National Health Policy Reforms Aimed at Controlling Cost: Implications for Health System Efficiency and Equity

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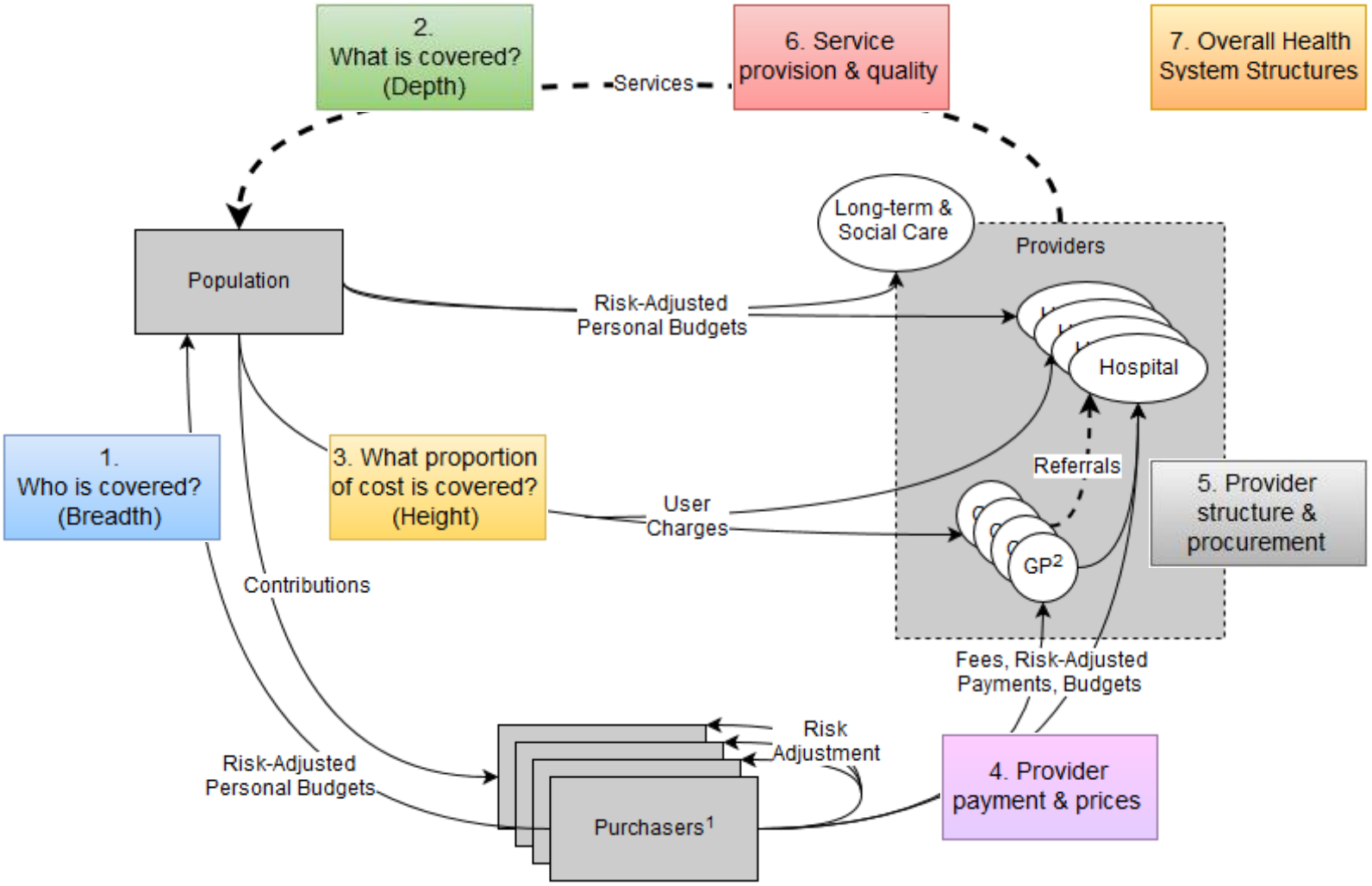
Objective

