Briefing
Public expectations and EU policies
July 2016

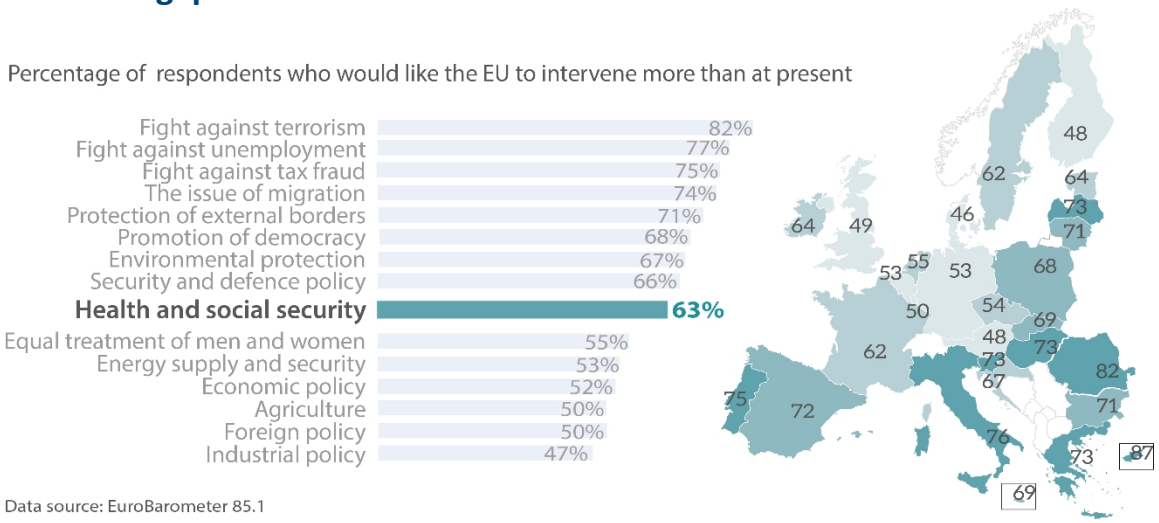
European Parliament

Health and social security

OVERVIEW

Almost two thirds of EU citizens would like to see more EU engagement in the areas of health and social security. The EU's main role in these policies is to support and complement the activities of Member States, and it can encourage cooperation and best practice. EU health policy aims to foster good health, protect citizens from health threats and support dynamic health systems. Social policy promotes social cohesion equality as well as solidarity through adequate, accessible and financially sustainable social protection systems and social inclusion policies. The EU encourages national pension reforms to ensure they are both adequate and sustainable. In the EU budget, the Health Programme 2014-2020 is the only programme specifically created for this policy area, but other programmes contribute in part to health objectives. EU spending on social security is tied to labour market measures.

Public expectations and EU commitment on health and social security – is there a gap?



Data source: EuroBarometer 85.1

According to a new Eurobarometer survey of the European Parliament on 'perceptions and expectations', approximately two thirds of EU citizens would like the EU to intervene more in health and social security. The differences across Member States are significant, with the strongest support for increased EU action in Cyprus (87%) and Romania (82%), and the weakest support in Denmark (46%), Austria and Finland (48%). Exactly half of EU citizens surveyed evaluate current EU action in health and social security as insufficient. There is a gap in some Member States between citizens' expectations for EU involvement and their perception of the current involvement, but not in all.

Public support for EU spending on public health has been growing between 2008 and 2015 – 32% perceived it as a priority spending category in 2008, 36% in 2011 and 41% in 2015 (Eurobarometer

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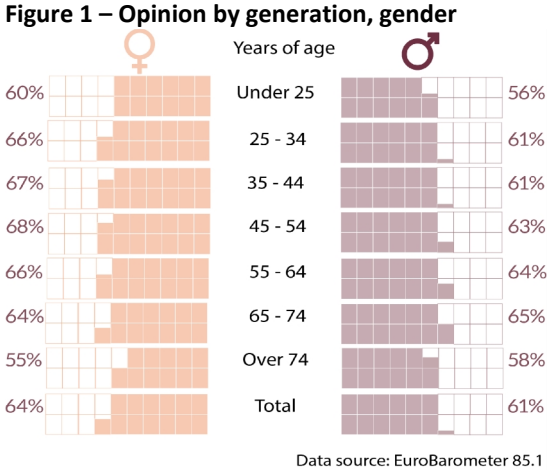
data). In 2015, public health is the policy area with the second highest support from citizens in terms of EU spending (after social affairs and employment). There are no significant differences across socio-demographic groups in their support for more EU involvement in health and social security. Women express slightly stronger support than men – 64 to 61%. Citizens below the age of 25 and over 74 are less supportive of greater EU involvement.

