

SESSION 1: HEALTH CARE REFORMS IN EUROPE**PRESENTATION KEYNOTE SPEAKER:****“TRENDS IN OUT-OF-POCKET EXPENDITURE IN THE EUROPEAN UNION”**

Bernd RECHEL

European Observatory on Health Systems
and Policies

London School of Hygiene & Tropical Medicine
15-17 Tavistock Place, London WC1H 9SH
United Kingdom
E-mail: Bernd.Rechel@lshtm.ac.uk

**ABSTRACT:**

This presentation explores trends in out-of-pocket expenditure in the European Union in the period 1995-2009. It finds that the mix of financing sources has remained relatively stable in most countries, although there are some notable exceptions.

Private health expenditure is largely generated by out-of-pocket payments, while private health insurance only plays a major role in few EU countries. The countries with the highest out-of-pocket expenditure as a share of total health expenditure in 2009 were Cyprus (48.6%), Latvia (38.2%), Greece (35.3%) and Bulgaria (35.3%). Between 1995 and 2009, out-of-pocket expenditure as a share of total health expenditure in the EU decreased from 17.4% to 15.6%, when adjusting for population size. This overall decrease in the EU is surprising, as it contradicts the widely held belief that private health expenditure is becoming more common. Decreases were largest in Cyprus (-14.7%), Romania (-12.6%) and Greece (-10.7%). However, out-of-pocket expenditure in 1995-2009 also increased in several countries, with the largest increases in Slovakia (+16.6%), Estonia (+10.2%) and Bulgaria (8.6%).

In terms of medical services, particularly dental care requires private expenditure and about two thirds of spending on dental care in the EU comes from private sources. However, overall medical goods rather than services account for most private expenditure on health. Where out-of-pocket expenditure is high or increasing, this can be due to several factors, including a general lack of public expenditure on health, poor regulation of the private sector, and the existence of an informal sector. Where out-of-pocket payments are widespread, they can undermine equity and financial protection, create perverse incentives to providers, decrease efficiency, and escalate overall health expenditure.

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