

## Volume 15 - Issue 1, 2015 - Cover Story

### Hospitals: Facing Austerity and Ageing



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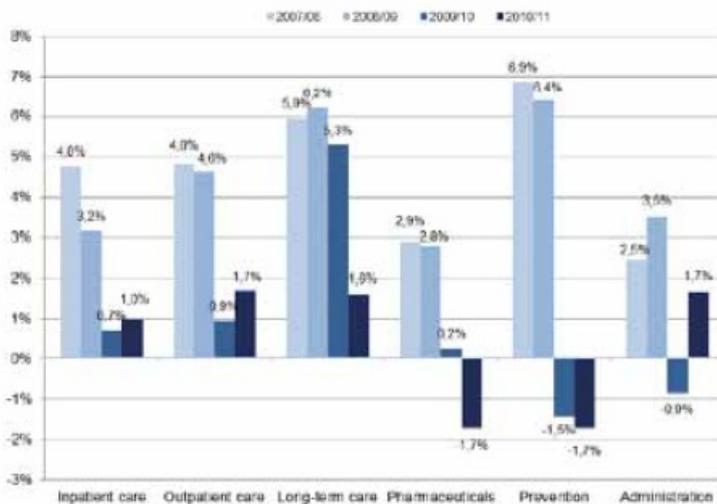
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#### Global Challenges

The major challenges faced by healthcare today are a result of both economic and demographic changes, palpable on a global level. Austerity measures that followed the crisis of 2008 affect all sectors in healthcare, with the exception of long term care (Kumar 2014) (see Figure 1). Future growth in healthcare expenditure will not achieve levels experienced in the past; as a consequence of having to manage fewer resources more attention needs to be given to management.

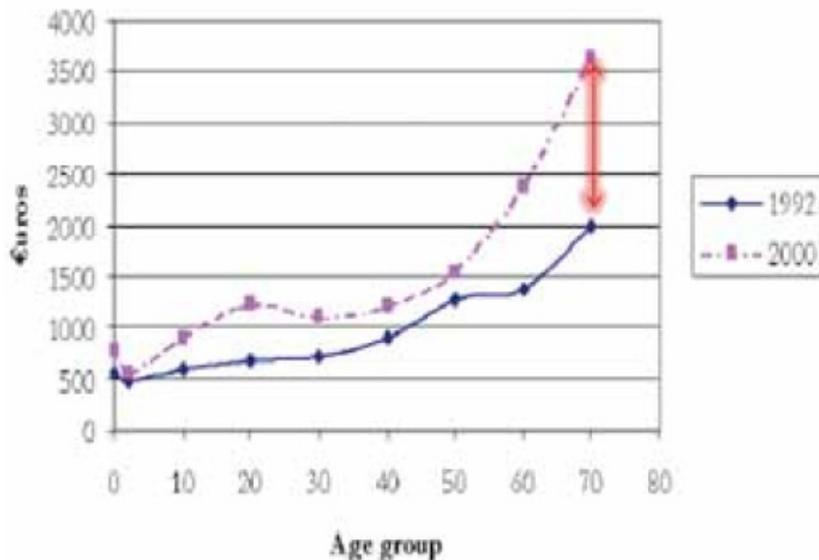


**Figure 1.** With Limited Growth: cuts are affecting all expenses except long-term care

A recent study links the impact of management to the performance of an organisation, clearly showing just how much management matters. Hospitals in countries with a historically stronger company management culture (such as the United States and the United Kingdom) achieved higher management scores (World Management Survey). There is much room for improvement in healthcare. Hospitals, clinics and other care providers have a critical role to play in pushing forward better management practices. National executive associations have the equally important task of bringing management standards in their respective countries to a higher level.

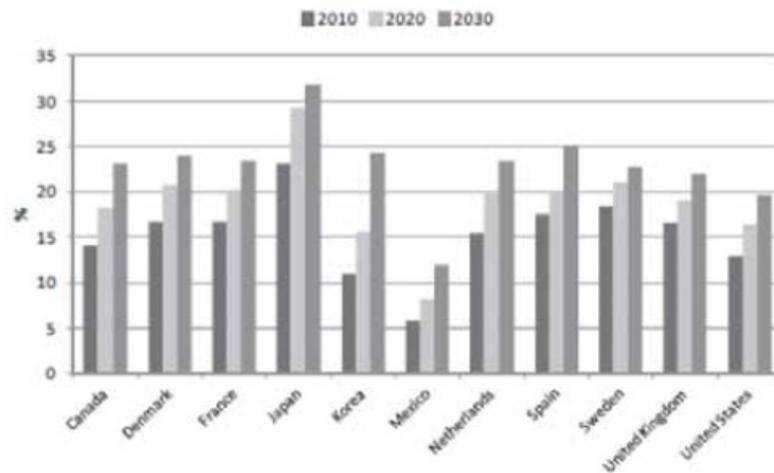
#### Silver Tsunami

The world population is ageing fast, representing a wave the world will have to face. The so-called 'Silver Tsunami' has already begun to affect the pattern of care, and will have a dramatic impact on healthcare delivery (see Figure 3). Closely linked to the ageing population is an increase in multi-chronic conditions. Over the past decade healthcare expenditures have been driven not by the change in the age of the population, but rather by a change in the pattern of care. At high patient age, expenditures have dramatically increased, rendering current healthcare trends unsustainable (Dormont et al. 2005) (see Figure 2).



**Figure 2.** Healthcare Expenditures Profiles by Age - 1992 and 2000  
**Source:** Dormont et al. 2005

In developing countries, 83% of the global burden of disease is around chronic and multi-chronic conditions, making them an urgent priority (Institute for Health Metrics and Evaluation). Yet most healthcare organisations are not equipped to address the challenges they represent.

