

# Health care system capacities: some initial thoughts about where we are and its implications

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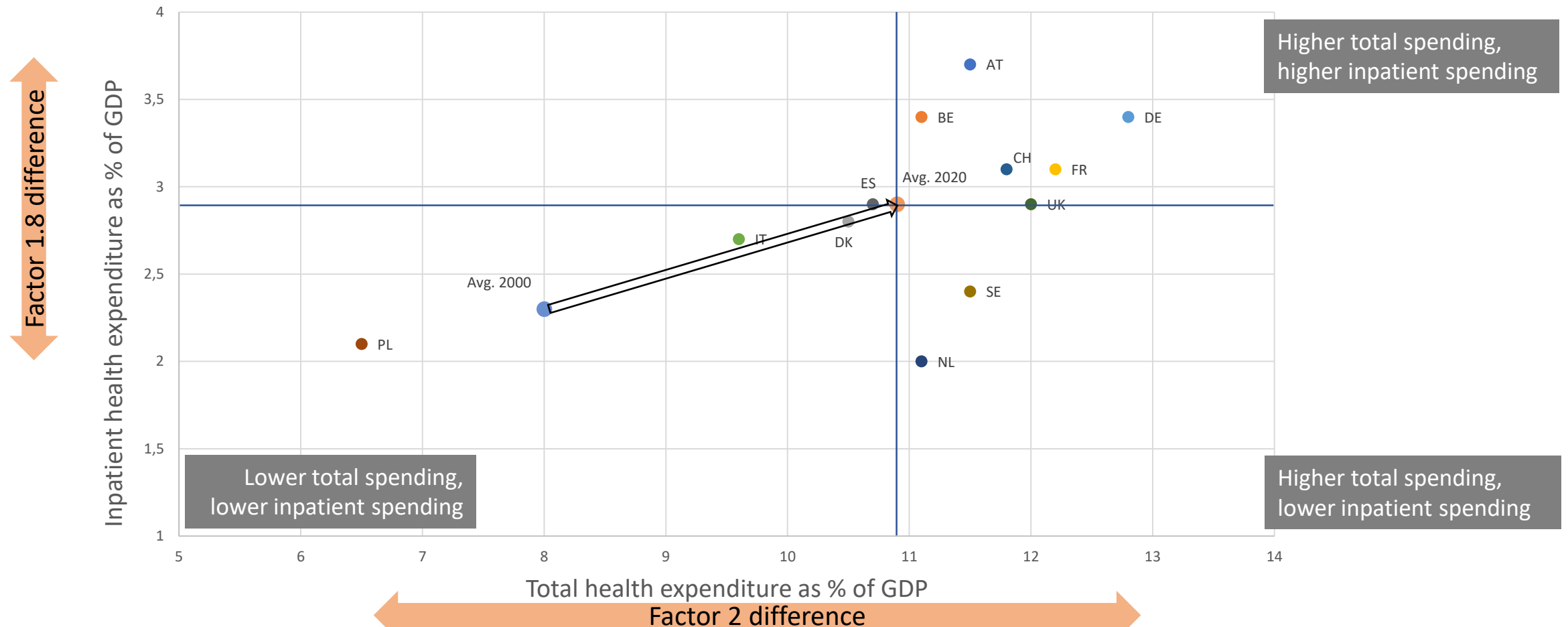
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European Observatory on Health Systems and Policies

# The common belief until now

- Health = wealth; therefore more money should be spent on health
- OK, expenditure on health should be spent wisely, that's why we have Health Technology Assessment (HTA), economic evaluation ...
- The pandemic has proven that we need to strengthen (better finance, more workforce) our health systems as they were at the brink of collapse
- What do the figures show? What are the implications of this?

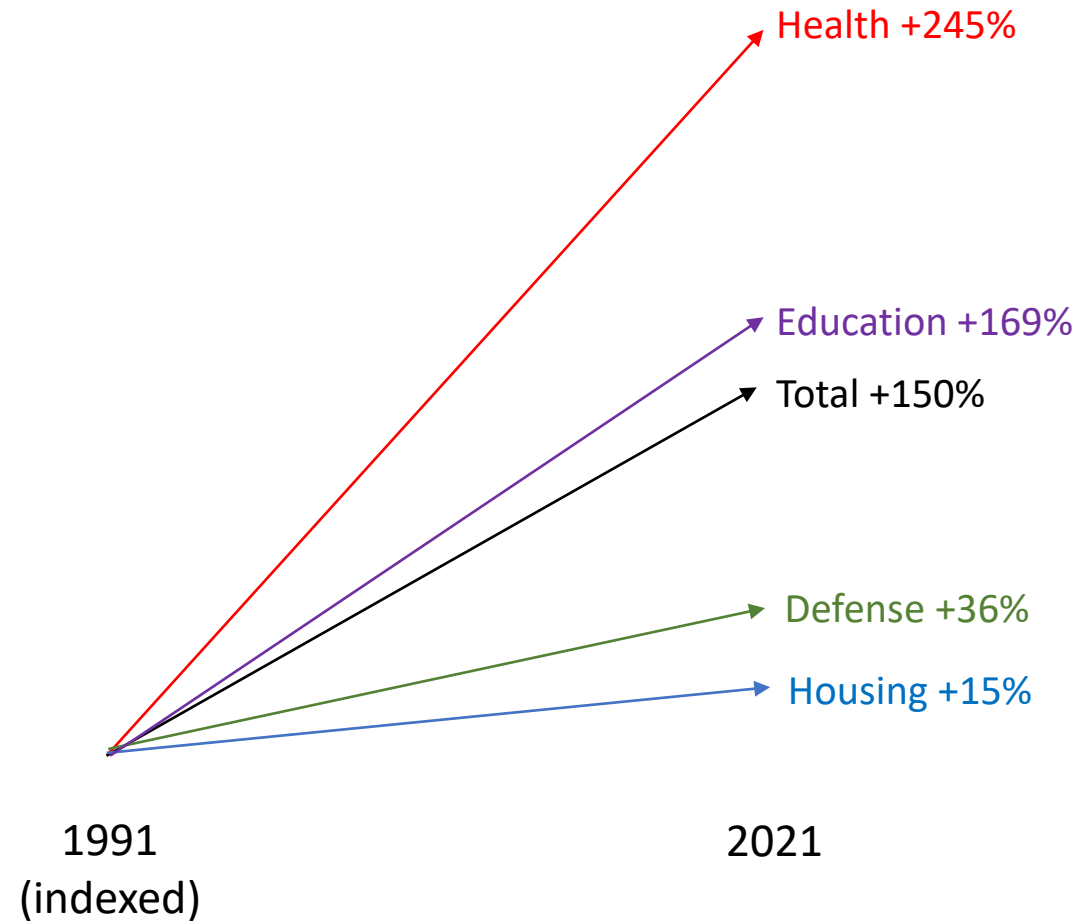
In European countries, we are spending about 1/3 more on health than 20 years ago (10.9% instead of 8.0% of GDP) and ... we spend on average 27% of that on inpatient care (2.9% of GDP)



