



***HEALTHCARE  
TRENDS  
IN CEE***

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**Health Policy Institute**

**30.01.2008**

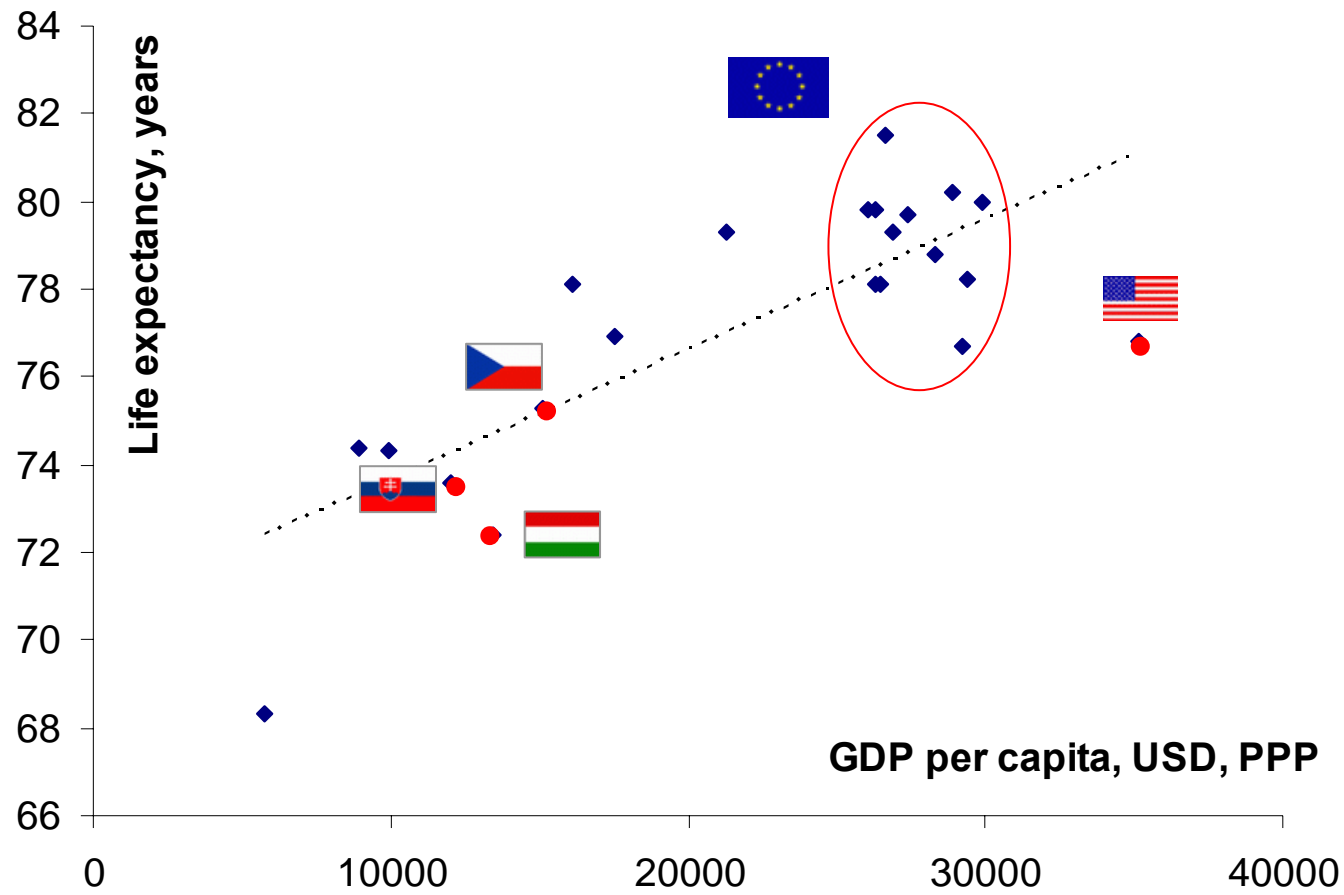


# Content

- International context
- Three success factors
- Healthcare trends in CEE
- Why Columbus discovered America?
- Conclusions

