

**EU Health
Policy Platform**
LIVE Webinars



#EUHPP Live Webinars

Can people afford to pay for health care? If not, what can countries do about it?

Hosted by DG SANTE & the WHO Barcelona Office for Health Systems Financing

Tuesday 4 June 2024 10.00 to 12.00 CEST Brussels time

#HealthUnion



Can people afford to pay for health care?

If not, what can countries do about it?

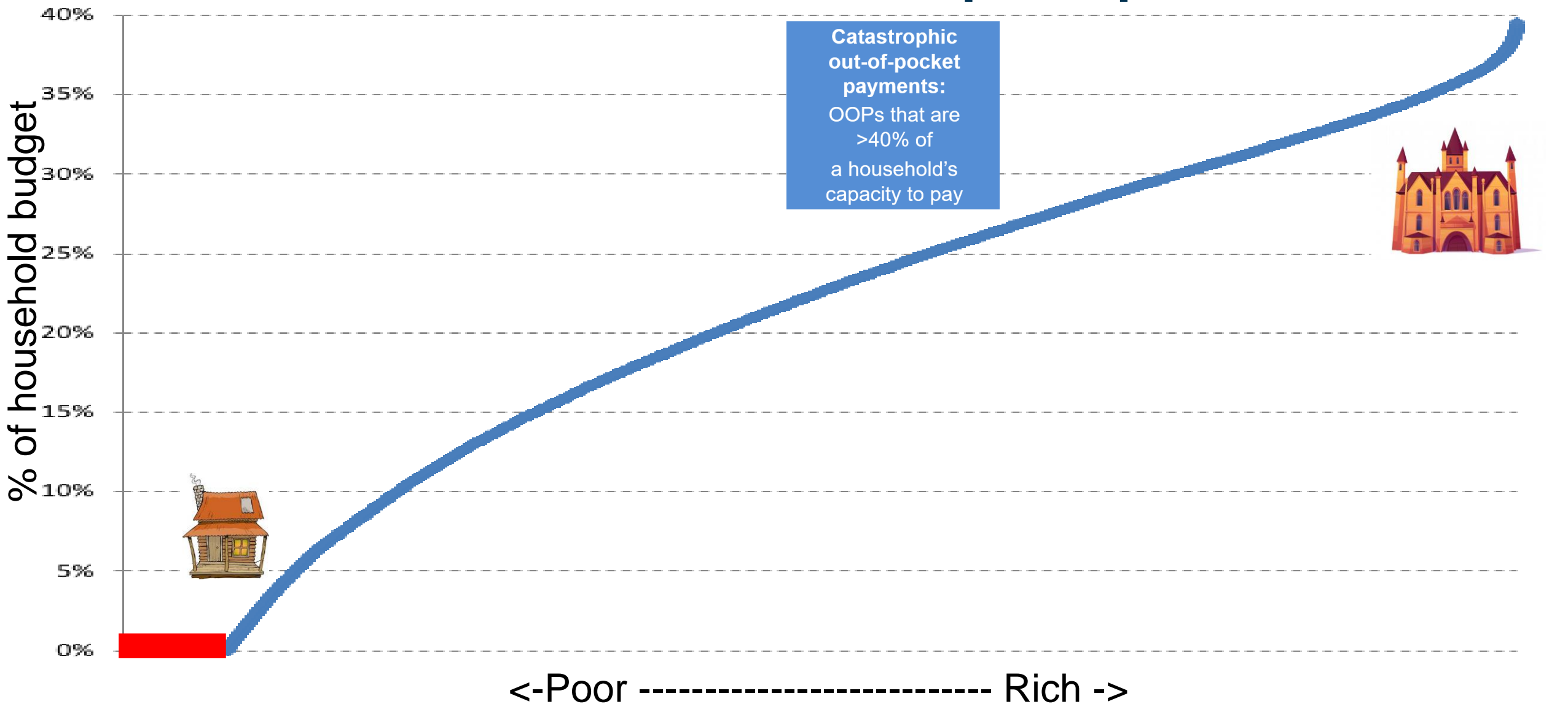
#EUHPP Live Webinar
Tuesday 4 June 2024



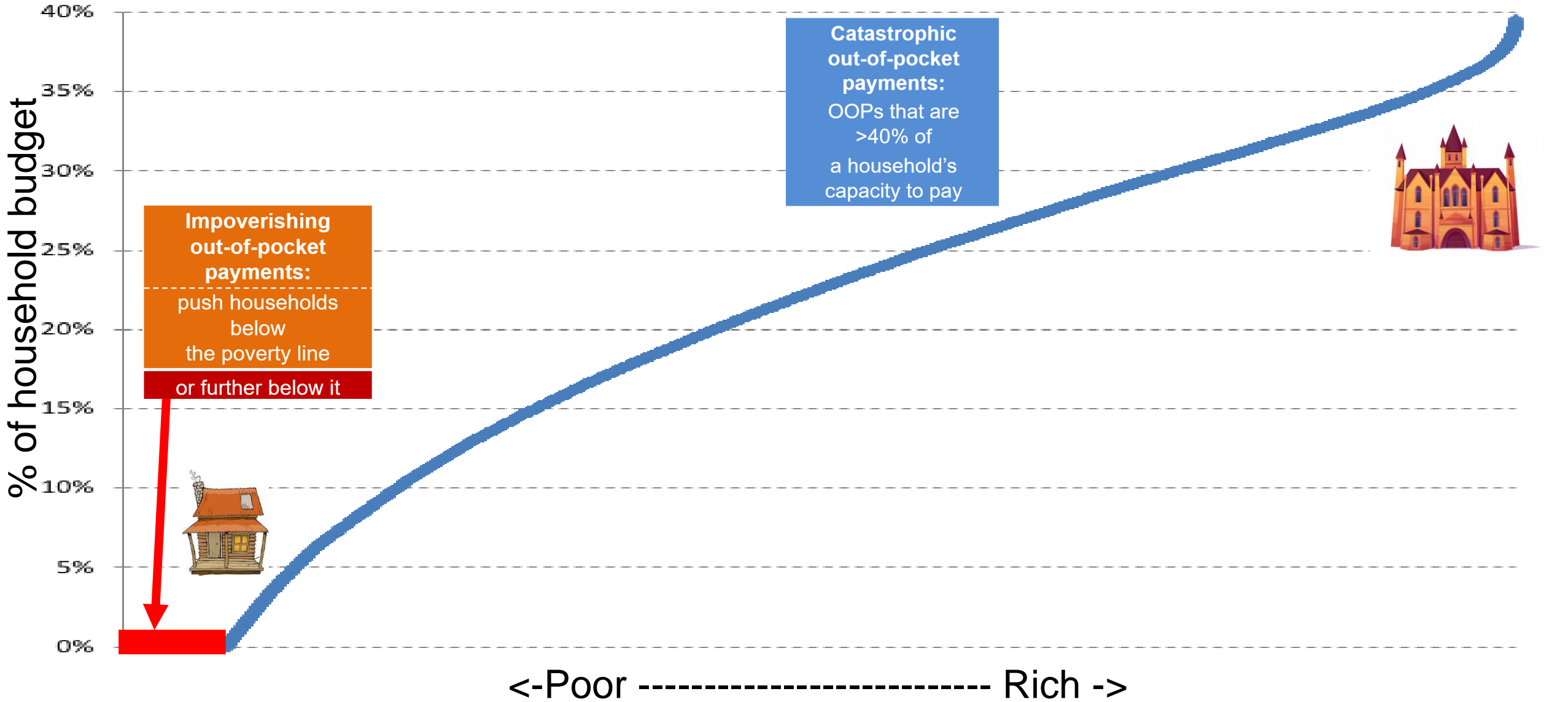
The numbers

How many? Who? What?

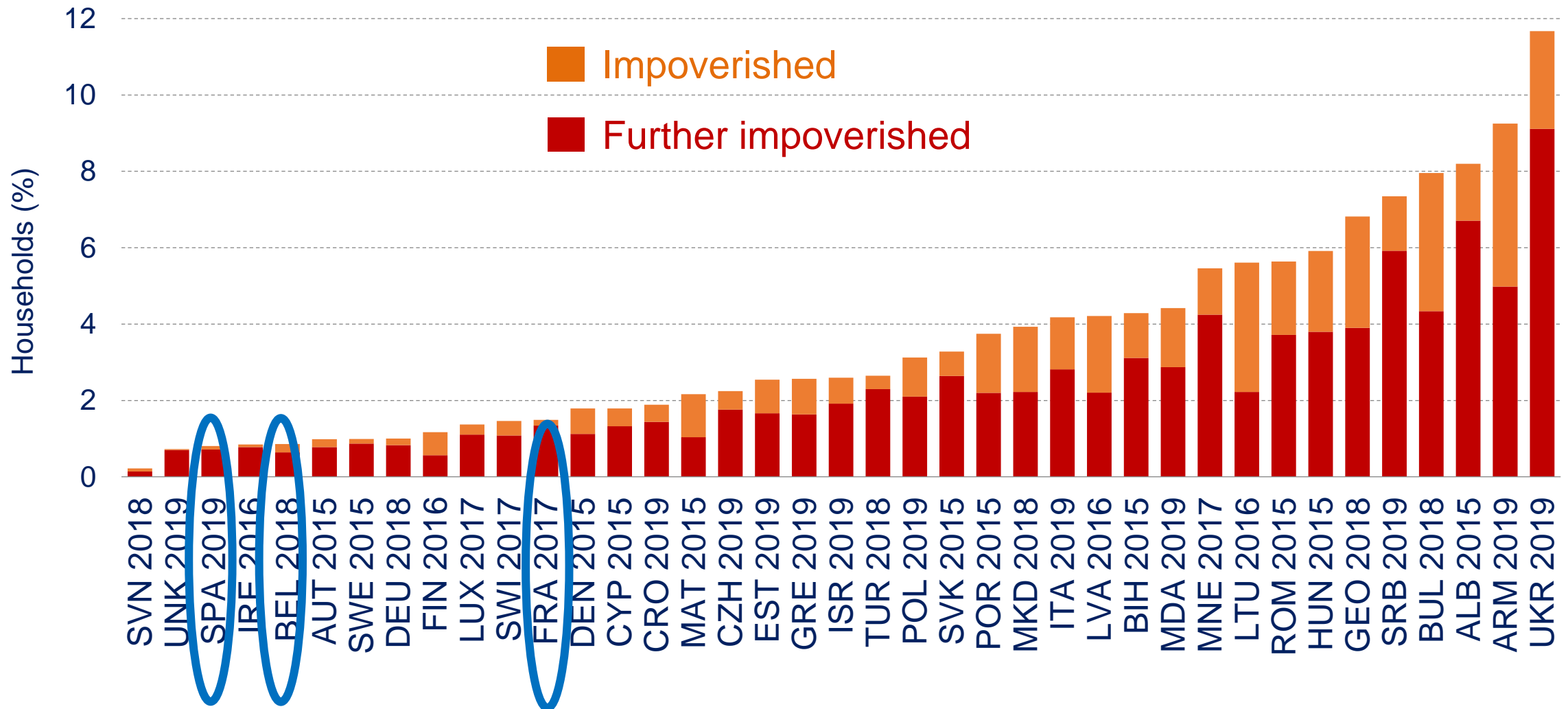
How much of a household's budget must be spent out-of-pocket to be counted as a **catastrophic spender**?



