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*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:
 - fsologiuc@incds.ro
 - contact@incds.ro

