

iHEA 5th WORLD CONGRESS: INVESTING IN HEALTH

GASPAR CASAL FOUNDATION PRE-CONFERENCE SESSION:

On some applied research to improve the performance of the Spanish National Health System

Our aim is providing agents in healthcare sector with tools for decision making. Nowadays, health systems of most developed countries are facing economic and financial problems that can be explained by technology (new drugs, innovations at surgery, screening and diagnostic), sociology (people expectations grow faster than health services supply) and demography (aging and migration flows). This context makes even more acute the need for a priority setting process to rationalize the health expenditure. However, how can this priority setting process be undergone?

On the one hand, **information** is necessary to know both needs and resources, that is, reality. In a decentralized context like the Spanish one, information is not shared and thus it becomes impossible to make health policy. The lack of appropriate health information systems is one of the main obstacles to the improvement of health management. As an answer to this problem, Gaspar Casal Foundation (GCF) issued the book *Spanish Health Information System (National SISAN)* with the aim of helping to close that gap. This comprehensive study and all its information are also freely available on www.sisan.info. Nowadays, GFC is starting a new project: *Spanish Autonomous Communities Health Information System (regional SISAN)*. The objective is to expand the satisfactory results of SISAN to the different Spanish Autonomous Communities, as all the health responsibilities were transferred to these institutions in 2002.

On the other hand, **evaluation** models are needed to handle all this information. Here we present a model to evaluate welfare changes determined by different health levels. It means an alternative to the traditional cost-benefit analysis of investment based on *willingness to pay* measures. A *health tax*, defined by the corresponding quality of life index of the health level, will determine the new *quality of life adjusted wage*. Applying this model to health economics, as it has only been used in public economics literature, will allow researchers to study the effect of health status on welfare and labour

force participation. Moreover, this approach implies a switch in current research from the demand for goods (willingness to pay) to the labour supply.

Once all the necessary information has been both gathered and analyzed with the appropriate evaluation models, it is possible to make recommendations for those in charge of **decision making**. The book *All health services for everybody and free of charge at the moment of use? Priority setting at the Spanish National Health System* shows the results of two analyses: a systematic review of all the literature issued about priority setting, and four focus groups made up with analysts and managers, who were selected because of their knowledge of the Spanish National Health System and the subject of this study.

During the session a presentation of the previous issues will be done followed by a deep discussion among presenters and the audience, trying to get an international exchange of ideas. This debate may deal with these topics:

Is it possible to make rational decisions without information?

Is there an alternative to willingness to pay measures for investment in health?

Health Information Systems in practice: evidence from Spain

Priority setting in a highly decentralized National Health System

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SHORT BIOGRAPHY:

- Director of Gaspar Casal Foundation
- President of Spanish Association of Healthcare Technology Assessment
- Member of iHEA and Spanish Health Economics Associations
- Ph.D., School of Medicine, (Universidad Complutense, Madrid)
- M.Sc., Community Health, (Edinburgh University, Scotland, UK)
- Preventive Medicine and Public Health Specialist (La Paz Hospital, Madrid)
- M.D., School of Medicine (Universidad Complutense, Madrid)

Last three years publications:

Books:

- 2004: «*All health services for everybody and free of charge at the moment of use? Priority setting at the Spanish National Health System*» (Together with C. Polanco and S. García). Ed. Ergón, Madrid.
- 2004: «*Genomics and Medicine*». Ed. Genoma España, Madrid.
- 2004: «*Spanish Health Information System*» (Together with A. Hidalgo and S. Pérez). Ed. Editec, Barcelona.
- 2002: «*Health Economics* » (Together with A. Hidalgo and I. Corugedo). Ed. Pirámide, Madrid.

Articles (only international journals):

- *Indirect costs in ambulatory patients with HIV/AIDS in Spain. A pilot study* (Pharmacoeconomics 2003).
- *Clinical evidence for enteral nutritional support with glutamine: a systematic review* (Nutrition 2003).
- *Nutritional support in chronic renal failure: systematic review* (Clinical Nutrition 2001).
- *Monte-Carlo simulation of the monoclonal anti TNF in treating rheumatoid arthritis* (Value in Health, in press).

Interest research areas:

- Health Economics
- Health Policy
- Health management

3. DISCUSSANTS

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4. SESSION DESCRIPTION

Gaspar Casal Foundation (GCF) for research and health development is a non profit and independent organization, devoted to teaching, advice and applied research. Since its creation in 1997 the aim of this organization has been the improvement of health and quality of life. Its mission is to develop education programmes and to promote research, applied to the most important health and social problems of society.

The postgraduate programmes in clinical and health management, health economics, and health projects assessment stand out in the education area. The most emblematic is the Master in health administration and health services management (MADS), organized jointly with the Continuing Education Institute of Pompeu Fabra University.

