




SCHOOL OF PUBLIC HEALTH

Fung Healthcare Leadership Summit 2016

Leadership and Innovation in Asian Public Health Care

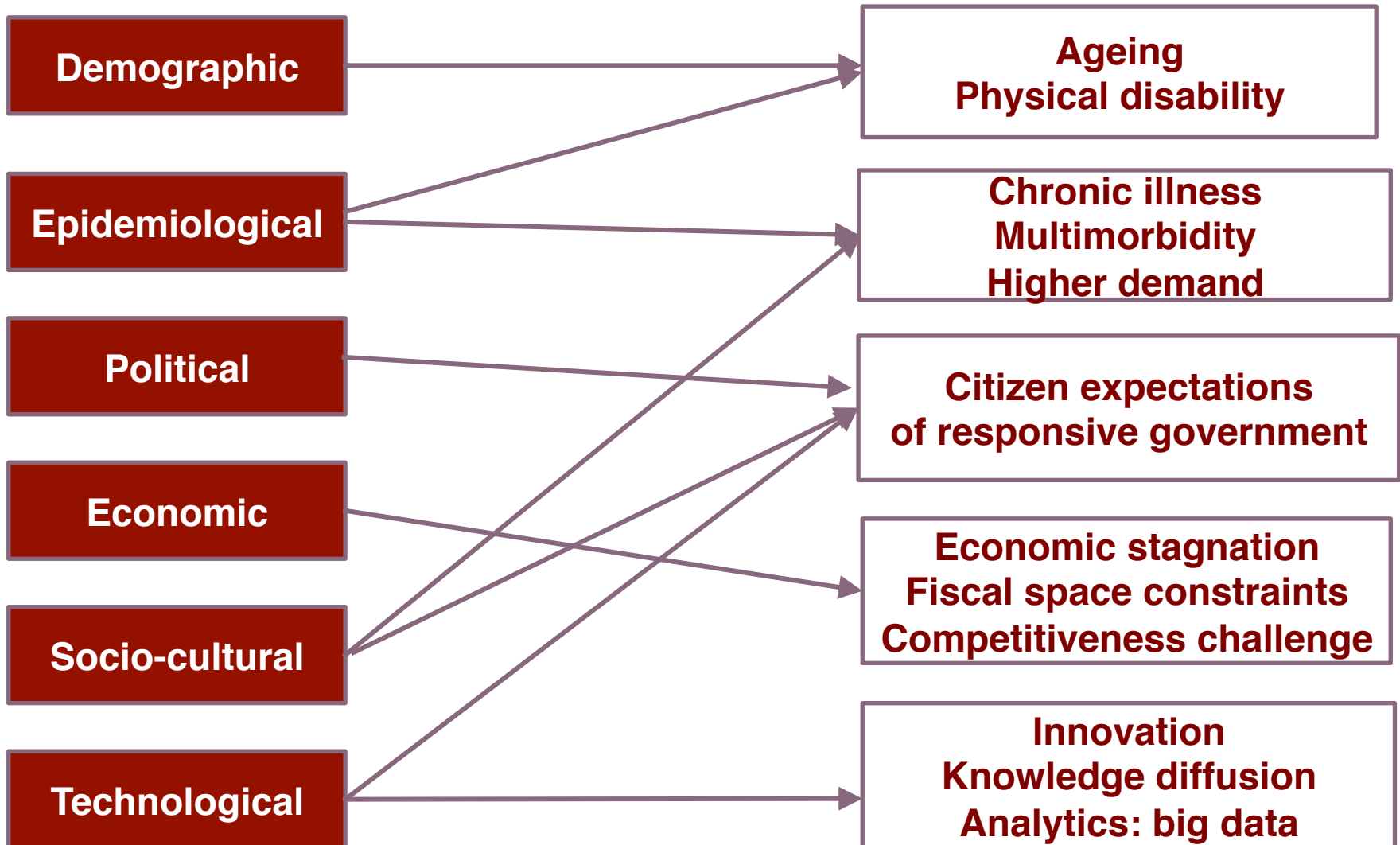
23-24th September 2016, Singapore

Prof. Rifat Atun MBBS MBA DIC FRCGP FFPH FRCP
Professor of Global Health Systems
Harvard T.H. Chan School of Public Health and
Harvard Medical School
Harvard University



