



Joint Colloquium of the IACA, PBSS and IAAHS Sections of the International Actuarial Association

Westin Copley Place Hotel, Boston, U.S.A. – 4-7 May 2008

Public-Private Health Care System Partnerships in EU Countries (HM3)

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Healthcare Systems Goals and Objectives

Goal #1: COST

- **Equitable** - Fair financing of healthcare
- **Affordable** – Cost no barrier to access (society, individual)
- **Sufficient** – Adequate funding for healthcare resources

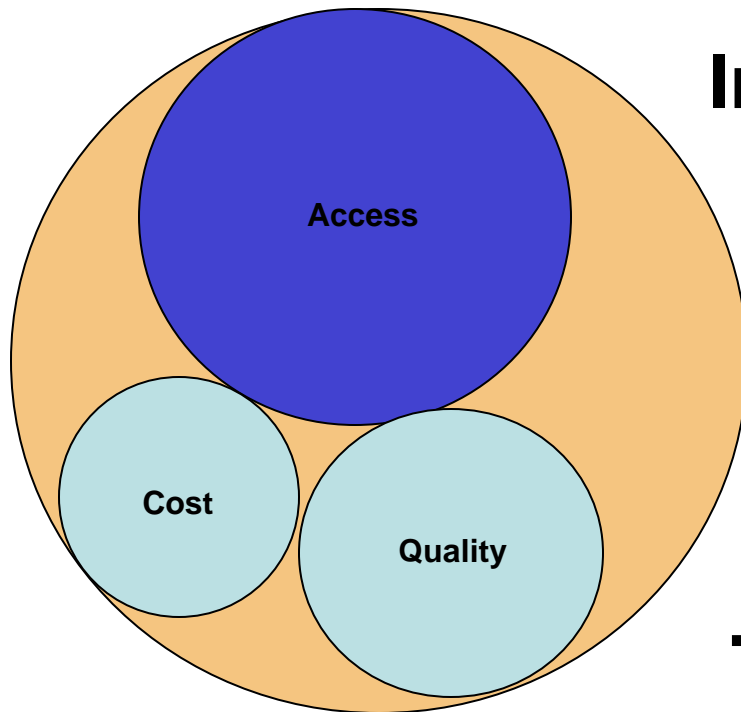
Goal #2: QUALITY

- **Effective** – Achieve attainable population health outcomes
- **Efficient** – Maximize use of scarce resources
- **Uniform** – No relatively disadvantaged groups
- **Autonomy** - Medical decisions made by patient & physician

Goal #3: ACCESS

- **Socially Acceptable** – Responsive to citizens “wants”
and/or “needs”
- **Universal** - Healthcare for all citizens

