

Healthcare Systems around the world

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MHA611
Healthcare Systems

Lecture 04



Outlines:

- Overview of the healthcare system.
- Key component of the healthcare system.
- Key functions of the healthcare system.
- Types of healthcare systems.
- Country ranking regarding healthcare systems.

Learning Objectives

- Understanding the healthcare systems and its key components.
- Understanding the key functions of healthcare systems.
- Understanding the Bismarck model of the healthcare system.
- Understanding the Beveridge model of the healthcare system.
- Understanding the National Health Insurance model of the healthcare system.
- Understanding the out-of-pocket model of the healthcare system.
- Understanding the best-ranked healthcare systems all over the world.

Part One:

Overview of the Healthcare Systems

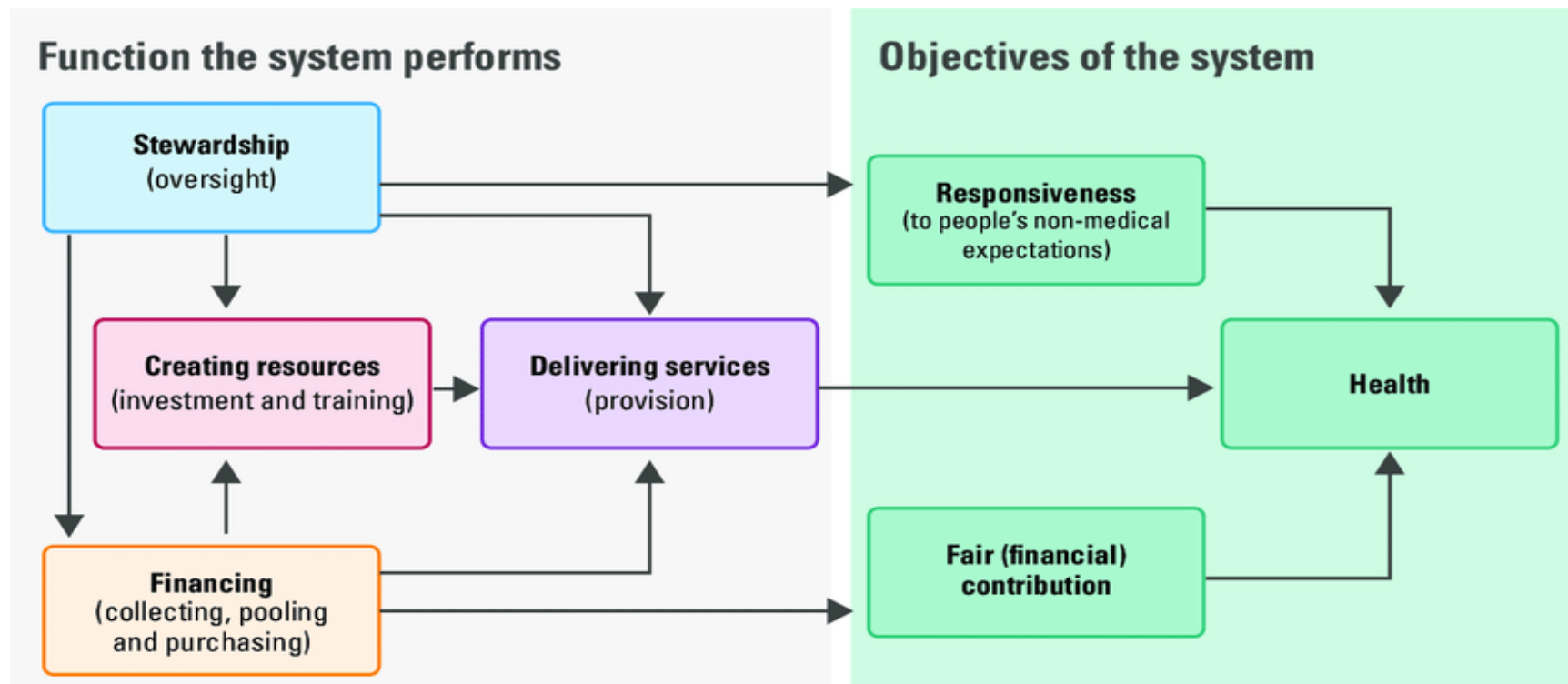
Overview

- A **healthcare system**, often referred to as a health system, is a **complex organization of people, institutions, and resources designed to deliver healthcare services to meet the health needs of populations.**
- A **health system** is **the combination of resources, organization, financing and management that culminate in the delivery of health services to the population.**
- The World Health Organization (WHO) defines a health system as **comprising all organizations, people, and actions whose primary intent is to promote, restore, or maintain health.**

