

**OECD Centres****Germany**

Berlin (49-30) 288 8353

**Japan**

Tokyo (81-3) 5532-0021

**Mexico**

Mexico (52-55) 5281 3810

**United States**

Washington (1-202) 785 6323

AUSTRALIA · AUSTRIA · BELGIUM · CANADA · CZECH REPUBLIC · DENMARK · FINLAND · FRANCE · GERMANY · GREECE  
HUNGARY · ICELAND · IRELAND · ITALY · JAPAN · KOREA · LUXEMBOURG · MEXICO · NETHERLANDS · NEW ZEALAND  
NORWAY · POLAND · PORTUGAL · SLOVAK REPUBLIC · SPAIN · SWEDEN · SWITZERLAND · TURKEY · UNITED KINGDOM · UNITED STATES

PAC/COM/PUB(2004)03

Paris, 12 May 2004

### **Health Systems Must Seek Better Value for Money, OECD Concludes in Report to Health Ministers**

A new OECD report, *Towards High-Performing Health Systems*, gives concrete examples of the changes needed to improve health and health care while ensuring the financial sustainability of health systems. OECD countries must strive to get better value for money if they are to reconcile rising demands for health care with public financing constraints.

Policy makers in OECD countries are under pressure to improve their health systems. Patients are demanding health care that responds to their needs and preferences, as illustrated by the fact that waiting lists for surgery are a pressing public policy issue in nearly half of OECD countries. Shortfalls in health-care quality – such as provision of services to patients who are not appropriate candidates, failures to furnish needed services and errors in health-care delivery – result in unnecessary deaths, disability, poor health, and add to costs. Disparities in health and access to care across income or other population groups persist within many countries.

Responding to demands for better healthcare can increase cost pressure at a time when health spending is already climbing - to more than 8% of GDP, on average, across the OECD and exceeding 10% in Germany, Switzerland and the United States. In 1990 OECD countries spent about 7% of GDP on health. By contrast, in 1970, health spending represented an average of just 5% of GDP.

Even so, spending more is not necessarily a problem, particularly if the added benefits exceed the extra costs. The new drugs, devices and procedures that are responsible for much of the cost growth have also been responsible for better health and reduced disability. But since three-quarters of OECD health spending is publicly financed, rising costs increase the pressure on governments to contain costs or force them to divert resources from other priorities.

Modest co-payments can relieve public financing systems, but are no magic bullet, partly because vulnerable populations must be protected to avoid restrictions on access that could be costly in the long run. Private health insurance can increase consumer choice and the responsiveness of health systems, but has not provided much help in reducing public spending, due to complex interactions between the public and private sectors. And well-designed government interventions, such as subsidies or regulation, are critical if equity of access and financing is to be assured. Ultimately, increasing the efficiency of health systems is the most promising response to pressures to contain costs while improving performance.

The report, which synthesises findings from the OECD's 3-year project on health and highlights useful practices that can be employed in efforts to improve health-system performance, will be discussed in Paris on 13-14 May at the first OECD meeting dedicated to Health Ministers.

JT00164122

**OECD Media Relations**

**General Inquiries:** Tel. (33) 1 45 24 97 00 - Fax. (33) 1 45 24 80 03/94 37 · **Research & Documentation:** Tel. (33) 1 45 24 80 88/80 89  
**www.oecd.org/media** · **E-mail:** [news.contact@oecd.org](mailto:news.contact@oecd.org)

Organisation for Economic Co-operation and Development, 2 rue André-Pascal, 75775 Paris Cedex 16, France · Tel. (33) 1 45 24 82 00 - Fax. (33) 1 45 24 85 00  
**www.oecd.org**

Based on assessment of countries' experiences, analysis of the underlying issues, and review of evidence, *Towards High-Performing Health Systems* identifies practices that improve performance. For instance:

- Health systems should invest in automated health-data systems, including electronic medical records and systems to automate medication orders in hospitals. Better systems for recording and tracking data on patients, health and health care are needed to make major improvements in the quality of care.
- Economic incentives should be realigned to support cost-effective care. For example, methods used to pay physicians should encourage them to furnish the right care at the right time and reward them for improving their patients' health. It would help if patients, too, had incentives to select cost-effective medicines and treatments.
- Well-designed strategies are needed to prevent illness and disability. Health can be improved by strengthening policies to tackle the ills of violence, traffic, alcohol or tobacco use, poor nutrition and physical inactivity. There is also a need to reassess the share of health spending devoted to prevention, since just 5 cents out of every health care dollar is spent on initiatives to keep people healthy.
- Improving the quality of care may require some initial investments, but it can result in savings over the long haul. Some simple practices, such as making sure heart-attack patients are advised to take a daily aspirin to reduce risk of a subsequent attack, can even reduce costs in the short run.
- Increasing hospitals' surgical capacity or productivity can help to bring down waiting times, although increasing the volume of services is also likely to increase cost pressure. If the supply of surgery is judged to be adequate, waiting times can also be reduced by managing waiting lists better.

*Towards High-Performing Health Systems* stresses that there is no one-size-fits-all approach to performance improvement. Countries' unique circumstances need to be taken into account when determining appropriate policy. But since countries share common goals – health care that is accessible and of high quality, and health systems that are responsive, affordable and good value for money – there is much to be learned from each other's experiences, as is demonstrated in the report.

Journalists may obtain a copy of the publication from the OECD Media Relations Division (tel: 33 1 45 24 97 00 or [news.contact@oecd.org](mailto:news.contact@oecd.org)). For further information about the publication, journalists are invited to contact Elizabeth Docteur (tel. (33) 1 45 24 76 03 or [elizabeth.docteur@oecd.org](mailto:elizabeth.docteur@oecd.org)) or Martine Durand (tel. (33) 1 45 24 87 07 or [martine.durand@oecd.org](mailto:martine.durand@oecd.org)), Directorate for Employment, Labour and Social Affairs.