European Health Systems

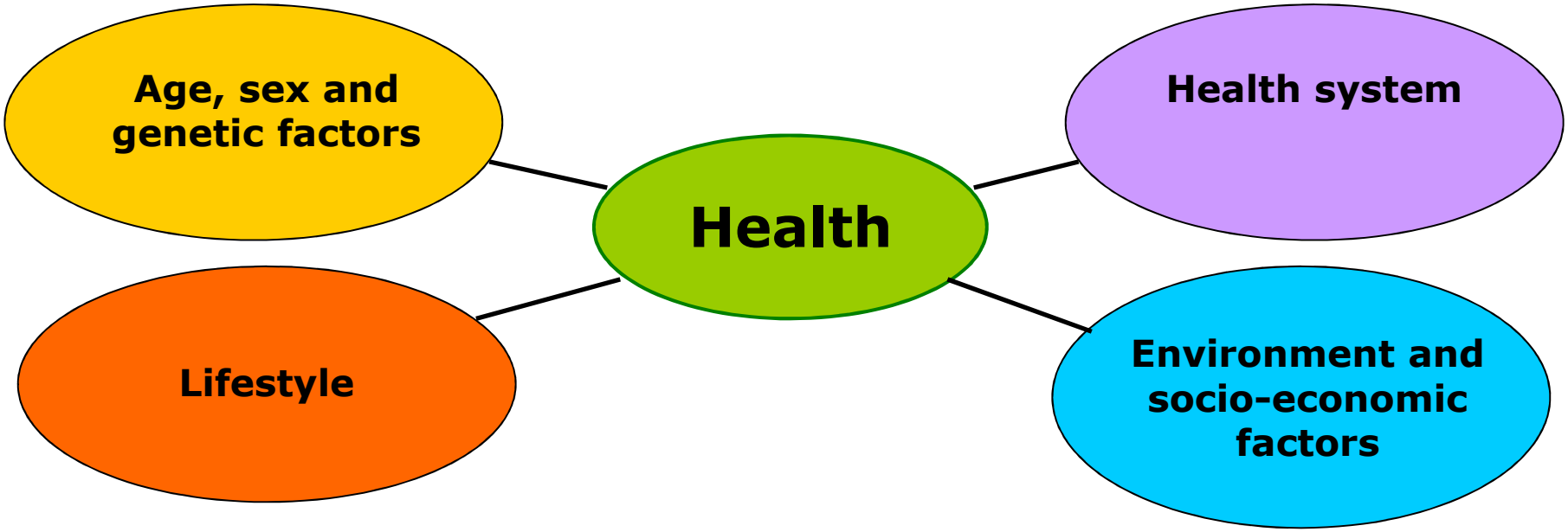
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European Commission

La Baule 2014

Health and Consumers

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European health systems, not just healthcare



- Health is a result of a number of factors, individual and social
- Importance of prevention and health promotion
- Need for action at many levels
- Health in all policies

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Legal basis for intervening in health systems

Art. 168 TFEU: Public Health
subsidiarity principle

Excerpt: "Union action, which shall complement national policies, shall be directed towards improving public health, preventing physical and mental illness and diseases, and obviating sources of danger to physical and mental health."

Internal Market legislation
affecting health services

- Directive on professional qualifications (2005/36)
- Directive on working times (2003/88)
- Directive on e-commerce (2000/31)
- General framework for European standardisation



Health is an important economic sector and a prerequisite for growth

- Mainly Member States' responsibility to define health policies and manage health systems;
- The EU complements national policies by providing a legal and political framework and encouraging cooperation
- Innovation is an essential component of the health sector (research, technology, social innovation).
- The health sector is essential to people's health, which influences economic outcomes in terms of productivity, labour supply, human capital and public spending

Economics of Health: Products

Medicinal Products: 160 bn € in annual turnover and 660,000 employees of whom 110,000 are researchers. 300,000 medicines authorised at national level and 800 medicines at EU level.

Medical devices: 95 bn € and 500,000 employees; high reinvestment rate in R&D (average 6-8% of sales).

Cosmetics: 71 bn €, 1,8 million employees. 10% of all patents granted in the EU.

Substances of Human Origin
Blood: 3,6 million patients;
Organs (e.g. kidneys, livers, hearts,etc.): 30,300 patients;
Tissues and cells (e.g. bone, skin, cornea, etc.):77,000 patients;

- *Guarantee the highest possible level of public health*
- *Secure the availability of health products to citizens in the EU market*
- *Foster innovation*

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Economic impact of food crises related to human health

- **BSE** (Mad Cow Disease)

  1999-2005, 10 billion € EU Budget, 70 billion € losses (Industry and Member States)

- **Avian Flu H5N1**

  2003, drop of 80% of poultry meat consumption

- **E.coli** (not Spanish cucumber, but fenugreek from Egypt)

  2012, DE, 55 deaths, 6000 hospitalised, 250 million € Commission subsidies, 1,5 billion € economic losses

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Do ill-health levels have an impact on the economy?