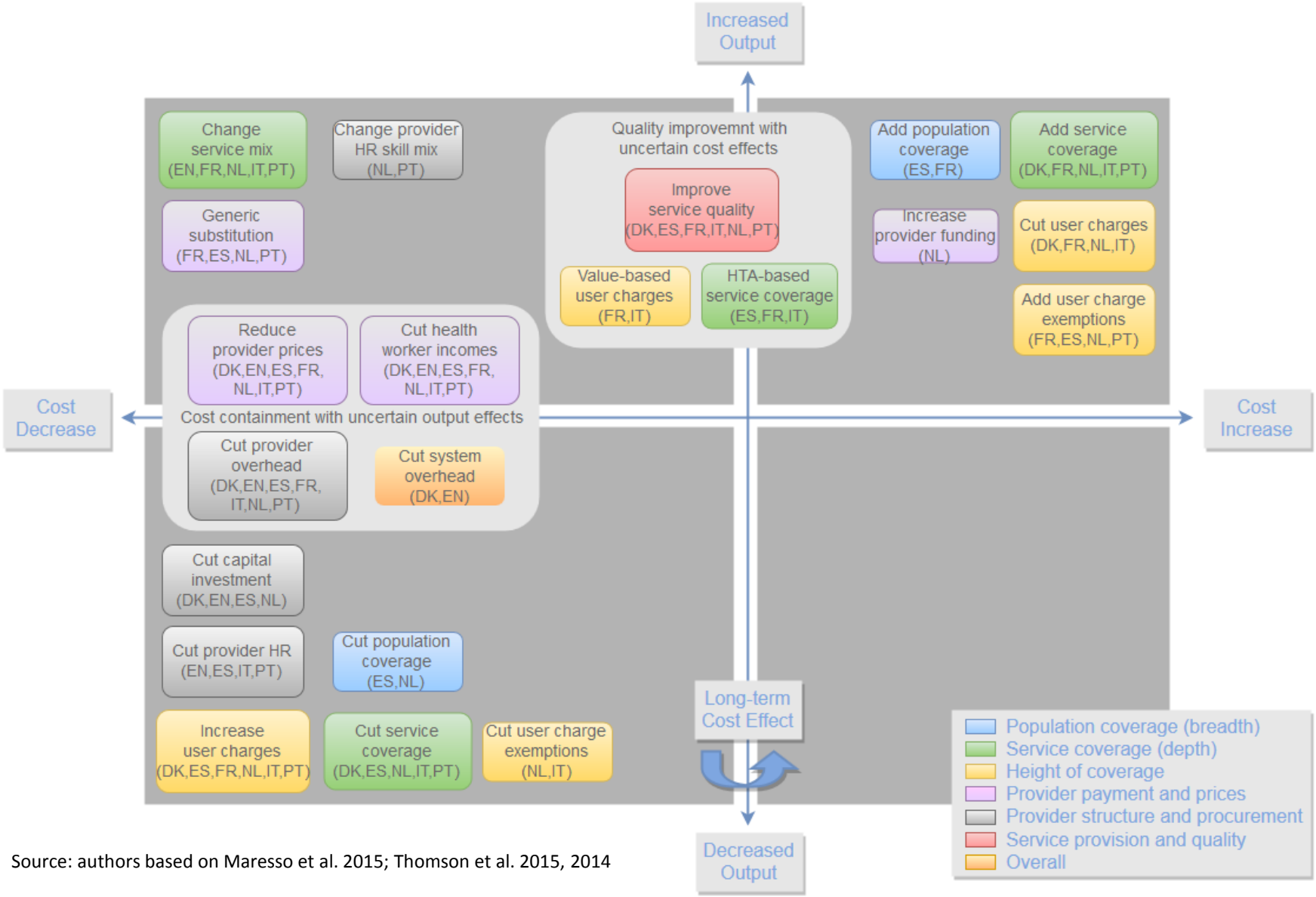
- Provide overview of recent health policy responses to fiscal pressures in Denmark, England, the Netherlands, France, Italy, Portugal and Spain, with a focus on cost containment
- Analyze policies in terms of efficiency, equity and protection of vulnerable populations

