

## EU support to health care in Serbia

### From emergency assistance to supporting institutional reform

Ensuring good quality health care for all its citizens is one of the defining features of many European states, especially those within the EU. In the former Yugoslavia, health care had reached a relatively high standard by the 1970s. But with the break-up of the country and the conflict, economic decline and sanctions of the 1990s, health care deteriorated sharply. By the time democratic changes took hold in Serbia in 2000, the health service was in disarray. The government knew it had to restructure the health services to meet the needs of its citizens in very changed circumstances – to face the new realities.

The EU, working through programmes managed by the European Agency for Reconstruction, has played a significant part since 2000 in helping the Serbian health sector move forward: support so far totals some €100 million.

Initially, the focus was on emergency assistance to address a crisis in the health sector, in particular critical shortages in key medicines and medical supplies. That was followed by programmes designed to help rebuild some of the health sector infrastructure, including hospitals and the blood transfusion service. Over the years there was also a continuous emphasis on supporting institutional reform: the past six years have seen significant progress in areas such as reform of the National Health Insurance Fund, developing preventative health care and public health education.

Total EU assistance to health in Serbia since 2000:  
**€100 million**



### The main results

- Essential medicines and medical supplies provided to 160 public pharmacies and 175 health institutions
- New blood transfusion service
- Establishment of a National Medicines and Medical Devices Agency
- Set-up of a Health Information System
- Establishment of a new School of Public Health
- Restructuring of primary health care services, including the creation of 25 preventive health centres
- Reference public laboratory system set up
- Reform of National Health Insurance Fund 'underway'
- Reform of Ministry of Health including training of its staff
- Launch of projects to renovate 20 regional hospitals and four university clinical centres in cooperation with the European Investment Bank

## Dealing with the crisis in 2000

In 2000, the prime challenge was the shortage of essential medicines. By then, conflict, economic mismanagement and sanctions, had led to a virtual standstill in the national production of essential medicines. There were critical shortages of medicines to treat some of the most prevalent conditions such as diabetes, asthma, cancer and cardio-vascular diseases.

The EU provided €20 million to purchase essential medicines and medical supplies. These were delivered to some 160 public pharmacies and 175 health institutions throughout Serbia. They were largely locally produced, thus giving an important kick-start to reviving the national pharmaceutical industry.



"One smoker, many victims": poster produced under an EU-funded anti-smoking campaign run by the Serbian Ministry of Health. It was awarded the WHO Europe region award for best campaign in May 2007.

## Rebuilding and reforming the Serbian health care sector

The health care system in the former Yugoslavia was centrally managed and vertically structured. It had largely stood still since the 1970s and lacked modern management concepts and techniques. And this had been compounded by significant under-investment during the years of failed economic policies and sanctions. When the new democratic government took over in 2000 it was confronted with dilapidated health facilities, outdated equipment, and low-paid, demoralised staff.

The new government recognised the importance of restructuring the health sector to make it more efficient and relevant to the needs of the people. As a first step the EU, through the Agency, supported the Ministry of Health in developing a short- and medium-term strategy by funding a study on the 'national burden of disease'. This provided reliable information on

disease patterns, on affected population groups, and on deficiencies in medical services, coupled with recommendations for cost-effective interventions to improve the health sector. Smoking, alcohol abuse and other unhealthy life style patterns were shown to be taking their toll with cardiovascular diseases, lung cancer, depression and diabetes responsible for 70% of the total burden of disease.

Following that analysis, and after having addressed the emergency pharmaceutical needs, EU assistance focused on four broad areas:

- Preventive health care
- Health care infrastructure
- Institutional reform
- Public health education and training

### *Preventive health care*

Preventive health care services had formed the cornerstone of primary health care in the former Yugoslavia. The EU, through the Agency, supported the Ministry of Health in re-establishing the concept of preventive health services. Initially, this led to the creation of 25 preventive health care centres. The Ministry then built on this with a country-wide approach in which they promoted preventative health care strategies. Guidelines for preventive interventions and disease treatment were developed following an in-depth analysis of the best European standards and practice. This included the prevention, diagnosis and treatment of some of the most important diseases such as diabetes, hypertension and the most common forms of cancer.

### *Health care infrastructure*

The provision of safe blood is essential in any modern health service. But neglect and a lack of investment had led to a serious decline in Serbia's blood transfusion service. With the support of some €5 million from the EU, a major restructuring of the service got underway in 2002. Projects managed by the Agency contributed to the reorganisation of the service, the construction of new blood transfusion centres, the purchase of new equipment, the introduction of quality assurance methods, the drafting of a new blood transfusion law and the launch of a national blood donation campaign.

Staff were given training on improving the safety of blood donations and blood-based products. As standards improved, the number of voluntary blood donations increased and the project now stands as an example of successful institutional reform.

