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Interview: SVB's CEO Franz Ledermüller's impressions on AIM study trip

On 2 and 3 May 2016, AIM organised its study trip to Vienna, to learn more about its Austrian member and the country's healthcare system as a whole. After the experience, the Sozialversicherung der Bauern (SVB)'s CEO, Franz Ledermüller, answered AIM questions:

What would you spot as the main strengths of the Austrian healthcare system?

Over 99 percent of the Austrian population is protected by a solidary health insurance system. The vast majority of services in our health system are provided as benefits in kind. The insured don't have to make any financial advance payment. The cost shares are low compared to international standards. Health care is guaranteed nationwide. The insured have free choice of health care providers.

As far as your organization is concerned, what is its concrete role within the system?

The Farmers' Social Security Authority covers all areas of social security for Austrian farmers and their families. This year, we are responsible for a total budget of Euro 3.3 billion for pension insurance, health insurance, accident insurance, maternity benefits and care allowance. The budget share for the health insurance is Euro 593 million. The benefits for our members are provided through contracts with healthcare providers. The performance level of the farmers' health insurance corresponds to the level of all other health insurers in Austria. In the field of health promotion and disease prevention, we have special offers that take the particular physical and psychological stress of the farming population into account.

Which are the main challenges it will have to face in the coming years? How do you plan to tackle those issues?

The main challenges in the coming years are to secure the financing of the existing performance levels and the financial requirements of medical progress. A priority for our insured group is the securing of primary health care in rural areas. The decreasing willingness of physicians, to accept a contract, particularly in peripheral regions, is a key challenge for the rural population and their health insurance. New models of medical care need to be implemented, among other things, with advanced professional rights for various health professions.

What were the main messages an international audience such as AIM members could take home after the study trip?

I think AIM study trip to Austria has shown that we have a highly differentiated health system by occupational groups and regions, with complex financing structures. For the insured, a high overall level of medical care is provided. We are in the leading group in Europe regarding the number of hospitalizations and the lengths of these stays. This is a serious problem for our health care system. Another challenge, as in almost all other European countries, is the costs of development in the health system, especially for medicines. Regarding the rural insured group, I think that the study trip has brought a good insight into the specific services of the SVB in the area of health promotion and disease prevention.

Which were the lesson learnt by your organization from such an international exchange?

Making an international comparison, Austria has a complex organizational and financing model in health insurance, which has grown over a long time. The lesson learnt from the discussions in the context of our event, is that Austria needs to think about a simpler and more transparent forms of financing and organization. Compared to other countries, I consider that the Austrian system of compulsory insurance has a good legal

basis and works in the interest of the insured. To curb cost trends in the remedies sector, we must strengthen European and international cooperation.

Which healthcare system would you like to discover next and why?
The experiences of Belgium and Holland regarding the reform of their hospital system seem to me a worthwhile object of study, especially for Austria with its oversupply in this area, to help us in our efforts to reform the hospital system.

Belgian civil society engages against transatlantic treaties
In a common declaration, Belgian civil society, including mutuals, express reserves about the impacts of transatlantic treaties on citizens, consumers, workers and health, and call for a profound democratization of European trade policy.

The document underlines that the Comprehensive Economic and Trade Agreement (CETA) between the European Union and Canada cannot be approved in its current version as it does not respect European beacons. As far as the transatlantic trade and investment partnership (TTIP) is concerned, its negotiation cannot continue being handled as they are but should rather rely on a democratic and transparent process. A rejection of the ISDS or ICS mechanisms is also called for. As a first clear political step, the declaration asks Belgian politicians not to sign or ratify CETA in its current version. For more information, read the full Text.

