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From: General Secretariat of the Council

To: Delegations

Subject: Implementation of the 2016 Council Recommendations on the National Reform Programmes:

- 2017 SPC country-specific multilateral conclusions on the implementation of the recommendations in the areas of social protection and social inclusion, including joint conclusions with the Council Working Party on Public Health at Senior Level for the recommendations in the area of health
- SPC horizontal opinion on the implementation of the 2016 Council country-specific recommendations and cross-cutting issues

Delegations will find attached, for information, the above-mentioned document, as adopted by the SPC on 23 March 2017. It presents the SPC country-specific multilateral conclusions on the implementation of the 2016 Council recommendations in the areas of social protection and social inclusion.

Implementation of the 2016 Council recommendations on the 2016 National Reform Programmes in the area of social protection and social inclusion:

2017 SPC country-specific multilateral conclusions, including joint conclusions with the Council Working Party on Public Health at Senior Level (WPPHSL) on issues in the area of health

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BULGARIA

CSR 3

Reinforce and integrate social assistance, including relevant social services, and active labour market policies, in particular for the long-term unemployed and young people not in employment, education or training. Increase the provision of quality education for disadvantaged groups, including Roma. Improve the efficiency of the health system by improving access and funding, and health outcomes. In consultation with social partners establish guidelines and criteria for setting the minimum wage. **Increase the coverage and adequacy of the minimum income scheme.**

On the social protection branch of the recommendation:

Bulgaria has taken some relevant measures to address the coverage and adequacy of the minimum income scheme. It has amended the Regulations for Application of the Social Assistance Act, with a focus on: i) making it possible for people to apply for benefits irrespective of the place of residence, thus potentially increasing coverage; ii) removing the restriction for people aged below 30 living with their parents to claim social benefits; iii) discontinuing the requirement for unemployed persons who receive social assistance benefits to participate in public works if they are registered and enrolled in training and qualification courses; iv) effort to bring into school children 16-18 not in education but registered as unemployed; v) new regulations regarding the income test, which defines new exceptions in determining eligibility rules for granting benefits, thus, easing access. However, the impact of these measures is still limited at the present moment, especially with regards to increasing adequacy.

Bulgaria has, as of 2015, developed a pilot project to develop integrated services to persons from vulnerable groups, joining teams of the Social Assistance Agency and the Employment Agency in 73 Employment and Social Assistance centres. The real effectiveness of these integrated centres is still to be assessed.

Given the magnitude of poverty and the very high and increasing inequality in the country, SPC is of the opinion that progress in implementing the parts of the CSR, related to reinforcing and integrating social assistance and increasing the coverage and adequacy of minimum income schemes, is only partial. SPC is of the opinion that response to the part of the CSR related to social services is only partial and more needs to be done to fully address the policy challenge.

On the health branch of the recommendation:

Bulgaria has undertaken a number of reforms addressing some of the main issues in the healthcare sector, in particular improving the functioning of the hospital sector and strengthening the outpatient and primary care. Targeted measures include actions to improve the cost-effectiveness of the healthcare system as well as the efficiency of the provided services and public spending. The new “health map” is a welcome improvement.

However, despite some noted progress, SPC and the WPPHSL are of the opinion that further progress is still needed in addressing fully the policy challenges identified in the CSR.

CZECH REPUBLIC

CSR 1

Take measures to ensure the long-term sustainability of public finances, **in light of future risks in the area of healthcare.**

.../...

In response to the CSR, the Czech Republic is currently focusing on: i) re-setting of the Diagnosis related group system through the establishment of a reference network of hospitals, ii) innovative national health care information system. In addition, a reform of the health insurance redistribution scheme based on pharmacy cost groups is ongoing. It aims at redistributing more funds to those health insurance funds that cover more chronic patients and provides incentives to creating specialised programs for chronic patients.

SPC and the WPPHSL are of the opinion that the ongoing reform efforts are going in the right direction even if progress in addressing the wide-ranging 2016 CSR is still only partial and reform measures need to be closely monitored for their impact on the joint objectives of an effective, accessible and resilient health system.

GERMANY

CSR 3

Increase incentives for later retirement and reduce disincentives to work for second earners. Reduce the high tax wedge for low wage earners and facilitate the transition from mini-jobs to standard employment.

