

Not just more spending (?), but also better spending

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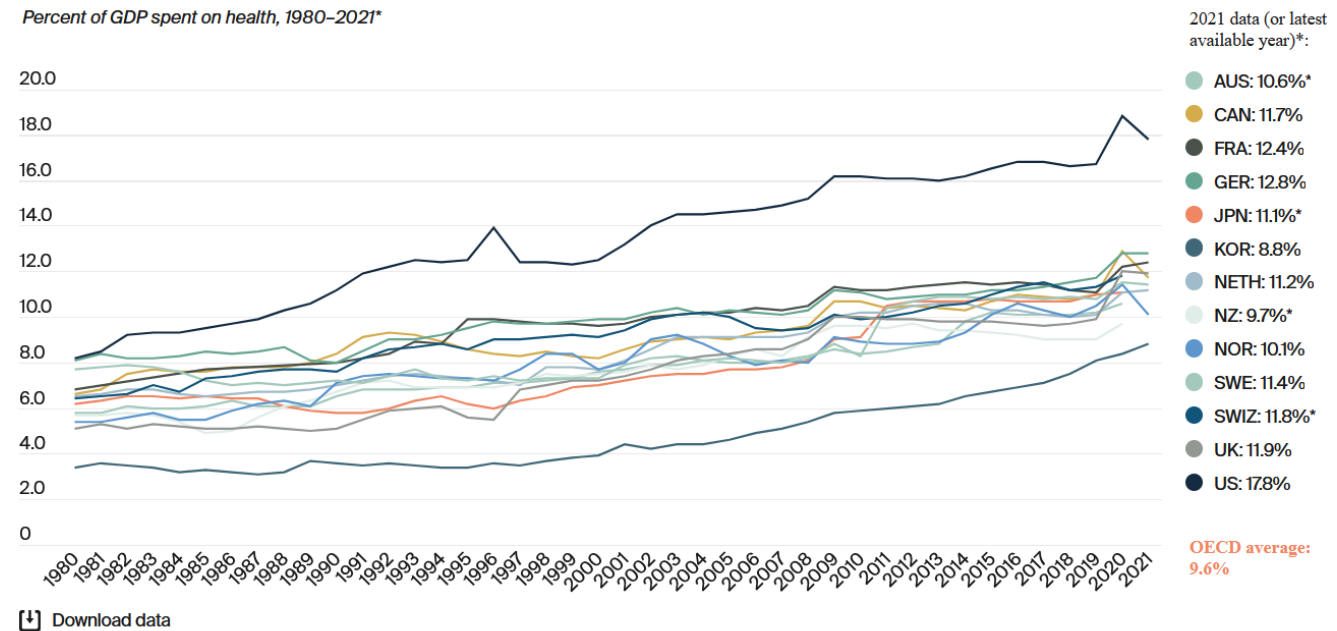
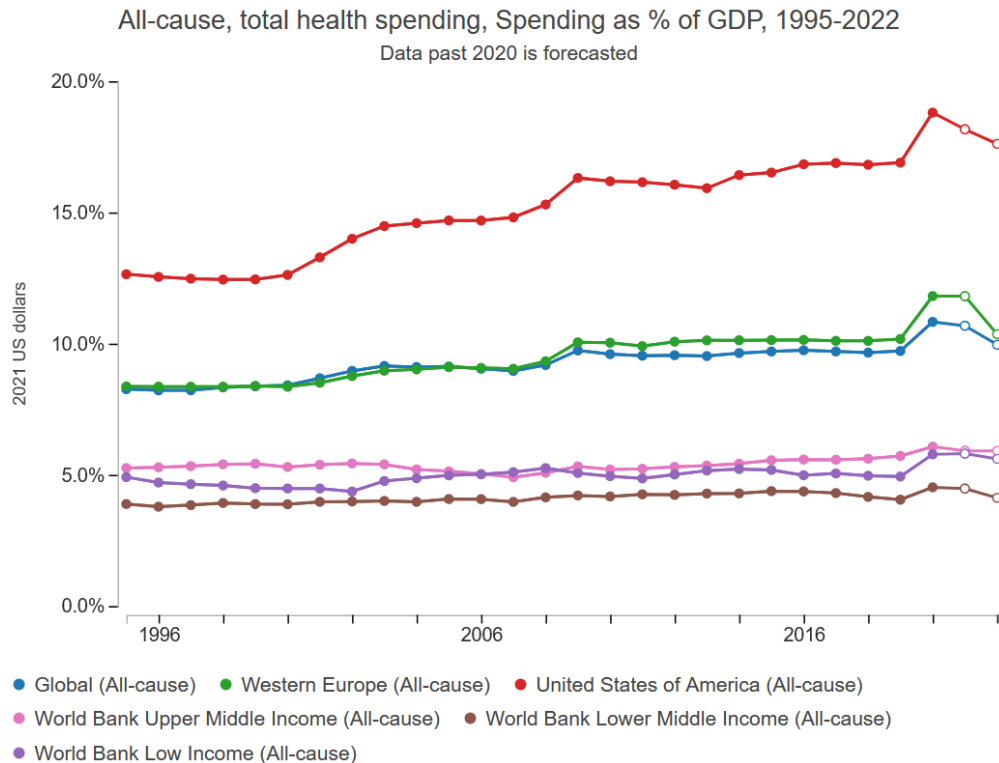
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European Observatory on Health Systems and Policies