Health Policy Responses



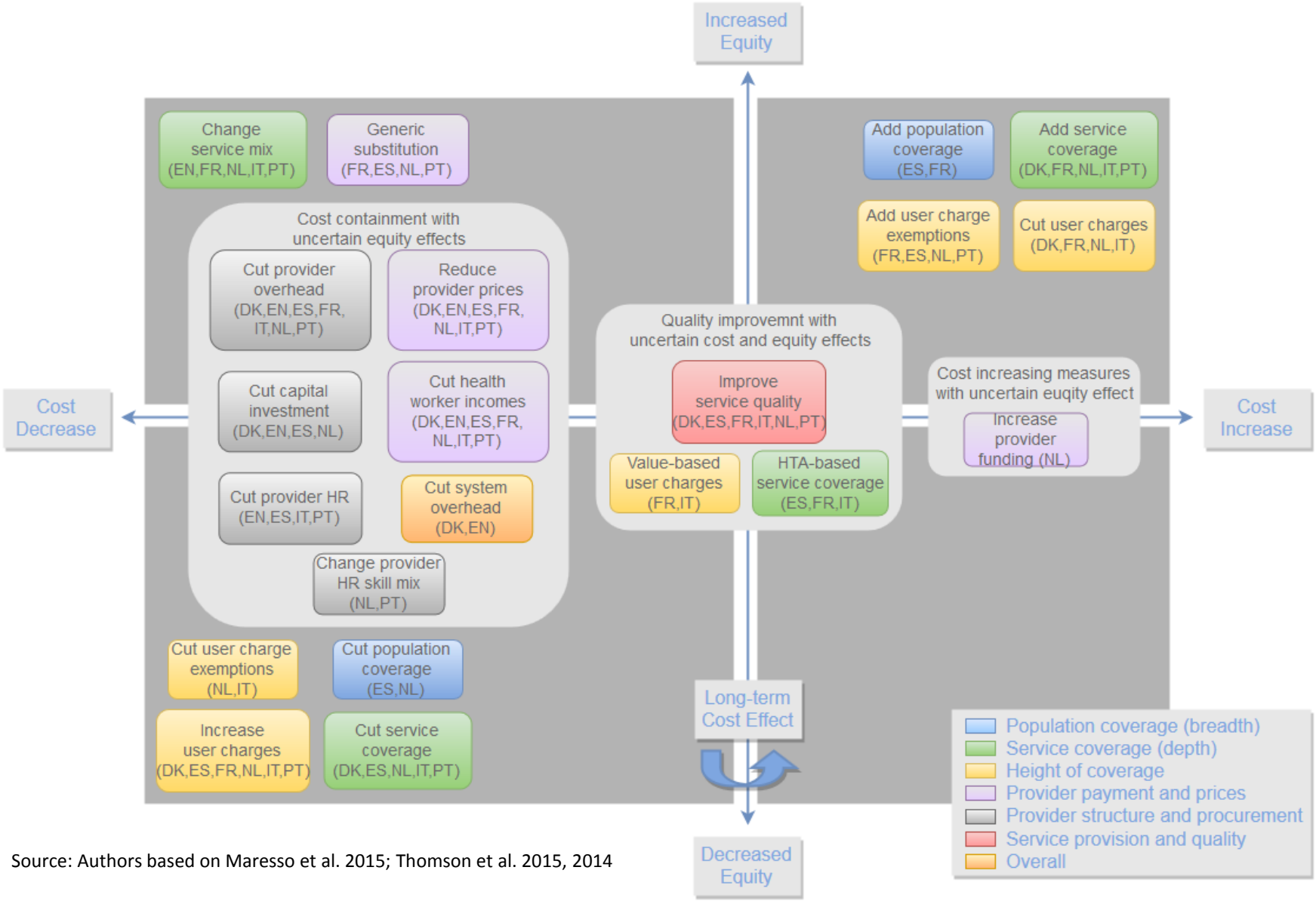
Source: authors

Health Policy Responses: Impact on Efficiency



Source: authors based on Maresso et al. 2015; Thomson et al. 2015, 2014

Health Policy Responses: Impact on Equity



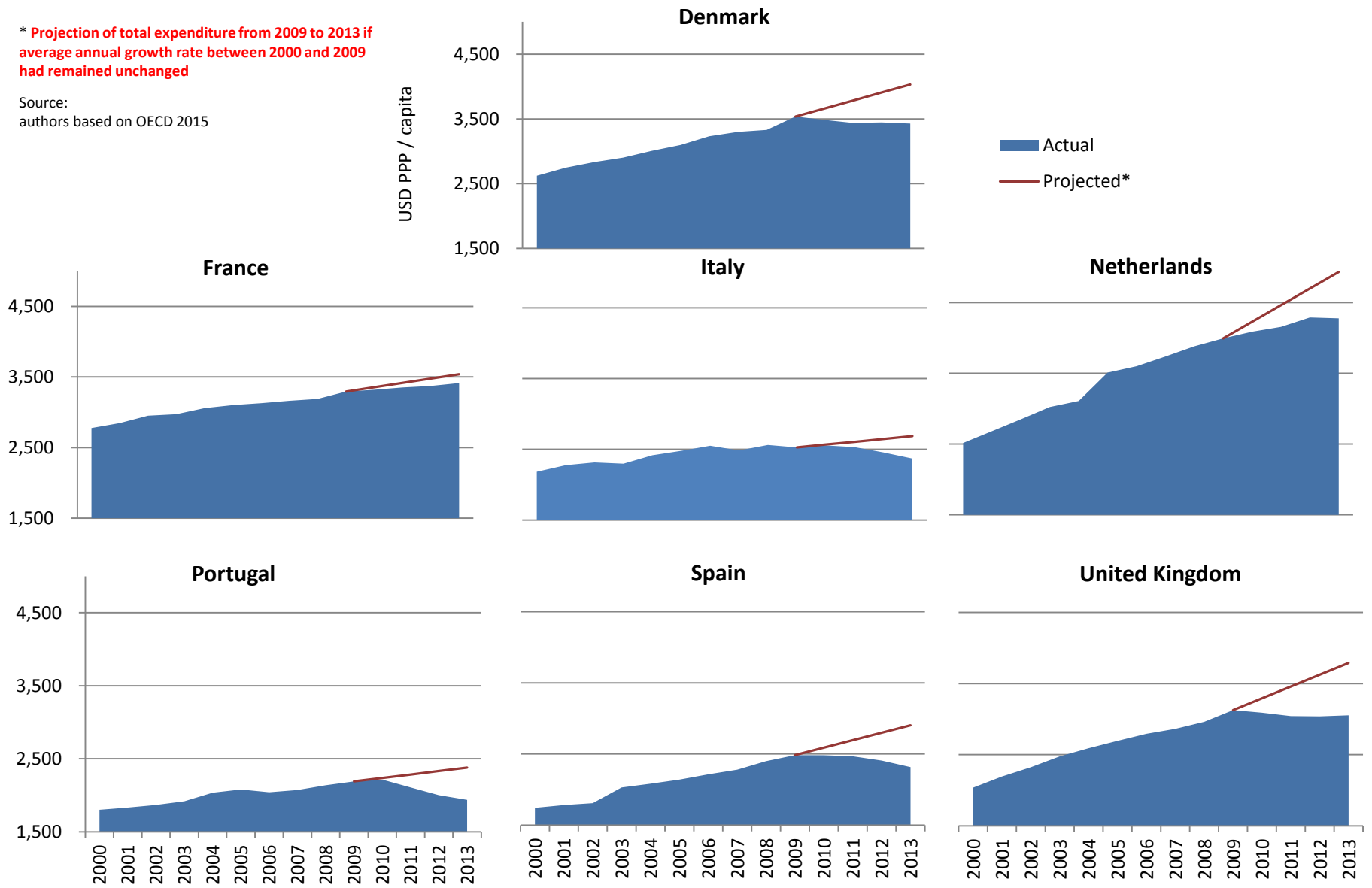
Source: Authors based on Maresso et al. 2015; Thomson et al. 2015, 2014

Total Health Expenditure

Reductions in 5 Countries and Slower Growth in 2 Countries (FR,NL)

*** Projection of total expenditure from 2009 to 2013 if average annual growth rate between 2000 and 2009 had remained unchanged**

Source:
authors based on OECD 2015



Service Availability

- Accelerating reduction in hospital beds per 1,000 population in Denmark and the UK; slight increase in Portugal due to shift from public to private sector; similar declines as pre-crisis in other countries

- Changes in human resources (no. of active physicians and nurses per population) not clearly visible

Measure	Country	Annual Avg pre-2009	Annual Avg post-2009
		% Change	% Change
Hospital Beds, per 1,000 population	**Denmark**	**-1,9%**	**-3,0%**
	France	-1,6%	-1,1%
	Italy	-2,2%	-1,8%
	Netherlands	-0,4%	nd
	Portugal	-0,9%	0,2%
	Spain	-1,4%	-1,3%
	UK	**-2,0%**	**-3,1%**
No. of active doctors, per 1,000 population	Denmark	1,9%	0,9%
	France	0,0%	0,4%
	Italy	0,0%	0,1%
	Netherlands	2,0%	2,5%
	Portugal	nd	nd
	Spain	1,3%	1,3%
	UK	nd	nd

