



Towards Sustainable Health Global Forum 2008

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Microsoft

A Challenging World

- Governments need to deliver for citizens

- Labor shortage

- Increasing regulations

- Increased worldwide competition

- Consumerism

- Aging population

- Growing middle class

Provider

- Quality vs. access vs. cost
- Patient safety
- Reduced reimbursements and outcome-based funding
- Keeping up with ever growing knowledge base
- Medical tourism

Health Payers

- Provide consistent quality of care to members
- Control medical costs and premiums
- Engage consumers in their health decisions



Citizens

Public Health

- Healthcare spend increasing as % of GDP spend
- Increasing social cost vs. need to extend access
- Disease surveillance and bioterrorism

Life Sciences

- Accelerating innovation through acquisition of scientific knowledge
- Longer discovery to approval period and improving business processes
- Reducing production costs while improving compliance and customer service

eHealth is worth it

- **National and Regional Health information Networks** improve quality, efficiency, and will save € 80 Mil/year in Denmark (MEDCOM) and € 60 Mil/year in Czech republic (IZIP)
- **ePrescription** improves patient safety, saves € 70 Mil/year in Sweden
- **Personal Health Systems and Telemonitoring** can provide care at the point of need, reduce length of hospitalisation (by 20 - 40% for heart patient in UK)
- **Direct Online information Services** such as NHS Direct online— empower patients, avoid unnecessary hospitalisation, support lifestyle choices, save € 110 Mil/year
- In Canada, **Canada Health Infoway** projects for electronic medical records are projected to achieve savings of \$6 to \$7 billion CAD per annum, create 37,000 new jobs by 2010 and add \$2 billion CAD in employment income

Knowledge Driven Health

Providers

Safer, higher-quality, patient-centric care that is more accessible, evidence-based and time- and cost-efficient



Health Payers

Better able to make informed decisions, for better care and improved margins

Public Health

More efficiently provide services to a broader population, while managing the cost of service delivery



Life Sciences

Seamless collaboration & breakthrough Innovation Management for rapid adoption from discovery to market.

4

Providers: adjust paragraph breaks to reduce obvious hyphenation

Health Payers: adjust heading and paragraph to flush left

Life Sciences: adjust heading and paragraph to flush left and change Innovation Management to all lower case font

Orange Square: delete extra space in front of "and"

