The aim of the study is to evaluate the impact of the economic and financial crisis on the health care sector during 2008 and 2009 in Lithuania.

Methods. Comparative analysis of the data from 2008 and 2009 were used in order to compare the changes of the indicators before and after financial economic crisis. Three types of possible impact were assessed: financial impact, quality of life impact indicators and political decisions impact.

Facts and findings. In financial terms, health care budget in 2009 remained the same as in 2008. Cost-sharing and out-of-pocket payments have increased. Funding of health prevention and health promotion programs was increased, as well as for long term care. There was no major increase of unemployment rate in health care sector. Access to health care was not changed. The death rate was decreasing from the most courses of deaths. Avoidable deaths courses show positive tendency. Quality of life indicators were improving due to the alcohol policy and traumas prevention measures in the country. Political decisions on the reform of social and health insurance systems were taken by involving all persons in payment of separate health insurance contribution. Some political decisions concerning alcohol consumption, tobacco and accidents prevention were accepted. The plans of restructuring health care institutions and also improvement of the access to medicines and new price policy has been prepared and started. Reorganization of public health and institutions was performed.

Conclusion. The impact of financial and economic crisis and the first round of economic stability measures for the 2009 had very small impact on health care sector, but the plans for restructuring health care sector might affect it in the future.

Key words: financial and economic crisis, impact, health indicators

The impact is not especially evident in the current situation. However, it shall reveal itself to a greater extent in the future. The impact will become especially apparent in the forthcoming years, when quality of life indicators will be compared and evaluated in the longer period. In 2009, Lithuania has started to implement structural changes of the continuous health care reform, which need to follow the national health plan draft for restructuring of the health care sector. Meanwhile, a comparison of a few short-term indicators can be presented and assessed. As this exercise will not provide the full view of the present impact, the evaluation should be revised in the future.

Some comparison of the indicators pertaining to the effectiveness and efficiency of health care systems in Lithuania and the EU is demonstrated in Table 1.

The World Bank mission in Lithuania in May 2009 stated that “although there are achievements made during transitional period in the health care system there are many possibilities to improve effectiveness and efficiency” [2]. This report was taken as a serious warning and the Lithuanian Government publicly acknowledged the need to reform all three — social, health and education — sectors. The Government considered the plan for the health care reform prepared by the Ministry of Health (MoH).

In the area of public health, some political decisions regarding control of alcohol and tobacco consumption were made in 2008 and 2009. These decisions were taken in line with the program of the Government. These measures produced some positive results in terms of health status of the population even in the short run. In terms of alcohol and tobacco consumption, if these decisions would not have been taken, economic and financial crisis could have produced somewhat negative effects.

On the supply side, this study attempted to find whether the economic and financial crisis may have lead to a reduction in the level of funding of health and long-term care services as a result of budget cuts and lower tax revenues. There was a 6.4 percent reduction of the health care budget in 2009 and 8 percent in 2010 [4]. The demand for health and long-term care services was investigated to ascertain whether the increase occurred as a result of a combination of factors that contribute to deterioration of the health status of the general population.

Work-related factors - such as job insecurity and stress at workplace, lower employment prospects and disposable income, unemployment and etc - have a direct influence on living conditions (nutrition, housing, education, transportation and environment) and life-style choices (alcohol and tobacco consumption, and substance abuse) of the general population and may lead to the worsening of its physical and mental health status, behavior and well being.

AIM OF THE STUDY

This study aims to provide some evidence of the impact of the current economic and financial crisis on the health care sector as well as information
There is a mixed health financing system in Lithuania. The State Health Insurance Fund (SHIF) is a key financial recourse of the health care system. It is approved and amended by the Parliament on an annual basis. Prior to the economic and financial crisis, the fast growth of GDP resulted in a considerable increase of the SHIF budget. The increase was mostly related to the growth of medical staff salaries. Accordingly, the budget of SHIF for 2008 amounted to LTL 4 386 776 thousand (EUR 1.284 billion); and LTL 4 686 979 thousand (LTL 300 203 thousand or 6.84 percent more) were approved for 2009 [5]. At the end of 2008, it became obvious that macroeconomic indicators in Lithuania were deteriorating. The reduction in tax collection and increase of unemployment aggravated the collection of SHIF budget. At the end of December 2008, the State budget was amended and LTL 4 388 415 thousand (LTL 298.6 million 6.4 percent less) were approved. In 2010 LTL 4 005 136 thousand (8 percent less) were approved as Figure 1 provides[6, 14].

