



# Tackling Wasteful Spending to Achieve Sustainable Universal Health Coverage

**#Access2030**

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***EFP Access Campaign Launch***

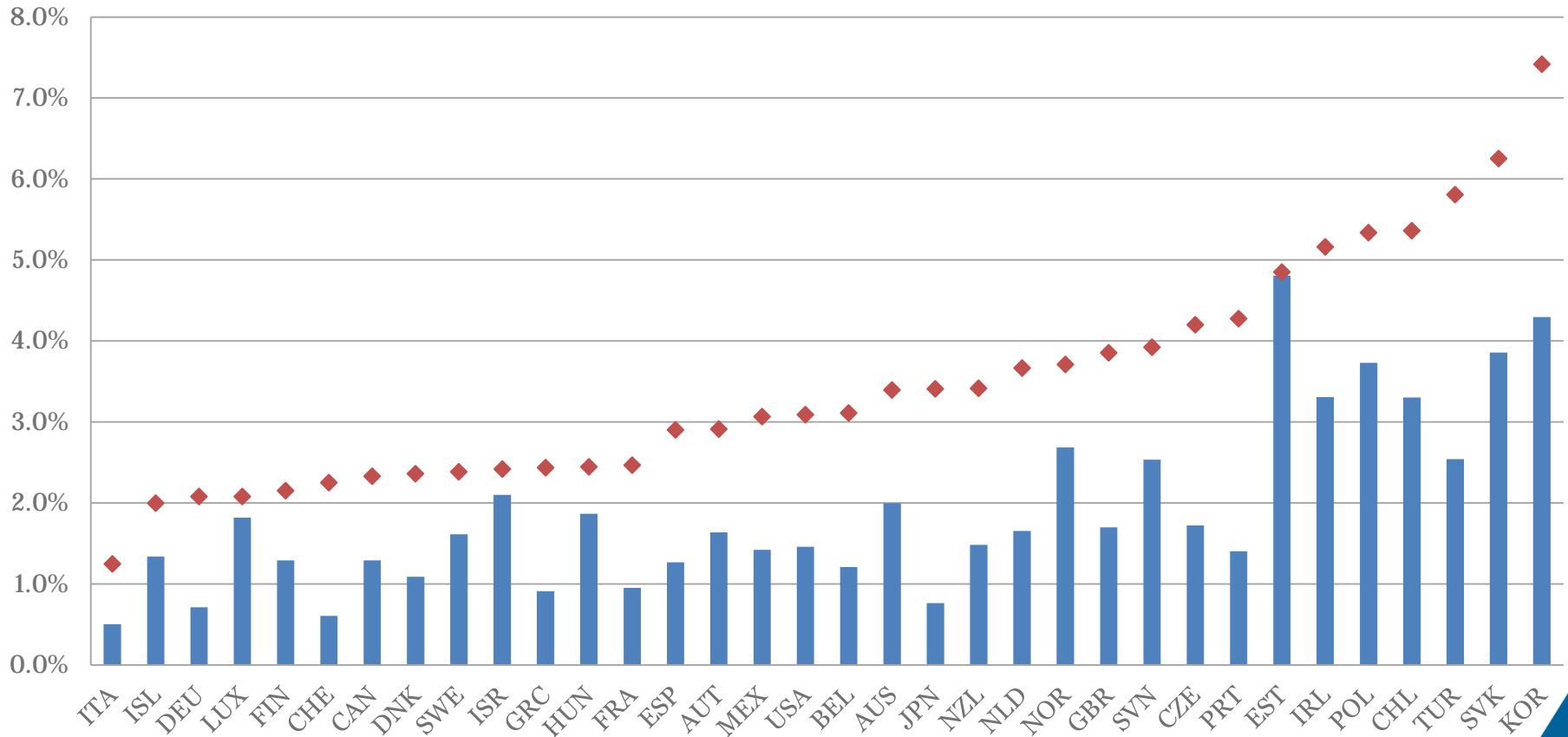
*Brussels. February 27, 2017*



# Health spending has typically outpaced economic growth

## Average annual growth rate of real health spending and GDP per capita, 1990-2012 (or closest years)

■ GDP per Capita     ◆ Real health spending

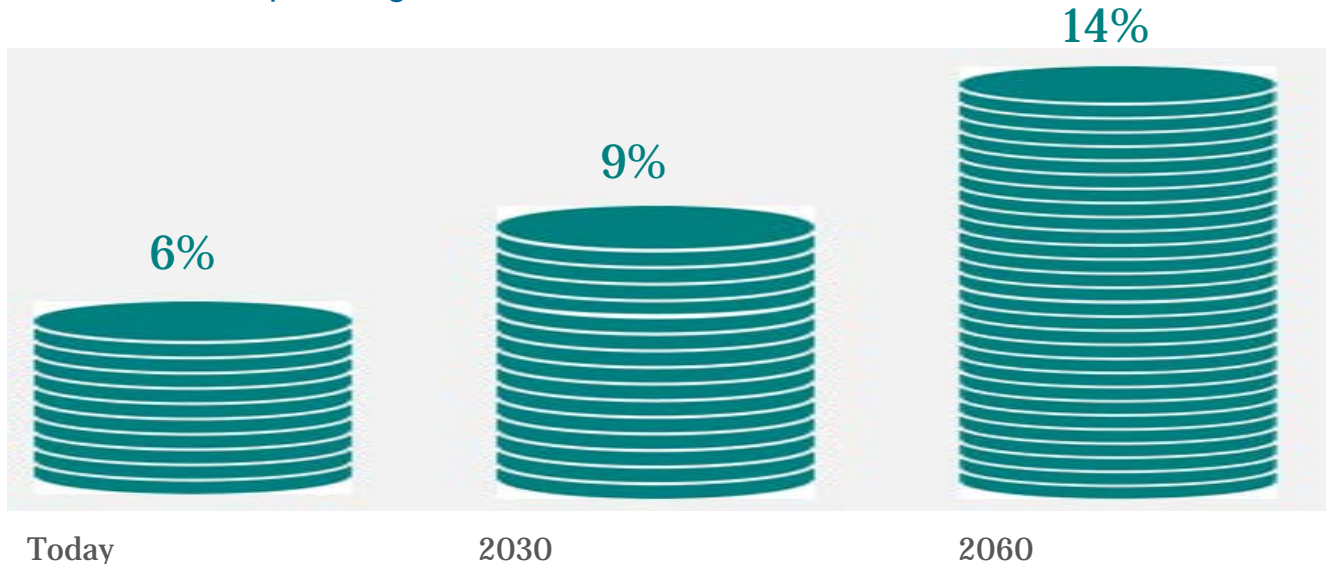




## *Despite a recent slowdown, health spending will continue to rise*

- 2008 economic crisis affected health spending
  - Post-crisis reductions in real health spending per capita in 13 of 34 OECD countries
- However, major increases in health spending still expected in medium to long-term

Public health spending as % of GDP *without effective cost containment*





## *Three broad policy options to raise funding for Universal Health Coverage*

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### **1. Reallocate public funds from other areas; raise more revenues for health**

- *Limited feasibility (currently) in many OECD countries*

### **2. Reassess the boundaries between public and private spending**

- *Critical role of Health Technology Assessment*
- *Maintaining access and financial protection*

