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Introduction to Healthcare Management – Italian NHS

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SAHA PROJECT

ESAGOV

Agenda

1. National Health System
2. Overview of health expenditures
3. Italian NHS
4. Discussion

National Health System

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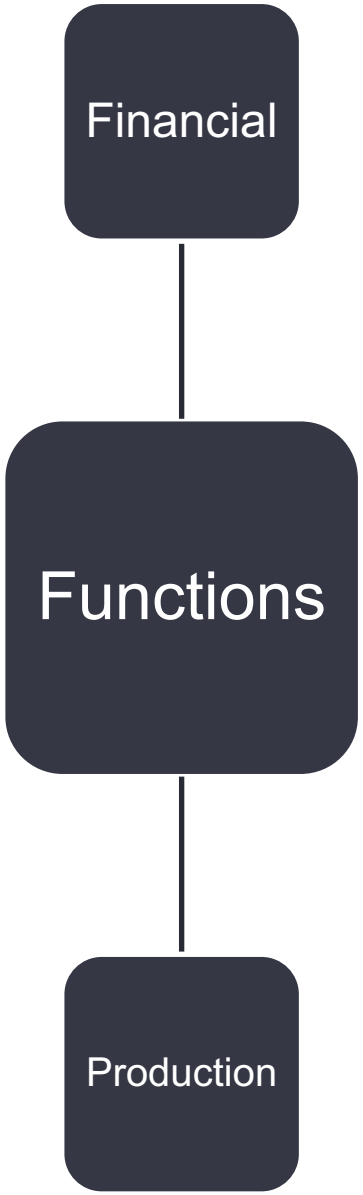
National Health System

HEALTH SYSTEM

Set of rules that establish the financing and organization of health services in a given economic system in order to operate an efficient allocation of resources by requiring a correct use of funds.

Institutions, actors and resources, human and material, that contribute to the promotion, recovery and maintenance of health.



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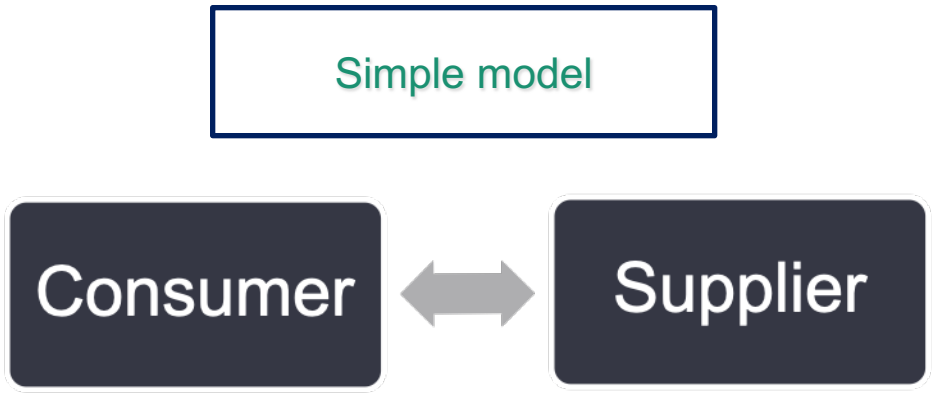
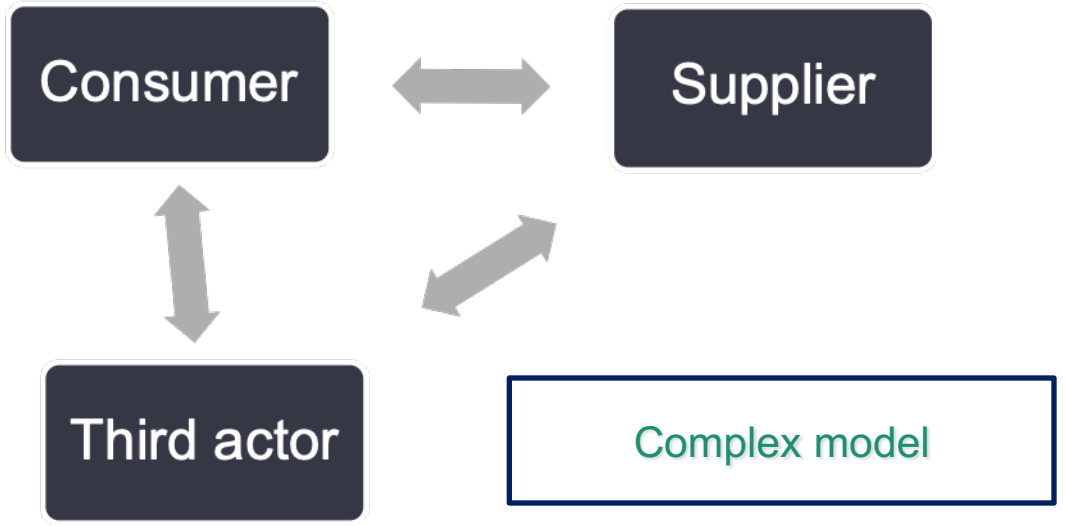
National Health System

