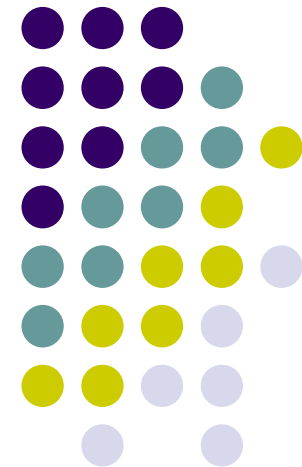


From unsustainable to sustainable Health System Case Slovak republic

CIRIEC, Vienna 2012

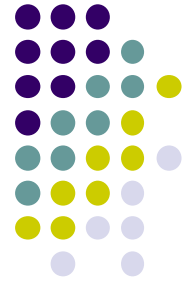
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From point of view:



- ***What are the main challenges for financing social and healthcare systems to be addressed in the next years?***
- ***What are new/innovative methods of financing the social and healthcare systems?***
- ***High quality and safety, and reduced healthcare costs - too good to be true?***
- ***How to achieve quality assurance?***

Slovak health institutional system and its financing – result of transition experiments (ideological faith) between state protection and individual responsibility



- Separate fund from social insurance
- Hybrid ownership of providers and HIC
- Based on compulsory health insurance
- Contributions from:
 - employees and employers
 - self-employed people
 - voluntarily unemployed
 - “state-insured”
- Covering providers costs through:
 - Refunding from HIC
 - Co-payments by patients
 - Full direct payments by patients (esp. by private providers)
- **Fiscal result: financial imbalance or permanent path of producing hidden or open debt – mainly by state owned providers**

Reasons for Unsustainable Financing



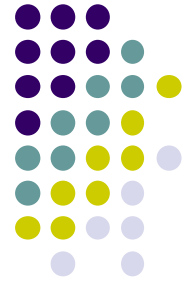
- Health expenditures increase dramatically (as in OECD countries)
- Main drivers
 - Demographic factor
 - Non-demographic factors
 - progress in medicine technology and price increase
 - increasing demand for health care services
 - transaction costs increase
 - bed „patient“ management produce duplicity costs
- Contributions to Health Insurance System are stabile

Challenges for the next years



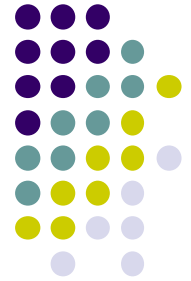
- General policy - fiscal consolidation
 - Keeping Maastricht criteria and slovak constitutional law
 - Reducing expenditure
- Reducing debt by State owned and largest (incl. university) hospitals (as biggest debt creators)
- Reducing Imbalance in public health insurance
 - Disproportionate state contribution
- Single state run system?
 - Elimination of private HICs (buy out / nationalization)

Long run alternatives how to create financial balance




- Insurance Contribution rate increase
- Increase of the contribution rate for “state-insured”
- Reducing cost by state owned hospitals via:
 - reducing transaction costs by HIC and providers,
 - better patient management,
 - e-health system implementation,

Innovative financing methods



- Reduction of benefit package
 - Let private HICs compete on VHI market
- Tight transparent regulation
 - Independent categorizations
 - Health technology assessment
- Right motivation – incentives
 - New catalogue and prices
 - Diagnosis-related group



**We are lucky
that the hole is
not on our side**

Source: R. Zajac, P. Pažitný: „Health Policy“, presentation of Health reform at the University of Economics in Bratislava, 2003



Thank You for Your attention