Labor market productivity e.g. wages

Labor force participation

- **Absenteeism due to illness: 4.2 days/ worker (EU, 2009)**
- **Average cost of absenteeism: 2.5% of GDP**
- **Reduced age of retirement (2,8 years) due to poor health**
- **Less likelihood to work (66% ♂ 42%♀) due to chronic diseases**

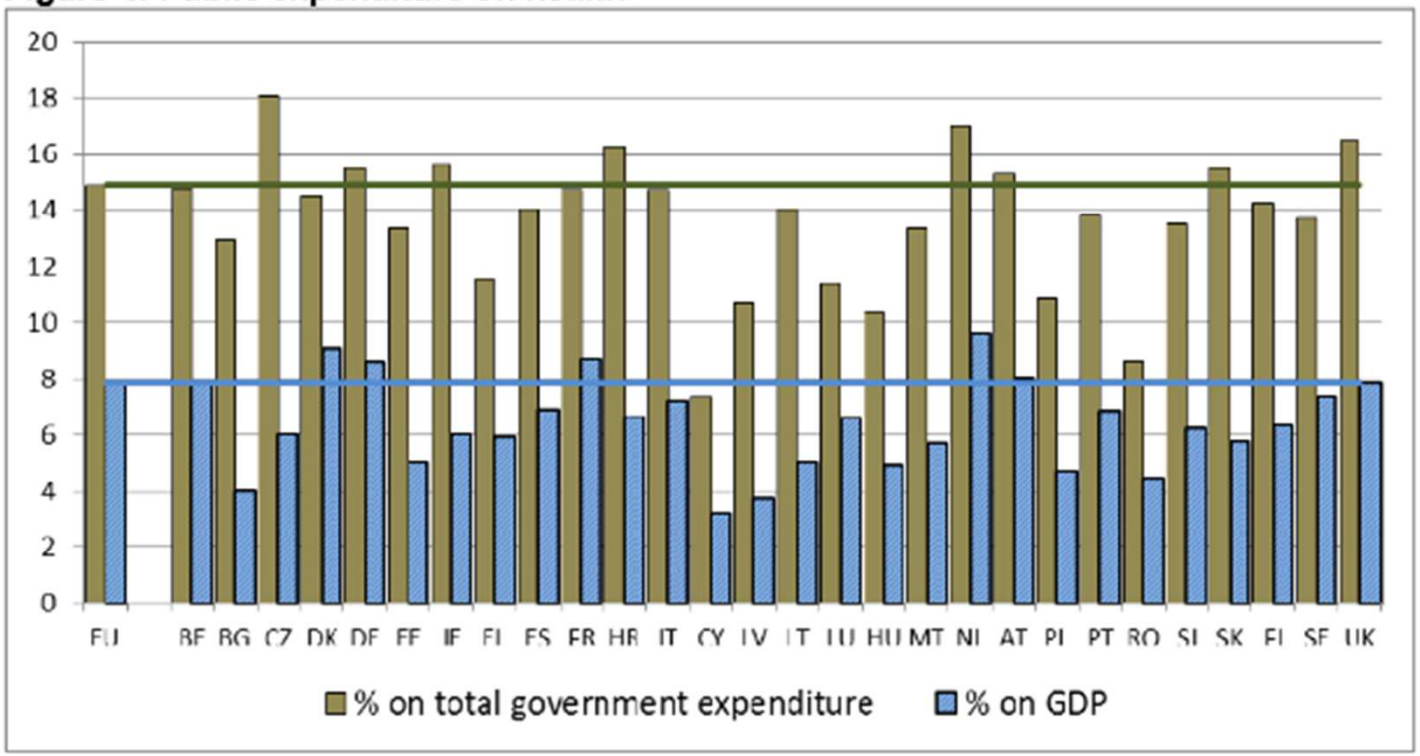
Macroeconomic growth

- **1% life expectancy increase = 6% GDP growth (OECD)**
- **10% decrease in CVD = 1% per capita income growth (2009)**

Fiscal Impact

ec.europa.eu/europe2020/pdf/themes/05_health_and_health_systems.pdf

Figure 4: Public expenditure on health



Public health expenditure as a % of total government expenditure and of GDP
Source: Eurostat, OECD, WHO, national statistics; 2011 or most recent data – Commission services' calculations



Europe 2020 Targets

1. **Employment**
   - **75% of the 20-64 year-olds to be employed**

2. **R&D**
   - **3% of the EU's GDP to be invested in R&D**

3. **Climate change and energy sustainability**
   - **greenhouse gas emissions 20% lower than 1990**
   - **20% of energy from renewables**
   - **20% increase in energy efficiency**

