Lesson 3

CEE HEALTHCARE

6EMHC2

Marketing in Healthcare

Peter Pažitný

Daniela Kandilaki

EVROPSKÁ UNIE
Evropské strukturální a investiční fondy
Operační program Výzkum, vývoj a vzdělávání

MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY

content

1. Country profiles
2. Organization of health care
3. Healthcare markets
4. Financing
5. Preston curve



EVROPSKÁ UNIE
Evropské strukturální a investiční fondy
Operační program Výzkum, vývoj a vzdělávání

COUNTRY PROFILES

AREA, POPULATION AND GDP PER CAPITA

SLOVAKIA

Total area: 49,035 km^2
Total population: 5,444,000 (2016)
GDP: 30,896 US dollars/capita in 2016

CZECH REPUBLIC

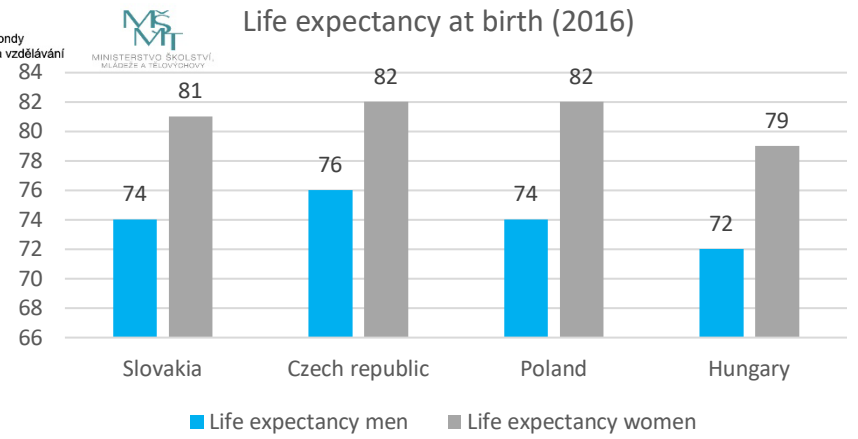
Total area: 78,865 km2
Total population: 10,611,000 (2016)
GDP: 35,234 US dollars/capita in 2016

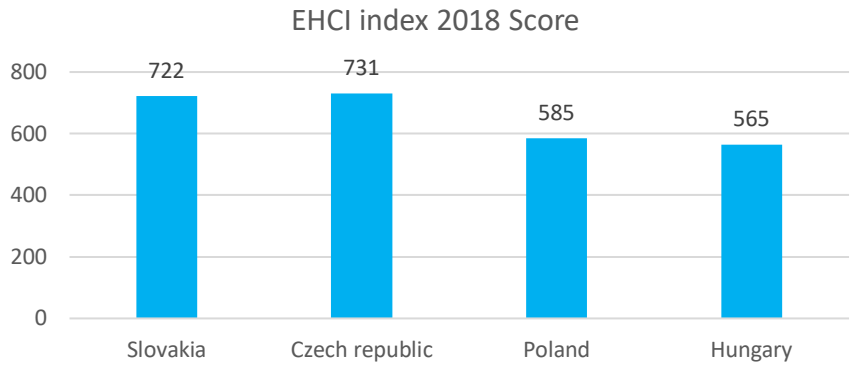
POLAND

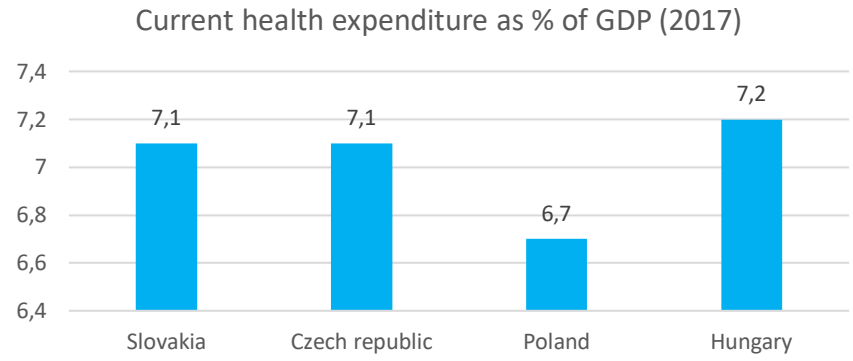
Total area: 312,679 km2
Total population: 38,224,000 (2016)
GDP: 27,405 US dollars/capita in 2016

HUNGARY

Total area: 93,030 km2
Total population: 9,753,000 (2016)
GDP: 26,852 US dollars/capita in 2016







Source: WHO, OECD data, OECD Health Glance, Notes: Number of doctors/nurses (per 1,000 inhabitants), ECHI Score: number of points out of 1,000

EVROPSKÁ UNIE
Evropské strukturální a investiční fondy
Operační program Výzkum, vývoj a vzdělávání
MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY

GROUP WORK

What is a publicly financed healthcare system?