European Institutions

➢ *European Commission*

Commission organizes a stakeholder Conference on the Prevention and Management of Chronic Diseases
21 April – The stakeholder conference on chronic and non-communicable disease policy was notably used as an occasion to formally launch the newly formulated EU health policy platform, a tool for stakeholders to engage around the issues in which they have expertise
During the event, the Commission underlined its convincement that action on chronic and non-communicable diseases would improve not only public health but also employment and economic growth. In its opening speech, Commissioner Andryukaitis underlined the importance of keeping prevention, promotion and protection as guiding principles. He explained how he believed that most healthcare costs are the result of industry trying to make money from risk factors and how instruments should be implemented in order to minimize the impact of those factors. According to him, the Commission should not only act on those but also promote healthy lifestyles, and ensure the efficiency and functionality of Member States' health systems. In its conclusion, he called on stakeholders for help to raise awareness among citizens and national policymakers. For more information and the documents to the meeting, click here.

➢ *European Parliament*

The European Parliament about to suggest initiatives for improving access to medicines
The Environment and health committee of the European parliament has been appointed to draft an own initiative report entitled EU options for improving access to medicines.

The first draft of the report is being written by the rapporteur, Soledad Cabezón Ruiz, a Spanish MEP from the Socialists and Democrats political group. The report is expected to be adopted in Plenary in December 2015.
For information, European Parliament own-initiative (INI) reports are political instrument for the European Parliament to express its position, to respond to European Commission's communications. It can pave the way for new legislative proposals but is not binding for the European Commission which remains the only organ with the EU able to initiate a legislative proposal. More information is available here.

Health

➢ *Pharmaceuticals - Medical devices*

Can Medicines regulators influence the affordability of medicines?
In a recent article, the European Medicines Agency and national authority representatives discuss *possible regulatory interventions to tackle the problem of high medicine prices and its impact on the sustainability of health care systems.*

Regulators are willing to play their part in solving the problem of pharmaceuticals rocketing prices and in facilitating continued access of patients to safe and effective medicines.
Even though the pricing of medicines is clearly out of their competence, medicine regulators can make a contribution to affordable care, explain the authors.
According to the authors, there are ways European regulators can help:

- Enable the rapid approval of generics and biosimilars
- Ensure that medicines comparable to already approved options continue to come on the market to drive down prices through increased competition;
- Encourage companies to conduct clinical trials that both satisfy the needs of regulators as well as the health-technology-assessment bodies
- Support higher efficiency of research and development in the area of medicines for example by reflecting on new approaches to medicines' development, such as the adaptive pathways.

The article is available here.

Cancer: Is your life worth another year of treatment?
5 May - Susan Gubar writes on her life with ovarian cancer in 'The New York Times', lifting the veil of cancer personal and financial costs from a patient's point of view.

Baffled by the lack of information provided to her on the costs of her treatment, Susan Gubar criticizes the lack of communication from health professionals or insurers to patients. She claims never to have been informed beforehand on the costs of consultations, procedures equipment or drugs or of what would be covered by insurance. Not able to calculate the out-of-pocket expenditure that her treatment represents, her illness did not encourage her to dig into paperwork.
In her article, she considers herself lucky and grateful that, thanks to her professional situation, she did not have to face any financial crisis resulting from the high costs of cancer treatment. A chance many others do not have. Costs sometimes above coverage ceilings charged by surgeons or oncologists (amongst others), exorbitant out-of-network fees, the loss of wages resulting from treatment-related disabilities, the cost of travel to the hospital and the need to hire childcare, housekeeping or elder care assistance; all these costs combined can be staggering.

Susan Gubar naturally adds cancer drugs to this already long list. She criticizes the (sometimes unjustified) high costs of medication, especially when they lack added value.
Finally she concludes that it is impossible for her to calculate what a year of her life is worth and that such an estimation would, on the other hand, vary from one individual to another. The quality-adjusted life-year estimates are according to her presumptuous, trying to tell someone how valuable their existence is. Patients' opinion should be taken into account when deciding whether one year of their life is worth the cost of treatment. For more information, read the full Article.

➢ *Trends in health systems*

Geneva Health Forum: affordable and sustainable innovation in healthcare

20 April - AIM took part in the Geneva Health Forum whose aim is to bring together healthcare experts from many backgrounds and from all over the world to encourage the research and development capacities in health.

