Will austerity cuts dismantle the Spanish healthcare system?

In the face of austerity, a series of disconnected “reforms” could, without corrective measures, lead to the effective dismantling of large parts of the Spanish healthcare system, with potentially detrimental effects on health. Helena Legido-Quigley and colleagues explain

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The financial crisis has hit Spain hard. Initially, given its low government debt, Spain seemed safe, but it was forced to bail out its banks when the housing boom they had been fuelling finally collapsed.1 In the first quarter of 2013, 27% of the labour force were unemployed,2 including over 57% of the under 25s. Poverty has increased. Twenty one per cent of the Spanish population lived below the poverty line in 2012, on less than €7354 (£5980; $9599) annually.3

In June 2012 the Spanish government negotiated a €100bn intervention with the European Stability Mechanism (ESM) to support the banks. In 2012, the general government deficit reached 8.1% of GDP,4 against a target of 5.3%, and its debt rose from 26.7% of GDP in 2007 to 93.8% in 2012.5

The system

Public expenditure on healthcare is low. Although, in 2010, Spain spent 9.6% of GDP on healthcare, 26% of this was from private sources (6% private insurance and the remaining 20% paid by individuals) and 74% was public, with the latter equivalent to 7.0% of GDP, compared to an average of 7.6% in the European Union.6 Yet the Spanish health system is viewed positively by the public. In a 2011 national survey 73.1% of 7800 individuals said that the Spanish system was working fairly well or well.7 Professional dissatisfaction (attributed to low salaries), procurement problems, and limited access to some specialities were issues before the crisis. However, the Spanish system performed better than neighbouring countries.8

The national health ministry is responsible for the equitable functioning of the system, pharmaceutical legislation, border health issues, and international health relations. All other issues are devolved to the 17 regions, which administer 90% of public healthcare funding.9 Following budgetary shortfalls in some regions in 2012, the central government created an €18bn regional liquidity fund to ensure their financial sustainability,10 with a further €23bn in 2013.

The cuts

The national situation

The health and social services budget was reduced by 13.65% in 2012, with disproportionately high cuts to professional training (75%) and public health and quality programmes (45%).11 12 These cuts coincided with increased demands on the health system, in part reflecting the association between unemployment and poor mental health, but also because of a cut of €600m in the dependency fund that supports elderly people and people with disabilities.11

These budgetary changes were accompanied by a structural change that was introduced, unusually, not after parliamentary debate, but by a royal decree.13 Royal Decree-law (Real Decreto-ley) 16/2012 came into force in September 2012, excluding undocumented migrants from all but basic emergency care, prenatal care, and paediatric care, so ending the principle of free services at the point of delivery for all.

There have been changes in copayments for drugs. Pensioners now have to pay: those on higher incomes will pay 10% of the cost of medicines, and others will pay between €8 and €60 per month depending on their pension. Those in employment will pay up to 60% more for their medicines, depending on their income, with those earning less than €18 000 annually paying 40% of the cost of medicines. Copayments have been extended to prosthetics, dietary products, and non-urgent ambulance trips—people with disabilities will pay €5 for ambulance trips.14
Drug purchasing will be centralised. A national working group is reviewing the list of reimbursed goods and services that the regions provide and is expected to recommend further cuts. Finally, the national government has announced a further €3134m cut for 2013, including an additional €1108m to be taken from the dependency fund for elderly people and people with disabilities, of which €571m will come from the regions.

The regional situation
Some regions have resisted the centrally imposed austerity, seeking ways to protect migrants and others left without cover. Other regions, such as Madrid and Catalonia, have gone further (see box 1 in the online version for details). They had already cut budgets by 10% and 7% respectively in 2011; both also proposed fees of €1 for each prescription. Both have also made it easier for private companies to run health facilities, which is widely seen as a measure hobbled by conflicts of interest that threaten equitable service provision, rather than one based on evidence of efficiency savings. This perception is supported by the low cost and relative efficiency of the public system as compared to other European countries. The budgetary cuts have been associated with an increase in numbers on waiting lists between 2010 and 2011, by 43% in Catalonia, leading to increasing delays in obtaining treatment. Surgical procedures fell by over 15% in the same period. There have been cutbacks in emergency services in several regions. In the Valencian Autonomous Community and Castilla-La Mancha pharmacists have gone on strike, protesting against the regional governments’ inability or unwillingness to reimburse them for drugs dispensed.

Demonstrations against austerity
Both the Spanish Socialist Workers’ Party (Partido Socialista Obrero Español) and, following its election in November 2011, the People’s Party (Partido Popular), introduced a series of austerity packages including cuts to public sector employee salaries; cuts to budgets for education, science, health, and social services; more restrictive labour laws; and higher taxation, with value added tax rising from 16% in 2010 to 21% in 2012. These measures have generated widespread popular discontent. Demonstrations on 15 May 2011 led to the emergence of the 15-M Movement (Movimiento 15-M). Known as the Indignants these protestors complained that the traditional parties failed to represent the views of citizens, offered no solutions to the crisis, and had failed to curb the excesses of the banks and corporations. The Indignants, together with other social movements, tapped into a newly awakened popular consciousness, and mounted demonstrations to defend the public health system (the so called Marea Blanca, or White Tide), and occupied health facilities. Some now consider that they are witnessing the dismantling of the Spanish healthcare system.

