



# Weekly Briefing

**Lithuania political briefing:**  
**Health Reform**  
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# Health Reform

## Summary

*August 2023 will see another stage of the health reform – amendments to Lithuania’s Law on Health Care Institutions that were passed by Lithuanian Parliament last year. In August 2023 a new type of medical institutions – health centres – will start being created and open doors to the general public. The health reform attempts to address numerous deficiencies of Lithuania’s health system which range from inadequate financing and low salaries in the health care sector to long waiting times to see a specialist doctor. In order to improve the health care system, the required changes are substantial. The reform has drawn criticism from opposition political parties, medical staff and even the President of Lithuania. The briefing provides an overview of Lithuania’s health system’s problems, the objectives of the reform and major points of criticism.*

## Introduction

A new type of medical institutions – health centres – will start being created from 1 August 2023, as part of the health system reform passed by the Parliament last year. The network of the health centres is supposed to be geographically accessible for general public throughout the country, and provide basic and most common health services. Lithuania’s Health Ministry plans to allocate around 418 million euros for the reorganisation of medical establishments over the next seven years, bringing the total amount of investments into the health system reforms to 837 million euros. The reorganisation will mainly be financed by EU funds, but some of the funding will also come from the state budget. The reform is planned in response to demographic changes in the country, as Lithuania’s population is projected to fall to 2.58 million over the next seven years from the existing 2.81 million.<sup>1</sup>

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<sup>1</sup> LRT: Lithuania to spend €418m on health system reorganization, at: <https://www.lrt.lt/en/news-in-english/19/1955610/lithuania-to-spend-eur418m-on-health-system-reorganisation>

This briefing outlines the main problems of Lithuania's health care system and reasons why this reform is being implemented. As the reform has drawn significant criticism of various parties, this article also summarizes the major points why some hospital staff and politicians are unhappy.

### **The reasons for the health reform**

In June 2022 the Seimas, Lithuanian parliament, approved amendments to the Law on Health Care Institutions which constitute the long-awaited reform of the health care system in Lithuania (the health reform). The reform takes a number of years and has multiple steps. For example, from 1 August 2023 first batch of health centres are to be created and open to the public, and by August 2025, the hospitals across the country are supposed to reach certain criteria set by the government.

There are a number of reasons why this health reform is needed. The COVID pandemic has revealed many inefficiencies in Lithuania's health system and inadequate ability to quickly respond to potential threats and crises affecting health care. According to the Ministry of Health, "the residents of the country are not guaranteed equal availability and quality of the inpatient active treatment services in the regions, and some patients may not receive services in an inpatient setting, but on an outpatient basis. Also, the funds needed for the financing of services and infrastructure are used irrationally."<sup>2</sup>

Among other things, according to the ministry, until now, treatment services were developed at the national and municipal level without harmonizing their need and volume, which resulted in various operational malfunctions and misunderstandings. SAM hopes that the new network of medical institutions will allow managing potential threats and crises affecting health care, refine the nature of the institutions' services, integrate the new health centres, and create a network of clusters for the treatment of various diseases on the basis of specialized personal health care medical institutions.<sup>3</sup>

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<sup>2</sup> LRT: Vyriausybė pritarė siūlymui iki 2028-ųjų pertvarkyti ligoninių tinklą, at: <https://www.lrt.lt/naujienos/sveikata/682/2035466/vyriausybe-pritare-siulymui-iki-2028-uju-pertvarkyti-ligoniniu-tinkla>

<sup>3</sup> Ibid.

Another reason for the reforms is the fact that around 50 per cent of Lithuanian residents who live in small and medium-sized municipalities actually register and apply to receive health care services in big cities. Subsequently, according to the Minister of Health, Arūnas Dulkys, big Lithuanian hospitals are “flooded” or “clogged” because people from those smaller municipalities go to the big cities for even the most basic consultations, outpatient and other services. The goal of the health care reform is that people could solve about 80 per cent of health problems closer to home, in their municipality.<sup>4</sup>

In order to solve the problem of migration of patients to bigger cities, when reforming the system, a new network of hospitals would be created, taking into account the geographical accessibility for patients, the multi-profile and quality of services and the provision of round-the-clock emergency assistance. Furthermore, a basic package of medical services, which is mandatory for all institutions, will be established. If any medical institution is unable to provide any of the specified services, it will be able to enter into a contract with another private or municipal or state institution. It has been established that such contracts will be able to be concluded regardless of the borders of counties and municipalities, with the cooperation of personal health care institutions and municipalities located in that territory.

