

Health impacts of economic crises

EAHC project - Preliminary findings

Expert Group on Social Determinants
and Health Inequalities

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Matrix

Purpose of the study

- Provide information on and insight into the possible health effects of recent economic difficulties in the EU and their distribution geographically and socially;
- Explore factors which may reinforce or, to the contrary, mitigate health impacts of economic difficulties which may be relevant for public policy;
- Draw conclusions relevant to informing decisions by policy makers on responding to health aspects of the economic situation.

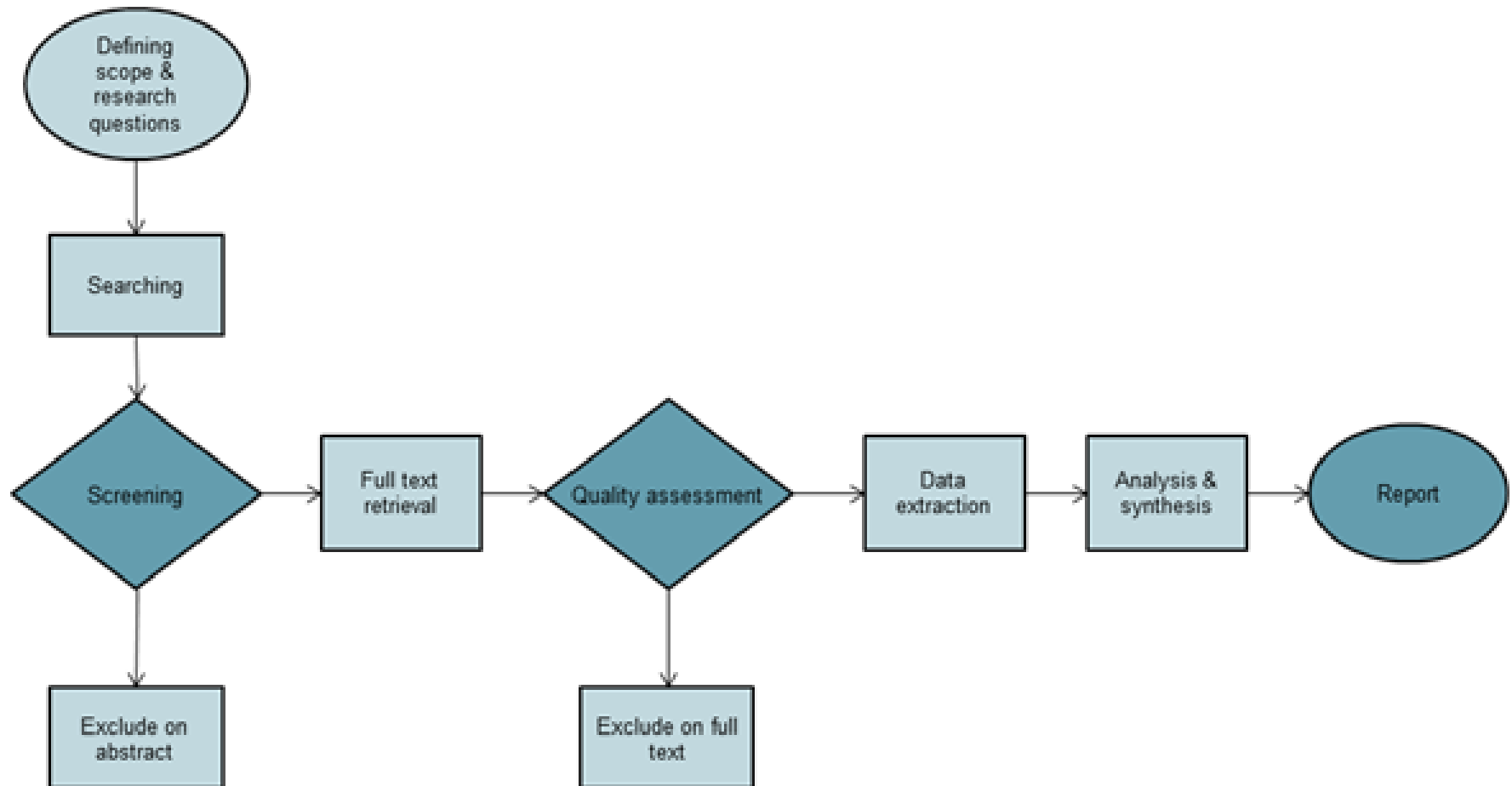
Study Objectives

1. To provide a comprehensive overview of the reported health impacts of the current financial and economic crisis.
2. To provide a comprehensive literature review of the association between health and economic conditions, with a focus on previous economic downturns in the EU and other parts of the world.
3. To provide a summary of the findings, conclusions and suggestions for possible further work.

