

2016 Country Reports

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2016 Country Reports: EPHA Analysis

Introduction

The [Five Presidents' Report](#) published in July 2015 set out a concrete vision for the future of Europe's economic governance, highlighting concrete steps to [deepen and strengthen](#) the Economic and Monetary Union (EMU). The President's Report set forth the 'revamping' of the European Semester, introducing a more streamlined process with a clearer focus on key macroeconomic priorities, fewer documents and adjusted timeframes while highlighting priorities on growth-enhancing reforms, job creation and opportunities offered by the Single Market.

The Country Reports, previously published as Staff Working Documents (SWDs) accompanying Country Specific Recommendations (CSRs) were published earlier this year (three months ahead of the CSRs). The last round of Country Reports was thematically more comprehensive, analysing Member States' economic and social developments in key areas of macroeconomic importance in more detail. An earlier publication of the Reports intended to give Member States more time to prepare their National Reform Programmes (NRPs) and to respond to specific challenges identified in the Country Reports. Consultation and involvement of national and local stakeholders may therefore benefit from an extended consultation timeframe in the drafting process of the NRPs under the streamlined European Semester process, however at this point it still largely depends on Member States on how national stakeholders, including social partners and civil society, are best included. For example, in the Netherlands, where consultative policy making is a longstanding tradition, Social Partners' contribution is published as an annex to the National Reform Programme. A stronger contribution from Civil Society, benefitting from the extended consultation timeframe of the 'revamped' Semester, could further improve the democratic accountability of the process while strengthening its social dimension.



Country Reports 2016: Key references with relevance to Health

Sustainability of public finances remains the single most encompassing issue across all Country Reports. As a consequence, the majority of Reports make strong reference to improving cost-effectiveness and efficiency of healthcare delivery. This remains valid for countries where health outcomes are described as poor or where the system is identified to be generally underfunded (Romania, Bulgaria, Latvia, Slovenia, Portugal). The most frequently shared normative view put forward across the Reports pertains to the reduction of the strong reliance on inpatient and the strengthening of outpatient care (Austria, France, Lithuania, Poland, Slovakia, Bulgaria, Czech Republic, Latvia and Slovenia).

Access to health is widely mentioned in the Country Reports, often encouraging Member States to reduce access barriers. Critical access concerns are most frequently linked to distance, inefficient spending, social inequality or long waiting lists. Inadequate access is further illustrated by a high level of unmet needs thematised in the case of Croatia, Bulgaria, Romania, Estonia, Cyprus and Ireland. For Finland, unmet needs relate to longer waiting times (higher than EU average), while unmet needs due to cost and distance are among the lowest in the EU. In the case of several CEE countries, the Reports clearly state that access is further exacerbated by bribery and a high level of informal-payments (Lithuania, Latvia, Romania, Bulgaria).

At least 14 Country Reports make reference long-term care, mostly in the context of fiscal sustainability challenges and an increased demand for long-term care due to an ageing population. Fragmentation and lack of integration between healthcare and social services is identified as a challenge in the case of Slovenia, Slovakia, Croatia and Romania. The Reports for Slovakia, Italy and Malta highlight the role of women with care responsibilities alongside the informal character of long-term care, with negative repercussions for the labour market. Finally, a dedicated allocation of the European Structural and Investment Funds (ESIF) for improving long-term care infrastructure and facilities is exemplified for Estonia and Lithuania.

Several Country Reports mention expenditure related to prevention, while some of them also illustrate prevention as a future challenge for health systems sustainability.



References to health promotion and disease prevention (incl. preventative care in primary care setting) in 2016 Country Reports