The long years of underinvestment had also led to the abysmal state of the infrastructure in many health



Poster produced under an EU-funded campaign on patient registration run by the Health Insurance Fund and Ministry of Health

care facilities. Urgent action was needed. The Agency supported the Ministry of Health in preparing a financing proposal to the European Investment Bank (EIB) for an emergency investment package. The EIB provided a loan of €50 million for the refurbishment of 20 regional hospitals and the National Vaccine Institute. The Agency also provided technical assistance linked to the implementation of the loan. This included funding introductory classes in modern hospital management techniques, training the top hospital management, and helping the Ministry of Health with the contracting for refurbishment and re-equipment of the hospitals.

In December 2006, the EU assisted the Ministry of Health in obtaining a second loan of €200 million from the EIB. This made the strategic modernisation of four university clinical centres possible. All four centres – Belgrade, Nis, Novi Sad and Kragujevac – will now be able to rationalise hospital space in order to decrease costs and provide contemporary health care services, introducing single-day hospital stays for minor surgery.

The EU, acting through the Agency, is also supporting the Ministry in developing a tertiary health care strategy with a view to decreasing the number of hospital beds by more than 1,000. The aim is to contain costs and to ensure sustainability. A particular challenge under the EIB loan is the refurbishment and reorganisation of the Clinical Centre of Serbia in Belgrade, which by number of patient beds (3,700) ranks as one of the largest hospitals in the world. Assistance is being provided to a special project unit of the Ministry with advice on EU procurement procedures, which govern the loan.

### *Institutional reform*

Reforms in financing the health care system had to go hand-in-hand with the restructuring of the sector. The Agency funded the creation of a modern electronic health record, similar to those found in many EU countries, for the transfer of data between different health facilities. It enables the health financing system to better monitor and control expenditure. Relevant and updated data on diseases and patients also allows the Ministry of Health to better formulate strategies for the sector. In addition, the EU, working through the Agency, contributed to the reforms in health financing by providing support for a new pay system for doctors working in primary health care. Under the new “capitation” system, doctors are paid according to the number of patients they actually treat, as opposed to the old system under which they received a fixed salary regardless of their work levels.



Effective public health laboratories are also a key element in an effective modern health service. They are essential in providing a wide range of diagnostic and analytical services for the assessment and surveillance of communicable, non-communicable, genetic and chronic diseases, as well as addressing environmental health concerns. The EU, through €5 million in technical assistance and equipment projects managed by the Agency, has helped to support the creation of reference public health laboratories for specific diseases in Serbia, following the example of other laboratories across Europe. The Agency assists the restructuring and modernisation of other public health laboratories in Serbia to ensure disease diagnostics and surveillance practices are in line with EU and WHO standards.

## Public health education and training

As part of the drive to prevent disease and the resultant costly treatments, public health management and health promotion have in recent years become academic disciplines in their own right. EU assistance, managed by the Agency, has helped to fund a new School of Public Health within the Belgrade University School of Medicine. It offers a Master of Public Health degree, based on internationally recognised standards, and which is fully accredited by the Association of Schools of Public Health in the European Region.

In addition, a comprehensive capacity building programme for middle- and high-level health managers is expected to start in early 2008. In the past, recruitment in the hospital administration in Serbia was often based on the political affiliation of candidates, rather than on merit and competence. A new EU-funded project will train some 2,000 health managers in business practices and standards to help them run health facilities efficiently, using modern management techniques. It will also set the foundation for a School of Health Management to educate competent and accountable managers in the future.

## What happens next?

Health care in Serbia has come a long way since 2000. Investments and the reforms undertaken by the Serbian government are yielding results. Local production of medicines and medical supplies is expanding and they are easily available across the country. A broad spectrum of health facilities, from local clinics to major hospitals, are being renovated and modernised throughout Serbia. There is a renewed emphasis on primary and preventative health care. Training is also being provided across a wide range of health professionals and managers.



EU assistance, managed by the Agency, has been an important factor in helping Serbian health care move forward. The EU plans further support to the Ministry in preparing for urgently needed reform and modernisation in areas such as the emergency medical services, paramedic training, a quality assurance agency within the Ministry of Health, and public education campaigns to reduce drug abuse amongst young people.

But much remains to be done. Ordinary citizens have seen some of what a well-run, modern health service can deliver. For Serbia, meeting those expectations – dealing with the new realities – through continuing reforms and investments in the health service is very much work in progress.




**European Union**

## European Agency for Reconstruction

The European Agency for Reconstruction is responsible for the management of the main EU assistance programmes in the Republic of Serbia (including UN-administered Kosovo), the Republic of Montenegro and the former Yugoslav Republic of Macedonia

For more information about the Agency, see:

 [www.ear.europa.eu](http://www.ear.europa.eu)

For the European Commission's Enlargement Directorate-General, see:

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