Health Equity as Path to Global Development: Estonia's Experience

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Estonian Health Insurance Fund

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Health equity or equally good health conditions for all population groups is a Kantesian categorial moral imperative

- **Health inequality is unfair and unjust**
- **There is no reason why some members of the society are doomed to be disadvantaged because of poor health**

But not only:

- **Social gradient:** differences in health between various social strata have negative impact on general public health conditions – health inequality have spillover effect on all members of the society
- **Economic gradient:** higher health equality have positive impact on determinants of growth, incl.
  - Income inequality correlates negatively to life expectancy and infant mortality

Health equity is a result of various socio-political factors

- In general, **education, occupation and income can be determinants for health outcomes**
- **Health promotion and prevention** can target more vulnerable populations
- **Health care accounts for 20 to 40% of health equity outcome**

EU policies to support universal health coverage

While responsibility for national healthcare policies in EU remains firmly with Member States…

…EU common policies <u>support</u> universal health coverage

- **Mostly implemented by IG cooperation (**exchange of information, open coordination) and Commission-supported, project-based cooperation between public and private sector and in expert groups
- **An overarching European Commission's Third Health Programme** (2014-2020)
- **Fostering good health** (e.g. strategy on nutrition and obesity-related health issues, incl. HLG and Action plan on child obesity, EU platform for action on diet, physical activity)
- **Health security** (preparedness, risk assessment and management on IG level, incl. Health Security Committee)
- **Health inequality** (Commission communication on solidarity, European partnership on active and healthy ageing)
- **Dissemination of health statistics**

How international and European cooperation can assist policies towards UHC?

EU and international common policies with direct relevance to universal health care:

- **WHO Health Intervention and Technology Assessment in Support of Universal Healthcare** (WHA67.23)
- **Health Programme 2014-2020**
- **Innovative, efficient and sustainable health systems**
  - Health Technology Assessment Network and Joint Action on HTA (Eunet HTA) (e.g., methodology, possibility to (re)use results of MS' HTAs)
  - Exchange of information and dissemination of good practices in health systems' reform
  - EU legislation on medical devices
- **Access to better and safer health care**
  - System of European reference networks for rare diseases - competence centers for rare diseases povide more efficient treatment (both in treatment quality and economically)
  - Health Systems Performance Assessment – developing indicators for evaluating quality of health care in MS
  - eHealth and digital Single Market – providing platform for information exchange on diferent MS' e-health services
- **EU common licensing of medicines for EU market**

Estonia at a glance

- Population: 1,31 million
- Re-gained independence: 1991
- Member of EU since 2004
- Euro-zone since 2011
- Health insurance: 13 % earmarked health insurance tax on salaries paid by employers
- ALE at birth 77 years (2015)
- GDP per capita in 2015 – 29 543 USD

Estonian Healthcare

Estonian health insurance system adheres internationally recognized principles:

- 95% of population is insured
- **Solidarity-based** system
- **wide scope of services** in benefit package
- **out-of-pocket payments** at a **reasonable level** (below 25%)
- **centralized pooling** of funds and risks
- Estonian Health Insurance Fund is **single payer with central pricing** system using activity based cost
- EHIF **purchases up to 95% of all the health care services**

Health Expenditure (2015) 6.5 % of GDP

- OECD average 8,9%
- European Union average 7,8%

Health insurance package covered by EHIF

- **Primary care**
- **Specialist care** (incl. rehabilitation care)
- **Nursing care**
- **Dental care** (under age of 19 and urgent medical care for all)
- **Compensation of pharmaceuticals**
- **Compensation of medical devices**
- **Benefits in cash** (temporary incapacity to work, supplementary compensation for pharmaceuticals, dental care reimbursement for certain population groups)
- **Cross-border health care**

Providers in Estonian health care system

- **Emergency care**
- **Primary health care (every Estonian has a personal FP)**
- **Specialized medical care**
  - Hospitals
  - Outpatient specialized medical care
  - Dental care
  - Nursing care, midwives
- **All health care providers are independent entities operating under private law**
- **They may belong to both** public or private ownership