Consequently, the SHIF budget for 2009 has remained the same as the budget planned for 2008. Although theoretically and legally this would not necessarily create negative outcomes for the health care system, in practice the main problem emerged when health care institutions had to pay the increased salaries in line with the new payment regulations adopted in May 2008. Although this increase was not anticipated in the budget for 2008, it had to be reflected in 2009. Consequently, the same amount for 2009 meant that health care institutions were lacking money to pay the increased salaries. As the State Patient Fund reduced pay- ments for all services by cutting down the point value from 1 to 0.89, in 2009 and to 0.81 in 2010, health care institutions fell short of the budget by approximately 11 percent on the average. To survive, health care providers made plans involving reduction of expenses including salaries. The greatest expenditure cuts were made in the area of property acquisitions. A number of institutions had to design norms and standards regarding the medications and other means used for treatment of patients. Others had to increase some service rates for their patients asking them to buy some medications out of their own pocket. As acquisitions of new technologies were planned from the EU structural funds and national programmes of investment, institutions refused acquiring new equipment from their own budgets. Still, some health care providers had to cut staff numbers, offer employees an unpaid leave or take other similar measures.

**METHODS**

Comparative analysis using the data from 2008 till 2010 was used in order to compare the changes of the indicators before, during and after financial economic crisis. The limitation of the study was availability of short term data only. So, continuation of the research might adjust some findings. The structural set of indicators in three groups of possible impact was assessed: financial impact, indicators of quality of life impact and political decisions impact. The most vulnerable indicators for the time of crisis were chosen for evaluation. Financial impact was measured by comparing overall financing of health care from the State insurance fund, cost sharing and out of pocket payments, funding of health prevention and promotion programs and also long term care as well as changes in the number of people not covered by the compulsory medical insurance. Inpatient care indicators as number of treated patients and of working personnel were assessed in order to compare access to health care during crisis period. Impact for the quality of life indicators was evaluated by comparing death rate of the population and death rate from the various courses of death. Also morbidity rate, changes in number of alcohol related diseases. Impact of political decisions was evaluated by descriptive analysis of what decisions were taken or the policy measures are planned by the Lithuanian Government in order to mitigate effects of financial and economic crisis in Lithuania.

**FACTS AND FINDINGS**

I. The impact on health care expenditure during the period 2008-2010

<table>
<thead>
<tr>
<th>No.</th>
<th>Title of the indicator</th>
<th>Lithuania 2009</th>
<th>EU average</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Total</td>
<td>Old member-states</td>
</tr>
<tr>
<td>1</td>
<td>Number of hospitals per 100,000 population</td>
<td>4.88 (3.41 without nursing hospitals)</td>
<td>2.97</td>
<td>3.10</td>
</tr>
<tr>
<td>2</td>
<td>Acute care/short stay hospitals per 100,000 population</td>
<td>2.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Number of family doctors per 100,000 population</td>
<td>82.30</td>
<td>96.7</td>
<td>102.4</td>
</tr>
<tr>
<td>4</td>
<td>Hospital beds per 10,000 population</td>
<td>81.60 (68.3 without nursing hospitals)</td>
<td>56.4</td>
<td>55.3</td>
</tr>
<tr>
<td>5</td>
<td>Number of beds in acute care/short stay hospitals per 10,000 population (with the exception of nursing and palliative care, tuberculosis, mental health and medical rehabilitation)</td>
<td>50.10</td>
<td>39.5</td>
<td>37.5</td>
</tr>
<tr>
<td>6</td>
<td>Number of hospitalized patients per 100 population</td>
<td>24.70 (23.8 without nursing hospitals)</td>
<td>17.6</td>
<td>16.82</td>
</tr>
<tr>
<td>7</td>
<td>Number of patients hospitalized for acute care (with the exception of nursing and palliative care, tuberculosis, mental health and medical rehabilitation) per 100 population</td>
<td>22.10</td>
<td>15.6</td>
<td>15.4</td>
</tr>
</tbody>
</table>

Source: European health for all database: http://data.euro.who.int/hfadb/.
I.2. Funding for health prevention and promotion programmes

Health prevention and promotion programs are financed from the line “Expenses for health services programmes” of the budget of the State Health Insurance Fund. In comparison to 2007, expenses for prevention in 2008 were increased by 1.6 times (the greatest increase among all budget items) [4]. LTL 24 million were spent for preventive programs in 2008. Following the reduction of the budget in 2009, LTL 28 million were approved. In 2010 LTL 31 million were spent and LTL 36 million is planned for 2011 [7].