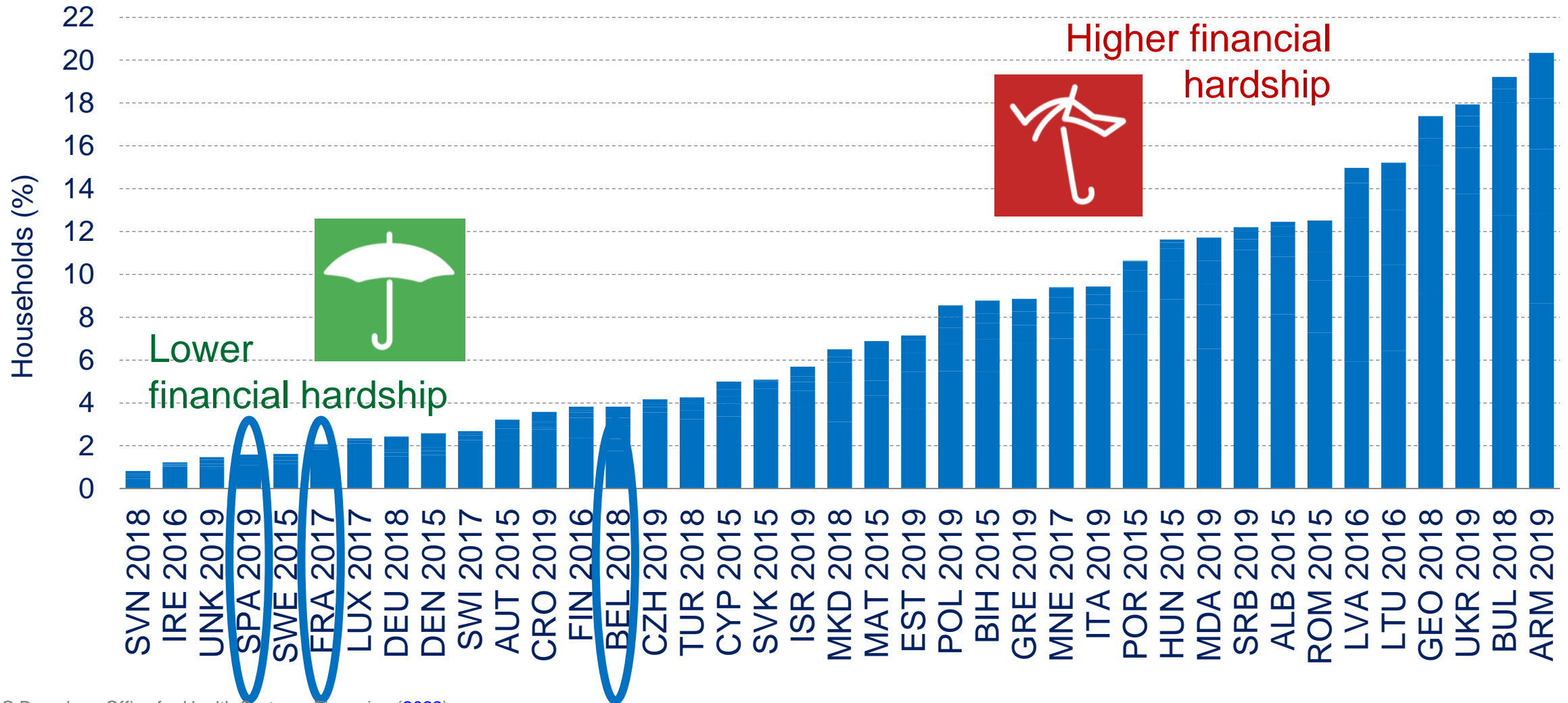
How much of a household's budget must be spent out-of-pocket to be counted as a **catastrophic spender**?



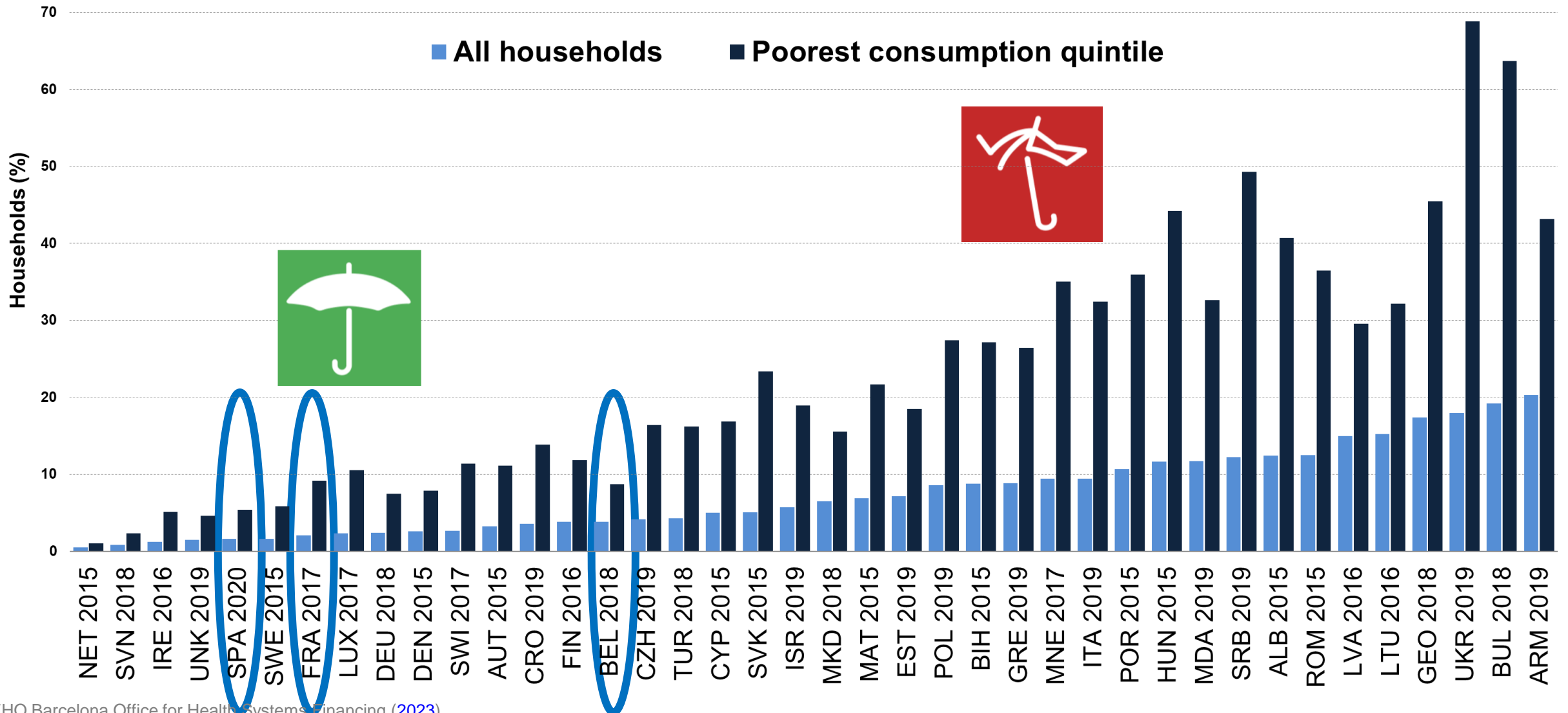
Out-of-pocket payments lead to (or worsen) poverty – even in Europe’s richest countries



Incidence of catastrophic out-of-pocket payments across Europe

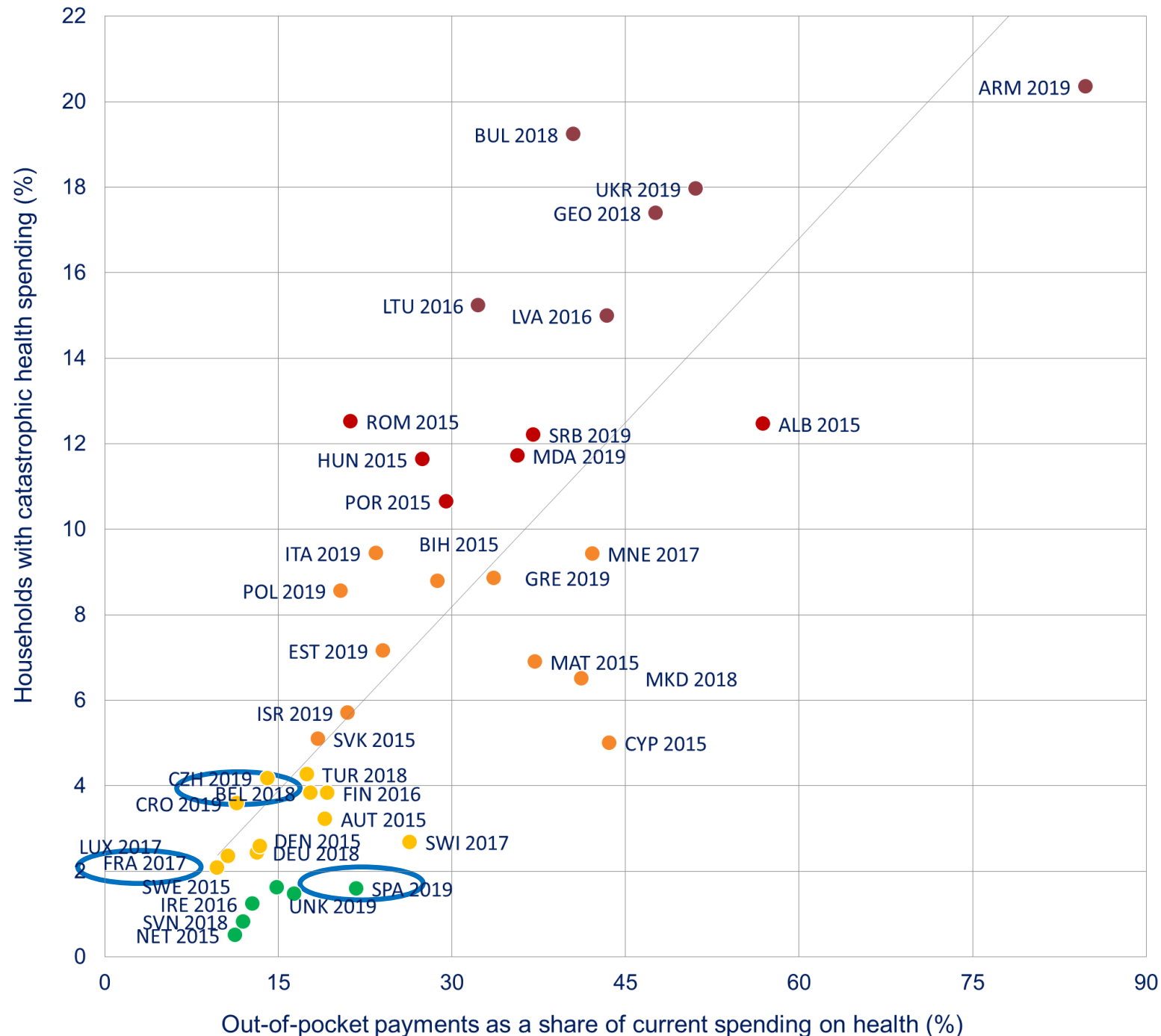


The poorest households are most likely to experience catastrophic health spending