EHIF's strategic partners

Primary care providers

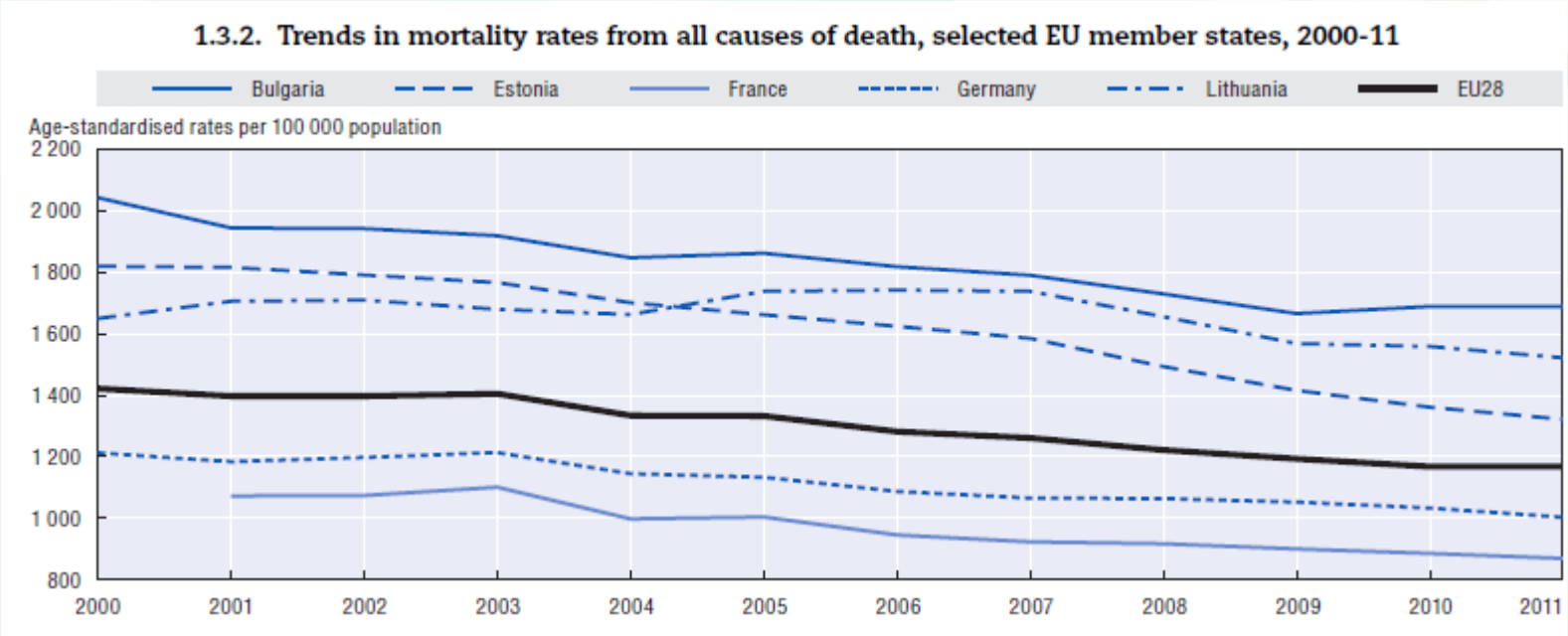
- Capitation fee, basic allowance, FFS based additional diagnostics fund, QBS
- Quick access criteria – with acute condition consultation on the same day, in ohter cases within 5 days

State hospital Network

- Provide outpatient and inpatient specialist care, also nursing care
- FFS for outpatient care, DRG for inpatient care
- 19 strategically located hospitals across Estonia
- Ensure even accessibility of health care services and obligated by law to provide services
- Capacity to manage large volumes and 24hrs service capacity offering emergency services
- Investment ability

