



Center for Strategic & International Studies  
Washington, DC



## HEALTH CARE MODERNIZATION IN CENTRAL AND EASTERN EUROPE

May 22, 2006

### REPORT OF THE MAY 3 AND 4 CONFERENCE AND WORKSHOPS

**OVERVIEW:** *Thank you for your interest in this timely and, we believe, successful project and conference on health care modernization in Central and Eastern Europe. This report presents major themes on health care modernization presented during the May 3 and 4 conference and workshops.*

*It also presents the possible follow-on actions for further cooperation. The Johns Hopkins University report is being published separately. The presentation slides and selected highlights from the conference and workshops have been (and in some cases are in the process of being) posted on our website at: <http://www.csis.org/iac/healthcare/>. Thank you.*

**Participating Countries:**

Bulgaria  
Czech Republic  
Estonia  
Hungary  
Latvia  
Lithuania  
Poland  
Romania  
Slovakia  
Slovenia

**Sponsoring Businesses:**

Eli Lilly  
ALICO  
Baker & McKenzie  
Humana  
IBM  
Merck  
Microsoft  
Novartis  
Pfizer  
Philips  
Roche  
SAP  
Siemens  
WelchAllyn  
Wellpoint

**PURPOSE:** To contribute to continuing health care modernization in Central and Eastern Europe by recommending practical, affordable actions that will have a near-term impact on priority modernization requirements.

**APPROACH:**

- Independent Assessment - the Johns Hopkins Medicine International and the Johns Hopkins Bloomberg School of Public Health
- Financial Sponsorship – 15 leading US and EU Corporations
- International Cooperation – a network of public and private health care experts and institutions

**MILESTONES:**

- Develop team and sponsoring business (February – August 2005)
- Identify interest of Central and Eastern Europe (CEE) countries (March – May 2005)
- Identify current health requirements for modernization in CEE (September 2005 – February 2006).
- Prepare a report with recommendations for implementation (January – April 2006)
- Present recommendations and examine possible implementation during the Washington Conference (May 2006)
- Conduct initial follow-on activities to support implementation (May 2006)

### **DISTINCTIVE AIM OF JOHNS HOPKINS REPORT:**

- Open cooperation - objective and independent report
- Developed from site visits, independent research and surveys.
- Targeted on improvements that are practical, near-term, affordable, and drawn from proven experience.
- Our concern is for improvements that encourage:
  - Stable long-term policies - near-term action.
  - Options for how to complete priority improvements.
  - Actions that use the advantages of the market forces of the private enterprise system in motivating change.
  - Responsible business – government cooperation.

### **PRINCIPLES EMERGING FROM THE MAY 3-4 CONFERENCE AND WORKSHOPS:**

- **Dealing with Reality:** Every presentation and discussion moved directly to the point that:
  - Health care costs will continue to rise.
  - Examination of costs particularly focused on the demographic transition, ongoing acceleration of technological change and progress, and changing expectations fueled by increases in GDP growth.
  - Governments are determining how best to spend their health care dollars in order to optimize patient outcomes, while also continuously seeking to identify additional ways of attracting capital and investment into the health care sector.
- **Health is Wealth:** Strong evidence was presented that health should continue to be strengthened as an asset, and that investment in health care can enhance economic growth, development, and prosperity.
  - It was agreed that a fundamental challenge for all countries is to reconcile investment with the need to control costs in a situation of limited resources.
  - Examples of success were shared, stressing competition, creativity, partnership, technology, and innovation; and noting that each has an important role to play in bringing about this reconciliation ‘with minimum side effects’.
- **People are Key to Success:**
  - In order to retain, motivate, and reward workers in the health care field, policies were described that will develop and manage the problem of health care migration (of skilled doctors and workers to higher income countries).
  - It was pointed out that patients need to be empowered, educated, and given incentives for the right behavior. The Humana innovation experience shows that technology can be utilized to reward citizens and patients to take ownership of their health, using basic principles of reward. Further, access to information becomes a key element in empowering patients.
  - Proven approaches were shared on programs that improve the skills of health care managers by means of training and development.

