

Financial Crisis and Health Care Financial Sustainability

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Outline



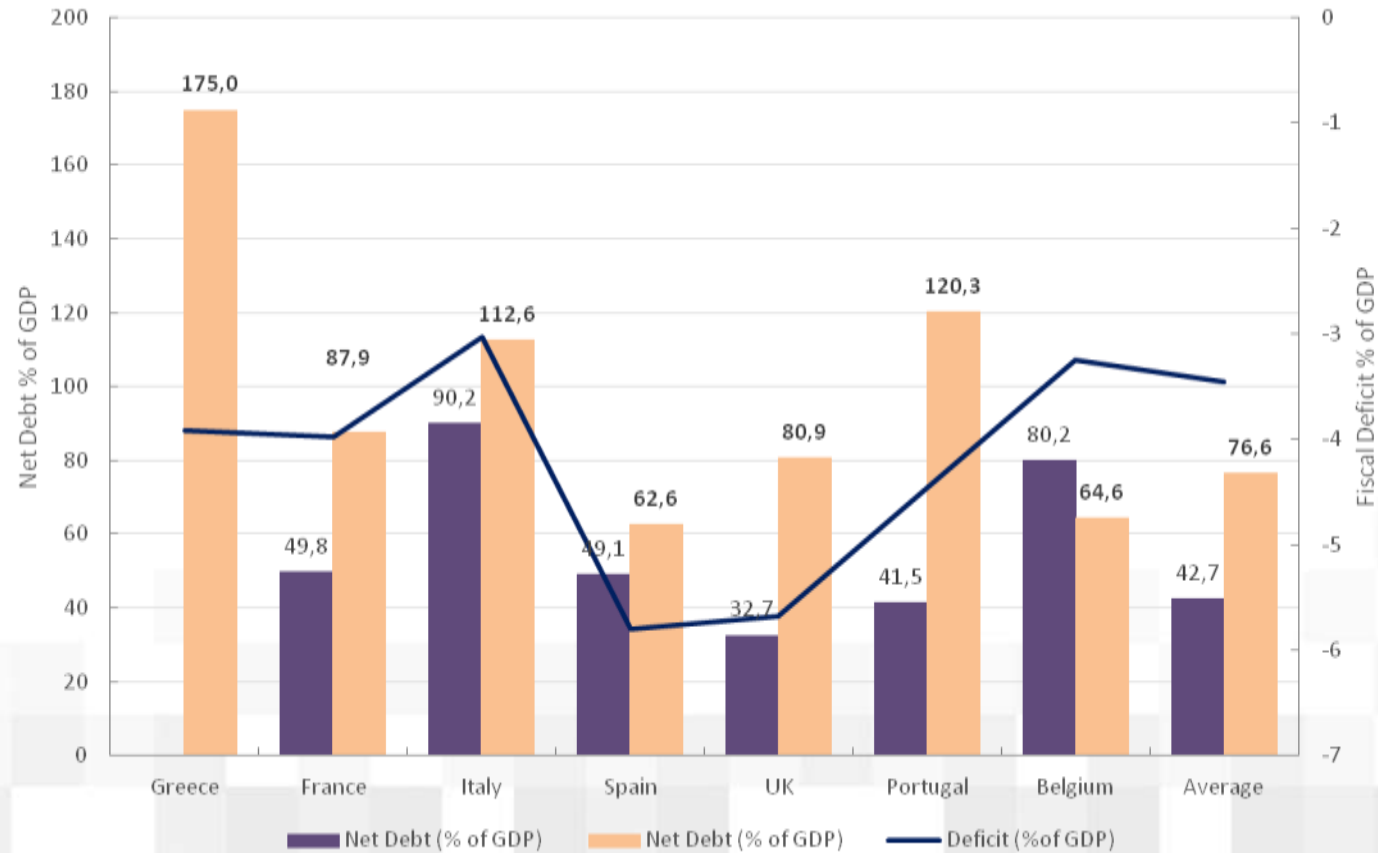
- ❖ Macroeconomics and public spending
- ❖ Healthcare Expenditure
- ❖ Pharmaceutical Expenditure
- ❖ Efficiency and inputs

Outline



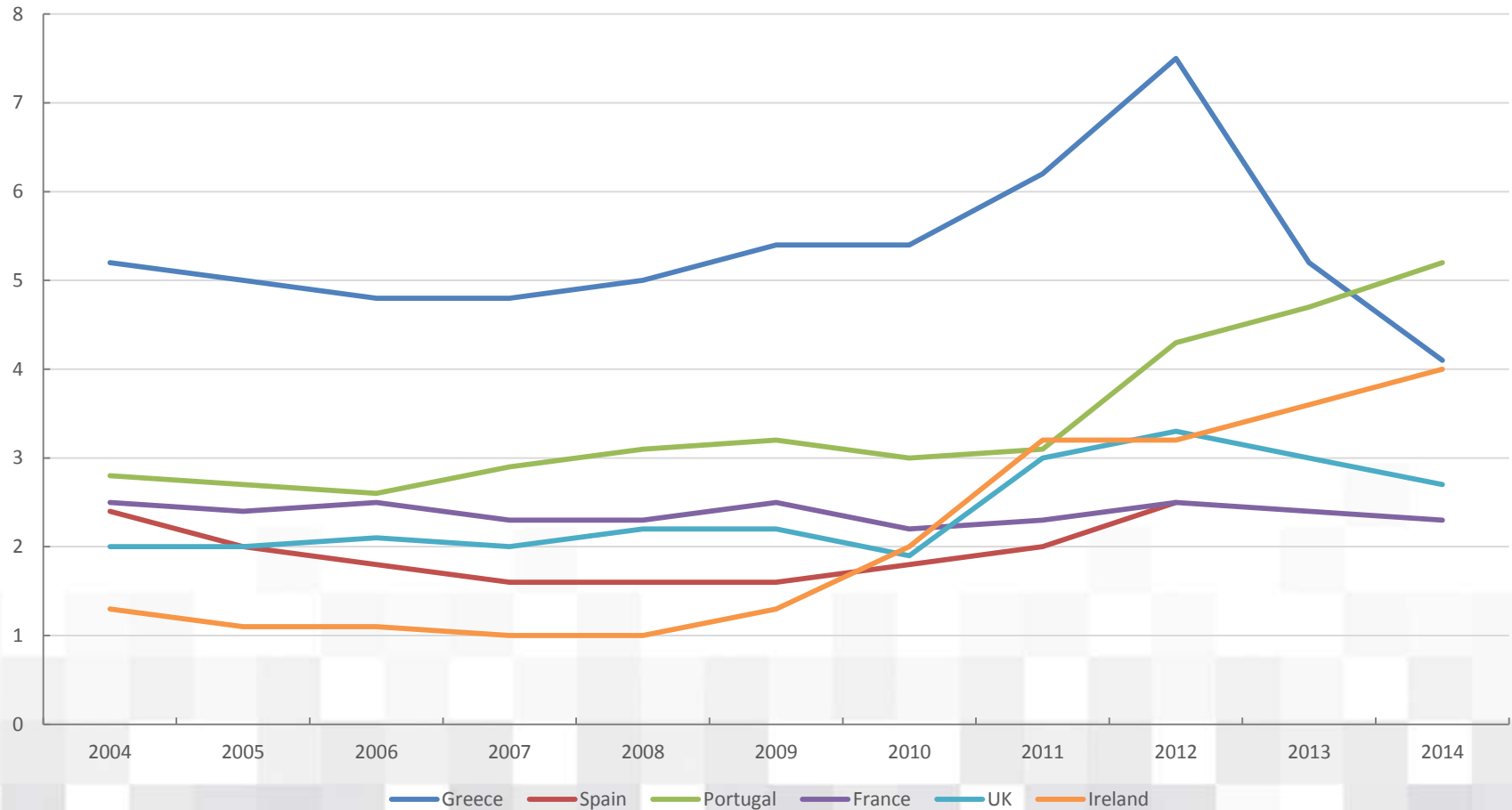
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General government net debt and deficit as % of GDP, 2000 and 2014