Source: authors based on OECD 2015

Utilization

- Reversal of growth in doctor consultations in France and Denmark; accelerating growth in the Netherlands (could be related to increases in primary care funding post-2010) and slower growth in Portugal
- Reversal of growth in hospital discharges in Portugal and the UK; accelerating decrease in Denmark and Italy; changing trend in Spain not visible
- Potential Substitution effects between primary and secondary care not clear

Measure	Country	Annual Avg pre-2009	Annual Avg post-2009
		% Change	% Change
Doctors consultations (in all settings), per 1,000 population	**Denmark**	**1,0%**	**0,0%**
	France	**0,7%**	**-0,9%**
	Italy	0,0%	nd
	Netherlands	**0,3%**	**1,8%**
	Portugal	**1,6%**	**0,6%**
	Spain	nd	nd
	UK	0,0%	nd
Inpatient care discharges (all hospitals), per 1,000 population	**Denmark**	**0,0%**	**-1,1%**
	France	-1,7%	0,0%
	Italy	**-1,7%**	**-2,7%**
	Netherlands	2,3%	nd
	Portugal	**0,3%**	**-0,6%**
	Spain	-0,5%	-0,6%
	UK	**0,2%**	**-0,5%**

Source: authors based on OECD 2015

Pharmaceuticals

- Decreased pharmaceutical expenditure in all countries except Italy and the UK (slower growth) but generally no decrease in consumption (except in hypertensive and diabetic drugs in Portugal) → mainly price effect
- Increase in share of generics

Measure	Country	Annual Avg % Change pre-2009	Annual Avg % Change post-2009
Total Pharmaceutical Sales, per capita, USD at PPP	Denmark	8,5%	-0,2%
	France	6,1%	-0,5%
	Italy	7,3%	0,2%
	Netherlands	6,8%	-3,0%
	Portugal	5,3%	-4,2%
	Spain	5,2%	-3,1%
	UK	3,6%	0,9%
Volume share of generics in reimbursed pharmaceutical market	**Country**	**% Share, 2009**	**% Share, 2013**
	Denmark	42,4%	54,0%
	France	23,6%	30,2%
	Italy	11,6%	20,3%
	Netherlands	57,0%	69,7%
	Portugal	20,1%	39,0%
	Spain	23,8%	46,5%
	UK	72,5%	83,4%

Source: authors based on OECD 2015

Access: Waiting Times

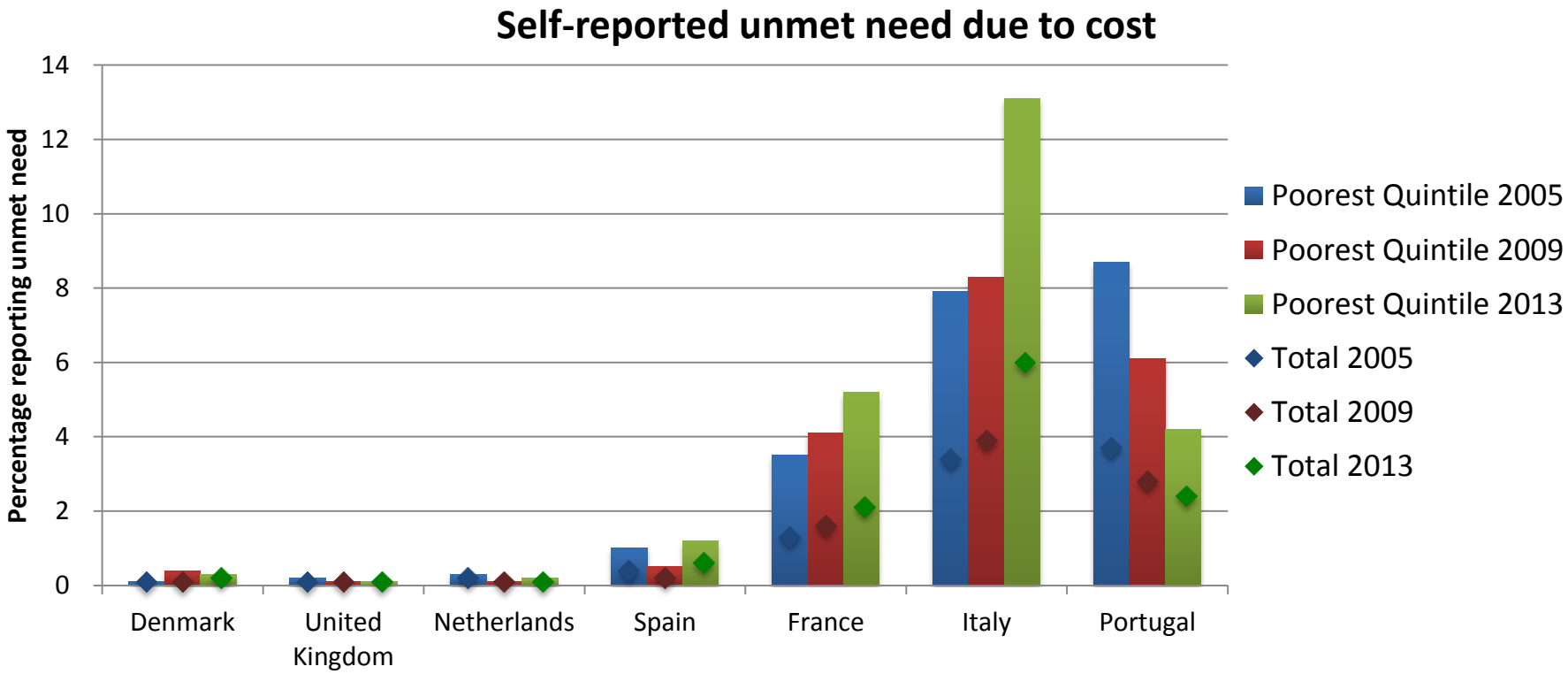
Increasing waiting times for common elective surgery in Portugal and Spain (could be related to cuts) and the UK; decreases in Denmark and the Netherlands

