

Economic, social, cultural and organizational aspects of healthcare

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- healthcare systems, economics, management, health informatics
(18.oct., 30.oct., 6.nov., 13.nov.)

Ingrīda Kužniece, MD

- public health, quality management, patient safety management
(27.nov., 4. dec., 11.dec., 18.dec)



Money tree plant (*Pachira aquatica*)

Unfortunately,
**money does not
grow on trees** and
the days of easy
solutions and
painless choices are
behind us in
healthcare



In every country in the world, including the richest ones, there is an already wide and steadily increasing gap between the needs and desires for healthcare services and the availability of resources to provide these services

READING:

WMA
MEDICAL ETHICS MANUAL
CHAPTER THREE –
PHYSICIANS AND SOCIETY

World Medical Association (WMA) is an international organization representing physicians

<https://www.wma.net/what-we-do/education/medical-ethics-manual/>

About me: +30 years in various roles in healthcare

- Student → Nurse for night shifts ICU → Physician (rehabilitation medicine) → Head of department (spinal cord injuries) → Pharma industry sales and marketing (7 years) → Director of large regional hospital → Minister of Health (10,5 month) → Last 10 years: career in academic field (now assistant professor in Health sciences) in parallel to practical managerial duties (CEO of outpatient clinic Premium Medical), recently also member of supervisory board of large regional hospital

Central economic problem – it assumes that human wants are unlimited, but the resources to satisfy human wants are limited.

It concerns also health care, and the compromise should be found between:

Wants and Resources

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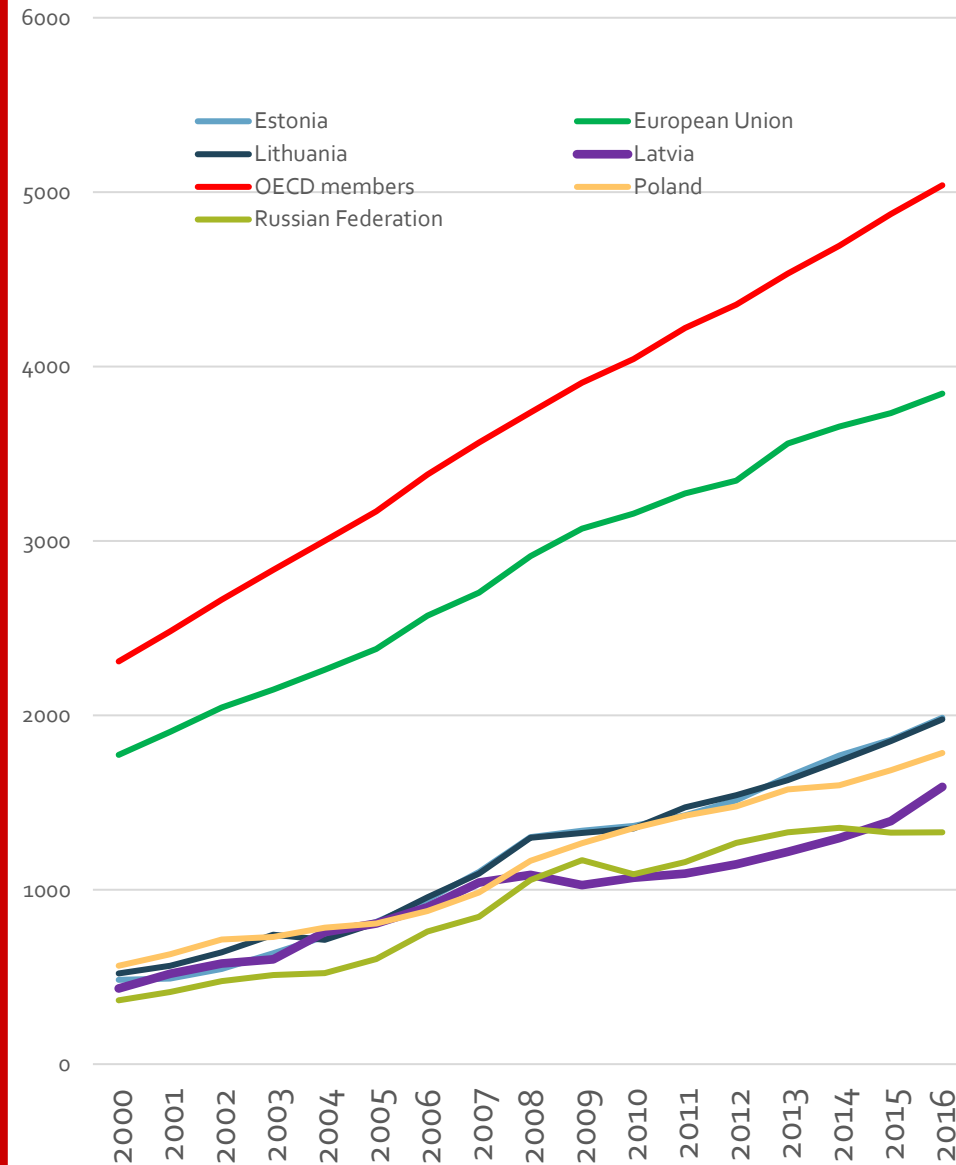
Compromise between interests of an individual and a society

