

# The impact of the financial crisis on European Health Systems



*...ending the cost curve'*

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*“Ladies and Gentlemen  
we have no money!  
Now we need to think!”*

[www.healthobservatory.eu](http://www.healthobservatory.eu)

European  
**Observatory**  
on Health Systems and Policies

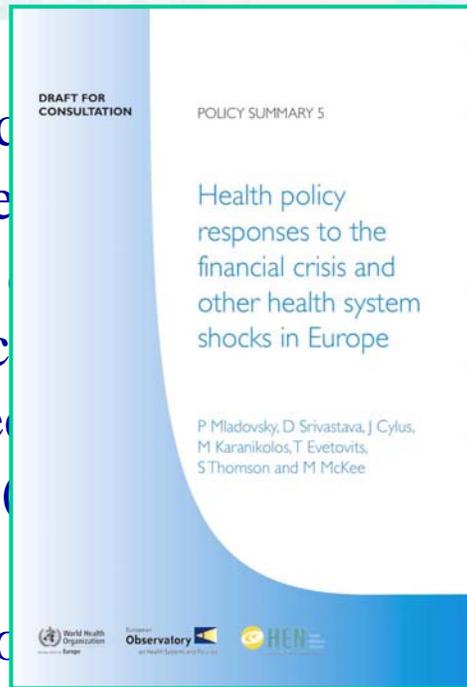
# *Outline*

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1. Protect the health budget
  - Health for economic productivity
  - Health as an economic sector
2. Raise (additional) statutory & earmarked resources
3. Step up rationing (shifting costs to consumers)
4. Improve performance (squeeze efficiency)
5. Act on health determinants (Health in All Policies)
  - Concluding remarks
  - Shifting (political and economic) paradigm..?

# Outline

1. Pre Budgetary adjustments  
• Economic sector  
• Regulatory  
• Staffing costs  
• (squeeze)  
• Elements of  
• economic
2. Reforms
3. Staffing
4. Incentives
5. Access  
• Coverage  
• Services



# Health Systems Response

## *In Short*

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- **Budget cuts & introduction of new policies in most** e.g. Bulgaria, Czech Republic, Estonia, Hungary, Ireland, Italy, Greece, Latvia, Romania, Portugal, Spain,...
- **With some exceptions** e.g. Belgium, Denmark, Norway, Poland,....
- **Pre 2008 reforms** continued or (often) accelerated

*Mladowsky, P, Srivastava, D Cylus J, KaranikolosM, Thompson S & McKee M, 2012*

# 1. Protect the health budget?

*'Health is Wealth'*

## Health Systems

Demonstrate impact on performance!!!

