

Reason for Change: Healthcare System in the Czech Republic



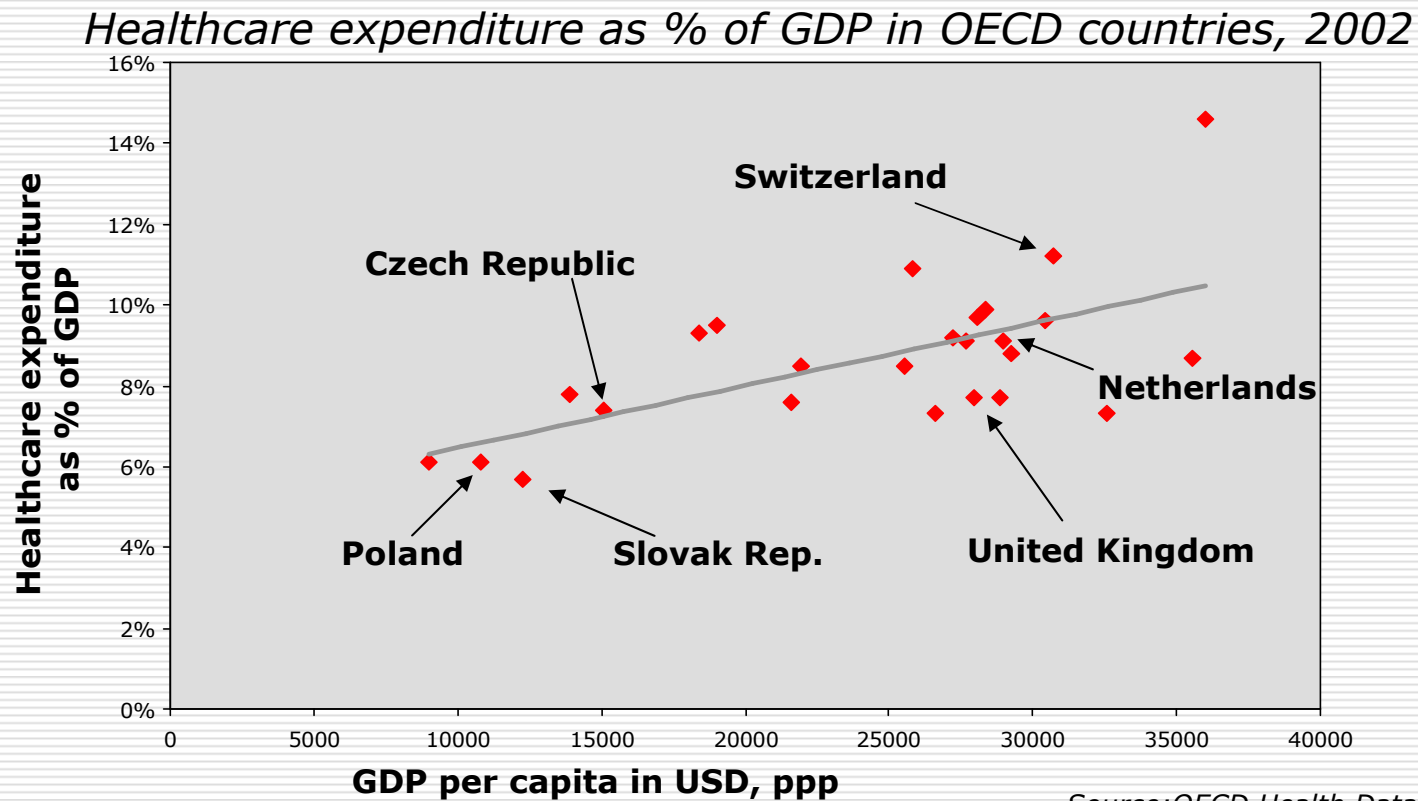
International Health Summit, Prague 2005

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Funding the Healthcare System

