Harvard T.H. Chan School of Public Health – Julio Frenk, Dean – Mexico

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Healthcare should not be seen as an expenditure, but rather as an investment. Mexico's former minister of health and current dean at the Harvard T.H. Chan School of Public Health discusses how Mexico is moving towards effective universal coverage, the challenges the system is facing and the issues that remain.

In an interview you gave some time ago, you mentioned that "health stopped being the concern only of the domain experts […] and started becoming a central component of the most pressing issues on the global agenda." How do you think this is reflected today in Mexico?

Health is now understood to be a central determinant of other social objectives, such as economic growth, political stability and security. This has led to a marked change over the last decade, as health has become a much more central topic. Today it is not only the concern of ministers of health, but also of ministers of finance and security: without good health, a country's economy cannot grow, and uncontrolled epidemics can become a security issue, as is currently the case with Ebola. The visibility of health on the government agenda has increased, and this is reflected in the fact that resource allocation to healthcare has grown tremendously over the last fifteen years, both in the form of international transfers to developing countries and in domestic budgets.

When I was minister of health in Mexico back in 2000, we articulated very explicitly that besides its intrinsic value, health is a major means to achieving economic growth, stability and national security. We pointed this out to stress how Mexico was underinvesting in health. The paradigm shift was to persuade the minister of finance that healthcare is not an expenditure, but an investment, and that one of the reasons successful economies work is that they are investing in health. It was a very different position compared with those of previous governments. Fortunately, as a result, the budget allocation for health was the one that grew the fastest.

With total expenditure on health standing at 6.2 percent of GDP, Mexico ranks way below the OECD average of 9.3 percent. If more resources are allocated to health, what else should be done to make sure that this has a long-term effect on all other sectors of public life?

My position has always been that of a basic commitment to taxpayers to allocate more money for health. However, the issue is not only getting more money for health, but also getting more health for the money. We can point to many examples of very inefficient systems, where the results are not commensurate with the money that was invested. That's where good management, incentives and efficiency become so important—to ensure that the resources are allocated adequately, and a system really gets more health for its money.

Dr. Ruelas, president of the National Academy of Medicine, told us that "universal health coverage is about value, not only volume. If you don't introduce quality to the equation, you risk doing more harm than good." How can quality be ensured and monitored within Mexico's complex and diverse healthcare system?

As minister of health, I invited Dr. Ruelas to become the first vice-minister for quality and innovation, and we launched a very comprehensive strategy called the National Crusade for Quality in Healthcare. Although the name is not used anymore, the elements of the strategy are still there. The crusade included a comprehensive approach that started by defining quality and establishing measurable indicators: one cannot improve what one cannot measure. Quality has two main dimensions: technical and interpersonal. The technical dimension includes safety, which is making sure that health services do not harm people and that drugs are effective and do not produce secondary reactions; that is, that health services work as they are supposed to. But that's not the end of the story. Healthcare implies an interaction among human beings, so the interpersonal dimension is critical. It includes key elements such as the respect for the rights of people, including their rights to confidentiality and to participate in decisions about their own healthcare, as well as client orientation.

We defined these dimensions of quality and developed a series of indicators. A key indicator of the interpersonal dimension is, for example, the length of time patients have to wait to see their healthcare provider. A long waiting time is an indicator of how people are treated and can be a sign of disrespect. For the first time ever in Mexico, we started measuring waiting time, and suddenly doctors and nurses become aware that their patients were waiting for three to four hours and started working to improve the indicators. Making people wait can have an impact on the technical dimension as well, as a patient who has to wait for a long time to be treated may not have the best recovery.

After a year, we published a report on 46 indicators we had implemented. It was not the typical bureaucratic report of activities, as is usually the case with government, but rather a report that presented results graphically. Measuring waiting time is an example of the instruments we used to demonstrably improve quality. Creating incentives is another important path to quality improvement. With the implementation of the public insurance scheme *Seguro Popular* ten years ago, for the first time healthcare institutions were required to be accredited to participate. The previous scheme of accreditation was voluntary and had very few financial implications. We kept it but improved it to include financial ramifications, and it helped improve quality.