Starting observation

- We spent a lot on health care,
 - globally ca. \$1200 per capita = a total of \$ 9,200,000,000,000 (2019)
 - equals 10% of global GDP, with wide variation

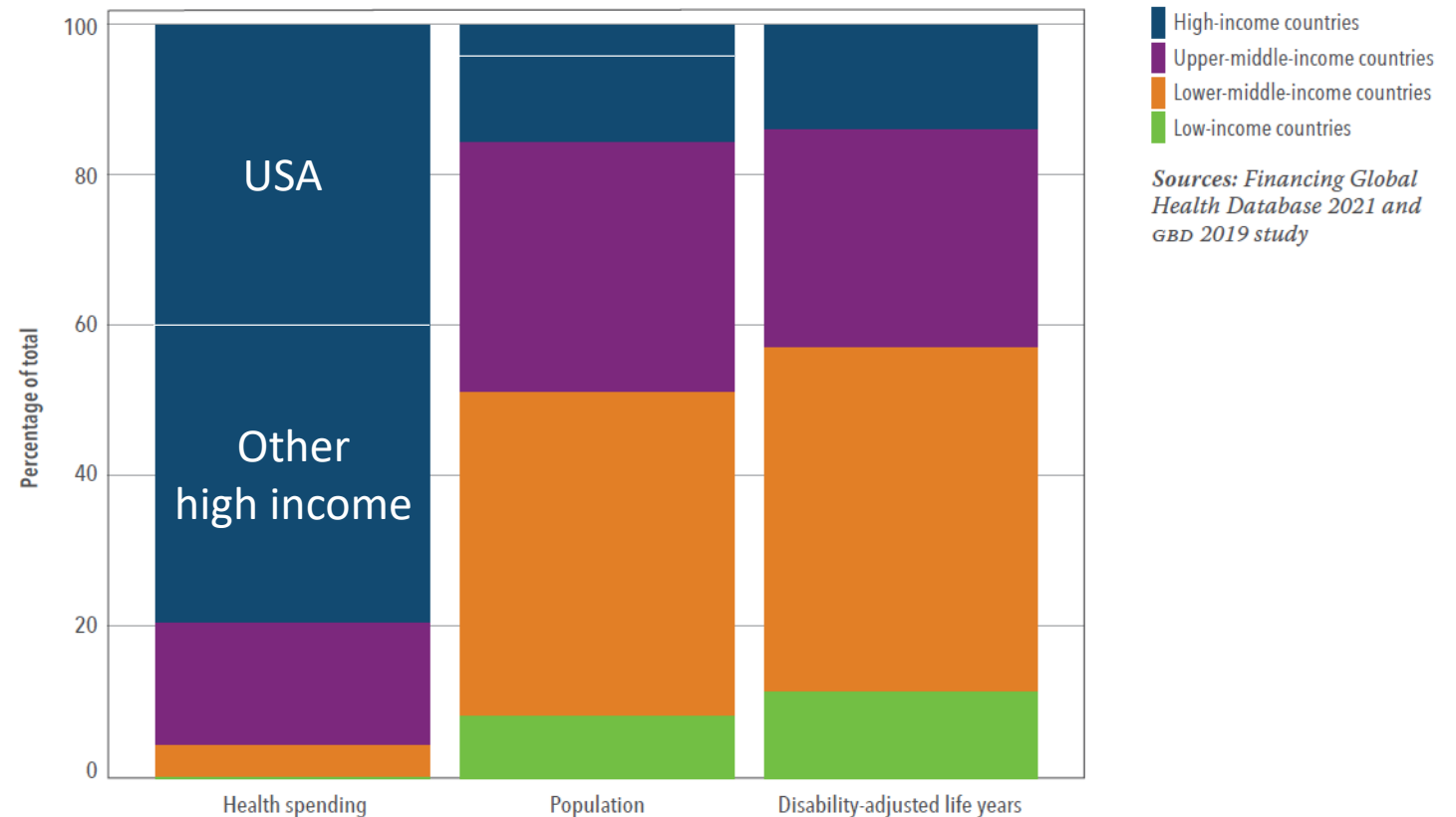


Notes: * 2020 data. Current expenditures on health for all functions by all providers for all financing schemes. Data points reflect share of gross domestic product. Based on System of Health Accounts methodology, with some differences between country methodologies. GDP = gross domestic product. OECD average reflects the average of 38 OECD member countries, including ones not shown here.

Data: OECD Health Statistics 2022.

Starting observation

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- resulting in very unequal total spending with 80% in high-income countries (for 16% of population)



Resulting questions

- We spent a lot on health care,
 - globally ca. \$1200 per capita = a total of \$ 9,200,000,000,000 (2019)
 - equals 10% of global GDP, with wide variation
 - resulting in very unequal total spending with 80% in high-income countries (for 16% of population)
- This raises a range of questions:
 - Where is the money spent on?
 - Is the money well spent?
 - Or could we use it better?
 - And only then: Would more spending improve health system performance?