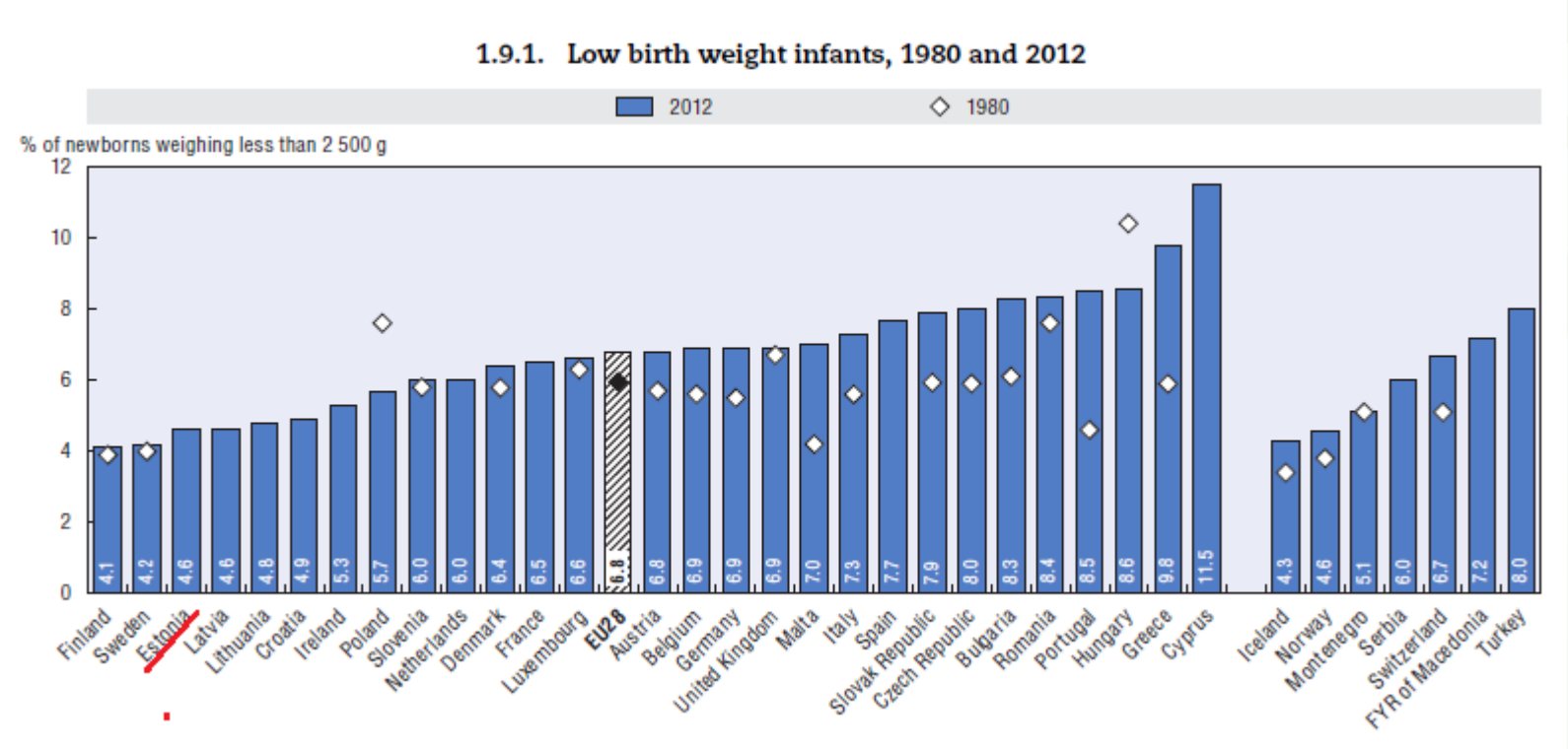
Some additional partners in specialist care

Public health is improving – average life expectancy in Estonia is significantly increased



