

# Models of Health Care Devolution: Systems v Federacies

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A decorative graphic consisting of several horizontal lines of varying lengths and colors (teal, light blue, white) extending from the right side of the slide towards the center.

# Outline

- **Motivation**
- **Aims**
- **Two Extreme Models**
- **Health Care Policy**
- **Governance in UK and Spain**
- **Outcomes**
- **Conclusions**

# Motivation

- Welfare states organized as unitary states are all subject to processes of devolution
- Devolution is advocated to:
  - Improve regional **participation** (democracy)
  - Accommodate **diversity** (heterogeneity) in preferences, needs and identities
  - Attain some **equality** of opportunities (asymmetry), yet its is an empirical question whether it translates into equality of outcomes
  - Incentivize **innovation** (change) through political agency (electoral politics and politics of equality) and diffusion due to economic incentives

# Aims

- **Examine the dynamics and outcomes of two extreme models of devolution in the UK/Spain**
  - **Health care is common health care responsibility in the hands of the countries/autonomous communities**
- **Key measures: regional inequalities, policy innovation and diffusion, expenditure growth and composition**

# Two extreme models

- **Federacy model**
  - Four nations, and a centralized England
  - **Difference, Asymmetry**
    - Aim: recognition with long term diversity
    - Hypothesis: limited diffusion
- **System model**
  - **Seventeen autonomous communities**
  - **Equality, Symmetry**
    - Aim: innovation and short term diversity
    - Hypothesis: long term diversity

# Health Care Policy

- **First level regional policy priority**
  - Spain 40% of regional budget
- **High level of politization**
  - Devolution gives rise to higher influence of regional stakeholders (both for and against development)
  - Difference priorities and policy programs
- **Controls: affluent periphery in Spain and affluent centre in the UK**