If a health care institution does not meet the specified criteria by the reform, it will be able to join another institution, become a municipal health centre, or choose not to change anything and therefore not belong to the newly created network of hospitals. In addition to the network of hospitals, health centres, the newly created entities, would take care of public health, provide ambulatory health care services, emergency medical assistance, day services, inpatient services for internal diseases, and engage in long-term care.<sup>5</sup>

According to the Ministry of Health, due to the reform, excess hospitalization will decrease, medical services will be more readily available, and salaries of medical staff will increase.

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<sup>4</sup> LRT: Seimas patvirtino sveikatos reformą: norima, kad daugiau paslaugų būtų teikiama prie namų, at: <https://www.lrt.lt/naujienos/sveikata/682/1730576/seimas-patvirtino-sveikatos-reforma-norima-kad-daugiau-paslaugu-butu-teikiama-prie-namu>

<sup>5</sup> Ibid.

## **Pressure on regional hospitals**

One of the goals of the health care reform is that patients in the regions would receive 80 per cent of required medical services in their own or neighbouring municipalities. In order to achieve the set goals, some regional hospitals will have to significantly increase the amount of health care services they provide. In other cases, some less popular units within regional hospitals will have to be closed. For example, according to the research carried out by the Ministry of Health, for the Biržai district hospital, the amount of local medical services will have to be increased by 60 percent. Specifically, at Biržai hospital, the provision of rehabilitation and day surgery services should increase several times. At the same time, in accordance with the reform, the same Biržai district hospital is supposed to close its inpatient surgical department because it is needed by relatively few patients, who will now have to go to bigger cities instead. <sup>6</sup>

In other words, according to the health reform, the regional hospitals will have to be restructured, and adjust the services they provide while co-operating with hospitals in bigger cities. Biržai hospital is far from the only regional hospital facing the pressure and problems with impending restructuring. Unsurprisingly, because of the required extensive changes, which are difficult to implement, there is some dissatisfaction and resistance signalled by the regional hospitals. Also, there are some objective obstacles in implementation of the reform. For example, in order to adjust their services, some regional hospitals will find it hard to attract required medical specialists.

Despite some resistance and criticism from local hospitals, the Minister of Health Arūnas Dulkys is determined to implement the health reform, and has threatened that municipalities that do not carry out the transformation of the network of medical institutions in accordance with the plans of the Ministry of Health, will not receive money from the European Union's structural funds. <sup>7</sup>

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<sup>6</sup> LRT: SAM užsimojo reikalauti didinti teikiamų paslaugų skaičių rajonų ligoninėse – nepaklūstantiems gresia prarasti milijoninę paramą, at: <https://www.lrt.lt/naujienos/sveikata/682/1959160/sam-uzsimojo-reikalauti-didinti-teikiamu-paslaugu-skaiciu-rajonu-ligoninese-nepaklustantiems-gresia-prarasti-milijonine-parama>

<sup>7</sup> Ibid.

## **New criteria for hospitals**

In July 2023, the government has released the new criteria that hospitals will have to meet before August 2025. The criteria are based on territory, multi-profile, quality of services, and provision of 24/7 emergency services. "Those institutions that do not meet the criteria by this time will have to join other institutions," Health Minister Arūnas Dulkys said at the Government meeting. "Some district hospitals may become health centres, but they all have the same start – two years." <sup>8</sup>

Some criteria will be almost impossible to meet for regional hospitals, and therefore they are likely to be forced to close entire departments. The opposition Social Democrats party warn that there will be no more surgery and maternity wards in the districts, because the district medical institutions will no longer meet the criteria introduced by the Government (population and number of births). "The people of Lithuania will live in a new reality: childbirth and surgery will be possible only in the country's major cities. The ministry explains that the availability of services will increase. How will it increase if a person has to travel tens of kilometres by train, bus or other means of transport when their health deteriorates?" - asked Orinta Leiputė, a member of the Seimas Committee on Health Affairs. <sup>9</sup>

## **Other problems with the health reform**

There is noticeable criticism towards the health reform on a number of points.

The opposition parties criticise the health care reform and claim that it will speed up the destruction of hospitals in the regions. The Social Democrat Eugenijus Sabutis emphasizes that the closure of entire departments in the region means several aspects - more difficult access to health services for patients and doctors being dismissed. <sup>10</sup>

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<sup>8</sup> LRT: Vyriausybė pritarė siūlymui iki 2028-ųjų pertvarkyti ligoninių tinklą, at: <https://www.lrt.lt/naujienos/sveikata/682/2035466/vyriausybe-pritare-siulymui-iki-2028-uju-pertvarkyti-ligoniniu-tinkla>

<sup>9</sup> Ibid.

