European Alliance for Mental Health in All Policies

This paper analyses the country reports of the EU semester from Austria, Denmark, Estonia, Hungary, Ireland, Sweden and the UK. While none of the reports explicitly mention "mental health", there are various references to health such as access to healthcare and access to labour market, investment in public healthcare, and challenges of long term care. From my reading of these reports it appears that mental health is not prioritised in the reporting framework and that while certain topics which relate to mental health are mentioned, there is no explicit mention of mental health. If the analysis of the rest of the reports is the same, perhaps the Alliance should consider whether this exercise is worthwhile or whether we should be lobbying for mental health to be 'unpacked', so to speak, from health within the reports because as we know, mental health is not given parity of esteem within European health system and is specifically relevant to important issues raised in the report like labour market participation, homelessness etc.

Conclusions

The report from **Austria** mentions the health factors in the following contexts: long term sustainability of public finances in healthcare, the problematic of the ageing population, the next health system reform plan which limits the public health expenditure growth, and a reform of the tax's system which reduce the monthly contribution for health insurance, annual tax-exempt allowance for children, an increase in tax credits for employees, and the reimbursement of social security contributions for those with a very low tax liability.

The report from **Denmark** mentions the health factors in the following contexts: homelessness & healthcare and target groups that don't have access to labour market identified as having health problems.

The report from **Estonia** mentions the health factors in the following contexts: Progress in reducing the number of health related exits from the labour market, Access to health care, social inclusion and poverty, reduction of the social tax, New taskforce appointed to identify solutions for labour market participation, and brief review of the health system (health care accessibility and measures adopted accordingly, remedy the financial constraints of public long-term care due to limited local government and Estonian Health Insurance Fund budgets).

The report from **Hungary** mentions the health factors in the following contexts: Healthcare is a current challenge for the country, brief review of the health system (public expenditure on health care is low, Health workforce shortages pose risks to the healthcare system, equity in access to health care) and pollution and health.

The report from **Ireland** mentions the health factors in the following contexts: progress since 2015, challenges of Cost-effectiveness, equal access and sustainability of the health care system, risks of ageing population, Public service sectors have been affected unevenly by the recent cuts including health sector, brief review of the health system (reduction of healthcare expenditure, Cost-effectiveness is one of the government's priorities in healthcare reforms, The universal health insurance model, eHealth implementation, equal access to health care, strategy of reducing the strain on acute hospital services by moving the care setting into the community, and increasing cost-effectiveness in the healthcare system).

The report from **Sweden** mentions the health factors in the following contexts: Refugees and healthcare needs, need for financial incentives for municipalities to support construction activities including health care facilities, policy reform for health and long term care.

The report from **UK** mentions the health factors in the following contexts: the health care, long term care areas and ageing population, invests in targeted improvements in health and wellbeing in primary schools, quality of apprenticeships in health, and air pollution and health.

Austria

p.2: **Executive summary – Long-term sustainability of public finances in healthcare**
"Austria faces a number of other challenges in order to improve its growth and investment dynamics and preserve sound public finances in a way that supports growth by increasing the efficiency of public expenditure while reducing public debt. This entails to take steps to increase efficiency in the public sector and secure long-term sustainability of public finances. Particularly pensions, healthcare and long-term care constitute challenges for the future."

p.8: **Health care spending & ageing**
"Figures for 2014 show that Austria has a high public expenditure-to-GDP ratio (52.5 % vs 48.2 % for EU-28). Pension payments, subsidies and healthcare spending are higher than in other Member States."
"Austria's ageing society is facing considerable future challenges caused by increasing pension and healthcare payments (see section 3.3.)."

p.50: **limitation of health expenditure growth to remain in line with expected average GDP growth**
"**With the reform of the Austrian Internal Stability Pact, agreement was reached to limit health expenditure growth**. In the context of the health system reform plan (2013-2016) the different layers of government agreed to limit public health expenditure growth from 2016 onwards so that it remains in line with expected average nominal GDP growth. It is promising that federal states' healthcare expenditure, having for many years exhibited a rate of growth above that of other levels of government and above nominal GDP growth, has been much better controlled in recent years"

p.51 **Reduction of monthly contribution for health insurance and other tax reform**
"In July 2015, Austria enacted a comprehensive reform of the country's tax system. The reform expands the progressive income tax scale for individuals to six brackets, ranging from an initial 25 % rate to a ceiling rate of 55 %. Other aspects of the reform include an increase of the annual tax-exempt allowance for children, a reduction in the minimum monthly contribution for health insurance for self-employed workers, an increase in tax credits for employees, and the reimbursement of social security contributions for those with a very low tax liability."