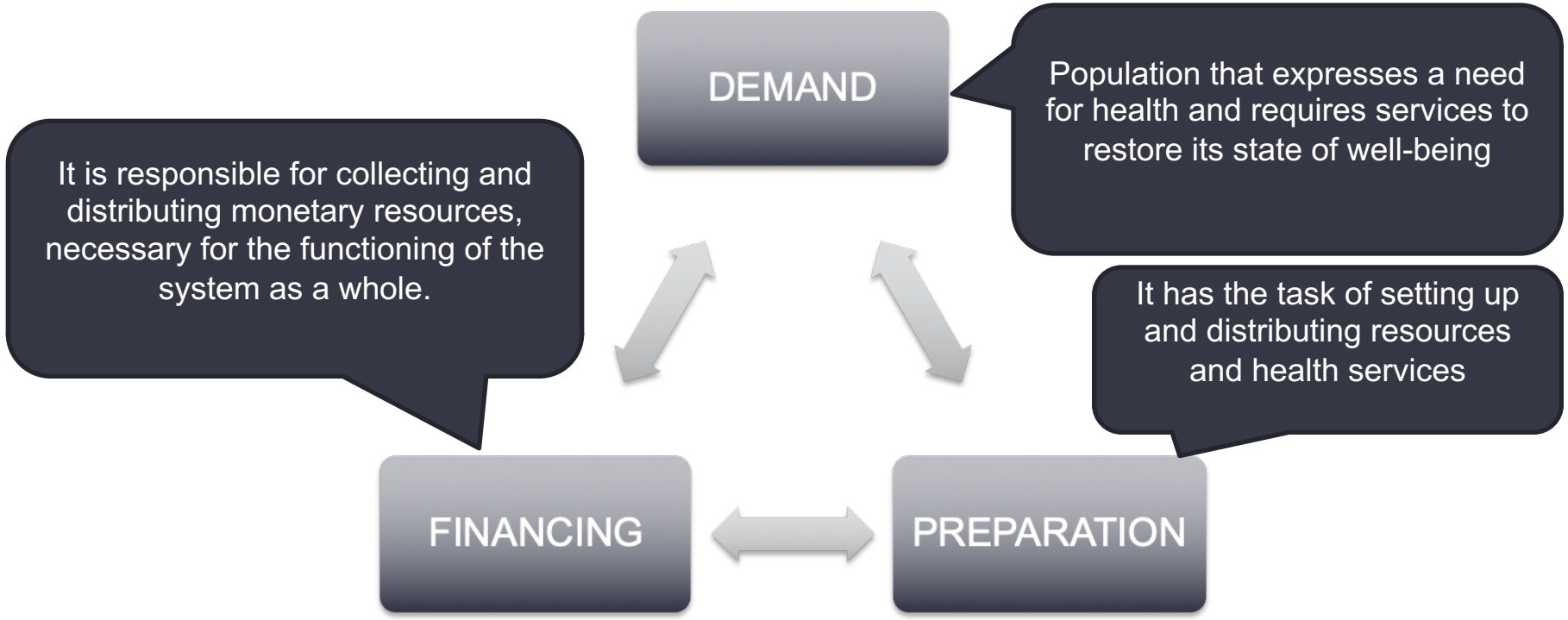
RELATIONSHIP BETWEEN THE TWO FUNCTIONS





National Health System

Three main interrelated and interdependent subsystems:



Terminology

- **Inpatient**: a patient receiving inpatient care will stay overnight in the hospital - medical care that occurs when a patient is admitted into the hospital
- **Outpatient:** a patient receiving outpatient care will not stay overnight in the hospital - medical care that is received while a patient is not admitted into the hospital
- **Primary care**: first stop for many symptoms (illness, injury and referral)
- **Secondary care**: someone who has more specific expertise in whatever health issue you are experiencing
- **Tertiary care and hospitalization**: higher level of specialty care (surgeries, dialysis, …)

National Health System

HEALTHCARE MODELS

- the Bismarck model;
- the Beveridge model (National Health Service - NHS);
- the National Health Insurance or Tommy Douglas model;
- the out-of-pocket model.

1 - BISMARCK MODEL – SOCIAL HEALTH INSURANCE

- Bismarck 1883 (German statesman and diplomat);
- 'Right associated with employment status →Keeping workers healthy to increase productivity;
- Social insurance was paid by the workers and the employer;
- Decentralized, privately oriented structure;
- Private insurance agencies («sickness funds») – do not have profit incentive – low prices

NB: THE GOAL WAS NOT TO OFFER UNIVERSAL HEALTH COVERAGE

1 - BISMARCK MODEL – SOCIAL HEALTH INSURANCE

WHAT ARE THE CHALLENGES FACING THIS MODEL?

- Ageing of the population → reduction of taxpayers → lower % of the population that is 'economically active'
- International competition → reduction of pressure on labour taxes

2 - BEVERIDGE MODEL – NATIONAL HEALTH SERVICE

- Beveridge 1948 (British economist and Liberal politician);
- Health coverage: transition from 'worker's right' to 'human right';
- Coverage for all citizens, obtaining funding through taxes;
- Highly centralised structure with public orientation;
- Physicians paid by the government.

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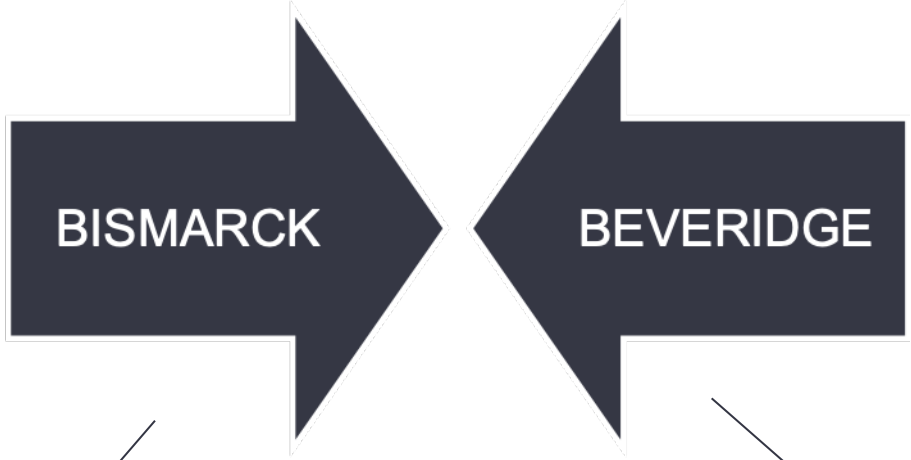
3 - NATIONAL HEALTH INSURANCE MODEL



Private providers– not profit driven

Funding managed by a state, tax-based, or premium program – Government acting as the single payer for the insurance policies

Patients are often able to select their own providers and are generally not financially burdened by the cost of care.

