

The Italian healthcare system on the eve of the pandemic

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The present report assesses the state of the Italian national healthcare system (NHS), with its strengths and weaknesses, on the eve of the pandemic. The Italian NHS has provided and continues to provide a good quality of care. However, it has three weak points which have become critical with the pandemic: the limited financial resources made available to the NHS, the excessive load on the shoulders of health professionals (doctors, nurses and other professionals), and inequalities in access to services.

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Description

Over the last two decades (from 2000 to 2018), public spending on healthcare in Italy has increased. However, this increase occurred substantially in the first decade of the 21st century, whereas in the last decade there were first cuts and then a stagnation in levels of spending, which have not returned to pre-crisis levels, according to the OECD. Importantly, in the last decade, public healthcare expenditure declined in relation to GDP – from 7.0% (2010) to 6.5% (2017) – in contrast with the general stable level in the EU-15 (8.2%).

Even more worryingly, Italy lost ground over the past two decades compared to most of the other EU-15 countries. Even in 2000, per capita public expenditure on healthcare in Italy was about 9% lower than the average level in the EU-15 countries. In other words, in 2000, for every €100 spent on public health for each citizen in the EU-15, Italy spent €91. The situation deteriorated in the years of the crisis and, in 2018, Italy spent over a quarter less for each Italian resident than the EU-15 average.

Although the efficiency of the NHS has improved, public healthcare spending growth in Italy has not been able to keep up with two trends that cannot be tackled with merely a more efficient use of resources. The first is population ageing: since a large share of health expenditure is concentrated on older segments of the population (even before coronavirus), if the percentage of elderly people increases, then needs increase and expenditure should also increase. The second is technology: part of the

expenditure is driven by innovations in machinery for diagnosis and treatment, as well as by new drugs, which improve the quality of care and, often, of life.

As a consequence, healthcare workers and some social groups (in particular low-income households) have been paying in recent decades (especially the last decade) for a system that holds up in terms of performance, but is suffering from declining (and by now scarce) financial resources. As regards healthcare workers, new hiring was halted at the time of austerity, which aggravated two main features of the NHS: the scarcity of nurses, and an ageing and shrinking medical workforce. Compared to most Central-Northern EU countries, Italy has far fewer people employed in the healthcare and social care sector. Furthermore, specifically in the health sector, there are relatively fewer nurses, and although the number of doctors is similar to other countries, these doctors are older: more than half of Italian doctors are over 55 years old.

In addition, the low per capita public health expenditure (compared with most EU-15 countries) has resulted in a greater outlay of resources by citizens – i.e. larger out-of-pocket payments. This, alongside a higher incidence of private healthcare expenditure than elsewhere in the EU-15 (apart from Greece), has resulted in a larger share of the population – especially low-income households – reporting unmet medical needs for reasons of cost (including co-payments), distance or waiting lists. In 2018, 4.8% of individuals in the first income quintile declared that they had

such unmet needs, as opposed to 2.0% in the EU-15 (Eurostat).

Furthermore, problems of access to and quality of healthcare in Italy vary by geographical area, with the regions of Southern Italy in general significantly more disadvantaged than those of the Centre-North.

Outlook and commentary

Realistically, until a few months ago very few healthcare stakeholders, if any, thought that the challenge to the Italian NHS would come from an epidemic (let alone a pandemic). The main concern was the need to strengthen the care system, not so much with respect to acute cases (many improvements have been made in this respect in recent decades) but rather for the treatment of chronic diseases. In recent decades, chronic needs have grown considerably. Therefore, the logic behind reforms to many Western healthcare systems has been: fewer hospital beds, more outpatient/specialist activities, more residential facilities (for example, nursing homes) and more home care. From this point of view, Italy was not able to make the transition and remained half-way through the process. Hospital departments have been closed down, but in some of the country (especially the Centre-South), the healthcare system outside hospitals has not been adequately strengthened.

With the dramatic and unexpected (for almost all health experts) arrival of the coronavirus, Italy found itself:

- a) with relatively few hospital beds – just like many other countries, with Germany being one of the main exceptions;
- b) without an adequate supply of residential and regional healthcare facilities and services;
- c) with a decreasing number of doctors and a long-standing scarcity of nurses.

These conditions of the NHS (and of the long-term care system), combined with a large elderly population (22.7% of Italians were 65 years or older in 2019), have been two very critical aspects which have made it more difficult to tackle the coronavirus.

It is crucial that Italy should strengthen its NHS, and this cannot be done without increasing public expenditure on healthcare. The efficiency of the NHS can be further improved, but managerial and professional performance is already good, if not excellent, as also acknowledged by the OECD. Right now, what is needed are more economic resources, for hiring more staff as well as maintaining/expanding services and facilities. Undoubtedly, the effectiveness and efficiency of the NHS are higher in Central-Northern Italy than in Southern Italy, where

much remains to be done to ensure appropriate public intervention. However, the issue of spending remains pivotal.

Further reading

Italian Senate (2018), *Documento conclusivo dell'indagine conoscitiva sulla sostenibilità del servizio sanitario nazionale* [Final Report on the Sustainability of the Italian NHS], January 2018.

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