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Organisation de Coopération et de Développement Économiques  
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**English - Or. English**

**PUBLIC GOVERNANCE AND TERRITORIAL DEVELOPMENT DIRECTORATE  
PUBLIC GOVERNANCE COMMITTEE**

**GOV/PGC/SBO/A(2011)9  
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**Working Party of Senior Budget Officials**

**1st ANNUAL MEETING OF SENIOR BUDGET OFFICIALS NETWORK ON HEALTH  
EXPENDITURE**

**PROVISIONAL AGENDA**

**OECD Conference Centre, Paris  
21-22 November 2011**

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## 1<sup>st</sup> ANNUAL MEETING OF SBO NETWORK ON HEALTH EXPENDITURE

OECD Conference Centre, Paris

21-22 November 2011

### PROVISIONAL AGENDA

Chair: Geert van Maanen

#### Monday, 21 November 2011

9:30-9:45 Welcome by Chairman  
Welcome by Director  
Presentation of Delegates

9:45-11:00 **Session 1 – Keynote speakers: Key challenges for sustainable health care expenditure**

Health takes up on average 14% of public expenditures, the second biggest expenditure item after social protection in OECD countries. This has implications both for fiscal sustainability and for the economy as a whole. What has been the impact of health expenditure growth on economic growth, and at what point might health expenditure growth exert a negative influence? How is expenditure growth affected by the way health care is financed in a given country?

The systems by which health care expenditures are allocated are also varied and complex, governed by history and tradition, democratic preferences, institutional arrangements, and sector and professional interests. In addition, while an important input, public expenditure on health interacts with private expenditure, healthcare delivery systems, the introduction and diffusion of technologies and innovation, national and personal behaviour, and demographic trends to influence both health outcomes and expenditures. Efforts to improve value for money and access to care in this sector thus must go beyond better controlling outputs to understanding the influences and incentives that health care financing arrangements have on user behaviour, on delivery arrangements, and on health outcomes.

Two keynote presentations – one from a health economics perspective, the other from a public finance perspective – will provide participants with an overview of the specificities of public finance in the health sector, the challenges of balancing competing demands for cost, quality, and access, and the common ground that needs to be developed by budget officials, medical and public health experts, and economists in order to develop a consensus on sustainable health expenditure solutions.

1. **Klaus-Dirk Henke, Technical University of Berlin:** Improving value for money from a health economics perspective.
2. **Joseph White,** Department Chair, Luxenberg Family Professor of Public Policy, Professor of Epidemiology and Biostatistics, and the Director of the Center for Policy Studies, **Case Western Reserve University:** Ends and Means in Budgeting for Health Care.

11:00-11:30 *Coffee break*

11:30-13:00 **Session 2 – Macro-health system design: National health services, social insurance, multiple competing insurers, single payor – Is there an optimal system?**

A country's health financing system can have implications for both the incentives and the ability to control costs. The OECD conducted a survey of members' institutional characteristics in 2009 and will conduct the survey again in 2011/12. This session will look at what has been learned to date and identify what more needs to be collected and analysed in order to improve the understanding of country contexts, the scope for improving value-for-money and access to care, and possible directions for reform.

The session will also look at the extent to which health financing systems based primarily on social insurance contributions (Bismarck system) and systems based primarily on taxes (Beveridge system) have converged and therefore may have common elements – and common solutions – that they can share with one another. In particular, what are the strengths and weaknesses of different institutional arrangements for controlling health care costs? How do countries muster the political will to control costs? How do they get sufficient leverage vis-à-vis providers? How do they balance market mechanisms with core policy objectives? And how do they create incentives that successfully drive the behaviour of both users and providers?

1. **Joe Kutzin**, Co-ordinator, Health Financing Policy, **World Health Organisation**: Bismarck versus Beveridge – is there increasing convergence between health financing systems?
2. **OECD Secretariat, DELSA**: Health Systems Institutional Characteristics.
3. **Patrick Jeurissen**, Co-ordinator strategy and knowledge management group, Economic Affairs and Labour Market Policy Department, Ministry of Health, Welfare and Sport, **Netherlands**: Multi-payer system and competition on basic insurance.
4. **Sun Min Kim**, Health Insurance Review and Assessment Service (HIRA), **Korea**: Single payer insurance reform.
5. **Trine Vig**, Head of Section, Centre for Health Economics, Ministry of Health, **Denmark**: An NHS perspective.