GCF is mainly focussed on health policy, health economics and economic evaluation studies in the applied research area. Strategic topics such as health information systems, priority setting in the Spanish national health system, and new measures of changes in patients' welfare are the latest issued studies.

The aim of this pre-conference session is to present our organization and their latest studies to the international scientific community in the health policy and health economics area. We feel the topics of our research studies may be of interest not only to the agents (academia, managers, decision makers, health professionals,.....) of Spanish national health system but also to those of every developed country.

5. ABSTRACTS

5.1. TITLE: Towards a labour supply model of welfare changes: An alternative to willingness to pay measures for investment in health.

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- Professor in Economics (Full time): Universidad Complutense (Madrid)
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 - London School of Economics (UK) (1985, 1995, 1996)
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Last three years publications :

- 2002: « *Health Economics* » (Together with A. Hidalgo and J. del Llano). Ed. Pirámide, Madrid.

- 2003: *"The human capital hypothesis in the Microeconomic Theory"*. In *"Works in Honour of Francisco Bustelo"*. Ed. Complutense, Madrid.
- 2004: *"Towards a labour supply model of welfare changes: An alternative to willingness to pay measures of investment in health"*. (Together with E. Anton and C. Polanco) *Mimeo*.

Interest research areas:

- Health Economics
- Economics of Education and Labour Economics

ABSTRACT TEXT:

The presentation introduces a model to evaluate welfare changes determined by different health levels. It means an alternative to the traditional cost-benefit analysis of investment based on *willingness to pay* measures. The main hypothesis of the model is that an illness acts on individual wages (in terms of capacity of consumption) in the same way as a personal income tax. A *health tax*, defined by the corresponding quality of life index of the health level, will be introduced by the model. Therefore two different states of nature are defined by the model. A healthy status, with its corresponding actual wage, and a status where the individual is sick, with a new *quality of life adjusted wage*. These assumptions imply:

- 1) a switch in current research from the demand for goods (*willingness to pay*) to the labour supply.
- 2) the possibility of applying this model to health economics, as it has only been used in public economics literature concerning the effect of changes in direct taxation on welfare and labour force participation.

The empirical side of the model is an application of the Spanish *SIRPIEF* model in order to assess welfare variations due to different health status.

5.2. TITLE: Spanish Health Information System (*national SISAM*) & Spanish Autonomous Communities Health Information System (*regional SISAM*)

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- Profesor in Economics (full time), Real Colegio Universitario M^a Cristina Universidad Complutense de Madrid (1995-2001)
- Profesor in Economics (part time), Universidad Alfonso X (Madrid) (1996-2001)

Last three years publications :

- 2004: *"Towards a labour supply model of welfare changes: An alternative to willingness to pay measures of investment in health"*. (Together with E. Anton and C. Polanco) *Mimeo*.
- 2002: *"Morbidity, mortality and sanitary avoidable costs for a strategy of intervention for the cessation of the habit of consumption of tobacco in Spain."* *Gaceta Sanitaria* 2002. Nº 4 Vol.16

Interest research areas:

- Health Economics
- Economic Evaluation
- Health Information Systems

ABSTRACT TEXT:

One of the main obstacles to the improvement of the health management in Spain is the lack of appropriate health information systems. A few months ago, Gaspar Casal Foundation (GCF) issued the book *Spanish Health Information System (national SISAN)* with the aim of helping to close that gap. This comprehensive study and all its information are also freely available on www.sisan.info. Nowadays, GFC is starting a new project: *Spanish Autonomous Communities Health Information System (regional SISAN)*. The objective is to expand the satisfactory results of SISAN to the different Spanish Autonomous Communities, as all the health responsibilities were transferred to these institutions in 2002. This new project is to be financed by the Ministry of Health and Consumer Affairs, Lilly Foundation and Sanitas Foundation. Experts from Gaspar Casal Foundation and Castilla-La Mancha University will make up the working team of the study.

By proposing a comprehensive list of health indicators, the report focuses on the core of the National Health System to contribute to the establishment of a national health monitoring system, in order to:

1. Measure health status, its determinants and the trends therein throughout the Spain's Regions;
2. Facilitate the planning, monitoring and evaluation of national programmes and actions, and
3. Provide the regions with appropriate health information to make comparisons and support their regional health policies.

In the design of the indicator set, a set of explicit criteria was applied. These included:

- Be *comprehensive and coherent*, i.e. cover all domains of the public health field;
- Take *account of earlier work*, especially that by SISAN-2004, WHO-Europe, OECD and Eurostat;
- Cover the priority areas currently pursued by Regions and National Health Policies.

