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Fit for Purpose: Tax-based Health System in Asia

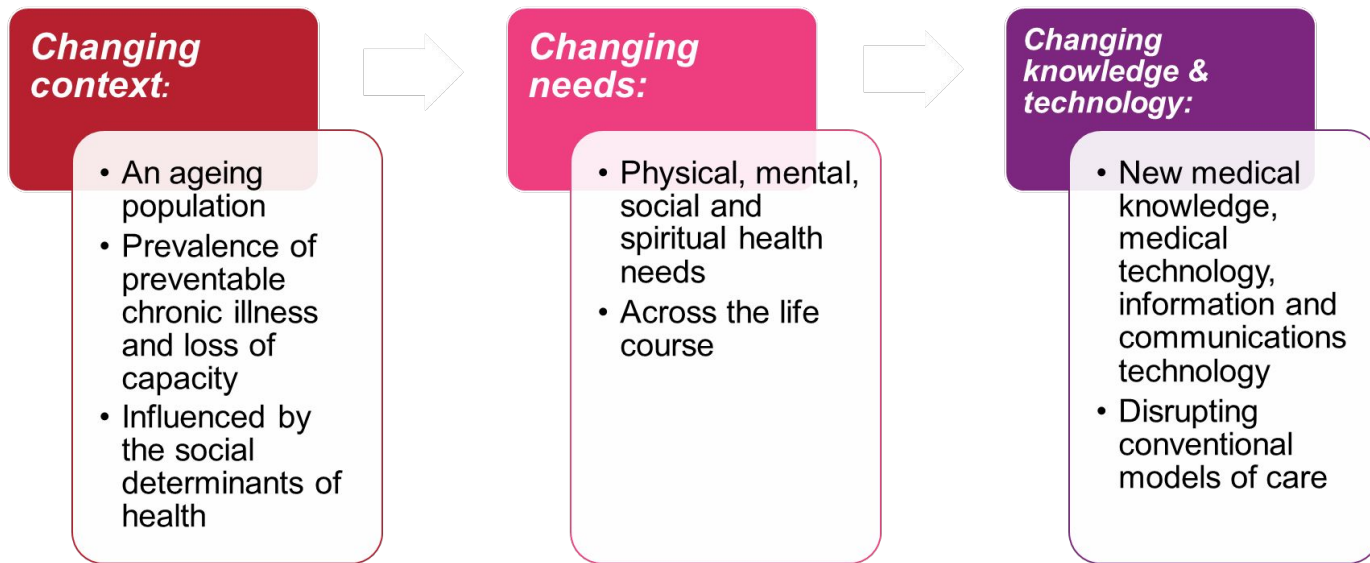
BMJ International Forum on Quality and Safety in Healthcare: Asia - Health Systems in an Aging Population

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A Fit for Purpose Health System

- A system suited to **accomplish its intended purpose**
- Changing in a changing world:



A Global Challenge: Becoming Fit for Purpose

Around the world, countries are facing **similar challenges**

Demographic change (Ageing populations)

Preventable chronic illnesses

Technological change



Hong Kong's Changing Context



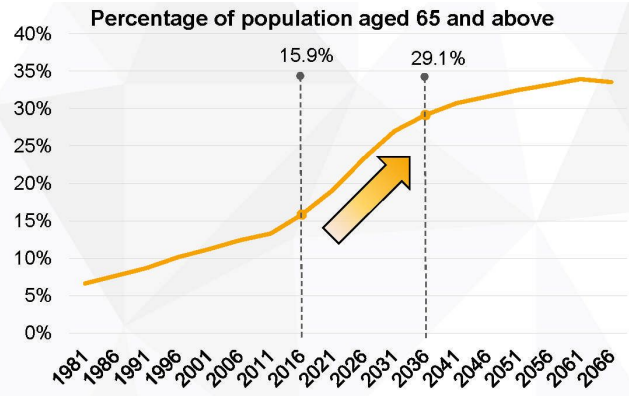
Between 2000 and 2050, the number of people aged 60 and over is expected to double.

In 2050, more than 1 in 5 people will be 60 years or older.

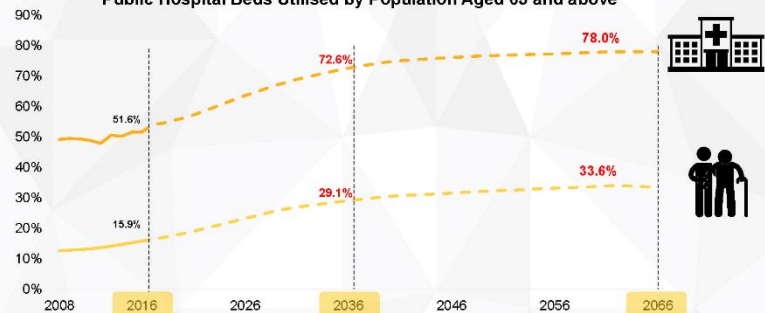


By 2050, 80% of older people will be living in low- and middle-income countries.

Hong Kong Situation



Public Hospital Beds Utilised by Population Aged 65 and above



Source: Census Population Estimate; Census Population Projection, Census and Statistics Department; Hospital Authority Statistical Report 2008/09–2016/17



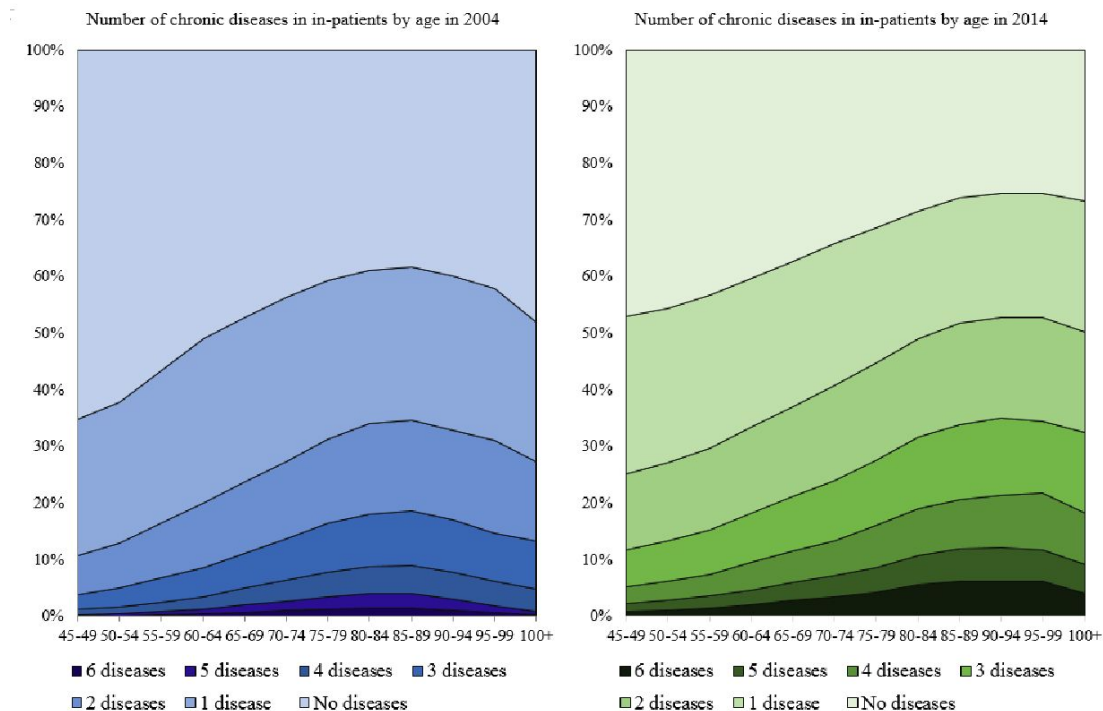
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Hong Kong's Changing Needs

Number of chronic diseases among inpatients, by age group, in the public sector in year 2004 and 2014



Source: Yeoh (2018). Population ageing and systems rethinking. Annual Meeting of the International Society of Behavioral Nutrition and Physical Activity. International Society of Behavioral Nutrition and Physical Activity, 3-6 June 2018.



