



The second health care market as part of the pharmaceutical sector?

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Is there a second health care market in Croatia? as an additional part of the health care economy?

Basic coverage for everybody

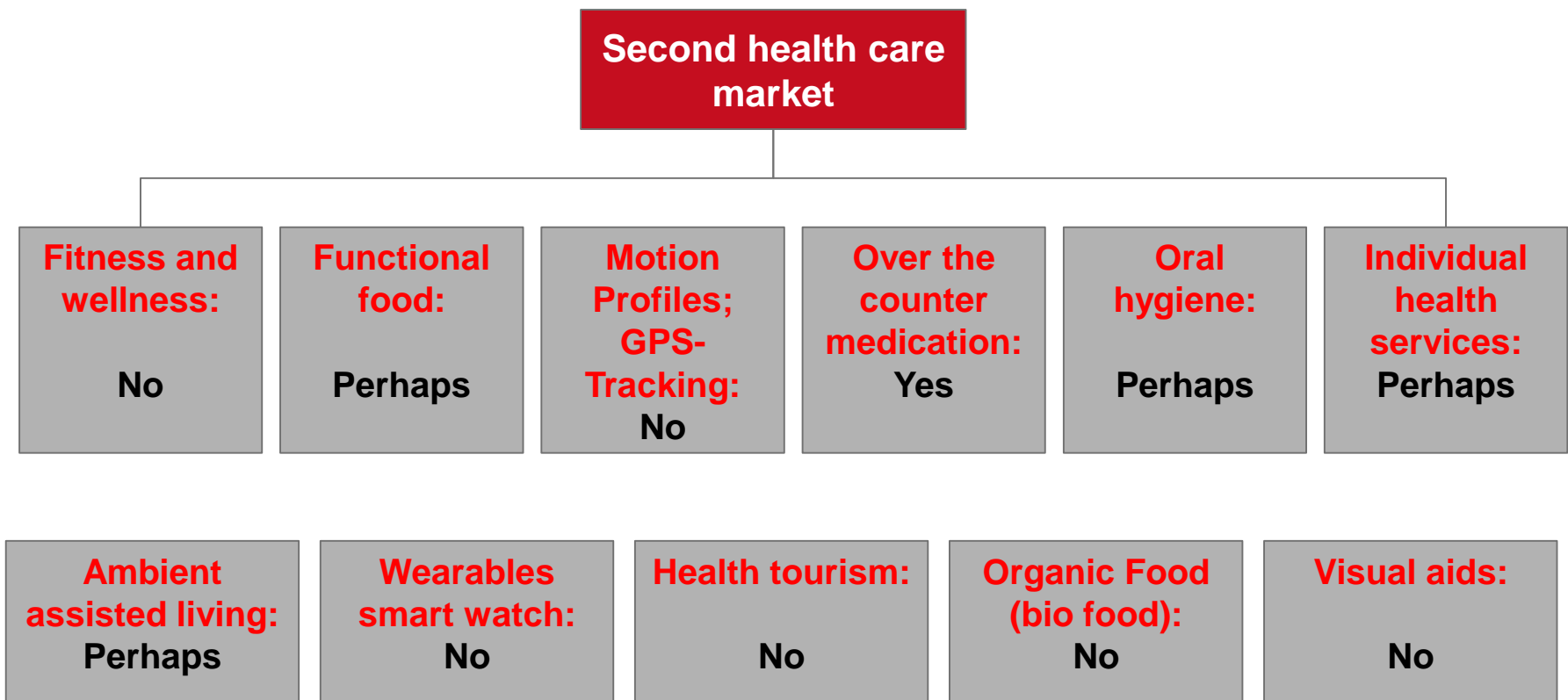
BUT:

- Top-on private coverage gains in importance in Croatia (co-payment, voluntary insurance etc.)?
- Wellness- and fitness revolution cannot be stopped
- Enabling/Empowerment in health care is improving



Selected Elements of the second health care market

Are there connections with the pharmaceutical industry?





