A HIMSS G7 Advisory Report

Advancing Global Health IT: A Consultation with the World Bank at HIMSS12

The objective of the HIMSS G7 consultation with the World Bank is to bring together health IT leaders to discuss strategic issues related to improving the investment climate and business environment for health information technology and management systems in developing countries.
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HIMSS wishes to thank the following sponsors for their generous support:

HIMSS G7 is a World Bank-endorsed thought leadership assembly that meets three times per year to realize the healthcare financial network of the future. HIMSS G7 combines thought leadership and action around key IT projects to positively transform healthcare. It was created as the result of the unification of HIMSS and the Medical Banking Project in 2009.
BACKGROUND

The health information technology and management systems (HITMS) sector has commanded much attention in recent years both in developing, emerging and developed markets. It is believed that HITMS has the potential to transform healthcare and—through innovative capabilities—improve safety and efficiency in the development of new tools for medicine, support new clinical studies for particular interventions that work for different patients, and transform the sharing of health and research data.

Collaboration between the World Bank Group and the HITMS sector began about five years ago, coinciding with the increased use of HITMS by developing countries and requests by client governments for financial and technical support in implementing health reform that information technology can positively impact. A recent World Bank portfolio review identified the total investment over time in HITMS activities in the range of US$1.5 billion.

Many developed countries are already addressing critical issues around data security and patient safety concerns, but many emerging markets and developing countries still lag behind in basic aspects of information technology. Therefore, they are unable to make use of the benefits provided by information technology to advance efficiency, effectiveness and cost of healthcare services.

In developing countries (like Brazil, India and others), mHealth, eGovernance and banking systems are perceived to be the leaders in advancing the eHealth agenda, while emerging markets (like Africa, Afghanistan, etc) are focused on catching up with developed countries. These industry leaders are creating an environment for health IT competition while investing in the critical infrastructure needed to support it.

In the context of the global health market (US$6 trillion), HITMS is relatively small (less than 2 percent), but at its current 10-percent growth rate, it is expected to increase from US$210 billion in 2008 to US$250 billion in 2015. Because of this the HITMS sector is viewed as a “game changer” that can transform the overall healthcare sector, and resulting economics of regions, in the next few years. Governments everywhere are reassessing when, where, how and to what degree to use HITMS in healthcare. Two categories of policy reforms are needed: (a) reforms in the health policy environment; and (b) reforms in the business environment and investment climate.

At the World Bank, the Corporate Investment Climate’s (CIC) Health Industry team conducted a review to understand the HITMS industry’s size, location, growth, opportunities and challenges. Health policy issues identified from the review include:

- **Data security**: To protect patient confidentiality, standards are needed to ensure that networks, patient information and other data are secure, and not leaked or shared with others without appropriate consent.
- **Safety standards**: To protect patient safety, there is a need to ensure that digital applications used in operating rooms, clinics, drug dispensaries and other settings provide reliable information based on accepted and scientifically tested clinical protocols.
- **Quality standards**: As HITMS becomes a standard part of healthcare systems and often benefits from public funds, there is a need to ensure that the products are subjected to the same standards of quality scrutiny as other products, such as pharmaceuticals and medical technology.
- **Provider reimbursement**: Once HITMS has become an integral part of health systems, there is a need to include them under the same insurance and public funding mechanisms used for other parts of the healthcare system.
The business environment issues identified included:

- *The need to simplify business* regulations related to entry, growing and exiting of HITMS business (i.e., reduce the number of procedures to register, operate, and sell or close a business).
- *The need to ensure* that there is a level playing field by strengthening and applying antitrust legislation to prevent anticompetitive behavior and monopoly.
- *The need to secure* open markets and reduce trade barriers (financial and others).

In terms of investment climate issues, there is a need to improve policies related to:

- Reducing restrictions on foreign investments and capital flows to the HITMS sector.
- Improving the ability to use HITMS as secured assets.
- Developing new and innovative financing instruments for the HITMS sector.