13:00-14:30 *Lunch*

14:30-16:00 **Session 3 – The role of ministries of finance in setting health care expenditure levels**

As health and long term care costs rise, ministries of finance are faced with the challenging task of trying to control overall public expenditure for health care. Many OECD countries set stringent budget constraints on health expenditure, but they do not all react in the same way when spending targets are reached or exceeded. Taking into account differences in delivery systems (e.g. entitlement versus bureau or NHS-style systems), this session will look at the role of ministries of finance in estimating health and long-term care costs and using these estimates in their budget planning and formulation. What are the tools available to them to set and manage health expenditures? How do they work with ministries of health to set and achieve fiscal objectives? This session will present a number

of country experiences in order to illustrate broad approaches to keeping health care expenditures within budget targets. It will identify some of the advantages and disadvantages of each approach, and lessons learned. And see to what extent value for money and prevention are compatible goals with cost containment.

1. **OECD Secretariat, DELSA:** Conducting mid- or long-term fiscal projections on health care expenditure.
2. **Christer Pettersson**, Ministry of Finance, **Sweden:** A NHS system with decentralisation.
3. **United Kingdom:** A new primary care-led NHS.
4. **Klaus-Dirk Henke, Technical University of Berlin, Germany:** A classic social insurance system.
5. **Anneli Ratnik**, Ministry of Finance, **Estonia:** Fiscal independence of the health insurance system.

16:00-16:30 *Coffee break*

16:30-18:00 **Session 4 – Improving the efficiency of health systems**

It is essential for ministries of finance to understand the strategies that are in use or being tested to improve the efficiency and effectiveness of health systems. How can ministries of finance capture the fiscal gains of improvements in the efficiency of health care delivery without eliminating the incentives to realise those gains in the first place? And should their ultimate goal be efficiency alone or improving value for money? Drawing from the work of the OECD Health Committee, the session will seek to better understand how to improve value for money in the health system. It will include approaches to managing increased demand for health services, and also supply-side issues such as provider payment methods to improve health system efficiency. The focus is on how to improve health outcomes and health system performance under budgetary constraints.

1. **Mark Pearson**, DELSA, **OECD:** Improving value for money in health care – with synopsis of OECD Ministerial publication of Improving Value for Money.
2. **Michael Borowitz**, DELSA, **OECD:** Paying for primary care – report on OECD/World Bank global review of pay for performance.
3. **Ankit Kumar**, DELSA, **OECD:** Preliminary results from the Korea Quality Review
4. **John Henderson**, Department of Health, **UK:** New UK health reforms – primary-care led NHS.
5. **Valerie Paris**, DELSA, **OECD:** Paying for pharmaceuticals and new technology – health technology assessment, payment systems, value-based pricing, risk-sharing agreements.
6. *Commenter:* **Patricia Moser**, Lead Health Specialist, Poverty Reduction, Gender and Social Development Division, **Asian Development Bank.**

18:00 *Cocktail Reception*

## Tuesday, 22 November 2011

### 9:30-11:00 **Session 5 – Fiscal space for health expenditures**

Given fast-rising health and long term care costs, OECD countries are faced with a limited number of choices: they can increase the efficiency of existing health expenditure; they can reprioritise other spending in order to pay for health increases while maintaining or cutting overall expenditure; or they can seek to increase specific financing for the health sector; This session will address country strategies for reprioritisation and reallocation of public expenditures, and options for raising additional revenues. In doing so, it will also seek to look at the pros and cons of using different primary sources of funding in terms of social and/or political acceptability, fairness, ease of implementation, and incentives on consumption of health services.

1. *Overview:* **Joseph White**, Department Chair, Luxenberg Family Professor of Public Policy, Professor of Epidemiology and Biostatistics, and the Director of the Center for Policy Studies, **Case Western Reserve University**: “Fiscal space for health expenditures”.

*Options for revenue mobilisation:*

2. **United Kingdom**: General v. earmarked expenditure on health.
3. **Jean-Louis Rey**, Head of Service and Deputy Director, Social Security Directorate, Ministry of Labour, Employment and Health, **France**: La contribution sociale généralisée (CSG).
4. **Charlotte Hougaard Møller**, Ministry of Finance, **Denmark**: ‘special’ taxes, e.g. sin taxes, taxes on private insurance.
5. *Commenter:* **Maureen Lewis**, Economic Advisor, **World Bank**.