Healthcare Systems Goals and Objectives



Inherent Conflict Among Goals

1. Universal Access
2. High Quality
3. Cost Effective

...choose any two out of three

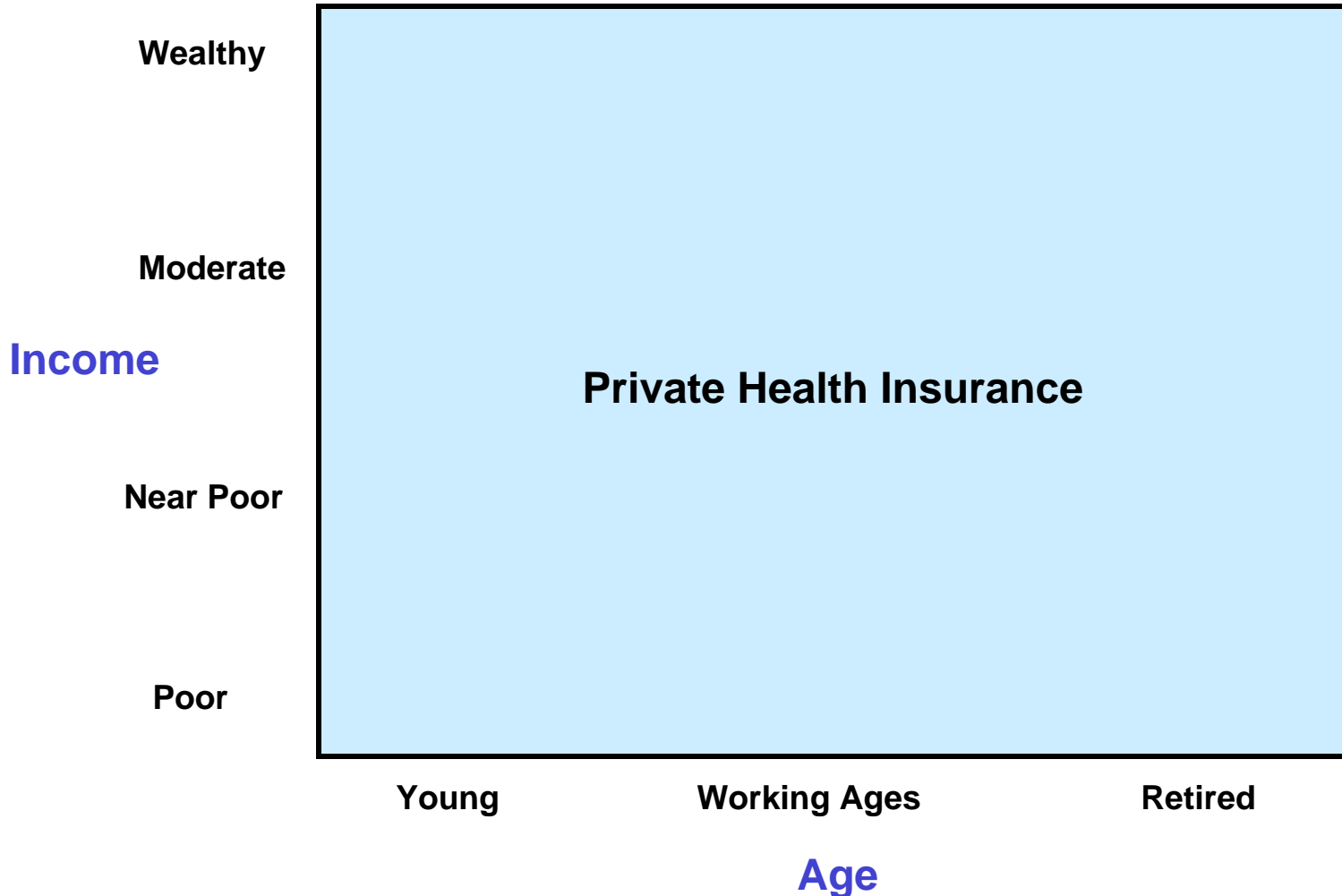
Healthcare Systems Perpetual Stresses

Stewardship

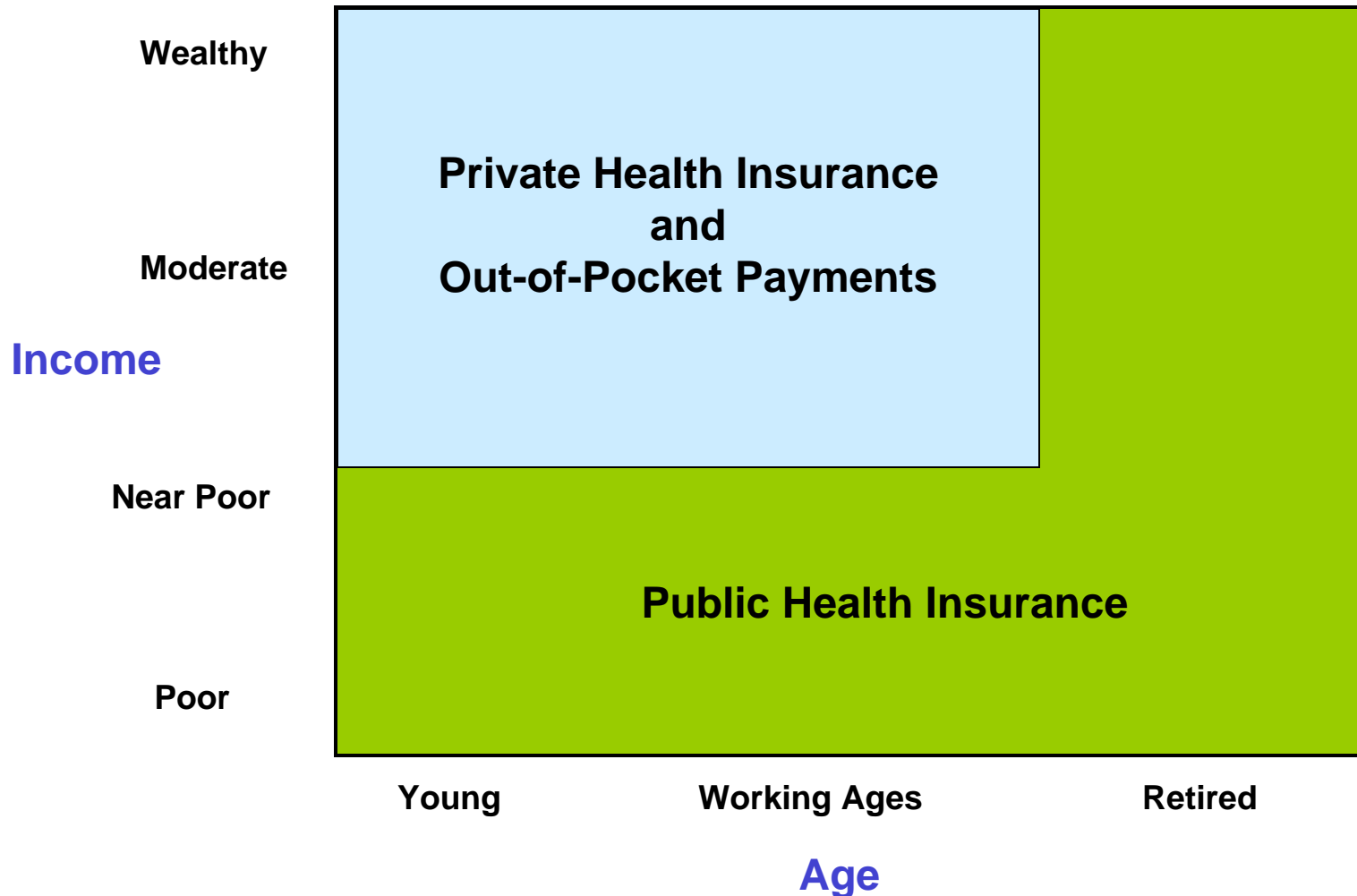
Create and manage a **balanced healthcare system** that addresses different needs, wants, interests, and perceptions of various stakeholders

- **Feasibility:** Achieve simultaneous balance among Cost-Quality-Access goals and objectives
- **Sustainability:** Provide financial and healthcare resources needed to maintain balance among Cost-Quality-Access goals and objectives over time
- **Satisfaction:** Fulfill stakeholders' expectations as healthcare and healthcare system evolves

