European Commission

Directorate-General for Economic and Financial Affairs

p

,'

Joint Report on Health Systems

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

\$

EUROPEAN ECONOMY

Occasional Papers 74





TABLE OF CONTENTS

Executive Summary	13
1 Introduction	
2 The economic importance of the health sector	33
2.1 Impact of health on economic growth	
2.2 The health sector as a productive sector	
2.3 The health sector – a potential for high-skilled and flexible employment	
3 Past and recent trends in health expenditure and brief overview of the	
2009 EPC/EC expenditure projections	43
3.1 Past trends in public expenditure on health	
, 3.2 The potential impact of the economic crisis on health related expenditure	
3.2.1 Theoretical considerations and empirical observations from past crises	
3.2.2 Simulation of the computational effect	
3.3 Long-term projection of public expenditure on health care and long-run sustainabili	
of public finances: short overview of the EPC/EC 2009 Ageing Report	
3.3.1 Factors affecting health care spending considered in 2009 EPC/EC projection	
exercise and reported in the EPC/EC 2009 Ageing Report	55
3.3.2 Methodology and results	
4 Survey of health system efficiency, effectiveness and sustainability issue	es 65
4.1 Concepts of efficiency and effectiveness regarding health systems	
4.2 Efficiency analysis	
4.3 The quest for measuring and improving health system performance	68
4.4 Health systems: possible ways to improve cost-effectiveness in the sector	
4.4.1 Improve the management of information and knowledge to help decision-make	ing
in the health sector:	
4.4.2 Strengthen primary care, ambulatory practices and care coordination	
4.4.3 Emphasise more strongly health promotion and disease prevention	80
4.4.4 Correct price signals in health services markets and align incentives with	
effectiveness and efficiency	
4.4.5 Training human resources for health and ensuring a balance between inputs:	
4.4.6 Look outside the box: socio-economic determinants of health	
4.4.7 Leadership and consensus building and governance	
5 Health system characteristics and their relation to health expenditure	
5.1 Health insurance coverage and its relation to expenditure	
5.2 Collection, pooling and allocation of financial resources and system administration	
the link with expenditure	
5.2.1 Collection, pooling and allocation of financial resources	
5.2.2 System administration	
5.2.3 Expenditure control mechanisms 5.3 Providers of health services: numbers and status	
5.3.1Numbers of physicians and nurses	
5.3.2 Providers' status	
5.3.3 Hospital beds	
5.4 Rules on access: the use of primary care, referral systems, care coordination and pa	
choice of provider	
5.5 Purchasing, contracting and remuneration systems and sector outputs	
5.5.1 Payments to physicians: primary care and specialists	
5.5.2 Payments to hospitals	
5.5.3 Policies regarding pharmaceuticals	

ś

5.6 Information and monitoring, use of health technology assessment inclu effectiveness information	
5.7 Health status, health behaviour and health promotion and disease preve	
5.8 Social determinants of health: looking outside the health system	-
6 Main challenges ahead to contain costs and make the health s	vstems more
efficient	•
6.1 Ensuring a sustainable financing basis to the sector, a good pooling of t	funds and that
resource allocation is not detrimental to more vulnerable regions	
6.2 Adjusting existing cost-sharing systems to ensure that they encourage a use of care	
6.3 Ensuring balanced mix of different staff skills and preparing for potenti	
due to ageing	
6.4 Improving and better distribute primary health care services and reduci	
unnecessary use of specialist and hospital care	
6.5 Increasing hospital efficiency through increasing use of day-case surge	
concentrating some hospital services	
6.6 More cost-effective use of medicines while allowing for innovation in t	
6.7 To improve the general governance (coherence of decision-making and	
of the system	• /
6.8 To improve data collection and information channels and to use available	
to support performance improvement	
6.9 To use health technology assessment more systematically to help decis	
processes	-
6.10 Improving life-styles and access to more effective health promotion and	
prevention	
prevention Annex 1: Health expenditure growth vs. GDP growth	
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency ana	16 lysis 16
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency?	 16 Iysis 16 16
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency analysis What is meant by effectiveness and efficiency? Efficiency analysis	Iysis 16 Iysis 16
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems	Iysis 16 Iysis 16
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency analysis What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches	16 Iysis 16 16 16 17 17
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium	16 Iysis 16 16 16 16 17 17 17 17
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium	16 Iysis16 16 16 16 17 17 17 18
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency analysis What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium	16 Iysis
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium	16 lysis
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium	16 lysis
prevention	16 lysis
prevention	16 lysis 16 16 16 16 16 17 17 17 17 18 19 20 21 22 23
prevention	16 lysis 16 16 16 16 16 17 17 17 17 18 19 20 21 22 23 24 24
prevention. Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis. Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium Bulgaria Czech Republic Denmark Germany Estonia Ireland Greece Spain	16 lysis 16 16 16 16 16 17 17 17 17 18 19 20 21 22 23 24 25
prevention	16 lysis 16 16 16 16 16 17 17 17 18 19 20 21 22 23 24 25 26
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency analysis What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium	16 lysis 16 16 16 16 16 17 17 17 17 18 19 20 21 21 22 23 24 25 26 27 27
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium	16 lysis 16 16 16 16 16 17 17 17 17 18 19 20 21 22 23 24 25 26 27 28 28
prevention	16 lysis 16 16 16 16 16 17 17 17 17 18 19 20 21 21 22 23 24 25 26 27 28 29 29
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis. Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium	16 lysis 16 16 16 16 16 17 17 17 17 18 19 20 21 21 22 23 24 25 26 27 28 29 30
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium Bulgaria Czech Republic Denmark Germany Estonia Ireland Greece Spain France Italy Cyprus Latvia Lithuania Luxembourg	16 lysis 16 16 16 16 16 17 17 17 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium Bulgaria Czech Republic Denmark Germany Estonia Ireland Greece Spain France Italy Cyprus Latvia Lithuania Luxembourg Hungary	16 lysis 16 16 16 16 16 17 17 17 17 18 19 20 21 21 22 23 24 25 26 27 28 29 30 31 32
prevention	16 lysis 16 16 16 16 16 16 16 17 17 17 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 32
prevention Annex 1: Health expenditure growth vs. GDP growth Annex 2: Efficiency and effectiveness concepts and efficiency anal What is meant by effectiveness and efficiency? Efficiency analysis Annex 3: Institutional features of health systems Annex 4: Country fiches Belgium Bulgaria Czech Republic Denmark Germany Estonia Ireland Greece Spain France Italy Cyprus Latvia Lithuania Luxembourg Hungary	16 lysis 16 16 16 16 16 17 17 17 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 32 32 33

¢

Poland	
Portugal	
Romania	
Slovenia	
Slovakia	
Finland	
Sweden	
United Kingdom	
eferences .A	43
	10
·	

0

<u>م</u> .

.

,