



**Eesti
Haigekassa**

Lessons from the Estonian Health System: Surviving Austerity

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HEALTH SYSTEMS IN THE ERA OF AUSTERITY
DUBLIN
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Estonia at glance

Population: 1,3 million

ALE at birth 76.3 years (2011)

Health Expenditure (2011)

- 5.9 % of GDP
- Per person €704.9
- Public expenditure 79.3%
- Social health insurance 68.6%

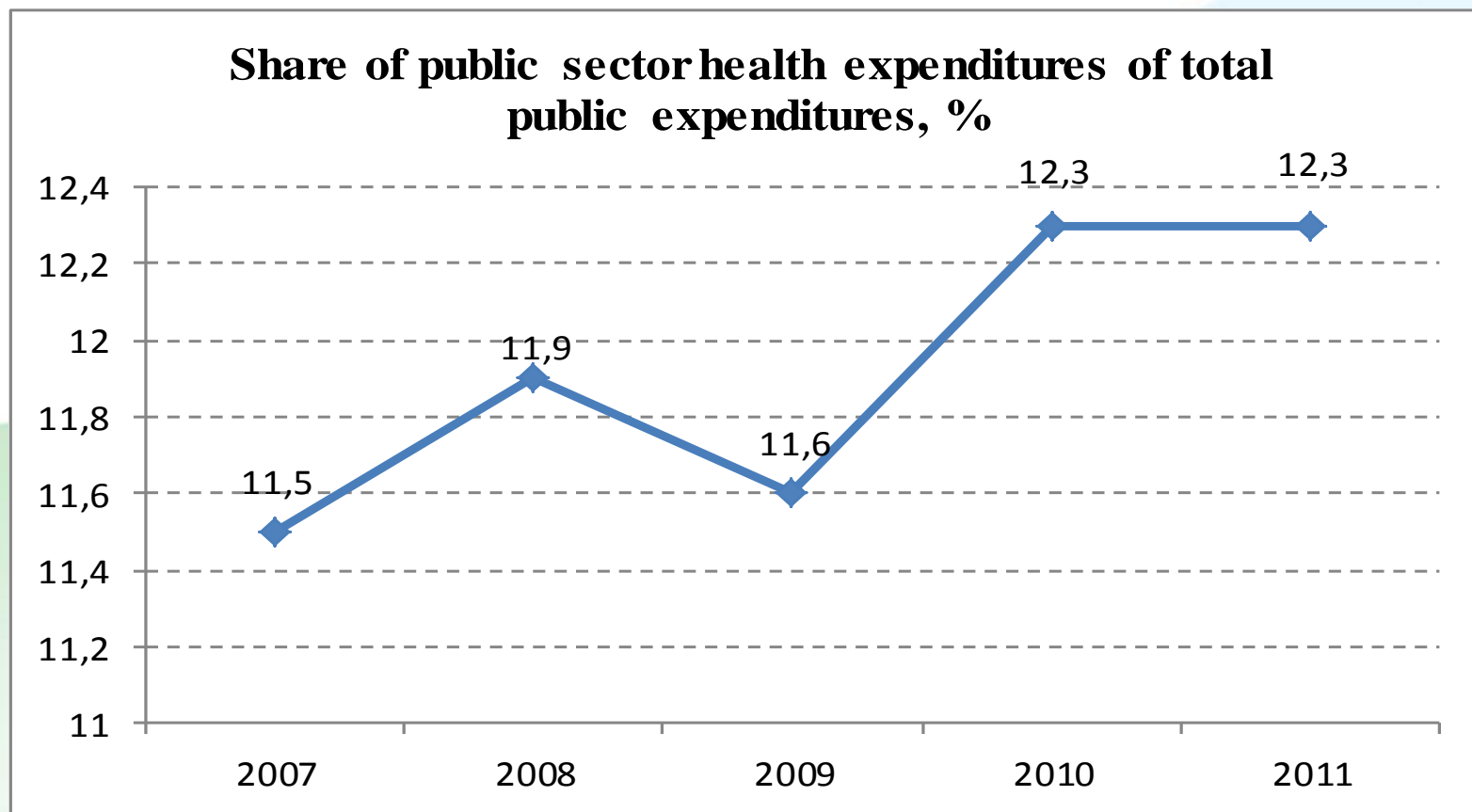
Social health insurance coverage 95-96% of population



