



# Elderly non-working refugees to receive automatic healthcare insurance in Estonia

ESPN Flash Report 2016/31

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JUNE 2016

## Description

*From May 2016 onwards, non-working old-age beneficiaries of international protection will receive public healthcare insurance in Estonia. As they could not fulfil all requirements to receive state pensions, they would have been without healthcare insurance. Forecasts indicate that 3% of beneficiaries of international protection in Estonia will benefit from this legislation.*

Estonia, a country with total population of 1.3 million, has only recently started to accept asylum seekers under the European relocation scheme adopted in September 2015. By 16 June 2016, 19 people had been relocated to Estonia since the launch of the scheme (source: European Commission 2016). In addition, between 1997 and 2015, 172 persons (out of 821 applicants) obtained international protection (source: Estonian Government 2016).

An important gap in the legislation providing social protection to these people was in the field of healthcare insurance. Refugees do not receive automatic healthcare insurance, but have the same rights to social security and healthcare services as the other permanent residents. For example, all employees, self-employed persons, registered unemployed persons and pregnant women are covered by healthcare insurance, since either the employer or the state pays the healthcare part of social tax on their behalf. All children and people who receive a state pension – national pension, old-age pension or incapacity to work pension – are also fully covered by the insurance.

Refugees who are older than the statutory pension age (63 years in 2016, increasing gradually to 65 by 2026) are not eligible for Estonian state pensions,

because they have neither the 15 years of contributions required for the old-age pension, nor the 5 years of permanent living status in Estonia required for the national pension.

Therefore the beneficiaries of international protection who cannot work because of their age and who could not possibly acquire rights to receive the state pension, would be without healthcare insurance. They would then face the risk of high out-of-pocket healthcare expenditure or reduced access to healthcare services.

With the change adopted in March 2016 and effective since 1 May 2016, the government pays the healthcare part of the social tax on behalf of beneficiaries of international protection who do not work and who are older than the statutory pension age. All old-age beneficiaries of international protection are now covered by the healthcare insurance.

## Outlook & Commentary

This measure will have a minor effect on government finances but it is an important contribution to filling gaps in the social protection of refugees in Estonia.

According to the explanatory note accompanying the legislative change,

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there were only two elderly beneficiaries of international protection at the time when this change was adopted in March 2016. However, the maximum forecast is that about 20 people (or 3%) out of an expected total of 600 beneficiaries of international protection (of which 329 relocated under the EU scheme) could be of pensionable age and would benefit from the adopted legislative change.

The adopted legislation has a spill-over effect in terms of the overall discussion on healthcare financing and coverage in Estonia. Currently, about 5% of all residents are not covered by healthcare insurance and have access only to emergency care. It has been proposed by some studies (Thomson et al 2010, Praxis 2011) that all Estonian residents should be automatically covered by the public healthcare insurance. It has also been suggested by the Minister of Health and Labour that the Estonian government should pay the healthcare part of the social tax on behalf of all Estonian pensioners (Postimees, 2 May 2016), thus alleviating the financial stress on the Estonian healthcare insurance fund.

### Further reading

Legislative act: Välismaalasele rahvusvahelise kaitse andmise seaduse muutmise ja sellega seonduvalt teiste seaduste muutmise seadus (Amendment Act of the Act on Granting International Protection to Aliens and other related acts): <https://www.riigiteataja.ee/akt/106042016001>, accessed 29 June 2016

Estonian government: <https://valitsus.ee/et/pagulased>, accessed 29 June 2016

Explanatory notes on the act: 81 SE II. Muudatusettepanekute loetelu välismaalasele rahvusvahelise kaitse andmise seaduse ja sellega seonduvalt teiste seaduste muutmise seaduse eelnõule (List of amendments to the Amendment Act of the Act on Granting International Protection to Aliens and other related acts): <http://www.riigikogu.ee/download/f0208dcc-fa34-4a8d-b688-625bfdae603c>, accessed 29 June 2016

European Commission. 2016. Relocation and resettlement - State of Play, 15 June 2016, [http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/european-agenda-migration/background-information/docs/20160615/factsheet\\_relocation\\_and\\_resettlement\\_state\\_of\\_play\\_en.pdf](http://ec.europa.eu/dgs/home-affairs/what-we-do/policies/european-agenda-migration/background-information/docs/20160615/factsheet_relocation_and_resettlement_state_of_play_en.pdf), accessed 29 June 2016

Lai T, Habicht T, Kahur K, Reinap M, Kiivet R, van Ginneken E. 2013. Estonia: health system review. Health Systems in Transition; 15(6):1–196: [http://www.euro.who.int/\\_data/assets/pdf\\_file/0018/231516/HiT-Estonia.pdf?ua=1](http://www.euro.who.int/_data/assets/pdf_file/0018/231516/HiT-Estonia.pdf?ua=1), accessed 29 June 2016

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care insurance contributions on behalf of pensioners), <http://tervis.postimees.ee/3678361/ossinovski-riik-peak-hakkama-pensionaride-ravikindlustuse-ees-maksma>, accessed 29 June 2016

Praxis. 2011. Eesti sotsiaalkindlustussüsteemi jätkusuutliku rahastamise võimalused (Possibilities of Sustainable Financing of Estonian Social Security System). Tallinn, [http://www.praxis.ee/fileadmin/tarmo/Projektid/Tervishoid/Eesti\\_tervis\\_hoiu\\_rahastamise\\_jatkusuutlikkus/Eesti\\_sotsiaalkindlustussüsteemi\\_ja\\_etkusuutliku\\_rahastamise\\_voimalused\\_taeisversioon.pdf](http://www.praxis.ee/fileadmin/tarmo/Projektid/Tervishoid/Eesti_tervis_hoiu_rahastamise_jatkusuutlikkus/Eesti_sotsiaalkindlustussüsteemi_ja_etkusuutliku_rahastamise_voimalused_taeisversioon.pdf), accessed 29 June 2013, accessed 29 June 2016

Thomson S et al. (2010). Responding to the challenge of financial sustainability in Estonia's health system. Copenhagen, WHO Regional Office for Europe [http://www.euro.who.int/\\_data/assets/pdf\\_file/0003/107877/E93542.pdf?ua=1](http://www.euro.who.int/_data/assets/pdf_file/0003/107877/E93542.pdf?ua=1), accessed 29 June 2016

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