



Weekly Briefing

Slovenia Social briefing:
Health care reform and corruption in health care sector
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Health care reform and corruption in health care sector

Short summary

Slovenian health care system has recently been going through a difficult stage. Still suffering from the effects of austerity measures of the last decade, the understaffed system struggles to cope with the challenges of the aging population and budget cuts, with the additional serious problems caused by wide-spread corruption, unclear division between public and private health care, while the two-tier financing structure is in dire need of reform. The reform of the health care system was one of the main points in the coalition agreement of the current Cerar government. Despite this emphasis, the success of the reform pushed by the minister of Health, Milojka Kolar Celarc, seemed more and more unlikely. After the Prime Minister Cerar stepped down in mid-March it became clear that any reform of the health care system will have to wait for the next government, i. e. at least until the summer months.

Main issues

As it became obvious in the past decade, Slovenian health care system suffers from several interconnected issues. The proposed health care reform, as well as the previous attempts wanted to address these main problems:

A) Results of budget cuts and austerity measures

The austerity measures, which were in place since the 2012 *Law on the balancing of public finances* took a great toll in the health sector as well. The main conditions of the 2012 law were detrimental for many aspects of its functioning: the overall salary reduction, the stopping of promotions and career mobility, the ban on new employments and encouragement for early retirement. All of these stretched the system to its limits, while the growing administrative tasks also made it almost impossible to cope with the growing number of

patients. Many medical doctors and even more other medical staff suffered greatly from having to work overtime without proper recompensation.

New investments in the medical facilities and equipment were also greatly challenged, with many projects being put on hold or affected by the building sector collapse, most notably the ER centre of the main hospital in the capital, but also many others.

B) Salary system anomalies and HR issues

The understaffed teams were also suffering the long-term effect of poor planning and long-term HR management in health care system. Several specializations are seriously lacking, most notably the general physicians on primary health care level, and anaesthesiologists in hospital structure, while the qualification system does not adequately address these issues. The HR problems were made especially evident by the situation in the paediatric cardiac surgery department of the main hospital, the University Medical Centre in Ljubljana. The absence of Slovenian surgeons to perform the most complicated operations was temporarily solved by a contract with an Israeli surgeon, and when this cooperation stopped, the failure of the institution to provide a replacement with adequately qualified surgeons became one of the most serious scandals in the health care sector. Several unexplained deaths of child patients in surgery and other indicators of failing practice led to the replacements at the very top of University Medical Centre, but the program of paediatric cardiac surgery still remains an issue to this day.

C) Long waiting lines

One of the main issues felt by the general public, are the seriously long waiting times for specialist examinations or treatment. Especially for non-urgent treatments, but also for several life-threatening conditions, the waiting times are substantially beyond the standard in EU. This problem was addressed several times; one of the most notable attempts was the system of e-appointments, which was put in practice in January 2017. It has, however, shown several problems and is still not functioning without problems. The latest attempt to

address this issue was made in January 2018, when the Ministry of Health issued a regulation, which was aimed at the limiting of unnecessary redirections from the primary level to the secondary level and threatened to financially sanction the general physicians on the primary level which unnecessarily sent their patients to an examination on the secondary level. This measure, especially after the trial period was introduced in the field of rheumatology, was accepted with a lot of criticism on the side of general public and the medical workers alike.

D) System of public tenders

The systemic corruption is one of the biggest issues of Slovenian health care system and one of the key reasons for its financial difficulties. In the last decade several corruption cases were discovered, most often linked to the system of public tenders. According to the regulation on public tender, any public sector institution is required to choose the subcontractor on the basis of public tender, where at least three offers are collected and the most optimum one chosen. As was discovered in several of the corruption scandals, the public tenders were manipulated to choose a preferential candidate, the most notable case of this was the buying of vein supports at excessive prices from companies which were linked to the key people in the tender process. This particular case is now investigated by a special parliamentary commission which also deals with several other anomalies in the public tender system.

E) The relation between public and private sector

Lacking regulations in the health care system has for the past decades enabled a parallel system of public and private health care, which is not sufficiently delimited. In many cases the medical specialists continue their practice in their spare time, but with the use of facilities and equipment of the state health care system. There were also not sufficient limitations as to how much work a practitioner in public health care system is allowed to work privately and who do they obtain the permission from. Another under regulated field is the issue of concessions, given from the state system to the private practitioners to perform public health care services and to get recompensation

from the public funding. This issue is especially pressing in some specializations, most notably dentist care, where it is becoming virtually impossible to get service from a public practitioner.

F) Two-tier financing system

The health insurance fees are collected from individual citizens in a two-tier method: the »obligatory health insurance« is collected through state organs, while the so-called »supplementary health insurance« is collected through the health insurance companies, which were also repeatedly accused of non-transparent practices. The debate about what is included in the first scope and what can be obtained from the second level, is ongoing, especially with the growing number of people who can not afford to pay the supplementary insurance, which is currently just under 30€.

G) Financial difficulties of hospitals

Every year several hospitals in Slovenia are on the verge of bankruptcy. Several factors contribute to that, most notably systemic corruption and poor management, but also the stagnation of the insurance recompensation rates and other financial issues. Crisis management teams were established in several hospitals with mixed success.

Proposal of health care reform

The proposed health care reform was presented by the Minister of Health, Milojka Kolar Celarc, in July 2017. On the financing level it introduced several important changes. The two tier system was to be abolished and all the insurance management transferred to one state institution, the National Health Insurance Institution. The health care individual contribution was unified according to income, with the lowest rate hardly changing for the people with the least income, while the contribution was greatly rise for the people with the most income. The new proposed law also promised a regulation of the HR system in health care with a national and sectoral HR planning and management. It also promised to solve several other systemic issues in the health care sector. The law

was passed through the government, but it failed to be passed through the parliament before the Prime Minister resignation in mid-March. The Minister of Health Kolar Celarc, however, was faced by strong opposition from the side of the health practitioners. Most notable, a group of medical doctors, led by Danijel Bešič Loredan, started a protest movement against the Minister Kolar Celarc and started a petition. The movement, called »Forward Together« was registered as a political party on March 18 and will compete at the upcoming elections.

Conclusion

The failure of the current government to address the main issues of the health care system, especially the systemic corruption, was one of the key factors for the gradual downfall of the government in the beginning of 2018. In the upcoming elections it can be expected that the main critical issues in the health care system and different visions of health sector reform will become deciding factors in the programs of political parties and specialized political movements.