The 2016 Council recommendation is a follow-up recommendation. The SPC takes note that Germany is not reporting on any new measures. Thus, the Committee continues to carry-on its opinion from 2015.

With the pension package both the legal maximum contribution rates and the minimum security levels are complied with while at the same time the continuation of the policy of a pension at age 67 is ensured on a long-term basis. In this respect, by increasing the statutory retirement age and by introducing the sustainability factor the long-term sustainability of the pension system has been achieved. Given the financial situation of the pension insurance scheme and despite the expansion of benefits under the pension package, it has been possible to further reduce the pension insurance contribution. The temporary nature of a deduction-free pension at 63 will have no significant long term effects on later retirement or on pension sustainability. Also the mothers' pension, intending to reward the generative contribution and hence improves benefits particularly for women, will be phased out progressively due to demographic trends.

The SPC invites Germany to continue to ensure sustainability of the public pensions systems and to expand the coverage of 2nd and 3rd pillar schemes in order to compensate the anticipated decrease in public pension replacement rates in the future so to protect effectively the elderly from poverty, while also considering incentives to enhance coverage of low income groups.

ESTONIA

CSR 1

Ensure the provision and accessibility of high-quality public services, especially social services, at local level, inter alia by adopting and implementing the proposed local government reform.

.../...

In 2016 Estonia implemented the new Social Welfare Act, which sets minimum requirements for the quality, content and providers of social services, thus unifying the quality of local government social services. It is transferring social services quality development and quality monitoring to one State Agency (Social Insurance Board). In addition, the action plan for the 2016-2023 welfare development contains measures to make social services more effective.

SPC is of the opinion that Estonia has put in place relevant measures and has thereby made partial progress in addressing the CSR. The impact of merging local governments on the provision of services needs to be carefully monitored.

IRELAND

CSR 1

Enhance the quality of expenditure, particularly by **increasing cost- effectiveness of healthcare** and by prioritising government capital expenditure in R & D and in public infrastructure, in particular transport, water services and housing.

Ireland has implemented some concrete measures related to performance and accountability, financial management reform, eHealth. SPC and the WPPHSL noted with interest that a revised and enhanced 2017 Performance and Accountability Framework for health service managers has been published while the Finance Reform Programme is being implemented in the health service. A Framework Agreement on the supply of medicines to the Health services 2016-2020 has been signed between the State and the Irish Pharmaceutical Healthcare Association in July 2016 with expected substantial cumulative savings over the next 4 years.

The SPC and the WPPHSL are of the opinion that concrete, yet partial, progress has been made on the implementation of the CSR. The reported measures confirm the commitment to greater cost-effectiveness of the system, with the aim to respond to the challenge and effectively address the 2016 CSR.

CSR 2

Expand and accelerate the implementation of activation policies to increase the work intensity of households and **address the poverty risk of children. Pursue measures to incentivise employment by tapering the withdrawal of benefits and supplementary payments.** Improve the provision of quality, affordable full-time childcare.

Ireland has addressed the CSR with a wide range of targeted actions and interventions, some of which are expanding on those already implemented in previous years, to achieve the overall objective of reducing consistent poverty. Several measures aim to address the underrepresentation of people with disabilities in the labour force. Other measures focus on providing support to lone parents with a view to facilitating their progression into sustainable employment. Furthermore, there are measures focused on housing support, also including people who take-up full time employment; measures which provide an additional financial incentive over and above the existing in-work support for individuals who transition from welfare into employment, such as the Back to Work Family Dividend; and measures to increase the minimum wage. Ireland also has a specific child poverty reduction target and reports on well-established measures (Child Benefit and Family Income Supplement) to achieve this with a stronger focus on targeted and early intervention policies. Work is underway on a package of Working Family Payment reforms.

SPC is of the opinion that Ireland has responded appropriately to the CSR and measures which have been put in place represent promising steps in the policy challenges outlined in the CSR.

SPAIN

CSR 2

.../... Address gaps and disparities in minimum income schemes and improve family support schemes, including access to quality childcare and long-term care.

