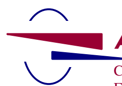
European
Research Area

EUROPEAN POLICYBRIEF



ASSPRO CEE 2007
Collaborative Focused Research Project
FP7-SSH-2007 Grant Agreement No.: 217431

Can patients in Central and Eastern European countries cope with increased charges for public health care services?

Preliminary findings of ASSPRO CEE 2007, an EU-funded research project assessing efficiency and impact of patient payments policies in Bulgaria, Hungary, Lithuania, Poland, Romania and Ukraine, as well as in Albania, Serbia and Russia.

Ongoing project **December 2011**

INTRODUCTION

Charges for public health care services are being extended all over Europe as a means to shift health care costs to consumers and to reduce the need of government funds. Such reforms are expected to restrict the deficit in the state budget but also to provide incentives to consumers for an efficient health care use and a healthier life-style.

The issue of patient charges occupies policy debates in Central and Eastern European countries even though it remains controversial in most of these countries. Above all, patients in this European region are already paying a variety of charges (both formal and informal), which impose a considerable burden on their household budgets. Would they be able to cope with new or increased formal charges?

Taking this question as a perspective, the research by project ASSPRO CEE 2007 shows that increased patient charges are necessary to make health care provision more efficient. However, in Central and Eastern Europe, there are major health system problems that should be resolved before such reforms can be successful.

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POLICY CONTEXT

Diversity and dynamics of patient payments in Europe

Patient payment policies in Europe are rather diverse. As a result, European patients meet different payment obligations when they use public health care services depending on the country of residence.

These differences not only refer to the payment levels but also to the form of payment, i.e. fixed-rate co-payment, co-insurance and/or deductibles. In addition to formal patient payments, in some parts of Europe, informal (unofficial) payments are also reported. They take a number of forms ranging from the ex-ante cash payment to the ex-post gift in-kind.

There is a link between the mix of formal and informal patient payments in Europe, and the countries' structural differences in terms of economic development, quality of governance, social values as well as changes in political and economic circumstances.

Formal obligatory/unavoidable service fees in addition to other patient charges	not reported	some cases	relatively widely spread
yes	**2** Belgium, Cyprus, Finland, Germany, Iceland, Ireland, Netherlands, Norway, Portugal, Slovenia, Sweden, Switzerland	**3** Austria, Croatia, Czech Republic, Estonia, France, Italy, Luxembourg	**5** Albania, Bulgaria, Latvia, Lithuania
no	**1** Denmark, Malta, Spain, UK	**4**	**6** Greece, Hungary, Poland, Romania, Russia, Slovakia, Turkey, Ukraine

Informal patient payments

Formal patient charges are present in all European countries regardless of countries economic development and level of health system financing. Nevertheless, only some countries rely on obligatory user fees for physician visits and hospitalizations. The level of these fees varies considerably, for example from about 1 Euro per visit in Bulgaria, Czech Republic and Latvia, to more than 20 Euro per visits in Belgium, Ireland and Sweden.

At the same time, informal patient payments are mostly a phenomenon that characterizes former-socialist countries, although such payments are reported in other parts of Europe as well.

The existence of informal patient payments, to a great extent, can be explained by poor governance in a country. However, cultural differences between countries may also contribute to the explanation of the existence of informal patient payments.

EVIDENCE AND ANALYSIS

Data pool

The findings presented here are based on representative surveys among health care consumers carried out in the targeted countries. Data for Bulgaria, Hungary, Lithuania, Poland, Romania and Ukraine were collected in July 2010 as a part of project ASSPRO CEE 2007, and data for Albania, Serbia and Russia were obtained from existing datasets collected in previous years.

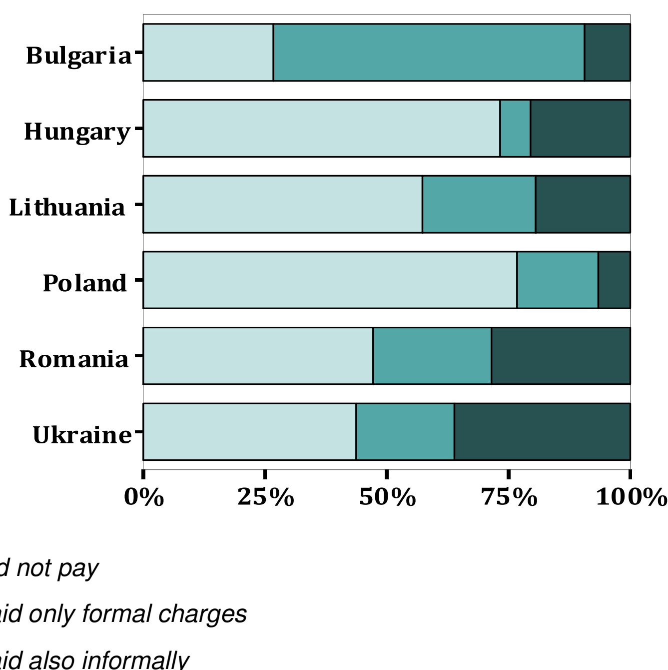
Payments for physician visits in CEE countries

