

US Healthcare Delivery Networks: Where are we in the world?

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Overview Canadian Healthcare System

Cynthia Chesler

General Manager, PROcure

Canada's Health Care System (Medicare)

- Designed to ensure that all residents have reasonable access to medically necessary hospital and physician services, on a prepaid basis.
- Instead of one single plan, we have a national program that is composed of 13 interlocking provincial and territorial health insurance plans, all of which share certain common features and basic standards of coverage.

History

- 1957 - The Hospital and Insurance Diagnostic Services Act
- 1968 – The Medical Care Act
- 1984 – The Canada Health Act
 - Is Canada’s federal legislation for publicly funded health care insurance
 - Primary objective “to protect, promote and restore the physical and mental well-being of residents of Canada and to facilitate reasonable access to health services without financial barriers”

Overview of Current System

- Ontario has the largest and most complex publicly funded health care system.
- Administered by the Ministry of Health and Long-term Care (MOHLTC).
- The Ontario Health Insurance Plan (OHIP) is administered on a non-profit basis by the MOHLTC.

Universality

- Hold a Canadian Citizenship
- Make his or her permanent and principal home in Ontario
- Be physically present in Ontario for at least 153 days in any 12 month period
- 12.47 million Ontario residents were registered with OHIP

Physicians

- Physicians are private entities
- Remuneration is provided on a fee-for-service basis
- Based on a Schedule of Benefits
- May supplement their fees through alternate funding

Statistics:

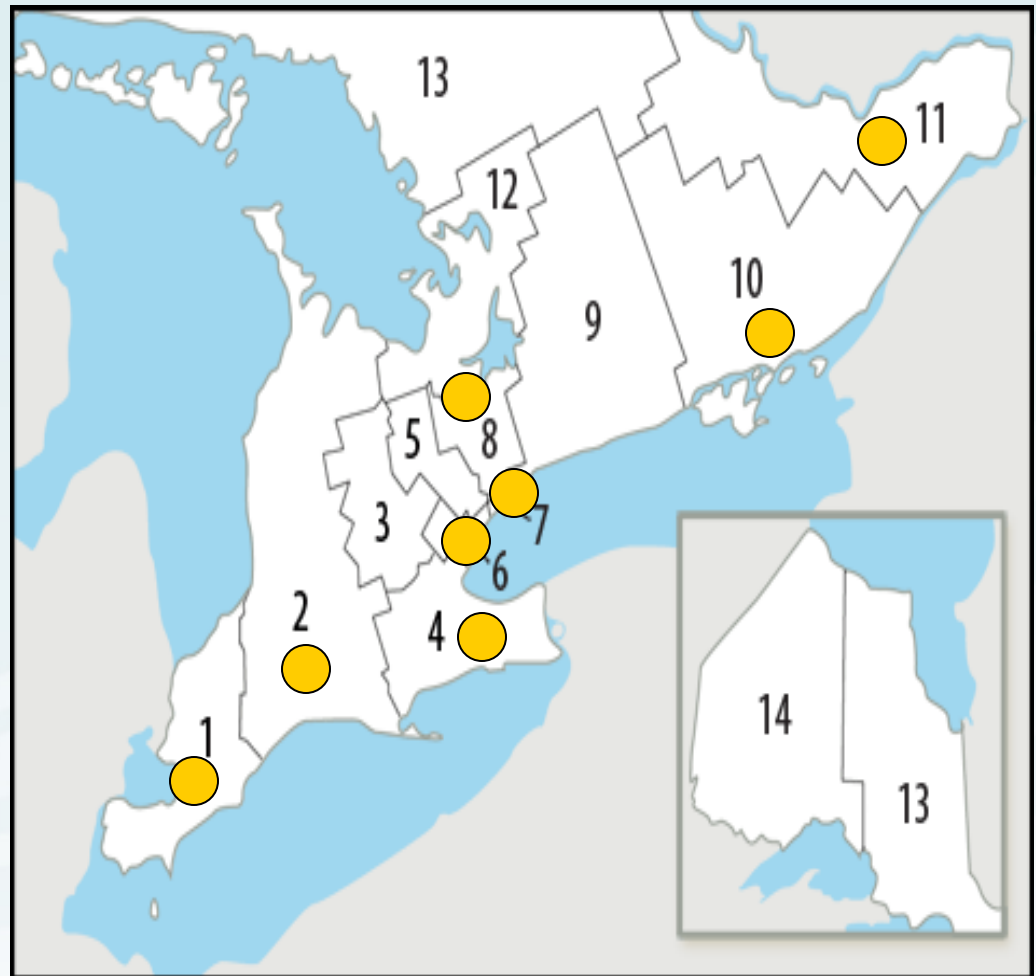
	Canada	United States
Population	33 million	307 million
Life Expectancy, Female	83.9	80.7
Life Expectancy, Male	78.7	75.6
Infant mortality per 1,000	5	6.3
Medical Doctors per 1,000	2.1	2.4
MRI units per million	6.2	26.5
Health Spending as % of GDP	10%	15.3%
Per capita spending in Healthcare	\$3,678 (US)	\$6,174 (US)

Wait Times

	Median Wait Time	Majority
Diagnostic Services MRI / CT	2 weeks	89.5% < 3 months
Specialist	4 weeks	86.4% < 3 months
Surgery	4 weeks	82.2% < 3 months
Emergency room	2 hours	42% > 2 hours

LHIN's - Designated Agency

1. [Erie St. Clair](#)
2. [South West](#)
3. [Waterloo Wellington](#)
4. [Hamilton Niagara Haldimand Brant](#)
5. [Central West](#)
6. [Mississauga Halton](#)
7. [Toronto Central](#)
8. [Central](#)
9. [Central East](#)
10. [South East](#)
11. [Champlain](#)
12. [North Simcoe Muskoka](#)
13. [North East](#)
14. [North West](#)



Supply Chain

- Currently have 8 Shared Service Organizations (SSO's) in Ontario
- Other Provinces have Regional Health Authorities
- Very similar to IDN's
- We do not charge patients for supplies
- They are expensed to units as they are ordered.

PRO's /CON's

PRO's	CON's
Not for Profit	Wait Times
Single Payer System	High Taxes
Gov't Funded	Not Everything is Covered
Access to all Services	
Won't go Bankrupt	

Canada's Health Care System

- For more information please go to:
<http://www.hc-sc.gc.ca/hcs-sss/index-eng.php>

Thank You

Overview German Healthcare System

Ralph Ehmann
A+I Healthcare Solutions
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Germany's Health Care System

- Statutory health insurance plan, designed in the 19th century by Chancellor Bismarck as a part of the social legislation
- Everybody has to be insured, employer and employee share the costs
- Independent of citizenship
- About 90% of the population are insured by the public plan, 10 % through private insurances
- Insurance dues of the public plan depend on income; private insurance on benefits, age and health status

Physicians

- Physicians may be private entities or employed by hospitals
- Totally 320,000 practicing physicians, out of which
 - 50% working in medical practices as private entities
 - 50% in hospitals
- 94% of the physicians working in a hospital are employed by the hospital
- Payment is based on schedule of benefits and limited (for patients of the public plan)

