



Policy challenges and reform options for health systems in the EU

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Outline of the presentation

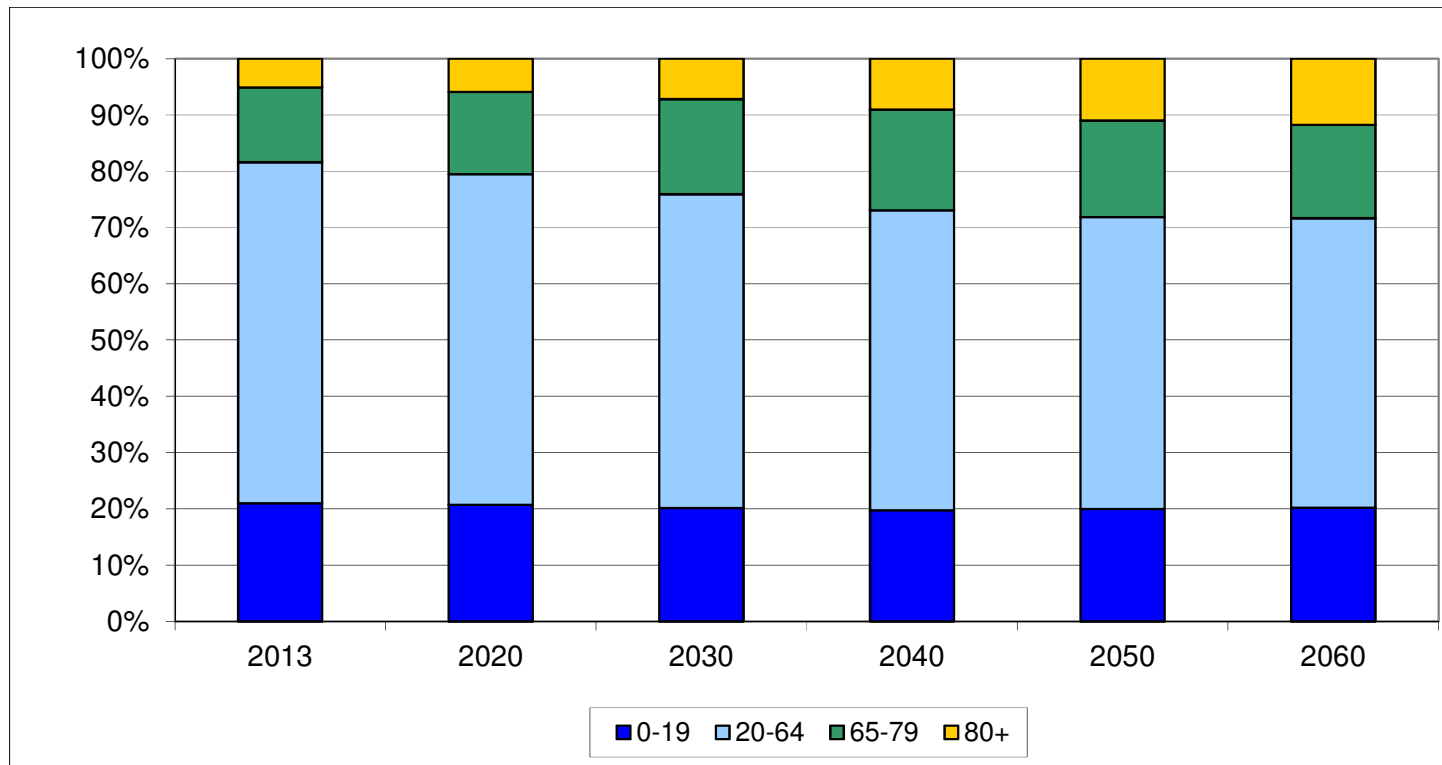
1. Spending pressures due to both ageing and trend increase
2. Policy challenges and reform options



