EUROPEAN FACT FILES

HEALTH AND SOCIAL CARE REPORT

2018

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MARWOOD GROUP

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INTRODUCTION

Health and care systems in Europe are unique, both in terms of their financing and structure. Their current form has evolved over time driven by politics, cultural expectations and economic conditions. Investors and corporations need to understand these conditions to develop their strategies and make sounds investment choices. To support our clients in their ambitions the Marwood Group produces an annual European Fact file. A reference document, tailored to our clients, that distils in a snapshot the key features of the health and care systems across Europe. This year's edition of the European Fact Files covers 14 different healthcare systems, including the four Nordic countries and the "big five" European countries. In each of them we have covered health and social care.

While it is true that all health systems are unique and each system has its own specificities, some common themes can be drawn across Europe, key among them are:

- Social care services are generally not free at the point of need, requiring co-payments or out-of-pocket payments for individuals falling outside of the safety net.
- In contrast, healthcare services are mostly free at the point of need, or require limited (often capped) co-payments.
- Very few countries have fully integrated health and social care.
- Health and social care services are facing increasing demand in all countries due to an ageing population.
- Funding sustainability is placing pressure on reimbursement in key areas such as pharmaceutical products.

Yet, despite these common themes there are significant differences, including:

- The level of decision making. Some countries like France have a highly centralised decision-making systems while in others, like Spain or the Nordics, the regional or even local level enjoy a high degree of discretion in funding and organisation of services.
- The provision landscape across Europe is a mix of public and private operators. Some countries, like Germany, rely heavily on private provision for healthcare services, while others, like Denmark have almost no private provision. Historically, private providers have been more involved in delivering social care services than healthcare services.
- The approach to quality regulation varies significantly across countries. While everywhere, standards are high and well defined, inspection and monitoring of quality in health and social care is very different, with England presenting the most established independent quality regulator.

Above all, these systems are dynamic. The European Fact Files provide a snapshot of the most recent state of European healthcare systems. However, health and social care systems keep changing, in response to new demographic or financial challenges, or as a result of new policies. These dynamic similarities and differences between the health systems create winners and losers. Investors and corporations who understand these dynamics will ultimately benefit.

We would be more than happy to answer any questions that you may have or further discuss a particular healthcare system, so feel free to contact us.

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HEALTHCARE SYSTEM SNAPSHOT

	HEALTHCARE			
	Funding	**Governance**	**Payers**	**Providers**
DENMARK	Mostly local tax funded, complemented national tax. Limited voluntary private health insurance (PHI) for quicker access	Highly decentralised	Municipalities	Mostly public
FINLAND	Local taxation complemented by national taxation	Decentralised	Municipalities	Mostliy public with limited private provision
FRANCE	Mandatory statutory health insurance (SHI) funded through payroll contributions (78%), top-up private health insurance	Highly centralised	SHI and PHI	Mostly public with some private provision - quasi market
GERMANY	SHI funded through payroll contributions (85%), or PHI (11%)	Shared between federal government and Länder (regional) governments	Sickness funds	Public and private providers
IRELAND	Government safety net (Taxation) Co-payments Voluntary PHI	Highly centralised for public services, decentralised for private services	Health Service Executive and private health insurance	Public and private providers
ITALY	General taxation Limited subscription to voluntary PHI for quicker access	Mostly decentralised	Regional Local Health Authorities	Mostly public with some private provision (regional variation)
NORWAY	General taxation (national and local) limited voluntary PHI for quicker access	Decentralised	Regional Health Authorities	Mostly public
SPAIN	Mostly local tax funded, Complemented National Tax, Limited voluntary PHI for quicker access	Highly decentralised (new trend towards re-centralisation to control costs)	Regional Health Services	Public and private providers - use of public/private partnerships
SWEDEN	68% local tax funded, 18% National Tax, voluntary PHI for quicker access (5%)	Highly decentralised	County Councils	Mix of public and private providers in primary care, mostly public in acute
SWITZERLAND	Mandatory purchase of statutory PHI, premiums subsidised by cantons (taxation) for a minimum basket of services, voluntary top-up PHI	Highly decentralised (new trend towards re-centralisation to control costs)	Multi-payer system including insurance funds, Cantonal and Communal Health Authorities,	Mostly public with some private provision - quasi market
ENGLAND	General taxation, limited subscription to voluntary access	Mostly centralised	NHS England & Clinical Commissioning Groups	Mostly public with some private provision - quasi market
NORTHERN IRELAND	General taxation, limited subscription to voluntary PHI for quicker access	Centralised	Health and Social Care Board	Mostly public with some private provision - quasi market
SCOTLAND	General taxation, limited subscription to voluntary PHI for quicker access	Centralised	NHS boards	Monopoly government provider - no payer/ provider split
WALES	General taxation, limited subscription to voluntary PHI for quicker access	Centralised	Local Health Boards	Monopoly government provider - no payer/ provider split

SOCIAL CARE SYSTEM SNAPSHOT

	SOCIAL CARE			
	Funding	**Governance**	**Payers**	**Providers**
DENMARK	Local taxation - not free at the point of need	Highly decentralised	Municipalities	Mostly public
FINLAND	Local taxation complemented by national taxation - not free at the point of need	Decentralised	Municipalities and individuals	Mostly public with growing share of private provision
FRANCE	Mix of SHI and local and national taxation - not free at the point of need	Mostly centralised with a degree of local decision	Departments, SHI and individuals	Mix of public and private providers
GERMANY	LTCI funded through payroll contributions - not free at the point of need	Shared between federal government and 16 Länder (regional) governments	LTCI and individuals	Mostly private
IRELAND	National taxation, integrated with healthcare budget - not free at the point of need	Highly centralised (Health Services Executive)	Health Service Executive and individuals	Mostly private
ITALY	General taxation - not free at the point of need	Decentralised	Municipalities Regional Local Health Authorities Individuals	Mostly public with growing share of private provision
NORWAY	General taxation (national and local) - not free at the point of need	Decentralised	Municipalities Individuals	Mostly public with limited private provision
SPAIN	General taxation - not free at the point of need	Highly decentralised (Regions)	Regions and individuals	Mostly private
SWEDEN	Local taxation - almost free at the point of need	Highly decentralised (Municipalities)	Mostly municipalities	Mix of public and private providers
SWITZERLAND	PHI - not free at the point of need	Decentralised (Cantons)	PHI and individuals	Mostly private in residential care, mostly public in homecare
ENGLAND	National and local taxation - not free at the point of need	Decentralised (Local Authorities)	Local Authorities and individuals	Mostly private
NORTHERN IRELAND	National taxation, integrated with healthcare budget - not free at the point of need	Mostly centralised (Local Health and Social Care Trust, on the basis of a single assessment tool)	Health and Social Care Board and individuals	Mostly private
SCOTLAND	Mostly national taxation - free personal and nursing care for over 65 assessed as needing it	Decentralised (Local Authorities)	Local Authorities and individuals	Mostly private
WALES	Local taxation - not free at the point of need	Decentralised (Local Authorities) but degree of re-centralisation	Local Authorities and individuals	Mostly private

Contact us

For more information on any of the content in this publication or to learn more about Marwood Group's advisory capabilities, we encourage you to please contact us.

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