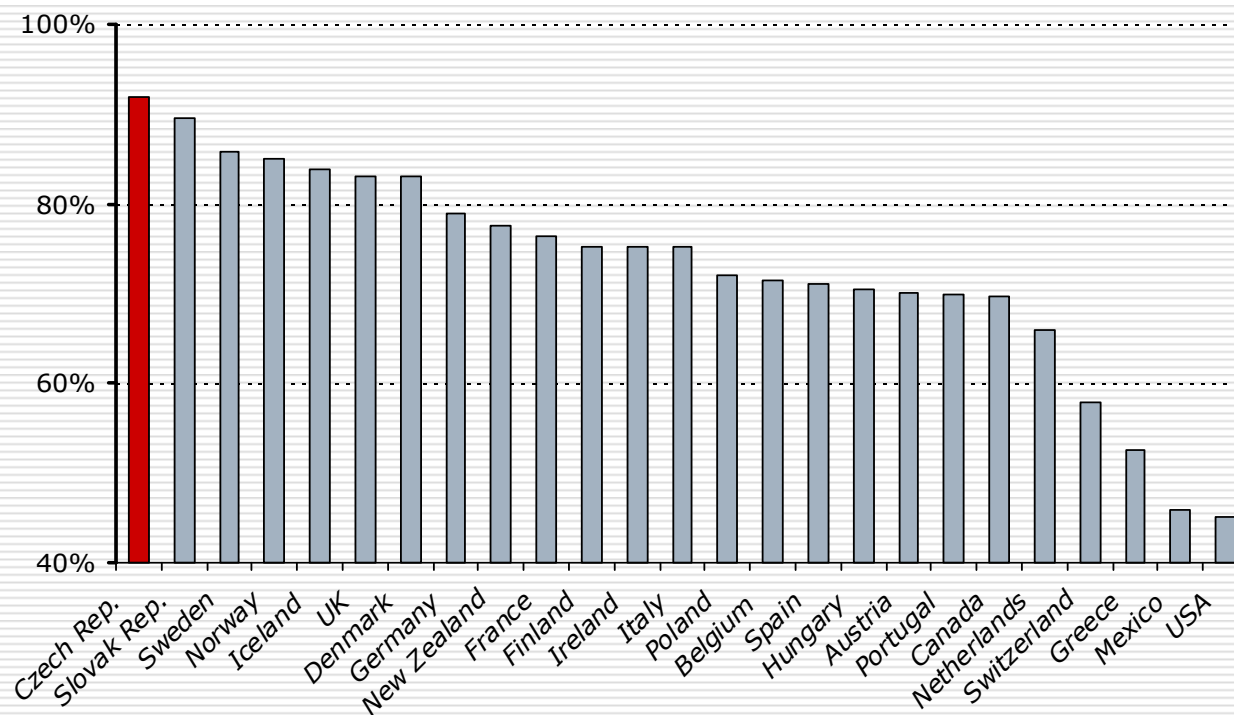
- Income-based compulsory contributions



Source: OECD Health Data 2004

Funding the Healthcare System

Public expenditures as a share of total expenditures on healthcare, OECD countries, 2002



Source: OECD Health Data 2004

Reason for Change: Funding

Medium to long-term challenges

- population aging
- new technology and medical progress
- rising expectations and demands of people

⇒ *Need for more financial resources devoted to healthcare and related services*

Public finance limited, no possibility to handle deeper public deficits nor higher taxes

⇒ *Need for more private funds for Czech healthcare system*

Financing and Contracting the Health Services

Multiple payers system since 1993

- 9 insurance companies, practically non-competitive due to no space for competition concerning the contracting nor the offer of insurance and related services

Contracting – collective negotiation (bilateral monopoly bargaining by segments)

- large consensus needed for an agreement ⇒ negotiation in this form dysfunctional
- when no agreement reached between payers on one side and providers on the other, Minister's decree setting price and volume; conflict of interests of the Ministry of Health

⇒ *Extensive increase in health care costs since 2000*

⇒ *Relative price deformation → disproportions in financial remuneration of different medical professions*

Consumer Status

Compulsory social health insurance system

- Freedom to choose health insurance company (once a year)
- Freedom to choose health care provider
- Very general health insurance coverage by law → no real choice in terms of variety in health insurers' provision (insurance packages and related services)

However, no limits on out-of-pocket payments...

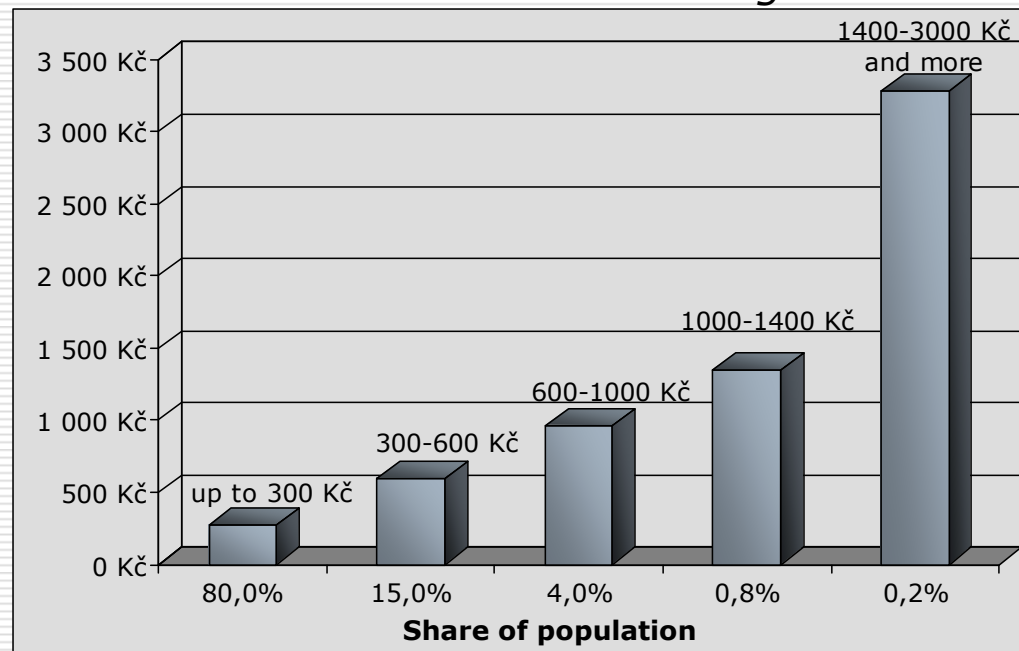
⇒ *Though out-of-pocket payments in total don't make up a big share of healthcare expenditures, for affected individuals they may constitute a significant financial burden*