The theme of the Geneva Health Forum was affordable and sustainable innovation in healthcare. It gathered around 1300 representatives (public health professionals, doctors, economists, researchers, representatives from governments and international organisations).
The plenary session dealt with the rise of new technologies and their potential to improve access to care. In 2016, more than 2.5 billion people use smartphones. In 2020, this number will rise to 6 billion. The health sector should take full advantage of these technologies to reach marginalised populations.
However, rapid technological innovations have outpaced the development of ethical and legal norms. New rules should be developed to enable the health sector to use technologies within a framework of human rights respect and accountability.
An exhibition area showcased many affordable and sustainable innovations such as a pharmacy equipped to detect counterfeit medicines, a cheap high-tech radiology unit or a system to wash hands with only 10cc of water.

Universal Health Coverage: leaving no one behind

Many governments from all over the world have decided to develop Universal Health Coverage (UHC) to ensure that everyone, everywhere, can access quality health services without being forced into poverty.

Universal Health Coverage aims at providing healthcare to all according to the needs without financial hardship. It includes equity in services as well as quality of healthcare and universal financial protection.
According to the WHO, the starting point to implement UHC is the description and analysis of existing organisational and institutional arrangement in health systems as a basis to define next steps taking into account the contextual constraints (fiscal, economic, administrative, political, geographic, etc.).
Because resources are limited, governments usually have to make trade-offs to be able to effectively implement universal coverage.
The first choice is the targeting of population. As a matter of fact, the poorest segments of the population are often completely excluded as they are not registered in the national healthcare system and never go to healthcare facilities themselves. To ensure access to all, UHC should be targeted to focus scarce resources on the poor. This approach may though create fragmentation and not cover the missing middle (the part of the population that is not extremely poor – but not rich enough to afford healthcare). The targeting mechanisms can use different approaches: geographical targeting, community feedback mechanisms, etc.
The second arbitration concerns the coverage: which services are covered and how much is covered). The definition of essential services should amount for the country-specific social epidemiology of disease. This

should also take into account non-financial barriers to access to care (distance between the patient and the doctor for example). The definition of healthcare basket may include trade-offs between services focusing on morbidity vs. mortality for example.
UHC also raises the issue of accountability and financing. Governments usually raise taxes to fund the national health insurance scheme (NHIS) but neither the government nor the NHIS know exactly how much it will have available the coming year. There is unpredictability in financing.
Furthermore, there is a lack of transparency - it is often not clear how much revenue is generated by all sources of funding and how much is spent on healthcare purchase.
As stated by the WHO, UHC requires a strong, efficient, well-run health system including access to essential medicines and technologies and a sufficient capacity of well-trained, motivated health workers. WHO and the EU support policy dialogue on national health policies, strategies and plans in 19 selected countries to promote UHC. More information is available here.

MSF report: How can Universal Access to Health be ensured?

Médecin sans Frontières (MSF) publishes the report "Lives on the edge: time to align medical research and development (R&D) with people's health needs", which identifies significant gaps in the availability of medical tools to address the health needs of populations, as well as strategies to overcome them.

The report illustrates the impact of the way biomedical research and development is conducted on staff and patients around the world. It also digs into a number of policies which incentivize the development of medical tools that truly respond to patient and public health needs and which ensure the availability of such tools. According to MSF, the way medical R&D is conducted today fails to deliver for diseases that are not sufficiently lucrative, to prioritise according to public health needs, to deliver affordable products, and to use scientific and financial resources efficiently. For R&D to be addressed properly, four main strategies could be employed: governments should demand transparency on drug development; governments should change the incentive mechanisms that steer and finance biomedical innovation; governments should set priorities, coordinate efforts and ensure sustainable financing; and they should act to meet the needs of patients in MSF programmes and beyond. For more information, read the Report.

- ***International***

Cameroonian and Tanzanian mutuals equipped with mobile phone based Insurance management system

Mutuals in Tanzania and Cameroon as well as the national health insurance fund of Nepal have recently adopted an innovative tool to handle the business.

