

Healthcare systems of 22 European countries.

Part 1: Decrease in healthcare expenditure growth in the USA and Europe!

In the past 20 years, healthcare reforms in various European countries seem to converge, however a single healthcare system in Europe is not realistic. Healthcare is a national matter, because a healthcare system is highly dependent and embedded in the history of a country, national culture, political circumstances, economic context, social insurance system and other circumstances. However, legislation and reforms are increasingly looking beyond their own national borders.

Four studies (1997, 2007, 2018 and 2019)¹ describe the healthcare system of 11 and 22 European countries. The series of articles will discuss trends over the past 20 years:

1. Decrease in healthcare expenditure growth in the USA and Europe
2. Trends healthcare reforms: from (macro) cost-control to market elements
3. Towards a stronger primary care
4. From financing healthcare providers to clients
5. Trends in out-of-pocket payments European countries
6. Which European country has the best healthcare system?

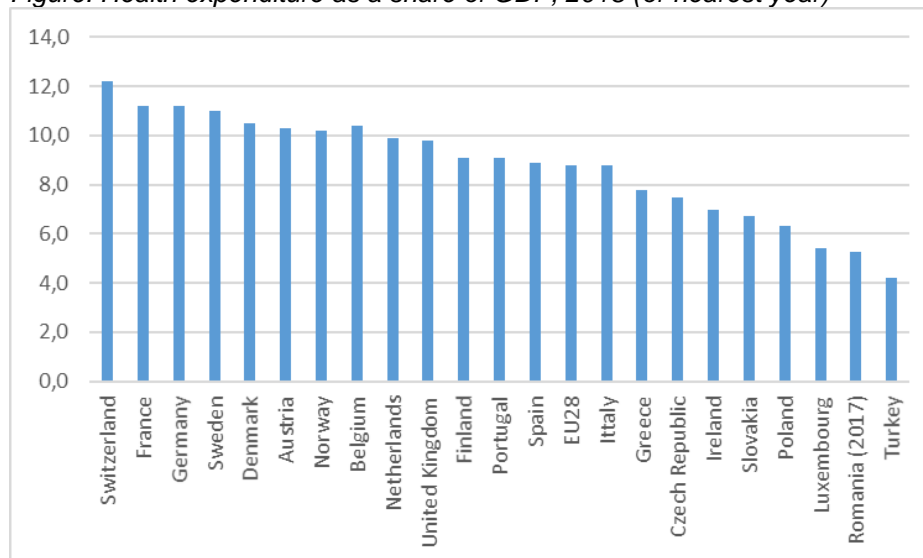
Absolute healthcare expenditures

In recent years, (absolute) healthcare expenditure has risen and will continue to rise the coming years, partly due to the aging population and increase in technological innovations. This continuous increase has, among other things, consequences for the economic position of a country, as a result of which there is a "pressure to reform" for healthcare in almost all countries. Consequently, last year, healthcare expenditure growth has been declining in most of the European countries, including the United States of America (USA). The reform agendas of healthcare in the different countries seem to have paid off.

Healthcare expenditure as % GDP

In 2018 the USA healthcare expenditure as % GDP was 16.9%, considerably above the OECD average (8.8%). The USA is followed by Switzerland, France and Germany. A number of countries such as Turkey, Romania, Luxembourg, Poland and Slovakia are in a build-up phase (after the economic recession) and spend the least of their GDP on healthcare.

Figure: Health expenditure as a share of GDP, 2018 (or nearest year)



Source: OECD Health Statistics 2018; Eurostat Database.

¹ Healthcare in Europe 1997, 2007, 2018 en 2019. The finance and reimbursement systems of 11/22 European countries: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Spain, Sweden, Switzerland, Turkey, UK.

Healthcare expenditure growth

Since 2009, average healthcare expenditure as a share of GDP has remained relatively stable throughout the OECD (8.8%). Since the economic crisis, healthcare expenditure growth has remained in line with general economic growth, and in some countries it was even below.

