

Efficiency in healthcare: at what cost?

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The efficiency of the French healthcare system is measured by the link between what the system produces, and the resources invested. It is currently measured by a dedicated indicator, namely the National Expenditure Target for public Health Insurance (ONDAM). This is a forecast of the annual expenditure of the different domains of the healthcare system: the closer expenditure is to the forecast, the more the system can be qualified as efficient.

A healthcare system that is compartmentalised and an under-use of data that prevents full measurement of efficiency.

Despite 90 billion euros invested in Hospitals, there is little efficiency as the hospitals did not organise themselves to make the full use of the potential of digital technologies. Many professionals still use handwriting to report on patient care, and this generates reporting errors. The absence of appropriate organisation of care and the uncoordinated work of health actors do exist outside the hospital setting. Depending on where they work, health professionals have a fragmented view of the issue. Moreover, to improve the efficiency of services, directors of Hospitals tend to reduce non-medical personnel costs. This is the area of flexibility available to them in the decision-making process. Ensuring efficiency at each step of a process is not always the best way to proceed: will improvement of each step produce improvement in overall efficiency?

Moreover, the French healthcare system relies on multiple technological innovations and data that are not used to their full potential. This reduces its productivity. A wider access to the healthcare system's databases would enable insurance companies to adapt prevention strategies to different categories of individuals. For instance, an employee of a bank is not submitted to the same daily risks as a worker in a building company.

Compared to other European countries, France is in advance in terms of projects and regulations encouraging efficiency. It is the first country to have implemented a law on medical tele-surveillance. The law on Social Security Funding encourages prevention measures and improvement of the quality of care in the healthcare system. Another example is the article 51 of the Law on modernisation of the healthcare system (2016) that aims at improving the efficiency of the system through specific funding of healthcare services. The Health Insurance (Social Security) is working on a strategic guide on efficiency in healthcare that will run for the next five years.

Moreover, insurances companies invest in innovation and contribute to implement these to the benefit of the public through the reimbursement of part of the innovation fees. In 2020, they invested over 800 million euros in innovative products and techniques such as Visible Patient to help surgeons visualise patients or projects that improve patients' pathway of care in mental health.

To achieve a more efficient healthcare system, indicators that evaluate it have to become more relevant

Accelerating digital innovation may enable manufacturers to contribute to the transformation of the healthcare system into a more efficient one for the benefit of all. This will be possible thanks to real-world data that could become the basis for more relevant indicators. Current indicators are qualified as elementary. For instance, the average length of stay in hospital does not provide a measure of the efficiency of care i.e. the right care in the right place at the right moment.

As per the indicators, there is a progressive development of efficiency through activity-based pricing which is a more watchful funding that raises the awareness of physicians about the financial impact of their activity. In different hospital wards (Emergency Departments, Psychological units, etc.), reforms have been initiated to challenge medical practice in the light of its impact on activity. A trial-and-error phase will be necessary before succeeding in implementing relevant indicators that are tailored to the healthcare system.

On the long-term, the externalities of the healthcare system have to be included in the calculation of efficiency

Among the many challenges of efficiency, prevention needs to receive more resources. With cheaper public health actions such as colorectal cancer screening or vaccines, it is possible to significantly reduce the risk of developing severe forms of these diseases. It therefore prevents costly curative spendings and additional social costs for the populations.

A major part of investments is allocated to hospitals but is not used to address the fundamental problems. Private insurance companies invest in innovation and prevention by proposing, for instance, coaching to employees during their working time or preventive actions within professional settings.

Efficiency is costly from both a financial and an environmental viewpoint. The forthcoming bill of law for 2023 on social security funding will take into consideration the environmental impact as well as the sustainability of healthcare spending and products. When willing to partner with hospitals, manufacturers and industries must take into consideration environmental aspects in their offer of services and products. This includes the integration of recycling within the manufacturing process. The financial cost of innovation become excessive as, in the long-term, manufacturers bring a real benefit to the healthcare system.