Hong Kong's Challenges

□ Longer living populations

□ Prevalence of **preventable chronic conditions**

□ **Lifestyle-related and socially determined**

□ Fundamental **mismatch between services**

□ **Shifting demand profile**
necessitates a whole-of-society
and life course approach

□ Fragmentation and segmentation

- Primary and hospital services
- Personal and population health services
- Long-term and community care
- Public and private sectors

□ Advances in:

- **Medical knowledge and technologies**
information and communication
technology

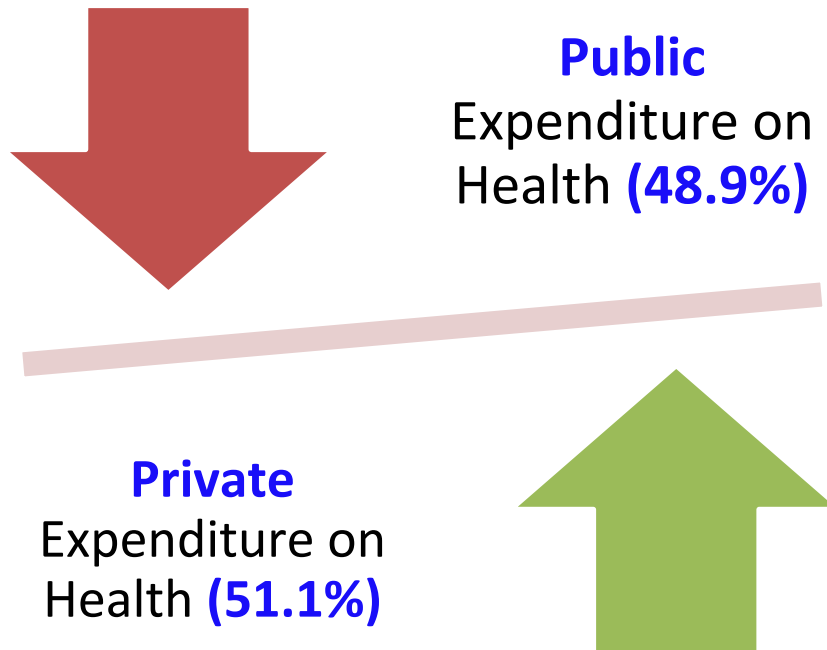
□ New opportunities while **disrupting current healthcare provision and financing models**



Hong Kong's Health System

Health Expenditure (2013/14)

Total expenditure on health
as % of GDP 5.7%



Hong Kong's Health System

Service Delivery

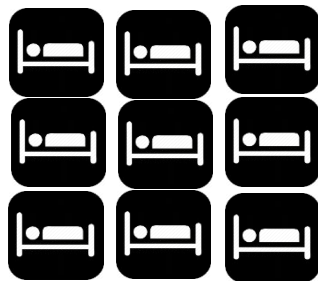
Public

Private

Inpatient

(Hospital beds)

In 2016



87%



13%

Outpatient

(Attendances)

In 2013 - Refers to consultations made to Western medicine and Chinese medicine practitioners during the 30 days before enumeration



31%



69%

Inpatient data from Department of Health and Hospital Authority;
Outpatient data from Census and Statistics Department Thematic Household Survey Report No. 50

Diversity of Health Systems In Asia

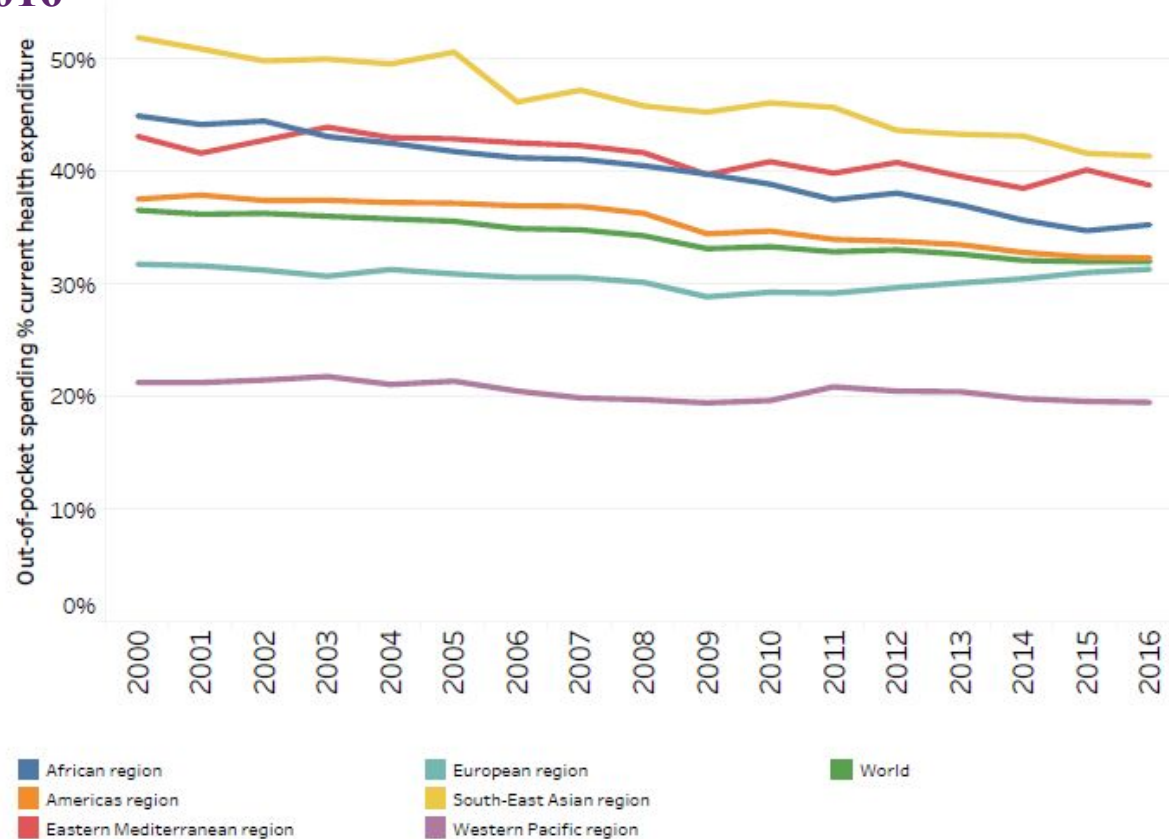
Jurisdictions	Current health expenditure (CHE) (% of GDP)	Domestic general government health expenditure (% of CHE)	Domestic private health expenditure (% of CHE)	External health expenditure (% of CHE)	
Afghanistan	10.2	5.1	77.4	17.5	Private health expenditure } > 60%
Bangladesh	2.4	18.0	74.4	7.6	
Myanmar	5.1	20.1	74.0	5.9	
India	3.7	25.4	73.5	1.0	
Nepal	6.3	18.6	69.7	11.7	
Pakistan	2.8	27.9	68.0	4.1	
Philippines	4.4	31.5	66.3	2.2	
Cambodia	6.1	21.8	59.2	18.9	
Sri Lanka	3.9	43.1	55.8	1.1	40 - 60%
Indonesia	3.1	44.7	54.8	0.4	
Hong Kong SAR, China	5.8	49.7	50.3	NA	
Lao PDR	2.4	32.4	49.5	18.1	
Malaysia	3.8	50.5	49.5	0.0	
Vietnam	5.7	47.4	48.5	2.3	
Singapore	4.5	54.5	45.5	0.0	
China	5.0	58.0	42.0	0.0	
Korea, Rep.	7.3	59.2	40.8	NA	< 40%
Mongolia	3.8	56.7	39.4	3.9	
Taiwan	6.0	62.9	37.1	NA	
Fiji	3.5	63.9	33.0	3.1	
Maldives	10.6	72.6	27.0	0.5	
Thailand	3.7	78.1	21.6	0.2	
Bhutan	3.2	74.0	21.3	4.8	
Japan	10.9	83.6	16.4	0.0	
Timor-Leste	4.0	55.8	12.6	31.6	
Papua New Guinea	2.0	70.0	7.9	22.1	
Brunei Darussalam	2.3	94.9	5.1	0.0	

Source: World Bank Database, 2016; HKSAR: 2016/2017; Taiwan: Ministry of Health and Welfare, 2016