Key Components of Healthcare Systems

1. **Organizations:** This includes hospitals, clinics, and other health facilities that provide care.
2. **Personnel:** healthcare professionals such as doctors, nurses, and allied health workers who deliver medical services.
3. **Resources:** Financial resources, medical supplies, and technology necessary for providing care.
4. **Policies and Governance:** Frameworks that guide the operation of the health system, ensuring it meets the needs of the population effectively.

Functions of Healthcare Systems



Functions of Healthcare Systems

Healthcare systems serve several key functions:

- 1. Service Delivery:** Providing medical services to individuals, including preventive, curative, and rehabilitative care.
- 2. Health Financing:** Mechanisms for funding health services, which include public funding through taxes or private insurance.
- 3. Health Workforce Development:** Training and maintaining a workforce capable of delivering high-quality care.
- 4. Health Information Systems:** Collecting and analyzing data to inform decision-making and improve service delivery.

Part Two:

Types of Healthcare Systems

Types of Healthcare Systems

- Healthcare systems worldwide are **diverse**, reflecting the unique historical, cultural, and economic contexts of each nation.
- These systems can be categorized into several primary models, each with distinct characteristics, strengths, and weaknesses.
- The diversity of healthcare systems around the world arises from **a combination of historical, cultural, economic, and political factors**.
- Each country's approach to healthcare reflects its **unique** context and priorities.
- The differences in global healthcare systems stem from a complex interplay of historical legacies, economic conditions, political frameworks, cultural values, and international influences.

Types of Healthcare Systems

The design and structure of healthcare systems vary widely across countries due to several factors:

1. **Economic Conditions:** Wealthier nations often have more resources to invest in comprehensive health systems compared to low-income countries.
2. **Cultural Values:** Societal beliefs about health and wellness influence how healthcare is organized and delivered.
3. **Political Frameworks:** The governance structure can determine how services are funded and managed—whether through centralized government control or decentralized market-driven approaches.

Types of Healthcare Systems

The design and structure of healthcare systems **vary** widely across countries due to several factors:

Historical Context:

- **Colonial History:** Many countries' health systems were shaped by their colonial past. For instance, former colonies may have inherited fragmented healthcare structures that reflect the interests of colonial powers rather than the needs of the local population.
- **Post-War Developments:** After World War II, many countries established universal healthcare systems as part of rebuilding efforts. The Beveridge model in the UK is a prime example, aiming to provide comprehensive care funded through taxation.

Types of Healthcare Systems

Economic Factors:

- **Level of Economic Development:** Wealthier nations often have more resources to invest in healthcare infrastructure, leading to more comprehensive systems. In contrast, low-income countries may rely on out-of-pocket payments or limited public services due to budget constraints.
- **Healthcare Funding Models:** Different funding mechanisms—such as taxation (Beveridge model), employer contributions (Bismarck model), or private insurance—impact how services are delivered and accessed.

Types of Healthcare Systems

Political Systems

- **Government Structure:** Countries with centralized governments may implement national healthcare systems more easily than those with decentralized or fragmented political structures. For example, Canada's single-payer system contrasts with the multiple insurance options available in the United States.
- **Policy Priorities:** Political ideologies influence healthcare policies. Countries that prioritize social welfare tend to adopt models that ensure universal access, while those favoring market-driven approaches may focus on private sector solutions.

Types of Healthcare Systems

Cultural Influences

- **Cultural Attitudes Toward healthcare:** Societal beliefs about health and wellness can shape how healthcare is organized. For instance, cultures that emphasize community and collective well-being may favor universal systems, while those valuing individualism might lean towards privatization.
- **Diversity of Patient Populations:** Countries with diverse populations often require healthcare systems that can accommodate various cultural practices and languages, leading to tailored approaches in service delivery.

