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Task Force 01

FIGHTING INEQUALITIES, POVERTY, AND HUNGER

Addressing Health System Fragmentation by Improving Coordination

João Pedro Caleiro, Writer-Researcher, Lemann Foundation Programme at the Blavatnik School of Government at the University of Oxford (United Kingdom)

Patricia Chueiri, Professor and Researcher, Department of Medicine at the Albert Einstein Israelite College of Health Sciences (Brazil)

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Abstract

The COVID-19 pandemic has exposed the vulnerabilities within the health systems of G20 nations, revealing issues such as care fragmentation, limited information sharing, and poorly integrated systems. Striking the optimal balance between decentralizing health services and upholding national standards, a challenge in normal circumstances, proved even harder during the pandemic. Improved coordination among providers, both public and private, as well as various health stakeholders and institutional actors, holds the potential to enhance quality and reduce costs, ultimately leading to better outcomes.

Brazil is an illustrative case for both the challenge and potential of improved health coordination. SUS, its universal public health system, is the largest of its kind and is by design dependent on continuous negotiation between the Union, states, and municipalities, all of which share responsibility for health. Regionalisation, an organisational principle of SUS, aims to organise care regionally by leveraging the coordinating power of states vis-à-vis municipalities, which often lack the scale and capacity to deliver care. However, implementation has been unequal and compounded by political and technical challenges, an experience that provides lessons for Brazil and other nations.

This brief will: i) describe the challenges of coordination considering the continuum between decentralisation and centralisation; ii) connect these challenges to the pandemic experience; and iii) suggest the creation of mechanisms to share experiences and improve coordination on the domestic level, based on the experiences of Brazil and other G20 nations.

The primary recommendation is to reduce system fragmentation and move towards integrated health services, with a priority on coordination and experience sharing forums, strengthening social participation and connection to other care services, and digital health.

Diagnosis of the Issue

Over the past several decades, healthcare delivery has been under strain across G20 countries. Factors like ageing populations, the associated rising burden of non-communicable diseases, and health inflation outpacing headline inflation have led to a greater portion of government revenue being allocated to health, which has been growing as a share of GDP as well. Despite this, health systems are struggling to keep up, and the COVID-19 pandemic further highlighted the potential of health crises to disrupt economies and societies, raising the salience of health and amplifying pre-existing inequalities.

Foremost, the pandemic underscored the importance of health systems' resilience, meaning their capacity to respond to and endure shocks (Kruk et al, 2017)[1]. This resilience can be potentially evaluated across the four functions of any health system: governance, financing, resource generation and service delivery (EU Expert Group on Health Systems Performance Assessment, 2020) and is crucial for successful outcomes (Fleming et al, 2022). While health policy coordination can occur at the regional and international levels, this document will focus on national experiences.

Presently, national health systems within the G20, especially in Latin America, suffer from weak coordination and extensive system fragmentation, a challenge previously addressed in the T20 sphere (Baskhar, 2023). This indicates that the different stakeholders

[1] Resilience as "the capacity of health actors, institutions, and populations to prepare for and effectively respond to crises; maintain core functions when a crisis hits; and, informed by lessons learnt during the crisis, reorganise if conditions require it".

and components of the system do not work in lockstep (Bossert et al, 2014)[2], resulting in waste, inefficiency, poor communication, and subpar health outcomes. Here, it's essential to acknowledge there are two distinct yet interconnected challenges of coordination in place: first, from the patient's perspective, *coordinating care across different providers* to offer a more seamless journey through care provision, and second, from the manager's perspective, *coordinating decision-making across different entities* to ensure a well-functioning health system.

Both challenges are shaped by the national institutions and the features unique to each health system. Take Argentina, for instance, where three distinct systems operate concurrently – public, private, and social insurance. The latter encompasses 300 "Obras Sociales", linked to professional categories and covering 60% of the population. Despite this, there is a lack of mechanisms for coordination in financial, health or management risks. In the United Kingdom, where a public, universal healthcare system is in place, there is a growing emphasis on improving coordination beyond immediate health care delivery, recognising that social determinants of health play a major role in determining health outcomes. In large countries with decentralised health systems like Brazil, Italy and Canada, the coordination challenge often revolves around striking the optimal balance between the devolution of formal competencies in health and intergovernmental coordination, by using regionalisation of health as a guiding principle.