Compromise between professional interests of a medical professional and a whole healthcare system

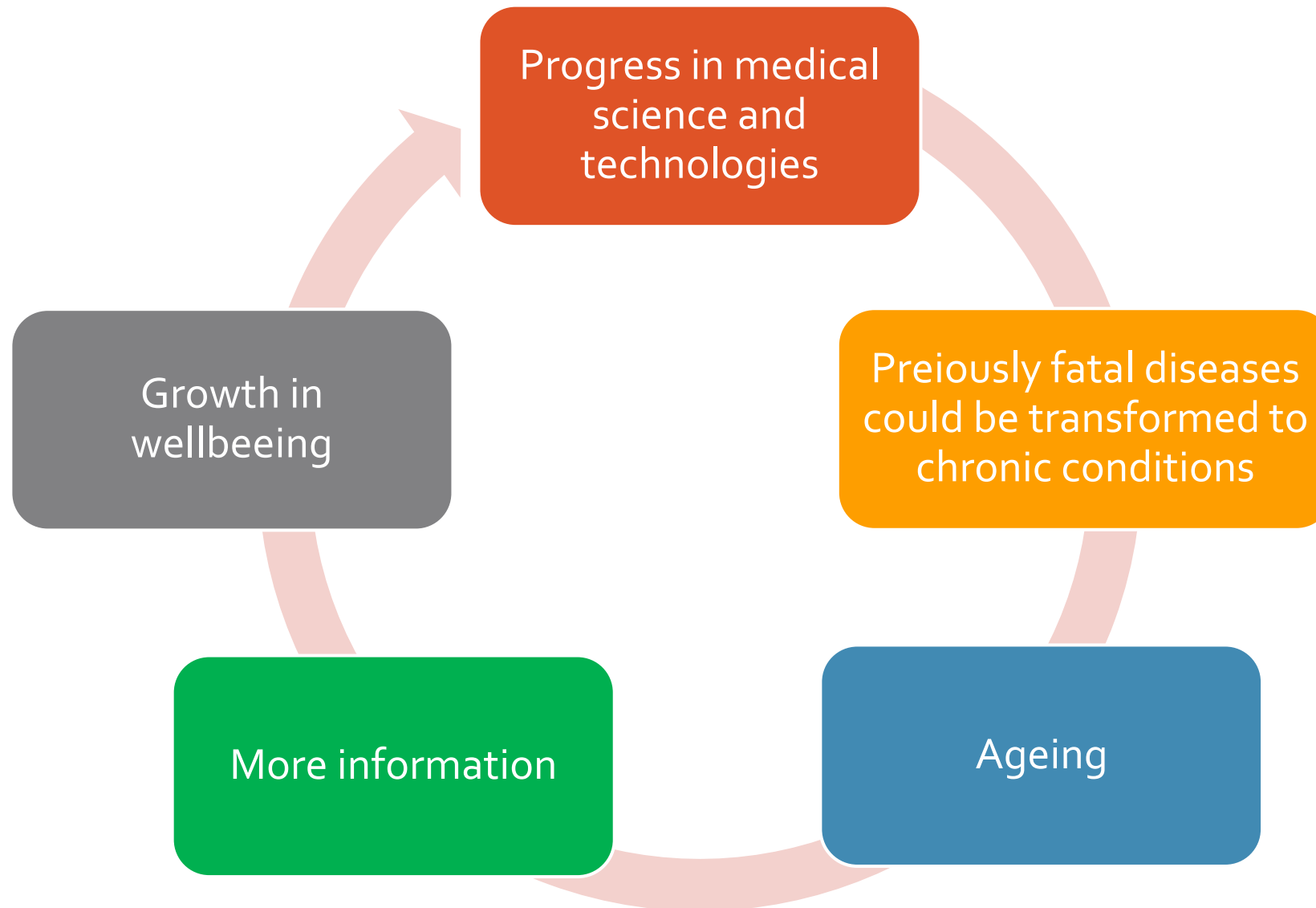
Total health expenditure in (PPP\$ per capita)