Despite declared free and equal access to health services for all,

...there do exist differences in:

1) Financial accessibility of health services

Additional charges for drugs partly covered by social health insurance and their distribution among Czech citizens in 2004



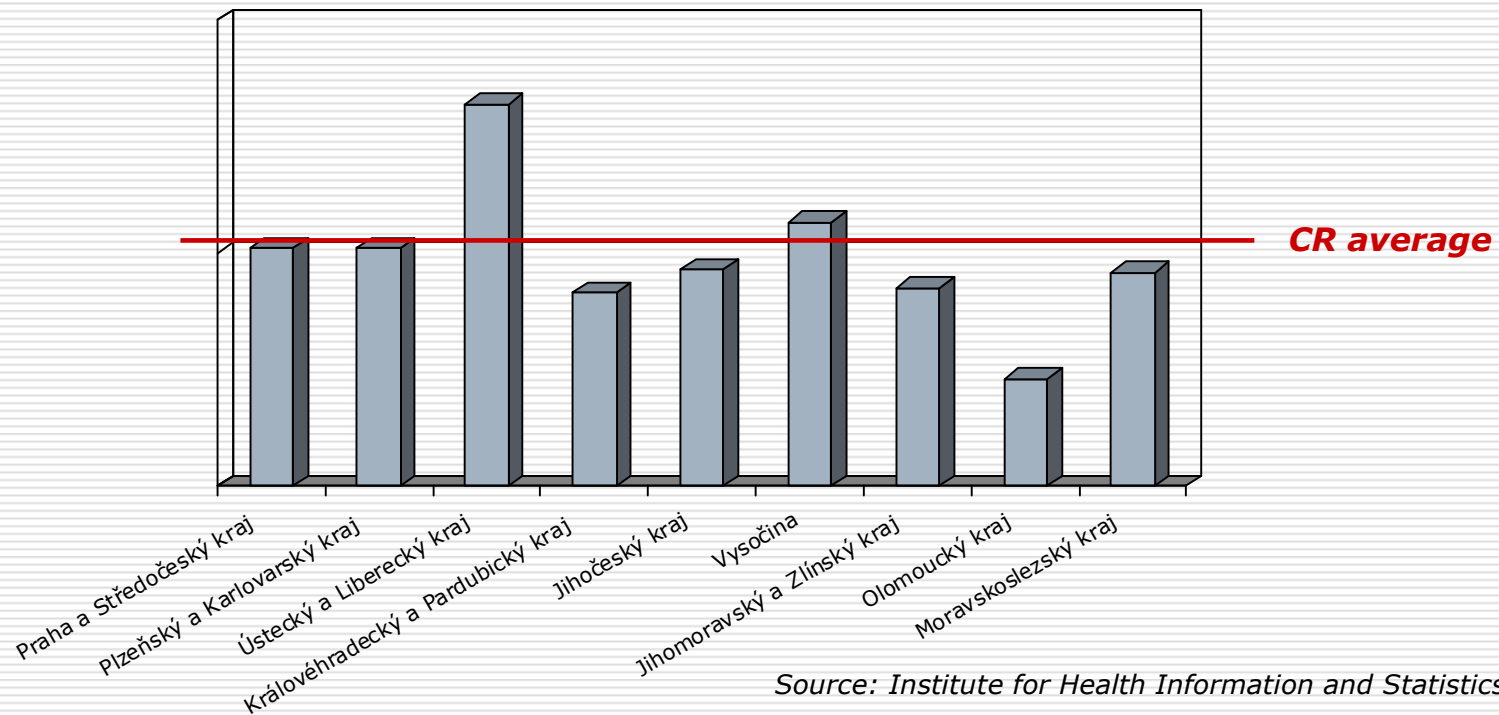
Source: Data from Czech health insurance companies and Cegedim company, analysis by Health Reform.cz