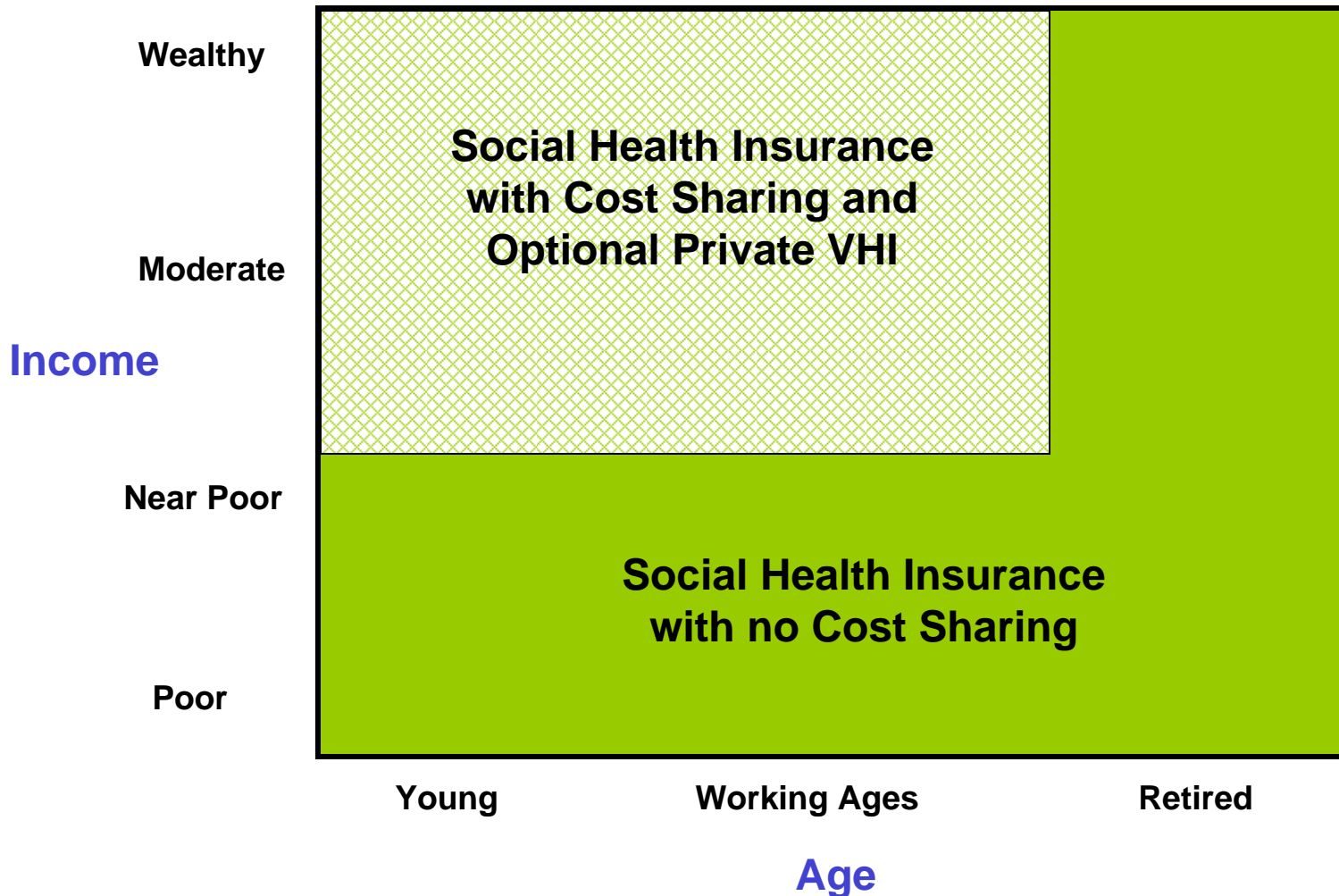
Structural Option #1: Private Health Insurance System



