

Can people afford to pay for health care? New evidence on financial protection in Spain

This review is the first comprehensive and up-to-date analysis of financial protection in Spain. It draws on microdata from annual household budget surveys carried out by the National Statistics Institute of Spain from 2006 to 2019 (the latest data available at the time of publication), and data on unmet need for health services. The report's key findings are as follows.

In 2019, 0.8% of households (about 150 000 households) were impoverished or further impoverished after out-of-pocket payments, up from 0.2% in 2006. In the same year 1.6% of households (about 300 000) experienced catastrophic health spending, up from 1.0% in 2006. Much of this increase took place between 2008 and 2014, reflecting a decline in household capacity to pay for health care, particularly for poorer households, in the context of the global financial and economic crisis that began in 2008. Although the incidence of catastrophic spending started to fall in 2016, it was still above pre-crisis levels in 2019.

Catastrophic spending is concentrated in the poorest fifth of the population in all years. However, the characteristics of households with catastrophic spending changed during the study period, shifting from households headed by older people and retired people to households headed by people of working age (between 35 and 50 years), employed people, unemployed people and couples with children.

On average the health services most likely to lead to catastrophic spending are dental care and medical products. In the poorest quintile catastrophic spending is also driven by out-of-pocket payments for outpatient medicines.

A relatively high share of the population in Spain reports unmet need for dental care. Unmet need for dental care grew sharply during the economic crisis, remains well above the European Union (EU) average and shows substantial socioeconomic inequality.

In addition to increases in catastrophic health spending and unmet need, the economic crisis was also associated with an increase in waiting times, a longstanding issue in the Spanish National Health System (NHS).

How does Spain compare to other countries?

Despite worsening during the economic crisis, the incidence of catastrophic health spending in Spain is among the lowest in Europe, and much lower than would be expected given Spain's relatively heavy reliance on out-of-pocket payments (Fig.1).

This can be explained by strengths in the design of NHS coverage policy and the highly redistributive effect of public spending on health.

Entitlement to the NHS is based on residence and undocumented migrants are formally entitled to the same degree of coverage as residents.

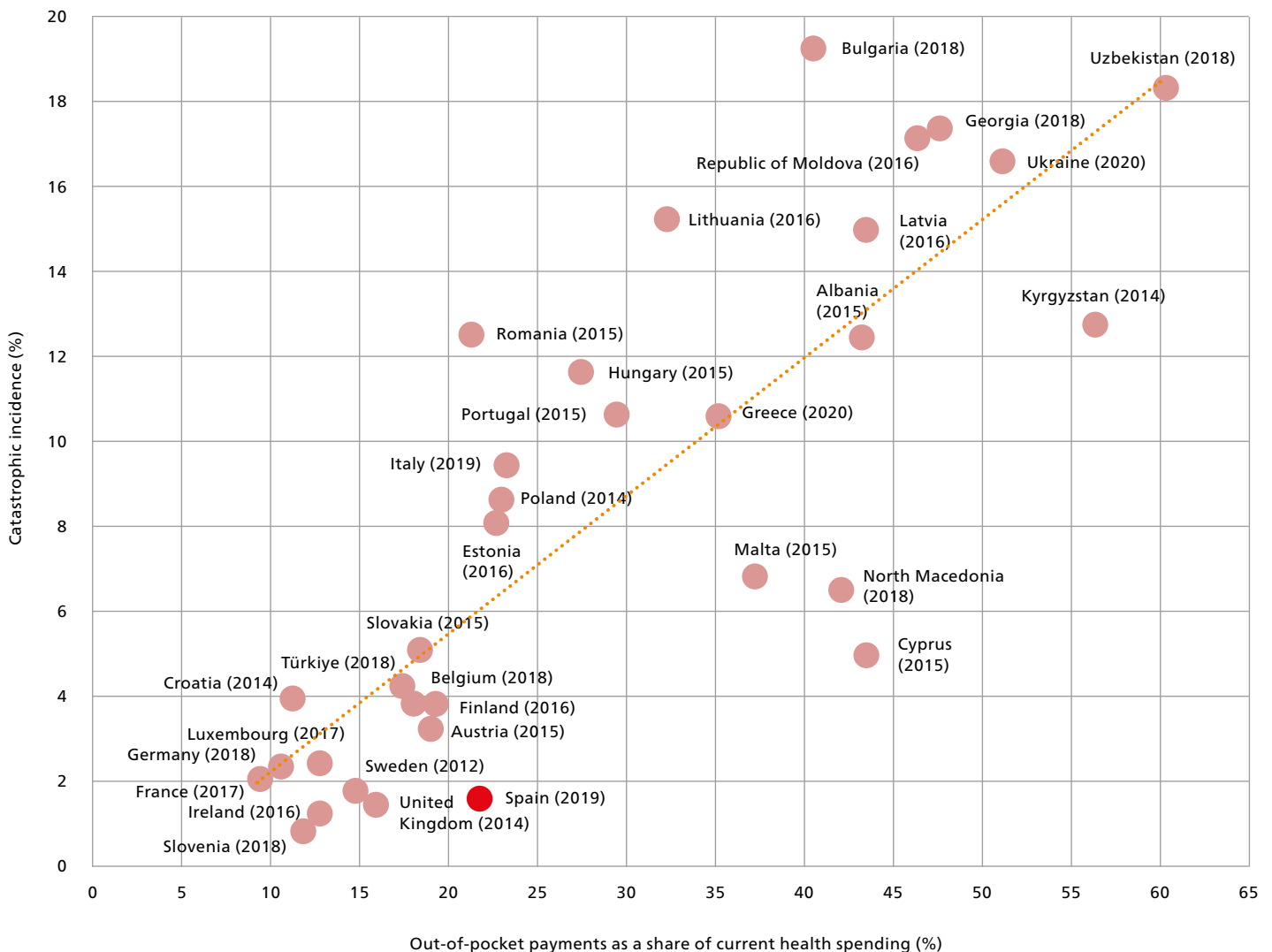
The NHS benefits package covers a wide range of health services, with very little regional variation in benefits, and there is an even distribution of health centres across the country.