On the social protection branch of the recommendation:

Spain has made limited progress in streamlining minimum income support schemes. Income support schemes and social services remain scattered across several levels of government and institutions, restraining the transferability of rights and mobility of beneficiaries. Likewise, the delivery of family support schemes could be improved. Although a comprehensive analysis has been undertaken, concrete proposals to streamline minimum income support schemes have not been made yet.

The cooperation between the existing regional minimum income schemes, as well as with the employment and social services is weak. Moreover, the minimum income benefits are increasingly framed within an activation and personalised support perspective, with recipients of minimum income schemes being obliged to sign up and follow personalised integration plans.

On the long-term care branch of the recommendation:

Spain has expanded the Specific Evaluation Scale (EVE) for children under three years of age up to six years of age, determining access to the System for Autonomy and Care for Dependency. It has implemented recognition of a 33% degree of disability for children with serious illness in process of treatment. In addition, in February 2017 the Spanish government has approved the creation of a Commission for the analysis of the situation of the System for Autonomy and Care for Dependency (SAAD), its sustainability and the current financing mechanisms, as well as its suitability for the demand of dependency benefits.

SPC welcomes these measures which show that partial progress has been made in the implementation of the CSR, but highlight that challenges remain and further work is needed to address disparities across regions and current needs.

CROATIA

CSR 2

By the end of 2016, take measures to discourage early retirement, accelerate the transition to the higher statutory retirement age, and align pension provisions for specific categories with the rules of the general scheme. Provide appropriate up- and re-skilling measures to enhance the employability of the working-age population, with a focus on the low-skilled and the long-term unemployed. **Consolidate social protection benefits, including special schemes, by aligning eligibility criteria and integrating their administration, and focus support on those most in need.**

On the pension branch of the recommendation:

Croatia has postponed the reforms to encourage longer working life by reducing access to early retirement, equalising statutory retirement age for men and women and increasing statutory retirement age to the second and third quarter of 2017. In the meantime a working group has been established to prepare the first draft of the reform proposals. The proposed measures are well balanced and, when adopted, could be appropriate to meet the CSR. The SPC welcomes the intentions to consult with social partners on the proposed policy measures. SPC takes note of planned measures to encourage longer working life but highlights that further progress is necessary as significant policy challenges are still crucial.

Croatia has completed a review of the arduous or hazardous professions benefiting from more generous pension provisions, to be followed by the preparation of draft legislative proposals where the list of arduous or hazardous occupations, the calculation of insurance periods and minimum required age for old age pension will be revised.

In relation to the part of the CSR focused on taking measures to discourage early retirement and accelerate the transition to the higher statutory retirement age, as the planned reforms are on hold, SPC is of the opinion that very limited progress has been made to respond to the CSR. SPC strongly encourages Croatia to move forward with its policy efforts to adopt and implement the necessary measures.

In relation to the part of the CSR focused on aligning pension provisions for specific categories with the rules of the general scheme, at the current stage SPC is of the opinion that Croatia has made limited progress in addressing the CSR as no concrete policy measures have been implemented. However, the measures outlined could be an appropriate response to the recommendation when properly implemented. Croatia should continue its efforts to implement measures to align pension provisions for specific categories with the rules of the general scheme.

On the social protection branch of the recommendation:

Croatia has started the preparatory process for some reform measures such as consolidation of benefits in the social welfare system on a national level with the aim of harmonisation of terminology of the term *family income* and other terms. The plan to establish one stop shops through integrating data and unifying administration of benefits as well as simplify existing processes has been substituted by a plan to upgrade the IT-system (SocSkrb), which can allow to have an overview of the benefits granted at central and local government level for each citizen. SPC recognizes that the authorities have invested in analysing and preparing reform measures but no timeline of redesign or implementation is presented.

SPC is of the opinion that very little progress in addressing the CSR has been made and the Croatian government needs to continue with its efforts in order to deliver the necessary reforms.

ITALY

CSR 4

.../...Adopt and implement the national antipoverty strategy and review and rationalise social spending.