Despite declared free and equal access to health services for all,

...there do exist differences in:

2) Geographical accessibility of health services

Numbers of pieces of selected medical equipment per 1,000 inhabitants in the Czech Republic in 2003 - lithotryptors

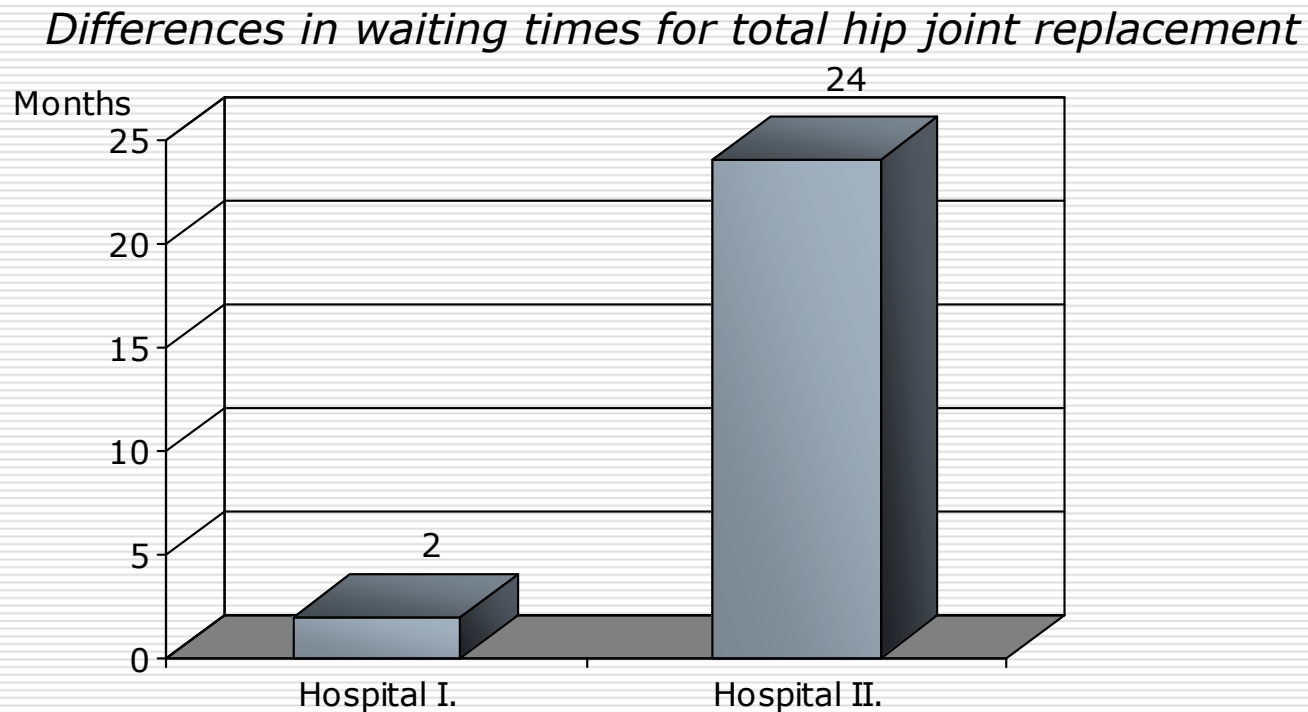


Source: Institute for Health Information and Statistics CR

Despite declared free and equal access to health services for all,

...there do exist differences in:

3) Time accessibility of health services

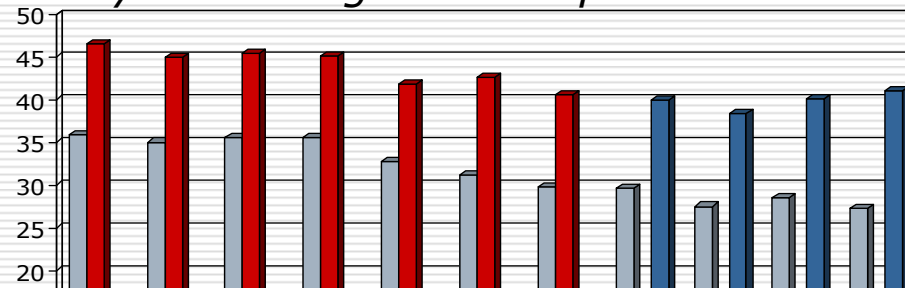


Source: Telephone survey, Health Reform.cz

Despite declared free and equal access to health services for all,

...there do exist differences in accessibility and also in quality:

Regional disparities in mortality in the Czech Republic – mortality of men aged 60-74 per 1000 men of the same age



THESE ALL, by itself, with each other, and together with others yet not mentioned, ARE SERIOUS ARGUMENTS AND MOTIVES FOR CHANGE in Czech healthcare system.

Thank you for your attention.