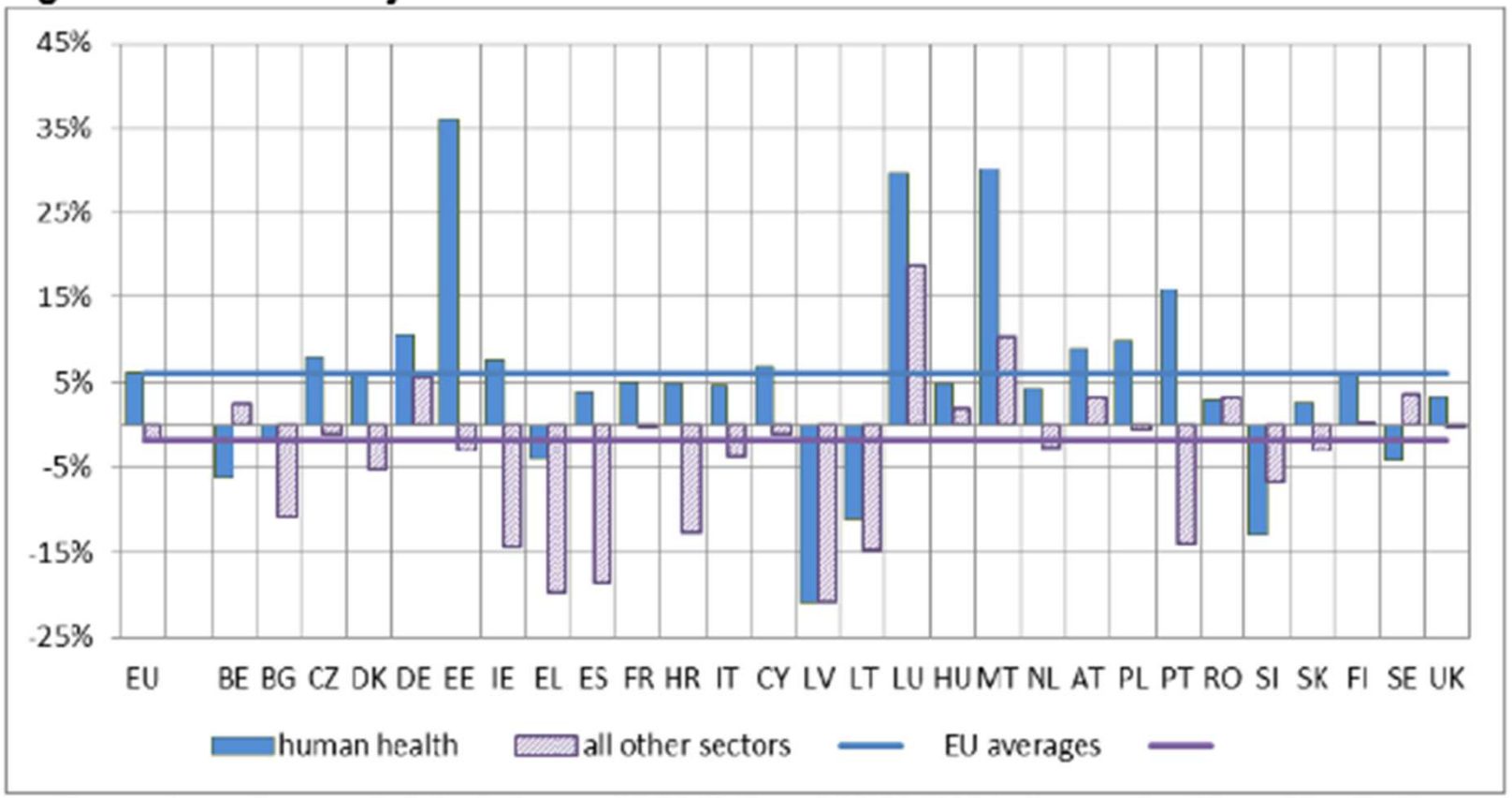
4. **Education**
   - **Reducing the rates of early school leaving below 10%**
   - **at least 40% of 30-34–year-olds completing third level education**

5. **Fighting poverty and social exclusion**
   - **at least 20 million fewer people in or at risk of poverty and social exclusion**

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Europe 2020 Targets

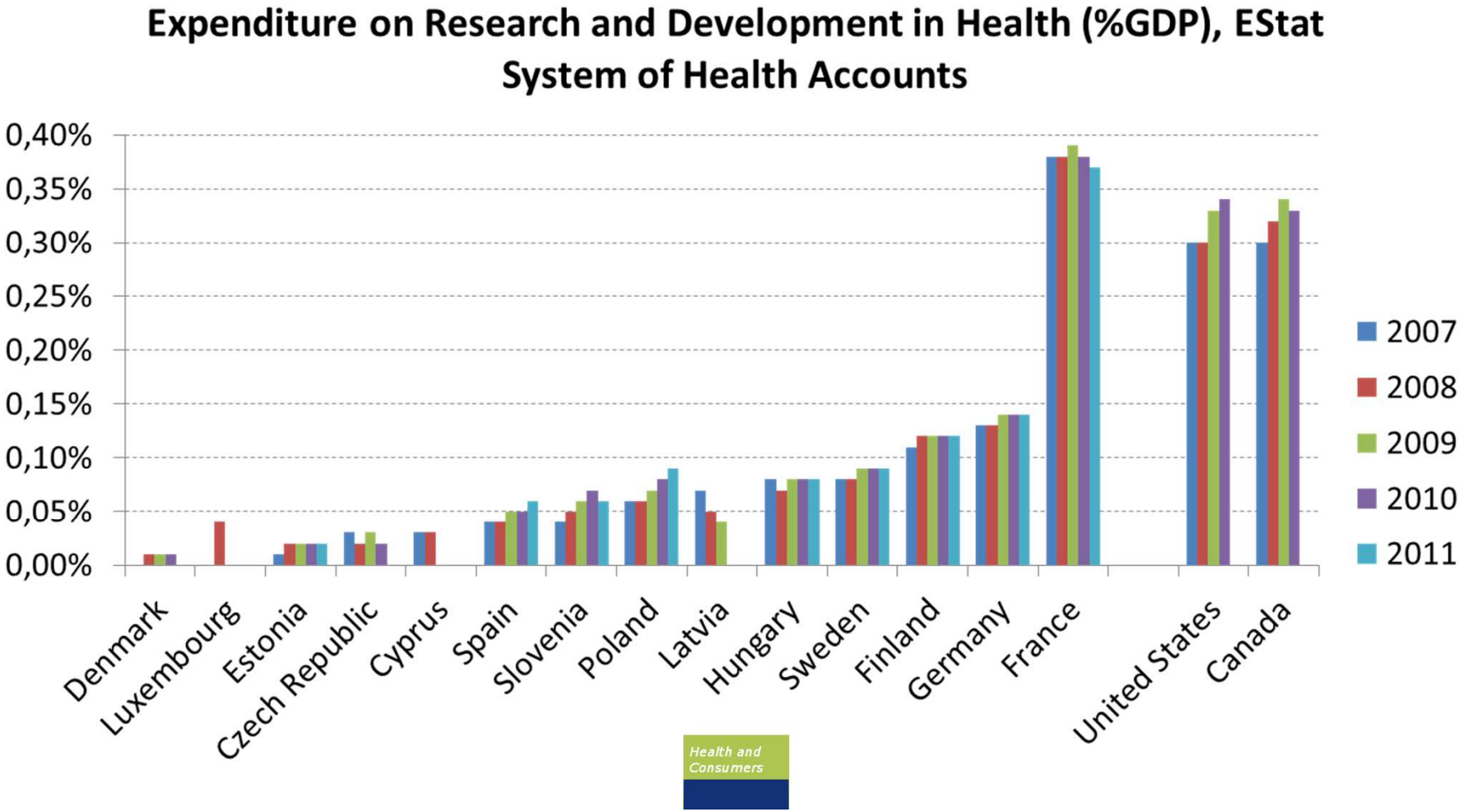
Figure 1: Evolution of jobs in health and in all other sectors