Try to define by your own words.

Public FINANCING

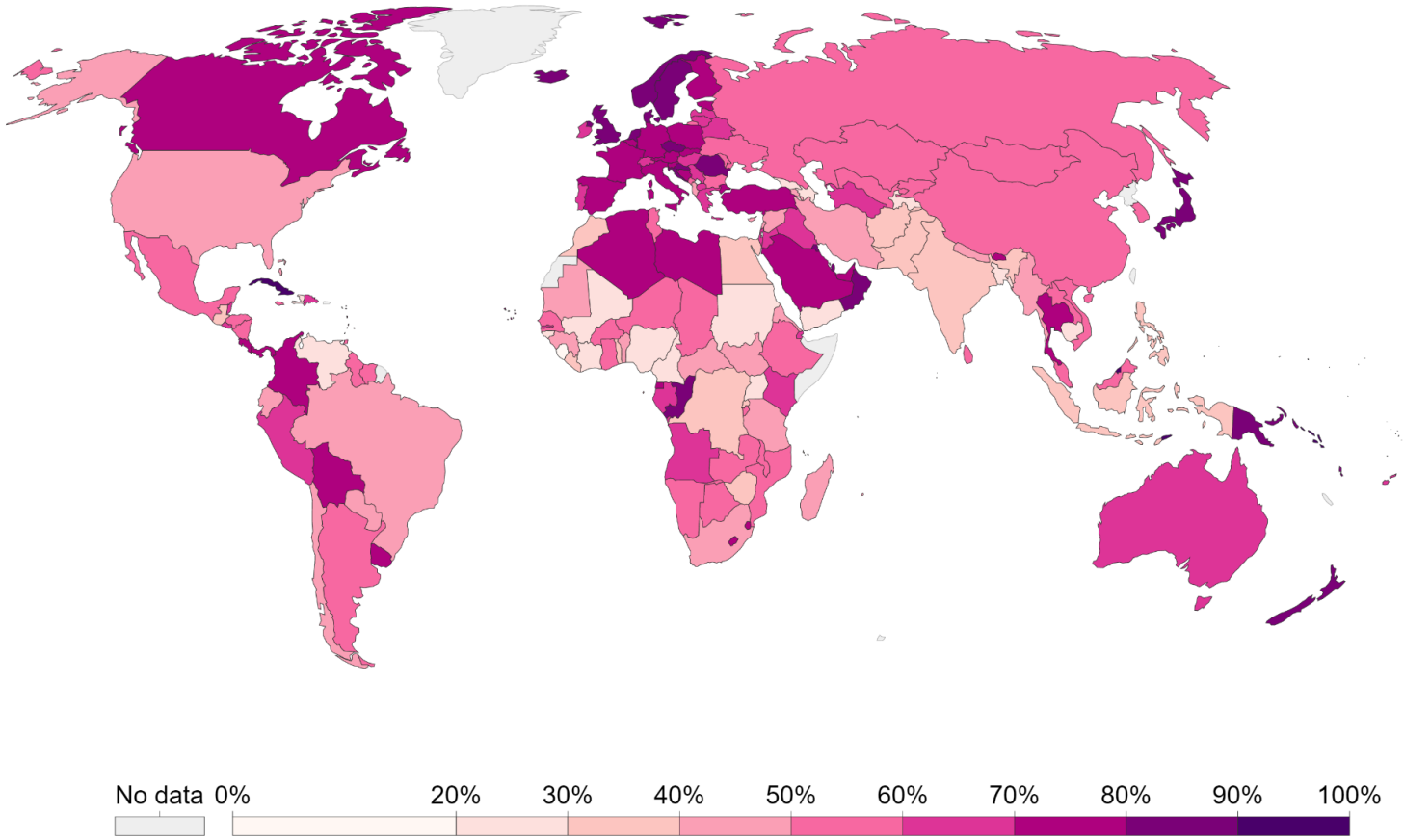
- Public sources (taxes, social health insurance)
- Ensures universality
- Offers high financial protection
- In highly developed countries around 70% - 80% (and more) of total sources

