



Weekly Briefing

Bulgaria social briefing:

THE STATE OF HEALTH IN BULGARIA – CHALLENGES AND PERSPECTIVES

Evgeniy Kandilarov

China-CEE Institute

Kiadó: Kína-KKE Intézet Nonprofit Kft.

Szerkesztésért felelős személy: Chen Xin

Kiadásért felelős személy: Huang Ping

 1052 Budapest Petőfi Sándor utca 11.

 +36 1 5858 690

 office@china-cee.eu

 china-cee.eu

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One of the most weak and full of challenges and difficulties social systems in Bulgaria is the healthcare system. At the same time it is directly related to the health condition of the Bulgarians which is one of the most important social issues which gives an opportunity for many additional analyses about the state of the whole society as well.

The Bulgarian healthcare system has undergone many changes since 1990. Until then, there has been a health care system where health services were free of charge, there were state-owned establishments and the financing has been entirely budget-based.

In the mid of the 1990s, reforms aimed at alleviating government spending through decentralization and the introduction of a social security system began. In 1998, Bulgaria introduced a centralized SHI system, a decision that ran in parallel with the country's transformation from a centrally planned economy to a market economy. Thus, in 1999, the National Health Insurance Fund has been established, which works with 88 private and 312 state and municipal healthcare establishments through 28 regional funds. The Ministry of Health is responsible for overall organization and policy formulation, while the National Health Insurance Fund (NHIF) is the core purchaser in the system. By law, all citizens are required to obtain insurance and have a right to access care.

This way now Bulgaria's healthcare sector is funded principally through the compulsory health insurance system operated by the Bulgarian Health Insurance Fund (BHIF). The Fund collects contributions from the working population and the government makes payments on behalf of those exempt, such as the elderly, the unemployed and dependents. Bulgaria's 2018 healthcare budget increased with some USD \$235 m, an estimated 4.3 percent of GDP or USD \$2.2 B in 2018 which is still considerably lower than the healthcare budgets of other major Western European countries.

NHIF's proceeds have been generated mostly by private sector employees, and the Fund concludes contracts with healthcare institutions and thus pays the services they provide. Additional revenues from the NHIF come from the state and local budgets, and the local administration finances all healthcare establishments on their territory that do not have a contract with the NHIF. Private non-contract medical establishments can provide healthcare services against payment.

According to the law, the citizens receive healthcare services against paid social security. In practice, however, nearly 50% of health services are paid directly by patients. This is due to the chronic shortcomings in the financing of hospitals and services by the NHIF, mainly due to inappropriate clinical pathways and abuses in the system. Most hospitals are at a loss. Thus, out of 33 European countries (including 27 in the EU), Bulgaria is ranked second in the quality of health services.

Another serious issue is that an estimated 12% of the population did not have SHI coverage. Moreover, if citizens fail to pay three monthly contributions in the previous 36 months, they lose coverage. This especially puts vulnerable groups, such as the long-term unemployed and the poor at risk. Furthermore, some may not be aware of their eligibility to receive government funded SHI contributions.

These numbers need to be treated with caution, however, as registration systems are weak and many of those counted as uninsured may be living abroad. Bulgaria is one of the lowest spenders on health in Europe. Health spending is very low and strongly reliant on out-of-pocket payments. Bulgaria's health expenditure is the third lowest in the EU. This translates to 8.2% of GDP, well below the EU average of 9.9%. About half (51%) came from public sources, which is the second lowest share in the EU after Cyprus. The level of out-of-pocket payments in Bulgaria is the highest in the EU. Indeed, out-of-pocket spending accounted for 48% of health expenditures, compared to a 15% average in the EU.

Inevitably, this has adverse implications for health care access. Pharmaceuticals absorb the largest share of out-of-pocket payments followed by hospital services. External sources account for 1% of total health spending. Among them is the European Structural and Investment Fund, which is used for capacity building in data collection and processing, as well as human resource development and health infrastructure.

A considerable share of Bulgarians (4.7%) reported unmet needs for a medical examination or treatment, with financial reasons being the most important cause. Travel distance and the availability of doctors also remain important barriers to access, especially for low income patients. In contrast, unmet needs for dental care are comparatively low in Bulgaria, which may relate to the high density of dentists.

National surveys also confirm regional inequalities, with a higher share of foregone care in small towns and villages. Interestingly, waiting times are not perceived to be an important reason for unmet needs – possibly because money can usually buy faster access. The gap in population coverage is also hindering disease prevention and control. Lack of SHI coverage creates a major barrier to access for a considerable share of the population. Uninsured individuals have to pay directly for medical services and goods, unless they visit an emergency

centre in a life-threatening situation. To limit the spread of infectious diseases among people who lack insurance, the NHIF receives additional funding to pay for the screening of uninsured individuals.

The statistics show that about 12% of Bulgarian citizens do not have access to health care and rely mainly on free emergency assistance. People living in small settlements and hard-to-reach mountain areas need to travel long distances to go to a doctor. Even if they reach one, it is unclear whether he will be able to provide them with quality treatment. Good specialists and equipment are concentrated in several major cities.