WHO, *European health for all* datbasis

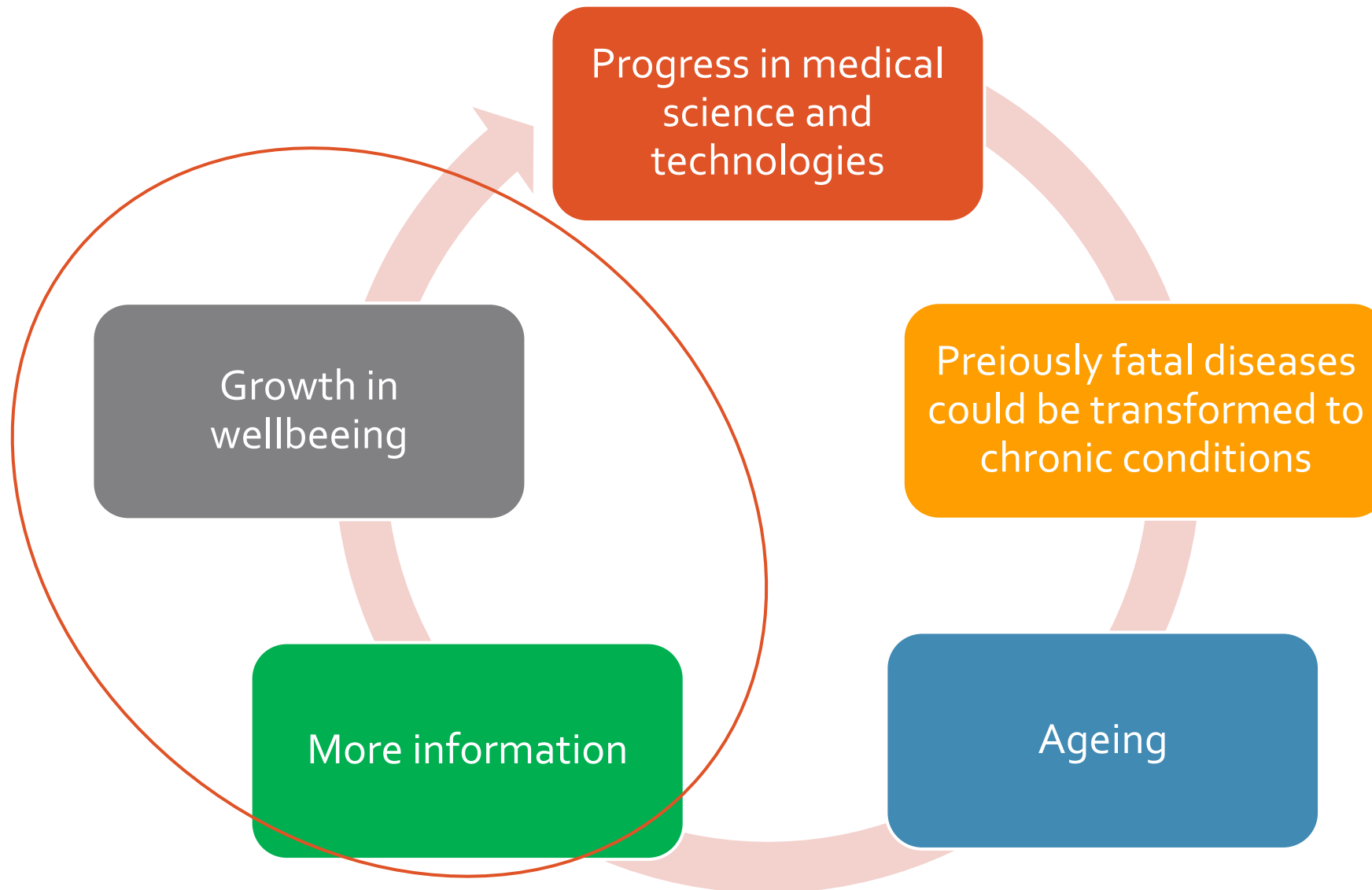
World Health Organization Global Health Expenditure database (<http://apps.who.int/nha/database>).