Health care consumers in Central and Eastern European countries can be divided in three main groups: (1) those who use health care services but do not have to pay out of pocket; (2) those who use health care services and pay formal charges only; and (3) those who also pay informally. All three groups are present in the countries included in the project survey in July 2010: Bulgaria, Hungary, Lithuania, Poland, Romania and Ukraine.

With regard to physician visits, the group of health care users who pay for such services (either formally and/or informally) is the largest in Bulgaria, followed by Ukraine, Romania and Lithuania. For Bulgaria, this is mostly due to formal charges, while in the other three countries informal payments play a considerable role. In Poland and Hungary, the group of patients paying for physician visits is comparatively small. In Hungary, this mostly includes informal payments in addition to formal fees.

Payments for physician visits

Bars show % of those who visited a physician during the last 12 months



Did not pay

Paid only formal charges

Paid also informally

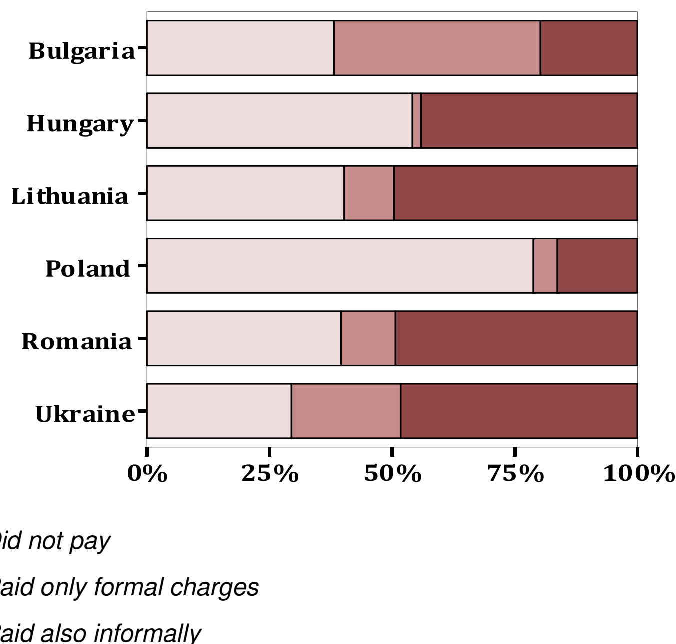
Overall, Bulgarian and Polish patients are less frequently confronted with informal payments when visiting a physician, compared to the rest of the countries. The group of patients who pay informally for physician visits is the largest in Ukraine and Romania, followed by Hungary and Lithuania. In all six countries however, a considerable part of health care consumers (about 10% to 40%) reports informal payments for physician visits, which means that these payments should not be neglected in policy decisions about formal charges.

Payments for hospitalizations in CEE countries

All three groups of health care consumers are also observed with regard to payments for hospitalizations. Similar to physician visits, Bulgarian health care users most often report only formal charges when hospitalized as compared to the other countries. However, in Ukraine, the group of patients who pay either formally or informally for hospitalizations is the largest. Ukrainian patients as well as patients in Romania, Lithuania and Hungary are also often confronted by informal payments for hospital services. In Bulgaria and Poland, the group of patients who pay informally when hospitalized is relatively small compared to the other countries.

Payments for hospitalizations

Bars show % of those hospitalized during the last 12 months



Did not pay

Paid only formal charges

Paid also informally

Out-of-pocket payments, and in particular informal payments, for hospital services are problematic because the costs of these services are rather high while the use of these services is often vital. Project results for Albania focused on the level and dynamics of informal payments indicate that “gifts” to medical staff represent a significant share of the out-of-pocket payments for hospital services in this country.

In Serbia, hospitalized patients pay formally and informally but also indirectly. By indirect payments, it is meant payments for medical goods that should be provided by the hospital to any hospitalized patient but the patient is required to bring these goods to the hospital. Such goods include hospital drugs, disposal material and devices. This indicates that formal fees for hospital services should take into account not only the existence of informal payments but also the indirect ones that result from the lack in hospital funding.

