

Address by Zsuzsanna Jakab, WHO Regional Director for Europe
Health systems in times of global economic crisis: an update of the situation in
the WHO European Region

Oslo, Norway

17 April 2013

SLIDE 1

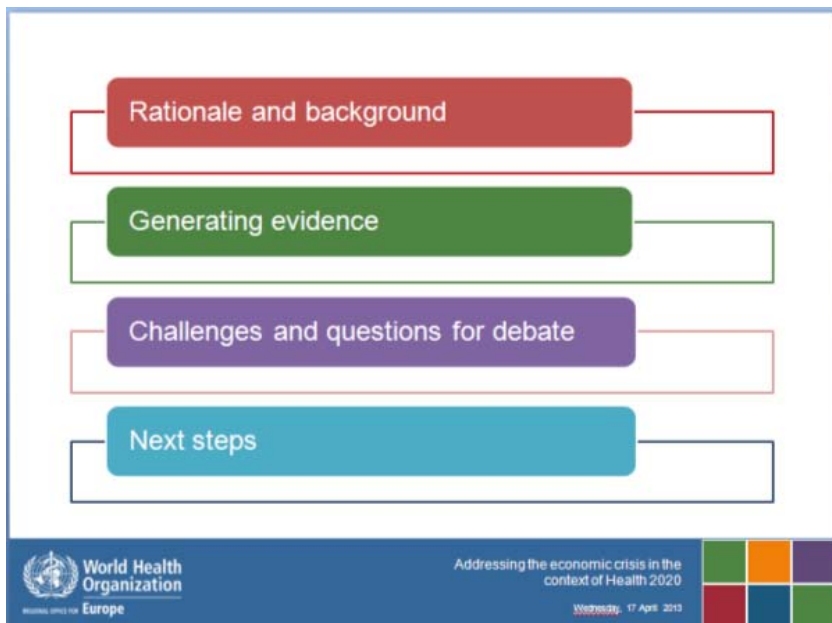


Distinguished Minister of Health and Care Services of Norway, Mr Jonas Gahr Støre, distinguished ministers and deputy ministers of the WHO European Member States, distinguished guests, ladies and gentlemen,

I am really delighted that this WHO meeting enables us all to be together today and tomorrow, at such crucial time for the whole European Region and the world, when we are facing the economic crisis that is affecting the health and well being of many people.

In my opening presentation, I am also pleased to address the economic crisis in the context of the WHO European health policy, Health 2020.

SLIDE 2



In my presentation I will address the following issues:

- rationale and background
- generating evidence
- challenges and questions for debate
- next steps.

SLIDE 3

Why is WHO so concerned?

Financial and economic crisis is threatening the health gains made across Europe in recent decades, and exacerbating the longer-term challenges facing our health systems.

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We recognize the diversity of the WHO European Region, and it is important to note that not all European countries were affected by the economic crisis, or not to the same degree.

For example, the effect of the crisis in eastern Europe and the Caucasus was brief, with positive growth resuming in 2010.

Norway, our host country, in fiscal terms also remained largely unaffected by the crisis (even though in 2009 there was negative gross domestic product (GDP) growth and a slight increase of unemployment, but this recovered quickly) and I could continue the list ...

But the economic crisis led to **deteriorating government finances** in many countries, with government debt as a share of GDP rising sharply. Many governments have also faced a sharp increase in borrowing costs as a result.

SLIDE 4

Growing health divide

Executive summary UCL World Health Organization

Interim first report on social determinants of health and the health divide in the WHO European Region

The crisis exacerbates the health divide within and across countries by:

- multiplying exclusionary factors
- increasing vulnerability
- depleting the coping capabilities of individuals and communities

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I am pleased to inform you that the first report on social determinants of health and the health divide in the WHO European Region is now final, and we are identifying a corporate event in the near future to launch this report and review its implications for policies in the different parts of Europe.

As you know, we have made significant progress in health outcomes in Europe, gaining 5 years in life expectancy in the last 3 decades, but you also know how concerned I am with the growing health divide in our Region.