p.59: **Long term care and ageing demography challenges**
"***Health and long term care***: **The long-term fiscal sustainability of healthcare is challenged by accelerating demographic ageing given the current features of the system."**
"The Austrian public healthcare system is one of the most expensive in the EU. It suffers from structural imbalances with an oversized hospital sector and an underdeveloped ambulatory care sector. An essential condition for improving the cost-efficiency of the healthcare system is to increase the use of primary care rather than hospital-based care. Austria continues to implement the health system reform plan (2013-2016) that will gradually cap the growth in public healthcare spending from 2016 to the annual average nominal GDP growth, which was forecast to be 3.6 % p.a. at that time."

p.80: Labour market and social indicators (continued) – Expenditure on social protection benefits sickness & healthcare: 7.4% GDP in 2013

Denmark

P.16: **Homelessness and healthcare**
"Recently there has been a significant increase in the number of homeless people aged 25-29. This increase of 29% (2013-2015) is a further indication that some vulnerable young people are still not being reached by current social, healthcare, educational or active labour market policy measures (7)."

p.18: **Target groups that don't have access to labour market identified with health problems**
In contrast to the general active labour market policy reform, insufficient measures have been taken to target the groups that are furthest away from the labour market. "The target groups for these

measures have several characteristics in common, such as low educational attainment, health problems and social issues. About 25% of those on social assistance have been in this situation for more than three years and 70% have not completed any education or training after lower secondary school."

p.46: Labour market and social indicators (continued) – Expenditure on social protection benefits sickness & healthcare: 6.5% GDP in 2013

Estonia

p.1: **Progress in reducing the number of health related exits from the labour market**
"On labour market, social and education policy issues, some progress was made in alleviating the tax burden on low-income earners, in improving the availability of childcare and, via the Work Ability reform, in reducing the number of health-related exits from the labour market."

p.3: **Access to health care, social inclusion and poverty**
"**Reversing the gradual increase of the population living in poverty or in social exclusion and access to health care are important challenges.** While the long-term unemployment rate, the youth unemployment rate and the severe material deprivation rate have markedly improved, the at-risk-of-poverty rate has increased and is now several points above the EU average due to an increase in the relative poverty threshold, as median equalised disposable household income is increasing rapidly. Also, life expectancy and healthy life expectancy remain low, while Estonia has a problem with health care accessibility. "

p.41: **Social tax**
"The social tax (for health insurance) will be reduced from 33.0 % to 32.5 % in 2017 and further to 32.0 % in 2018."

p.44: **New taskforce appointed to identify solutions for labour market participation**
"**The government also intends to address bottlenecks in labour market participation such as high costs of transportation and care obligations.** The Government has also set up a high-level task force to identify integrated solutions (social, health, employment, etc.) to care responsibilities within two years."

p.45: **Health System**
"Life expectancy and healthy life expectancy, along with cardiovascular disease and cancer mortality, are causes for concern"
"Estonia has a significant problem with healthcare accessibility. The percentage of people who reported having problems with access to healthcare due to a long waiting list is the highest among all Member States (7.1 % of the population — compared to an EU average of 1.1 % — see Graph 3.2.8) and has been increasing since 2009 (when it was reported by 2.9 % of the population). According to national statistics, access difficulties are more frequently reported in relation to specialised care."
"The outflow of health professionals, coupled with the ageing of the health workforce, may even worsen future healthcare accessibility."
"In order to improve the access to health care, the Estonian authorities have adopted the following measures: for 2016, Estonia has increased the Health Insurance Fund budget by 6.4 % compared to 2015, and the budget for nursing services by 12 %. These changes cover wage increases and an increase in the number of health professionals trained. Estonia plans to invest EUR 141 million of ERDF funding in 2014-2020 to extend and increase the share of primary healthcare services and deliver specialised medical care in a more efficient way and tackle alcohol abuse and addiction."
"Efforts are being made to remedy the financial constraints of public long-term care due to limited local government and Estonian Health Insurance Fund budgets."

p.68: Labour market and social indicators (continued) – Expenditure on social protection benefits on sickness & healthcare: 4.1% GDP in 2013

Hungary

p.3: **Challenges of health system**
"**The labour market is steadily improving, but labour, social and education policies face several challenges.** The health system also faces major challenges."

p.36: **Additional structural issues**
"Second, it analyses the challenges of labour market, social and health policy."

p.45: **Health care system**
"The share of public expenditure on health is below the EU average and has dropped over the last decade. The share of government spending over total spending on health decreased by about 6 pps. over the last decade"
"Despite substantial improvements during the last decade, poor health outcomes continue being a major challenge." A range of public health measures have been introduced as a response.[1]
"Health workforce shortages pose risks to the healthcare system. Hungary has fewer doctors, nurses and dentists than the EU average (3.21 per 1 000 inhabitants compared to 3.47)."
"Equity in access to healthcare also remains a challenge. The gap for unmet needs between the first and bottom income quintiles is above the EU average (6.3 % for Hungary vs. 4.9 % EU average). Equity of access is further hindered by the widespread use of informal payments: 10 % of the population who visited public medical facilities in the preceding year reported having to make an extra payment beyond the official fees or offer a gift or donation."