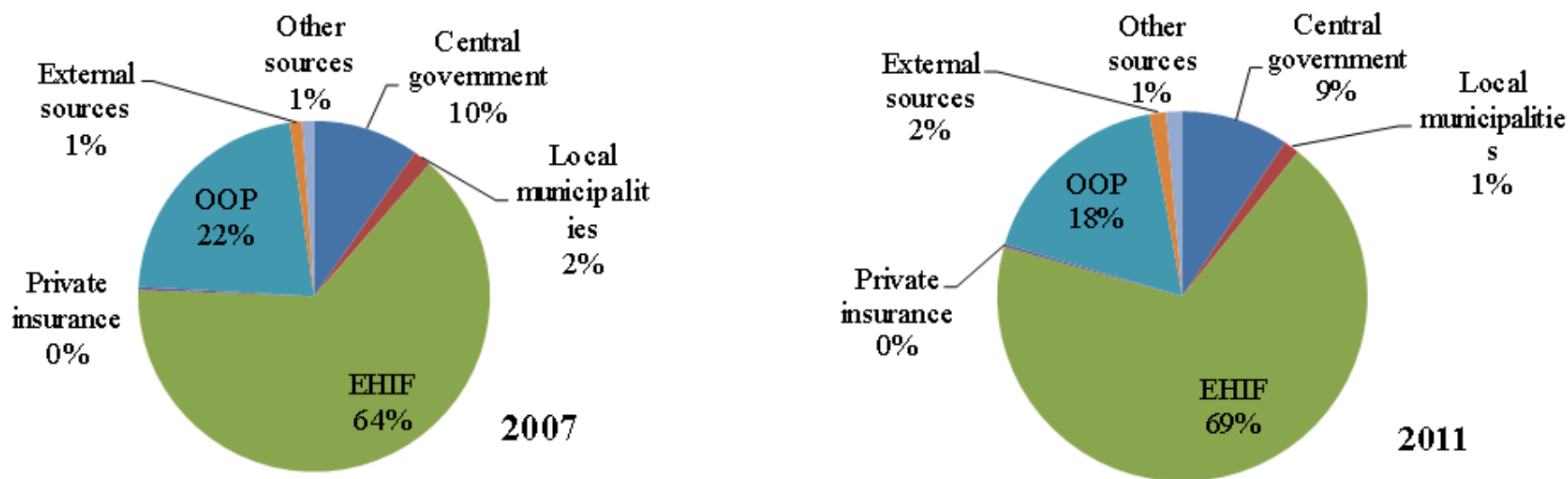
General context of the crisis

- GDP shrank by 3.7% in 2008 and 14.3% in 2009
- Unemployment rate increased to 17% in 2010
- Governments priority was to adopt the Euro in January 2011
- Extensive fiscal consolidation, e.g:
 - VAT from 18% -> 20%
 - suspension of the step-by-step lowering of the income tax rate
 - limiting the increase in pensions
 - cut of health insurance expenditures
- As the result the overall public sector budget deficit was 1.7 % of GDP in 2009; and surplus of 0.1% in 2010