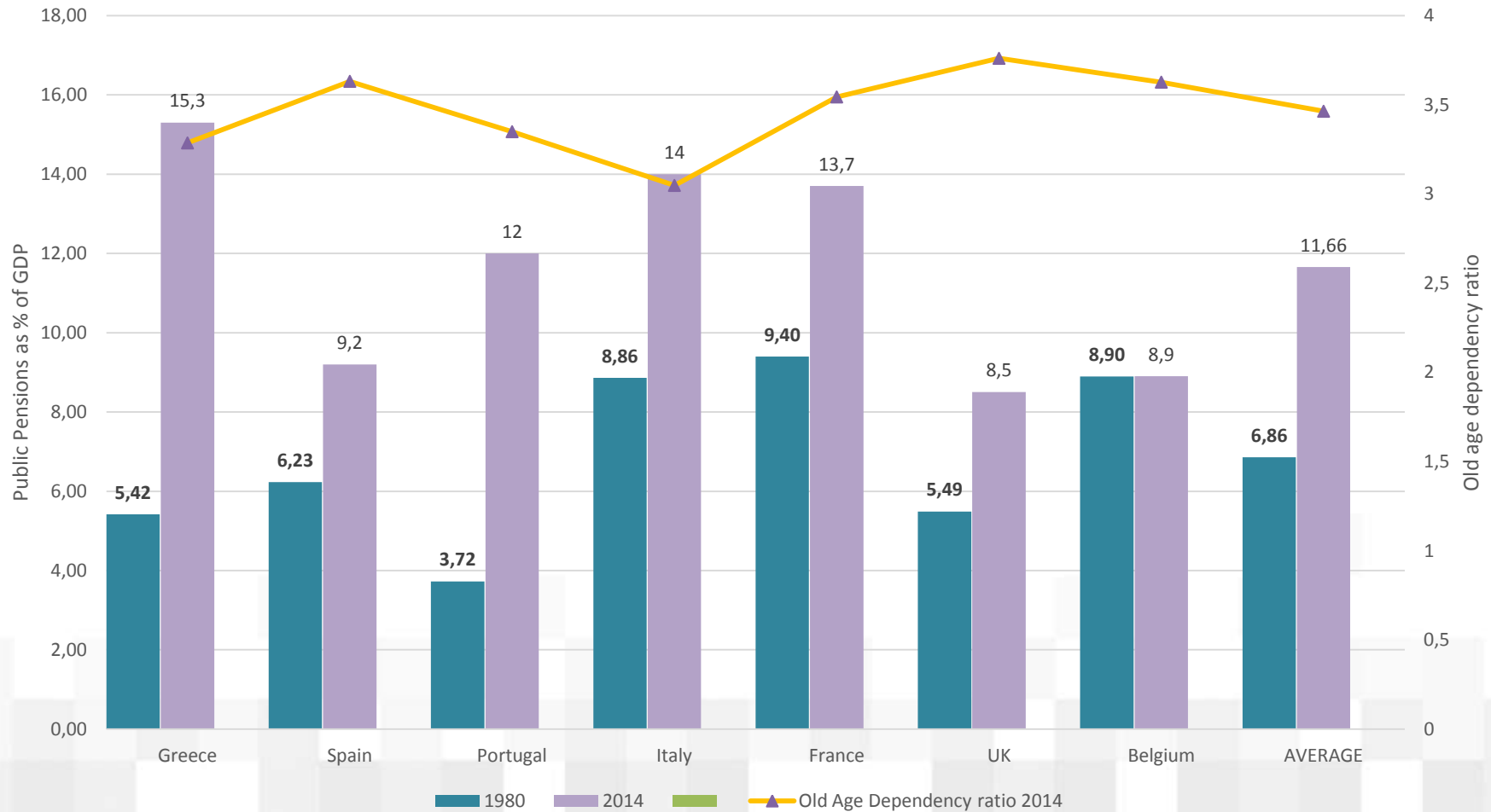


Source: IMF, World Economic Outlook Database, October 2015
 Note: Most Recent data till 2014, after 2014 estimates are being considered

Public debt repayments as % of GDP, 2004-2014



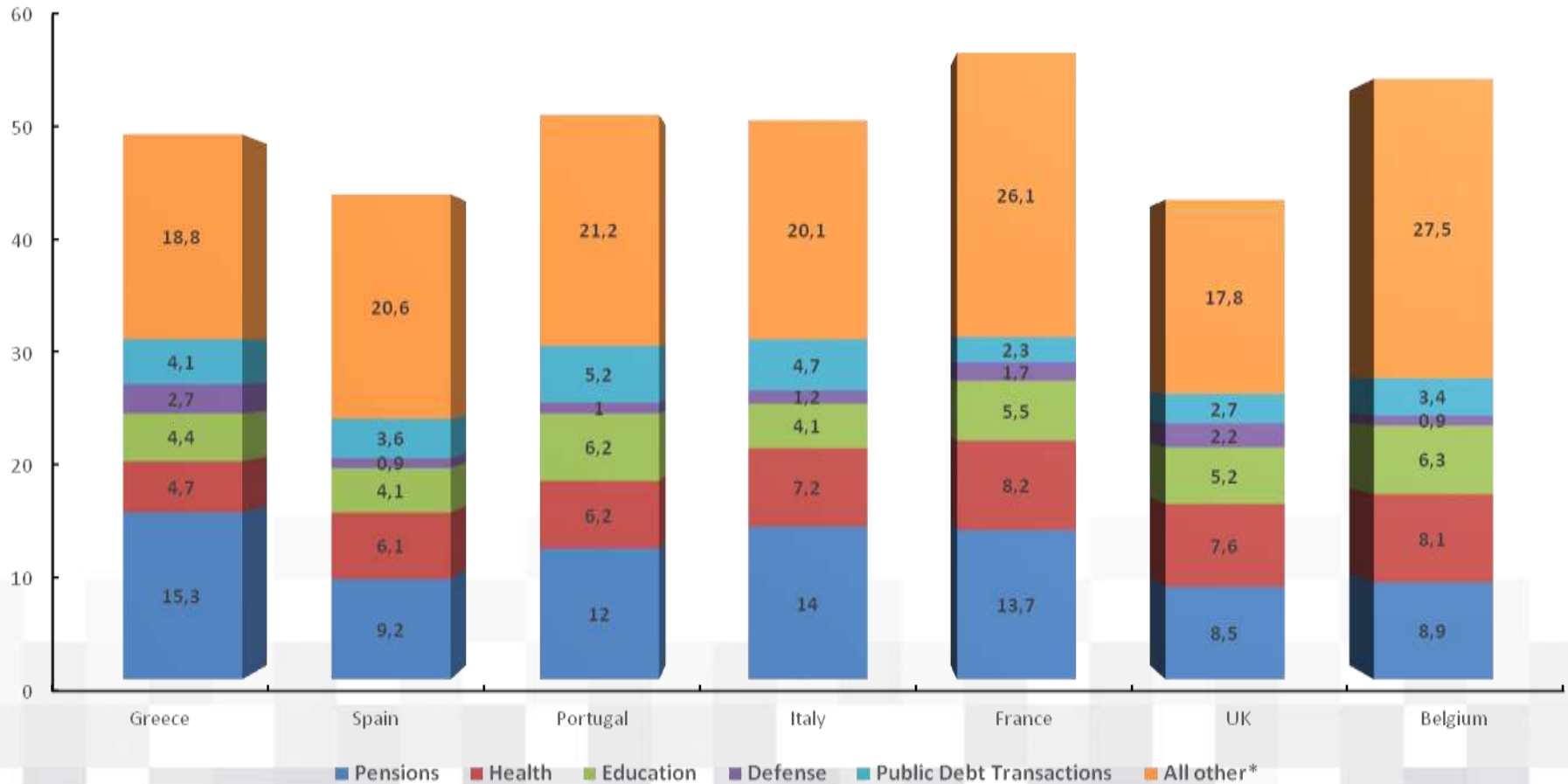
Public pensions as % of GDP for 1980 and 2014 and old age dependency ratio, 2014



Source: OECD Health Data 2014 , <https://data.oecd.org/pop/elderly-population.htm#indicator-chart>
<https://data.oecd.org/pop/working-age-population.htm#indicator-chart>
[http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Total_general_government_expenditure_by_function,_2014_\(%25_of_GDP_%25_of_total_expenditure\).png](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Total_general_government_expenditure_by_function,_2014_(%25_of_GDP_%25_of_total_expenditure).png)

* Data for 2014 have been filled with data for 2013, **Data for 2014 have been filled with data for 2012

Public spending by sector and type of activity as % of GDP in 2014



* All other: recreation, culture and religion, housing and community amenities, environmental protection, economic affairs, public order and safety, other social protection and other general public services