*Demanding even more money misses the reality of new priorities (e.g. defense) – and of questionable cost-effectiveness!*

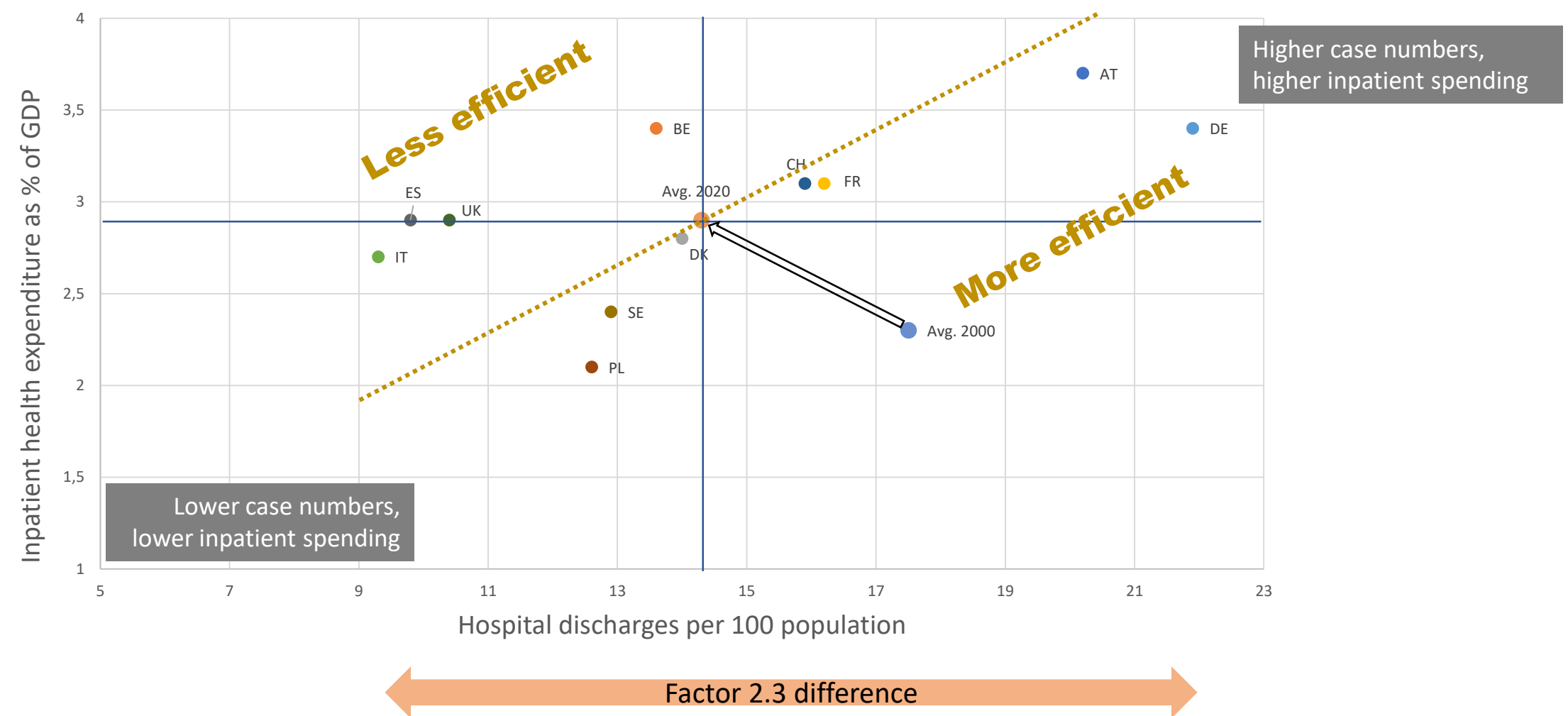
# Did we get our priorities right?

## Public expenditure in Germany 1991-2021 (nominal)



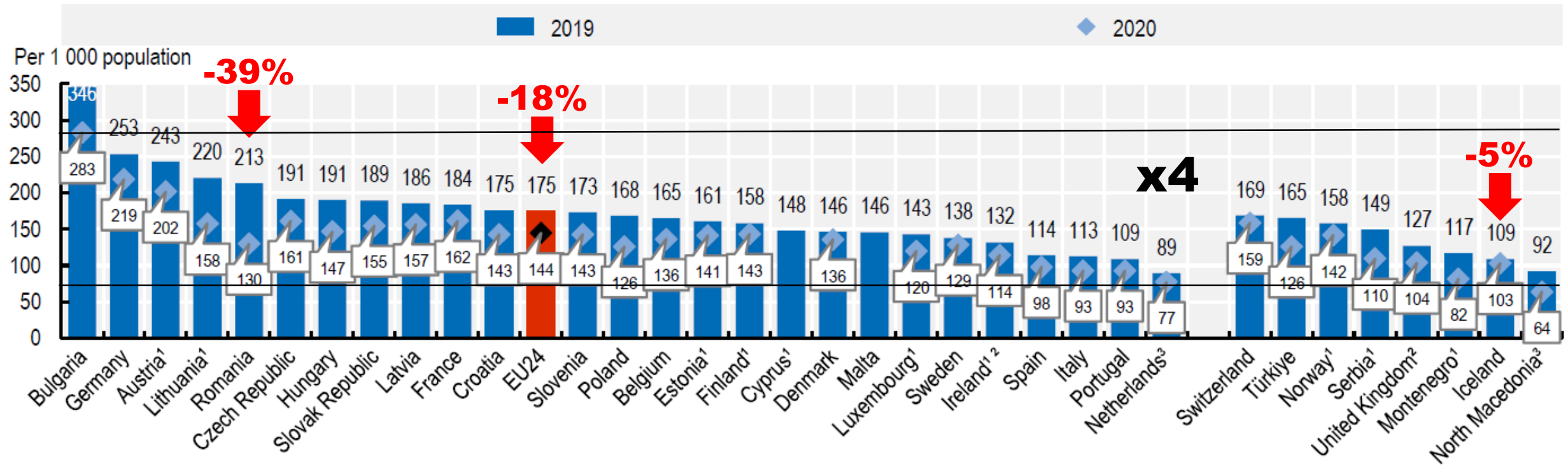
*Demanding even more money misses the reality of new priorities (e.g. defense) – and of questionable cost-effectiveness!*

