note: See How This Study Was Conducted for a description of how the performance scores are calculated.
Source: Commonwealth Fund analysis.
**HEALTH UTILIZATION**

**Hospital length of stay and discharges, 2000-2015***

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**Average Length of Inpatient Stay**

- Days

**Discharges**

- Per 1,000

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*2014 data; **2012 data; ***2010 data. Length of inpatient stays reflect all hospitals, except for Canada and the Netherlands, data for which reflect curative care average length of stay (excluding rehabilitative care, long-term care and palliative care). Discharges reflect total number for all causes.

Source: OECD Health Data 2017.
**QUALITY INDICATORS**

Mortality Amenable to Health Care, 2000 and 2014*


MORTALITY AMENABLE TO HEALTH VERSUS PER CAPITA SPENDING: US IS A LOWER-PERFORMING OUTLIER

Source: The Lancet DOI: (10.1016/S0140-6736(17)31280-1)
**HEALTH UTILIZATION**

**Hip Replacements, 2015***

*Inpatient cases*

* Or nearest year; data from 2014 for New Zealand; 2012 for Netherlands; and 2010 for the US. No recent data for Australia (since 1999). ‘OECD median’ reflects the median of 30 OECD countries.

Source: OECD Health Data 2017.
## Select population health indicators, 2015

<table>
<thead>
<tr>
<th></th>
<th>Life expectancy at birth</th>
<th>Infant Deaths per 1,000 live births</th>
<th>Obesity rate Percent (%)</th>
<th>Daily smokers Percent (%) of population over 15 years</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Australia</strong></td>
<td>82.5</td>
<td>3.2</td>
<td>27.9 (M)*</td>
<td>13**</td>
</tr>
<tr>
<td><strong>Canada</strong></td>
<td>81.7 **</td>
<td>4.8 ***</td>
<td>25.8 (M) **</td>
<td>14*</td>
</tr>
<tr>
<td><strong>France</strong></td>
<td>82.4</td>
<td>3.7</td>
<td>15.3 (SR) *</td>
<td>22.4*</td>
</tr>
<tr>
<td><strong>Germany</strong></td>
<td>80.7</td>
<td>3.3</td>
<td>23.6 (M) ***</td>
<td>20.9**</td>
</tr>
<tr>
<td><strong>Netherlands</strong></td>
<td>81.6</td>
<td>3.3</td>
<td>12.8 (SR)</td>
<td>19</td>
</tr>
<tr>
<td><strong>New Zealand</strong></td>
<td>81.7</td>
<td>5.0 **</td>
<td>30.7 (M)</td>
<td>15</td>
</tr>
<tr>
<td><strong>Norway</strong></td>
<td>82.4</td>
<td>2.3</td>
<td>12.0 (SR)</td>
<td>13</td>
</tr>
<tr>
<td><strong>Sweden</strong></td>
<td>82.3</td>
<td>2.5</td>
<td>12.3 (SR)</td>
<td>11.2</td>
</tr>
<tr>
<td><strong>Switzerland</strong></td>
<td>83</td>
<td>3.9</td>
<td>10.3 (SR) ***</td>
<td>20.4***</td>
</tr>
<tr>
<td><strong>United Kingdom</strong></td>
<td>81</td>
<td>3.9</td>
<td>26.9 (M)</td>
<td>19*</td>
</tr>
<tr>
<td><strong>United States</strong></td>
<td>78.8</td>
<td>5.8 *</td>
<td>38.2 (M) *</td>
<td>11.4*</td>
</tr>
<tr>
<td><strong>OECD median</strong></td>
<td>81.3</td>
<td>3.3</td>
<td>18.0 (M/SR)</td>
<td>18.9</td>
</tr>
</tbody>
</table>

