

19 March 2009
Brussels Healthcare Roundtable
Cross-border healthcare in Europe and beyond

The roundtable begins with an introduction by **Fredrik Erixon**, the Director of ECIPE. He briefly places the upcoming speeches into the context of the general trend of international trade and movement of cross-border healthcare. Fredrik Erixon emphasizes the difficulties faced by member-states in effectively structuring cross-border healthcare, but stresses the need for doing so as current healthcare structures are unsustainable.

After a brief introduction of the guests who represent international think tanks, health care providers and the industry, NGOs and EU bodies, the **first session** on the **current status of the patients' right directive** starts.

John Bowis, member of the European Parliament, talks about the ongoing political effort in the EU regarding cross-border healthcare. The main issue, he states, is that member states still tend to take full control of the issue. Therefore, the EU is initiating a proposal implementing a consistent cross-border healthcare system. First, the idea is to establish a voucher system, which notifies the state if citizens intend to receive health services abroad. Secondly, there are no consistent medical treatment standards among member states. For example, not all member states allow the use of certain drugs, which are used elsewhere. As a result when patients return to their home countries, they might not receive the same medical treatment or medicaments they received abroad. A legislation that effectively addresses this problem would make cross-border healthcare more consistent and coherent. A clearing agency that takes care of these issues and – not least – the reimbursement of health care services that have been provided in member countries would be a good idea, Mr. Bowis says. Another problem is that patients are not thoroughly informed which might be one of the major reasons why patients still seem to be rather reluctant to search for medical treatment in another country. The proposed legislation would also help to provide more detailed information to both patients and doctors about the medical treatment in different member states.

Robert Madelin, Director General for Public Health and Consumer Protection at the European Commission, depicts that Europe's healthcare system is going to face a big challenge, especially under the current financial crisis. Financing healthcare will become more difficult for all governments. Therefore, exploiting economies of scale and scope by co-coordinating health care within the EU is crucial, he states. In his opinion, talking about trade in healthcare is somehow misleading since the issue of cross-border healthcare is not about enhancing trade but rather about the issue of how to provide better and consistent healthcare services to Europe's patients. The very question is what can be done for EU citizens in order to enhance the availability and quality of

health care and, therefore, patient satisfaction. The whole discussion needs a patient-centered approach.

Transparency and more information to the patient will contribute to the quality of healthcare treatments. However, transparency and comprehensive quality and safety standards have to be improved at the national level before dealing with this issue at the European level. Thus, transparency is not only an issue for cross-border healthcare.

Furthermore, the majority of patients need to understand the benefit of cross-border cooperation, which would subsequently improve the quality of healthcare services at the local level.

Olivia Wigzell, deputy Director General at the Ministry of Health and Social Affairs in Sweden, mentions that member states put the improvements of patient choice on a different level of priority but are, in general, positive about the current status of the directive. However, prior authorization of health services abroad is still one of the major issues in the ongoing debate and many member states want to keep their prior authorization regimes. Based on the Swedish experience where no prior authorization and rather minor restrictions on patients' movement exist, she highlights the benefits of cross-border cooperation in healthcare. The whole health care system, especially the availability and quality of health care services could significantly benefit from international collaboration and an enhanced competition among health care providers. The Swedish government is willing to put this issue on the agenda during its presidency.

Questions and answers:

Q: How to increase public concern regarding this issue? Is cross-border healthcare the priority of the EU political agenda?

JB: The different positions of political parties in the European Parliament have to be considered. To reach substantial achievement, politicians need both to make compromise among different fractions and to insist on the bottom line. The position of the European Courts will be some kind of a reality check for the steps to be taken.

OW: The European Council can generate political will for the reform. However, substantial achievements need the involvement of both the Commission and the EP.

RM: The real power to make agreement lies in the member states governments.

Q: Spending in healthcare can make contribution to the economic recovery. Why is this not discussed in public debate?

RM: The service in healthcare is highly regulated among member states and not considered in economic terms. The industry lobbies prefer the status quo over any fundamental change, which makes the issue less of a public concern.

Q: The ideological difference should be taken into account, as words like trade and competition are not highly appreciated by the public in some member states (e.g. France). Should the rhetoric be changed (trade in healthcare)?

JB: We can not exclude ideological and cultural differences totally from the debate. However, when it is about the individual demand, people are not that different. We need a pragmatic approach.

OW: One of the important tasks of politicians in a democracy is the communication with their constituents. It is the job of politicians to persuade the public in order to receive support for the reform.

Q: We need a clear vision of European politicians on this issue since the fragmented interest of lobby groups can not implement the strategic goal.

RM: The specific interest groups need to think more strategically for their long term interest. They need to get advocacy from those people who might be against their short term interest.