Health

Effects of ill health on economic growth

*Figueras J, McKee M 2011*



# 1. Protect the health budget?

*Health: a value in itself*

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## Health Systems

*GDP measures market production, not well-being*

Stiglitz et al., 2008

*GDP measures everything, in short, except that  
which makes life worthwhile*

Robert Kennedy

**Health**



**Wealth**

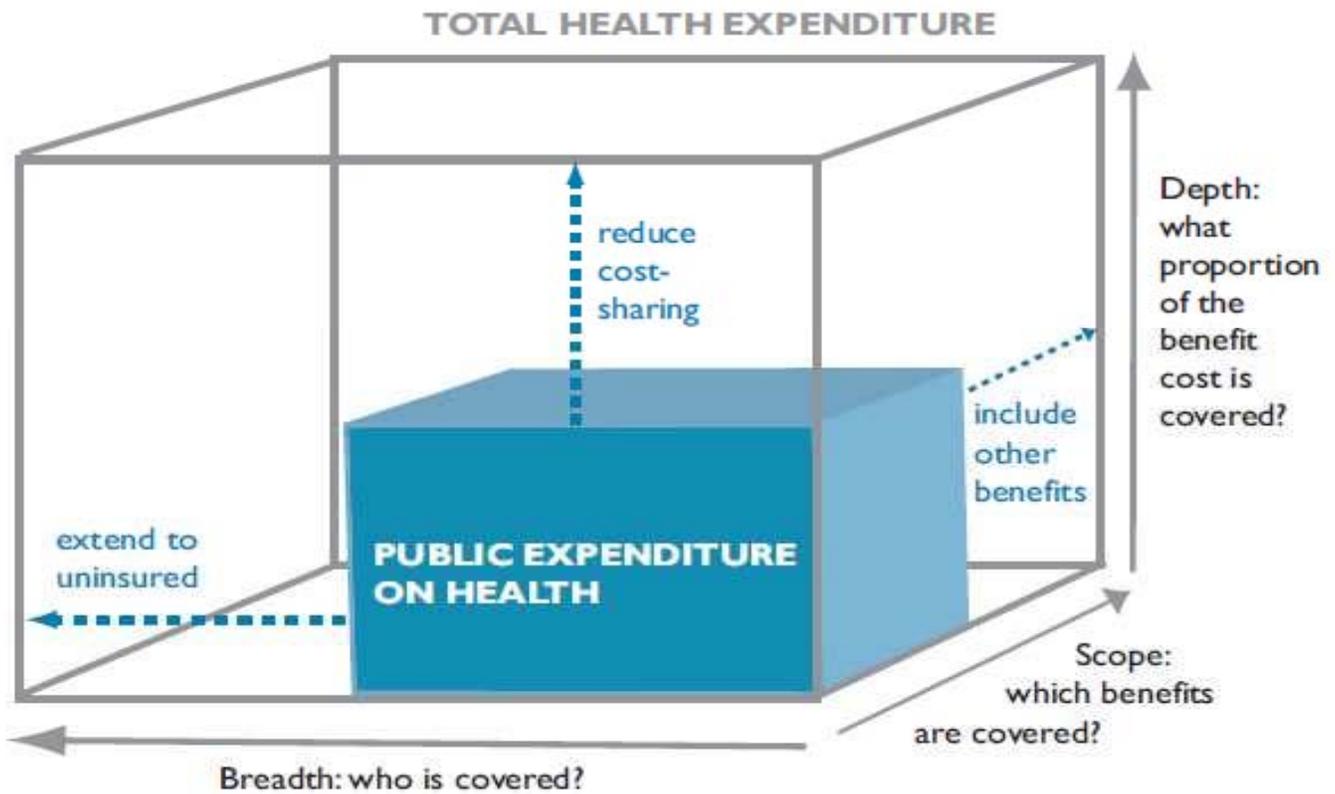
*Figueras J, McKee M 2011*

## **2. Raise statutory & earmarked resources?**

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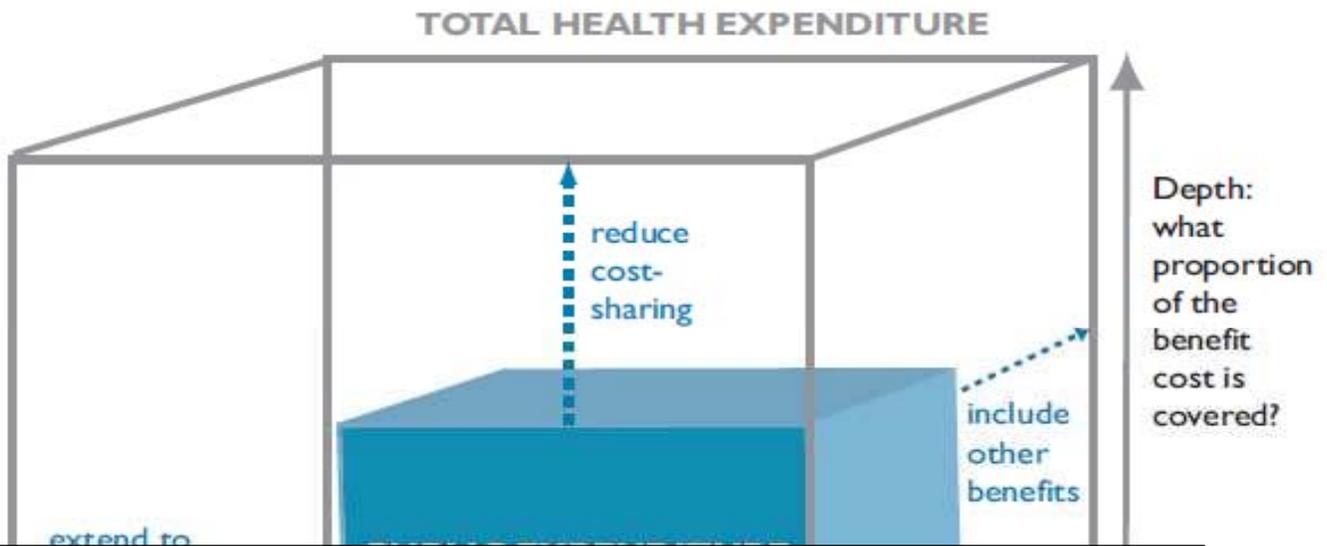
### 3. Step up rationing?

