Health system reforms in times of crisis: EU countries

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BEFORE THE CRISIS: WAS EVERYTHING OK WITH EUROPEAN HEALTH SYSTEMS?

NO! IN MANY COUNTRIES EXPENDITURE RISES WERE HIGH, THE POPULATION DISSATISFIED, AND QUALITY SUB-OPTIMAL
Average annual growth of total health expenditure before crisis: 2000-2009
(OECD 2013)
Rating of overall quality of healthcare in country (autumn 2009): “good” (Eurobarometer 327)
Health policy rating 2008
(Mackenbach & McKee 2013)
An example quality indicator: prescription of antibiotics (in DDD/capita), 2010
A few bad examples

- **Ireland**: no universal coverage, ca. 50% relying on VHI, ridiculously high and rising costs and salaries
- **Greece**: totally fragmented public system (between “NHS” and health insurance funds) → dissatisfaction → very high private provision and expenditure
- **Portugal**: waiting in public providers → private provision → high rates of out-of-pocket expenditure

The (elected!) politicians in these and other countries were not interested in good and resilient health systems – and totally unprepared for the crisis!
Real GDP/capita during crisis: 2012 vs. 2007
(Eurostat; rounded)
In many countries, GDP down and unemployment up (and taxes/contributions down)

![Graph showing GDP trends in various countries over time.](image-url)
Overview of responses

• Many countries largely unaffected by financial crisis, so no need for a response

• Many changes in health systems part of pre-existing plans, so difficult to attribute to the financial crisis

• Only a few examples of major budget cuts (some imposed by the international community)

• But in many countries
  – decreasing expenditure by price *(pharma!)* and salary cuts/ freezes
  – increasing income by tax/ contribution increases and co-payments

• However, fewer examples of clever restructuring, strengthening HTA or using “sin taxes” wisely *(many missed opportunities of the crisis!)*
Average annual growth of total health expenditure in crisis: 2009-2012 (OECD 2014)
Average annual growth of total health expenditure: 2009-2012 vs. 2000-2009
7.2.2. Health expenditure as a share of GDP, 2000-11, selected G7 countries

7.2.3. Health expenditure as a share of GDP, 2000-11, selected European countries

StatLink http://dx.doi.org/10.1787/888932918890

StatLink http://dx.doi.org/10.1787/888932918909
- Public Health Expenditure at 6% of GDP
- €2 bn savings in pharmaceuticals between 2010 and 2012 (through pricing mechanisms and prescribing monitoring)
- 25% decrease in expenditure for purchase of medical services and goods (by end 2011)
- Introduction of single Health Insurance Fund (EOPYY), with 50% reduction in admin staff and 25% reduction in contracted doctors
- 10% + 5% reduction in hospital costs in 2011 and 2012
- 10% + 15% reduction in compensation costs (doctors wages and fees) in 2011 and 2012
- Introduction of hospital computerisation and monitoring systems
2. Recent health policy in Portugal

Health system in the MoU

Scope of measures:
- NHS and public subsystems financing
- Pharmaceuticals and the pharmacies’ sector
- Prescription and monitoring of prescription
- Centralised purchasing and procurement
- Primary care services
- Hospital services
- Cross services

Financing

- NHS user fees increased and indexed to inflation; exemption scheme revised
- Reduction of budgetary cost of health-benefits schemes for civil servants

Pharmaceuticals

- Revision of distribution margins and decrease in prices following changes in reference countries

Prescription

- Additional legislation on electronic prescription
- Prescription guidelines are being established by DGS-OM and OMD
- Incentives for use of generic medicines

NHS expenditure with private providers

- New legal framework for private services contracting by the NHS just published (Oct.13)

Primary care services

- Increase in patients assigned to NHS family doctor (from 85.2% in 2010 to 95.1% in 2012)
- Number of USF increased 9% in 2011 and 11% in 2012

Hospital services

- Clearing NHS hospitals’ arrears
- Reorganisation/rationalisation of hospital network
- Reducing operating costs of hospitals
## In the middle of the crisis: the most important EU health care directive “on patients’ rights in cross-border care” (but including HTA, prescriptions, ehealth)

