

Strategic Levers for a High-Performing Health System



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Origin of this Collection

Over the past four years the Ontario Ministry of Health and Long-Term Care (MOHLTC) has been engaged in transforming the province's health system, a process that includes decentralizing decisions pertaining to the delivery of services. This decentralization is occurring through the devolution of decision-making to the newly created Local Health Integration Networks (LHINs). The LHINs' mandate is described in the Local Health System Integration Act (Government of Ontario 2006) and includes the following key elements:

- Provision or change of funding to health service providers
- Facilitating and negotiating health services integration
- Issuing integration decisions

Ontario's LHINs have embarked on their strategic planning journeys; however, the extent to which decisions will be decentralized is still under discussion.

Acknowledging the need to explore challenges arising from such a fundamental transformation, MOHLTC policy-makers, members of the University of Toronto's

Department of Health Policy, Management and Evaluation (HPME) and senior-level health system decision-makers developed a conference program that would showcase national and international experiences in decentralizing decision-making as it pertains to *equity* and *strategic purchasing*, two areas that are especially challenging from a policy perspective. The symposium that resulted – Strategic Levers for a High-Performing Health System – was held in Toronto on November 20 and 21, 2006.¹ It afforded a wide-ranging opportunity for the airing of many perspectives on these topics, including the views and experiences of practitioners from various Canadian and international jurisdictions who have encountered challenges in providing an equitable approach to healthcare while seeking efficiencies in care delivery.

This special issue of *Healthcare Papers* brings together most of the Strategic Levers symposium proceedings. We believe that the concepts, approaches and solutions explored and analyzed in this collection will serve as valuable references and models for people engaged in policy-making and service delivery decision-making as they relate to equity and strategic purchasing.

Collection Outline

The papers in this collection are grouped together in three sections: the first is dedicated to a discussion of equity, the second addresses strategic purchasing and the third offers a synthesis of the concepts and reflections on the challenges policy-makers and practitioners face and lessons that can be gleaned from diverse jurisdictions.

Equity

Leading off the section on equity, Anthony Culyer challenges the following ubiquitous propositions: healthcare ought to be allocated in proportion to a person's need; geographi-

cal allocation of healthcare resources ought to be allocated in proportion to the population's need in each area; access/utilization of healthcare ought to be equal for all members of society; and equity and efficiency in health and healthcare usually conflict and, when they do, equity trumps efficiency. Culyer argues that

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these propositions are impractical because it is unclear what policy steps follow for those who wish to embody them. He presents an alternative set of principles for equity in health and healthcare, together with some of the steps required to address them that are in tune with contemporary moves toward greater transparency and participative policy decision-making.

Moving from the theoretical to the practical, Gwyn Bevan describes the search for equity of access and efficiency by England's National Health Service (NHS). Although the NHS has always achieved cost control by using a budgetary cap, there have been serious difficulties in the design and implementation of policy instruments intended to achieve a more equitable distribution of resources and improved hospital performance. Extending his gaze beyond equity, Bevan raises probing questions about the current models of strategic purchasing in England and Ontario, questions that are intended to help policy-makers find ways to achieve equitable resource distribution.

The next three papers turn our attention to equity as it is experienced in Canada. Richard Glazier argues that even though primary healthcare is associated with better population health at lower cost and should be considered the cornerstone of Canada's health system, serious challenges remain. He is particularly concerned that there is no coordinated national plan for evaluating primary care reform and that most primary care efforts do not address the needs of disadvantaged and vulnerable populations.

From a regional system perspective, David Levine describes how Quebec's recent healthcare reforms – which are aimed at improving the population's health and well-being, distributing services equitably,

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facilitating the use of services and managing vulnerable patients' care – are being implemented. Levine's analysis focuses in particular on Montreal's criteria for a high-performing healthcare system. The strategic levers being used to accomplish these goals include managed care (with its constituent elements) and performance measurement. Ida Goodreau next presents the challenges faced by Vancouver Coastal Health, whose region includes both Canada's highest per-capita income postal code and the country's lowest per-capita income postal code. Goodreau argues that while the regional structure is

an important component in addressing the imbalance between demand and supply in healthcare delivery, it is not, in itself, the solution. In Goodreau's analysis, equitable healthcare delivery entails a quest to define the need for healthcare services and a rigorous improvement of the efficiency of how those services are delivered.

