

# Exasperating Israel's patients – A health system that has lost its way

by

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The horrifying murder of a nurse at a clinic last month is an extreme case among hundreds of assaults on Israeli health care workers every year. As in the case of reckless drivers who kill others, the guilty ones are those who inflict the harm. Period.

Since the human spectrum encompasses not only the normative, but also the careless and the crazy, is placing a cop in every clinic and street intersection the solution? Shouldn't these fringes be accounted for more fully in the planning stages? Rather than being content with charging drivers who run over others who stop on road shoulders, wouldn't it be preferable to widen the shoulders and move back the guardrails so that drivers won't have to change a flat tire while their bodies protrude onto the road?

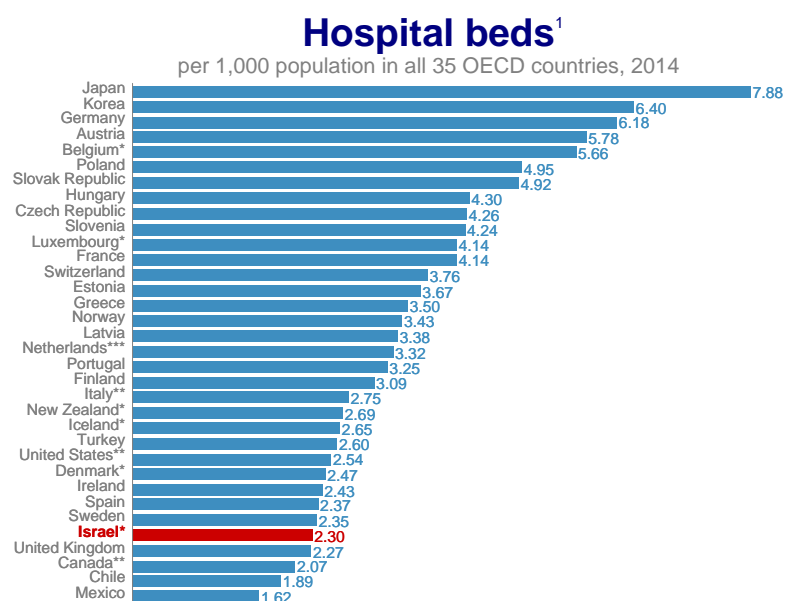
## Where have the hospital beds gone?

It is similar with healthcare. When Israel was young, it not only built towns and roads but also research universities and hospitals. The number of curative (acute) care hospital beds managed to keep pace with Israel's phenomenal population growth from 1948 until the late 1970s, when the country's priorities changed. Since then, for decades on end, the number of hospital beds per capita in Israel has been falling steadily. Today, Israel is situated today beneath nearly all of the OECD countries (see figure).

This may be a positive outcome in the eyes of policy-makers who feel that it is wanton to waste precious resources on empty hospital beds. But it is tantamount to claiming that roads need to be utilized by the maximum number of vehicles possible. This may indeed be the prevailing line of thinking in Israel's governments since congestion on the country's roads (as measured by the number of vehicles per kilometer road) has swelled to three times the OECD average. This has happened even though Israel has 38% fewer vehicles per capita than the OECD average.

If this is the Israeli approach for gauging efficiency, maybe the time has come to find alternate measures. There is no doubt that fewer beds per person imply greater utilization of very expensive healthcare assets. But avoiding overflows during peak seasons requires accommodating slack during other periods.

A relatively young population doesn't need many beds since young people fall ill less frequently, and Israel's population is younger than most in the developed world. However, today the country's population older – and the country is wealthier – than it was three decades ago.



<sup>1</sup> Curative (acute) care hospital beds

\* 2015, \*\* 2013, \*\*\* 2012

source: Dan Ben-David, Shores Institute and Tel-Aviv University

data: OECD

Despite this, Israel funded 60% more beds per capita in 1988 than it does today. So the problem is not just vis-à-vis other countries. The situation has deteriorated compared to Israel itself many years ago.