PUBLIC EXPENDITURES

EVROPSKÁ UNIE
Evropské strukturální a investiční fondy
Operační program Výzkum, vývoj a vzdělávání
MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY

Public expenditure on healthcare as percent of total healthcare expenditure, 2014

Our World in Data



Source: World Bank – WDI

OurWorldInData.org/financing-healthcare/ • CC BY

EVROPSKÁ UNIE
Evropské strukturální a investiční fondy
Operační program Výzkum, vývoj a vzdělávání
MINISTERSTVO ŠKOLSTVÍ, MLÁDEŽE A TĚLOVÝCHOVY

ORGANIZATION OF HEALTH CARE

COMMON FEATURES

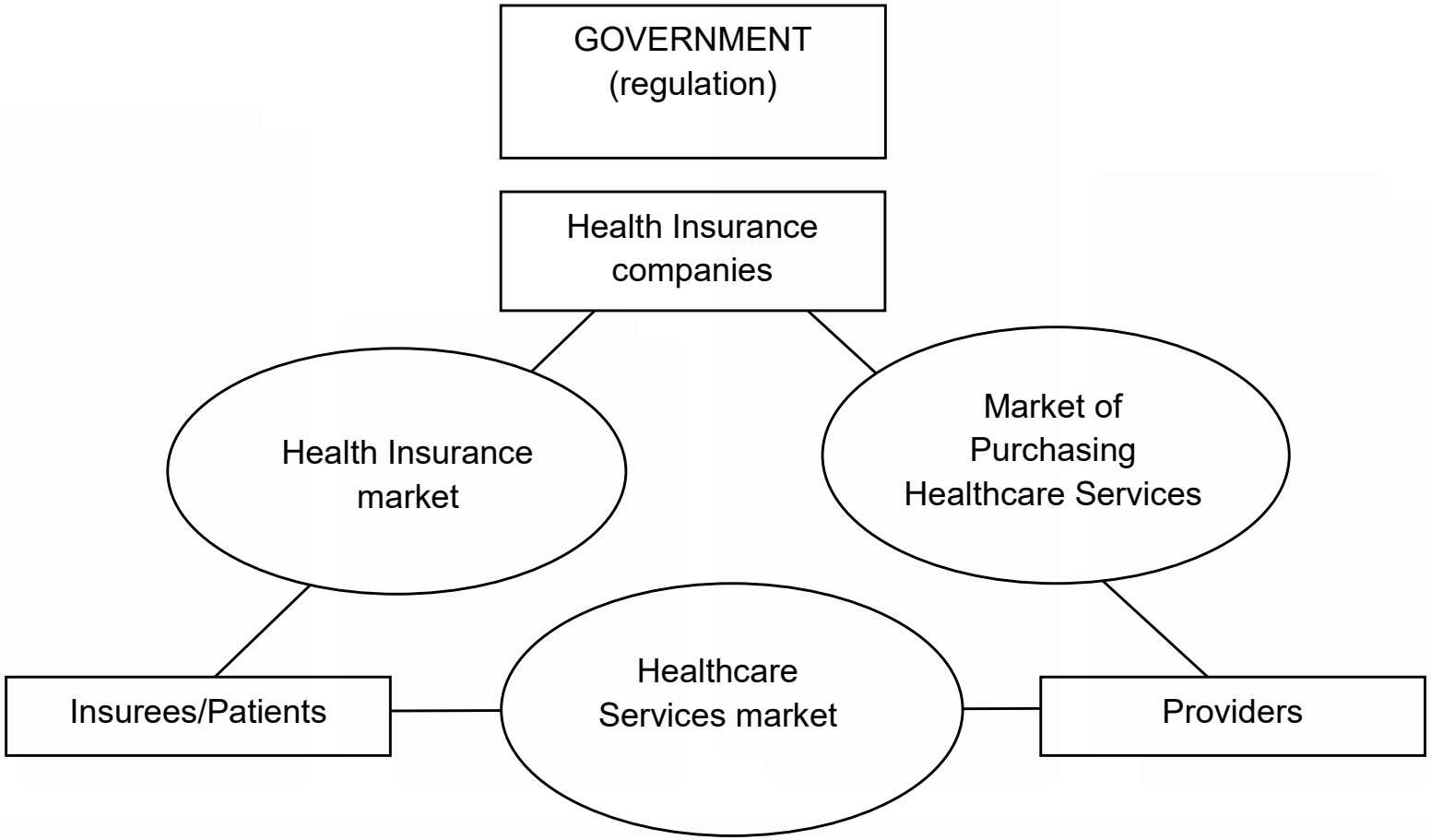
- universal coverage (theoretically 100%)
- compulsory health insurance (contributions from economically active insured and from state budget for state-insured)
- voluntary health insurance plays only a very marginal role (but is biggest in Poland)
- health care is mostly provided to insured free at the point of delivery through benefits-in-kind
- some health care services are not fully covered by insurance (stomatology, esthetic medicine, IVF, over-the counter drugs etc.)
- free choice of health care provider/curative method
- provision of health care by public and private health care providers
- state owns and manages the biggest hospitals and highly specialized tertiary care facilities
- GPs are mainly private providers

