

Workshop on The impact of the economic crisis on access to healthcare and medicines

The impact of the economic crisis on access to health care and medicines: The importance of policy choices and decisions in health care - Professor Ted Schrecker's presentation (Durham University)

The presentation focuses on "the ways in which the contemporary economic environment has increased the need for reforms in health system".

1) Recessions and mortality

Recession and in particular unemployment actually improved health outcomes over the short term because, according to the speaker, people drink less, smoke less and drive less. However, recession also leads to a very substantial increase in suicide rate (4% increase over the 2003-2010 period).

Mortality is easy to measure but it is a very crude indicator which does not tell anything about the impacts of recession on child health for instance since these are not going to show up in mortality figures for decades. Furthermore, amongst vulnerable populations (such as people who are at high risk of unemployment) effects of recessions do not show up in death rates but do show up in other variables.

2) Recessions and health inequalities

Health effects may be influenced by national policy variation (either "stimulus policies" or policy of austerity"). The speaker underlined that welfare state policies have a protective effect. The author believes that political choices matter since the impact of recession can be moderated by social policy or worsened by austerity and welfare cuts (healthcare system being only one of the influences). The professor's core message is that "public finance is a public health issue".

3) Case study: Greece

In Greece, the demand for a cap on public health expenditure was part of the bailout conditionalities. The speaker claims that this is the clearest example of health system deterioration directly linked to austerity, since we can already witness rises in HIV infection and TB, in prevalence of major depression, in frequency of low birth weight, stillbirth.

4) Case study: the UK

Important expenditure cuts have been proposed by the Government, hitting the poorest and least healthy people and regions hardest. It is noteworthy that between 1920s and early 1970s, inequalities in mortality declined in the UK. However, from 1979 onwards, health inequalities started climbing in parallel with a rise in economic inequality.

5) Lessons and conclusions

Past and current austerity have had a number of demonstrable negative health outcomes: 1) the reduction of access to health care 2) damages to mental health 3) an increase in health inequalities. The author suggests six economic and social rights against which every austerity measure should be tested: 1) the existence of a compelling state interest 2) the necessity, reasonableness, temporariness and proportionality of the austerity measures 3) the exhaustion of alternative and less restrictive measures 4) non-discrimination 5) the protection of a minimum core content of economic and social rights 6) the genuine participation of those affected.

The impact of the crisis on the fundamental right of access to health and medicines in selected Member States of the EU." Ms. Gillian KELLY, National Legal Expert at Milieu, Ltd.

Economic and social rights, particularly right to access to health care was identified by the speaker as one of the most affected by the economic crises. Cuts or frozen budgets in Member States meant access to healthcare impeded certain groups, especially the more vulnerable. For example, in Spain free access to healthcare for everybody was changed to access to healthcare depending on the employment status. Participation fees were introduced for certain services (such as laboratory tests), reduction in number of staff, number of hospital beds. Waiting times for treatments became even longer, decrease in children receiving vaccines, etc. Some positive steps were taken by the governments as well, such as fixing a maximum price for medicines including in generic medicines. In Ireland, as a result of the economic crises, the austerity measures introduced had a severe impact on access to healthcare with the budget cuts having the biggest effect particularly in this area. Number of services previously provided free of charge became subject to a fee.

Among the main recommendations for the healthcare services the following principles were cited: universal coverage, availability, affordability, accessibility and quality. General call was expressed for the laws, policies and fiscal measures to be based on human rights standards.

Ms. Kirton-Darling MEP pointed out that as one of the positive examples of how to minimise the impact of the economic crisis is given by the Netherlands and Belgium who are jointly procuring drugs. MEP. Pitera identified corruption as a major problem, in addition to the economic crisis in the healthcare systems of some countries.

Co-author of the Study Access to Health Services in the European Union, Dr. Fernando LAMATA

Cuts in budgets and high price of medicines were identified by the speaker as a major reason of impeded access to health care. In addition to the cuts, the EU has high cases of tax fraud which also plays a role in access to healthcare costs.

