2006 CSIS Health Care Conference
May 3 - 4, Washington, DC

Financial and Regulatory Aspects of the Health System in Romania

National Institute for Research and Development in Health (NIRDH), Bucharest, ROMANIA
Presentation content

- Current status of health system financing
- Involvement of innovative mechanisms for better health system financing
- Recent regulatory aspects regarding health system reform
- Conclusions
Current status of financing (I)

- National Health Insurance House (the main funding agency – over 80% of all health expenditures) basic package of health services
- Ministry of Health National Programs, investments
- Out of pockets payments user charges and co-pay
- Private (Voluntary) Insurance Schemes
- Local authorities
- Other (international donors, charity etc.)
Current status of financing (II)

- The hospital care providers are the main users of National Health Insurance House funds (over 60% of all funds)

- During the last five years – continuous increased amount of funds available for hospital care, but:
  - Hospital debts goes up
  - Patient satisfaction goes down
  - Professionals satisfaction goes down
  - Quality of care – heterogeneous across the country
Measures for hospitals crisis

• Development of new hospital payment mechanisms, in order to stimulate better efficiency and quality of care:
  - Introduction of case based financing using DRGs for acute inpatient care
  - Different payment systems for acute, chronic and same day care etc.

• Introduction of new regulations at hospital level for a better hospital management (hospital managers with management contract, clarification of conflict of interests etc.)
Development of hospitals DRG payment (I)

• An example of a process of research, development and implementation of results

• One pilot project in one hospital (1999-2001, with USAID and local funds) in order to develop local expertise and test international tools

• One national project in 23 hospitals (2000-2002, with USAID and local funds) in order to develop and test local tools required for a national rollout of the DRG system
Development of hospitals DRG payment (II)

• National rollout at 276 acute care hospitals (2003-2005), based only on local funds, expertise and efforts (National Institute for Research and Development in Health – NIRDH, together with National Health Insurance House)

• Continuous improvement of the system, based on R&D activities done by NIRDH

• From 2005, there is an EU funded project that supports R&D and technical assistance for DRG system development
Development of hospitals DRG payment (III)

• Requires for the future an increased capacity of R&D in order to implement the targets established by the DRG financing strategy:
  - Introduction of Australian AR-DRG from 2007
  - Development of Romanian cost weights and the unique national tariff
  - Development of Romanian classification system ROR-DRG from 2009 etc.

• Provides a basis and represents a good example of cooperation for R&D with other countries (Hungary, Slovenia, Bulgaria etc.)
Regulatory aspects

• All these R&D and implementation activities are based on regulatory measures (Governmental Decisions, Ministerial Orders etc.) that concern:
  - Development of institutions (e.g.: NIRDH)
  - Financing of activities (from different sources)
  - Establishment of the strategy and targets etc.

• There is a need for coordination of DRG development with the other aspects of health care reform (e.g.: ambulatory care, hospital management etc.)
Conclusions

• The R&D is the one pillar for implementation of health care reform (the development of DRG system in Romania is an example)

• The health care reform needs more and more studies, analysis, facts that support evidence-based decision making

• Cooperation between countries with similar problems (e.g.: ex-socialist countries) and share of experience is always benefic, could avoid mistakes and provide a cost-effective usage of limited funds
At the end

• Thanks for your attention and I’m waiting for your questions and comments

• Best wishes from NIRDH and Romania!

• Contact:
  • fsologyuc@incds.ro
  • contact@incds.ro