Statistics

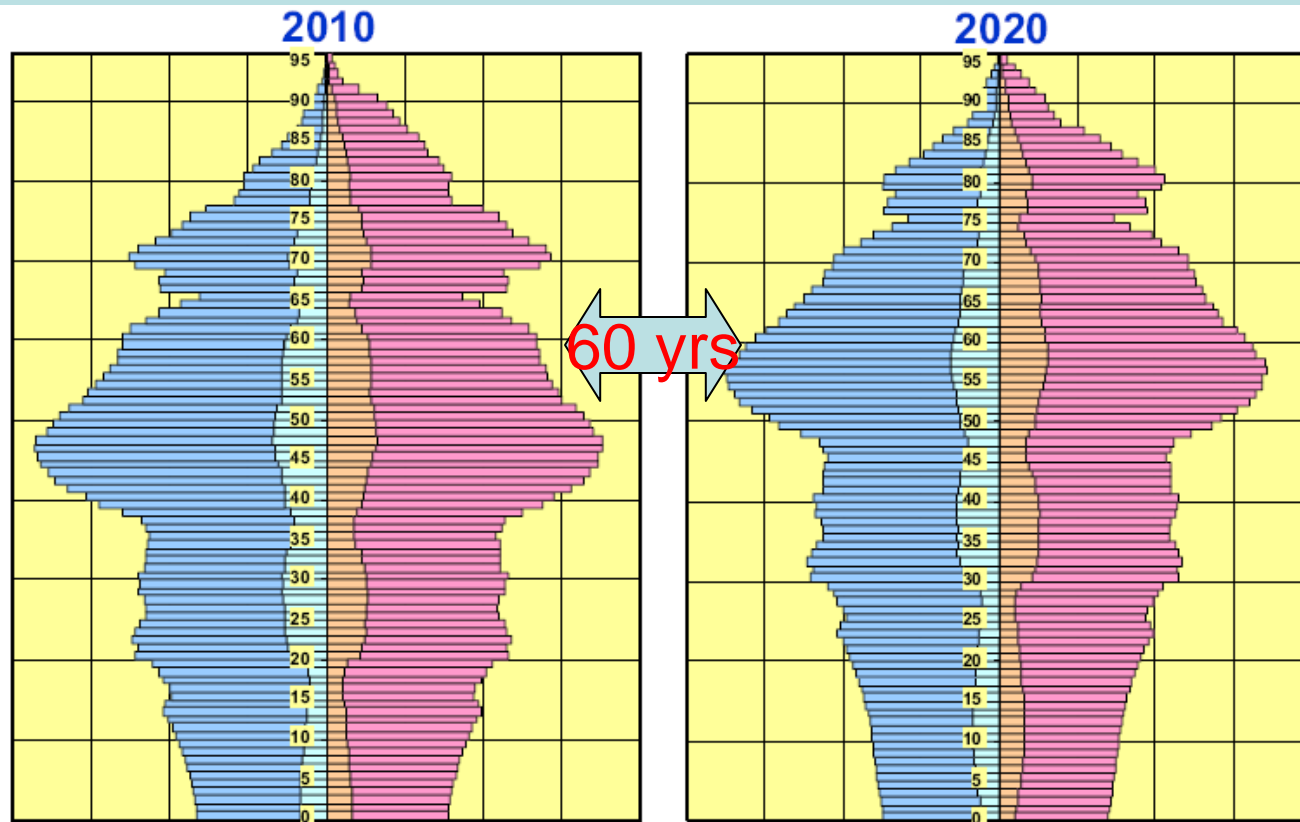
	Germany	Canada	United States
Population	82 million	33 million	307 million
Life Expectancy, Female	82.2	83.9	80.7
Life Expectancy, Male	76.9	78.7	75.6
Infant mortality per 1,000	4	5	6.3
Medical Doctors per 1,000	3,9	2.1	2.4
MRI units per million	12.5	6.2	26.5
Health Spending as % of GDP	10.6%	10%	15.3%
Per capita spending in Healthcare	\$4,150 (US)	\$3,678 (US)	\$6,174 (US)

Demography

- 82 million inhabitants
 - decreasing population (birth rate 1.4)
- 30 % older than 60 years
 - with strong increasing tendency

Demographic Change in GER



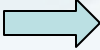
Development with birthrate of 1.4



Situation of Hospitals in GER

- Biggest expense of payers are for hospitals (35,2 %)
- 2,000+ hospitals
- 500,000+ beds
- 17.2 million in-patients per year
- 18 million outpatient treatments per year
- 142.9 million occupancy days
- Average usage of beds 77 %
- 8.3 days average resting time per patient
- 1,192 DRGs

Situation of Hospitals in GER

- 2,000+ hospitals out of which
 - 32% public incl. academic institutions 
 - 30% private 
 - 38% non-profit (owned by churches) 
- 10% decrease in houses and beds in the last 10 years, 4% decrease in usage

Human Capital in Healthcare

- 793,000 FTE (1 million people) working in hospitals, out of which
 - 126,000 physicians
 - 298,000 nurses
 - **369,000 others**
- average 400 FTE per hospital
- 1.6 FTE per bed

General Weaknesses

- 1.3 billion Euros spent annually for needless bureaucracies
- Physicians in hospitals spend on average 3 hours for documentation work

Operations done by nurses besides caregiving

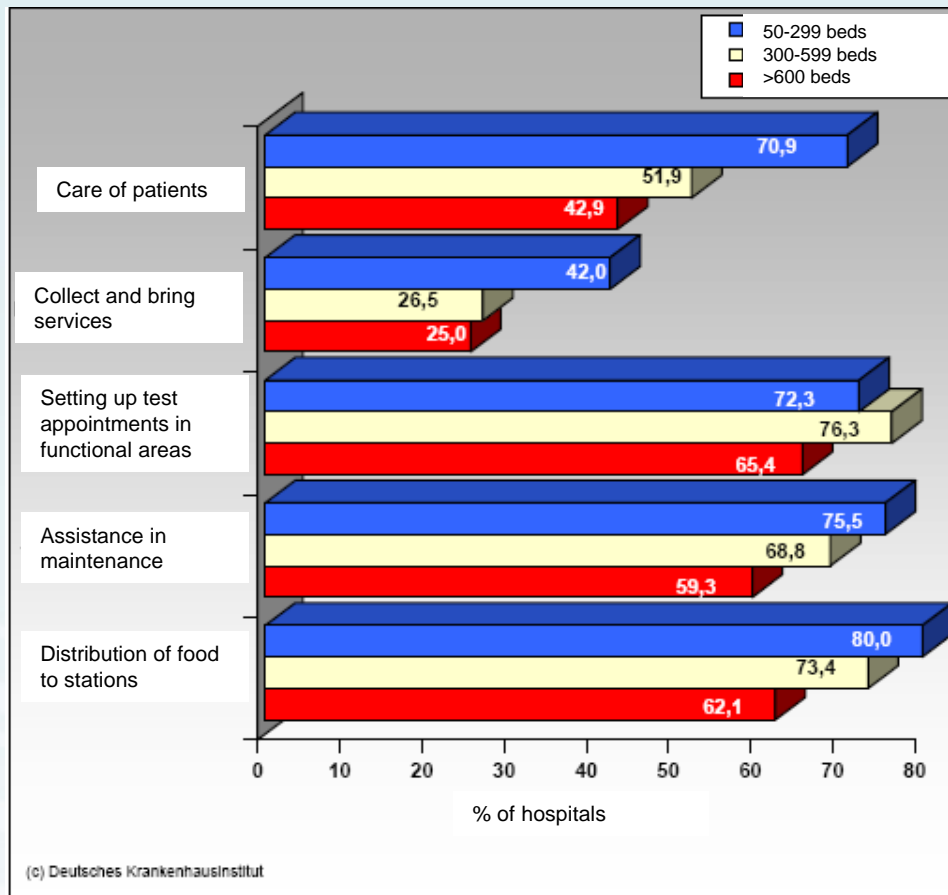
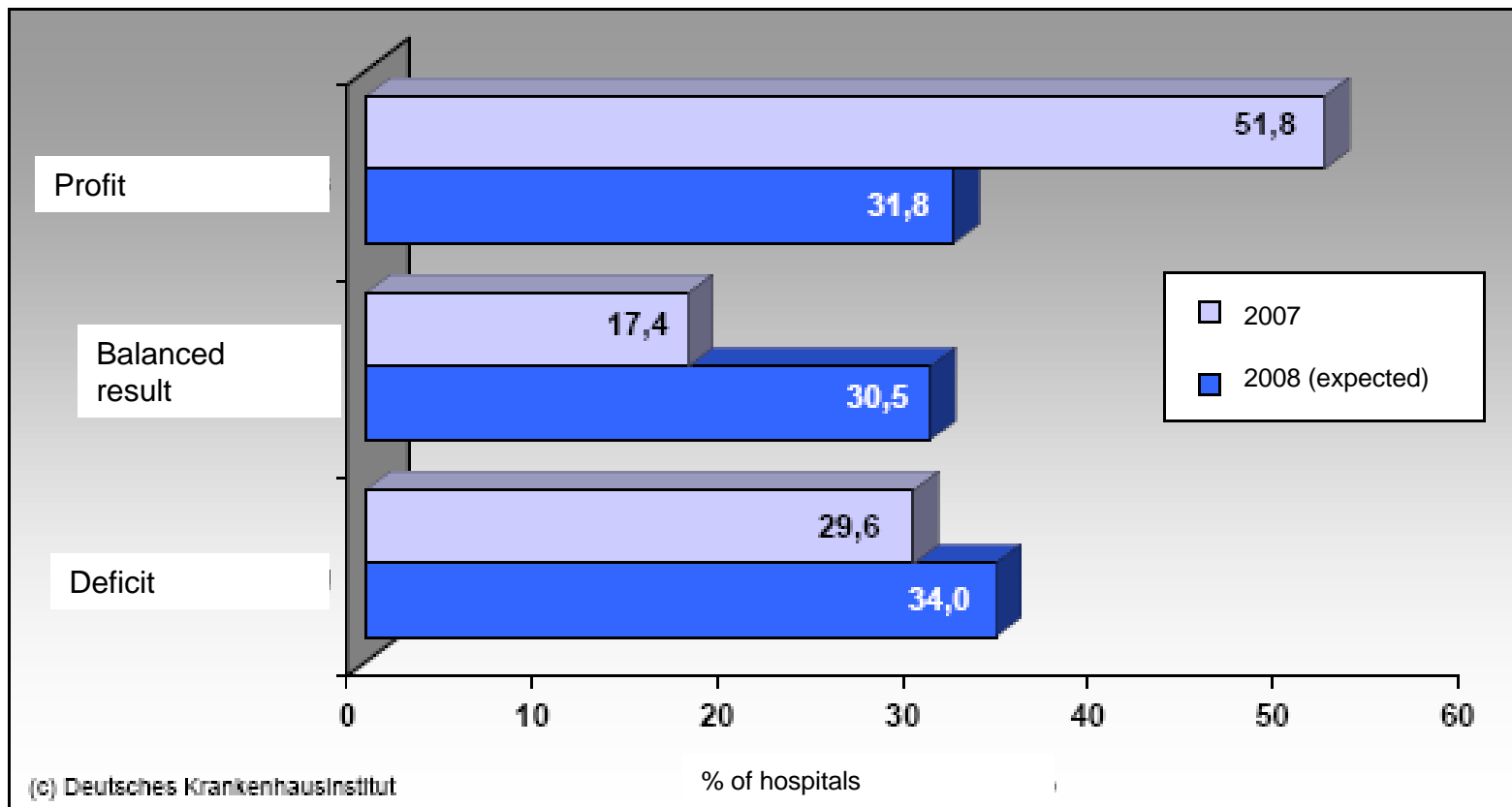


