

The World Health Organisation's Commission on the Social Determinants of Health (CSDH) has identified principles and recommendations to tackle health inequities: the factors responsible for avoidable health inequalities, which persist globally and in the European Union. This series of summaries, updated and expanded online at [www.equitychannel.net](http://www.equitychannel.net), introduces how those and other recommendations, as part of evidence based health promoting approaches, could be applied to a range of European Union legislation, policies and programmes. The aim is to improve international, national and local policies and practices within and beyond health systems, in order to promote better health and wellbeing for all.

### Why making the link matters

The sustainability of health systems is a core concern for the European Union and the World Health Organisation. As early as 2001, the European Commission identified 'financial viability' as one of 3 long-term objectives for national health systems, along with accessibility and quality<sup>1</sup>. Health ministers addressed the issue of health systems at EU level for the first time in 2006. Stressing the importance of safeguarding overarching values of universality, access to good quality care, equity and solidarity, they also acknowledged the challenge of reconciling individual needs with available finances<sup>2</sup>. Since then, the protection and development of services has consistently formed part of EU policy agendas, including in the fields of social protection, public health, economic and financial affairs.

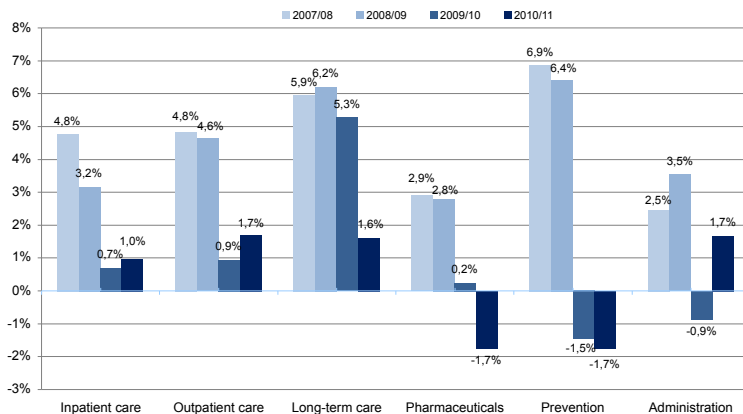
The global financial and economic crisis has made the pledge of providing access to good health for all more pressing and challenging. Evidence is emerging on how national crises have impacted people along social gradients. It is expected that health inequalities will increase as a result of increased unemployment and poverty, particularly for young adults, as well as other forms of vulnerability in childhood or old age, disability or minority background<sup>3</sup>. While decision-makers recognise that access to health is a driver of employability and growth, they struggle to strike a balance between budget cuts, reallocation of funds and new investments in health and social protection. Mounting pressures on public expenditure tend to bring fiscal consolidation and the maintenance of universal, equitable and sustainable health services into opposition<sup>4</sup>.

Population ageing poses important challenges to all member states. EU economies facing slowing population growth cannot afford to lose valuable disability free life years through preventable diseases. The need for active societies living longer will require not only innovations in lifelong learning, but also in the promotion of physical and mental wellbeing. While longer life is a welcome asset, increased costs of ageing populations will require new thinking for pension and healthcare budgets and systems. This challenge to macroeconomic stability shows the benefits of potential for savings on healthcare costs through more effective and efficient prevention and treatment of disease and disability<sup>5</sup>.



## The situation

The interrelationships between health status, health systems and economic growth has been extensively described, researched and illustrated<sup>6</sup>. Measurement of health status remains a developing process and many quantitative and qualitative factors contribute to health outcomes – including socio-economic and lifestyle factors<sup>7</sup>.



OECD (2013), *Health at a Glance 2013: OECD Indicators*, OECD Publishing

of GDP (respectively, 0.3% and 0.2% in 2008). With the impact of the economic crisis this share has even decreased, with the reduction averaging 1.5% in 2010 and 1.7% in 2011 across OECD countries. Yet, member States who appear to be more successful in improving lifestyles have also given more priority to these fields, spending relatively more on prevention and public health services as a proportion of their GDP<sup>10</sup>.