Co-payments are used sparingly, applying only to outpatient prescribed medicines and ortho-prosthetic devices, and there are multiple mechanisms in place to protect people, including: exemptions from co-payments for disadvantaged groups of people (which have been expanded since 2020); an income-based cap on co-payments for outpatient prescribed medicines for most pensioners; and reduced co-payments and a cap of €4.24 per prescription item for most outpatient prescribed medicines for chronic conditions.

Fig. 1 Incidence of catastrophic health spending and the out-of-pocket share of current spending on health in Europe, latest year available

Notes: out-of-pocket payment data are for the same year as those on catastrophic health spending except for Greece and Ukraine (out-of-pocket payment data are for 2019, the latest available year). Spain is highlighted in red.

Source: WHO Barcelona Office for Health Systems Financing (catastrophic incidence) and WHO Global Health Expenditure Database (out-of-pocket payments).



What undermines financial protection in Spain?

Despite strengths in the design of NHS coverage, gaps remain. The most important gaps are dental care and medical products. Financial hardship is largely driven by out-of-pocket payments for these two spending items, clearly reflecting the virtual exclusion of dental care, optical care for eyesight problems and hearing aids from the NHS benefits package. Over time the dental care-related share of catastrophic spending has fallen as the shares taken up by outpatient medicines and diagnostic tests have increased (Fig. 2).

Spending on medicines also undermines financial protection, especially among the poorest households. Its role as a driver of catastrophic health spending has increased over time following an increase in co-payments in 2012. This suggests that, in spite of several protection mechanisms in place, the design of co-payments is not sufficiently protective for poor households of any age: there are no exemptions for most children, which is unusual by European standards, and there is no cap on co-payments for children or working-age people.

Waiting times for secondary care and some surgeries, a longstanding issue in the Spanish NHS, may result in unmet need or financial hardship for people who are not covered by voluntary health insurance, exacerbating inequalities in access to health care.

Finally, administrative barriers – for example, legal loopholes and delays in authorization or recognition – may undermine financial protection and lead to unmet need among undocumented migrants, asylum seekers and foreigners legally reunited with relatives residing in Spain.

How can Spain improve access and financial protection?

To improve access and financial protection in Spain, policy should focus on the following actions.

Addressing the most important gaps in coverage by expanding NHS entitlement to dental care, optical care for eyesight problems and hearing aids.