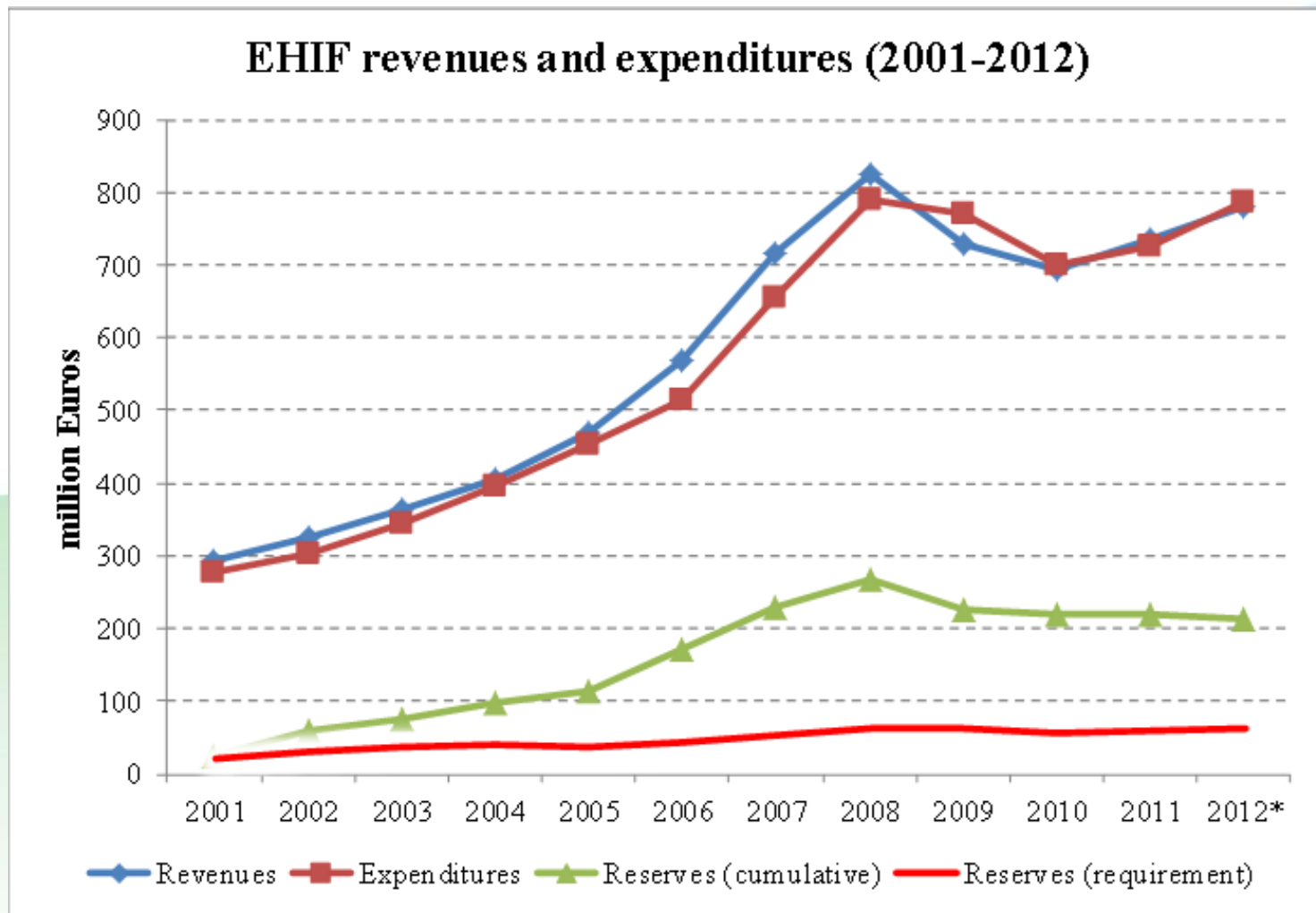
Public sector health funding: before and after