In the same period, hospital discharges per capita decreased by almost 20%, meaning that cost per inpatient case has increased by >50% compared to GDP (the graph also shows that inpatient expenditure is driven by case numbers)



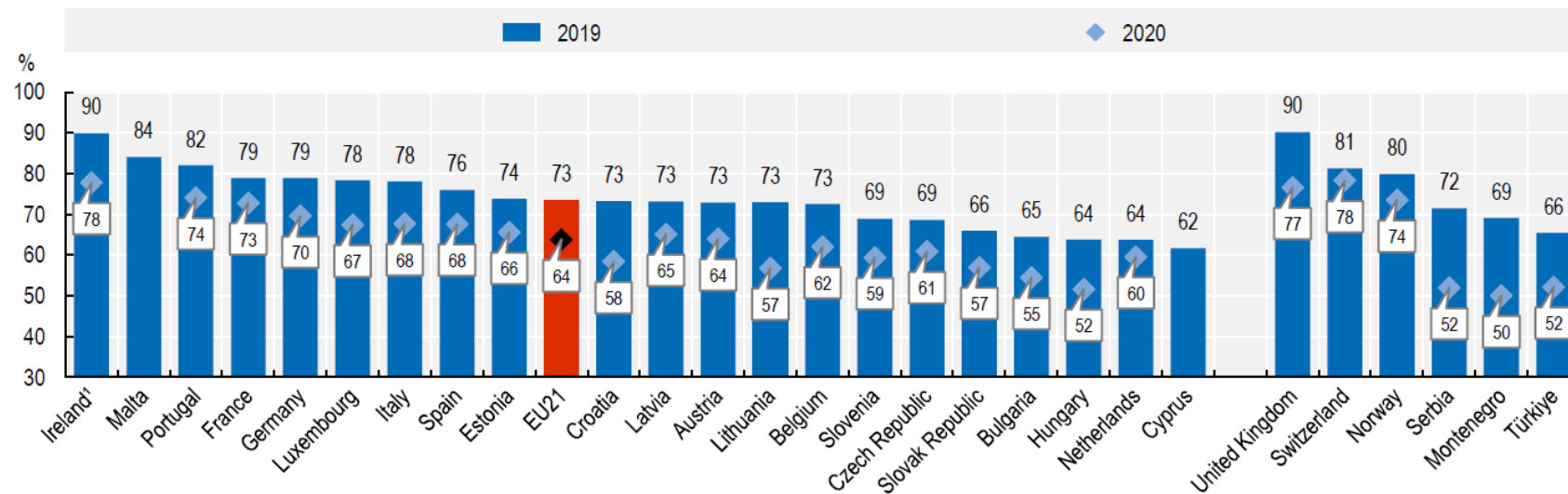
A main factor (and a paradox for many): in the biggest health crisis, inpatient cases decreased – time to rethink the role of hospitals even more!

Figure 7.24. Hospital discharges per 1 000 population, 2019 and 2020



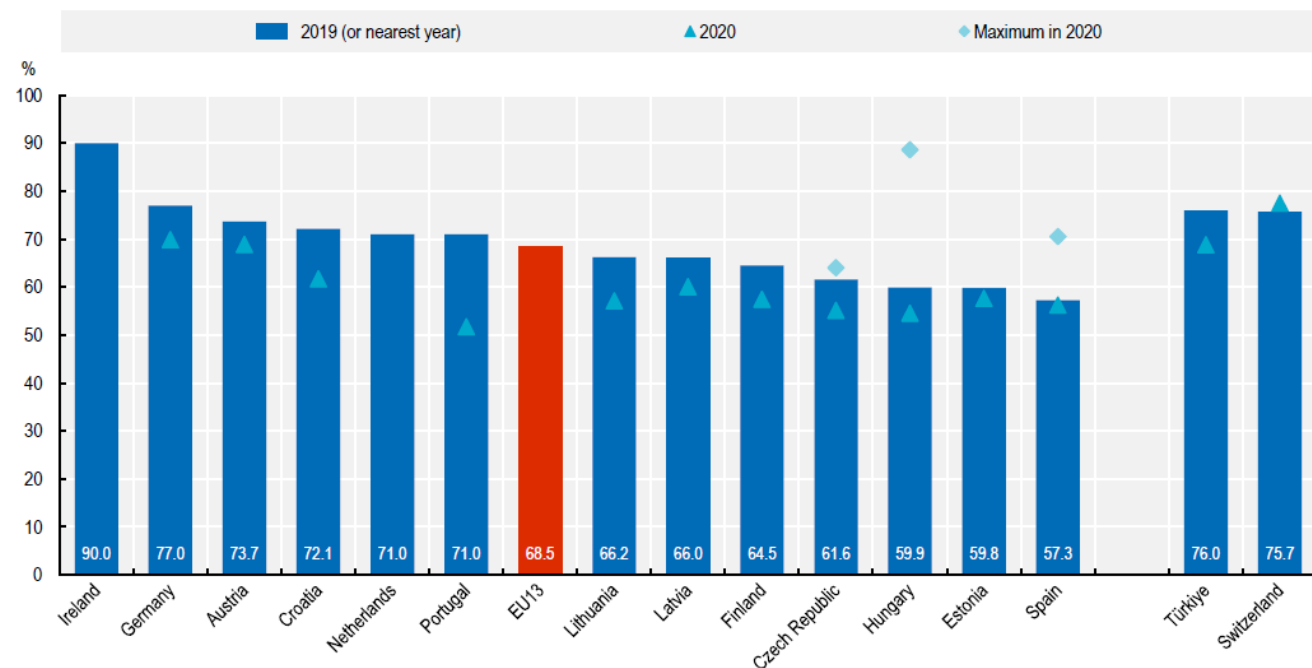
Note: The EU average is unweighted. 1. Data exclude discharges of healthy babies (between 3-10% of all discharges). 2. Data exclude activity in private hospitals (in Ireland, private hospitals account for about 15-20% of hospital discharges). 3. Data include discharges for curative (acute) care only.  
Source: OECD Health Statistics 2022; Eurostat Database.

Figure 7.25. Occupancy rate of curative (acute) care beds, 2019 and 2020



Note: The EU average is unweighted. 1. Data for Ireland exclude private hospitals.  
Source: OECD Health Statistics 2022; Eurostat Database; UK data from NHS England.