Breast Cancer Screening Rates, 2015*

Among women 50-69 years

<table>
<thead>
<tr>
<th>Country</th>
<th>Percent (%) screened</th>
</tr>
</thead>
<tbody>
<tr>
<td>US</td>
<td>80</td>
</tr>
<tr>
<td>NETH</td>
<td>79</td>
</tr>
<tr>
<td>NOR</td>
<td>75</td>
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<tr>
<td>UK</td>
<td>75</td>
</tr>
<tr>
<td>NZ</td>
<td>72</td>
</tr>
<tr>
<td>AUS</td>
<td>55</td>
</tr>
<tr>
<td>GER</td>
<td>54</td>
</tr>
<tr>
<td>FR</td>
<td>52</td>
</tr>
<tr>
<td>CAN</td>
<td>49</td>
</tr>
<tr>
<td>SWIZ</td>
<td>47</td>
</tr>
</tbody>
</table>

OECD MEDIAN ^

* Or nearest year; 2014 data for Netherlands, Germany; 2012 data for Switzerland; 2011 data for Canada.

^ OECD median based on data for 28 OECD countries (26 countries based on program data; 2 based on survey data).

Note: US, Switzerland, based on survey data; all other countries based on program data. No data for Sweden.

Source: OECD Health Data 2017.
Mortality as a result of cancer, 1994 and 2014*

* Or nearest year; data from 2013 for Switzerland, France, UK; 2012 for Canada, New Zealand. Data reflect deaths caused by neoplasms. All countries (except Denmark) use ICD 9 in 1994 and ICD10 for 2014.

Source: OECD Health Data 2017.
Mortality as a result of ischemic heart disease, 1994 and 2014*

* Or nearest year; data from 2013 for Switzerland, France, UK; 2012 for Canada, New Zealand. Data reflect deaths caused by all types of ischemic heart diseases including acute myocardial infarction. All countries (except Denmark) use ICD 9 in 1994 and ICD10 for 2014.

Source: OECD Health Data 2017.
QUALITY INDICATORS

Diabetes Hospital Admissions in Adults, 2013*

Age-sex standardized rates per 100,000

* Or nearest year; data from 2012 in Switzerland, US and New Zealand. Data from 2011 in Netherlands. Data are for individuals aged 15 years and older, reflecting age- and sex-adjusted rates. ‘OECD median’ reflects the median of 32 OECD countries.

Source: OECD Health Data 2017.
HEALTH CARE SPENDING

Health vs Social Care Spending, % GDP

Adjusted for Differences in Cost of Living

WHY THE BIG DIFFERENCE BETWEEN US AND OTHER COUNTRIES?

• The Fallacy of Excellence
• The 7 Point Spread: Mostly price and intensity not quantity
  – Everyone makes more money: Not just doctors, higher prices and incomes for everyone “It’s the Prices Stupid”
  – Administrative Waste Motion: 25%-30% Administrative costs is the Price of Pluralism
  – Intensive and Expensive Use of Technology
    • End of Life Care: Less than 10% of costs but upward bending everywhere
    • Intensive use of Diagnostics, procedures, and high-tech interventions
    • Primary versus Specialty Care Balance
  – Greater focus on social spending and income support outside US
• Is it fixable?
  – Some is culture: Values, expectations, and attitudes
  – Some is population differences: Way too much is made of this e.g. The Natural Experiment Paper or race adjusted performance measures
  – Most is policy, management and payment system (particularly administered prices, global budgeting, tight insurance regulation and capital and manpower controls)
Global Drivers of Disruption

- Money: Private Equity and Venture Capital
- Massive and Relentless transformation to ambulatory environment leads to retailization of healthcare, focus on new players and new settings of care
- Specialty Pharma ascendant over hospital inpatient
- Prediction and Cure Paradigm rather than Primary prevention and Acute Care Treatment
- Technology enablers: AI, Machine Learning, Mobile, Cloud, Blockchain, Voice Recognition, Open Data and API
- Fear of New Entrants like Amazon, Apple, Google and Facebook with global reach causing health systems to disrupt rather themselves rather than being disrupted
- An aging society with insufficient retirement assets
- The Rise of Consumerism
AGING POPULATIONS

Share of older adults, 2016

Source: OECD Health Data 2017.
AGING POPULATIONS

Trends in the share of older adults aged 80 years and older, 1980-2015

Source: OECD Health Data 2017.
Five Dimensions of Consumerism

• Increased use of transparency and consumer navigation tools to guide choices
• Importance of consumer experience to providers and plans, both in terms of patient acquisition, retention and loyalty, as well as patient satisfaction
• Ever higher expectations of service industries driven by their positive experience with high-technology–enabled consumer offerings
• Consumers need to be more proactive and engaged in their own health and wellness
• Rising out-of-pocket cost burden
Cost-Related Access Barriers in the Past Year, by Income

*Indicates differences are significant at p<0.05.
Note: “Low income” defined as household income less than 50% the country median. Sample sizes are small (n<100) in the Netherlands and UK.