- **1. Long-term sustainability risks posed by population ageing**



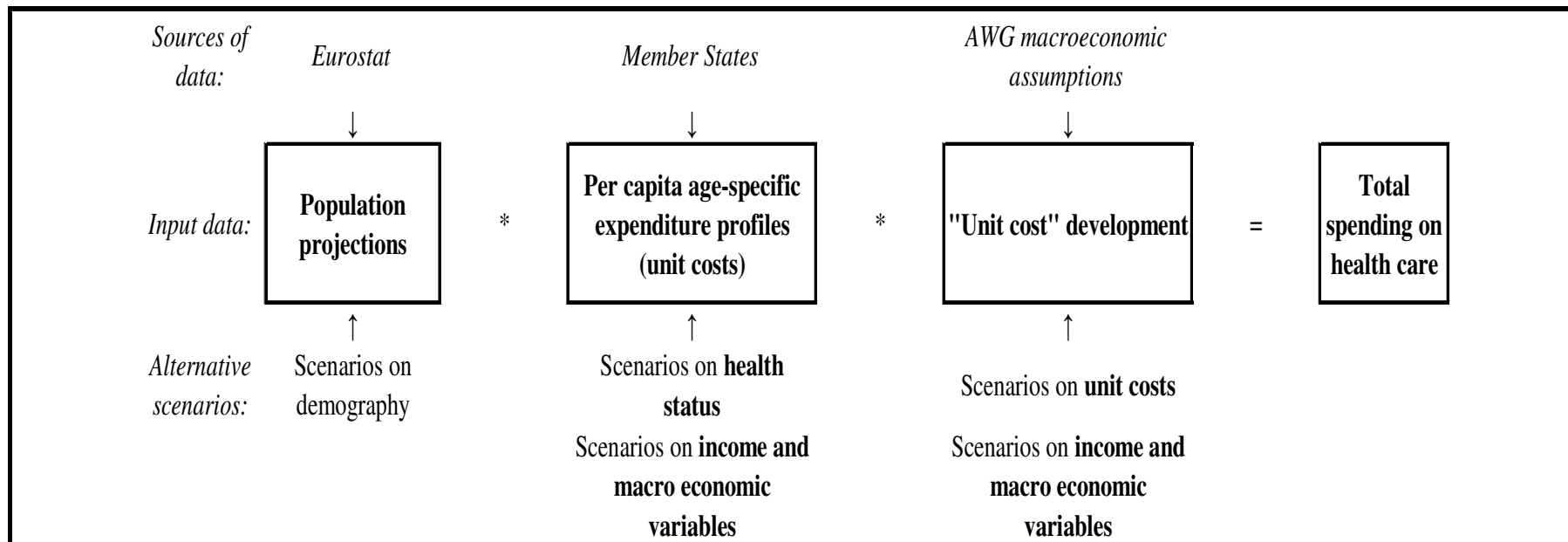
Projection of changes in the structure of the EU population by main age groups (in %)



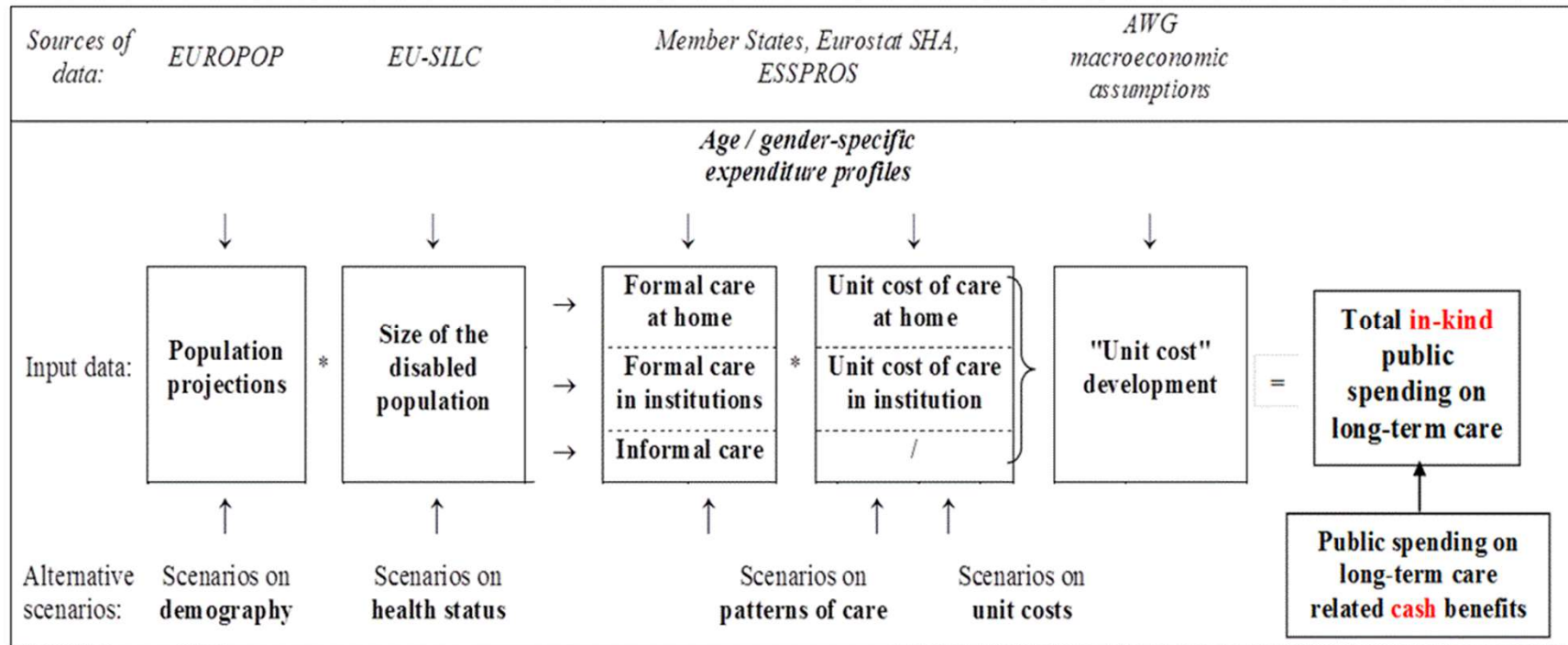


- **Technological progress (health care)**
- **As countries become richer, they are likely to spend a greater proportion of their income on health care and long-term care**
- **HC and LTC are labour-intensive: likely to become more relatively expensive (Baumol disease) over time**