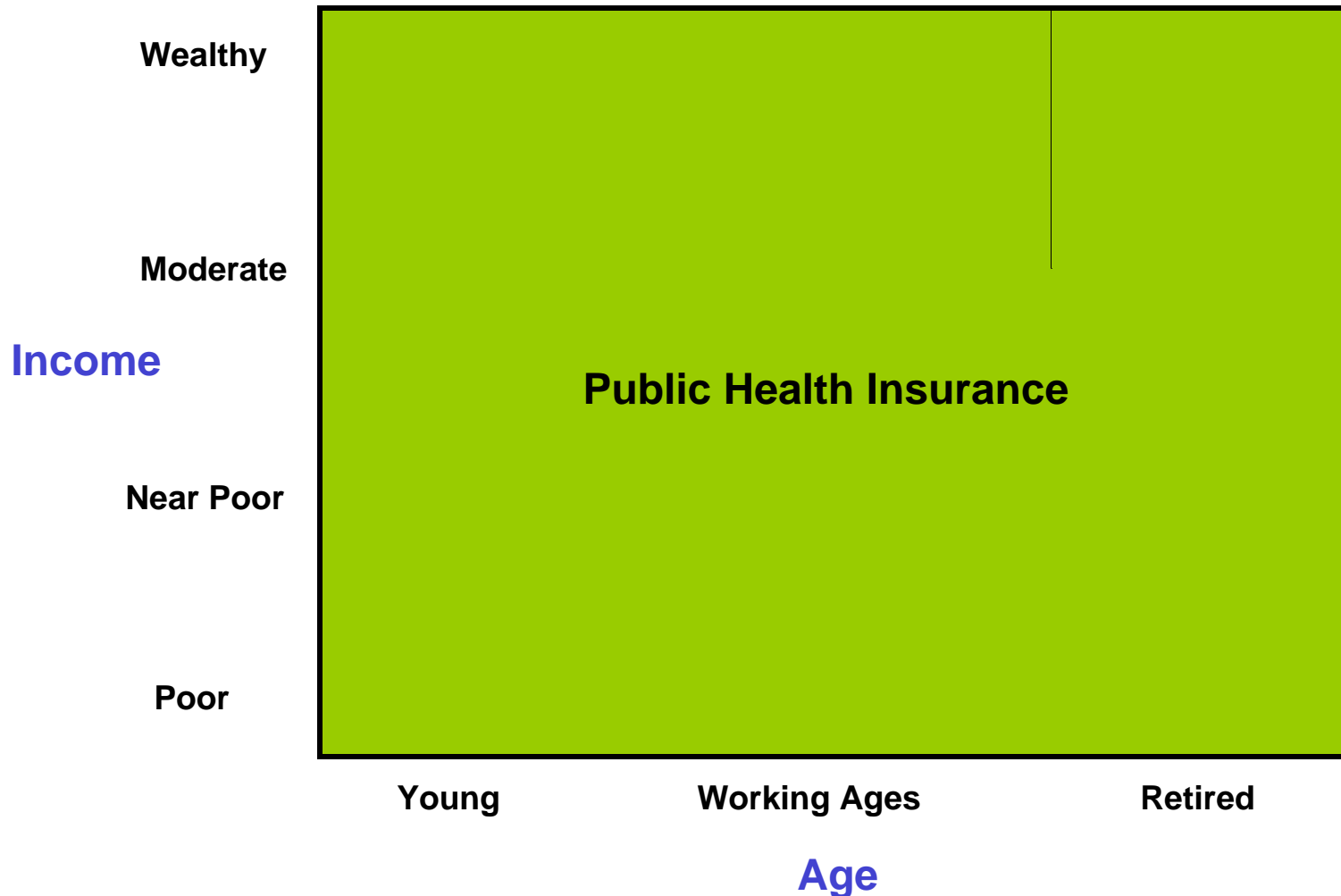
Structural Option #2: Mixed System with Private Insurance Base




Structural Option #3: Mixed System with Public Insurance Base



Structural Option #4: Public Health Insurance System



Healthcare Systems Performance

Healthcare Systems Goals			
Structural Option	Access	Cost	Quality
Private Health Insurance 	Universal Access Not Possible	Relatively Uncontrollable • Managed care or cost barriers	Coverage of Healthcare “Needs” and “Wants”
Mixed System with Private Base	Possible with Good Stewardship	Limited Public Sector Program Relatively Controllable	Public Sector Covers “Needs” of Underserved
Mixed System with Public Base	Possible with Good Stewardship	Public Sector May “Shift” Costs to Private Sector	Private Sector Covers Additional “Wants” of Affluent
Public Health Insurance	Universal Access Achieved	Relatively Controllable Through Budget Constraints	“Wants” Constrained, “Needs” Covered

Healthcare Systems Perpetual Stresses

Perpetual Stresses			
Structural Option	Feasibility	Sustainability	Satisfaction
Private Health Insurance	<ul style="list-style-type: none"> • Universal Coverage Not Possible • Unconstrained Grow and Costs 	Excluded Grow as Unconstrained System Becomes Increasingly Expensive	Disadvantaged Generally Excluded
Mixed System with Private Base	Balance Achievable in Carefully Designed System	Private Health Insurance May Become Too Expensive	Complicated Structure
Mixed System with Public Base	Balance Achievable in Carefully Designed System	Funding Problems Result in Public Sector Constraints	Dissatisfaction with Constraints, Waiting Lists and Out-of-Pocket Spending
Public Health Insurance	Unpopular Constraints	Political Funding Problems/Constraints	Dissatisfaction with Constraints

Trade-offs

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