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1. Challenges driving innovation in health systems
 2. Towards innovative health systems
 3. Critical success factors

Dynamic and evolving context in Asia



The three challenges

Confluence of rapid changes in the context

1

Higher burden, demand and expectations

2

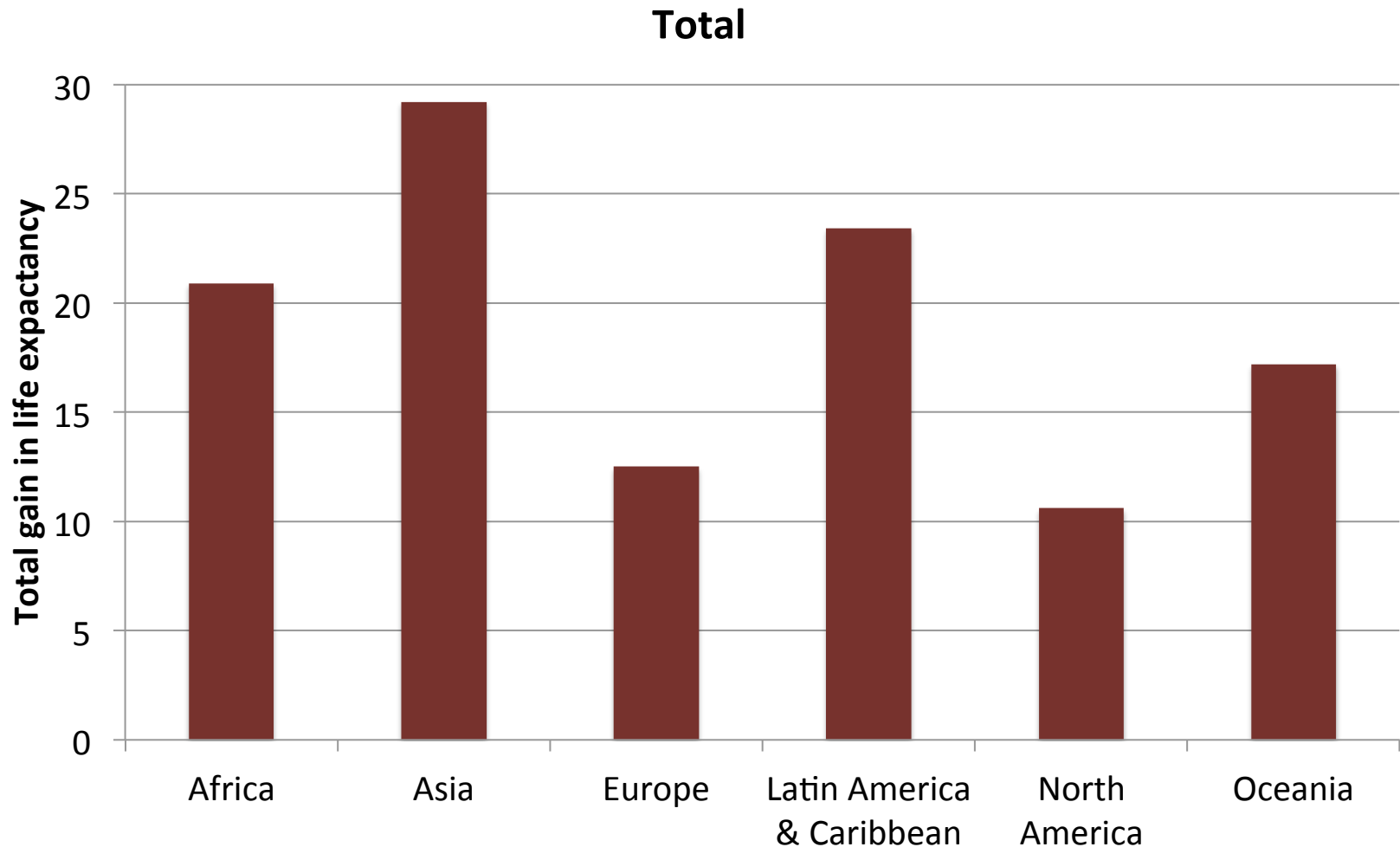
**Higher expenditures with fiscal constraints:
sustainability of universal coverage**