In 2016 Italy made a series of key steps allowing it to complete the design and start the delivery of an antipoverty strategy at the national level. It has extended the Support for Active Inclusion to the whole national territory in September 2016 and the enabling law for the Inclusion Income scheme was adopted by the Senate on 9 March 2017. The bill aims to: i) introduce a structural anti-poverty measure at the national level, which will constitute a minimum entitlement throughout the national territory; ii) rationalise means-tested social assistance support (not including support to people with disabilities and elderly); iii) reorder the legislation on social assistance and services. Implementing decrees are expected within six months. All these steps constitute the backbone of an anti-poverty strategy, which represents a historical breakthrough in the design of social policies in Italy.

SPC is of the opinion that Italy has made important progress in addressing the CSR. SPC encourages the Italian government to proceed with the swift adoption of the implementing decrees and the rolling out of the measures on the ground.

CYPRUS

CSR 5

.../...

Adopt legislation for a hospital reform and advance with the planned implementation of universal health care coverage.

Cyprus has prepared an important legislative bill for the autonomization of public hospitals which is currently in the Parliament for adoption. It regulates the creation of one Public Legal Entity running the network of public hospitals, primary health care centers, ambulances or other services provided, as independent, administrative and financial business units. Cyprus has prepared a National Health Insurance System (NHIS) which aims at universal health care coverage, addressing the existing inequalities of health care coverage amongst the population. The Bill for its implementation is now being discussed by the Parliament. Cyprus is also planning to reorganize the public primary health care by the end of 2017 through a detailed restructuring plan, focusing on clustering small healthcare facilities, extending opening hours, standardizing procedures and improving synergies and coordination with ambulance services and community care centers.

In relation to the part of the CSR focused on adopting legislation for a hospital reform, SPC and the WPPHSL are of the opinion that Cyprus has made progress in addressing the policy challenges outlined in the CSR and is in the process of implementing a major hospital reform. They invite Cyprus to adopt the proposed legislation for a hospital reform and implement the reform.

In relation to the part of the CSR focused on the implementation of universal health coverage, SPC and the WPPHSL note that Cyprus has made progress in addressing the policy challenges outlined in the CSR and welcome the fact that a major reform on universal health coverage is under discussion. They encourage Cyprus to adopt the proposed Bill and implement the reform.

LATVIA

CSR 2

Improve the adequacy of social assistance benefits and step up measures supporting recipients in finding and retaining work, including through increased coverage of activation measures. Speed up the curricula reform in vocational education, establish – with the involvement of social partners – a regulatory framework for work-based learning and increase their offer. **Improve the accessibility, quality and cost-effectiveness of the healthcare system.**

On the social protection branch of the recommendation:

In response to the CSR, Latvia has introduced amendments to the Law on Social Services and Social Assistance, effective as of February 2017, which aim at ensuring adequacy of social assistance benefits for families with children and introducing gradual phase out of social assistance benefit when person starts to work. It is also in the process of preparing a medium-term policy planning document on the development of the minimum income support system 2018-2020, which aims to provide support and promote adequate income for the most vulnerable groups by supporting improvement of minimum income levels for certain groups, harmonization of the minimum income support system, and aligning it with the social assistance system at the municipal level.

SPC welcomes these steps and recognizes that a major reform effort is underway, which, however, still needs to be finalised and problems with financing remain. In the meantime, overall improvement in benefit adequacy remains limited. SPC is of the opinion that progress in implementing the CSR is only partial and the Latvian government needs to continue with its efforts in order to deliver the necessary reforms.

On the health branch of the recommendation:

In order to improve the cost-effectiveness of its healthcare system, Latvia is currently preparing a reform plan which will include measures related to the model of financing, the infrastructure requirements and mapping of service providers, development of strategic procurement and the E-health system.

In order to increase the accessibility to health care services and on the background of having one of the highest out-of-pocket payments for health in Europe, Latvia has increased by 6.6 % its health care budget for 2017. Focus is currently on improving access to the diagnosis and treatment of malignant tumours, decreasing the waiting times for out-patient health care services, improving the availability of medications for hepatitis C patients, increasing the minimal monthly wage for health personnel as well as equalisation of the lowest wages.