Figure 1 – Opinion by generation, gender



Data source: EuroBarometer 85.1

Legal framework

The EU has supporting competence in **health** ('subsidiarity principle'). The legal basis for EU health policy is Article 168 of the Treaty on the Functioning of the European Union (TFEU): Union action 'shall complement national policies' and 'respect the responsibilities of the Member States for the definition of their health policy and for the organisation and delivery of health services and medical care', which includes the management of health services and medical care and the allocation of the resources assigned to them.

Social security and social protection are a subset of social policy, which is a shared competence under Article 4 TFEU. It is mainly covered under Articles 151-161 TFEU. Article 151 TFEU sets out the EU and Member States' objective of promoting 'proper social protection'. Article 153 TFEU states the EU shall 'support and complement' the activities of Member States in the field of social security and social protection of workers by, e.g. encouraging cooperation and best practice. It may also adopt directives, but only to set 'minimum requirements for gradual implementation'.

Current implementation and EU action

Health: Regulation (EU) No 282/2014 establishes the Third Health Programme (2014-2020), the main instrument for implementing the EU health strategy. Its objectives are: (1) promote health, prevent disease and foster healthy lifestyles; (2) protect citizens from cross-border health threats; (3) support innovative, efficient and sustainable health systems; and (3) improve access to better and safer healthcare. It is implemented by the Consumers, Health, Agriculture and Food Executive Agency (Chafea). The EU legal framework for pharmaceuticals consists primarily of Directive 2001/83/EC on the Community code for human medicines and Regulation (EC) No 726/2004 introducing a centralised authorisation procedure and establishing the European Medicines Agency (EMA). The Clinical Trials Regulation (No 536/2014) aims to ensure the safety of those participating in clinical trials and to simplify procedures authorising these trials. The regulatory framework for medical devices is currently under revision. With regard to communicable diseases, Regulation (EC) No 851/2004 set up the European Centre for Disease Prevention and Control (ECDC), while Decision No 1082/2013/EU on serious cross-border threats to health aims to enhance the EU's preparedness coordination, building on lessons learned from the 2009 H1N1 pandemic and the 2011 *E. coli* outbreak. Directive 2011/24/EU on patients' rights in cross-border healthcare sets out the conditions under which a patient may seek medical care in another EU country and have the cost reimbursed by their health insurance. It also encourages cooperation between national healthcare systems. The Tobacco Products Directive (2014/40/EU) lays down rules on the manufacture, presentation and sale of tobacco and related products with a view to improving the functioning of the internal market while ensuring a high level of public health.

Social security: Regulation (EC) No 883/2004 on the coordination of social security systems applies to all national legislation on benefits related to sickness, maternity and paternity, family, invalidity, survivors, unemployment and pre-retirement, and in respect of work-related accidents and diseases, as well as old-age pensions and death grants. The rules protect people's social security rights when moving within Europe (EU-28 plus Iceland, Liechtenstein, Norway and Switzerland), while social security systems remain a matter for the Member States. The Maternity

Leave Directive provides for 14 weeks of paid maternity leave. The Parental Leave Directive (amended) entitles male and female workers to a minimum of four months' parental leave after the birth or adoption of a child (the application of the Directive is decided nationally). Directives also promote equal treatment in social security according to gender, race and disability (currently under negotiation). The European Social Fund (ESF) can also be relevant to social security, helping with employment, mobility and poverty. The main policy framework in social policy is the Europe 2020 strategy and the open method of coordination for social protection and social inclusion (Social OMC), which coordinates policies between EU countries to promote social cohesion and equality. The Europe 2020 strategy set up a European Platform against Poverty and Social Exclusion, which included revamping the Social OMC and the Commission assessment of the adequacy and sustainability of pensions, with a Green (2010) and White Paper (2012). A major theme was better balancing the time spent in work and retirement. The EU supports national strategy development for social protection and social investment and for coordinating policies between EU countries through the European Semester, in which the Country Specific Recommendations (CSRs) can target issues of social protection. For example, pensions have featured heavily in CSRs, including raising state pension ages, equalising them between men and women and limiting early retirement. National pension reforms have followed in many cases, and some countries have carried them out as part of bailout agreements.