3

Productivity

Need for radical innovation

Total gain in life expectancy in Asia between 1950-55 to 2010-2015 was a remarkable 29.2 years



The age of multimorbidity and disability

THE LANCET



Transitioning health systems for multimorbidity

Atun, Lancet 2015



The New York Times

TheUpshot

Lives Grow Longer, and Health Care's Challenges Change

Newsweek

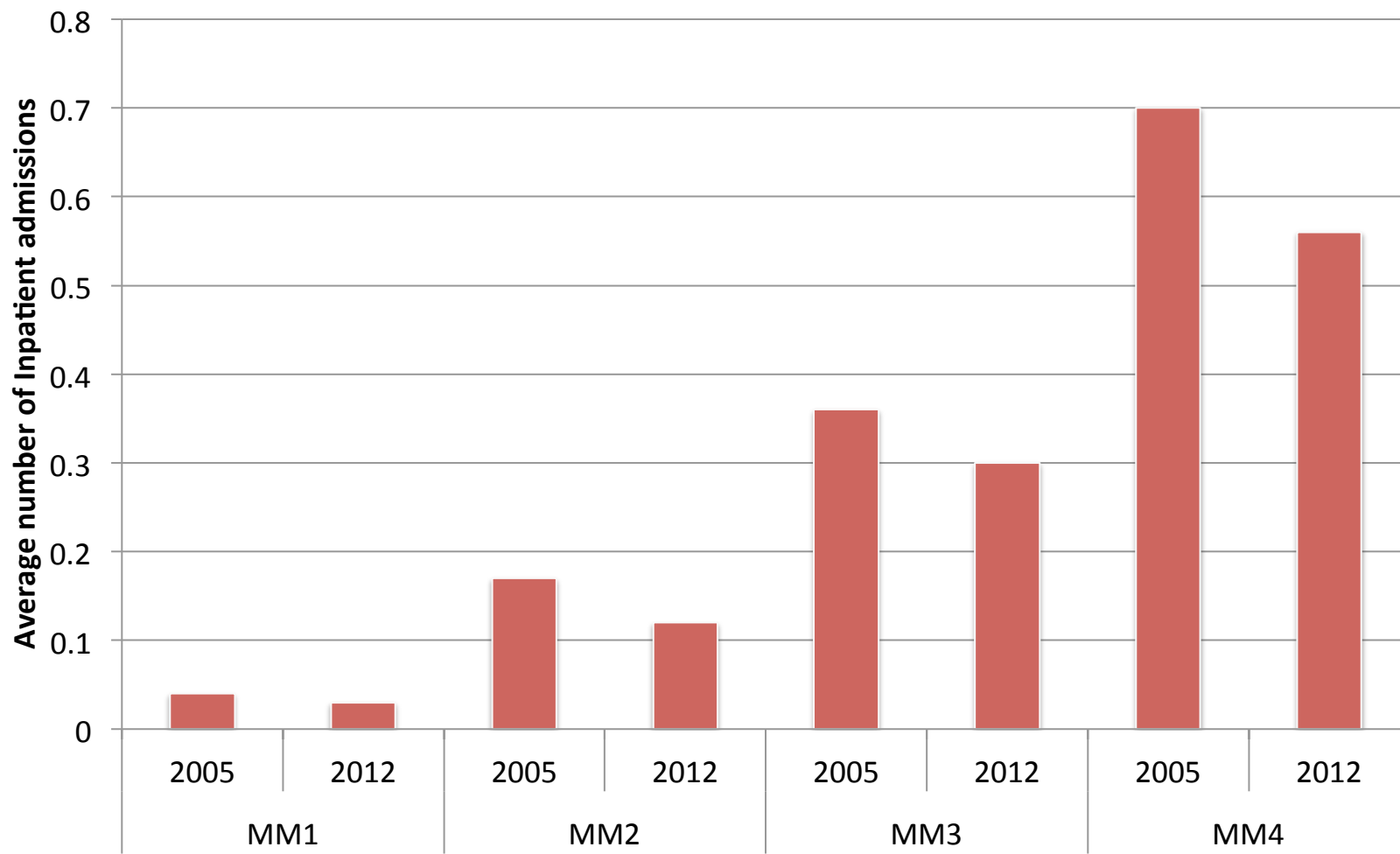
95 Percent of People Have Some Illness or Injury



