



TECHNIUM
SOCIAL SCIENCES JOURNAL

Vol. 10, 2020

**A new decade
for social changes**

www.techniumscience.com

ISSN 2668-7798



9 772668 779000

Financial, Economic Crisis and Quality in Health Services Provision, New Challenges to Improve Quality Policy in the Healthcare System of Greece

Antonia Kountoura

Department of Accounting and Finance, Unoverciy of Macedonia Greece
kountoura.antonia@gmail.com

Stavros Emmanouil

Department of Physical Education and Sport Science, Aristotle University of Thessaloniki, Greece

Efthymios Ziagkas

Department of Physical Education and Sport Science, Aristotle University of Thessaloniki, Greece

Abstract. Greece has been severely affected by the global financial and economic crisis, with far-reaching economic, social and political consequences. In 2013, the country was already experiencing its fifth year of recession and was operating within suffocating tax measures. Prior to the crisis, the Greek healthcare system suffered from a wide range of problems. Therefore, it was vulnerable to economic fluctuations and was not properly prepared to meet the changing needs of the population. The aim of this study was firstly to investigate the effect of the economic crisis on the quality of health care in Greece and secondly to propose methods to improve the quality policy of the Greek Health System. A literature review was carried out in order to collect all available information of the relevant literature sources in both Greek and international English-language bibliography. The effects of the economic crisis on the Greek national healthcare system were recorded extendedly. In particular, the effects of the economic crisis on access to health services, the effectiveness of hospital care, the quality of health care provided, the transparency and oversight are analysed. In summary, the need to re-examine and promote a public debate on the health budget, not only in economic terms, but as a development tool for the well-being of citizens, is emphasized. In conclusion, restoring the social values that govern the health care system is a prerequisite for creating a new model for sustainable development.

Keywords. economic crisis, financial crisis, health care system, quality assessment

1. Introduction

Greece has been severely affected by the global financial and economic crisis, with far-reaching economic, social and political consequences. In 2013, the country was already experiencing its fifth year of recession and was operating within suffocating tax measures. Greece continues to be subject to a process of change and structural reforms, which are determined by the terms of

the loan agreement with the European Commission, the European Central Bank and the International Monetary Fund (IMF) and the Economic Adjustment Program. This process is in stark contrast to previous efforts to reform the public sector, including the health sector. Prior to the crisis, the Greek healthcare system suffered from a wide range of problems. Therefore, it was vulnerable to economic fluctuations and was not properly prepared to meet the changing needs of the population. While most of the reforms introduced since 2010 have been determined by the Troika, some of them have already been proposed in the past. Current reforms tend to focus on operational, financial and management level. Even additional cost reduction measures have taken the form of cuts in all areas. In addition, the reforms were implemented quickly and without taking into account possible complications in the operation of the health system. Nevertheless, significant positive steps have been taken, including: standardizing the health care package for all citizens, new monitoring tools for hospital management, a future hospital payment system, implementing the Organization's Health Accounts System. Economic Co-operation and Development (OECD), a stronger and more transparent procurement system and the development of "electronic health" management tools. What is needed now is a clearer, more comprehensive and better designed health reform plan that more fully represents the health-related needs of the population and adopts a more sophisticated and strategic approach, especially in terms of resource allocation. Significant obstacles to more effective structural reforms include the reluctance of key stakeholders, low administrative capacity, and the difficulty of a bureaucratic public health system to introduce managerial reforms and successfully complete complex tasks.

The budgetary measures signed by the Troika (IMF / EU / ECB) and the Greek State between 2010 and 2013 were designed to solve the problem. However, their effectiveness is now being questioned. Although primary surplus was achieved in 2013, the effects of the implementation of the memorandum measures on society were devastating. In four years, Greece has lost 25% of its GDP.

Unemployment reached 27.3% in 2013, the risk of bankruptcy, before the implementation of measures concerning society amounted to 26.8% in 2012, the highest in the last decade, people at risk of poverty or social exclusion increased by 27.7% in 2007 to 34.6% in 2012, and material deprivation increased from 22% to 33.7% in the respective years [3].

The purpose of this paper is to investigate the impact of the economic crisis on the quality of health care in Greece. In particular, the aim of the work is to record the quality in health systems in Europe and Greece and to present proposals for improving political quality in the Greek Health System.

A literature review was carried out in order to collect information and critical analysis of the relevant bibliographic sources to compare the views of the researchers on the subject in international English-language bibliography.

