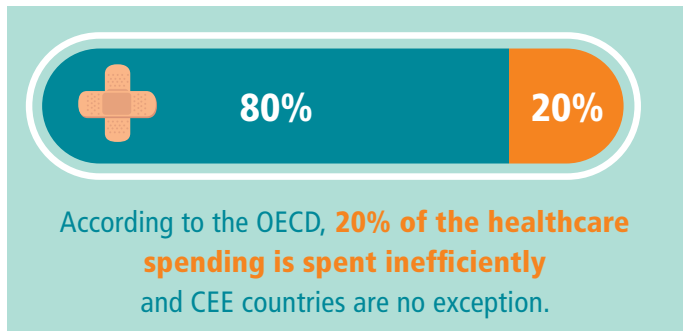




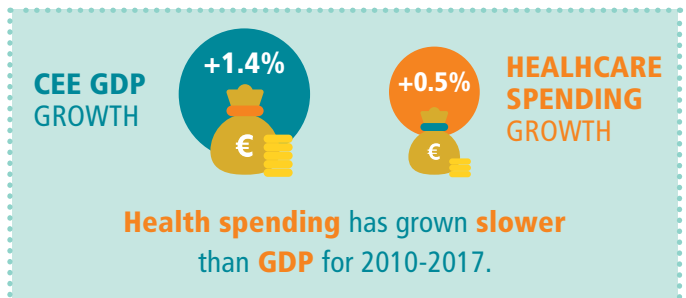
ENSURING HEALTH SYSTEM RESILIENCE, FISCAL SUSTAINABILITY AND PROSPERITY THROUGH HIGHER AND MORE EFFICIENT HEALTHCARE SPENDING IN CENTRAL EASTERN EUROPE

Faced with unprecedented challenges such as the current pandemic as well as an ageing population and increasing burden of chronic diseases, our health systems need to both strengthen their resilience to future shocks and meet increased demand for healthcare, while staying sustainable over time. Whilst we need to keep investing in our health systems, **there are also opportunities to make healthcare spending more efficient** in order to improve long-term outcomes.



The challenge of underinvestment

Public healthcare spending in CEE countries has grown over time, but at a slower pace than GDP growth and today the average public spending per capita can be up to 5 times lower than in the EU5, with large variations across countries.



- ▶ CEE governments spend less on healthcare as a proportion of their GDP compared to EU5 countries (5% vs 8% on average in 2017).
- ▶ On average, one person in CEE countries will have benefitted from €26,000 less in public healthcare spending between 2000-2017 compared to someone in the EU5.
- ▶ If CEE countries spent the same proportion of GDP on healthcare as the EU5, average per capita public spending would rise by 65%. This amounts to an extra €644 per person in 2017 across CEE countries on average.

Insufficient budgets are one of the root causes of disparities in patient access to innovative medicines with patients in CEE countries having access to **twice fewer innovative medicines, after waiting much longer than those living in EU5 countries.**

CEE governments spend less on pharmaceuticals per capita than the EU5

On average, only **34%** of new drugs authorised by the European Medicines Agency (EMA) were available in CEE countries. [Data for 2016-2019]

It takes an extra **304 days** on average for a drug to be made available in CEE than in the EU5. [Data for 2016-2019]

This contributes to the continuation of poorer health outcomes in CEE Countries, despite moderate improvements over the last years

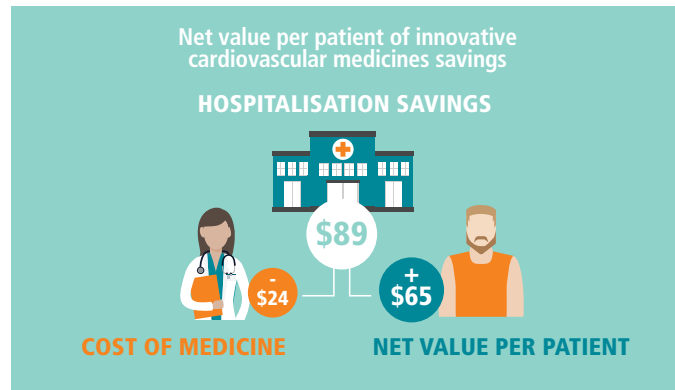
<p>LIFE EXPECTANCY</p> <p>is still 5 years less than in the EU5 in average</p>	<p>AMENABLE MORTALITY RATES</p> <p>are twice those of the EU5</p>	<p>MORTALITY RATES FOR CARDIOVASCULAR DISEASES</p> <p>are about three times that of the EU5</p>
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An ageing population, together with an increasing prevalence of chronic diseases, will put pressure on healthcare spending in the future, threatening sustainability and economic growth.

- ▶ Poorer health outcomes in CEE have led to more of the working age population being inactive or absent from work, resulting in a cumulated economic loss of €264 Bn across CEE in 2018.
- ▶ By 2050, we expect higher demand for healthcare services, while the active workforce is set to drop by 16 Million across CEE, resulting in less contributions to compulsory health insurance schemes and an estimated annual tax revenue loss of €11 Bn.
- ▶ Investment in healthy ageing can alleviate sustainability pressures by limiting the net fiscal loss.

CEE health systems require further investment to meet future healthcare challenges, and be financially sustainable over the longer term.



- ▶ Improving health outcomes will reduce future spending pressures linked to ageing and could reduce public healthcare spending by an estimated €310bn across CEE by 2050.
- ▶ Innovative medicines have proven to be a highly cost effective tool of improving health outcomes, as their cost is at least partly offset by savings in other areas of healthcare.
- ▶ With over 8,000 medicines in development, the biopharmaceutical industry is committed to delivering new therapies to improve patient outcomes, while reducing the financial burden on health systems.



Investing in healthcare will reduce future cost pressures as well as create economic benefit

Increased and more efficient healthcare spending is likely to have a positive impact on health outcomes, which will in turn increase economic output and related tax revenue, while generating healthcare cost savings in the long run.

In 2020-21 exceptional budget increases were implemented to enable health systems to fight the COVID-19 pandemic, but they were largely meant as an emergency measure and may not translate in a structural increase meant to modernize the overall system.

To really make a difference for patients and to ensure the sustainability of our social protection systems in light of the demographic challenges facing many CEE countries, it is vital to prioritize investment in healthcare, **have courageous discussions about the right spending mix and drive bold systemic reforms that can make healthcare spending more efficient.** The pharmaceutical industry is committed to engaging collaboratively with all stakeholders to reach this ambitious goal.



DIGITALISATION OF HEALTH SYSTEMS



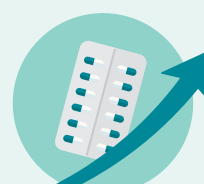
STRONGER COMMUNITY-BASED CARE



INTEGRATED FINANCING STREAMS



EFFECTIVE OFF-PATENT COMPETITION



INCREASED ADHERENCE TO MEDICATION



BETTER BUDGET PLANNING