LE FIGARO

Flambée mondiale des maladies chroniques

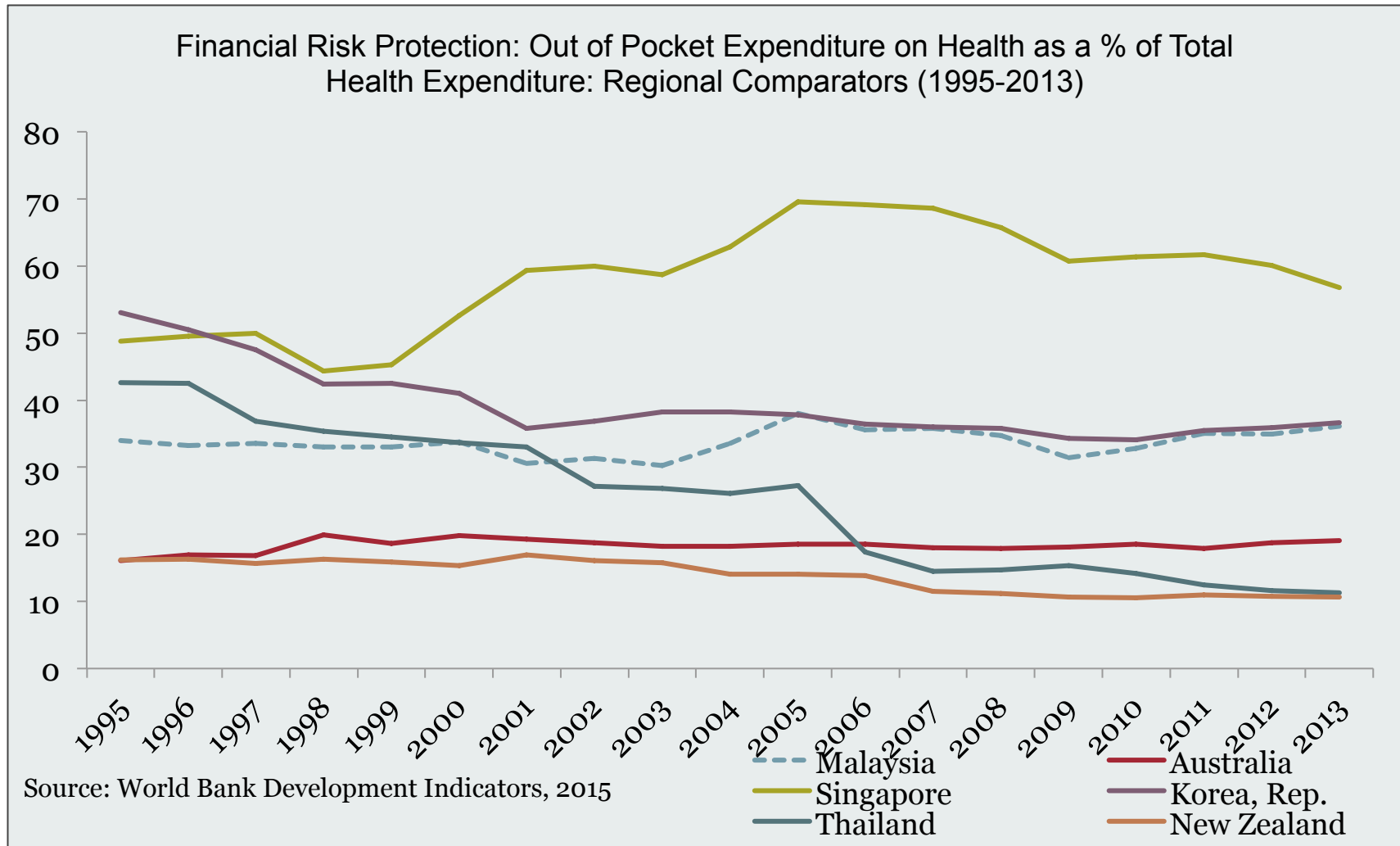
What's to come – Multimorbidity challenge: Estonia case study



