

3RD HEALTH SYSTEMS JOINT NETWORK MEETING FOR CENTRAL, EASTERN AND SOUTHEASTERN EUROPEAN COUNTRIES

Increasing the efficiency of healthcare through better budgeting and governance

25-26 April 2019, Artis Centrum Hotel, Vilnius, Lithuania

*Organised by the OECD, with support from The Global Fund to Fight Aids, Tuberculosis and Malaria;
the WHO Regional Office for Europe; and the Ministry of Health of the Republic of Lithuania*

PURPOSE AND KEY THEMES

Progress in health system depends on the financial resources available for health. Often, radical increases in spending for healthcare are not possible, and the OECD estimates that 20% or more of total resources for healthcare may be wasted. Thus, there is a considerable potential to make better use of existing resources. This challenge is of particular importance for CESEE countries, where resources are limited. Eliminating both intentional waste – corruption, fraud and abuse – and unintentional waste resulting from imperfect institutional and managerial solutions is critical. Doing so can help countries increase the efficiency of spending on health to make the best possible use of their resources.

The goal of increasing efficiency brings together senior officials from health and finance ministries, and social security institutions, to discuss challenges in health system budgeting, and identify solutions to increase efficiency of healthcare. In this meeting, three critical themes will be explored:

- How to prevent intentional waste, by implementing anti-corruption policies, and counteracting fraud and abuse of the system?
- How to find additional resources for healthcare, including through ‘sin’ taxes and spending reviews?
- Which concrete managerial solutions could be applied to increase efficiency of spending, including performance budgeting, indicator setting and the use of performance information in decision-making?

This policy dialogue has been organised by the OECD, the Ministry of Health of Lithuania; the Global Fund to Fight Aids, Tuberculosis and Malaria; and the World Health Organization. An important output of this policy dialogue will be a document summarising challenges and best practices identified in the discussions.

We hope that your participation will support the increase of the efficiency of the health sector budgeting in your country as well as the region more broadly.

3rd Health Systems Joint Network meeting for Central, Eastern and South-eastern European Countries

DRAFT AGENDA

Thursday 25 April 2019

From 8:30

Registration

9:00-10:30

Session I: Introductory perspectives

This session will set out the objectives of the meeting, with senior officials from the Lithuanian government providing their perspective on collaboration between finance and health ministries.

Speakers:

- Welcome and opening remarks by the Lithuanian government
- Overview of the meeting and introduction from the OECD Secretariat
- Perspective from The Global Fund to Fight AIDS, Tuberculosis and Malaria
- Perspective from the World Health Organization

Overview of health financing and budgeting practices for health in CESEE countries

Speakers:

- Health financing in CESEE countries, World Health Organization
- Overview of Health Financing and Budgeting Practices for Health in Lithuania
- OECD survey of budgeting practices for health in CESEE countries, OECD Secretariat

10:30-11:00

Coffee break

11:00-12:30

Session II: Wasteful spending: tackling corruption, fraud and abuse through better governance

Considerable amounts of resources for healthcare are lost because of corruption, fraud, abuse and other activities constituting integrity violations. The total loss is difficult to estimate, but public opinion is convinced about problems related to integrity violations in health. For example, Transparency International estimates that around 34% of citizens in OECD countries consider medical health services sector corrupt or extremely corrupt. At the same time, there are examples when millions or even billions USD are recovered from fraudulent activities. Such data relates however only to detected fraud, whereas actual values are likely to be much higher.

Issues for discussion:

This session aims to discuss the challenges linked to corruption and fraud in the health sector, in particular:

- Most vulnerable areas for the breach of integrity
- Integrity risk related to pharmaceutical sector
- Low salaries of medical personnel as a source of risk for integrity
- Success stories of the programmes related to prevention and detection of corruption and fraud

The session will start with scene-setting presentations, which will be followed by discussion in smaller groups and the presentation of results from the group work.

Session moderated by: Transparency International, Lithuania

Scene setting:

- Overview of wasteful spending in the health sector, with a focus on corruption and fraud, OECD Secretariat
- Presentation from the European Healthcare Fraud & Corruption Network (EHFCN)

Group work – participating countries are divided into three groups to discuss challenges related to corruption and fraud in healthcare and share good practices.

12:30-13:30

Lunch

13:30 - 14:30

Session II – Continuation

- Presentation of group work by rapporteurs
- Discussion
- Summary

14.30-15.30

Session III: Sin taxes - increasing revenues and meeting public health objectives

Increases in efficiency or tools such as spending reviews have the potential of increasing the capacities to deliver health services without increasing the total budget for healthcare. However, improvements in service delivery require also additional resources. One important solution is taxes on unhealthy behaviours, often referred to as “sin taxes”. These are taxes placed on goods that adversely affect health, such as alcohol, tobacco, and sugar-sweetened beverages. Health taxes, apart from contributing to the financing of healthcare, can also have a positive impact on the change of people’s behaviour and thus contribute to healthier lifestyles.