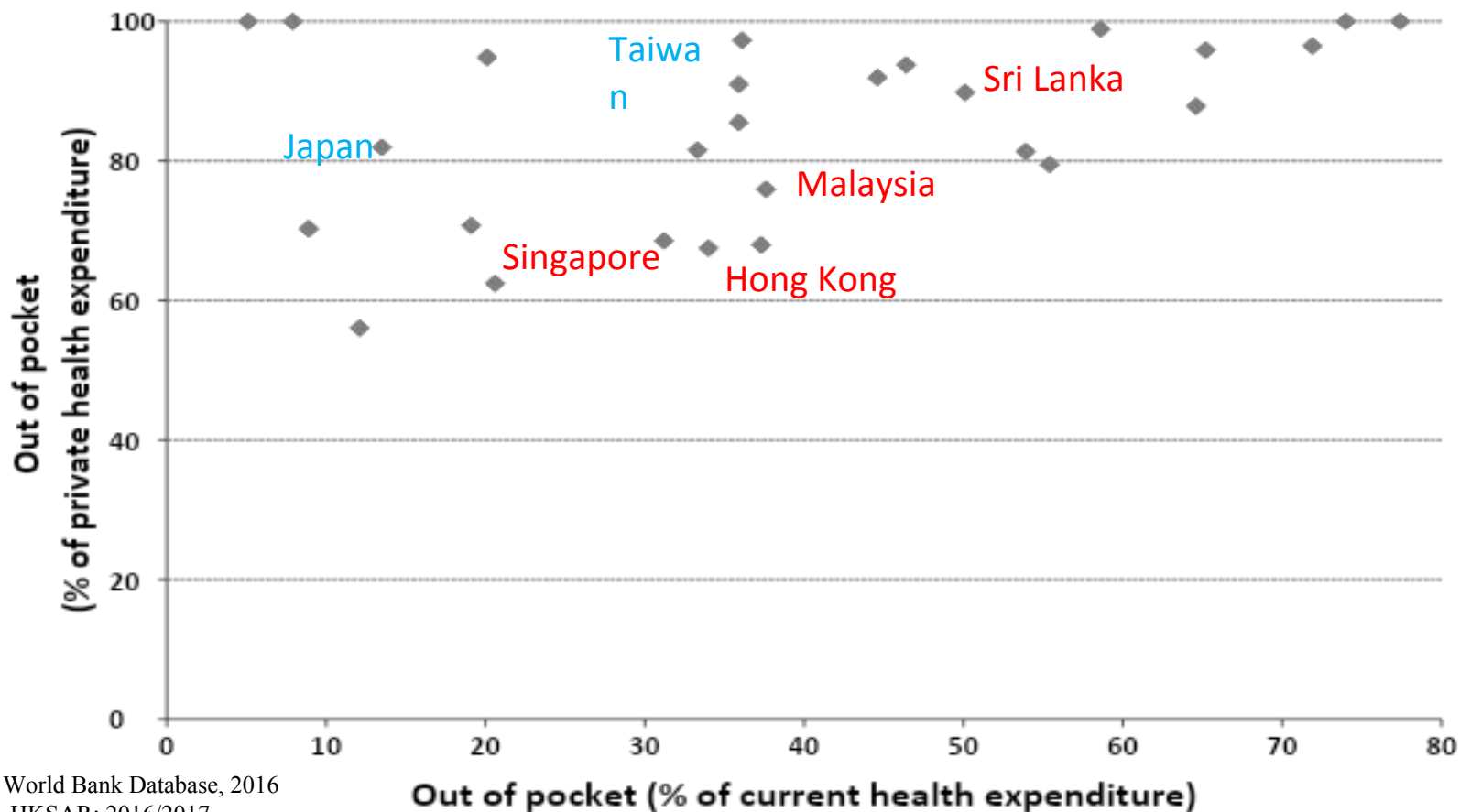


Health Systems with Parallel Financing and Provision

Out-of-pocket spending as a percentage of current health expenditure, 2000–2016



Out-of-pocket expenditure (% of CHE) by jurisdiction



Source: World Bank Database, 2016

HKSAR: 2016/2017

Taiwan: Ministry of Health and Welfare, 2016

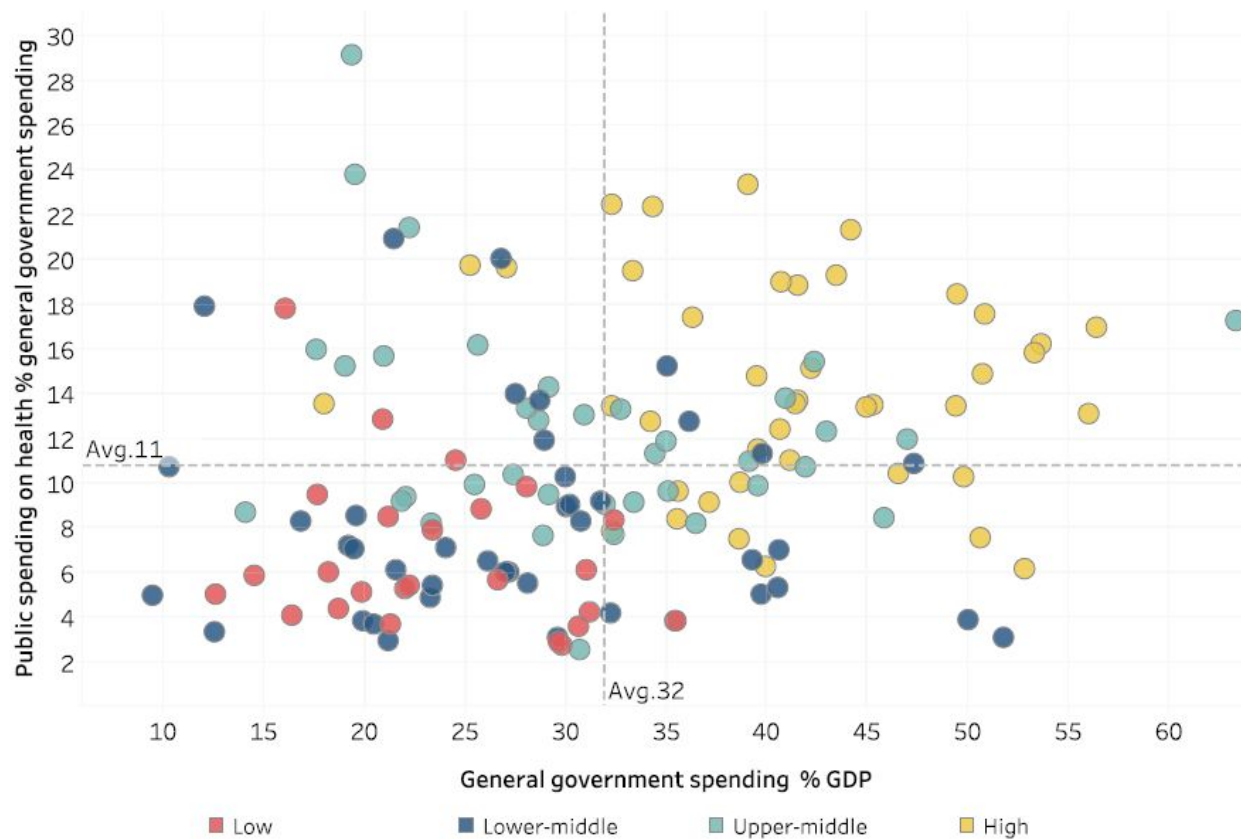
Voluntary Health Insurance Schemes as % of Current Health Expenditure (CHE)

Jurisdictions	Voluntary Health Insurance Scheme as % of CHE in 2016
Hong Kong	16
Singapore	2
Malaysia	10
Sri Lanka	2
Japan	2

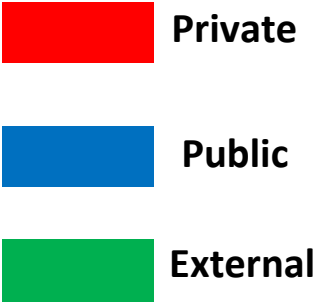
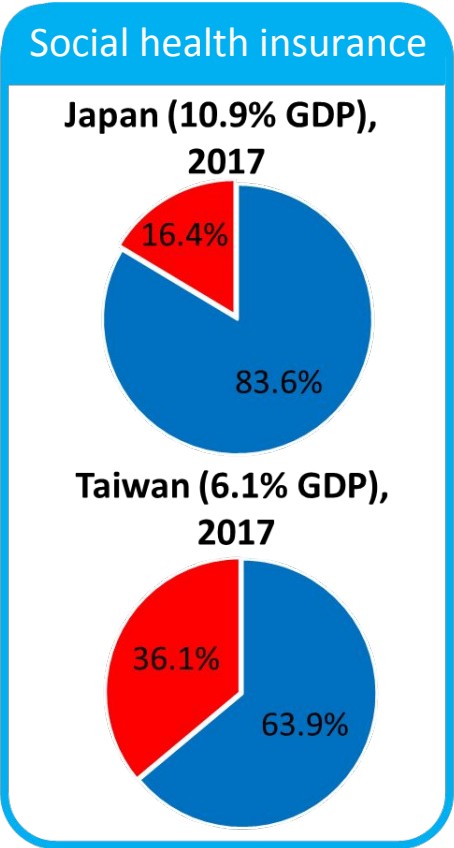
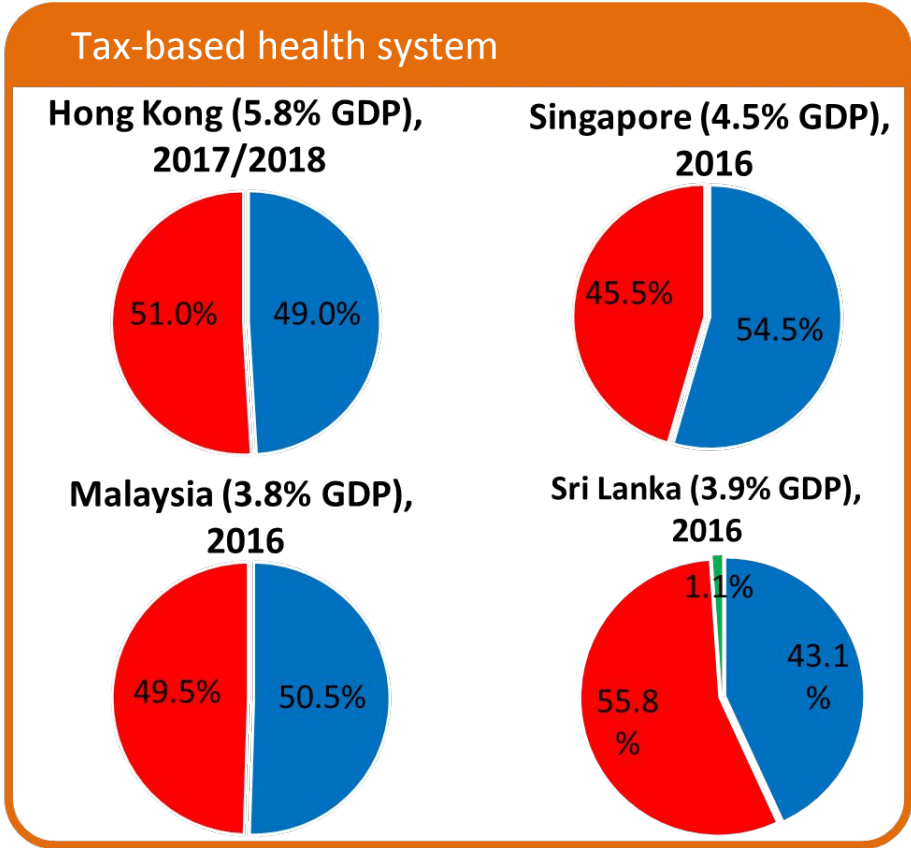
Voluntary health insurance schemes includes employer-based insurance schemes, and privately purchased insurance schemes.