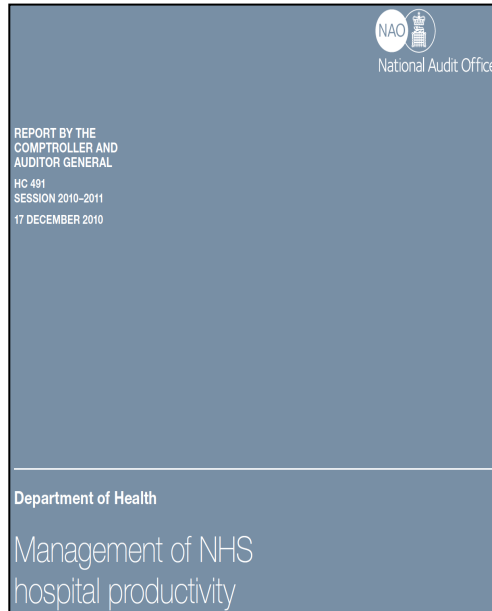
Implications of chronic disease and multimorbidity: resource use in health systems

% of population	% of health system resources used
80%	20%
20%	80%
Within the 20% group	
5%	40%
1%	20%

High out of pocket expenditures



Health systems: the productivity challenge

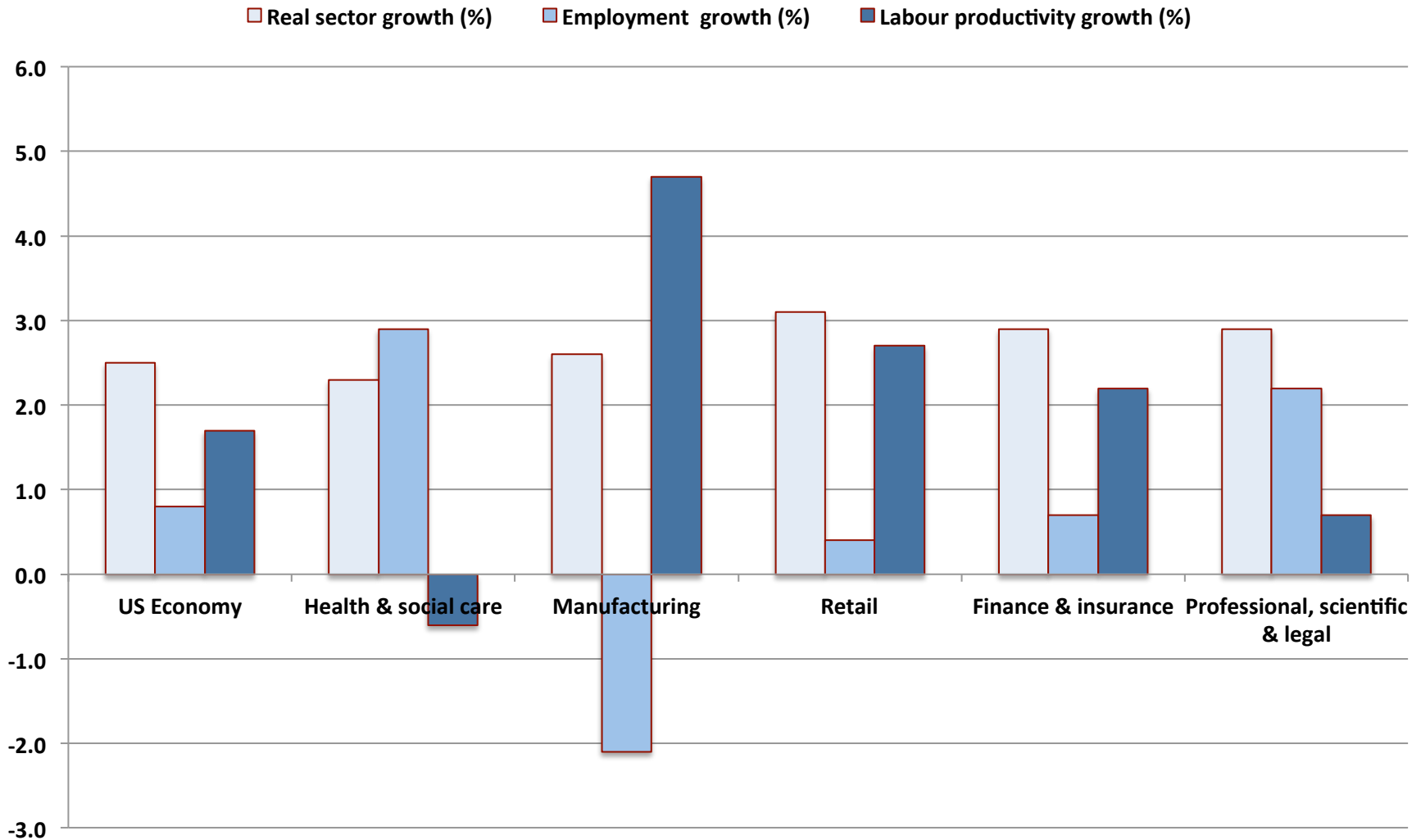


“Over the last ten years, there has been significant real growth in the resources going into the NHS.... The