Potential for better implementation and further EU action

Health: Implementation of EU legislation at Member State within the deadline still leaves room for improvement (as with the Directive on patients' rights in cross-border healthcare or the Tobacco Products Directive). The conclusions of the Employment, Social Policy, Health and Consumer Affairs Council of 17 June 2016 recognise that a number of Member States are interested in pursuing or exploring voluntary cooperation in different areas, such as: health technology assessment (HTA) (in the framework of the permanent HTA network (EUnetHTA) and its Joint Action 3); pricing and reimbursement of medicines, as illustrated by the Commission-contracted study on enhanced cross-country coordination in pharmaceutical product pricing; instruments for joint price negotiations, such as the medicines-pricing cooperation agreement; or mechanisms for early dialogue with pharmaceutical companies, such as the EMA's PRIME scheme for medicines targeting unmet medical needs. These initiatives could be widened, and there may be scope for encouraging broader and deeper EU-level coordination to tackle challenges such as improving access to medicines while guaranteeing effective, accessible and resilient health systems (as with the new 'State of health in the EU' initiative to pool expertise and strengthen country-specific and EU-wide knowledge on health).

Social security: The proposal for a European Pillar of Social Rights (currently in consultation) should serve to strengthen the social aspects of Economic and Monetary Union (EMU). The Roadmap on reconciling work and family life (including the Maternity and Parental Leave Directives) will enter its second round of consultation with the social partners and should contain proposals for legislative and non-legislative measures. These initiatives might imply a revision of the EU governance and coordination system, potentially including new or modified legislation as well as identifying minimum standards. Given the European Parliament's strong interest in 'socialising' EMU, it could help involve EU stakeholders by organising hearings around the European Semester, aiding the development of social indicators and the monitoring of implementation of the relevant CSRs. On pensions, Parliament stresses the need to strengthen employment to support pension systems, reducing early exits and incentivising and enabling staying in work. Given the limited legal basis, continuing to encourage reform in Member States via the social pillar, OMC and Semester seems appropriate.

Health and social security in the EU budget

In the 2014-2020 Multiannual Financial Framework (MFF), the Health Programme is the only programme specifically created for **health policy** measures; it has a seven-year budget of €449.39

million (0.04% of the total MFF). Other programmes also contribute to health policy objectives, however, including the European Structural and Investment Funds (ESIF): health is eligible for support under Cohesion Fund 2014-2020 thematic priorities – ICT, SMEs, employment, social inclusion and institutional capacity; the European Regional Development Fund (ERDF) can be used to fund health infrastructure and equipment, eHealth, and research and support for SMEs; and the European Social Fund (ESF) can finance activities linked to active and healthy ageing, health promotion and addressing health inequalities, support for the healthcare workforce, and strengthening of public-administration capacity. Under Horizon 2020, the EU's research programme, €1.2 billion was earmarked for investment for personalising healthcare in 2014 and 2015, and the Innovative Medicines Initiative (IMI), a public-private partnership, has a budget of €3.3 billion for the 2014-2024 period, half of which comes from Horizon 2020. For **social security**, relevant EU programmes are closely tied to action on employment via the Employment and Social Innovation programme (2014-2020: €919.47 million); the ESF (€86.43 billion); European Aid for the most Deprived (€3.8 billion); and the European Globalisation Adjustment Fund (maximum annual budget of €150 million). Spending in both areas has been slightly increased under the 2014-2020 MFF compared to its predecessor: the current Health Programme's financial envelope is up from €321.5 million for its 2008-2013 predecessor (or from 0.03% of the respective MFF), while the budget for the ESF, for example, has increased from €76.62 billion in 2007-2013 (7.85% of the total MFF) to €86.43 billion in 2014-2020 (7.98%).

Financial instruments outside the EU budget

The European Investment Bank (EIB), jointly owned by the EU's Member States but outside the EU budget, supports projects aimed at improving access to healthcare and furthering economic and social cohesion. It now partly does this by way of the European Fund for Strategic Investments (EFSI), which was launched in 2015 and is based on a €16 billion guarantee from the EU budget.

Potential for further financing at EU level

While there is scope for further coordination between Member States in health and social security, the EU's few explicit competences in these fields may weaken the case for spending increases in dedicated programmes. However, both are cross-cutting, with several other programmes contributing to objectives in these areas, which may themselves be increased. Where policies are tied to innovations or projects that could be commercialised or attract private investment, there may be scope for additional EU or European support via the EIB.

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