

COLLECTING EXPERIENCES ON THE IMPACT OF THE ECONOMIC CRISIS ON HEALTH IN THE REGIONS

- A survey among AER member regions -
September 2010



AER Committee Social Policy and Public Health
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“There is a 60% budget cut of our regional autonomous budget for the period 2012 – 2015.”

“The majority of hospitals are experiencing an important shortage of professionals. And in this situation the current government takes the decision to cut salaries across the entire public sector by 25%!”

“We try to use all the resources even more effectively.”

“It is more important than ever for our region to find alternative funding sources like European Union funding.”

(Regional voices on health and health policies in the economic crisis)

BACKGROUND

The current economic crisis is the hardest recession since the Second World War. It is expected to have severe consequences for people's health. Meanwhile, news about public budget cuts affecting also health and social policies are quite frequent.

Despite this mass of news concerning the economic crisis and public health, it is difficult to identify hard data on the actual extent and impact of the crisis.

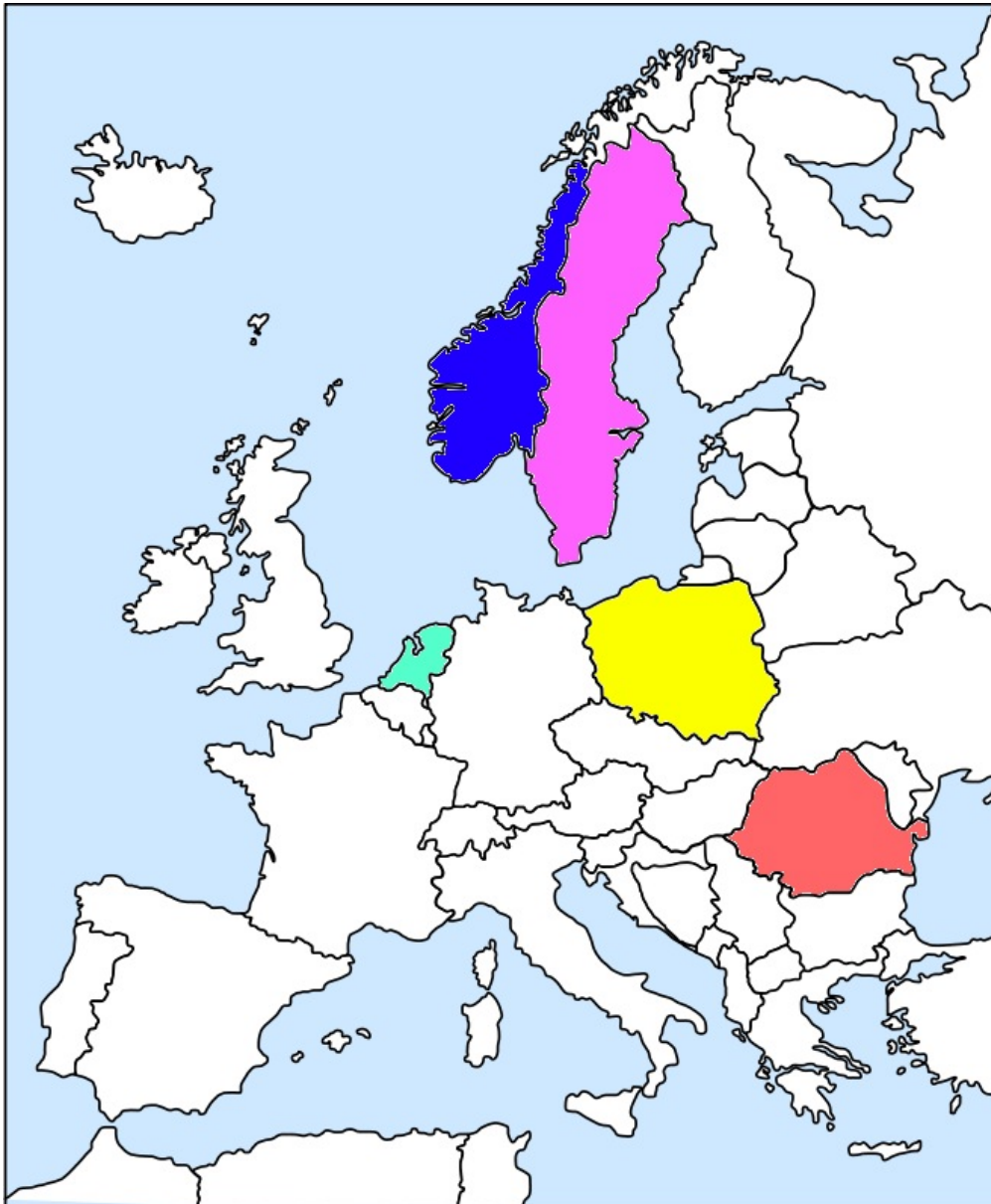
The AER Social Policy and Public Health Committee (hereafter Committee 2) needs information about the situation of regions if it wants to support them successfully in facing the various challenges linked to the crisis.

