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What has been the value of UK health care reforms?

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Outline

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- Donabedian's distinction between structure, process and outcome
- The English "disease": re-disorganising" NHS structures
- Re-focusing reform incentives
- Conclusions

Donabedian 1919-2000

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- Focus on quality in health care and distinguished between:

1. Structure of organisations
2. Processes of care within health care institutions e.g. comparative activity rates, adherence to practice guidelines
3. Outcomes: improvements in the length and quality of patients' lives

English focus on changing structures

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- 70 re-organisations of large and small NHS bodies since 1974
- Survival rate after 10 years=35%
- Causes of failure (Edwards, 2010):

1. Lack of clarity of purpose
2. Poor organisation design:"make things up as you go along"!
3. Weak structure and internal strife Chasing "best fit" e.g. 302 PCTs to 152 PCTs
4. Belief that structure would affect process and outcome: no evidence?
5. Self interest: lobbies for change gain from it e.g. workforce plans

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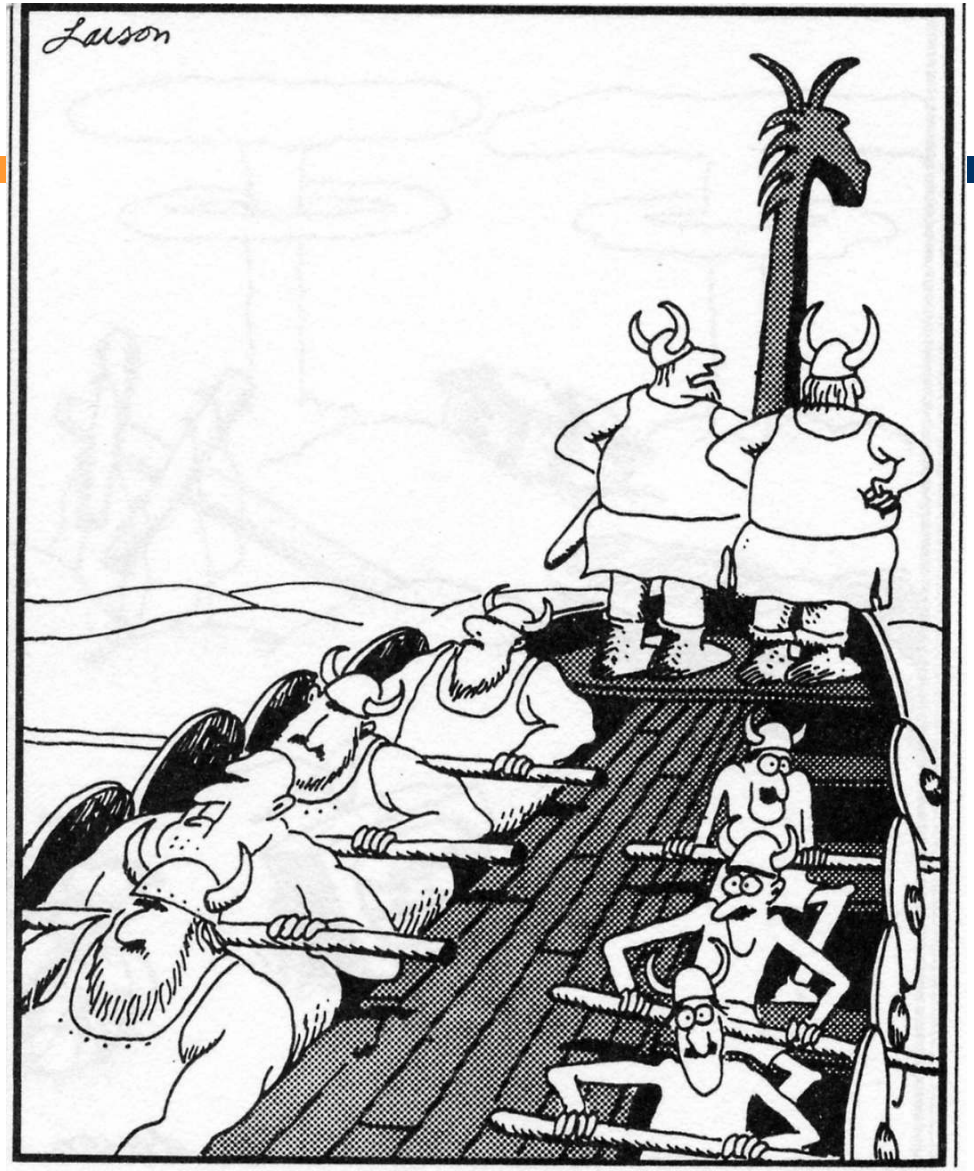

"I've got it, too, Omar . . . a strange feeling like we've just been going in circles."

