COSTS AND QUALITY OF HEALTHCARE PROVISION IN THE ROMANIAN HEALTH INSURANCE SYSTEM

Interview with Prof. Irinel POPESCU, MD, PhD
Current position: President of the National Health Insurance House (NHIH):
- Surgical specialty Professor, Faculty of General Medicine, University of Medicine and Pharmacy "Carol Davila" - Bucharest;
- Coordinator of several training programs of the "George Emil Palade" Research Platform of University of Medicine and Pharmacy "Carol Davila" - Bucharest;
- Director of the General Surgery and Liver Transplantation Center - Fundeni Clinical Institute, Center of Excellence;
- Research - Development Director of Fundeni Clinical Institute;
- Member of the Consultative College for Research, Development and Innovation of the Ministry of Education and Research (President of Commission III - LIFE AND HEALTH);
- Vice-President of the NCGBUDTCE Bureau (National Commission for Granting of University Titles, Diplomas and Certificates);
- Expert of the Council of Europe on issues of transplantation.

Previously held administrative positions:
• Deputy Director - Fundeni Clinical Hospital ’95-’97;
• Deputy Director - Public Health Directorate of Bucharest ’97;
• Director - Institute of Postgraduate Training of doctors and pharmacists ’98 - ’99;
• Secretary of State for Health - Ministry of Health 1999-2000.

Reporter: Professor, you have been president of NHIH for approximately 9 months. You have so far been involved in numerous strategic actions including important measures related to the management of the institution you lead as well as participating in political decisions concerning the health care system.

- Are you now rather optimistic or are you absolutely pessimistic with regard to the role played by the compulsory health insurance within the Romanian health care politics?

IP: I am trying to keep to a realistic view of the situation since one cannot be quite optimistic in the context of the economic crisis. On the one hand, the forecast related to the annual fund collection did not become reality and since health care cost saw an important raise one cannot really be optimistic at all. On the other hand, in my opinion, you should not be pessimistic when you are in such a position. Assuming such a responsibility implies the guaranteeing of a maximum of health care service, which one can insure, reported to the financing the community served by the NHIH can offer. One should therefore underline the fact that the NHIH only manages the funds that the community, actually represented by the Romanian population, puts at its disposal into this aim.

R: The Health Care Insurance Fund yearly collects important sums of money entirely destined to the provision of health care service. There are, however, signs that these funds do not really insure an optimum response on behalf of the health care service providers with whom NHIH is legally bound.

- What solution do you foresee under the above circumstances in order to thus optimize the financial system of health insurances, especially with regard to the system of fund collecting and fund spending?

IP: You used the expression “Important funds”. I have already heard this expression, often in the context of interviews with various people as well as an opinion in the media, formulated by different journalists. We should avoid speaking in words but, in numbers and when we therefore say that the Health Care Insurance Fund collects 2.7% GDP we see it immediately that one cannot really be optimistic at all. On the other hand, in my opinion, you should not be pessimistic when you are in such a position. Assuming such a responsibility implies the guaranteeing of a maximum of health care service, which one can insure, reported to the financing the community served by the NHIH can offer. One should therefore underline the fact that the NHIH only manages the funds that the community, actually represented by the Romanian population, puts at its disposal into this aim.

Another mechanism of augmenting the health care financing is the enlargement of the paying basis. Now, about 5 mil. citizens ensure the health cost of 20 mil. of inhabitants.
I would like here to make the following statement: some non paying categories should definitely be reanalyzed as they own sometimes financially important and could contribute to this solidarity fund. The contribution for other non paying categories such as children and retired persons should be paid by the government as we always plan. If the government is willing to assume its share of payment then we could have health care system with 20 mil. payers. These are a few of the mechanisms.

Other options would then be the private voluntary insurances which will end up by becoming popular as well as any other co-financing mechanism such as taxes on “vices” and pollution and redirecting it to the health care system.

I am going to round up this discourse by describing the anti fraud and anti leaking measures to be taken in order to correctly manage the fund, respectively the optimization of the integrated information system which actually allowed us to discover fraud such as the case of the Bucharest-based diabetician as well as cases of patients who were attending several physicians and so on. The control body of NHII is permanently in action trying to sort out money wasting procedures.

R: Alternative methods to the compulsory health care system have already or are still on the Health Minister’s agenda.

- What do you think of the introduction of Voluntary Health Insurances (VHI) as well as of the co-financing mechanisms in the Romanian health insurance and health care market?

**IP:** The introduction of the VHI represents a formula which will greatly lead to a better financing of the system. The compulsory health insurance remains, however, the most important health formula and that is why the future voluntary insurances must be thought out very carefully. This insurance refers to a certain category of the population, namely people with a certain income. Considering we now have 5 mill. paying citizens we must know in advance that the voluntary insurance paying members will be even less, and, on the other hand, we must know what we have to offer to these people.

- Which co-financing formula do you think the population will accept easier?

**IP:** In my opinion, the enlargement of the contribution basis is important, and I think that should be one of the most welcomed mechanisms as it shows social solidarity and we all need social solidarity especially now, in the context of the economic crisis. Other mechanisms such as the health tickets can be accepted on condition to be reasonably priced, not to weigh too heavily on people. Moreover, Romania’s tighter integration in the Europe should bring about people’s awareness as to the co-financing; the people will be more informed as to health cost in other European states and will become aware of the fact that health care costs money, quite much money, indeed, and that, all over the world.

- Do you think that such methods can have a positive effect on health care quality?

**IP:** Categorically yes, on condition that one uses the supplementary money carefully, distributing it in accordance with medical decisions, to the use of patients and not leaked on some known or unknown channel. That would definitely lead to more quality in the health care system.

R: Health care quality is nowadays an important issue within the Romanian health system. The issue actually represents a global problem and the NHII, as they own sometimes financially other non paying categories such as children and retired persons should definitely be reanalyzed as well as the NHIIH contribution to the Health Insurance Fund. The money is now distributed on the basis of well defined criteria (hospitals are financed according to a performance-based system: DRG), but the hospital manager detains all responsibility and all control over the efficient spending of money.

- Considering these data, as well as the global economic crisis, what alternative financing methods should the hospital managers take into account?

**IP:** The manager has often an impossible mission to fulfill. The hospital manager should, in my opinion, firstly develop his own human resources, the people at his disposal with the help of whom he will manage to survive and even to augment the hospital quality. These resources should then be used efficiently. Hospitals can be financed by the HINH as well as by the programmes of the Ministry of Health, research projects and teaching activities. There also exists the possibility of spaces renting in relation with hospital activity. Some hospitals have friends – foundations that make donations to help the hospital in its activities. These friends are more numerous in the case of quality medical care, so that is why I often go back to the idea of human resources. A manager should know how to intelligently combine all these potential resources and transform its into real resources.

- Would a public private partnership be a viable solution to the supplementary financing of the hospital?

**IP:** Yes, but there already is a private health care sector in Romania, which, in my opinion, functions relatively well. Where there is quality and concern, the combination of these two formulas should therefore work if based on the experience gathered in both fields and should be a beneficial formula. Management will, however, in my opinion, always be better in the private field as private establishments manage resources more carefully.

*Interview translated by Andreea Mateescu Jones*