MAIN DIFFERENCIES

- free choice of health insurance company/fund only in Slovakia and Czech republic
- Slovakia has competitive insurance model with selective contracting of health care providers and flexible pricing of services, HICs are permitted to make profits
- In Slovakia, there is HCSA (Health Care Surveillance Authority) that is responsible for surveillance over the health insurance, health care provision and health care purchasing markets
- Poland and Hungary have health insurance fund that is a sole payer in the system
- In Hungary, although NHIFA is a single payer, it has very limited discretion over purchasing decisions. National Assembly and the government regulate the most important elements of the provider contract in acts and decrees
- In Slovakia and CZ, hospitals sometimes have special legal form: contributory organization

Source: European Observatory, Health systems in transition publications

HEALThCARE MARKETS



ORGANIZATION OF HEALTH INSURANCE

SLOVAKIA

Health insurance companies

- obliged to ensure accessible health care
- joint stock companies
- operate under the Business code
- permitted to make profits
- the insured may change their HICs once a year (every year app. 2-3 %),
- obliged to accept any applicant; risk selection is not permitted
- selective contracting
- individual contracts determine the quota, volume and price of services
- 3 HICs on the market, (state-owned VšZP with over 60% market share, 2 smaller private HICs)

CZECH REPUBLIC

Health insurance funds

- collect contributions and pay for health-care services
- not permitted to make profits
- the insured may change their HIFs once a year, HIF is obliged to accept any applicant; risk selection is not permitted
- Selective contracting (long-term contracts)
- 7 health insurance funds on the market (the largest fund VZP is state-owned with over 60% market share)
- VZP has a special position (solvency guaranteed by the state)
- VZP manages a special central account used for pooling and redistribution of the SHI contributions

POLAND

National Health Fund

- sole payer in the system contracting health services
- responsible for securing continuous provision of health care services for its population (selective contracting)
- contributions are collected by two institutions, and transferred to the National Health Fund
- contributions are divided by the NHF head office between the voivodeships according to an allocation formula (determinants: number, gender and age structure of the insured persons and the amount of formerly granted allowances)