### Hospitals with the highest occupancy rates in the developed world

It's possible to claim that in modern countries, there are alternatives that are preferable to hospitalization. Maybe. But if there were such alternatives in Israel, we wouldn't be witnessing the appalling – and frequent – sights of patients lying in hospital corridors and dining areas, deprived of any privacy at their most vulnerable hour.

Israel's insufficient investment in hospital beds has yielded an occupancy rate of 94%, greater than in any other OECD country and a quarter higher than the average (75%) of all the other countries in the organization (see figure). This is an annual average for an entire country that does not reflect the tremendous pressures that develop during peak seasons in some of the most populated areas. Efficient? Possibly. But the result is considerable misery in shameful hospitalization conditions for the patients and their families. All too often the result is friction and violence – not to mention reduced hygiene at hospitals, with all this implies. As if this were not enough, Israeli patients face an additional challenge, severely undermanned medical staffs.

### Steady decline in the number of nurses – toward the bottom of the developed world

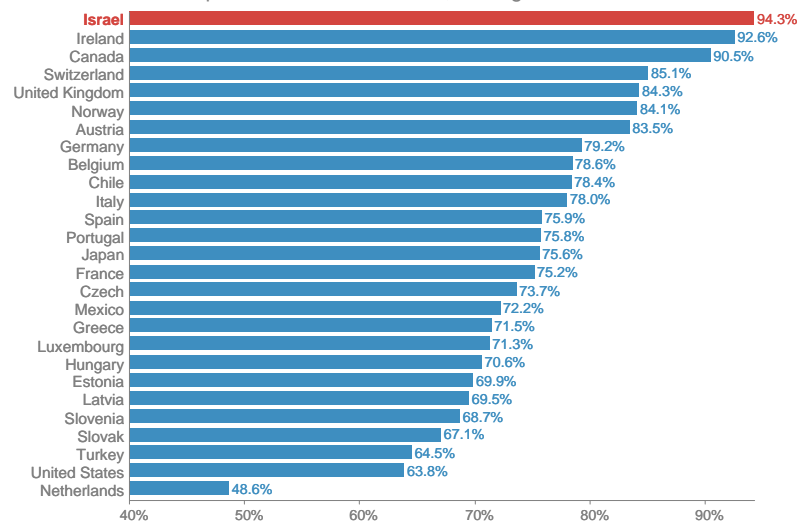
The number of active nurses per capita in Israel is extremely low compared with the OECD average. Since the beginning of the 2000s, the average number of nurses per capita in the OECD has risen by a third. In Israel, this number has declined by about a tenth. Consequently, the number of nurses per capita in Israel was three-quarters of the OECD average in 2000, falling to about half the OECD average just over a decade later (see figure).

Even more troubling is the picture of nurse flows – the annual number of nursing graduates – because it underscores the direction Israel is headed. The average number of nursing graduates in the OECD (47 per 100,000 population) is nearly three times the Israeli number (16), which is near the bottom of the group (see figure).

How can the country's sick and weak be expected to cope when they most need care and

## Hospital occupancy rates

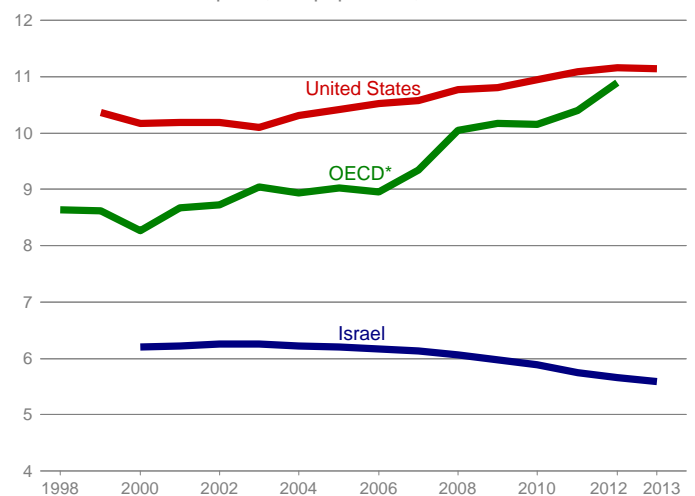
as percent of available beds, average for 2010-2014