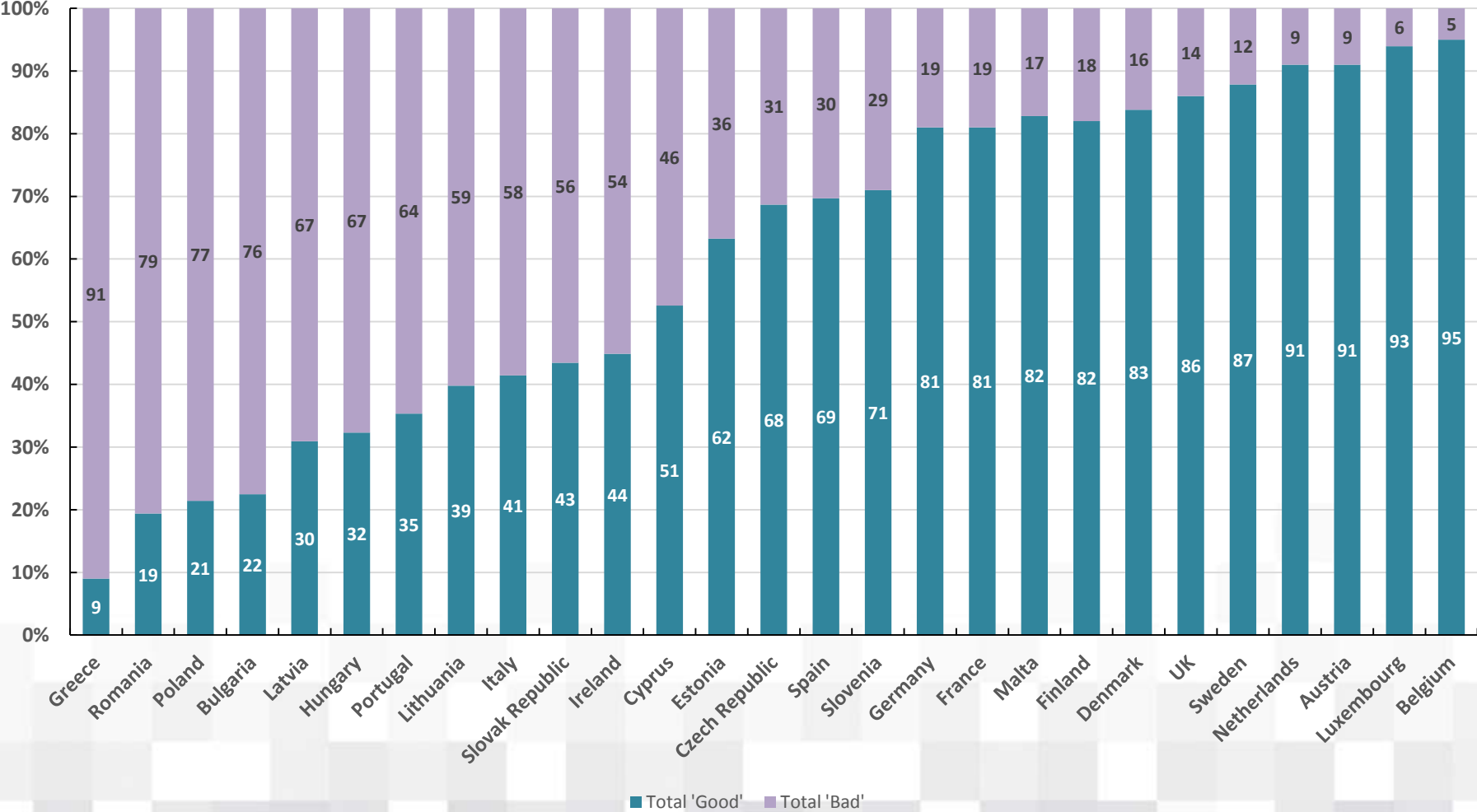
Source: [http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Total_general_government_expenditure_by_function,_2014_\(%25_of_GDP_%25_of_total_expenditure\).png](http://ec.europa.eu/eurostat/statistics-explained/index.php/File:Total_general_government_expenditure_by_function,_2014_(%25_of_GDP_%25_of_total_expenditure).png)

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Satisfaction with health care provision

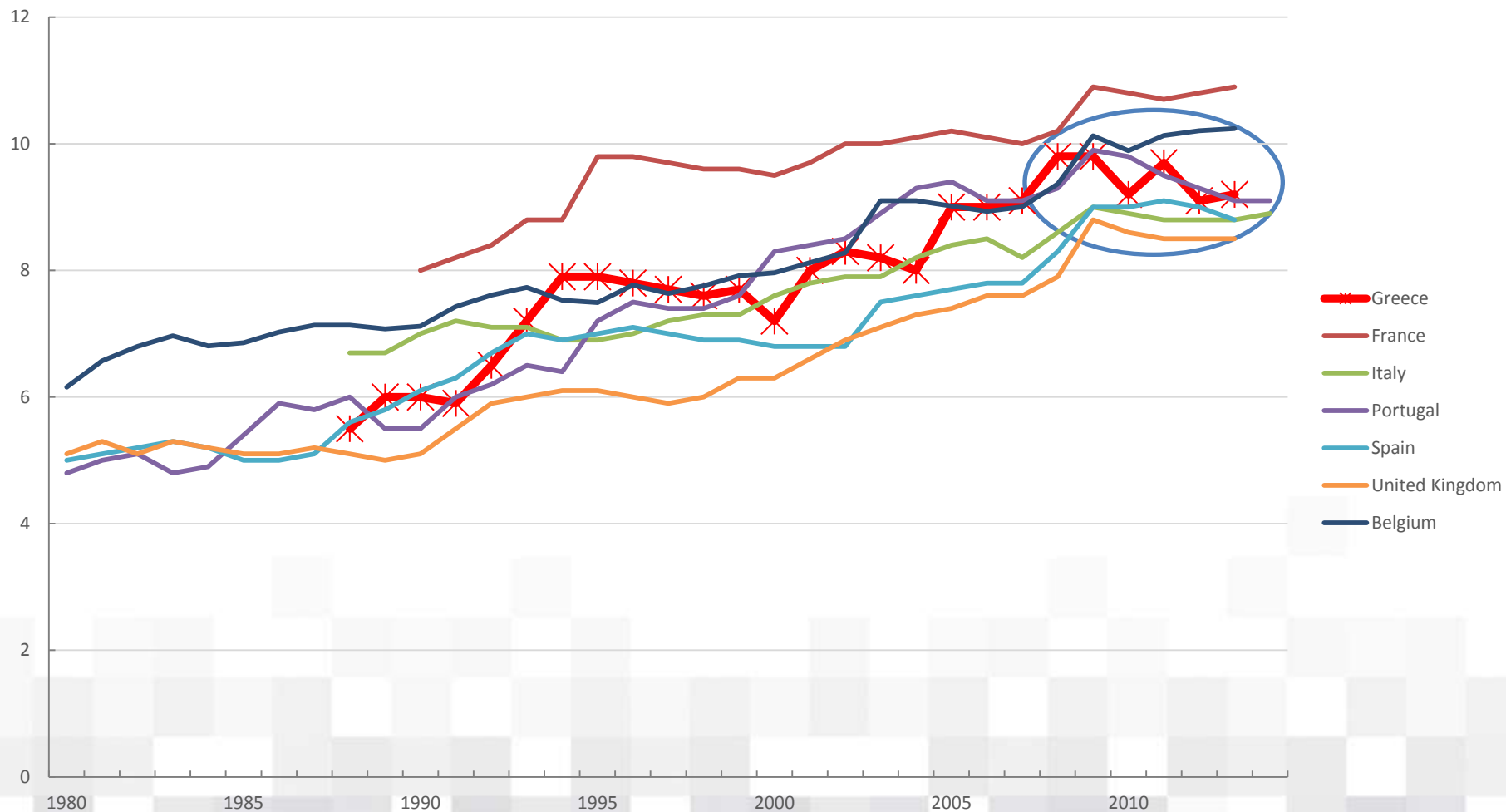


Note: Depicts how Europeans perceive the current situation of healthcare provision in their country. Possible answers included: “very good”, “rather good”, “rather bad”, “very bad”, “don’t know”. We summarised positive and negative responses under “total bad” and “total good”.

Source: Eurobarometer, 2012.