Source: 2016 Commonwealth Fund International Health Policy Survey
Opportunities:
Some International Examples
NEW RECOMMENDATIONS FOR DIGITAL HEALTH

• Actions by member states and the European Commission.
• Digital tools will maximize opportunities to leverage big data and promote patient-centered and integrated care, transparency, and patient literacy.
From the United Kingdom, France, and Germany

USING COMPARATIVE EFFECTIVENESS RESEARCH TO INFORM POLICY MAKERS

• England’s National Institute for Health and Clinical Excellence (NICE)
• France’s National Authority for Health (NAS)
• Germany’s Institute for Quality and Efficiency in Health Care (IQWIG)
From the United Kingdom

GENOMICS ENGLAND
• Sequencing entire genetic codes of 100,000 people, mainly those who suffer from rare, debilitating diseases and common concerns.

COMBINING FEE-FOR-SERVICE, CAPITATION, AND PAY-FOR-PERFORMANCE
• Primary care doctors (general practitioners) are paid with a mixture of capitation, fee-for-service, and a generous pay-for-performance bonus based on 100 indicators.

NHS PARTNERS WITH TECH INDUSTRY TO IMPROVE PATIENT SELF-MANAGEMENT OF DIABETES AND OBESITY
• NHS England, Public Health England, and Diabetes UK have partnered with tech developers to tackle diabetes and obesity.
PATIENTS IN ENGLAND TO RECEIVE FAST-TRACK ACCESS TO BREAKTHROUGH TREATMENTS

• The U.K. government has announced plans to launch a fast-track route – up to four years earlier – for patients to receive “breakthrough” therapies and treatments for conditions such as cancer, dementia, and diabetes.

NHS BECOMES FIRST HEALTH CARE SYSTEM TO PUBLISH DATA ON AVOIDABLE DEATHS

• England’s National Health Service (NHS) is set to be the first health care system in the world to publish estimates of “avoidable deaths.”
From the Netherlands and Germany

**BUNDLING PAYMENTS FOR CHRONIC CONDITIONS**

- Dutch scheme for diabetes: evolution found improved care delivery, coordination and adherence to protocols.
- Most German integrated care contracts deal with specific conditions as treatments (e.g. hip surgery).

**24/7 ACCESS TO AFTER HOURS CARE**

- Primary care practices provide 24/7 telephone service of triage nurses who advise callers.
From New Zealand, Sweden, and Denmark

THE USE OF “NO-FAULT” INSURANCE

- Replacing malpractice insurance with compensation determined by panels of experts.
- Effective in compensating more patients and limiting costs.
From France and Norway

FRENCH GOVERNMENT RELEASES NEW NATIONAL STRATEGY FOR HEALTH
• A new National Health Strategy for the next four years outlines four priority areas.

NORWAY’S PATIENT SAFETY PROGRAM HONORED IN INTERNATIONAL COMPETITION
• Norway’s national patient safety program, In Safe Hands 24-7, received an award at the World Hospital Congress in Taipei, Taiwan, in November 2017.
MEDICAL HOMES MODEL EXPANDS
• The government has announced plans to expand the Health Care Homes model to up to 65,000 Australians.

RURAL HEALTH RECEIVES PRIMARY CARE, MENTAL HEALTH, TELEMEDICINE BOOST
• Rural residents of Australia will soon have better access to mental health services through telehealth.

A NEW WEBSITE ON ANTIMICROBIAL RESISTANCE
• The site provides information and education to the public, medical and veterinary professionals, and the agricultural industry.
Leading with Courage

- Lead Change and Preserve Values
- Don’t be Complacent
- Look Ahead and around the World
- Innovate at Scale
- Show us the way