



Weekly Briefing

Albania social briefing:
The hardships of a broken healthcare system
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Introduction

Health insurance in Albania is constitutional right for all citizens. The universal health care model is based on mandatory and voluntary contributions, supplemented by funding from state budget. The latest data available indicate the overall health expenditure at 6.7% of the GDP, in total amount it is estimated at 870 million Euros - of which, 41.3% is governmental expenditure. Only with this data it is visible that the majority of Albanians choose to be treated outside of the public healthcare system and the ones who do opt for the public service are again charged extra. According to the survey conducted by the Eurohealth consumer index, Albania was the European country in which unofficial payments to doctors were most commonly reported. There is double burden for citizen, they pay for mandatory health insurance fees to the government and when they actually need the services they have to pay, again. To the already economically burdened Albanian households, a health issue becomes tragedy.

Between public promotion and actual results

Healthcare system upgrade has been one of the most highlighted topics of the current government of Albania, still, 6 years into power and the promises have remained in paper. The narrative and programs of development are striking; however, nothing is close to implementation. The Ministry of Health is following the guidelines of the National Health Strategy 2016-2020 (NHS 2016-2020), considered as the main platform that coordinates the efforts in improving the health and well-being of all the people in Albania. If we compare the data from 2013 to 2019, the government input to healthcare out of the overall health expenditure decreased from 48.4% to 41.3%, so a smaller portion taxpayer's money is injected into the health system which means of course a deterioration of general conditions. The strategy claims: *[..]Never before was the public funding for health care at such high levels but the Government is convinced that this funding is far from the public need for health care services. Public funding for health care aims to achieve not less than 70% of the total health expenditure... ensuring that no family is forced to choose between buying food and vital services or paying directly for health care. We will avoid citizens' fall into misery caused by the health service costs.*ⁱⁱ As charming as it sounds, the reality does not match by any fractions the narrative.

On the other hand, shady deals from the Ministry of Health were made public and alleged corruption scandals hit the headlines in late 2019. The Albanian government has so far authorized 311 million Euros in payments for four concessions over the next decade. But if this

amount were invested directly the public sector services, Albania would undoubtedly have the best medical services in the region. A former Minister of Health, on condition of anonymity, argues that with this amount, the country could have at least 5 major hospital centers and meet all primary care needs with medical equipment such as; labs, eco, scanners, etc.ⁱⁱ

The most praised concession in healthcare during Rama's government has been the "Check Up" Concession, which started operating in February 2015, has made all the investments necessary, managed to make an annual profit of ALL 46 million, or about 370,000 Euros. The company, meanwhile, received double payments for controlling 475,000 patients, despite only 240,000 people actually went for the service. The government pays the company 12 Euros for each case, while most analyzes cost in private labs all amount to no more than 3 Euros.

The other scandal emerged with another concession of for the sterilization of medical rooms all around Albania. The concession of the room sterilization service is another expense from the state offered at high costs - experts estimate. The company Saniservis, which won a concession of ALL 12.3 billion for the period 2016-2025, was registered with the National Business Center in July 2015, reporting only liabilities, about ALL 35 million in the balance sheet and no income, so the company was created just months before winning the government concession. For every operation offered in Albanian operating rooms, the cost of sterilization amounted to 275 Euros, which for the relative cost is extremely high for Albanian average, considering that is more expensive than the cost of a medical operation itself.

The sterilization concession contract entered into its third year of implementation, but has shown serious "deficiencies" in forecasting costs. The concession invoice has exceeded all predictions with an increase of 28% retrieving of government money, while the profit of the company rose to 3 times more than the previous year.ⁱⁱⁱ For this reason, and more, in the past month, an internal memo was sent to all major hospitals in Albania from the Ministry of Health, asking the postponement of operations due to lack of sterilization budget.

In many, from economists to bureaucrats, had warned the government not to rely on Public-Private Partnership (PPP) especially for the healthcare system. These partnerships have proven to be dysfunctional and cradles for corruptive affairs, and yet, some of the most vital branches of Albanian hospitals are now facing life-threatening circumstances for the patients.

New and old problems

Out-of-pocket payments (bribes)

Albania's limited public spending on the health care sector (as compared to other Balkan or Eastern European countries) has resulted in an increased reliance on out-of-pocket payments

for both inpatient and outpatient care. Survey data report that for the lowest income quintile, the share of total out-of-pocket spending in inpatient services has gone up to 60% of the total monthly household expenditure. These vulnerable or poor groups of the society lack protection against out-of-pocket spending and this may contribute to increased inequalities but also to barriers to access. Although inpatient care is almost free for all those in possession of a health insurance booklet (except for some co-payments for high-cost diagnostic tests), in reality, most of the people visiting this service report to have paid substantial amounts of out-of-pocket payments. Out-of-pocket payments consist mainly of fees for services received, money to buy medicines, payments for laboratory work, transport expenditures, as well as money paid informally to medical staff. Expenses on medicines are the highest in outpatient care. ^{iv}

Quality of medicaments

Until mid-2015, the Albanian legislation permitted the entrance into the country of only medicaments imported from the European Union countries. A new law entered in force in July 2015, stipulated that also companies from the Western Balkans, could introduce their products in the pharmaceutical market. In the accompanying section of the bill, this change is justified by the Central European Free Trade Agreement, CEFTA, signed by Albania and also claimed that very often EU based drugs are very expensive for Albanian patients.