The AER Social Policy and Public Health Committee conducted the present survey on the impact of the economic crisis on health in the regions. The aim of this survey is not to produce an in-depth scientific analysis, but to collect regions' experiences, sketch a picture of the challenges they are encountering and be better equipped to communicate regions' needs to the EU level and to support AER member regions.

To this end, AER Committee 2 drafted and disseminated a questionnaire (available in the annex) including questions about citizen's health, possible budget cuts, regional strategies to counterbalance the crisis' effects as well as opportunities the crisis has offered for regions. The survey was conducted between June-August 2010.

This report presents the key outcomes and conclusions of this survey. In order to ensure the anonymity of the participating regions, this report will only refer to the countries the regions are located in.

PARTICIPANTS



The participants to the survey cover a large range of different characteristics: the participating regions located in the North of Europe (in Norway and Sweden), in North-West Europe (in the Netherlands) and Eastern Europe (in Poland and Romania) face different socioeconomic conditions, vary in the competences they have in health and social affairs and have to deal with different health challenges. Their answers to the AER questionnaire on the impact of the economic crisis on health in regions therefore enables AER Committee 2 to take into account diverse regional health contexts and better represent the situation across AER member regions.

OUTCOMES

The following section presents the regions' responses to the questions listed in the AER questionnaire.

1. Health problems related to the economic crisis

When it comes to health problems caused by the economic crisis, the responding regions state very different experiences. The participating regions of Norway and Poland on the one hand and Romania on the other hand can be considered as two opposed extremes: Whereas the Norwegian and the Polish regions report that there are no specific health problems related to the economic crisis- the Norwegian region especially as the economy appears to remain quite stable- the Romanian region notes a clear impact of the crisis on health with important increases in diseases like strokes (a 20% increase in strokes) and depression (increase of 30-40%).

Other regions lack the necessary data to be able to respond to this question. A Swedish region has established a co-operation with its university to assess the impact of the crisis on health in its region. Initial results are expected in the beginning of 2011.

Observations:

- ▶ We can note that the state of economy of a region is crucial for people's health. As the economic crisis does not affect all European countries to the same degree, some regions have to struggle more with growing health problems than others. Regions with economic problems also experience an increase in citizens' health problems.
- ▶ The collection of data is crucial for regions to be able to respond to the changing needs of citizens. This process apparently sometimes is time-consuming and complicates the regional authorities' task to adapt their health strategies additionally.

2. Budget cuts affecting health and social affairs offices

With the exception of the Norwegian region, all other every participating regions are experiencing budget cuts. These cuts can be quite high such as in the Dutch region with "a 60 % budget cut of our regional autonomous budget on social affairs (for the period 2012-2015)."