Julie Anderson; 25/04/2008

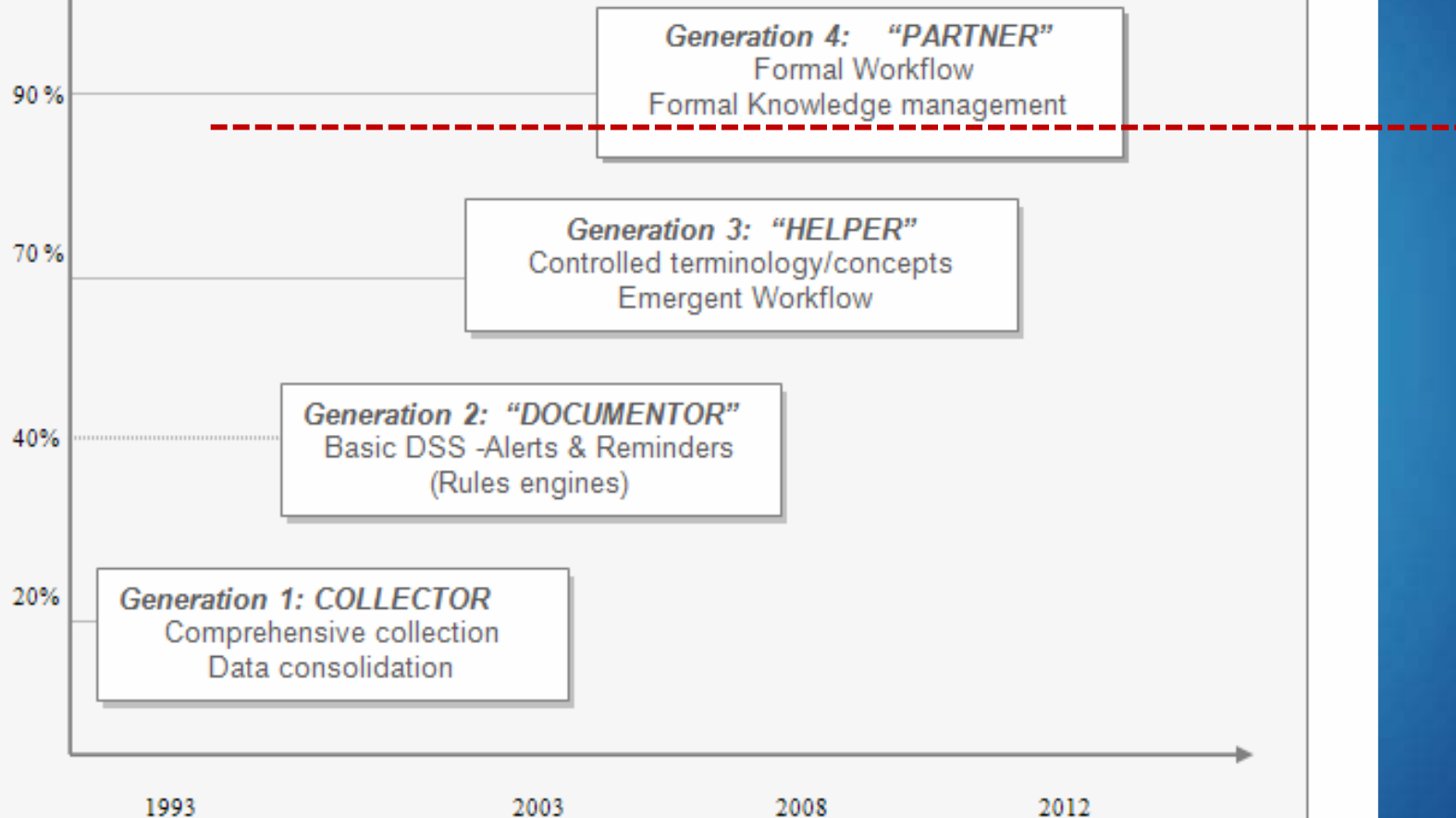
Considerations

eHealth solutions are complex implementations with multiple risk factors:

- Users adoption
- Customization
- Legacy system integration
- Length of implementation
- Long ROI (5-7 years)
- Organizational changes
- Training and education of users
- Rising costs and the search for sustainable financing models

Future developments

The Error Reduction Potential of Clinical IS vs. Needed Technologies



PPPs can address these complex challenges

- a) Private public partnerships – these can involve a contract for services over a number of years with a transfer of an agreed measure of risk and reward to private partners – suppliers take on an expanded role for design, build, finance and operate.
- b) Enabling collaboration to maximize purchasing power in procurement – these can combine health service provider organizations and related organizations acting in consortia to reduce product costs, improve affordability and maximizing the available real financing for investments in eHealth.

Advantages of PPP :

- Provides a solution for shortages of capital and non-recurring finance
- Introduces private sector discipline to eHealth investment
- May build and maintains eHealth to a higher quality and longer life
- Non-core, highly skilled services handled by those most capable, usually excluding clinical and medical skills
- Risks can be transferred to the party best capable of mitigating it.

Disadvantages include:

- Cost of capital to a PPP operator can be higher than for governments and NGO
- Potential oligopoly of operators that need direct management by the HPO, especially complex sub-contracting relationships
- Some operators may not find PPP appealing and so withdraw from the PPP market
- Operational transaction costs reduced through-life flexibility
- Risks may not be measured realistically, transferred or shared as envisaged.