High U.S. Health Care Spending: Where Is It All Going?



October 4, 2023

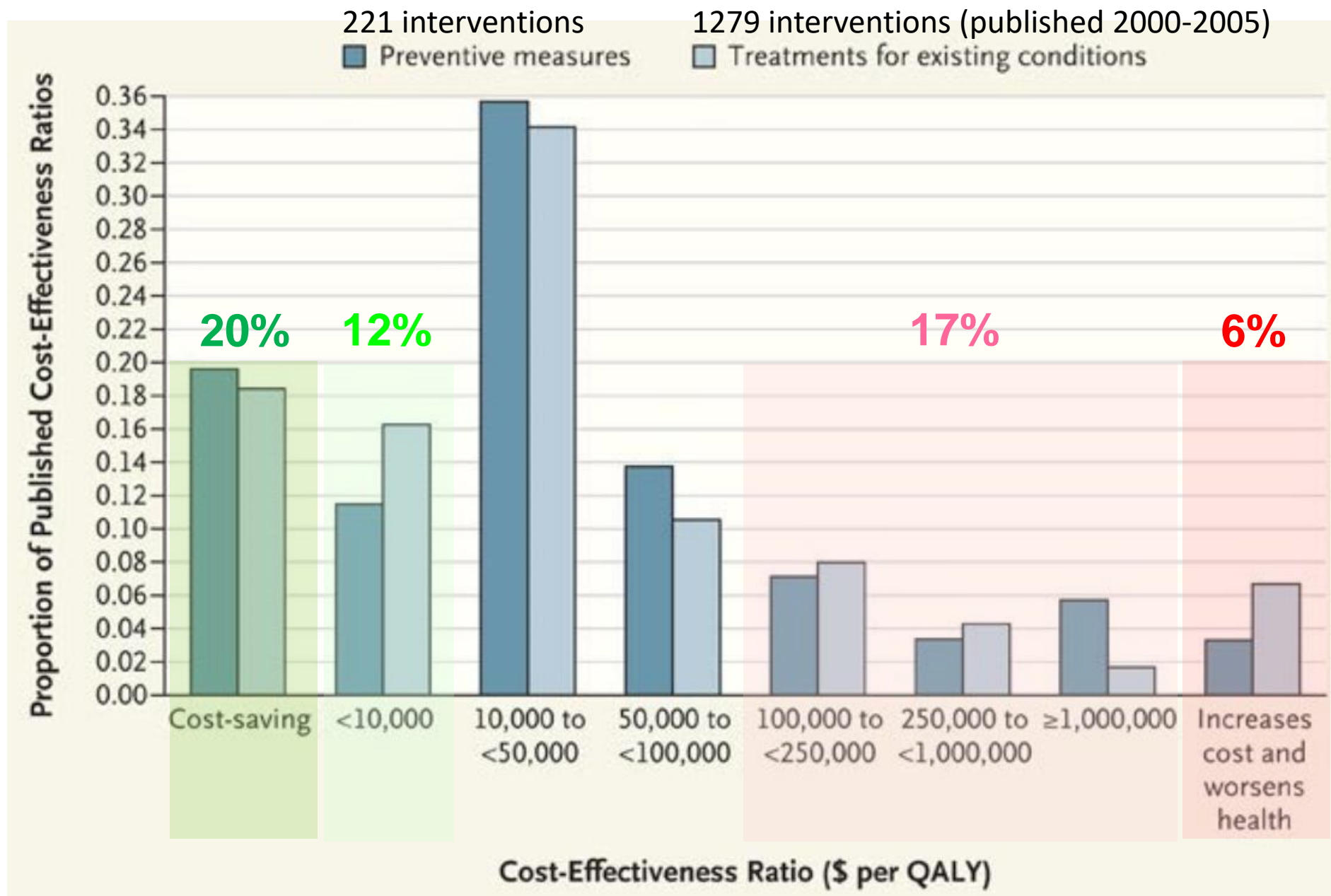


Take home: Spending per se does not improve anything!

Where is the money
spent on?
Could we use it better?