evidence shows that productivity in the same period has gone down, particularly in hospitals.”

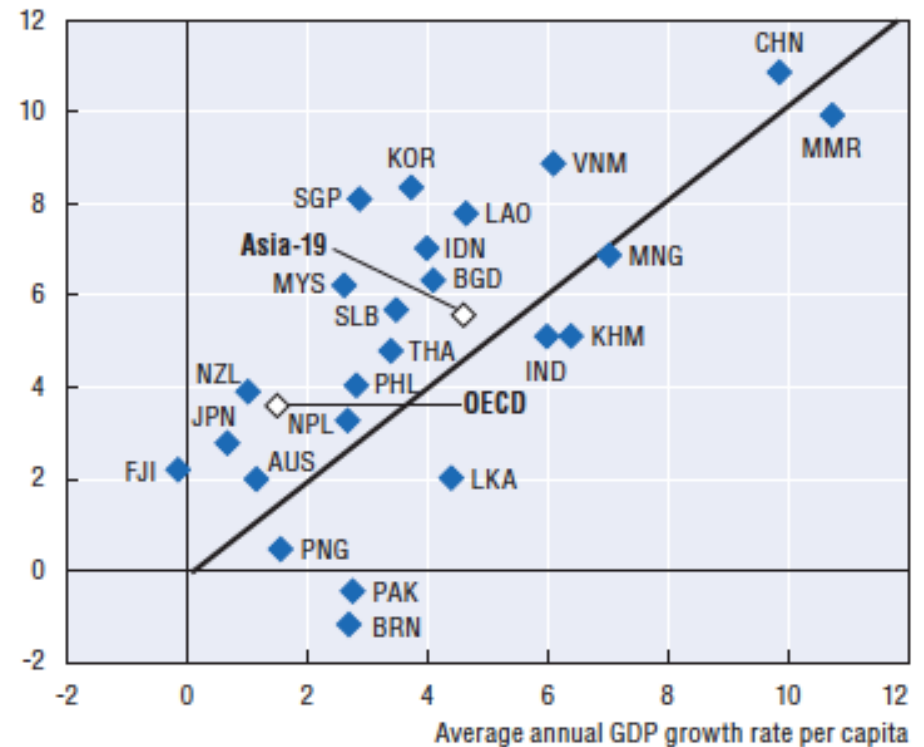
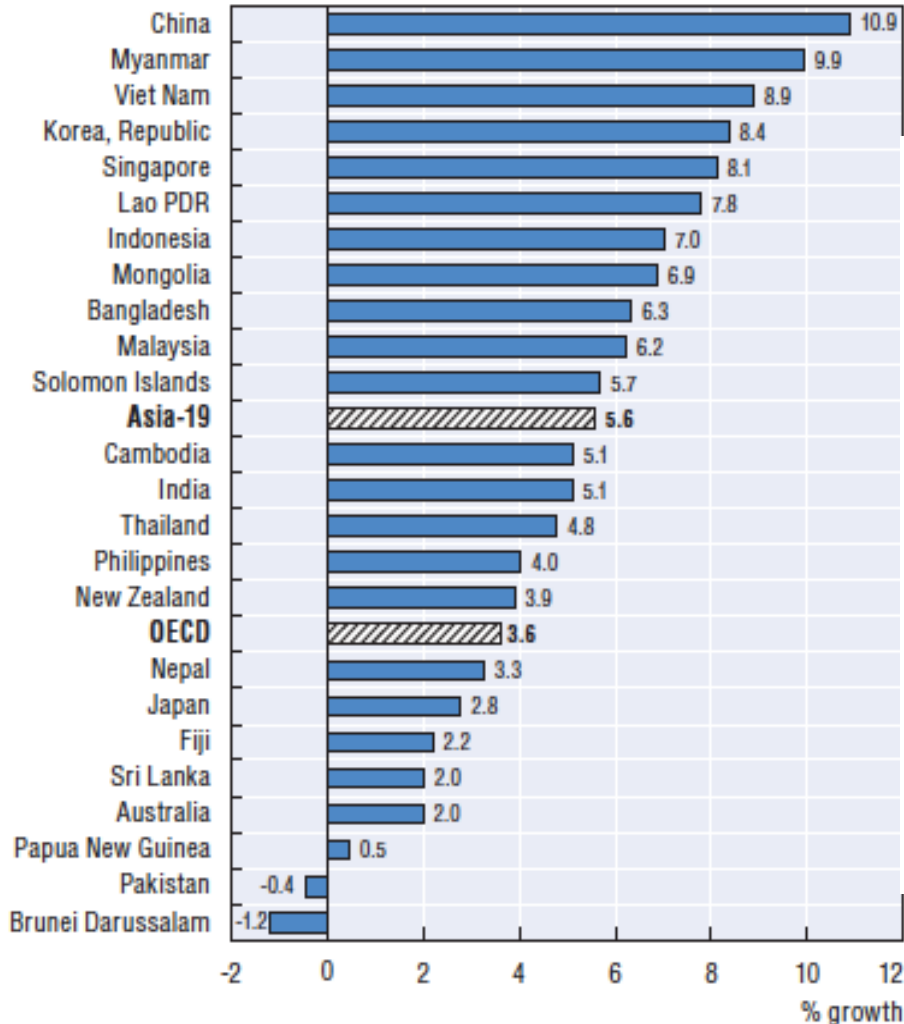
Sir Amyas Morse
Head, National Audit Office (2010)

