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HEALTH & CONSUMER PROTECTION DIRECTORATE-GENERAL

**HIGH LEVEL GROUP ON HEALTH SERVICES AND MEDICAL CARE**

<b>Document:</b> UNICE position paper on the Commission's Communication on "Modernising social protection for the development of high-quality, accessible and sustainable health care and long-term care: support for national strategies using the open method of coordination".	
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**COMMISSION COMMUNICATION ON MODERNISING SOCIAL PROTECTION FOR THE DEVELOPMENT OF HIGH-QUALITY, ACCESSIBLE AND SUSTAINABLE HEALTH CARE AND LONG-TERM CARE: SUPPORT FOR THE NATIONAL STRATEGIES USING THE “OPEN METHOD OF COORDINATION”**

**UNICE POSITION**

**Executive Summary**

UNICE has noted the Commission Communication on “Modernising social protection for the development of high-quality, accessible and sustainable health care and long-term care: support for the national strategies using the open method of coordination”.

While responsibility for the organisation of health care and long-term care systems remains a national responsibility, UNICE believes that ensuring the financial sustainability of these systems justifies some coordination of reforms at EU level. In addition, exchanges of experiences and good practices at the EU level are valuable and could stimulate reforms aiming at financially sustainable systems. Nevertheless, the coordination should not lead to prescriptive EU policy orientations and an unnecessarily bureaucratic monitoring process at EU level.

Concerning the objectives, European employers agree with the three broad principles: accessibility of care, quality of care and financial sustainability. Nevertheless, they insist that these principles should fully reflect the fact that financial sustainability should be the main aim of the coordination of reforms. UNICE is concerned that some of the proposed objectives could be contrary to this aim. For instance, the Commission is silent on the role that private health care providers or private insurance can play in easing the pressure on public expenditures.

Moreover, many objectives are over-prescriptive and would adversely interfere in the organisation of national systems. Finally, the objectives are too numerous and include many overlaps. These deficiencies should therefore be rectified by radically simplifying the objectives.

UNICE also draws the attention to the need for coherence and consistency between various EU policy initiatives relating to health care and coordination between various players at EU level in this field. Furthermore, European social partners should be properly consulted by institutional actors dealing with matters relating to coordination in the field of health care and long-term care at the EU level.

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**UNICE POSITION**

**I. Introduction**

1. UNICE has noted the Commission Communication on “Modernising social protection for the development of high-quality, accessible and sustainable health care and long-term care: support for the national strategies using the open method of coordination”.
2. The Communication aims at defining a common framework to support Member States in the reform and development of health care and long-term care using the open method of coordination. To this end, the Commission proposes common EU objectives in the field of health care and long-term care in line with three principles:
  - ensuring access to care: universal access, fairness, solidarity;
  - promoting high-quality care;
  - guaranteeing the financial sustainability of accessible, high-quality care.

When adopted by the Council, these common EU objectives in the field of health care and long-term care are to be applied starting in 2006 when the streamlining of social protection processes (pensions, social inclusion, making work pay and health care) will take effect.

**II. General comments**

3. Health care and long-term care systems are a national responsibility. Nevertheless, UNICE believes that ensuring the financial sustainability of these systems is a key common concern at EU level that justifies some coordination of reforms in these fields at EU level.
4. European employers agree with the three broad principles: accessibility of care, quality of care and financial sustainability. However, they believe that the Communication also contains detailed objectives that could interfere with the way in which health care and long-term care systems are organised and financed.
5. In addition, UNICE believes that the EU process should only tackle the field of long-term care from the angle of the financial sustainability and should not address the broad issue of long-term care systems.

### III. Specific comments

#### On the application of the open method of coordination to the field of health care and long-term care

6. As for pensions, UNICE is in favour of some coordination at EU level in the field of health and long-term care provided that:
  - it respects the national responsibility for the organisation and financing of health care systems;
  - it is a flexible tool for exchanging experiences and respects the diversity of national situations;
  - it does not lead to prescriptive EU policy orientations and an unnecessarily bureaucratic monitoring process at EU level.
  
7. While being convinced that the primary responsibility in these fields must remain with Member States, European employers believe that some coordination of national health care and long-term care reforms care at EU level is justified for the following reasons:
  - Firstly, promoting financial sustainability of health care and long-term care systems is a key common concern for all Member States. Reforms are urgently needed in order to limit rising costs for health care and long-term care. The impact of ageing on health care expenditures is under-estimated. Reforms are all the more urgent in the face of the combined effect of demographic ageing with factors which will put increasing pressure on the financing of existing systems, such as, new technologies and treatments, improved patient information, economic and social changes which may limit traditional in-family care and may increase demand for institutional long-term care. If costs are not contained in one country's budgetary policy, the credibility of the euro zone as a whole could suffer. Furthermore, rising pressures on health expenditures could translate into excessively high indirect labour costs and taxes, which hamper growth and employment. This would undermine the Lisbon goals. Stability of the euro zone and achieving the Lisbon strategy objectives therefore justify some coordination of national health care reforms at EU level.
  - Secondly, exchanges of experiences and good practices on reforms of health and long-term care systems are valuable at the EU level. Reporting on measures taken by Member States would also increase transparency and stimulate reforms geared towards making these systems financially sustainable across Europe.
  - Thirdly, such coordination could also facilitate and support realisation of cross-border mobility of patients and free cross-border provision of health care services guaranteed by the Treaty on European Union.