Reform: how to do it better?

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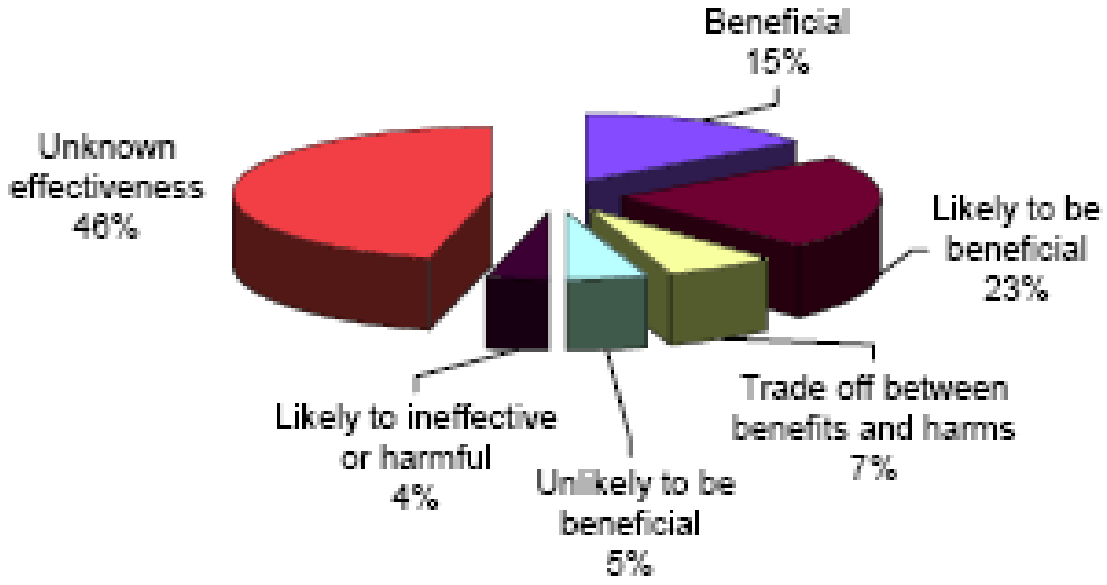
1. Health care: does it work? Is prevention better than cure?
2. Medical care: why do variations in clinical practice continue?
3. Using incentives to alter behaviour: what works?

Figure 1: Uncertainty about clinical effectiveness



Source: BMJ Publishing Group 2005[13]

Is prevention better than cure?

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- Rhetoric versus evidence
- Lots of rhetoric!
- Trial data identifying effectiveness often poor
- Trial data lacks cost data
- Thus we are unclear whether much of prevention is effective and cost effective
- Proceed with care!

Clinical practice variations

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- Clinicians do different things to patients with similar social and medical characteristics e.g. Glover JRSM 1938 to Jack Wennberg's book 2010
- Wennberg asserts potential savings in US Medicare of 40% if change behaviour to "conservative best practice"
- Economists: e.g.Cutler and Shiner(1999) 15% and Rettenmaier (2012) 12,5%

Using incentives to change behaviour

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- Whose behaviour should you target?

1. The behaviour of consumers who damage their health due to lack of exercise, alcohol, tobacco and diet
2. The behaviour of institutions (e.g. hospitals) or individuals e.g. physicians

Consumer incentives

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- Bonuses for altered behaviour e.g. Give me a bond of 5000 DKK and if you achieve your weight loss targets you will be reimbursed
- Pay poor families to send their children to school (Mexico)
- How incentivise the Danes who feed the English on Danish butter& bacon and produce TV crime series like “The Killing”!

TV watching and obesity?