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Health 2020 adopted by 2012 Regional Committee for Europe

Aim: to significantly improve health and well-being of populations, to reduce inequalities in health and to ensure sustainable people-centred health systems



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The health ministers and senior officials from the 53 Member States in the WHO European Region – as they do every year – gathered in Malta in September 2012 for the Regional Committee for Europe, which adopted, with full consensus, the ambitious and much needed new WHO European long-term policy for health and well-being: Health 2020.

Health 2020 provides a unifying framework and roadmap setting out our joint vision that forms the basis of the strategic health priorities for our Region in the years ahead. It provides a Region-wide platform for sharing expertise and experience, so that, even at a time of economic downturn, we leverage our individual strengths and continue to work towards health gains.

The aim of the new European health policy is to turn the tide of inequalities in health by addressing key factors in a more integrated and coherent way, including tackling the epidemic of noncommunicable diseases (NCDs), ensuring universal access to health care of appropriate quality and handling the root causes of ill health, including social determinants.

SLIDE 6

Solidarity at a time of uncertainty for many

Prolonged economic crisis in affected countries is in its fifth year

Policy response, based on our strong values as solidarity, critical to ensure our citizens' health is protected



This meeting takes stock of the evidence and identifies some emerging messages

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Given the prolonged nature of the current economic downturn, entering its fifth year, and with some commentators labelling it the Great Recession and making comparisons with the Great Depression of the 1930s... we need to ensure that the way in which we respond focuses on protecting the health of our citizens as best as we can. This refers both to the broader fiscal response, as well as the policies we respond with in the health sector. Policies need to be firmly rooted in a commitment to solidarity and protecting all citizens, particularly the poor and the vulnerable.

It is therefore critical to take stock of the situation to be better prepared in the future with policy responses that can help countries to safeguard the hard-won gains in public health made in the past, while maintaining or moving towards universal health coverage, protecting the poor and vulnerable.

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Since the onset of the crisis, WHO has intensified its engagement with Member States on the financial sustainability of the health systems in three ways: (1) doing analytical work to build the evidence base; (2) fostering policy dialogue and knowledge brokerage events to disseminate current evidence and share ideas and experience with respect to policy responses and lessons for the future; and (3) providing technical assistance directly to countries .

In 2009, Norway generously hosted the first meeting on the economic crisis, and the report on the financial sustainability of health systems by WHO and the European Observatory on Health Systems and Policies was launched during the Czech Presidency of the European Union (EU). In 2010, at the **first meeting of the European Health Policy Forum of High-Level Government Officials in Andorra**, which was also the second regional follow-up meeting on the Tallinn Charter, a special session was devoted to “sustaining performance in the context of the global economic crisis”. In 2011, the summary interim report on the implementation of the Tallinn Charter was presented, which had a chapter on sustaining equity, solidarity, and health gain in the context of the financial crisis.

In 2011, the Observatory, with WHO, conducted and published a survey among all 53 Member States on the policy responses to the crisis. And in 2012, WHO published the Observatory report on “Health system responses to financial pressures in Ireland: policy options in an international context”.

In 2012 WHO held a joint meeting with the Organisation for Economic Co-operation and Development (OECD) in Tallinn, Estonia, on the financial sustainability of health systems. This was a real step forward in strengthening the collaboration between health and finance officials, and we continue to explore further collaboration with the OECD and the EU in this field. Concerns over the sustainability of health systems are not new, but are now heightened as a result of the current crisis, and this dialogue between health and finance ministries needs to become stronger. The meeting focused on central, eastern, and south-eastern Europe.

The WHO Regional Office for Europe is conducting its third training course on health financing for senior-policy makers in May this year, and I am glad that there will be a good mix of participants from both EU and other countries. We encourage all the countries hardest hit by the crisis to attend.

The Observatory and WHO are completing an update of the summary of policy responses by the WHO European Member States and a draft is included in your background documents.

I had the pleasure, for the first time, of participating in the meeting of the senior working party on public health in Brussels in February this year and presenting my reflections on the impact of the financial and economic crisis on health and health systems in the European Region. I also attended the EU informal meeting of health ministers in Dublin in March, which considered the same issue. Overall it was a very successful event for which I would like to commend the Irish EU Presidency.