HUNGARY

National Health Insurance Fund Administration

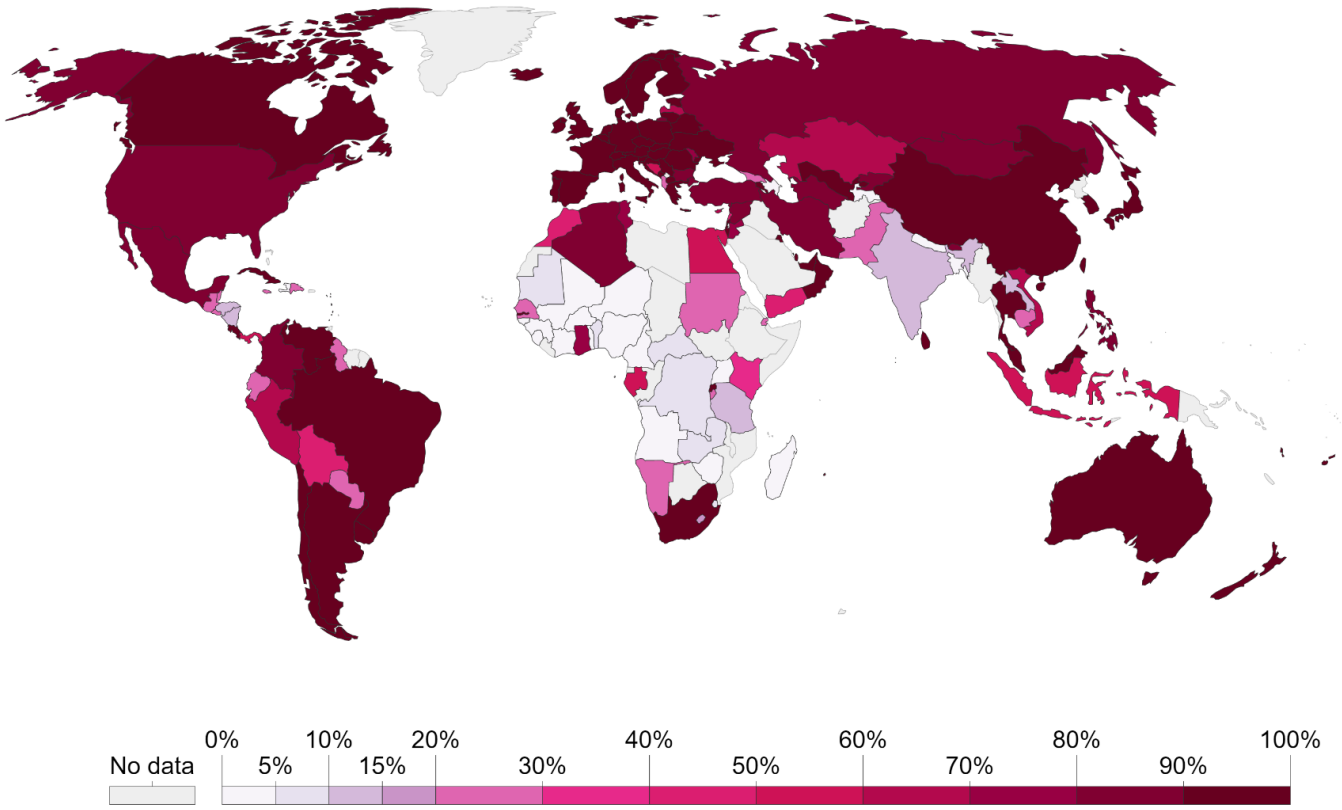
- sole payer in the system
- under the direct control of the state, has no discretion over revenue collection or budget setting, and has only limited discretion over purchasing decisions
- It administers the Health Insurance Fund where money are pooled
- any surplus cannot be used by the government for other purposes
- the government is obliged to cover any shortfall in the HIF
- HIF is divided into more than 30 sub-budgets according to type of service

Source: European Observatory, Health systems in transition publications

HEALTH INSURANCE COVERAGE

Percentage of population covered by health insurance, 2011

Estimate of health insurance coverage as a percentage of total population. Coverage includes affiliated members of health insurance or estimation of the population having free access to health care services provided by the State.

