



islestat

ISLAND HEALTHCARE

Resource Challenges

Review 1 - June 2023

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1. BACKGROUND

Ongoing world geopolitical tensions and events are a major concern, but the short, medium and long-term consequences of such trends are equally worrying. This unstable situation is likely to remain with us for an extended period of time presenting unforeseen economic, social, and environmental challenges as well as inevitable financial risks for both island jurisdictions and those relevant stakeholder organisations based within them.

To identify and monitor these impacts in conjunction with other issues facing many island communities such as: ageing populations, labour shortages, infrastructure funding, and climate change, we have now launched the unique **ISLESTAT** Review Series.

The primary objective of the Series is as follows:

- *Having taken into account the rapidly changing international/national landscape with its resultant economic, social and environmental ramifications, to identify the significance of these on key functions within a sample of islands around the world.*

This work harnesses our extensive knowledge and practical experience built up over many years of island economic and social lifecycles/trends and their implications on island public and private sector organisations and the third sector.

Review 1 covers the challenges facing islands in the delivery of island healthcare but, particularly, in its future funding. Healthcare is the most costly service to administer in any island and is subject to increasing pressures both internally and externally.

3. INTRODUCTION

The COVID Pandemic has had a significant impact on healthcare systems around the world. As countries now recover, there are several healthcare priorities which have emerged. These include:

- The need for more healthcare professionals - doctors, nurses, and public health personnel,
- The requirement for further public health infrastructure investment to meet not only the increasing demand for healthcare generally but also to respond to possible future pandemics and other emergencies,
- Addressing health inequalities between existing residents,
- Improving mental health services which the Pandemic exposed as a major weakness in many healthcare systems,
- Embracing telemedicine and digital health solutions which have the potential to improve access to healthcare, develop preventative solutions, and increase efficiency across all healthcare service delivery.

It is internationally recognised that expenditure levels on healthcare are already at an all-time high and will increase further in real terms in the medium and long-term. This is re-enforced in the latest International Monetary Fund (IMF) assessment <https://www.imf.org/en/publications> which highlights the three primary areas for additional health resources as follows:

- Responding to post-COVID Pandemic resource issues,
- Closing gaps in achieving the 'Sustainable Development Health Goals' in most emerging and developing countries, and
- Serving an ageing population in advanced economies.

The IMF has also stressed that there are limits to the fiscal opportunities for extra financial support to meet real increases in healthcare costs. Accordingly, the focus will have to be on the adoption of both innovative health solutions and greater efficiencies in the sector as a whole.

Independent island communities are equally facing the same and, indeed, even greater healthcare challenges due to limited on-island resources (critical mass versus economies of scale) and having to meet the cost of accessing specialist secondary care in a nearby mainland country.

Given the above challenges, this Review therefore concentrates on a sample of islands around the world and how their health services are evolving. These islands have been selected due to the similarity of their socio-economic profiles (World Bank definitions). However, their relationships with mainland countries vary as do their size, population composition, and degree of geographic remoteness.

The primary aims are to see:

- Whether there are common indicators and trends which may help in future island healthcare strategy planning,
- What best practice in healthcare delivery in a small community may be available, and
- What funding mechanisms and resources are currently or could be applied to meet future healthcare expenditure levels.

6. CONCLUSION

The primary aim of the ISLESTAT Review Series is to draw attention to the many economic, social and environmental issues which islands around the world are having to consider and then to focus on possible options which could be available to address particular areas of concern.

The effective delivery of healthcare is a global responsibility but the sector is under increasing pressures. On the negative side, the demands generated from the obesity crisis and ageing populations need to be met but, at the same time, there is also a supply shortage of labour and health facilities. These imbalances are further exacerbated by government funding limitations and inflationary pressures. However, the speed of change in a whole range of health functions is outpacing the ability of island governments to react quickly enough to amend relevant policies.

There is not a perfect solution to these problems. However, healthcare delivery is to a greater or lesser extent already a public/private partnership and potential supply shortfalls seem to rest on developing that arrangement across all levels of care and funding in a seamless and transparent way.

On the positive side, many islands are now embracing innovation and the use of AI and stepping up preventative care measures in a far more proactive way. These initiatives are seen as essential in meeting future healthcare demands to some extent but these also come with a cost.

Notwithstanding these initiatives, it seems inevitable that island residents will have to contribute more to the future funding of healthcare as well as long-term care. However, the options require

careful consideration in terms of affordability and fairness. but, above all, the need for greater personal responsibility for one's own health will be a major factor in the future.

Finally, there is a clear inter-relationship between the subjects covered in the Review Series (see page 32), and these areas of overlap will be highlighted and referenced as and when necessary. Indeed, islands worldwide will always have limited resources upon which to draw and, therefore, the identification of innovation and best practice elsewhere will be an essential feature in the Review programme.

7. ISLESTAT - REVIEW SCHEDULE

The following island-focussed and often inter-related subjects are being covered in the ISLESTAT Review Series over the next ten months. Subsequent topics addressed every other month after March 2024 will largely depend upon the critical issues facing island communities at the time.

HEALTHCARE RESOURCES (June 2023) - Pressure on healthcare resources primarily as a result of an ageing population and the world obesity crisis will be considerable and is the focus of this first Review.

This pressure will manifest itself not only in a lack of actual physical facilities but also in financial shortfalls thus requiring new funding sources to be considered.

IT AND AI IMPACT (July 2023) - There are real opportunities to harness the developments and applications which are now taking place in IT and AI in so many public and private sector functions.

Island policies relating to the advancements in the use of technology will be this Review's focus and how these inter-relate with other topics in the Review Series.

ENVIRONMENT & ENERGY (Sept 2023) - A sustainable environmental strategy and future energy security are critical issues facing islands.

This Review will examine how islands are covering the weaknesses and threats and what progress is being made both to counter the adverse impacts of climate change and meet zero-carbon energy generation objectives.

EDUCATION & TRAINING (Nov 2023) - Ageing demographics places increasing emphasis on those about to join or who are already part of the workforce to have the necessary lifelong skills/experience.

This Review assesses the education and training programmes being applied by several islands and how these match up to future employment demands.

FINANCIAL & FISCAL TRENDS (Jan 2024) - Having sufficient funds to meet a wide range of services and facilities plus greater infrastructure demands is becoming ever more challenging due to current economic conditions.

This Review focuses on how islands are addressing future financial limits and how feasible public/private partnerships are as a possible option to pursue.

ECONOMIC DEVELOPMENT (Mar 2024) - Current and future geopolitical tensions and environmental concerns are resulting in internal uncertainties as to what should be the future direction and balance of island economies and social infrastructures.

This Review will be concentrating on how island communities are now addressing these very real issues.

Details of all our services including the ISLESTAT Review Series can be found at: www.criticaleconomics.com