Last week I took part in a very productive high-level mission to Greece – with the Head of the EU Task Force for Greece, Mr Horst Reichenbach and Dr Udo Scholten of the German Federal Ministry of Health – to discuss with the Minister of Health and the Prime Minister’s office their request for WHO to take an expanded role in accelerating the health system reforms in the country. I was truly impressed by the leadership of the Minister of Health in pursuing these reforms in a very challenging climate, and I committed my full support.

All these actions are guided by the values and strategic objectives of Health 2020.

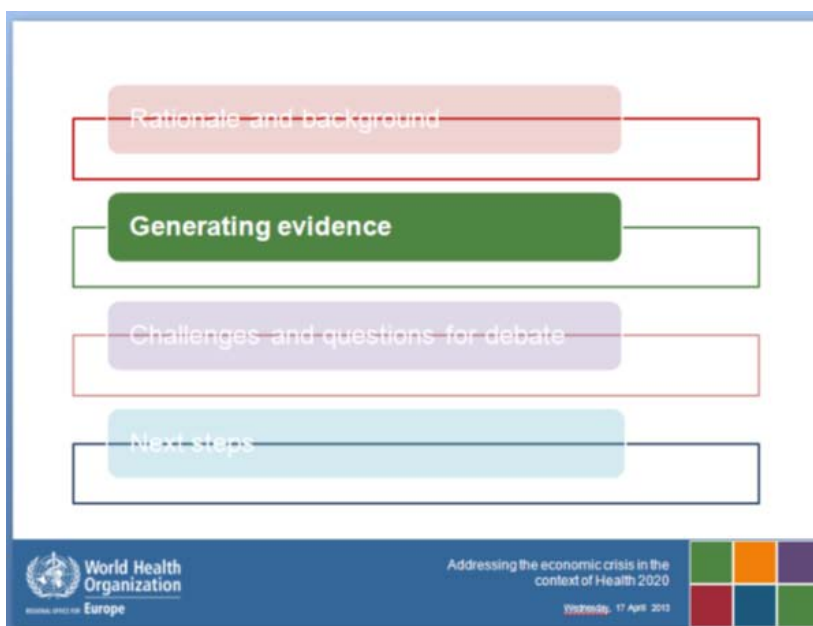
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This slide reflects WHO's involvement in this issue since the onset of the crisis, by using the key evidence and documents produced partly from the process and work that underlie Health 2020, and partly as specific work on the financial and economic crisis.

All this evidence gathering and evidence-based work forms the basis of the draft WHO outcome document of this high-level meeting, with the main policy recommendations that we would like to discuss and on which we hope to achieve consensus.

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I will now go a bit more into the detail of the process of generating evidence on the impact of the economic crisis on health and health systems.

SLIDE 10

Health 2020 – a two-year process of generating evidence

- With Member States and partners
- Unprecedented evidence review
- Gathering of new evidence
- Solutions that work
- Integrating and connecting
- Stakeholder (Peer) reviewed



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Many of you know about and took part in the development of Health 2020. This was a very inclusive and participatory process, with Member States and partners, in which building the evidence base for the policy was an outstanding priority. We not only reviewed all existing evidence but also identified gaps and developed new evidence where required: for example, on governance for health, the health divide, macroeconomics and health. We also reviewed the health status of the European population.

SLIDE 11

Impact of crisis on health and health systems: the most up-to-date evidence (1)

- Two surveys of policy responses in all 53 Member States
- Review of published literature and official databases (fiscal and health)
- In-depth studies of selected countries underway



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Since the onset of the crisis, WHO has been working with Member States to understand the challenges and policy responses implemented.

The evidence is presented in a draft outcome document of this high-level meeting, which is based on:

1. two surveys of all 53 Member States on the policy responses;
2. a review of published literature and official databases (fiscal and health);
3. in-depth studies of selected countries that are underway.