2. The economic crisis in Greece

The economic crisis in Greece inevitably affects the health sector. With a total spending of 10% of GDP in 2009, health has been the focus of attention from the troika, which monitors compliance with its terms for 110 billion. The health sector has been an important factor in fiscal consolidation with spending cuts estimated at 2.5% of GDP, or about € 5 billion by 2013. [4]

Health spending rose rapidly in the decade 2000-2009. An inefficient and corrupt health system has created a "health deficit" of € 50 billion, coincidentally equal to the total budget deficit in 2003-2009 [4]. Total current expenditures increased by 8.5% GDP for 2003 to 10% for 2009 and decreased to 9.1% of GDP for 2012 [5] (Organization for Economic Coordination and

Development-OECD. Health Database. 2013). In general, government spending increased from 58.7 % in 2003 at 69.5% in 2009, current health expenditures, with private spending being the main source of funding. Pharmaceutical spending also increased by 85% during this period, from € 288 per capita in 2003 to € 532.9 in 2010, with more than 76% of 2010 expenditures covered by public money [6] (OECD in 2013 and the Center for Health and Evaluation Services Management and the National Statistical Authority. Health Expenditure Series. 2013) Figure 1 shows the evolution of key indicators of expenses during 2003-2012.

3. The effects of the economic crisis on the national health system of Greece

From research conducted before the current economic crisis, it has been sufficiently documented that the financing of the Greek health system is not the right one. Public health funding is outdated and disproportionately burdens society's lower socioeconomic groups for a number of reasons: high levels of formal and informal (uneconomical) private spending on health, extensive tax evasion and high indirect rates and tax evasion [7,8,9,10].

The crisis has exacerbated existing problems, and many of the measures implemented under the pressure of rescue conditions have made healthcare funding more unfair. The imposition of spending restrictions on public health spending (at no more than 6% of GDP) and the simultaneous decline in GDP (since 2009, with further reductions in the years that followed) mean that the public health sector is required to meet the growing needs of the population with the reduction of financial resources. This has negative consequences, especially for medium- and low-income households that do not have the income to meet their needs in private health care providers.

In addition, rising unemployment, part-time employment, flexible forms of employment and austerity (eg cuts in public sector wages) have led to declining household incomes. This situation has led to additional pressure on the already overburdened public health system. In combination, these factors could lead to a two-speed health system where those who can pay for private health services will be able to meet their health needs, while those who do not have sufficient resources must strive to have access to degraded services of the public system

Other burdens on the population, especially on the poorer sections of society, include increasing service fees. Especially for outpatient care, private agreements, visits to doctors in the afternoon clinics of public hospitals, fees for admission to public hospitals, increases in participation in medicines and the removal of certain laboratory and other examinations from the return of EOPYY.

4. The impact of the economic crisis on access to health services

Access to care is an essential element in achieving quality of life and development, and the main goal of the Europe 2020 strategic plan. In times of crisis, the reduction in resources has a negative impact on access to health services, mainly due to the increased demand, the increase in waiting time and the increased participation that the insured is required to pay [12].

Although there are no official figures, health officials say waiting times for public health services have increased. In addition, according to research published by the research company, 19% of study participants reported significant problems in accessing public hospitals due to waiting on the list and 28% of the sample stated that they could not buy their medicines due to the ongoing strike by pharmacists during 2011 [13].

In light of the actual percentages, the results are unclear. Initially, it appears that the use of public services, unlike private ones, has increased. For example, in 2010 compared to 2009 there was an increase of 24% in the admission of patients to public hospitals (with an average length of stay of 4.25 days), and in 2011 compared to 2010 there was an increase of 6% in

imports. patients (with an average length of stay of 4.13 days). In addition, the occupancy rate of hospital beds increased from 64% in 2009 to 69% in 2010 and to 73% in 2011. There were also 6% and 18% increases in surgeries and laboratory tests, respectively, in the period between 2010- 2011 [14,15].

In addition, visits to public hospitals for dental and obstetric services have also increased. As a result, the use of health services has increased at a time when revenue has been cut. However, without sufficient data on factors such as the quality of the services provided, it is not possible to discern whether the increased levels of use translate into a real increase in the effectiveness of the provision of health services.

At the same time, visits to outpatient clinics in public hospitals decreased by 8.9% in 2010 compared to 2009 and remained relatively stable in 2011 compared to 2010. In addition, visits to afternoon clinics in public hospitals decreased by 6%. 2010 compared to 2009 and 19% in 2011 compared to 2010 [14,15].