The 4 sector model (2008 – 2014)

Core health economy (CHE) and extended health economy (EHE)

There are 4 areas of consumption within the health economy divided by a product-based differentiation with the core health economy (CHE) and the extended health economy (EHE). The differentiation according to the primary and secondary market follows the flow of financing.

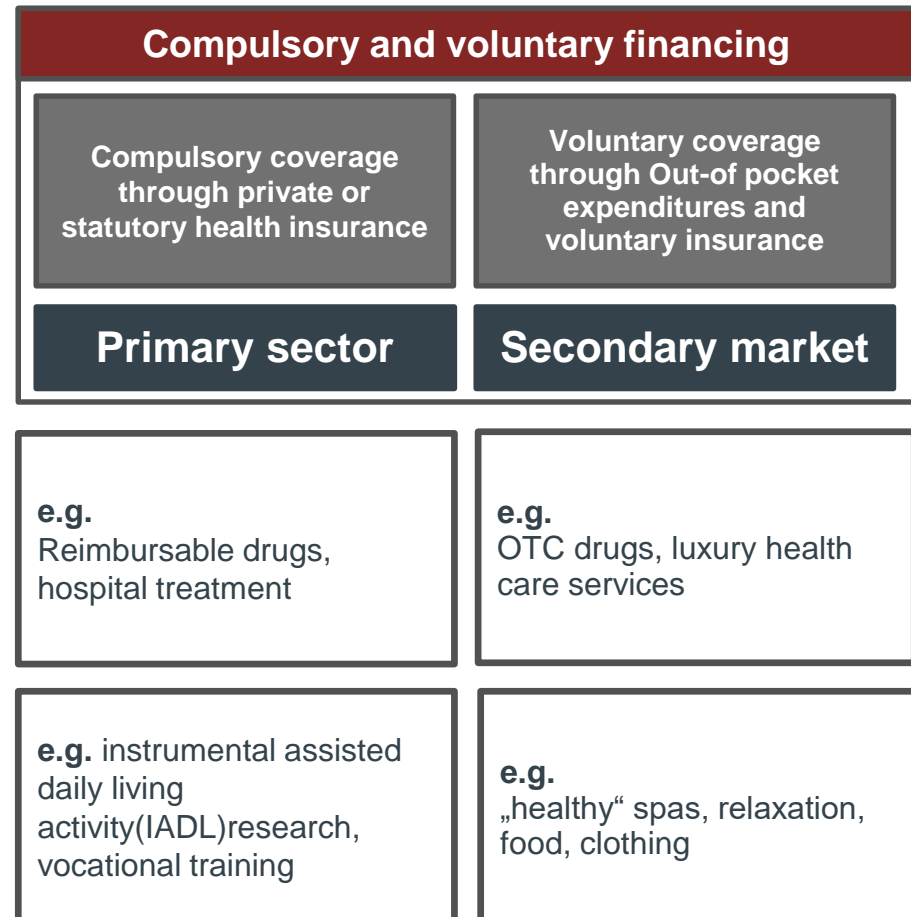
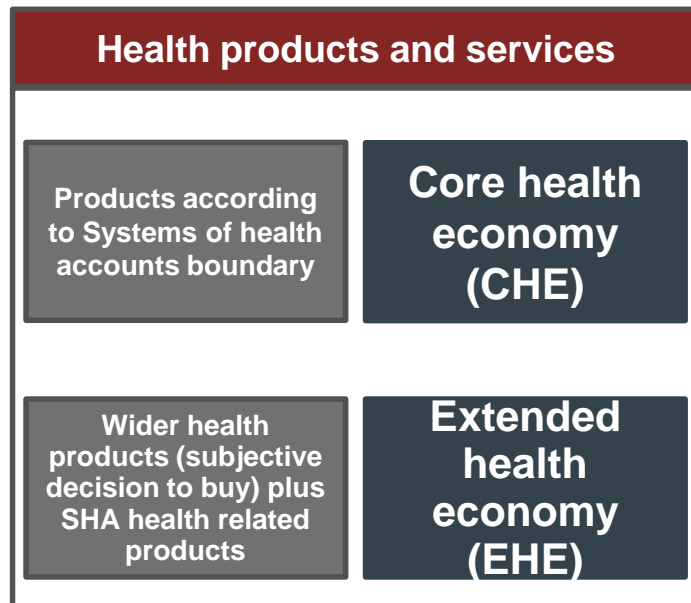
The four sector model shows the development for the years 2008-2014. The smallest increase (0.5%) is in the extended sector and the primary market whilst the highest increase (4.6%) is to be seen in the extended health economy and the secondary market.