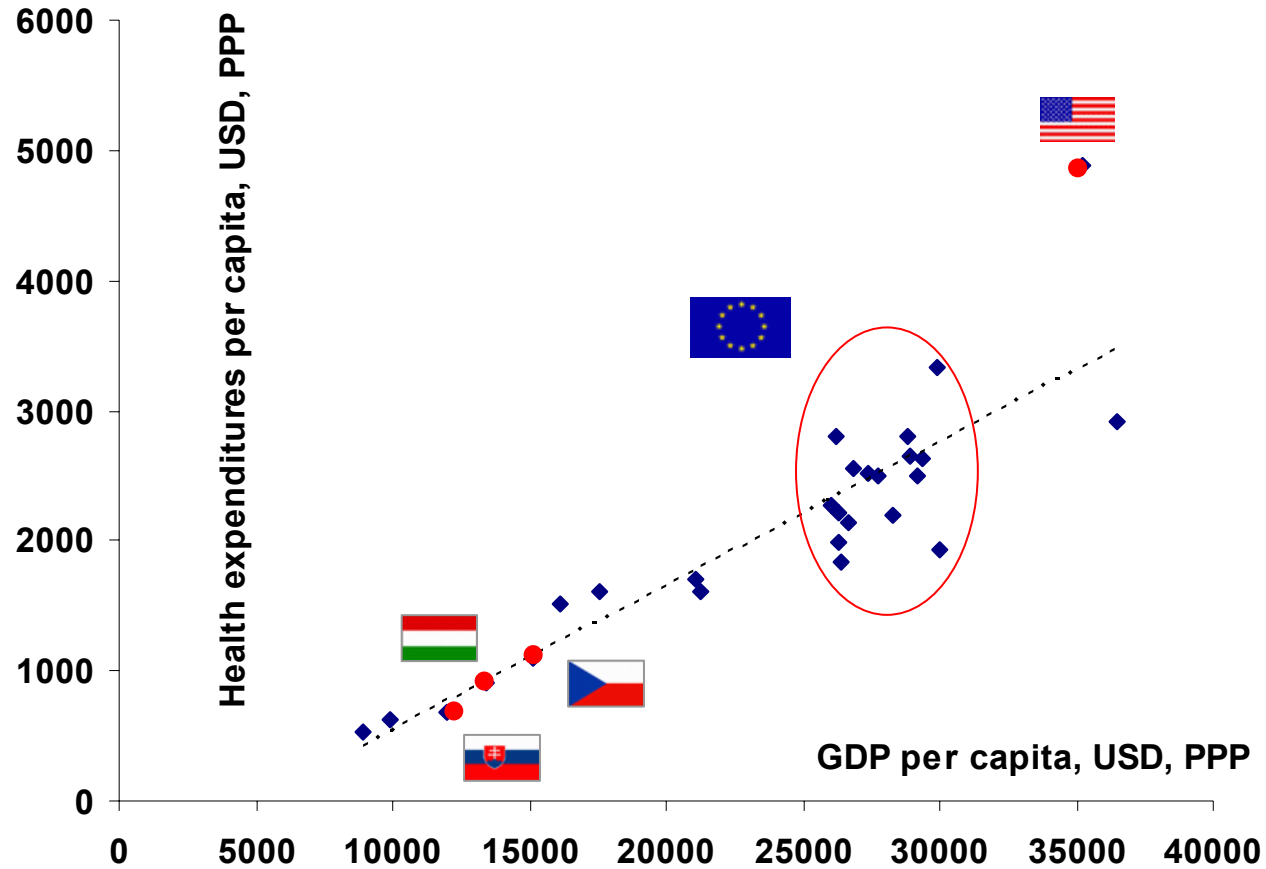


# Life Expectancy



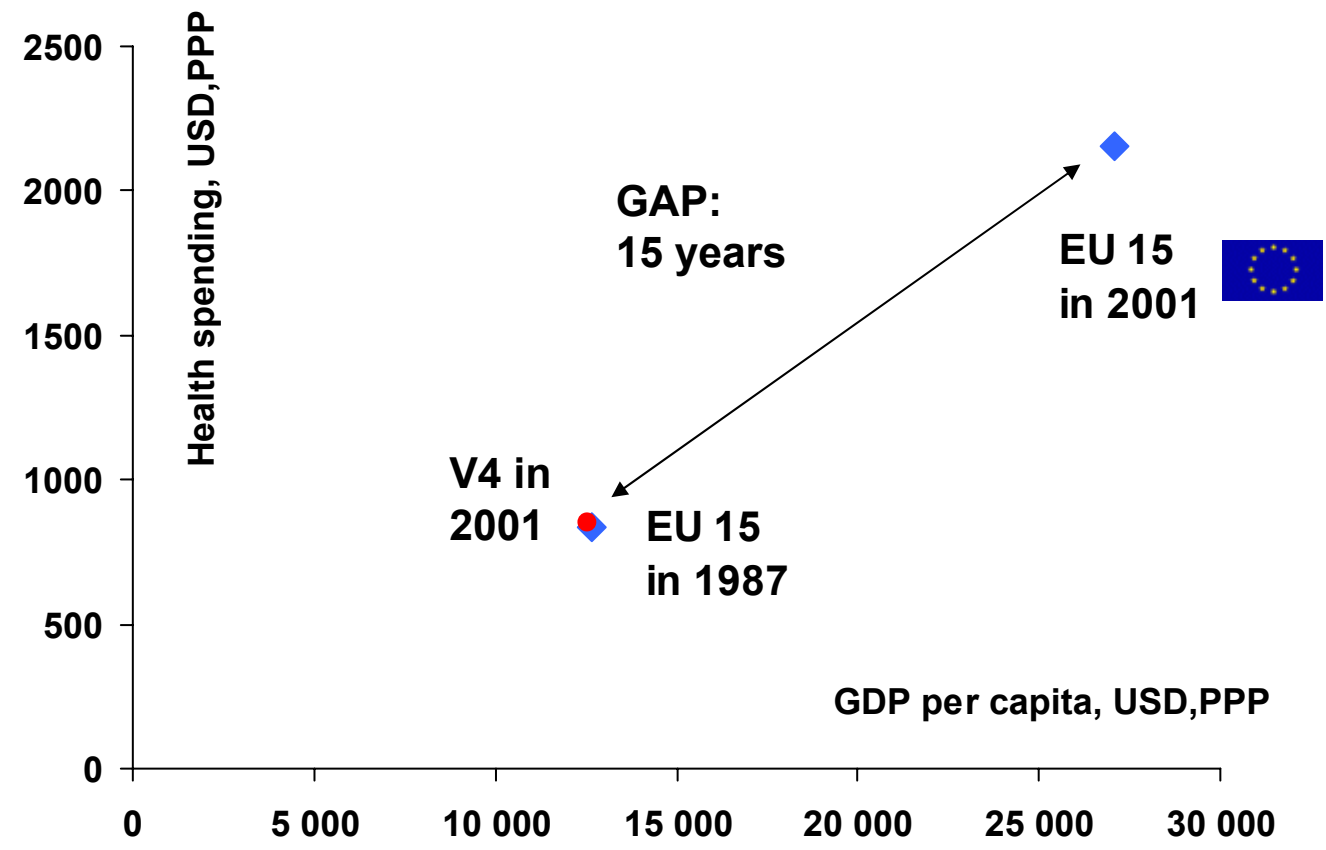


# GDP and Health



Source: OECD, 2004

# V4 versus EU 15: Gap 15 years



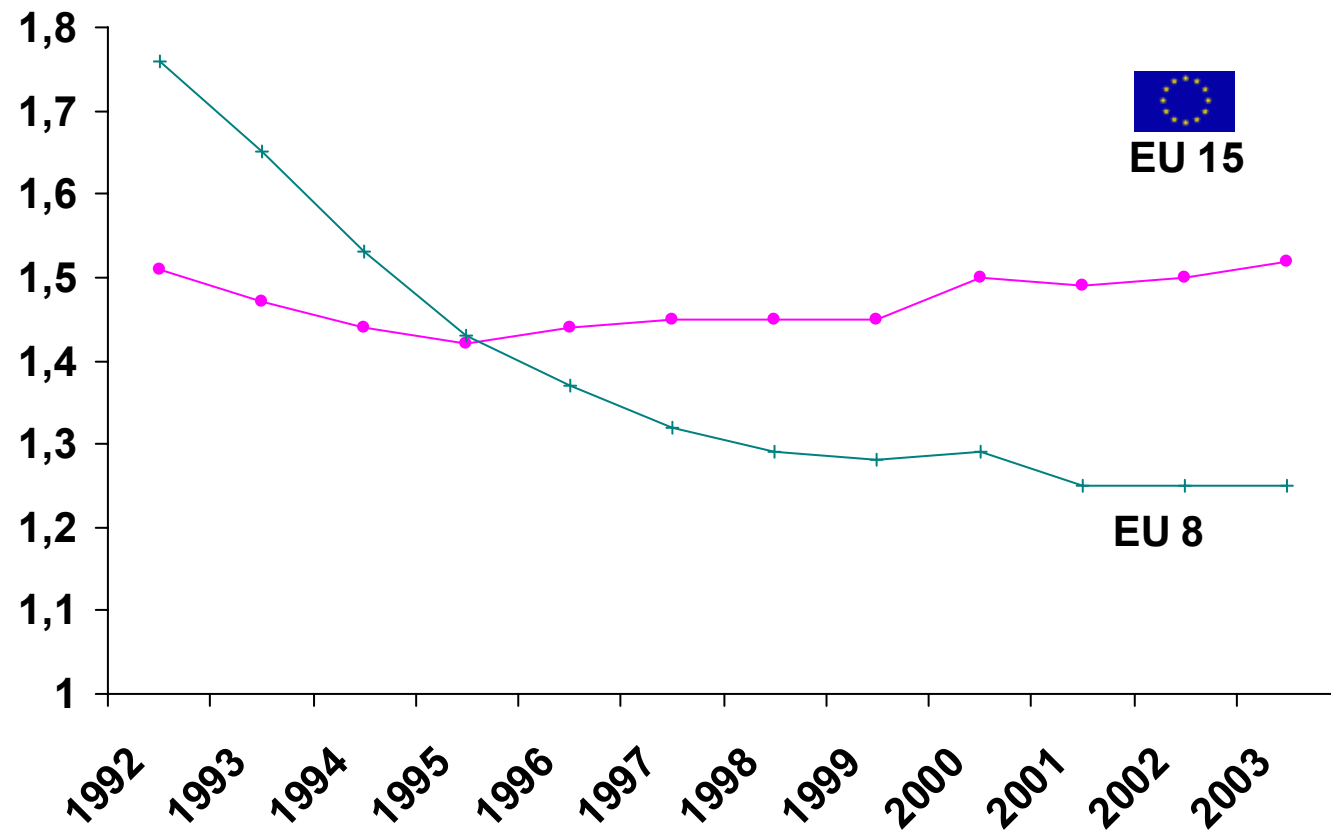
Source: OECD, 2004

# Age groups: Gap 15 years

|                         | Age groups | 1993 | 2004 |
|-------------------------|------------|------|------|
| EU15<br>(old countries) | 0-24       | 32,0 | 28,5 |
|                         | 25-64      | 53,0 | 54,5 |
|                         | 65+        | 15,0 | 17,0 |
| EU8<br>(new countries)  | 0-24       | 36,3 | 31,3 |
|                         | 25-64      | 51,7 | 54,3 |
|                         | 65+        | 12,0 | 14,5 |



# Fertility rates: Dramatic decrease in EU8

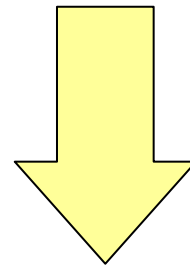


*Source: Eurostat, 2005*



## V4: Problems

- Lack of individual responsibility
- Combined with less efficient public institutions



- Close to bankruptcy
- Even before population ageing strikes with its full strength