Percentage changes in jobs between 2008 (Q4) and 2013 (Q3) in human health and in all other sectors - Source: Eurostat, labour force survey

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Europe 2020 Targets





Reform Drivers

- ageing population
- increase in chronic diseases
- cost of technological progress

compounded by the economic crisis

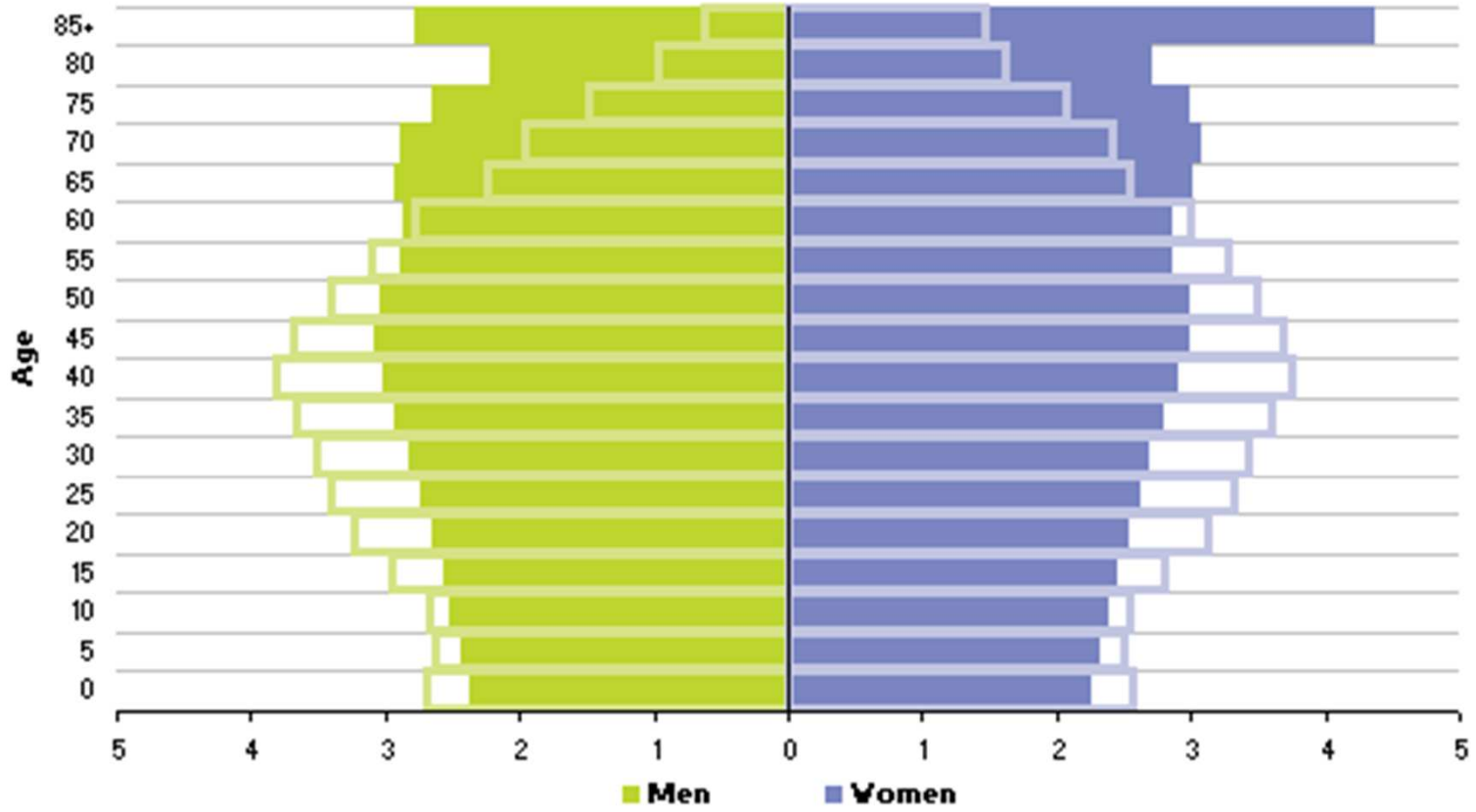
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Other factors that affect health systems

