Organization and financing of health care in Poland 1989-2005

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Short history of health reforms

Background

Health care delivery

Health care financing

Key issues
Short history of health reforms 1

• 1989 Round Table Discussion - change of political and economic system including adoption of „Directions in organization and financing of health care” to improve population health

• 1991 Decentralisation of management and ownership of health care units
  – Equal status of private and public sectors in contracting for public finances
  – Introduction of primary health care (family medicine)
Short history of health reforms 2

- 1997 Act to introduce social health insurance (2 years of vacatio legis)

- 1999 Introduction of 17 Sickness funds: contribution rate of 7.5% in time of economic crisis and high unemployment

- 2002 National Health Fund (NHF) created

- 2003 NHF Act ruled unconstitutional

- 2004 Revised NHF Act:
  - Strengthened role of MoH
  - Consumer and provider involvement
  - Official waiting lists established
  - Contribution rate now at 8.0%
Short history of health reforms

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## Macro-economic indicators

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<tbody>
<tr>
<td>GDP growth rate (%change)</td>
<td>-7.0</td>
<td>2.6</td>
<td>7.0</td>
<td>6.0</td>
<td>4.8</td>
<td>4.1</td>
<td>4</td>
<td>2</td>
<td>1.3</td>
<td>-</td>
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<tr>
<td>Annual inflation rate</td>
<td>70.3</td>
<td>43.0</td>
<td>27.8</td>
<td>19.9</td>
<td>11.8</td>
<td>7.3</td>
<td>10.1</td>
<td>5.5</td>
<td>1.7</td>
<td>-</td>
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<tr>
<td>Real GDP per capita PPP US$</td>
<td>4500</td>
<td>4994</td>
<td>7003</td>
<td>7383</td>
<td>8472</td>
<td>8989</td>
<td>9529</td>
<td>9450</td>
<td>10800</td>
<td>11350</td>
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<tr>
<td>Annual index of real wages (1989 base=100)</td>
<td>75.4</td>
<td>73.3</td>
<td>73.7</td>
<td>77.9</td>
<td>85.2</td>
<td>109.3</td>
<td>110.8</td>
<td>114.3</td>
<td>-</td>
<td>-</td>
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<tr>
<td>Registered unemployment</td>
<td>11.8</td>
<td>13.6</td>
<td>15.2</td>
<td>13.2</td>
<td>10.4</td>
<td>13.0</td>
<td>15.1</td>
<td>17.4</td>
<td>18.1</td>
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Source: UNICEF TransMONEE database; WHO Regional Office for Europe health for all database 2005.
Population dynamics during last 30 years

Source: Health Situation of Polish Population, PZH 2002
Life expectancy at birth, in years

Source: WHO EURO HFA DB 2004
Short history of health reforms

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Changes in health care delivery

• Number of hospital beds decreased by 25%

• Staff decreased from ~800,000 to ~650,000

• Increase of number of hospitalizations

• Increased consumption of innovative drugs (reimbursement growth 11.5 to 19%) – but lack of control mechanisms

• Introduction of contracting procedures replacing budgets
Decentralisation and market mechanisms

• 1991 Service providers – change of legal status from central governmental to local government

• 1996 Introduction contracting mechanism for health care services

• 1997 Contracting with private entities allowed

• 1999 Contracts with Sickness Funds

In parallel:
• 1995-1997 Development of electronic programme for Medical Services Registration, interrupted in 1998

National Health Fund: horse or carriage?
270205 +Hospital beds per 100000

Source: WHO EURO HFA DB 2004
Drug consumption per one citizen in 1999

Source: AMS 2002
Number of Physicians per 100000 population

Source: WHO EURO HFA DB 2003
Short history of health reforms

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Health care financing

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Total health expenditure as % of gross domestic product (GDP)

Source: WHO EURO HFA DB 2004
Expenditures on health per one citizen (PPP$) in European countries

Source: WHO EURO HFA DB
Government Health Expenditure % Total Health Expenditure for EURO countries, 2002

Source: WHO 2005

GDP per capita, Intl $
Expenditures on health care (PPP$) on one citizen and life expectancy in European Union member states and in Poland - 1999 r., (Belgium - 1996 r., Sweden - 1998 r.)

Source: B.Wojtyniak, PZH 2000
Changes in health care costs

Source: P. Gorynski, B. Wojtyniak, PZH 2004
Short history of health reforms

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Key question: Why were 17 Sickness Funds merged in one National Health Fund in 2002?

- Public dissatisfaction after introducing sickness funds
- Political agenda
- Centralization of health system
- „Strengthening” control functions of Minister of Health on health politics and financing
- Opportunity to introduce new people to the Health Fund management
Key issues

• Levels of public funding for health care have not kept pace with GDP growth, falling slightly as a proportion of GDP since 1995

• Private expenditures account for 30 - 40% of total expenditures on health care

• Majority of private spending goes on drugs and medical devices, which are only partially covered by the NHF benefits package

• Informal payments are widespread
Current developments

• Preparation of reliable and consistent policies for future
  - National Health Programme (improving health)

• Improvement of market mechanism and information
  systems in order to make better use of resources

• Create special benefit packages for elderly people,
  screening, rehabilitation, and social care

• Contracting of services to be based on evidence-based
  medicine and cost-effectiveness

• Strengthening of pharmaceutical policies

• Raise of legal revenue from out-of-pocket payments and
  from supplementary insurances, such as those provided
  by mutual societies or a long-term care insurance, are
  discussed