The IMIS, Insurance Management Information System, is designed to support business processes of new or existing insurance schemes. It increases speed of operations and ensures efficient claim management while reducing fraud possibilities. It is based on QR code technology that be flashed by any mobile phone equipped with a camera to enrol, renew, identify someone or to check entitlements to insurance rights. It was designed by the Swiss Tropical Institute together with their partners in Africa to answer the needs of health insurance schemes in informal sector (independent professionals, craftsperson, etc.) and for rural populations. It manages today around 400.000 affiliates and 950 health facilities. More information is available here.

Asia: Integrated community care in Kyrgyzstan

Community care is a solution to improve continuity of care and primary care systems, to fight social and medical isolation and to foster healthy ageing. Kyrgyzstan has deployed a large scale integrated community care policy to incite citizens to take care of their health.

The Kirgiz Ministry of health, together with the Red Cross, has developed a partnership with Voluntary Village Health Committees (VHCs) to empower inhabitants to analyse their health priorities and develop health promotion activities. VHCs are independent, voluntary, community based organisations. Around 84% of Kirgiz villages are covered by 1700 committees composed of volunteers elected by villagers.

Health actions conducted by VHCs cover a broad range of topics derived from the analysis of people's health priorities as well as health checkups or initiatives against alcoholism.
VHCs are guided by the National Centre for Health Promotion which recently developed a school health education programme focusing on five issues: brucellosis, personal hygiene, dental hygiene, tobacco, and sexual-reproductive health. More information is available here.

Health cooperatives in Africa: an appropriate response to the urgent needs

21 April - The International Summit of Cooperatives in Geneva held a workshop moderated by AIM on the development of health cooperatives in Africa.

Dr. Leite Adriano Soares presented an overview of the history and development of Unimed, the largest healthcare cooperative in the world with 113,000 affiliated physicians and an extensive network of health facilities including hospitals and clinics. Unimed owns 2800 hospitals, 20 emergency services, 500 labs. It gathers 351 health coops and provides services to 20 million people.
Gabriel Gbedjissokpa from the Cooperative Pan African Conference talked about the Beninese example where a cooperative hospital has been delivering quality services at low price for 20 years. The hospital has grown very fast and attracts many physicians for the good working conditions and high salaries.
Jean-Pierre Girard presented different examples of cooperatives and mutuals activities in the field of health. Girard reminded that mutuals and coops are able to fit in any health coverage system: Beveridge or Bismarck, or in the absence of structured system which is often the case in developing countries. The discussion was moderated by AIM.

Guatemala: first association of mental healthcare for people with serious disorders

Founded in 2013, Alas Pro Salud Mental (ALAS) is the first association of mental healthcare for people with serious disorders and epilepsy in Guatemala. It aims at promoting the rehabilitation and inclusion of people affected by those diseases within community, respecting their culture and values.

The association strives for equitable access for poorer people, as ALAS is moved by the idea that all people should have equal access to health care, regardless of gender, age, national origin, sexual orientation or ethnicity. Human rights are key to the design, development, monitoring and evaluation of their actions. ALAS support is intended to provide comprehensive, coordinated and sustainable support to patients and their families. It includes education, training, social support and rehabilitation. For more information, click Here.

Events

➢ *Forthcoming Events*

1-3 June Building the Future of Health, University Medical Center Groningen, Groningen, the Netherlands

7 June EuroHealthNet is organising a conference on Sustainable Societies: Health and Social Investment in the EU.

7 June The European Commission and Digital Enlightenment Forum are organising the event Trusted data management in healthcare in Amsterdam.

8-10 June eHealth Week 2016, Amsterdam

14-16 June The eHealth360° International Summit, Budapest

14 June The Friends of Europe is organising a roundtable debate on Disruptive Models of Healthcare for Europe – Building value networks for change.

23-24 June Open House of the European Healthcare Fraud and Corruption Network (EHFCN), Lisbon

28 June World Congress on Active Ageing 2016, International Coalition for Ageing and Physical Activity Melbourne, Australia

8 July Save the date! Info Day, Horizon 2020 - 'Health, demographic change and wellbeing', Brussels

The monthly AIM Flash is compiled by Romain Chave and Jessica Carreño Louro.
Layout: Romain Chave and Jessica Carreño Louro
For more information on one of the topics mentioned above, please contact the AIM Secretariat.