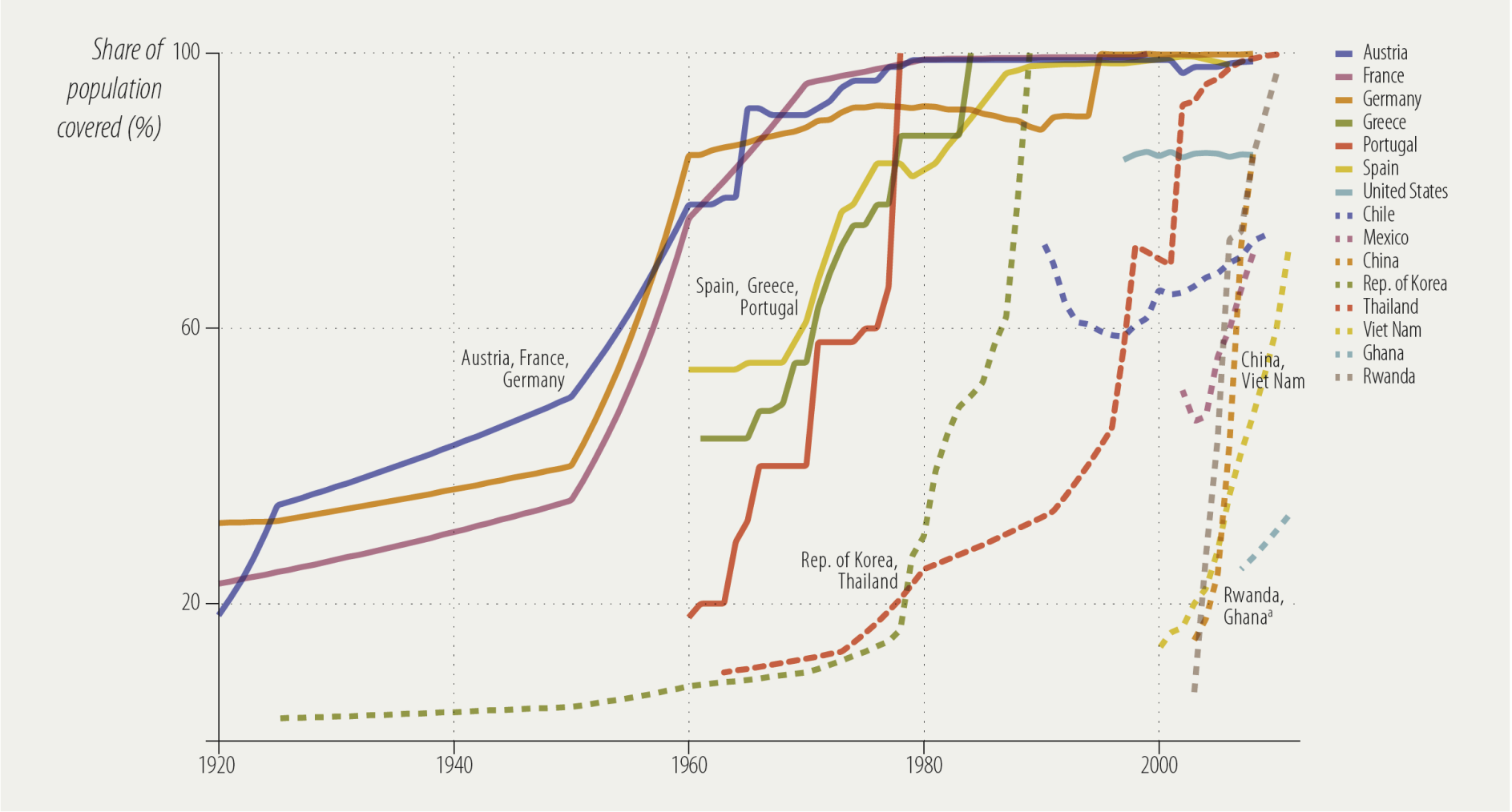


Source: OWID based on ILO (2014) and OECD (2017)

OurWorldInData.org/financing-healthcare/ • CC BY

UNIVERSAL COVERAGE (IN TIME)

Evolution of health protection coverage as a percentage of total population in selected countries



a. Estimated.
Source: ILO 2011b.

ORGANIZATIONN OF HEALTH CARE PROVIDERS

OWNERSHIP

Types of legal ownership

- Public ownership
  - State represented by MoH, etc.
  - Regions/Voivodeship
  - Municipalities
- Private ownership
  - Private companies
  - Individuals (doctors)
- Church
- Mixed ownership

- The state owns and operates the largest hospitals, sanatoria, highly specialized tertiary care facilities (mainly Ministry of Health, regions, municipalities)
- Outpatient facilities, pharmacies, laboratories and providers of diagnostic imaging are mainly in private hands (doctors themselves, private companies) – in Hungary less so