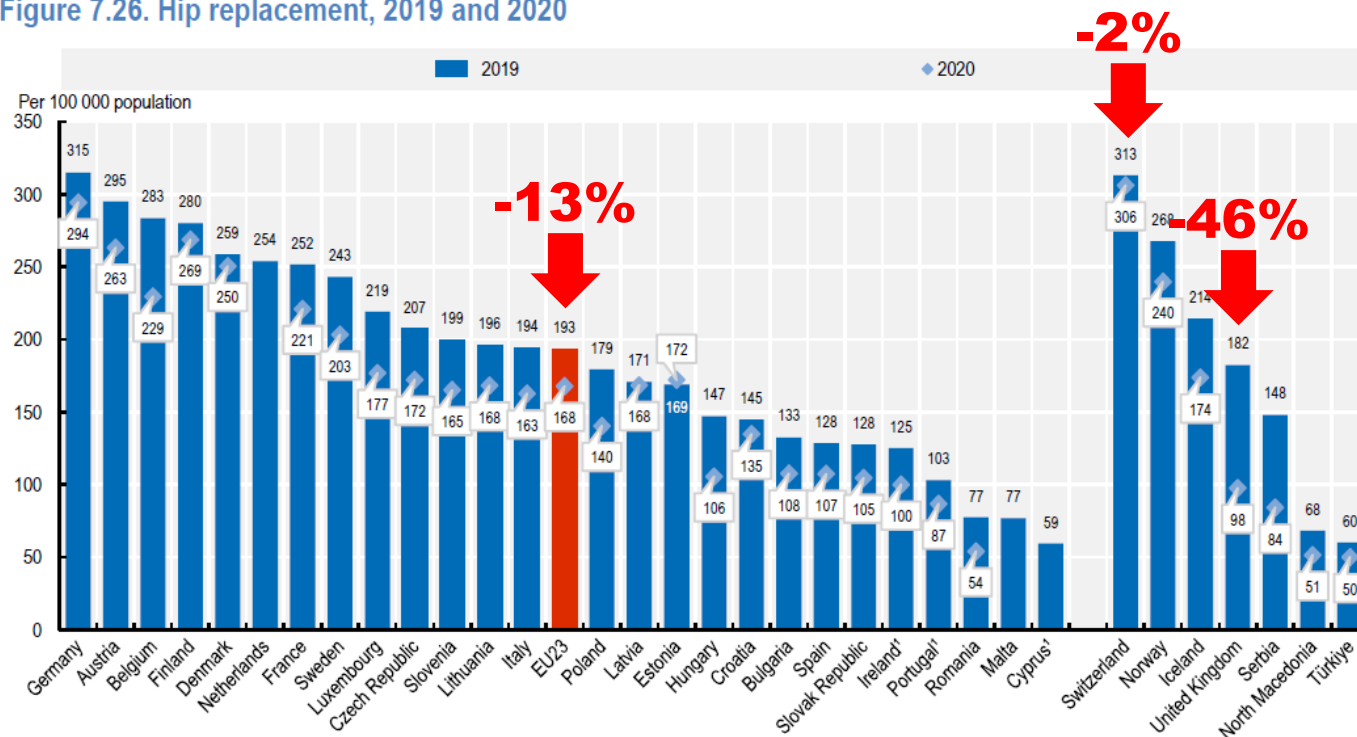
Figure 8.8. Adult ICU occupancy rate, 2019 and 2020



Source: OECD/Eurostat/WHO-Europe Joint Questionnaire on Non-Monetary Health Care Statistics, based on national sources.

... accompanied with bed occupancy rate decreases (even in ICU, at least where data are available)

Figure 7.26. Hip replacement, 2019 and 2020



Note: The EU average is unweighted. 1. Data cover only surgical operations carried out in public hospitals. In Ireland, the inclusion of private hospitals would almost double the volume of operations in 2020 (197 per 100 000 population).

Source: OECD Health Statistics 2022; Eurostat Database.

Contrary to the belief of many, major surgery was less-than-average affected by decreases ... (but rather avoidable admissions)

## Building A Better Health Care System Post-Covid-19: Steps for Reducing Low-Value and Wasteful Care

The upheaval in the provision of routine health care caused by the Covid-19 pandemic offers an unprecedented opportunity to reduce low-value care significantly with concurrent efforts from providers and health systems, payers, policymakers, employers, and patients.

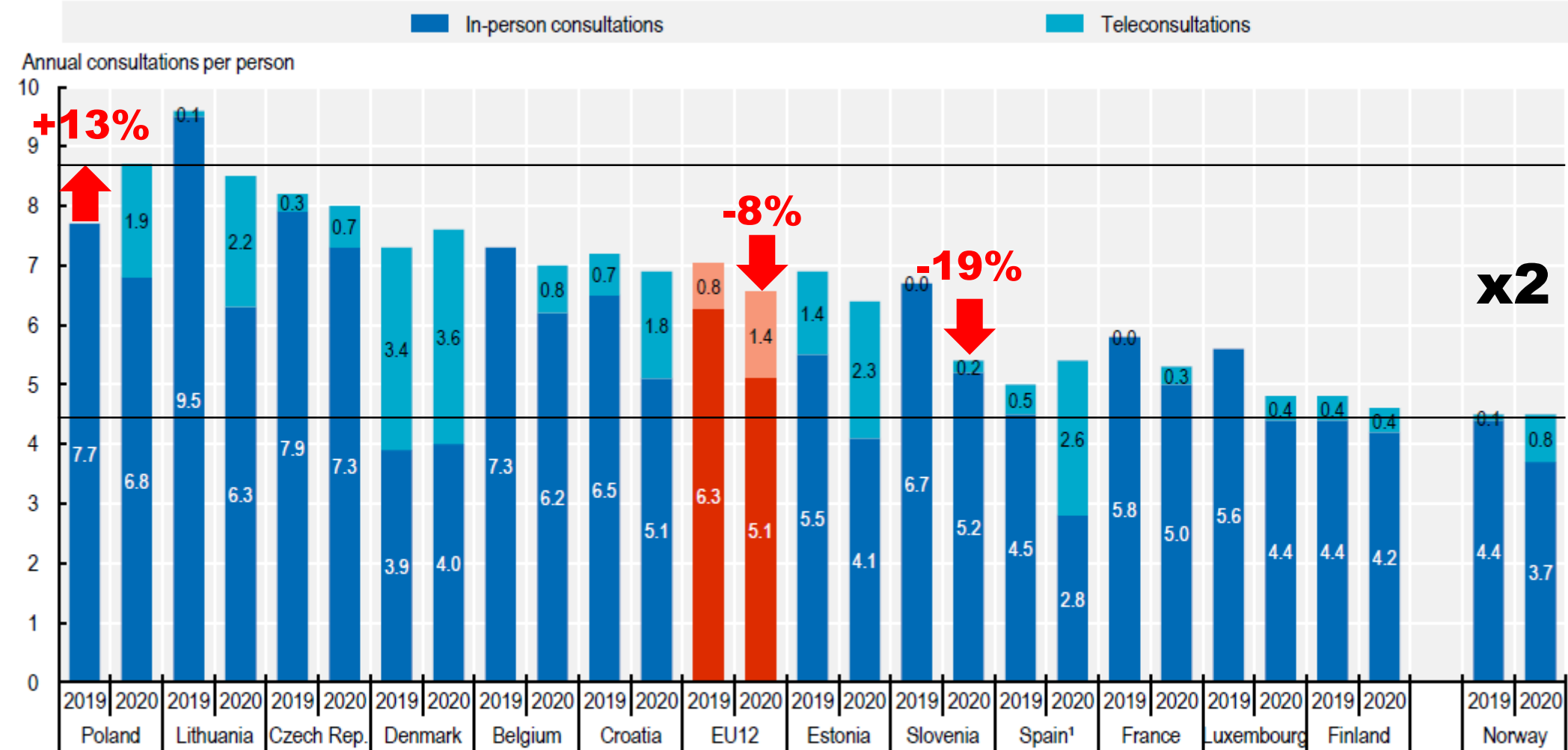
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Decreases in ambulatory care consultations were smaller – because teleconsultations became important!

