



EHFG 2012: Crises are „windows of opportunity“ for health care reform

Economic crises and recessions affect health systems in entirely different ways. In less-developed countries they represent a severe threat to any progress that has been achieved. But in industrialised societies they can prove to be a motor for breaking up old, out-dated, structures and be the catalyst for renewal, experts told the European Health Forum Gastein. But they argued that sustainable reforms depended on their shape and direction being worked out in advance.

Bad Hofgastein, 5 October, 2012 - Economic crises can provide an entirely positive impetus to health systems – at least in developed countries. “A health care system stabilises the economy in times of crisis, provided it has adequate reserves and potential for efficiency,” Dr Thomas Czypionka, of the Vienna Institute for Advanced Studies, told the European Health Forum Gastein (EHFG). “Conversely, pressure to cut costs in times of recession can actually create opportunities to accelerate reforms in the health sector.”

In the main, health care and equality of health treatment in industrialised countries were relatively little affected by crises, he said. Demand for health services did not depend on the economy, indeed the health system is an economic factor which could even help out in turbulent times. The OECD had demonstrated this in a 2010 working paper: “In countries where GDP falls, the share of GDP spent on health tends to rise,” Dr Czypionka, an expert in health economics and health policy, told the EHFG.

Accelerating the pressure to reform

The pressure to cut costs which economic crises bring in their train can also bring about thoroughly positive changes, Dr. Czypionka stressed. “In many developed countries there are traditional structures in need of deeper reforms which are in turn blocked by political resistance. Crises can – though this will not necessarily be the case – be motors for such change, because for a short time they create a wide divergence between need and available finance. This can mean that change has to be implemented which might otherwise not happen till years later.”

Dr. Czypionka therefore sees crises as a “windows of opportunity“, but ones which quickly close again if there is an improvement in the economic situation. “The pressure is reduced, and more radical changes use up a relatively large amount of political capital.” This phenomenon could only be exploited if, before the crisis set in, serious ideas for reform had been developed which, if necessary, could be implemented fairly rapidly.

Current crisis has lasting impact

But Dr Czypionka said he saw the current economic crisis in Europe as different in a number of ways: “Its effects are likely to be more sustained than those of previous crises, since not only banks, but in EU countries the whole community has been caught up in the maelstrom. It's hard to quantify such effects, however.” The way these worked out in practice had until now been very diverse, according to the WHO's Health Evidence Network: in part, countries had been able to draw on reserves and so expand access to services for the low-paid, or to make their system more efficient.



But many other European countries had been much less well-prepared, reacting by simply making cuts, even abandoning reforms which had already been put in train, or increasing the burden on individuals for using basic services, either by imposing extra costs or lengthening waiting-lists. „I fear that the consequences will be felt for many years to come – possibly most when the demographic trend hits hardest, with all the strains that will impose on health and social systems,” Dr Czypionka said.

Risks for less-developed countries

However, this assessment did not apply to the entire global situation. „In less-developed countries, crises are typically much more damaging than in industrialized countries. Where health systems are still at the development stage, there is very clear evidence of improved quality of life and more equality. Both of these declined in a very immediate way when there are crises, the successes and achievements of reforms going into reverse or even being completely wrecked,“ said Dr Czypionka.

Current figures have been provided by a research team headed by Christopher JL Murray in the journal *Health Affairs*. These show there has been a marked slowing-down in the increase in development aid for health projects since 2009. On top of a fall in contributions by donor countries, funding commitments by many UN agencies as well as the Global Fund to Fight AIDS, tuberculosis, and malaria, had stagnated. That there was nonetheless a year-on-year increase of about four per cent was primarily because the World Bank appeared to have deliberately increased its contributions as a reaction to the global economic crisis.

Where crises result in sudden cuts in public health-care spending, this can, according to the WHO's analysis, endanger the health-care of the population at large. What made this worse, said Dr Czypionka, was that forced cuts – best avoided at the best of times – came just when a society needed more, not less, resources to deal with health issues resulting from, for instance, unemployment. There was a risk of destabilization, notably where cuts damaged the financial base of the most important services.

The EHFG is the most important conference on health care policy in the European Union. In this its 15th year, the EHFG attracts more than 600 decision-makers from 45 countries to discuss major topics on the future of the European health care system from 3 to 6 October 2012.

Please find photos of the European Health Forum Gastein using this link: <http://www.ehfg.org/940.html>.

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