Tasks

- Provide a thorough review of literature and reports on health and the current economic crisis in the EU, to cover the period from 2009 until delivery of the final report.
- Provide a review of the literature on links between health and economic conditions, with a focus on previous economic downturns in the EU and other parts of the world.

Evidence review methodology



Database search - hits (Jan/Feb 2013)

Database	D1	D2	Database	D1	D2
MEDLINE	1,438	666	Scirus	8	-
WEB OF KNOWLEDGE	105	136	British Library Direct	23	9
EMBASE	84	192	ASSIA	70	140
EconLit	596	343	Cochrane Review	0	0
PsycINFO	671	397	HMIC	69	24
SocIndex	452	342	Francis	42	54
Social Policy & Practice (SPP)	63	18	WPSA	-	14
IBSS	41	112	Global Health	-	13
CINAHL	32	-	TOTAL	3,752	2,460
Scopus	58	-	TOTAL EXCLUDING DUPLICATES	3,428	2,211

Text selection D1 (EU-28)

- Literature search: complete – 3,752 hits, 3,428 after removal of duplicates
- After abstract screening: 298
- After full text screening: 55
- Grey literature (national and international) texts: 25

Text selection D2 (OECD)

- Literature search: complete – 2,460 hits, 2,211 after removal of duplicates
- After abstract screening: 316
- After Full Text screening: 77
- Grey literature (national and international) texts: 25

Previous and current crises: preliminary findings

1. Possible health effects of economic crises
2. Health impacts of adverse economic conditions at macro (crises, recessions, unemployment) and micro (job loss, firm closure, house repossession) levels
3. Country specificities
4. Socio-economic distribution of health impacts
5. Factors reinforcing or mitigating health impacts
6. Policy responses to economic challenges
7. Efficiency and effectiveness of policies

1. Possible health effects of economic crises

Conclusions emerging
from evidence reviews

1.a. Possible health effects of economic crises

- Unclear short-term effect on mortality rates
- **Fewer road accidents**
- Robust evidence of mental health problems emerging from previous and current crises
- Being unemployed singled out as a clear risk factor for mental health
- Widespread evidence of **increase in suicides** from previous downturn confirmed in the current crisis, interrupting previous downward trend
- Ambiguous evidence regarding diseases
- **Infectious diseases** spreading with previous and current crises, requiring investing in prevention and control

1.b. Possible health effects of economic crises

- Drive to cost-effectiveness should be coupled with seeing health as an investment, part of building EU human capital (the young have become one of the “vulnerable groups”), avoiding myopic short-term savings through arbitrary healthcare cuts
- Safety nets crucial to curb widening health inequalities
- Budgetary pressures undermining healthcare access:
 - Lower access to specialists
 - Waiting lists
 - Restrictions to migrants

2. Health impacts of adverse economic conditions at macro (crises, recessions, unemployment) and micro (job loss, firm closure, house repossession) levels

Previous downturns
and current crisis

2. a. Health impacts

Previous downturns (OECD)

- Recessions are good for health? In the USA (Ruhm, 2000), Germany (Neumayer, 2004), Spain (Tapia-Granados, 2005) mortality was pro-cyclical.
- Factors according to this thesis (Ruhm):
 - Fewer road accidents
 - Lower consumption of alcohol and tobacco (“normal” goods)
 - Fewer CVD events (stress-related)
 - Only partial counter-balancing effect from increase in suicides

2. b. Health impacts

Previous downturns (OECD)

- Decomposition of causes: mortality decrease only robust with regards to road accidents (Miller et al., USA, 2009)
- Unemployment increases mortality (Economou et al., Europe 2008), post-Soviet crisis (Stuckler et al., 2009)
- Recessions increase hazardous drinking (lower opportunity costs, cheaper substitutes) (Johansson et al, 2006)
- Negative effects of unemployment on mental health (Paul and Moser, 2009, WHO, 2011)...
- ...of which increase in suicides is the clearest evidence (South Korea, Japan standing out, Chang et al., 2009)
- Crises increase prevalence of communicable disease (Surchke et al. 2011)