4 - OUT-OF-POCKET MODEL

- Direct payment of each treatment;
- Developed in those countries that are not organized with a state health system

Overview of health expenditures

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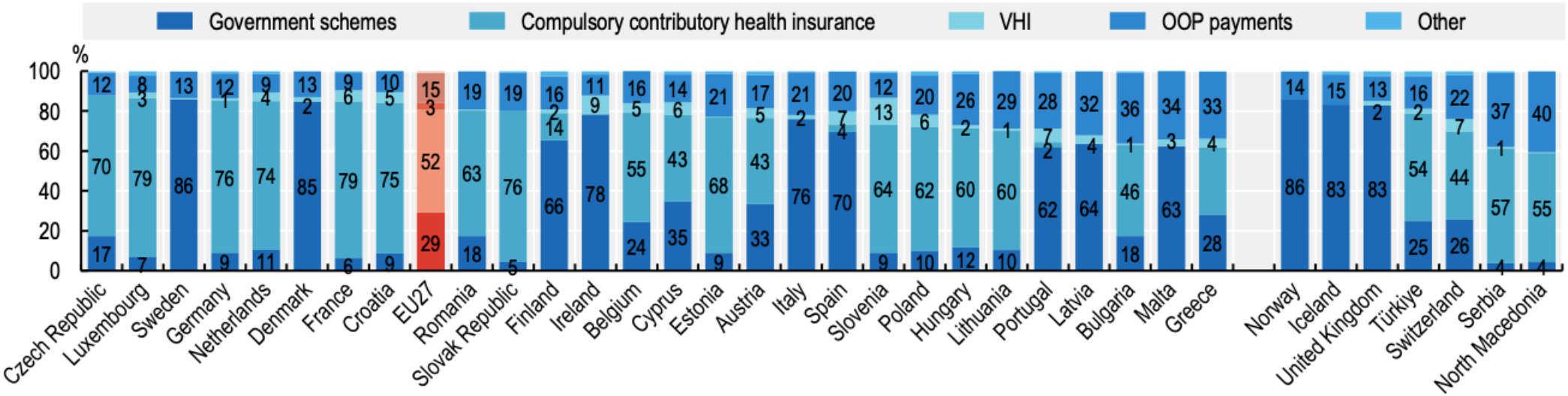
Figure 5.6. Health expenditure by type of financing, 2020 (or nearest year)



Note: Countries are ranked by government schemes and compulsory health insurance as a share of health expenditure. The EU average is weighted. The "Other" category refers to charities, employers, foreign and undefined schemes. OOP refers to out-of-pocket payments.
Source: OECD Health Statistics 2022; Eurostat Database; WHO Global Health Expenditure Database.

StatLink https://stat.link/xszdnl

Source: Health at a Glance: Europe 2022, available at: https://www.oecd.org/health/health-at-a-glance-europe/

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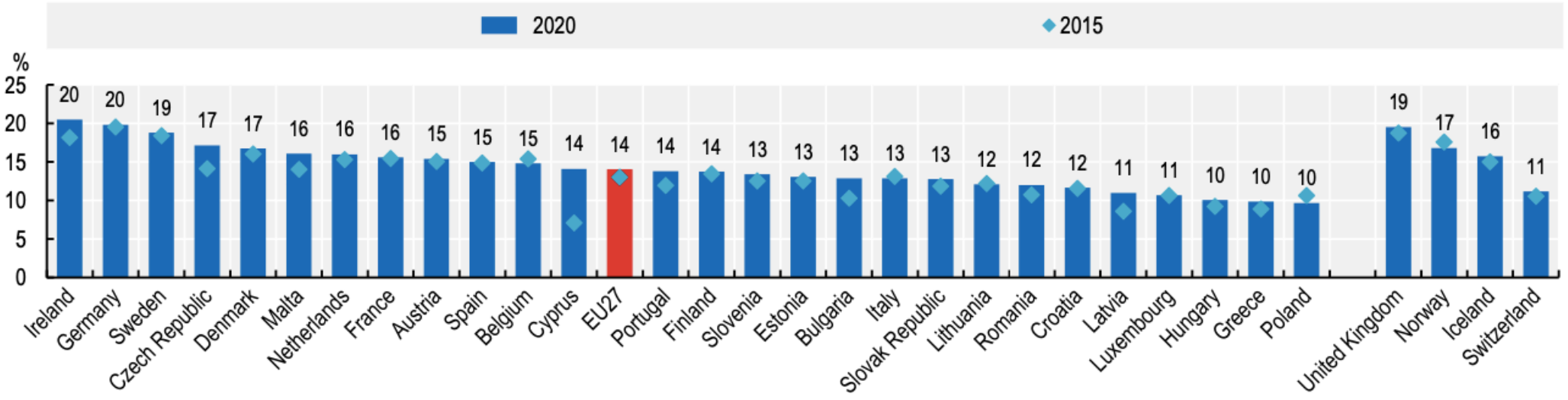
Figure 5.8. Health expenditure from public sources as a share of total government expenditure, 2015 and 2020 (or nearest year)



Note: For those countries without information on sources of revenues, data from financing schemes are used. The EU average is unweighted.
Source: OECD Health Statistics 2022; OECD National Accounts Database; Eurostat database.

