

The Health Care Reform 2002 – 2004 Slovak Republic

Ministry of Health

24.8.2005

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Themes

- Facts about Slovakia
- The main challenge of health care reforms
- Health system overview
- Comparison of the
 - | Current system
 - | The „Day after“ reform system

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Introduction - Slovakia

Population: 5,4 million people

Living Standard: 51% of EU average

Middle income country

EUR 1 = SKK 40



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Slovakia at the Glance

Economic indicator	2002	2003	2004f	2005f
GDP growth	4,4	4,2	4,3	4,7
Unemployment rate	18,5	17,4	16,5	15,9
Inflation (CPI)	3,3	8,5	6,5	4,8
General Government Balance/GDP	- 7,5	-3,6	- 3,6	-3,4
Current Account/GDP	-8,0	-1,0	-2,6	-3,5

Source: M.E.S.A. 10

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Main Challenge Health Care

- Finding the right balance
 - | what would you like to be criticised on?

Financially viable health system

Access to health care



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Health System in Slovakia Overview

Financing	Competitive Social Insurance Contributions 60 % Taxes – 30 % Out of pocket – 10 %
Payment mechanisms	Primary care – Capitation + Fee for service Secondary care – Capped fee for service Tertiary care – Broad band DRG per Case Long term care – Bed days Emergency – Capitation and fee for service 1-day Surgery – Per Case
Organization	Primary care – 97 % private Secondary care – 83 % private Tertiary care – 10 % private Pharmacies – 99 % private
Regulation	Price regulation and Network regulation

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Goals of 2002 - 2004 Reform

- Create environment and incentives for patients to improve their health status (Health is an individual good)
- Equal treatment to equal need (with respect to the national list of priorities)
- Guarantee protection of catastrophic costs (increase financial self responsibility with respect to vulnerable groups)
- Increase allocative efficiency of Health Insurance Companies (Regulated Competition in Purchasing)

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Basic Principles

Parameter	Current System	2004 Reform
Coverage	UNIVERSAL	UNIVERSAL
Economically active	WAGE BASED	WAGE BASED
Economically non-active	STATE	STATE
Entitlements	EQUAL ACCESS TO CARE (declared)	EQUAL ACCESS TO EQUAL NEED
Selection of applicants for insurance	NOT ALLOWED	NOT ALLOWED
Free choice of Insurance Company	YES	YES
Change of Insurance Company	ANY TIME	ONLY ON JANUARY FIRST

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Institutional Design

Parameter	Current System	2004 Reform
Legal Subjectivity	Public Fund	Joint Stock Company
Budgetary constraints	SOFT	HARD
Bankruptcy allowed	VERY COMPLICATED	YES
Basic Benefit Package	NOT DEFINED	DEFINED (NATIONAL LIST OF PRIORITIES)
Solvency monitoring	NO	YES
Profit	SURPLUS	PROFIT
Individual Insurance	NOT EXISTING	YES (BEYOND BBP)

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Collection of premiums

Parameter	Current System	2004 Reform
Economically active population (2,3 million)	EMPLOYED, ENTREPRENEURS	EMPLOYED, ENTREPRENEURS
Minimal contribution base	SKK 3 000	Minimal wage (SKK 6 000)
Maximal contribution base (ceiling)	SKK 32 000	3 x Average wage (SKK 45 000)
Solidarity ratio	10,7	7,5
Payroll tax	14 %	14 %
Economically non-active population (3,1 million)	POSITIVE DEFINITION	NEGATIVE DEFINITION
Assessment base for non-active population	ANNUALLY IN STATE BUDGET	4 % OF AVERAGE WAGE

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Redistribution

Parameter	Current System	2004 Reform
Prescribed premium	NO	YES
Redistribution Base	100 % OF COLLECTED PREMIUMS	95% OF PRESCRIBED PREMIUMS
Redistribution rate	85 % OF REDISTRIBUTION BASE	90 % OF REDISTRIBUTION BASE
Effective Redistribution Rate	85 %	85,5 %
Redistribution Tool	RISK INDEX (ADJUSTED ON AGE AND GENDER)	RISK INDEX (ADJUSTED ON AGE AND GENDER)

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Purchasing

Parameter	Current System	2004 Reform
Basic Benefit Package	NOT DEFINED	DEFINED
Patient Management	LIMITED	BASIC TOOL
Purchasing	PASSIVE	ACTIVE
Selection of Providers	NOT ALLOWED	ALLOWED
Price Regulation	MINIMAL AND MAXIMAL PRICES	ONLY MAXIMAL PRICES
Payment mechanisms	REGULATED BY MOH	DEREGULATED (HIC DECIDE)
Access to care	NETWORK	MINIMAL NETWORK

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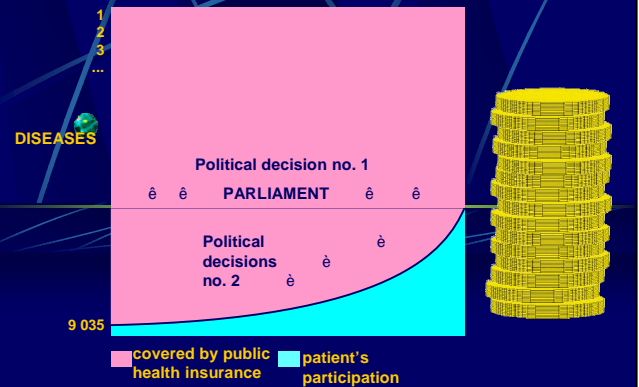
Regulation

Parameter	Current System	2004 Reform
Profit Regulation	RE-INVEST	RE-INVEST IF WAITING LISTS
Price Regulation	MOH	MOH
Basic Benefit Package Regulation	VAGUE	PRIORITY LIST
Purchasing regulation	CONTRACTS WITH EVERY PROVIDER	MINIMAL NETWORK QUALITY and PRICE BASED
Surveillance Authority and Reporting	MOH	HEALTH CARE SURVEILLANCE AUTHORITY
Independent audit of HIC and providers	NO	YES

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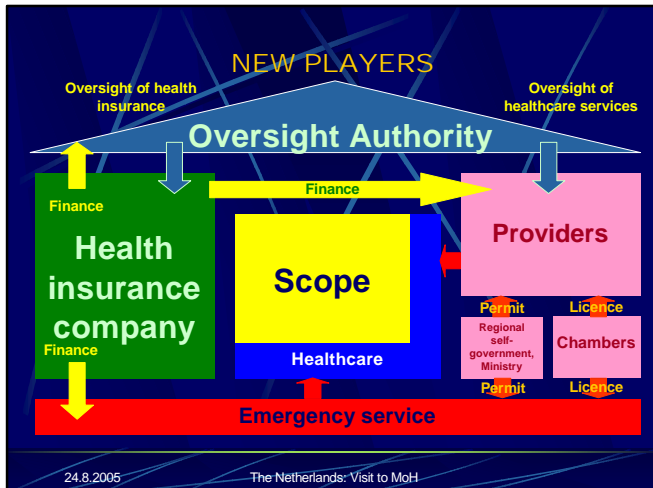
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Basic Benefit Package Definition



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Reform is adopted, however

Health system is not a puzzle with one correct solution.

It is more like influenza virus, when you think you won, it does mutate and you may start again.

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Thank you for your attention

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