Measure	Country	Annual Avg pre-2009	Annual Avg post-2009
		% Change	% Change
Mean waiting time from specialist assessment to cataract surgery, days	**Denmark**	**15,5%**	**-5,4%**
	France	nd	nd
	Italy	nd	nd
	Netherlands	**0,0%**	**-2,3%**
	Portugal	**-15,0%**	**2,4%**
	Spain	**-2,1%**	**2,5%**
	UK	**-6,4%**	**2,0%**
Mean waiting time from specialist assessment to hip replacement, days	**Denmark**	**-2,6%**	**-4,7%**
	France	nd	nd
	Italy	nd	nd
	Netherlands	**0,0%**	**-5,9%**
	Portugal	**-8,5%**	**1,6%**
	Spain	**-1,1%**	**2,4%**
	UK	**-6,4%**	**0,4%**
Mean waiting time from specialist assessment to knee replacement, days	**Denmark**	**-1,7%**	**-5,5%**
	France	nd	nd
	Italy	nd	nd
	Netherlands	**0,0%**	**-5,6%**
	Portugal	**-11,5%**	**2,0%**
	Spain	nd	0,0%
	UK	**-6,8%**	**0,6%**

Source: authors based on OECD 2015

Access: Self-Reported Unmet Need

- Reversed trend of decreasing unmet need due to cost in Spain, trends of increases continued in France and Italy
- Some increase in Portugal post-2012
- Eurostat SILC data not always consistent with local sources: E.g. 20% unmet need due to cost in the Netherlands based on Commonwealth Fund survey (Schoen et al. 2013), declining unmet need due to cost through 2012 based on Spanish health survey (Garcia-Subirats et al. 2014)



Source: authors based on Eurostat 2015

Conclusions

- Expenditure decline in most countries, most significant reductions in southern European countries subject to external pressures; slowed growth in France and the Netherlands
- Focus on cost cutting through price reductions or cuts to capacity and activity; some policies have uncertain output effects
- Pharmaceuticals a common target for apparently successful cost containment (price cuts, generic substitution); provider price reductions and controls of health worker incomes also common
- Despite nominal increases to user charges, out-of-pocket payments remain a limited source of financing (some increases in OOP share in Spain and Portugal), likely due to combination with additional exemptions

Conclusions

- Most policies are technically simple to implement and aim at short-term savings
- Expansion of HTA, evidence-based disinvestment or value-based user charges are technically more demanding and less common; this may represent a missed opportunity
- Effect on service availability and utilization not clearly visible although some increase in self-reported unmet need and waiting times; data limitations and delayed effect of crisis on health system behavior and health outcomes may not yet allow for full assessment
- Too early to conclude whether short-term cuts will have sustainable effect or lead to longer-term cost increases (“squeezed balloon”)