Ensuring quality of care is also challenging. There is no reliable national monitoring or quality assurance system and information on quality is scarce. Many (often small) hospitals lack the necessary qualified staff and technical equipment (CT scanners, intensive care units) to provide high quality care and do not exchange data across providers. Quality concerns have been repeatedly reported for both local hospitals and local outpatient services. However, a recent EU-funded initiative aims to develop electronic health records, electronic referral and electronic prescription systems. Another quality-related issue is the high use of antibiotics and rising rates of antimicrobial resistance.

Nearly half of Bulgarians (46.7%) say they have difficulty access to healthcare to some extent, according to Eurostat's Access to Services data. Another study has shown that 76% of people in Bulgaria have difficulty paying for education, which in most cases is supposed to be free of charge. The recently presented EC report within the European Semester indicated that "unequal opportunities in education, health and housing continue to be of concern" while the "social protection system is insufficient".

Access to health services is considerably more difficult in Bulgaria than the average European standards. In the EU, about 29% of citizens experience similar difficulties, with levels rising from countries where the economic crisis is most severe. In the group of people who said that "very difficult" access to health services Bulgaria has 10.2% of the population, while for the EU this share is only 4.2%.

Paradoxically, in Bulgaria is relatively high and the share of people who claim to have access to healthcare "very easy" - 38.8% vs. 31.2% on average for the EU. This shows the share of people for whom the healthcare system is still working well because they are relatively healthy and can afford extra payments to specialists and hospitals as well as the cost of medication.

Another challenging issue for the healthcare system is the workforce which is related to great shortages and a persistent migration problem among the qualified workforce. Bulgaria has a comparatively high proportion of physicians but the second lowest proportion of nurses in the

EU. Although the proportion of physicians is high, only 15.6% are general practitioners (GPs) compared to 30.2% at EU level. In contrast, density of midwives is well above the EU average, while the proportion of dentists is among the highest in Europe. The low numbers of graduates entering the health workforce has been a long-standing concern. Moreover, many professionals go abroad due to low recognition and low pay at home. In the middle of the decade, 2 636 medical doctors who had trained in Bulgaria worked abroad, with Germany, France and the United States being the most popular destinations. According to the Bulgarian Nursing Association, a similar trend exists for nurses but exact data are lacking.

In health service provision, hospital care remains dominant Bulgaria's primary care system is comparatively weak. GPs are supposed to act as gatekeepers, operating with a limited number of referrals to outpatient specialists and inpatient services. However, considerable regional variation exists in the density of GPs and the number of enlisted patients per GP. Furthermore, Bulgarians only have about 5.9 outpatient contacts per capita, below the EU average of 7.5.

Reflecting weak primary care as well as over-reliance on hospitals, the number of inpatient discharges is the highest in the EU. Furthermore, Bulgaria has one of the largest number of acute care beds in the EU with 6.0 beds per 1 000 population as compared to an EU average of 4.2.

Bulgaria presents the sad case of the world's fastest decreasing populations and one of the reasons for this is the extremely high mortality rate – 15 per 1000. This statistic is comparable to the case of the most heavily plagued by the AIDS epidemic African countries in which the health system was in practice inexistent. One reason for this is the aging population and low life expectancy – 74.6 years, compared to a EU average of 80.6. This is the second lowest life expectancy in the EU.

In November 2017, the European Commission issued a report indicating that the country's health system is not effective in reducing preventable mortality – preventing and treating cardiovascular disease, or the increasing mortality from cancer, diabetes and non-communicable diseases. Bulgaria has the highest mortality rate from cerebrovascular diseases in the EU and a relatively low number of cancer survivors. A World Bank report shows that 19% of deaths in the country could be prevented by a well-functioning health system. Although public health spending has increased fivefold over the past 15 years, the system as a whole remains underfunded and the money available is being used inefficiently.

The health status of Bulgarians has improved more slowly than in other EU countries, as shown by persistently low life expectancy. Several recent reforms have attempted to shift the

Bulgarian health system away from over-reliance on hospital care and to increase efficiency. Nevertheless, challenges in terms of access and quality remain substantial.

The poor health status of many Bulgarians can be connected to a range of health determinants, including living and working conditions, the physical environment and behavioral risk factors. At least 40% of the overall burden of disease in Bulgaria can be attributed to behavioral risk factors, including smoking, alcohol consumption, dietary risks and low physical activity. Of all risk factors, dietary risks, smoking and a high body mass index contribute the most to poor health in Bulgaria. The prevalence of smoking in the Bulgarian population is the highest in the EU, and nearly seven percentage points above the EU average. No less than 28% of the adult population, including more than one in three (35%) men, are daily smokers. Youth smoking rates are similarly high: 15-year-old boys have the second-highest smoking prevalence in the EU (21%, after Croatia), while 30% of 15-year-old girls – the highest level in the EU – are regular smokers. While levels of binge drinking are lower than in other EU countries, per capita alcohol consumption is the fifth highest in the EU. Bulgarians consumed more than 12 litres of alcohol per head per year, exceeding the EU average by more than 2 litres. Another concern is alcohol consumption among adolescents, with Bulgaria again ranking fifth in terms of repeated drunkenness among 15-year-olds. Among boys, this self-reported figure is 11 percentage points higher in Bulgaria than across the EU.