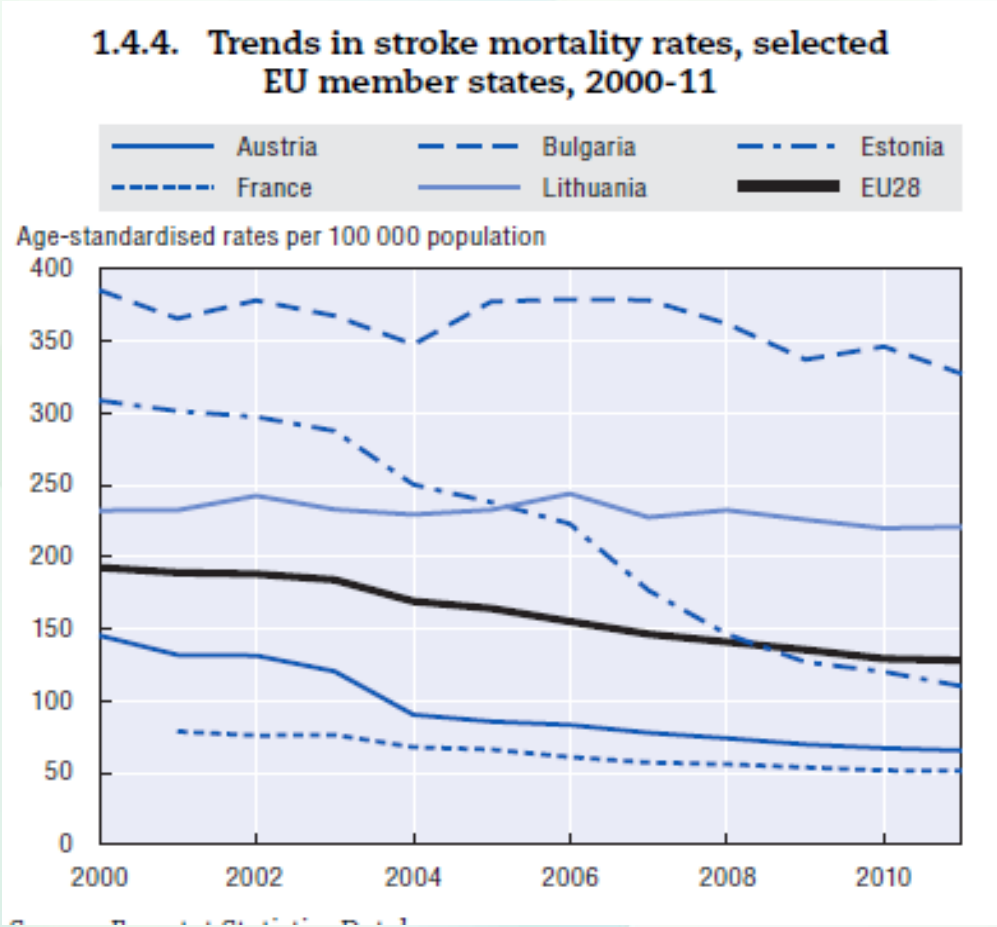
OECD „Health at a Glance“, 2014

The low share of low birth weight infants proves a good performance of the system