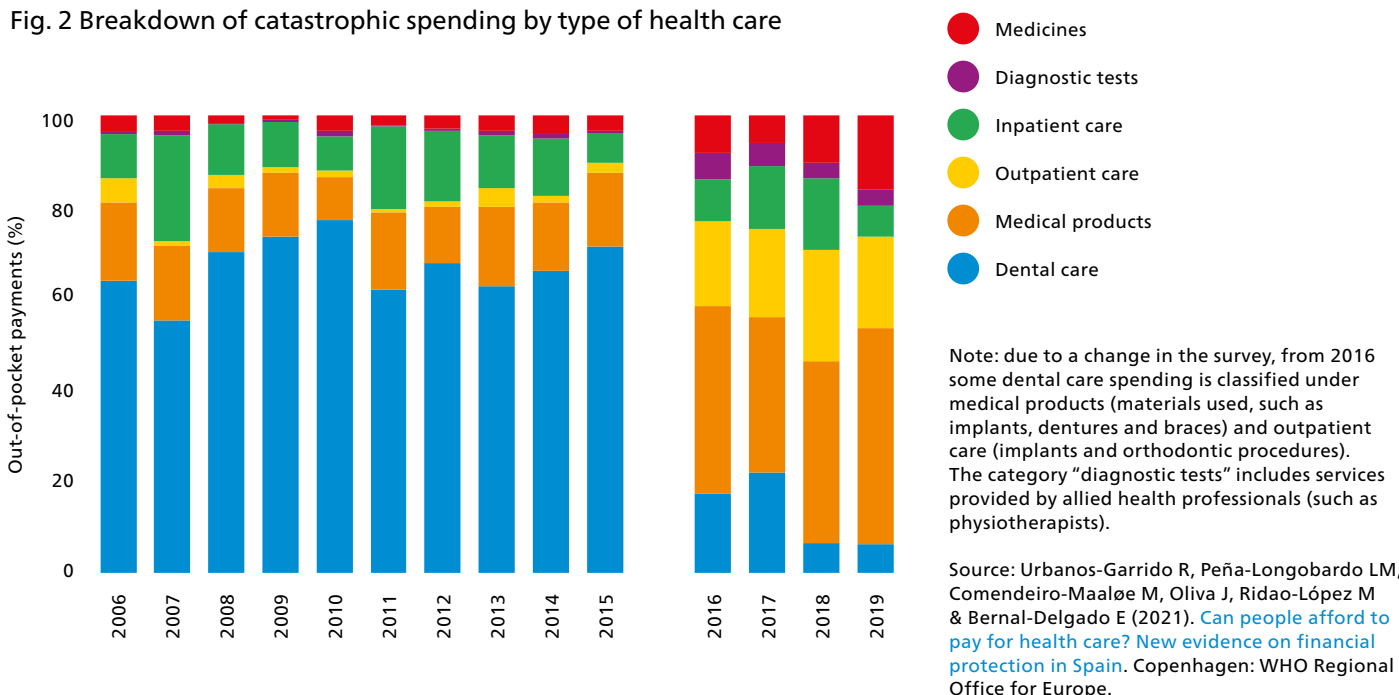
Further improving the design of co-payments to strengthen protection for poorer households in all age groups by, for example, extending the income-related cap for co-payments for most pensioners to all non-pensioner households.

Addressing waiting times for medical examinations and specialist outpatient care, which can result in financial hardship and unmet need and exacerbate socioeconomic inequalities in access to services. Policy options to reduce these inequalities include: reinforcing the effectiveness of primary care by ensuring it is resourced and staffed adequately; reviewing the efficiency and equity of tax subsidies for voluntary health insurance premiums, which mainly benefit richer households; and reviewing current policy towards mutual funds, which allows civil servants to opt for private provision.

Removing the administrative barriers undocumented migrants and others face in obtaining access to NHS services to which they are entitled.

Strengthening access and financial protection is likely to require additional public investment in the health system. To ensure additional spending meets equity and efficiency goals, it should be targeted carefully to reduce unmet need and financial hardship for low-income households.

Fig. 2 Breakdown of catastrophic spending by type of health care



Monitoring financial protection in Europe

This study is part of a series of country reports generating new evidence on financial protection in health systems in Europe. Financial protection is at the heart of universal health coverage and a core dimension of health system performance. The goals of universal health coverage are to ensure that everyone can use the quality health services they need without experiencing financial hardship.

The Sustainable Development Goals call on all countries to monitor financial protection as a key indicator of universal health coverage. WHO's European Programme of Work, 2020-2025 (United Action for Better Health in Europe) includes moving towards universal health coverage as the first of three core priorities for Europe.

WHO Barcelona Office for Health Systems Financing

The WHO Barcelona Office is a centre of excellence in health financing for universal health coverage. The Office works with Member States across WHO's European Region to promote evidence-informed policy making. It is also the home for WHO training courses on health financing and health systems strengthening for better health outcomes.

A key part of the work of the Office is to assess country and regional progress towards universal health coverage by monitoring financial protection. The Office also provides tailored technical assistance to countries to reduce unmet need and financial hardship by identifying and addressing gaps in coverage.

Established in 1999, the office is supported by the Government of the Autonomous Community of Catalonia, Spain. It is part of the Division of Country Health Policies and Systems of the WHO Regional Office for Europe.

WHO Regional Office for Europe

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