The high prices of new medicines also impede access to medicines. Monopolies that are own to certain pharmaceuticals allow them to demand a surcharge and demand extremely high prices which may be unjustified. As for the cost of the research, the pharmaceutical companies are linking it to the value of the cost related to it, such as having saved lives, saving of other treatments and so on. The capital markets profit from high prices of medicine in its shares'

value. The profits from the stock markets for some of the pharmaceutical companies and or some of its directors leads to linking medicines as a financial products. Other problems identified are the price of medicines which some countries cannot afford or cheaper drugs which exist but are not used.

What measure could be adopted: rigorous evaluation of public funding for medicines, reducing industrial prices, reducing commercial margins, joint purchase of medicines among countries, the increase and use of generic medicine, rational use of medicines or prescribing cheaper medicines that are equally effective.

The ideas for the European institutions: to set up a Committee to study the production costs and final prices of medicines and the knowledge and transparency are the basis for change. The prices should be based of manufacture and research cost with a prudent addition on profit (as opposed to setting the price on its "value" as referred to above).

Funding of trainings for medical staff and patients must be independent from the pharmaceutical industry with strict control of potential conflict of interests.

As a final suggestion, a new platform for research on antibiotics should be developed.

Access to health care in countries affected by the recent economic crises: lessons learned by Chief Scientist and WHO Representative to the EU, Dr. Roberto BERTOLLINI

The speaker confirmed that there is a substantial evidence of the impact of economic crises on health. Largest cuts in some countries have been in health care services. The policy makers do have choices to make: the cost for the health system at a later stage, when the medicine is withheld in the first instance, is actually higher, as has been shown in some countries (Spain, the UK).

General horizontal cuts in budgets should be avoided. Better coordinated procurement, as exists between some countries (Belgium, Netherland, Luxembourg) which effectively very much helps the public spending, is desirable. Decrease in primary care doctors or the access to those can actually increase a number of people visiting them for regular treatments.

Spending for preventive medicine has been decreased (from 3 to 1%) which appears to be a short sighted decision. Improving efficiency in healthcare should be a permanent effort not only an effort during the crisis. The health system is critical for mitigating the impact of economic crisis on the poorest.

It is very important to bridge the gap between the policy makers (of health care) and the financial institutions, bodies which is clearly lacking mutual cooperation and deserve greater attention. It is strongly encouraged to put together the budget policymakers with health care and social affairs policy makers in order to create a constructive dialogue.

EU current and future actions in relation to health policy and access to health services and to medicines, European Commission, the Health Systems Unit, DG Health Mr. Artur CARVALHO

The Commission understands access to health care as “capacity of the system to reach the population, without excluding part of it from receiving healthcare services” as stated in its recent related Communication. It is known that there are indeed some gaps in the access to healthcare which are linked to the effects of economic crises.

In 2013 the EC established an Experts panel on efficient ways of investing in health access to healthcare in rural areas which confirmed that the vulnerable groups’ access to health care has been made more difficult as a direct result of the economic crisis. One has to recognise that the data used are from 2013 due to the fact that those statistical data are more difficult to obtain (in comparison with GDP for example).

Expert group on health systems performance assessment was recently established in order to improve the data available for evaluation. This helped the creation of MEPs group on “Access to healthcare” in the EP.

The European Semester and its Country Specific Recommendations contain, as of 2013, not only Fiscal references in the area of Health care but also a separate line on Access to Healthcare which is regarded as an improvement.

The 2016 Annual Growth Survey also places Access to Health care as an important element for the development of EU economies.

For the future the EC would like to improve the currently available, generally accepted healthcare indicators which will help to identify the problems and consequently find the effective solutions for those.

Quality of health care Report was issued recently, thanks to the cooperation of the Expert group, supported the by the EC.

Current action on Access to Medicines by the EC include:

- Support through 'mapping' of the competences that are distributed at various levels of governance.
- Better use of legislation through the Expert group on Safe and Timely Access to Medicines (STAMP)
- Support member states through HTA Joint Action.
- Joint procurement of vaccines and other medical countermeasures for cross boarder threats.
- Improvement of exchange of information on pricing ('Euripid project') and improvement of statistical data.
- Study under Health Programme on enhanced cross-country coordination on pricing.

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