Source: WHO Database, 2016
HK's Domestic Health Accounts
HKSAR: 2017/2018

Overall public spending and prioritization of health vary across and within country income groups

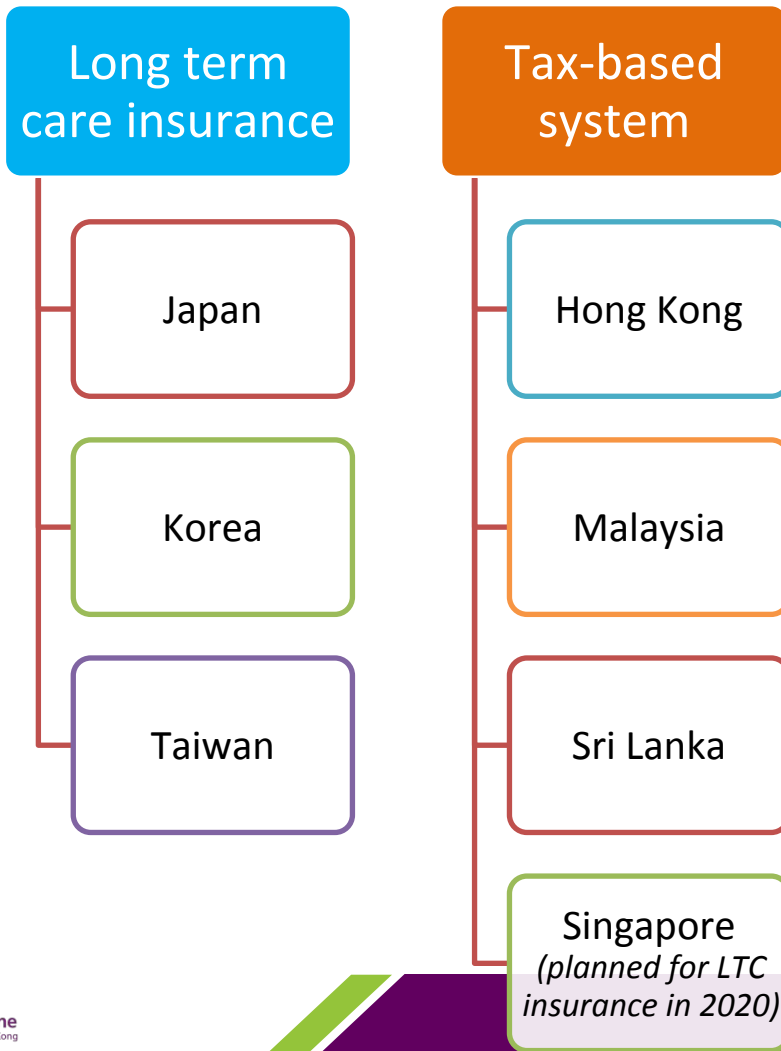


Current Health Expenditure: Public and Private



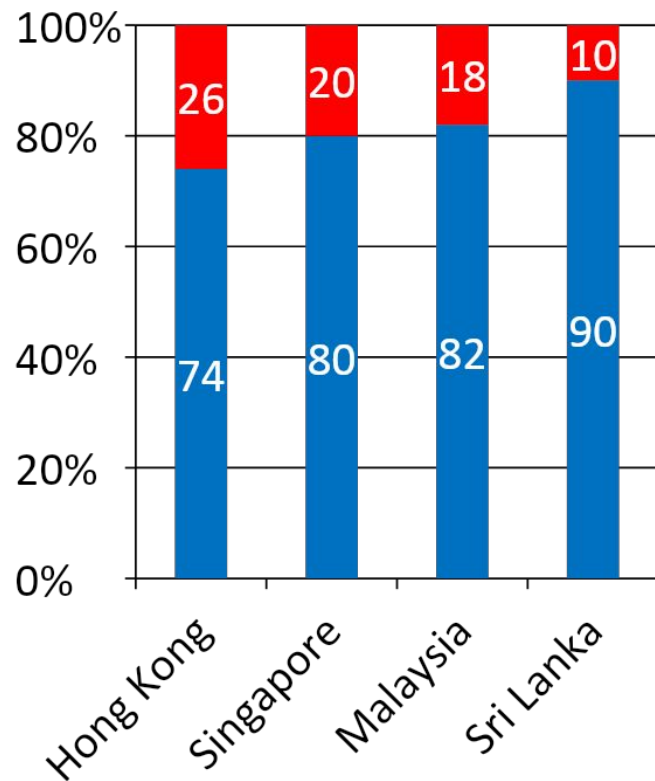
Source: World Bank Database, 2016
HK's Domestic Health Accounts
HKSAR: 2017/2018

