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SUMMARY

Economic crisis, health systems and health in Europe: impact and implications for policy

High-level meetings held in Oslo in 2009 and 2013

Joint WHO-Observatory study on the crisis

- Economic crisis, health systems, and health in Europe
- What did we expect?
- What did we find?
- What lessons for policy?
Evidence from earlier economic shocks

- They affect health but don’t affect everyone equally: health worsens in people who lose jobs
- Negative effects can be mitigated
- Countercyclical public social spending is critical: greater need for services, greater reliance on publicly financed services
- Protecting access to health care is critical, especially for those at risk of job loss, poverty
Decline in public spending on health: often small, sometimes sustained

Years of decline in public spending on health per person, 2007-2012: EU28

Source: Thomson et al 2014 using data from the WHO Global Health Expenditure Database
Decline in public spending on health: often small, sometimes severe

Annual change in public spending on health per person, 2007-2012: countries in which 2012 < 2007

-20%  -15%  -10%  -5%  0%  5%  10%  15%  20%

Ireland  Greece  Latvia  Croatia  Portugal

Source: Thomson et al 2014 using data from the WHO Global Health Expenditure Database
Evidence of pro-cyclical public spending on health

Change in the health share (%) of total government spending 2007-2011

Pro-cyclical public spending on health (including in 13 EU countries)

Countercyclical public spending on health

Source: Thomson et al 2014 using data from the WHO Global Health Expenditure Database
Annual change in public spending on different health services, 2007-2011

Source: Thomson et al 2014 using OECD-WHO-Eurostat data for EU and Iceland, Norway, Switzerland
Lesson 1: Policy makers have choices – even in austerity

Before cutting spending on health:
- consider the trade-offs
- balance short-term and long-term needs

If cuts are chosen make sure they are:
- selective
- informed by value
- don’t cost more in the long run

Next time: no horizontal cuts across the board
**Lesson 2: Secure financial protection and access to health care as a priority**

### Changes to health coverage in response to the crisis

<table>
<thead>
<tr>
<th>Protective responses</th>
<th>Non-protective responses</th>
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<tr>
<td>Number of countries</td>
<td></td>
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<tr>
<td>Expanding population entitlement</td>
<td>Added new benefits</td>
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<tr>
<td>Reduced user charges (or stronger protection)</td>
<td>HTA-based reduction in benefits</td>
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<td>Restricted population entitlement</td>
<td>Ad hoc reduction in benefits</td>
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<td>Increased user charges</td>
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This time: protective action was often too little, too late  
Next time: prioritise protective action

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**Source:** Thomson et al 2014; results across 47 countries in Europe
There is evidence of higher unmet need due to cost in many countries, especially among the poorest 40%.

Source: EU-SILC from Eurostat; the figures show changes for the poorest 40% of the population.
Lesson 3: Cuts and savings are not always the same as efficiency gains

- **Doing the same or more with fewer resources**
  - Reducing input costs through better procurement, selective cuts targeting excess capacity or inflated salaries and cost-reducing substitution

- **Doing more with the same or more resources**
  - Controlling spending through capacity planning, HTA, investing in public health and prevention, better provider payment, skill mix changes, eHealth and moving care out of hospital

- **Doing less with the same or more resources**
  - Making non-selective cuts (especially if cuts are large or sustained), cuts to public health services and cuts to low wages

- **Doing less with fewer resources**
  - Making cuts that result in cost-increasing substitution, access barriers and unmet need

Source: Thomson et al 2014
Focusing on efficiency is important but has its limits

• Improving efficiency should be a permanent effort

• Complex reforms need to be underpinned by capacity, investment and realistic timeframes

• Efficiency gains will not be able to bridge a large or sustained gap between revenue and expenditure
Moving towards UHC in Greece

- The estimated number of people **without health insurance** coverage 1.4 - 2.5 Million

- Until 2014 coverage for vulnerable ensured through a “safety net” approach based on vouchers and poverty booklets (only about 10% of the entitled persons benefiting)

- Strategic shift towards UHC with the approval of the **new PHC Law** in February 2014, guaranteeing universal access to PHC services

- Two additional Ministerial Decisions in June 2014, guaranteeing access of uninsured (similar to those insured) to **hospital care and medicines**

- Remaining challenges related to the implementation of the Law and Decisions, and to poor awareness of providers and beneficiaries about new entitlements
Lesson 4: Health financing policy is critical to building system resilience

Many countries were creative in mobilising public revenue during the crisis.

The crisis has shown the serious limitations of:
- entitlement based on employment or income
- coverage gaps, high out-of-pocket payments

It has highlighted the merits of:
- entitlement based on residence
- automatic stabilisers to smooth revenue flows and link revenue to population health needs
Looking ahead . . .

- Mitigating the negative effects of a crisis requires strong governance and leadership
- In spite of awareness, promoting access and financial protection was not a priority in economic adjustment programmes
- Limited evidence of negative effects: data are not produced quickly enough and available tools are not used systematically to monitor
Monitoring progress towards universal health coverage

Lack of financial protection: a source of hardship for individuals and inefficiency for society and economy

Mainly caused by out-of-pocket payments: often for prescribed drugs

WHO is now working in 15-20 European countries to measure out-of-pocket health spending that:
- pushes people into poverty (and further into poverty)
- is catastrophic (does not leave people with enough to spend on other essentials)
Resilience and moving towards universal health coverage in Ireland

- WHO-Observatory analysis of health system options under financial pressure

- WHO international advisory role in assessing health system resilience to crisis and pathways to universal health coverage
Looking ahead . . .

• The health system response is critical to mitigating the negative effects of shocks

• But key levers lie beyond the health system: health and fiscal people need to speak to each other

• The crisis has created a valuable opportunity for dialogue
Joint OECD and WHO Meetings on Financial Sustainability of Health Systems

High Level Policy Dialogues

Ministers of Health, Finance and Parliament (Malta)
WHO-Observatory joint study: survey methodology

- Two waves of a questionnaire sent to health policy experts in 53 countries in 2011 and 2013
- In 2013, 92 experts in 47 countries responded
- Full study available in spring 2015