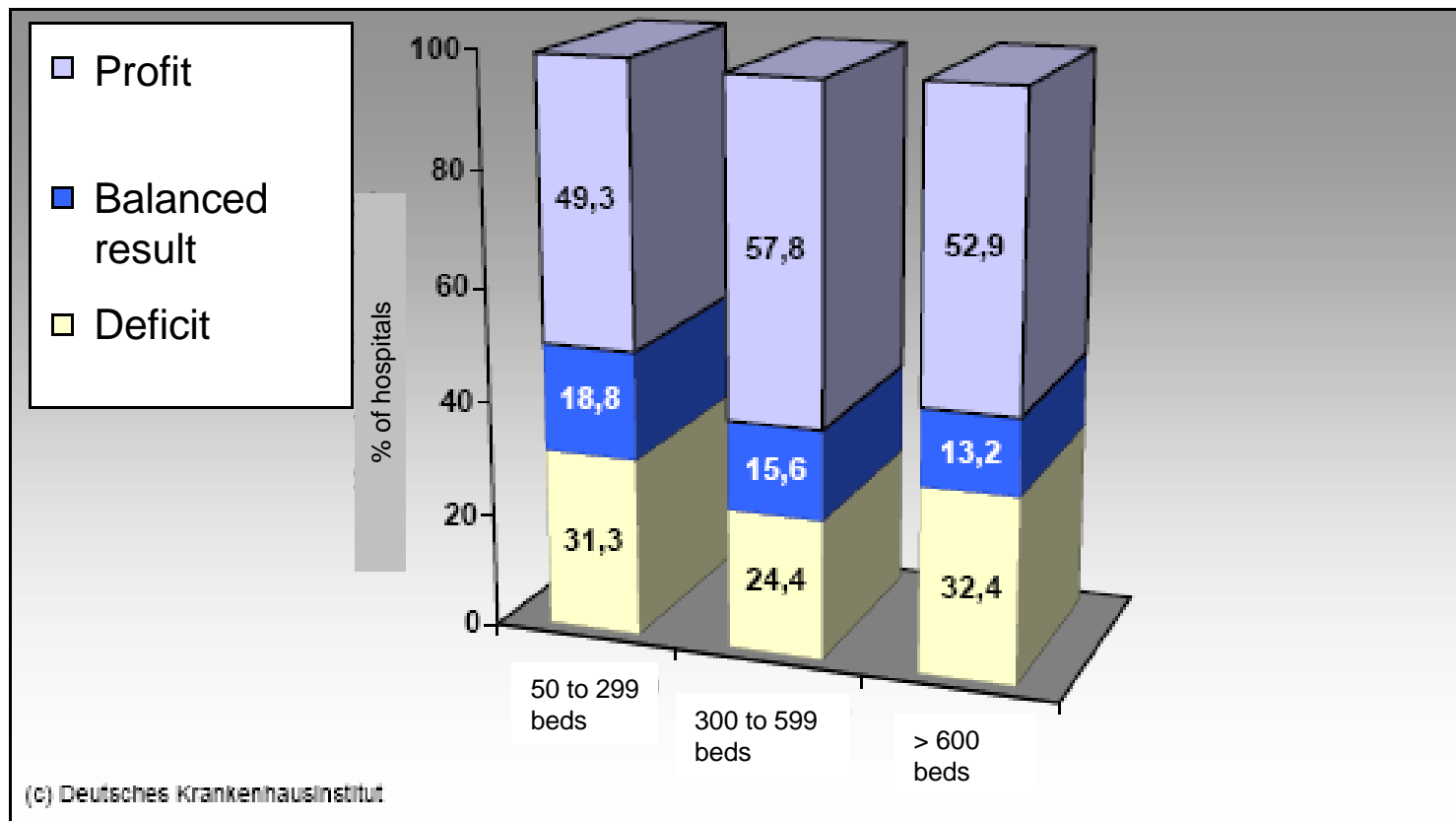
Abb. 32: Übernahme von Tätigkeiten durch KrankenpflegerInnen bzw. KrankenpflegehelferInnen

Financial Results of Hospitals

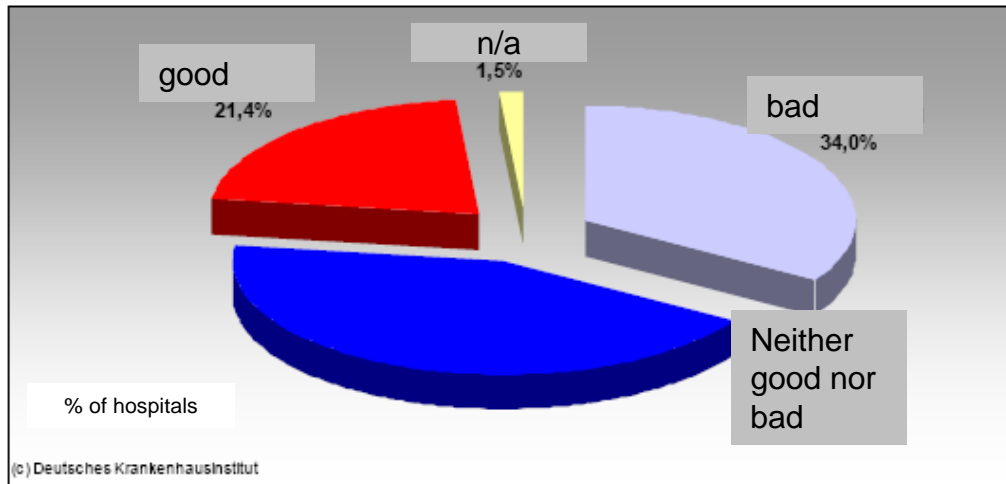


Results 2007 / 2008 (expected)

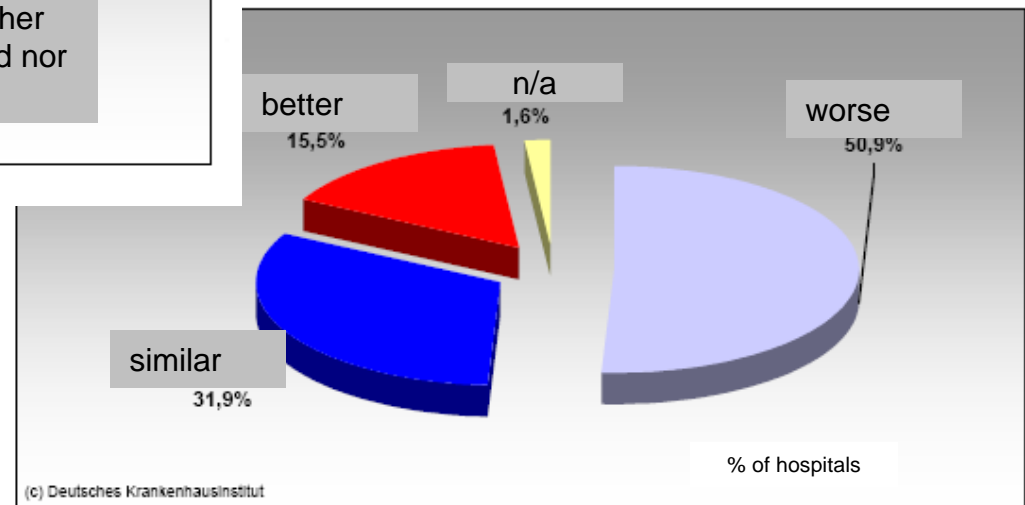
Financial Results related to Hospital Size