Types of Healthcare Systems

Global Health Trends

- **International Organizations:** The influence of organizations like the World Health Organization (WHO) encourages countries to adopt certain practices or frameworks for healthcare delivery, promoting concepts like Universal Health Coverage (UHC).
- **Globalization:** Increased interconnectedness can lead to shared best practices but also expose countries to global market pressures that may influence their healthcare models.

Types of Healthcare Systems

**How many models/ types of
healthcare systems are there?**

Types of Healthcare Systems

There are four main types of healthcare systems around the world. These are:

- 1. The Bismarck model**
- 2. The Beveridge model**
- 3. National health insurance (single-payer model)**
- 4. Fee-for-service (out-of-pocket model)**

Let's explore each of these models in more detail.

Types of Healthcare Systems

1. The Bismarck model:

- The Social Insurance (Bismarck) model is a healthcare financing system that is based on the principles of social insurance.
- It is named after Otto von Bismarck, the German statesman who introduced this model in the late 19th century.
- The Bismarck model is characterized by the mandatory participation of individuals in a social insurance program, which is funded through contributions from both employers and employees.
- These contributions are used to provide healthcare coverage to the entire population, ensuring that everyone has access to essential medical services.

Types of Healthcare Systems

1. The Bismarck model (cont'd):

- The government often mandates participation in these programs to ensure that the risk pool is large enough to cover the healthcare needs of the entire population.
- The insurance funds are usually administered by nonprofit organizations or government agencies, which are responsible for collecting contributions, managing the funds, and reimbursing healthcare providers.
- In the Bismarck model, healthcare providers are typically private entities, including hospitals, clinics, and physicians.
- These providers deliver healthcare services to insured individuals and submit claims to the insurance funds for reimbursement.

Types of Healthcare Systems

1. The Bismarck model (Example):

Germany:

- Germany is often considered the birthplace of the Bismarck model.
- The country has a multi-payer system, with multiple insurance funds covering different occupational groups.
- The government regulates these funds and ensures that they provide comprehensive healthcare coverage to all insured individuals.



Types of Healthcare Systems

1. The Bismarck model (Example):



France



Japan



Netherland

Types of Healthcare Systems

2. The Beveridge model

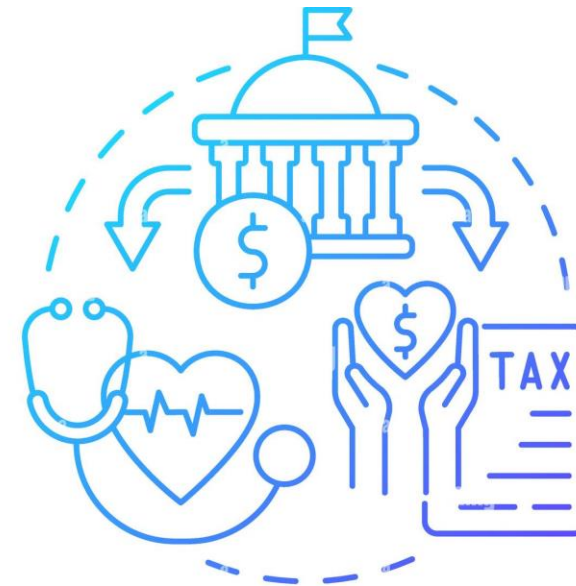
- It is a healthcare system that is based on the principles outlined by Sir William Beveridge in his 1942 report titled "Social Insurance and Allied Services. It is also known as the National Health Services (NHS).
- The NHS model is a publicly funded healthcare system that provides comprehensive medical services to all residents of a country, regardless of their ability to pay.
- The main objective of the NHS model is to ensure that healthcare services are accessible to all citizens, regardless of their socioeconomic status.
- It is based on the principle of social solidarity, where the entire population contributes to the funding of healthcare through taxes or other forms of mandatory contributions.