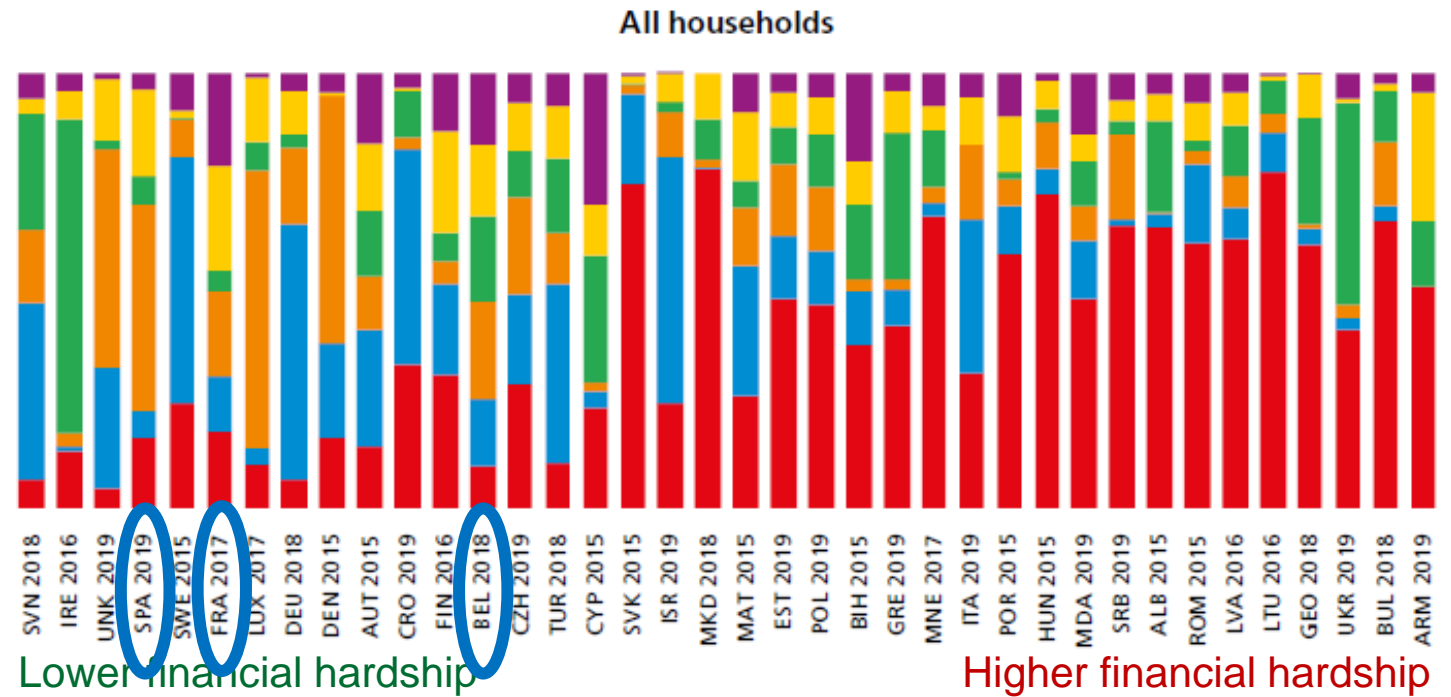
Financial hardship is higher in health systems that rely more heavily on out-of-pocket payments

but policy matters!



On **average**, households with catastrophic spending are mainly paying for **medicines** – but also **dental care** & **medical products**

- Diagnostic tests
- Inpatient care
- Outpatient care
- Dental care
- Medical products
- Medicines



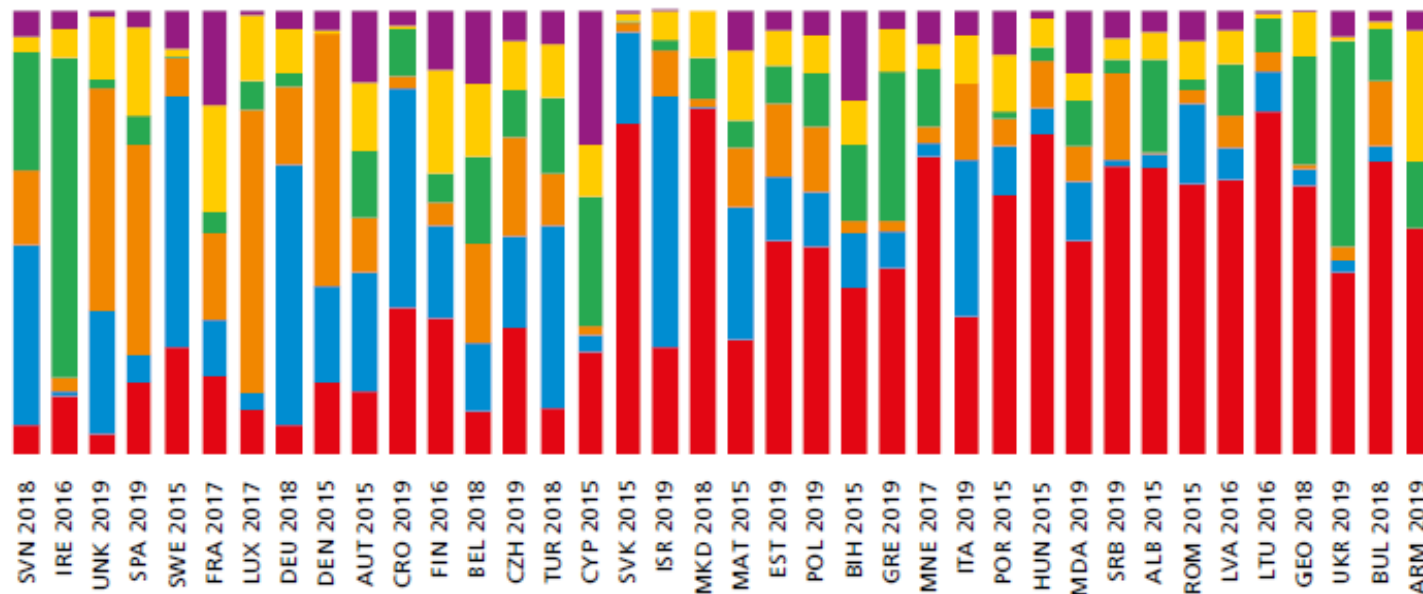


- Diagnostic tests
- Inpatient care
- Outpatient care
- Dental care
- Medical products
- Medicines

Financial hardship is driven primarily by OOPs for medicines

The **poorest** households with catastrophic spending are mainly paying for **medicines** in most countries