Although adult obesity levels are below the EU average, they have risen by 25% since 2008. More troublingly, levels of overweight and obesity among adolescents rose by two-thirds since 2005–06, and reached 20%. While this indicator remains low among girls (12%), the prevalence among boys is now the third highest in the EU (after Malta and Greece), at 28%.

These developments are particularly concerning given that being overweight or obese during childhood and adolescence is strongly correlated with becoming overweight or obese as an adult. On a positive note, a higher percentage of 15-year-old boys and girls in Bulgaria report regular physical activity than in other EU countries, although less than 25% report engaging in moderate vigorous physical activity on a daily basis.

Populations disadvantaged by income or education are more prone to engage in risky health behaviors. This is particularly the case for obesity among adults: the obesity rate of lower-educated Bulgarians is five percentage points higher than that of the higher-educated population. Another concern is the Roma minority, which some studies show experiences disproportionately bad health status, a factor that probably also relates to access problems. Policies seeking to reduce socioeconomic inequalities and regional inequities have been attempted, most notably the Regional Health Maps.

In conclusion we can see that Bulgaria's health system faces several major challenges simultaneously. It has the second lowest life expectancy in the EU (after Lithuania) and some alarmingly high behavioral risk factors (smoking, drinking, increasing obesity), as well as a rapidly ageing population, workforce shortages and low spending on health. Bulgaria will have to choose wisely to strategically spend its limited resources and maintain the resilience of the health system.

The health system has not been effective in reducing amenable or preventable mortality, as reflected in persistently high mortality from diseases such as cardiovascular diseases and a rising mortality from cancer, diabetes and non-communicable diseases. In fact, Bulgaria has the highest mortality rate from cerebrovascular diseases (e.g. stroke) in the EU and very low survival rates for several cancers. This signals substantial room to improve health services, for example by improving access and care quality, as well as better prevention and better care coordination.

More positively, some progress has been made with health prevention and early detection of chronic diseases since 2008, and more recently, with attempts to introduce integrated care. The 2017 budget allocates additional funds for early detection of cardiovascular diseases for example. Yet more time is needed for results to materialise.

Health financing is characterized by low total spending, as well as very high out-of-pocket payments. Although growth in health spending outpaced the overall economy in recent years, the revenue base needs broadening to protect it from economic shocks, low employment, a large informal sector. A better allocation and use of resources has the potential to increase efficiency. Currently, Bulgaria spends most of its resources on pharmaceuticals and inpatient care. Primary care could be strengthened and more cases could be treated in day care and outpatient care. Recent reforms in the hospital sector have sought to address this problem. Furthermore, pharmaceutical spending should be a focus going forward. With the introduction of Health Technology Assessment already under way, the root causes (e.g. prices and volumes) of high pharmaceutical spending can be properly assessed and new policies developed.

So finally the healthcare system instead of being a public system, which should function on the principle of the social solidarity to achieve high results, actually it transfers in itself the income inequality within the society, putting additional financial barriers at everywhere.

The existing health system is a result of the application of mutually exclusive principles and models that create system uncertainty, unsustainable management decisions, and continual changes in normative base.

The current health care and insurance model has led to the full commercialization of health protection with all the negative consequences for the patients. Market and commercial

principles and relationships have peaked over public principles, goals and interests. Public interest and public function are subject to the private interest of medical service providers - fully privatized primary and specialized outpatient and dental medical care, private drug supply, over 1/3 private hospital medical care, poor health status of the population and raising problems related to the demographic crisis, the quality of life and the labor market, respectively - the economy of the country.

The organization of medical care, diagnosis and treatment processes, and medical technology go beyond the powers and functional competencies of the state, and the financial result has become the leading criteria in the system.

This issue can be solved only by bringing the state back to management, regulation and control in the healthcare system and guarantee to every Bulgarian citizen access to medical services. One of the ways this goal to be achieved is by elimination of the commercial status of state, university and municipal health establishments and its replacement with the status of "Social care institution" as well as patient placement at the center of the health system.

From this point of view the healthcare reform is an objectively necessary and urgent process. That's why there is a complete national consensus - among the public, health policy makers, health management experts and medical specialists. However, there are divergent views on the direction and the way this reform should be carried out. There are supporters of both radical actions and slow gradual changes that do not affect the basic principles and structure of the current health system in Bulgaria. Therefore, the main challenge and tasks for the Ministry of Health is to find a balance between these two extreme approaches, to minimize the medical, social and medical-economic risks of the upcoming change so as to achieve a higher stability and sustainable development the national health system in line with the modern standards applied in the other countries of the European Union.