Take an
honest look at
the cost-
effectiveness
of provided
interventions

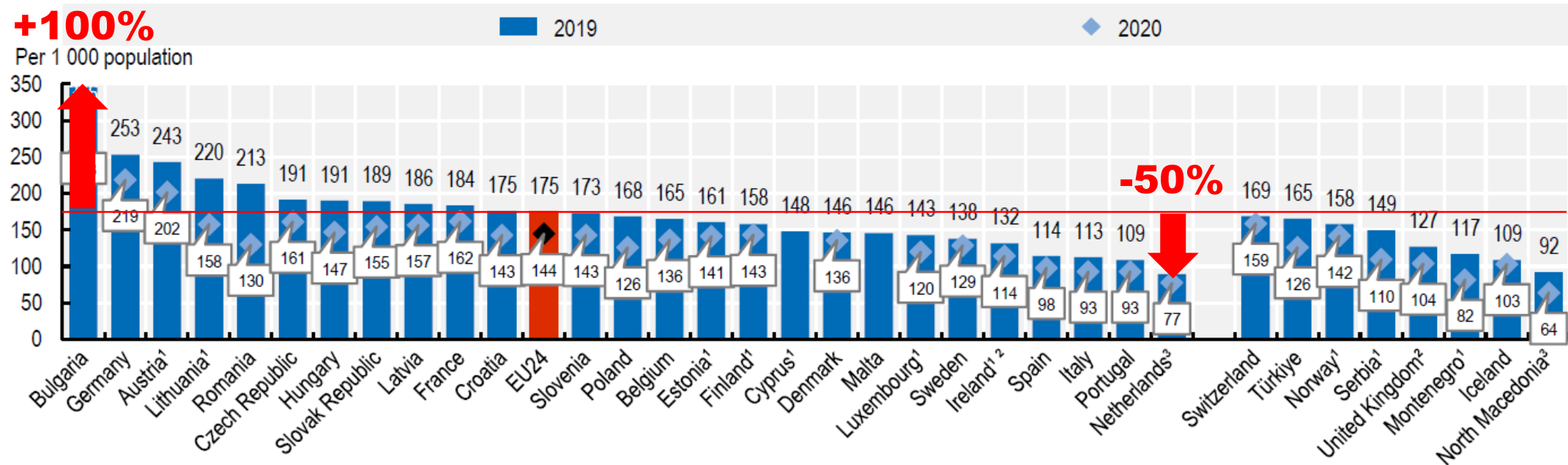
Take home:
All countries are
spending part on
cost-ineffective
interventions



Where is the money spent on? Could we use it better?

Take an honest look at the necessity of providing the quantities

Figure 7.24. Hospital discharges per 1 000 population, 2019 and 2020



Note: The EU average is unweighted. 1. Data exclude discharges of healthy babies (between 3-10% of all discharges). 2. Data exclude activity in private hospitals (in Ireland, private hospitals account for about 15-20% of hospital discharges). 3. Data include discharges for curative (acute) care only.

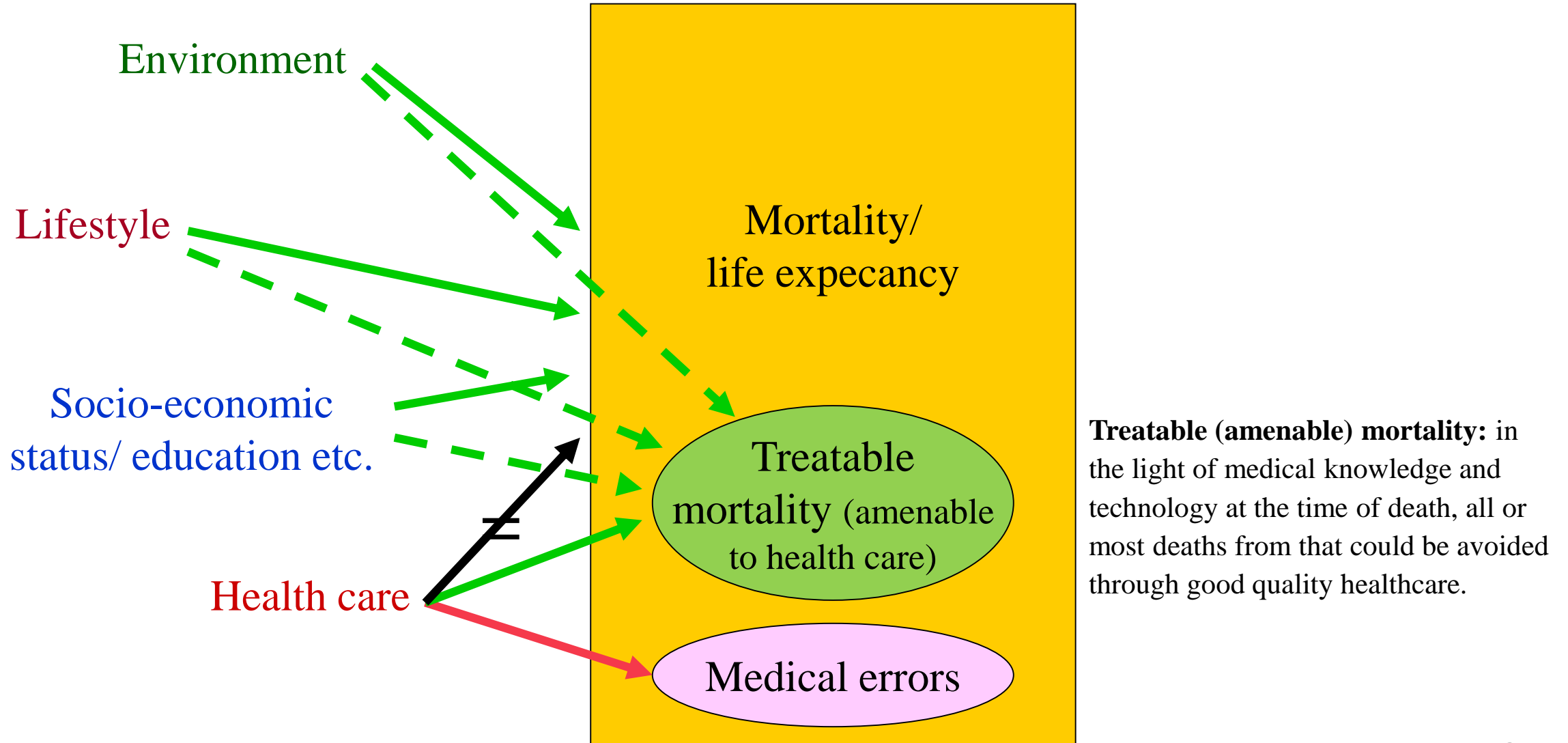
Source: OECD Health Statistics 2022; Eurostat Database.