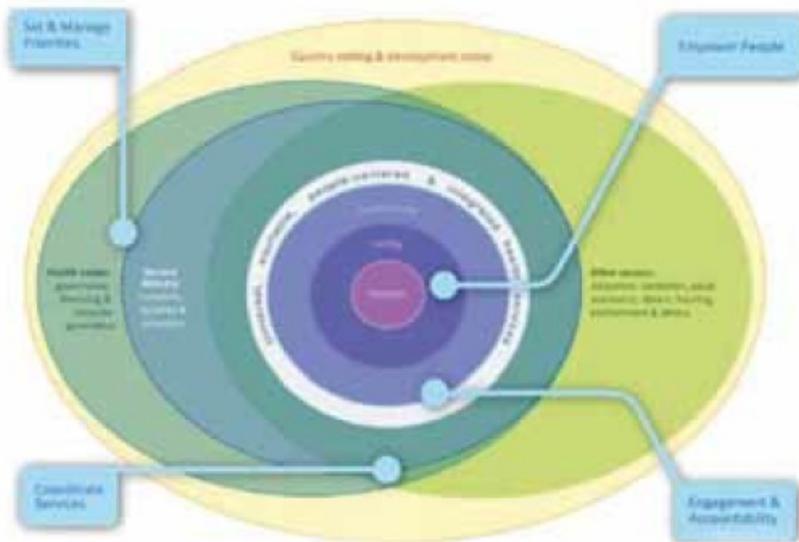


**Figure 3.** Ratio of Population Aged 65 and Over to the Total Population  
**Source:** OECD 2011

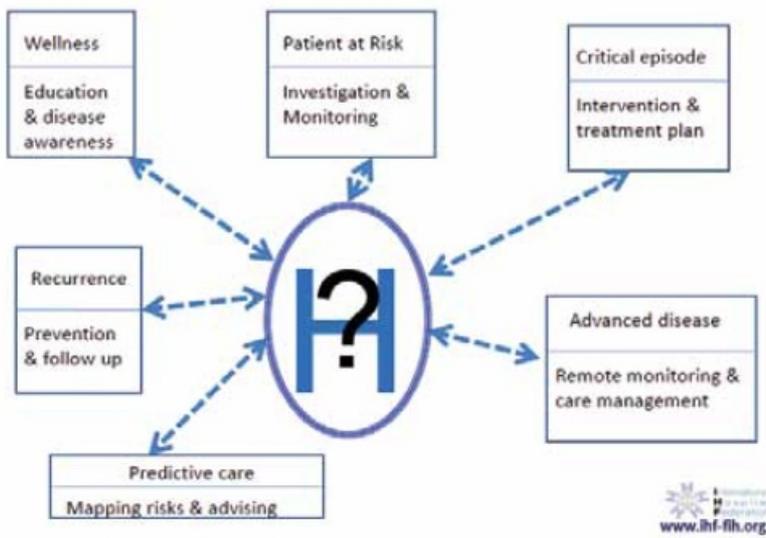
### Role of Hospitals

Many questions need to be asked in order to shape the future role of hospitals in the face of this healthcare evolution. One thing is certain: it cannot be a 'one size fits all' approach, as the role of hospitals is going to be very different from one country to another. Factors such as infrastructure, financing and numerous cultural variables will come into the debate. It is vital that the current role is questioned, and that all those leading the organisations are at the forefront of this questioning.

The World Health Organization (WHO) has developed a model for people-centred and integrated health services (World Health Organization 2015), which is high on their agenda. Member states will be invited to work on key dimensions such as 'Set and Manage Priorities', 'Empower People', 'Engagement and Accountability' and 'Coordinate Services', further defining the role and responsibilities of hospitals (see Figures 4 and 5).



**Figure 4.** People-Centred & Integrated Health Services  
**Source:** World Health Organization



**Figure 5.** Role of Hospitals for Healthcare  
**Source:** International Hospital Federation

**International Hospital Federation Recommendations**

International and national organisations need to have very clear priorities, policies and principles in place, which are applicable to hospitals. While hospitals can do their best, there are always factors that make it difficult to improve performance, and hospital managers cannot be expected to perform without a road map and a compass that sets the good direction.

**Responsibilities for policymakers**

- People-centred integrated care has to be a priority of the health system. globally, there are major gaps between the payment system and the coverage mechanism that are not incentives for efficiency of the delivery system.
- In order to achieve better results, providers need to have the right level of autonomy. Government decentralisation will lead to good stewardship, and good accountability, monitoring and evaluation will provide the required framework.
- Any discussion has to be based on data, facts and evidence, and not on ideology and presumption.
- good practices need to be rewarded, progress celebrated, and, rather than putting blame, it is the great things achieved in the healthcare sector which need to be communicated and promoted as part of a government’s responsibility.
- Conditions need to be created in order to fully empower people with their health. The debate about chronic conditions includes each and every one of us as a potential patient, and we need to be empowered to deal with our own health.
- This transformation requires investment funds, which will have to be mobilised, also to fund research and dissemination of new effective technologies.

**Responsibilities for providers, including hospitals**

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- Efforts on clinical pathways for multi-chronic conditions need to be made, as they are currently not well organised to deal with the burden they represent.
- A holistic approach to patients should be adopted. Patient conditions need to be dealt with and no longer just the symptoms or causes of a specific disease. This represents a whole paradigm shift, the whole reorganisation of the hospital that is ahead of us.
- There needs to be stronger accountability and transparency. Management matters and no compromises are to be made on quality and patient safety.

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