U.S. Can Learn From Other Health Care Systems

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WASHINGTON — Analysis of other countries' health care systems has pointed out what might work—and what won't work—in efforts to reform the U.S. health care system.

At the annual meeting of the American College of Physicians, ACP senior vice president of governmental affairs and public policy Robert Doherty outlined seven key lessons the college learned in examining health care systems around the globe:

► **Lesson No. 1.** Global budgets and price controls can restrain costs, but they can also lead to negative consequences. Canada, Germany, New Zealand, Taiwan, and the United Kingdom all use global budgets, Mr. Doherty said. In the United Kingdom, for example, annual per capita health expenditures totaled $2,546 in 2004 versus $6,012 in the United States that year.

Nevertheless, global budgets do not provide incentives for improved efficiency unless the annual expense budget is reasonable and the target region is small enough to motivate individual providers to avoid the overuse of services, he said.

► **Lesson No. 2.** Primary care is the foundation of high-performing systems. Societal investment in medical education, as found in France, Germany, and the United Kingdom, can help achieve a well-trained workforce that has the right proportion of primary care physicians and specialists and is large enough to ensure access, he said.

Many countries finance medical school education with public funds, so students pay little (as in the Netherlands) or no (as in Australia, Canada, France, Germany, Japan, and Switzerland) tuition and typically are responsible only for books and fees, the ACP reported earlier this year in a position paper, "High-Performance Health Care System with Universal Access."

In contrast, the average U.S. tuition in 2005 was $20,370 for public medical schools and $38,190 at private medical schools, according to the paper. As a result, 85% of graduating medical students begin their careers with substantial debts. In 2005, the average debt was $105,000 for graduates of public institutions and $135,000 for those who attended private institutions.

"Rising educational debt influences physician career choices and is one of the factors that discourage medical students from choosing a career in primary care," the ACP position paper said.

► **Lesson No. 3.** High-performing systems encourage patients to be prudent purchasers and to engage in healthy behavior, Mr. Doherty said. "Patients need to have some stake in the system themselves," he said. For example, in Belgium, France, Japan, New Zealand, and Switzerland, patients share costs with copayment schedules based on income, which can help restrain costs while ensuring that poorer individuals have access, he said.

In addition, incentives to encourage personal responsibility—such as those in Australia, Belgium, Japan, and other countries—can be effective in influencing healthy behaviors, improving health outcomes, and creating responsible utilization, without punishing people who fail to adopt recommended behaviors or lifestyles, he said.

► **Lesson No. 4.** The best payment systems recognize the value of care coordinated by primary care doctors, Mr. Doherty said. Effective payment systems provide adequate payment for primary care services, create incentives for quality improvement and reporting (as in Belgium and the United Kingdom), recognize geographic or local payment differences (as in Canada, Denmark, Germany, and the United Kingdom), and provide incentives for care coordination (as in Denmark and the Netherlands), he said.

In Denmark, for example, primary care physicians receive a capitated payment for providing care coordination and case management by telephone or e-mail, in addition to receiving fee-for-service payments for office visits, according to the ACP position paper.

► **Lesson No. 5.** High-performing systems measure their own performance. Countries such as Australia, New Zealand, and the United Kingdom have implemented performance measures linked to quality, he said, as has the U.S. Veterans Health Administration.

► **Lesson No. 6.** High-performing systems invest in health information technology, and have uniform billing and lower administrative costs, Mr. Doherty said. The adoption of uniform billing and electronic processing of claims—as has been

done in Germany, Canada, and Taiwan, among others—improves efficiency and reduces administrative expenses, he said.

Meanwhile, an interoperable health information infrastructure can enable physicians to obtain instantaneous information at the point of medical decision making and can enhance electronic communications among treating health professionals, he said. Denmark, Taiwan, and the Netherlands have interoperable health information infrastructures that incorporate decision-support tools, according to the ACP's position paper. "Systems like these will enable physicians to obtain instantaneous information at the point of medical decision making and will enhance electronic communications among physicians, hospitals, pharmacies, diagnostic testing laboratories, and patients."

► **Lesson No. 7.** High-performing systems invest in research and comparative effectiveness. Insufficient investments in research and medical technology lead to reliance on outdated technologies and medical equipment, and delay patient access to advances in medical care, he said. This has occurred in Canada and the United Kingdom, according to the position paper.

Many other countries that have national health insurance programs, such as the United Kingdom and Australia, perform evidence-based evaluations of new drugs and technology, the position paper said. Much of this information is shared through the Network of Agencies for Health Technology Assessment, of which the U.S. Agency for Healthcare Research and Quality (AHRQ) is a member, the paper said.

Many of these lessons could be applied to reforming the U.S. health care system so that it could cover everyone while still controlling costs, Mr. Doherty said.

Any solution for the United States "will be unique to our political and social culture," Mr. Doherty said. "Unlike many of the countries studied, [the United States] has a larger and more diverse population with a tradition of individualism and distrust of the government." Also, free speech—including commercial free speech—is protected by the U.S. Constitution, and there's a deeply rooted system of employer-based coverage, tied to a powerful industry invested in maintaining private insurance and employer-based coverage.

"We're not going to simply take what they've developed [in other countries] and implement it" in the United States, he said. Instead, the goal should be to identify approaches that the evidence shows are more likely to be effective and determine if they can be adapted to the unique circumstances in the United States, he said. ■