How Hospitals see their Economic Situation



Judgement of 2008

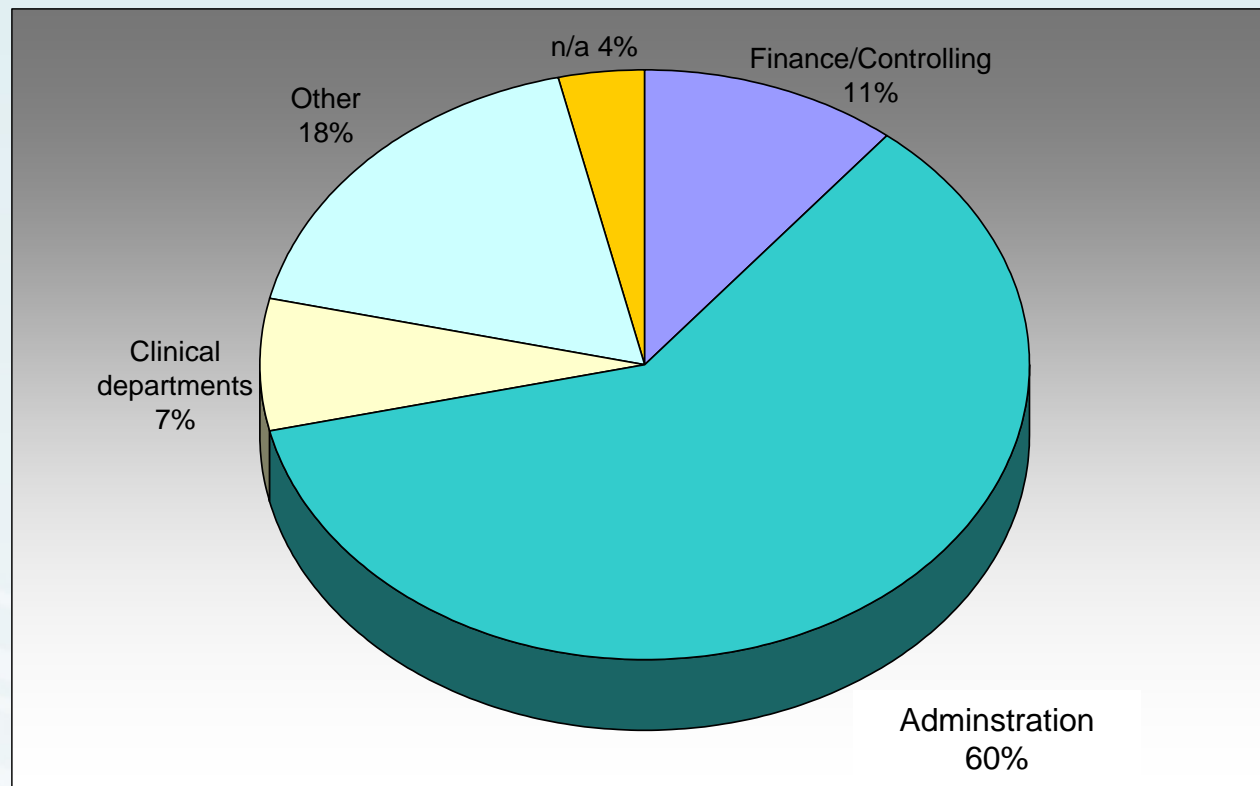


Expectations for 2009

Supply Chain

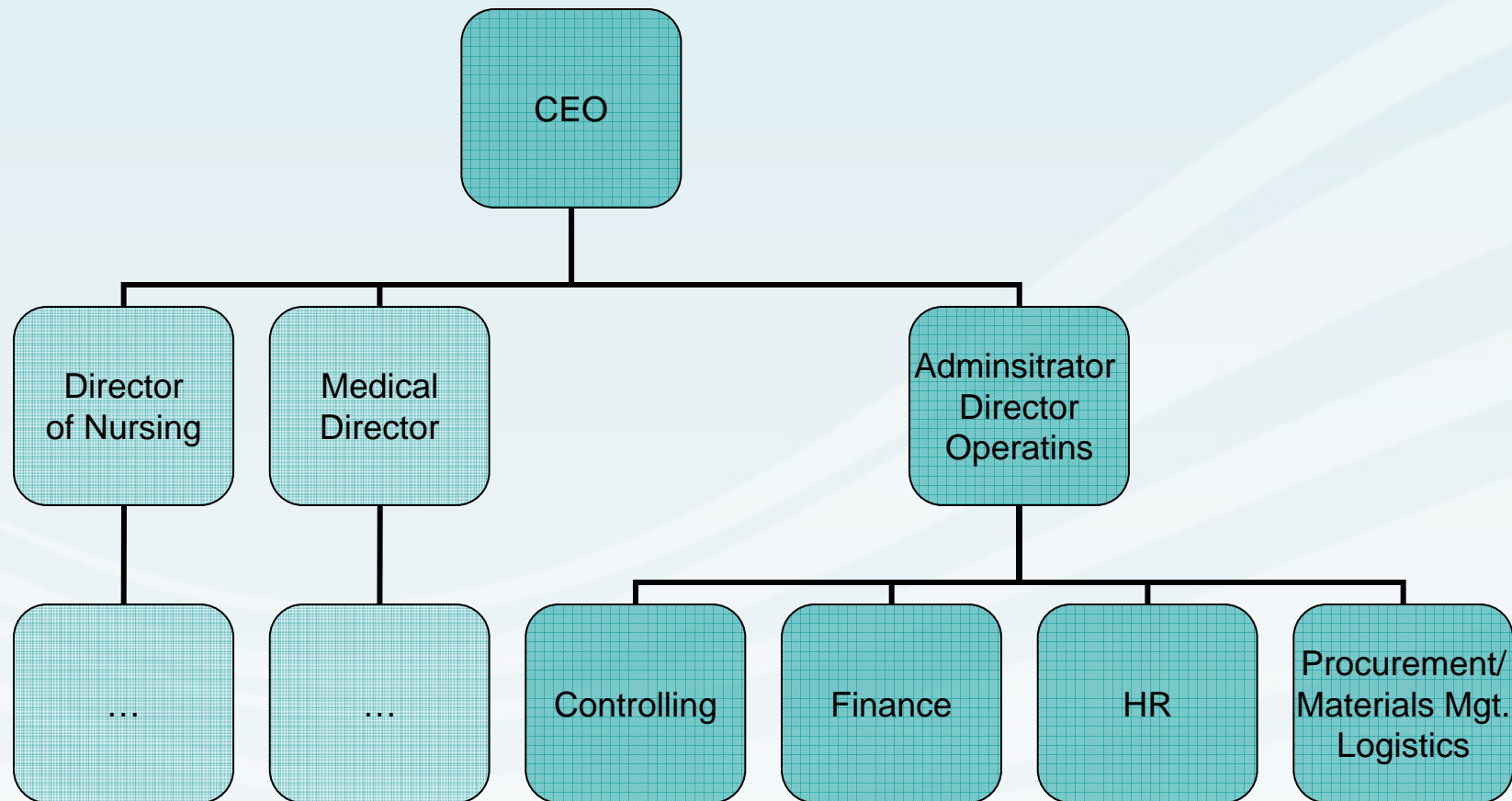
- Multiple ways of organization
- Many Shared Service Organizations, usually formed by 3PLs
- Hospitals are buying from GPOs, distributors and suppliers
- Patients are charged only for expensive supplies

Where Does the Supply Chain Function Report in the Organization?



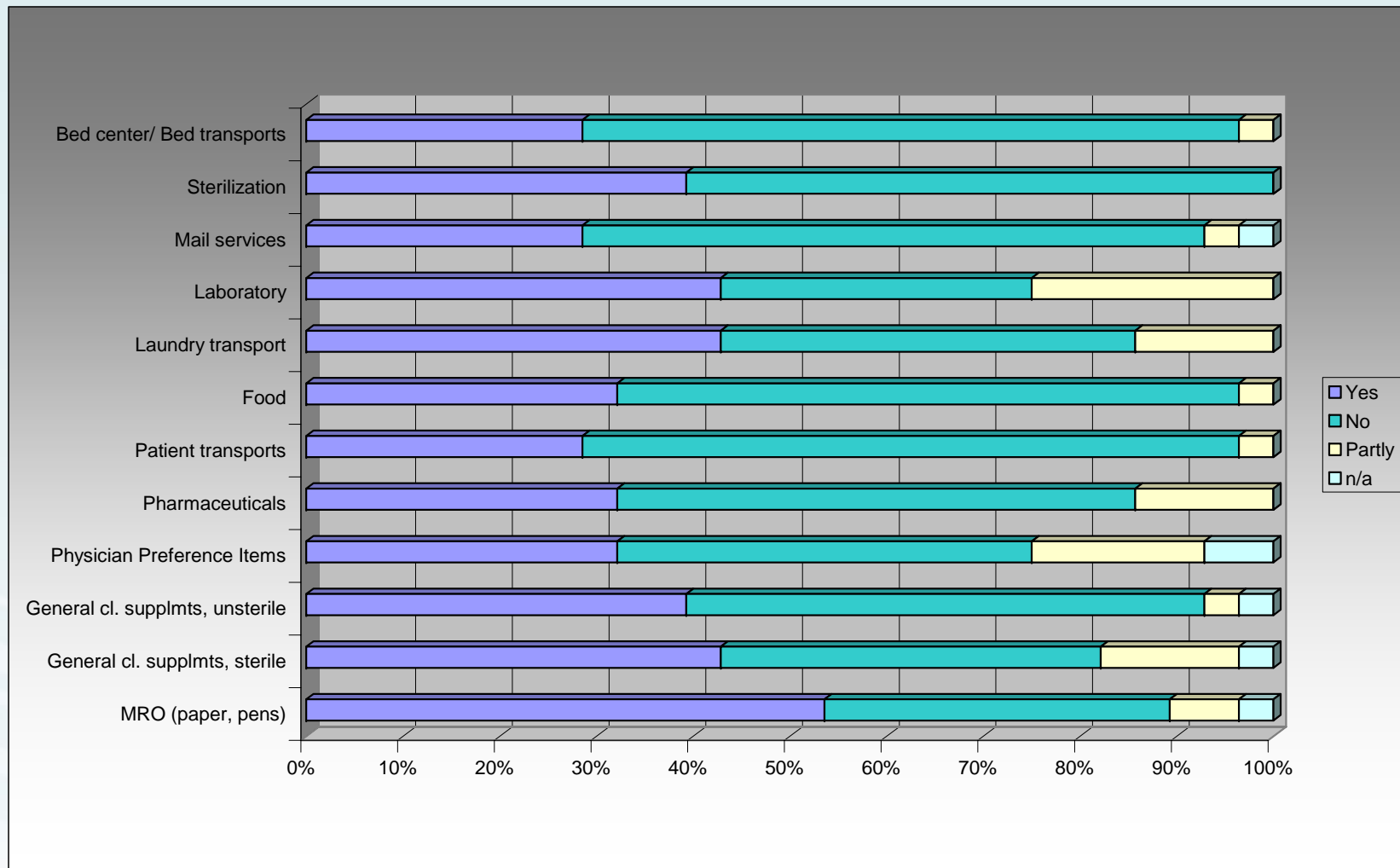
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Typical Organizational Structure in German Hospitals

