Health Care in Europe –
An Overview

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1. Actors and organisation: are Bismarck’s and Beveridge’s grandchildren look-alikes?
2. Financing
3. Ensuring access and quality
4. Services, costs and reimbursement
5. Contribution to wealth/ productivity
Third-party Payer

Population
Providers

Collector of resources
Third-party payer

Population
Providers
Classical integrated NHS-type systems

Central government

General taxation

Population

Limited choice

Public providers

NHS = payer & provider

"NHS"

Central government

General taxation

Population

Limited choice

Public providers

Purchaser – provider split
“NHS”

Central government

General taxation

Purchaser – provider split

Population

Limited choice

Public

“autonomous” providers

“NHS”

Central government

General taxation

Purchaser – provider split

Population

Limited more choice

Public

“autonomous” providers

Prof. Dr. Reinhard Busse
Potsdam, 15.1.2007

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Central Regional governments

Population

Limited more choice

Purchaser – provider split

General taxation

Public “autonomous” providers

Regional governments

Population

Limited more choice

Purchaser – provider split

General taxation

Public “autonomous” and private providers

“NHS”
Observation 1:
Basic configuration of actors is now similar across EU member states.

Social Health Insurance (SHI) systems

Sickness funds

Population   Choice   Public “autonomous” and private providers

Purchaser – provider split

SHI contributions

Observation 1: Basic configuration of actors is now similar across EU member states.
Third-party Payer

- Taxes
- Social Health Insurance contributions
- Voluntary insurance

Population

Out-of-pocket

Prepaid

Prof. Dr. Reinhard Busse
Potsdam, 15.1.2007

EU-15

12 new EU members
Observation 2:
There is a distinct European way of financing health care.
Health care outcome: satisfaction, complications etc.

Structures and organisation

Patients: demand, access

Health care system

Process

Health care outcome: satisfaction, complications etc.

Process

Health care system

Other sectors

Environment

Nutrition/ agriculture

Needs-based access?

Personnel well qualified? Institutions of high standards? Technologies effective?

High-quality results?

Fair and sustainable funding?

Population health status (need)

Human resources

Technologies

Financial resources

Patients receiving appropriate services?

Health gain/ Outcome

Universal coverage; cost-sharing limits

Professional (re-)certification Provider (re-)accreditation

Health Technology Assessment

Concentration of services

“How do the thing right“:

Benchmarking/ league tables; registers

“How the right thing“:

ex ante Guidelines/ disease management programmes/ reminders; ex post Review

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Observation 3: EU health care systems face the same challenges and are choosing very similar answers.

“Do the thing right“: Benchmarking/league tables; registers

“Do the right thing“: ex ante Guidelines/ disease management programmes/ reminders; ex post Review

Costs and reimbursement of European hospitals: hip replacement

Data embargoed until February 22

Unpublished data from HealthBASKET project (presentation: conference Berlin, 22.2.07)
Observation 4:
Actual treatment and costs differ in the EU - but mainly within, not systematically between countries. Why do countries pretend they need their own specific reimbursement systems?

Unpublished data from HealthBASKET project (presentation: conference Berlin, 22.2.07)
Life expectancy at birth, in years