In the case of Brazil and its Unified Health System (SUS), health is a shared responsibility among municipalities, states, and the Union, each with distinct

[2] Fragmentation as the "existence of many non-integrated entities and/or agents within the whole system or in a subsystem that operate without synergy and often competing among each other"

responsibilities under a model of cooperative federalism established by the 1988 Constitution. In the first years of the system, there was a strong emphasis on decentralisation and capability building on the municipal level. However, over time, fragmentation issues became evident, particularly as two thirds of Brazilian municipalities have populations below 20,000 inhabitants (IBGE, 2021) lacking the scale or capacity to provide higher complexity treatments. To tackle this fragmentation, there has been an increased focus since the 2000s on the regionalisation of health, a constitutional principle of SUS serving as a strategy to "correct the inequalities in access and fragmentation of health services in the country" (Health Ministry, n.d.) by organising SUS in a functional way with service provision guaranteed on the regional level. Implementing regionalisation requires coordination by the state level, which vary widely in managerial capabilities, political prioritisation, and organisational focus.

Additionally, a misalignment of financing and governance structures in the Brazilian system actively undermines coordination across several fronts. The lack of shared digital infrastructure serves as an additional challenge for Brazil which is common to various G20 countries.

Recommendations

Coordinating services is one of the five strategic directions recognised by the WHO for implementing people-centred and integrated health services, which has demonstrated considerable benefits (WHO, 2015). The primary recommendation of this policy brief is for G20 countries to improve health delivery by fostering collaboration and learning among all stakeholders and political entities aiming to reduce system fragmentation and increase resilience.

Understanding coordination as a continuum is crucial. At one end, sits a minimal idea of coordination where system components enhance their communication to address evident forms of waste, overlap, service duplication or provision gaps. At the opposite end lies a more sophisticated, robust form of coordination which goes beyond smart communication to involve collaborative policy co-design and implementation, and shared decision-making structures. However, this advanced coordination incurs its own costs in terms of time, resources, and the potential for turf wars to develop, among others. Countries should strive to understand the balance of potential benefits and costs in each scenario and adapt their actions accordingly.

Within this overarching framework and initial consideration in mind, we have identified priority avenues aimed at enhancing coordination within and across governments:

(i) The first recommendation is mapping the existing forums for health system coordination that articulate, promote, and facilitate dialogue and learning between different levels of government (local, regional, and national), providers (public and private), and other health stakeholders (including patient groups). Building on this diagnostic, G20 countries should endeavour to enhance these forums with the necessary

political support and capabilities in terms of resources and personnel. In the cases where these forums do not exist, consideration should be given to establishing them.

Brazil is a noteworthy case of coordination across various levels of government. The institutional framework of SUS is heavily reliant on agreements facilitated through official commissions on the bilateral, trilateral, and regional levels, with decisions reached by consensus (Library SUS, 2009). During the COVID-19 pandemic, when the federal government refrained from centralised coordination, subnational entities took the initiative, with a focus on the state level and a prominent role in CONASS, an entity which gathers the health secretaries of 26 states plus the Federal District. CONASS disseminated statements in favour of higher policy stringency and served as a platform for mutual learning, solidarity, and exchanges.

Though this stronger position of CONASS was context dependent, it could internally serve as a catalyst for enhancing the coordinating capabilities of states for implementing regionalisation, and externally illustrate that evidence-based, consensual, and "soft" tools are valuable for coordination, serving as a template for similar forums in other countries. Bottom-up approaches can be more valuable for implementation, particularly as they allow greater local experimentation and flexibility.

Italy illustrates the role of learning forums by third parties in the context of a unitary republic where health is decentralized at the provincial level. Though not coordinating forums per se, these mechanisms facilitate learning and help mitigate the inequalities that are common in decentralised systems. In 2008, a voluntary-based governance index of 400 indicators named IRPES was implemented by the MeS Lab of Sant'Anna School of Advanced Studies. 12 of the 17 provinces adhered, and their representatives meet regularly to analyse, identify, and spread best practices (Vola et al, 2022).

(ii) The second recommendation is to incorporate the citizens' perspective and integrate other public care services related to the social determinants of health to enhance coordination of both care provision and decision-making. In England, the model of integrated care systems (ICSs) has been recently mandated for the entire system after years of informal local experiences acting through soft power. These 42 systems, covering populations ranging from around 500,000 to 3 million each, involve organisations from both the National Health Service (NHS) and other care areas. One of the stated objectives is to create a less fragmented experience for the user, particularly for chronic conditions which require longer cycles of care.