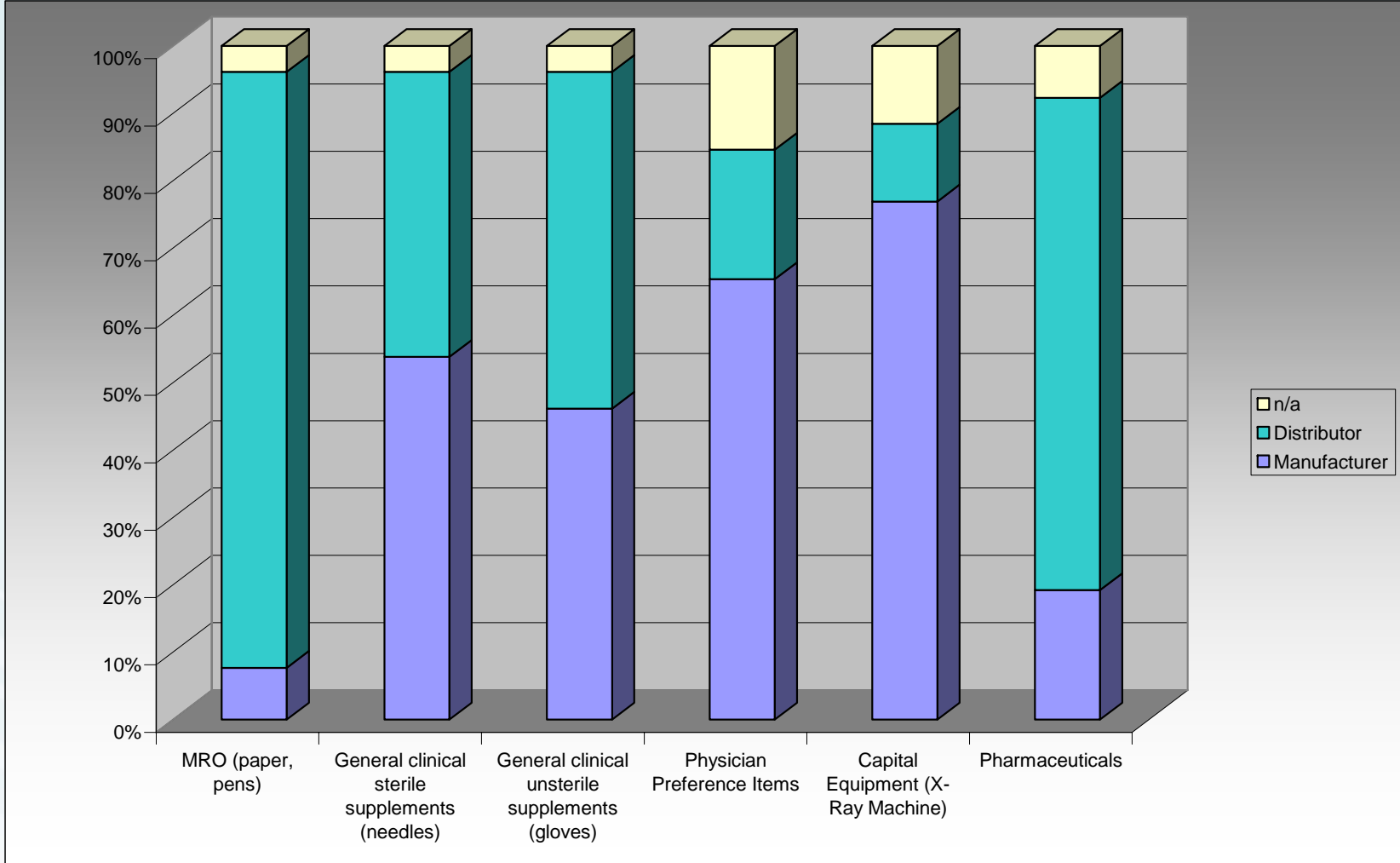


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Usage of 3rd Party Services

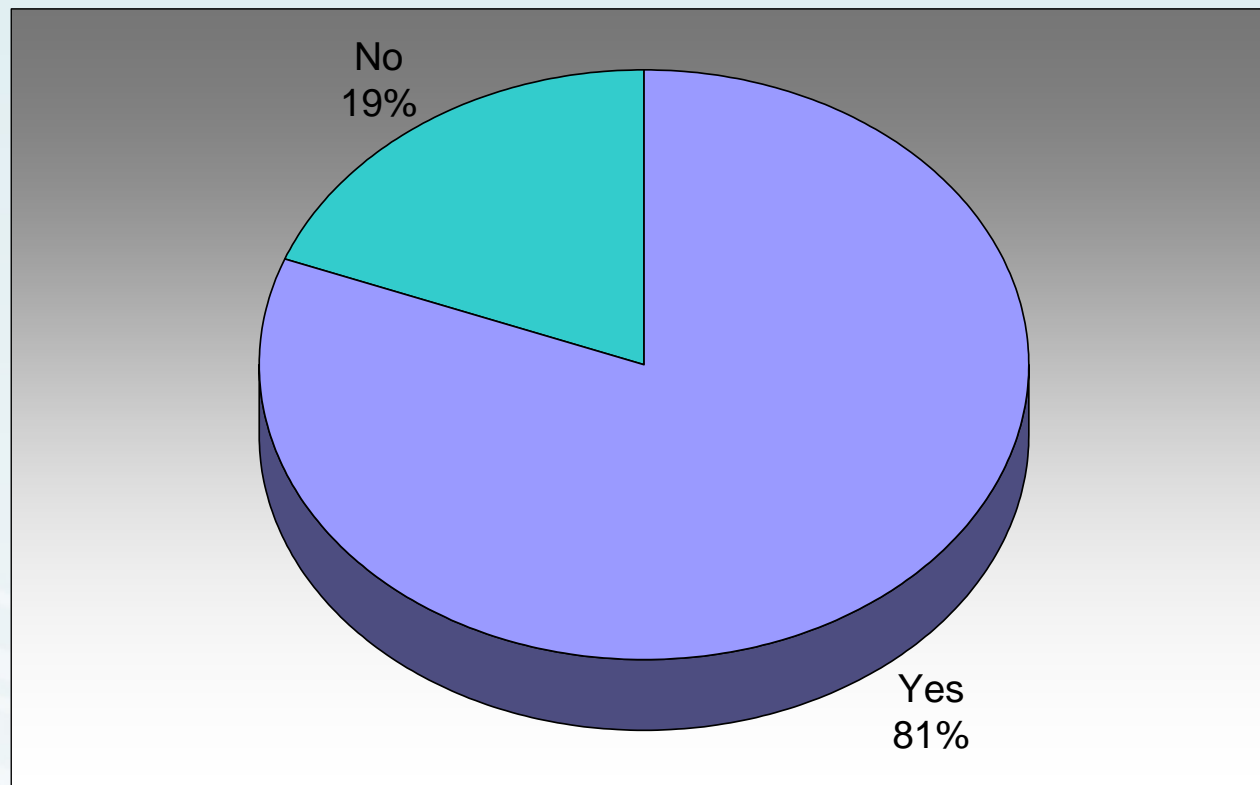


Distributor vs. Manufacturer