Impact and reaction to the cuts
There has been little research on the impact on the cuts on health. A study comparing patients attending primary care centres in 2006-07 (n=7940), and after the crisis, in 2010-11 (n=5876), found large and statistically significant increases in the proportion of patients reporting depression (19.4 percentage points) and other mental disorders, including anxiety and alcohol related disorders. Individual or family unemployment accounted for 23% of the population attributable risk of attending with major depression in 2010-11, and mortgage arrears added a further 11%. A cross sectional survey of almost 20 000 people, reached similar conclusions, with a 17.5% increase in symptoms of depression in the adult population between the two survey points of 2006 and 2010. Police report a 10% increase in suicides in Catalonia between 2010 and 2011, from 492 to 541, and a 20% increase in unsuccessful attempts, from 1953 to 2379.

We undertook 34 qualitative interviews on a convenience sample of doctors and nurses in 18 hospitals and 16 primary healthcare facilities in Catalonia in early 2012 (see box 2 in the online version for methodology and relevant quotes). Although the interviewees cannot be considered as representative, their views seemed consistent with public opinion surveys.

Sampling approximately 2500 adults aged 18 and over in each wave, successive national barometer surveys consistently report the healthcare system as functioning properly with no need for reforms (nearly 24%). Nearly 50% thought that it works well but some changes are needed. A majority of Spaniards support increased healthcare expenditure in primary health care settings (87%), which suggests a rejection to the introduced cuts. When asked to pick from a list the greatest challenges Spain faces, unemployment came first, at 77%, the economic crisis second at nearly 40%, and politicians third, at 30%. Importantly, fourth position is occupied by corruption and fraud, at 17%. The healthcare system trailed in fifth position at 13%, but increased 4 percentage points between September 2012 and December 2012, the period coinciding with the most recent healthcare reforms.

The concern among our interviewees about alleged corruption and conflicts of interest is also borne out by media reports, often involving a perceived revolving door between public employees and private companies. Recent prominent examples in Catalonia, Madrid, and Valencia have fuelled speculation that some decisions about healthcare reform conceal an intention to divert resources to the private sector.

Changes that alter the principles of Spanish healthcare
The exclusion of undocumented immigrants, increasing copayments, and privatisation of services are the three most important changes.

The royal decree prevents around 500 000 undocumented migrants over the age of 18 accessing the full range of healthcare in Spain. Since its announcement the government has said that primary care services will be available to those under 65 years who pay a monthly fee of €59.20 and up to €155.40 for those over 65 years. Such payments may prove unaffordable and are more expensive than existing private policies in Spain—perhaps raising suspicions in some that the policy is designed to favour the private sector. The situation is fluid: in December 2012, the Spanish Constitutional Court upheld the right of the Basque Country to provide free services to undocumented immigrants. The court prioritised health over finances and noted that the central government had not shown how its policy would result in any savings. It is expected that the central government will appeal.

Some regions (Catalonia, Andalusia, Asturias, Canary Islands, and the Basque Country) have refused to exclude undocumented migrants, arguing that it is unjust, dangerous, and potentially unconstitutional. Professionals and organisations have also expressed concern about their ethical duty to provide care to undocumented migrants. The Spanish Society of Family and Community Physicians (Sociedad Española de Medicina de Familia y Comunitaria or semFYC) refused to withdraw treatment. Amnesty International and Doctors of the World have
Box 1: Healthcare reforms and cuts in Catalonia and Madrid

**Catalonia**

In 2011, the Catalan nationalist party Convergència i Unió (Convergència i Unió) reduced the healthcare budget by 10% and made a further reduction of nearly 5% in 2012, with per capita expenditure decreasing from €1920 in 2011 to €1158 in 2012. Press reports suggest that the government is planning a further 15% cut for 2013, although this figure is yet to be confirmed.

Healthcare professionals have had a 5% wage cut imposed by the national government in 2010 with an additional 3% cut imposed by the Catalan government in 2011.

Since then about a third of hospital beds and operating theatres have closed, emergency care has been reduced at night in many primary care centres, services have been closed down in the afternoon, and operations for certain conditions have been cancelled.