HC expenditure projection model structure



LTC expenditure projection model structure

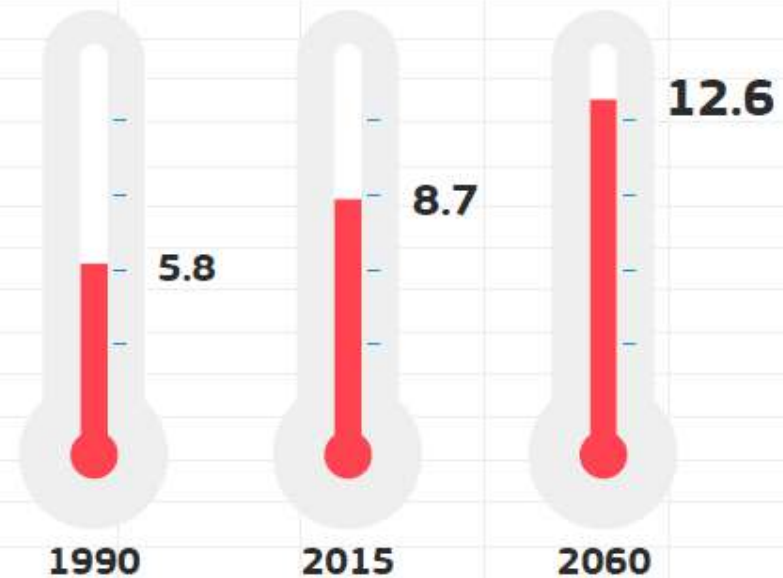


Why HC and LTC spending is relevant (1)



HEALTH SYSTEMS AND FISCAL SUSTAINABILITY

HEALTH RELATED EXPENDITURE TAKES UP A SIGNIFICANT SHARE OF RESOURCES IN THE EU. THIS IS PROJECTED TO GREATLY INCREASE IN THE COMING DECADES.



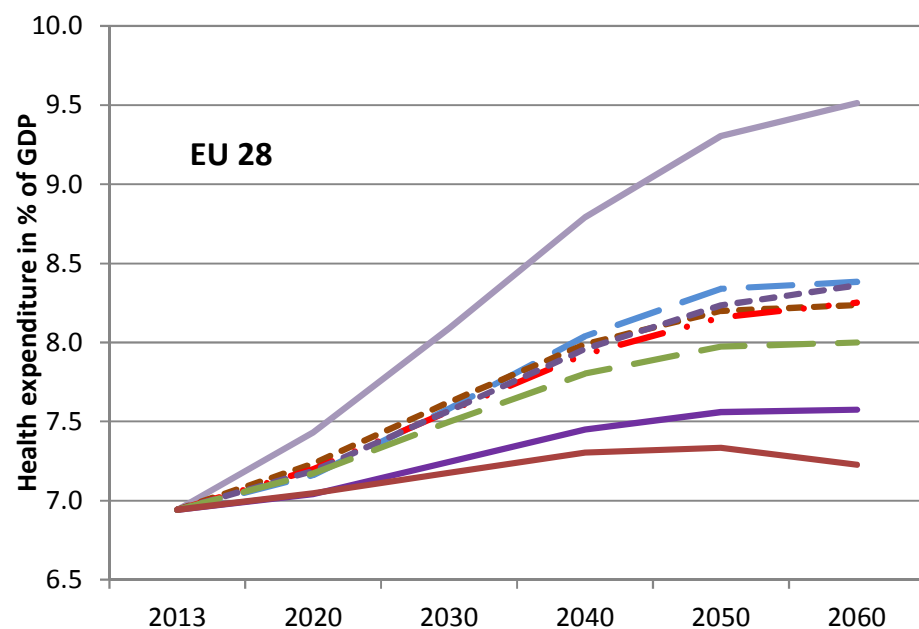
Public expenditure in health and long-term care (% GDP)

Expenditure projection

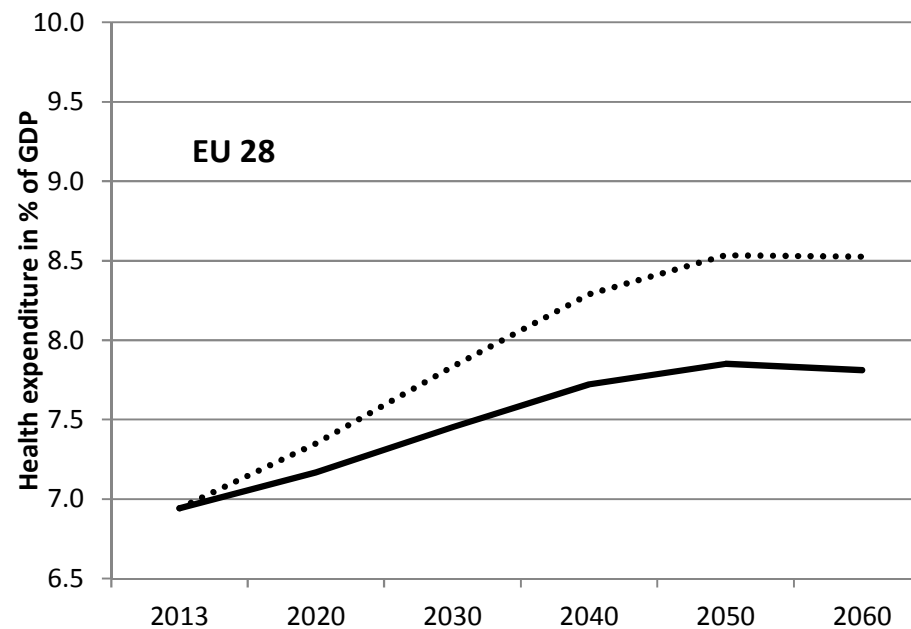


results: Health-Care

Coping with health care spending trends remains a major challenge (change in p.p. of GDP, 2013-60)