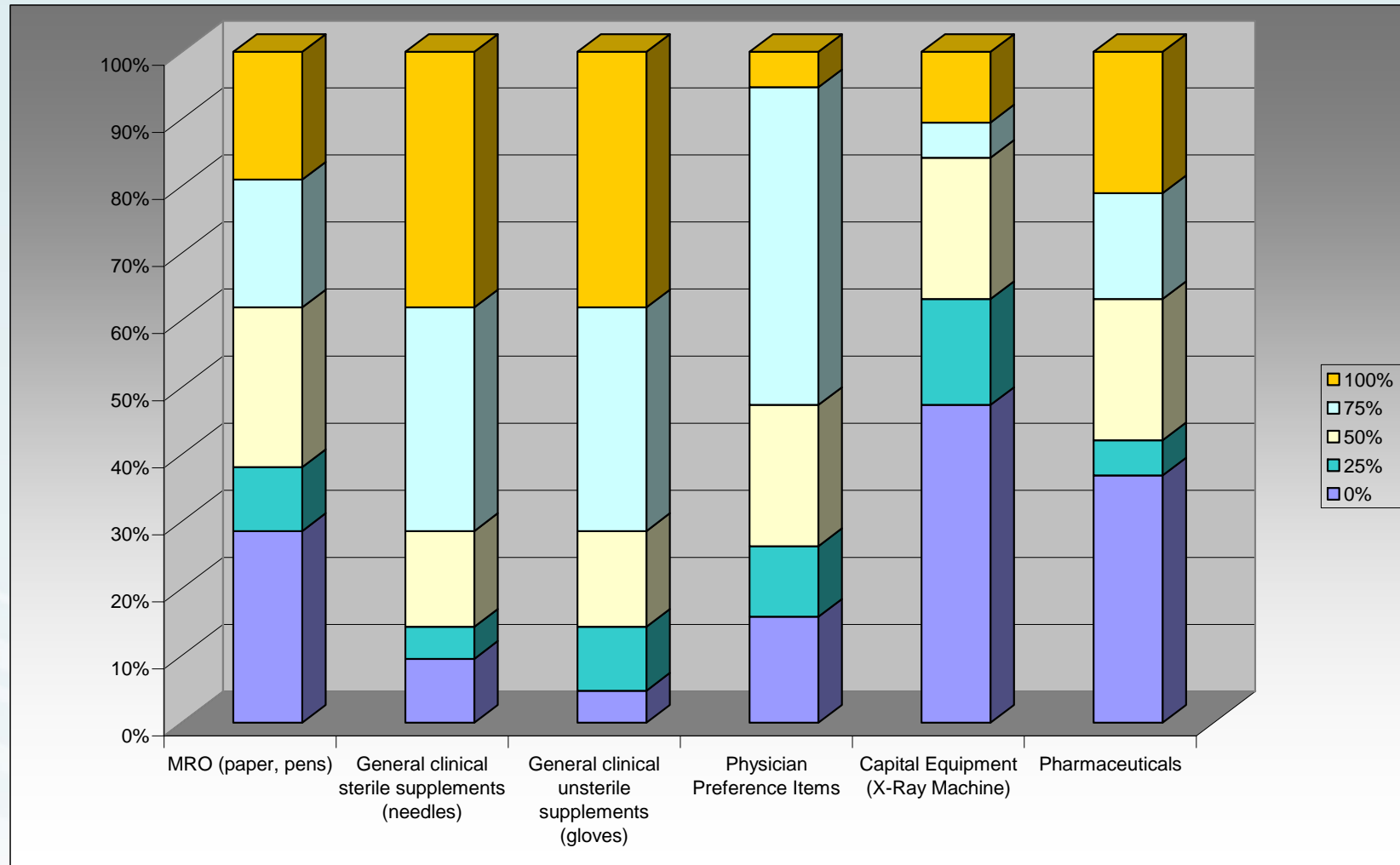
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GPO Member



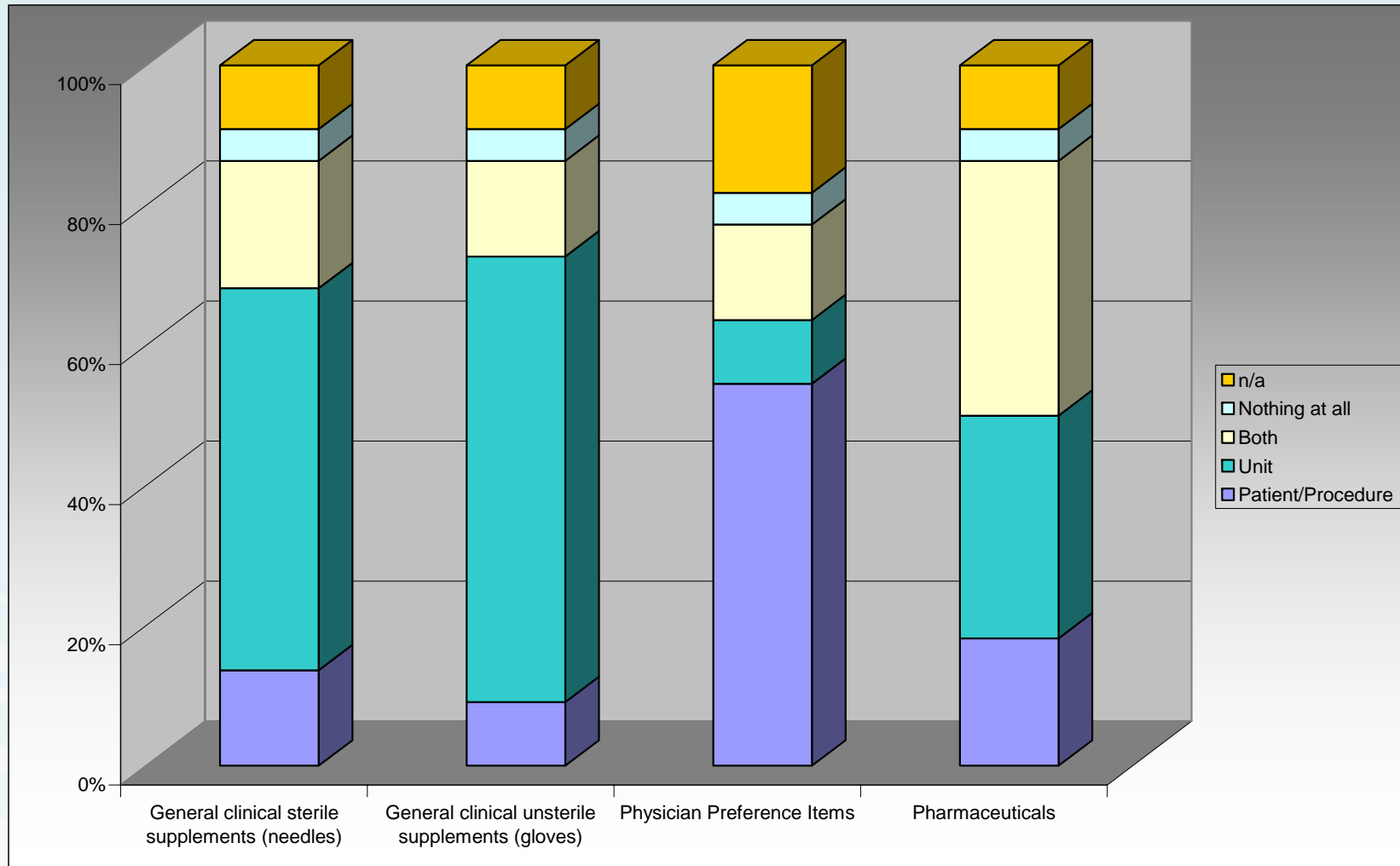
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Buying Volume with GPOs

