Navigating health systems through financial crisis: lessons from the European Region

Matt Jowett
Barcelona Office for Health System Strengthening
Division of Health Systems and Public Health
WHO Regional Office for Europe
WHO’s involvement and Oslo meeting

Generating the evidence

Emerging policy lessons and recommendations

Questions and priorities for future work
Why is WHO engaged?

Financial and economic crisis is threatening the health gains made across Europe in recent decades, and risks exacerbating the longer term challenges facing our health systems.
Oslo conference on health systems and the economic crisis

Health systems in times of global economic crisis: an update of the situation in the WHO European Region

17–18 April 2013, Oslo, Norway

Countries in the WHO European Region have been affected in different ways and to differing degrees by the global economic crisis. Similarly, the policy responses of governments and the overall impact on health systems and health outcomes are varied.

Four years after Norway hosted the high-level meeting “Health in times of global economic crisis: implications for the WHO European Region”, WHO brought together senior policy makers from ministries of health, finance and health insurance funds, as well as patient organizations, international partners and researchers, to review the situation across the Region today.
Examples of our technical work

Health system responses to financial pressures in Ireland

Policy option international

Examples of our technical work

SUMMARY

Health, health systems and economic crisis in Europe
Impact and policy implications

Health Systems in the Era of Austerity
Dublin, 18 June 2013
The crisis challenge: sustained decline in per capita public spending on health

<table>
<thead>
<tr>
<th>Year</th>
<th>Countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>2008</td>
<td>Andorra, France, Luxembourg</td>
</tr>
<tr>
<td>2009</td>
<td>Andorra, Bulgaria, Croatia, Estonia, Hungary, Ireland, Latvia, Lithuania, Romania, San Marino, FYRM</td>
</tr>
<tr>
<td>2010</td>
<td>Albania, Armenia, Croatia, Czech Rep, Estonia, Finland, Greece, Iceland, Ireland, Latvia, Lithuania, Montenegro, Slovenia, Spain</td>
</tr>
<tr>
<td>2011</td>
<td>Andorra, Armenia, Czech Rep, Germany, Greece, Ireland, Netherlands, Portugal, Slovakia, Spain, UK</td>
</tr>
</tbody>
</table>

Other constraints: uncertainty? time? info? capacity? opposition?
## Access to effective care: responses

<table>
<thead>
<tr>
<th>No change</th>
<th>Population entitlement</th>
<th>Benefits package</th>
<th>User charges</th>
</tr>
</thead>
<tbody>
<tr>
<td>ARM BUL CRO GER DNK EST FIN GEO HUN ISL ISR ITA MNE NLD NOR POR ROM SVK TUR UKR UK (22)</td>
<td>GER DNK FIN GEO ISR LVA NOR SVK SWE SLO TUR UKR UK (13)</td>
<td>BIH GEO ISR MNE MKD MLT NOR SRB SWI UKR (10)</td>
<td></td>
</tr>
</tbody>
</table>

| Better coverage | AUT BIH BEL GRC FRA LTU MLD MKD SRB RUS SWE SWI (12) | ARM AUT BGR BEL HRVFRA ISL ITA MLD MNE MLT SRB (12) | AUT BEL GER DNK HUN SVK (6) |

| Worse coverage | CYP CZE ESP IRL (4) | BIH SWI CYP CZE EST GRE ESP HUN IRL LTV NLD POR ROM RUS (14) | ARM BGR HRV CYP CZE IRL ISL MLD ROM SWE SVN (11) |

| Mixed effects | LVA SVN (2) | MKD (1) | EST GRE ESP FIN FRA ITA LVA NLD POR RUS TUR UK (12) |

Source: Sarah Thomson / OBS/WHO survey

Health Systems in the Era of Austerity

Dublin, 18 June 2013
Unmet need is rising in the poorest quintile

Source: EU SILC

Source: Sarah Thomson

Health Systems in the Era of Austerity
Dublin, 18 June 2013
#1. Short-term policy responses to fiscal pressure should be consistent with long-term health system goals and reforms

- Moving towards and/or sustaining universal coverage
- Health-in-all policies focused on risk factors related to non-communicable diseases
- Emphasis on health promotion and disease prevention
- Coordinated service delivery systems based on primary care and community care
#2. Fiscal policy should explicitly take account of health impact

- There is strong evidence that negative health effects arise during financial crisis and economic recession, particularly for the poor and vulnerable.

