Can people afford to pay for health care?

Key findings from the new regional report on financial protection in Europe

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The numbers:
how many? who? what?
Out-of-pocket payments lead to (or worsen) poverty – even in Europe’s richest countries

Health systems undermine social protection systems

WHO Barcelona Office for Health Systems Financing (2023)
Incidences of catastrophic OOPs across Europe

WHO Barcelona Office for Health Systems Financing (2023)
The poorest households are most likely to experience catastrophic spending.

Higher financial hardship

Lower financial hardship

WHO Barcelona Office for Health Systems Financing (2023)
How much OOPs for different services in the EU?

Breakdown of health spending by type of care and financing scheme

- Inpatient care: 4%
- Diagnostic tests: 13%
- Outpatient care: 27%
- Outpatient medicines: 40%
- Dental care: 59%
- Medical products: 61%

Public spending on health
Voluntary health insurance
(Note how small this is)

Out-of-pocket payments

What drives financial hardship?
On average, households with catastrophic spending are mainly paying for medicines - also dental care & medical products.
Financial hardship is driven by OOPs mainly for treatment in primary care

The **poorest** households with catastrophic health spending are mainly paying for **medicines** – also **medical products**.
Financial hardship is higher in health systems that rely more heavily on out-of-pocket payments but policy matters!

15%
The (very short) story behind the numbers: gaps in coverage affect people differently

Dental care mainly drives financial hardship in richer households

Poorer households are more likely to experience unmet need for dental care

WHO Barcelona Office for Health Systems Financing (2023); data on unmet need from Eurostat (EU-SILC)
Many health systems are addicted to bad ideas

Coverage policy is full of them (thanks to path dependency)

Inequalities are a problem: bad ideas hit people with low incomes the hardest (and economic shocks add to the pain)

Inequalities are part of the solution: progress is possible if countries can overcome path dependency and adopt ‘progressive universalism’ – this builds resilience too
Addiction to a bad idea #1:
linking entitlement to payment of contributions

Leads to visible gaps in coverage
Mainly affects people with precarious work
Undermines efficiency

WHO Barcelona Office for Health Systems Financing (2023); data on population coverage from the OECD health database
Addiction to a bad idea #1: linking entitlement to payment of contributions

- Leads to visible gaps in coverage
- Mainly affects people with precarious work
- Undermines efficiency

Population coverage is not a good indicator of financial protection: a prerequisite for financial protection – but not a guarantee

WHO Barcelona Office for Health Systems Financing (2023); data on population coverage from the OECD health database
Addiction to a bad idea #1: linking entitlement to payment of contributions

People lose coverage when they need it most, undermining household & health system resilience

There is no evidence that using the health system to address a tax problem is effective

Progress is possible: SHI in France & Israel have broken this link & base entitlement on residence
Addiction to a bad idea #2: user charges

Large body of evidence shows user charges are inefficient

Countries try to protect some services from user charges

User charges by type of health care in 40 countries in Europe

- Emergency visits
- Primary care visits
- Diagnostic tests
- Specialist visits
- Inpatient care
- Medical products
- Dental care
- Outpatient prescribed medicines

User charges most commonly applied to treatment in primary care settings

Not covered
Not covered for all
User charges
Addiction to a bad idea #2: user charges

Countries try to protect people from user charges

- Limited exemptions and no cap
- Percentage co-payments

But protection is not always adequate or effective

- Exemptions or caps based on income
- Voluntary health insurance covers co-payments for most people

Co-payment design matters

- Remove admin barriers
- Monitor & adjust

WHO Barcelona Office for Health Systems Financing (2023)
Tackling addiction to bad ideas: what makes progress possible?

- Evidence & analysis
- Progressive universalism
- Overcoming path dependency
Look out for our new online platform in December 2023:

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