Since the crisis began, a number of non-governmental organizations, such as Doctors of the World and Médecins Sans Frontières, aimed primarily at serving the immigrant population, have reached their peak in providing health services due to increased population groups. they have to take care of. These groups include the poor, the unemployed, the uninsured and illegal immigrants. In addition, in the midst of the crisis, "social surgeries" have been set up, clinics staffed by volunteer doctors providing health services and medicines to major urban centers to meet the needs of those in need.

5. The impact of the financial crisis on the effectiveness of hospital care

A recent study examining the performance of public hospitals in terms of their effectiveness during the recession found that despite serious cost-cutting efforts, only 28% of the 90 hospitals analyzed were found to be effective. However, using stratified sampling methodology, none of the hospitals were found to be effective, while the utilization of available inputs did not exceed 80%. Nevertheless, among the best practices used were found to be the most effective procurement policies, electronic auctions and renegotiation of contracts with a number of suppliers.

In 2011, hospitals focused only on cost restraint efforts, which, in fact, did not have the expected results. Expenditures were actually reduced by approximately € 680,000,000 (2009 - 2011), but this was mainly the result of cuts in "easily recognizable supplies" such as pharmaceuticals, orthopedic items and medical supplies. Two more studies were similar findings, emphasizing that public hospitals have managed to reduce their budgets, but at the same time do not significantly increase the results of their effectiveness [17,18].

6. The impact of the economic crisis on the quality of health services provided

Several initiatives have been implemented in an effort to improve the quality of care. According to a recent monopoly, all hospitals are now required to set up quality assurance departments and quality assurance committees. Their roles are to monitor and evaluate whether patients' health procedures are being followed (eg the incidence of nosocomial infections and the control of antibiotic-resistant bacteria) and the accreditation of laboratories.

In addition, regular patient surveys are conducted in hospitals. The Ministry of Health and Social Solidarity also organizes lectures on various aspects of healthcare quality, which are mandatory for hospital staff, with the aim of promoting continuing health education. Finally, a new organization, the National Center for Quality Assessment and Health Technology (EKAPTY), was established in 2010 to certify quality management systems and is being evaluated by the Biological Materials Research Center (EKEVYL).

Although these measures are expected to have a positive impact, some other aspects of the operation of the health system raise questions about the quality of services. For example, shortages of nursing staff are a permanent feature of the public hospital sector. Staffing problems have been exacerbated by the implementation of the memorandum, as many health professionals have chosen to retire in order to secure better pensions.

7. The impact of the economic crisis on transparency and oversight

Prior to the financial crisis, some agencies were tasked with combating corruption and ensuring transparency and oversight in public administration and healthcare. These include the Inspector General of Public Administration, the Corps of Inspectors of Health and Welfare Services, the Ombudsman for Health and Welfare, as well as the Ministry of Foreign Affairs. Despite the fact that these agencies have made serious efforts to achieve their mission, their effectiveness has been limited, mainly due to the incentives for immoral behavior and the lack of transparency promoted by the structural weaknesses of the health system. These shortcomings include:

- Lack of information for health service users
- Long waiting lists due to unequal and inefficient distribution of patients, financial resources and facilities
- Inefficient management structures, lack of appropriate information management systems and in many cases staffing by staff who do not have the necessary management skills
- Lack of coordination between the large number of debtors
- Absence of adequate fiscal management and accounting systems
- Lack of monitoring procedures and oversight mechanisms
- Undemocratic pricing and wage policy.

8. Discussion

The primer aim of this paper was to investigate the impact of the economic crisis on the quality of health care in Greece. Secondly, the aim of this work was to record the quality in health systems in Europe and Greece and present proposals for improving political quality in the Greek Health System.

Following the memoranda, the Greek government reduced public spending on hospitals by more than 11%. Although the overall efficiency of hospitals increased slightly between 2010 and 2011, taking into account stratified sampling, none of the health units were found approaching full efficiency, which expresses the need to take better administrative measures, allocation and use of health care resources.

Despite the overall horizontal cuts, policy-making must focus on maximizing the values of the national health system as a whole. Efforts should be made to implement measures aimed at increasing the efficiency of hospitals, such as restructuring, human resource management and coordination with primary care. Neglecting these structural measures could undermine access and quality of care, thereby escalating health care costs and exacerbating the effects of the financial crisis in the long run.