Long Term Care (LTC) Financing

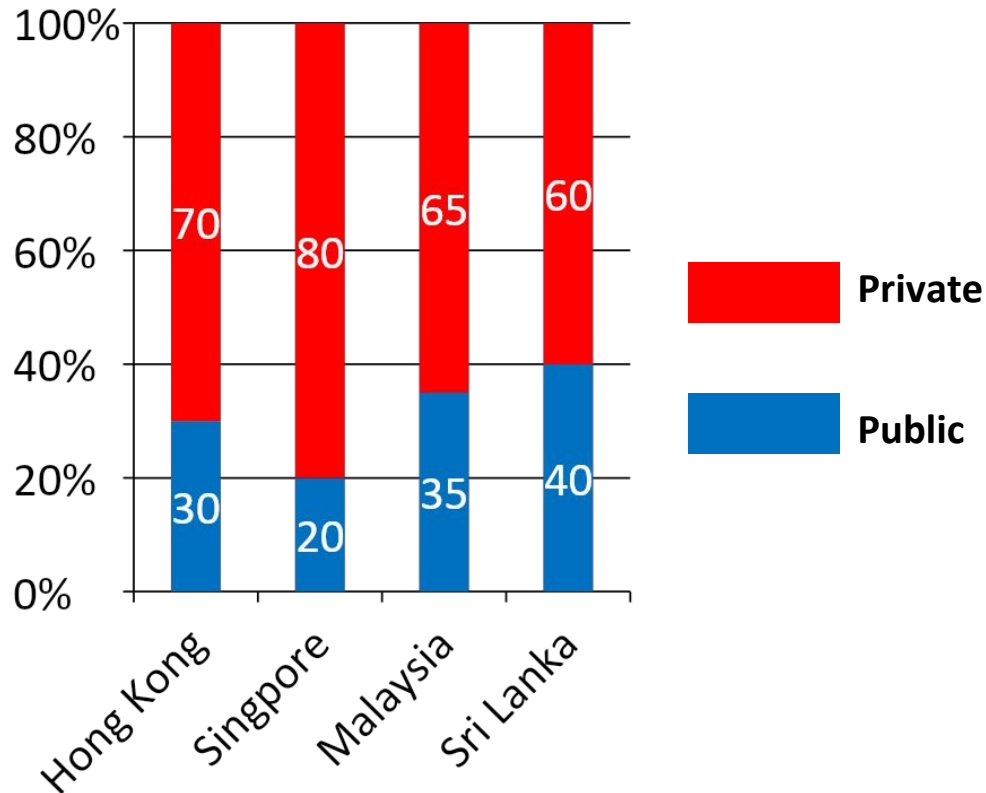


Public & private health service provision

Inpatient

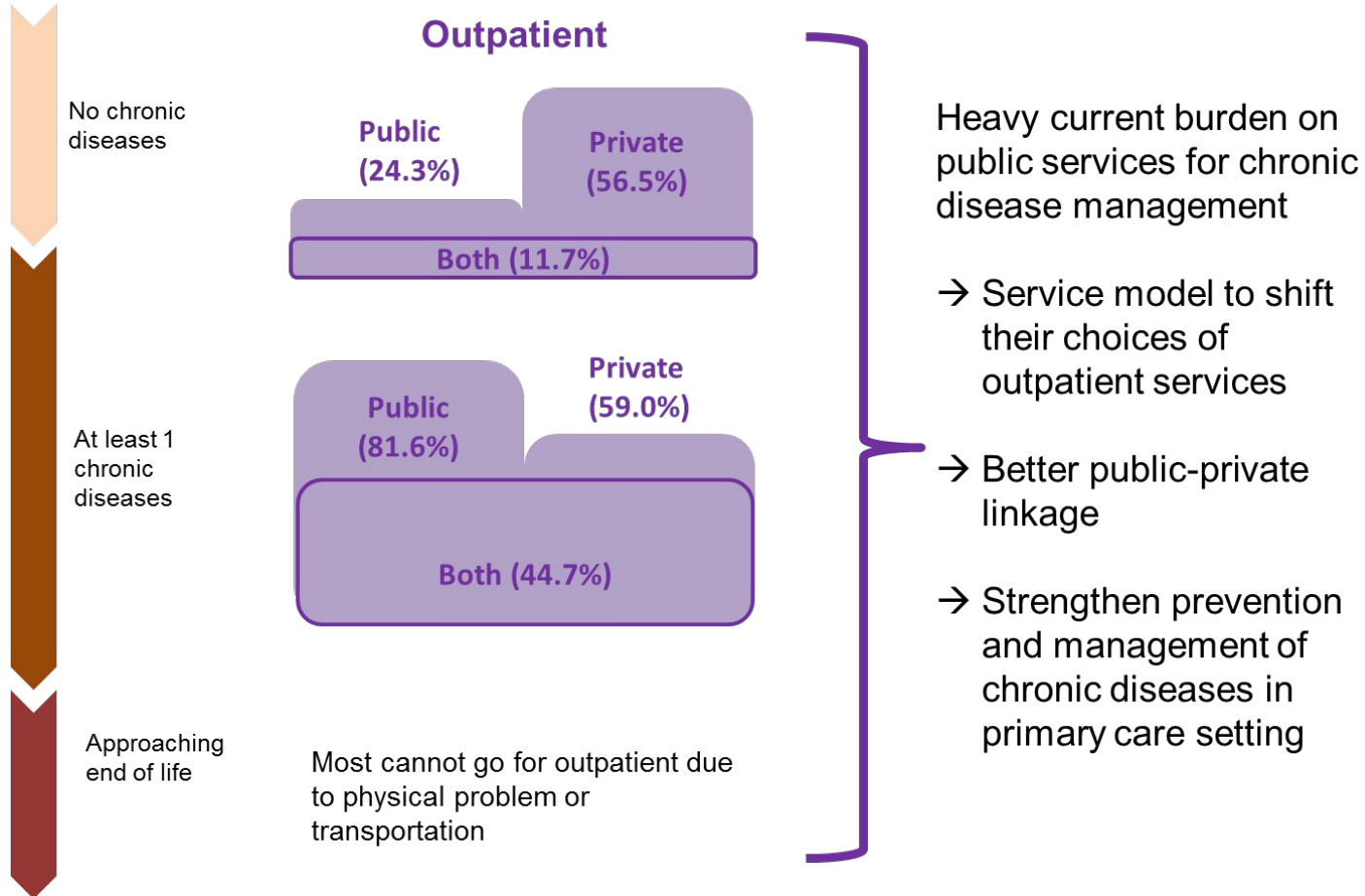


Outpatient

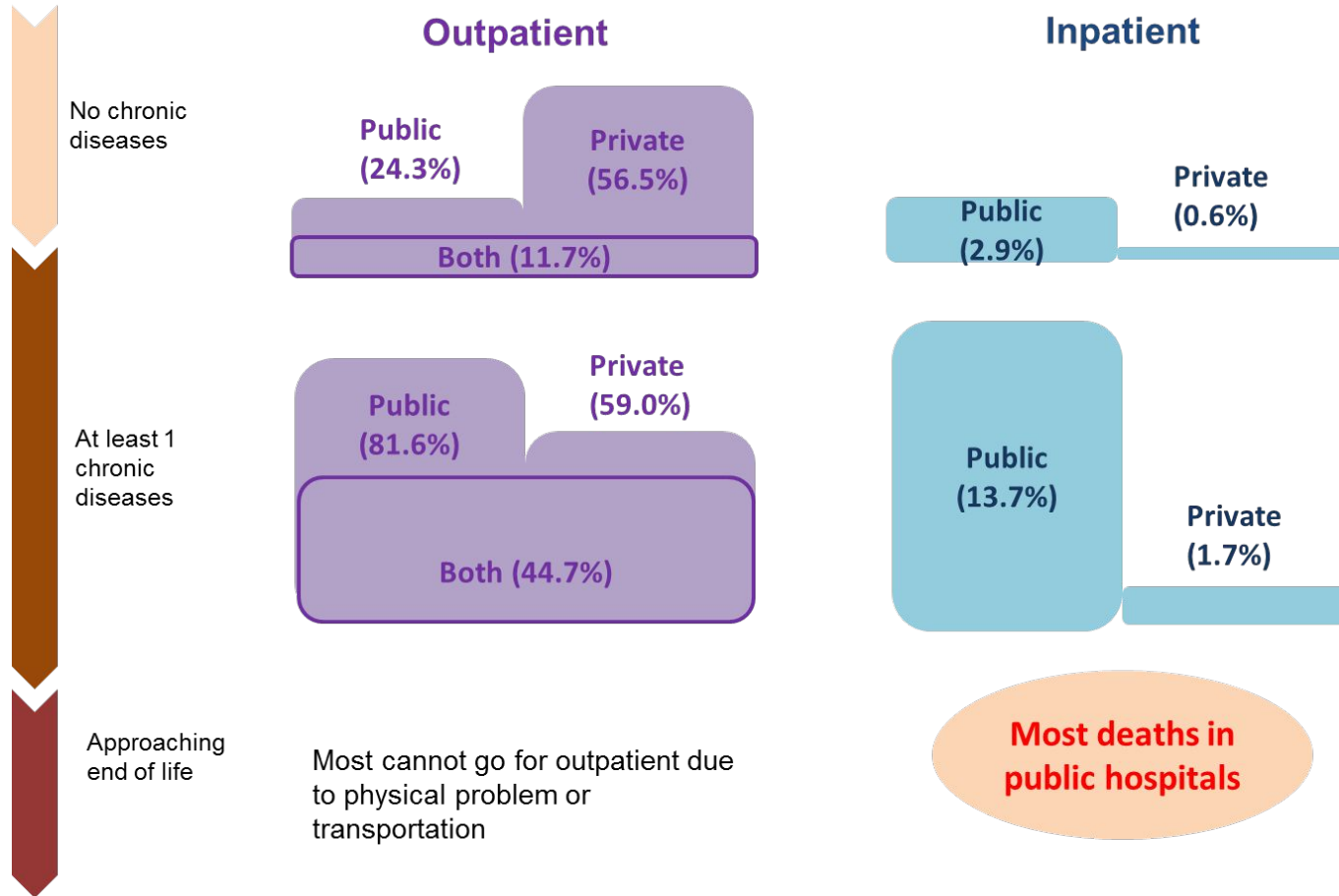


Source: Hong Kong - Thematic Household Survey no 58, 2015; Singapore, Sri Lanka - Lim MK, Singapore Health Care: a model of prudent, pragmatic, public-private partnership. National University of Singapore. Malaysia - WHO, Malaysia health system review. (Health Systems in Transition, Vol. 2 No. 1 2012)

Hong Kong Elderly 65+



Hong Kong Elderly 65+



Among all Hospital Admissions for Hong Kong Elderly, 65+

15% RCHE vs 85% home



46.8% due to ambulatory care sensitive conditions (ACSC)*



4% result in death in hosp.