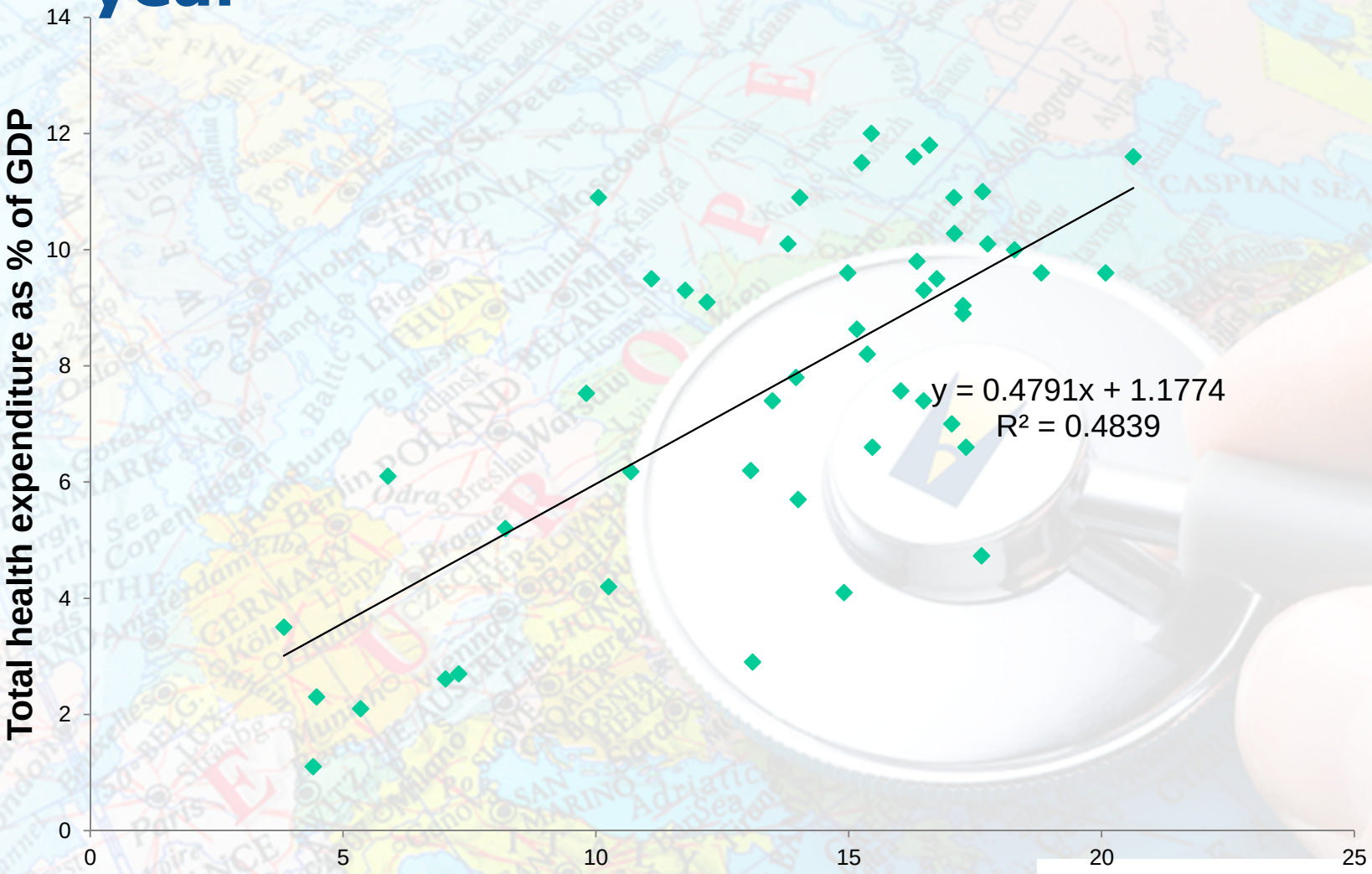
- *Migrations*
- *Climate change*
- *Globalisation/travel/tourism*
- *Lack of new medicines. AMR*
- *Disability*
- *Demand*
- *Internet*
- *Personalised medicine*

Projected population structure in the EU in 2060



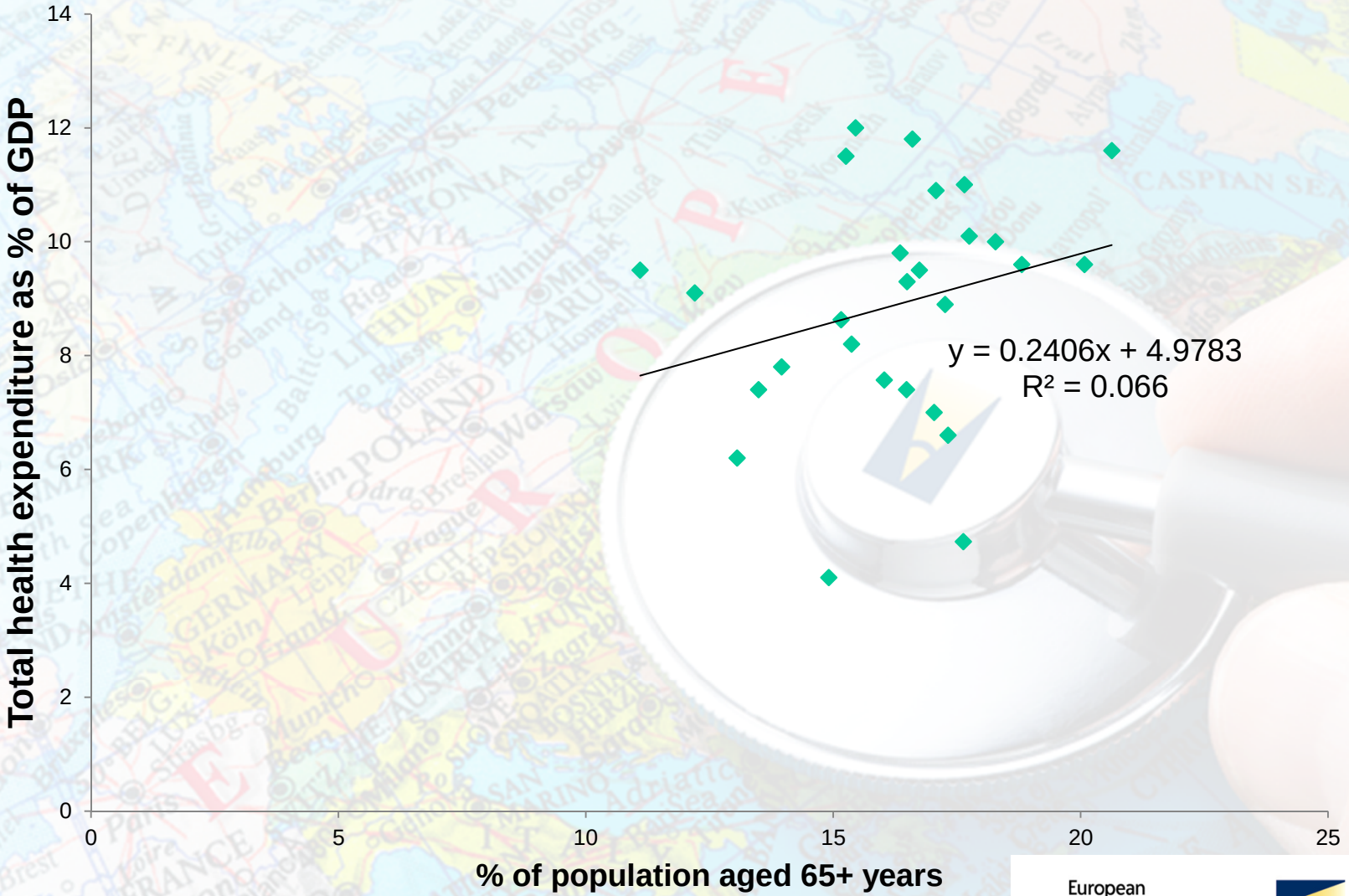
(1) 2060 data are projections (EUROPOP2010 convergence scenario).

