Public Health Effects of the Economic Crisis in Europe

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Executive summary

*The Lancet* Series on Europe provides a comprehensive examination of some of the most important issues affecting the health of people in Europe today. Seven Series papers, led by Professor Martin McKee of the London School of Hygiene & Tropical Medicine, cover a diverse range of subjects, from how the financial crisis is affecting health in Europe, to whether children's health services are keeping pace with the changing landscape of child health. In recent years, the 53 countries that make up WHO’s European Region have undergone turbulent political changes that have left an indelible mark on the health of their populations, including a striking east-west divide.
Contents

• Where are we now with the crisis?
• Impact on health systems
• What to expect – previous crises
• Current crisis: impact on public health
• Key messages
Where are we now?

GDP change, selected countries
Where are we now?

Unemployment (%), selected countries

- Eurozone
- Germany
- Ireland
- Greece
- Spain
- Portugal
- United Kingdom
- United States
- 53 WHO Euro states/47 country responses
- Questionnaire to health experts in each country
- 2 rounds: 2011 and 2013
- Health policy responses specifically to financial crisis

Changes to budget and raising revenue
- Raising contributions and broadening the revenue base
- Increasing transfers from governmental budgets
- Reserves and countercyclical mechanisms
- Changes to fiscal policy (new taxes)
Countries with a reduction in per capita public spending on health

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*Thomson et al, 2013*
Health systems response - coverage

- Changes to coverage

[Diagram showing the relationship between public expenditure on health and total health expenditure, with dimensions for breadth (who is covered), scope (which benefits are covered), and depth (what proportion of the benefit cost is covered).]
Health systems response - efficiency

Increasing efficiency
- Cutting costs
- Purchasing
- Pharmaceutical expenditure
- Rationalising, restructuring
Troika and MoU for Greece:

- PHE at 6% of GDP
- €2 bln savings in pharmaceuticals between 2010 and 2012 (through pricing mechanisms and prescribing monitoring)
- 25% decrease in expenditure for joint purchase of medical services and goods (by end 2011)
- Introduction of single HIF (EOPYY), with 50% reduction in admin staff and 25% reduction in contracted doctors
- 10% + 5% reduction in hospital costs in 2011 and 2012
- 10% + 15% reduction in compensation costs (doctors wages and fees) in 2011 and 2012
- Introduction of hospital computerisation and monitoring systems
Health systems response - summary

- Impact on health sector revenue and budgets
- Some countries were more prepared than others
- Reduction of health coverage, cost shifting
- Cost savings through purchasing
- Missed opportunities («sin» taxes, HTA strengthening)
Impact on health – previous crises

Effects of recession

• procyclical vs counter-cyclical

Mortality increases during economic growth (Ruhm, Tapia Granados), high income countries, up to mid1990s.

Association with unemployment and health in individual-level studies (Scandinavia, US, Canada, EU).
Impact on health – previous crises

1% rise in unemployment $\rightarrow$ increase in suicides and homicides, decrease in RTAs

3% rise in unemployment $\rightarrow$ increase in alcohol-related deaths
Impact on health – previous crises

Unemployment, suicide rates and ALMP spending in Spain and Sweden

Stuckler et al (2009)
Impact on health – previous crises

Response on bmj.com
"Programmes must... be designed to prevent further negative social problems, or financial risk. The programmes must clearly benefit the people of the country. There should be no partiality among citizens, whether employed or unemployed."
Monique J Grant-Coke, nursing program coordinator and assistant professor, Jamaica

To submit a rapid response, go to any article on bmj.com and select “Respond to this article”

Budget crises, health, and social welfare programmes

Governments may feel they are protecting health by safeguarding healthcare budgets, yet David Stuckler, Sanjay Basu, and Martin McKee argue that social welfare spending is as important, if not more so, for population health

$100 per capita per year increase in social welfare spending was associated with a 1.19% drop in all-cause mortality
Impact on health – previous crises

Banking crises and mortality during the Great Depression: evidence from US urban populations, 1929–1937

David Stuckler,1,2 Christopher Meissner,3 Price Fishback,4 Sanjay Basu,5 Martin McKee6

- Increase in suicides, decrease in RTAs;
- Changes in other causes unrelated to bank suspensions
Impact on health – previous crises

Collapse of the Soviet Union 1990s

- 5-7 years loss of life expectancy in males and 2-3 years in females

- Change in death rate associated with privatization pace and level of social cohesion

What do we know?