Table 2 demonstrates comparison of the positive changes in the budgets of prevention and promotion programmes for 2008 and 2009.

This allows providing more prevention and promotion services in 2009 and in 2010. The State Patient Fund reports that in 2009 and 2010, preventive services were provided to more people than in 2008 [7]. In 2009, the attention is focused on organization and quality of screening programs. The results are somewhat positive: many more women were checked for breast and cervix uteri cancer; more cases were detected in early stages and less — in stages II-IV. In comparison to the same period of 2008, prostate cancer screening was provided to a larger group of men. Colorectal cancer screening program was introduced in 2009.

I.3. Number of employees in the health care sector

Lithuania has a quite high number of doctors. There were 13 403 doctors (40,01 per 10 000 inhabitants), 2 287 dental care doctors (6,83 — 10 000) and 32 093 specialists with higher education.

I.4. Use of cost-sharing and out-of-pocket payments for health care

Even though there was no official political decision to increase cost sharing for patients, the analysis of information supplied by the State Patient Fund shows that health care...
I.5. Changes in the number of people not covered by the compulsory medical insurance

Every person in Lithuania has to be covered by health insurance according to the Law on the Health System and the Law on Compulsory Health Insurance. Employed people are insured through the system of income and social insurance taxes, self-employed residents have to pay contributions directly, and certain groups of people are insured by the State (i.e. unemployed, pensioners, children, pregnant women, or other socially vulnerable groups). This system permits the State increasing or decreasing the number of people insured by the State and the amount paid by State for each of them to ensure some stability of the health insurance fund during crisis. In the past, the number of people insured by the State was decreasing due to low unemployment. However, the number of employed people is decreasing due to the impact of financial and economic crisis and the Parliament has to approve the number of the State insured people according to the statistics of unemployment. The number of people insured by the State has been changing: in 2007, it amounted to 1908 thousand, in 2008, it totalled 1880 thousand. It was escalated to 2109 thousand in 2009 (Figure 2). Prognosis for 2011 is also not positive neither.

II. The impact of the economic and financial crisis on health indicators

II.1. Activities of health care institutions and health indicators

The first reduction of the health care budget had a minimal impact on the access to health care. Even though health care financing was reduced by 6.4 percent in 2009, it was mostly managed through reduction of salaries of health care personnel as well as cuts of some other expenses less related to the direct treatment process. Same tendency remains in 2010. Therefore, there was no obvious reduction in the access to health care institutions. Some hospital care indicators — such as the total number of treated patients - increased by 0.4 percent. Besides, Table 3 demonstrates that the prevalence of diseases diagnosed in health care institutions has decreased. It should be underlined that hospital care indicators — the number of treated patients, hospital death rate and the average length of stay — were improving. The total number of treated patients could have increased because of some impact of prophylactic health programs (e.g. the program for prophylactics of non-communicable diseases).

Analysis of the quality-of-life indicators and death rates by different causes demonstrated that in case of the most causes of deaths the death rate is decreasing by 3 percent except for suicide and circulatory system diseases. During the last years, Lithuania has been among the countries with the highest rates of injuries and suicide in the EU. It was extremely disturbing that this problem was becoming more and more associated with the youngest inhabitants of the country. Avoidable mortality has become the focal point for the political debate since 2007. In its’ report to the Parliament, the National Health Board has focused on this problem as well [11]. Some political decisions concerning alcohol consumption, tobacco and prevention of accidents were taken.

Comparison of morbidity indicators of 2008 and 2009 (Table 4) reveals some positive changes. Avoidable illnesses related to alcohol have especially positive trends.