In relation to the part of the CSR focused on improving the cost-effectiveness of the healthcare system, SPC and the WPPHSL note that parts of these measures are still in the programming stage and that there is still room for improvement. They are of the opinion that Latvia has made relevant progress in addressing the CSR and welcome the different steps progressively taken. Full implementation of the reform plan is strongly encouraged.

In relation to the part of the CSR focused on improving the accessibility and quality of the healthcare system, SPC and the WPPHSL, noting the recent steps taken by Latvia, are of the opinion that the challenges outlined in the CSR are starting to be addressed. They consider that the increased health care budget for 2017 and the decision on its allocation are important ways to guarantee more accessible and higher quality health care systems. Yet, continuous attention to these objectives is encouraged in reform measures due in the near future.

LITHUANIA

CSR 2

.../... Improve the performance of the healthcare system by strengthening outpatient care, disease prevention and health promotion. Improve the coverage and adequacy of unemployment benefits and social assistance.

On the health branch of the recommendation:

Lithuania has implemented a number of measures to improve the performance of its healthcare system. It has advanced on the fourth stage of the health system development and consolidation of hospital network plan. Particular focus is on shifting from in-patient to out-patient setting, strengthening primary healthcare and disease promotion. The “Action Plan for Reduction of Health Inequalities” as well as the State “Public Health Strengthening Fund” are in the process of being implemented. An E-health system has been put in place and is continuously being improved. Reduction of corruption in the health sector is being tackled through the “National Anti-Corruption Programme” 2015-2025.

SPC and the WPPSHL welcome the measures reported by Lithuania and consider that they represent progress in addressing the CSR. Appropriate implementation remains key.

On the social protection branch of the recommendation:

Lithuania has taken relevant steps to improve the coverage and some steps to improve adequacy of social benefits. In September 2016 it adopted amendments to the Law on Cash Social Assistance for Poor Residents with the aim of: i) expanding the list of circumstances under which cash social assistance cannot be reduced; ii) rejecting the provision which precludes granting social benefit for persons who had been granting social benefit for more than 60 months; iii) creating more favourable conditions to receive additional social benefit after employment; iv) excluding from the calculation of income to establish assistance level the training grant for unemployed, who are involved in the workers training. It has also expanded the Social support information systems (SSIS) to ensure exchange of data and strengthen cooperation between territorial Labour Exchanges and municipalities. The success and real impact of the reform steps depend significantly on the details of implementation specificities.

SPC is of the opinion that progress in implementing the CSR needs to continue, in particular with the aim of reducing poverty and income inequalities.

LUXEMBOURG

CSR 1

Ensure the long-term sustainability of public pensions by increasing the effective retirement age, by limiting early retirement and increasing incentives to work longer, and by aligning the statutory retirement age to changes in life expectancy.

In the context of a regular review of the sustainability of the Luxembourgish pension system on the basis of an actuarial report elaborated by the General Inspectorate for Social Security, the current financial situation of the general pension scheme is assessed to be positive. Nevertheless, additional measures are needed to tackle the expected increase in expenditure in the future. An expert pension group has been established to discuss the review findings and measures to be adopted in the medium term to ensure long-term fiscal consolidation of the scheme and adequacy of pension benefits.

The SPC welcomes the consultations with social partners and other stakeholders on policy measures. The draft Law to limit pre-retirement has not been passed yet. The Law on reclassification of people with disabilities could have a positive impact on maintaining people as long as possible in employment, thus, raising the effective retirement age. No new measures were announced towards linking the statutory retirement age to life expectancy.

SPC is of the opinion that Luxembourg has made only partial progress in addressing the CSR.

HUNGARY

CSR 3

.../...

Improve the adequacy and coverage of social assistance and unemployment benefits.

.../...

In response to the CSR, Hungary has implemented some measures related to increasing the amounts of the home start assistance, old age allowance, nursing fee, and in-kind benefit provided in the framework of regular child protection allowance. However, their impact remains unclear and potentially limited.

SPC is of the opinion that progress in implementing the CSR is only partial.

