<table>
<thead>
<tr>
<th><strong>Slovak Republic</strong></th>
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<tbody>
<tr>
<td><strong>Population</strong></td>
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<tr>
<td><strong>GDP per capita</strong></td>
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<tr>
<td><strong>Volume of financial sources</strong></td>
</tr>
<tr>
<td>in health system per year:</td>
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<tr>
<td>public 3,9 bln. EUR</td>
</tr>
<tr>
<td>private 1 bln. EUR</td>
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</tbody>
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Ministerstvo zdravotníctva
Health system in Slovakia is financed through:

- **Tax on wages** (approx. 2/3 of the total revenues)
  Contribution from the employers and employees connected with the salary

- **Contribution from the state** (approx. 1/3 of the total revenues)
  Direct contribution from the state budget approved by the Slovak Parliament on yearly basis

Dependance on economic performance
Health costs management

- Who is responsible?
  - Health insurance companies
  - State
Health costs management

Health insurance companies (HIC)

- All the sources are administrated by HIC
- 3 HIC - 1 owned by the state (with 65% share)
  - 2 private
- Purchase of health services by HIC is based on contract
  (negotiations on contract conditions – incl. limit and price - quarterly, yearly)
- System of expenditure controls for healthcare paid
Health costs management

State

- Health policy – priorities
- Drug policy
- eHealth
- DRG
- Measures for higher efficiency
Challenges

Major challenges:

• Constant increase of requirements on healthcare
• Economic cycles
• Lack of sources
• Inefficiency and indebtedness
Inefficiency and indebtedness

- Mostly in state-owned (incl. local governments) hospitals
- Loss totalled of the biggest state-owned hospitals in 2011 = EUR -104 mil. (EBITDA)
- Indebtedness total EUR 150 mil. (payables overdue),
  - state-owned hospitals EUR 70 mil.
  - hospitals operated by local governments EUR 80 mil.
- „Hidden debt“ – old buildings etc. – EUR 80-100 mil.
- Objective high volume of costs (due to expensive health care provided)
Measures that will be taken

- Benchmarking
- Improvement of costs structure
- Higher effectivity by purchase of pharmaceuticals, external services etc.
- Implementation of controlling tools
- Effective planning and reporting
- EU funds
Budget constraints

Hospitals

• Not flexible enough to react promptly on changing conditions (state-owned)
• Relative stable level of costs
• Searching for higher efficiency (actions described above)
Budget constraints

Pharmaceuticals

- **Strategy performed by the state** KPI – decrease of costs on pharmaceuticals


- **Ongoing savings between 2011-July 2013** (incl. estimate) in total volume of EUR 130 mil. (2nd lowest price of drugs within EU since July 2012)
Thank you