<sup>10</sup> SOCIALDEMOKRATAI: Parlamentarai reikalauja nepriklausomos ekspertinės išvados dėl ligoninių tinklo reformos, at: <https://www.lsdp.lt/parlamentarai-reikalauja-nepriklausomos-ekspertines-ivados-del-ligoniniu-tinklo-reformos/>

The Minister of Health, Arūnas Dulkys, refutes this criticism and says that none of the regional hospitals will be destroyed, the medical facilities will remain, but they will be restructured and provide services more rationally. Specifically, some departments of regional health care institutions with few patients may be abandoned, but the basic health care package is ensured and people do not have to travel from the regions to bigger cities in order to receive those basic services. <sup>11</sup>

The opposition sees other problems of the reform, and claim that the reform is unlikely to bring the expected benefits or the quality of health care, family doctors (Lithuanian version of General Practitioners) will become mere bureaucrats, queues for specialist doctors will be longer, and the availability for services will decrease. Social democrat Julius Sabatauskas says that Lithuania is leading in Europe in the number of excess deaths and that it is “not the time for experiments”, referring to the health care reform. <sup>12</sup>

Lithuania’s President Gitanas Nausėda also criticized the health reform in his State of the Nation Address, saying that, after the Seimas adopted the legislation regulating health care last summer, the promises of fundamental changes remained in the air. "We are still waiting for reduced queues, greater availability of health services, more prompt assistance, and transparency," said Gitanas Nausėda. The President emphasized that there was no time to make mistakes when reforming health care, and the benefits of the reform must be felt by the people. <sup>13</sup>

Aurelijus Veryga, a former Health Minister during COVID pandemic, points at another problem with Lithuania’s health care system – the shortage of specialists and doctors. Aurelijus Veryga claims that the current reform has made this problem more severe and blames it for the job losses of doctors. <sup>14</sup>

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<sup>11</sup> LRT: Seimas patvirtino sveikatos reformą: norima, kad daugiau paslaugų būtų teikiama prie namų, at: <https://www.lrt.lt/naujienos/sveikata/682/1730576/seimas-patvirtino-sveikatos-reforma-norima-kad-daugiau-paslaugu-butu-teikiama-prie-namu>

<sup>12</sup> Ibid.

<sup>13</sup> LRT: <https://www.lrt.lt/naujienos/sveikata/682/2016939/prezidentas-sveikatos-apsaugos-reforma-virsta-praekismu>

<sup>14</sup> 15 MIN: Medikams paliekant ligonines A.Veryga kaltina sveikatos reformą, at: <https://www.15min.lt/naujiena/aktualu/lietuva/medikams-paliekant-ligonines-a-veryga-kaltina-sveikatos-reforma-56-2092068>

The network of health centres is supposed to evenly cover the territory of Lithuania, some medical services provided by neighbouring hospitals are to be shared or merged between them, and that means that co-operation between different municipalities is usually required. Although the deadline to create and open new health centres is looming, it seems there are communication issues between different municipalities. Municipalities themselves are to decide how the co-operation between them will take place, but often there is confusion as neither side has experience and knows how to design such agreements.<sup>15</sup>

## **Conclusion**

It is no secret that Lithuania's health system has various problems, ranging from lack of funds and low salaries, to long queues to see a specialist doctor, to often doubtful quality of services provided. Therefore, a serious overhaul of the system, or a health reform, is definitely needed. Although the health reform has only started last year and is in its early stages, will take five to seven years to fully implement, different parties have already started voicing criticism. It seems that there is a bad habit in Lithuania to criticize the reforms prematurely, before the expected benefits are due. Despite the criticism, the government seems to be determined to go ahead with the reforms. Hopefully, the government will be willing to listen to some of the criticism and show enough wisdom to make adjustments to implementation of the reform where the criticism is justified.

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<sup>15</sup> LRT: Įstaigoms pasigendant pagalbos dėl reformos, A. Dulkys sako nenorintis „lipti ant galvos“, at: <https://www.lrt.lt/naujienos/sveikata/682/2020043/istaigoms-pasigendant-pagalbos-del-reformos-a-dulkys-sako-nenorintis-lipti-ant-galvos>