Health policy in Latvia

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Latvia's health system broadly delivers effective care to the population within a context of significantly fewer resources compared to most OECD countries. However, there are important challenges to maintain and improve the performance of its health system. Latvia needs to increase public spending on health. This is an important pre-requisite to make improvement in health outcomes, to reduce risk factors and to promote better access to care. Latvia also needs to improve the quality of both primary and acute care, which is lagging behind other OECD countries.

Increase investments in health

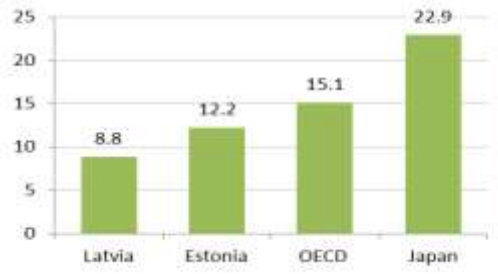
Latvia has traditionally given low priority to health

The Latvian health system is under-resourced. In 2015, Latvia spent USD PPP 1 370 per capita per year, a third of OECD average spending. Latvia's public expenditure on health is very low, at 5.5% of GDP in 2014. In neighbouring countries with similar level of economic development (such as Estonia and Lithuania), the level of public spending on health (as a share of GDP) is nearly 1 percentage point of GDP higher than in Latvia.

Latvia also gives low priority to health in its budget. In 2014, only 8.8% of public expenditure was spent on health, compared to 15.1% across OECD countries. Estonia spent around 12% of government budget on health in 2013.

To read more about our work: OECD Reviews of Health Systems: Latvia 2016; OECD Health Statistics 2016 Database

Health expenditure (as a % of public expenditure), 2014



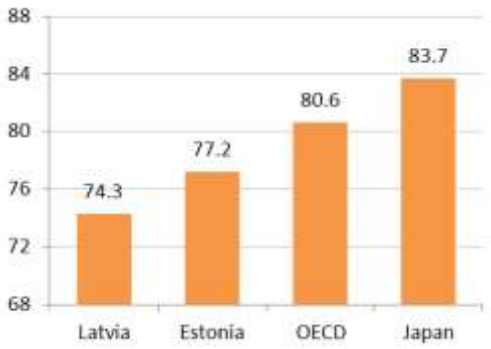
What can be done?

- Increase public spending on health, while ensure that resources are targeted to improve the outcomes of the most disadvantaged groups

Improve health outcomes and reduce risk factors

The health status of the Latvian population lags behind other OECD countries. Although people in Latvia have enjoyed fairly substantial gains in life expectancy over the past decade, life expectancy at birth remains the shortest among OECD countries, at 74.3 years; more than 6 years lower than average among OECD countries. The relatively poor health in Latvia is mainly the result of higher mortality rates from several leading causes of death, notably cardiovascular diseases, but also cancers, accidents and injuries.

Life expectancy at birth, 2014



The prevalence of obesity and alcohol consumption is becoming worse. More than one in five Latvian adults were obese in 2014, an increase from one in six in 2008, the fourth highest rate among OECD countries. Latvian adults on average consumed 10.4 liters of alcohol per capita in 2014, an increase from 7.1 in 2000, which contrasts the decreasing trend in OECD countries.

What can be done?

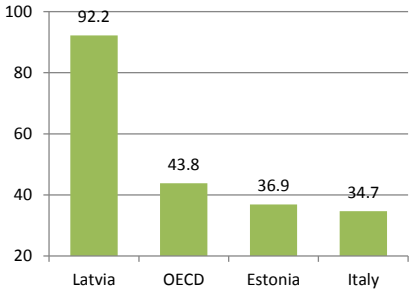
- Implement a comprehensive prevention strategy, targeting different age groups and determinants of obesity as well as a multi-stakeholders approach
- Make progress in nutrition labelling (using front-of-package guideline daily amount labelling) to improve consumer literacy around nutritional information
- Consider restricting sales of alcoholic beverages (e.g. prohibiting sales in petrol stations)
- Implement fiscal and pricing policies aimed at reducing the consumption of alcoholic beverages and of unhealthy foods and beverages

To read more about our work: OECD Reviews of Health Systems: Latvia 2016; Obesity and the Economics of Prevention: Fit not Fat; Tackling Harmful Alcohol Use: Economics and Public Health Policy

Improve quality of care

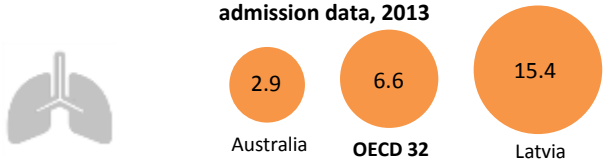
The quality of primary care appears variable. While Latvia fares relatively well when it comes to hospital admissions for COPD and diabetes, Latvia's high rates of hospital admissions for asthma give cause for concern. In 2013, avoidable hospital admissions for diabetes were more than twice the OECD average.

Avoidable hospital admission for asthma (rate per 100 000 population), 2013



There are major shortcomings in the quality of acute care. In 2013, Latvia had the 2nd highest rate of hospital mortality following both AMI and stroke when ranked alongside OECD health system (just below Mexico). These international figures suggest shortcomings in the processes of acute care such as timely transport of patients and effective medical interventions. It might also reflect delivery of treatment that is not the most appropriate, including thrombolytic treatment for ischemic stroke and treatment in dedicated stroke units.

30 days mortality after admission to hospital for AMI based admission data, 2013



What can be done?

- Better exploit capacity at primary and community care levels to improve the management of chronic diseases for patients with complex needs
- Develop a role of different primary care professionals such as nurses and pharmacists to deliver more preventive care and to improve the management of chronic conditions
- Strengthen quality assurance mechanisms for primary and acute care through further use and development of performance and outcome indicators
- Develop clinical guidelines and monitor provider's adherence; and introduce a comprehensive set of standards of care to be applied to all hospitals

To read more about our work: OECD Reviews of Health Systems: Latvia 2016

Promote better access to care

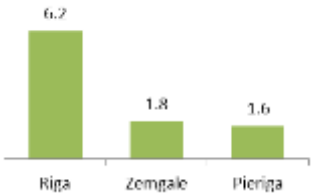
Out-of-pocket payments for health are among the highest in the OECD. In Latvia, the scope of publicly-covered services is relatively limited. Patients must pay a substantial part of the costs across all health services. The contribution of out-of-pocket spending to total health care expenditure in Latvia is the second highest across OECD countries, at 39% in 2014.

Household out-of-pocket payment as a percentage of current health expenditure, 2014

High level of out-of-pocket is an important driver of unmet needs. Based on the 2014 EU-SILC survey, 10.5% of the Latvian population reported unmet needs for medical examination due to financial reasons, the highest rate among EU countries. Of greater concern, almost one quarter of the low income population in Latvia reported forgoing needed medical examination for financial reasons, compared to an average of 5.1% across EU countries.

The distribution of health care services across the country is uneven. Access to care is particularly limited in rural areas due to shortage of some health care professionals. In 2013, the density of practicing medical doctors was more than 3 times higher in the Riga area than in Zemgale and Pieriga.

Density of practicing medical doctors (per 1000 population), 2013



What can be done?

- Expand co-payment exemptions for low-income groups and vulnerable population to improve access to health care
- Reassess the publicly-funded health benefit basket
- Maximise the use of nurses and pharmacists in rural areas where health services are scarcer

To read more about our work: OECD Reviews of Health Systems: Latvia 2016; Health at a Glance: Europe 2016