



Health at a Glance: EUROPE 2014

How does Ireland compare?

KEY FINDING

- Despite cuts in recent years, health spending as a share of GDP in Ireland remains slightly higher than the EU average and pharmaceutical spending in particular remains relatively high.

Total health spending accounted for 8.9% of GDP in Ireland in 2012, slightly more than the EU average of 8.7%, but still below the United Kingdom (9.3%). It is also substantially lower than in a number of other European countries such as the Netherlands, France, Switzerland and Germany (all allocating over 11% of their GDP to health).

Following the economic crisis, health spending in Ireland was reduced sharply in 2010 and 2011 as part of government-wide efforts to reduce large budgetary deficits. Most of the reductions in public spending have been achieved through cuts in wages and fees paid to professionals and pharmaceutical companies, and through reductions in the number of health workers. In 2012, health spending in Ireland has started to rise again in real terms, but at a very modest rate.

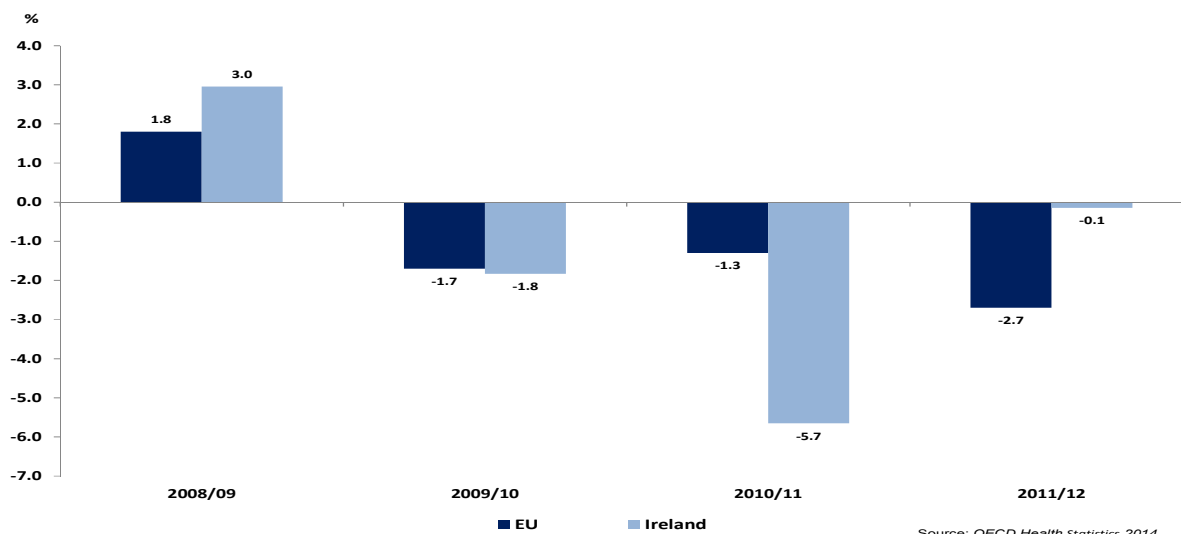
Pharmaceutical spending

As in many other OECD countries, spending on pharmaceuticals in Ireland has been reduced in recent years. These reductions in pharmaceutical expenditure were achieved through a series of measures, including price cuts (negotiated with manufacturers), reductions in pharmacy fees and increases in co-payments for patients, and the promotion of generics.

Despite these cost-reduction efforts, Ireland was still among the top spenders on pharmaceuticals within the EU in 2012. On a per capita basis pharmaceutical spending in Ireland stood at 500 EUR, just below Belgium (550 EUR) and Germany (501 EUR), but 40% above the EU average (350 EUR).

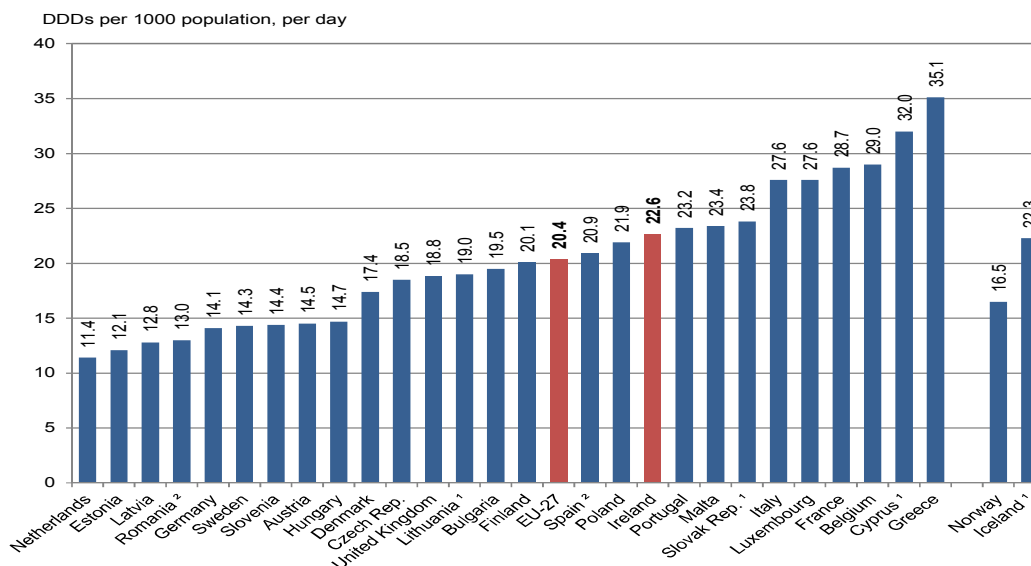
Further actions have recently been taken by the Irish government to bring down pharmaceutical spending, including the introduction of a reference price system for pharmaceuticals covered by public payers to reduce the price of reimbursed drugs and the promotion of the use of generics by allowing pharmacists to substitute generics for prescribed brand-name drugs. These measures should help to increase the share of the generic market in Ireland which remained relatively low in 2012 (23% in volume, compared with around 80% in the United Kingdom and Germany).

Annual growth of pharmaceutical spending (in real terms) since 2009, Ireland and EU average



Further efforts may also be needed to reduce the high consumption of certain pharmaceuticals. The consumption of antibiotics in Ireland was relatively high in 2011: 10% higher than the EU average and two-times higher than in the Netherlands. The over-use of antibiotics is a growing public health issue in Ireland and other countries, as it increases the prevalence of resistant bacterial strains, which in turn reduces the effectiveness of conventional treatment, resulting in prolonged illness, greater risk of death, and higher costs.

Overall volume of antibiotics prescribed, 2011



More information on **Health at a Glance: EUROPE 2014** is available at <http://www.oecd.org/els/health-at-a-glance-europe-23056088.htm>.

For more information on OECD's work on **Ireland**, please visit <http://www.oecd.org/ireland>.