The Extended Health Sector (EHS) refers to groups of products which were not previously classified in official statistics as belonging to the health sector.



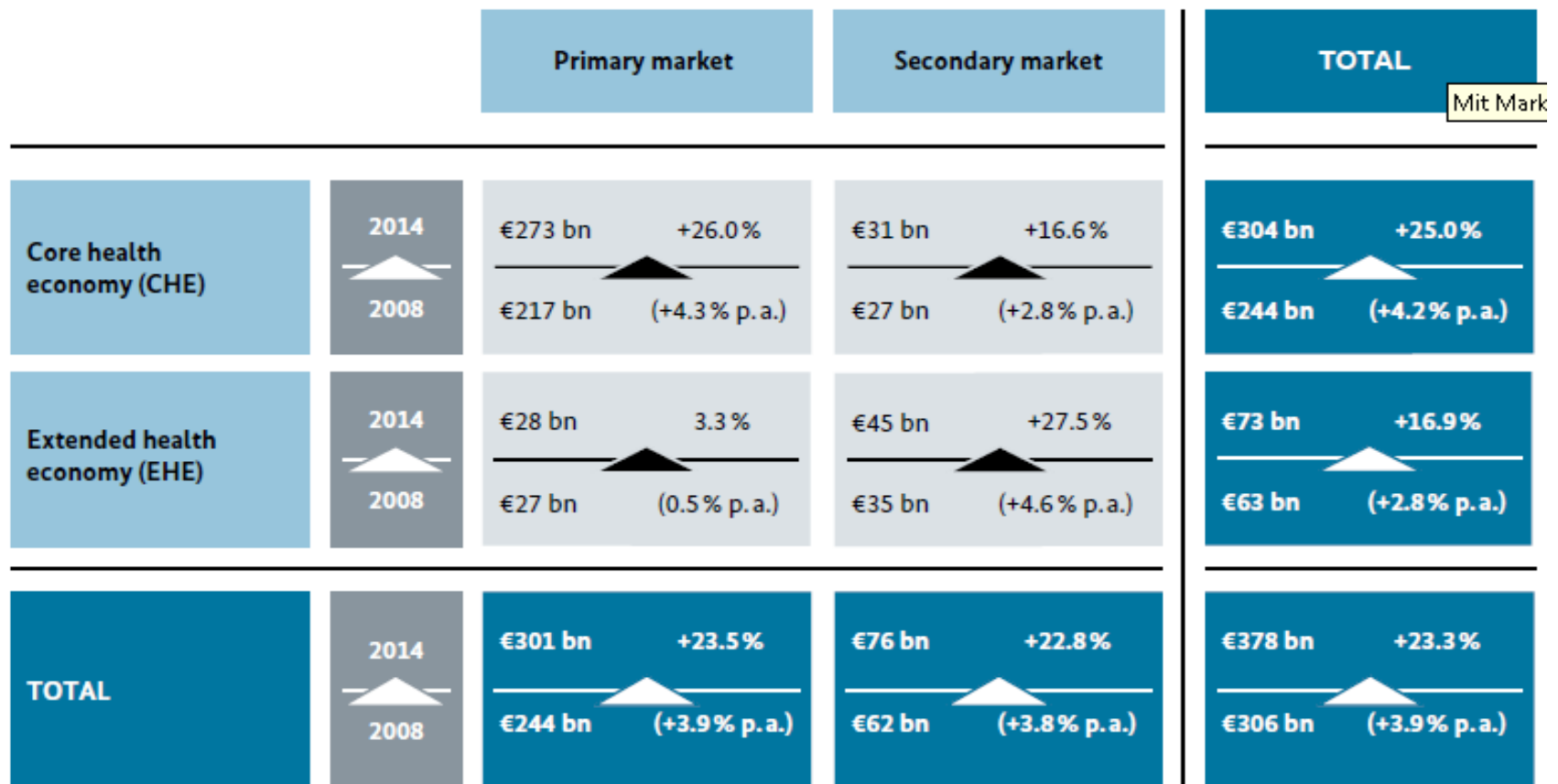
The benefit of the health economy in four sectors (Bismarckian System)

Source: Henke, Neumann, Schneider et al. (2010).



