



European
Commission

THE HEALTH CARE BASKET

➔ The European Reference Budgets Network is a project financed by the European Commission that aims to develop cross-national, comparable reference budgets in all EU Member States. Reference budgets are baskets of goods and services considered necessary for an individual household to reach an acceptable standard of living within a given country, region or city. Preparing reference budgets with a common methodology can help EU Member States to design effective and adequate income support measures and to encourage mutual learning and the exchange of best practices. More information about the project as well as the complete final report can be found on the European Commission website: <http://europa.eu/!CC79TD>

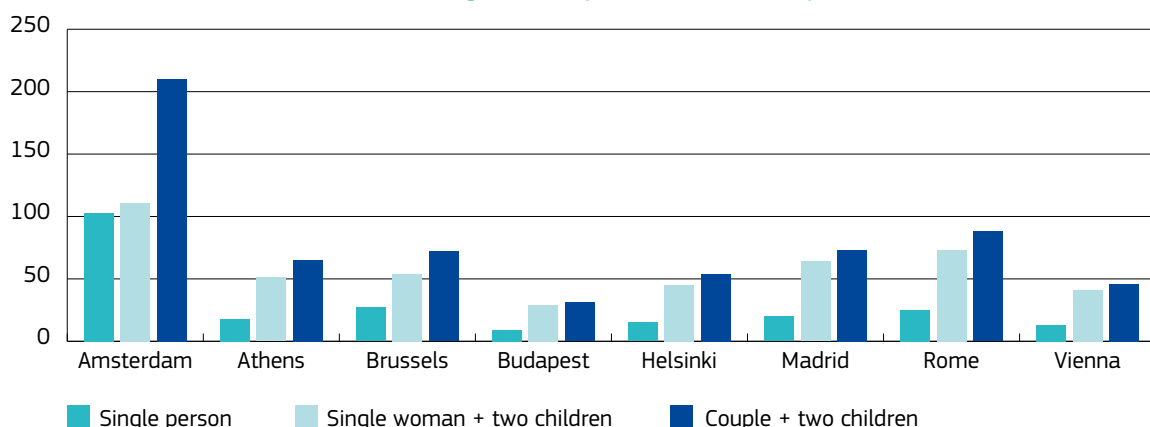
The World Health Organisation defines health as 'a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity'. The health care basket focuses on the physical aspect, and more specifically on the health care needed for a healthy person to ensure physical health, while other components of health are covered in other baskets.

The health care basket indicates the monthly budget required by three reference households (consisting of children and people of working

age, in good health, without disabilities and living in the capital city) to afford adequate health care. It covers the cost to be paid after personal income taxes and social contributions. It has been developed for a selected number of countries in accordance with national institutional settings, official guidelines and expert recommendations. Furthermore, it takes European guidelines and scientific evidence into account. The results presented here reveal the health care costs in eight reference cities: Amsterdam, Athens, Brussels, Budapest, Helsinki, Madrid, Rome and Vienna. The basket was priced in March-April 2015.

1. Key findings

The health care budget, monthly amounts in euros, April 2015



- Due to differences in the organisational setup of health care and health insurance, as well as differences in local prices and in reimbursement practices, there is a high variation in the level and composition of the reference budgets for health care between the eight countries. Costs are moderate in comparison with the food basket.
- The health care budgets for all family types are the lowest in Budapest; they amount to EUR 9 for a single person and to

EUR 31 for a family composed of two adults and two children. Similarly, Finland and Austria have rather low health care budgets. On the other hand, costs are the highest in Amsterdam, where the monthly budget for health care amounts to EUR 103 for a single person and EUR 210 for a couple with two children. The difference between health costs in the Netherlands and other countries can be explained mainly by differences in the health insurance system. For primary and curative care, Dutch citizens have to pay health care premiums to private insurers, which are

not immediately paid out of taxes or wage contributions as is the case in all other countries.

- Across countries and family types, contraception accounts for the largest share in the total cost of the health care basket, even though substantial differences can be observed. The second largest share of the budget is dedicated to health insurance. Health insurance

costs are only present in Belgium, Austria and the Netherlands and vary according to household income and marital status. Dental examinations represent the third largest share of the health care budget with strong variations across countries. While dental examinations are free for all in Hungary and Austria and for children in the Netherlands, Belgium and Finland, everyone pays a co-payment in Greece, Italy and Spain.