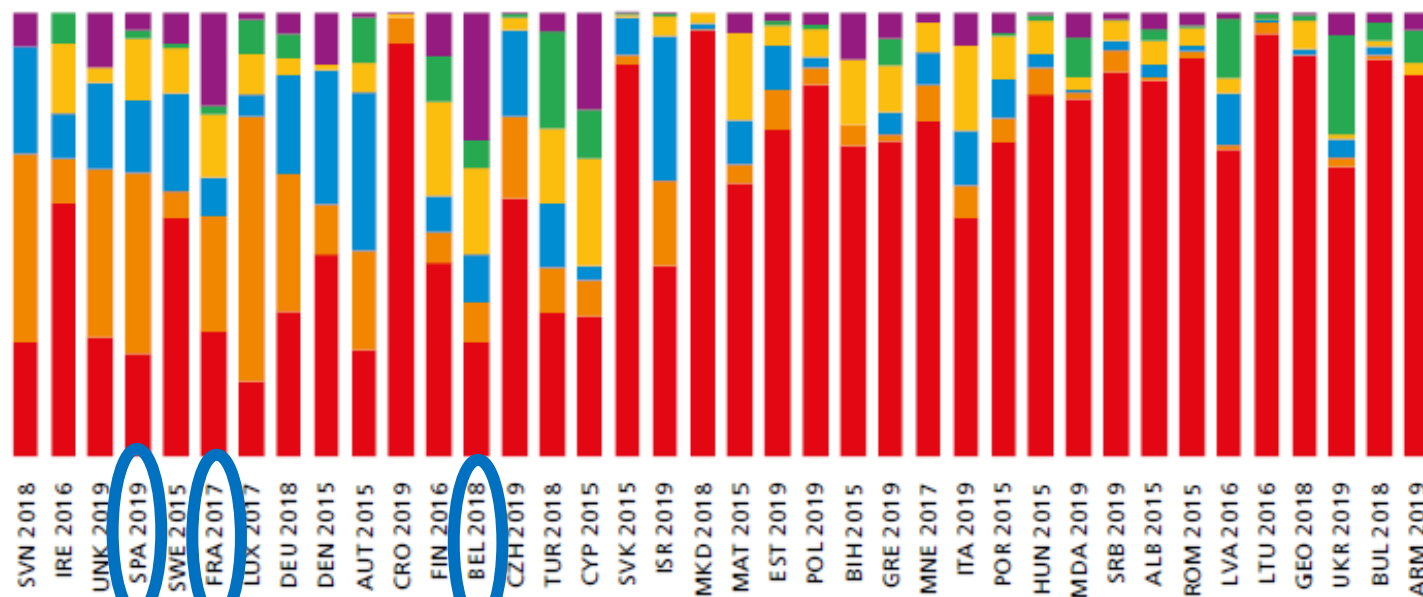
All households



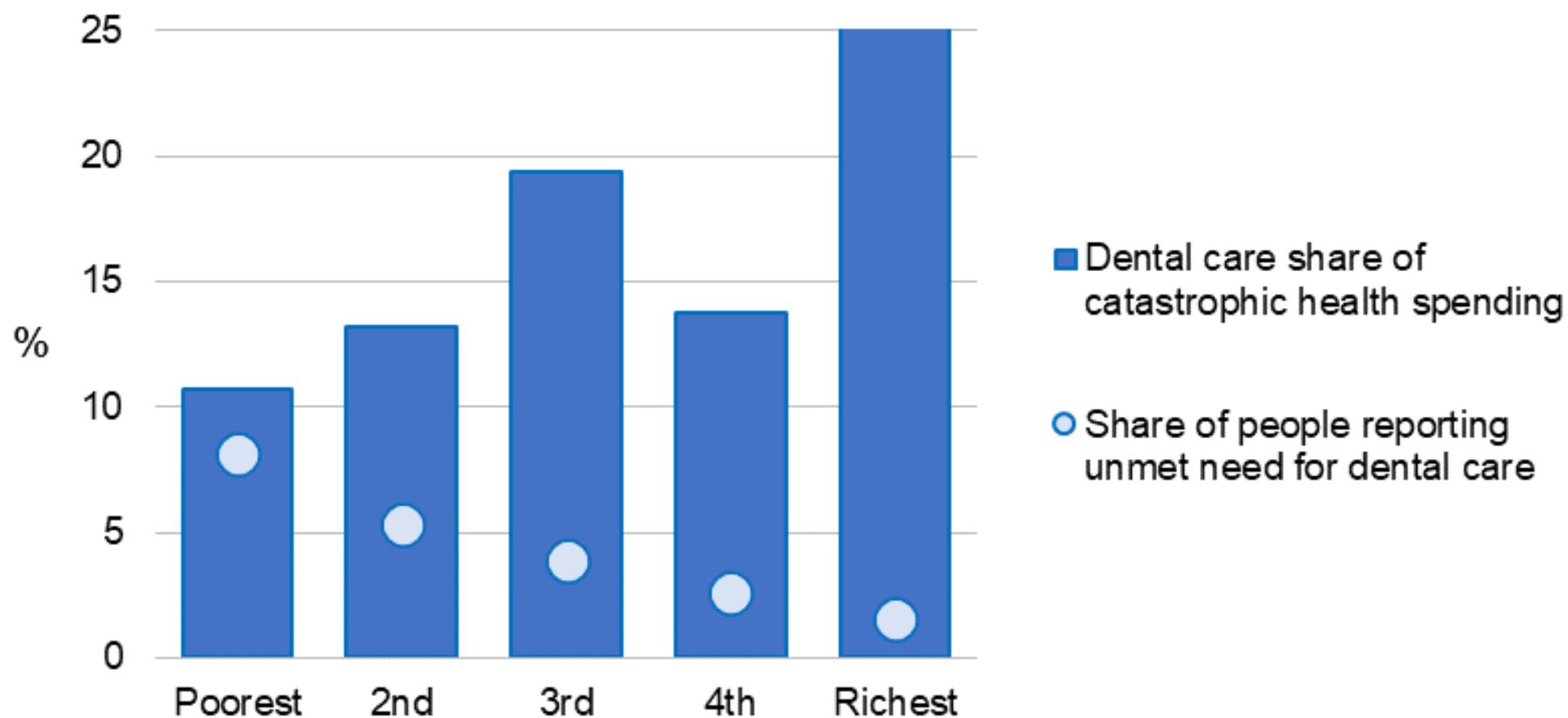
Lower financial hardship

Higher financial hardship

Households in the poorest quintile



Richer households are more likely to experience catastrophic spending due to dental care but poorer households are less likely to use dental care



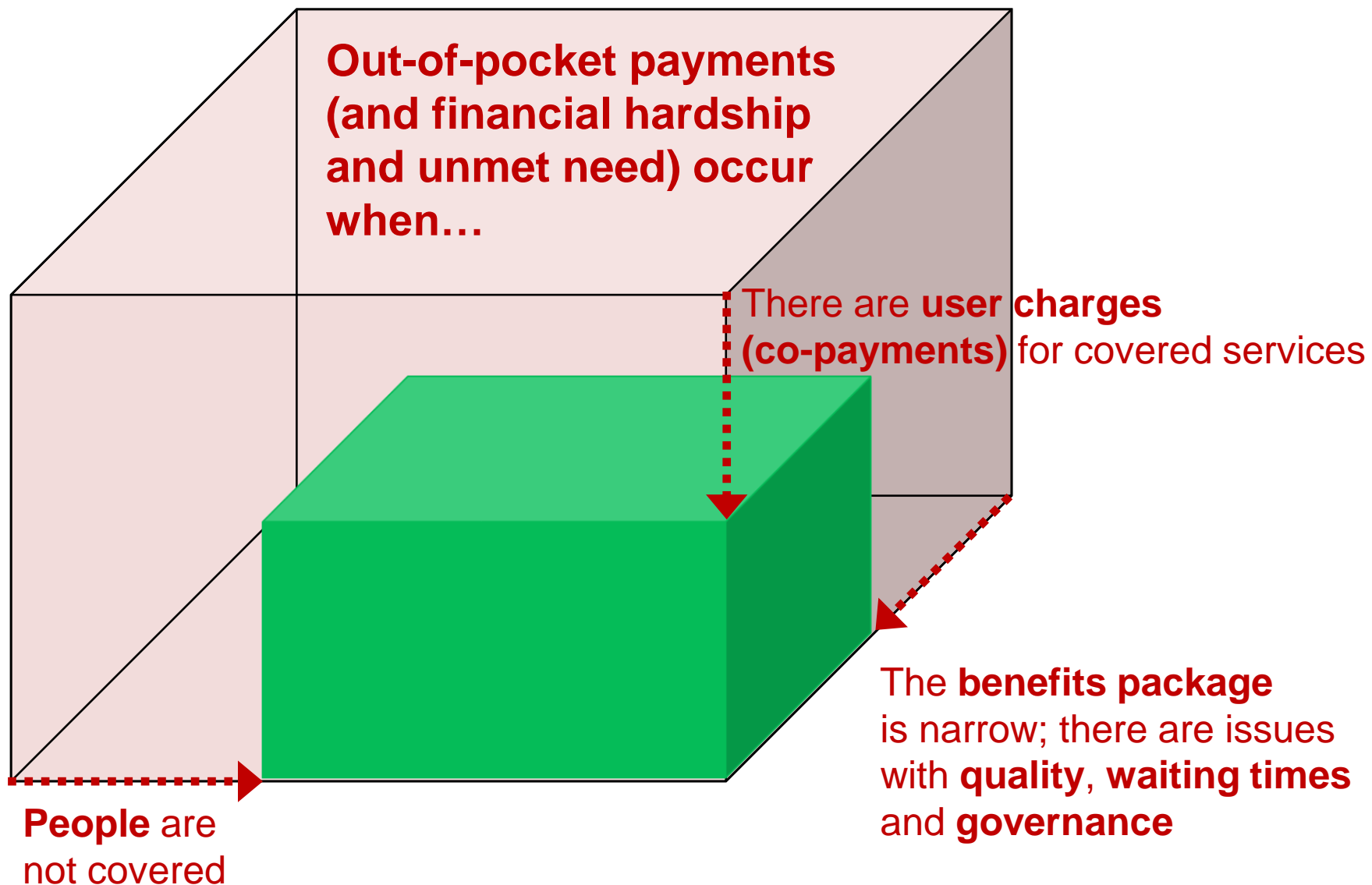
The story behind the numbers

Why can't people afford to pay for health care?

What can countries do about it?

Focus on coverage policy

A key determinant of the level and distribution of out-of-pocket payments and resilience to shocks



Can VHI fill gaps in publicly financed coverage?



Five coverage policy choices to avoid because

- they have a disproportionately negative effect on people with low incomes or chronic conditions
- they increase inefficiency in the use of health care
- they weaken resilience to shocks
- they slow progress towards UHC
- better options are usually available



A good-practice checklist for policymakers

1

Why do so many countries fail to cover the whole population?

2

How can countries mitigate the negative effects of co-payments?

3

Can governments afford financial protection?

1

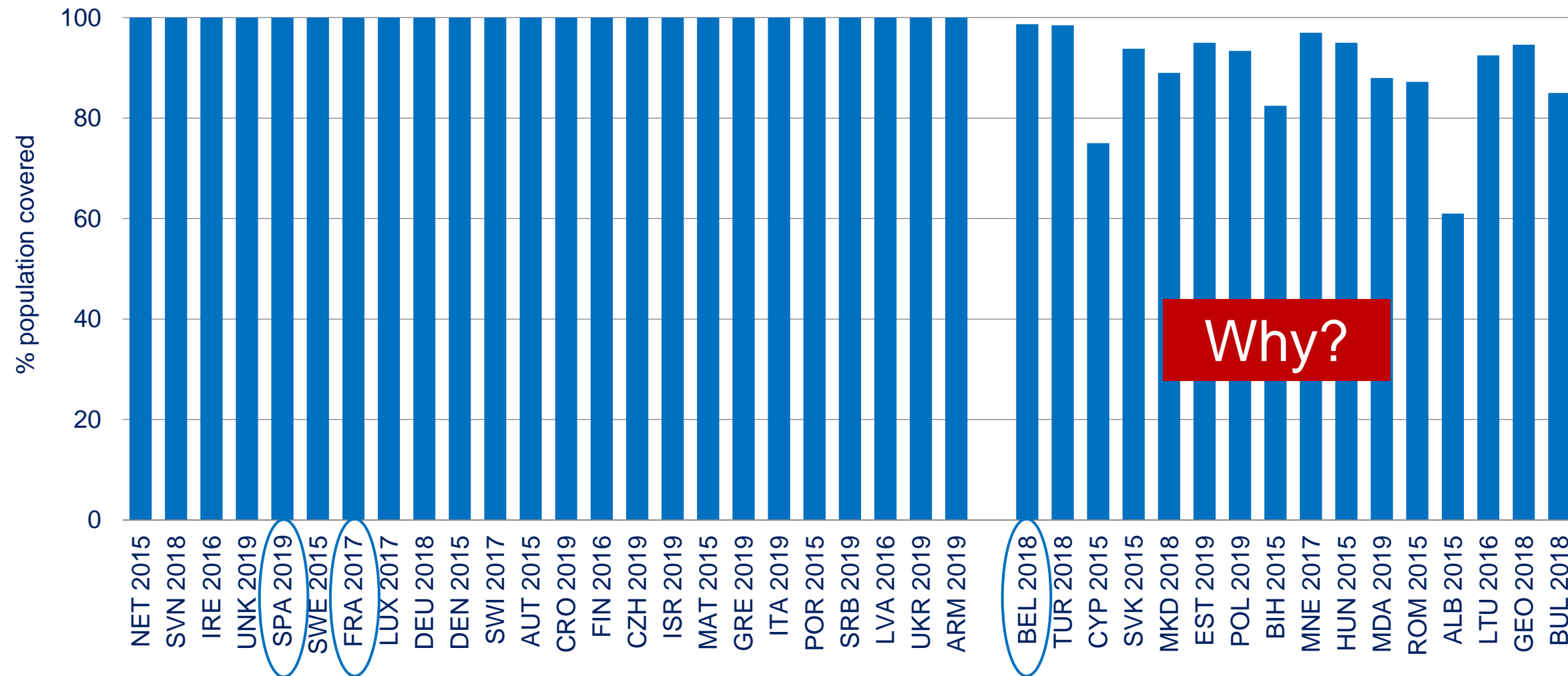
Why do so many countries fail to cover the whole population?

Visible gaps in population coverage in Europe



Countries that cover > 99%

Countries that cover < 99%

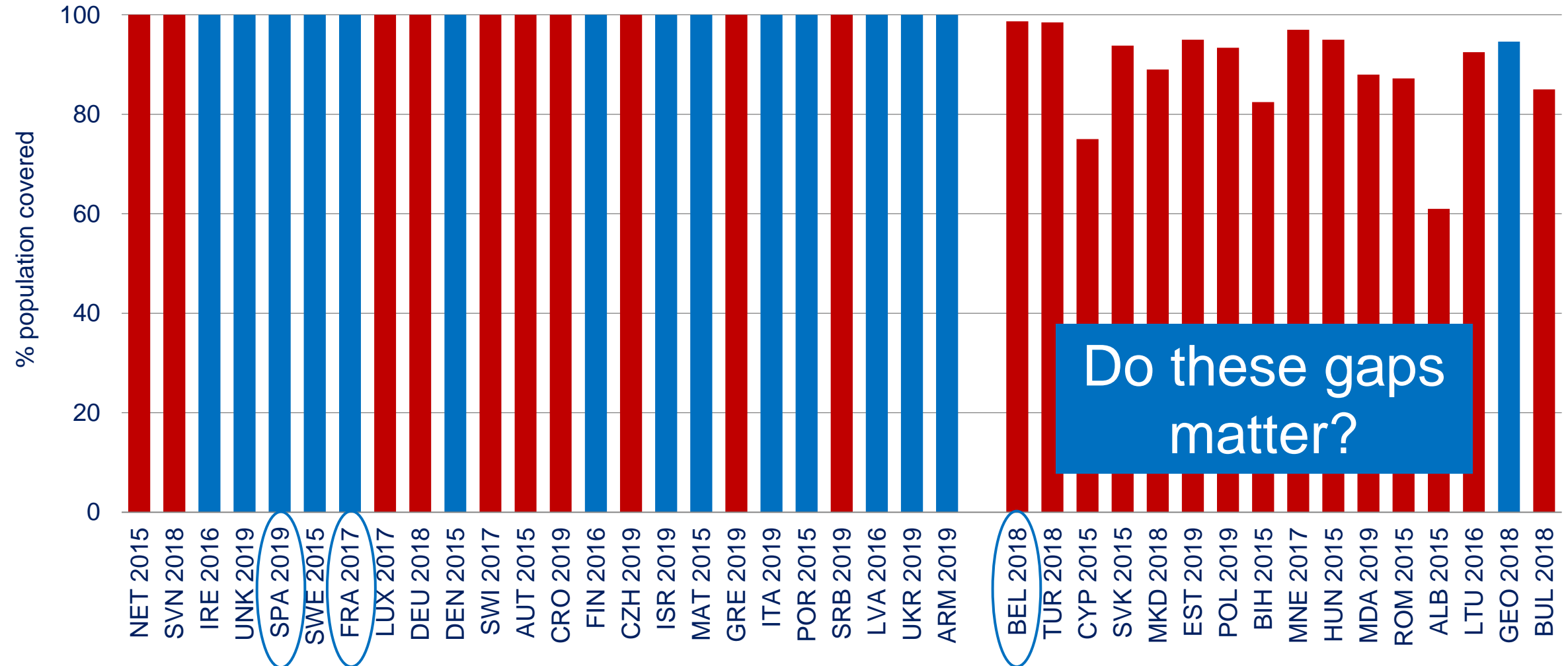


Why?

The visible gaps are in countries that link entitlement to payment of social health insurance (SHI) contributions

Basis for entitlement to publicly financed health care:

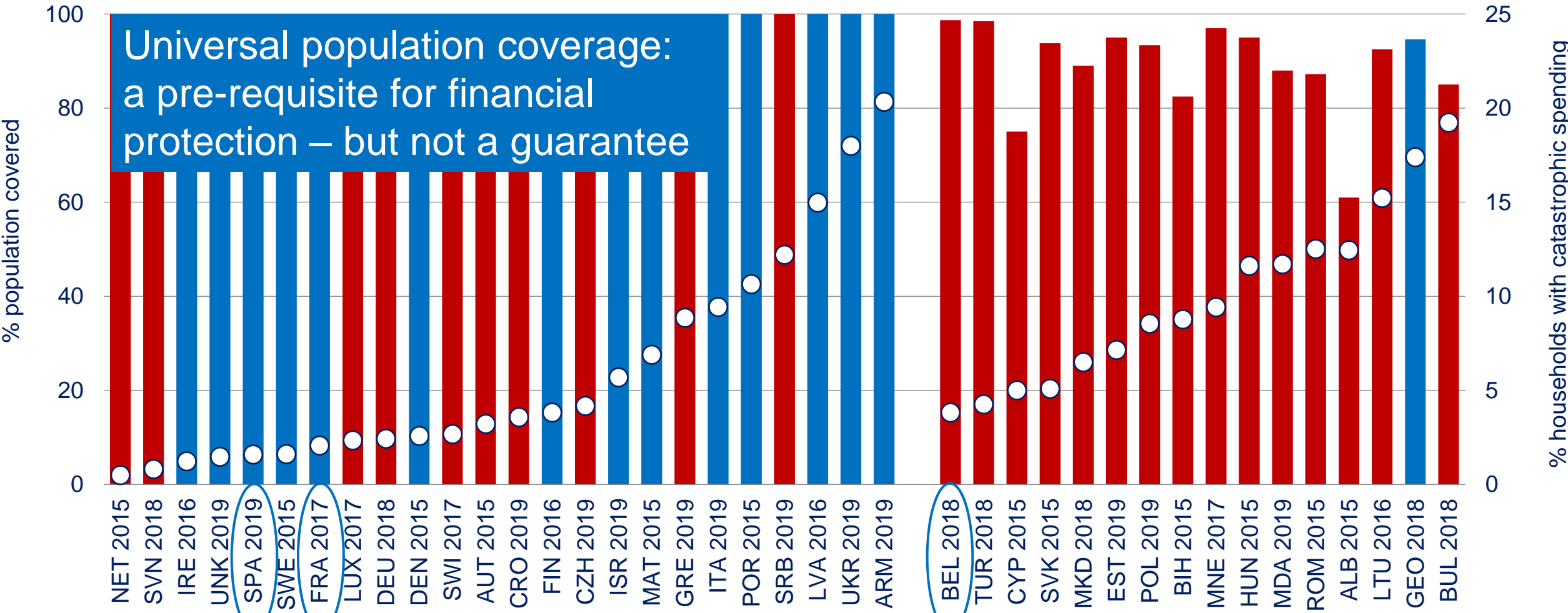
- Residence
- Payment of SHI contributions



Do these gaps matter?

These gaps typically affect people with precarious work: unfair, inefficient, weakens resilience, increases financial hardship

○ % households with catastrophic health spending



WHO Barcelona Office for Health Systems Financing (2023) using OECD data on population coverage for the same year as catastrophic health spending

What can countries do about it?

Countries that already base entitlement on **residence**:



Stay that way – especially if tax collection is sub-optimal!

Countries that link entitlement to **payment of SHI contributions**:



Don't punish people who don't pay taxes by denying them access to health care



Break the link



Let the tax agency deal with non-payment

2

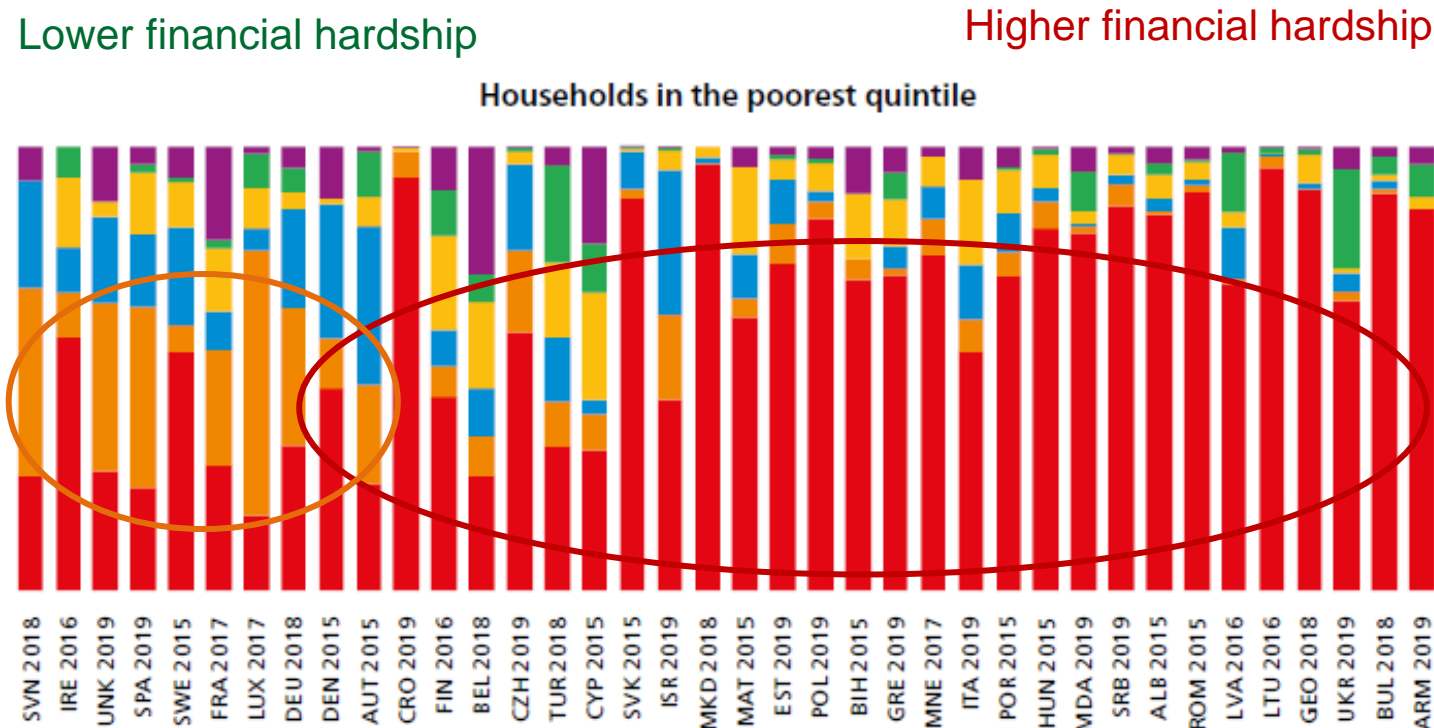
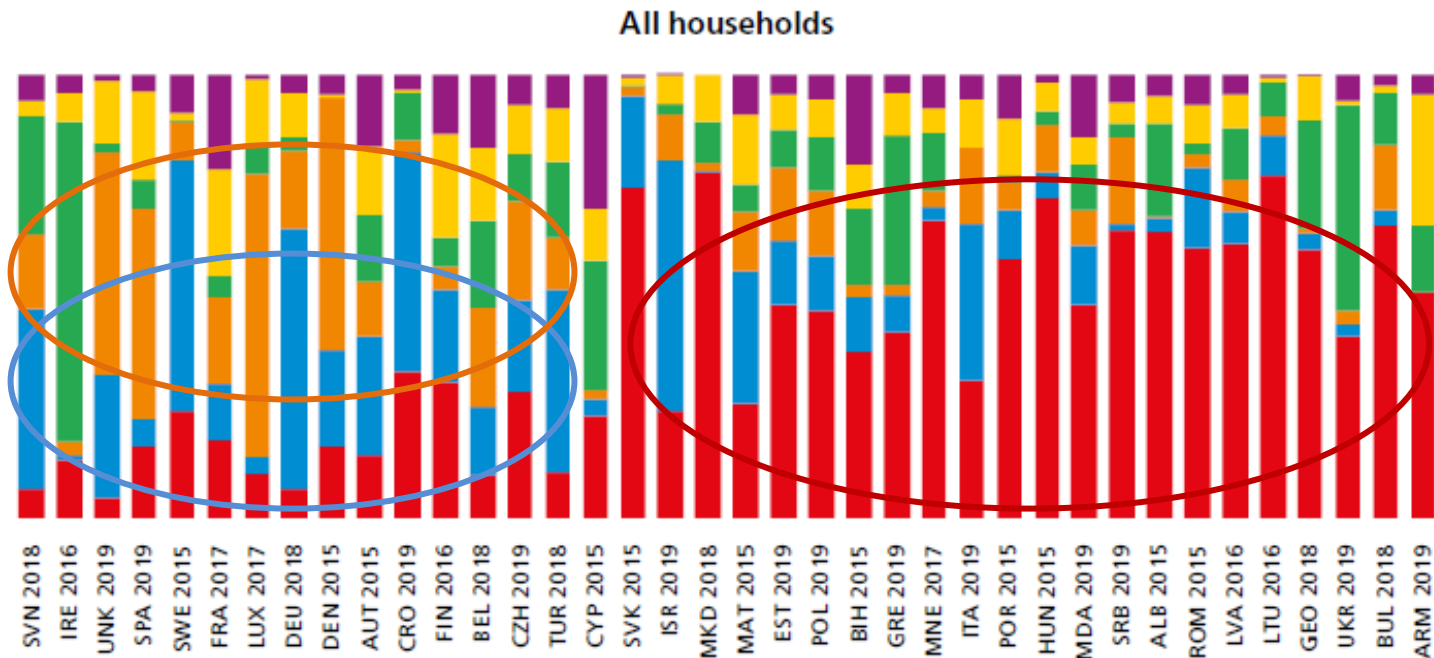
How can countries mitigate the negative effects of co-payments?



- Diagnostic tests
- Inpatient care
- Outpatient care
- Dental care
- Medical products
- Medicines

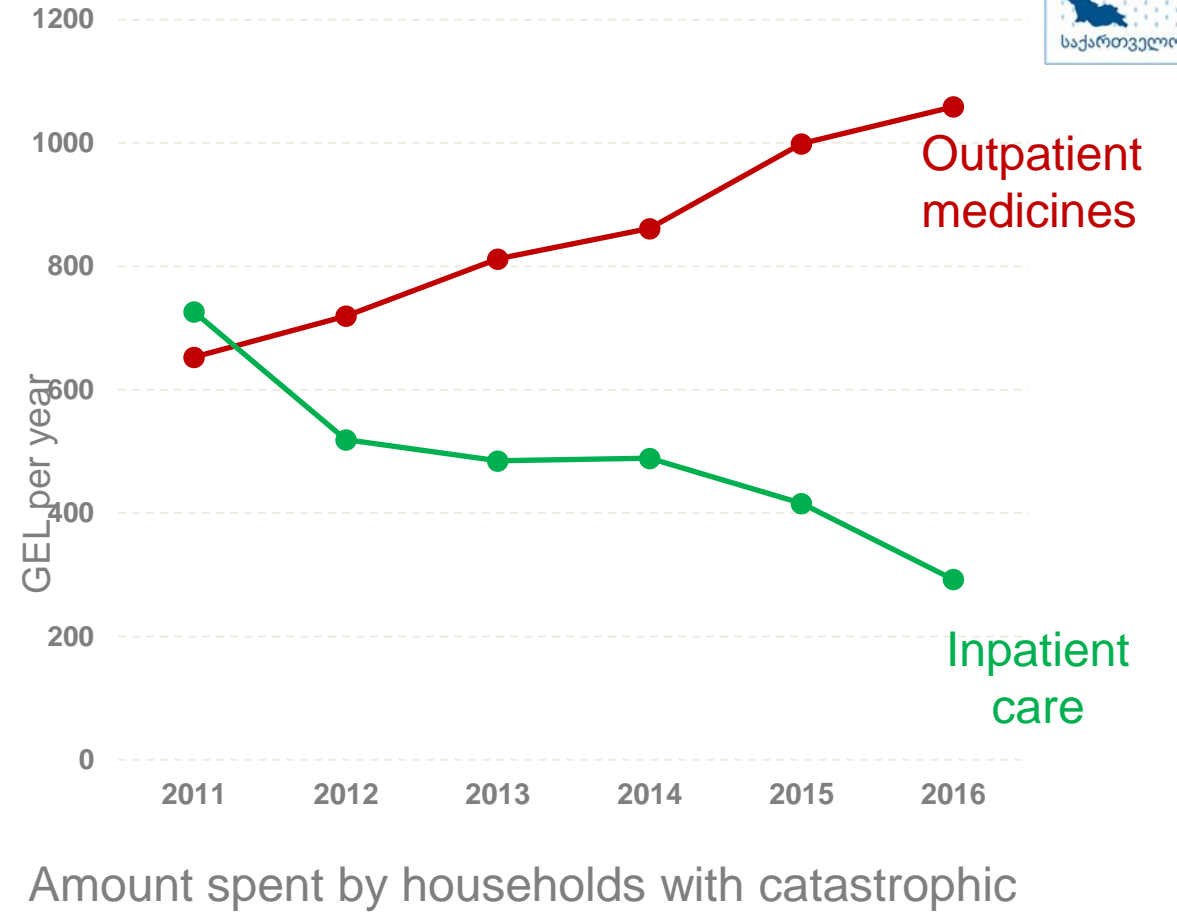
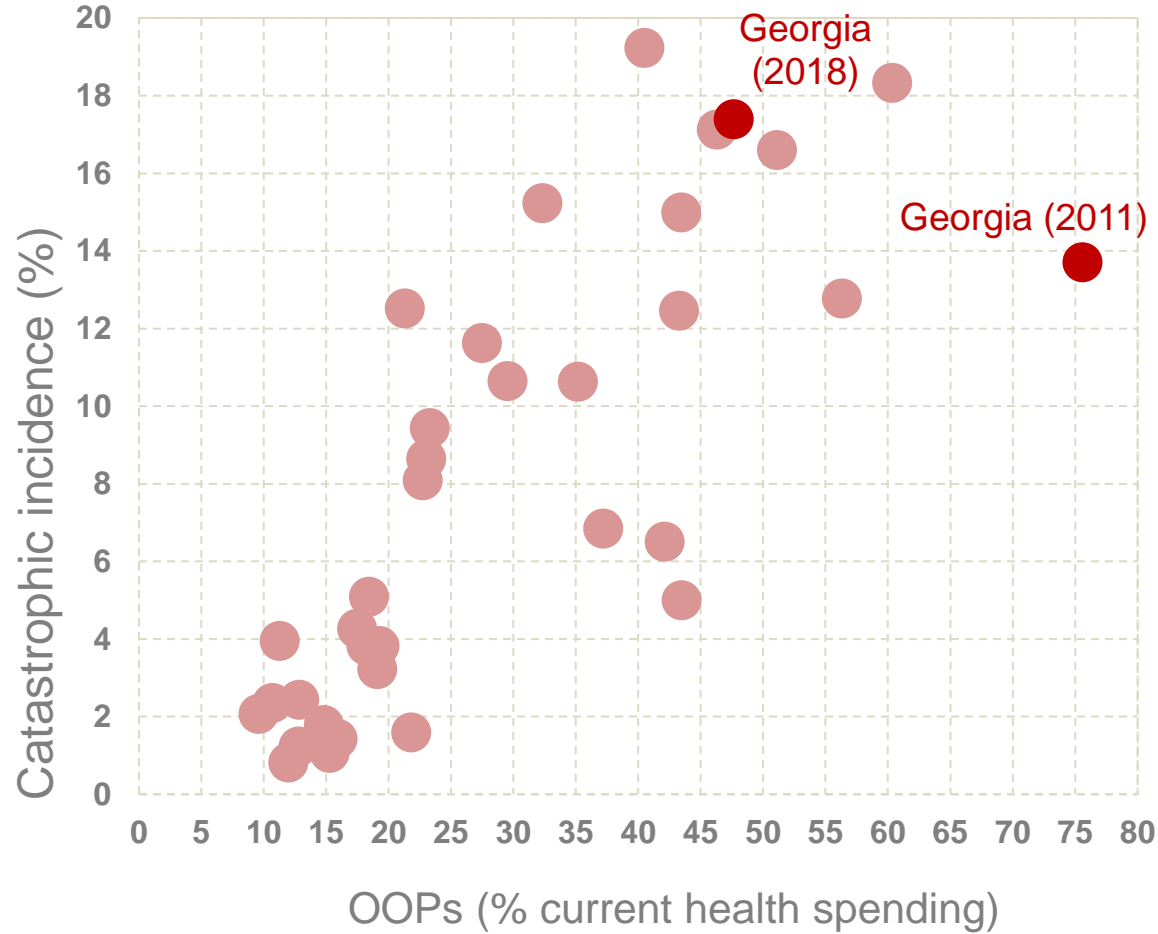
Financial hardship is driven primarily by OOPs for medicines

The poorest households with catastrophic spending are mainly paying for medicines





Step 1: Medicines have to be part of the benefits package

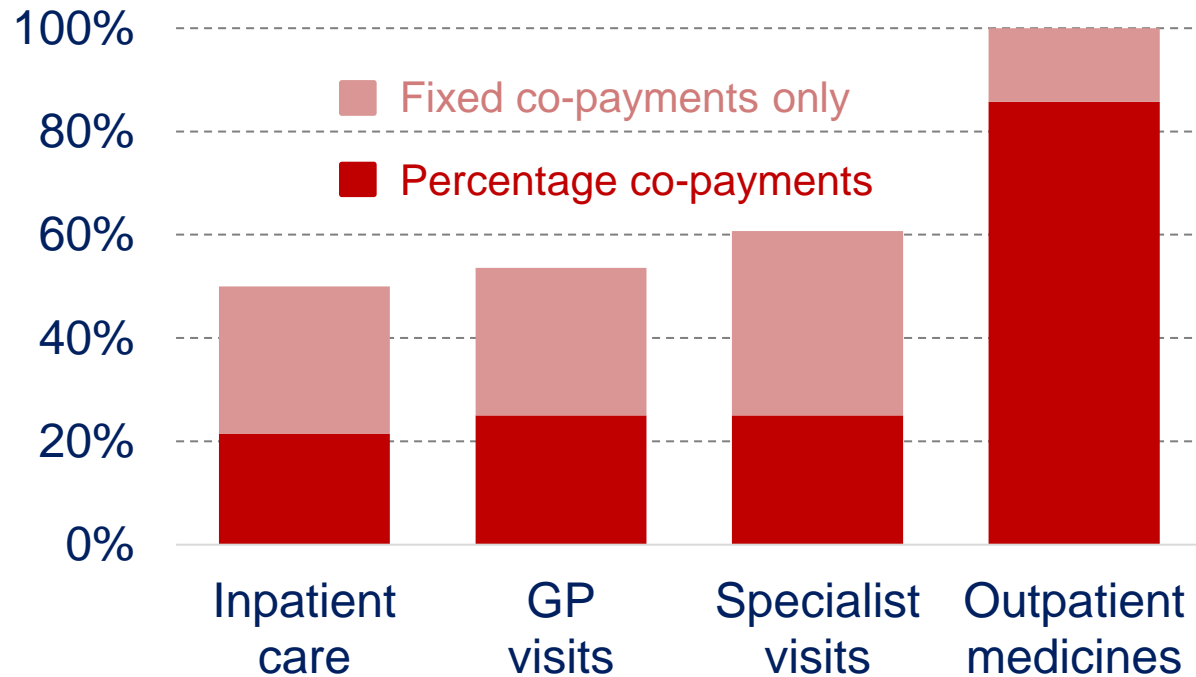


The story of Georgia: improving access to care but not financial protection



Step 2: Focus on protecting households (not only the public purse)

% of EU28 countries with co-payments



% co-payment

shifts burden to patients especially those with more costly diseases

Reference pricing

primarily protects the public budget, not households (similar to balance billing)

Choose your disease carefully and study the price list which is not on display?