(iii) The third recommendation is ensuring that the infrastructure for coordination is set in place, with a focus on shared digital systems aligned with the four strategic objectives outlined by the WHO (WHO, 2021). Consolidating digital health systems is a concern in the G20 sphere that predates the COVID-19 pandemic but has been compounded by it. The fragmentation of data systems was cited as the main challenge for coordination during the pandemic in Brazil, and many components of the COVID-19 response were enabled by digital infrastructure, including telemedicine, contact tracing and infection dashboards. These systems had to be put in place hastily, and now there is an opportunity to streamline and consolidate this digital infrastructure to allow for coordination both during and outside of crisis contexts, while at the same time incorporating the potential of emerging tools such as artificial intelligence.

Digital health is a stated priority for the Brazil presidency, following the announcement of a Global Initiative on Digital Health during the India presidency of the G20 in 2023 (WHO, 2023), and is an area where the G20 can work together, building on both its previous agreements and recommendations on the T20 sphere (Sarma, 2023). On

the national level, G20 countries can support and encourage each other to create and implement their own strategies by voluntarily sharing their own experiences and existing tools. On the international level, the G20 can establish minimum frameworks and guidelines for sharing health data. Across the board, these initiatives should ensure that concerns over interoperability and data protection are addressed, in the latter case, due to the high sensitivity of health data for citizens. A functioning governance system must be set in place while ensuring that digitalisation does not risk exacerbating the effects of digital exclusion since over a third of the world's population is still offline (Kamineni, 2023).

The recommendations of this policy brief are also aligned with ongoing initiatives within the G20 to steer countries towards higher value health systems, including the frameworks from the Global Innovation Hub for Value in Health, created during the Saudi presidency in 2020.

Scenario of outcomes

If adopted by G20 countries, the policy recommendations outlined in this brief should enhance health system coordination, leading to a more efficient use of resources, and contribute to resilience, improving the speed, flexibility, and quality of response to exogenous shocks like pandemics or natural disasters. Improved coordination among key stakeholders at both the political and provider levels, with the integration of other services, should also facilitate the streamlining of care pathways, thereby improving experiences and outcomes for patients, particularly in the case of chronic conditions that are dependent on multiple episodes of care over longer periods. In places like Brazil, where fragmentation contributes to the existence of areas with no assistance, higher coordination can contribute to increased access and health equity. However, it is essential to consider obstacles and important caveats during implementation.

The first consideration is that recommendations are highly context-dependent, with the emphasis for each G20 country contingent upon the nature and degree of health system fragmentation and its underlying challenges. For instance, federations with decentralised universal health systems, like Brazil and Canada, might place a greater emphasis on improving coordination between states and between states and municipalities. Conversely, countries like Argentina might benefit more from consolidating the relationships between different health insurance schemes.

The second consideration is to establish the political and material conditions for smooth coordination, which entails a process of capacity building, stakeholder engagement, and trust-building over an extended period. In essence, coordination cannot be imposed simply through legislation, and a top-down, heavy-handed approach may result in suspicion and resistance. It's worth noting here the voluntary nature of forums

for provincial learning in Italy and the internal, institutional consensus-based features of the Brazilian health commissions and CONASS. CONASS, in particular, had built its profile and credibility over decades, positioning itself uniquely to assume a stronger role in helping with coordination during the COVID-19 pandemic.

Countries should also be aware that coordination is frequently hindered by insufficient capacity, personnel, and budget for the institutions responsible for undertaking it. For instance, in Brazil, certain structures at the state level crucial for operationalising regionalisation by coordinating with municipalities (Shimizu et al, 2021) for example, have weakened over time. Moreover, the regional commissions established to enhance coordination at the regional level were inconsistently implemented, resulting in significant disparities in terms of available resources (Aleluia et al, 2022) and affecting coordination outcomes. This underscores the difference between de jure and de facto coordination structures, emphasising the significance not only of explicitly designating coordination responsibilities within organisational structures, but also the role of appointing permanent, dedicated, competent teams to these bodies to prevent coordination being overshadowed by competing priorities.

The third important consideration is that other critical aspects of health systems, such as financing and procurement, must be taken into account or political and material incentives may not align towards more health system integration, potentially exacerbating fragmentation. In the case of Brazil, for instance, the fee for service model predominant in specialised care does not induce the integration of coordinated care pathways. Similarly, the allocation of the federal health budget has been increasingly dominated by parliamentary amendments. These are often disconnected from long-term health planning and driven by political reasons instead of technical criteria, serving as a force for fragmentation.

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