



# FUTURE FORCE #4

## FOCUS ON VALUE AND EFFICIENCY

**Public healthcare systems in the UK and Europe have been lauded for many decades, defended by the public where they exist, and envied the world over by those in countries where they do not exist. Public spending on health in Europe saw steady increases prior to the global financial crisis of 2008, but the aftermath of the recession that followed and ensuing austerity measures has seen healthcare budgets come under increasing pressure as noted above.**

When the Covid pandemic arrived, healthcare systems were not as well equipped to meet the challenges as they might have been. Immediate funding injections were provided, but the pandemic itself created a number of longer-term disruptions to the system, including big treatment backlogs, placing additional funding pressures on already stressed systems.

As a result, healthcare budgets are coming under increasing pressure and scrutiny. Indeed, in some countries, basic state provision is coming under increasing strain, with a more intense focus on standardisation efficiency and cost-effectiveness in many areas.

Those managing healthcare budgets, particularly in the public sector, are looking to find efficiencies wherever possible, requiring demonstrable evidence of better outcomes for more expensive drugs and treatment, and

otherwise turning their backs on new or more expensive drugs in favour of short-term efficiency gains, standardisation and lower costs.

Despite the immediate injection of funds to deal with the short-term needs of the Covid pandemic and calls from the World Health Organization for governments to spend an extra 1% of GDP on public healthcare in the next decade, we seem to be entering an era with an even more intense focus on efficiency in achieving health outcomes.

**So, in the next 5-10 years, we are likely to see an end to the era where public healthcare systems, particularly in Europe were untouchable and could access vast amounts of public funding. Instead we will see the dawn of a new era, where efficiencies and cost-cutting take precedence, hopefully alongside a focus on continuing to deliver real world patient outcomes.**

In this world, the healthcare industry and manufacturers must be able to tangibly prove the added value of their product and service innovations in terms of achieving health outcomes or, alternatively resort to competing solely on price.

This will require manufacturers to provide a more holistic and data rich view of patient adoption and ultimately patient outcomes, and a greater focus for their new innovations on ROI.

### FORCES IN ACTION



Better value in health care requires focusing on outcomes  
(HBR) →



Health care privatisation and austerity left EU-countries ill prepared to deal with pandemic  
(Corporate Europe Observatory) →

### NUMBERS IN ACTION

# 76%

of key stakeholders surveyed by the NAO supported the introduction of Integrated Care Systems (ICS's). Integrated ICS's are the latest in a long line of restructures by the Department of Health & Social Care (DHSC) aimed at improving health outcomes and efficiency by joining up health and care services.

(UK National Audit Office, Oct 2022)