### **3. Deliver better value for money & eliminate waste**



## *Some vexing numbers highlighting wasteful spending*

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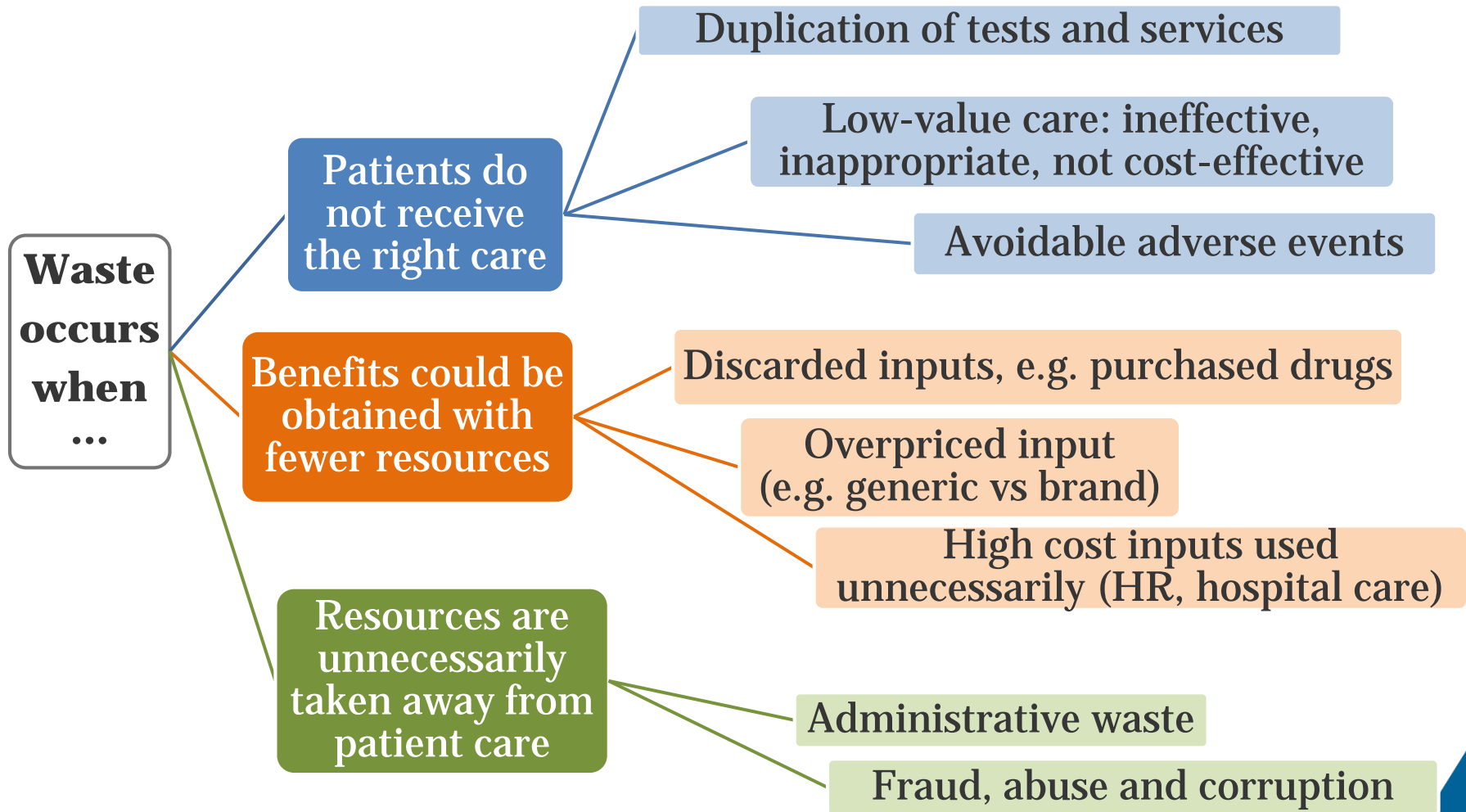
- Adverse events in 1/10 hospitalisation, **add between 13 and 17% to hospital costs** and up to 70% could be avoided
- Up to **50% of antimicrobial prescriptions are unnecessary**
- **12% to 56% of emergency department visits are inappropriate**
- **Share of generics varies between 10% and 80%**
- **Administrative expenditure varies more than seven-fold**
- **Loss to fraud and error averages 6% of payments**

### **Up to a fifth of health spending in OECD countries is on:**

- **services and processes which are either harmful or do not deliver benefits;**
- **costs which could be avoided by substituting cheaper alternatives with identical or better benefits.**