Health care spending as a percentage of GDP, 1980–2014

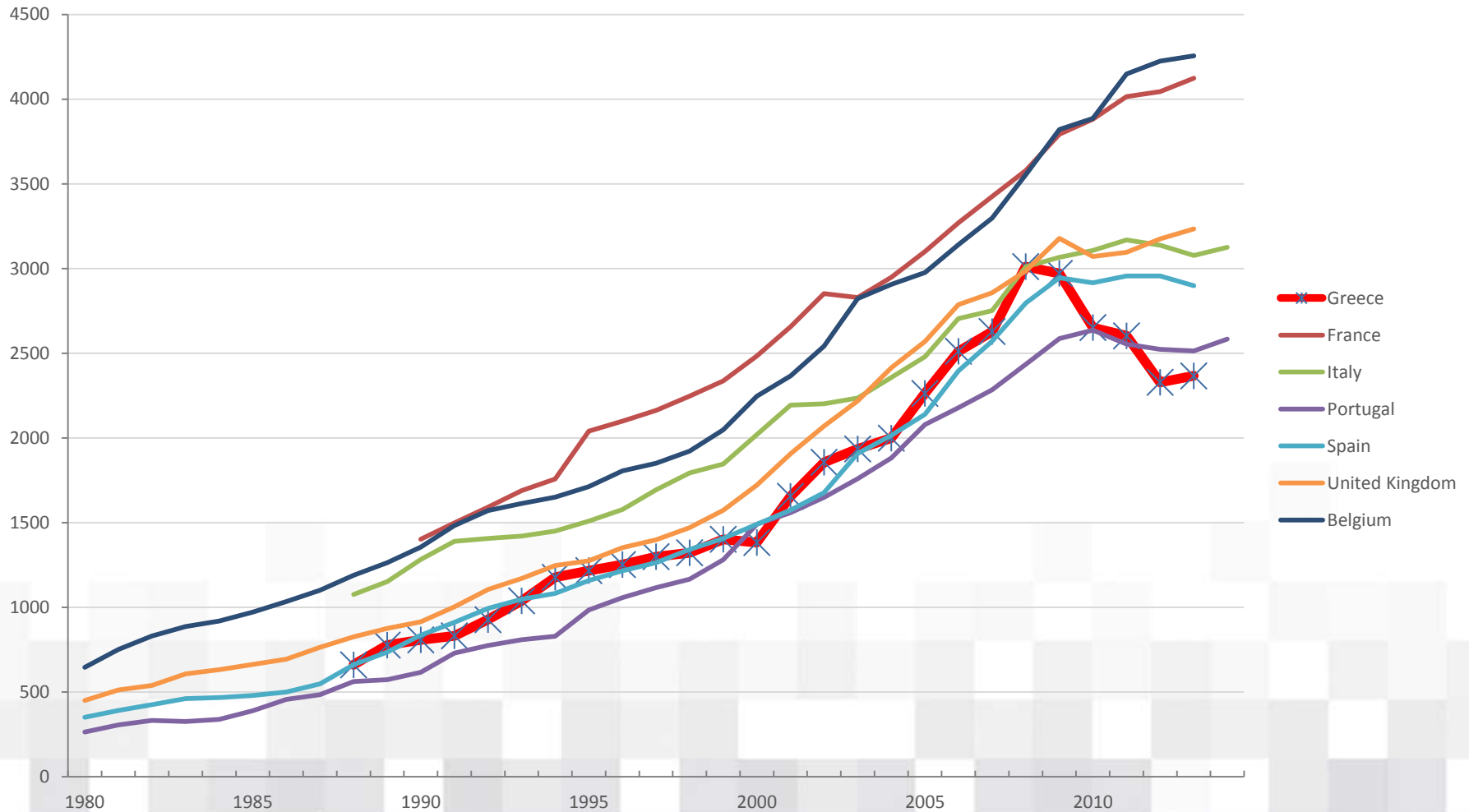


- * * * Greece
- France
- Italy
- Portugal
- Spain
- United Kingdom
- Belgium

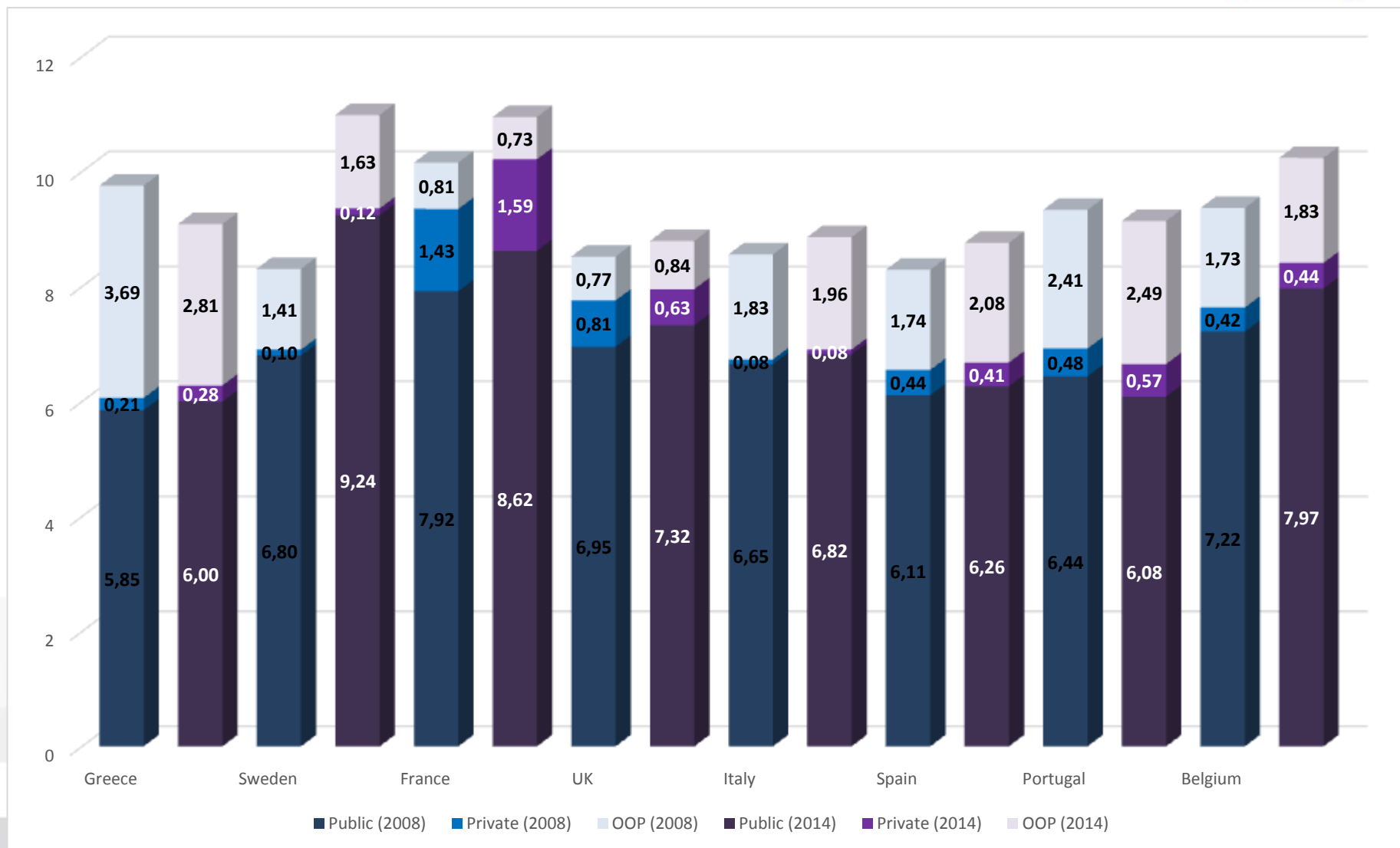
GDP refers to gross domestic product.

Source: OECD Health Data 2014. <https://data.oecd.org/healthres/health-spending.htm#indicator-chart>