Figure 8.3. In-person consultations and teleconsultations with doctors, 2019 and 2020

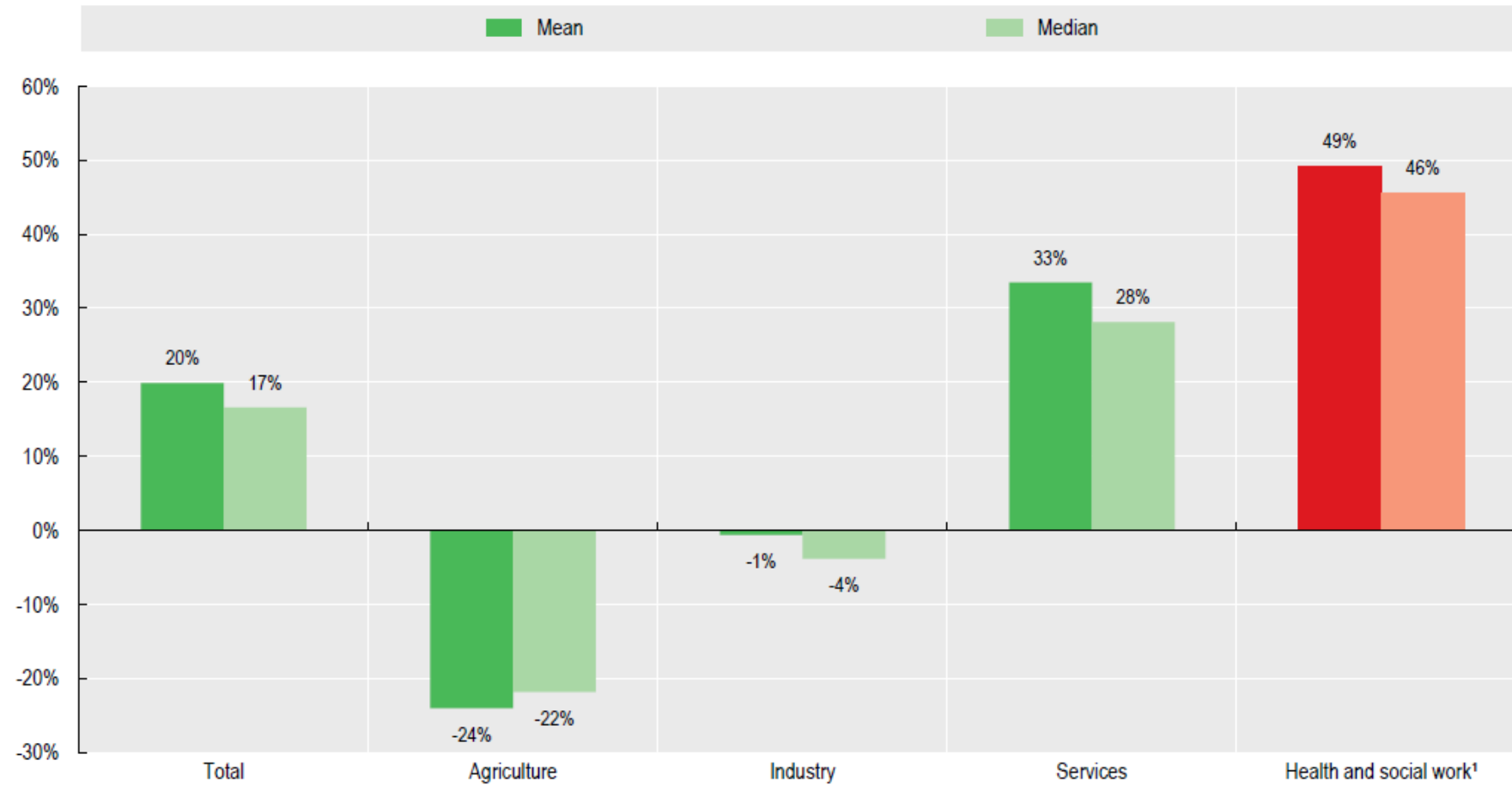


Note: The EU average is unweighted. 1. Data for Spain are underestimated as they only include consultations in primary health care centres of the National Health System.

Source: OECD Health Statistics 2022 (for in-person consultations) and national sources (for teleconsultations); Eurostat Database.

Between 2000 and 2020, health employment increased by 50% (!)