# Problem definition I



# Problem definition II

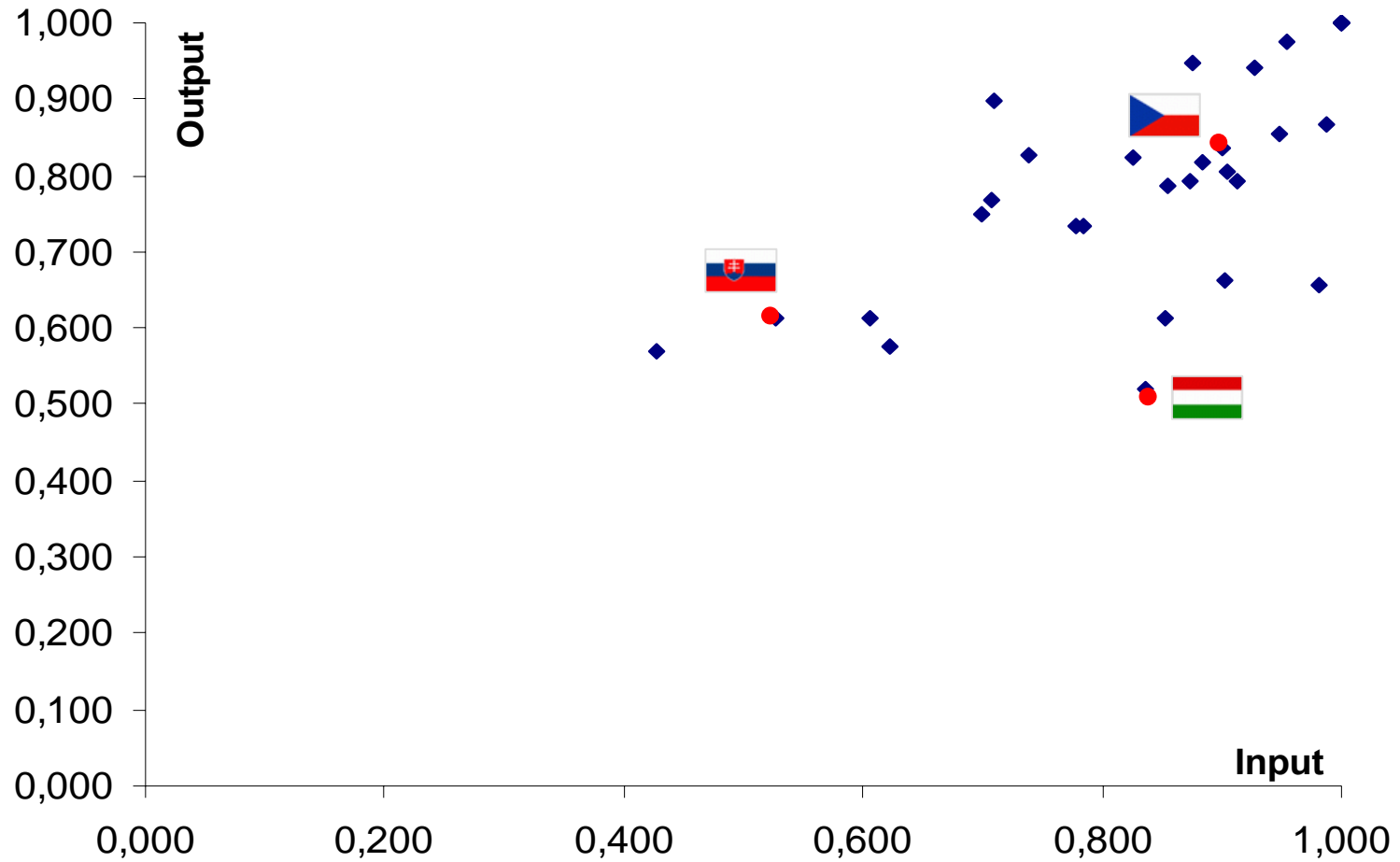
**We're lucky  
that the hole is  
not on our side**