Age structure and health expenditure in WHO Europe, latest available year



European Observatory on Health Systems and Policies

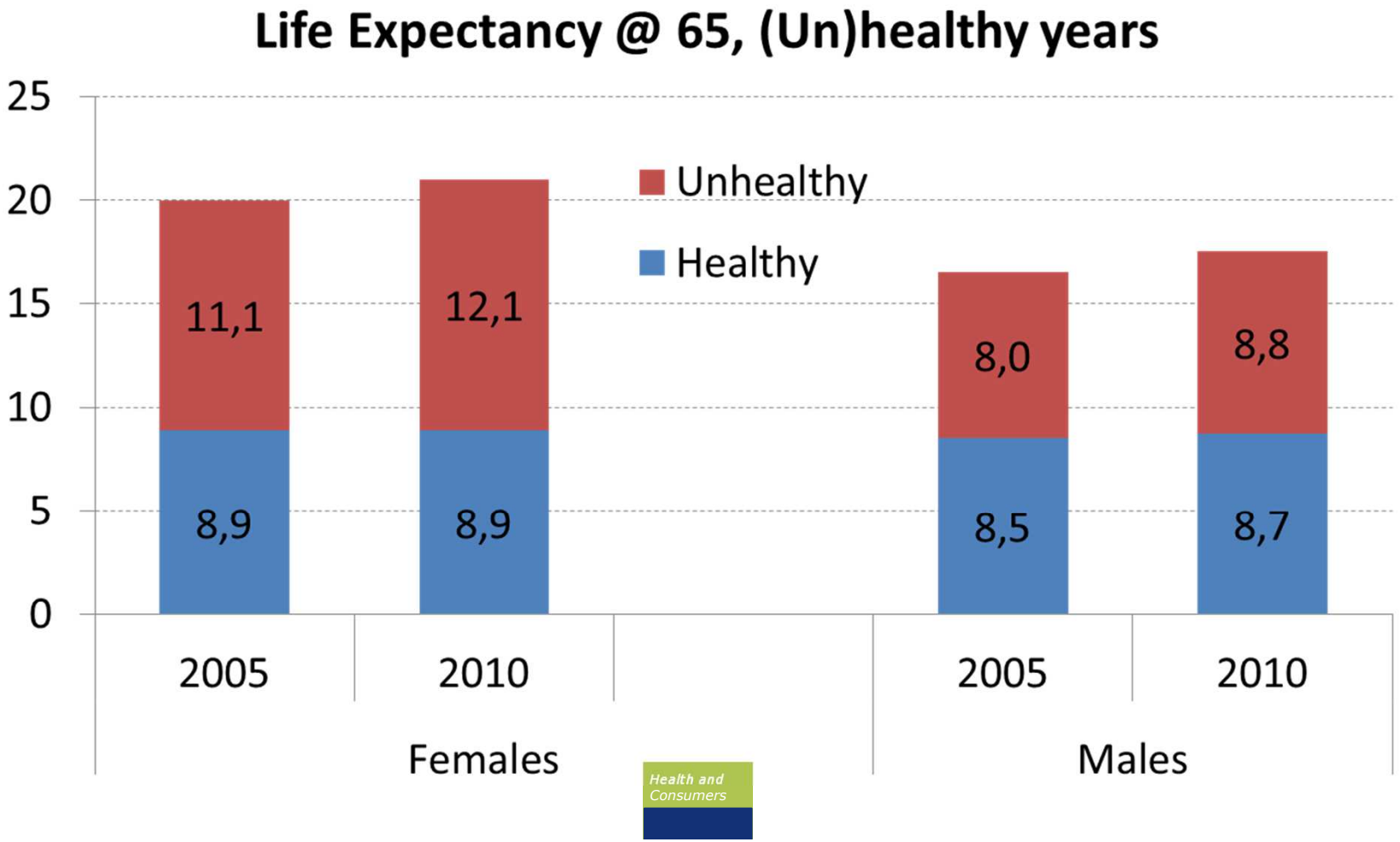
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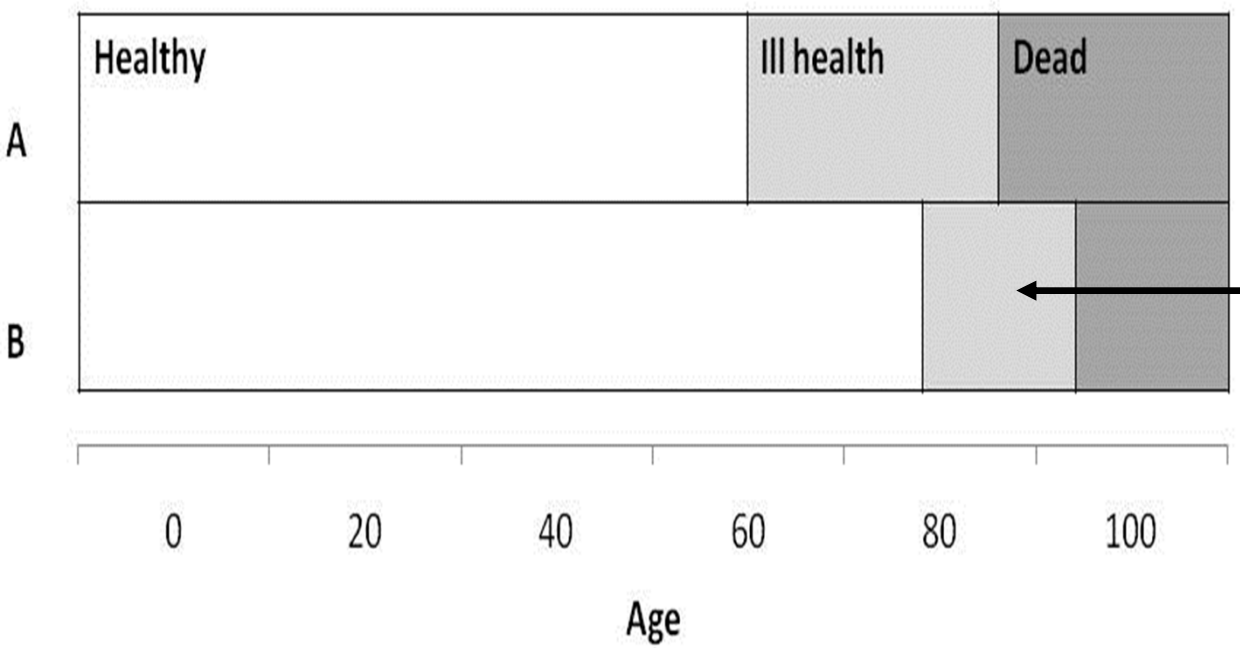