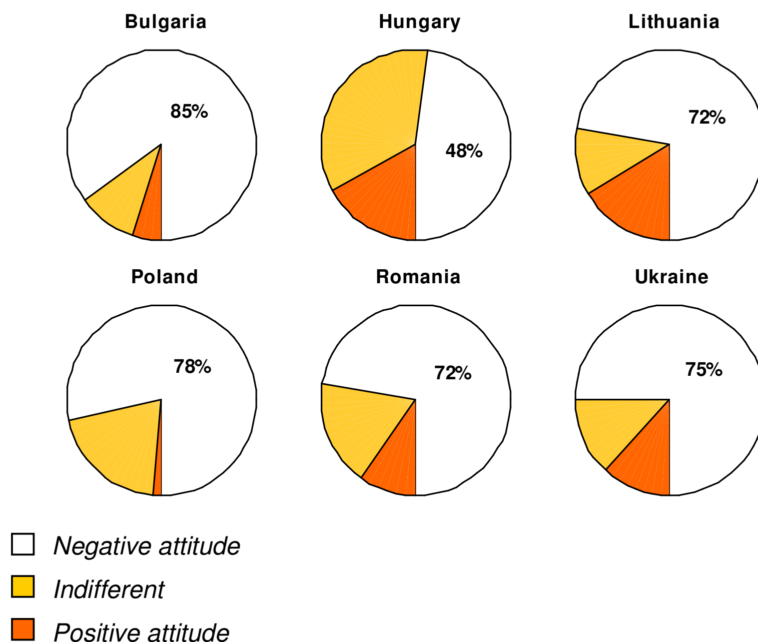
Attitudes towards informal patient payments in CEE countries

In few instances, informal payments are a true expression of gratitude. But they are also made due to the request or hint by medical staff and/or the patients' expectations to receive better care. The accumulated value of informal payments is considerable.

The general public in Central and Eastern Europe is interested in the solution to the problem of informal patient payments, but often accepts these payments as a means to receive more attention, better quality and quicker access when using health care services. Nevertheless, there are some significant differences between the countries. Health care consumers in Bulgaria and Poland mostly oppose informal cash payments, followed closely by those in Lithuania, Romania and Ukraine. A notable exception is Hungary where the majority of the health care consumers (52%) are either positive or indifferent towards this type of payments.

Attitudes towards informal cash payments for health care

Pies show % of actual and potential heath care users



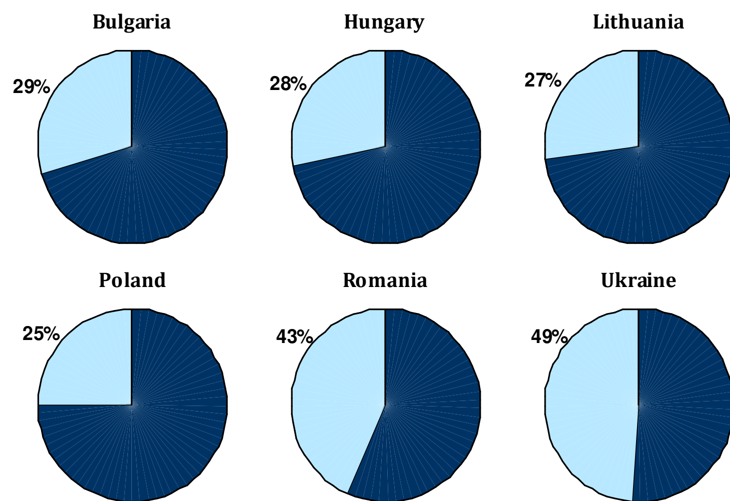
Patients are often unable to make a distinction between formal and informal payments, especially when they do not know the size of the formal fees prior to the service use. Some patients are unaware of possibilities to file a complaint when requested to pay informally.

The burden of out-of-pocket payments in CEE countries

Out-of-pocket payments for health care services represent a considerable burden in most Central and Eastern European countries. As the project results indicate, the accumulated patient payments affect the demand for these services forcing some patients to forgo health care. Other patients employ a different coping strategy by borrowing money to pay for hospitalizations but also for visits to physicians. The inability to pay is especially evident in Romania and Ukraine (reported by 43% and 49% of those in need respectively). In Bulgaria, Hungary, Lithuania and Poland, inability to pay is less often reported although the share of those unable to pay is still considerably large. This issue requires an immediate policy attention in Central and Eastern European countries.

Inability to pay for physician visits and hospitalizations

Pies show % of those in need of health care during the last 12 months (i.e. those who visited a physician, were hospitalized and/or forewent such services due to payments)



Did not have difficulties to pay for health care services

Had difficulties to pay – either borrowed money, sold assets, or forwent services

It is well known that small medical costs can produce a considerable burden for poor households but when patient payments are the main source of health expenditure, they can push even the wealthy households into poverty.

