



At a turning point: Healthcare systems in Central and Eastern Europe

Key findings

Healthcare systems in central and eastern Europe (CEE) are at a turning point

The covid-19 pandemic, while having a detrimental effect on immediate and longer-term health outcomes, has also exposed the weaknesses, accumulated through decades of underinvestment, of many health systems across the CEE region. Decision-makers from both health and non-health sectors are now undeniably aware of the close links between health and the economy. The current situation can serve as a turning point in CEE to prioritise investment in healthcare and commit to long-term planning that will narrow the gap with western Europe.

The **geopolitical and economic context** will shape the **future of healthcare in CEE**:



Aftermath of covid-19



War in Ukraine



Current economic slowdown



Changing EU policy landscape

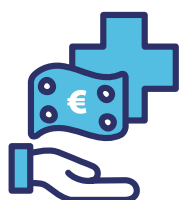
Takeaways

Healthcare spending and outcomes



Spending on healthcare is lower in CEE countries both in terms of total healthcare spending per head and as a percentage of GDP. It translates into generally poorer health outcomes and higher amenable and preventable mortality rates. However, healthcare spending in Europe will continue to grow due to rising incomes, new medical technologies, increasing drug prices and volumes, and the shifting demographics of a growing and ageing population.

Financing dynamics



The social health insurance (SHI) model, which relies on employment-based contributions as the primary source of revenue, is no longer sustainable, especially amid economic recession, rising unemployment and ageing populations. Widespread out-of-pocket (OOP) and informal payments constitute a major financial burden and weakens financial protection for the most vulnerable, leading to higher morbidity, mortality and higher healthcare costs.

Recommendations

Position healthcare as an investment rather than a cost

Increasing spending on healthcare now is a necessary investment that will support economic growth and lead to a more cost-effective health system in the future. Additional provisions should be made in the short term to offset the current economic downturn and mitigate the demand for diagnosis and treatment that accumulated during the pandemic.

Transition to alternative health financing models

Reducing the reliance on out-of-pocket payments and diversifying revenue streams should be a key feature of immediate and future policy reforms to address the unmet need for healthcare access and reduce financial hardship. While no model or health system is perfect, governments should lean toward providing universal access to healthcare.

Takeaways

Service delivery and resources



The allocation of resources could be optimised in CEE countries and workforce shortages put health systems under pressure. Less resources are allocated to preventive and long-term care, and the legacy of hospital-centric care still dominates. While many CEE countries have employed various retention strategies, they face outward migration of healthcare professionals as a result of the free movement within the EU.

Recommendations

Develop a health system, centred on primary and community care

Future population and epidemiological demographics point to an ageing population and an increase in non-communicable diseases (NCDs) and other lifestyle-related diseases. These needs are best managed outside of the health system through the development of a strong integrated network of primary, community and long-term care closely linked to the social care system. Developments in health infrastructure should prioritise primary and community care services.

Access to medicines and technology



CEE countries lag behind the rest of the EU in terms of accessibility and availability of innovative treatments and medicines. CEE countries have also been focused on cost-containment measures regardless of the long-term benefit of new health technologies on healthcare costs and outcomes.

Improve access to innovative medicines

Solutions include adjustments to pricing and cost-control mechanisms, such as reference pricing and value-based evaluations, including health technology assessments (HTAs). These will require co-ordination and transparency with multiple stakeholders within each country and across the region.

Adoption of digital health



While the pandemic showed the need for rapid digitalisation across their healthcare sectors, CEE countries are not keeping up with other EU countries in terms of readiness for digital adoption. The capacity and pace for digital adoption depends on a number of factors beyond the health sector, including infrastructure readiness, internet access and speed, availability of ICT specialists, legal and data privacy frameworks, as well as the willingness and ability of the population to use digital tools.

Invest in digital infrastructure

Laying the foundations in digital health through functional and integrated health information systems will complement improved patient care and create a system ready to accept and implement advanced technology driven by big data and AI. The immediate investment priority for CEE policymakers should be to develop digital capability and capacity at a national level that will serve as the foundation for all sectors, including health. Policymakers should also take advantage of EU funding directed towards digital infrastructure.

Health systems in central and eastern Europe are at a turning point. The covid-19 pandemic has exposed their weaknesses, accumulated through decades of underinvestment. Prioritising investment in healthcare and committing to long-term planning is an absolute priority to strengthen the resilience of health systems and improve outcomes for patients in the region.

At a turning point: Healthcare systems in Central and Eastern Europe highlights the key differences, commonalities and trends in healthcare financing and policy approaches across 13 European countries, as governments rise to the challenge of managing the interlinked dynamics of population health and economic uncertainty. The report identifies major trends and aims to benchmark access and provision of healthcare services, medicines, healthcare outcomes as well as quality of care. It also puts forward a number of recommendations for action, in areas such as financing models, delivery of care, access to innovative treatments, diagnostics and digital infrastructure.

Supporting partners



Written by

**ECONOMIST
IMPACT**