Main reasons why health care costs expand



Main reasons why health care costs expand



DEMAND CHANGES

1. Increased prosperity
2. Growing reliance on the achievements in medicine
3. Demographic changes
4. Changed profile of most common diseases

SUPPLY CHANGES

1. Progress in technologies and medical science
2. Government regulation of market on supply side

MAIN CHANGES IN HOSPITALS

- | | |
|---|---|
| 1. Decrease of the total number of patients treated in hospitals | 9. Increased hospital participation in outpatient care |
| 2. Decrease of duration of treatment in hospital | 10. Increasing need for integration with the outpatient care sector |
| 3. Decrease of total number of hospital beds | 11. Growing expectations and demands from patients regarding the quality and service |
| 4. Hospital closures and mergers | 12. Decrease of physician's autonomy and increase of managerial control on clinical process |
| 5. The increased proportion of difficult patients in hospitals | 13. Growing understanding for the need of physicians involvement for ensuring change |
| 6. Absolute and relative increase of the costs of medical technologies in treatment of patients | 14. Gradual transition of functional organization to a process-oriented organization |
| 7. Increase of hospital patients average age | |
| 8. The growth of proportion of patients with a complex set of diseases | |

INCREASED FINANCIAL PRESSURE

1. The total health expenditure is overcomes the economic outgrowth rates
2. Growing possibilities to move traditional hospital based services to outpatient setting
3. Growing possibility of application of information technology to control spending in clinical process