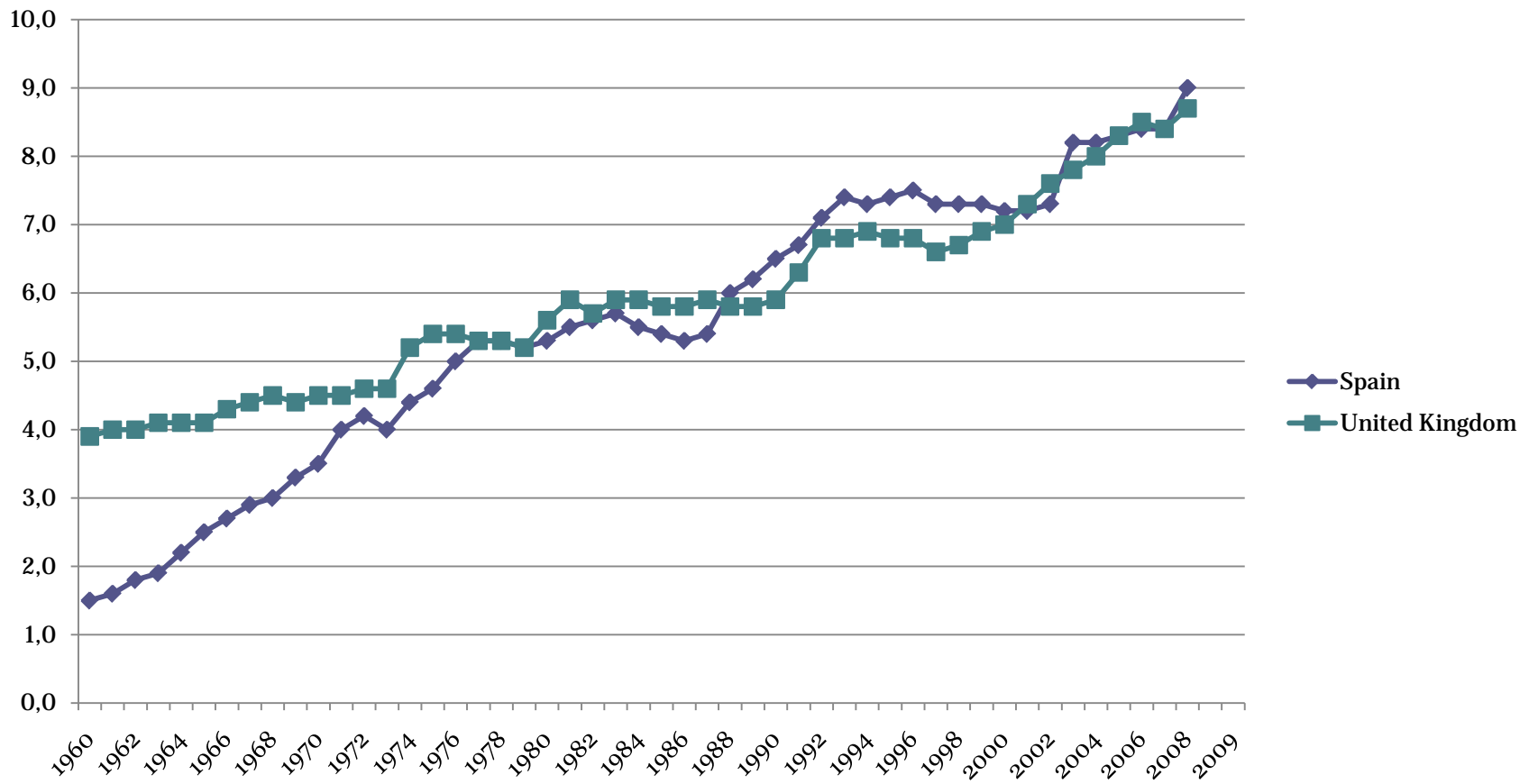
# Governance after Devolution in the UK

- **Four models of governance:**
  - **England:**
    - Markets and performance management
  - **Scotland**
    - Cooperative medical professionalism
  - **Wales**
    - localism and public health
  - **Northern Ireland**
    - permissive managerial in Northern Ireland.

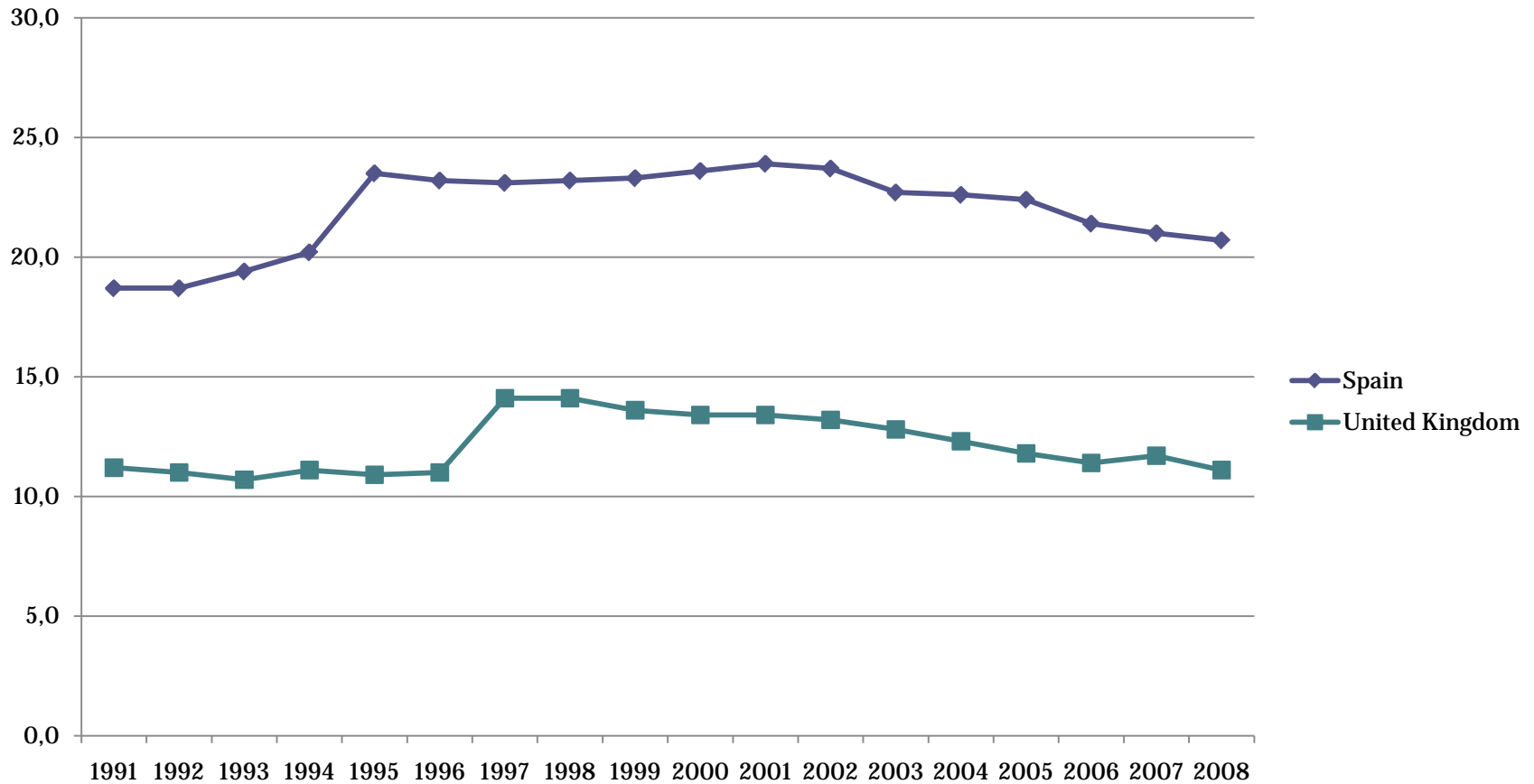
# Governance after Devolution in Spain

- **Foundation hospitals (Hospitales fundación)**
  - introduced in region states where health care was still centralized
  - With the exception of Andalucía
- **Catalonia, Basque Country and Navarra use contracting out to the private (mainly non profit) sector**