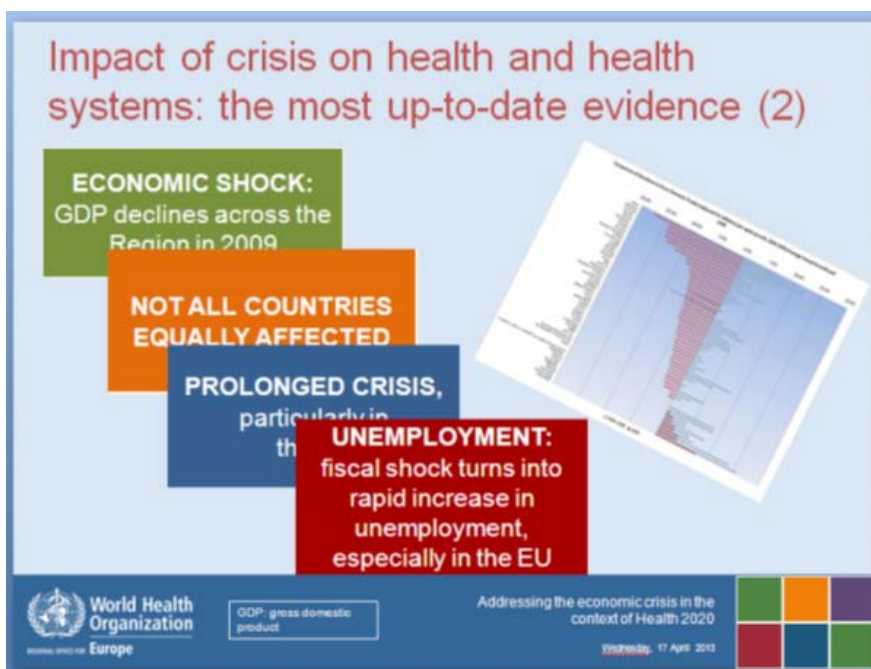
The draft WHO outcome document, which builds on all this evidence, will be distributed to all of you after the first session, before the coffee break, and I encourage everyone to give comments in writing as soon as possible to Dr Matt Jowett, Mr Charles Robson or Ms Leen Meulenbergs, so we can incorporate them into a revised version to be discussed at the final session, tomorrow afternoon.

The more detailed evidence is summarized in the technical background document of the meeting, called "Summary. Health, health systems and economic crisis in Europe. Impact and policy implications", which is also a draft for review, distributed to all of you in your files.

Since the ministerial meeting in Oslo in 2009, my team has worked hard and closely with Member States to provide direct technical cooperation to support their efforts to strengthen their health systems, including financial sustainability, and, where required, to navigate the crisis, as in Greece most recently.

We are also in close dialogue with several ministries of health to understand in depth what is the impact of the crisis, how they are navigating it and how WHO can best support them in this work. As soon as the in-depth studies in selected countries are completed, they will be published.

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The evidence on the impact of economic crisis on health and health systems leads to the following conclusions:

1. across the Region the shock of the crisis led to a significant decline in real GDP in 2009, bringing to an end a decade of economic growth;
2. GDP grew in many EU countries in 2010 and 2011, but fell again in half of EU countries in 2012, and little or no growth is expected in 2013;
3. not all countries were affected, but many are experiencing lower economic growth as a result of falling trade and remittances; and
4. unemployment has increased sharply in many countries: across the EU, from 7.1% in 2008 to 10.5% in 2012, and 12.0% in early 2013.

We will explore this in more depth in session 1, after the coffee break.

SLIDE 13

Economic impact of health systems

In the EU, the health sector accounts for about 10% of GDP: more services...

Health sector is a major employer – an important political

Further, unemployment is the single largest way in which financial crises directly increase the risk of ill health

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The important economic impact of health systems is more and more widely acknowledged. This was the theme of the conference in Tallinn, Estonia in 2008: “health for wealth”. We plan to follow up on this at a high-level meeting in Tallinn, on 17–18 October 2013. Also, Health 2020 makes clear that health and well-being are the most important goals of any society, and a significant resource that helps to promote the reciprocal relationship between health and development.

Globally, health is an important sector of the economy; countries spend a greater and greater part of their wealth on health as they get richer.