source: Dan Ben-David, Shores Institution and Tel-Aviv University  
data: OECD

## Professionally active nurses

per 1,000 population, 1998-2013



\* excluding US and Israel

source: Dan Ben-David, Shores Institution and Tel-Aviv University  
data: OECD

attention? Is it any wonder that some of the less stable among them go nuts? Are cops the solution, or maybe it's time to consider a significant change in Israel's national priorities? Not only can such overcrowding with such a small nursing staff drive people crazy, it's also dangerous.

### Number 1 in infectious diseases

Hospitalization conditions in Israel are like a huge petri dish – breweries for infections and diseases. The share of Israelis dying from infectious and parasitic diseases is the highest in the OECD. When taking into account the number of deaths from such diseases by different age groups and standardizing the populations of the various developed countries to enable a more accurate comparison, it's clear that Israel is in a league of its own. The number of deaths from infectious and parasitic diseases (35 per 100,000 population) is 50% (!) greater in Israel than in the second place country, Mexico (23 per 100,000 population), and almost twice the OECD average excluding Israel (see figure).

Of course, not all deaths from infectious and parasitic diseases are related to hospital conditions. Yet the number in Israel is extraordinary. Anyone who thinks that Israel and the developed world are at least converging should think again. There has been a vast gap between Israel and the OECD average since the 1970s (see figure). While the number of deaths per capita from infections in the OECD has been stable, even falling slightly, it has been on a deafening takeoff in Israel over the past two decades. Since implementing healthcare reform in 1995, the number of deaths per capita from infectious and parasitic diseases in Israel has doubled.

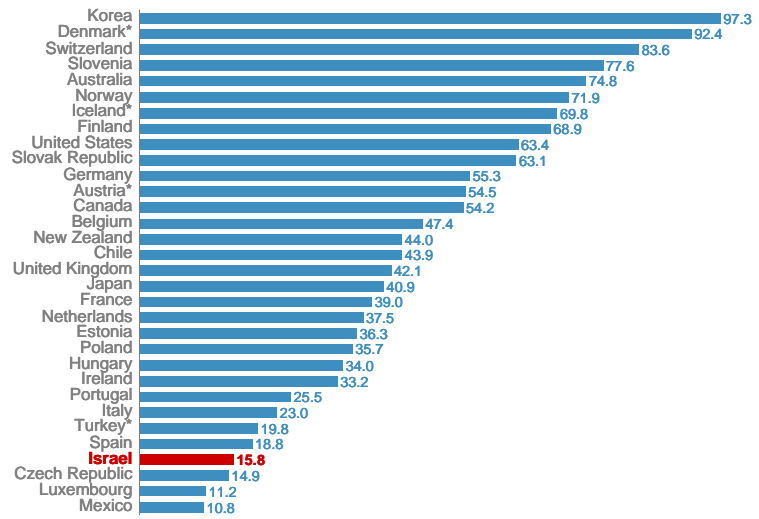
It's possible to gain a perspective on the problem's severity when comparing it to other issues that receive widespread public attention: The number of people murdered in terror incidents reaches double digits each year while the number of traffic fatalities reaches the hundreds. But the number of Israelis dying from infectious diseases is in the thousands every year. This isn't destiny. It's in our hands.