2.c. Health impacts: Current crisis (EU)

- OECD “Health at a Glance 2012”:
 - no impact yet but caution
 - Increase in depression rates, also before crisis, possibly due to better detection
 - Ongoing progress in tobacco and alcohol reduction, enhanced for road accident
 - Evidence of reduction in public health expenditures entailing danger of future impacts
- WHO (2013): lack of timely data and lags in health impacts, clear damage to mental health

2.d. Health impacts: Current crisis (EU)

- Suicides up in UK (Barr et al., 2012), Greece (Stuckler and McKee, 2011), Italy (de Belvis et al., 2012), depression in Greece (Economou et al., 2013), England (Katikireddi et al., 2012), Slovenia (Avcin et al. 2011), Spain (Gili et al., 2012)
- Dangers of spreading communicable disease (Rechel et al., 2011), materialised in Greece (Bonovas and Nikolopoulos, 2012), risk from cutting migrants' rights in Spain (Perez-Molina et al., 2012)

3. Country specificities

Previous downturns
and current crisis

3.a. Country specificities

Previous downturns (OECD)

- Less evidence in Europe for health-enhancing effect of recessions.
- Previous recessions had strong impacts in Eastern Europe, also due to the lack of social protection in the aftermath of the USSR demise (De Vogli and Gimeno, 2009)
- Big increase in suicides following Asian crisis (Afroz et al. 2012)
- Social safety nets softened the impact of previous crises in Finland and Sweden, where no increase in suicides was observed during the 90's (WHO, 2011).

3.b. Country specificities

Current crisis (EU)

- Impacts, in particular on mental health and suicides, depend on the gravity of the financial crisis (Greece), exacerbating factors (inequalities in UK, Bloomer et al., 2012, fiscal consolidation in Italy, de Belvis et al., 2012 Ireland, Portugal and Spain, Luna, 2011) but also on lack of social safety nets (Baltic countries, WHO 2011).
- Health gaps persist between former EU-15 and Eastern European countries (WHO 2011, OECD 2012)
- Negative impacts on health and healthcare access are widespread in low income countries and among vulnerable groups in high income countries (Stuckler et al, 2009)

4. Socio-economic distribution of health impacts

Previous downturns
and current crisis

4.a. Socio-economic distribution of health impacts – previous downturns (OECD)

- Evidence from previous downturns indicate that being unemployed is a risk factor associated with higher mortality (Moser et al. 1987), and morbidity (Briggs et al., 1990, Gallova et al, 2010). In particular, job losses increase the risk of developing mental health problems (Browning and Heinesen, 2012, Catalano, 1991)
- Health of people with low income and wealth or belonging to vulnerable minorities can be disproportionately affected by consequences of crises (Fisher et al. 1985, Fontenla et al., 2009)
- Crises tend to widen health inequalities, hurting people with low income and wealth (Marmot and Bell, 2009, Wnuk-Lipinski, 1990)

4.b. Socio-economic distribution of health impacts – current crisis (EU)

- Poverty and unemployment are risk factors for mental health problems related to crises (WHO, 2011)
- Job losses are a significant risk factor for suicides (Barr) and depression (Giuntoli) especially among males.
- Vulnerable groups such as lone parents, young adults, minorities and immigrant populations suffer negative health impacts (Bloomer et al. 2012)
- An OECD study shows that the recession has reduced access to specialist care among low-income people (Devaux and de Looper, 2012)
- Economic hardship increases the risk of depression (Madianos et al. 2011) and, in Eastern Europe, infectious diseases (Godfrey and Randolph, 2011)

4.c. Socio-economic distribution of health impacts – current crisis (EU)

- Increasing health inequalities affecting the poor and vulnerable groups (Roma, migrants), (Marmot et al. 2012)
- Reductions in health expenditures (despite ageing) pose severe threats and lead to decisions limiting healthcare to migrants in Spain and Czech Republic (WHO, 2013)
- Budget restrictions negatively affect access. People with low income and wealth may face longer waiting times, for instance in Italy (de Belvis et al.), in PT, EL, ES, IE (Luna, 2011) and across the EU in general (Garel and Lombardi, 2011, EPHA, 2012). Health sector in Eastern Europe is particularly vulnerable (EC, 2010)