> The alternatives

Some commentators have called for savings from other sources, such as a clampdown on tax evasion and on other forms of fraud, which are estimated to account for €80bn per year—approximately equal to the total cost of the health system. These observations have led some to ask whether the Spanish health model, which is inexpensive and highly regarded by those who use it, is being changed not because of any particular need to reform it (beyond that of responding incrementally to the challenges faced by all health systems) but rather because of a determination to reduce the size of the state. Internationally, there is a growing recognition that the policies of austerity being pursued by some European governments are making the economic situation worse. This failure of austerity policies is exemplified by a recent reassessment by the International Monetary Fund of the consequences of cuts for economic growth, coupled with moves to create a Europe-wide regulatory system for banks which, had it been in place, would have prevented many of Spain’s current economic woes.

There are still those who see crises as an opportunity to pursue their ideological goals of dismantling the European welfare state, as foreseen by the Canadian author Naomi Klein. On the other hand, there is also a rising chorus of alternative voices, from all parts of the political spectrum and civil society, arguing that different economic policies should be pursued. In addition, there is increasing evidence, often unwelcome to the governments concerned, of the human consequences of their policies.

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Box 2: Healthcare professionals in Catalonia: experiences and opinions on the cuts

Methodology

A total of 34 interviews were conducted with healthcare professionals (30 doctors and 4 nurses), in hospitals (18) and in primary care (16) in both the public and private sector. Settings included urban and rural areas around Barcelona and Girona. Interviewees comprised trainees, consultants, and heads of services both in short term and permanent positions. Interviews lasted approximately 90 minutes with the shortest being 30 minutes and the longest 3 hours. Interviews were conducted in Catalan and Spanish and were all recorded. Participants were asked about their day job, their experience of the reforms were introduced; their views on the changes; and their opinion about future solutions. Interviews were coded deductively, following a thematic analysis. Ethical approval was obtained from the London School of Hygiene and Tropical Medicine.

Some interviewees reported not having been consulted and being shocked, numbed, and disillusioned. A consultant, working for the private sector, considered that interviewees offered examples of how patients were being adversely affected. Some reported that they were finding ways to cope, although they were not clear how long this could last. There was a perceived lack of clarity about both the ultimate direction of the changes and how they were impacting on population health. When asked about alternative solutions to the reforms that were recommended by the regional government, almost none felt like these solutions would allow a more accurate assessment of the situation because of lack of information. Their concerns were consistent with the experience of researching this paper, as there seems little official interest in assessing the impacts of the policies being implemented. Some interviewees thought that the managers and politicians were promoting increased commercialisation of the health sector to serve their own interests. Some made allegations of corruption and conflicts of interest.

What healthcare workers say

Impact of the cuts and personal experiences

"From one day to the next they cut 10% of the budget, we close beds, we close operating theatres for four months, we operate at 40% of our capacity. . . . this is like if you have a highway of three lanes and you cut two, you will have a traffic jam. They have done it so badly, . . . ."—specialist doctor in tertiary hospital

"As for my mental health I am feeling very bad, especially because we are restricted with operating theatre rooms. Two days ago I had to send a patient for an urgent surgery, and all the operating rooms were used because the others had been closed down . . . I was responsible for a patient in a critical condition, and I couldn't do anything. This was very painful, and I had a horrible time. Finally I managed to transfer the patient to a private hospital, and now we will have to pay the private sector for his surgery because the public sector is closing down operating theatres. . . . I am not sure this is very cost-effective."—hospital consultant

The cuts are killing people. My husband has heart problems . . . if I called the 061 to get an ambulance because he has had a heart attack it now puts you on hold for 45 minutes. I haven't told him that . . . of course, the cuts are going to kill people."—nurse in hospital

"With the introduction of the cuts, last year they told me 'now you have to go back to your position of visiting patients rather than your technical position.' I had not seen a patient in 20 years. I think these decisions are crazy. They have done this with me to save six months on a substitution . . . . I am going to try my best, but I am aware that I am not competent to treat my patients properly."—general practitioner

Solutions to the proposed cuts

"Nobody listens to the professional and asks for their opinion. Our opinion is valuable, but nobody has asked us. In terms of patients, you don't really know what is happening with them [after they visited the interviewee], and I am sure this will have an impact on mortality rates."—primary healthcare consultant

"You don't know where the money is coming from, and what it is being used for, or how it is managed . . . how am I going to propose solutions from home? I get the feeling that we spend too much money . . . you know the corruption we have in Spain, there is zero transparency . . . I wouldn't know what to propose."—hospital consultant

The reasons behind the cuts

"The government changes and the eleven starting to run the (Catalan) health service are from the private sector, all of them have worked in private insurance companies . . . there is a clear intention to privatise and make business, and take a part of it. In this country we have only made houses, and there is potential to make money on health and social services. There are lots of interests behind this, there are loads of friends, there is a cloud . . . . That is why there is despair."—specialist doctor, tertiary hospital

"The Socialist Party [previous government in Catalonia in coalition with two other parties] was already privatising. They were all doing it, and where are all these people now? They are all now working for a private insurance company, Mutua de Terrassa. The new government is doing the cuts so heroically that people are in shock. People think, at least I have my legs left. They have taken my table and my chair, but I still have my legs left."—nurse in hospital


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