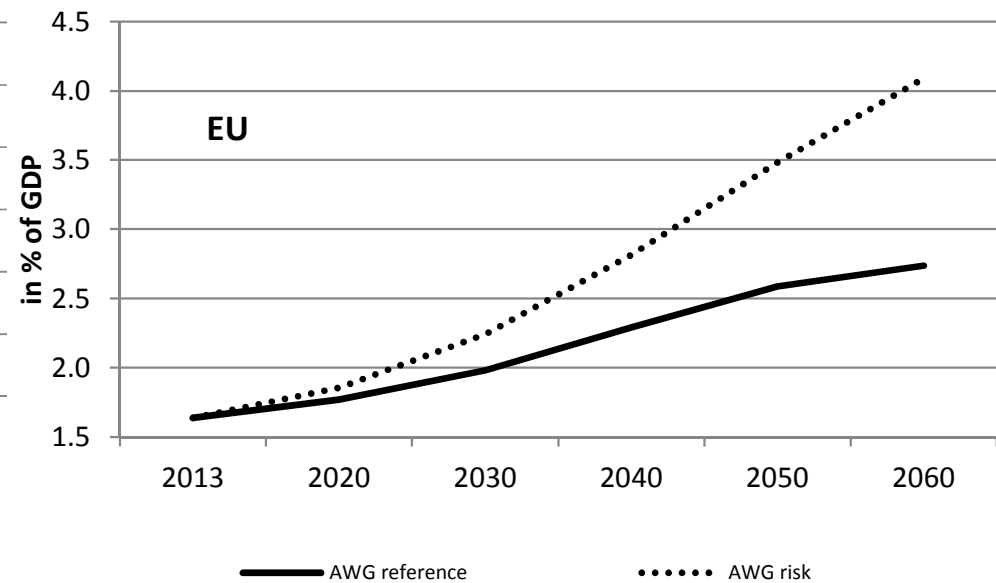
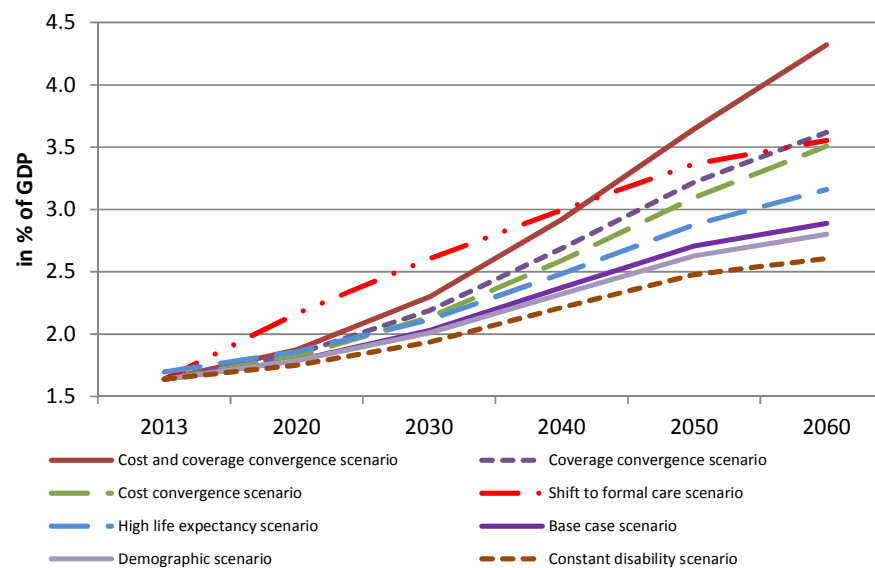
- Non-demographic drivers
- Labour intensity
- Cost convergence
- Demographic
- Sector-specific indexation
- Income elasticity
- High-life expectancy
- Constant health