StatLink https://stat.link/e3y7k6

Source: Health at a Glance: Europe 2022, available at: https://www.oecd.org/health/health-at-a-glance-europe/

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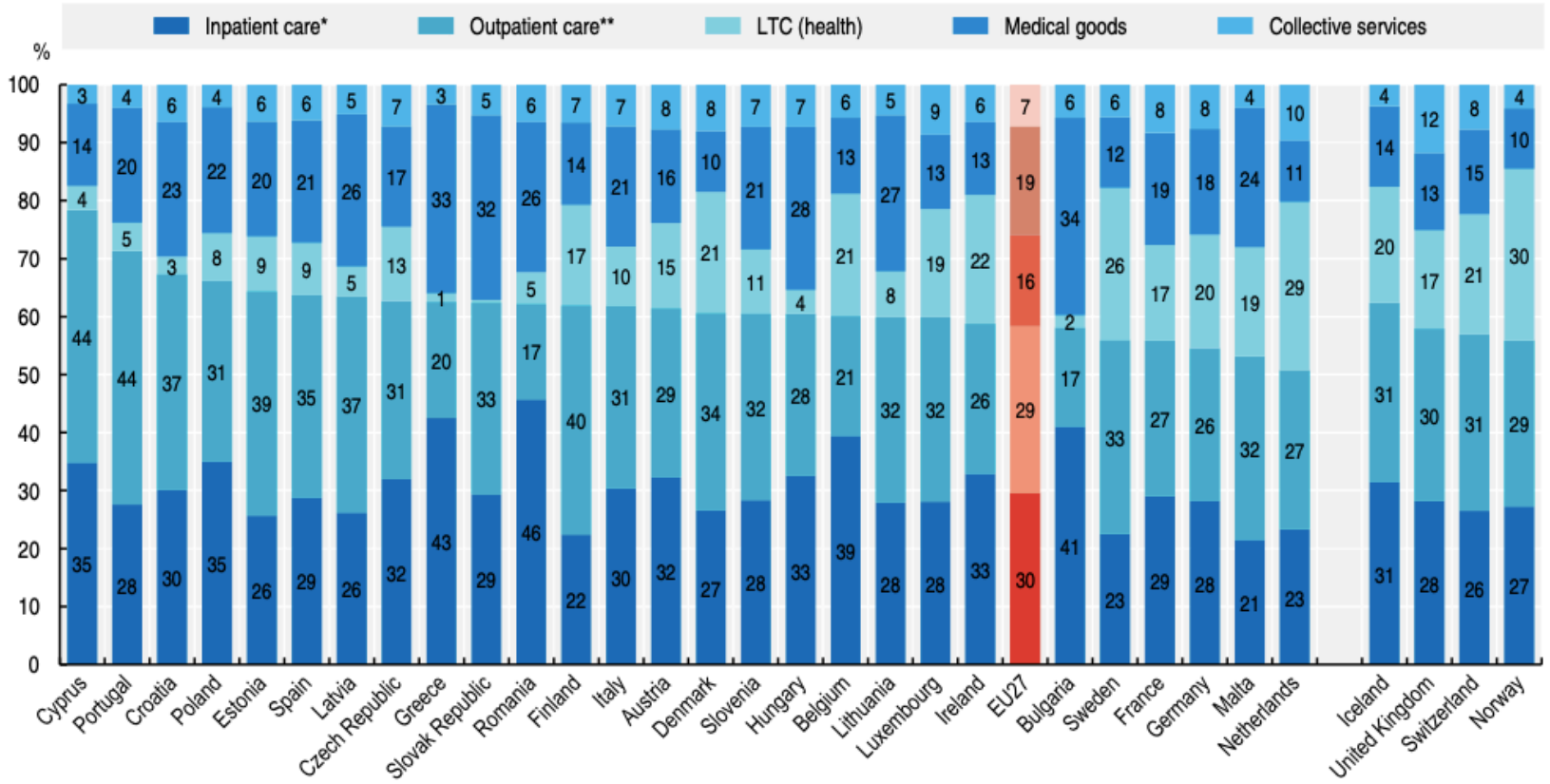
Figure 5.9. Health expenditure by function, 2020 (or nearest year)



Note: Countries are ranked by curative-rehabilitative care as a share of health expenditure. The EU average is weighted. *Refers to curative-rehabilitative care in inpatient and day care settings. **Includes home care and ancillary services and can be provided in ambulatory care settings or hospitals.
Source: OECD Health Statistics 2022.

StatLink https://stat.link/a9toqv

Source: Health at a Glance: Europe 2022, available at: https://www.oecd.org/health/health-at-a-glance-europe/

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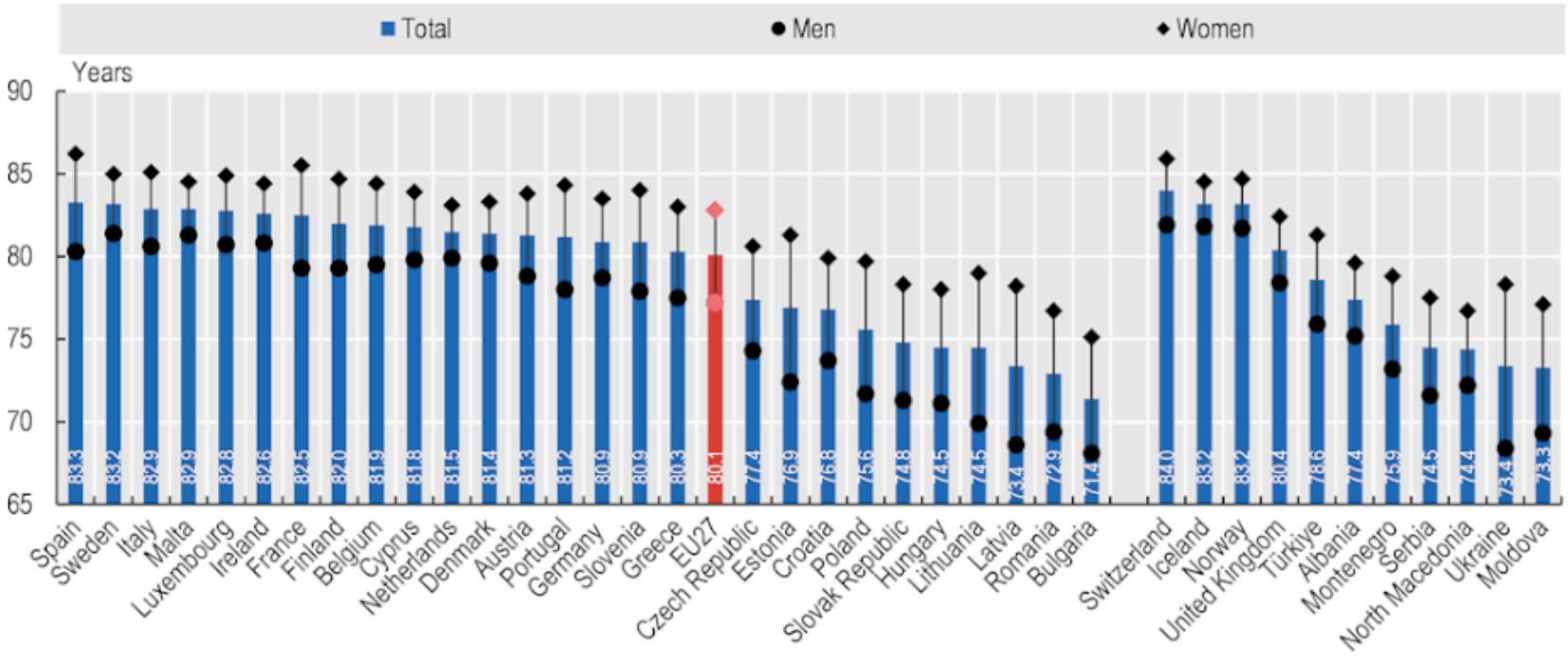
Figure 3.1. **Life expectancy at birth, by gender, 2021 (or nearest year)**



