During the 2017 General Assembly in Taipei, Republic of China, IHF members adopted a resolution on wasteful healthcare spending.

Health services are often criticized for their improper use of resources and significant efficiency gaps. Moreover, several standalone studies in different countries have pointed out specific areas of waste, including duplicate tests, poor asset management, inadequate use of the staff’s competencies, cumbersome and resource-consuming processes, only to name a few.

The OECD has published a report on wasteful healthcare spending, which provides an interesting framework to classify sources of waste into three main categories, namely: wasteful clinical care, operational waste, and governance-related waste.

Operational waste is the easiest to tackle and should be a primary concern for healthcare decision-makers. Operational waste is mainly due to the inappropriate use of services and inefficient processes for delivering care.

Healthcare leaders and policy-makers have been taking measures to tackle this type of waste in several countries. To this regard, the purchasing process and supply chain optimization remain critical factors and a priority for countries that aim at reducing costs without affecting the amount and quality of care. That’s why the IHF has created a Special Interest Group for Group Purchasing Organizations. This is only one of the many other initiatives that can help reduce costs without compromising the quality of healthcare delivered to the population.

What’s certain is that effective spending while reducing fiscal space and ensuring universal health coverage is paramount for the credibility and evolution of healthcare services. To this end, the IHF Secretariat will be developing a framework to identify and prioritize the improvements that can lead to cost reduction and will be collecting relevant research and guidelines from members.

The IHF Secretariat will also open a discussion forum to share views on how to distinguish what is wasteful from what is inefficient but not necessarily wasteful, especially when taking factors, such as uncertainty and risk mitigation into account.

This information will be used to prepare possible recommendations and improve IHF members’ access to good practice. This process will be supervised by the Governing Council, who will provide clearance for its disclosure.

The results of this initiative, which will be published, will also provide the grounds for exploring possible joint actions with the OECD Health Team to lay out policy recommendations for governments.