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From: General Secretariat of the Council

To: Delegations

Subject: EPC- Commission Joint Report on health care and long-term care in the EU

- Council Conclusions (8 November 2016)

Delegations will find in the annex the Council conclusions on EPC- Commission Joint Report on health care and long-term care in the EU, adopted by the Council (ECOFIN) at its 3495th meeting held on 8 November 2016 in Brussels.

Council Conclusions

on the EPC- Commission Joint Report on health care and long-term care in the EU

The Council (ECOFIN) adopted the following conclusions:

As highlighted in the Council conclusions of 8 March 2016¹, high government debt, together with the budgetary pressures stemming from population ageing and other non-age-related determinants make the fiscal sustainability of health and long-term care systems a matter of common concern. The Council CONSIDERS that achieving the twin aim of ensuring fiscal sustainability and access to good quality health care services for all, by improving the efficiency and effectiveness of health and long-term care systems, is therefore particularly important.

Against this background, the Council WELCOMES the Joint Report prepared by the Economic Policy Committee (Ageing Working Group) and the Commission Services (DG ECFIN) and HIGHLIGHTS that:

- According to Art. 168 (7) TFEU, Union action shall respect the responsibilities of the Member States for the definition of their health policy and for the organization and delivery of health services and medical care. The responsibilities of the Member States shall include the management of health services and medical care and the allocation of the resources assigned to them.
- The Council, RECALLING its conclusions^{2,3,4,5} and, in the light of the findings of the Joint Report, REAFFIRMS the need to provide universal health care and adequate long-term care services to meet increasing demand related to an ageing population and growing patient expectations due to technological development in the coming decades, while reducing high public debt levels.

¹ <http://www.consilium.europa.eu/en/press/press-releases/2016/03/08-ecofin-conclusions-fiscal-sustainability-report/>

² 7 December 2010: See 3054th ECONOMIC and FINANCIAL AFFAIRS Council meeting, Brussels, 7 December 2010

³ 22 June 2006: Council Conclusions on common values and principles in EU Health Systems OJ 2006 C 146

⁴ 20 June 2014: Council conclusions on the economic crisis and healthcare OJ 2014 C 217

⁵ 7 March 2016: See 3453rd EMPLOYMENT, SOCIAL POLICY, HEALTH AND CONSUMER AFFAIRS Council meeting, Brussels 7 March 2016

- Safeguarding high levels of health contributes to a better quality of life and moreover to economic prosperity through higher labour market participation, longer working lives and productivity, and thus is crucial in the context of an ageing society. Health and long-term care spending absorbs a significant and growing share of resources and most EU Member States face strong and growing fiscal pressures on their health systems, however, notwithstanding recent efforts, there is scope to improve the health status of the population without necessarily increasing health spending. Under conditions of severe constraints on public budgets, getting more value for money through appropriate policy reform is necessary to safeguard and sustain health systems and improve population health.
- In addition to fiscal challenges, health care and long-term care systems in many cases face many common structural challenges related to an inefficient distribution and use of resources across functional areas of spending, which need to be addressed via a country-specific policy mix within the competence of the Member States. Additional challenges relate to unequal access to healthcare, frequent budget overruns, competing fiscal pressures from various ministries, changing policy priorities, fraud or corruption, and the lack of information on value for money of investment in health care and long-term care systems.

In light of this report, key health and long-term care policy challenges that need to be addressed by Member States, where appropriate, when designing their reforms measures include:

- *Improving the governance of the systems.* This requires 1) strengthening cooperation between fiscal and health or other relevant policy authorities and employing a wide range of budgetary planning tools to support efficiency, transparency and accountability; 2) setting up information technology and data management strategies to support monitoring and governance and strengthen the fight against corruption, fraud and misuse of public resources; 3) assessing reforms ex-ante and ex-post in a systematic and formalised manner based on evidence; 4) clearly defining the roles of public authorities for the provision of long-term care services aiming at integrating medical and social services via a legal framework and improving administrative efficiency.

- *Promoting the sustainability of financing and expenditure.* Adequate and sustainable financing is a key for ensuring good coverage, access and quality of care. This requires: 1) strengthening policies for health promotion and disease prevention to maximise the systems' potential to deliver better health care outcomes; 2) ensuring that publicly funded health service packages are based on cost-effectiveness criteria and that cost-sharing schemes support the containment of public spending, while ensuring access to healthcare for all; 3) designing remuneration and purchasing mechanisms to promote efficiency; 4) improving the financing of long-term care expenditure in a fiscally sustainable way in a forward-looking time frame and incentivising pre-funding elements, while targeting public funding to recipient's needs; 5) enhancing the sustainability of hospital care by pursuing structural reforms of the sector, including by improving financing arrangements and reducing operational costs.
- *Strengthening structural efficiency, competition and transparency.* This requires 1) moving health care out of the resource intensive hospital sector towards more cost-effective primary and ambulatory care services and by promoting integrated care; 2) improving health systems performance assessment; 3) strengthening the cost-effective use, availability, accessibility and affordability of medicines by implementing policies such as promoting public procurement and the role of generics and biosimilars, appropriate price-control policies and a rational use of medicines⁶; 4) ensuring an adequate number of qualified formal carers and support family carers for providing informal care; 5) supporting long-term care services at home rather than in institutional settings when appropriate.

⁶ 16-17 June 2016: See 3473th EMPLOYMENT, SOCIAL POLICY, HEALTH AND CONSUMER AFFAIRS Council meeting, Brussels 16-17 June 2016

Taking into consideration the competence of the Member States in the organization and delivery of healthcare in accordance with Art. 168, the Council TAKES NOTE of the recommendations of the Joint Report and INVITES the Commission to factor these findings into their analysis and draft recommendations in its economic policy coordination activities in the framework of the European Semester and explore how Union action can complement national policies, with a clear focus on fiscal sustainability. The Council INVITES Member States to factor these findings into the implementation of their national policies where appropriate and relevant in different national contexts. The Council INVITES the Economic Policy Committee to update its analysis of fiscal policy challenges related to health care and long-term care systems, taking due account of fiscal risks related to demographic and non-demographic expenditure drivers.