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003:</td>
<td>High Level process of reflection on patient mobility and healthcare developments in the EU</td>
</tr>
<tr>
<td>2004:</td>
<td>High Level Group on Health Services and Medical care</td>
</tr>
<tr>
<td>2006:</td>
<td>Removal of health services from the Directive on Services in the Internal Market</td>
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<tr>
<td>2006:</td>
<td>Council conclusions on Common values and principles in EU Health Systems</td>
</tr>
<tr>
<td>2006-07:</td>
<td>Public consultation on Community action on health services</td>
</tr>
<tr>
<td>2008:</td>
<td>European Commission proposal for a Directive on the application of patients’ rights in cross-border health care</td>
</tr>
<tr>
<td>2009:</td>
<td>European Parliament’s first reading</td>
</tr>
<tr>
<td>May 2010:</td>
<td>Implementation of the revised social security coordination framework</td>
</tr>
<tr>
<td>June 2010:</td>
<td>Council's of EU ministers reach a common position</td>
</tr>
<tr>
<td>Nov 2010:</td>
<td>European Parliament’s Report, 2nd reading</td>
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<tr>
<td>Jan 2011:</td>
<td>European Parliament plenary sitting, 2nd reading</td>
</tr>
<tr>
<td>9 March 2011:</td>
<td>Directive passed</td>
</tr>
<tr>
<td>25 Oct 2013:</td>
<td>Deadline for transposition into national law</td>
</tr>
</tbody>
</table>
What are the effects on health?

Starting with previous experience

In brief:
- Suicides up
- Road traffic deaths down
- Alcohol-related deaths: depends on how easily alcohol is available
- Infectious disease: almost impossible to predict
The impact of a 1% increase in unemployment on mortality

<table>
<thead>
<tr>
<th>Cause of Death</th>
<th>Country-Years</th>
<th>Effect Size (95% CI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>External Causes</td>
<td>662</td>
<td>-0.25 (-0.68, 0.18)</td>
</tr>
<tr>
<td>Suicide</td>
<td>657</td>
<td>0.49 (-0.04, 1.02)</td>
</tr>
<tr>
<td>Suicide (0-64)</td>
<td>657</td>
<td>0.79 (0.16, 1.42)</td>
</tr>
<tr>
<td>Homicide</td>
<td>496</td>
<td>0.79 (0.06, 1.52)</td>
</tr>
<tr>
<td>Drug Abuse</td>
<td>261</td>
<td>-3.75 (-7.67, 0.17)</td>
</tr>
<tr>
<td>Alcohol Poisoning</td>
<td>203</td>
<td>0.81 (-5.93, 7.54)</td>
</tr>
<tr>
<td>Accidents</td>
<td>516</td>
<td>-0.45 (-0.88, -0.02)</td>
</tr>
<tr>
<td>Drowning</td>
<td>506</td>
<td>-0.16 (-1.34, 1.04)</td>
</tr>
<tr>
<td>Poisoning</td>
<td>504</td>
<td>-0.09 (-1.90, 1.73)</td>
</tr>
<tr>
<td>Ill-Defined Causes</td>
<td>611</td>
<td>-1.48 (-3.51, 0.54)</td>
</tr>
<tr>
<td>Transport Accidents</td>
<td>515</td>
<td>-1.39 (-2.14, -0.64)</td>
</tr>
<tr>
<td>Falls</td>
<td>516</td>
<td>0.11 (-0.42, 0.65)</td>
</tr>
<tr>
<td>Cardiovascular Disease</td>
<td>662</td>
<td>0.03 (-0.25, 0.30)</td>
</tr>
<tr>
<td>Cardiovascular Disease (0-64)</td>
<td>662</td>
<td>0.13 (-0.16, 0.42)</td>
</tr>
<tr>
<td>Ischaemic Heart Disease</td>
<td>660</td>
<td>0.31 (-0.15, 0.77)</td>
</tr>
<tr>
<td>Cerebrovascular Disease</td>
<td>662</td>
<td>-0.16 (-0.45, 0.14)</td>
</tr>
<tr>
<td>Psychiatric Disorders</td>
<td>490</td>
<td>-0.71 (-3.47, 2.05)</td>
</tr>
<tr>
<td>Liver Cirrhosis</td>
<td>662</td>
<td>0.12 (-0.78, 1.02)</td>
</tr>
<tr>
<td>Ulcer</td>
<td>514</td>
<td>0.24 (-0.44, 0.91)</td>
</tr>
<tr>
<td>Neoplasms</td>
<td>662</td>
<td>0.04 (-0.07, 0.16)</td>
</tr>
<tr>
<td>Lung Cancer</td>
<td>661</td>
<td>0.05 (-0.14, 0.24)</td>
</tr>
<tr>
<td>Alzheimer</td>
<td>500</td>
<td>0.12 (-1.71, 1.96)</td>
</tr>
<tr>
<td>Diabetes</td>
<td>655</td>
<td>0.54 (-0.33, 1.40)</td>
</tr>
<tr>
<td>Diabetes (15-44)</td>
<td>499</td>
<td>0.46 (-1.68, 2.60)</td>
</tr>
<tr>
<td>Maternal Mortality</td>
<td>584</td>
<td>-0.17 (-3.06, 2.73)</td>
</tr>
<tr>
<td>Infant Mortality</td>
<td>671</td>
<td>-0.06 (-0.59, 0.47)</td>
</tr>
<tr>
<td>Infectious Diseases</td>
<td>660</td>
<td>-0.31 (-1.18, 0.56)</td>
</tr>
<tr>
<td>Respiratory Infections</td>
<td>511</td>
<td>1.89 (0.02, 3.76)</td>
</tr>
<tr>
<td>Tuberculosis</td>
<td>462</td>
<td>0.18 (-0.58, 0.94)</td>
</tr>
<tr>
<td>All-Cause</td>
<td>521</td>
<td>0.05 (-0.19, 0.29)</td>
</tr>
</tbody>
</table>