- AWG reference scenario
- AWG risk scenario

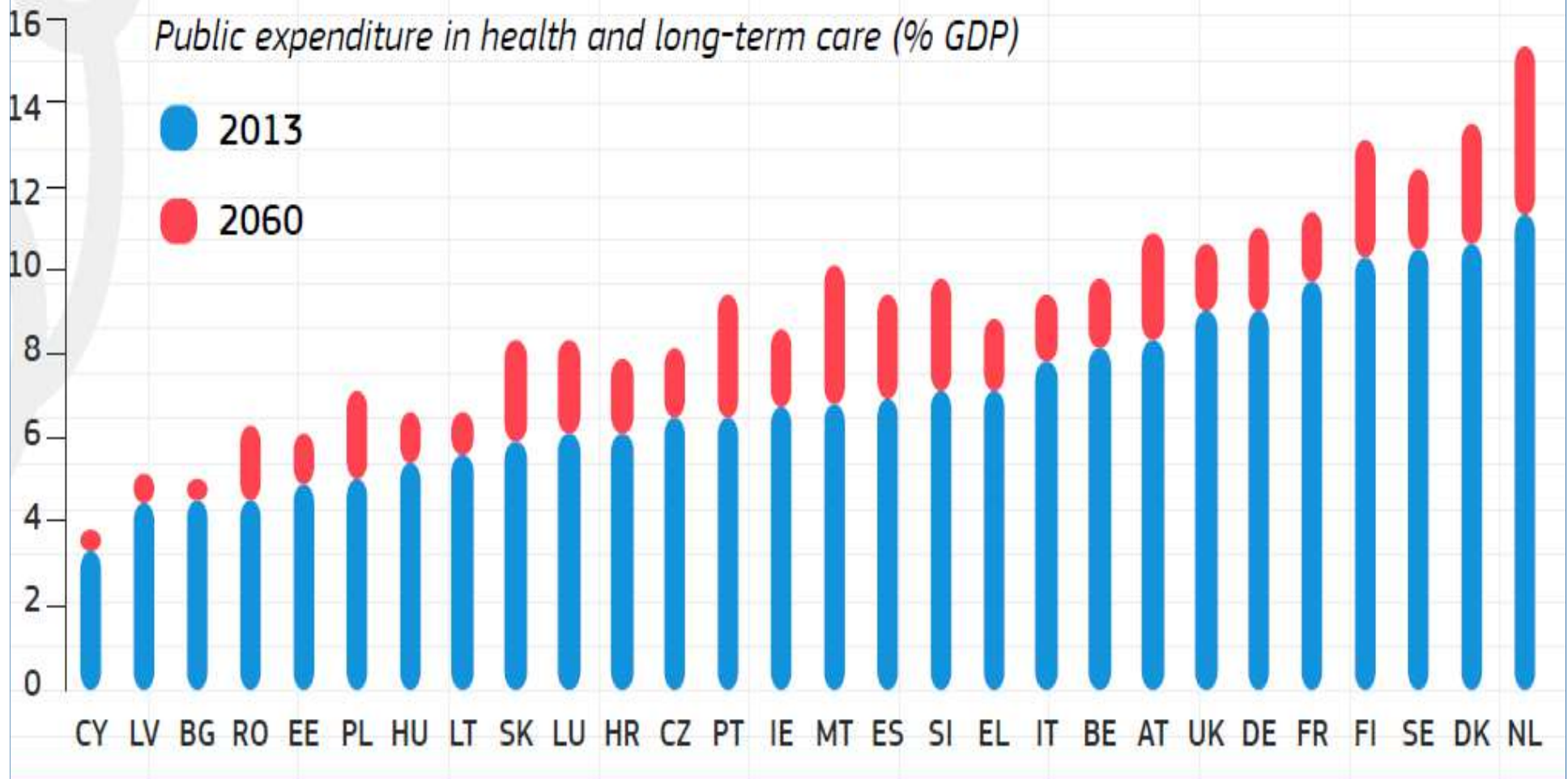


Coping with long-term care spending trends remains a major challenge (change in p.p. of GDP, 2013-60)