### THE COST OF UNHEALTHY LIFESTYLES

Chronic diseases are the leading cause of mortality and morbidity in Europe, and research shows that complex conditions such as diabetes and depression will impose an even larger burden in the future. Chronic diseases depress wages, earnings, workforce participation and labour productivity, as well as increasing early retirement, high job turnover and disability<sup>11</sup>. In low-resource settings, health-care costs for cardiovascular diseases, cancers, diabetes or chronic lung diseases quickly drain household resources, contributing to driving families into poverty. Social determinants, such as education and (lack of) income, influence the risk of exposure to harmful products like tobacco and unhealthy food and can limit access to health services<sup>12</sup>. Individual and group approaches to chronic disease prevention can be highly cost-effective<sup>13</sup>. The WHO estimates that reducing risk factors (such as nutrition, physical activity, alcohol, tobacco and stress) through health promotion and disease prevention can lead to a decrease of 80% of premature heart disease, 80% of type 2 diabetes cases, and 40% of cancers<sup>14</sup>.

### THE ECONOMIC VALUE OF HEALTH EQUITY

The economic impact of health inequities - the unfair and avoidable differences in health status across people along social gradients - is substantial. Estimates suggest that inequality-related losses to health amount to more than 700,000 deaths per year and 33 million prevalent cases of ill health in the EU as a whole. These losses account for 20% of the total costs of healthcare and 15% of the total costs of social security benefits. The value of health inequality related welfare losses is estimated at €980 billion per year or 9.4% of GDP<sup>13</sup>. Health promotion and disease prevention alone cannot reduce health inequalities as these stem from wider social, economic and environmental factors. Investments in early childhood, education, better employment conditions and inclusive social protection systems can all contribute to health equity<sup>15</sup>. For instance, the cost-benefit of early childhood education and care is estimated at €7 for every €1 invested<sup>16</sup>. Similarly, each 100 USD spent on social protection reduces the suicides-unemployment association, with varying impacts depending on the measures used<sup>17</sup>. Addressing the underlying causes of health inequalities therefore makes economic sense as well as being socially just and contributing to better performing societies and states.

In the early 21<sup>st</sup> century, healthcare was one of the fastest growing expenditures in most Member States, considerably outpacing GDP growth. It accounted for 14.7% of all government expenditure in 2010<sup>8</sup> and research suggests that public spending on healthcare and long-term care is likely to increase by one third by 2060<sup>9</sup>. Although seen as a sound investment to reduce age-related expenditure and the negative impact of unhealthy lifestyles, total and public expenditure on “prevention and public health services” only constitutes a very low share of member states’ health spending (respectively, 2.7% and 2.1% in 2008) and as a percentage

## Setting an example

### Psychosocial group therapy for lonely older people - Finland

Loneliness among community-dwelling older people is a common problem with serious health consequences and nurses have limited means to alleviate it. This study aimed at acquiring information on loneliness, its relationship with social isolation and a global feeling of insecurity. It examined the prevalence of loneliness among community-dwelling older people ( $\geq 75$  years) and identified essential elements of effective psychosocial group rehabilitation interventions to alleviate older people's loneliness. The psychosocial group rehabilitation intervention gives nurses an effective tool to support older people's psychosocial resources by activating them and alleviating their loneliness. The effective intervention has resulted in a net mean reduction of €943 in health care costs per participant<sup>18</sup>. For more information read 'Loneliness of older people and elements of an intervention for its alleviation' - <http://doria17-kk.lib.helsinki.fi/bitstream/handle/10024/38910/D808.pdf?sequence=1>

### "Fat-taxes": fiscal measures to fight obesity

A measure that is increasingly being implemented worldwide to promote healthier nutrition is that of fiscal measures. Taxes on unhealthy foods and beverages can help to fight obesity by improving people's eating habits, while also generating important revenues. Although the impact of imposing taxes depends on the responsiveness of consumers to price changes, it is likely that consumption of unhealthy food and drinks will decrease if a tax is well-designed and well-balanced. One concern is that citizens with lower incomes are hit more heavily by a tax on food, but work by the OECD showed that they will in fact benefit the most from health gains deriving from the tax. Countries like Denmark, Hungary, Finland and France introduced taxes on foods or drinks high in fat, sugar and/or salt, and similar measures are being discussed elsewhere. For instance, in 2011 Hungary introduced a tax on selected processed foods with high sugar, salt or caffeine content, including sugary drinks. The tax does not target basic food stuffs and only affects products that have a healthy alternative. This legislation is leading to an expected rise in excess of EUR 70 million per year of revenue. Furthermore, after having already increased taxes on chocolate, ice cream, sugary drinks and confectionery by 25% in 2010, Denmark introduced a tax on foods containing over 2.3% saturated fats, which leads to consumers having to pay 16 kroner (EUR 2.15) per kilogram of saturated fat. Specifically, this is equivalent to up to 30% price increase for a pack of butter and 8% for a bag of chips. Policy Brief, OECD Obesity Update 2012 - <http://www.oecd.org/health/theeconomicsofprevention.htm>