Types of Healthcare Systems

2. The Beveridge model (cont'd):

Key features:

1. Universal Coverage
2. Publicly Funded
3. Comprehensive Services
4. Free at the Point of Service
5. Government Control



Types of Healthcare Systems

2. The Beveridge model (Example):

Britain:

- The United Kingdom is the birthplace of the NHS model.
- The National Health Service was established in 1948 and provides comprehensive healthcare services to all residents of England, Scotland, Wales, and Northern Ireland.
- While the **Bismarck** model and **Beveridge** model share the goal of providing universal healthcare coverage, they differ in terms of funding, administration, and the role of the government.



Types of Healthcare Systems

2. The Beveridge model (Example):



Spain



Australia



New Zealand

Types of Healthcare Systems

3. National health insurance (single-payer model)

- This system has elements of both Beveridge and Bismarck.
- It uses private-sector providers, but payment comes from a government-run insurance program that every citizen pays into.
- Since there's no need for marketing, no financial motive to deny claims, and no profit, these universal insurance programs tend to be cheaper and much simpler administratively than American-style for-profit insurance.
- The single-payer tends to have considerable market power to negotiate for lower prices.

Types of Healthcare Systems

3. National health insurance (single-payer model)

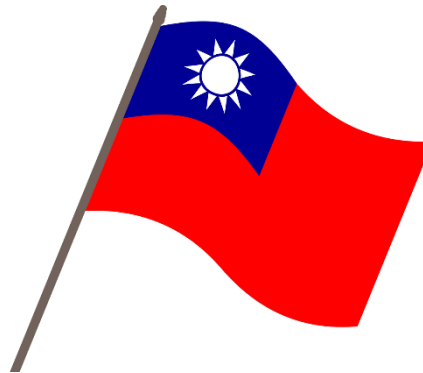
Pros	Cons
Universal healthcare for all citizens paid for by a national health insurance adjusted for income	Wealthier people may end up paying significantly more into the system
Full accountability , as the government represents the single-payer	Lack of flexibility in the market deters capital investment

Types of Healthcare Systems

3. National health insurance (Example):



Canada



Taiwan



South Korea

Types of Healthcare Systems

4. Fee-for-service (out-of-pocket model):

- The out-of-pocket healthcare system, sometimes known as the fee-for-service model, is **entirely decentralized**, with zero or next-to-zero government intervention both in terms of funding and delivery.
- In countries that use the out-of-pocket model, citizens are expected to pay for their own healthcare costs 'out of pocket' at the point-of-care, i.e. with their own money.
- The chief advantage of the out-of-pocket model is that it **facilitates rapid developments in the healthcare sector**. Since medical and pharmaceutical providers compete with each other to provide faster, more effective and cheaper products and services, their patients benefit from more flexibility and access to the latest-and-greatest healthcare.

Types of Healthcare Systems

4. Fee-for-service (out-of-pocket model):

Benefits	Faults
• People don't need to pay for others' healthcare, besides their own and their dependents. • Doesn't require public management. • Businesses and practitioners have the freedom to charge any amount. • Service is often immediate if you can pay.	• Decreased longevity of life compared to mass medical care systems. • Higher healthcare costs for all. • Varying prices across the board. • Unequal healthcare access and coverage. • Resources, facilities, and doctors are of limited supply and often unclear or less educated than in mass systems.

Types of Healthcare Systems

4. Fee-for-service (Example):



USA



Pakistan



India

Part Four:
Which is the best Healthcare System?

Best Healthcare in the World

	NOR	NETH	AUS	UK	GER	NZ	SWE	FRA	SWIZ	CAN	USA
											
Overall Ranking	1	2	3	4	5	6	7	8	9	10	11
Access to Care	2	1	8	4	3	5	6	7	10	9	11
Affordability	3	2	9	1	4	7	5	6	10	8	11
Timeliness	3	1	5	7	2	4	10	8	6	11	9
Care Process	8	3	6	5	9	1	11	10	7	4	2
Preventative Care	8	7	6	1	11	5	1	10	9	4	3
Self Care	11	3	7	4	9	1	10	8	6	5	2
Coordinated Care	4	3	8	6	10	1	11	9	2	7	5
Engagement & Patient Pref.	9	5	4	10	1	3	11	8	7	6	2
Admin. Efficiency	1	8	2	4	9	3	5	6	10	7	11
Equity	8	5	1	4	2	9	6	7	3	10	11
Health Care Outcomes	2	4	1	9	7	8	5	6	3	10	11
Health Expenditures Per Capita 2022	\$6,072	\$6,128	\$4,709	\$4,725	\$6,524	\$3,888	\$5,421	\$4,980	\$5,602	\$5,161	\$10,687