**MOTIVATION OF WORLD BANK TO BECOME INVOLVED IN THE HEALTHCARE INDUSTRY**

The World Bank Group has a long history of strong collaboration with healthcare groups such as the pharmaceuticals, hospitals, medical technology and health insurance organizations. The Bank has established a series of healthcare industry-appointed “fellows” to work as liaisons on areas of mutual interest. Establishing a similar relationship between HIMSS and the Bank was initiated through visits by senior HIMSS leadership and Bank meetings with key healthcare delivery leaders during events such as the Annual HIMSS Conference and Exhibition, the National Medical Banking Institute and the Summit for Healthcare Information and Financial Technology.

Discussions focused around topics where HIMSS and HIMSS member capabilities might be able to help World Bank Group operational staff support their clients’ needs in developing countries. In this context, the formalization of a part-time liaison officer (World Bank/HIMSS Fellow) is seen as very timely and welcomed by the Investment Climate Department of the International Finance Corporation (IFC). John Casillas, who has a deep background in the creation of a “medical banking” community that helps banks to proactively and appropriately invest in health information technology, was selected by HIMSS and the World Bank to be the first such Fellow.

The current demand for assistance by World Bank clients (countries) has been identified in three specific areas:

1. Medical Banking related to claims processing and other financial management functions associated with major health insurance reforms.
2. A range of front-, middle- and back-office functions, especially in the hospital sector (including electronic medical records).
3. Mobile health-related to ambulatory care services.

HIMSS G7 hosted the first World Bank consultation with HIMSS senior management, healthcare delivery representatives (HIMSS Corporate and Organization Affiliate Members) and World Bank senior management. The meeting was held at the 2012 Annual HIMSS Conference & Exhibition on February 23, 2012, in Las Vegas. A summary of this meeting is included in this G7 Advisory Report.
ROLE OF THE WORLD BANK GROUP IN HEALTHCARE SECTOR’S EMERGING MARKETS

While the World Bank support for the health sector dates to the early 1980s, the IFC investments in the health sector are relatively recent but growing. The Investment Climate Advisory Service (ICAS) of the IFC, where the current team is working, assists governments in developing countries reform their business environments, with emphasis on regulatory simplification and investment generation. Some of the ICAS activities were illustrated through different publications which were shared with the HIMSS World Bank Consultation meeting participants.

The ICAS of the World Bank group is particularly interested in working with the healthcare sector on issues related to improving:

- The business environment (ease of entry, growth, exit strategies), regulatory simplification, competition, secured transactions, public private dialogue, insolvency mechanisms, taxation, trade across borders and a range of industrial policy issues.
- The investment climate (investment across borders, secured transactions, entry and exit strategies).

The Investment Services part of the IFC is particularly interested in identifying potential investments that are:

- Commercially viable.
- Contribute to overall development objectives and benefit low income populations.

RECENT EXPERIENCE WORKING WITH MAJOR HEALTH SECTOR GROUPS

At the HIMSS G7 Consultation with the World Bank, the senior leadership of the World Bank outlined current collaborations among six major healthcare groups, including pharmaceuticals, medical technology, information technology, hospitals, health insurance and teaching facilities. The aim of the collaboration between the World Bank and HIMSS is to work closely with the healthcare sector to identify the business and investment environment bottlenecks and address them by working with the government and private sector in specific countries and areas.

As an example, the World Bank Group team described its oldest and most formal relationship, which is between the World Bank Group and the International Federation of Pharmaceutical Manufacturers Associations (IFPMA). This relationship is now more than 15 years old and has included over the years a series of pharmaceutical industry fellows, designated and paid for by the pharmaceutical industry to liaise between the industry and the World Bank Group.

The current pharmaceutical fellow, for example, is working with the Bank-lead pharmaceutical specialist to harmonize the licensing and other pre-market entry and access conditions in East Africa and South Asia. In this particular case the funds for the project are coming from a Bill and Melinda Gates Foundation Grant.

There is a recent wave of health insurance reforms across many regions of the world that are acting as a “game changer” in access to care and delivery of quality services. Many of these reforms run into
problems at the implementation stage due to problems with the contracting process and billing and claims processing. The use of third-party agencies (TPA) for handling the financial management is seen as a possible solution to this problem.