WIDE DIFFERENCES

EXIST BETWEEN EU MEMBER STATES





2. Policy Challenges and options





Policy Challenges



**Containing costs
on hospital and pharmaceutical care**

**Investing in primary care and health promotion
and disease prevention**

**Frequent budget overruns, competing fiscal
pressures, changing policy priorities**

Improve the quality of information

Decision making split in ministerial silos

Fraud and corruption

Reform Options

A: Improving the governance
of health care systems

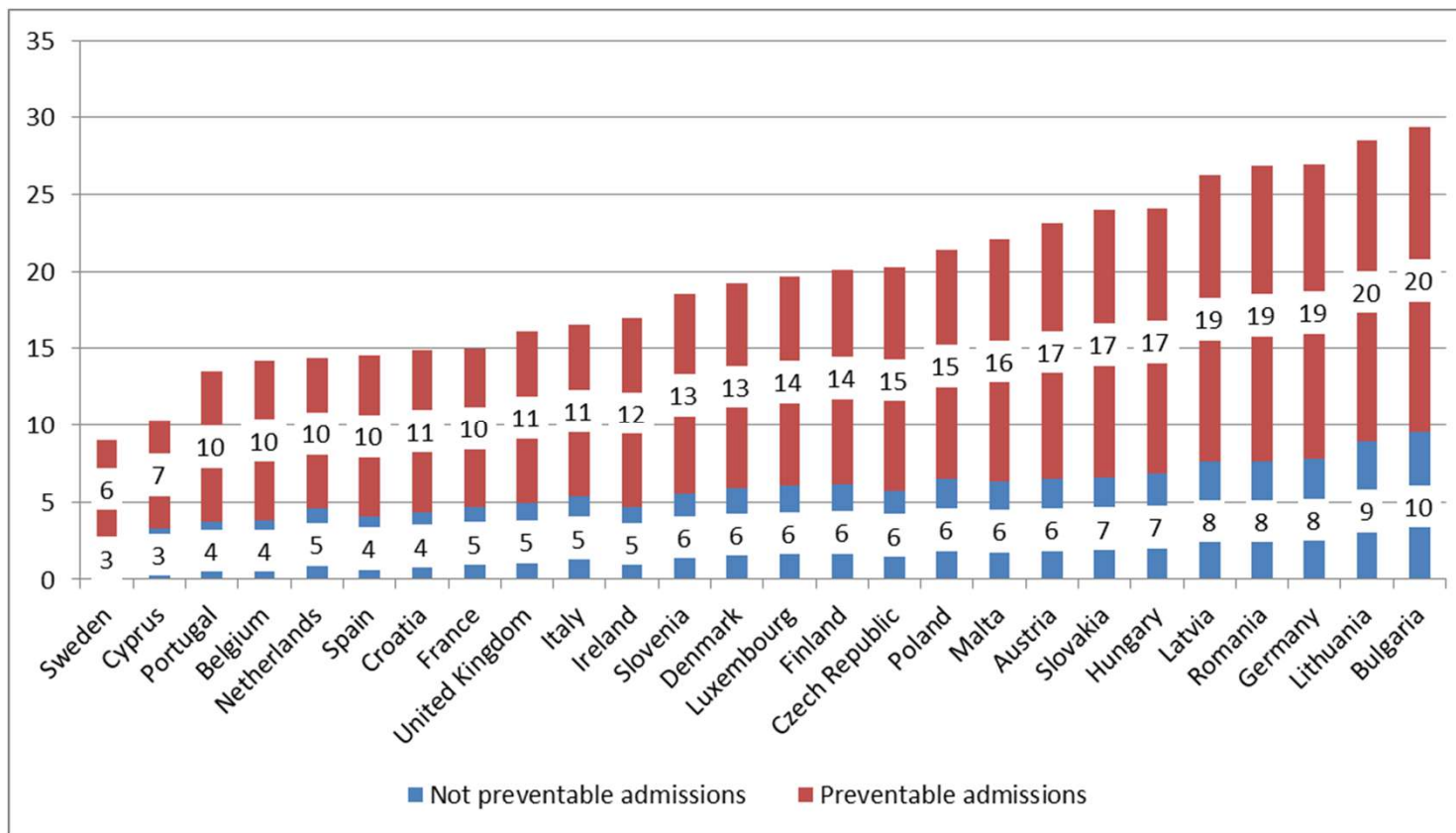
Reform Options

B: Enhancing the
sustainability and efficiency of
health care systems

Key challenges as perceived by Member States (1)



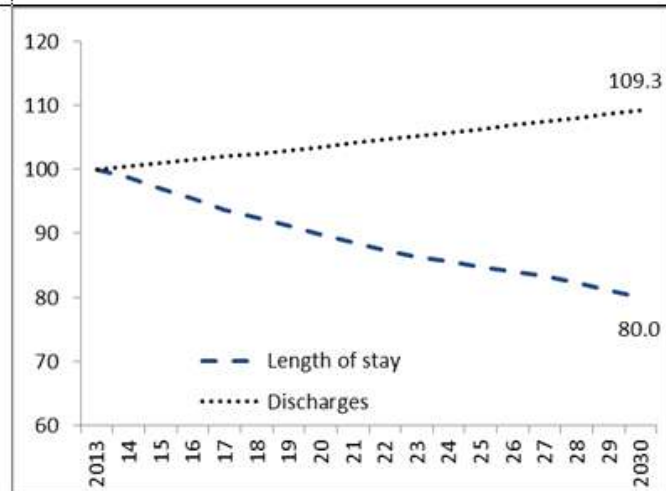
Ambulatory-care sensitive conditions in the EU, preventable and not preventable, as % of inpatient discharges



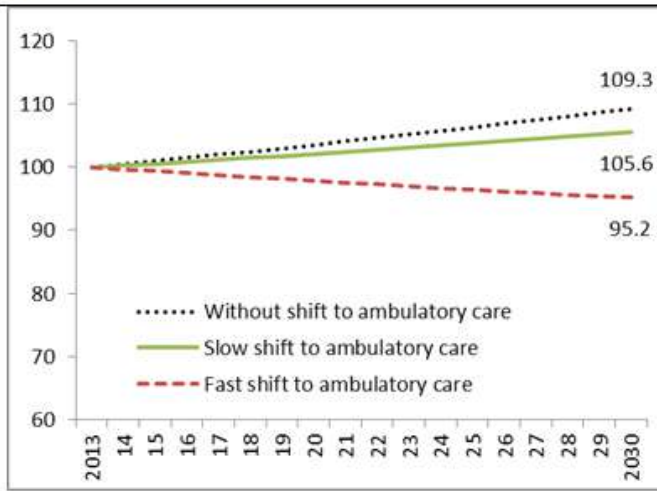
Key challenges as perceived by Member States (2)