## **OTHER LESSONS LEARNED:**

- Addressing public health priorities provide some of the best territory for **public/private partnerships** – and such, public/private partnerships can deliver good and measurable results in addressing issues too complex for any single actor to resolve.
- It was felt to be important to separate industrial policy from health care policy, while also working to create the right policy environment for **research and innovation** to flourish, and leverage Central Europe's strong base of trained scientists and strong scientific legacy.
- **Key success factors for modernization and reform:** for successful health care reform to take place, a number of conditions were reflected as being key, and the following were selected as a leading edge for next steps in modernization and reform.
  - Consensus to overcome political and administrative barriers, including to drive a modernization program past one political cycle.
  - Advancing a clear commitment to health care reform. Building off the previous point, early stages of reform bring resistance from many groups. Clear commitment at the highest political levels are needed.
  - Clear definition of objectives and a vision of success, supported by performance metrics progress steps.

## **POSSIBLE AREAS FOR FURTHER COOPERATION**

*The following proposals for further cooperative activity are drawn from the project for Health Care Modernization in Central and Eastern Europe and were composed during the critique session for the May 3-4 conference and workshops. Please recognize that these proposals can be undertaken by a single country and with any interested NGO, government, business or other organization.*

### **1. Achieving growth in the quality of health care provided in Central and Eastern Europe.**

- Consider approaches for the further development of quality issues in addition to steps to contain costs.
- Provide more information on methodology of hospital master planning as well as priority setting.

### **2. Improving the flow of current and key information.**

- Encourage European mechanisms for sharing information in the following areas:
  - How structural funds might be organized in a country to contribute to the development of that country's health care system.
  - Examination of different national solutions for co-payment systems and new provider payment models.
  - Development of projects on logistical support to implement new health care legislation that can be undertaken in cooperation with other countries in the region.
- Devise a methodology to compare countries and thereby set standards for health care modernization.

- 3. Strengthening public relations in support of health care modernization.**
  - Draw lessons from public relations campaigns that other countries have successfully used to gather support for health care reform.
  - Foster understanding and respect for the role that cultural and political factors play in health care modernization. This is necessary for CEE countries to successfully build on proven policies and practices from global experiences.
  - A recurring theme is the need to demonstrate the payoffs of health care investment. It could be useful to undertake an initiative such as the “Public Return on Investment” project, which aims to document the tangible benefits of health care investment.
  
- 4. Launching pilot projects to study the effect of patient behavior on health care.**
  - Develop education and incentive packages that can be used to modify behavior (i.e. encourage healthy lifestyles) and thereby improve overall health.
  - Humana and SAP are two potential partners in this effort; and several countries have expressed interest in such projects.
  
- 5. Increasing cooperation among neighboring countries.**
  - Share stories of successful organizations, such as the National School of Public Health in Romania, in order to encourage collaboration on health care modernization within the region.
  - Consider how to incorporate more modern patient co-payment systems. This complicated task could perhaps best be addressed regionally.
  - Focus on logistical support to implement new health care legislation regarding issues such as public health, family doctors, and health insurance systems. Need to develop projects that can be undertaken in cooperation with other countries in the region.
  - For each regional project, highlight the specific approaches for each country and show how country-to-country cooperation can be improved.
  
- 6. Placing added emphasis on research and education.**
  - Prioritize innovation enhancement in the CEE region. The pharmaceutical industry is highly innovative and is therefore a potential source of inspiration. There is need for development of guidelines for health technology assessment in support of innovation and quality improvements.
  - Schools of public health are organizations with which we can possibly collaborate on health care modernization projects.

**CONCLUDING COMMENTS:**

We look forward to consulting with all of you as we move forward on the possible follow-on actions resulting from this very successful conference.

**Attachment:** Outline and Current Status of May Conference and Workshop Presentations and Highlights.