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MEDIA RELEASE – FOR IMMEDIATE USE

World Economic Forum’s \$US47 trillion health warning

Growing health costs mean health systems and their effectiveness are fast becoming economic policy issues, Health Funds Association chief executive Roger Styles said today.

He was commenting on the warning this week from the World Economic Forum in relation to the spiralling cost of chronic disease, which the forum labelled an “economic issue” not a health issue.

The forum estimated the cost over the next 20 years of the top five chronic diseases – cancer, diabetes, mental illness, heart disease and respiratory disease – at \$US47 trillion, in a study released yesterday.

WEF senior director of health Olivier Raynaud said the numbers suggested that chronic or non-communicable diseases had the potential to not only bankrupt health systems, but to put a brake on the global economy.

Mr Styles said today the fact that the cost of chronic health was taking centre stage at the World Economic Forum meant we were going to have to start looking at the health system in a new way.

“While treatment costs are significant, much of the increasing cost is in terms of lost economic output. This is going to get more important as the population ages, and we want people to stay in the workforce for longer,” he said.

Mr Styles said the countries which got this right would reap both health and economic benefits, while those which failed would see low growth and spiralling health costs.

He said policymakers would need to ensure the best use was made of both public and private sectors if New Zealand was to go down the right track.

“The quality and timeliness of private health care mean there are likely to be significant health and economic benefits from increasing the private share of total health spending. This will also help to free up public resources to help address the growing chronic disease burden,” he said.

“New Zealand still ranks low by international comparison, with private spending only 20 percent of health spending, so we are likely to see increasing pressure from ratings agencies and the like to address our health system imbalance going forward.”

Mr Styles said policy measures aimed at lifting the number of New Zealanders with health insurance cover would be a good start. Currently 31 percent of New Zealanders are covered by health insurance.

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