Analysis of alcohol consumption rates demonstrated that alcohol was responsible for the majority of death of the Lithuanian population. In 2007, 2008 and the beginning of 2009, numerous political decisions in terms of reduction of alcohol and tobacco consumption were taken in Lithuania [12, 13]. A wide public movement was organized by the NGO entitled The Tobacco and Alcohol Control Coalition, which fights alcohol and tobacco use. The general public supported amendments to the Law on Alcohol Control, which resulted in new regulations. In comparison to 2007, there was a one-third increase in seizures of illegally produced alcohol in 2008, which might explain the reduction in the number of alcohol poisonings and alcoholic psychosis admissions. Besides, non-governmental organizations (NGOs) have become very active during this period, thus in November, 2008 The Baltic Tobacco and Alcohol Control Coalition — which unites Estonian, Latvian and Lithuanian NGOs — was founded. 2008 — The Year of Sobriety — became the first year registered by the Lithuanian Health Programme as the year of reduction in alcohol consumption: i.e. from 14.3 litres of absolute alcohol per person in 2007 to 13.2 litres in 2008 and 10.8 litres in 2009. Despite the decreasing demand for alcohol, in 2008, introduction of the higher excise duty increased tax revenues from alcohol by LTL 54 million (approx. €15.6 million) [15]. These funds could be used for treatment of alcohol-related diseases and prevention activities. Although The Year of Sobriety produced obvious results, the absolute amount of alcohol per capita in Lithuania is still greater than the safe limit suggested by the World Health Organization. The positive changes are likely to continue with successful implementation of scientifically-based alcohol control measures, which are likely to result in significant improvements in the health of Lithuanians. Excise duties on alcohol and cigarettes were increased, regulations prohibiting sale of tobacco products to young people were introduced, and smoking in cafeterias and public places was prohibited. As the result of these political decisions, health care providers report very promising data and compliment the Lithuanian Parliament for the courage to take such steps while facing the economic crisis. It is obvious, that if not for these changes in legislation, the economic and financial crisis would have boosted the consumption of alcohol and cigarettes in Lithuania. The number of alcohol-related fatal road accidents has been decreasing. Positive changes have clearly demonstrated that implementation of scientifically-based alcohol control and other measures have a significant influence on the overall road traffic safety and help saving lives and preserving health.

In comparison to 2007, the increase in the excise duty provided the State budget with the additional LTL 54.3 billion, yet the total sale of alcohol decreased by 7.6 percent. In all, the increase of the excise duty on alcohol resulted in the increase of the State revenues amounting to 5.2 percent [15].

Suicide rate was very high in Lithuania during the past decade. Unfortunately, negative trends have been
noticed during the current year of financial crisis as well. It is possible that economic and financial crisis had an effect on this indicator, besides it might have acted as one of the related factors. Further scientific investigation is needed in order to find out the reasons for these changes. Diseases of the circulatory system do not demonstrate a significant decrease, which could be related to the somewhat successful programme for prophylactics of cardiovascular diseases financed by the European Union structural funds and SHIF.

A 25 percent reduction in the numbers of patient deaths with communicable diseases also shows that there was no critical impact in the public health sector as one of the indicators of socio-economic life changed.

Hence, there is evidence that quality of life indicators were improving due to the alcohol policy measures that were undertaken in the country.

II.2. Restructuring of health care institutions

Lithuania since its Independence has inherited extensive health Institutions infrastructure, which is still quite a problem (see Table 1). Major steps in the field of restructuring of health care institutions have been done only since 2003-2005 when the Government adopted the restructuring strategy [16]. Certain changes are implemented in the structure of public health institutions: the Health Information Centre is merging with the Hygiene Institute, the Centre of Communicable Diseases — with the AIDS Centre, the Centre of Disaster Medicine — with the institution for storage of medicines, and the Alcohol Control Agency — with the Drug Control Department. The plan for restructuring of hospitals is currently under implementation. The process has not commenced yet, thus impact of restructuring shall be measured in future [17].

Numerous scientific international studies have demonstrated that an incorrect management of the change process may result in considerable consequences as well as have a negative impact on public health status. A recent publication in a scientific Lithuanian public health journal presented scientific evidence regarding potential effects of the restructuring on people who lost their jobs — “survivors” of layoffs — and their families as well as managers of the process and the general public. The probable after-effect of restructuring includes the psychosocial environmental changes, physical and psychological impairment as well as somatic illnesses [18].