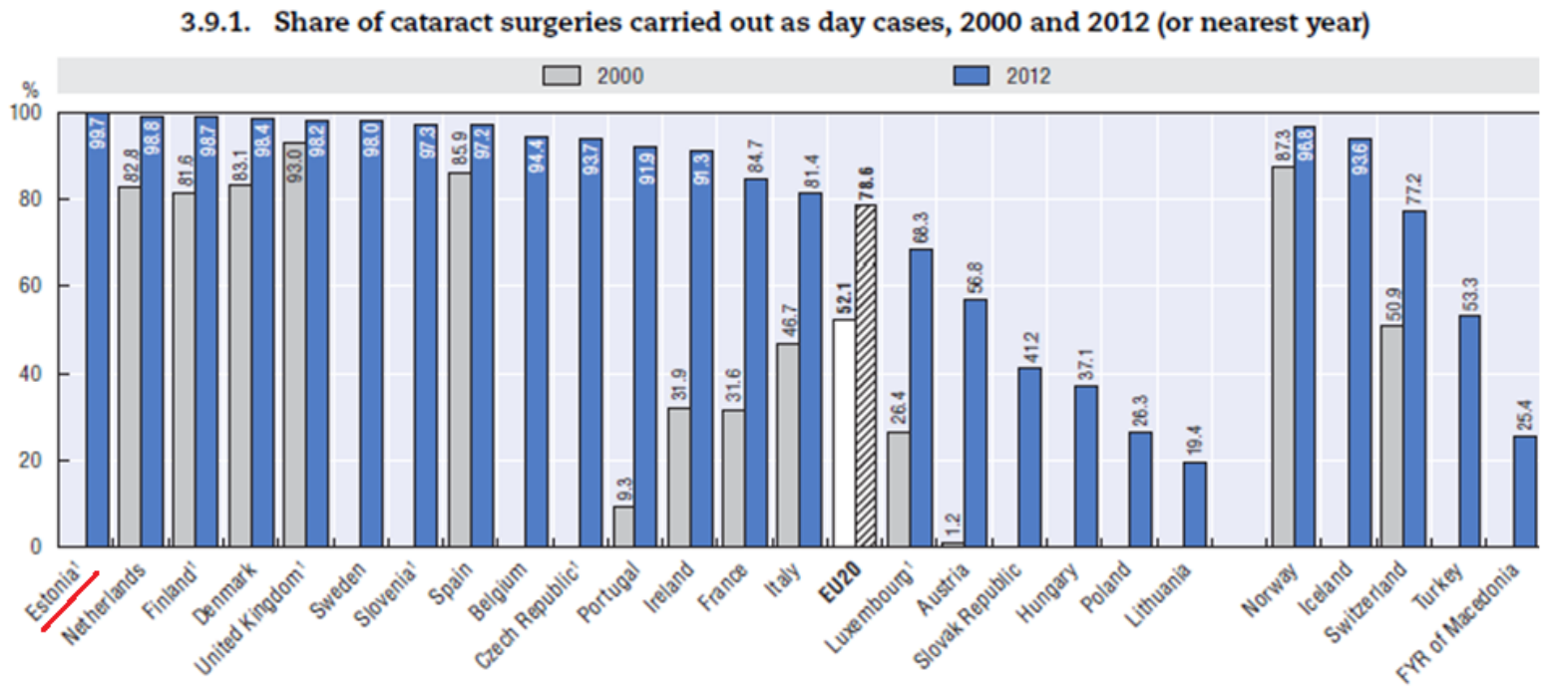
OECD „Health at a Glance“, 2014

Healthcare system development has an important role in improvement of health outcomes



OECD
„Health at a Glance“, 2014

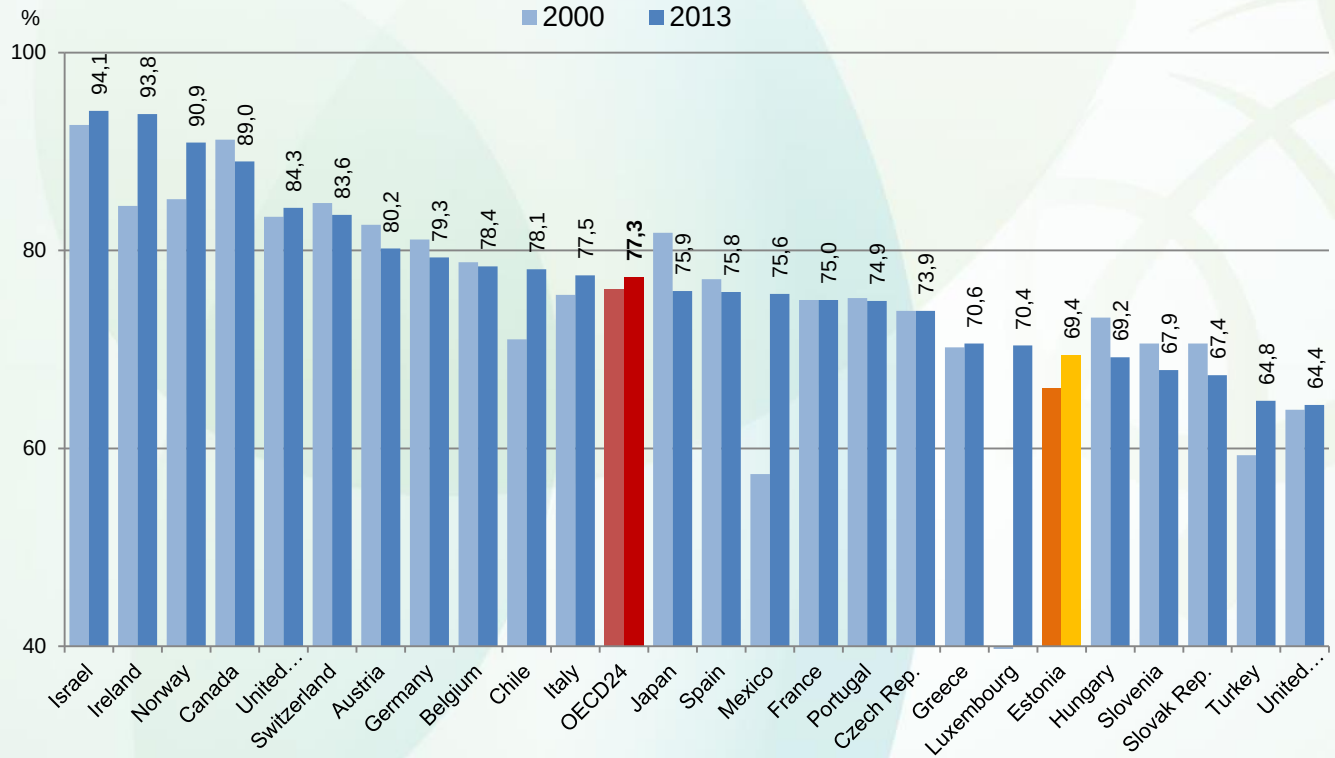
Estonia is at the top in some surgical areas