For example, the project results for Serbia indicate that 5% of health care users are shifted to the lowest poverty group as a result of patient payments. Most households find it difficult to recover from such a burden, especially if they are exposed to health costs during many subsequent years like it is in the case of chronic diseases. Although adequate exemptions of poor and frequent health care users are recommended, such mechanisms fail in Serbia.

In Russia, some groups eligible for free medication cannot benefit from this privilege due to unavailability of the medication.

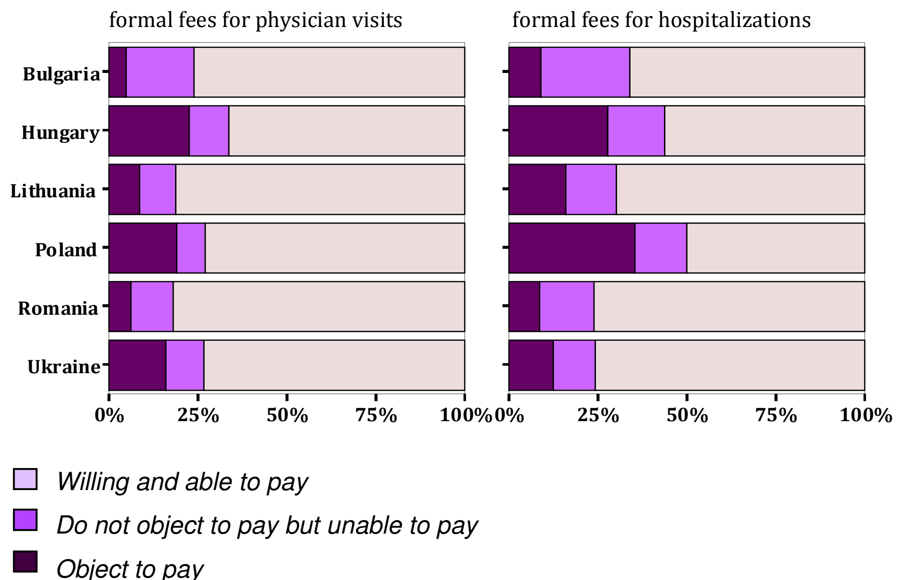
Willingness to pay for health care services in CEE countries

Majority of health care consumers in Central and Eastern Europe do not object formal fees for physician visits and hospitalizations when these services are provided with and adequate quality and access. This is especially apparent for Bulgaria and Romania. The fee objection is relatively stronger in Hungary and Poland especially in case of hospitalizations. Ukraine and Lithuania rank between these two groups of countries.

It should be noted however, that a relative large group of health care consumers in Bulgaria (about 20-25%) state that they are unable to pay such fees even though they do not object the fees. In the rest of the countries, this group is smaller but nevertheless, it represents about 8-16% of health care consumers in each country.

Willingness to pay formal fees for improved services

Bars show % of actual and potential heath care users



The relatively high willingness to pay for improved health care services is also reflected in the importance that health care consumers assign to quality, access, and price of health care services. When asked directly, health care consumers indicate that the amount that they are required to pay is relatively less important to them compared to quality- and access-related characteristics of health care. Only travel time is ranked lower than the price paid by the patients. The skills of the physician, attention of medical staff and availability of equipment and materials are most important.

Also, the results of the pilot study carried out in Ukraine prior to the survey, suggest that Ukrainian patients are somewhat indifferent towards the type of payment (formal or informal) as long as they receive an adequate service provision. Given the absence of a well-developed private health care sector in Ukraine, these results might well explain the high rate of informal patient payments reported in this country.

Overview of main findings

A large proportion of health care consumers in Central and Eastern European countries accept to pay formal fees for physician visits and hospitalizations in case these services are provided with an adequate quality and access. Quality and access improvements in the public health care sectors will be crucial for the acceptance of formal fees and the elimination of the informal ones. Health care consumers need to be assured that they can receive an adequate return for their payments. Otherwise, informal payments for better services might continue to exist along with the formal fees.

It should be considered however, that formal and informal patient charges are already imposing a considerable financial burden on household budgets especially for low-income groups. Total household spending on health care is found to have a catastrophic and impoverishing effect even on wealthier households but with chronically sick household members. An adequate exemption of poor and frequent health care users should be in place.

POLICY RECOMMENDATIONS

National level

- Introduce official/formal patient charges with an adequate exemption and fee reduction mechanism for those who cannot pay or who use health care frequently. Reinvest the revenue of formal charges to improve access and quality, and to increase the funding of the health care institutions.