Take home: Most countries provide certain services unnecessarily

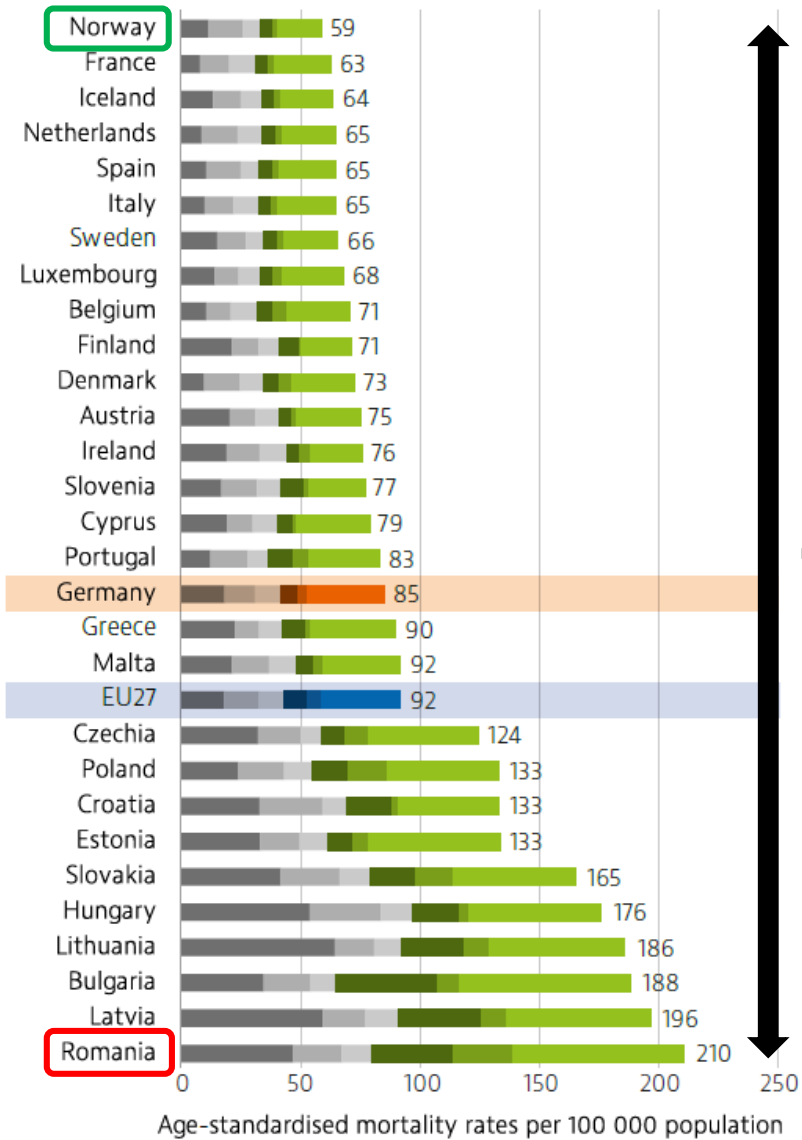
Beyond looking at individual interventions and numbers:

How can we calculate the health care contribution to health?

(base to answer: Would more spending improve health system performance?)