5. Factors reinforcing or mitigating health impacts

Previous downturns
and current crisis

5.a. Factors reinforcing or mitigating health impacts Previous downturns (OECD)

- Social safety nets protect from negative impacts in particular with regards to mental health, having prevented increase in suicides in Finland and Sweden, unlike in Spain, during previous recessions (Cooper 2011)
- Active labour market programs have a significant impact in terms of reducing suicide rates (Stuckler et al. 2009)

5.b. Factors reinforcing or mitigating health impacts

Current crisis (EU)

- Pre-existing low levels of health financing (as in Eastern Europe) makes a country's population more subject to negative health effects of the crisis (Anton and Onofrei, 2012)
- Low income countries and populations are more vulnerable to the spread of infectious disease, a risk that can be exacerbated by reductions in prevention programs (Rechel et al., 2011).

5.c. Factors reinforcing or mitigating health impacts

Current crisis (EU)

- Healthcare has been key to health progress (OECD, 2013).
- Utilisation has not declined as much as in the US (Lusardi et al. 2010)
- But lower access may entail future, negative health impact (Devaux and de Looper, 2012)
- Austerity measures brought about strain on healthcare systems, most notably in Greece, Spain and Portugal (Karanikolos, 2013)

6. Policy responses to economic challenges

Previous downturns
and current crisis

6.a. Policy responses

Previous downturns (OECD)

- In Scandinavian countries, safety nets were preserved or reinforced during crises (Fritzell et al., 2007)
- Reforms following disasters put Baltic countries back on track strengthening public health system (Aris, 2004)
- Public health and welfare state were reinforced following the Big Depression in the USA (Borowi, 2008)
- On the other hand, reduction in Medicaid during 1980's recession (Fisher et al., 1985)
- Wider healthcare coverage in South Korea after the crisis (Kwon, 2007)

6.b. Policy responses

Current crisis (EU)

- OECD (2012): real-term growth in health spending per capita slowed or fell in 2010 in almost all European countries (-0.6% EU average)
- WHO (2012), Mladovsky et al. (2012):
 - Budget cuts for hospitals, wage decrease, cost sharing, investment reductions, efficiency seeking among measures
 - East-West spending gap remains, with lowest levels in Bulgaria and Romania
 - Share of out-of-pocket higher in Cyprus (49%), Bulgaria (43%) Greece (38%)
- Greece, Ireland and Spain had reductions over 2010 and 2011 (WHO, 2013)

6.c. Policy responses

Current crisis (EU)

- Health expenditure reductions implied longer waiting times, in some cases explicitly (Estonia), in other as a consequence of increased demand for and reduced supply of public health Increase in taxes on tobacco and alcohol, low investment in health promotion (De Belvis et al., 2012)
- Budgetary pressure have also stimulated the search for efficiency gains. For instance, DRG reimbursement system for hospitals have spread and are being introduced in Greece (Polyzos et al. 2013)
- User charges introduced, in some cases with protection vulnerable groups (e.g. Portugal, Barros 2012)