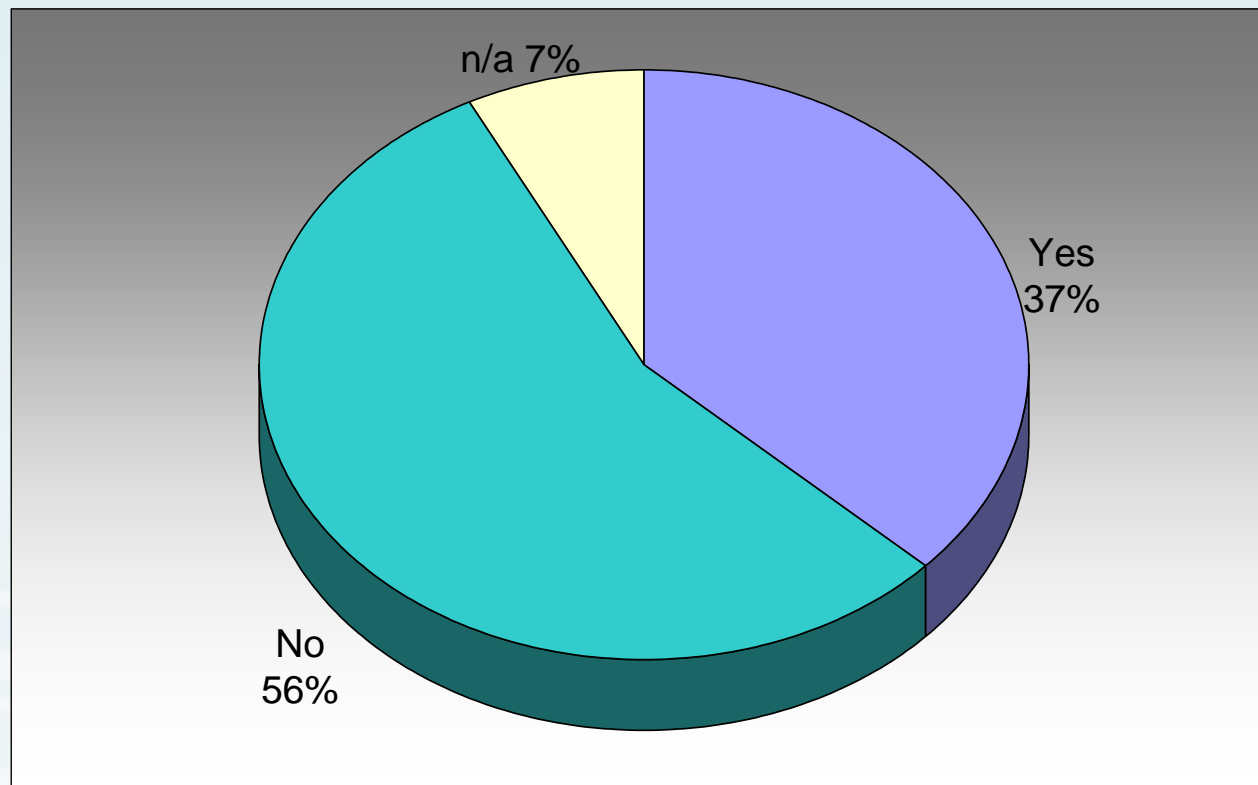


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Charging of Medical Equipment

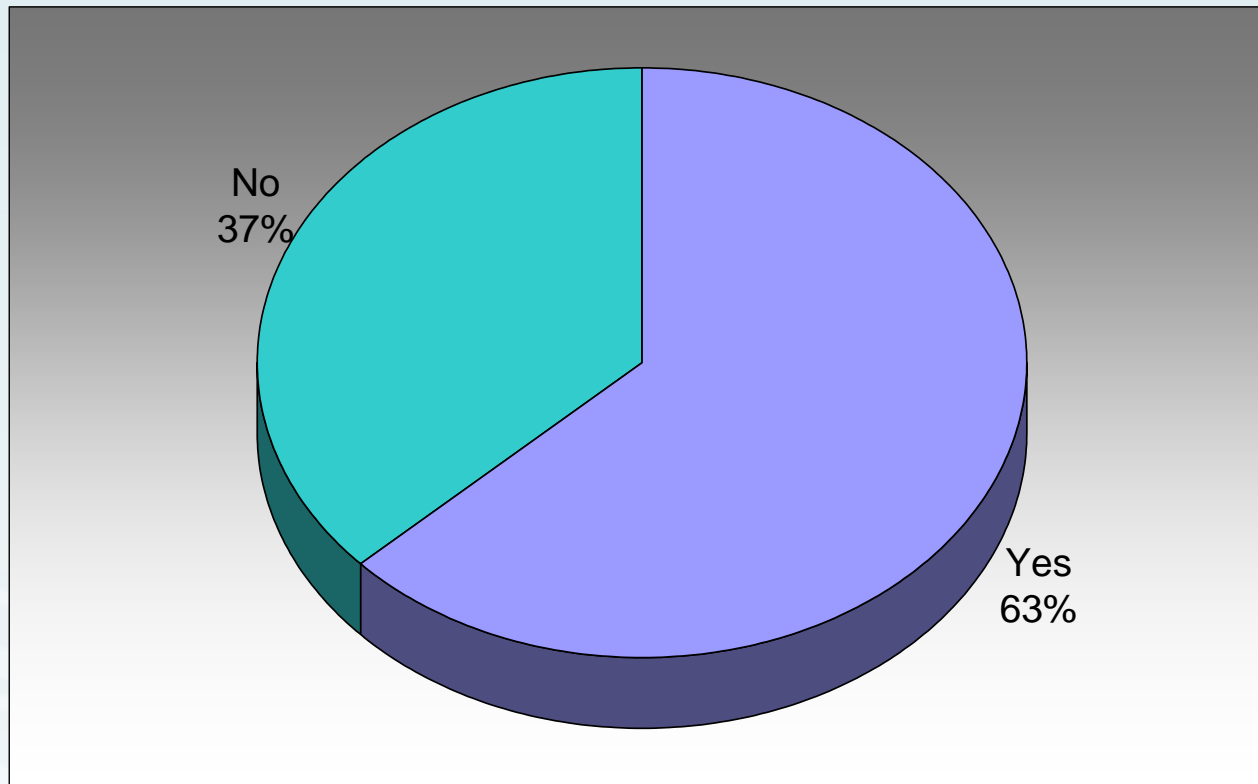


Supply Chain Strategy



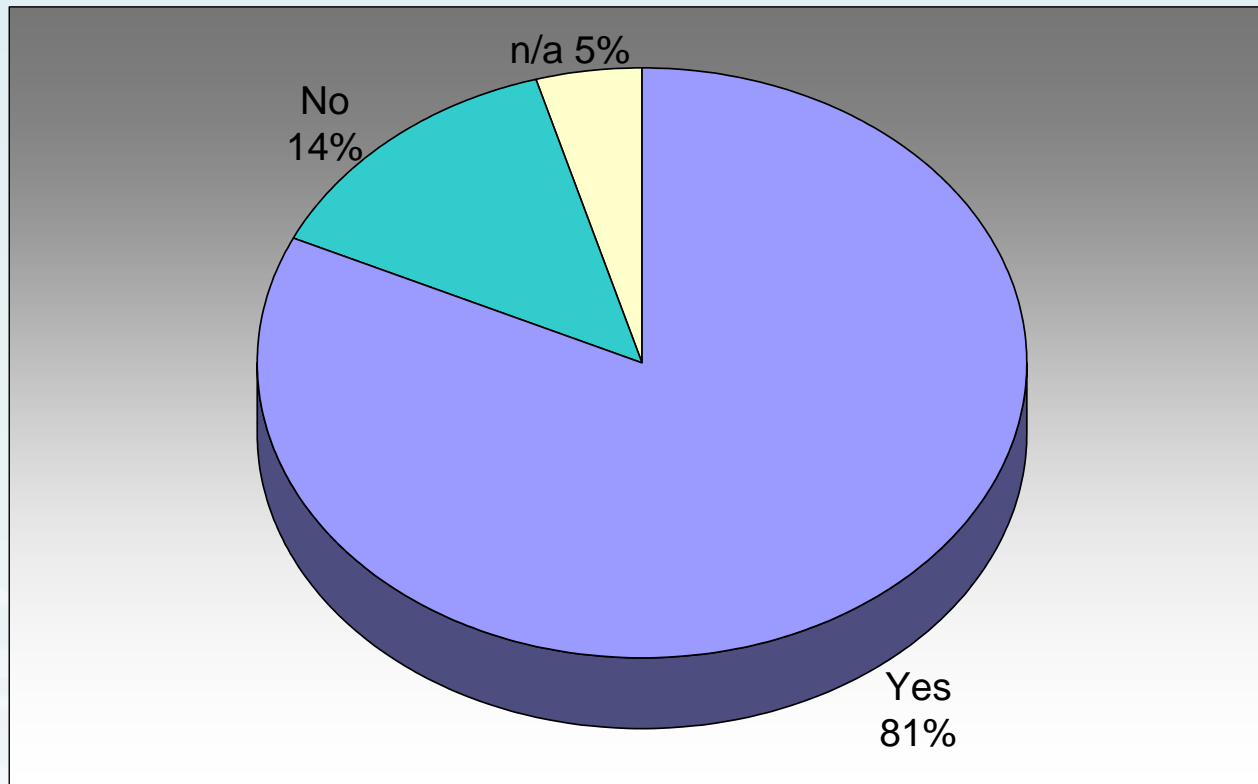
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Strategic Sourcing