[Graph showing Suicides in the European Union pre- and post- 2007]
#3. Social safety nets and labour market policies can mitigate the negative health effects of financial and economic crisis

- Investing in social safety nets and unemployment benefits is good health policy.
- Health systems need to ensure absorptive capacity for the increased demand for mental and physical health services expected during times of crisis.
#4. Health policy responses make a difference for health outcomes, access to care and population financial burden

- Absorb budget cuts through supply-side measures before shifting costs onto patients
- Cut wisely - avoid across-the-board cuts and target inefficiencies
- Protect the poor and vulnerable
#5. Funding for public health services must be protected

- Fiscal pressure brings into even sharper focus the need to ensure that health spending is cost-effective
- Public health services are proven investments that can improve health outcomes at relatively low cost
- Public health contributes to economic recovery
#6. Fiscal policy should avoid prolonged and excessive cuts in health budgets

- Demand for health services increases as unemployment rises and household incomes fall
- There is a case for a counter-cyclical approach to public spending
- This requires responsible fiscal and economic policies during periods of economic growth

Source: G. Kacevicius
#7. High performing health systems that are more efficient are better prepared and more resilient during times of crisis.

Efficiency

- Investments
- Infrastructure
- Clinical practice
- Priority setting
- Management
- Human Resources
- Pharma
- Information systems
#8. Deeper structural change in health systems will take time to deliver savings

- The prolonged nature of the crisis means that structural change may be required beyond the initial policy responses e.g. reducing pharmaceutical prices.
- Fundamental reforms with structural change often require up-front investment.
- Budget allocations to health should take this into account.
- Health systems must continually seek efficiency gains and not only once crisis hits.
#9. Safeguarding access to services requires a systematic and reliable information and monitoring system.
#10. Prepared and resilient health systems result primarily from good governance

- The crisis is a test of good governance in health systems to protect equity and solidarity
  - prudent fiscal policy
  - continual attention to efficiency
  - responsible management of public resources
Rationale and background

Generating the evidence

Emerging policy lessons and recommendations

Questions and priorities for future work
How can we spend more efficiently?

- **Cardiovascular disease**: €169 billion annually in the EU; healthcare accounting for 62% of costs
- **Alcohol related harm**: €125 billion annually in the EU, equivalent to 1.3% of GDP
- **Obesity related illness (including diabetes and CVD)**: Over 1% GDP in the US; between 1-3% of health expenditure in most countries
- **Cancer**: 6.5% of all health care expenditure in Europe
- **Road traffic injuries**: Up to 2% of GDP in middle and high income countries

Role of the hospital under question

• Often seen as inefficient, both in terms of internal organization (clinical silos) and inappropriate activity (treating PHC-sensitive cases)

• In many countries represent a significant misallocation of resources

• Insufficiently coordinated with primary care - external

• Growing quality and safety concerns

• Rural areas? What is desirable / possible?

• Large fixed cost - takes time to adjust
Unnecessary admissions - COPD

5.1.2 COPD hospital admission rates, population aged 15 and over, 2009 (or nearest year)

Note: Rates are age-sex standardised to 2005 OECD population.
Source: OECD Health Data 2011.
Room for improvement

- Two countries with free and widely accessible primary care (i.e. full coverage)

- Why is there such poor awareness of own blood pressure, low treatment rates, and poor control?


CREDIT: M. JAKAB
How can we better monitor the health effects of economic downturns?

Monitoring the health impact of the crisis **during the crisis**

A priority area of joint work for the future
THANK YOU