Note: The EU average is weighted. Data refer to 2020 for Ireland, Albania, North Macedonia, Montenegro, Serbia and the United Kingdom, and to 2019 for Moldova, Türkiye and Ukraine.

Source: Eurostat Database, complemented with OECD Health Statistic 2022 for the United Kingdom and Türkiye, and WHO for Moldova.

StatLink https://stat.link/uowhdr

Source: Health at a Glance: Europe 2022, available at: https://www.oecd.org/health/health-at-a-glance-europe/

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Italian NHS

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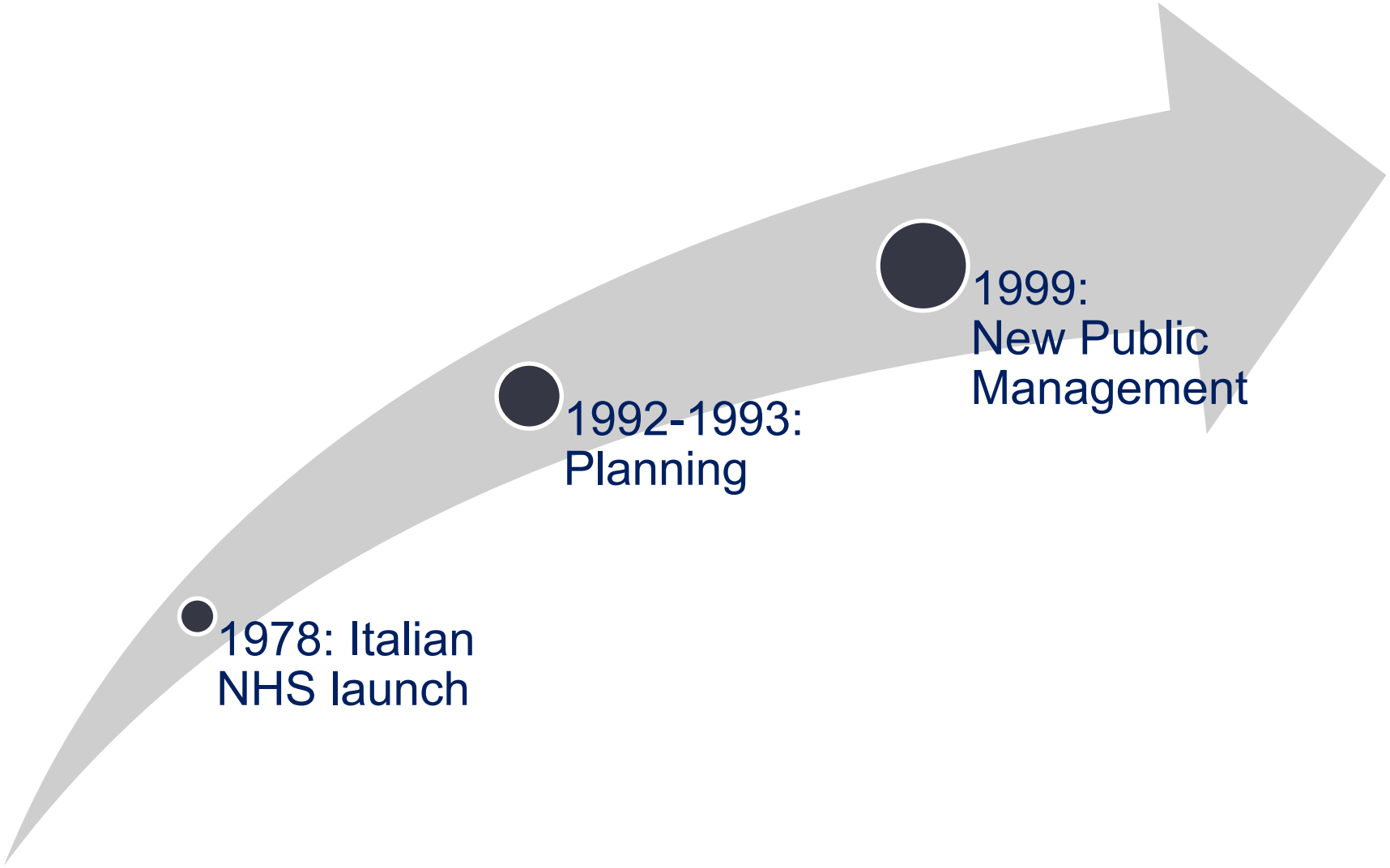
Italian NHS: a Beveridge Model



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Italian NHS: a Beveridge Model

- **ITALIA - BEVERIDGE MODEL (1978)**

- Universal, Comprehensive (almost);
- Free,
- Financed by general taxation.