#### Coverage Dimensions



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#### Coverage Dimensions



#### Population (breadth) coverage

- Overall universal access maintained
- Some exceptions e.g. *Illegal migrants in Spain*

### 3. Step up rationing?

#### Coverage Dimensions

TOTAL HEALTH EXPENDITURE

#### Services covered (benefit package)

- Limited (explicit) reductions so far ....
- Exception: pharmaceuticals
- Increased focus on HTA
- Universal access maintained
- Large (implicit reductions): Waiting lists increases in many countries

*Mladowsky, P, Srivastava, D Cylus J, KaranikolosM, Thompson S & McKee M, 2012*

Overall universal access maintained

- Some exceptions e.g. *Illegal migrants in Spain*

### 3. Step up rationing?

#### Coverage Dimensions

##### Depth of coverage / Out of pocket

- Widespread increases in cost-sharing / out of pocket: E.g. Czech Republic, Estonia, Finland, France, Greece, Ireland, Latvia, Netherlands, Portugal, Spain & Romania.
- But decrease in some for vulnerable populations: e.g. Belgium, Hungary

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Large (implicit) reductions). Waiting lists  
increases in many countries

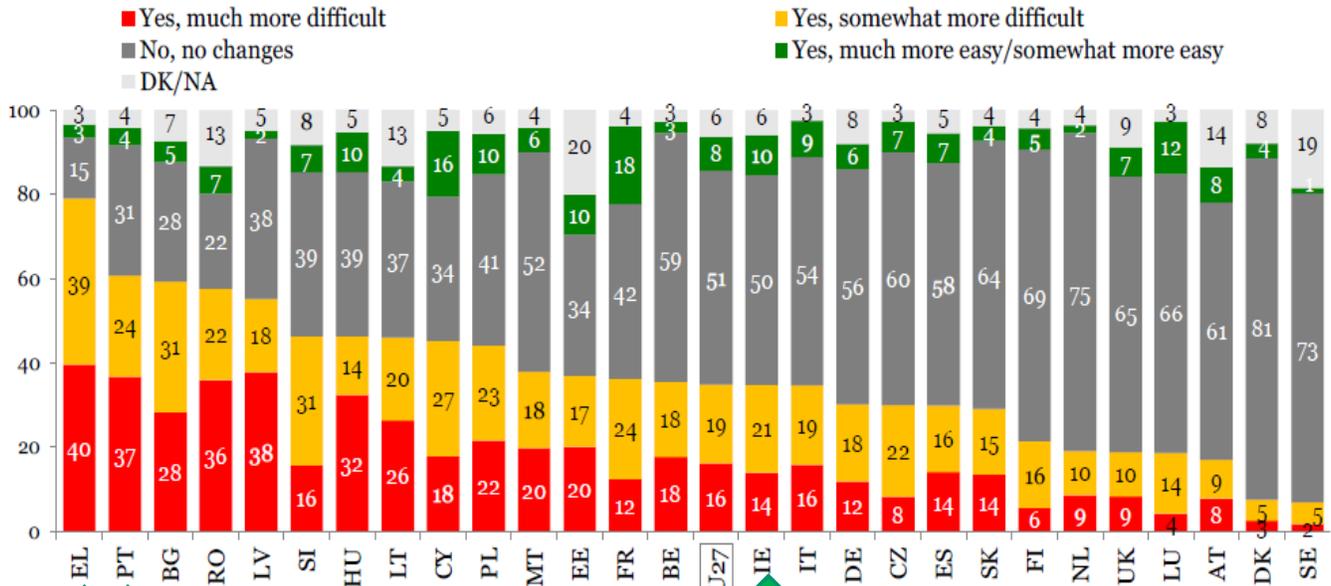
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Overall universal access maintained

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# Recent changes in the ability to afford health care (last 6 months)

Base: respondents who provided an answer



Q4. In the last six months, have you noted any changes in your ability to afford healthcare for you or your relatives? (IF YES) Has it become much more easy, somewhat more easy, somewhat more difficult, much more difficult?