About 20% avoidable readmission in 30days



Segmentation of Health and Social Systems

**ACSC: Conditions in which hospitalization can be avoided by timely and effective care in ambulatory settings*

Source: Yeoh, 2018



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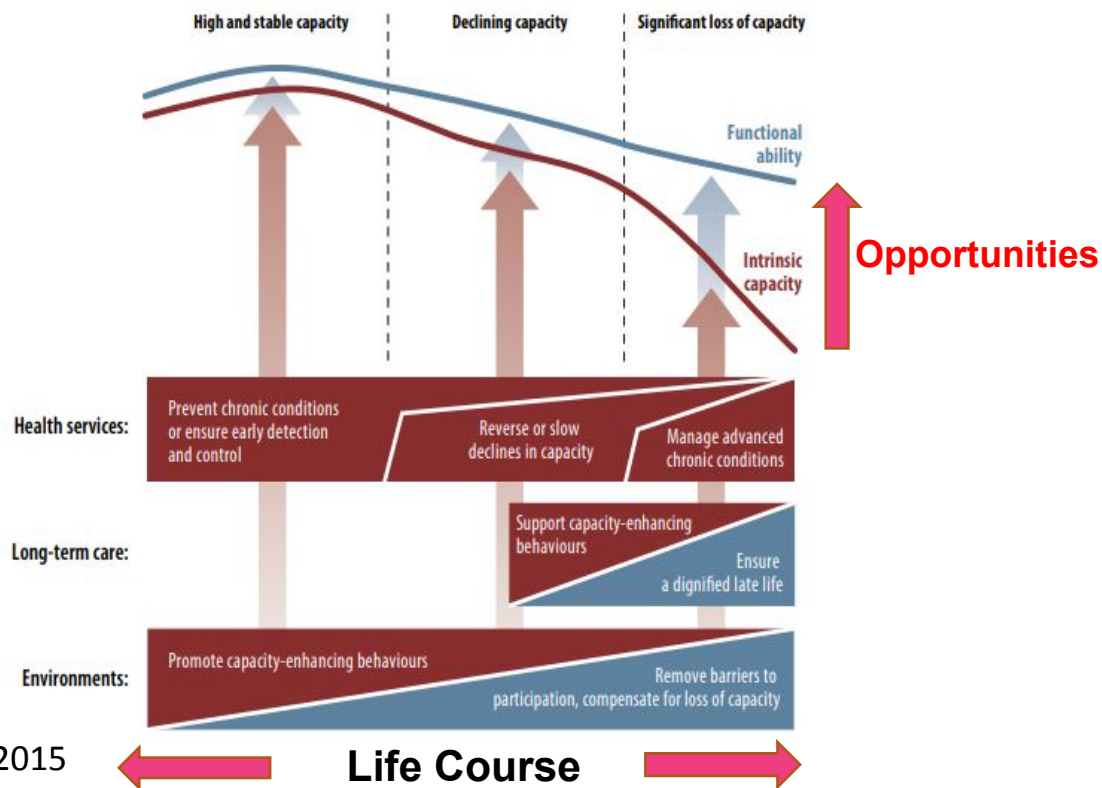
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Ambulatory Care Sensitive Conditions (ACSC)

- Good outpatient care can potentially prevent the need for hospitalization
- Timely and effective outpatient care can help to reduce the risks of hospitalization by preventing the onset of an illness or condition
- Early intervention can prevent complications or more severe disease

Ref: Agency for Healthcare Research and Quality, 2016, Billings et al, 1993

Public Health Framework for Healthy Ageing: Opportunities for Public Health Action across the Life Course



Source: World Health Organization, 2015



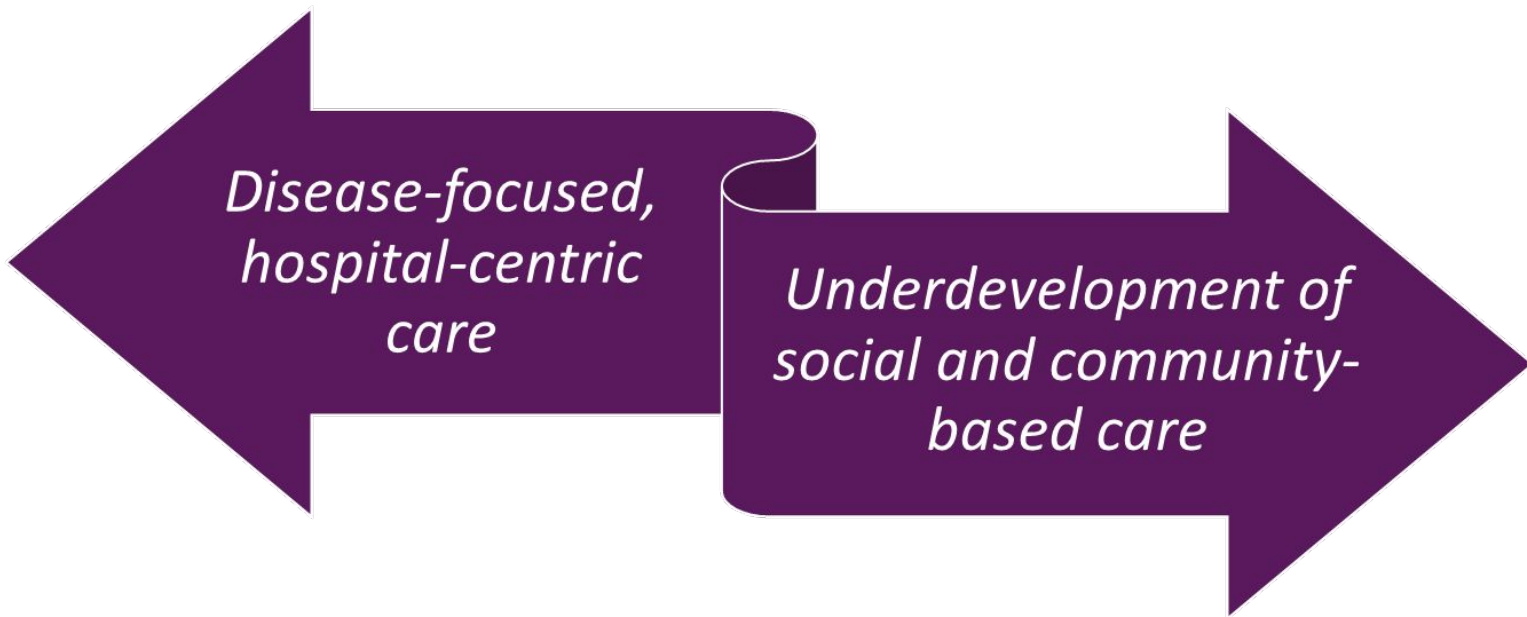
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Challenge 1: Mismatch

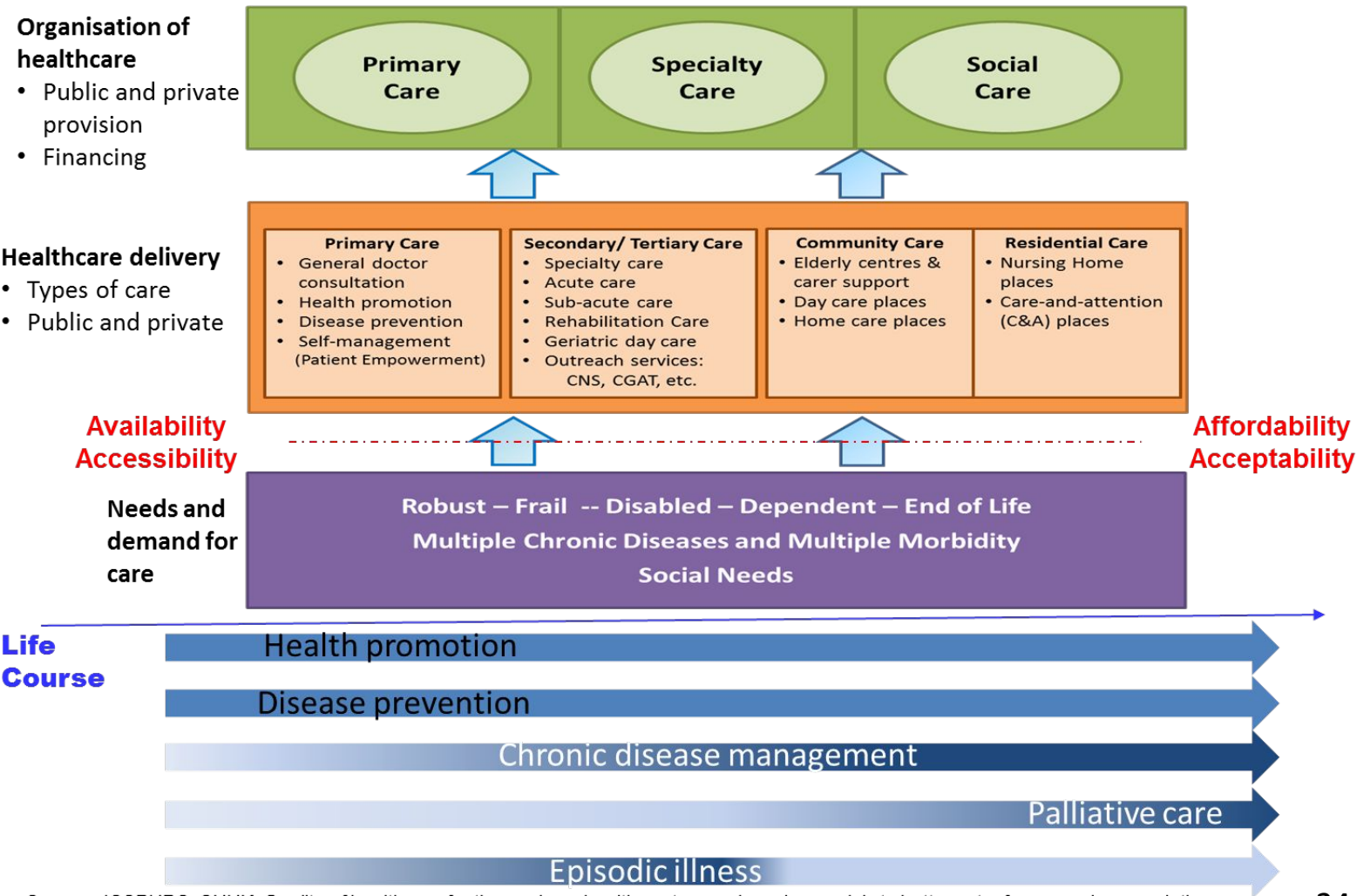
Mismatch between **how health services are delivered and the changing healthcare needs** of ageing population.