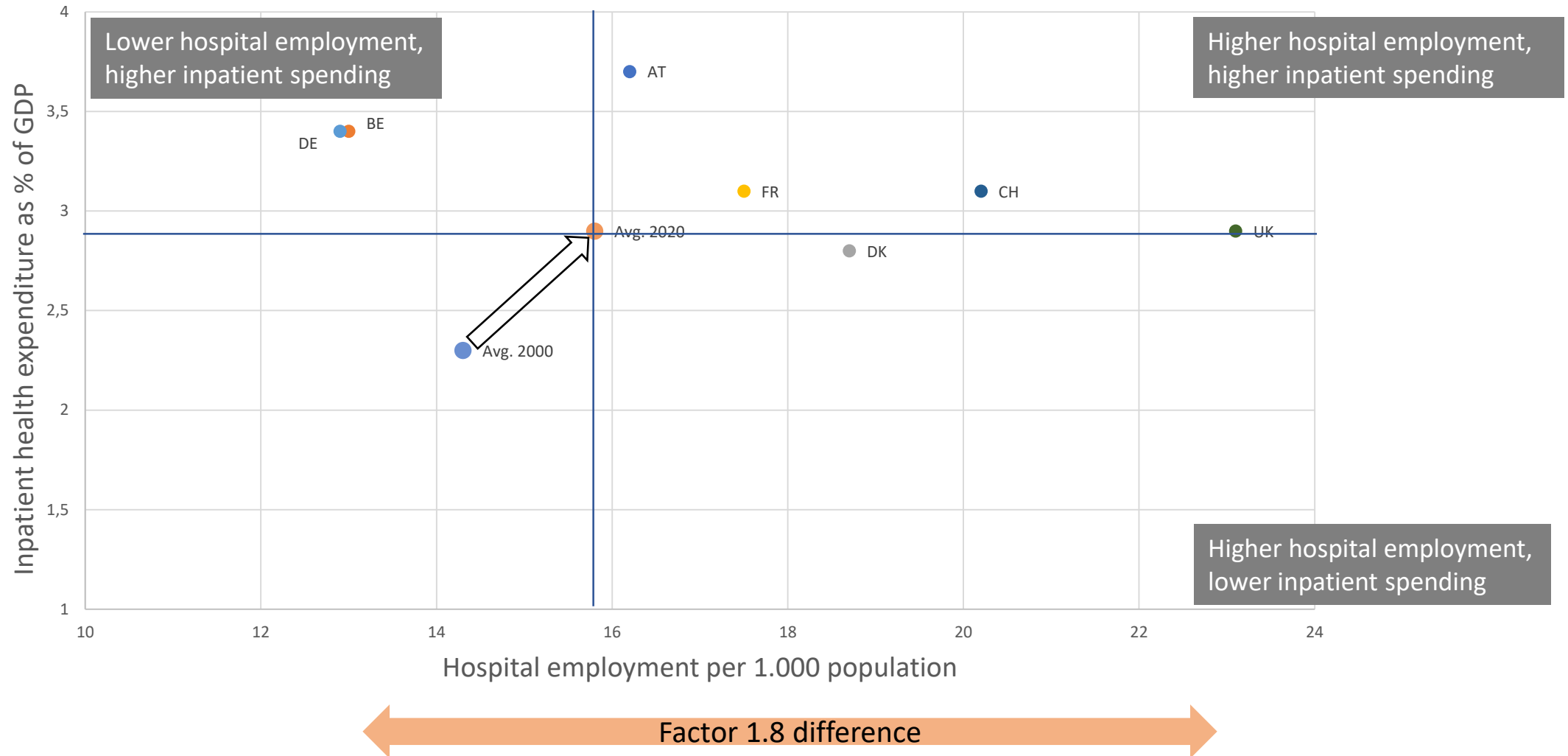
Figure 8.2. Employment growth by sector, OECD average, 2000-19 (or nearest year)



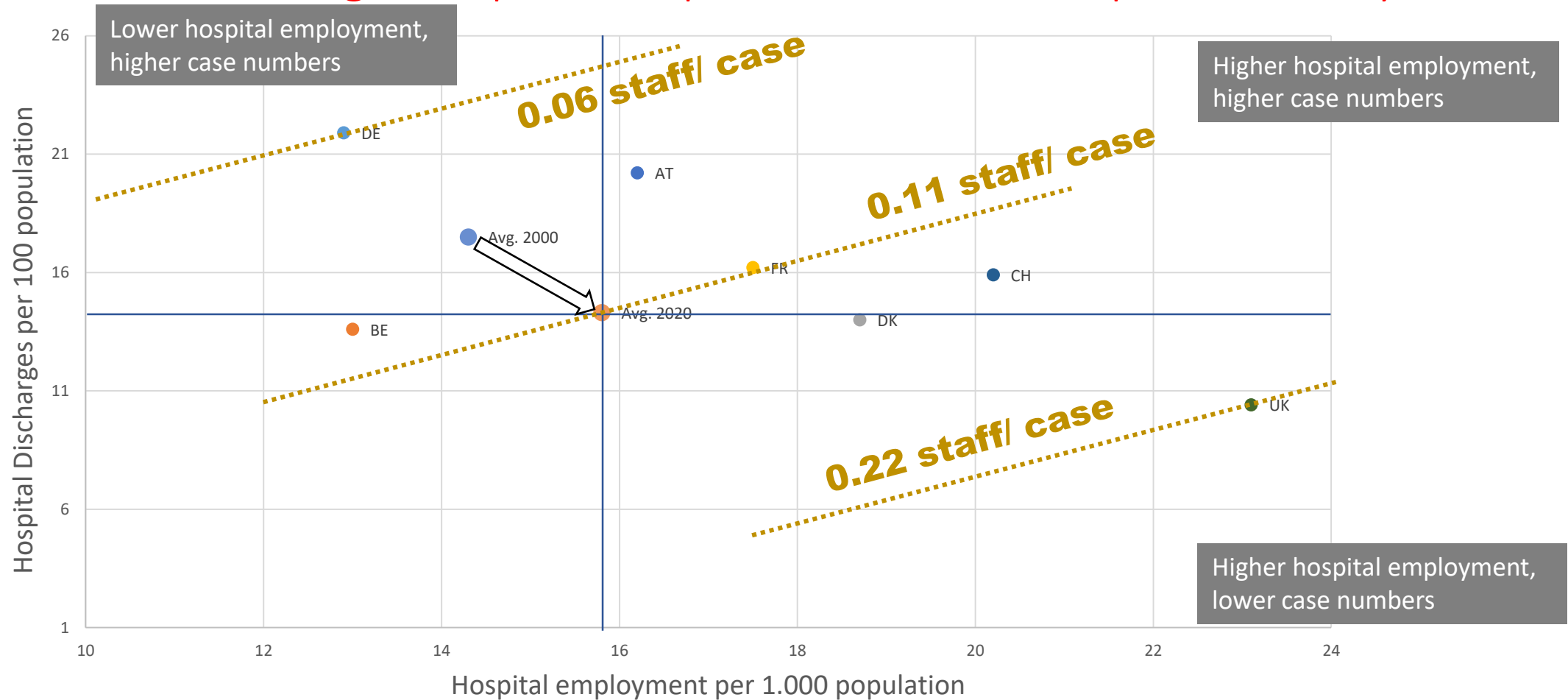
1. Health and social work is classified as a sub-component of the services sector.

Source: OECD National Accounts.