## Pathways to progress

The evidence base on (cost) effective health promoting interventions is growing. Evidence also indicates that many of the preventive interventions deliver more value for money than investment in clinical interventions<sup>19</sup>. Although the *process of enabling people to increase control over their health and its determinants*<sup>20</sup> has been defined and promoted for almost a decade, the call by leading EU economic authorities for more investment in effective health promotion and disease prevention actions that reach all segments of the population is noteworthy. This growing momentum around health promotion and disease prevention is reflected in various EU initiatives, a few of which are listed here.

In the 2010 "Joint report on Health Systems"<sup>10</sup> and 2012 paper on "The Quality of Public Expenditures in the EU"<sup>4</sup>, DG ECFIN invites EU Member States to improve population's life-styles and access to more effective health promotion and disease prevention in and outside the health sector while addressing the socio-economic determinants of health. This – states DG ECFIN – would contribute to greater efficiency and cost-effectiveness of health systems.

DG SANCO's proposal for a new EU health programme (2014-2020) - includes four specific objectives: Contributing to Innovative & Sustainable Health Systems; Increasing Access to Better & Safer Healthcare for EU Citizens; Promoting the uptake of best practices for cost-effective prevention measures; and Protecting Citizens from Cross-Border Health Threats. The Programme will aim to support mechanisms for cooperation between Member States with a view to identifying common tools and best practices that create synergies, bring EU added value and lead to efficient economies of scale.

In its Social Investment Package (SIP) for Growth and Cohesion, adopted in February 2013, the EC encourages Member States to enhance people's capacities and support their participation in society and the labour market. This involves *spending more effectively and efficiently to ensure adequate and sustainable social protection; investing in people's skills and capacities; and ensuring that social protection systems respond to people's needs at critical moments during their lives*. The SIP builds on the idea that in the context of a shrinking labour force and increasing dependency ratios, it is essential to *'prepare' people to confront life's risks, rather than simply 'repairing' the consequences*. In other words, this means prevention rather than reacting to problems. The SIP includes a document entitled 'Investing in Health' which establishes the role of health as integral to the Europe 2020 strategy and reaffirms health as a value in itself as well as a precondition for economic prosperity. 'Investing in health' describes Health as 'growth friendly' expenditure and calls for cross-sectoral health promotion and disease prevention measures.

Finally, in order to actively encourage member states to take on these proposals, the EC recently nominated an independent panel of experts to explore effective ways of investing in health through better health planning, budget prioritisation, health services research, hospital and healthcare management, healthcare provision and health education and promotion. The EC is planning to circulate recommendations from this panel to Member States but these will remain informal and non-binding.

## Additional Information

- EC Communication - Towards Social Investment for Growth and Cohesion - <http://ec.europa.eu/social/BlobServlet?docId=9761&langId=en>
- EC Staff working document: Investing in Health - <http://ec.europa.eu/social/BlobServlet?docId=9771&langId=en>
- EC proposal - Health for Growth Programme (2014-2020) - [http://ec.europa.eu/health/programme/docs/prop\\_prog2014\\_en.pdf](http://ec.europa.eu/health/programme/docs/prop_prog2014_en.pdf)
- DG ECFIN/EPC - Joint report on health systems - [http://europa.eu/epc/pdf/joint\\_healthcare\\_report\\_en.pdf](http://europa.eu/epc/pdf/joint_healthcare_report_en.pdf)
- Expert panel on effective ways of investing in health - [http://ec.europa.eu/health/expert\\_panel/index\\_en.htm](http://ec.europa.eu/health/expert_panel/index_en.htm)
- EuroHealthNet's Drivers Project - <http://health-gradient.eu>
- EuroHealthNet, Economic arguments for addressing social determinants of health inequalities - <http://eurohealthnet.eu/content/determine-working-document-4-economic-arguments-addressing-social-determinants-health-inequa>

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