Out-of-pocket pharmaceutical payments and their poverty impact on patients in Greece

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INTRODUCTION

- The financial protection of households with respect to health expenses has long been recognized as a major policy objective, as it is linked to the general issues of access to adequate and qualitative health care as well as to the well-being of the population[1].
- During the economic crisis in Greece, a series of cost-containment policies towards healthcare expenditures was imposed; the increase of patients' copayment rates was one of these strategies.

OBJECTIVE

- To investigate whether the out-of-pocket pharmaceutical payments (OOPP) led to "catastrophic expenditures" of the Greek households, thus contributing to their impoverishment between 2008-2018.

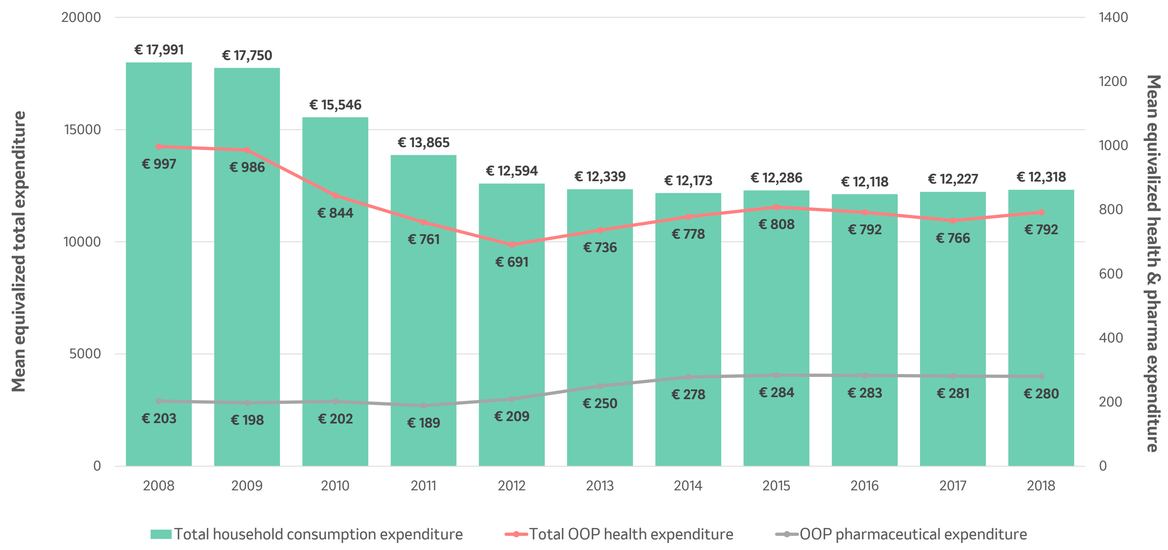
METHODOLOGY

- "Catastrophic expenditures" are defined as a high share of out-of-pocket pharmaceutical payments in households' capacity-to-pay, which disrupt their living conditions (i.e., food, housing, educational needs, etc.).
- Data for 51,842 households and their 125,641 members were derived from the Greek Household Budget Surveys (HBS) during the period 2008-2018. HBS is an annual cross-sectional survey, which comprises of nationally representative data, covering all non-institutional households.
- Our analysis followed the methodology proposed by the World Health Organization[2] and O'Donnell et al[3]. According to this methodology, the poverty line was set at 60% of the equivalized total consumption expenditure in 2008. The impact of OOPP on poverty was defined as the difference between the estimates of poverty measures before and after pharmaceutical payments.

RESULTS

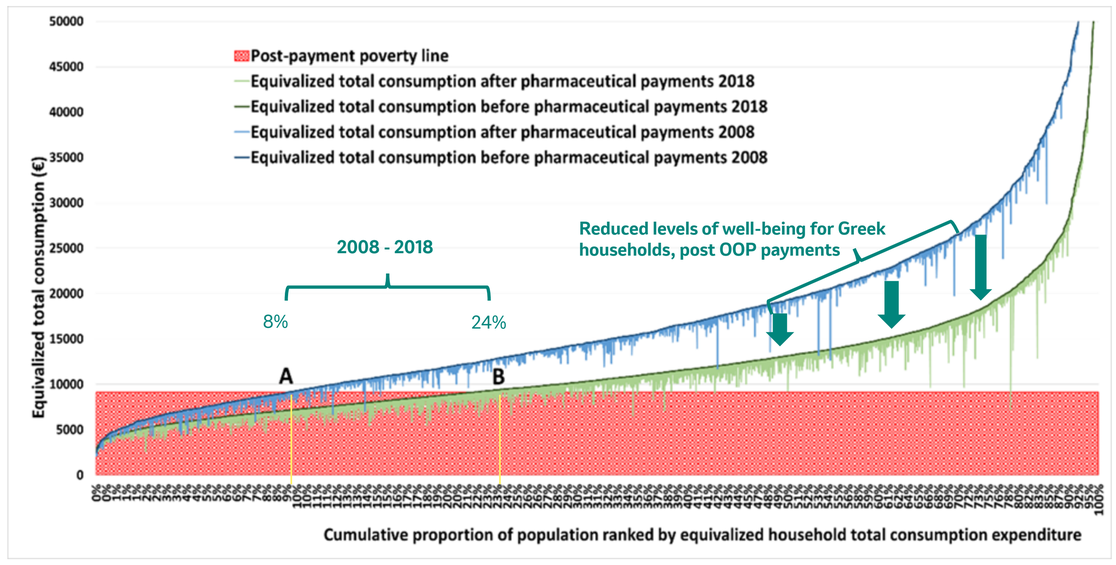
- Between 2008 and 2018, mean annual equivalized total consumption decreased by 31.5% (from €17,991 to €12,318), and total OOP health spending by 20.5% (from €996.6 to €792.5), while OOP pharmaceutical expenditure increased by 37.6%, (from €203.3 to €279.8). (Figure 1)