NETHERLANDS

CSR 2

.../... Address the high increase in self-employed without employees, including by reducing tax distortions favouring self-employment, without compromising entrepreneurship, and **by promoting access of the self-employed to affordable social protection.**

The Dutch government has investigated the institutionally driven gap between self-employed and traditional employees in relation to their access to affordable social protection. The study proposed a wide array of policy levers to tackle the identified bottlenecks of which the government has focused on three specific issues: i) reducing those who unjustifiably are presented as self-employed; ii) making it more attractive to be or become an employer; iii) ensuring accessible protection for self-employed professionals. In addition, the government announced that it would work on accessible protection for self-employed professionals, in particular related to second pillar pensions, safe and healthy work, disability insurance and training. Overall, the Dutch government recognizes that in the medium- to long-term a more fundamental approach would be needed to decrease the institutionally driven gap between self-employed and traditional employees, including through a political and societal debate.

SPC is of the opinion that some progress has been made in addressing the CSR. The announced soft measures to improve social protection for self-employed professionals may bring a contribution to raising awareness, but broader and more comprehensive measures are needed to address the CSR in an appropriate manner.

CSR 3

Take measures to make the second pillar of the pension system more transparent, inter-generationally fairer and more resilient to shocks.

.../...

On the basis of a wide stakeholder consultation in the context of a National Pension Dialogue during 2014 and 2015, the Dutch government has proposed in July 2016 a roadmap to reform the second pillar of the pension system by 2020. The reform effort is concentrated on coverage, actuarial fairness, transparency and flexibility. It is expected that this will result in lower and more stable pension contributions, while respecting pension adequacy.

SPC is of the opinion that the Government has expressed its intention to reform the second pillar pension system and the measures described are an appropriate response to the policy challenges. However, at this stage the progress to reach the CSR is only partial as the implementation of the reform is on hold until the next Government is established.

AUSTRIA

CSR 1

.../...

Ensure the sustainability of the healthcare system and of the pension system by linking the statutory pension age to life expectancy.

.../...

On the health branch of the recommendation:

In response to the CSR, Austria is continuing its target-based health governance (“Zielsteuerung-Gesundheit”) through a legal framework which came into force at the beginning of 2017 focusing, among others, on day clinic service provision, increased health promotion and prevention, further strengthening of the public health system, joint provision and procurement of pharmaceuticals, measurement of outcome quality, e-Health. It is also working on establishing new collaborative and integrated forms for the provision of primary health care, especially with the aim of relieving pressure from the inpatient sector through the implementation of 75 primary care institutions until 2020.

SPC and the WPPHSL are of the opinion that the general objectives of the reform efforts are set in a realistic way, towards the reduction in hospital care and the shift towards primary care and prevention. While Austria has made continuous progress in addressing the CSR, implementation remains key and close monitoring is necessary to assess whether the proposed steps will be sufficient to address the CSR.

On the pension branch of the recommendation:

The 2016 Council recommendation is a follow-up recommendation. The SPC takes note that Austria is not reporting on any new measures. Thus, the Committee continues to carry-on its opinion from 2015.

Austria continued to implement a number of measures in the pension sector related to reforms approved in recent years. Austria has taken some relevant measures to reduce the gap between the effective retirement and statutory retirement age as well as to restrict access to early retirement, including by reforming the disability pension scheme and introducing a monitoring tool to evaluate budgetary impact. SPC takes note that Austria does not plan to align statutory retirement age to life expectancy.

SPC concludes that some progress has been made in addressing the recommendation. Austria is invited to continue taking measures to further rise the effective retirement age and continue considering aligning retirement age and pension benefits to changes in life expectancy and to assess the social impact of measures introduced, also considering the quality of the working places.

POLAND

CSR 2

Ensure the sustainability and adequacy of the pension system and increase participation in the labour market, **by starting to reform the preferential pension arrangements**, removing obstacles to more permanent types of employment and improving the labour market-relevance of education and training.

Poland has undertaken a Review of the pension system adopted by the Council of Ministers in December 2016. The review identifies some issues for further discussions, including limiting the possibilities for miners of combining old-age pension with working at the same post prior to the take-up of pension, and introducing a condition of minimum period of pension contributions. To tackle fiscal sustainability of public finances, some measures are being implemented such as broadening the mandatory scope of old age pension and disability pension insurance. To cope with pension adequacy challenges, the Government is working on incentives for voluntary saving for retirement. In addition, a decision to lower the statutory retirement age difference for women and men was taken.