#### On the common objectives

8. UNICE agrees with the three broad principles: accessibility of care, high-quality care and financial sustainability. Nevertheless, it insists that these principles should fully reflect the fact that financial sustainability should be the main aim of the coordination of reforms. European employers are concerned that some of the proposed objectives regarding ensuring access to care and promoting high-quality care could be contrary to the objective of financial sustainability. Examples of such objectives are set out below.

- The Commission seems to feel that financial sustainability can be achieved by relying heavily on public health care providers and on public funding and is silent on the role the private health care providers or private insurance can play in this respect. Public sector organisations are not always the most efficient in providing the health care services. The Commission's approach fails to recognise that one of the problems of health care systems is insufficient room for market players to operate and excessive predominance of public intervention. The development of a market supplying health care services can contribute to easing the pressure on public expenditures and to greater efficiency and quality. The public costs for financing the benefits would be reduced, and new economic and employment opportunities for the development of this sector would be created. UNICE insists that the broad EU objectives should reflect the need for a new balance between public and private responsibility in this field.
  - Regarding the principle "Ensuring access to care: universal access, fairness, solidarity", the Commission seems to aim at universal coverage for all at a maximum level. While this aim would be desirable, such a policy could undermine national social and economic systems as it will not allow expenditure to be kept under control. It would also be contrary to the reforms already introduced or under consideration in some countries to ensure a high level of service at an affordable price and to keep the balance between economic resources and the burden of social costs. Moreover, the Commission proposes that access to care should be seen as an active employment policy tool. In UNICE's view this approach ignores the fact that financing of this access has a bearing on the level of taxes and social security contributions which, if too high, hamper employment.
  - Under the principle "Promoting high-quality care", the Communication only highlights the need to use public funds invested in health care as efficiently as possible to improve the overall health situation. It overlooks that public funds should be used efficiently also in order to limit costs.
9. UNICE believes that the specificities of national health and long-term care systems should be respected and that the EU should not go beyond defining a limited number of broad principles. The objectives proposed by the Commission are too numerous. Moreover, many objectives are over-prescriptive and would adversely interfere in the organisation of national systems. For example:
- under the principle "Guaranteeing the financial sustainability of accessible, high-quality care", Member States are required to improve the effectiveness of the system, based in particular on decentralisation (local and regional public authorities, social security institutions and other suppliers of funding, health care professions and hospitals, patients) and making them responsible for the management of resources and the provision of care. In UNICE's view, decentralisation could be part of the solution in some countries, but not in all countries. It should therefore not be included as an EU-wide objective.
  - under the principle "Ensuring access to care: universal access, fairness, solidarity", the Commission suggests that Member States should promote human resources management that meets the challenges of demographic ageing in the health care and long-term care sector, in particular by anticipating or reducing shortages of certain categories of staff, thanks to sufficient investment in basic and continuing training and an improvement in the quality of jobs, including their health and safety at work aspects.

While agreeing that human resources management, training and quality of jobs would need to be looked at when seeking solutions to staff shortages, European employers insist that the EU objectives should not give the impression that the problems necessarily lie in insufficient training investment or bad job quality.

- under the principle “Promoting high-quality care”, the Commission proposes that Member States should earmark financial and human resources for regions, services and different types of care depending on the actual need, in order to obtain the best possible results for the health and quality of life of beneficiaries. UNICE believes that the proposal to earmark financial and human resources for regions could interfere with the organisation of some national systems which do not foresee a specific role for regions.
10. In addition, UNICE has noted many overlaps between various objectives under the three broad principles.
11. For all these reasons, European employers insist that the objectives should be radically simplified in order to remove the overlaps and the over-prescriptive elements.

#### On the EU level initiatives relating to health care

12. Several initiative deal with health care at EU level:
- a communication on the application of the open method of coordination to the field of health care and long-term care;
  - a communication on patient mobility and health care;
  - an action plan on e-Health addressing the role of new technologies and new ways of delivering health care in improving access to, quality and effectiveness of care;
  - regulation 1408/71 on coordination of social security and the proposal for a directive for services in the internal market provide the legal framework for reimbursement of health care costs incurred in another Member State than the Member State of insurance of the patient.
13. There is also a multiplication of bodies involved at EU level: the Social Protection Committee, the Economic Policy Committee and the high-level group on health services and medical care to be established soon.
14. UNICE insists that coherence and consistency between various EU policy initiatives and coordination between various players at EU level in this field is ensured.
15. Furthermore, European social partners should be properly consulted by institutional actors dealing with matters relating to coordination in the field of health care and long-term care at the EU level.
16. Finally, it would be useful for the EU to draw upon the expertise of and the work done by OECD and World Health Organisation in this field.

#### **IV. Conclusions**

17. While responsibility for the organisation of health care and long-term care systems remains a national responsibility, ensuring financial sustainability of these systems justifies some coordination of reforms at EU level. Exchanges of experiences and good practices at the EU level are valuable and could stimulate reforms aiming at financially sustainable systems. Nevertheless, coordination should not lead to

prescriptive EU policy orientations and an unnecessarily bureaucratic monitoring process at EU level.

18. European employers agree with the three broad principles: accessibility of care, quality of care and financial sustainability, but are against those detailed objectives that would interfere with the organisation of health care and long-term care systems. Moreover, these broad principles should fully reflect the fact that financial sustainability should be the main aim of the coordination of reforms. UNICE is concerned that some of the proposed objectives regarding ensuring access to care and promoting high-quality care could be contrary to the objective of financial sustainability.

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