Croatia	Share spent on prevention is lower than the EU average.
Denmark	Preventing and tackling life style and stress related diseases identified as future challenges
France	Actions in the areas of public hospitals and prevention could have a leverage effect to the measures already taken to rein in public spending on health. Furthermore, spending on prevention in France is below the OECD average (2% vs 2.8% of GDP)
Germany	Reference to existing adoption of laws on healthcare, incl. the Act on disease prevention and health promotion (Präventionsgesetz) with the aim to generate long-term gains in efficiency through 'returns on prevention'
Latvia	The government is putting limited efforts into improving disease prevention and health promotion. The share of national resources allocated to prevention has decreased despite the high level of chronic conditions and the lack of focus on preventable lifestyle diseases. The Public Health Strategy 2014-2020 earmarks significant financial resources for activities in these fields. However, it has not been translated into actual national budget allocations in 2016. Still, EUR47 million from the European Social Fund can be allocated to health promotion and disease prevention services
Lithuania	The performance of the health system could be improved by reducing the strong reliance on inpatient care and by strengthening outpatient and preventive care
Malta	Preventive strategies that target older people with the aim of preventing frailty and dependency are not fully in place.
Poland	Low share of spending on (typically more cost-efficient) outpatient care services and below EU average spending on prevention and public health services
Portugal	Spending on prevention is relatively low by European standards
Romania	The country has one of the highest rates of potentially amenable and potentially preventable deaths, which should not occur with timely and effective health care. Reference to shifting resources from hospital-based care



	towards preventive and primary care
Slovenia	As part of the effort to rationalise and contain expenditure, work is ongoing to strengthen preventive measures. Reportedly, pilots have been launched in several areas and appear to be promising in terms of fostering greater involvement of local communities in service provision.

On environment, air pollution is most widely mentioned as an area in need of improvement as well as in the context of its economic and public health burden (Belgium, Hungary, Italy, Luxembourg, The Netherlands, Poland, UK, Czech Republic, Malta, Slovenia and Spain). In Slovakia's case, the Report takes a stricter tone by directly criticising non-compliance with EU air quality standards.

Several reports mention the need to keep a healthy workforce to ensure growth. The reports for Austria, Denmark, Finland, Germany, Poland or Spain mention the role of occupational health and the quality of working life for the elderly. Concurrently, raising retirement age and the intensification of the active labour participation for older workers are encouraged at the EU level to decrease the level of public spending due to pensions.

In order to reduce the costs of medicines, the promotion of generics and the extension of their list (France, Ireland or Portugal), the renegotiation of prices of medicines (Spain, Czech Republic and Slovakia) and the improvement of prescribing practices (Ireland, Portugal, Bulgaria) are encouraged.

On taxation, a shift from labour to consumption are routinely suggested as a growth friendly and work incentivising measure, pointing out that the burden on labour in many MS remains very high. Tax evasion and proper tax collection are addressed in the case of several MS, mentioning existing VAT gaps (Poland, Slovakia) and undeclared work (Romania), amid broader calls for tax transparency.

An obvious shortcoming of the recent series of Country Reports is the thematic inconsistency and imbalance of the respective references to health. For example, health system challenges have been identified at the core of the Chapter 'Imbalances, risks, and adjustment issues' in the Country Report for Slovenia (covering 10 pages) while in other Reports health is listed under additional structural issues or under social policies with often no more than a page. While Slovenia's case already presents a strong indicator for a (predominantly fiscally motivated) forthcoming health CSRs, there is no coherent explanation on why in a series of other countries (Denmark, Sweden, UK, Luxembourg) health is only marginally mentioned.

From an overarching perspective of key priority areas referenced in the Reports, health is subsumed under the sustainability of public finances and is still largely seen as a cost. Such assessment disproportionately favours budgetary short-term benefits to long term impact on health. The report from the Netherlands is a case in point: cost-cutting in healthcare is highlighted as a key measure that contributed to improved sustainability of government finances. The description proceeds to add that:



“despite these recent efforts, projected increase in long-term care expenditure is still high, particularly in comparison with other euro area Member States”.

At no point the Report seems to acknowledge that cost-cutting measures have disproportionately affected vulnerable groups, substantially impacted access and affordability, have directly led to increased user fees and undermined health equity in general.

While health promotion and disease prevention have been mostly left aside in Semester documents, such references have doubled when compared to the 2015 Country Reports alone. References still appear to be of limited in scope and quoting from already existing or recently introduced measures, while often neglecting the role of prevention where lifestyle factors have been clearly identified as the main cause of health problems and premature mortality. In addition, prevention is mostly emphasized in the context of shifting resources from the hospital sector (in a primary care context), but much less as a long-term investment in people, healthier societies and resilient health systems.