Healthcare Delivery System

- Organisation of healthcare**
- Public and private provision
 - Financing

- Healthcare delivery**
- Types of care
 - Public and private



Source: JCSPHPC, CUHK. Quality of healthcare for the ageing – health system and service models to better cater for an ageing population.

Challenge 2:

Fragmentation and Segmentation

Delivery system fragmentation

- Different **types of care**
- Different **settings and organisations**
- Different service **providers**
- Various **processes**
 - “Natural fissure lines” contributing to care fragmentation in a life course

Health system segmentation

- Segmentation of **service delivery and financing** between public and private sectors.
- **Public-private** divide

Health and social sector segmentation

- Segmentation of **service and finance of health social sector**
- Hinder **transition** along patient care pathways & **inadequate medical and social support**



Profile of Long Term Care Applicants

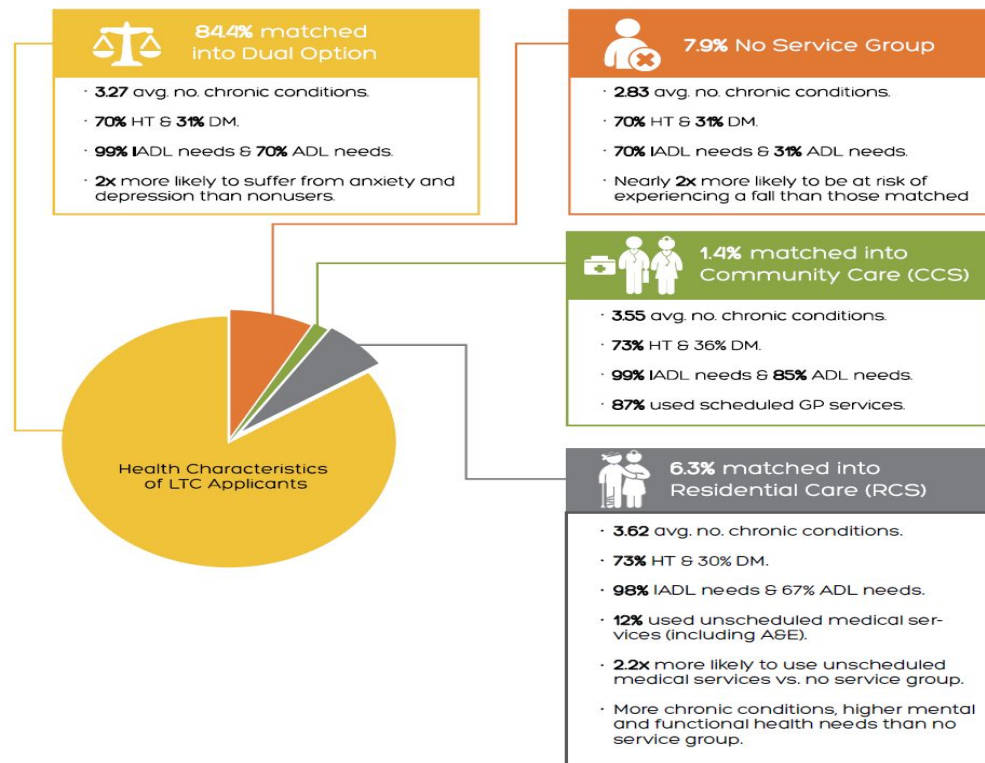
Standardised Care Need Assessment Mechanism for Elderly Services (SCNAMES)



78% with a primary school education level and below



99% made no trade-offs between health/social care services and daily life expenses



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Challenge 3: Primary Care

The primary care system is underdeveloped.

□ Primary care in the private sector is *unaffordable* for certain segments of the population

□ *Underdeveloped* primary care contributes to:

- System fragmentation
- Service delivery inefficiency
 - Encourages patients to access specialist and acute services
 - Overspecialization results in multiple healthcare providers within a single patient care pathway contributing to fragmentation
 - Serial referrals to different specialists can lead to service overlap, gaps in service delivery, longer wait times and inefficiency



Challenge 4: Health System Governance

Hong Kong has a number of governance challenges:

Strategic planning informed by intelligence of population needs and priority-setting

Strategic commission & purchasing and incentive payment mechanisms

Public-Private Partnerships

- Predominantly designed to address immediate medical capacity demands modest in rollout
- Strategic role of private sector
- Demand-side financing risks

Accountability:

- Private sector
- Performance monitoring
- Standardization and price transparency

Health system & financial sustainability





Opportunities

Transforming the system to be fit for purpose

Transforming the System to be Fit for Purpose

Person-centred Care

- We need to reorient the health system for “the community of persons”.

Primary Care-led Integrated Care

- We need to reorganise how services are delivered to strengthen integration within and between providers and sectors.

Health Governance

- We need to put in place governance levers and structures to support and enable the development of new service models.

Integrating Care for Community of Persons

Integrating community and primary care:

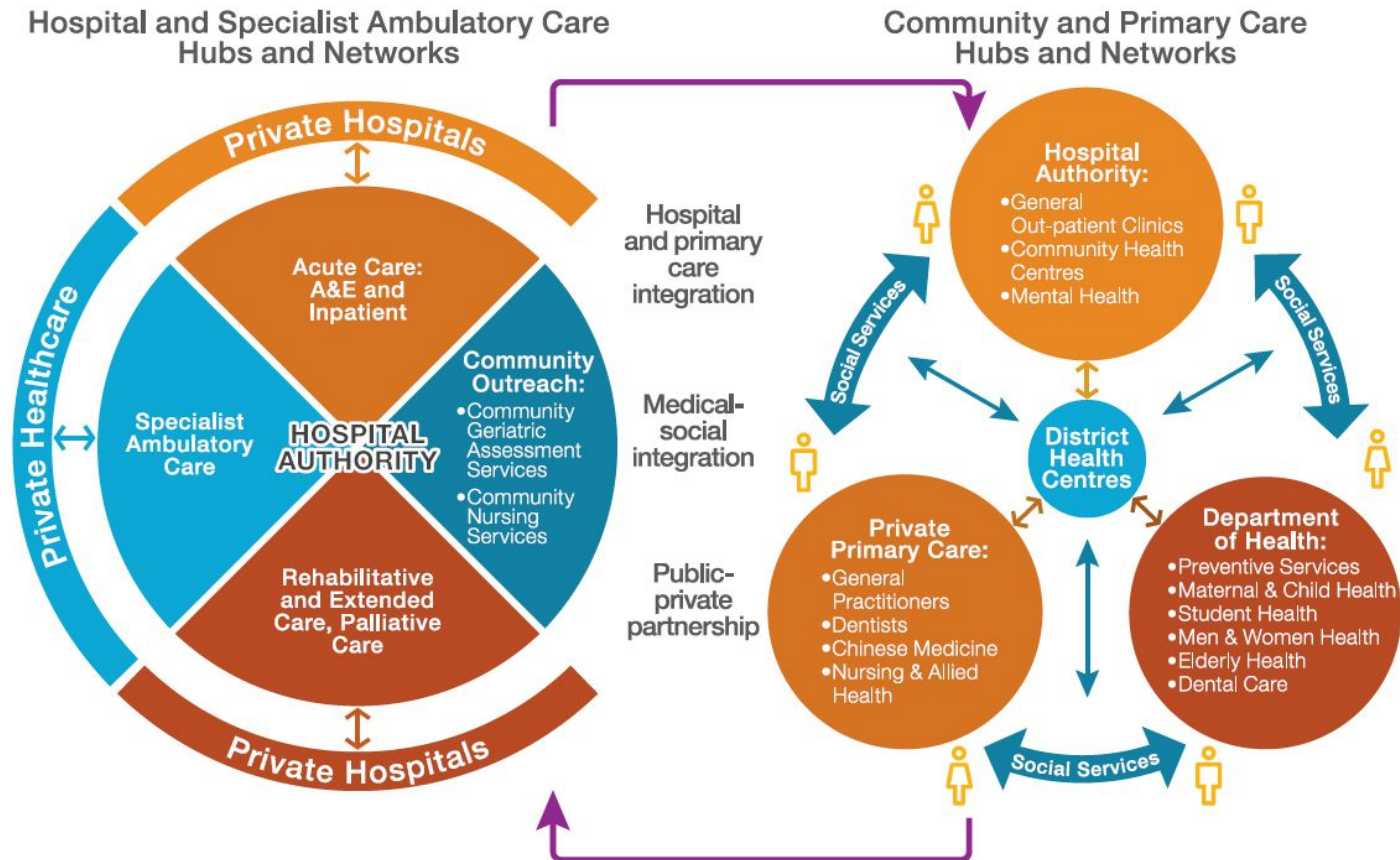
District health centres within and with public and private primary care, health promotion & prevention, specialist care, social services and community care