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After a short coffee break and further discussions in smaller groups, the second session on future prospects starts.

Session Two: Beyond the directive

Markus Siebert, Director Reimbursement & Health Economics EMEAC region for St. Jude Medical and representative of EucoMed, gives reactions from the healthcare industry.

- The directive states that the patient shall be reimbursed by the affiliate state up to the level which the patient would have received in its own country, but not exceeding the costs of healthcare received. It means that if the reimbursement is higher, then the patient will have to co-pay and if the reimbursement is lower, there might be some problems for expensive services such as MRI. In the latter case, governments have less incentive for investing in higher technologies/infrastructures because they could send patients abroad. Then we should not just focus on prices.
- The directive proposes that Member States should develop the European reference networks of healthcare providers. It would create economies of scale and of scope, and would provide information to patients rather than letting them getting informed. Many spillovers are to be expected: innovations, higher quality and cost-effective

healthcare, efficient allocation of resources, knowledge transfers, quality and safety benchmarks...

Not least, health care systems in Europe could benefit from a further movement on the learning curve.

- The directive plans to develop E-health with adapted information and communication technologies. It would help bringing the care to the patient.
- The directive proposes to create a health technologies assessment network. It should support cooperation between national authorities or bodies and to provide information on effectiveness of health technologies. “Globalize the evidence and localize the decision-making” is the key, Siebert says. All stakeholders should be represented and third parties should have access to a formal appeal process to challenge any future recommendation or decision of the network.
- Changing the healthcare market will probably face some difficulties in the short-run but in the long-run patients will have more choices, better information, and better cares.

Lucy Davis, Trade Policy Analyst and coordinator of ECIPE’s ‘Health of Nations’ project, moves the discussion wider to look at the context into which the directive is being introduced. Health care expenditures have increased exponentially in Europe in recent decades. The typical reaction has been cost-containment in domestic healthcare strategies, i.e. limiting supply and controlling demand. Examples include reduced pharmaceutical spending; access to drugs; access to treatments; budget setting; cost-sharing; service redesign. This has not only failed to reduce overall spending, but has increased patient costs and/or decreased patient choice. Europe’s health service providers need to be looking for ways to meet demand rather than stifling it. Provide patients with what they want in a cost efficient manner. Basic economics tells us cross-border service provision can do this. This is why talking trade in healthcare *is* patient-centred (reflecting on Robert Madelin’s earlier concern). A single European market exists for other services but so far has been strongly resisted in healthcare. There are valid concerns, but real potential and it could provide an alternative perspective on healthcare reform – i.e. maybe we don’t have to either cut services or stifle demand.

Lior Herman, Lecturer at the Hebrew University of Jerusalem and Research Associate at ECIPE, then presents research findings on current cross-border movements of health services around the world. The level of trade in healthcare differs according to modes of trade. Levels are highest for the movement of healthcare professionals and healthcare industries. Cross-border trade (e.g. e-health) and patient movement remain very low, especially when compared to the economic significance of the healthcare sector in domestic economies. However trade is growing fast and there remains unfulfilled potential in terms of reducing the cost-burden on domestic health services and improving quality and value of service for European patients.

Luciano Cattani, Executive Vice-President International Public Affairs of Stryker Corporation and Vice-Chairman of Eucomed, concluded the discussions by looking at future potential.

- Many changes are expected to come, especially due to the population growth of elders and the overburden of the public sector. The aging society is one of the biggest challenges European health care systems are facing. One way to address these problems would be by developing medical technologies as their cost has increased at a lower rate than that of general medical care and prices overall.
- Technology is not the major driver of rising health care cost. The current percentage of total healthcare spending allocated to medical technologies is 6 % on average in Europe.
- Consequently, the EU should focus on reducing barriers, promoting programs and long-term investments, committing itself into medical innovation, and having safeguard incentives for industry to invest in R&D. In order to do so, a broad discussion including lawmakers, national health care agencies, patients and their representatives as well as the industry is needed to define priorities of future developments and investment to allocate scarce resource efficiently.

ECIPE's round table ends with concluding remarks by the speakers and the chairman Gernot Pehnelt. The Directive moves in the right direction and should be expected to facilitate cooperation among European health care providers and cross-border trade. In order to mobilize the full potentials of enhanced trade and competition in health care, further steps are necessary. Transparency and comprehensive information for patients are crucial. The bodies of the European Union as well as national agencies and private health care information brokers could provide this information. Further coordination of certain quality and safety standards seems to be necessary to overcome the reluctance of patients to receive medical treatment abroad.

All speakers and guests agree upon the huge potentials of cross-border and interregional trade in health care, in every mode of trade, especially the movement of medical staff and telemedicine. The Directive certainly paves the way towards such steps but the implementation rests with national governments and health care providers.