Projected length of stay and number of discharges

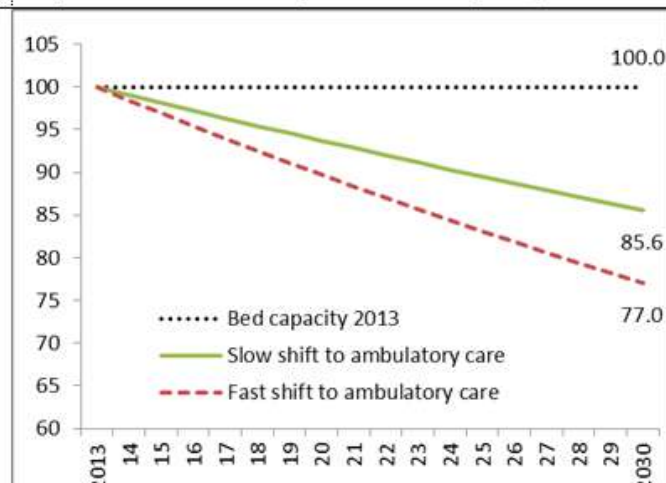


Projected number of discharges assuming varying speed of shift towards ambulatory care

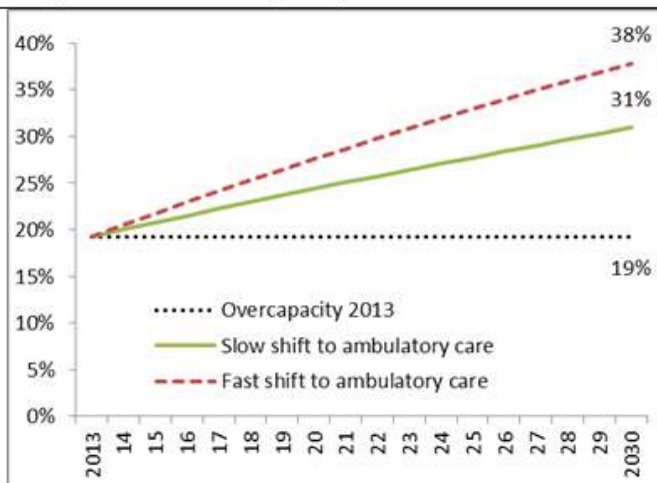


Projections of hospital bed overcapacity in curative care in the EU, 2013 to 2030

Projection of effectively used bed capacity



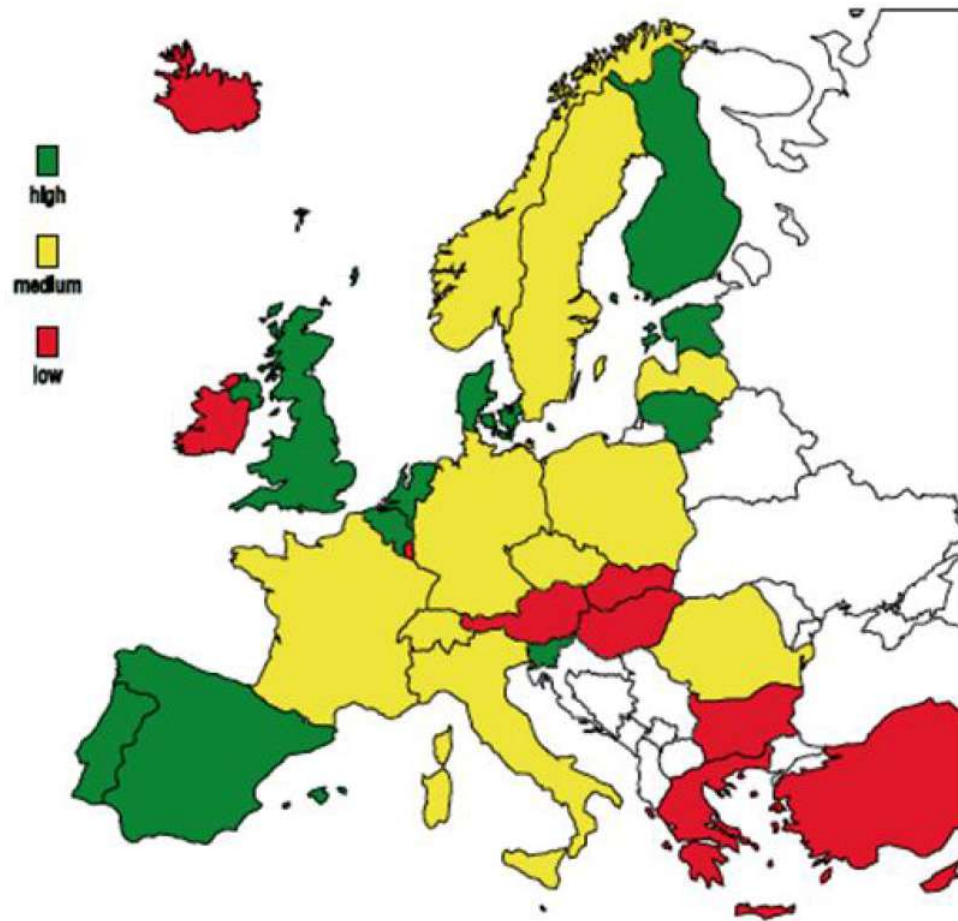
Projected bed overcapacity



Key challenges as perceived by Member States (3)