# Problem definition III

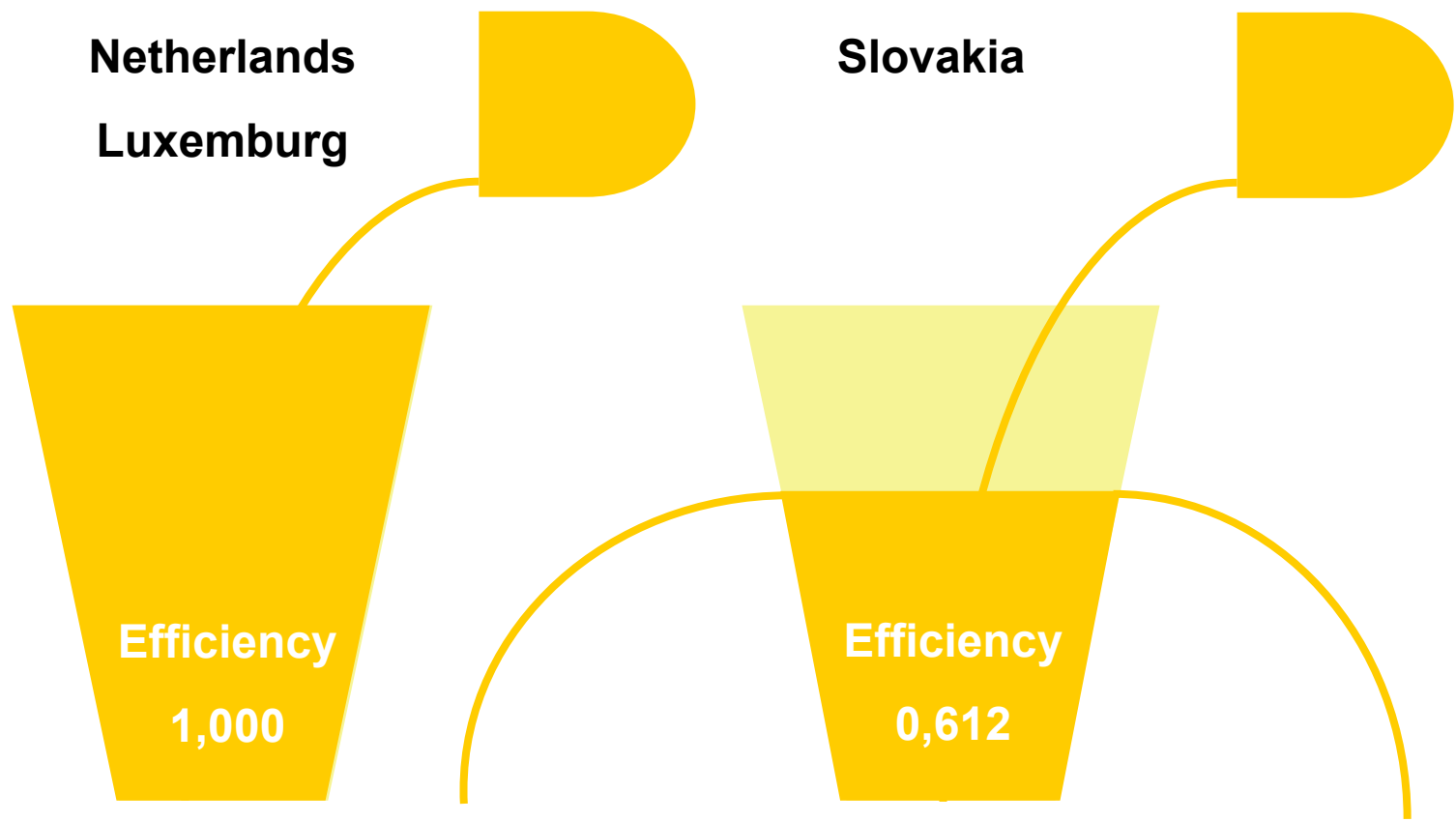
NED, LUX,  
JAP, MEX



*Source: ifo Institute Munchen, 2004*



# Problem definition III




A decorative graphic on the left side of the red header bar consists of three circles (black, yellow, and orange) and a vertical white line.

# Three success factors for reforms

- Clear vision
- Strong leadership
- Committed government



# Strong Leadership

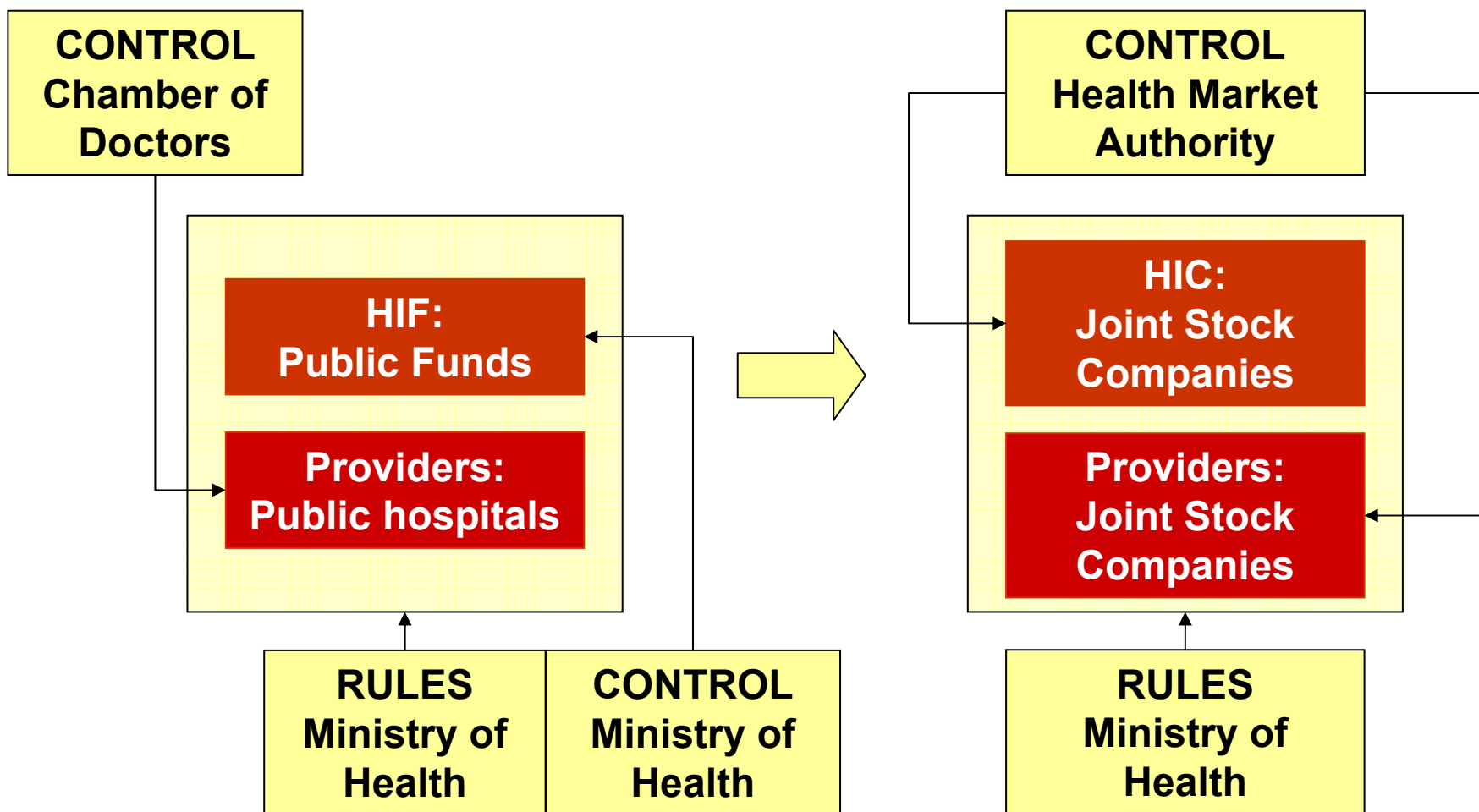
| Czech Republic                           | Hungary                                | Slovakia   |
|--|--|--|
| Marie Soucková<br>(July 2002 – Apr 2004) | Csehák Judit<br>(May 2002 – Sep 2003)  |  |
| Jozef Kubínyi<br>(April 2004 – Aug 2004) | Kökény Mihály<br>(Sep 2003 – Oct 2004) |  |
| Milada Emmerová<br>(Aug 2004 – Oct 2005) | RácZ Jenő<br>(Oct 2004 – Mar 2006)     |  |
| Zdeněk Škromach<br>(Oct 2005 – Nov 2005) |  |  |
| David Rath<br>(Nov 2005 – June 2006)     |  |  |
| Tomáš Julínek<br>(July 2006 – today)     | Molnár Lajos<br>(Apr 2006 – Mar 2007)  | Ivan Valentovič<br>(July 2007 - today)   |
| Health Policy Institute                  | Horváth Ágnes<br>(Apr 2007 - today)    |  |