European Observatory on Health Systems and Policies

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Reform Challenges

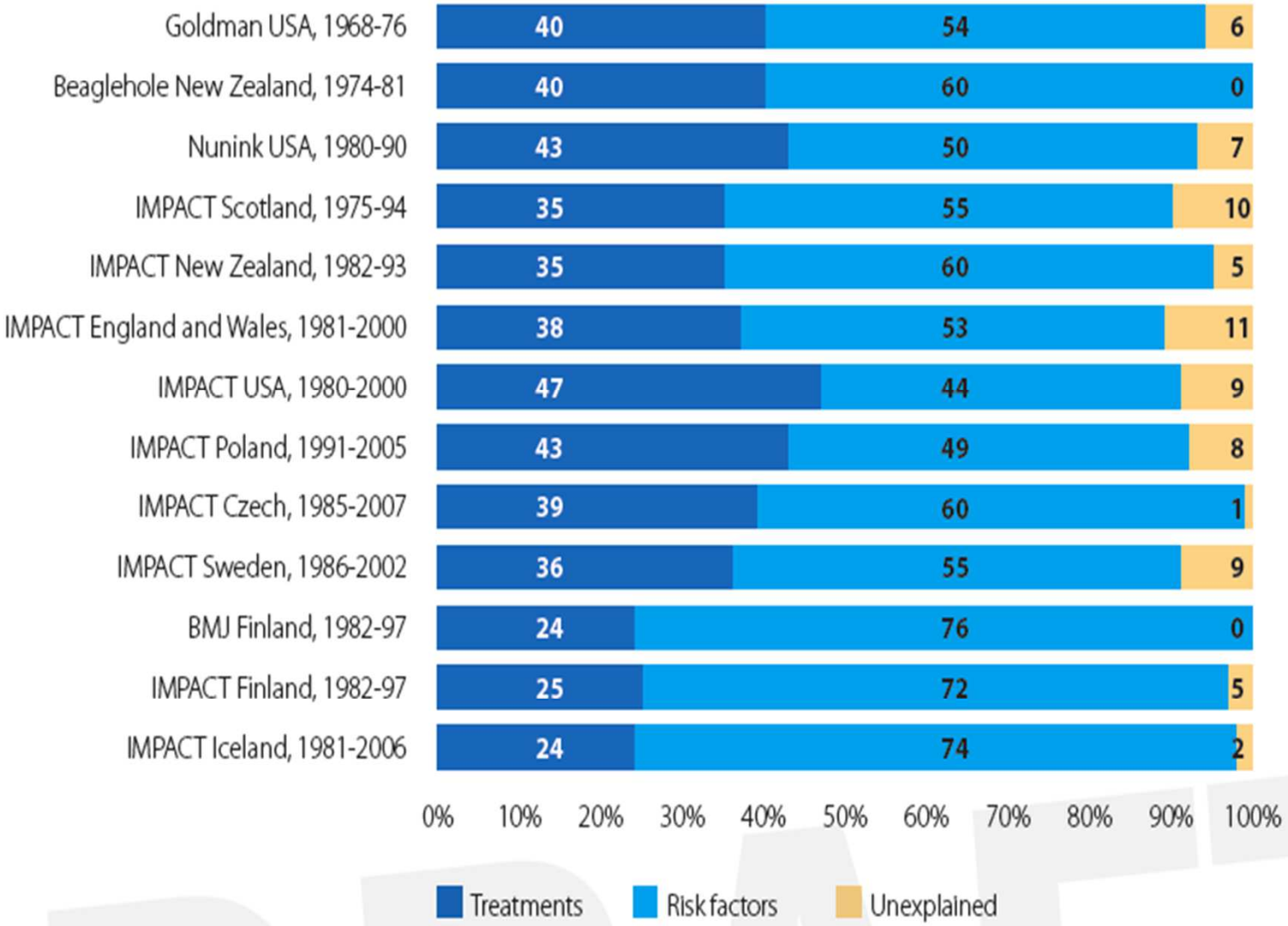




Compression of morbidity

Scenario A represents current situation, while B represents the effect of compression of morbidity

Fig. 2. Contribution of treatment and risk factor reduction to the decline in global coronary heart disease mortality



Source: Ford et al. *(11)*.

