The Israeli Healthcare System-
Accomplishments and challenges facing the system
reported by the OECD in 2012 as “one of the most
enviable healthcare systems among OECD countries”

Prof. Arnon Afek, MD, MHA
Associate Director-General, Ministry of Health of Israel
Director, NY/American MD Program
Sackler School of Medicine, Tel Aviv University
How Israel is achieving value in healthcare

The Israeli Healthcare System is based on the Health Insurance Law:

1. Universal coverage
2. Freedom of choice and change between 4, non-profit Health Funds (HF)
3. Income-based premium divided to HFs by a capitation formula
4. Health basket – a defined, important package of health benefits
5. Healthcare Delivery:
   a. Community care (primary, specialists) - HFs
   b. Hospitals - Government, HFs, non-profit Public
   c. Private sector - small but rising

Keytruda, included in the Health basket for Metastatic Melanoma
How Israel is achieving value in healthcare

Healthcare Indices – Life expectancy at birth, 2013

Israel is ranked 7th in the OECD (82.1y)

Men 3rd (80.3y); Women 9th (83.9y)

Source: Health at a glance 2015 OECD indicators
How Israel is achieving value in healthcare

Healthcare Indices – Cardiovascular mortality, 2013

Israel is ranked 4th lowermost in the OECD

Decline in mortality rate 58% (1990-2013)

Source: Health at a glance 2015 OECD indicators
How Israel is achieving value in healthcare

Healthcare Indices – Infant Mortality per 1000 live births

Infant Mortality Rates in the OECD, 2011

Deaths per 1,000 live births
- Neonatal
- Post-neonatal

Infant Mortality Rates in Israel, 1995-2012

Source: ICBS, OECD
How Israel is achieving value in healthcare

Health Expenditure as a share of GDP, 2013

Israel spends 7.5% of its GDP on health

USA 16.4%; Germany 11.9%; OECD average 8.9%;
How Israel is achieving value in healthcare

Israel Health Expenditure as a share of GDP (1990-2012)

Israel’s spending on health has remained constant for the last 20 years

Percent of GDP on healthcare expenditure 1990-2012

Source: Strategic Planning and Economics, Israeli Ministry of Health
The 2012 OECD Health Care Quality Reviews on Israel:

“While most OECD countries have been grappling with rapidly rising health costs, Israel has contained growth in health care costs ...”
The Aims:

1. How Israel is improving its healthcare with high efficiency and relatively low and constant spending?

2. The use of innovative technology to meet future challenges
How Israel is achieving value in healthcare

Outlines

1. Introduction

2. How Israel is achieving value in healthcare
   1) Structure - Community-based Healthcare
   2) Regulation - MOH
   3) Financing - Supplementary Health Insurance
   4) Quality- Measurements and Transparency

3. The use of innovative technology to meet future challenges

4. Conclusions

“For every complex problem there is an answer that is clear, simple, and wrong.”

H L Mencken, American writer 1880-1956
1. **Structure - Community-based Healthcare**
   a. Four competing, non-profit, Health Funds (HF)
   b. HF supply community healthcare services
   c. Freedom of choice of primary healthcare & specialists in the community
   d. **Gate keeping** by primary physician to ER & Hospitalizations
   e. The budget is allocated to the HF
   f. HFs negotiate fares with hospitals
   g. Higher payments for community physicians vs. hospital employed
   h. High quality of care

“Israel’s efforts over the past decade have developed one of the most sophisticated programs to monitor the quality of care in primary care across OECD countries.”