2. Constructing the health care basket

The standard approach for constructing a basket is to specify the nature, number and quality of the necessary items and then to price them. However, defining the content of a health care basket is complicated because of large variations in people's health status on the one hand, and in institutional provision of health care across countries, on the other hand. For these reasons, the construction of the health care basket is based on three assumptions: members of the reference households are assumed (1) to be generally healthy, (2) to be well-informed about effective health care use and (3) to have a right of access to adequate health care, even if it involves additional fees, for instance in the form of insurance or informal payments. As a consequence, the estimated budgets are restricted to the costs necessary to stay in good health for healthy people and will be underestimated for many European citizens. For policy purposes, it would be highly recommended to develop additional health care baskets for specific diseases or disabilities.

The health care basket should fulfil five functions: care for everyday diseases, care for injuries, disease prevention, contraception, and ensuring access to the health care system. The following factors have been taken into account for developing the health care baskets:

→ European and national health policies

Health policies and the provision of health care fall within the responsibility of Member States. The European Union complements national policies by promoting cooperation and strengthening coordination between Member States. In 2007, The European Commission adopted four fundamental principles for EU action on health. Firstly, health policies should be grounded in the overarching values of universality, access to good quality care, equity and solidarity. Secondly, health care spending should include investment in prevention, protection and improvement of the population's physical and mental health. Thirdly, health protection should be integrated into all policy areas. Fourthly, the EU's voice in global health and the cooperation with international organisations should be strengthened. Despite these common European principles, there are large variations in the provision of health care across European countries. Most Member States have achieved (near-) universal coverage for a core set of services, but the range of services provided and the level of cost sharing vary greatly. Therefore, the different health care baskets take national guidelines and requirements as well as the specificity of the national health care system into account.

→ Care for everyday diseases

Some acute disorders like fever, upper respiratory infection, diarrhoea, upset stomach and headache occur frequently. Most of these diseases involve a visit to a general practitioner only if the problem persists, if it is accompanied by special symptoms or if it requires justifying absence from work. Medical consumption for everyday diseases can therefore

be divided into costs associated with a visit to the doctor, with limited medical treatment and with a family medicine chest for self-care.

→ Care for injuries

Home accidents and accidents during leisure time are the leading cause of fatal injuries and injuries leading to disability in Europe. Injury is, after cardiovascular disease, cancer and respiratory disease, the fourth most common cause of death. Medical consumption as a result of injuries can be divided into costs of a doctor's appointment, hospital admission, medical treatment and self-care. However, due to the diversity of possible trauma and associated treatment costs, the health care basket only includes the doctor's consultation fee and some basic material required for self-care (in the medicine chest).

→ Disease prevention

Prevention is a cost-effective public health measure to protect citizens against health issues. The budget for prevention includes vaccination against infectious diseases, a systematic screening of major chronic diseases, such as cancer, and preventive dental examinations. Other preventive measures encompass, for instance, sunglasses and sun protection cream.

→ Contraception

Costs of contraceptives should also be covered by the health care budget, as they allow people to decide freely when they have children and protect them against sexually transmitted infections. Cultural differences and the changing nature of contraceptive choice over the period of a woman's reproductive life have to be taken into consideration when including contraceptives in the health care basket. The male latex condom is the most efficient protection against HIV and other sexually transmitted infections, but the basket also covers other contraceptives to allow room for autonomy in governing family planning.

→ The pricing of the health care basket

The health care budget takes into account health care costs that are charged to private households as part of the health care system. The pricing of the basket was conducted in April 2015 according to the following three rules of thumb. Firstly, medications should be priced at the lowest prices in accessible shops and noted online only if e-shopping is a common practice or if there is not a big price difference compared to prices in stores. Secondly, only the net out-of-pocket costs of accessing health care (after reimbursements, taxes and social contributions) should be taken into account. Thirdly, in case of additional contributions, the costs of compulsory health insurance or of highly recommended insurance, e.g. hospitalisation insurance, should be incorporated in the health care budget.