**More difficult: 79%**

**More difficult: 61%**

**More difficult: 35%**

# A Greek tragedy

- EU-SILC data from 2007 and 2009
  - 15% increase in people reporting not visiting a doctor even though they felt it necessary
  - 14% increase for dentists
  - Seems to be mainly due to reduced access (distance, opening hours) and not cost
- Hospital admissions
  - Up 24% between 2009 and 2010
  - Down 25% in admissions to private hospitals

## 4. Improve Health Systems Performance

### *Squeeze (technical & allocative) efficiency*

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- Reforms in **purchasing & payment systems**
  - Purchasing leverage
  - Introduce case mix / payment for performance  
Austria, Hungary, Bulgaria, Czech Republic, .....
- **Rationalising** hospital/specialist services  
e.g. Hospital mergers in several countries
- **Reduce/freeze prices** paid to providers, reduction of salaries, e.g. France, Greece, Spain Ireland, Lithuania, Romania, England, Portugal and Slovenia

*Mladowsky, P, Srivastava, D Cylus J, KaranikolosM,  
Thompson S & McKee M, 2012*

## 4. Improve Health Systems Performance

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- Improve pharmaceutical / technology policies

Most EU27 strengthened policies to reduce the prices of medical goods or improve the rational use of drugs

- Austria, Belgium, Czech Republic, France, Estonia, Greece, Ireland, Hungary, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia, Slovenia and Spain

- Wide variety of measures

- generic substitution
- Negative lists
- Improve quality of prescribing
- claw-back mechanisms
- negotiations on prices

*Mladowsky, P, Srivastava, D Cylus J, KaranikolosM, Thompson S & McKee M, 2012*

## 4. Improve Health Systems Performance

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- Strengthened focus on HTA but limited use in cuts
  - EUnetHTA European Network for HTA
- Enhancing integrated care, including e-health
- Reallocate resources to primary care
- Optimise skill mix / substitution
- Focus on HSP Assessment

## 5. Act on health determinants

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- Health in All Policies, EU Finish presidency, 2006
- ‘Together for Health’ EU, 2009
- ‘Health 2020’ WHO Europe, 2012
- WHO Oslo Ministerial Conferences (2008, 2013)

## 5. Act on health determinants

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- **Distribute wealth basedal on solidarity and equity**
  - **Increase development aid**
  - **Health and wealth; protect health budgets**
  - **Every minister a health minister**
  - **Prioritize public health and primary care**
  - **More money for health and more health for the money**
  - **Universal social protection**
- **Universal access to health services**
  - **Universal, compulsory, redistributive funding**
  - **Tax and price policy for tobacco, alcohol, sugar, salt**
  - **Education of health professionals and ethical recruitment**
  - **Active public participation in development of anti-crisis measures**

# Social Spending and Mortality



*Stuckler, Basu & McKee, BMJ 2010*

# *Concluding remarks*

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- Fiscal sustainability: constraint, not policy objective
- Cost containment (savings)  $\neq$  efficiency
- Savings may not be immediate: e.g. hospital mergers
- Crisis: an unprecedented opportunity for change
- Involvement of staff central
- Be transparent & explicit about trade offs
- Countercyclical spending
  - *In times of growth get stronger not fatter*

# *Concluding remarks*

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- Rationing / financial barriers will significantly decrease access & have negative health impact
- Learn to communicate the case for Health & Wealth
- Limited emphasis on public health
- Yet financial crisis further emphasizes HIAP.

# *Concluding remarks*

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- Shifting values?
- Shifting orthodoxy?
- Shifting governance?