**Money isn't lacking. The problem is the way money is used, and who's paying.**

Clearly, overcrowding, a paucity of nurses and the great number of deaths from infectious diseases don't represent the overall picture of Israel's health system. Often, the

## Nursing graduates

per 100,000 population, 2013

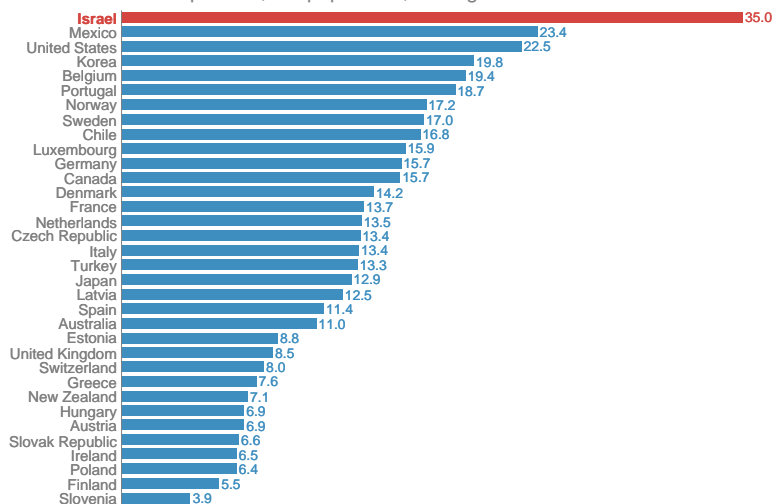


\* 2012

source: Dan Ben-David, Shores Institution and Tel-Aviv University  
data: OECD

## Deaths from infectious and parasitic diseases<sup>1</sup>

per 100,000 population, average for 2010-2014



<sup>1</sup> adjusted by the ratio of standardized population to actual population

source: Dan Ben-David, Shores Institution and Tel-Aviv University  
data: OECD

country's high life-expectancy rates coupled with its low healthcare expenditures are presented as an indication of the system's efficiency. Life-expectancy in Israel is definitely one of the highest in the world, due in part to doctors and nurses trained at the highest international professional standards. Mediterranean diets and other idiosyncratic factors also contribute to longevity in Israel.

At first glance, Israel's national healthcare expenditure (as a percent of GDP, to enable international comparisons) appears to be relatively low. In fact, it's lower than the national healthcare expenditure of 71% of OECD countries.

However, a major reason for the low expenditure has less to do with the system's efficiency and more to do with Israel's fairly young population. The older a population, the higher the mortality rates and healthcare spending. When national healthcare expenditures are normalized by the relative weights of the various age groups and their mortality rates, the expenditure picture in Israel's case of Israel flips. It turns out that Israel's normalized healthcare expenditure is higher than that in 76% of the OECD countries. So we're a bit less efficient than it appears.

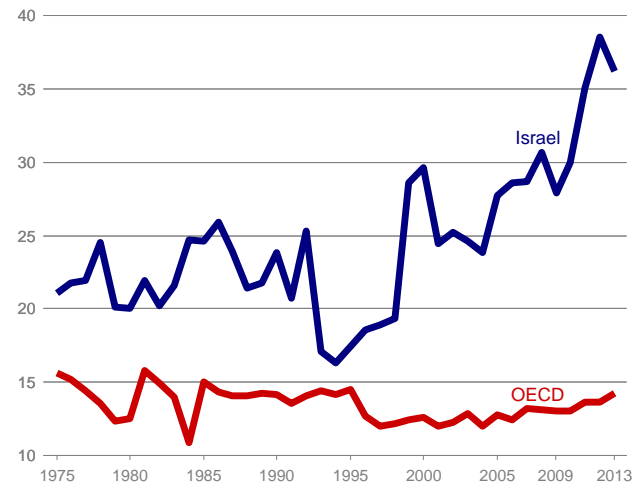
National healthcare expenditures may be divided into public and private expenditures. Public healthcare expenditures (after normalizing for population age groups) as a share of GDP put Israel in the middle of the OECD ranking. On the one hand, it is not particularly high or low compared with the rest of the developed world. But Israel's population is aging at one of the fastest rates in the developed world, and it takes years to train the personnel and build the necessary infrastructures to deal with this phenomenon.

