Sustainability of Health Financing in Estonia

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Tallinn Charter: Health Systems for Health and Wealth

Member States of WHO committed themselves to:

- Promote shared values of solidarity, equity and participation;
- Invest in health systems and foster investment across sectors;
- Promote transparency and be accountable;
- **Make health systems more responsive**;
- Engage stakeholders;
- **Foster cross-country learning and cooperation**;
- Ensure that health systems are prepared and able to respond to crises.
Previous structural reforms and development of infrastructure

- Estonian Health Insurance Fund (EHIF) (1991)
  - Accumulation of reserves in EHIF
- Primary health care basing on family practitioners (1997)
  - Family practitioner phone line 24/7 (2005)
- Hospital Master Plan (2002)
- National Health Development Institute to implement public health programmes (2003)
- Medical ambulance (since soviet times)
- Use of WB loans, European structural funds and grants for capacity building, development of e-health system and renovation of hospitals
Addressing financial sustainability during the financial crisis
Total health expenditure by financing agents (thousands euros)
Total health expenditure by function of care (thousands euros)
Social tax and EHIF expenditures, 2001 – 2012 (thousands euros)

- **expenditures:** Blue bars
- **social tax:** Green bars

*budget*
Decisions affecting health system made due to financial crisis – EHIF

- due to high unemployment huge decline of payroll tax → reduction of health insurance revenues and budget
- increased maximally allowed waiting times (6→8 weeks for outpatients, 8 months remained for inpatient and day care)
- abolished dental care compensation to adults
- change of the system of sick leave benefits sharing more responsibilities with patients and employers, decrease of compensation (80%→70%)
- coefficient 0.94 applied to EHIF price list starting Nov 15, 2009 (0.95 to specialist care and 0.97 to primary care since Jan 1, 2011), coefficient abolished since Jan 1, 2012
- co-payment of 15% to nursing inpatient care starting 2010
Monitoring the impact of crisis

Life expectancy and healthy life expectancy

Population opinion on health care quality

OOPs, % of total health expenditure

Population opinion on access to health care
Priorities and measures to maintain health

- EHIF started use its accumulated reserves
- health budget was less affected than general state budget
- within health budget primary care and communicable diseases were prioritised
- rising of excise taxes for tobacco and alcohol (five times since 2008)
- alcohol excise will annually rise by 5% until 2016
- state contributes to EHIF on behalf of unemployed
- state pays for emergency care of uninsured people
Improving efficiency and performance – health system level

- establishment of Health Board (merging 3 agencies)
- implementation of nationwide e-Health system
  - Patient portal, e-ambulance, PACS, e-prescription
- use of structural funds for
  - renovating acute care hospitals infrastructure more cost saving
  - developing nursing care hospitals infrastructure
  - public health
- use of funds from carbon quota trading to renovate hospitals more energy saving
- use of Norway and Swiss grants
Acute care hospitals infrastructure
Nursing care hospitals infrastructure
Improving efficiency and performance – health care services

- more priority to day care and ambulatory care
- school medicine is fully provided by nurses since 2010
- more independency to midwifes
- more responsibility and independency to family nurses
- reducing workload of GPs using health data from e-Health system for assignment of disability
- strengthening of primary health care and its gatekeeping role (management of chronic diseases) – Oct 2012
- centralisation of management of primary health care to the Health Board – 2013
- supporting to recruit second family nurse currently under discussions
- revision of hospital master plan
Improving efficiency and performance - pharmaceuticals

- strengthening existing ingredient-based prescribing → pharmacies required to note if patients refuse cheaper alternatives
- e-prescription implemented
- Over 90% of all pharmaceuticals prescribed electronically!
- promotion of generic pharmaceutical use
- price agreements to 50% reimbursed drugs (2010)
- result: average co-payment per prescription
  - 2009 – 36,9%
  - 2010 – 36,2%
  - 2011 – 34,5%
  - 2012 I quarter – 34,3%
- abolishing ceiling for 50% reimbursed drugs (Oct 2012)
Addressing long time financial sustainability
Analysis of financial sustainability of health system

MESSAGES FROM THIS REPORT:

- The public revenue base for the health sector should be broadened.
- The health financing system can be further strengthened to manage cost pressures better and improve performance.
- Action is needed on both fronts to generate sufficient revenue and manage expenditures.
Broaden the public revenue base

- In the Praxis analysis of financial sustainability of social insurance system (together with Ministry of Finance) several options were further analyzed.

- Development of a comprehensive insurance scheme for maintaining temporary and permanent incapacity for work currently under way.
Tackling with side effects of the financial crisis and other long term challenges for health system sustainability – migration of health professionals

- motivate health personnel to work in Estonia and in remote areas
  - piloting a system of substitute doctors and nurses enabling family doctors and nurses having a holiday
  - scholarship to newly graduated specialist doctors starting to work in general hospital or just graduated family practitioners starting practicing outside of big cities starting 2012
  - same under preparation to nurses
- increased number of new doctors in residency training
- legal status given to medical students to work as assistant doctors and nurses
- increased admission to medical school
- pilot training courses to activate physicians and nurses left the health care system to go back and fulfil registration requirements
Conclusions

- Don’t worry, new crises will come in next ten years and after, we just don’t know exactly when!
- Be prepared, accumulate reserves when possible
- In the crisis act quickly
- Need for adequate support from political level
- Need for permanent monitoring
- Preparedness for more changes
- To have sustainable healthcare financing and sustainable health system we all need good cooperation and understanding, that:
for wealth we need health
Thank you!