The health sector also provides employment to large numbers of workers. The health sector employs about 6% of all workers in the EU, and accounts for about 10% of the EU GDP. The pharmaceuticals sector accounts for €196 billion and 640 000 jobs, which makes it the fifth largest sector in the EU.

Medical technology accounts for €95 billion, shows 5% annual growth and provides 550 000 jobs in the EU. This makes the health sector larger than the financial services or retail sector.

The health sector is a major employer – an important political priority.

Further, unemployment is the single largest way in which financial crises directly increase the risk of ill health.

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1. We know from past economic crises that there can be an adverse affect on many of the **social determinants of health**, such as income, employment, education, nutrition, corporate practices (marketing and pricing, for instance) and taxation. The results depend on the extent of family assets, the basic family and welfare support models, etc.
2. This slide highlights some of those risk factors: the increased risk of mental health and suicides, as well as worse recovery from illness.
3. Nevertheless, evidence shows that interventions to boost employment and ensure access to health and other social services can mitigate these negative effects.

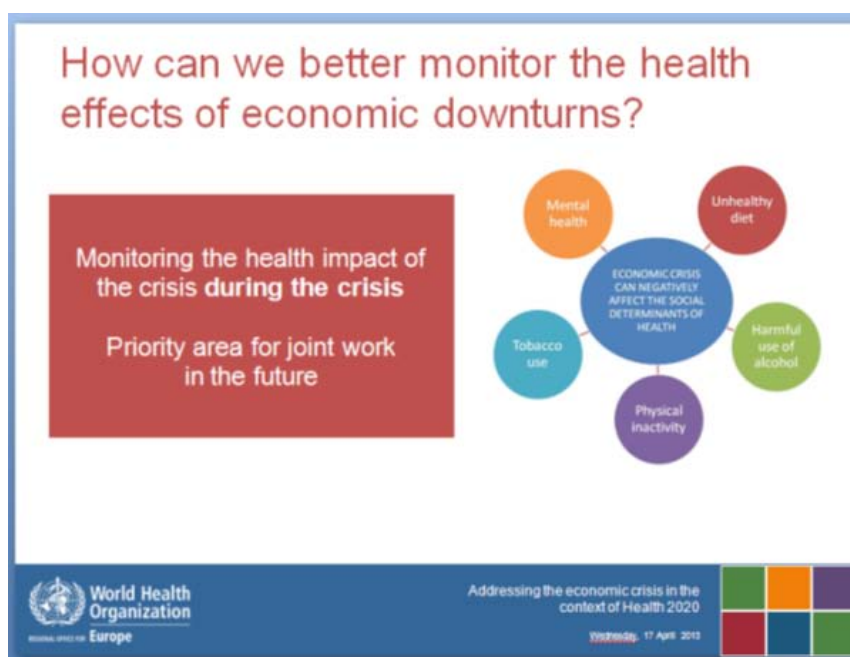
Each additional US\$ 100 per capita spending on social welfare (including health) is associated with a **1.19%** reduction in mortality, while each additional US\$ 100 per capita increase of GDP is associated with **only a 0.11%** reduction in mortality.

Prevention and early treatment of these diseases can save health systems significant costs.

Furthermore, given the growth of NCDs, much of current spending AND most of future demand will come from patients with long-term chronic illness. Hence, most improvement in value for money will come from improvements in the way that such conditions are managed, first and foremost in the field of **health technologies**. As a World Bank staff member mentioned at a recent meeting: we have to look at the “money on the floor first” (that is, money wasted) and invest resources in the best and most cost-effective way.

We know that, in many countries, spending on hospitals represents a significant misallocation of resources, but time is required to reform service delivery systems, and to realize efficiency savings.

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One area that is now a priority for our future work together is to develop an improved set of **tools and instruments for the timely monitoring of the impact of the crisis on the health of the population**. While we already do a lot, monitoring the impact of a crisis **during the crisis** itself remains a challenge.