Furthermore, most European regions seem to struggle with staff cuts and increased pressure on regional health and social policy makers. In the Romanian region, for example, the number of employees is sometimes reduced by 20 – 25% “without analysing the real need in the different areas of the public sector”. This is qualified as being “dramatic for the health sector”. The Swedish region reports a different experience with staff cuts: In 2009, staff cuts were avoided by offering employees aged 63 – 64 years the opportunity to retire earlier but keep the same pension. Staff cuts were applied in 2010, with a reduction of 100 employees.

It is important to note that even regions whose human resource policies are less affected by the crisis, such as the Dutch region, are closely monitoring and evaluating their activities and the corresponding allocation of tasks. Within the field of external relations, it has become crucial to prove the added value of the department’s activities. To restructure its allocation of tasks, the Dutch region is switching from a sectorial approach to an integrated one (*see question no. 4 for more details*).

Observations:

- ▶ Most regions suffer from budget cuts, particularly staff cuts. They have fewer resources to respond to an increasing demand on health policies and services. It seems evident that this requires new strategies and innovative solutions
- ▶ Staff cuts can pose a particularly important risk to health policy, as they can often lead to a decrease in the quality of healthcare and social services.

3. Limited budgets for health policies

No participant has given detailed information on the consequences of the budget cuts for their regional health programmes and activities. Thus, this report cannot assess whether, and to what extent, some population groups are particularly affected by the budget cuts. However, participating regions make clear that the cuts do not only concern future activities or planned investments but also existing ones.

4. Solutions to combat the crisis

The participating regions all intend to adopt adequate solutions to tackle the impact of the economic crisis on health and social policies. The Romanian region has established a short-term and a long-term health programme to adequately respond to the crisis. Sometimes the solution in times of crisis seems to be to increase decentralisation so that the authority in charge is closer to the citizens' needs. The Polish region has implemented a restructuring plan for the period 2009 – 2013 and the founding of autonomous health clinics which are managed by the. The Romanian region also experienced a further decentralisation: "the management of 376 hospitals was transferred to the county council or local councils". The Dutch region pursues the approach already established before the crisis to create new networks based on the concept of social innovation.

However, not every region has adapted a specific action plan, as the lack of data hinders a full assessment of the impact of the crisis. This is the case of the Swedish region, which is waiting for the report on the impact of the economic crisis on health in its territory to assess their health policies.

As regards the regions' communication around the economic crisis, no participating region has initiated specific discussions about health challenges with its citizen.

It is important to note that every region clearly states that alternative funding resources, especially EU funding has become important for them.

Observations:

- ▶ Almost every participating region reacts to the economic crisis with a specific action plan. Apparently, a common response at national level is to increase the degree of decentralisation and to assign more competences in health to the regions, although this is not always accompanied by a transfer of the necessary funds.
- ▶ Surprisingly, the participating regions don't communicate with their citizen's about the economic crisis and their ideas and problems. It is probable that the cuts for staff do not allow such initiatives. However, this measure seems to be important to assess the health strategies and adapt adequate action plans

- ▶ As regions report that alternative funding resources like EU funding plays a more important role for their health and social policies after the economic crisis, regional knowledge about these funding resources and the possibilities to apply for them has to be further increased

5. Evaluation of the measures taken

Most of regions cannot provide feedback on the evaluation of their measures at this point, as either their action plans are ongoing or they haven't even implemented specific plans yet as they wait for data on health in their territory before adapting their health strategies.

6. Opportunities

This survey on the impact of the economic crisis on the regions has also shown that for some regions the economic recession doesn't only mean increased risks and a decline of regional health policies, but it also offers new opportunities for health and social policy departments.

The need to evaluate the region's range of activities means for some the opportunity "to use all the resources even more effectively".

In response to the crisis, the Swedish region has reoriented its priorities and focuses "even more on vulnerable groups".

The Dutch region underlines the growing importance of social innovation.

Observations:

- ▶ Regions do not perceive the economic crisis as creating only challenges for their health policies, but also acknowledge the opportunities it offers to find new ways to deliver their health strategies.
- ▶ Most of the questioned regions take this occasion to establish innovative approaches and good projects.