The sociological study of a representative sample Eurobarometer [19] reports that the majority of employees in Lithuania consider their job to be too demanding and stressful in comparison with other Europeans (see Figure 4).
A study performed in 2010 shows very similar results [21]. The warning from the scientists maintains that change management is one of the top issues in saving the health of people.

II.3. Health and long-term care

The most vulnerable social groups — i.e. single parents, children, the elderly, people with disabilities — may find their access to health and long-term care services curtailed further by budget cuts and the increasing recourse to cost-sharing and out-of-pocket payments on the part of the health care and social services providers. Unfortunately due to the lack of information we cannot research this issue in Lithuania.

The quantities of applications to health and long-term care units have remained more or less stable during the recent year (Table 5).

The State Health Insurance Fund reported that the funding for the long-term care was increased by LTL 8.5 million (14.8 percent) in 2009. This allowed increasing the number of long-term care services (3.4 percent) even though the price is increasing.

III. Policy measures during the crisis

Lithuania is a small country; therefore its economy is relatively more dependent on export. Crisis made some push to make unpopular decisions. Thus, the economic situation is highly dependent on the demand in export markets. Although export rate in April 2009 plunged, in May and June it started improving and returned to the levels of 2006 [22]. At the same time, import is somewhat inflexible: Lithuania imports almost 90% of its primary energy. Import flexibility is reduced since the end of 2009 due to decommissioning of Ignalina Nuclear Power Plant, which was generating up to 70% of electricity. At the same time 85% of the registered share capital in the Lithuanian banking sector is the non-resident capital (mainly Scandinavian), which had no bankruptcy procedures. These developments have a major effect on the financial and economic crisis.

At the end of 2008, the Government introduced the Crisis Management Plan [22]. First of all, the State reduced its expenditure (salaries for public servants and investments) by approx. EUR 1.5 billion. Calculation method pertaining to salaries of politicians, judges, public servants and officials was adjusted to avoid the net increase of their salaries following a reduction of the personal income tax. The VAT rate was raised from 18% to 19% (later to 21%) and preferential rates were abolished for almost all services and goods, including pharmaceuticals. Besides, excise duties were increased, personal income tax was reduced from 24% to 21%, meanwhile the corporate income tax was increased from 15% to 20%. Lithuania is a 87(3)(a) region, therefore relies mostly on the EU structural assistance to help tackle the crisis [23]. Consequently, prices for medicines that are not compensated by the State have increased. Since September 2009, VAT was further increased to 21 percent [24]. Some measures were introduced before the crisis, other were foreseen or adopted under the National Economic Recovery Plan. The key measures in force for the period 2007-2013, are most likely to become the most effective incentives for economic recovery. These measures include the regional

### Table 4. The number of patients with the first diagnosis of alcohol-related effects in 2008 and 2009 in Lithuania

<table>
<thead>
<tr>
<th>Diagnosis</th>
<th>Code according to ICD-10</th>
<th>2008</th>
<th>2009</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>In numbers (+,-)</td>
</tr>
<tr>
<td>Toxic effect of alcohol</td>
<td>T51-T51.9</td>
<td>2434</td>
<td>1914</td>
<td>-520</td>
</tr>
<tr>
<td>Acute alcohol intoxication</td>
<td>F10.0</td>
<td>381</td>
<td>237</td>
<td>-144</td>
</tr>
<tr>
<td>Alcoholic psychosis</td>
<td>F10.4-F10.7</td>
<td>3822</td>
<td>3133</td>
<td>-689</td>
</tr>
</tbody>
</table>

Source: Data of the Health Information Centre based on the State Patients Fund’s database SVEIDRA

### Table 5. Long-term care indicators in the Lithuanian health care system during 2007-2009

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Long-term</td>
<td>Hospital</td>
<td>Long-term</td>
</tr>
<tr>
<td></td>
<td>care beds</td>
<td>beds</td>
<td>care beds</td>
</tr>
<tr>
<td>Nursing and long-term care</td>
<td>4243</td>
<td>29025</td>
<td>4400</td>
</tr>
<tr>
<td>Out of which palliative care</td>
<td>-</td>
<td>-</td>
<td>26</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>1310</td>
<td>16042</td>
<td>1290</td>
</tr>
<tr>
<td>TB</td>
<td>1277</td>
<td>6132</td>
<td>1267</td>
</tr>
<tr>
<td>Mental health</td>
<td>3453</td>
<td>38750</td>
<td>3453</td>
</tr>
</tbody>
</table>

Source: Health Information Centre of the Hygiene Institute, 2010

A study performed in 2010 shows very similar results [21]. The warning from the scientists maintains that change management is one of the top issues in saving the health of people.