In terms of the selection of indicators at the detailed level, the following prerequisites are formulated in addition:

- The actual selection and definition of indicators within a specific public health area should be guided by scientific principles.
- Indicators (and underlying data) should meet a number of methodological and quality criteria concerning e.g. validity, sensitivity, timeliness, etc. (quality, validity, sensitivity and comparability).
- The probability of changing policy interests calls for a high degree of flexibility, made possible by current electronic database systems.
- Selection of indicators should be based, to start with, on existing and comparable data sets for which regular monitoring is feasible, but should also indicate data needs and development areas.

Flexibility is an important characteristic of the present project. This implies that the interest in specific indicators may change with changing policy interests and scientific developments, but also that modern database technology allows a flexible entry to a system of indicators and data according to one's personal interest. This flexibility has been emphasized by the definition of 'user-windows'. These are subsets from the overall indicator list, each of which should reflect a specific user's requirement or interest.

The proposed indicators are, in most cases, defined as generic indicators, i.e., their actual operational definitions have not yet been attempted. Also, apart from indicators covered by regularly available data, we have proposed indicators (or areas) for which data are currently difficult to collect but which from a policy point of view would be needed.

This system, when applied to the Spanish context, highlights the need for flexible, coordinated, and homogeneous health information systems in decentralized regional health services. Benchmarking results and quantifying budget needs from regions explain the need for all the agents in healthcare system. Thus, the session will also deal with international experiences in order to get some lessons from other countries

5.3. TITLE: Priority Setting in the Spanish National Health System

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Last three years publications :

- 2004: *Priority Setting in the Spanish Health National System* (Together with J. del Llano and S. García). Ed. Ergón.
- 2004: *Towards a labour supply model of welfare changes: An alternative to willingness to pay measures of investment in health* (Together with E. Anton and I. Corugedo) *Mimeo*.

Interest research areas:

- Economic Analysis and Quantitative Economics
- Industrial Organization
- Economic Evaluation of Health Technologies and Programmes

ABSTRACT TEXT:

Health systems of most developed countries are facing economic and financial problems that can be explained by technology (new drugs, innovations at surgery, screening and diagnostic), sociology (people expectations grow faster than health services supply) and demography (aging and migration flows). This context makes even more acute the need for a priority setting process to rationalize the health expenditure. Few years ago, debate about priority setting focused on what technical tools were more appropriate for analyzing data about cost and effectiveness of each health technology. Nowadays, discussion does also deal with values, institutions and information that should make up the base for this process.

Many studies and proposals have been issued about prioritization in the last two decades. The first countries that underwent this process were Oregon, New Zealand, Canada, United Kingdom, Norway, Sweden and Netherlands.

The aims of this study were:

1. Analyzing the literature about rationing health services and priority setting.

2. Reviewing the main international and national attempts to limit publicly financed technologies.
3. Gathering the views of managers and experts on the Spanish Health National System through four focus groups.
4. Setting up recommendations that may help managers and politicians in the decision making process.

In order to reach these objectives, two analyses have been undergone: a systematic review of all the literature issued about priority setting, and four focus groups made up with analysts and managers, who were selected because of their knowledge of the Spanish National Health System and the subject of this study. This study has been published (del Llano, J., Polanco, C., García, S. *All health services for everybody and free of charge at the moment of use? Priority setting at the Spanish National Health System* Ed. Ergón, Madrid) as a book in 2004.

The main conclusions are:

- a) Priority setting is a political process that must be explicit and guided by a social consensus.
- b) There are three kinds of factors that affect the health expenditure figures and thus justify the need of prioritization:
 - a. demographic changes (aging, migration flows and *health tourism*);
 - b. lack of disruptive technological innovation, as well as the intensity of use of these new devices and drugs;
 - c. growing expectations about welfare and the possibilities of medicine.
- c) Spanish National Health System is characterized by decentralization, huge utilization of cheap labour, government problems, chronic financial deficit, precarious information systems and the lack of weight of economic evaluation on its decisions. Each prioritization process should be adapted to its country values and characteristics.
- d) There is an absolute absence of *accountability for reasonableness*.

The main recommendations for policy makers are:

- i. Ethic principles must be set before the process starts (need of a political consensus).
- ii. All the services supplied by the public health system must be listed to achieve a ranking according to frequency and intensity of use.
- iii. Need of health care must be estimated for the whole country.
- iv. Accountability and informed participation must be encouraged.
- v. Information health systems must be improved.
- vi. The range of health services affected must be chosen beforehand.
- vii. Study the resources invested on prevention, social expenditure, chronic and mental illnesses.
- viii. It is possible to transfer resources from health to social and community services.
- ix. It is necessary to reach the commitment of physicians with the objectives of managers.