The source of Israel's high national expenditures are its private expenditures. While private healthcare expenditures in Israel (after normalizing and dividing by GDP) aren't even close to American private expenditures, they're still higher than the private expenditures in three-quarters of the developed countries (see figure).

Israel, with income and education gaps among the highest in the developed

## Deaths from infectious and parasitic diseases\*

per 100,000 population, 1975-2013

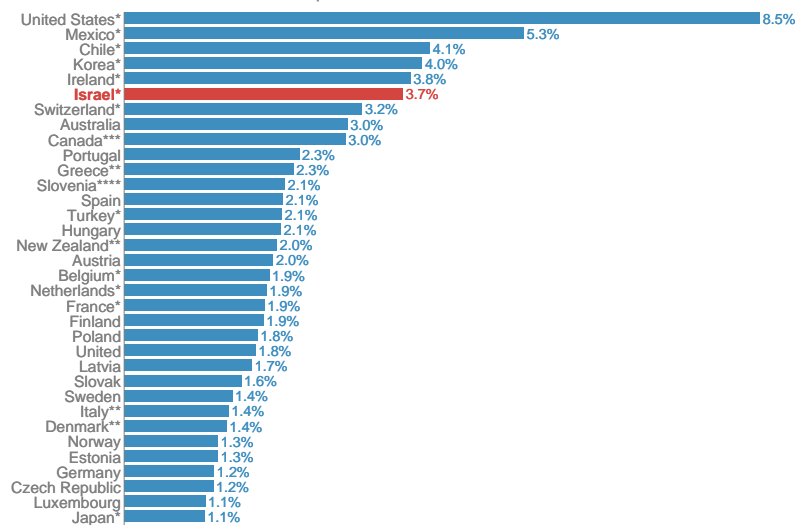


\* adjusted by the ratio of standardized population to actual population

source: Dan Ben-David, Shores Institution and Tel-Aviv University  
data: OECD

## Private healthcare expenditures<sup>1</sup>

as percent of GDP, 2014



<sup>1</sup> adjusted by the ratio of standardized population to actual population  
\* 2013, \*\* 2012, \*\*\* 2011, \*\*\*\* 2010

source: Dan Ben-David, Shores Institution and Tel-Aviv University  
data: OECD

world, needs to ask itself if it also seeks similar distinctions in healthcare provision. This is the implication when the share of private expenditures is high. Not everyone can bear this burden.

Furthermore, exasperating patients isn't an essential ingredient in extending life-expectancy. Family and friends cannot replace hospital nurses. Corridors need to be for passage and dining areas for eating. Patients should be hospitalized only in hospital rooms – and they shouldn't be infected by those around them. There is no greater pain than the loss of loved ones to unnecessary infections.

### **The question of questions: what kind of health system does Israel want?**

Health systems encompass one of the most complicated problems in economics. These are systems in which two of the three key sides determine what the third side will pay. In the United States, patients and physicians decide how much insurance companies pay. In Israel, it's the insurance companies/health maintenance organizations and physicians who decide what patients pay – whether in terms of money, waiting periods or health.

Therefore, the healthcare question in Israel is considerably greater than the issues raised here. How is it possible to compensate quality healthcare professionals at rates that will attract them to the profession, and retain them, while maintaining an adequate expenditure level for an Israeli society, half of whose members don't even reach the bottom rung of the income tax ladder? Considering that just 20% of Israelis already account for 90% of the country's entire income tax revenue, the answer doesn't lie in increasing the burden even further on those narrow shoulders, but rather in a significant change in Israel's national priorities.

The time has come for a different allocation of the limited national budget in directions that benefit the greater good rather than narrow and sectoral interests. But it's not enough to throw money at a problem and hope that it resolves itself. Instead of endlessly looking for symptomatic patchwork solutions that create inherent inconsistencies, the time has come to provide an answer to the big question – what kind of a health system does Israel want in another decade? Only then will it be possible to build it from the existing pieces and add the necessary missing parts.