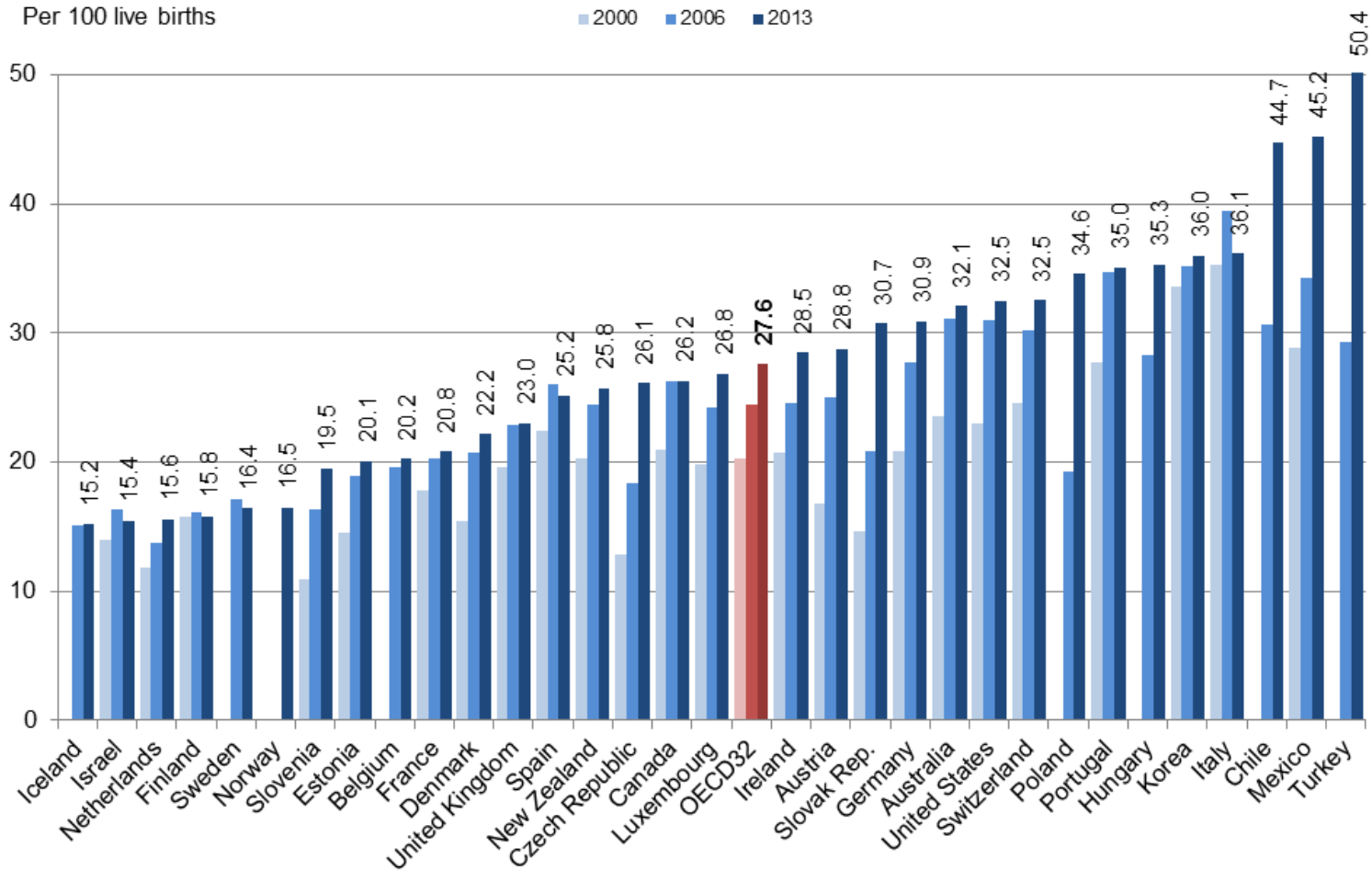


# Identifying wasteful clinical care, operational and governance-related waste





# The growing problem of caesarean section

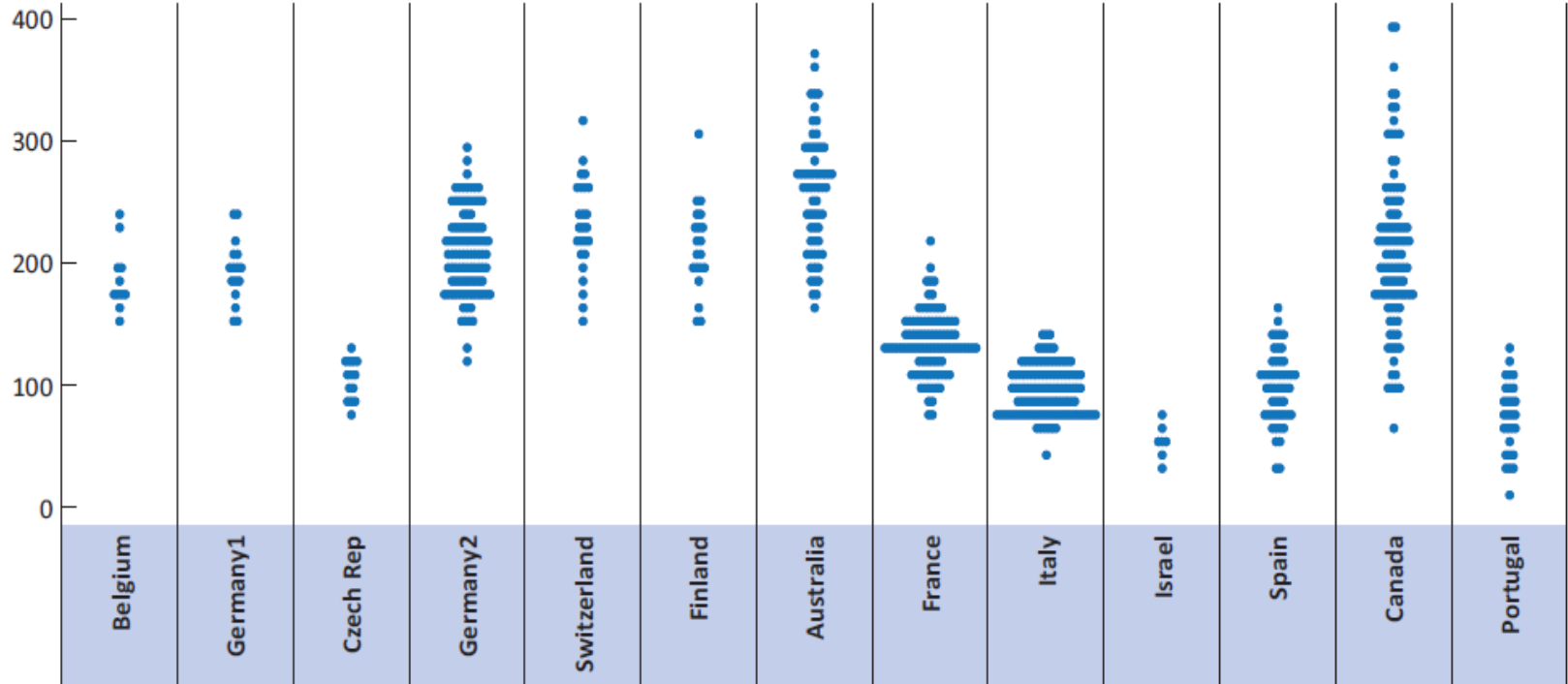


Grew from **20%** to **28%** between 2000 and 2013.



# Large variations in the volumes of services delivered cannot be medically justified – Barriers in access and overuse coexist

Standardised rates per 100 000 population



Crude rate	210	215	113	215	257	240	238	133	122	45	106	193	77
Std rate	186	194	105	209	230	213	257	135	96	56	98	213	74
Coeff. of variation	0.14	0.15	0.16	0.17	0.17	0.18	0.19	0.19	0.20	0.28	0.31	0.32	0.39

**Knee replacement rate across and within selected OECD countries, 2011 (or latest year). Source: OECD (2014)**





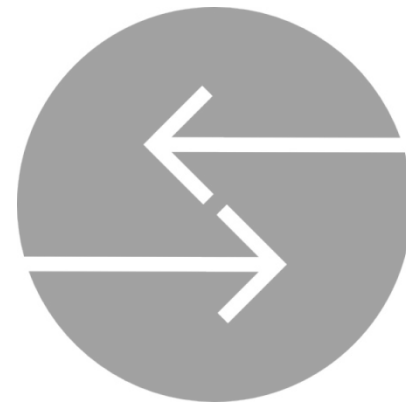
## *Tackling wasteful spending: all aboard!*

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- Wasteful spending occurs at all levels of the system
- All stakeholders bear a responsibility and must be involved in the solution
- Strategic principle



Or





## *Tackling wasteful spending* *Examples focusing on patients' role:*

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**Acknowledge** – that the problem exists

**Inform** – generate and publicize indicators on waste more systematically

- Bring in and reconcile different perspectives to agree on what activities generate value (examples: PREMs and PROMs)
- Demand and use information: Fraud and corruption, adverse events,

**Persuade** - patients and clinicians must be persuaded that the better option is the least wasteful one – behavior change

- Campaigns and/or education: over-prescription of antimicrobials, self-management, Choosing Wisely ©

**Pay** – reward the provision or the access to the right care in the right setting (coverage decisions, HTA)



## Take home messages

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- Resources are required to ensure Universal Health Coverage;
- Eliminating wasteful spending is a key strategic element in this respect;
- Wasteful spending is everywhere and everyone, including patients, is part of the problem and the solution;
- Tackling wasteful spending increases the quality of care and ensures higher value – intrinsically contributing to substantively achieving UHC.



## Read more about this work



OECD (2017), *Tackling Wasteful Spending on Health*, OECD Publishing, Paris.

URL: [oe.cd/tackling-wasteful-spending-on-health](http://oe.cd/tackling-wasteful-spending-on-health)

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