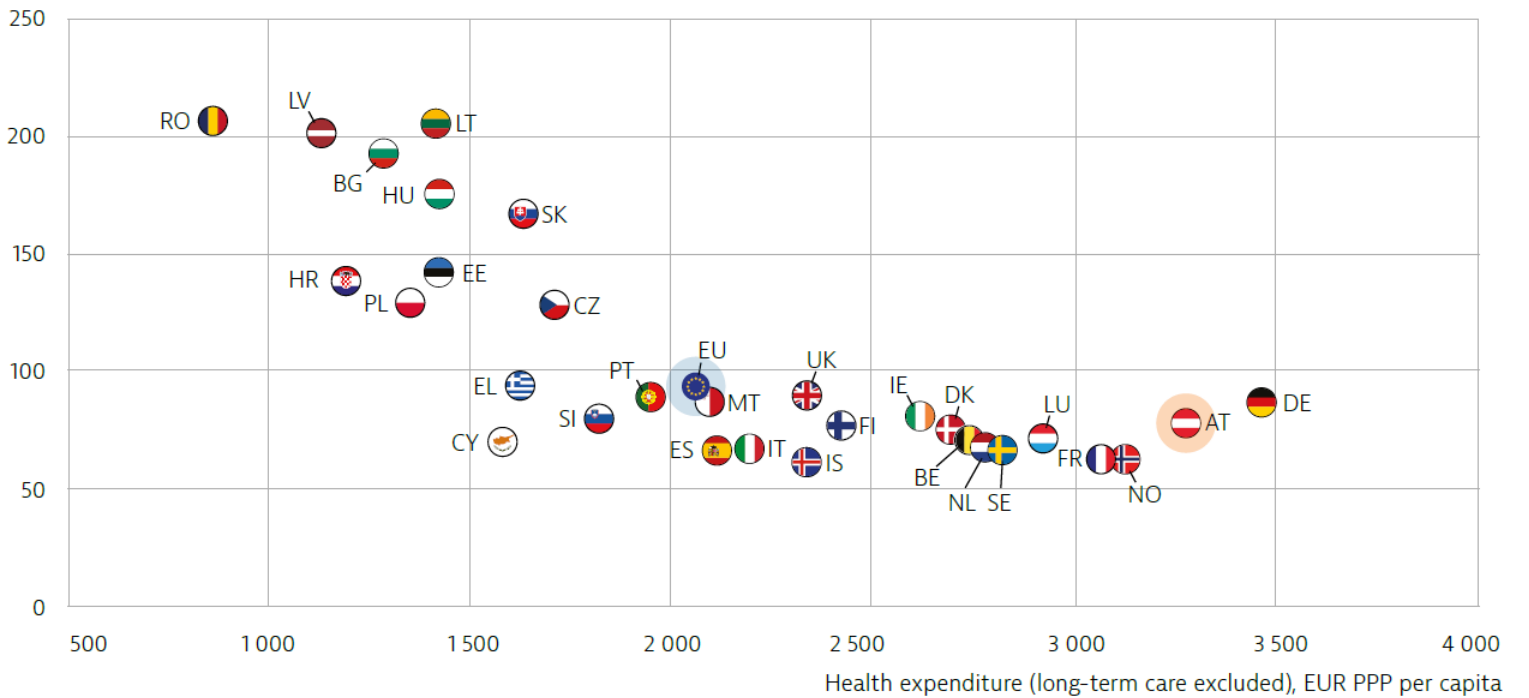
Treatable causes of mortality



- Ischaemic heart disease
- Colorectal cancer
- Breast cancer
- Cerebrovascular disease
- Pneumonia
- Others

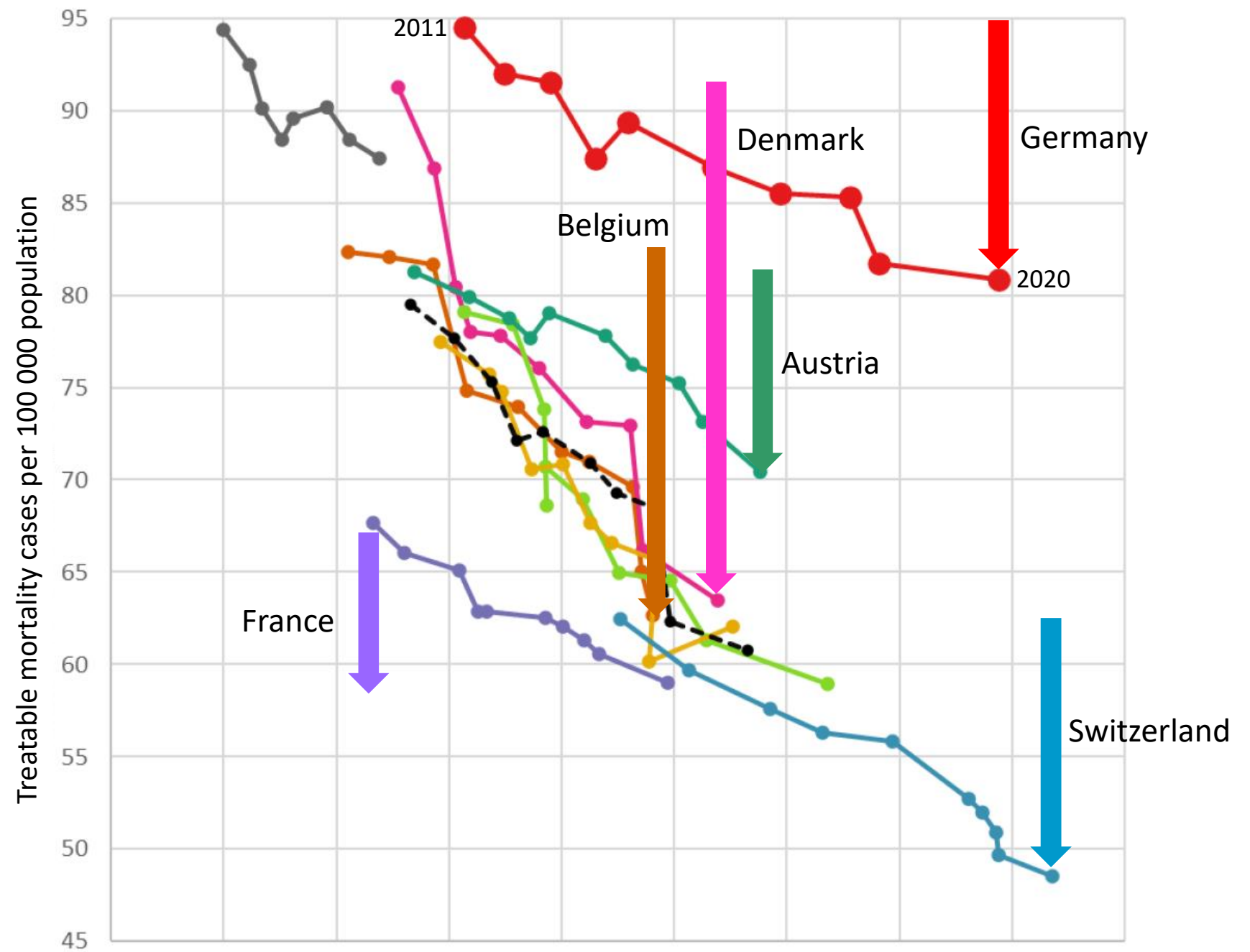
More spending, better performance? The cross-sectional view