Total Health care spending per capita in US \$Dollars 1980–2014



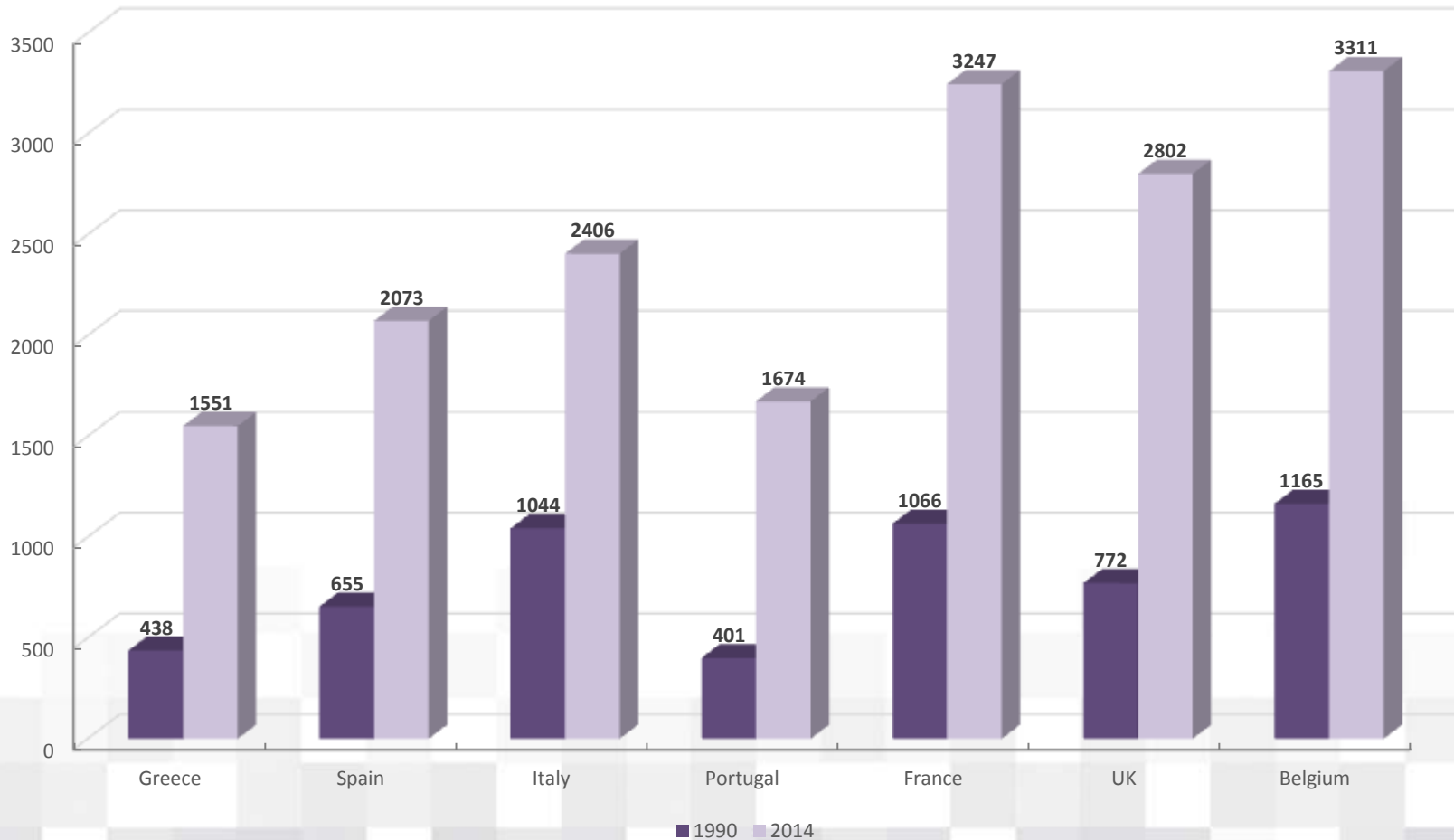
Health care spending as % of GDP by source of funding, 2008 and 2014



Note: Data for 2014 are only from Italy

Source: OECD Health Data 2014. <https://data.oecd.org/healthres/health-spending.htm#indicator-chart>

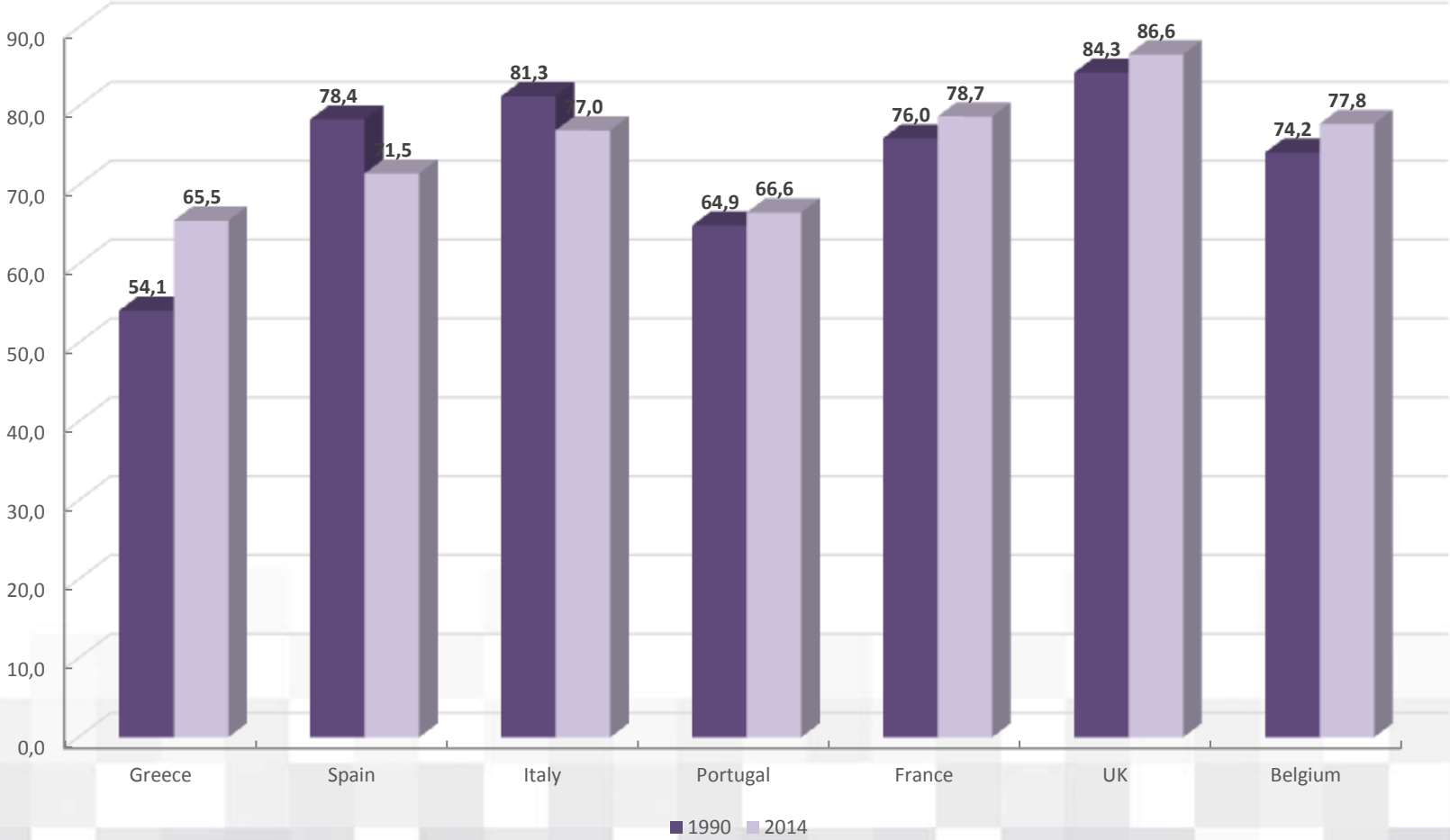
Public health spending per capita in US \$Dollars , 1990 and 2014



Note: Data for 2014 are only from Italy

Source: OECD Health Data 2014. <https://data.oecd.org/healthres/health-spending.htm#indicator-chart>

Public health spending as % of Total health expenditure, 1990 and 2014



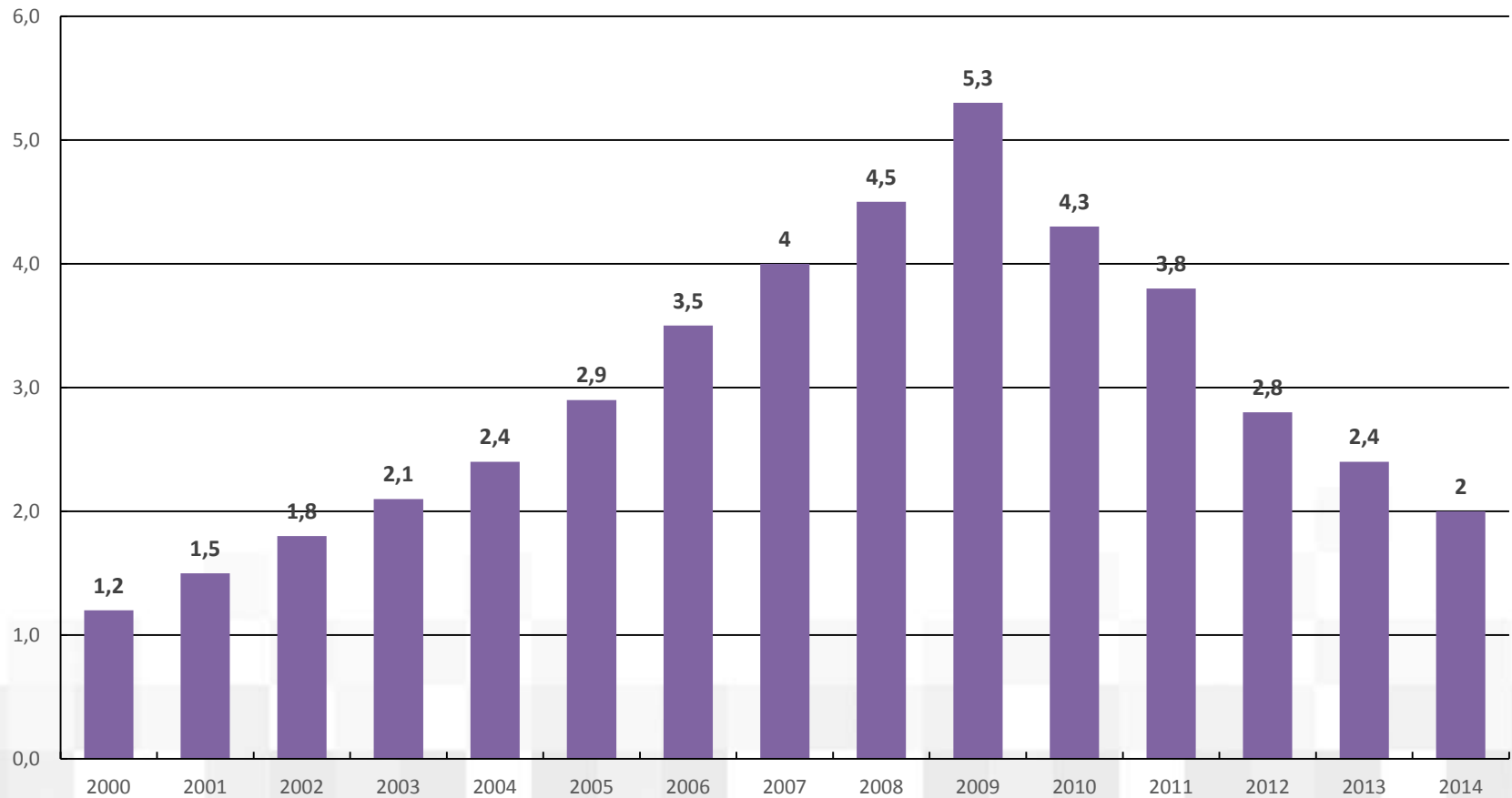
Note: Data for 2014 are only from Italy
Source: OECD Health Data 2014. <https://data.oecd.org/healthres/health-spending.htm#indicator-chart>