Advances in medical technologies have made this development possible.
These innovations have also improved patient safety and health outcomes reduced the unit cost per intervention by shortening the length of stay in hospitals.

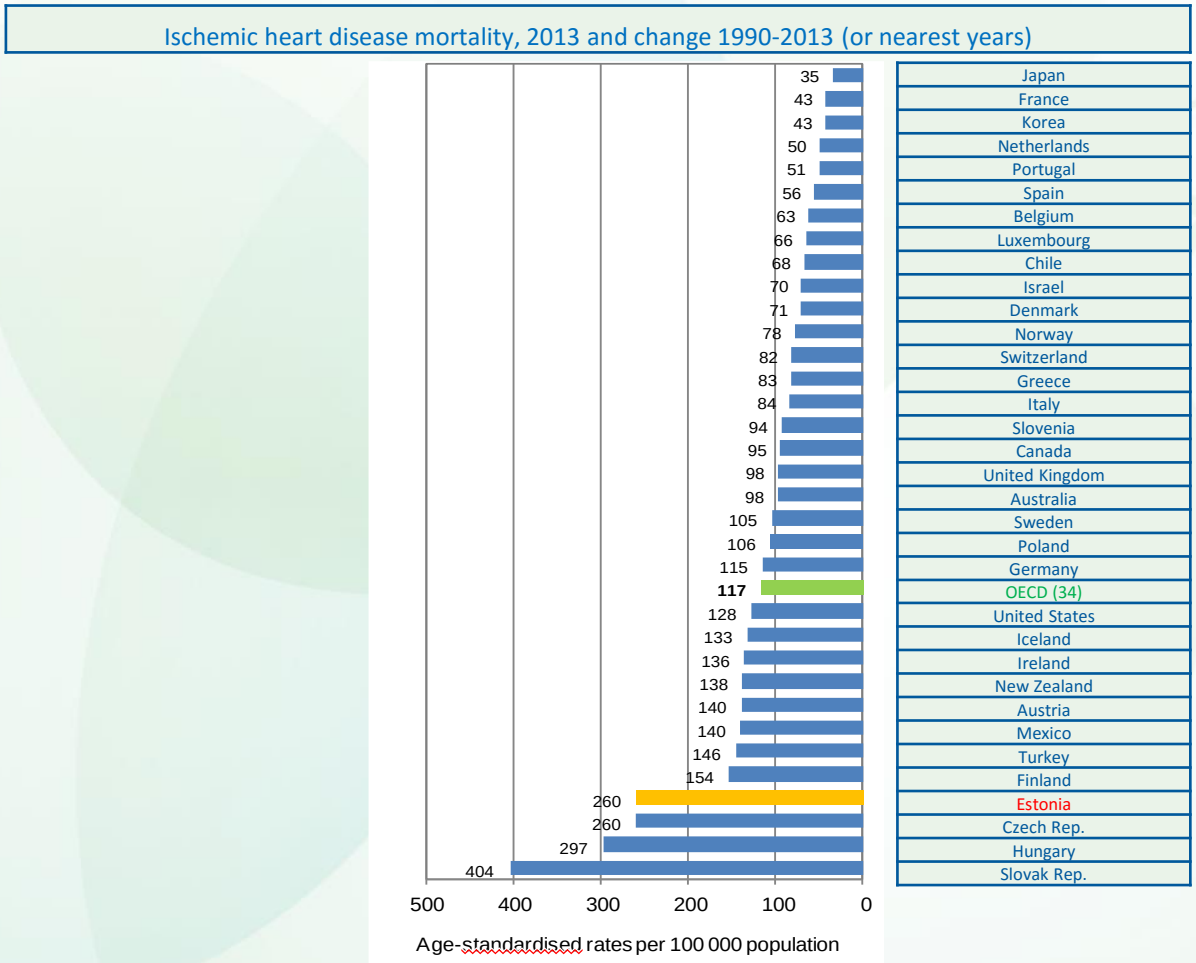
OECD „Health at a Glance“, 2014

The Estonian health care system is very effective, however, there is still room for improvement. The number of curative (acute) care beds is over the OECD average; occupancy rate of bed is below the average



Source: OECD Health Statistics 2015, http://dx.doi.org/10.1787/health-data-en.

Another challenge for Estonia: reducing cardiovascular disease mortality



Source: OECD Health Statistics 2015, http://dx.doi.org/10.1787/health-data-en (extracted from WHO).

Health equity in Estonia

Solidary health insurance system ensures same kind of medical care for all insured persons irrespective of the size of their contribution, personal health risks or age.

The Health Insurance fund signs contracts with health care providers to ensure that insured people get healthcare services:

- **Similar contract terms** are given to all providers
- **Requirements to ensure** (geographical and timely) **access** and **quality** of care
- To ensure sustainable development, **contracts are signed for 5 years**, financial part and volumes are negotiated annually
- **Volumes are based on metodological demand assessment** , which aims to guarantee similar geographical access for all people, while also ensuring effective use of recources, considering:
  - Development of Health Technologies
  - Previous use of services
  - Number of insured persons on county level
  - Adjustments based on density of population

However, there is need for further developments on the financing side as well as in ensuring UHC

WHO has pointed out, that there are challenges in some key metrics for universal health coverage – **unmet need and financial protection**

- There is **some fragmentation in financing** for vertical programs and lack of coordination between providers and with social services
- Almost **exclusive reliance on social tax** for raising revenues makes the financing of the health sector extremely vulnerable to economic cycles
- To address challenges of ageing population and diminishing labor-related income, **diversication of revenues for health has been advised**
- Data shows that **health outcomes and amenable mortality could be significantly improved** by increasing health spending and improving services

