International developments in health policy: forces driving change

A conference entitled 'International Developments in Health Policy: Forces Driving Change' was held at the Royal College of Physicians, London on 12 July 1996. The aim of this conference was to examine factors currently making an impact upon health care delivery in the United Kingdom and the USA, in the light of the common need for cost containment within each of these health care systems. This meeting was organised as a follow-on to a conference held at the College in 1994 entitled 'International Developments in Health Care: A Review of Health Systems in the 1990s', which has been previously reported in the Journal [1] and published as proceedings by the Royal College of Physicians [2].

Professor Sir Leslie Turnberg (President, Royal College of Physicians), in welcoming delegates to the conference, pointed to the rising costs of health care provision and the economic necessity for ensuring optimum management of all available resources. The purpose of the meeting was to examine economic and other forces driving change to health care provision in the United Kingdom and the United States of America.

Mr John Horam (Parliamentary Secretary for Health) referred to the challenges created by the need to cope with growing demands for health care in the context of limited resource allocation. For example, the proportion of the population aged over 65 years continues to rise in the United Kingdom and this may place extra demands on health resources. Conversely, the judicious use of preventive and evidence-based medicine and the continued development of information technology may lead to considerable savings through improved efficiency of health care delivery.

Influences in the United Kingdom

Professor Nicholas Bosanquet (Imperial College School of Medicine at St Mary's Hospital, London) summarised the direction and key forces of change in the National Health Service (NHS) over the past few years. Policy reform at a local level has led to the development of hospital trusts and general practitioner fundholders, resulting in local managers taking responsibility for local performance. Such changes inevitably threaten traditional job descriptions and security, with greater flexibility associated with greater stress in the medical workforce. Unemployment, poverty, migration, tuberculosis, teenage health and sexually transmitted diseases were identified as major ongoing threats to health in the UK. Activist consumers, changing demographics, media pressures and economic constraints constitute key changes in the external environment in which the NHS must operate. Health resources now account for 6.5% of the UK gross domestic product (GDP), compared to 5.0% 15 years ago, with a rapid rise in activity within the NHS occurring over recent years despite a reduction in total bed numbers from 400,000 to 250,000 over this time.

Professor Ian Russell (University of York) gave an overview of the concept of evidence-based medicine and health, in which the care of individual patients is based upon integrating individual expertise with the best available external evidence from systematic research. The value of pragmatic trials, which compare new procedures, drugs or technologies with existing ones under conditions encountered in routine clinical practice, was emphasised. There now exists in the UK an infrastructure to collate information, coordinate systematic reviews of randomised trials and disseminate information, including the National Research Register, the UK Cochrane Centre and the NHS Centre for Reviews and Dissemination. The immediate availability of 'best evidence' is important for the most efficient use of health resources and to guide patient care.

Mr Peter Garrad-Cole (BUPA) addressed new directions being undertaken by UK health insurers. Currently, 11% of the UK population have private health insurance which generates over £1.6 billion in annual subscriptions. Concern that NHS waiting lists may compromise immediate access to health services is the most frequently cited reason for taking out such cover. As a response to changes within the NHS, private health insurers are taking a number of new directions, including the provision of a wider choice of insurance schemes, the dissemination of peer-reviewed treatment guidelines to private health providers, the analysis of clinical care outcomes and feedback of costs and clinical outcomes to individual doctors, improved containment of transaction costs and better managed care programmes.

The United States experience

Dr Michael Fitzmaurice (Agency for Health Care Policy and Research, Maryland, USA) outlined developments in health maintenance organisations (HMOs) in the context of changes taking place in the complex health market in the USA, where the pendulum is swinging from government-funded to private-
funded medicine. Such changes have seen enrolment in HMOs increase from 19 million people in 1985 to 55 million in 1995. A further 95 million Americans are enrolled in Preferred Provider Organisations, whilst 60 million have Fee for Service Indemnity. Forty million do not have private health insurance, relying on Medicare and Medicaid programmes. National health expenditure continues to rise, accounting for 13.7% of GDP in 1994. Competition for premiums and the need for cost containment have led to selective contracting between hospitals, physicians and health insurance companies. Quality is measured by consumer satisfaction, surveys of process, clinical performance measures and accreditation. HMOs achieve cost savings by attaining a better process of care, restricting patients' access to costly treatments and by recruiting more healthy subscribers. Variability among state laws is hindering the use of information technologies such as telemedicine.