Life expectancy is visibly rising …

Today we know that health care does improve health …

<table>
<thead>
<tr>
<th>Time analysed</th>
<th>England &amp; Wales</th>
<th>USA</th>
<th>France</th>
<th>Japan</th>
<th>Italy</th>
<th>Sweden</th>
<th>Netherlands</th>
<th>Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age groups</td>
<td>5-64 y.</td>
<td>0-74 y.</td>
<td>5-64 y.</td>
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<tr>
<td>Share “medically amenable/ avoidable” mortality of total mortality (cross-sectional analysis)</td>
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<tr>
<td>1956</td>
<td>17.3%</td>
<td>15.8%</td>
<td>15.3%</td>
<td>33.3%</td>
<td>19.7%</td>
<td>15.8%</td>
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<td>1969</td>
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<td>1975/78</td>
<td>9.6%</td>
<td>6.3%</td>
<td>7.4%</td>
<td>19.6%</td>
<td>11.3%</td>
<td>7.1%</td>
<td>15.5%</td>
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<td>1984</td>
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<td>1990</td>
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<td>11.7%</td>
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<td>Change in mortality per year (longitudinal analysis)</td>
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<tr>
<td>“Medically amenable” mortality</td>
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<tr>
<td>-3.2%</td>
<td>-3.6%</td>
<td>-4.5%</td>
<td>-5.6%</td>
<td>-3.8%</td>
<td>-4.2%</td>
<td>-4.5%</td>
<td>-6.5%</td>
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<tr>
<td>Other mortality</td>
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<tr>
<td>-0.2%</td>
<td>-0.4%</td>
<td>-1.0%</td>
<td>-2.5%</td>
<td>-0.8%</td>
<td>-0.1%</td>
<td>-1.1%</td>
<td>-1.2%</td>
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<tr>
<td>Total mortality</td>
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<tr>
<td>-0.5%</td>
<td>-0.9%</td>
<td>-1.4%</td>
<td>-3.4%</td>
<td>-1.3%</td>
<td>-0.6%</td>
<td>-1.6%</td>
<td>-1.8%</td>
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<tr>
<td>Share of “medically amenable” mortality of change in total mortality</td>
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<tr>
<td>71%</td>
<td>59%</td>
<td>38%</td>
<td>46%</td>
<td>45%</td>
<td>78%</td>
<td>43%</td>
<td>41%</td>
<td></td>
</tr>
</tbody>
</table>

Busse 1998
Age-standardised death rates of treatable mortality in 20 EU member states, 1990/91 and 2000/02

Rethinking investment in health: A virtuous cycle?

Newey, Nolte, McKee & Mossialos 2004

Suhrcke M, McKee M, Sauto Arce R, TASKA S, Mortensen J.
The return on investment

<table>
<thead>
<tr>
<th>Country</th>
<th>Increase in GDP per capita</th>
<th>Increase in total health income</th>
<th>Increase in health expenditure</th>
<th>Increase in health income attributable to health care</th>
<th>Return on health expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>$5,200</td>
<td>$3,302</td>
<td>$676</td>
<td>$996</td>
<td>47%</td>
</tr>
<tr>
<td>UK</td>
<td>$6,000</td>
<td>$4,108</td>
<td>$630</td>
<td>$1,561</td>
<td>148%</td>
</tr>
<tr>
<td>Italy</td>
<td>$5,420</td>
<td>$4,992</td>
<td>$403</td>
<td>$1,325</td>
<td>229%</td>
</tr>
<tr>
<td>Spain</td>
<td>$5,180</td>
<td>$4,498</td>
<td>$506</td>
<td>$1,780</td>
<td>252%</td>
</tr>
<tr>
<td>Sweden</td>
<td>$4,810</td>
<td>$4,732</td>
<td>$395</td>
<td>$1,478</td>
<td>274%</td>
</tr>
</tbody>
</table>

Return on health expenditure: 47% (France), 148% (UK), 229% (Italy), 252% (Spain), 274% (Sweden)

**Equation:**

\[
Y = 1.79X + 61.97
\]

- \(X\): Total health expenditure as % of gross domestic product (GDP), WHO estimates, 2002
- \(Y\): Life expectancy at birth, in years, Last available

Graph showing the relationship between total health expenditure and life expectancy for various countries.
Don’t say: “the more – the better” is always true: acute hospital beds/capita vs. life expectancy

Y = -0.01577X+82.55

Back to spending vs. life expectancy …

Y = 1.79X+61.97

Observation 5: If health care increases wealth, then it is in our common EU interest that low-spending countries increase their health expenditure.
This presentation and more material can be found on the following websites:

http://mig.tu-berlin.de

www.observatory.dk