Total health care expenditure by expenditure agent: before and after



EHIF revenues, expenditures and reserves

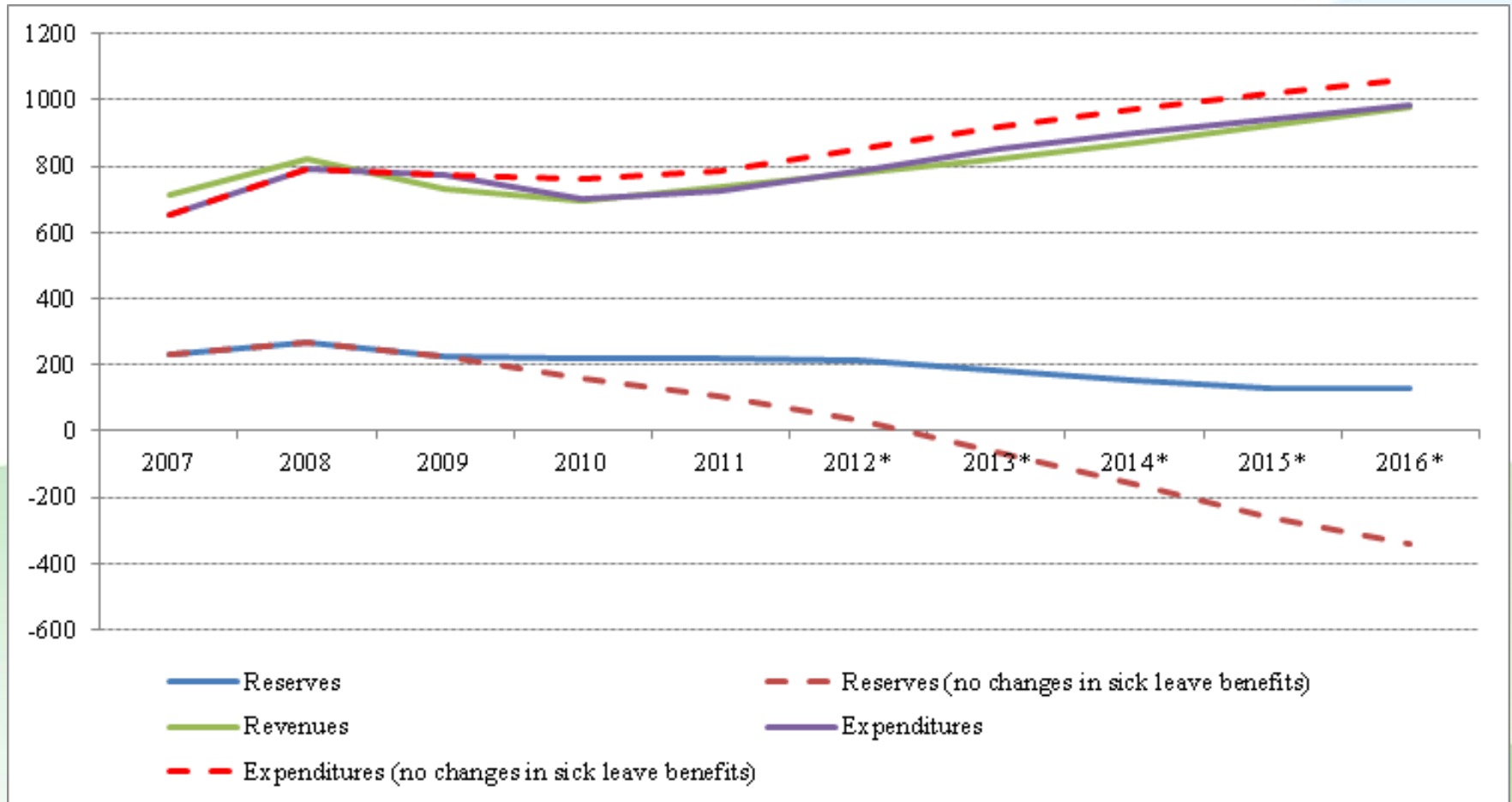


Changes to coverage and cost shifting: *Temporary sick leave benefits reform*

Temporary sick leave benefits reform - from July 2009

- No benefits paid for the first 3 days of sickness or injury (previously only one day)
- Employer pays benefits from 4 to 8 days, from 9th pays EHIF (previously employer did not participate)
- Reducing benefit rate from 80% to 70%

What if...



Changes to coverage and cost shifting:

Access to care

- Maximum waiting times for **outpatient specialists' visits** increased in **from four to six weeks (2009)**
- All other types of waiting times were kept at pre-crisis level
- Priority was to keep the financing of the primary care and outpatient care to the pre-crisis level

Changes to coverage and cost shifting: *Dental care and nursing care*

- Before 2009 all insured persons aged 19 and over were entitled for **dental care cash benefit** of 19.18 eur, but from 2009 only retired persons retained this right
- **15% co-insurance rate for nursing inpatient care, 2010**

Efforts to enhance efficiency:

Reducing tariffs

- 2009
 - Reducing all health services tariffs by 6%
 - Abolishing reduced working times
- 2011
 - Raising health services tariffs by 1% in general, primary care 3%
- 2012
 - Tariffs raised to pre-crisis level

Efforts to enhance efficiency:

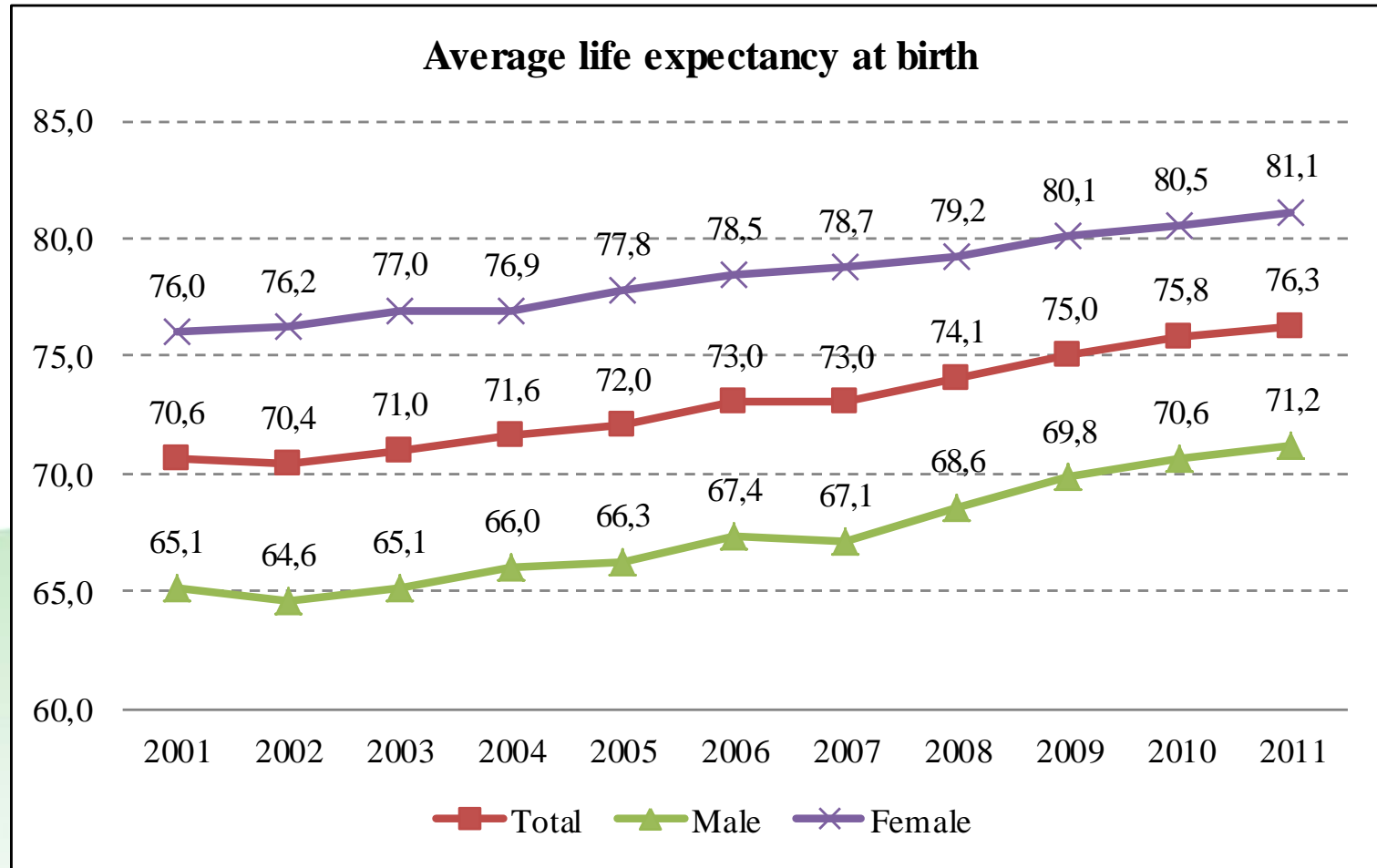
Rational drug use

- Required **ATC based prescriptions** (since 2010)
- Implementing **electronic prescription** (since 2010)
- Price agreements and **reference pricing** for drugs in lowest reimbursement category (since 2010)
- **Awareness campaigns** for public (since 2010)
- **Requested offering of cheapest medication** in pharmacies (since 2012)