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# Three Healthcare trends in CEE


- Rules/control split
- User fees
- Decentralization and liberal design of health insurance

# Rules / Control Split in Slovakia since 2005





# New Regulators

|                          | Slovakia  | Hungary   | Czech Rep   |
|--------------------------|---|---|-------------|
| <b>Regulator</b>         | <ul style="list-style-type: none"> <li>■ úrad pre</li> <li>■ dohľad nad</li> <li>■ zdravotnou</li> <li>■ starostlivosťou</li> </ul> |  <p>EGÉSZSÉGBIZTOSÍTÁSI<br/>FELÜGYELET</p> |             |
| <b>Contact</b>           | <a href="http://www.udzs.sk">www.udzs.sk</a>  | <a href="http://www.ebf.hu">www.ebf.hu</a>  |             |
| <b>Introduction year</b> | <b>2005</b>   | <b>2007</b>   | <b>2009</b> |



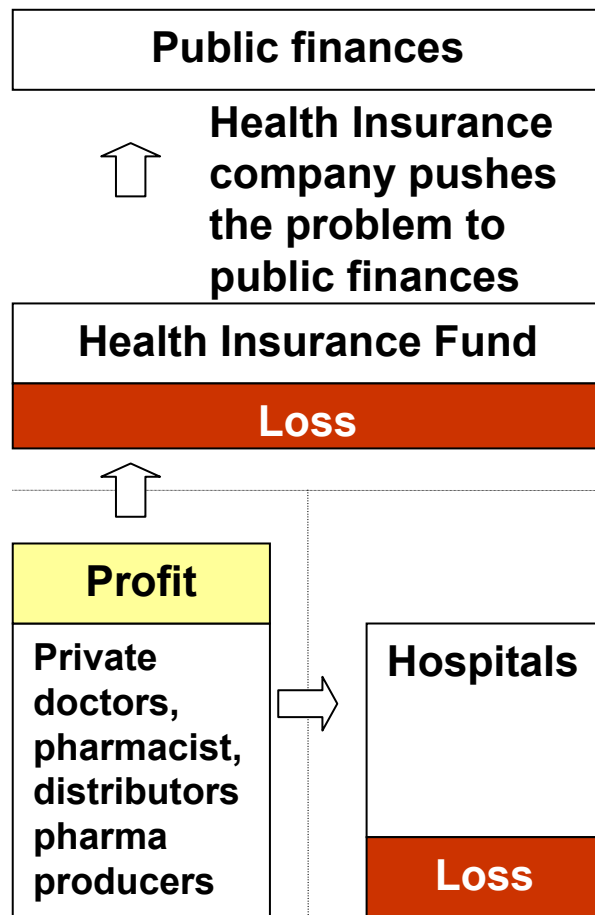
# User fees

|   | <b>Slovakia</b>                  | <b>Hungary</b>  | <b>Czech Rep</b> |
|---|----------------------------------|-----------------|------------------|
| <b>Outpatient visit<br/>(per 1 visit)</b>         | <b>20 SKK</b>                    | <b>300 HUF</b>  | <b>30 CZK</b>    |
| <b>Pharmacy<br/>(per 1 prescription)</b>          | <b>20 SKK</b>                    |                 | <b>30 CZK</b>    |
| <b>Hospital admission<br/>(per 1 day of stay)</b> | <b>50 SKK</b>                    | <b>300 HUF</b>  | <b>60 CZK</b>    |
| <b>First Aid<br/>(per visit)</b>                  | <b>60 SKK</b>                    | <b>1000 HUF</b> | <b>90 CZK</b>    |
| <b>Introduction<br/>year</b>                      | <b>2003</b><br>cancelled in 2006 | <b>2007</b>     | <b>2008</b>      |