The economic crisis has highlighted the need for a radical restructuring of the Greek healthcare system with the aim of providing high quality services to all its citizens fairly and free of charge. So far, the reform process has been fragmented and a number of strategies, procedures and methods must be implemented to optimize the national health system. Due to the reform measures, public health spending has been reduced in all areas, service costs have been increased and the number of workers has been reduced.

The Regional Committee of the WHO for Europe, approved in 2009 a resolution urging Member States to ensure that their health systems continue to protect vulnerable groups and

provide effective health services to both staff and the population. In addition, the WHO Regional Committee called on Member States to intensify monitoring and analysis of ongoing changes in living conditions, to assess the performance of the health system and to design realistic policies aimed at counteracting the negative effects of the economic crisis on health and health systems. [19].

As the crisis intensifies and public spending declines, access to health services is becoming increasingly worrying, especially for low-income citizens and vulnerable groups.

The findings show that private spending as a percentage of total health expenditure has increased during the crisis period (compared to a declining trend between 2005 and 2009).

In this context, five priorities should be reconsidered by those responsible for health strategy:

- Equal access to services
- The more active participation of citizens in the decision-making process regarding the services they need and the treatment options
- The restructuring of the health system to a primary care system focusing on the patient.
- Decentralization and regionalization of decision-making centers and
- Increasing health surveillance.

9. Conclusion

In conclusion, the necessity of re-examination and promotion of a public debate on the health budget is emphasized, not in economic terms but as a development tool for the well-being of citizens. Somehow, restoring the social values that govern the health care system is a prerequisite for creating a new model for sustainable development.

References

- [1] Economou C. Greece: health system review. *Health Systems in Transition* 2010; 12(7), 1-180.
- [2] Greek National Statistical Authority. *The Greek economy*. Athens 2013;
- [3] Greek National Statistical Authority. *Living conditions in Greece*. Athens 2014;
- [4] Liaropoulos L. Economic crisis and health in Greece, 2009-2012, *British Medical Journal* 2012; e7988:345.
- [5] Organization of Economic Coordination and Development-OECD. *Health Data Base* 2013;
- [6] OECD 2013 and Center for Health Services Management and Evaluation and National Statistical Authority. *Health expenditure series* 2013;
- [7] Liaropoulos L et al.. Informal payments in public hospitals in Greece. *Health Policy* 2008; 87(1): 72–81.
- [8] Siskou O et al. (2008). Private health expenditure in the Greek health care system: where truth ends and the myth begins. *Health Policy*, 88: 282–293.
- [9] Economou C, Giorno C. *Improving the performance of the public health care system in Greece*. Paris, Organisation for Co-operation and Development (Economics Department Working Paper 722) (2009);
- [10] Economou C. Greece: health system review. *Health Systems in Transition* 2010; 12(7): 1–180.
- [11] European Commission. *Europe 2020*. Brussels, European Commission (http://ec.europa.eu/europe2020/index_en.htm, accessed 29 October 2014) 2014;
- [12] Morgan D, Astolfi R. *Health spending growth at zero: which countries, which sectors are most affected?* Paris, Organisation for Co-operation and Development (OECD Working Paper N60) 2013;

- [13] Tripsa T et al.. *Recording and evaluation of issues encountered in the use of public health services in Greece*. Athens, IPSOS (<http://www.ipsos.com/content/ipsos-greece>, accessed 29 October 2014) 2012;
- [14] Ministry of Health and Social Solidarity. *ESYnet database*. Athens, Ministry of Health and Social Solidarity 2012a;
- [15] Ministry of Health and Social Solidarity. *Report on the outcomes of Ministry of Health and its health units, 2011*. Athens, Dionikos, March 2012 [in Greek] 2012b;
- [16] Kaitelidou D et al. Efficiency of Greek hospitals: best practices of three top-performing hospitals. In: *ISPOR 15th Annual European Congress*, 3–7 November 2012. Berlin:PHP95. 2012 ;
- [17] Katharakis G et al.. Measuring hospital efficiency: comparing DEA and SFA methods. *Reviews in Clinical Pharmacology and Pharmacokinetics* 2013; 1(27): 17-31.
- [18] Tsavalias K. Factors affecting the performance of the public hospital sector and proposals for restructuring hospitals [PhD thesis]. Athens, National and Kapodestrian University of Athens 2013;
- [19] WHO Regional Office for Europe. *Resolution EUR/RC59/R3: health in times of global economic crisis: implications for the WHO European Region*. Copenhagen, WHO Regional Office for Europe (http://www.euro.who.int/_data/assets/pdf_file/0006/66957/RC59_edoc07.pdf, accessed 29 October 2014). 2009;