SPC is of the opinion that there is very limited progress in addressing the CSR. SPC notes that Poland has not taken any specific steps to reform preferential pension arrangements, although there is a plan to review them. In relation to ensuring the adequacy of pensions, SPC invites Poland to carefully assess the impact of the reform ideas on future adequacy of pensions, especially in light of the fact that the Polish projected pension replacement rate in the long run remains very low. SPC invites Poland to intensify measures to motivate people to stay into the labour market longer than the statutory retirement age.

PORTUGAL

CSR 1

.../...

Ensure the long-term sustainability of the health sector, without compromising access to primary healthcare. Reduce the reliance of the pension system on budgetary transfers.

On the health branch of the recommendation:

Portugal has progressively implemented a number of policy measures which for the most part address the CSR such as: i) establishing a better control of public expenditure and a centralised purchasing system; ii) expanding and improving the capacity of the primary health care network; iii) reforming hospital care with the aim of improving management and the communication of clinical data, as well as the articulation between different levels of care, iv) reinforcing the response capacity of the long-term care network at all levels. In addition, within the global reform of the state, a process of administrative modernization is under way in order to reduce bureaucracy and to increase the transparency of the system.

SPC and the WPPHSL positively consider the measures recently taken by Portugal, which attest that progress has been made in addressing the challenges outlined in the CSR. However, they encourage Portugal to go further in this direction, keeping due focus on the long-term sustainability and access issues. The persistent issue of hospital arrears is to be addressed.

On the pension branch of the recommendation:

Portugal reports that the extraordinary transfers from the general State Budget to the pension system, which are in place since 2012, are being phased out and will converge to zero in the next two to three years. In addition, the government is also evaluating alternative Social Security funding sources in order to strengthen medium-term financial sustainability, as well as reassessing the exemptions and reductions in contribution rates for social security, which will reduce the weight of budget transfers in total funding. A new progressive tax on real estate assets for the Social Security Financial Stabilization Fund was recently introduced along with several measures related to anti-fraud and combatting evasion of social security contributions.

SPC is of the opinion that Portugal has made partial progress to address the CSR. A number of measures to increase the pension system's sustainability are necessary and still under discussion by the government and social partners, namely the early retirement regime and the reassessment of the sustainability factor. SPC invites Portugal to take the decision on the proposed measures with the aim of ensuring future sustainability and adequacy of the pension system. The implementation of these measures should be accompanied by appropriate evaluation and monitoring arrangements.

ROMANIA

CSR 2

.../...

Adopt the equalisation of the pension age for men and women.

The Romanian government submitted to the Parliament a draft law to equalise the pensionable age for men and women in 2013 and since 2014 it awaits the Parliament's final decision.

SPC is of the opinion that very limited progress in addressing the CSR has been made. In addition, success of the planned reform will also depend on the capacity of the labour market to employ and keep especially women in employment until they reach the statutory retirement age. This would require a balanced mix of active ageing measures as well as accessible and affordable facilities for children and dependant older people.

CSR 3

Curb informal payments in the healthcare system and increase the availability of outpatient care. .../...

Romania has adopted at the end of 2016 a reformed automated feedback software system, which asks patients for information on requested informal payments. A national health-care anti-corruption telephone hotline has also been launched. Health professionals' salaries have been increased with the aim of bringing health professionals' salaries to levels closer to the value of their work, hence making them less prone to accept informal payments from patients.

Romania has continued its reform of the national healthcare system, also in the context of its National Health Strategy 2014-2020, by focusing on improving out-patient care and access for the most vulnerable. In addition, measures to increase people's access to healthcare services are under development.

In relation to the part of the CSR focused on curbing informal payment in the healthcare system, Romania reports a number of recent measures to address the CSR. SPC and the WPPHSL are of the opinion that progress has been made and further encourage the preparation of a global, long-term strategy. The full implementation of the revamped patient feedback mechanism should help improving the transparency in the management of hospitals. Monitoring of the system is recommended.

In relation to the part of the CSR focused on increasing the availability of outpatient care, SPC and the WPPHSL are of the opinion that while some progress has been made in increasing the availability of outpatient care, the measures undertaken are still at an early stage and the system remains hospital-oriented. They, thus, encourage further effort on that matter in order to achieve a wider coverage of the population healthcare needs.