- **Article 32: Right to health**

"The Republic safeguards health as a fundamental right of the individual and as a collective interest, and guarantees free medical care to the indigent.
No one may be obliged to undergo any health treatment except under the provisions of the law. The law may not under any circumstances violate the limits imposed by respect for the human person. "

Italian NHS: the principles

Fundamental

- Universality
- Equality
- Fairness

Organizational

- Centrality of the person
- Public responsibility for the protection of the right to health
- Collaboration between the levels of government of the NHS
- Enhancement of the professionalism of health workers
- Social and health integration

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Italian NHS: the levels

National Parliament and Central Government

- Adoption of health principles through laws and guidelines

Regional level

- Legislative and administrative authority
- Coordination of health structures and services
- 21 Regional health departments

Local level

- Delivery of care according to the territorial requirements

Local health authorities (Primary care, mental health, GPs, preventions)

Hospital organizations/trust (190,000 beds)

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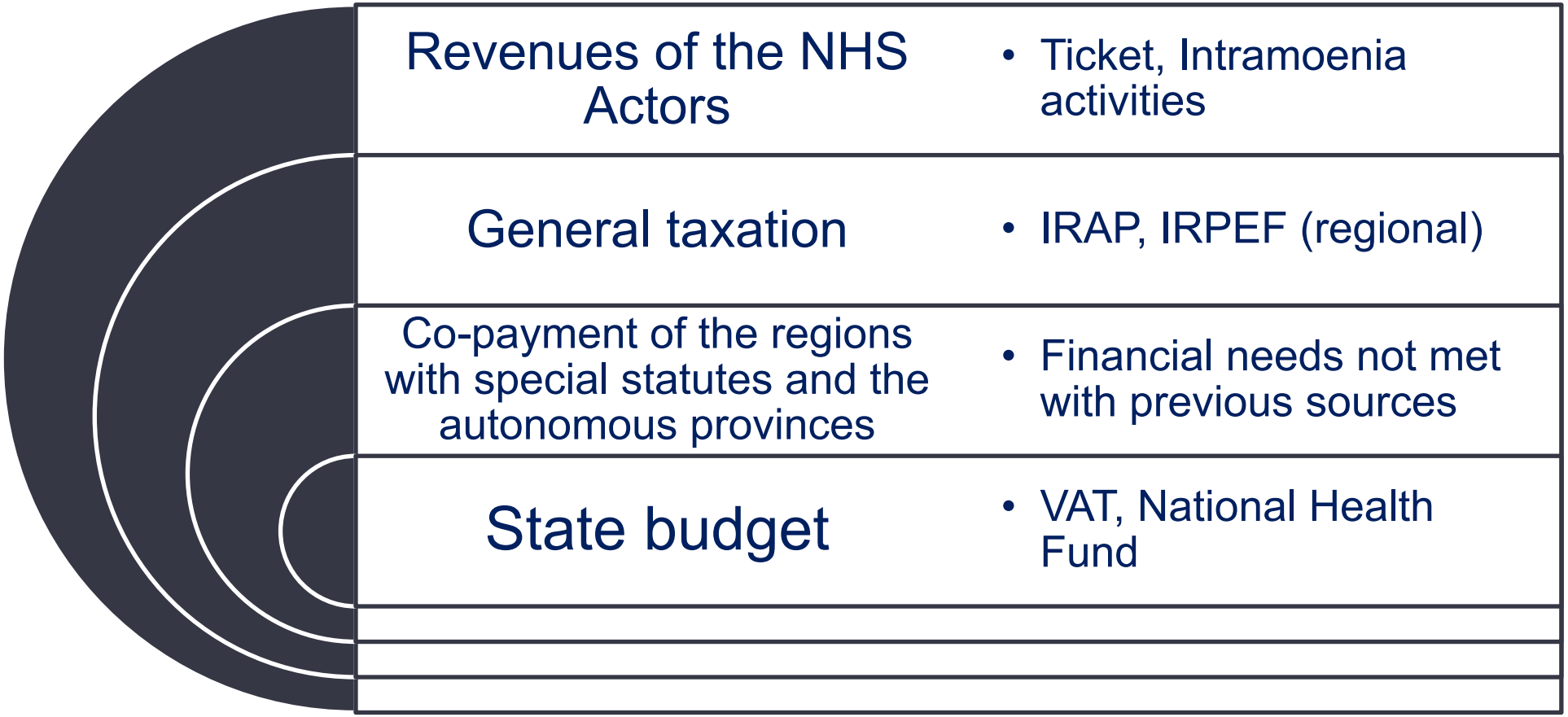
The Italian NHS: Financing flows (Legislative Decree 56/2000)