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Public pharmaceutical expenditure in Greece 2000-2014 (in € billion)**



Note: * 2014 figures are estimates.

** Rebates to the government have been accounted for.

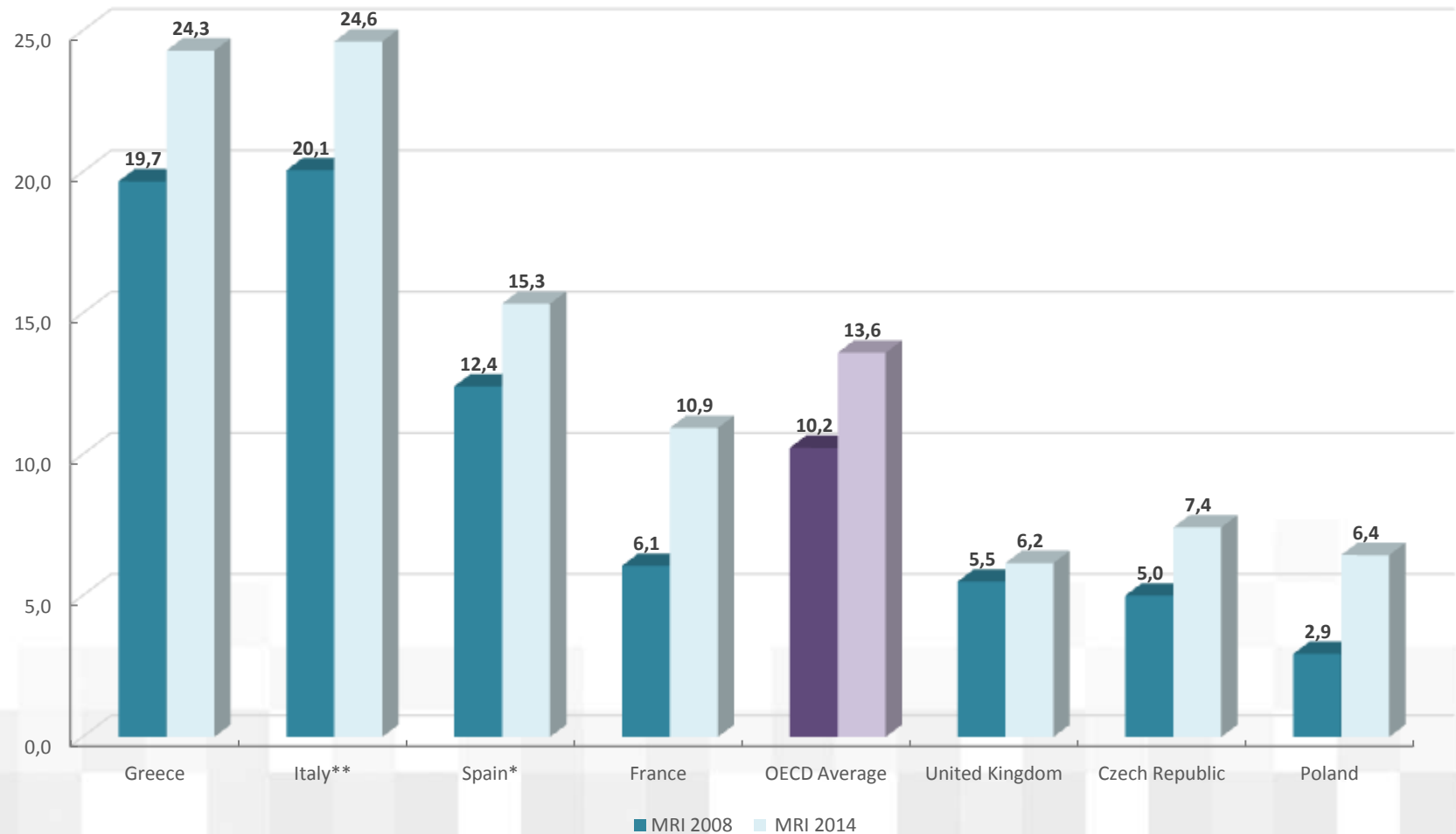
Source: Foundation for Economic and Industrial Research, General Secretariat for Social Security, own calculations.

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Magnetic Resonance Imaging (MRI) exams per million population, 2008 and 2014

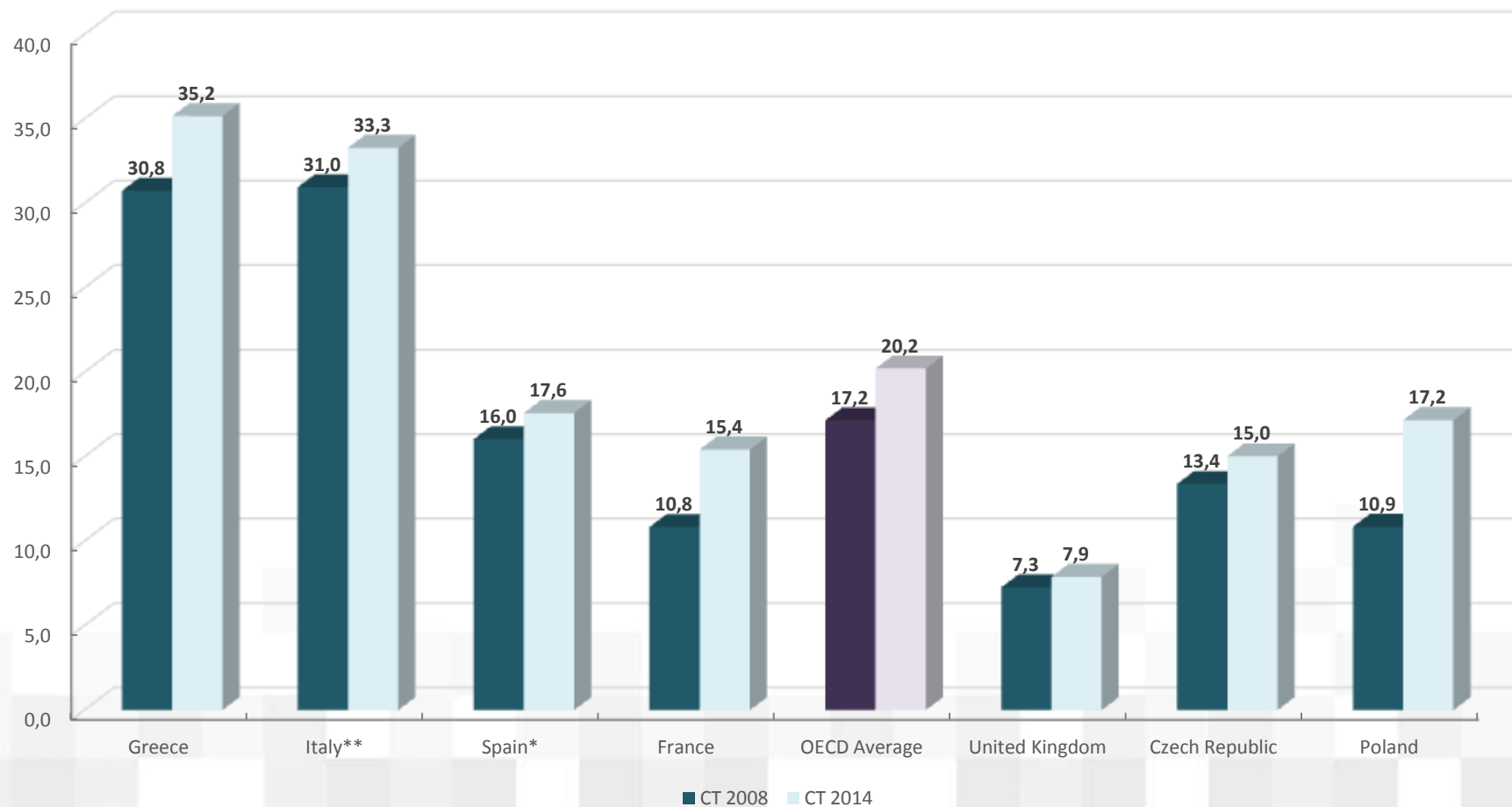


Note: Data for 2014 are only from Italy

*Data from 2009 are used for 2008 observation, ** Data from 2012 are used for the 2013 observation