- Lack of (timely) routine data on health
- Lack of published research
- Denial of effects on health by some governments
• Increase in suicides (changes in historical trends)

Change in suicide rate in the EU12 and EU15
Adapted from Stuckler et al (2011)
Impact on health – current crisis

England: 1,000 excess
Suicides (2008-2010) (Barr, 2012)
- 846 (95% CI 818-877) for men
- 155 (95% CI 121-189) for women
- 10% increase in number of unemployed = 1.4% increase in male suicides

Impact on health – current crisis

US (Reeves 2012):
- 4750 (95% CI 2570-6920) excess suicides (2008-2010);
- 1% rise in unemployment → 1% increase in suicides

Italy (De Vogli):
- 290 (95% CI 112-468) excess suicides and attempted suicides due to economic reasons (2008-2010)
- 1st grassroots movement on MH responding to “suicides by economic crisis”

Spain (Lopez Bernal et al, 2013):
- 21 excess suicide a month, or 680 per year (2008-2010)
- 8% increase above the underlying trend (OR 95% CI 1.01-1.16)
- 30% increase in suicide helpline calls in 2012 (El Pais)

Greece:
- 45% rise in suicides from 2007 to 2011 (Kentikelenis et al, in review)
- 36% rise in suicide attempts between 2009 and 2011 (Economou et al, 2011)
Mental health has deteriorated:

- **England:**
  - deterioration in mental health in men between 2008-2010; could not be explained by employment status (Health Survey for England)
  - 220,000 excess mental health problems per year associated with unemployment levels; regional divide (British Household Panel Survey)
Impact on health – current crisis

Mental health has deteriorated:

• Spain:

  – Increase in disorders: 19% in major depression, 8% in anxiety, 7% in somatoform and 5% in alcohol-related disorders.

  – Risk of major depression: OR 1.7 for unemployed family member; OR 2.1 for mortgage repayment difficulties, OR 3.0 for evictions
Mental health has deteriorated:

- Greece:
  - 2.5 times increase in major depression between 2008 and 2011 (Economou et al, 2012)
  - 29% increase in suicidal ideation and 36% increase in attempted suicide between 2009 and 2011 (Economou et al, 2013)
  - 120% increase in MH service use over 3 years (Anagnostopoulos & Soumaki, 2013)
  - State funding for MH decreased by 20% in 2011 and further 55% in 2012.
High-burden epidemics in Greece in the era of economic crisis. Early signs of a public health tragedy

S. BONOVAS, G. NIKOLOPOULOS
Hellenic Centre for Disease Control and Prevention, Athens, Greece
Impact on health – current crisis

Infectious diseases- increase in HIV

Instances of HIV infections by transmission category

- IDUs
- Unknown
- Heterosexuals
- Homosexuals

No. of new infections

- Values: 10, 10, 14, 206, 522

European Observatory on Health Systems and Policies
Impact on health – current crisis

Unmet medical need (EU-SILC)
Impact on health – current crisis

Unmet need in Greece compared to 2007:

- 2009: OR = 1.15*
- 2011: OR = 1.50*
  (OR=1.67* for over 65s, OR=1.90* for urban areas)

Main reasons: cost, waiting lists, and distance

*P<0.05
Some good news:

- Improvements in lifestyle (smoking and alcohol consumption), but...
- ... increase in binge drinking
- Decrease in smoking
Impact on health – current crisis

- RTA mortality

![Graph showing RTA mortality trends from 2000 to 2011 for Germany, Hungary, Lithuania, and Spain.]
Impact on health – current crisis

Is there an alternative?
Key messages

- During the crisis some health systems were better prepared than others
- Austerity measures had severe impact on health, particularly the most vulnerable groups
- Social safety nets (formal and informal) can mitigate the impact on health
- Europe is a natural laboratory
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Thank you!