

Joint Report on Health Systems

by the European Commission and the Economic Policy Committee
(AWG)

Health systems play an important role in promoting, protecting and restoring population health. More resources devoted to health systems in recent decades have led to better health status in the EU. Good health is an important aspiration of the EU populations as part of their general wellbeing. It also contributes to economic prosperity through improving work participation and productivity making it crucial in the context of an ageing society and longer working lives. Therefore, the availability of good health services has become a political priority. Moreover, health systems employ a large number of people of diverse abilities and qualifications and create demand for a number of medical goods and industries which are often associated with frontline knowledge, research and innovation.

Public spending on health systems absorbs a significant and growing share of countries' resources measured by GDP: EU average of 7.4% of GDP in 2008, up from 6.6% of GDP in 1998. Health spending has often grown at a higher pace than GDP and is expected to grow further due to an ageing society, technology development and citizens growing expectations. Unhealthy life-styles, climate change and globalisation can also increase the demand for health services. Therefore, in the coming decades, Member States will have to balance the need to provide access for all to quality health services with the countries' resources, which are limited and have to be distributed among a variety of publicly funded services (transport, education, defence...).

This situation of rising demand and constrained resources has been made worse by the recent financial and economic crisis. The crisis resulted in a reduction of countries' resources followed by its slow increase in almost all Member States. They now face stronger budgetary constraints and need to reduce high government deficits and public debt. Therefore, they will need to assess the performance of health systems. Member States need to see if it is possible to improve the use they make of public resources while continue to generate good health and ensure universal access to quality services. Some studies have shown that in many countries there is room to improve the health status of the population without increasing health spending. In other words, generating more value (health) for the money spent on health systems has become one of the most important objectives in this area.

The Joint EPC/EC Report on health systems contributes to that objective by describing and assessing a set of so-called determinants of health spending across all EU Member States. The report tries to identify the reasons that may explain differences in spending across EU Member States. It does so by looking not just at demographic characteristics of the population, as past reports by the EPC/EC have done, but looking at organisational features of health systems i.e. how health services are financed and delivered. Understanding what may explain each country's spending on the health system can help find

the right policies to generate more value for money: improving health and ensuring universal access to quality of health services in a rapidly ageing world and in a context of limited resources.

From 2010, many Member States will have adopted or will adopt measures that place restrictions on public spending including on the growth of public spending on health. Complex and difficult choices may lay ahead for policy makers. Measures introduced in the last two decades aimed at improving value for money and slowing down the growth of health spending will likely need to be intensified in the immediate future. The report provides some help in that task. It identifies a number of challenges facing health systems for the EU as a whole and for individual Member States (detailed country analysis in 27 country fiches) and lists policy implications and good policy measures that can help Member States get more value for money.

As a result of the analysis of the strengths and weaknesses of the health systems in the EU, the report points to the following policy challenges to be addressed in the coming years:

- ensure that health systems adequately pool together a sufficient amount of resources and that these are distributed properly across individuals and geographic areas according to their respective need for health services;
- ensure sufficient numbers of health professionals but also a correct balance between different types of staff and different types of medical doctors;
- encourage an appropriate use of health services by patients and appropriate delivery by providers by designing patient payments schemes and provider payment schemes appropriately, while ensuring the protection of those more vulnerable;
- encourage the provision and access to primary health care services to improve general health and reduce unnecessary use of specialist and hospital care;
- more broadly, reduce unnecessary use of care by considering the interaction between demand side factors and supply side factors;
- ensure an appropriate use of medicines through better information, pricing and reimbursement mechanisms and better assessment of the use of medicines;
- improve the collection of information on health status and the use of health services and use this information to improve the way health services are delivered and used;
- use health-technology assessment more systematically for decision-making processes;
- improve health through more effective health promotion and disease prevention measures in and outside the health sector;
- improve the general chain of decision-making and management of the health system.

The report, by showing all the complexity of health systems and the challenges ahead, calls Member States' attention to the need to regularly monitor and assess their health systems to ensure a continuous improvement.