Source: OECD Health Data 2014. <https://data.oecd.org/healthqt/magnetic-resonance-imaging-mri-units.htm#indicator-chart>

Computed Tomography scans (CT) per million population, 2008 and 2014

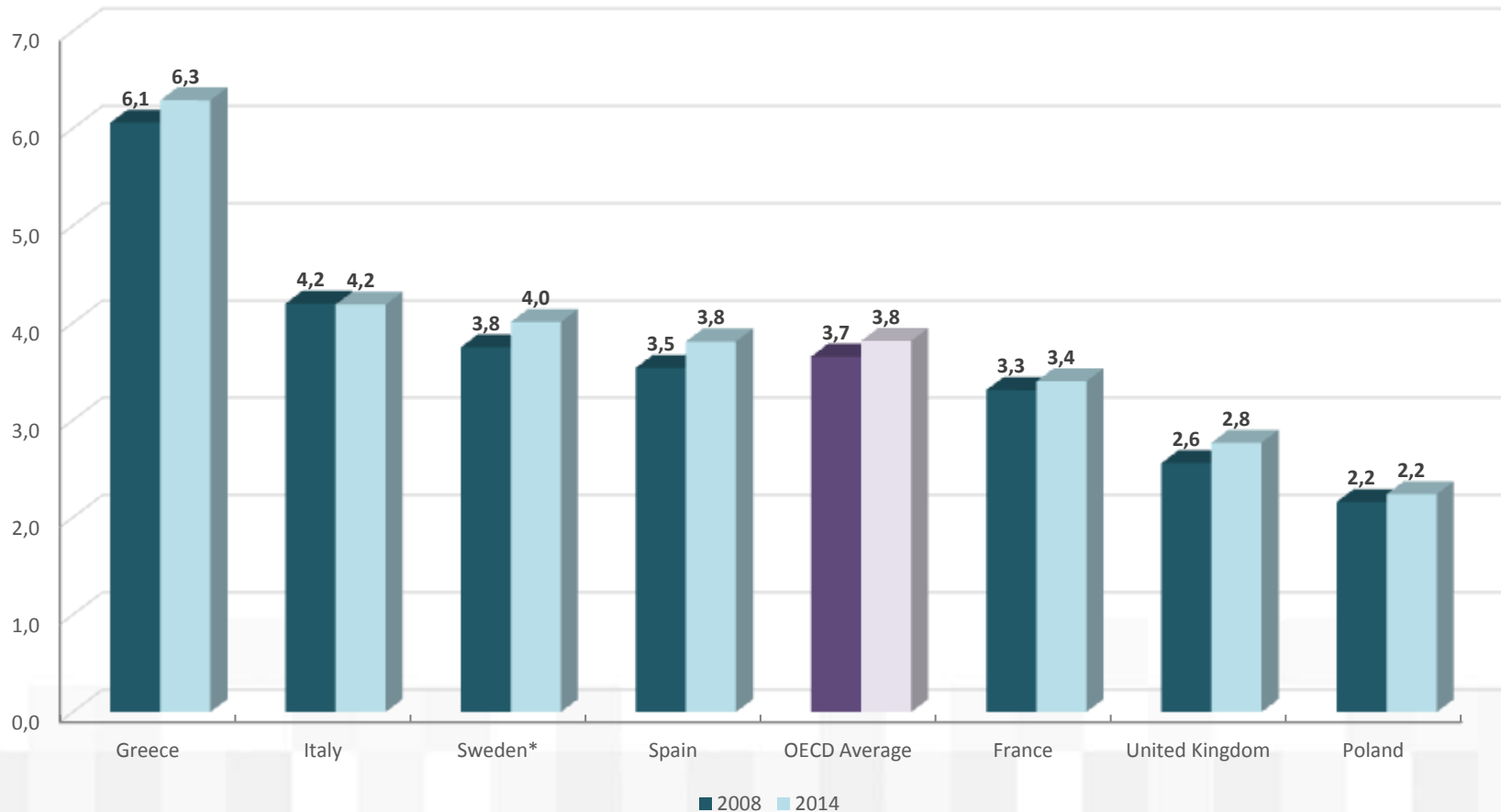


Note: Data for 2014 are only from Italy

*Data from 2010 are used for 2008 observation, ** Data from 2012 are used for the 2013 observation

Source: OECD Health Data 2014. <https://data.oecd.org/healtheqt/magnetic-resonance-imaging-mri-units.htm#indicator-chart>

Number of practicing physicians per 1,000 population, 2008 and 2014



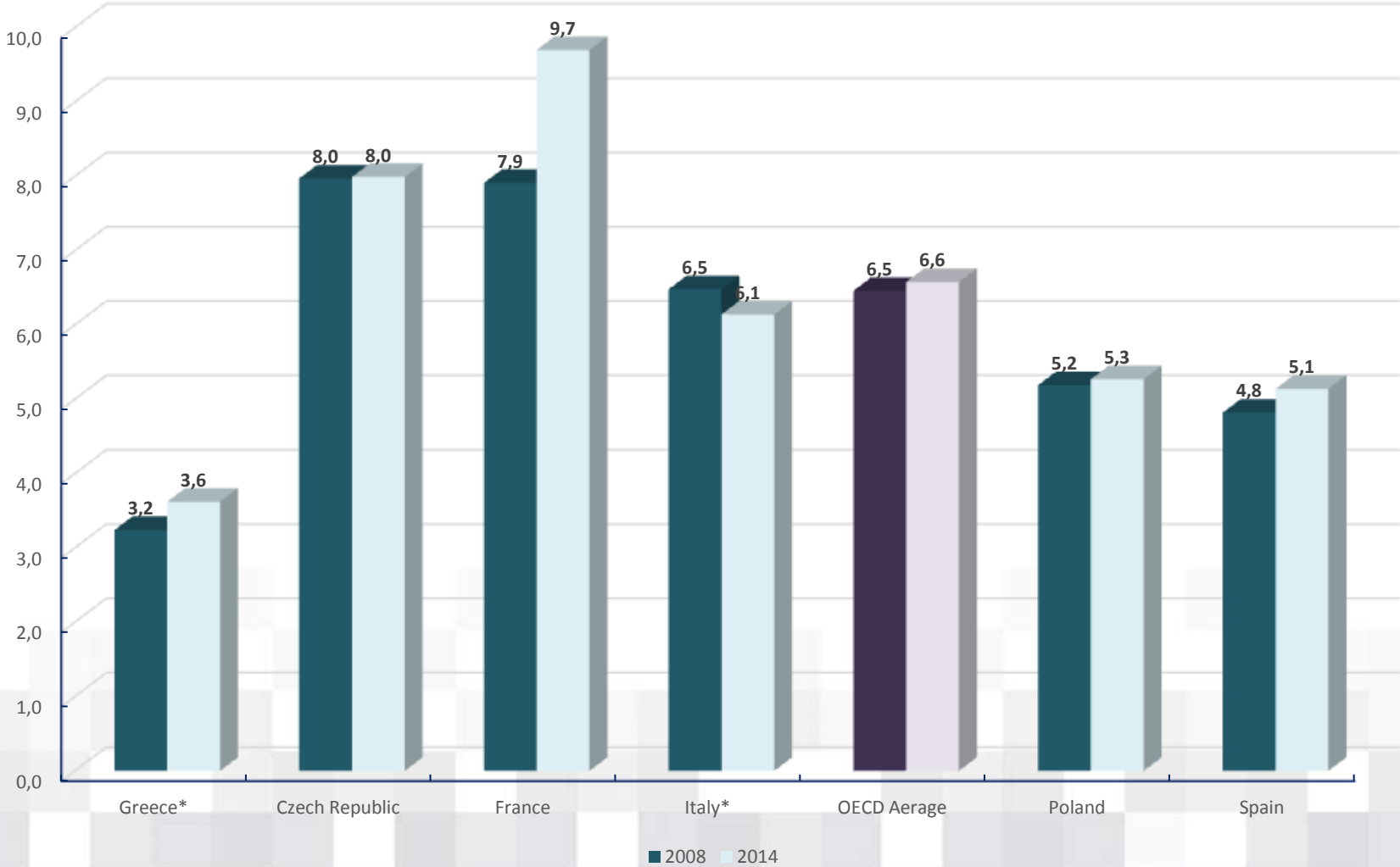
1. Data refer to practising physicians. Practising physicians are defined as those providing care directly to patients.
2. Data refer to professionally active physicians. They include practising physicians plus other physicians working in the health sector as managers, educators, researchers, etc. (adding another 5-10% of doctors).
3. Data refer to all physicians who are licensed to practice.