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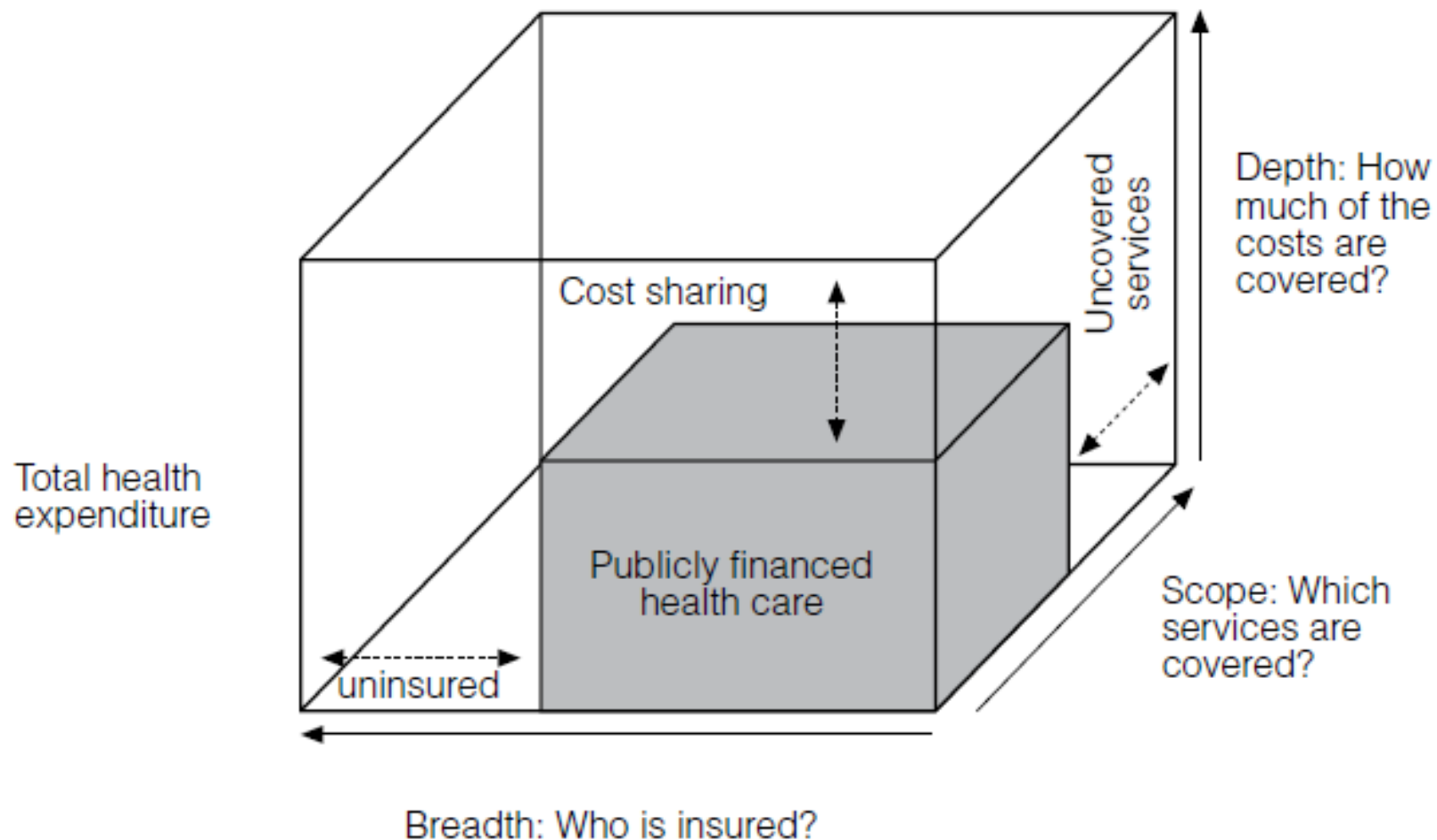
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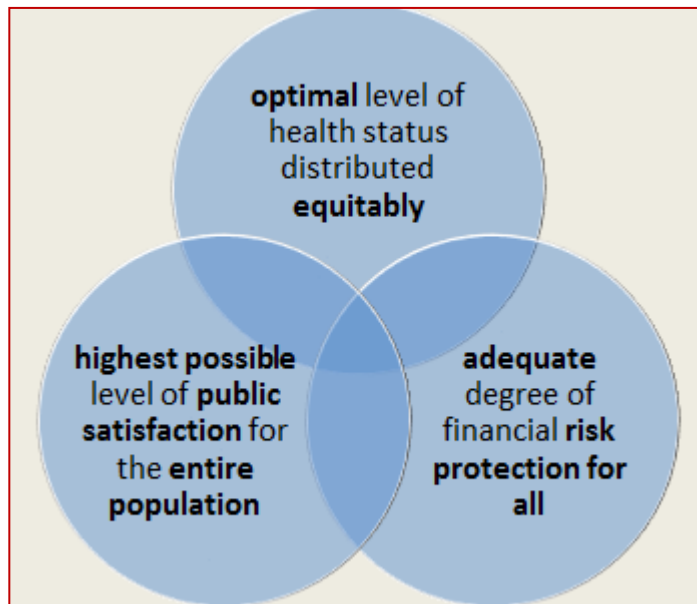
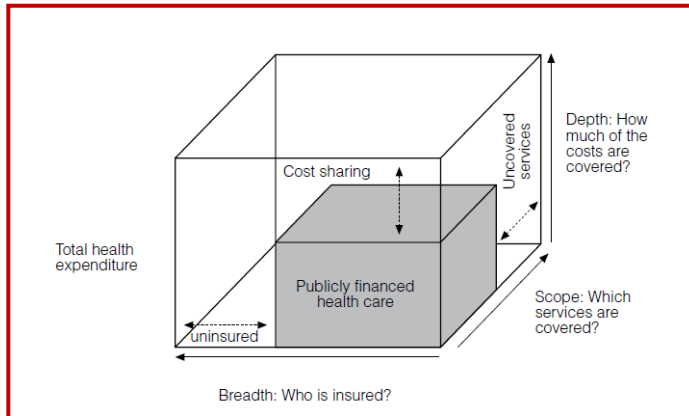
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All health care needs v.s. Publicly financed care (WHO, 2011)