7. Further remarks

Some participating regions stress their concerns regarding the long-term consequences of the economic crisis for their health systems.

The Romanian region notes a strong emigration of healthcare professionals due to the cuts in wages: "In the last three years more than 6000 doctors and a very high number of nurses have

left the country.” The region fears it will encounter an important shortage of healthcare staff in the future and therefore not to be able to respond to their citizens’ increased demands.

The Norwegian region, in contrast, believes that given the economic attractiveness of the country, it is probable that it has to deal with a considerable increase of immigration. This would mean new challenges for the health system such as the question of language and cultural barriers.

CONCLUSIONS

The survey shows that the impact of the economic crisis on regional health systems is multifaceted. This means that there is no one-size-fits-all solution for everyone. However, as the most important problems such as limited resources to respond to growing demands in healthcare are common to most regions, exchange of best practices and mutual learning are important processes for regions.

Furthermore, the recent wave of increased decentralisation in the health sector makes the regions even more important players in health and social policies.

Finally, regions are increasingly looking to identify alternative funding sources to support their health and social policies, in particular at European level.

The AER Social Policy and Public Health Committee (2) will communicate the outcomes of this survey to all relevant stakeholders, in particular the EU institutions, to help them to better assess the capacity and the needs of the regions and develop policies and funding instruments that support the regions. AER will also adapt its priorities and activities to support the regions in learning from each other, identifying and implementing evidence-based policies for sustainable regional healthcare and benefiting from European instruments and policies.

Yvonne Ebner, October 2010

Annex: Questionnaire

Survey of AER committee Social Policy and Public Health:

Collecting experiences in the impact of the economic crisis on health in the regions

Objective: To enable AER Committee 2 to rely on concrete experiences of regions with regards to the impact of the economic crisis on health and health systems when contributing to EU policies.

Contact Details (optional)

Name:

Region/Organisation:

Email:

Tel.:

1. Health problems related to the economic crisis

- Are you witnessing an increase in health problems as an impact of the economic crisis? Have hospitals reported problems they can attribute to the crisis?

If yes, which diseases are at raise and to which extent? If possible, please indicate concrete numbers.

2. Budget cuts affecting health and social affairs offices

- Do you experience budget cuts? To which extent?
- Do you experience budget cuts for staff in your region? What kind of staff? General administration of the region or also health/social workers?
- What departments are being affected (e.g. European affairs or social affairs/health affairs badly hit)? To which extent?
- Do you have freezes on hiring new staff? Do you have to apply social plans?
- What do these staff cuts mean for the activities of your department? To which extent are you still able to invest in external representation and network on the national or international level?

3. Limited budgets for health policies

- Are you cutting budgets in health and social policies in your region?
- Which areas are mainly affected by budget cuts? Existing programmes/activities or only planned investments? Which population groups are most affected by the cuts?
- How far is health policy still linked to other policy areas – e.g. to education?

4. Solutions to combat the crisis

- What do you do in response to these health challenges? Has your region adopted a specific action plan or specific measures to face these problems?
- Have you cooperated with other regional actors or other regions to this end?
- Is there a discussion about the financial crisis in your region? What actors are involved in this kind of communication with regards to health (e. g. regions themselves who organise debates, campaigns)? Who is providing you with concrete figures?
- Because of the crisis, is it more important for your region to get alternative funding resources like EC funding or less important?

5. Evaluation of the measures taken

- How do you evaluate your adapted health strategy today? Have your measures to face the crisis shown a positive outcome until now?
- Are there decisions you would make in a different way today?
- How was the feedback of the population?

6. Opportunities

- Has the economic crisis also meant a way to discover new ideas and best practices? To which extent the crisis offered new opportunities for your work?

7. Further remarks

- Further comments you want to add

Please fill in this questionnaire and send it before September 15 to Ms Yvonne Ebner. Alternatively, we will be glad to fix a telephone interview with you. Contact details: st.com21@aer.eu, Tel/Fax: +33 (0)3 88 22 74 39.

Thank you for your cooperation!