Strategic Purchasing

Strategic purchasing goes beyond the mere contracting of providers by emphasizing the active involvement of funders and consumers in decision-making around healthcare planning, funding and delivery. In their paper, Reinhard Busse, Josep Figueras, Ray Robinson and Elke Jakubowski support this definition and note that the various approaches undertaken across Europe reveal that reform efforts must focus on strengthening purchasers' ability to respond to consumer needs and to establish more cost-effective contracts with providers. Concurrently, they argue, strategic purchasing is destined to fail in the absence of capable government stewardship. Busse et al. also show that the high complexity of strategic purchasing requires putting in place a comprehensive regulatory framework that integrates and coordinates purchasing's various components. This framework must achieve a fine balance between regulations that favour and limit entrepreneurial behaviour, so as to ensure the attainment of health system objectives.

The next three papers shed valuable light on the application of strategic purchasing approaches in the healthcare sector. Dovetailing with Bevan's discussion, Gerry McSorley describes the new commissioning approach implemented by England's NHS. The Organising Framework for NHS Reforms is based on the devolution of political power and the introduction of market-style incentives. In order to provide a better balance

of commissioning skills, the Department of Health committed itself to passing 75% of the NHS budget directly to primary care trusts, with a further level of devolution to individual practices in the form of practice-based commissioning. As McSorley contends, the success of these innovations depends on the full development of requisite leadership skills and the integration of clinical and public participation in decision-making.

Based on his review of practices in the home care and community care sector across Canada, A. Paul Williams argues that no single approach to funding and purchasing fits all and that a mix of approaches is now being used at the regional level throughout the country to fund and purchase services. Challenges arise in particular because services are located outside the medicare mainstream of medically necessary hospital and physician care and encompass a wide range of professional and non-professional health and social services. Joe Murphy next describes the experience and results of the Vancouver Island Health Authority's outsourcing initiatives for select support services as well as residential care and assisted living. He has also provided an addendum addressing the recent Supreme Court decision upholding the right to collective bargaining in the workplace.

All Things Considered

In the collection's final section, Raisa Deber and Steven Lewis draw the connection between what, at the outset of the symposium, some might have regarded as disparate concepts. They synthesize the main ideas presented throughout the two days and discuss the many links between equity and strategic purchasing. In the final paper, Adalsteinn Brown, Jeremy Veillard and Richard Prial bring an applied policy-making perspective on the road to high efficiency. Focusing on the Ontario scene, they differen-

tiate between the roles of the MOHLTC and the LHINs and ponder whether the tension that exists between what might appear to be competing policy goals can be resolved. Brown et al. conclude that attaining equity and fulfilling strategic purchasing require conscious and regular rebalancing of central and local control as performance and equity issues change. This conclusion coincides with the observation made by Lewis and Deber that seeking and attaining system-wide improvement depends on the goals that are set and the methods employed to achieve them given local conditions.

Strategic Levers for a High-Performing Health System was designed as a unique opportunity for "cross-learning" between academic researchers and on-the-ground policy- and decision-makers. I believe that the symposium achieved our goal of interdisciplinary knowledge exchange that was far richer than it would have been had it been restricted simply to one of those two groups. I know that my co-organizers share my hope that this collection will be a valuable resource of ideas and examples during the momentous transformations now unfolding here in Ontario's health system and many other locales around the country and throughout the world.

Endnote

1 Strategic Levers for a High-Performing Health System was funded by the MOHLTC and organized by members of the University of Toronto's Department of Health Policy, Management and Evaluation in collaboration with senior health system managers.

Reference

Government of Ontario. 2006. *Local Health System Integration Act, 2006*. Toronto: The Queen's Printer. Retrieved June 25, 2007. <<http://www.e-laws.gov.on.ca:81/ISYSquery/IRLAA3C.tmp/9/doc>>