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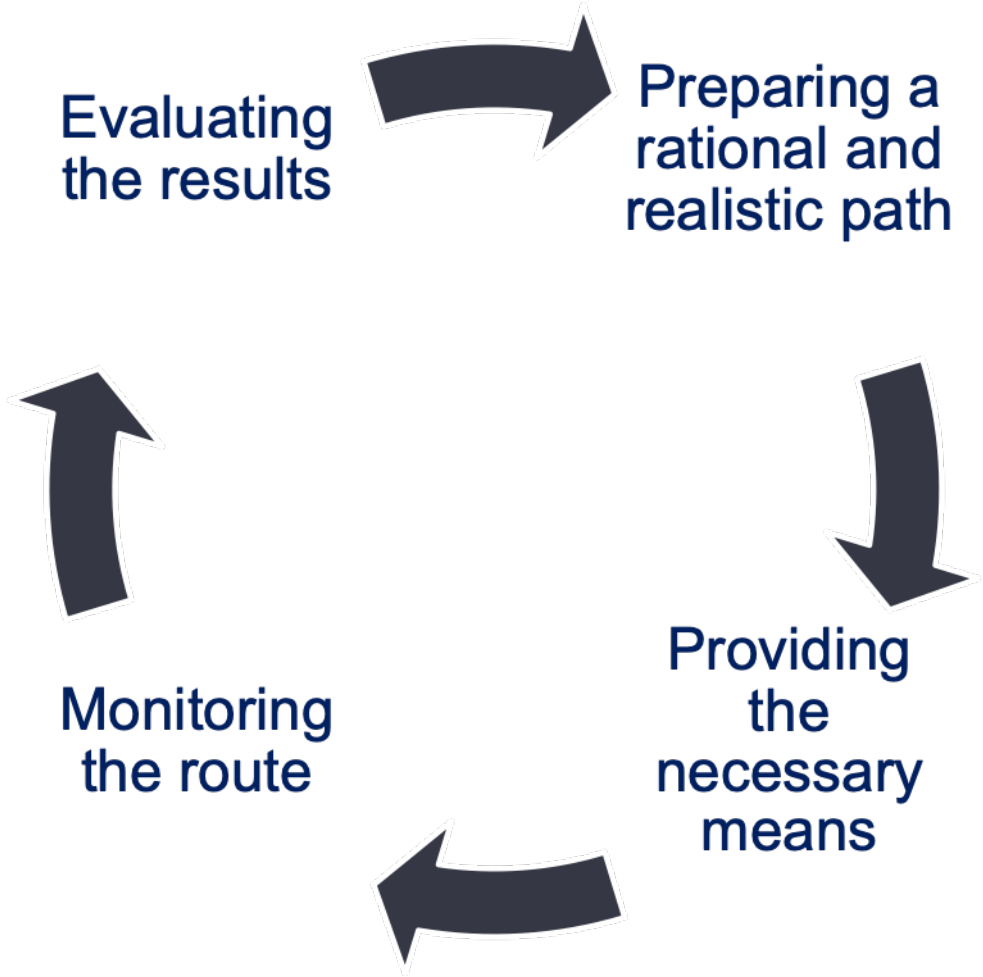
D.lgs 502/92 and 517/93: Planning

Albert Waterson (1965, p.26): «planning is an **organized, conscoius and continual attempt** to select the best available alternatives to achieve specific goals»

Peter Druker: «strategic planning is the continuous process of **making present entrepreneurial (risk-taking) decisions systematically** and **with the greatest knowledge** of the futurity; orgnaizing the **efforts** needed to carry out these decision; and **measuring the results** of the expectations through organized, **systematic feedback**» (1974, p. 125)



Planning in the NHS: the tools

1. **Essential Assistance Levels (LEA)**
2. **Health Pact**
3. **Repayment plans**
4. **Digitalization**

1 - Essential Assistance Levels (LEA)

The Essential Assistance Levels (LEA) are the services that the NHS is **required to provide to all citizens, free of charge or against payment of a participation fee** (ticket), with public resources collected through general taxation (Ministry of Health)

Collective prevention and public health

- surveillance, prevention and control of infectious and parasitic diseases, including vaccination programmes;
- protection of the health and safety of open and confined environments;
- surveillance, prevention and protection of health and safety in the workplace;
- animal health and urban veterinary hygiene;
- food safety - consumer health protection;
- surveillance and prevention of chronic diseases, including the promotion of healthy lifestyles and organized screening programmes; nutritional surveillance and prevention;
- medico-legal activities for public purposes.

District assistance (health and social-health activities and services spread throughout the territory)

- basic health care;
- territorial health emergency;
- pharmaceutical assistance;
- supplementary assistance;
- specialist outpatient assistance;
- prosthetic assistance; thermal assistance;
- home and territorial social-health assistance;
- residential and semi-residential social and health care.

Hospital assistance

- emergency room;
- ordinary hospitalization for acute cases; day surgery;
- day hospital;
- post-acute rehabilitation and long-term care;
- transfusion activities;
- transplantation of cells, organs and tissues;
- poison control centers (CAV).

2 - Health Pact

Main planning act of the national government regarding health

- 3 years basis
- Financial and planning agreement

Needs of the NHS at national and regional level
Management of LEA
Human resources
Health mobility
Supervised entities
Governance of drugs and medical devices
Investments
Development of health prevention and protection services. Development of territorial networks. Reorganization of general medicine
Reorganization of the integrative health funds
Forecasting models supporting health planning
Research
Prevention
Ticket and exemption
Participative and customized access to care
Revision of the decree
Regions with Special Statute and Autonomous Provinces
Mutual commitments

3 – Repayment plans

- The repayment plan is presented as a real business plan concerning the management of the regional level within the planned financial framework guaranteeing the disbursement of LEAs.
- Agreement between the Ministry of Health, the Ministry of Economy and Finance and the regions to reduce the growth of spending and deficits.
- When?
  - Deficit equal or higher than 5% of the ordinary funds plus tickets
- How?
  - Before entering:
    - Higher IRAP and IRPEF;
    - Stop of the turnover of human resources;
    - Stop of non-mandatory expenses
  - Then: Higher funding
- Monitoring each 3 months

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3 – Repayment plans

Fig. 4A: Evoluzione dei disavanzi e dei punteggi LEA - Regioni sottoposte a piano di rientro