11:00-11:30 *Coffee break*

### 11:30-12:30 **Session 6 – Work Programme: Discussion paper**

This session will be devoted to identifying priorities for the Network in terms of future discussion topics and possible deliverables. In the context of existing relevant work within the OECD, it will identify gaps that may need to be filled, and address how the Network can work with the OECD Health Committee and other major stakeholders in order to better inform discussions on improving the fiscal sustainability of health expenditure.

- **Edwin Lau**, GOV, **OECD**: Presentation of discussion paper on possible work programme.

*Following the presentation, Delegates will be asked to identify priority areas of work and possible deliverables. The discussion should also address how the SBO Network on Health Expenditures and the OECD Health Committee can best work together in areas of shared interest.*

12:30-13:00 **Conclusions by the Chair**

**Special session jointly held by the SBO, the Health Committee,  
and the Korean Institute of Public Finance (KIPF):**

**Fiscal consolidation in the health care sector:  
successful case studies, their cause and fiscal impact**

Through the use of country case studies, this session will provide some further insight into how countries have made fiscal consolidation in the health care sector work by looking at specific methodologies and tactics, how reforms work together as part of an overall strategy of fiscal consolidation, what the results have been, and what lessons can be drawn taking into account the broader country context.

**14:30-16:00 Case studies on fiscal sustainability in the health sector**

- **Korea:** overview of health care system and fiscal consolidation efforts in the health sector [**Eunbyeong Lee**, Korea Institute of Public Finance].
- **United Kingdom:** New primary care reforms; Health technology assessment and practice guidelines and the role of NICE covered in more detail [**John Henderson**, Department of Health, **Carole Longson**, Director of the Centre for Health Technology Evaluation, UK National Institute of Clinical Excellence (NICE)].

**16:00-16:30 Coffee break**

**16:30-18:00 Case studies .../ continued**

- **Estonia:** Primary care reforms, DRGs and move to single payor [**Triin Habicht**, Estonian Health Insurance Fund, **Anneli Ratnik**, Estonian Ministry of Finance].
- **France:** Expansion of tax base for contributions; DRGS and pay for performance; generic uptake of pharmaceuticals; strengthening primary care systems [**Valérie Paris**, OECD; **Dominique Polton**, French National Health Insurance Fund (CNAMTS)]

## Meeting information

- **Format of discussions**

For each session at the meeting there will be country presentations, followed by an open discussion among all participants.

- **Participants**

The participants at the meeting will be high-level government experts from OECD member countries.

- **Registration Form**

All Delegates need to complete the attached registration form and return it to the Secretariat ahead of the meeting.

- **Meeting Location**

The meeting will take place at the OECD Headquarters – *Château de la Muette* – which is located at : 2, rue Andre Pascal in the 16th *arrondissement* (district) of Paris. The closest metro station is “*La Muette*”. ([www.oecd.org/conferencecentre](http://www.oecd.org/conferencecentre)).

- **Security**

Please be advised that OECD Headquarters is a secure complex. Entry passes can only be issued to registered Delegates, and a passport or national identity card needs to be presented in order to receive an entry pass. Delegates will also be required to clear an airport-style security checkpoint for entry. Please allow 15 minutes to complete these formalities.

- **Simultaneous Translation**

Simultaneous translation between English and French, the OECD’s two official languages, will be available throughout the meeting.

- **Accommodations**

Delegates will need to book their own accommodation.



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OECD Conference Centre, Paris, 21-22 November 2011

## ~~~ **REGISTRATION FORM** ~~~

**Please return the completed form to: [helene.leconte-lucas@oecd.org](mailto:helene.leconte-lucas@oecd.org)**

**Fax: +33 1 44 30 63 34**

Ms     Mrs     Mr

NAME (in block letters please)

First Name

JOB TITLE

ORGANISATION

MAILING ADDRESS

COUNTRY

TELEPHONE

FACSIMILE

E-MAIL ADDRESS

I will attend the Special session <i>jointly held by the SBO, the Health Committee, and the Korean Institute of Public Finance (KIPF) on the afternoon of <u>22 November</u>.</i>	YES:
	NO: