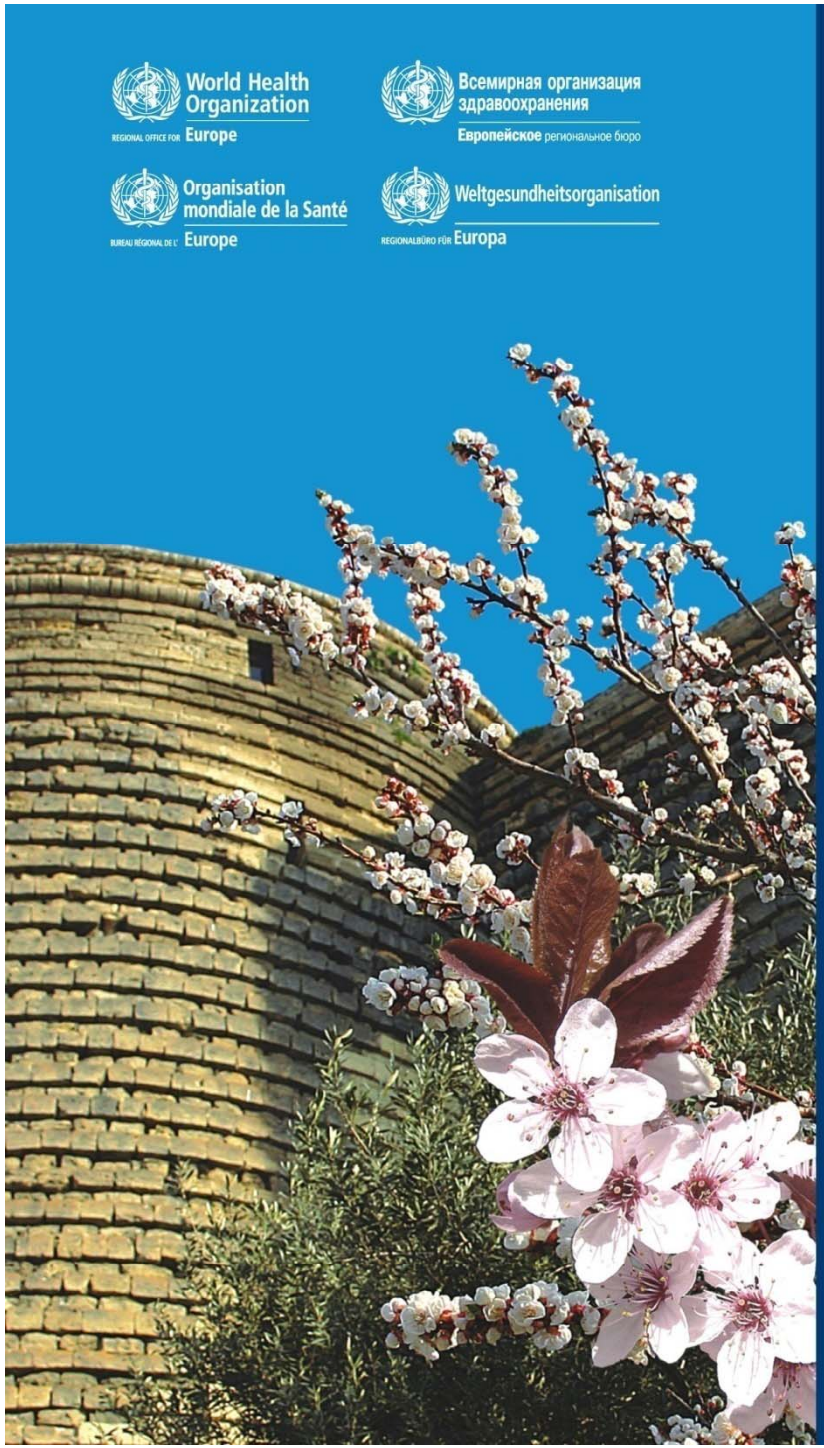
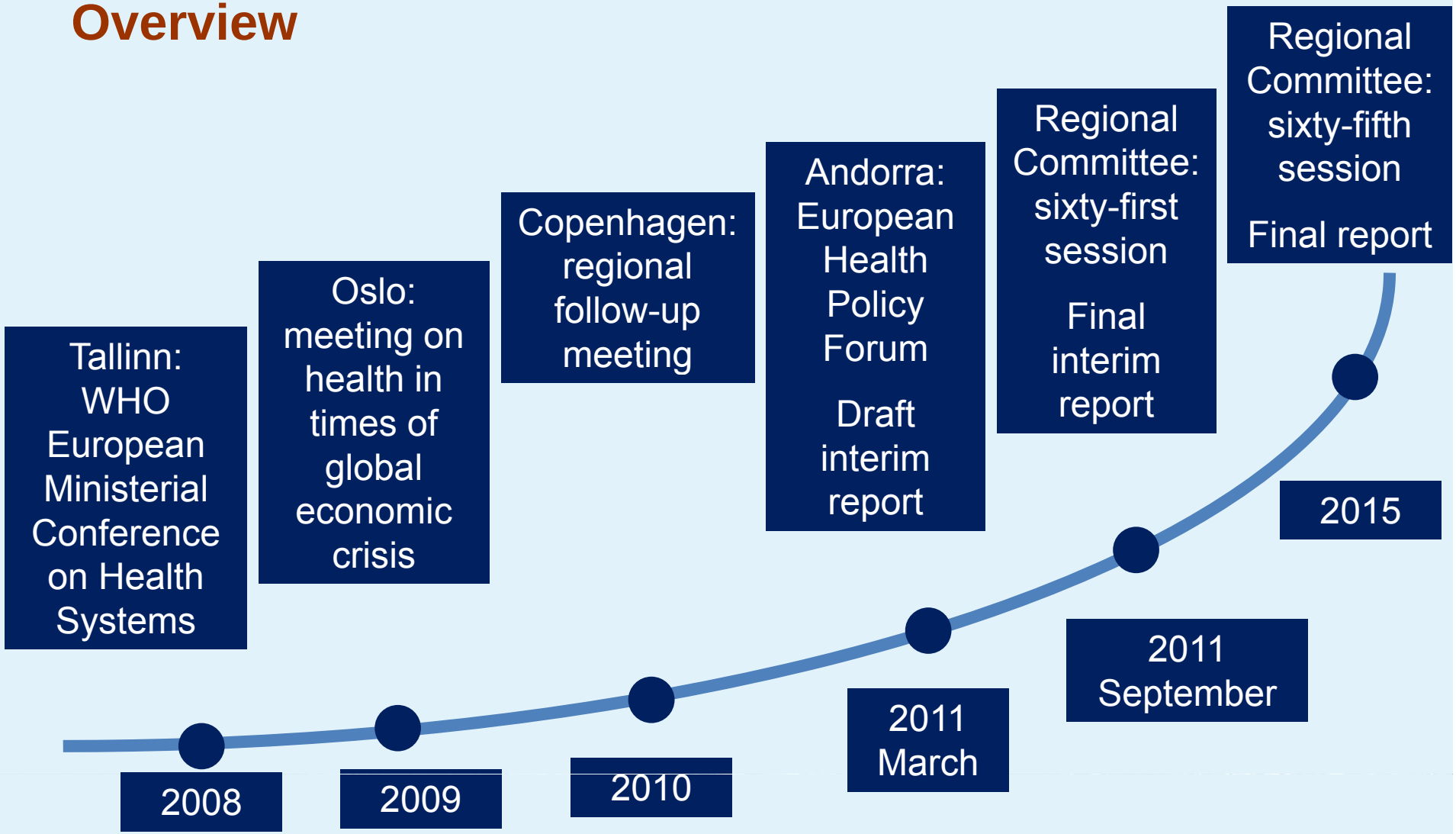


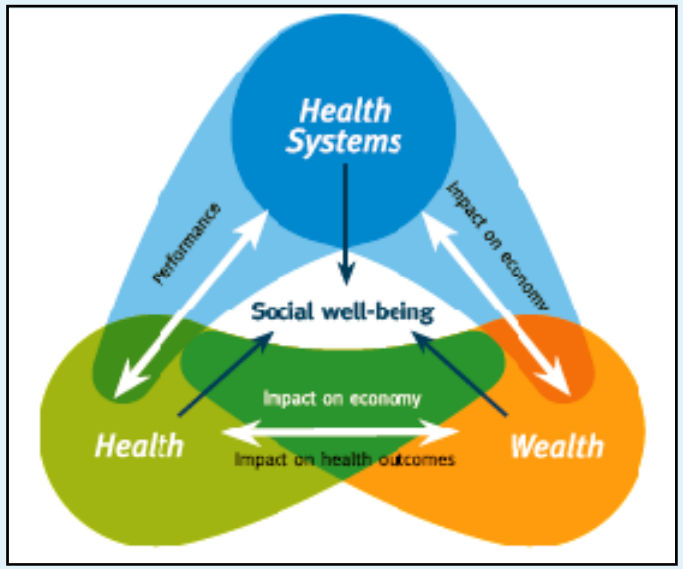
Health system strengthening: Tallinn and beyond

Dr Hans Kluge
Director, Division of Health Systems and Public Health

Overview


Tallinn: WHO European Ministerial Conference on Health Systems
Oslo: meeting on health in times of global economic crisis
Copenhagen: regional follow-up meeting
Andorra: European Health Policy Forum
Draft interim report
Regional Committee: sixty-first session
Final interim report
Regional Committee: sixty-fifth session
Final report
2008
2009
2010
2011 March
2011 September
2015

The Tallinn Charter:
Health Systems for Health and Wealth



The Tallinn Charter has:

- **inspired** countries to act on their values to improve health and wealth;
- **affirmed** a value-based approach to health system strengthening; and
- **empowered** health ministries to lead change for health improvement.

Progress in implementing the commitments of the Tallinn Charter (1)

- Much progress promoting or maintaining solidarity and equity
  - Moving towards universal coverage (Kyrgyzstan, Republic of Moldova, Tajikistan)
  - Inclusion of the poor through better targeting of public resources
  - More inclusive service-delivery approaches (such as for the Roma in Bulgaria, Czech Republic, Serbia and Slovakia)

- Increased or maintained pro-health and pro-poor investments
  - Catalytic role of health ministries
  - Comprehensive and prioritized multi-year programmes
  - Reinvestment of taxes on alcohol and tobacco (in Latvia, Portugal)

Analysis of Financial Protection in Hungary

Gaál, P., Evetovits, T., Ménesi, É.

Objectives and rationale

This paper studies trends of financial protection indicators in Hungary for the period of 2003-2007. The policy relevance of the study period is that several health policy measures were implemented in 2007, such as the introduction of modest co-payments in ambulatory and inpatient care, and significant increase of cost sharing for pharmaceuticals. We also studied whether the WHO methodology (which calculates subsistence expenditure based on expenditure on food only) is appropriate to the Hungarian context, and if alternative methodologies significantly change the results.

Methods

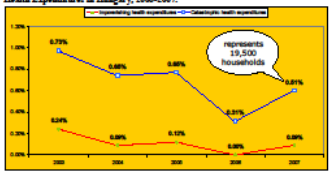
We used three indicators of financial protection: catastrophic health expenditures, impoverishing health expenditures and the difference in the poverty gap due to out-of-pocket health payments. The values of all three indicators depend on several methodological assumptions, among which we have studied the method for the calculation of the poverty line. Impoverishing health expenditure means that the household falls below the poverty line as a result of out-of-pocket expenditure on health. Catastrophic expenditure means that the households spend at least 40% of its disposable income on health. We carried out a secondary analysis of the Household Budget Survey of the Hungarian Central Statistical Office. Information on utilization of health services and prescription drugs is based on administrative data of the Hungarian National Health Insurance Fund.

Results and discussion

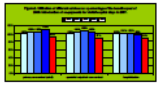
Despite the relatively high level of private health expenditures in Hungary (about 30% of total health expenditure in the selected years), less than 1% of Hungarian households suffered catastrophic (0.31-0.73%) and impoverishing (0.003%-0.24%) health expenditures in the study period, and the poverty gap is small. For a country of 10 million inhabitants and 3.8 million households, these figures mean 11,000-28,000 households suffering catastrophic and 3,400-9,000 households suffering impoverishing health expenditures with a poverty gap of EUR 3.5-7 million.

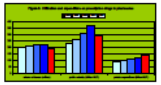
Between 2003-2006, we see a decreasing trend, while in 2007 a notable increase is observed, however, the 2007 level is still below that of baseline year 2003. The increase in 2007 is in line with our expectation that the health policy measures implemented in that year had adverse effects on financial protection. Our analysis of distribution according to income quintiles suggests that impoverishing health expenditures affected exclusively the poorest quintile of the population and the distribution of catastrophic health expenditures is also very skewed towards the poor households. It has to be noted that annual growth of real wages was 6.3% in 2005 and 3.5% in 2006, but dropped to -4.6% in 2007, which may have contributed to the observed levels of financial protection.

Figure 1. Percentage of Households Experiencing Catastrophic and Impoverishing Health Expenditures in Hungary, 2003-2007.



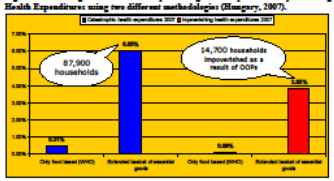
Utilization of health services decreased significantly in 2007 as a result of the introduction of co-payments and the additional supply side volume control measures in secondary care (Figure 2.). Prescription drug utilization also decreased, however, patients had to pay higher co-payments and as a result overall private expenditure increased (Figure 3.). We have no information on distributional effects, nor on the number of patients who have forgone seeking care or not filled a prescription. Further research is proposed to explore these effects.





Regarding methodology, if we calculate the poverty line including not just food expenditures, but household expenditures on clothing and housing, the proportion of households experiencing catastrophic health expenditures goes up to 6.% and 3.85% of households get impoverished as a result (Figure 4.). The latter means a 45%-increase in the total number of households. We argue that inclusion of the cost of housing and clothing needs to be considered in countries, where there are four seasons with a cold winter, when we calculate the households' subsistence expenditure and, in turn, the effects of out-of-pocket health expenditures. If we use the EU standard for the calculation of the poverty line (which is 60% of the median income), the increase is three-fold, and we have 20 times more households with catastrophic expenditure compared to the result with the WHO methodology.

Figure 4. Percentage of Households Experiencing Catastrophic and Impoverishing Health Expenditures using two different methodologies (Hungary, 2007).

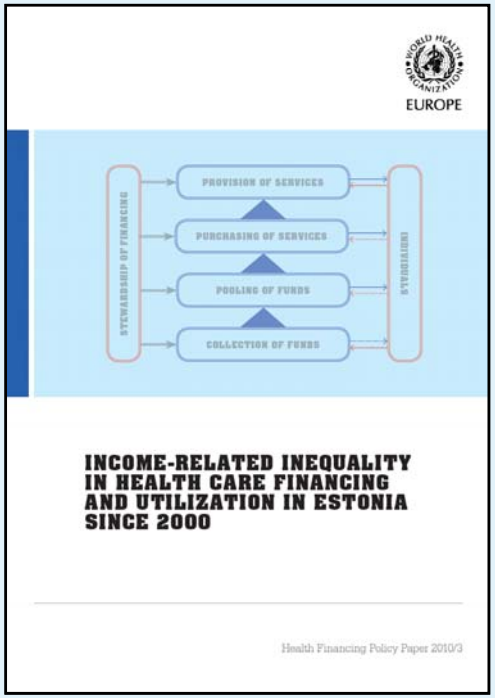


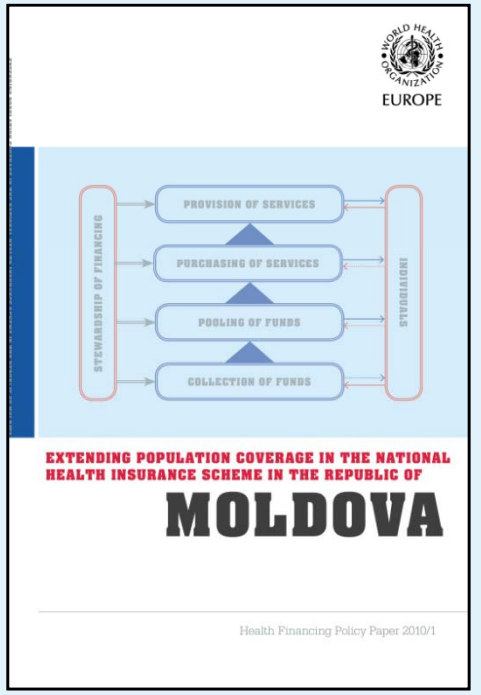
Conclusions and recommendations

Findings according to the WHO methodology suggest that financial protection did not deteriorate substantially due to the health policy measures of 2007. Hungary has a relatively well functioning social safety net, which protects the poor through a combination of cash benefits and exemptions from co-payments for health services and prescription drugs. This may explain the modest deterioration of financial protection. However, the WHO methodology may underestimate the real magnitude of impoverishing effects. In the context of Hungary (and other middle and high income countries in Europe), where there are four seasons with a cold winter, the expenditure on clothing and dwelling significantly increase subsistence level. Both the impoverishing effects and the incidence of catastrophic expenditure are much greater with the alternative methodologies, and these results are more alarming. It is, therefore, recommended that financial protection indicators are calculated and published not just according to the WHO methodology, but also using the more relevant extended basket of essential goods and the EU standard method. Apparently, the applied methodology has profound effects on results and, in turn, on potential policy responses. Indicators of financial protection should be integrated into the regularly published statistics in Hungary in order to better inform policy makers.

"Today, it is unacceptable that people become poor as a result of ill-health"

Tallinn Charter





The Tallinn commitments and the financial crisis

- Values of equity and solidarity were put to the test.
- Across-the-board budget cuts affected health outcomes, and hurt the poor and vulnerable.
- Searching for efficiency gains became even more imperative (service-delivery structure, financing arrangements).
- The poor and vulnerable needed to be protected from the effects of budget cuts with additional measures (health, social, economic).

Efficiency gains are imperative

- Many effective policy instruments to mitigate impact of crisis focusing on cost reduction and efficiency gains
  - Hospital reconfiguration
  - Increased focus on primary health care
  - Shift from inpatient to outpatient care
  - Rational use of medicines
  - Reduced prices of medical goods

Protecting the poor and vulnerable

- Exempt the poor from paying user charges/co-payments
- Extend coverage to the long-term unemployed
- Target health spending better
- Target social assistance better

Progress in implementing the commitments of the Tallinn Charter (2)

- Impressive progress in enhancing transparency and accountability for health system performance
  - Increasing use of evidence in policy development with many innovations in knowledge translation (in Kyrgyzstan, Republic of Moldova, Tajikistan)
  - Dynamic developments in health system performance assessment (in Armenia, Belgium, Estonia, Georgia and Portugal)
- Health systems becoming more responsive to citizens and patients

Health system performance assessment (HSPA)

- Several forthcoming WHO publications
  - Health Evidence Network/European Observatory on Health Systems and Policies policy summary
  - Companion guide for practitioners
  - Case studies on HSPA in practice
  - Advocacy brief for high-level decision-makers
  - Methodological papers and domain reports
- Follow-up meeting first quarter of 2012
  - Shared understanding of what HSPA is about and how it can be used as a governance tool
  - Countries inspired and motivated by each other
  - Peer learning networks established

Progress in implementing the commitments of the Tallinn Charter (3)

- Greater stakeholder engagement in policy development and implementation
- Enthusiasm for cross-country learning and cooperation:
  - global, regional, subregional, multicountry activities
- Health systems better prepared to cope with crises

Examples of cross-country learning activities

- Widely disseminated analytical work (studies, publications)
- Flagship courses on health system strengthening and Barcelona course on health financing
- Networks (South-eastern Europe Health Network, Eurasian national health accounts)
- Knowledge, experience and expertise bank
- Joint health system performance assessment of the Netherlands and Switzerland
- Twinning of health policy analysis units in Kyrgyzstan and Tajikistan

Lessons learnt (1)

- The Tallinn Charter has led to a more vigorous policy dialogue on the importance of investing, reforming and preserving our health systems.
- Member States have made remarkable efforts to reinforce their health systems to meet the values of solidarity, equity and participation.
- The WHO Regional Office for Europe has been a key partner, working hand in hand with Member States to enable health systems to contribute to good health, become more responsive and fair.

Lessons learnt (2)

- Leadership, innovation and openness have been key success factors in moving the Tallinn agenda forward.
- Limited resources have prevented gains in some cases.
- The values and policy objectives endorsed in the Tallinn Charter are and can be put into practice.

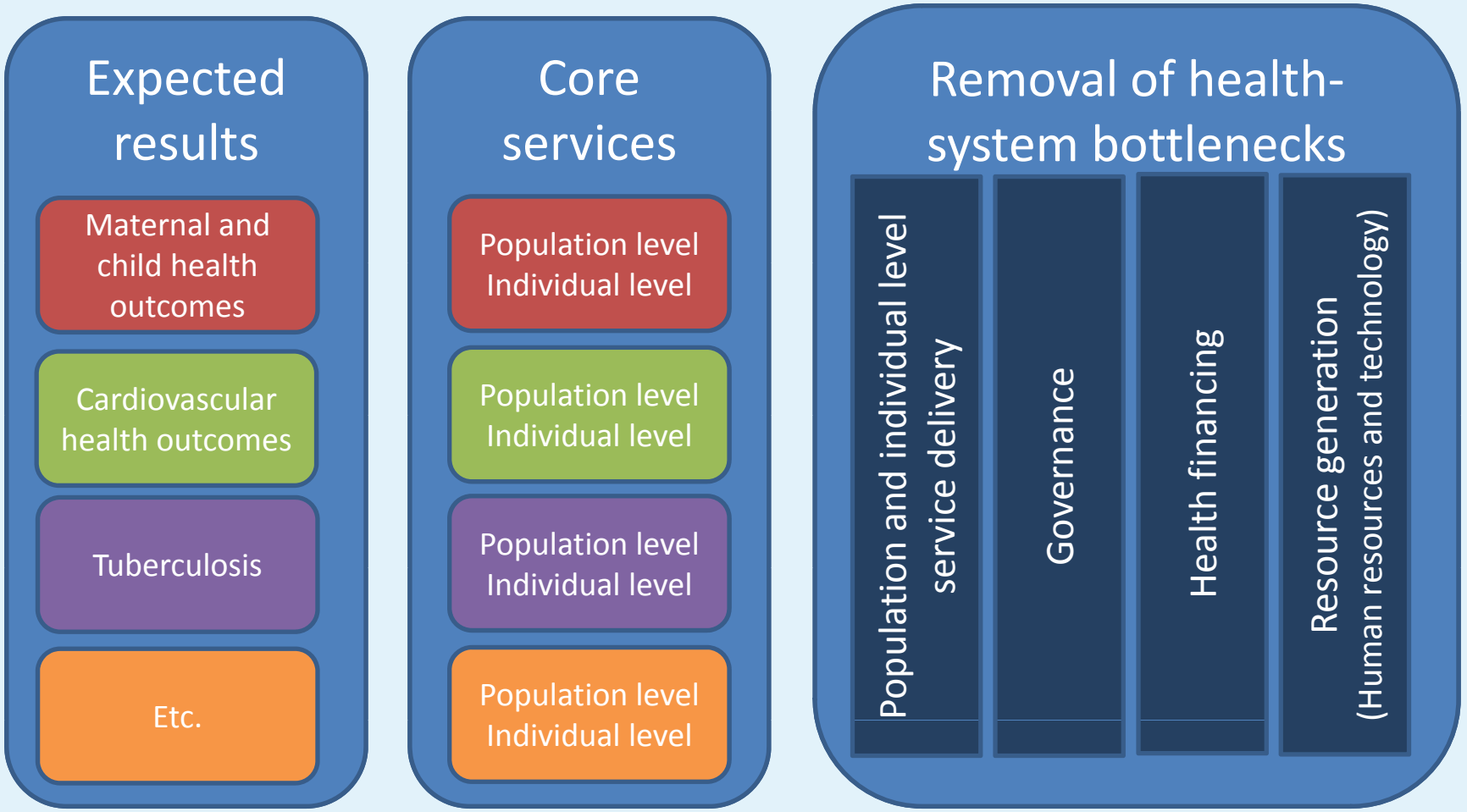
Final report post-Tallinn – 2015

- Level 1. Ongoing documentation of progress
  - Country questionnaires
  - Internet publishing
- Level 2. Lessons learnt from health reforms
  - Similar to the approach of the interim report, integrated with WHO's country work in the next biennium (syntheses of reform experiences, briefs by Health Evidence Network/European Observatory on Health Systems and Policies)
- Level 3. Assessment of the impact of the Charter
  - Lessons in terms of this type of political agreement among Member States, irrespective of the specific content
  - Independent evaluation
- Standing Committee of the Regional Committee consultation

Beyond Tallinn

- There is good progress on many of the Charter commitments.
- But many countries report disappointment in health outcome improvement.
- The challenge is to strengthen the impact of health system strengthening on health outcomes.
- This is the “Beyond Tallinn” agenda.

Operational approach to support Member States in strengthening health systems



What is new?

- Not a new framework but a new and more focused lens
- Driven by key health outcomes and global and regional strategies
  - Easily adaptable depending on priorities
- Focus on improving core services – the missing link
- Health system strengthening through removal of health system bottlenecks
- Within WHO, better integration of health system strengthening and technical programmes (such as noncommunicable diseases, tuberculosis, maternal and child health)

New approach of the Division of Health Systems and Public Health (DSP)

The approach lends itself to numerous immediate applications to support Member States' agendas in health system strengthening

- "Primers" – analytical work to map out health system barriers to better outcomes for key health priorities
- Design of national health plans and strategies and global learning programme material
- Applications to the Global Fund to Fight AIDS, Tuberculosis and Malaria and GAVI
- Capacity-building and training activities (such as flagship courses)

The consolidated package of strategies and services

- Accessible document
- Highlights key issues in health system strengthening Region-wide
- Sets out the DSP approach to health system strengthening, from health outcomes to core services to removal of barriers
- Gives overview of portfolio of products, tools and services “now and in the future”
- Describes delivery mode

Hedgehog concept = targeted action

- National health plans, strategies (link with Health 2020)
- Strengthening public health services and capacities
- Health system performance assessment
- Coordination of care – hospitals, primary health care
- Financial sustainability of the health system
  - financial crisis; *The world health report 2010*

Important

- Strong commitment from counterparts
- Country-level fund-raising

Health 2020: a regional opportunity

- Lessons learnt in implementing the Tallinn Charter have informed Health 2020
- The process has many synergies with Health 2020
  - Underpinning the values of solidarity and equity
  - Holistic approach to health
  - Central role of health systems
- Health 2020 will move forward in several areas mentioned in the Charter
  - Rejuvenating public health
  - Governance for health

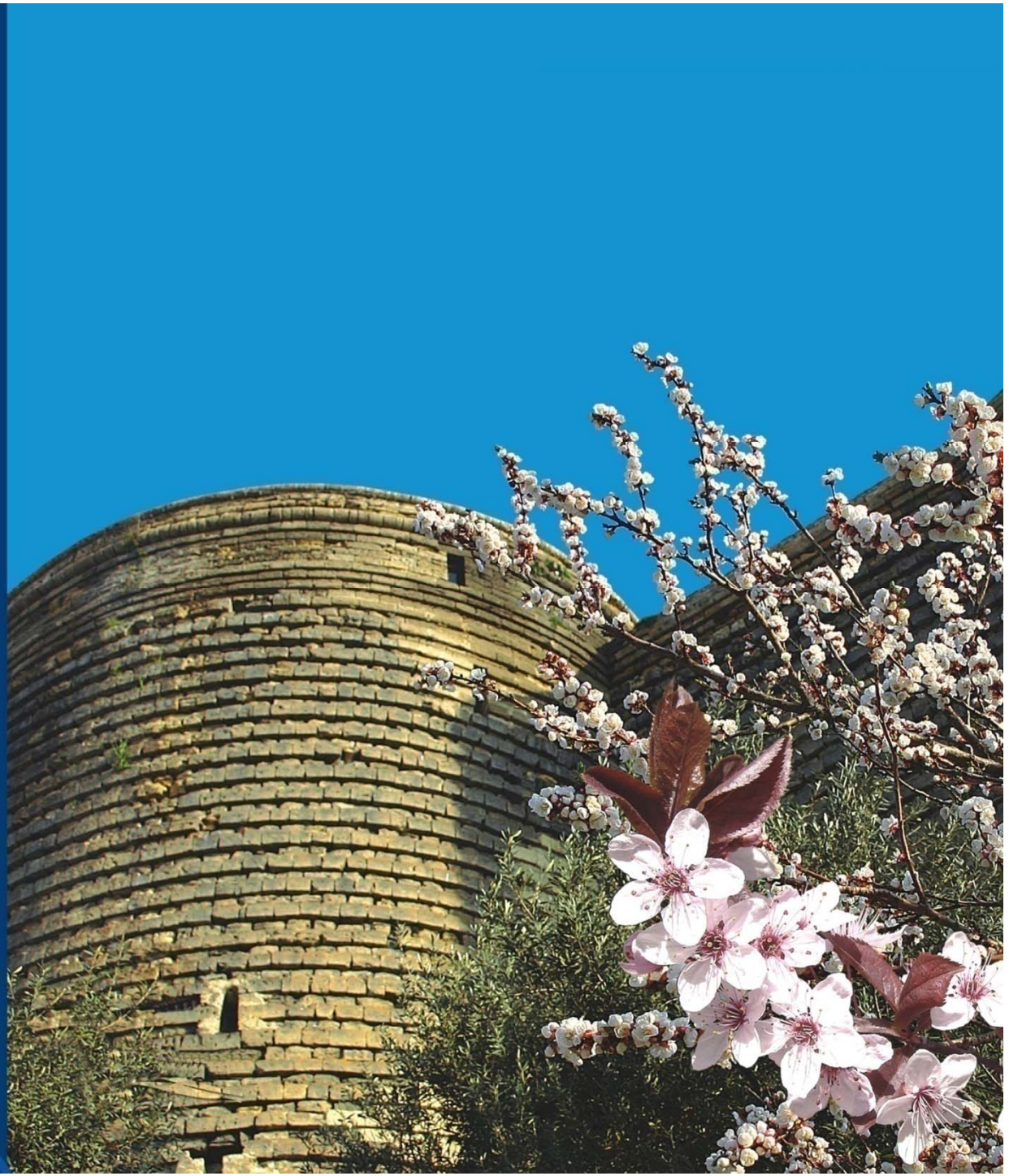
World Health Organization
REGIONAL OFFICE FOR Europe

Всемирная организация здравоохранения
Европейское региональное бюро

Organisation mondiale de la Santé
BUREAU RÉGIONAL DE L' Europe

Weltgesundheitsorganisation
REGIONALBÜRO FÜR Europa

Thank you



WHO REGIONAL COMMITTEE FOR EUROPE – 61ST SESSION
Baku, Azerbaijan, 12–15 September 2011

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WHO-REGIONALKOMITEE FÜR EUROPA – 61. TAGUNG
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Баку, Азербайджан, 12–15 сентября 2011 г.