Between 2000 and 2020, health employment increased by 50% (!), and even in hospitals by >10% - in line with rising expenditure

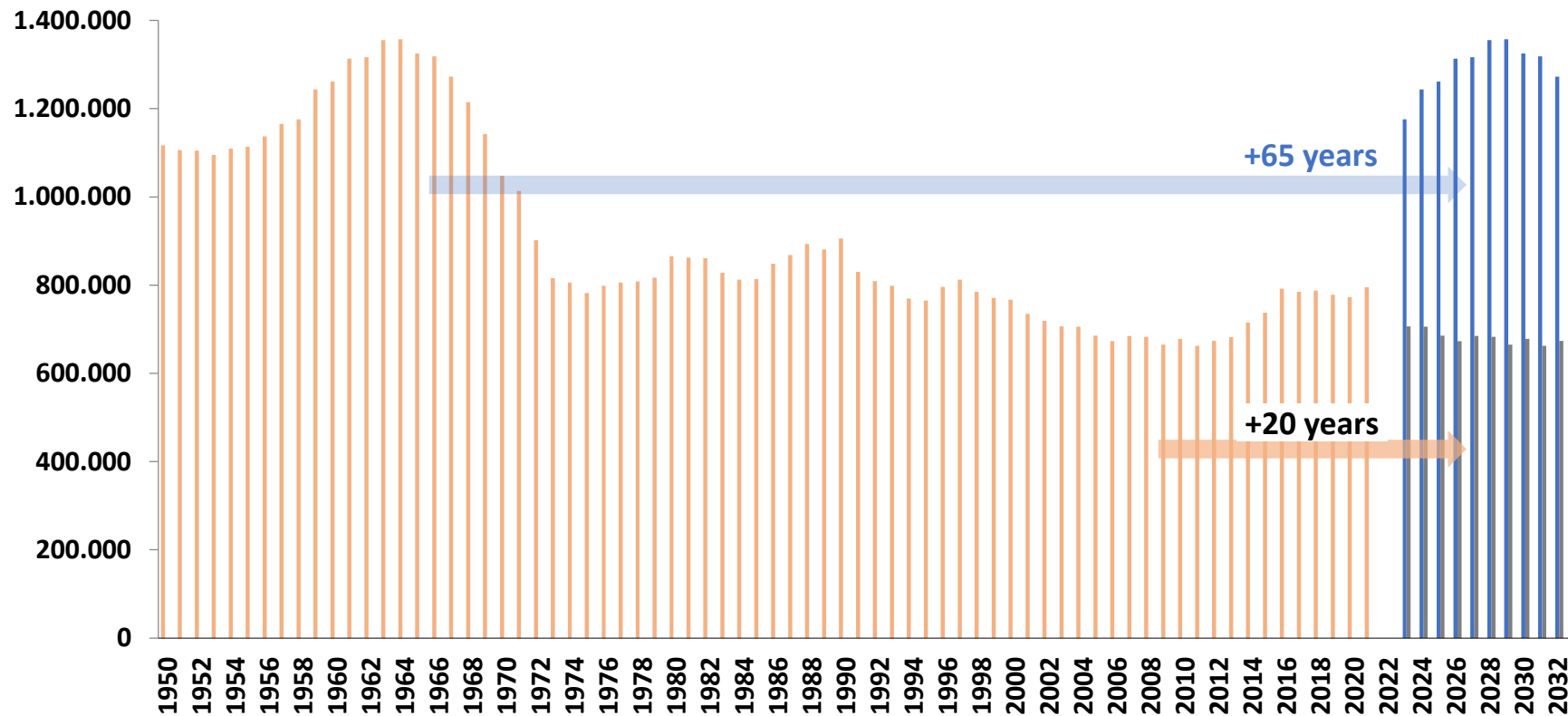


In combination with decreased case numbers, staff-to-patient ratio improved by almost 30% - but we observe another paradox: in both Germany and the UK, the staff shortage is a public topic, while numbers per case vary 4-fold!

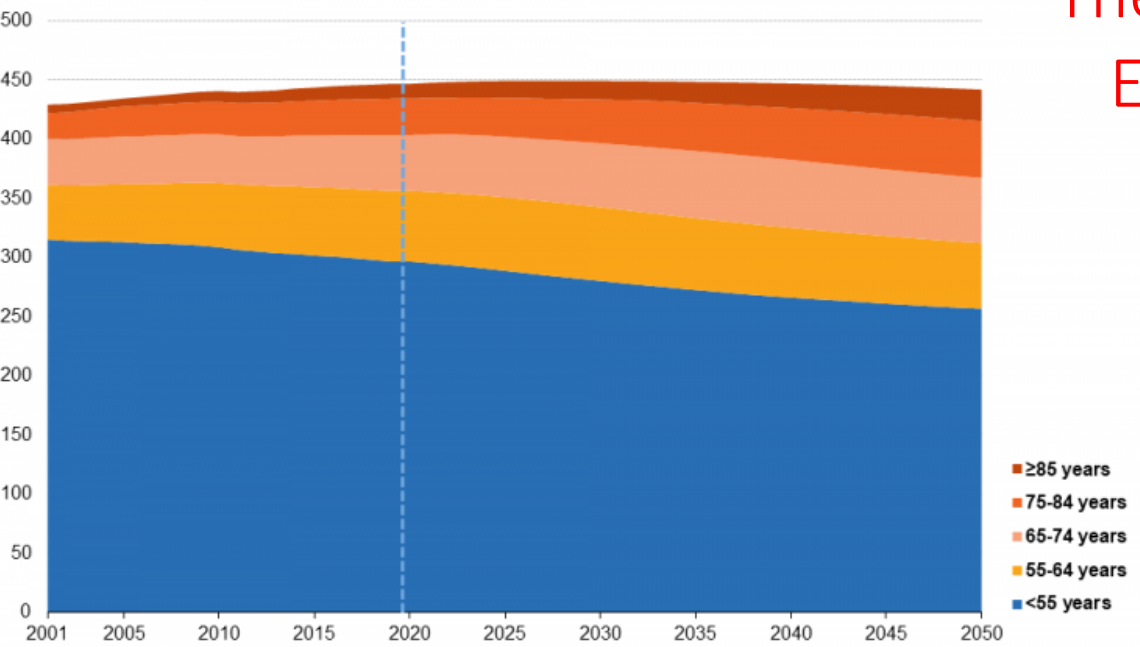


*But after the +50% increase since 2000, a further increase seems unlikely, given the demographic transition with retiring baby-boomers*

In Germany, the generation of retiring baby-boomers is twice as large as those currently entering the workforce – creating an annual workforce loss of >500,000 (and with 1 in 6 working in health, that's 80,000 losses for the health sector)



Population developments, by age class, EU-27, 2001-2050  
(million inhabitants)



Note: all data as of 1 January. 2008, 2010-2012, 2014-2015 and 2017: breaks in series. 2019: provisional. 2020-2050: population according to the 2019 projections, baseline variant (EUROPOP2019). The vertical dotted line marks the divide between official historical data and EUROPOP2019 population projections.