In the past 20 years we see in the USA an increase from 12.4% (1998) to 17.1% (2016 and 2017), after which it decreases to 16.9% in 2018. This makes the USA one of the 14% of the countries (of the 22 countries studied), with the largest increase in healthcare expenditure (% GDP) in the past 20 years.

The average growth rates of healthcare expenditure relative to GDP in the past 20 years (1998-2018) were highest in the UK (5.6%-9.8%), Sweden (7.4%-11.0%), Denmark (7.6%-10.5%), the USA (12.4-16.9), and Belgium (7.7%-10.4%). The lowest growth rates were seen in Luxembourg (5.4%-5.4%), Greece (7.6%-7.8%), Austria (9.2%-10.3%), France (9.7%-11.2%) and Germany (9.7%-11.2%).

In the past 2 years (2017-2018) in the USA and most of the 22 countries studied, there is a decrease of healthcare expenditure as % GDP. A number of countries remain the same (Germany, Italy, Luxembourg, Slovenia, Spain, Sweden and Turkey) and a few countries show growth, such as in the Czech Republic, Denmark and the UK.

Absolute healthcare spending will continue to grow, but from the figures it could (cautiously) be concluded that the USA, along with most of the European countries surveyed, are at last successful in controlling healthcare spending growth. The healthcare reforms in the various countries seem to have paid off.

Dr. Y.W. van Kemenade, freelance consultant involved in EIT Health project Maps and member of several Supervisory Boards, the Netherlands

E.C. Heeneman MSc, report coordinator EIT Health project Maps, Public Engagement Manager Achmea, the Netherlands

Dr. W. Niesing AAG, project member EIT Health project Maps, Advisor Strategy Zilveren Kruis Achmea, the Netherlands

Appendix:

Table: Healthcare expenditures (%GDP)

| Year | 1998 | 2009 | 2014 | 2017 | 2018 |
|-----------------|---------------|------|------|------|------|
| Country | | | | | |
| Austria | 9,2 | 10,2 | 10,4 | 10,4 | 10,3 |
| Belgium | 7,7 | 10,1 | 10,4 | 10,3 | 10,4 |
| Czech Republic | 5,6 | 7,3 | 7,7 | 7,2 | 7,5 |
| Denmark | 7,6 | 10,7 | 10,2 | 10,1 | 10,5 |
| Finland | 6,8 | 8,9 | 9,5 | 9,2 | 9,1 |
| France | 9,7 | 11,3 | 11,6 | 11,3 | 11,2 |
| Germany | 9,7 | 11,1 | 11,0 | 11,2 | 11,2 |
| Greece | 7,6 | 9,5 | 8,0 | 8,0 | 7,8 |
| Ireland | 5,6 | 10,5 | 9,7 | 7,2 | 7,0 |
| Italy | 7,3 | 9,0 | 9,0 | 8,8 | 8,8 |
| Luxembourg | 5,4 | 7,3 | 5,5 | 5,4 | 5,4 |
| Netherlands | 7,8 | 10,0 | 10,6 | 10,1 | 9,9 |
| Norway | 8,4 | 9,1 | 9,3 | 10,4 | 10,2 |
| Poland | 5,0 | 6,6 | 6,2 | 6,5 | 6,3 |
| Portugal | 7,4 | 9,9 | 9,0 | 9,0 | 9,1 |
| Slovak Republic | 5,6 | 8,0 | 6,9 | 6,7 | 6,7 |
| Spain | 6,9 | 9,0 | 9,0 | 8,9 | 8,9 |
| Sweden | 7,4 | 8,9 | 11,1 | 11,0 | 11,0 |
| Switzerland | 9,8 | 10,8 | 11,5 | 12,3 | 12,2 |
| Turkey | 3,5 | 5,5 | 4,3 | 4,2 | 4,2 |
| United Kingdom | 5,6 | 8,5 | 9,8 | 9,6 | 9,8 |
| United States | 12,4 | 16,3 | 16,4 | 17,1 | 16,9 |
| OECD - Average | 7,9 (2003) | 8,8 | 8,8 | 8,8 | 8,8 |