LEGAL ENTITIES

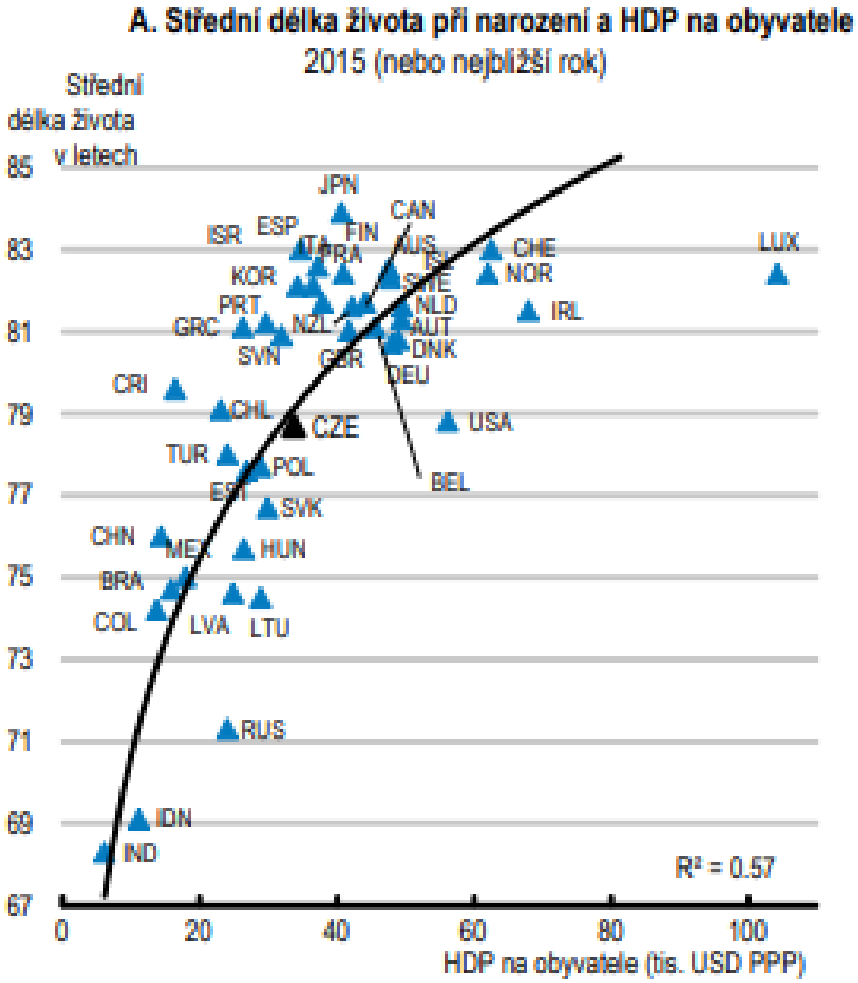
Types of legal entities

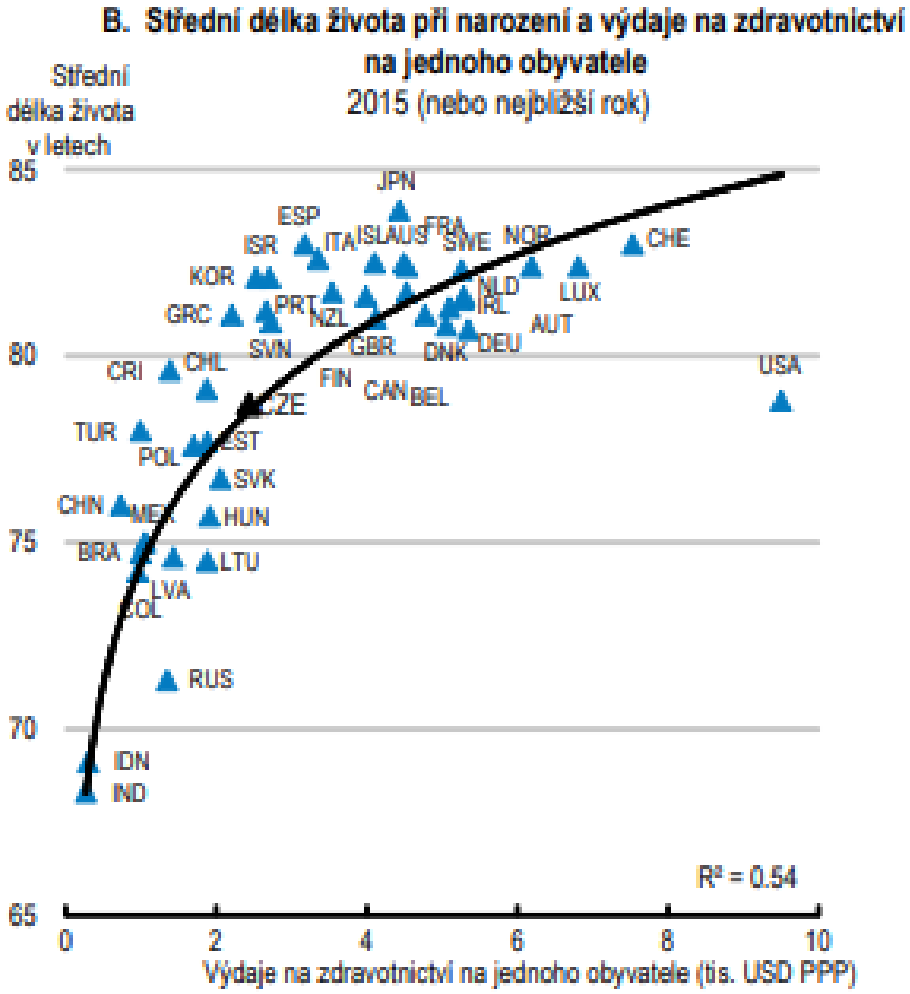
- Individual practices
- Contributory organizations
- Limited-liability companies
- Joint-stock companies

- Hospitals are usually contributory organizations or joint-stock companies (Slovakia, Czech republic)
- Pharmacies, laboratories and providers of diagnostic imaging are mainly limited-liability companies or joint-stock companies (Slovakia, Czech republic)
- Small outpatient facilities, GPs are mainly limited-liability companies or individual practices