Treatable mortality per 100 000 population



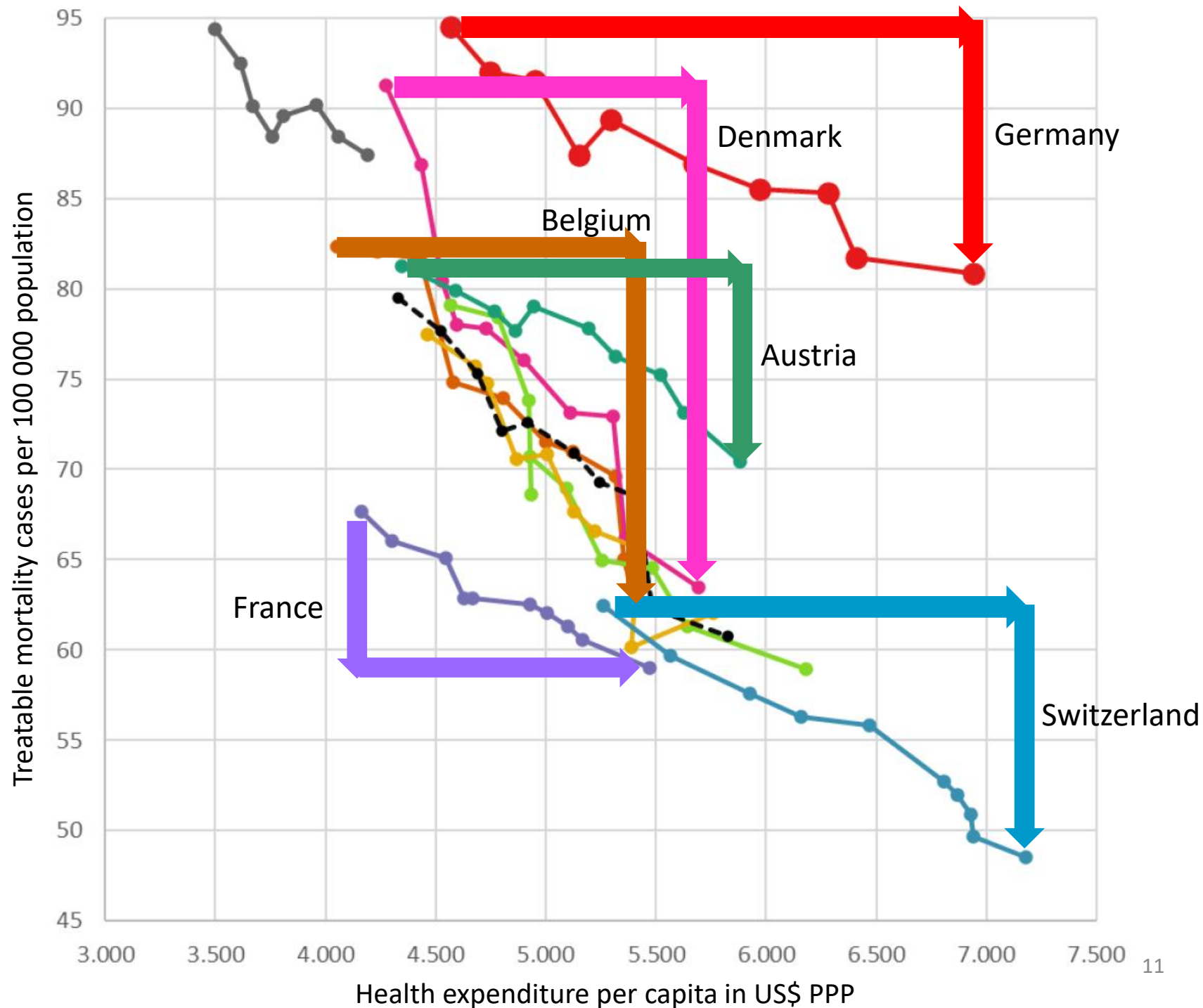
More spending,
better performance?