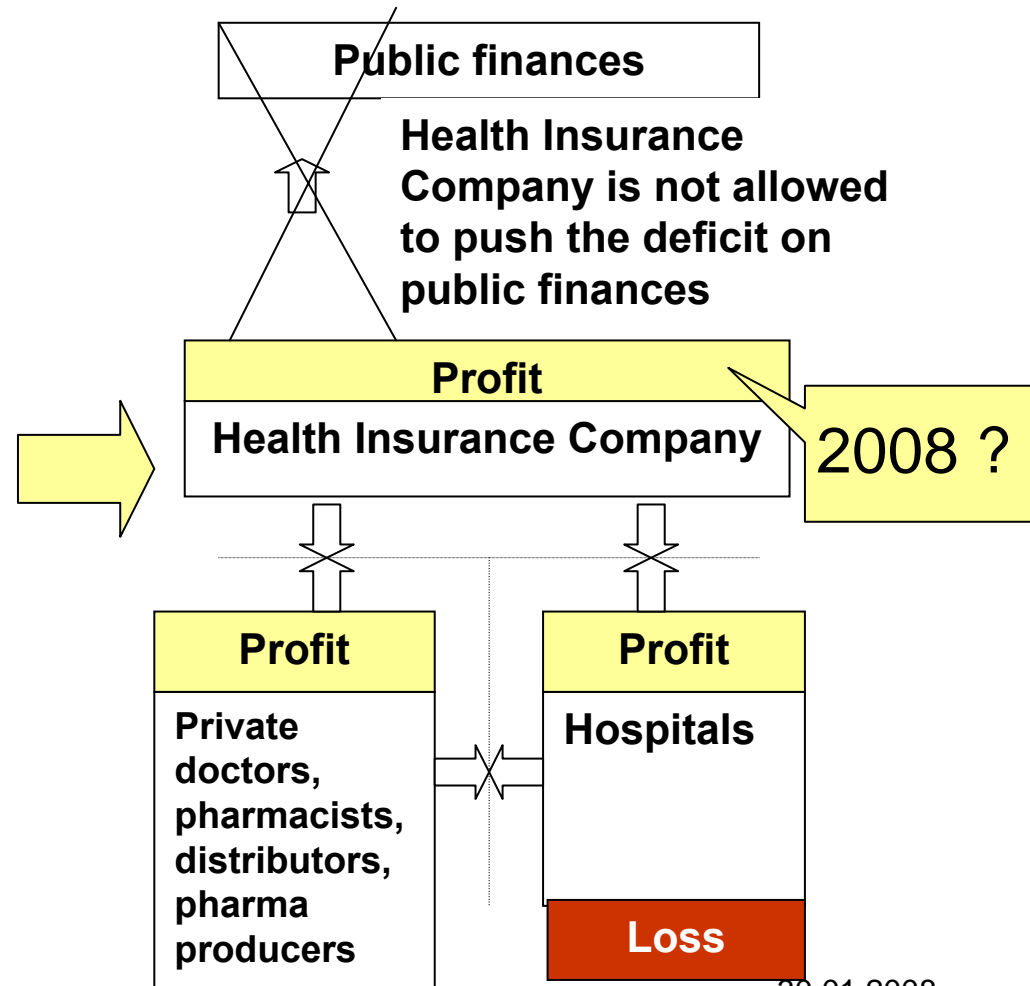
# Liberal design of health insurance in Slovakia