Source: OECD Health Care Quality Reviews - Israel, 2012
1. Structure - Community-based Primary Healthcare

Shifting the weight from hospitals to community-based health services

Spending on Community Healthcare and on Hospitals
(% of the total health expenditure 1995-2012)

Source: Israel CBS
How Israel is achieving value in healthcare

1. Structure - Community-based Primary Healthcare

Satisfaction Rate from the four HFs (% of satisfied and highly satisfied)

Source: The Brookdale survey; OECD Health Care Quality Reviews - Israel, 2012

“Israel’s impressive life expectancy gains and low premature mortality from chronic conditions reflect the contribution of its primary care system”
2. Regulation by MOH

a. Licensing and restraining the number of hospital beds, MRIs, CTs

b. Limited positions in Medical and Nursing Schools

c. Restraining hospital activity & limiting hospitals revenue from supplementary activity above threshold (CAP)

d. Additional budget depends on reforms and efficacy improvement

“...Israel’s hospitals, which are characterized by high levels of occupancy and comparatively less information on the quality of care they deliver..”

Source: OECD Health Care Quality Reviews - Israel, 2012
2. Regulation by MOH - outcomes
   a. Hospitals are highly efficient but overcrowded & no reserve capacity
   b. Shortage of nurses
   c. Decreased managers accountability
3. Financing - Supplementary Health Insurance (SHI)
   a. Public Funding (Basic Health Basket), SHI & PHI
   b. SHI are supplied by HFs, are affordable c’ age-based premium
   c. 83% of Israelis have SHI and/or PHI
   d. SHI helps to reduces waiting times for procedures

Disadvantages
   a. Mainly supports the private sector
   b. Increases inequities

Source: Strategic Planning and Economics
4. Quality Measurements and Transparency
   
a. Quality improvement programs
   
   1) Community, EMS
   
   2) Hospitals - General, Geriatric, Mental Health
   
   3) The 1st country to mandate JCI (Joint Commission International) accreditation of all General Hospitals as a part of MOH licensing
   
   b. Public Transparency increases competition among hospital managers

“Making the data collected today publicly available allows more scope for competition between funds and providers to occur on the basis of quality.”

Source: OECD Health Care Quality Reviews - Israel, 2012
Summary

1. **STRUCTURE** - managed competition among the 4 non-profit HF guarantees excellent community-based Healthcare (primary & specialists care)

2. **REGULATION** improves efficacy but limits hospital beds and staff

3. **FINANCING** - Affordable SHI supplied by HFs helps to reduce waiting times but increases inequities

4. **QUALITY** measurements and public TRANSPERACY
OECD Health Care Quality Reviews of Israel, 2012, states:
“Israel has established one of the most enviable healthcare systems among OECD countries”
Where Do You Get the Most for Your Healthcare Dollar?

The Bloomberg's Annual Ranking of countries with the **most efficient healthcare** ranked Israel 7th

The ranking evaluates: Health care costs, Life expectancy & Improvements from 2013

How Israel is achieving value in healthcare

Outlines

1. Introduction

2. How Israel is achieving value in healthcare

3. The use of innovative technology to meet future challenges
   1) Aging population and increased burden of chronic diseases
   2) Increasing costs of new drugs and medical appliances
   3) Patients – physicians relationship
   4) Data sharing, Big Data & Transparency
   5) Investing in the future

4. Conclusion

“It always seems impossible until it’s done.”
Nelson Mandela
1. Aging population and increased burden of chronic Diseases

   a. Missing Social & family support for the elders & chronically sick
   b. Need for numerous acute care & long term hospital beds
   c. The Economist stated in 2012:
      “To treat 21st century’s problems with a 20th century approach
      to health care would require an impossible number of doctors”

The increased rate of 80+

92 yo retired President Peres looking for a new job
1. Aging population and increased burden of chronic diseases

We must change the paradigm and shift healthcare to the Patient’s HOME

Hospital  Community  Medical Home

Dario™ – Glucose monitoring with cellular phones
Aerotel™ - Digital ECG Device
Re Mind™ – Simple Med Electronic medicine chest

Innovative technology to meet future challenges
Tele-Health Center (MOMA)

A complementary hospital & community based healthcare system

1. Nationwide support network for home/remote care management
2. Innovative platform for chronic care management (Tele-monitoring and interventions)
3. Multi-disciplinary center with Primary physicians and nurses
4. Fully coordinated with patients
The Tele-Health Center (MOMA) outcomes