Percentage Change

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The good news first: Health indicators in Portugal

Life expectancy at birth

Infant mortality rate (age<1)

Total mortality rate

Suicide rate

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Impact on health – current crisis: Italy

- 290 (95% CI 112-468) excess suicides and attempted suicides due to economic reasons (2008-2010)
- 1st grassroots movement on mental health responding to “suicides by economic crisis”

Impact on health – current crisis: England

1,000 excess suicides (2008-2010):
- Men: 846 (95% CI 818-877)
- Women: 155 (95% CI 121-189)
- 10% increase in number of unemployed = 1.4% increase in male suicides

Impact on health – current crisis: Spain

% point increase in diagnoses of mental illness among patients attending primary care: 2010 - 2006/07

- Major Depression
- Dysthymia
- Generalised Anxiety Disorder
- Multisomatoform Disorder
- Panic Attack Disorder
- Alcohol Abuse
- Minor Depression
- Alcohol Dependence
- Bulimia (non-purging)
Impact on health – current crisis: usage of anti-depressants

![Graph showing the percentage change in anti-depressant usage for UK, Spain, Sweden, Norway, and Netherlands from 2007 to 2010.]}
Impact on health – current crisis: Greece

- Greece: 2.5 times increase in major depression between 2008 and 2011 (Economou et al., 2012)

- 29% increase in suicidal ideation and 36% increase in attempted suicide between 2009 and 2011 (Economou et al., 2013)

- 120% increase in mental health service use over 3 years (Anagnostopoulos & Soumaki, 2013)

- State funding for mental health decreased by 20% in 2011 and another 55% in 2012
Impact on health care access – current crisis

Health insurance coverage for a core set of services, % population 2012 (or nearest year)

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Impact on health care access – current crisis

Unmet medical need (%) (SILC)

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Some conclusions

• Countries do not only differ in how good their health systems are, but also how resilient (how prepared for crisis)

• Besides good (or bad) politicians, several factors markedly increase resilience:
  – Strong social networks: membership of trade unions, churches, social clubs
  – A strong welfare state: especially active labour market programmes that get people back into work (or at least give them the message that someone cares)

• Crisis can be bad for health, but its primarily up to us (health politicians & academics) to prepare our health systems better!
Short-term solutions are important to keep the system running during crisis, but...

...aim for sustainable, resilient & high-quality systems!
Presentation available at:

www.mig.tu-berlin.de

www.healthobservatory.eu