SLOVENIA

CSR 1

.../...

Complete and implement the reform of the long-term care and healthcare systems, making them more cost-efficient to ensure long-term sustainability of accessible and quality care. By the end of 2017, adopt the necessary measures to ensure the long-term sustainability and adequacy of the pension system.

On the long-term care branch of the recommendation:

Slovenia has included a proposal of an Act on long-term care insurance and long-term care into the National Reform Programme for the year 2017. This Act should primarily regulate the implementation of long-term care and its funding. The expected outcome of the new legislation is to provide for the creation of an integrated system of services and benefits, strengthen the coordination of social and health services delivery, joining the majority of existing financial resources and their effective use and to provide new, additional resources. The new LTC Act should contribute to better access to LTC, particularly at home and reduce inequalities in access.

SPC acknowledges that Slovenia has intention to address the CSR but the LTC reform has not been yet adopted. SPC is of the opinion that very limited progress has been made in implementing the CSR and encourages the government to proceed swiftly with the policy initiatives envisaged.

On the health branch of the recommendation:

The new Health Care and Health Insurance Act, under preparation since 2016, is to be discussed later this year in the National Assembly. It aims at ensuring sustainable financing of the health care system, at increasing transparency in view of better allocation of resources as well as at improving quality and accessibility of health care services. Various legislative and non-legislative measures are also part of the gradual implementation of the National Health-care Plan 2016-2025. The scope of these ambitious reform efforts is comprehensive and wide-reaching.

SPC and the WPPHSL are of the opinion that while Slovenia has made some concrete progress in addressing the CSR, by recently modernizing its legislation, it still needs to focus on the implementation process over the coming years.

On the pension branch of the recommendation:

The 2016 Council recommendation is a follow-up recommendation. The SPC takes note that the Slovenian delegation is not reporting on any new measures as the implementation of the recommendation continues. Thus, the Committee carries-on its opinion from 2016.

The SPC notes that the Slovenian authorities have made only limited progress in undertaking the long-term reform of the pension system. The sustainability of the current system is ensured until 2025 but Slovenia is expected to experience one of the most significant increases in public pension expenditure in the EU afterwards. This puts considerable pressure on the long-term sustainability of Slovenian public finances. Additionally, the adequacy of pensions for workers with short or incomplete working careers is at risk. The Slovenian government launches a public debate on the future of pension reform, but concrete reforms are not to be expected in the near future, as an extended public consultation will take place.

SLOVAKIA

CSR 1

Improve the cost-effectiveness of the healthcare system.

.../...

Slovakia reports a number of relevant measures to address the CSR with a focus on pricing and expenses, such as the introduction of price referencing of healthcare materials, the full roll-out of benchmarking of purchases and all supporting operating expenses of hospitals, and the expansion of centralized procurement of expensive medical products.

SPC and the WPPHSL are of the opinion that Slovakia has taken positive steps in addressing the CSR as the reported measures can contribute to the cost-effectiveness of the healthcare systems without affecting accessibility to health care, which should remain a key objective. In some areas, however, some progress is still expected. Since some of these measures have come into force only recently, close monitoring of their impact is necessary in the near future.

FINLAND

CSR 1

Ensure timely adoption and implementation of the administrative reform with a view to **better cost-effectiveness of social and healthcare services.**

The Finnish government has presented a Bill to the Parliament which aims at organizing the transfer of responsibility of social and health services from municipalities to counties and at implementing the reform, including wide scale transfers of personnel and assets. In addition, the proposed Bill on Freedom of choice of customers, which is to be discussed in Parliament this spring, will improve citizens' access to the social and health services, improve the availability of services especially at primary level and reduce disparities in health and well-being while reducing costs.

SPC, together with the WPPHSL on what regards the health part of the CSR, is of the opinion that Finland has progressed well in putting in place the administrative reform and has thereby made partial progress in addressing the challenges outlined in the CSR. Appropriate implementation remains key. Close monitoring of the impact of the Freedom of Choice Bill, once implemented, on customers' access to health and social services is recommended.