p.56: **Pollution & health**
"Air pollution causes human-health diseases and leads to total external costs in the range of up to EUR 17 billion/year in Hungary."

p.66: Labour market and social indicators (continued) – Expenditure on social protection benefits on sickness & healthcare: 4.9% GDP in 2013

Ireland

p.2: **Progress**

"**Overall, Ireland has made some progress in addressing the 2015 country-specific recommendations.** Some progress has been made in the healthcare area, but cost-effectiveness remains an issue."

p.4: **Cost-effectiveness, equal access and sustainability of the health care system**
"**Cost-effectiveness, equal access and sustainability remain critical challenges to the healthcare system.** Significant uncertainty surrounds the broad reform of the healthcare system as the universal health insurance model is in quandary. Specific strands of reforms are progressing, but financial management and information systems remain weak, unequal access endures as an issue and spending on pharmaceuticals continues to weigh on cost effectiveness."

p.22: **Risks of ageing population**
Overall, while the debt to GDP ratio has declined significantly, risks and vulnerabilities remain. "An ageing population is also projected to increase health care and long-term care costs."

[1] These include the public health product tax (recently expanded and some alcoholic products as well), the act on the protection of non-smokers more became more stringent, the regulations on limiting the maximum trans-fatty acid content of food-staffs, and stricter nutritional health rules regarding public catering.

p.49: **Additional structural issues:**
"Focusing on the policy areas covered in the 2015 country-specific recommendations, this section analyses issues related to SME development and access to finance, labour market, education and social issues, infrastructure needs, taxation and the fiscal framework, and healthcare."

p.61: **infrastructure needs**
"Public service sectors have been affected unevenly by the recent cuts. Transport infrastructure — by far the largest component of government investment before the crisis — has been cut sharply, together with investment in housing. Other sectors, including education and health, were affected less severely, even though they were also cut"

p.72: **Healthcare**
"Cost-effectiveness, equal access and sustainability are critical challenges for the healthcare system. Ireland typically ranks in the middle third of OECD countries on a number of health outcomes such as life expectancy at birth, life expectancy at 65 or mortality from cardiovascular diseases. It also frequently performs in the bottom third of OECD countries on a range of quality of care indicators, including avoidable hospital admissions, cancer survival rates and volume of antibiotics prescribed per person"
"The forecasting and execution of public healthcare expenditure plans have been problematic over recent years. Efforts have been made since 2010 to reduce healthcare expenditure, with some degree of success. However, cost-saving measures have been increasingly difficult to achieve over the past couple of years, and expenditure cuts have come partly at the expense of public investment in healthcare facilities, which was dropped from 0.32 % of gross national income on average in 2004-2008 to 0.16 % in 2011-2013. In addition, the public healthcare system has been unable to adhere to *ex ante* budget plans over the past few years, with overruns becoming systematic and increasingly large"
"Cost-effectiveness is one of the government's priorities in healthcare reforms. The authorities are juggling with a number of other reforms linked to healthcare access, quality, resilience and sustainability, as set out in the 2012 Future Health strategy. The Programme for Government and Future Health set out the objective to transform the current two-tiered system that delivers unequal access into a single-tier system based on universal private health insurance partly supported by general taxation through subsidies for the less wealthy. Other key strands of reform include the implementation of an *eHealth* strategy and the introduction of activity-based funding in the health system, initially in the hospital sector."
"The universal health insurance model is in a quandary. At the request of the government, the Economic and Social Research Institute conducted an examination of the potential cost of introducing a universal health insurance model (71) along the lines of what had been set out in broad terms in a 2014 White Paper. Following publication of the report, the authorities have indicated that they remain committed to introducing universal healthcare, but that further research is needed regarding detailed arrangements, leaving everything uncertain at this time."
"Activity-based funding is advancing gradually. The authorities adopted an action plan to implement activity-based funding in hospitals in May 2015. The actual transition from block-funding of hospital activities will be a gradual process that will extend over several years, starting with inpatient and day cases before widening to outpatient care. It could perhaps extend to emergency care and beyond hospitals to community and home care, but only in the long term. Activity-based funding is meant to improve quality, transparency, data collection and a reallocation of resources across hospitals."
"**eHealth implementation is moving step by step.** Though progress has been slower than initially set out, individual health identifiers (IHIs) – the cornerstone of eHealth development – are now finally reaching an operational stage. eHealth Ireland has now been established and is working on various strands of work. IHIs have been created for 95% of the population, and will be piloted for 35 general practitioner practices in Q2-2016. By the end of 2016, all practices under the General Medical Services contract are expected to use IHIs as part of their referral systems and roughly half of acute hospitals are projected to use IHIs as their patient record numbers."
"Unequal access remains an issue. Independent of the process towards universal health insurance, the authorities introduced free access to general practitioners for children under 6 and seniors above 70. In April 2015 close to 2 million people (around 40 % of the population) had free access to general