1994 - 2004

2005 -






Health Policy Institute



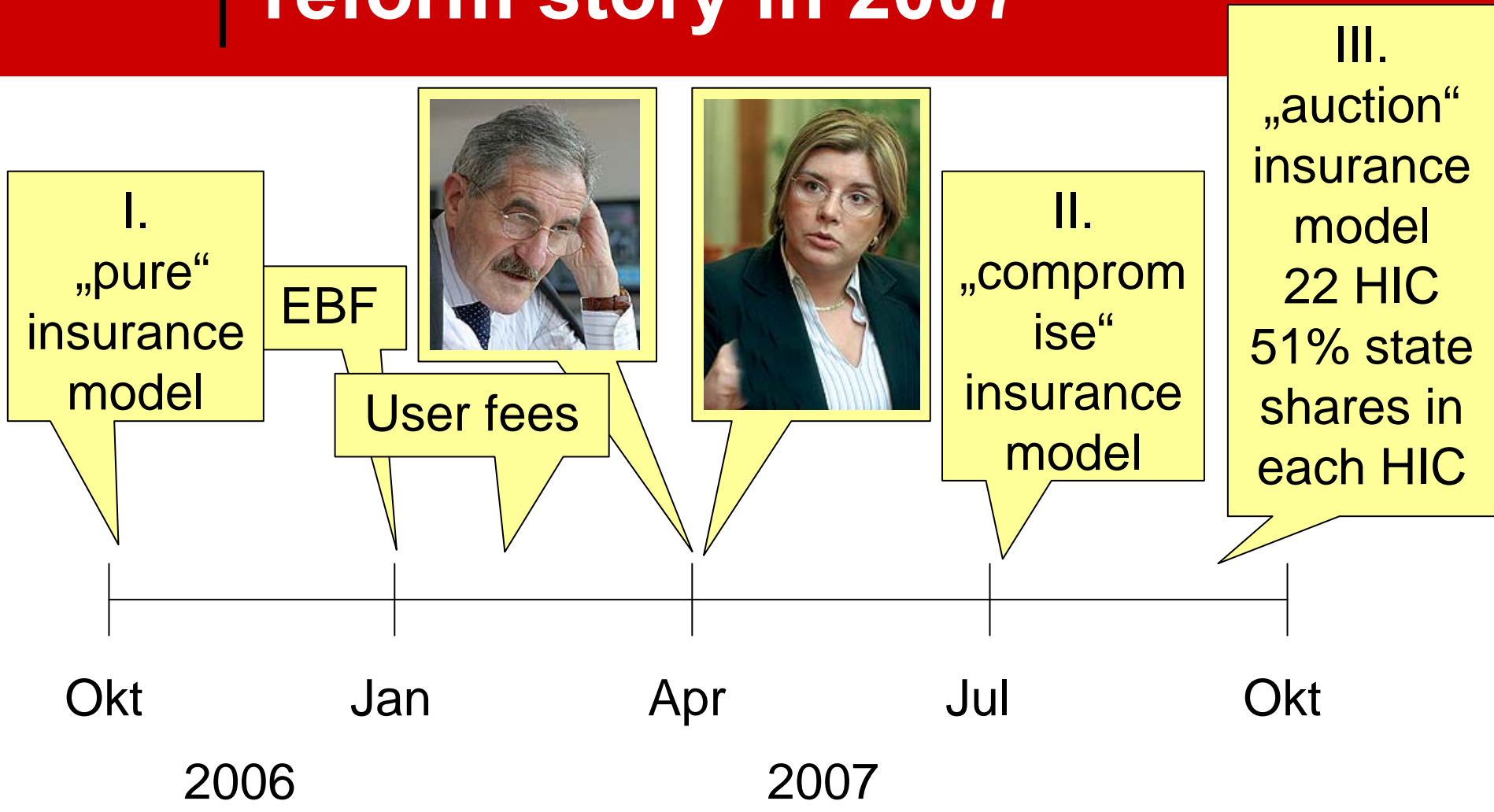
30.01.2008



# Liberalization of health insurance market

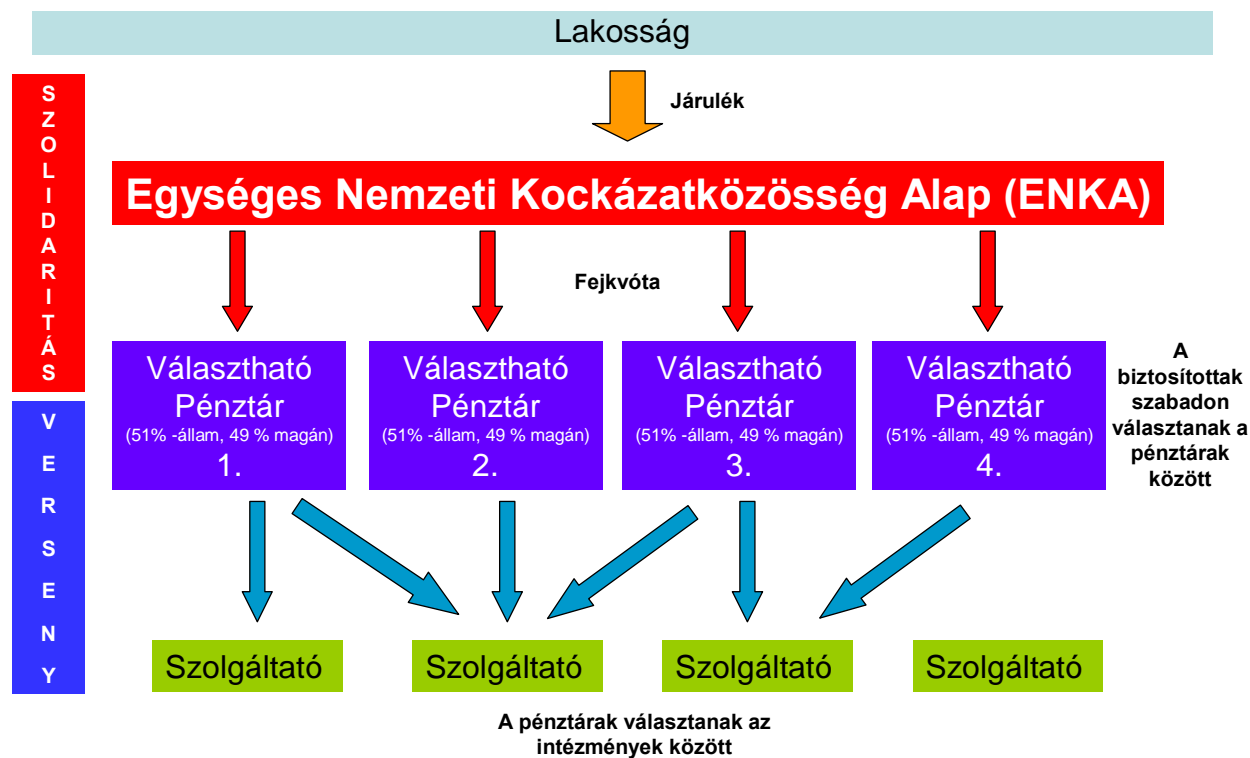
|                            | Single purchaser model  | Multiple purchaser model  |
|----------------------------|---|---|
| Soft budgetary constraints |  |                            |
| Hard budgetary constraints |   | <br>2005<br>2008<br>2009 |

# The Hungarian reform story in 2007



# „Auction“ insurance model

Az új biztosítási rendszer ábrája



# Why Columbus discovered Amerika?



Europe:  
decentralized

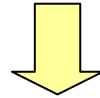


China:  
centralized

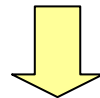
# Why Columbus discovered Amerika?



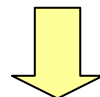
Duke of Anjou



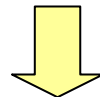
King of Portugal



Duke Medina-Sidonia



Duke Medina-Celi



King and Queen of Spain



# Conclusions

- The gap is 15 years - good starting position for enacting reforms
- Unfounded admiration of western Europe is not adequate
- Rely less on government, more on market
- Focus on individual responsibility
- Liberalization is the way to accept consumer preferences



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**Henrieta Maďarová**

**Angelika Szalayová**

**Peter Pažitný**