Public opinion calls for further efforts in reducing inequity

Based on our annual population-based study on people's opinions on health and health care :

- **59% rate the Estonian health care system as well functioning**
  - The percentage is lower in some sub-groups: older generation, non-Estonian population
- **Half of Estonians believe they have good health**
  - The older population, and people with a lower level of education have a more negative opinion of their health status
- **Half of the population has visited the doctor in the last year**
  - Most often younger people (ages 20-29), non-Estonian nationalities, people with a chronic condition and with overall bad health satus do not go to the doctor
- People of lower income status express more often **problems regarding access to healthcare services** than people of middle and higher income status (62% of lower vs 54% of middle and 56% of higher income status)

Challenges for Estonia, and globally

- **Health Insurance Coverage**
  - The goal is to obtain better coverage than the current 95%
- **Reducing Out-of-Pocket costs**
  - Reducing burden of health care costs in the population (currently near 25%) (i.e. adult dental care reimbursement)
- **Improving accessibility of health care**
  - Improving geographical network of providers to ensure access to high quality healthcare for everyone
- **HIV/AIDS epidemic**
  - Estonia has one of the highest incidence rates for HIV
  - The number of new cases is decreasing, however, much needs to be done:
    - Vulnerable at-risk-populations are mainly affected
    - Diagnosis needs to arrive sooner
    - Treatment needs to be started sooner
    - Increase adherence to treatment
- **We need to reduce the difference in ALE for men and women**
  - Women live approx. 10-11 years longer than men
  - ALE for men (73.1) is lower than EU average (78.1)
  - Inequalities in lifestyle, type of jobs, education

Health is more than health care – what are we improving in the short and long term?

- **Developing a health-supportive environment**
  - Preventative and educational measures on state and local government level: collaboration with local policy makers
- **Strategic budgeting and contracting:** strategic partners for providing services allow us to control accessibility and quality of care
- **Developing integrated care models**
- **Increasing role of primary care level**
- **Monitoring and developing quality of care**: collaboration with strategic partners and World Bank

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Thank you!