Issues for discussion:

- The use of sin taxes in the CESEE countries
- Challenges and opportunities of sin taxes
- Good OECD practices

Session moderated by: OECD Secretariat

Speakers:

- Health related taxes on food and non-alcoholic beverages, OECD Secretariat, Centre for Tax Policy and Administration
- Country presentation from Moldova
- Presentation from The Global Fund

Discussion

15:30-16:00

Coffee break

16:00-17:30

Session IV: Performance measurement and KPI setting

When discussing efficiency or effectiveness, the topic of performance measurement is critical. Performance measurement and indicator setting are indispensable, but also bring many challenges. The literature is full of examples of negative effects of performance measurement. This is not only about gaming or selective attention, but it is also about negative side effects, such as decreasing the morale and engagement of staff or creating the illusion of control. Despite these risks, many countries strive to improve their performance measurement systems in order to maximise benefits and reduce possible risks.

Issues for discussion:

- Challenges and good practices related to performance measurement
- Use of performance information in decision making

Session moderated by: The Global Fund to Fight Aids, Tuberculosis and Malaria

Speakers:

- Introductory presentation by the OECD
- Country presentation from Estonia
- Country presentation from Kazakhstan

Discussion

From 17:45

Cocktail hosted by the Ministry of Health of Lithuania

Friday, 26 April 2019

8:30-10:00

Recap of day one

Session V: Performance budgeting in health

Currently, most OECD countries use some kind of performance budgeting. Many CESEE countries also use performance budgeting, but usually in its “light” form – a so-called presentational approach. Countries of the region also – more frequently than in OECD countries – report on challenges in the introduction of performance budgeting. The main reported challenge is the lack of performance culture in public administrations.

Issues for discussion:

- Performance budgeting in OECD and CESEE countries
- Programme budgeting
- Use of performance information for decision making

Session moderated by: OECD Secretariat

Speakers:

- Performance and programme budgeting in OECD countries – trends and overview, OECD Secretariat
- Performance Budgeting, PEMPAL
- Country presentation from Latvia

Discussion

10:00-10:30

Coffee break and group photo

10:30-12:00

Session VI: Spending reviews

Spending reviews are an important tool to increase efficiency of spending. Frequently budgets for future years are planned based on historical spending and the costing of new tasks. This may be a source of inefficiency, as tasks and activities evolve because of changing needs, policy changes and technological improvements. Moreover, the prioritisation of activities changes. State budget should be periodically reviewed to make sure that the financing is well aligned with the changes in public policies and governance. Spending reviews also allow to create fiscal space to finance new initiatives. Spending reviews are frequently used in OECD countries.

Issues for discussion:

- Benefits from spending reviews
- Challenges in applying spending reviews
- Good OECD practices

Session moderated by: OECD Secretariat

Speakers:

- Spending reviews in OECD countries – recent trends, OECD Secretariat
- Country presentation from Slovak Republic
- Country presentation from Croatia

Discussion

12:00-13:00

Lunch

13:00-15:00

Session VII: Health Insurance, Social Contracting and Access to Affordable and Quality Medicines are the Key Elements to Enhance Transition from Donor Funding

The Eastern Europe and Central Asia (EECA) region of the Global Fund portfolio comprises countries quite diverse in their income levels and economic development trajectories. The transition to higher-income status is a positive step forward for countries, but this transition brings with it the prospect of declining external assistance, in particular, for health. Countries preparing to transition away from donor support of health programs, and donors seeking to exit without negative consequences will be able to enhance transition by following a collaborative and coordinated process for managing key elements of transitions.

Linking country transition with national health financing reforms: transition process should be aligned with simultaneous strategic changes in the health system such as adoption of social health insurance or other pooled health financing. This involves the larger changes in health financing including guaranteed benefits packages, national health insurance, and provider payment reforms including performance-based financing.

Social Contracting of civil society: one crucial piece to transition is the continued role of civil society organizations that have typically been supported by external donors. Unlike foreign donors, governments often face legal, regulatory, structural, human resource, financial, and political barriers to supporting and contracting with civil society organizations to provide services or implement multi-stage development projects.

Access to affordable and quality medicines and consumables: when the countries begin to drop out of global procurement mechanisms ensured by the Global Fund and other donors, it could undermine their ability to procure affordable, high-quality drugs. Use of pooled procurement mechanism allows to reduce drug costs through economies of scale, harmonize drug registration and improve quality assurance and reduce the workload.

Agenda:

- Introduction to the Global Fund special session
- Georgia experience and the perspectives on TB, HIV and Hep C elimination programs in the context of anticipated transition
- Azerbaijan experience in introducing mandatory health insurance and use of pooled procurement mechanism to reduce the cost of and the increase the quality of the drugs and consumables.
- Ukraine experience in preparing for transition and the key elements of the ongoing health reform.
- The social contracting mechanism to become a sustainable and long-term solution for ensuring the provision by NGOs of HIV prevention services in Montenegro

15:00-16:00

Conclusions