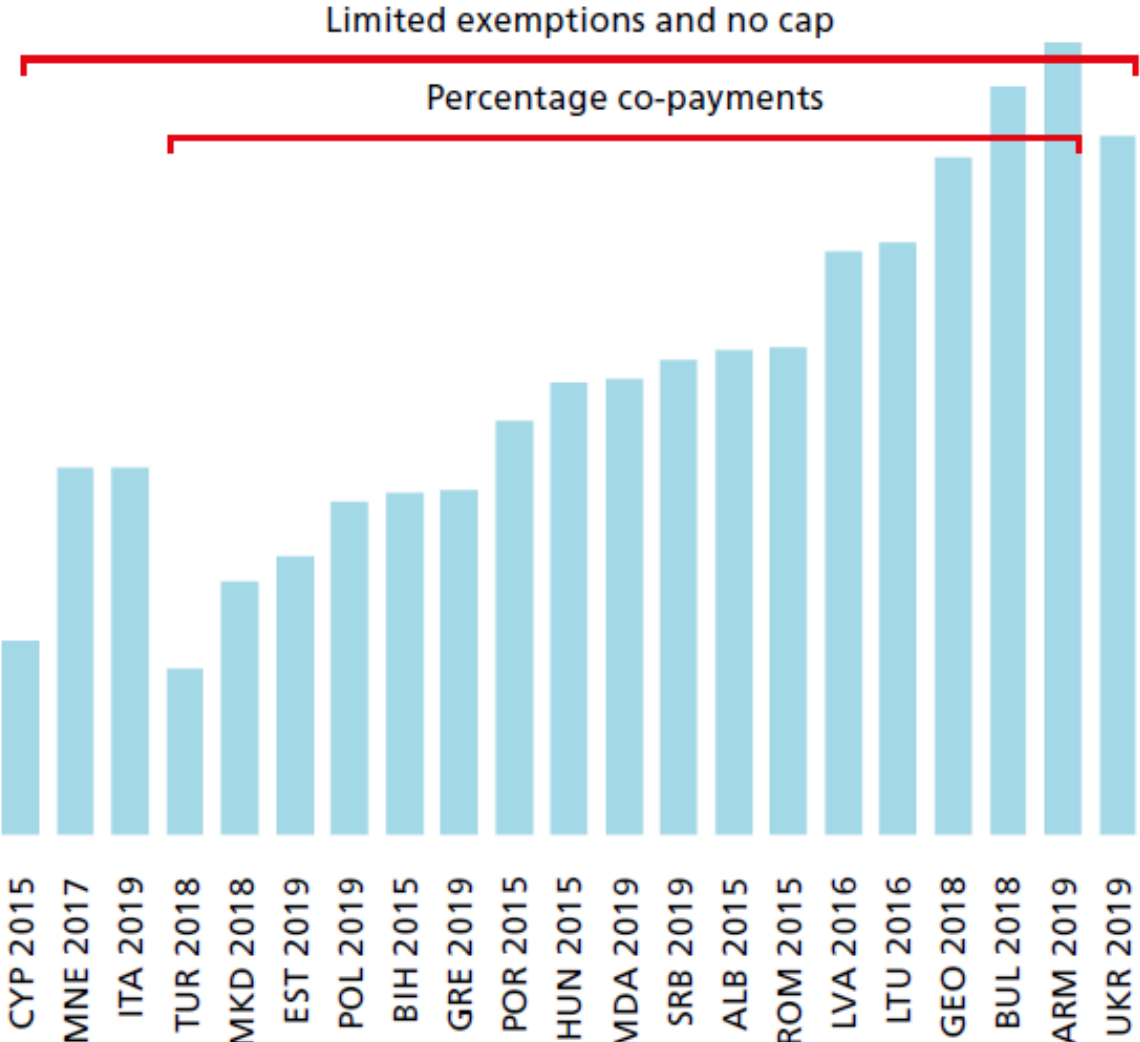
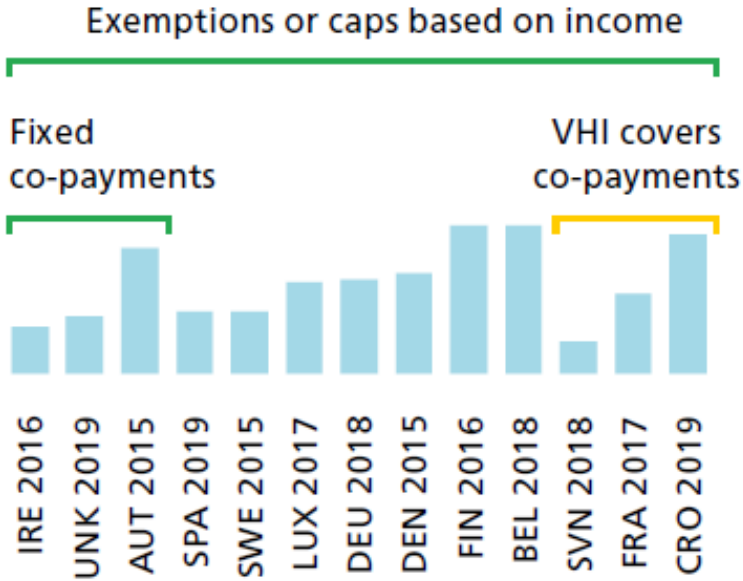
Co-payment design matters!



Households with catastrophic health spending (%)



Financial hardship is lowest when multiple protection mechanisms are in place





Step 3: Focus on protecting people who need it most



<https://www.youtube.com/watch?v=RdH1sEvsyG>



<https://www.youtube.com/watch?v=rwPISgZcYIk>

Exempt people and cap co-payments, not benefits

Coverage policy choices to avoid



Basing entitlement on payment of social health insurance (SHI) contributions



Excluding people from coverage



Applying user charges without effective protection mechanisms



Failing to cover treatment in primary care settings (including medicines)