The four sector model

The figures for 2008 to 2014



Source: National Health Account, BMWi (2017); Calculation: WifOR/BASYS



The four sector model shows the development for the years 2008-2014

- The smallest increase (0.5%) is in the extended sector and the primary market
- The highest increase (4.6%) is to be seen in the extended health economy and the secondary market



Perspective for the health care market in the shorter run

- The economic dividend of the total health economy is to be seen on the last slide 3,8 % value added and 1,6 % employment
- The second health care market will continue to grow
- It will be perhaps the pioneer for certain types of health services
- Reimbursable services will follow
- **The Extended Health Sector refers to groups of products which were not previously classified in official statistics as belonging to the health sector.**



The economic dividend/footprint of the health economy

Value added and employment of the health economy (2016)

Source: National Health Account, BMWi (2017), calculation: WifOR/BASYS

		Gross value added	Employment
Core health economy (CHE)	2016	248.3 bn €	5.3 m
	Growth 05 - 16*	+ 3.8 %	+ 1.6 %
Extented health economy (EHE)	2016	88.0 bn €	1.7 m
	Growth 05 - 16*	+ 3.8 %	+ 1.8 %
TOTAL	2016	336.4 bn €	7.0 m
	Growth 05 - 16*	+ 3.8 % p.a. Share of GDP: 12.0 %	+ 1.6 % p.a. Share of labor market: 16.1 %



Perspective for the second health care market in the very long run

- Imagine homes with smart meters for electricity, water and gas.
- On the one hand, smart meters can give an exact overview of the consumption of residents. They can visualize the consumption on a daily basis, from one week to another, from weekends to weekdays etc., thus increasing awareness.
- On the other hand, they can easily be used to determine that an elderly person used water, electricity etc. late at night but not again the next morning. Detecting irregularities and/or a failure to use gas, water and electricity supplies can help to reveal an emerging illness.
- Of course, nobody should know absolutely everything about a resident's daily routine - but the home itself could know and learn and self-configure. The home could - in suspicious circumstances - send information. A sudden increase in wakeups during the night could, maybe, cause a traffic light signal to switch to amber; no life signs at all would switch it to red. Then somebody could start to care



Assisted technologies one day as standard services?

Uwe Fachinger, Vechta University 2016

“Technical development has been on the rise over the last decades – especially regarding communication and data processing. **E-health as a collective name for the use of information and communication technology** in the health system is meanwhile a common expression. Also in health and long term care the use of technics increases..... Terms such as AAL (ambient assisted living) or e-care are exemplarily illustrated and main areas of development are presented. **Chances and challenges of new technologies are addressed and it will be discussed, how those technologies can be included as standard into the statutory health and long term care insurance”.**



Final question: Is the second health care market partially co-financing the first „market“ (the core health economy)?

- Better health through assisted technologies (information, communication, housing, nutrition etc.)
- AAL systems keep people away from public services in the traditional sense.
- New professions in therapy, new study fields and research areas are developing at the same time.
- These developments lead at the same time to a better basis for financing other parts of the economy



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More questions than answers?

Is there a second health care market in Croatia and the balkan states?

Are there connections with the pharmaceutical industry?

Is there an additional part of the health care economy developing?



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Back up



Measuring performance in the health care sector

Improving value for money

More value

- » by paying for performance; more selective contracting
- » by involving patients more in their own care
- » through a more entrepreneurial and innovative behaviour
- » through evidence-based health policy
- » through a consistent basic legal framework and binding guidelines

And last but not least:

Health assessment (HA) as the major scientific challenge