You mentioned *Seguro Popular*, one of the most important health programs you envisioned, developed and implemented. The program just celebrated its first decade in existence, and now covers more than 57 million Mexicans. What have been the most important milestones of this program over time and what is left to accomplish?

The first milestone was congressional approval in April 2003, which came after two years of very intense dialogue with all the political parties and the states. Mexico is a federal republic, and most of the delivery of personal healthcare services is managed at the state level. We needed consensus among the 31 governors and the head of the Mexico City government, and to work with congress. We were firmly convinced that this reform needed to be legislated, because if it were only a program, it would have had no continuity. During this period of intense dialogue, we implemented an initial pilot program in five states, which showed that the *Seguro Popular* scheme was feasible, hugely popular and accepted. The success of this pilot program helped to persuade congress. The approval made it clear that we had to start the implementation with very rigorous goals for enrollment, as at that time 50 million Mexicans—half of the population—were uninsured. The program came into effect on January 1, 2004, and by 2012 the goal of 50 million was reached.

A further important milestone was that since every state was compelled to participate in the program, within six months after the approval of the law, 29 of the 32 states, including Mexico City,

had signed off. By eighteen months they had all signed off. That was a record.

I always think of universal coverage in three stages: stage one is universal enrollment, when everyone is enrolled in a financial protection scheme. Mexico reached stage one in 2012, almost on time with the seven year-period the law provided. The second step is the period of moving from universal enrollment to universal coverage, meaning that a set of benefits has been defined and the system has the capacity to provide these benefits. We are pretty much there, but it’s still not enough. The last step is universal coverage, meaning coverage with quality. That is the next new frontier. I think Mexico has achieved universal coverage, through the affiliation either at IMSS (the Mexican Social Security Institute), ISSSTE (the Institute for Social Security and Services for State Workers) or *Seguro Popular*, and the healthcare system is getting there in terms of benefits covered. The big challenge now is effective universal coverage, which is when these benefits are provided with a level of quality that reaches the desired level of improvement. And that is the stage where more work is needed.

One of the most expected changes in the sector is the announced healthcare reform, aimed at consolidating the universal healthcare system under the concepts of “convergence” and “portability” of services. How do you envision this reform?

When the reform for the introduction of *Seguro Popular* was approved a decade ago, we were aware that this was a mid-term reform and that the next step was the integration of the public institutions providing healthcare services in Mexico and the possibility of interaction with private care providers. Several proposals for such an integrated system are currently being debated. The problem in Mexico, as with many other developing countries, is that traditional social insurance was not only an insurance mechanism, but also infrastructure. And that led to segmented healthcare systems with their own networks of hospitals.

What we need now is portability, because otherwise we are duplicating infrastructure. We need a much more open system, where everyone is insured and can go to their provider of choice, which in turn will improve efficiency. So the next step is to reach an agreement to ensure that highly complex procedures can be conducted at hospitals that are part of a public-private network. A more ambitious step will be that when we accredit healthcare providers, such as hospitals and ambulatory clinics, people are allowed to enroll freely and the insurer pays an enrollment fee to the network, which undertakes the comprehensive care of the patients and their families. We are still a long way away from that, but we are on the way there.

What do you think are the main trends that will impact healthcare in the future, in Mexico and worldwide?

The main trend is that we are becoming victims of our own success. People are living longer, and the rapidly aging population is leading to a dramatic transformation of healthcare. In Mexico, we are still facing an unfinished agenda of common infections and under-nutrition, and we also have an emerging challenge represented by non-communicable diseases, mental health disorders, and violence. This is a huge shift. We have been able to deal with the diseases that are less expensive to prevent, but we are now facing health challenges that require an integrated approach and a set of preventive measures that focus on health lifestyle, early detection and, in case someone becomes ill, making sure that no one becomes financially ruined to pay for healthcare services and drugs. That is the biggest challenge that Mexico and other emerging economies are facing.

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