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The most vulnerable social groups — i.e. single parents, children, the elderly, people with disabilities — may find their access to health and long-term care services curtailed further by budget cuts and the increasing recourse to cost-sharing and out-of-pocket payments on the part of the health care and social services providers. Unfortunately due to the lack of information we cannot research this issue in Lithuania.

The quantities of applications to health and long-term care units have remained more or less stable during the recent year (Table 5).
aid measure for energy: modernization and development of the power transmission, power distribution, heating supply and gas systems, enhancement of energy generation efficiency, utilization of renewable energy resources for energy generation, regional aid and the State aid for research and development (R&D).

The EC was notified about the Law on Financial Stability (guarantees, recapitalization, asset relief and nationalization). The State approved the National Economic Recovery Plan is aiming:

- To improve access to financing for business (SMEs);
- To improve energy performance in buildings;
- To accelerate the use of EU structural assistance;
- To improve business environment;
- Investment and export.

This plan is financed by the EU structural funds, the European Investment Bank (loan; provided for the national co-financing), private banks and the national budget [23].

The decision to increase VAT for medicines to 19 and later — to 21 percent would cause the deficit of the Health Insurance Fund. Thus, this decision was postponed and VAT for medicines compensated by State remained at its preferential rate.

The first round of economic stability measures had an insignificant impact on the health care sector because of many reasons. In early 2009, the reform of the health insurance system introduced separate health insurance contribution, which assured some stability of the Health Insurance Fund. The system of the Lithuanian health insurance revenues is somewhat flexible. The State regulation to increase or decrease the number of people insured by the State also guarantees a certain stability of the Health Insurance Fund. During the period 2009-2010, the reform of the social and health insurance systems commenced with inclusion of individuals that were not involved in the systems to unify the involvement principles and assure equal conditions for all. This means that the State Health Insurance Fund would collect greater revenues.

Reduction of the health care budget by 6,4 percent in 2009 - aiming to keep it at the same level as in 2008 - did not affect the system much. However for 2010, due to the current macroeconomic situation LTL 4010 million (8 percent less) are allocated and in 2010 LTL 4169 million are planned for State health insurance fund. [12].

The financial and economic crisis has a much smaller impact on the health care sector and health indicators in Lithuania due to the alcohol control policies introduced prior to the crisis. The period of 2007–2008 became the time of legislative work focused on alcohol-control policies. The year 2008 was designated as ‘The Year of Sobriety’. Despite the enormous pressure from the alcohol industry, daytime advertising was banned on radio and television, the excise duty on alcohol (including cider) was increased and the tax relief was abolished for small breweries. At the end of 2008, legislative amendments were enacted establishing restrictions on opening hours since 2009. The recent amendment of the Law on Alcohol Control provides that alcohol-related commercial activity is forbidden in trade stalls from 2010. Not only was the fine for drink driving increased, the law also authorized confiscation of vehicles and even administrative arrests. The permissible alcohol concentration in blood was reduced from 0,4 to 0,2 parts per million (p.p.m.) for novice drivers [13]. New measures against illegal import of alcohol were introduced in customs, which assure a reduced access to harmful and cheap alcohol products.

New traffic safety measures, various road safety education programs in schools, social advertisement campaigns and other measures were implemented in Lithuania during the past few years. LTL 93,6 million are planned for traffic safety in 2007-2013. Last year the lowest number of deaths due to the traffic accidents was registered. In the 2009, the number of deaths due to traffic accidents related to alcohol was 25 percent lower [25]. All of the efforts made in 2008 gave clear results with substantial effects on reduction of injuries.