Logical reasoning



1. Total health needs are increasing (see 1st lecture why)
2. What not covered could be financed only in 3 ways:
 - A. Asking for co-payment,
 - B. Not covering some treatments/diagnoses at all,
 - C. Not providing public health for some groups.
3. Only ways to increase proportion of publicly funded health coverage:
 - A. Natural growth of economy (but now slowing down and health needs increase in line with prosperity)
 - B. Decreased financing for other needs (education, social, security, science, infrastructure...)
 - C. By increasing taxes or insurance premiums

HOW THEN WE CAN IMPROVE HEALTH CARE OR AT LEAST KEEP IT AS GOOD AS IS????

- Technical skills are not enough for participation of physicians to support **universal health care system**
- Keeping such system running in changing social and economic environment requires permanent changes, adaptations
- No successful changes in health care could be realised without participation/consent of doctors
- Because doctors, but not managers and politicians have responsibility for treatment decisions for individual patients

Assignment 1 (to 30. Oct)

- Describe a briefly situation in health care that demonstrate the discrepancy between WANTS and INSUFFICIENT RESOURCES and how a **physician/health professional** could help with it (to be posted in e-studijas)
- In class Assignment 2- 30.Oct – read Ethics, Chapter 3 (online- e-studijas)

- My examples of conflict:

- 1. Mom wants pulmonologist consultation for her child at central University Children's Hospital, but there is 6 month waiting list
- 2. There is a new drug available for very rare disease – it stops progression of it, but the cost for one year is 500 000 EUR and NHS does not want to finance it
- 3. Radiologist doctor should work with previous generation US machine while there are new models available at the market
- 4. COVID-19 situation – there are fewer ICU beds equipped with lung ventilation equipment than patients in the need of it

- My examples of solution:

- 1. Mom is offered consultation of general practitioner or pediatrician acting as gate-keepers – only in case they cannot manage a case, patient is scheduled to rare/difficult specialist
- 2. Health professionals in correct way offers the next best option without blaming a NHS
- 3. Radiologist doctor continues to use existing resource, in rare cases the new equipment would make a difference, patients are sent to the institution having new model
- 4. ICU specialists with involvement of specialists in medical ethics elaborate the fair principles for patient selection and explain them to society

Additional optional reading:

- from book
«Hospitals in changing Europe»
Chapter 3
«Pressures for change»

www.euro.who.int/document/e74486.pdf