Variation in the overall strength of primary care in Europe



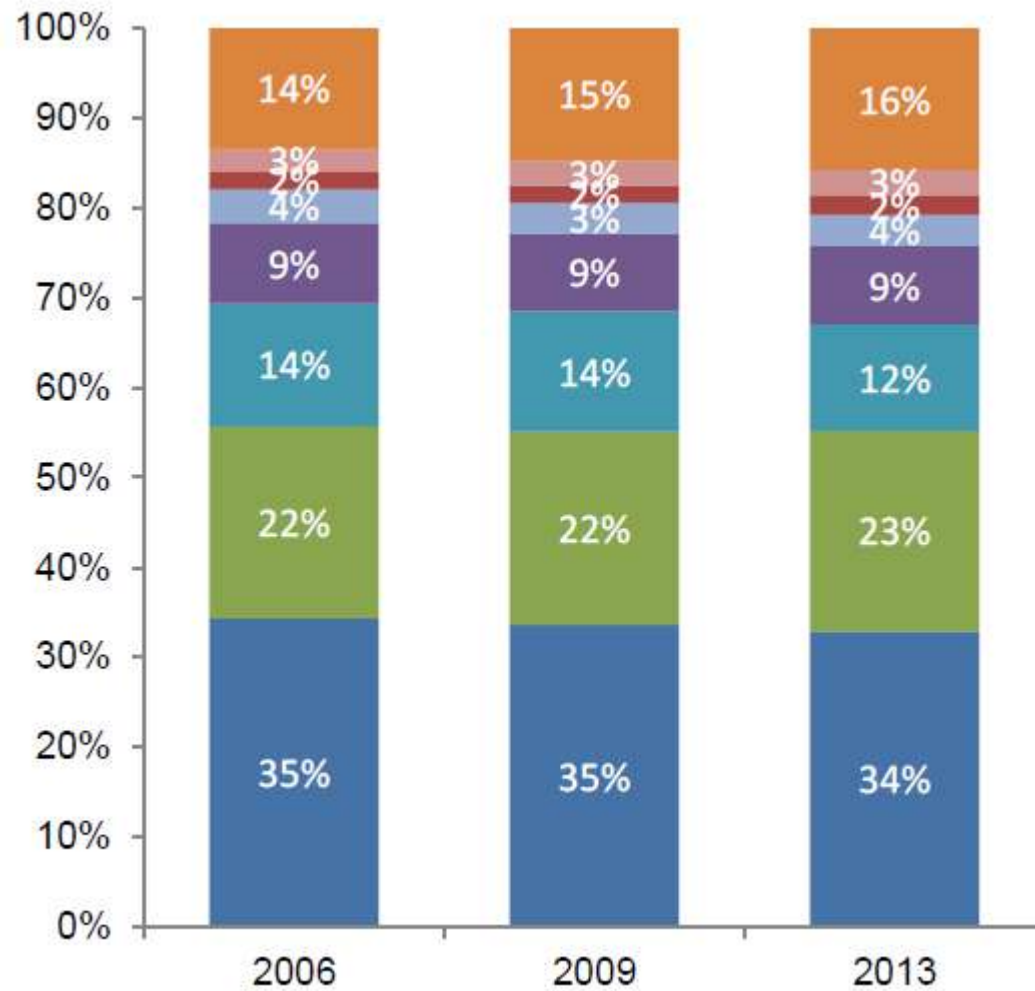
(1) Green = High; Yellow = Medium; Red = Low

Strong primary care systems & integrated care tend to:

- reduce unnecessary hospitalisations
- increase population health
- lower socio-economic inequalities
- reduce inefficiencies
- slow down growth in health care expenditure

Health workforce training, recruitment and retention

Key challenges as perceived by Member States (4)



Spending on prevention and public health services is low

- Others
- Prevention and public health services
- Day cases curative and rehabilitative care
- Health administration and health insurance
- Long-term nursing (health) care
- Pharmaceuticals and other medical non-durables
- Outpatient curative and rehabilitative care
- Inpatient curative and rehabilitative care



- A. Improving the governance of health care systems through:
 1. strengthening the **cooperation between fiscal and health policy authorities** and employing a wide range of budgetary planning tools;
 2. adjusting the **regulatory framework** to support and strengthen efficiency, transparency and accountability;
 3. setting up of information technology and data management strategies, to support **monitoring and governance**;
 4. **assessing health-policy reforms** ex-ante and ex-post in a systematic and formalised manner based on evidence and;
 5. using **workforce planning** tools to actively manage the health workforce.





B. Enhancing the sustainability and efficiency of health care financing and spending

This includes:

1. improving the **financing mix**;
2. benefits packages need to be based on **cost-effectiveness criteria** and **cost-sharing schemes should** support the containment of public spending, while preserving access;
3. moving away from **hospital-centric models**;
4. strengthening the **cost-effective use and the affordability of medicines**.



3. Conclusions

Conclusions



- **Public expenditure on HC and LTC as a % of GDP expected to increase over the long-run in EU**
- **All EU countries face fiscal sustainability challenges in the area of health systems, but the policy responses need to be tailored to the country-specific circumstances**
- **Improving efficiency and governance of HC and LTC systems is key to guarantee continued access for all to good quality care**





Any questions?