The longitudinal view (2011-2020)



More spending,
better performance?

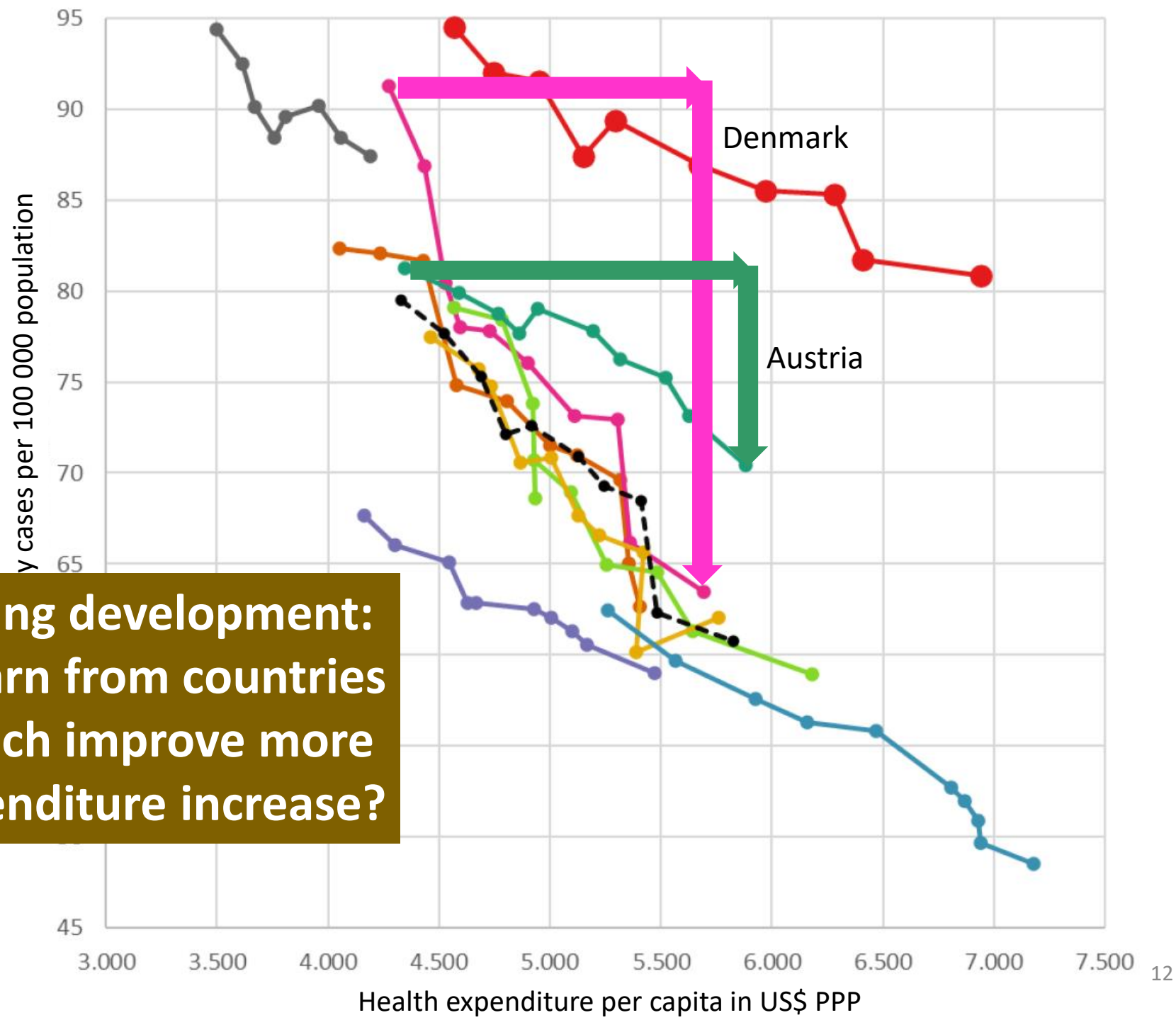
The longitudinal view (2011-2020)



More spending,
better performance?

The longitudinal view (2011-2020)

**Comparing development:
what can we learn from countries
which improve more
for less expenditure increase?**



Take-home messages:

1. Given the high health spending globally, the case for “more” is not straightforward
2. Spending increases per se do not improve anything
3. Necessary to look at what spending is on: Which part is for cost-ineffective interventions? Which part for providing services unnecessarily?
4. What is the contribution of health spending on health? (methodologically difficult, “treatable mortality” currently best approach ...)
5. If that is pointing at efficient care provision, reason to believe that more spending is justified – comparison with other countries will hint on what ...