In July 2009, the Ministry of Health introduced the new strategic health care development plan entitled The Outline for the Health System Restructuring to the Government [27]. The majority of activities are planned in the field of the inpatient care restructuring as well as development of primary care and outpatient care. Day surgery, ambulatory rehabilitations and day care services are planned to be developed to replace a certain part of expensive inpatient care. The effectiveness and efficiency criteria for hospitals are going to be approved and introduced in the state, regional and district level hospitals. Some departments in the hospitals failing to conform to the criteria will be closed. Savings amounting to LTL 100 million are planned as a result of this measure. New regulation for hospitalization of patients and financing of hospitals according to the new effectiveness and efficiency criteria will be introduced.

The plan for rationalization of the price policy and improvement of the access to medicines was approved by the Ministry of Health on 16 July 2009. This plan contains specific means to improve the pricing system of wholesale medicines and ensure that the price of import does not exceed the EU level. In the group of therapeutic alternates, the refund is based on the lowest priced prescription drug in the group. Following the universal market principle ‘greater sales — lower prices’, it is planned to negotiate special price arrangements with the pharmaceutical manufacturers most heavily funded from the Compulsory Health Insurance Fund on the quantity of compensated medicines sold to the public too. Furthermore, measures for regulations and control of sale of medicines, analysis and control of prescriptions etc. are planned.

Population is invited to get involved in the control of the pharmaceutical market. For that purpose a monitoring system in State Pharmaceutical Control Agency was introduced since August 2009. A free telephone line (8-800-735-68) was installed for the public to inform civil servants about problems related to organization of supply, purchasing or pricing of medications [28].

Reorganization of public health and state institutions subordinated to the Ministry of Health is currently under implementation. Each institution including the Ministry of Health is revising and rationalizing its structure and staff functions.

Efforts to change the working hours and duration of the annual leave to make equal conditions for all medical workers have failed due to social movements and disagreement between medical workers and their organizations.
There are plans to introduce supplementary health insurance. This topic has been undergoing a long lasting discussion for many years.

Some changes in assistance received from the EU structural programmes are under implementation as well [26]. One of the goals aims to unburden the implementation and funding procedures of projects. The Ministry of Health is looking for the ways to expand the support for private health care institutions.

The social insurance calculation method for compensated wages as well as requirements for the calculation of maternity/paternity benefits on the basis of income for a longer period — taking into consideration interests of young mothers with little work experience due to studies or research — were introduced.

Social affairs system has suffered more during the crisis. Child benefits for children under three years of age were reduced as well as older children in families with the total net income per capita below three state-supported income limits. The decision of the Government regarding free meals for schoolchildren in preschool and primary education was amended to provide for schoolchildren in grades 1-4 from families with income per capita below 1,5 state-supported income were limited [29].

Reform for science and high education has commenced. It targets the quality and access to high education and aims at ensuring that the system of science and education would catalyze the wellbeing of the State and the population [30].

Financial measures planned for 2009 and the forthcoming period have significantly contributed to the stability of the financial sector in Lithuania and created more advantageous conditions to gain access to financial sources and credit lines required for preservation and development of businesses without increasing the fiscal deficit. It has been publicly announced that the economy of Lithuania has survived the deepest recession and no further drop should take place.

Health care budget for 2011 is planned in the same level as in 2010. Fortunately it doesn’t affect State health insurance fund and services for patients.

**CONCLUSION**

1. Financial and economic crisis and the first round of economic stability measures in 2009 had a very small impact for health care sector in Lithuania.
   a. HC budget was decreased by 6.4 % in 2009 (remained at the level of 2008) and by 8 % in 2010;
   b. Financing of health care institutions decreased by 11 percent in 2009;
   c. Prophylactic health programs financing was increased;
   d. Long term care financing was increased.

2. Crisis have some influence on health care personnel; some unemployment of medical workers appeared due to structural changes, but this was not a big problem; there was decrease in salaries of health care personnel by 6-10 percent; more nurses started to emigrate.

3. Lower consumption of alcohol had an impact of some positive changes in indicators of avoidable mortality due to alcohol related illnesses.

4. The Ministry of Health is reorganizing health care institutions and heavily reducing inpatient care services, which might also impact on the health status of the population in the future.

5. Same kind of assessment will be needed in the future to ascertain the effects of this financial and economic crisis on the health of the population.

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