We know that many of the health effects of economic downturn emerge quickly, while others emerge further down the road. Much of our routine data systems do not provide timely data to policy-makers. In addition to using technology to speed up the overall reporting of information, we also need close monitoring in the areas we know to be most sensitive to downturn, such as mental health problems. We can, for example, monitor utilization of treatment services and the provision of essential preventive services. Other risk factors for ill health are also sensitive to change during such periods (as shown in the slide) and these also require close monitoring.

Financial protection is also of great concern, and this is an area where WHO has massively improved its efforts over the past decade. Where user charges are introduced or increased in response to the

crisis, we need to monitor closely the changes in levels and patterns of service utilization that are likely to result, as well as the effect on household finances.

Finally, changes in levels of unmet health needs, as measured by the EU-Statistics on Income and Living Conditions (EU-SILC) instrument, can alert us to areas of possible negative health effects.

We can also learn lessons we can learn from the field of epidemiology.

The WHO Regional Office for Europe is very committed to work hand in hand with Member States to secure a more “real-time” monitoring of the effects of the economic downturn on public health. During my recent mission to Greece, the Minister of Health and I discussed this extensively; we plan to start a pilot project in Greece that can later be rolled out.

Much of current spending and most of future demand will come from patients with NCDs and long-term chronic illness. Most improvement in value will come from improvements in the way that NCDs are prevented and managed. The detection of undiagnosed chronic conditions at the primary health care level leads to quick gains.

Dementia is often a cause of extended hospital stays. We know that, in the United Kingdom’s National Health Service (NHS), for example, training of hospital staff to deal with dementia patients is a particular challenge. This highlights the paramount importance for WHO and its Member States of continuing to prioritize the work done on human resources for health; further exploring the roles of nurses, midwives and community volunteers; ensuring more continuity between health, social and home care; and focusing more on patient participation.

Technology is constantly changing the clinical model. What is possible to do, where is it possible to do it? This in turn has significant implication for how services are organized and configured. One area that will bring further gains is to invest more in health technology assessment, which is also on our list of priorities at the WHO Regional Office for Europe.

Yet there are also many positive trends. We know much more about the range of determinants of disease, particularly the social determinants, and we have more evidence-based information about what works and what does not. Also the technologies available to us have greatly improved, with the promise of much more to come.

It was clear to me that, to respond to these challenges and opportunities, we needed a collective coherence in our policies and programmes to improve health and wellbeing. Health 2020 provides this coherence. It encourages a broad re-think of current mechanisms, processes, relationships and institutional arrangements across all sectors and society as a whole, and it reconfirms our joint commitment to our social values.

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How can we protect funding for public health?

How can we safeguard access to services?

How can we better protect poor and vulnerable people?

How can we make our health systems more resilient in the future?

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The slide features a blue border and four colored boxes (green, orange, blue, red) containing the questions. The footer includes the WHO logo, the text 'Addressing the economic crisis in the context of Health 2020', the date 'Wednesday, 17 April 2013', and a 2x2 grid of colored squares (green, orange, red, blue).

Here are some emerging questions for a frank debate and reflection today and tomorrow.

- How can we protect funding for public health?
- How can we safeguard access to services?
- How can we better protect poor and vulnerable people?
- How can we make our health systems more resilient in the future?

SLIDE 19

Rationale and background

Generating the evidence

Challenges and questions for debate

Next steps

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This slide highlights the process designed to complete the draft Oslo outcome document between now and the 2013 session of the WHO Regional Committee for Europe. In May, the draft will be discussed, including at the open meeting of the Standing Committee of the Regional Committee (SCRC). During the summer, we will conduct a web-based consultation with Member States and complete the generation of evidence. Finally, the outcome document will be submitted to the Regional Committee in September.

The draft will be distributed before the first coffee break. Again, please give your comments to Dr Matt Jowett, Mr Charles Robson or Ms Leen Meulenbergs so we can incorporate them for our plenary discussion at the final session tomorrow.

Thank you very much for your presence and your commitment to work on this important matter over the next two days here in Oslo, and in the coming years at the regional and country levels. I am sure that, with political leadership, we can make a difference and turn the challenges we face into opportunities for the health and well-being of our people in the WHO European Region.

Thank you very much.