Thinking voluntary health insurance (VHI) is the answer

Good practice checklist on co-payments for medicines



People with low incomes or chronic conditions are automatically exempt



Annual income-based cap on co-payments, which works automatically



There are no percentage co-payments & public funding is adequate to needs



Any co-payments in place are low and fixed & people know in advance

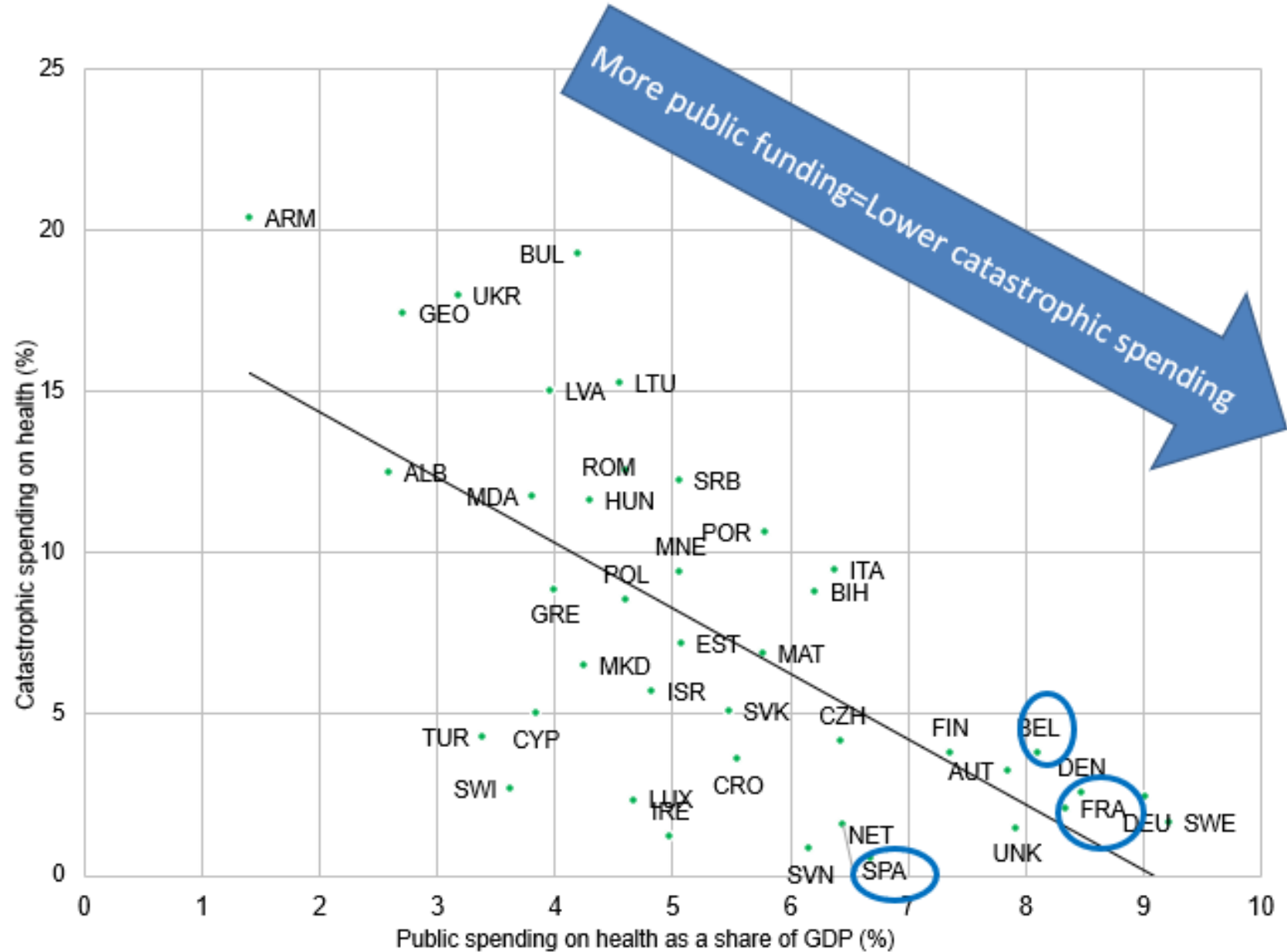


Mandatory prescribing & dispensing of reference-priced medicines

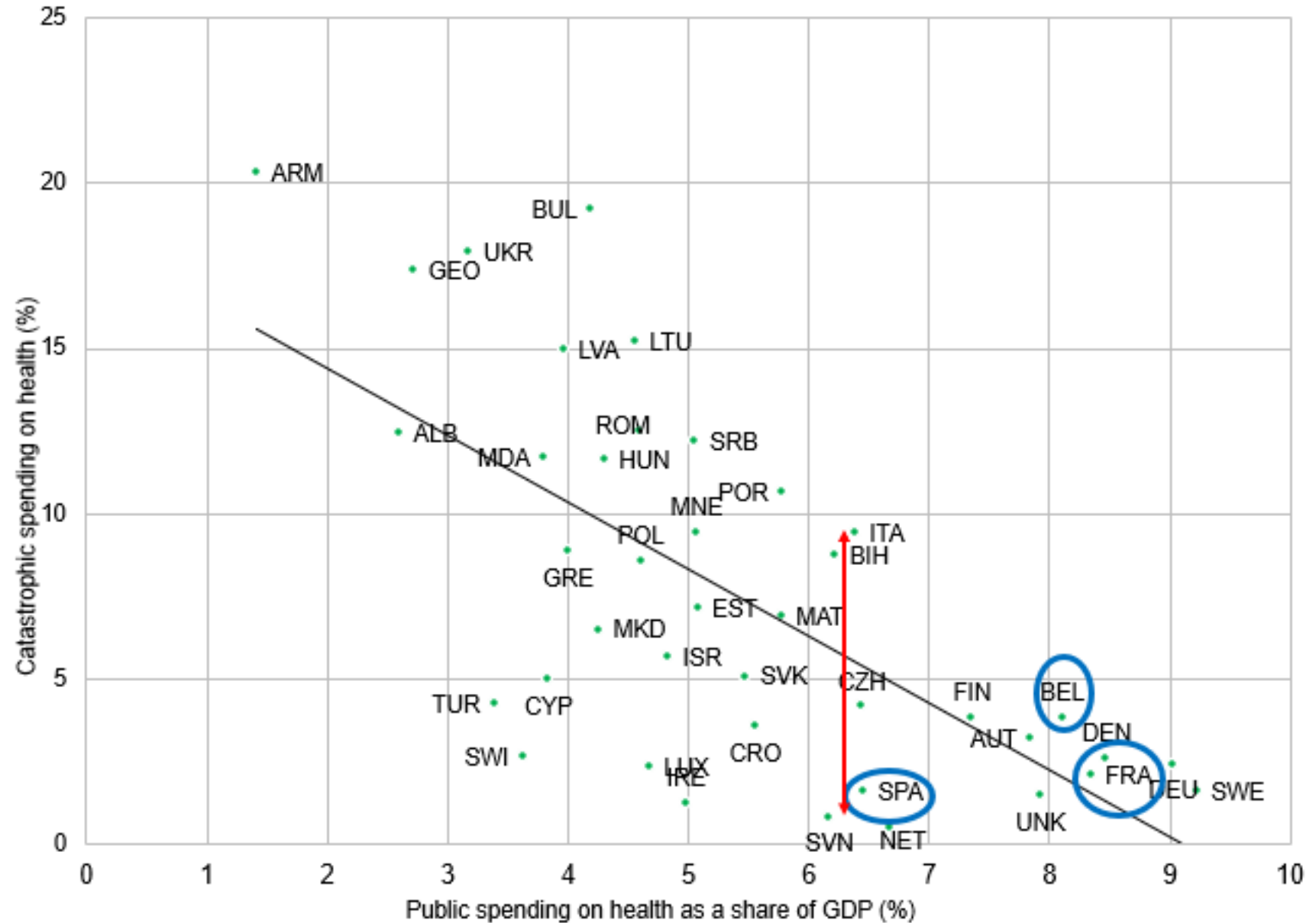
3

Can governments afford financial protection?

Countries that spend more from public funds generally have less financial hardship



But countries that spend similar amounts from public funds can have **very different** catastrophic spending incidence



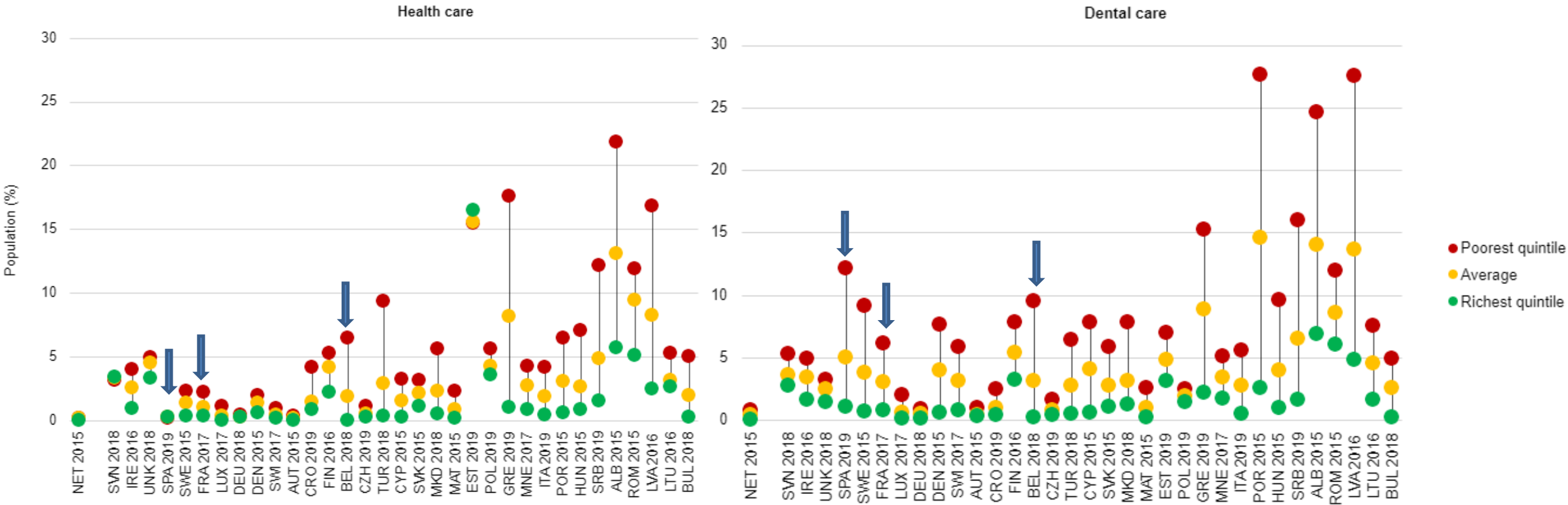
There are *always* trade-offs!

- who is covered
- what is covered
- how much of the cost is covered

These choices have **consequences** for
affordable access

Some people might not receive the care they need

Unmet needs

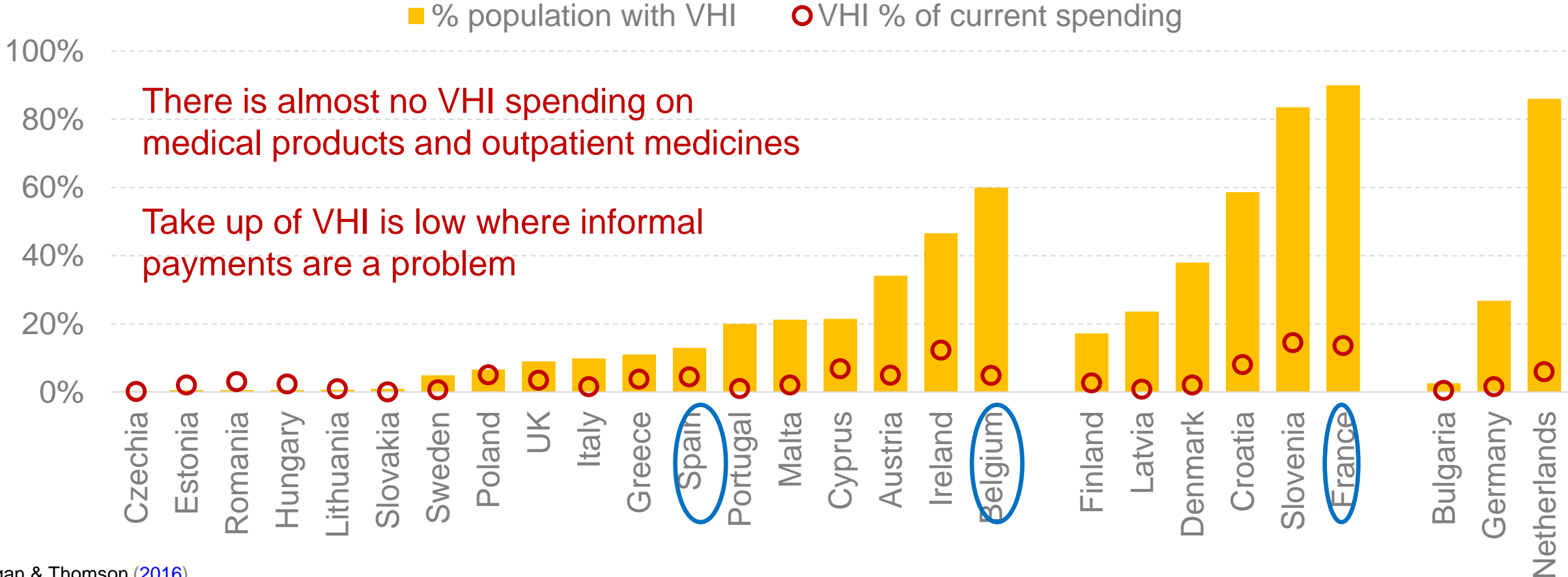


Some might use Private Health Insurance to fill gaps

Supplementary VHI offers choice + faster access where there are long waits

Complementary VHI covers user charges

Or excluded services



How do Spain, France
and Belgium afford good
financial protection?

Coverage policy choices to avoid



Basing entitlement on payment of SHI contributions



Excluding people from coverage



Applying user charges without effective protection mechanisms



Failing to cover treatment in primary care settings (including medicines)



Thinking voluntary health insurance (VHI) is the answer

Good practice checklist for policy makers

World Health Organization
European Region

Can people afford to pay for health care?
Evidence on financial protection in 40 countries in Europe

Summary

Regional report 2023

The cover features a blue umbrella on the left and a red broken umbrella on the right, set against a background of light blue rain. To the right of the cover is a vertical checklist consisting of 12 horizontal lines, each ending in a downward-pointing chevron symbol.



UHC watch

Tracking progress on affordable access to health care in Europe and central Asia

UHC watch

Tracking progress on affordable access to health care in Europe and central Asia

Affordable access to health care - financial protection - is at the heart of universal health coverage (UHC)

UHC means everyone can use quality health care without financial hardship



Weaker financial protection



Stronger financial protection



Sign up for updates

Explorers

Assess the current situation, monitor trends, compare countries

Indicator explorer

Over 50 indicators of financial hardship, unmet need for health care and spending on health

Explore data



Policy explorer

Information on population coverage, service coverage, user charges and voluntary health insurance

Explore data



Co-funded by the European Union

Thank you for joining us!

The presentations and recording will be available on UHC watch <https://apps.who.int/dhis2/uhcwatch/#/resources> under news (slides) and multimedia (recording)



If you have questions that weren't addressed today, please contact us: eubar@who.int

[Sign up](#) for updates from WHO Barcelona