References to occupational health appear superficial, often referencing initiatives already in place. It is regrettable that there is little mention of health risks in the context of precarious employment, including risks of psychosocial disorders and the solutions to prevent those at work (on which best practice examples are available). On a more general level, mental health is also largely absent in the Reports. This is partially due to the fact that overwhelming attention is given to job creation, but much less so to the balance between new jobs and securing quality employment and healthy workplaces. It is undeniable that population wellbeing contributes to a healthy economy, but it also needs to be addressed in its own right, decoupled from the growth and competitiveness paradigm.

Despite several criticisms, the 2016 Country Reports can be considered to be a strong improvement compared to the Semester documents released in the past years. While most policy areas are seen through a fiscal sustainability lens, social issues figure more prominently in the recent series of Country Reports than it was previously the case. This element adds to the recognition that, as already implied by the Annual Growth Survey of November 2016, Europe is greatly falling behind its poverty and social inclusion targets. With increasing inequalities and 5 million more people at-risk of poverty and social exclusion than prior to the economic crisis, the gap to Europe2020 goals is far from being tackled. The crisis has also triggered a steep rise in NCD mortality, with a recent Lancet study showing that cancer deaths associated with unemployment and austerity exceeded 260000 across the OECD area. Countries with robust public health spending and universal health coverage have fared much better in avoiding such disastrous consequences.

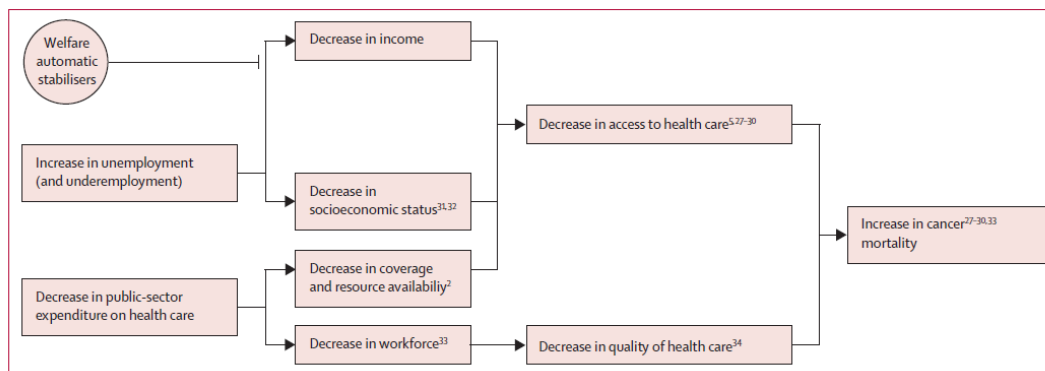


Fig. 1: Possible causal pathways for observed associations (The Lancet, 2016)¹

An Uncertain Way Ahead

While recent developments in the framework of the European Semester point to a degree of ‘socialisation’ of the process and give more scope for social and health concerns, it remains to be seen how they will translate into concrete policy action on Member State level and whether the Pillar of Social Rights, once adopted, will interface with the Semester in a meaningful way. Considering the streamlined nature and significantly reduced number of the forthcoming CSRs, there is a risk that identified policy challenges in the social realm will be cut short, or relegated to other areas with no significant policy implication. A renowned commitment for a European Social model set to rebalance fiscal and social dimensions of the European Semester while thinking ahead and beyond Europe2020, with clear benchmarks, indicators and a timeline for adoption of the Social Pillar is thus urgently needed.

¹ Economic downturns, universal health coverage, and cancer mortality in high-income and middle-income countries, 1990-2010: A longitudinal analysis Maruthappu, Mahiben et al. (2016), The Lancet.

About EPHA

EPHA is a change agent – Europe's leading NGO advocating for better health. We are a dynamic member-led organisation, made up of public health NGOs, patient groups, health professionals, and disease groups working together to improve health and strengthen the voice of public health in Europe. EPHA is a member of, among others, the Social Platform, the Health and Environment Alliance (HEAL), the EU Civil Society Contact Group and the Better Regulation Watchdog.

EPHA's Transparency register number is 18941013532-08.

Further reading

The EPHA position on Investment Protection in TTIP and Trade Agreements.

[>>read more](#)

Press Release: European Commission TTIP proposal for an Investors' arbitration court dismissed as ISDS2.0



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