Source: OECD Health Data 2014. <https://data.oecd.org/healthres/doctors.htm#indicator-chart>

*Data from 2012 are used for 2013 observation

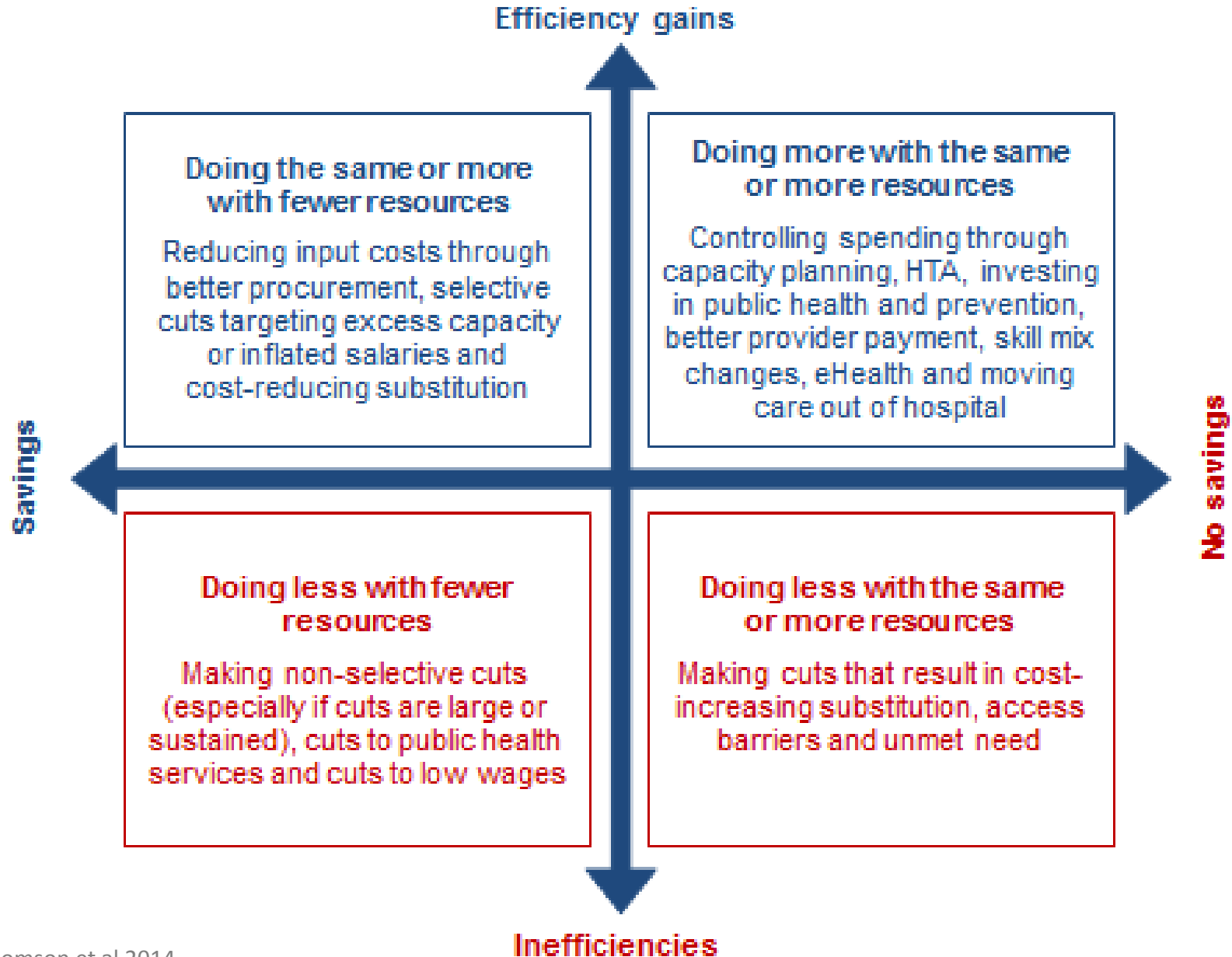
Note Data for 2014 are only provided for France and the UK

Number of Nurses per 1,000 Population, 2008 and 2014

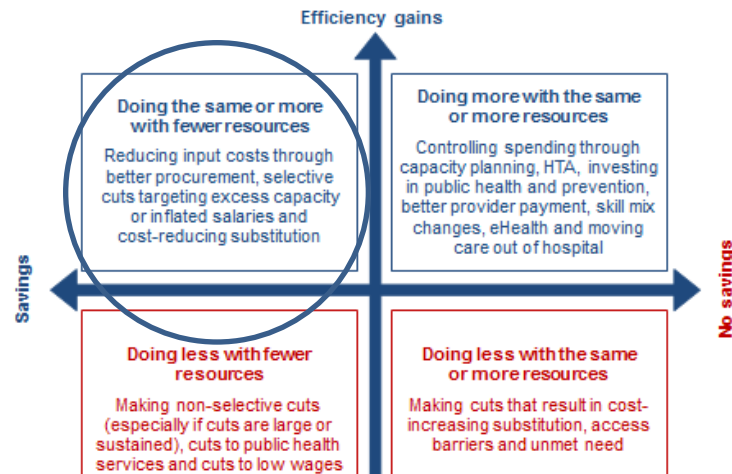


Source: OECD Health Data 2014. <https://data.oecd.org/healthres/nurses.htm#indicator-chart>
Note Data for 2014 are only provided for France and the UK

Savings vs efficiency



The holy grail: savings & efficiency gains?



Policy response

Countries (n°)

Hospitals: lower prices and investment

28

Drugs: lower prices, more generics

22

Cuts to overhead costs

22

Health workers: lower pay and numbers

22

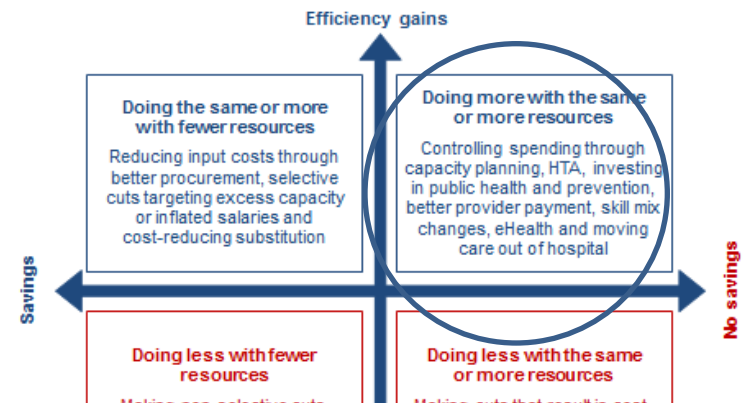
Hospitals: closures or mergers

11

Abolishing tax subsidies for richer people

2

Longer-term thinking: efficiency gains without immediate savings?



Policy response

Countries (n°)

Investing in promotion and prevention	12
Moving care out of hospital	11
More HTA to inform delivery	9
More HTA for coverage decisions	7
More eHealth	4
Increased funding for primary care	3
Primary care skill mix changes	3

Going forward



Macroeconomics

- Debt level is unsustainable over the long-term – restructure
- Restructuring/re-profiling is urgent as it affects future expectations
- Fiscal targets unrealistic and need to be adjusted downwards
- Fiscal adjustment is taking place at the expense of investment in public services
- Generate efficiencies in tax policies
- Need to continue reforms in public service financing & provision and seek efficiencies

Going forward



Health Care

- Emphasis on quality and appropriateness of care
 - E.g. mandatory Rx guidelines
- Better purchasing mechanisms and decisions
 - E.g. e-procurement for certain drugs and devices
- Emphasis on prescribing guidance and its adherence
- Use incentives in health care delivery
- Input re-allocation to rationalise personnel costs
- Support and expand primary health care

Thank you!

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