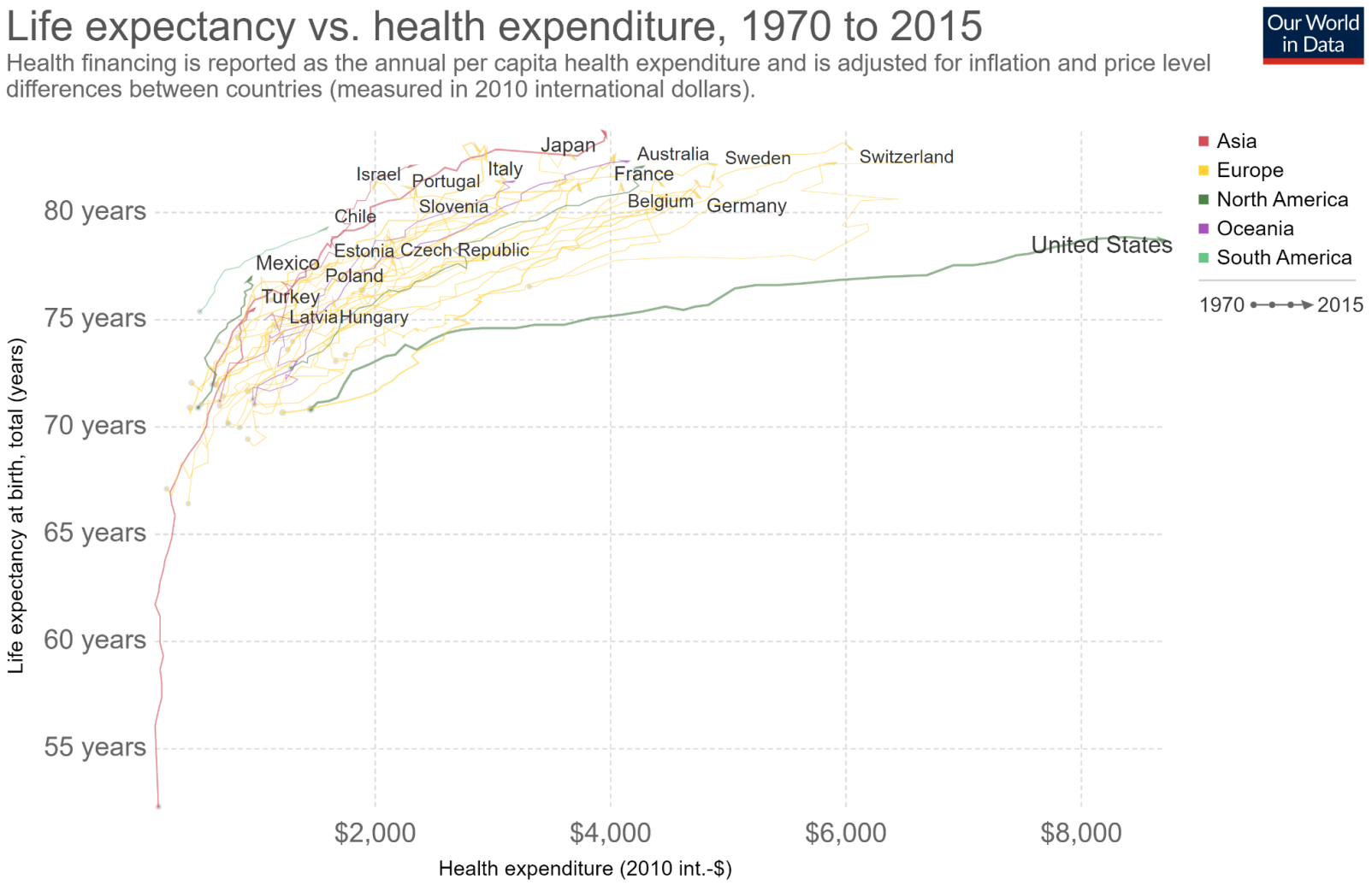
Source: European Observatory, Health systems in transition publications

PRESTON CURVE (2015)





PRESTON CURVE (IN TIME)



Source: World Bank, Health Expenditure and Financing - OECDstat (2017)
OurWorldInData.org/the-link-between-life-expectancy-and-health-spending-us-focus • CC BY

SUmmary

- Universal coverage
- Publicly financed healthcare systems
- Healthcare markets
  - Health insurance market
  - Market of purchasing health services
  - Health services market
- Organization of providers: ownership/legal entity mix
- Preston curve

Thanks for your attention