



**Asia-Pacific
Economic Cooperation**

2017/SOM1/LSIF/026

Agenda Item: 8.1

APEC 2017 Health Financing Work Plan

Purpose: Information

Submitted by: LSIF



**Life Sciences and Innovation Forum Planning
Group Meeting
Nha Trang, Viet Nam
22 February 2017**

APEC 2017 Health Financing Work Plan

Background

- APEC economies face GDP losses of between 6-8.5% by 2030 due to the current and projected steep rise in non-communicable diseases (NCDs) notably cancer, cardiovascular disease, and mental illness, coupled with aging populations.
- A 2014 APEC study, commissioned by the APEC Business Advisory Council (ABAC) and the APEC Life Sciences Innovation Forum (LSIF), showed GDP losses of between 4-6% in six representative APEC economies from losses in worker productivity due to NCDs (disability-related presenteeism and absenteeism).
- The study was extended in 2015 to include an assessment of additional economic losses from early retirement due to disability (principally from NCDs), estimated at between 2-2.5% of GDP.

Calls to Action

- In November 2015, APEC Ministers and Leaders recognized the fiscal and economic impacts of ill health and called for dialogue and additional work. Specifically they stated:
 - *“We recommend convening a cross-fora dialogue in 2016 to discuss innovative ways of ensuring that our workforce remains healthy and competitive.”* (Joint APEC Ministerial Statement 2015); and,
 - *“We recognize the importance of our health systems in promoting the development of human capital and inclusive growth and look forward to further work in 2016 to address the fiscal and economic impacts of ill-health.”* (2015 APEC Leaders Declaration)

- At the Finance Ministers’ Meetings in October 2016, a discussion was initiated on the productivity gains from investing in health and that health should be viewed as an asset with measurable returns on public (and private) investment. As a result, APEC Finance Ministers stated:
 - *“We welcome continued dialogue with the APEC Life Science and Innovation Forum and Health Working Group on ways to address the fiscal and economic impacts of ill-health in 2017.”* (2016 APEC Joint Finance Ministerial Statement)

1. Dialogue with Senior Finance Officials – May

Objectives	Outcomes	Meeting Format
<ul style="list-style-type: none"> • Provide overview of the fiscal/economic impact of ill health • Provide overview of the cost/benefit ratios on investment in health • Review existing financing mechanisms in APEC economies; untapped potential of precautionary savings • Secure support for commissioning study on the innovative financing mechanisms and their enabling factors 	<ul style="list-style-type: none"> • Agreement to commission a study reviewing the innovative financing mechanisms for health (both industry-led and government backed) and the identification of enabling factors for the utilization of the industry-led mechanisms and enablers for the government and financial services sector – e.g. impact bonds, health savings accounts, etc. • Agree to present study findings at SFOM and Finance Ministers meeting in October 2017 	<ul style="list-style-type: none"> • 2 hour-session during the APEC Senior Finance Officials Meeting • Academic and industry speakers to speak.

2. High-Level Meeting on Health & the Economy – August

Objectives	Outcomes	Meeting Format
<ul style="list-style-type: none"> • Discuss the fiscal and economic challenges facing health systems in APEC Economies • Review existing financing mechanisms in APEC economies; untapped potential of precautionary savings • Review examples/case studies showing a high ROI / high impact investment in health • Present 1-2 case studies/examples of industry-led financing mechanisms in different markets • Present 1-2 case studies/examples of other innovative financing mechanisms employed by governments or the insurance industry around the world • Coordinate messaging for dialogue with Finance Ministers • Stocktaking of Healthy Asia Pacific 2020 implementation in APEC Economies; identify opportunities for public-private collaboration 	<p>HLM Joint Statement:</p> <ul style="list-style-type: none"> • Recognition of the cost/benefit of investment in health • Recognition of the potential of innovative financing mechanisms for health (both industry-led and government backed) and the need to address barriers inhibiting the deployment of such mechanisms • Endorsement of key messages to take forward to APEC Finance Ministers • Recognition of public-private initiatives in support of HAP2020 implementation in APEC Economies 	<ul style="list-style-type: none"> • Theme: “Healthcare financing reform for community health towards sustainable development” • 2-day meeting with over 150 participants, including: <ul style="list-style-type: none"> ○ Health Ministers and senior health officials ○ International organization representatives ○ Academics and thought leaders ○ Industry Experts / Senior Executives

3. Dialogue with Finance Ministers - October

Objectives	Outcomes	Meeting Format
<ul style="list-style-type: none"> • Provide overview of the fiscal/economic impact of ill health • Review data / case studies showing a high ROI / high impact investment in health • Present study findings and recommendations on ways to address the fiscal and economic impacts of ill-health: <ul style="list-style-type: none"> – Review of the innovative financing mechanisms for health (both industry-led and government backed) – Discuss the enabling factors for the utilization of the industry-led mechanisms and enablers for the government and financial services sector – e.g. impact bonds, health savings accounts, etc. 	<ul style="list-style-type: none"> • Recognition of the need for enhanced investment in high impact interventions in health • Endorse the study findings: <ul style="list-style-type: none"> – Recognition of the value of innovative financing mechanisms for health – Recognition of the need for the right enabling conditions for innovative financing mechanisms and the need to address barriers inhibiting deployment • Agreement on implementation work plan to address fiscal/econ impacts of ill health 	<ul style="list-style-type: none"> • 2 hour-session during the APEC Finance Ministers Meeting • Academic thought leaders • Health Ministers • Industry Experts / Senior Executives