Figure 1. Mean equivalized total consumption, total and pharmaceutical OOP health spending 2008-2018 (€ in real values 2018)[4]



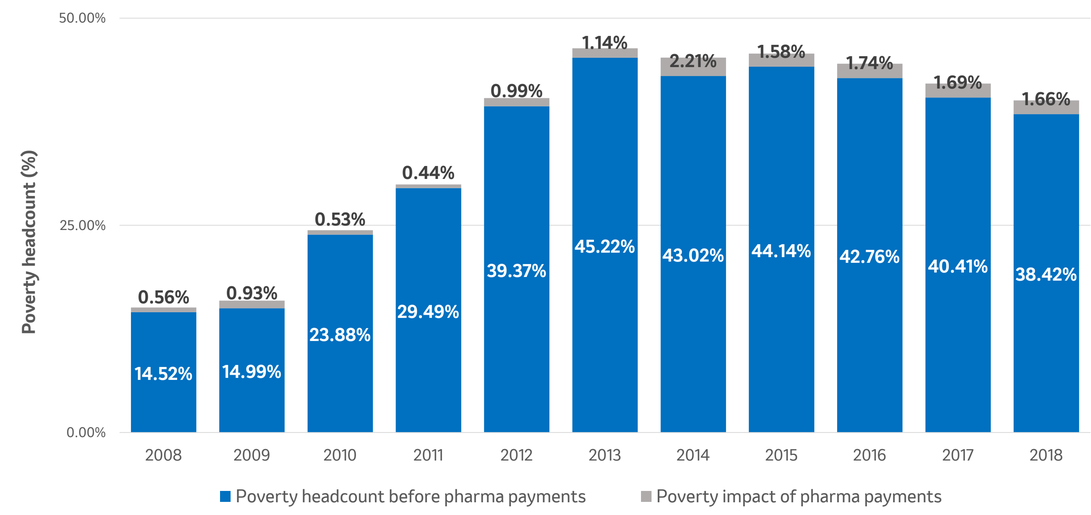
- The percentage of the population living at risk of poverty in Greece tripled within a decade; from 14.5% in 2008 to 38.4% in 2018. Similarly, the respective headcount of population living below the poverty line, increased from 15.1% to 40.1%.
- The number of households living at risk of poverty in Greece, due to the catastrophic healthcare expenditures undertaken, tripled within a decade (from 8% to 24%)[4]. At the same time, reduced levels of well-being were observed for Greek households, following the OOP pharmaceutical expenditures. (Figure 2)

Figure 2. Increased incidence of impoverishing OOP pharmaceutical spending



- Hence, while 0.6% of the population was impoverished in 2008, the respective estimate for 2018 was estimated at 1.7%. (Figure 3)

Figure 3. Impact of OOP pharmaceutical payments on risk of poverty, 2008-2018



- Middle and lower-middle income classes also incurred the largest OOPP with increases of 23,7%, 37,5% and 74,3% for the 2nd, 3rd and 4th quintiles, respectively.
- Finally, the estimated total amount of pharmaceutical OOP payments incurred by poor households increased from €285 million in 2008 to €727 million in 2018.

CONCLUSION

- During the economic crisis, household OOP pharmaceutical spending increased in Greece due to the cost-shifting strategies that were adopted as part of the economic adjustment programmes, whereas total health consumption were reduced in the same period.
- The number of households bearing catastrophic expenditures tripled within a decade (from 8% in 2008 to 24% in 2018), leading to reduced levels of population's well-being and increased levels of inequality.
- A paradigm shift is needed to reduce the cost-shifting burden of austerity measures towards the Greek population, that generates welfare losses.

References

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