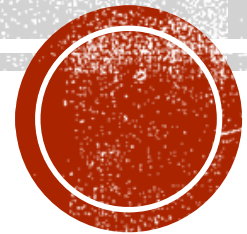


11th CARIBBEAN CONFERENCE ON NATIONAL HEALTH FINANCING INITIATIVES

INVESTING WISELY IN HEALTH

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TWO RECOMMENDED AREAS OF INVESTMENT

1. Primary Health Care and Public Health as opposed to Secondary/Tertiary institutions – facilities and programmes for keeping the population healthy
2. Wherewithal for keeping the health system efficient
 - In each case we ask three questions
 - a) Why the investment bias?
 - b) Who should make the investment?
 - c) What are the measurable expected returns?

THE BIAS TO INVESTMENT IN PRIMARY CARE AND PUBLIC HEALTH

- Single most important reason for proposing a new bias in health investment is the growing burden of non-communicable diseases in all our countries.
- The fact is that these are diseases where prevention, early diagnosis and proper management have major implications for both health status and cost of health care
- The fact is that new hospitals will not constitute an adequate response to the problem of NCDs in our countries. The sooner our populations and our leaders understand this the better for us all.
- The bias for health investments in the future needs to be in facilities, personnel and equipment that elevate the quality of services aimed at controlling and managing the NCDs – precisely the area covered by primary care and public health

INVESTING IN MAINTAINING HEALTH

- We have always known that the good health of the population was a standard objective of development. As living standards improve we expect a similar change in health status.
- What we have more recently determined is that we will not attain the level of development we are aiming for except we ensure that the health status of the population is duly enhanced.
- So while we always knew that development was good for health, we now know that health is good for development.
- This, in a nutshell, is the reason why investing in the good health of the population makes sense.

WHO SHOULD INVEST IN MAINTAINING POPULATION HEALTH ?

- If the investment target is population health it does not make sense to leave this to the government alone. There is a warranted role here for **the business sector** – a major beneficiary of development – and a similar role for **the social security organizations** (SSOs) that will have an interest in protecting the health of their contribution base, and an equivalent interest in minimizing the level of health claims by contributors.
- Given the lifelong link which the SSOs have with contributors and the information base which is at their disposal, it would be convenient for the SSOs to monitor and make recommendations in respect of the health of their contributors at the stages when specific attention to health matters is required.
- It would make sense for the SSOs to become major collaborators in national **healthy aging** programmes

HEALTH AGING DRIVE

- We know where NCDs are concerned that the three key target groups are
 - a) Those not affected by disease
 - b) Those with early or mild onset of disease, and
 - c) Those with serious complications of disease, including comorbidities
- This makes it necessary for the region to adopt a range of programmes aimed at the healthy aging of the population.
- If countries of the region are successful in the healthy aging approach by ensuring that the working population pays attention to healthy lifestyles and risk reduction behaviour the benefit will be a better quality of life and an extended life span
- The healthy older (pensionable) citizens can remain being productive and involved in their own revenue generating activities, giving a new twist to the notion of retirement
- Healthy aging programmes will help tremendously with positive mental and physical health and will ensure that worker experience will be a perceptible contributor to the development of all our countries, allowing the elderly to remain relevant and useful to the society
- Important to note that the involvement of the SSOs, providing support for healthy aging, will strengthen their contribution base, thereby enhancing their contribution to regional development

THE RETURNS TO KEEPING THE POPULATION HEALTHY

The data we have tell us that the NCDs are imposing a cost of at least 3% of GDP in the few countries where studies have been done. If this percentage holds for the region, we are talking of over **\$2 billion** in losses every year.

If our investments save us even half of this, the returns will be tremendous. Over a ten year period we can look forward to more than **\$10 billion** in returns!

KEEPING THE HEALTH SYSTEM EFFICIENT

- The main purpose of attaining and sustaining efficiency in the health system is to guarantee the capacity of the health system to properly deliver needed services to the population. If the cost of the system spirals out of a feasible range the impact on the quality of life of the population would be near catastrophic. Problem of increasing numbers already rearing its head.
- In a situation where the cost of health care in most countries was already increasing at an exponential rate, and certainly at a rate higher than the rate of growth of the countries, the prospect of having the deal with an epidemic of NCDs is certainly one that has to be addressed. Without health system efficiency a future with adequate health coverage will become less and less feasible.

INVESTMENT FOR HEALTH SYSTEM EFFICIENCY

- **There are two main investment requirements if health system efficiency is the target.**
- **The first is the adoption and implementation of a modern health information system (HIS) – to keep track of cost generation in every aspect of the health system.**
- **The second is the installation of a high-calibre management cadre – to ensure that value for money is derived from the human resource and procurement functions**

INVESTORS AND RETURNS

- Returns from health system efficiency will be manifest in two ways: the impact of **cost control** on the trend in overall health expenditure and the impact on the **quality of service provision** both in respect of the time required and calibre of the outcomes.
- The public goods nature of these returns suggests that the investment in system efficiency should be spearheaded by the public sector, with support from the private sector
- WHO has pointed out that the waste in health spending is of the order of 40%. For the Caribbean, with health spending just under \$5 billion, this would give an estimate of close to **\$2 billion** which can be saved by better performance
- These are returns well worth pursuing

CONCLUDING STATEMENT

- Bottom line is that with (a) perceptibly limited resources and (b) faced with a looming NCD epidemic we have to make sure that we are directing our health investments where they would best serve the people of the region
- While we recognize the traditional attractiveness of investing in new hospitals we need to understand that in the present circumstances new hospitals will not help to solve the problems at hand
- The need is for a concerted investment in facilities, equipment and personnel that will enable us to confront the NCDs at a cost that remains affordable

CONCLUDING STATEMENT

- We emphasized the need for national programmes in healthy aging – providing age-related health promotion and health management services to stave off a morbidity picture dominated by NCD related complications and comorbidities
- In this we have identified important roles for the public sector and for the social security organizations. For the SSOs, the investment is mainly one of collaborative administration of the healthy ageing programmes, with the returns coming from both the improved earning capacity of contributors and from the reduced claims for NCD-related illness episodes