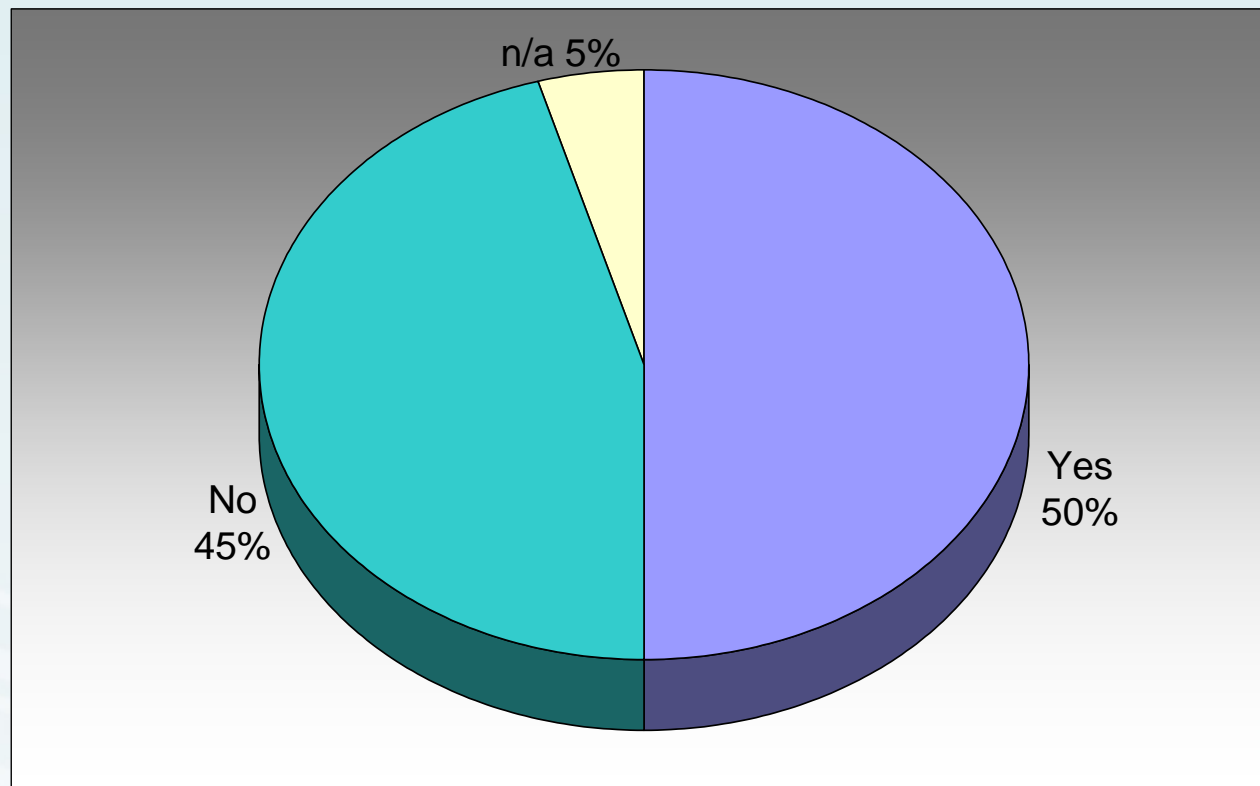
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Usage of WMS



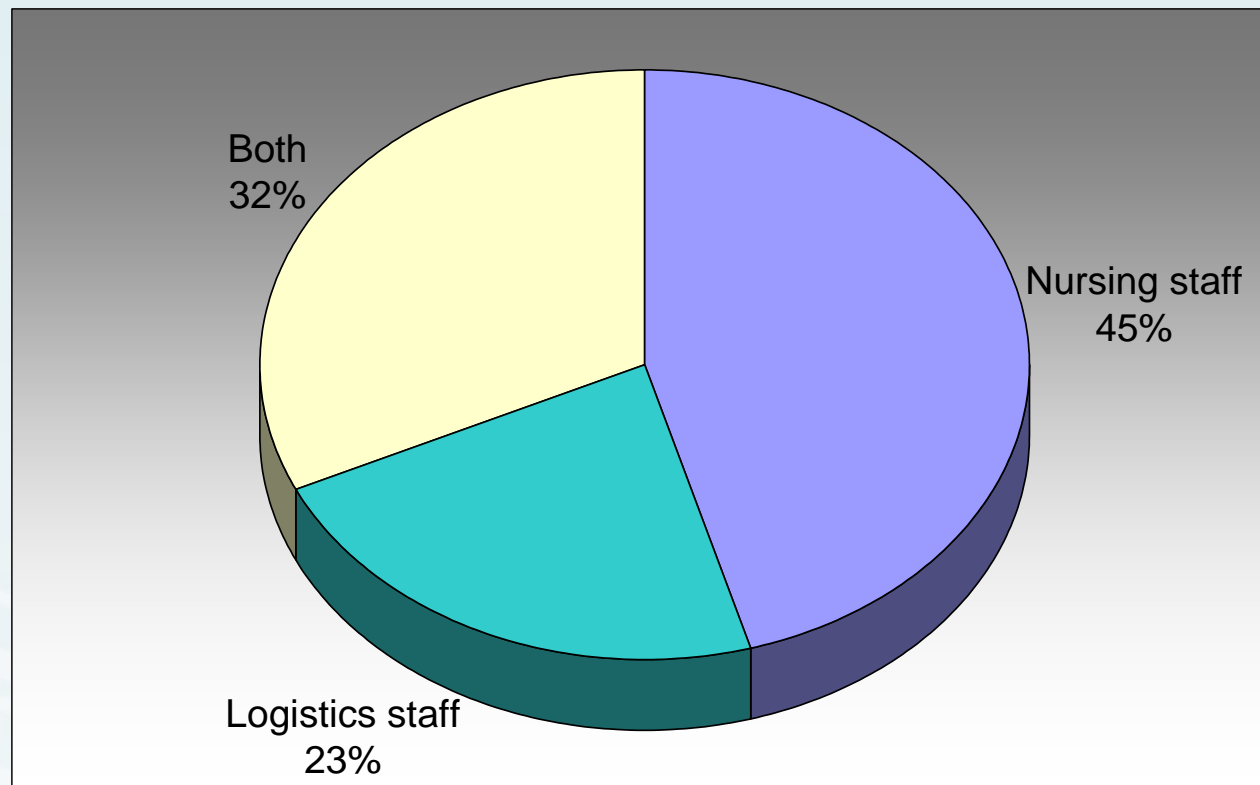
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Inventory Management on Units



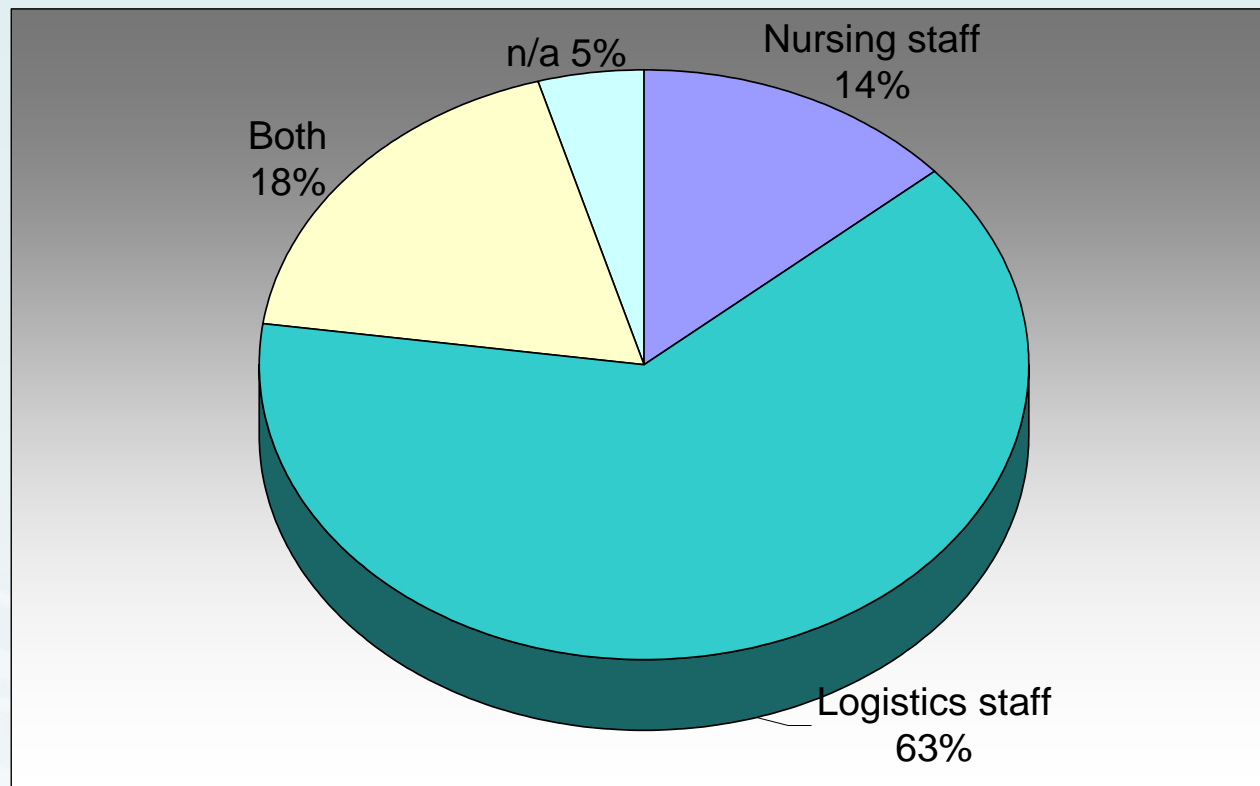
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Who is Ordering Replenishment?



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Who is Putting the Replenishment into the Shelves?



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