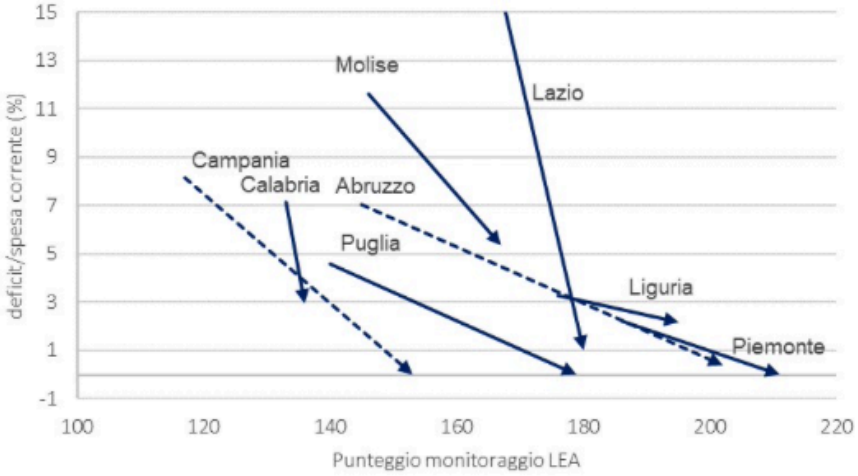
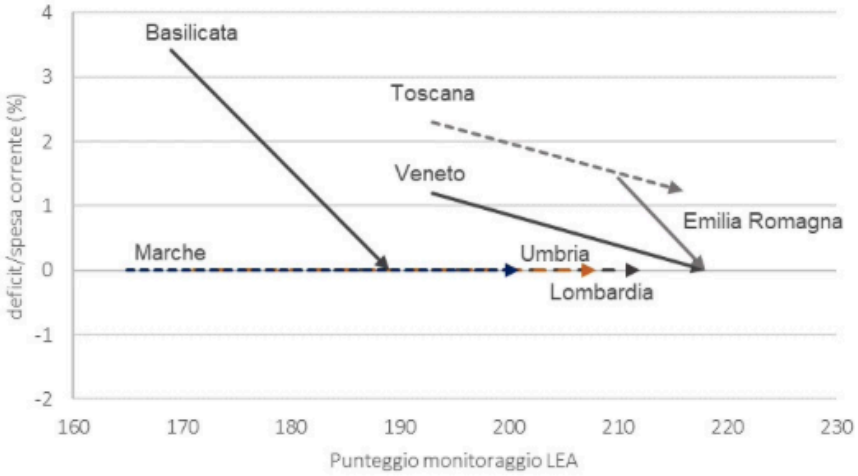
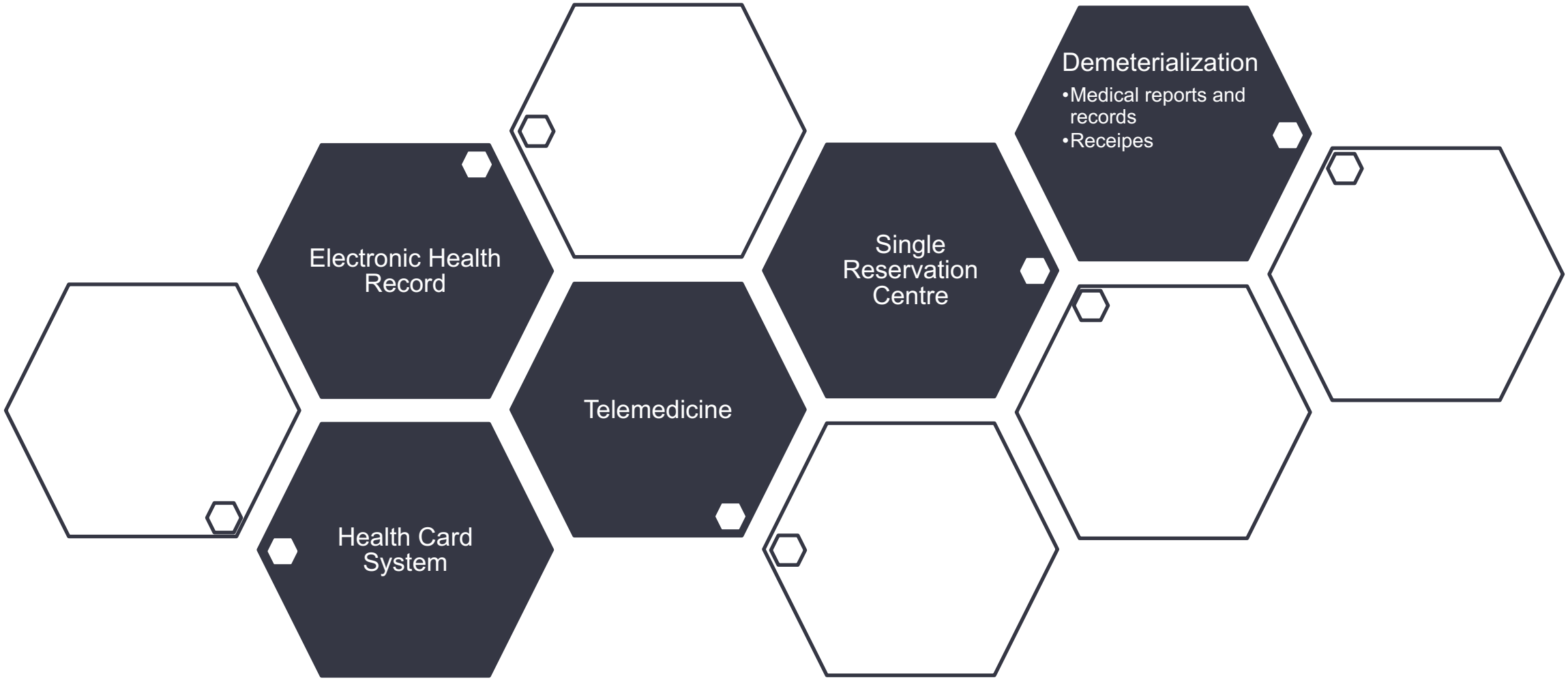


Fig. 4B: Evoluzione dei disavanzi e dei punteggi LEA - Regioni non sottoposte a piano di rientro



4 – Digitalization



Discussion

Discussion

Compare & contrast the Italian health system with other healthcare systems by focusing on the cost of care (and related financing and payment procedures), and on the quality and access to care.

You should provide your opinion regarding the benefits/limitations of the different healthcare systems by considering benchmarks such as infant mortality rates, mortality rates for cardiovascular disease, life expectancy for males and females, percentage of people with normal body mass, etc.

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Thank you

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