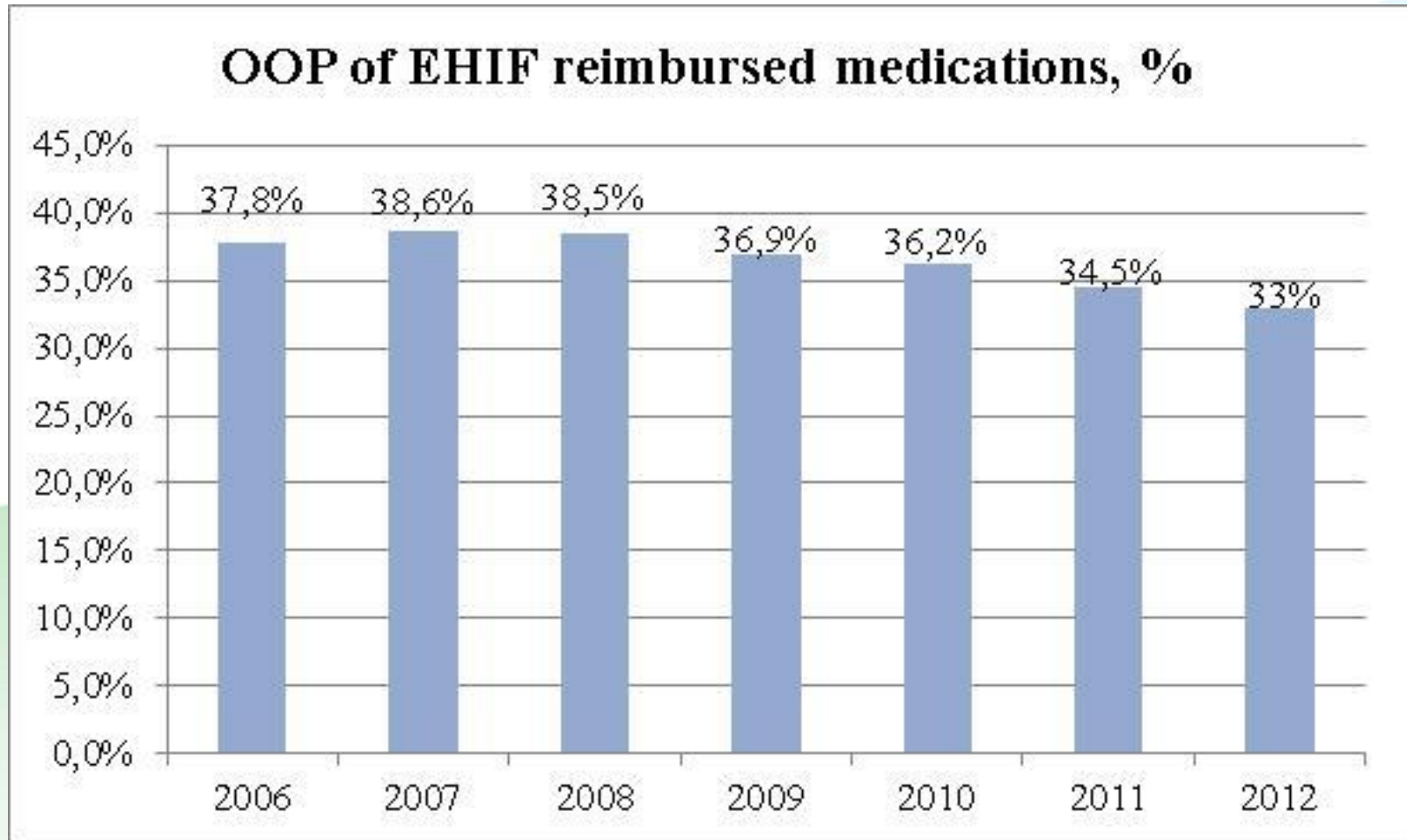
Impact of the crisis

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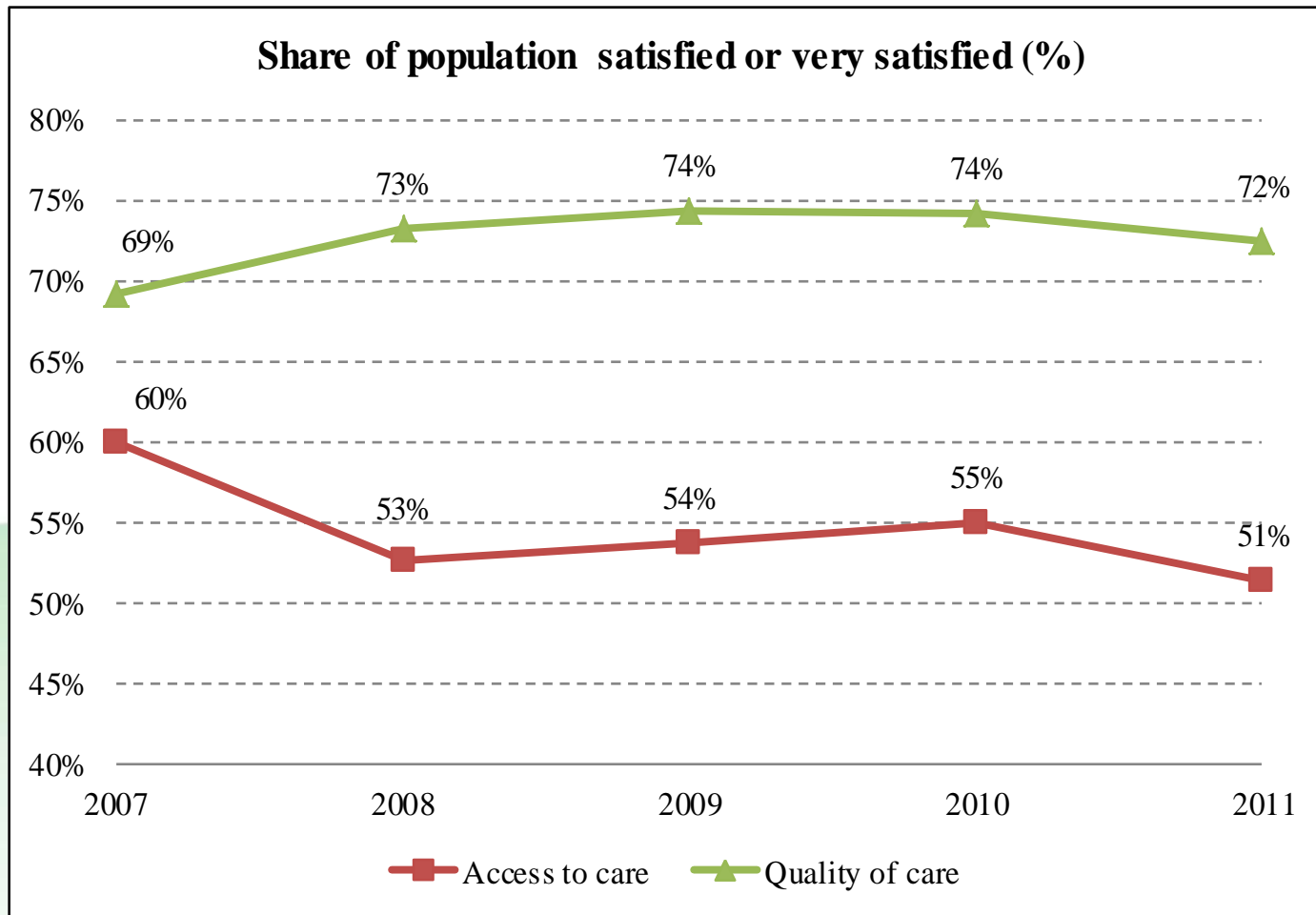
Health outcomes



Financial protection



Public satisfaction



Conclusions

Estonian health system was well prepared for the crisis

- Decisions made were mostly in agenda before the crisis
- EHIF had sufficient reserves and temporary sick leave benefits cut released funds for health care
- Short term price cuts had balancing effect on high price increases before the crisis
- ... and therefore there was no unavoidable need for structural changes, e.g. move on radically with hospital sector reform

Impact of the crisis on health system developments is imprecise

- Increase in rational drug use – probably crisis fastened the process
- Health service prices rationing – crisis changed general attitude on waste
- Performance monitoring, clinical guidelines – impact is rather marginal and developments would happen anyway
- Short term impact on health outcomes rather positive, long term impact not assessed



Thank you for your attention!