Source: Eurostat (online data codes: demo\_pjangroup and proj\_19np)

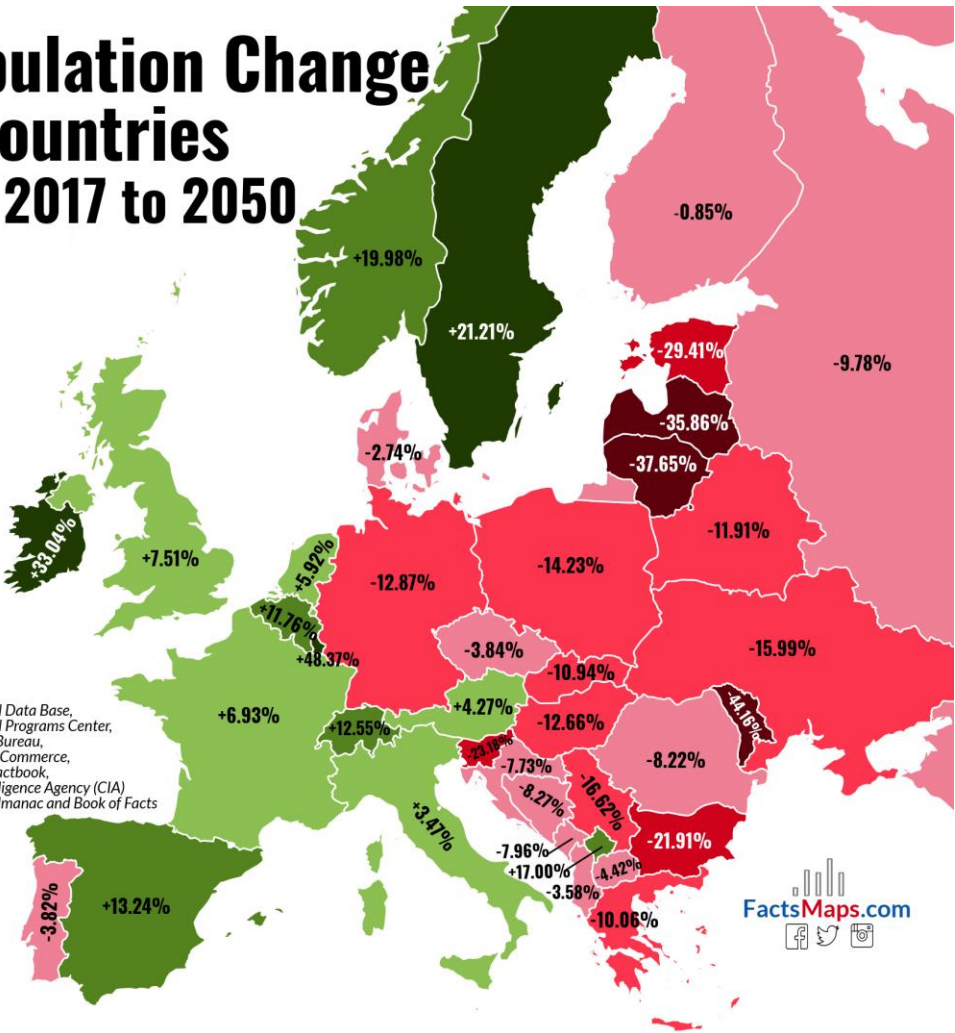
eurostat

The trend will be experienced all over Europe – but some countries with good working conditions will be growing (through migration) ...

# Projected Population Change in European Countries 2017 to 2050

	Population (thousands) in 2017	Population (thousands) in 2050	
• Luxembourg	583	865	+48.37%
• Ireland	4,761	6,334	+33.04%
• Iceland	335	407	+21.49%
• Sweden	9,910	12,012	+21.21%
• Norway	5,305	6,365	+19.98%
• Cyprus	1,179	1,393	+18.15%
• Kosovo	1,900	2,223	+17.00%
• Spain	46,354	52,491	+13.24%
• Switzerland	8,476	9,540	+12.55%
• Belgium	11,429	12,773	+11.76%
• UK	66,181	71,154	+7.51%
• France	64,979	69,485	+6.93%
• Netherlands	17,035	17,907	+5.12%
• Austria	8,735	9,108	+4.27%
• Italy	59,359	61,416	+3.47%
• Finland	5,523	5,476	-0.85%
• Denmark	5,733	5,576	-2.74%
• Albania	2,930	2,825	-3.58%
• Portugal	10,329	9,934	-3.82%
• Czech Rep.	10,618	10,210	-3.84%
• Macedonia	2,083	1,991	-4.42%
• Croatia	4,189	3,865	-7.73%
• Malta	430	396	-7.91%
• Montenegro	628	578	-7.96%
• Romania	19,679	18,061	-8.22%
• Bosnia Herz.	3,507	3,217	-8.27%
• Russia	143,989	129,909	-9.78%
• Greece	11,159	10,036	-10.06%
• Slovakia	5,447	4,851	-10.94%
• Belarus	9,468	8,340	-11.91%
• Hungary	9,721	8,490	-12.66%
• Germany	82,114	71,542	-12.87%
• Poland	38,170	32,739	-14.23%
• Ukraine	44,222	37,149	-15.99%
• Serbia	7,040	5,870	-16.62%
• Bulgaria	7,084	5,532	-21.91%
• Slovenia	2,079	1,597	-23.18%
• Estonia	1,309	924	-29.41%
• Latvia	1,949	1,250	-35.86%
• Lithuania	2,890	1,802	-37.65%
• Moldova	4,051	2,262	-44.16%

Source: International Data Base, International Programs Center, U.S. Census Bureau, U.S. Dept. of Commerce, The World Factbook, Central Intelligence Agency (CIA) The World Almanac and Book of Facts



# What does this all mean?

- We will need to become better in analyzing
  - how well health systems work (“health system performance assessment”),
  - how much providers (especially hospitals) but also technologies (devices, drugs) contribute to outcomes ... or constitute low-value care (“waste”),
  - how to reform our provision (towards less inpatient care) and HTA system
- Societal/ political willingness to accept new technologies based on economic evaluation/ incremental cost-effectiveness ratio will be replaced by looking at issues such as *“will it reduce the need for workforce?”* and ultimately *“will it reduce expenditure?”*