Health Policy: Disease Prevention

- *Improve public health*
- *Prevent physical and mental illness and diseases*
- *Remove sources of danger*

Health Security: promote coordination of Preparedness, Risk assessment, Risk management, Risk communication and International cooperation (Decision of 2013 on serious cross-border threats to health).

Disease prevention and work on health determinants (tobacco, alcohol, nutrition and physical activity): can reduce high long-term treatment costs and improve health outcomes by avoiding premature deaths and delay the onset of chronic diseases.

Early detection of diseases: EU guidelines on screening : breast cancer, colorectal cancer, cervical cancer.

Tobacco: Health risks related to smoking cost more than 25 billion € per year in treatment. Tobacco causes almost 700,000 premature deaths every year.

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Health Policy: Services

- *Improve citizens' health*
- *Increase healthcare quality and access*
- *Improve value*

Directive on patients' rights in cross-border healthcare: clear rules and reliable information to enable free movement of Patients

Quality and safety of care: up to 8 - 12% of patients suffer from adverse events whilst receiving healthcare;

Health workforce planning: healthcare employs 8% the total European workforce and has a high growth potential, but faces the challenge of budget constraints, workforce shortages and skill mismatches.

eHealth: use eHealth tools to share information and increase healthcare quality, make eHealth tools more effective and involve stakeholders.

Health Technology Assessment (HTA): support decision makers on the formulation of safe and effective health policies that are patient focused and aim at achieving the best value.

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The "Cross-border" Directive

4.4.2011 Official Journal of the European Union L 88/45

DIRECTIVE 2011/24/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 9 March 2011

on the application of patients' rights in cross-border healthcare

Transposition deadline: 25/10/2013

→Definition of MS Health Baskets/ Services/Tariffs

→Cost-based pricing

→Cooperation on quality/safety

→ etc.

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Headline messages:

- Patients' rights to choose care and providers abroad confirmed, increased and clearly explained

- Information to patients on health systems and treatments

- Minimum set of patients' rights established in the EU



1. Basic principles

- Patients have right of reimbursement when they receive healthcare in another EU MS
- Level of reimbursement up to cost of treatment at home
- Quality and safety standards / legislation of Member State of treatment applies

2. Prior Authorisation

- Prior authorisation possible for

  a) overnight stay; or

  b) highly specialised and cost intensive healthcare ("hospital care")…
- Authorisation may be refused if no "undue delay"…
- *…and that decision must be "properly reasoned"*

3. Information to patients:

- National Contact Points to be created
- NCPs tell outgoing patients about: rights; entitlements; reimbursement; appeal processes
- NCPs tell incoming patients about: quality and safety standards / systems; complaints and redress procedure
- NCPs have to consult with patient organisations, healthcare providers, healthcare insurers
- Healthcare providers must provide information on: treatment options; quality and safety; prices; authorisation status; insurance / liability cover



4. Prices and reimbursement tariffs

- same fees as for domestic patients
- reimbursement tariffs based on cost of treatment at home from public / contracted provider
- transparency required on reimbursement entitlements: which treatments and how much?



5. Minimum patients' rights

- Right of appeal on authorisation and reimbursement decisions
- Right to transparent complaint procedure and to seek redress (all treatment must be covered by liability insurance or similar guarantee)
- Right to privacy
- Right of access to/copy of medical records
- Non-discrimination: access and prices

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6. What's new since social security Regulations?

- Regulations only cover public-sector or contracted providers: Directive covers all providers in EU (for planned and unplanned care)
- Planned care – prior authorisation is the norm under Regulations, but the exception (if used at all) under Directive
- Regulations cover patient cost at level of MS of treatment; Directive at level of MS of affiliation ("home" MS)
- Directive introduces significant "flanking" measures: information; patient guarantees etc.

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7. Co-operation between health systems

- Cooperation on guidelines for quality and safety
- European Reference Networks
- Health Technology Assessment
- eHealth
- Cross-border healthcare in border regions

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Next steps:

- Transposition check
- Monitoring of transposition by individuals and stakeholders
- Reflection on functioning of National Contact Points
- Regular reporting by Commission to EP and Council, with recommendations

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Directive 2011/24/EU of patients' rights in cross-border healthcare

Cooperation between MS: Article 12 European Reference Networks

Networks of healthcare providers aiming at

Improving quality and safety and access to highly specialised healthcare

- ✓Patients affected by **rare or low prevalence and complex diseases**
- ✓**Added value** at EU level
- ✓Need of **cooperation:**
  - ➢ Scarcity knowledge / need education
  - ➢ Complexity / high cost
- ✓**multidisciplinary approach** (different specialities/areas of knowledge)

ERN tentative timeline & milestones

European Commission

May 2014



Entry into force legal acts

July 2014



Call for Assessment Manual

II quarter 2015



Call for selection independent body(ies)

IV quarter 2015



Call for Networks

II quarter 2016



Establishment of Networks