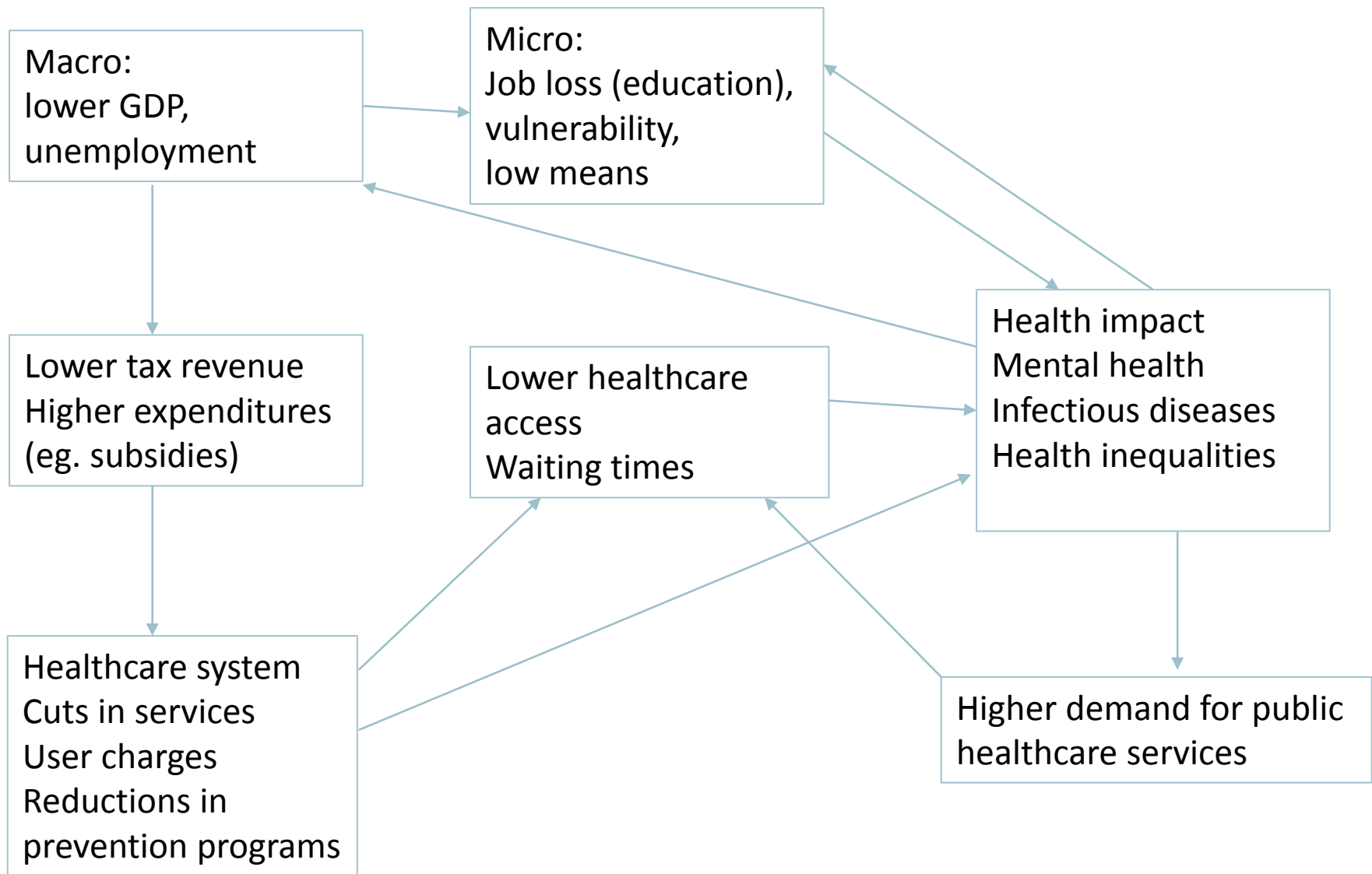
7. Efficiency and effectiveness of policies

7.a. Efficiency and effectiveness of policies

- Paucity of studies analysing effects of specific interventions aimed at ameliorating crisis-related health impacts
- Active labour market programs curb suicidal behaviour (WHO, 2011)
- Welfare spending decrease mortality and safety net prevent the widening of health inequalities during crisis (Stuckler et al., 2010)
- Reductions in access to primary and specialist care is unlikely to be cost-effective, as use of emergency services will increase (Mladovsky et al. 2012)

7.b. Efficiency and effectiveness of policies

- Measures to curb tobacco and alcohol consumptions proved effective, including in Baltic countries (Lai and Habicht, 2011)
- Deterioration of prevention of communicable disease may entail costs exceeding savings (Rechel et al., 2011)
- Cutting or freezing nursing workforce (Italy, Spain) is likely to entail shortages in ageing Europe (Alameddine et al., 2012)
- In Spain, reductions of hospital services resulted in significant increase in waiting time (Gene-Badia et al., 2012). Evidence of reductions in cost-effective innovative technologies in Greece (Karidis et al. 2011)
- Positive impact of adding counselling and employment advice in treatment for depression in English and Welsh patients (Torjesen, 2010)



Next steps

- Update of literature search
- Data synthesis
- Option assessment
- Delivery of draft final report by end November
- Peer review and meeting
- Final report by the end of February 2014

This paper was produced for a meeting organized by Health & Consumers DG and represents the views of its author on the subject. These views have not been adopted or in any way approved by the Commission and should not be relied upon as a statement of the Commission's or Health & Consumers DG's views. The European Commission does not guarantee the accuracy of the data included in this paper, nor does it accept responsibility for any use made thereof.