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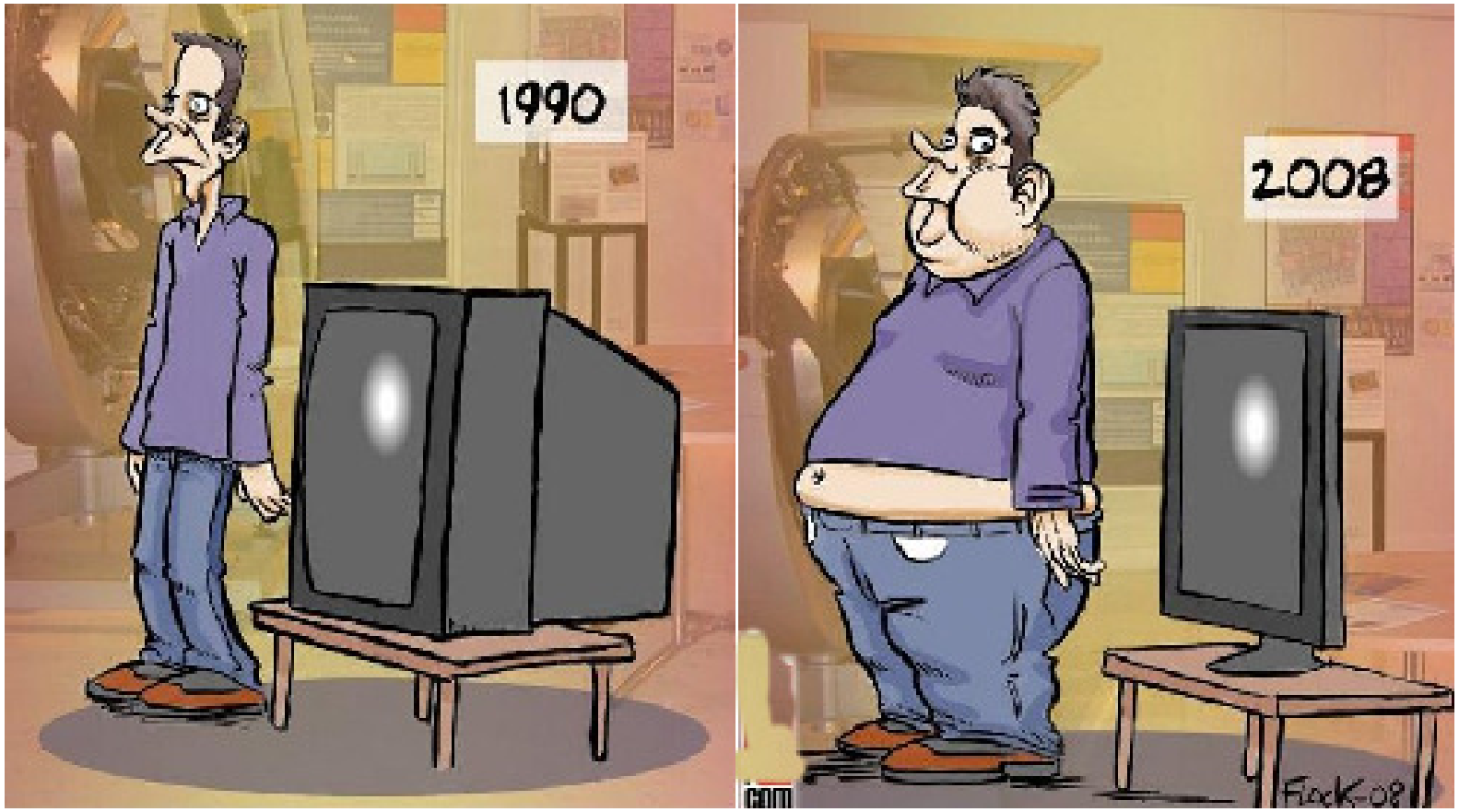

Producer incentives

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- For instance: Medicare Premier Hospital Incentive Scheme

1. Five clinical areas with process & mortality indicators: pneumonia, hip and knee replacements , CABG, heart failure and acute myocardial infarction
2. Measure before and after performances. Bonuses for top two deciles & fines for poorest performers
3. Results: improvements in adherence to good practice indicators but no mortality reduction (Jha et al and Ryan & Blustein, NEJM, April 26th, 2012)

Producer incentives: research issues

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1. What performance and whose performance?
2. Financial or non financial (reputational) incentives: which is best?
3. Bonuses or losses?
4. The absence of cost data associated with incentive schemes; a focus on effectiveness not cost effectiveness
5. The size of incentives: are Premier's 1 and 2% tariff bonuses too conservative?
6. Duration of effect: if you stop the incentives, does practice decline?
7. Cost effectiveness analysis please not effectiveness!

Adam Smith and the behavioural economists

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- "Pain…..is almost in all cases a more pungent sensation that the opposite and correspondent pleasure. The one almost always depresses us much more below the ordinary, or what we might call the natural state of happiness, than the other ever raises us above it"
- Adam Smith "Theory of Moral Sentiments", 1759

Conclusions

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- English focus on structural reform has been unproductive, if not an irrelevance
- Fundamental issue is behaviour change for producers and consumers
- COHERE: hopefully Danish colleagues will further enhance our understanding of the production of health and health care
- Good luck as it will be difficult as Moses and the Israelites found……

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