Fast forward 4 years, the situation is chaotic. This new law opened the doors to many suspicious activities and by default lowered the quality of drugs sold in the country. The most affected from this initiative are the senior citizens (retirees), basically to them the majority of the second-hand drugs are given due to the fact that the social security covers them some basic medicaments free of charge. The overflow of drugs from any pharmaceutical house in the region created a massive stock in the main hospitals of the country until, a scandal erupted: 85% of the medicaments stock in the biggest hospital of the country University Medical Center "Mother Teresa" (QSUT) were expired. This was also confirmed by the results of an audit from the Albanian State Supreme Audit Institution (KLSH) which stated that the lack of inspections at the appropriate levels in pharmaceutical warehouses, the conditions in which drugs are stored, and the means of transport used for their circulation, indicate a lack of proper inspection, irresponsibility in the implementation of legal obligations, such as and can adversely affect the quality and safety of drugs.^v As if citizens were not diffident enough, this declaration triggered a higher hesitance in purchasing medicines locally, for those who can afford it, the EU countries are the main target for health related purchase.

Medical brain-drain

The need for improvement in the medical system is extremely visible in the doctors and nurses will to leave the country. According to a recent study, 78% of Albanian doctors are ready

to leave, of whom 24% of whom are ready to leave immediately, while 54% would leave if given the opportunity.^{vi} The past 3-4 years have witnessed a real exodus of medical staff and just graduated students from medical schools (estimations from last year put the moving abroad students at 53%), the main destination for them has become Germany. The outcome of this situation is made visible also from the latest data available which place Albania last in Europe with 1.2 doctors and 3.2 nurses per 1,000 inhabitants. The most affected from this phenomenon are the rural areas where there is no medical center and no doctor, for every health issue, they have to travel several kilometers to the nearest hospital. By October 2019, another alarming statistic was made public: in the past 9 months 550 nurses left the country for a job in the EU.^{vii}

In many argue that this is not an isolated phenomenon to Albania only, the Balkans are a fertile soil for exporting highly educated doctors to wealthier Western European countries, however, the impact of this medical brain drain on the local communities is not the same. All neighboring countries to Albania have a minimum of 3 doctors per 1,000 inhabitants and much better medical infrastructure at their disposal.

The medical brain-drain will have more devastating effects on the long term; for the time being the seriousness of this issue is not felt in proportion to its gravity; in 5 to 10 year, with an ever-aging society this problem will unveil full-scale.

Conclusions

The abovementioned elements are just the core of the healthcare problems in Albania; their ramifications expand deeper by affecting every single citizen. Unfortunately, a vicious circle has been created and still persist - destructive policies implemented by incompetent lawmakers promote inefficiency; inefficiency is easily manipulated; manipulation is the root of wrecked structures; a decaying institutional structure is easily corrupted, even when people's health is at risk. Coping with the current health challenges requires strategic and coordinated action within the health system and across all related sectors, something that has been missing for decades. Meanwhile, for the unfortunates dealing with physical issues and diseases, the path of healthcare goes from misery to tragedy.

One would expect some limits to cruelty, especially when dealing with human life but the contrary has been proven for Albanians. From core to periphery, the guilty fractions causing this catastrophe are not stopping - greed prevails, even when it is a matter of life or death.

ⁱ Full text available at: https://shendetesia.gov.al/wp-content/uploads/2019/01/Health-Strategy-2020_eng.pdf

ⁱⁱ Translated from: <http://telegraf.al/ekonomi/skandali-koncesionet-ne-shendetesi-do-ti-kushtojne-400-miliarde-leke-shqiptarev-e-privati-e-ben-me-3-qeveria-i-paguan-12/>

ⁱⁱⁱ Government restricts investment in health because sterilization concession outweighs costs. GazetaDita. Available at: <https://www.gazetadita.al/qeveria-kufizon-investimet-ne-shendetesi-sepse-koncesioni-i-sterilizimit-ka-tejkaluar-shpenzimet/>

^{iv} Tomini, Sonila M., Wim Groot, Milena Pavlova, and Florian Tomini. "Paying out-of-pocket and informally for health care in Albania: The impoverishing effect on households." *Frontiers in public health* 3 (2015): 207.

^v Audit report: 4 years of still unapproved bylaws in implementation of the law on medicines. KLSH. Available at:

http://www.klsh.org.al/web/4_vjet_ende_te_pamiratuara_aktet_nenligjore_ne_zbatim_te_ligjit_te_barnave_3971_1-1.php

^{vi} Full study available at: <http://library.fes.de/pdf-files/bueros/albanien/14924.pdf>

^{vii} 550 Nurses Leave in 9 Months. Available at: <https://www.oranews.tv/article/550-nurses-leave-9-months>