Best Healthcare in the World

First : Singapore



Last: Guatemala

- | | | | |
|-----------------|--------------------|-------------------------|---------------------------|
| 1. Singapore | 27. Cuba | 53. Croatia | 79. Tunisia |
| 2. Japan | 28. Czech Republic | 54. Turkmenistan | 80. Serbia |
| 3. South Korea | 29. Cyprus | 55. Oman | 81. Mauritius |
| 4. Taiwan | 30. Costa Rica | 56. Saudi Arabia | 82. Ecuador |
| 5. China | 31. Thailand | 57. Panama | 83. Brazil |
| 6. Israel | 32. Canada | 58. Iran | 84. Russia |
| 7. Norway | 33. UAE | 59. Latvia | 85. Azerbaijan |
| 8. Iceland | 34. United Kingdom | 60. Argentina | 86. Morocco |
| 9. Sweden | 35. Uruguay | 61. Lithuania | 87. Indonesia |
| 10. Switzerland | 36. Colombia | 62. Belarus | 88. Paraguay |
| 11. Netherlands | 37. Estonia | 63. Turkey | 89. Dominican Republic |
| 12. Luxembourg | 38. Qatar | 64. Trinidad and Tobago | 90. Georgia |
| 13. Germany | 39. Seychelles | 65. Bulgaria | 91. Belize |
| 14. Hong Kong | 40. Portugal | 66. Albania | 92. Cambodia |
| 15. Finland | 41. Greece | 67. Jamaica | 93. Moldova |
| 16. Denmark | 42. Malaysia | 68. Armenia | 94. São Tomé and Príncipe |
| 17. Italy | 43. Kuwait | 69. United States | 95. Bosnia-Herzegovina |
| 18. Belgium | 44. Vietnam | 70. Algeria | 96. Philippines |
| 19. Malta | 45. Slovakia | 71. Mexico | 97. Venezuela |
| 20. France | 46. Hungary | 72. Romania | 98. El Salvador |
| 21. Australia | 47. Sri Lanka | 73. Cabo Verde | 99. Honduras |
| 22. Austria | 48. Poland | 74. Macedonia | 100. Jordan |
| 23. Ireland | 49. Uzbekistan | 75. Tajikistan | 101. Ukraine |
| 24. Slovenia | 50. Bahrain | 76. Kyrgyzstan | 102. Lebanon |
| 25. New Zealand | 51. Chile | 77. Kazakhstan | 103. Montenegro |
| 26. Spain | 52. Peru | 78. Nicaragua | 104. Guatemala |

Best Healthcare in the World

The Best Healthcare Systems in the World in 2024

The **Legatum Institute**, a London-based think tank, has also evaluated where to find the best healthcare in the world. Its 2023 report includes a "Health pillar" based on how healthy a society is and whether people can access tools to maintain their health, including healthcare services. Of course, in most countries, you'll need a [travel insurance](#) plan for short visits for up to one year or an [international medical insurance](#) plan if you want long-term medical coverage for a year or more to access these services.

According to this assessment, what country has the best healthcare? **Singapore** comes in at No. 1! **Japan** and **South Korea** came in 2nd and 3rd.

In this assessment, The **USA** came in **69th**!

Best Healthcare in the World

Middle East countries

United Arab Emirates	(33)	Saudi Arabia	(56)
Qatar	(38)	Iran	(58)
Kuwait	(43)	Turkey	(63)
Bahrain	(50)	Jordan	(100)
Oman	(55)	Lebanon	(102)



Summary

- Healthcare systems are considered as an integration of multiple resources to provide and ensure health.
- Healthcare systems have four key components.
- Healthcare systems have four key functions.
- Healthcare systems are categorized into four main models.
- Singapore is the 1st ranked healthcare in the world.



Thank You

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