Integrating multidisciplinary care:

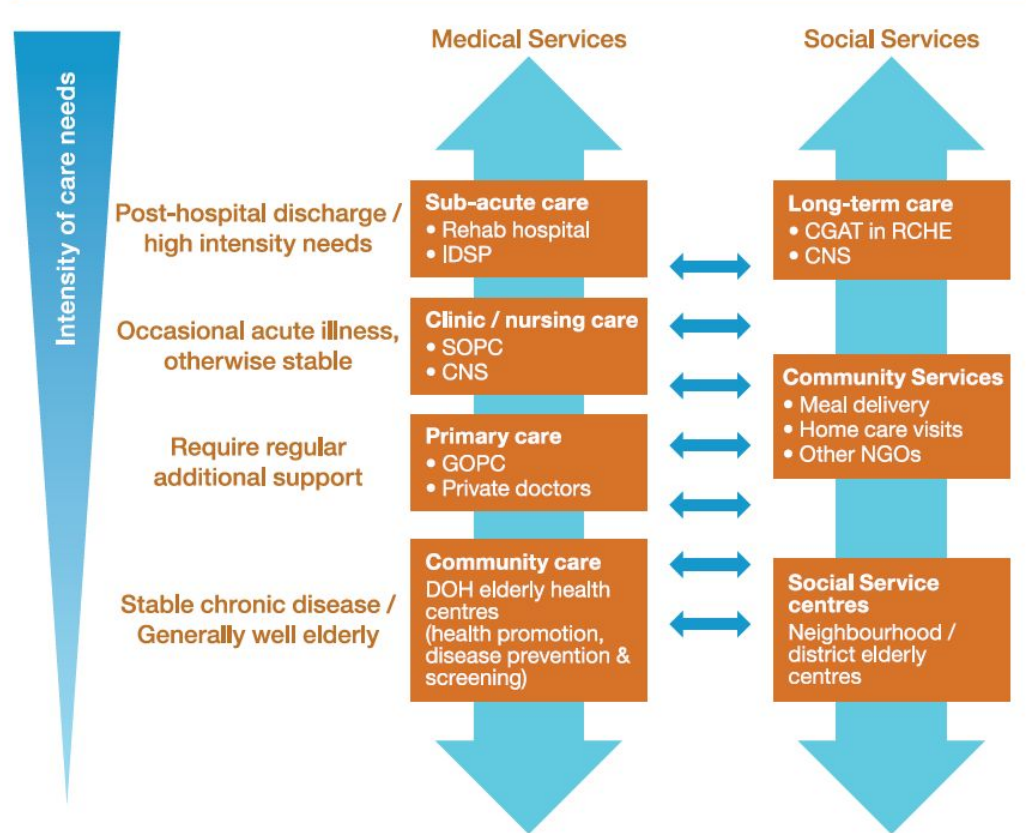
- Hospital & specialist care and community and primary care
- Primary & social and community care



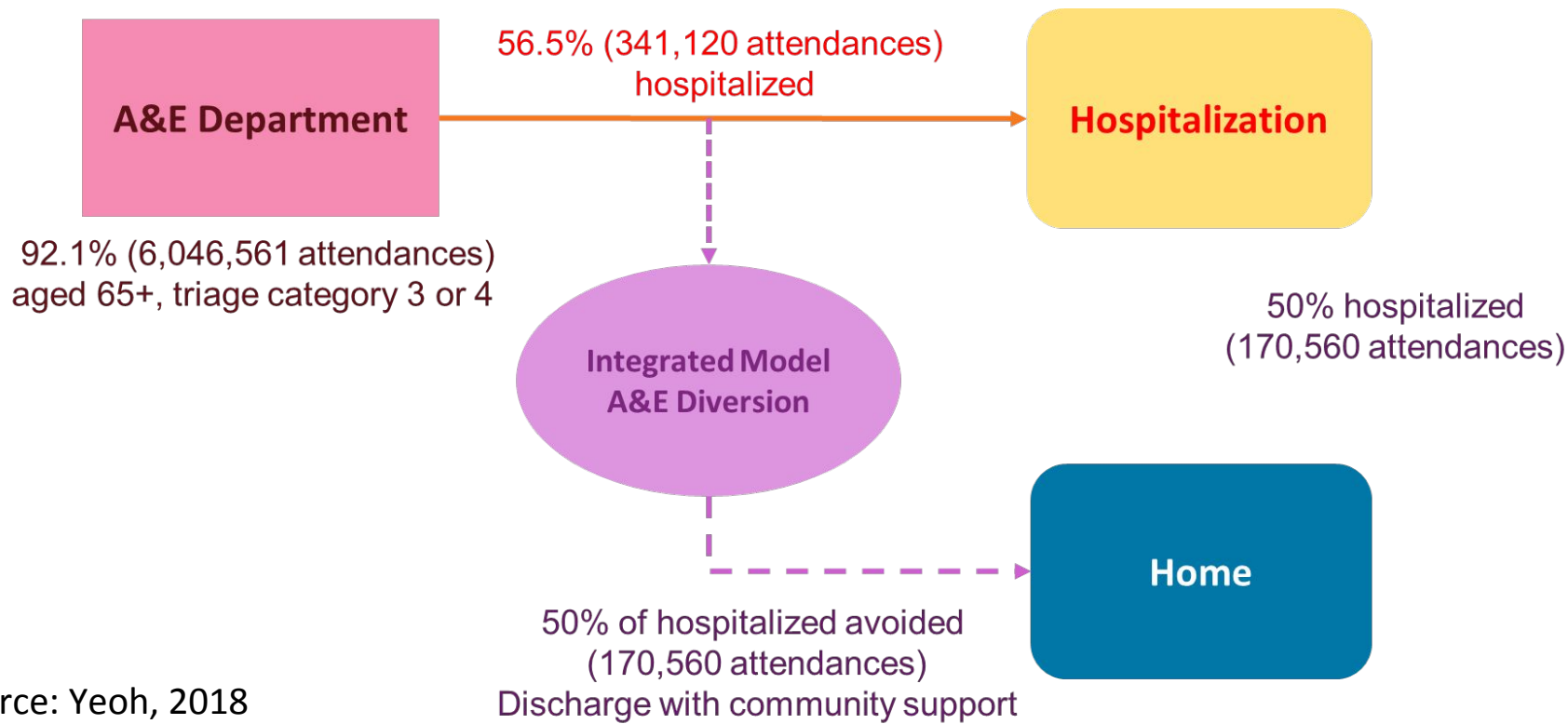
Conceptual Model of Integrated Health services



Conceptual Model for Integrated Community Medical-social Services for the Care of Older People in Hong Kong



Integrated Model Between A&E and Geriatric



Source: Yeoh, 2018

Health Governance

Health governance in primary care-led integrated person-centred care

Strategic vision and the capacity to steer the health system.

- Vision for change needs to be feasible and tap into shared values to inspire change.
- Policies need to be in place to *support patients to co-design* the care they receive.

Strategic and needs-based planning and strategic purchasing, payment mechanisms and resource allocation .

- *Needs and service mix assessments* to inform priorities from strategic purchasing, commissioning mechanisms
- *Appropriate resource allocation and payment mechanisms*
 - Budgetary, case payment, bundled, and mix payment capitation for primary, community and hospital inpatient care to encourage efficiency and effectiveness

Mechanisms to gather evidence and intelligence , research to support planning.

- *Commission research* studying how health system integration should work in Hong Kong with reference to a framework guided by a vision and systemic in its construct.

Health Governance (Cont'd)

Health governance in primary care-led integrated person-centred care

21st century *information architecture*.

- Development of *information networks and platforms* such as a Big Data Analytics Platform, the electronic health record system and the development of a "Health ID" representing the collation of health data over a life course.

Align system incentives to promote integration.

- Consider *strategically purchasing services* encourage coordination and integration.
- *Redesign vouchers and public-private partnerships* to target disease prevention and chronic disease management.
- *Personal health budgets* can integrate services around individual patients and promote greater personalisation and wellbeing.
- *Incentives* for primary care workforce: performance payment, career structure, professionalism.





Thank you!