The financial performance of NHS providers in England has deteriorated sharply since 2013, and the service is projected to overspend by £626m by the end of 2014/15

Health systems productivity: US real sector growth 1990-2010



Real growth in annual expenditure per capita (2000-2010)



Source: WHO

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Enabling innovation – three solutions: Institutional, financing and provider innovation

Institutional

Financing

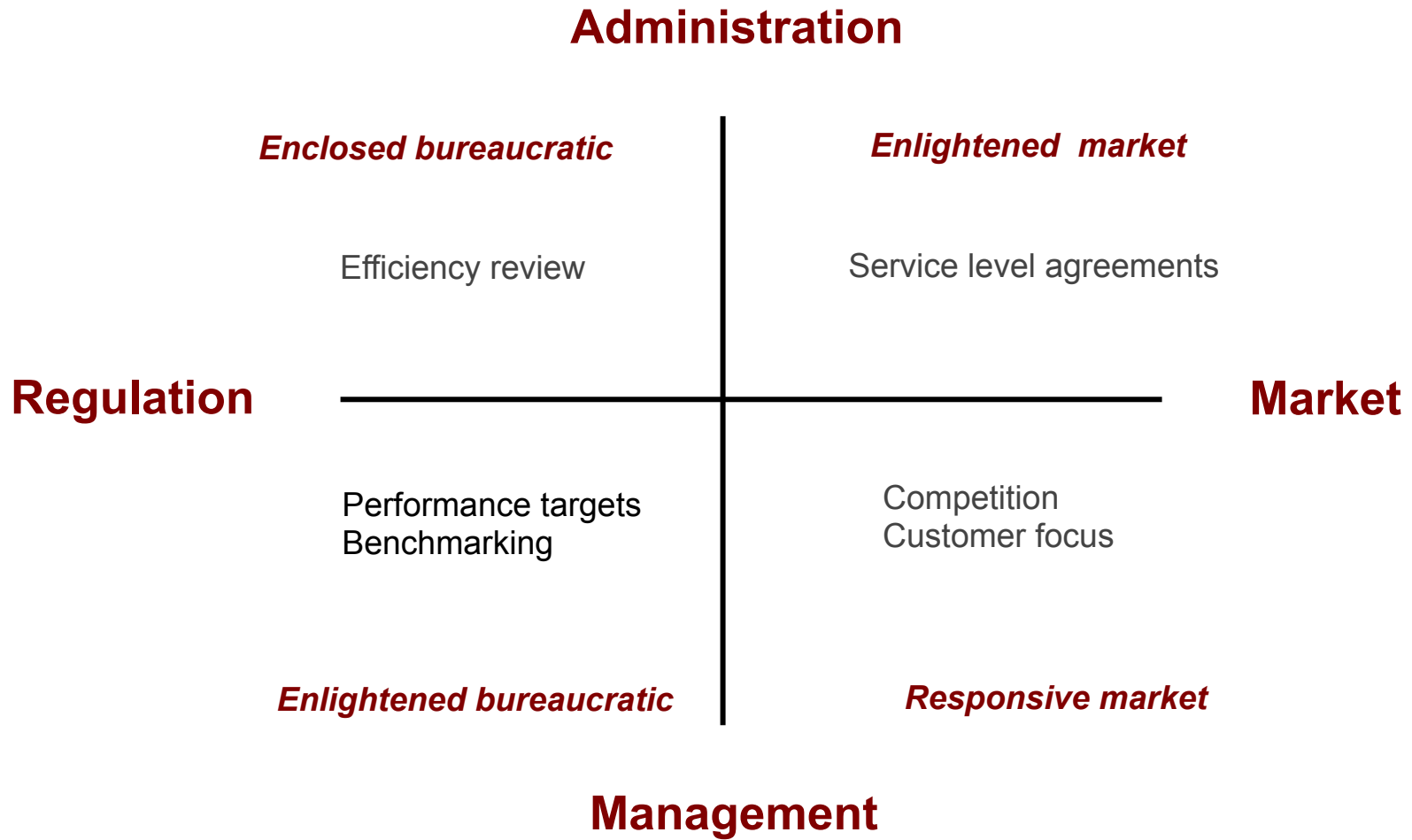
Provision

MoH Stewardship
Enabling policies for
innovation and value
creation

Financial protection
Strategic purchasing
Performance
benchmarking

Structural pluralism
Technology enabled
service innovation
Delivering value

Transitioning to 'responsive market mode'



(Source: Modified from Wilson and Doig 2000)

Rethinking health systems: transition to creating better value

Structural focus

Transition

Functional focus

Transition

Value focus

Payment follows structures

1. Primary care
2. Hospitals

Payment follows activity

1. Fee for Service
2. Disease Related Groups

Payment follows outcomes and value

1. Therapy
2. Bundled episode
3. Disease
4. Multimorbidity
5. Population level

Value based healthcare: principal components

1. Optimized costs and outcomes
2. Shared accountability
3. Shared risk and reward

Critical tool for operationalizing Value Based Health Care: Risk-adjusted bundled payments linked to outcomes

Service provision: public-private partnership continuum

Hybrid organizations



New organizational
forms

Public-private
partnerships

Outright
privatization



Transformation
within

Outsourcing

Atun RA. "Privatization as Decentralization Strategy", in "Decentralization in Health Care" Saltman R, Bankauskaite V, Vrangbaek K, eds (Open University Press) 2007.

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1. Challenges driving innovation in health systems
 2. Private sector involvement: trends
 - 3. Critical success factors**

Critical success factors

- 1. Transparency**
- 2. Accountability**
- 3. Value creation: the 3 Cs**
 - Challenge current practices (benchmark performance and value)
 - Consult (with stakeholders)
 - Contest (fair competition)



Thank you