practitioners under medical cards or GP visit cards, with others bearing the full cost of general practitioner care."
"Implementing primary care reform could be challenging unless barriers to entry for medical professionals are removed. Under Future Health, the government identified a strategy of reducing the strain on acute hospital services by moving the care setting into the community through an enhanced reliance on primary care centres."
"**Spending on pharmaceuticals continues to weigh on cost-effectiveness.** The introduction of the system of interchangeable groups and internal reference pricing has generated savings on off-patent medicines. It has also increased the penetration of generics (international non-proprietary name plus branded generics), which represented 38.7 % of the volume of total medicines covered under the public system and 11 % in value in Q3-2015"
"An ageing population will put pressure on the healthcare system. The structure of Ireland's population is expected to undergo significant changes over the coming decades, with a big increase in the number of elderly and a flattening of the age pyramid"

p.76: **Recommendation & commitment**
"Take measures to increase the cost-effectiveness of the healthcare system, including by reducing spending on patented medicines and gradually implementing adequate prescription practices. Roll out activity-based funding throughout the public hospital system."
"Ireland has made some progress in increasing cost-effectiveness in the healthcare system, even though it remains an issue, with renewed expenditure overruns in 2015. Savings on pharmaceuticals have been generated by the increased recourse to generics and the use of internal reference prices and lists of interchangeable medicines. Prescription by international non-proprietary name is still not compulsory for medicines to be dispensed in Ireland. The planned mid-term review of the agreement on the supply and pricing of patented medicines with the Irish Pharmaceutical Healthcare Association (IPHA) was never concluded. Formal engagement with the IPHA for its replacement is only expected to start in early 2016. An Activity Based Funding Implementation Plan 2015-2017 was published in May 2015."

p.87: Labour market and social indicators (continued) – Expenditure on social protection benefits on sickness & healthcare: 6.9% GDP in 2013

Sweden

p.4: **Refugees and healthcare**
"**Accommodating such large numbers of refugees is expected to have significant economic impacts.** In the short term, additional public spending is needed related to the provision of food, healthcare and shelter (and more broadly social and administrative support), with a positive impact on economic growth."

p.32: **Investment at municipal level for health care facilities**
"**Municipalities do not have sufficient (financial) incentives to support construction activities**. At the same time, increased residential construction would entail public infrastructure investments to be financed by the municipalities, such as schools, health care facilities and physical infrastructure."

p.45: **Long term care, ageing and health care**
"Medium sustainability risks appear over the long run due to the projected impact of age related public spending. In particular, health and long term care can represent areas for policy reforms so as to improve the sustainability of public finance, while pension expenditure is projected to have a mitigating effect thanks to the pension reforms implemented in the past."

p.68: Labour market and social indicators (continued) – Expenditure on social protection benefits on sickness & healthcare: 7.5% GDP in 2013

UK

p.48: **Cost of ageing population and health care**

"**Under a more adverse scenario, the gap would reach a higher value.** This scenario assumes that, in the health care and long term care areas, non-demographic drivers push costs upward. The cost of ageing reflects the long-term challenges posed by an ageing population. In this case, fiscal sustainability over the long-term would rely on reducing the projected age-related spending increases through reforms."

p.53: **Health & wellbeing in primary schools**

"**Raising attainment in basic skills is a policy goal in all devolved administrations.** To further reduce the attainment gap, Scotland has prioritised education in the government programme and focused its policy efforts on further raising the attainment of schools in deprived areas through the Scottish Attainment Challenge, a GBP 100m project over 4 years (2015-2019) which builds on the approach used in the London Challenge and invests in targeted improvements in literacy, numeracy and health and wellbeing in primary schools."

Apprenticeships in health

"**Beyond a welcome expansion of work-based learning opportunities, the quality of apprenticeships in England also requires focus**. Most apprenticeships take place in the service sector, with three quarters of starts concentrated in three sectors: business, administration & law; health, public services & care; and retail & commercial enterprise. Criticism has been raised that apprenticeships are decoupled from occupations and therefore not rigorous enough."

p.66: **Air pollution & health**

"**Air pollution causes substantial environment and health impacts and has a high economic cost to society.** Air pollution was responsible for more than 31 500 premature deaths in 2010 and sickness totalling health-related external costs in the range of Euro 28.7 - 81.3 billion/year (90). Those estimates include not only the intrinsic value of living a full health life but also direct costs to the economy."

p.76: Labour market and social indicators (continued) – Expenditure on social protection benefits on sickness & healthcare: 8.5% GDP in 2013