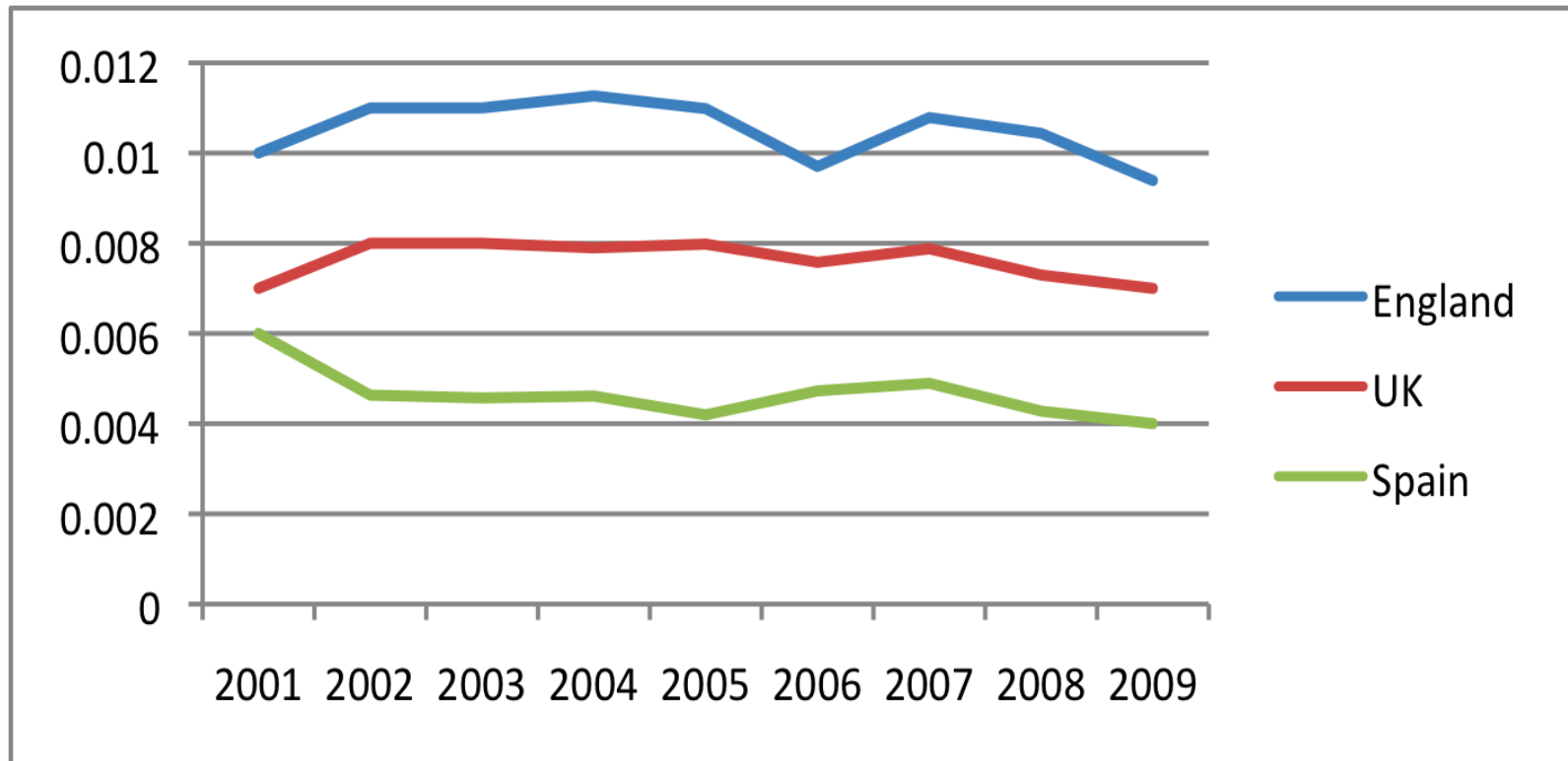
# Relative Expenditure (%GDP)



# Privatisation? (Out-of Pocket Expenditures % Total)



# Regional Inequalities (unadjusted health care output)



# Policy Innovation and Diffusion

- **Spain**
  - Coordination of health and ageing, second opinion, dental care fro children
  - And significant diffusion
- **UK**
  - Scotland free long term care, Welsh Assembly abolished prescription charges
  - But no diffusion

# Explaining differences in output symmetry

- **Politics of regional equality exists in system models**
  - Important role of front runners ( e.g., early devolved autonomies in UK)
  - Political organization of followers
- **Politics of difference is typically of federacy's models**

# Tentative Conclusions

- It is possible to distinguish two models of devolution :
  - Systems (large and highly distinguished units) and federacy's (small and highly distinguished units)
  - Inequalities appear to decline after devolution both in federacy's and systems models
- Systems exhibit higher levels of symmetry
  - Federacy's exhibit higher inequalities than systems
  - Both federacy's and systems exhibit policy innovation but systems exhibit high policy diffusion

# Ongoing research,...

- **Controls for regional income, satisfaction with the NHS and health outcomes**
- **Recording intervention diffusion, methods?**
- **Fiscal incentives, both UK and Spain share model (bailouts)**
- **Mechanisms of the political agency (double agency problems)**