The World Bank Group team explained the Bank’s lending/procurement cycle:

- Role of the World Bank’s Country Assistance Strategy (CAS). The World Bank works with senior political leaders in each country to develop a strategy for country assistance.
- The team explained where HIMSS or other organizations could find publicly available information on the World Bank website and other resources.
- Financing instruments used by the IFC, including thresholds and risk-sharing strategies.
- Avoiding conflict of interest in terms of engagement in advisory vs. investment work or participation in upstream (strategy phase) vs. downstream work (implementation phase)

**KEY BUSINESS OPPORTUNITIES AND POLICY CONSTRAINTS IN THE GLOBAL MARKET**

Consultation participants “wish-list”:

- Collaboration around health IT initiatives in various regions around the world.
- Collaboration between the healthcare sector and the World Bank Group to support access to finance by small and medium local enterprises, and others.
- Reinforce research around business findings in client countries using World Bank funded research in health IT.
- Collaboration between the health IT sector and the World Bank Group in making the regulatory environment less tedious, more predictable, stable and in alignment with regional and global markets.
- Collaboration between the health IT sector and the World Bank Group in capacity-building.
- Support health insurance as an important means through which countries can increase their access and utilization of technology.
- Promote regional and international regulatory harmonization.
- Address various trade issues.

**INDUSTRY PERSPECTIVE AND OPPORTUNITIES: A ROUNDTABLE DISCUSSION**

The following were points raised by consultation participants:

- Participants stated that some of their experiences in the Africa region, for example, revealed a very fragmented, non-integrated network of private sector suppliers and sellers. In the pharmaceutical sector for example the demand and supply of medicines and other items are not correlated and addressed in a timely manner so there is a need for an automated process that will link the pharmacies upstream within the supply chain.
- The healthcare delivery market may be able to assist in accessing patient records from anywhere in the world, however, data security is a concern. In addition, the lack of local infrastructure such as broad band cable and wireless connectivity are problematic even before the industry embarks on these projects.
• The new cloud computing system may be part of the solution and perhaps partner with other local wireless providers to get connectivity and communication. As an example, Hungary successfully went straight to fiber optics. Another example is that people living in remote areas have cell phones with a chip that enables a number of everyday processes like banking. In some respects, these groups are more advanced in mobile technology than the United States.

• One participant noted that mobile phones and banking systems are present all over the world and are the main channels toward enabling patient access to information.

• Some participants wanted to understand how to assess opportunities and risks in emerging markets. They welcomed advice on how to carry out market analysis, assess demand and to learn the policy planning cycle of governments.

FUTURE MEETINGS FOR COLLABORATION WITH HEALTH IT LEADERSHIP AND THE WORLD BANK

• Human Development Week (Fall 2012) is a conference hosted by the World Bank in which external participants are invited
• The Private Health Sector Conference (Spring 2013) is a conference hosted by the IFC in which private firms are invited
• Other ad hoc meetings that may be of interest to the healthcare delivery market

CONCLUSION AND NEXT STEPS

The World Bank Group is finding that among its investments to aid client countries, health IT is an essential component. The current spending in this area by the Bank is approximately $1.5 billion across 55 “e-health” projects. The Bank, however, sees this as a growing area and so the creation of appropriate policies is needed. In addition, it is important that the Bank understand the environmental issues that lead to appropriate health IT investment in developing countries, like infrastructure, data protection and governance and other critical issues that can help the areas of focus to develop impactful health IT programs that improve health and healthcare.

The participants agreed at the conclusion of the event that collaboration between the World Bank Group and the health IT sector (HIMSS Corporate Members and Organizational Affiliates) is highly valued and worth pursuing. Participants welcome attending follow up meetings hosted by HIMSS and the World Bank Group to discuss specific priorities and possible areas of collaboration between the healthcare sector in emerging markets. Meetings can be stand alone or scheduled to coincide with other events, such as the 2013 Annual HIMSS Conference & Exhibition in New Orleans.

Finally, ongoing communications are important to surface additional issues collection and to provide ongoing feedback on World Bank resources, including the creation of a “Health IT Resource Center” (website) that can consolidate critical information in one place. Toward this end, a new website will be created and hosted by HIMSS to provide a “go to point” for health IT and this will be socialized within the World Bank venues.
HIMSS G7 Participant List for G7 World Bank Consultation Roundtable
Thursday, February 23

Annual HIMSS Conference & Exhibition Las Vegas

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<tr>
<th>Name</th>
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