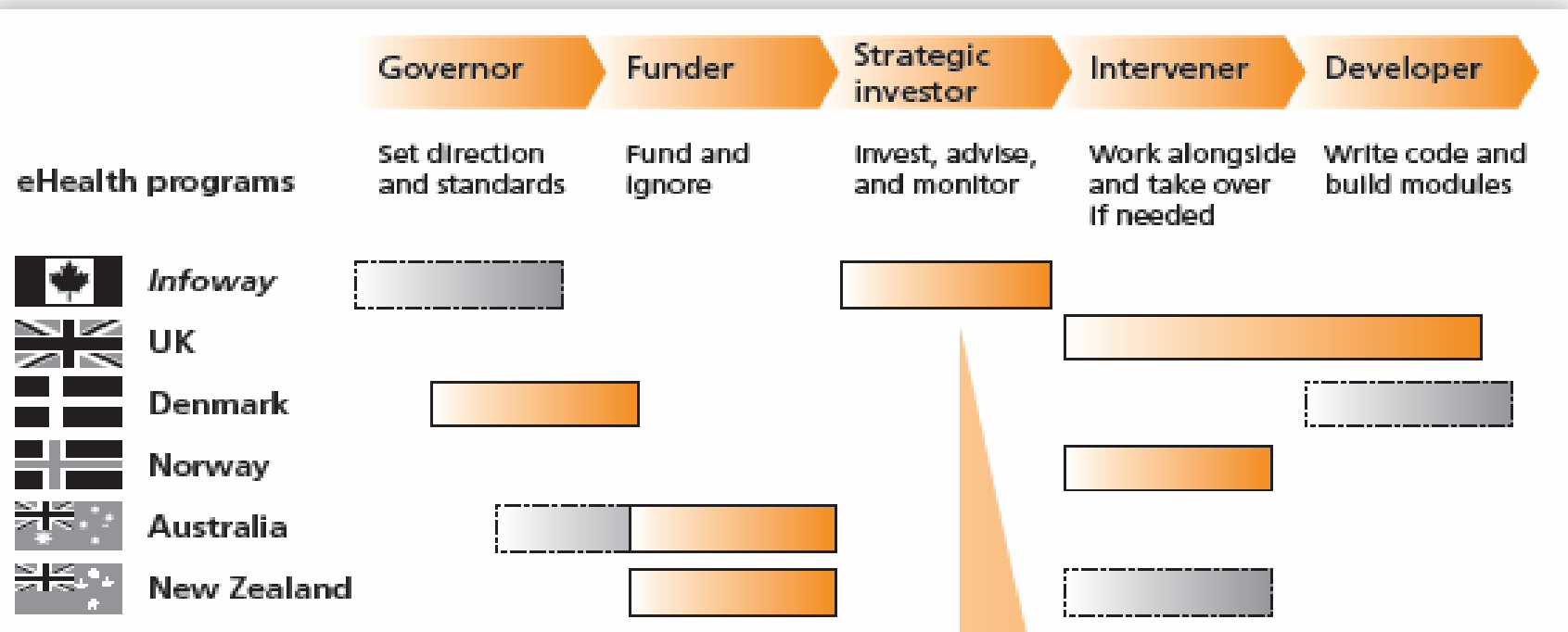
Remember: eHealth investments in services, not products

- The PPP contracts are for services!
- These include products, but they are set in the context of the assets and tools needed by operators to fulfill their contractual obligations.
- Suppliers provide the ICT services as an external service
- Offers the opportunity for some risk to be transferred and mitigated by suppliers, especially some of technology risks and resourcing risks.

Figure 2

OVERVIEW OF INVESTMENT MODELS

■ PRIMARY ROLE
▨ SECONDARY ROLE



Infoway invests strategically with public sector partners to develop, replicate, and reuse compatible electronic health systems, thereby leveraging public funds, knowledge, and results across Canada to build a safer, more efficient healthcare system

Our recommendations to decision makers

- Commit to invest in eHealth for a period of at least 5-7 years;
- Build coherent multi-annual national eHealth strategies and policies including eGovernment, eLearning;
- Envisage private-public partnerships to mitigate risks and interest private investors;
- Involve users early in the PPPs and do not forget the change management...
- Delegate the implementation to independent body including private partners

For More Information

- www.microsoft.com/healthcare
- www.blogs/msdn.com/healthblog
- www.eHealth-impact.org

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