1. Better Diabetes control
2. 40% decrease in Depression
3. Decreased hospitalization & successful Homecare
4. Over 7,000 current patients & 11,000 treated

Diabetes Control
(levels of HgA1C above 9 mg)

2014

March April May June July August September October November December

71 72 68 62 52 46 38 34 32 32
2. Increasing costs of new drugs and medical appliances

Medical Services Basket Committee

a. Prioritizes the addition of new medicines & services to the health basket within the allocated budget

b. For 2016, the budget is 77 million$, it received & scientifically evaluated 700 requests (675 million$).

c. Leading professionals from the HF, MOH, MOF, physicians, economists, ethicists, public representatives.

d. They need to address medical, social, and ethical issues

e. Public transparency
Medical Services Basket Committee
Anti Hepatitis C drugs
(cure over 90%; cost more than 100,000$)

- 9100 known patients
  Cost NIS 2.578 million

- 5780 moderately sick (F3-F4) patients
  Cost NIS 100 million

- 140 severely sick patients
  Cost NIS 34 million
Innovative technology to meet future challenges

3. Patients – physicians relationship

1) The patients
   a. Multi-cultural society
   b. Googling for a diagnosis
   c. Physicians are not Gods anymore

2) The Physicians
   a. Work-life balance
   b. Adequate financial compensation

3) The rules of the game have changed
   a. Must address public expectations & the media
   b. From learning, each profession by itself, to teaching skills to multi-professional teams
MSR
Simulation-based Training

- Teach all Israeli Interns
- Boards Examinations of all EM, Anesthesiology Residents
- Licensing of all advanced nursing
- Skill based learning - communication
- Skill based learning - Debriefing
- Error driven education
- Teaching skills
- Reaching out - Team work at Poria Hospital ER
- Skill based learning – Ethics (End of Life)
4. Data sharing, Big Data
   a. HF phone applications
   b. National Electronic Patient Record
   c. Tele-medicine: reducing inequities and disparities between peripheral & central region
   d. Public transparency
Sharing Electronic Patient Records

Clalit Hospitals

Government Hospitals

MINISTRY OF HEALTH

KAPLAN CARMEL

HADASSAH

HADASSAH M.S

LANIADO

SHAARE ZEDEK

NAZARETH St Vincent

NAZARETH

NAZARETH Holy Family

HA’EMEK

GOLDA

BILINISON

SHNIDER

SOROKA

YOSEFTAL

Israel Defense Force

WOLFSON

BARZILAI

ZIV

HILLEL YAFE

PORIA

ASAF HAROFE

NAHARYA

SHEBA

RAMBAM

BNEI ZION

ICHIOLOV

CLALIT HF

MACCABI HF

MEUCHEDET HF

LEUMIT HF

MAAYANIE

HAYESHUA

Sharing Electronic Patient Records
5. Investing in the future – Preventive Medicine at a low cost

“Yes we can... be healthy”
National Program
(Efshari bari)

Sheba Medical Center
Dynamic Fitness Boardwalk

Innovative technology to meet future challenges
יוםولد שמחה
The use of innovative technology to meet future challenges

1. Aging population and increased burden of chronic diseases may be met by home care & Tele-medicine through a comprehensive center
2. Transparent, public sharing process to meet increasing costs of new drugs and medical appliances
3. Shifting health professions education to teamwork and skill-based learning
4. Data sharing, Big Data & Transparency
5. Preventive medicine Investing in the future to achieve value in healthcare
How Israel is achieving value in healthcare

Medicine as a “bridge over troubled water”

Israeli hospital treats Syrian war-wounded
20 August 2013 BBC News

As the conflict in Syria continues, the number of injured Syrians reaching Israel to receive treatment is rising.
Peace is a journey of a thousand miles and it must be taken one step at a time. 

*President Lyndon B Johnson*