- Establish close communication with the public to clarify the objectives and content of a future patient payment mechanism or its amendment.

- Create a transparent system of official patient charges and assure that information about official charges and free-of-charge services is available and easily accessible to patients prior to service use.

- Continue to invest in the improvement of health care quality and access to health care services, and assure adequate funding for the normal functioning of the public health care system. The prospect of improving overall quality and access in the public health care sector might decrease informal payments and make official fees more acceptable for consumers.

- Strengthen control and accountability in the health care sector and create a system of penalties for those who receive/request informal payments.

- Develop strategies for dealing with informal patient payments (incl. an adequate remuneration of health care professionals and an adequate level of health care system funding). Launch information campaigns targeting health care consumers, providers and policy-makers in order to mobilize opposition against informal patient payments.

- Provide incentives for the development of a private sector that leads to direct competition between public and private providers, but prohibit dual-practice by physicians.
- Create a simple and easily accessible system for filing complains by patients who are asked to pay informally for health care services.
- Deal with the prevalence of corruption at all social levels.

European level

- Encourage European countries to review the adequacy of their legislation on formal patient charges. This legislation should bring the patient-physician relationships into a legal realm, providing a place for physicians and patients to defend their rights.
- Stimulate European countries to carry out information campaigns at all social levels and among all system stakeholders to clarify the objective and mechanism of official charges. The social acceptance of these objectives is vital for the successful policy implementation.
- Appeal for more transparency in health care decision-making (e.g. on defining the basic health care package and setting charges for services within or outside this package). There is a need of more transparency in the use of revenues collected via patient charges.
- Stimulate European countries to improve the governance and accountability in their health care sectors and to create a transparent system of monitoring and control with regard to both health care use and payments for health care services.
- Develop professional codes of conduct related to non-medical activities of physicians and other health professionals at European level, where the request or acceptance of any informal payments (either in cash or in-kind), including gratitude payments and gifts is banned.
- Establish instruments to increase the awareness of European patients, physicians and policy-makers about the negative effects of informal patient payments, and promote patients' rights to health care services with an adequate quality and access with no informal charges or gratitude payments.
- Stimulate research on informal patient payments in Europe, in particular, as well as research on the measurement for corruption in the health care sector in general, that combines quantitative and qualitative research methods from a broad range of fields related to socio-economic science and humanities.

RESEARCH PARAMETERS

Regional focus

ASSPRO CEE 2007 focuses on six Central and Eastern European countries:

- Hungary and Poland
  (economically advanced Central European countries)
- Lithuania
  (economically advanced former Soviet republic)
- Bulgaria and Romania
  (less advanced countries from Eastern Europe)
- Ukraine
  (less advanced former Soviet republic)

Other Central and Eastern European countries (e.g. Albania, Serbia and the Russia) are also involved.

Objectives of the research

ASSPRO CEE 2007 aims to assess patient payment policies in Central and Eastern European countries and to evaluate their efficiency, equity and quality effects.

The project addresses the need for improved indicators for evaluating patient payment policy at European level. It also addresses the need of micro-level data from Central and Eastern Europe on health care payments and consumption.

By providing information on formal and informal patient payments - as well as on the willingness and ability of consumers to pay for health care services - ASSPRO CEE 2007 is expected to enable a rational policy choice regarding the design of patient payment policies, specifically in Central and Eastern European countries.

The project also aims to create a research network focused on the analysis of the Central and Eastern European health care systems, and to train young researchers from these countries.

Scientific approach/ Methodology

ASSPRO CEE 2007 relies on research methods from a broad range of fields related to socio-economic science and humanities. In particular, the project applies quantitative techniques (such as modeling, trend analysis, revealed and stated preference methods) combined with qualitative data to study micro and macro outcomes of patient payment policies.

The research within the project follows a uniform fashion: conceptualization of the problem, qualitative data collection, preparation of quantitative data collection, data collection, data analysis, and exploration of the analytical results for the purpose of policy assessment and policy analysis.
Currently the project activities are related to the second wave of quantitative data collection and data analysis. The key results from the first wave are summarized in this policy brief.

PROJECT IDENTITY

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Duration	1/03/2008 – 28/02/2013
Funding scheme	Collaborative Project
Budget	EC contribution: up to EUR 1,446,496
Website	www.assprocee2007.com
Further reading	For details see the project website: www.assprocee2007.com
Related website	Cordis SSH : http://cordis.europa.eu/fp7/ssh/ Europa SSH : http://ec.europa.eu/research/social-sciences/
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