Professor Uwe Reinhardt (Princeton University, USA) paid particular regard to the changing economics of health care in the USA, highlighting the shift of regulation of health care from the government sector to private HMO organisations. Selective contracting of physicians, hospitals and pharmacies by HMOs leads to the former falling under the control of the latter. Such external influences on the doctor–patient relationship inevitably compromise the level of trust that the general public has in the medical profession. Such trends were seen to represent a major crisis facing the profession.

The experience of the University of Southern California with telemedicine and teleradiology in the face of fierce competition and the need for cost containment was summarised by Professor James Halls (University of Southern California). An electronic infrastructure allows a central pool of radiologists to review examinations performed at multiple sites, thereby consolidating the acquisition of new technologies. Teleconsultations also allow patients in remote areas to be managed without need for 'lost' travelling time by clinicians. Broad resistance to new information technologies and non-uniform interstate licensing laws remain important hurdles to be overcome.

Scientific and technical developments

Dr Paul Sharpe (SmithKline Beecham Pharmaceuticals) summarised economic, genetic and informatics forces driving change in research and development programmes within the pharmaceutical industry. Economic concerns make it necessary to assess not only the safety and efficacy but also the 'value' of new developments. Advances in genetics have transformed biology and medicine from descriptive to mechanistic disciplines, and by facilitating the recognition of associations between altered DNA sequences and disease states may allow increased access to novel proteins as targets for drug action. This diagnostic-therapeutic tandem may lead to more efficient cost containment by providing new opportunities for disease prediction and prevention, notwithstanding the profound ethical issues to be considered. Large scale databases are required to capitalise fully on this era of remarkable progress in the life sciences.

Professor C Forbes Dewey, Jr (Massachusetts Institute of Technology) considered the role of new information technologies in health care. These technologies allow more reliable communication between health professionals and ready access to health data. Whilst such technology is costly, cost-effectiveness is expected to ensue from indirect benefits in the area of long-term patient management. The issue of data security remains unresolved at present.

The UK Technology Foresight Programme was discussed by Professor Mark Ferguson (University of Manchester). This programme is a government initiative designed to advance the development and application of technology in areas that include health and life sciences. Indeed, the latter areas have been identified as key priorities for this programme by its steering group. Flagship programmes currently focus on ageing, neurosciences, nutrition, diagnostic applications of molecular biology, manipulation of the immune system and the advancement of information technologies.

Looking ahead

Dr William Hunter (European Commission) outlined key forces shaping health care in countries within the European Community. Although health expenditure has continued to rise, the proportion of GDP spent on health remains under 9%. Factors that contribute to the higher cost of health services include an ageing population, poverty, homelessness, unemployment and the increasing use of more expensive diagnostic procedures. In addition, a rising proportion of the population is taking early retirement, so that relatively fewer people are working to finance the increasing health costs incurred by the elderly.

Professor John Swales (Department of Health) discussed scientific research within the NHS, including the Research and Development National Priority Programme, which distributes £430 million annually. The key roles of this programme are in acquisition of primary data, overviewing data and data dissemination. The programme aims to foster new discoveries, the improvement of service delivery and the recognition of scientific advances, with the ultimate aim of translating medical or scientific breakthroughs into clinical benefits. Thirteen NHS Research and Development national priority programmes are currently operative, focusing on issues such as mental health, cardiovascular disease and stroke and asthma.

Professor Sir David Weatherall FRS (University of Oxford) reviewed the history of molecular genetics, outlined current research projects and their applications.
and speculated on future directions in this field, including the application of biotechnology to infectious diseases, the investigation of the molecular epidemiology and molecular pathology of disease processes and the potential applications of ‘new’ pharmacology.

Closing address

In closing, Sir Maurice Shock (Oxford University) spoke of the challenges confronting the medical profession today. He retracted the history of the NHS and the apparent lack of importance placed on health issues in shaping government policy during its early days. Not only has the NHS undergone a revolution since then but it is now recognised that medicine is essential to the successful working of the economy. Consequently, politicians now look upon health as an issue which is always important. The fundamental challenges currently faced by the profession relate to the altered political, social and economic contexts in which medicine is now practised. Large bureaucracies without medical training have mushroomed at all levels; the pharmaceutical industry and health insurance companies exert significant influence on health policy; medical livelihoods are increasingly reliant upon government policy; professional privileges seem gone for ever. Nonetheless, negotiations with politicians must be maintained in order to try and regain some control and, to this end, allies should be sought both from within and outside the profession.

References

1 Forbes A, Varatinskiene R. Health care: international comparisons. J R Coll Physicians Lond 1994;28:469-73.
2 Williams R (ed). International Developments in Health Care. A Review of Health Systems in the 1990s. Proceedings of a Symposium at the Royal College of Physicians, London, 1995.

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